

# BOARD OF MANAGEMENT



**Tuesday 9 December 2025 at 10.00am in Room A-IS-103  
Arbroath Campus (followed by Christmas Lunch)**

## AGENDA

1. **WELCOME**
2. **APOLOGIES**
3. **DECLARATIONS OF INTEREST OR CONNECTION**
4. **MINUTE OF LAST MEETING – 30 SEPTEMBER 2025** Paper A for approval LO
5. **MATTERS ARISING** Paper B for approval LO
6. **NATIONAL ACTIVITY UPDATE** Verbal update LO
7. **INFRASTRUCTURE VISION UPDATE** Paper C for information SH
8. **FINANCE ITEMS**
  - 8.1 Financial Sustainability Paper D for discussion SH
  - 8.2 Annual Report from Audit & Risk Committee Paper E for approval HH
  - 8.3 Accounts Sign off and Forvis Mazars Annual Report Paper F for approval NA
  - 8.4 Financial Statements for the year ended 31 July 2025 Paper G for approval NA
  - 8.5 Finance & Property Committee Management Accounts (for information only) Paper H for noting only
9. **STRATEGIC ITEMS**
  - 9.1 Board Development Day Paper I for discussion LO
  - 9.2 Strategic Projects Update Paper J for information JG
10. **STUDENTS' ASSOCIATION REPORT** Paper K for information CP/AL
11. **PRINCIPAL'S REPORT** Paper L for information SH
12. **NATIONAL BARGAINING UPDATE** Paper M for information ST
13. **GOVERNANCE ITEMS**
  - 13.1 SFC Report on Expectations of Good Governance Paper N for information ST
  - 13.2 Membership Update Paper O for approval ST
  - 13.3 Board Metrics Paper P for information ST
14. **MINUTES OF COMMITTEE MEETINGS** Paper Q for information LO
  - 14.1 Learning, Teaching & Quality – 12 Nov 2025
  - 14.2 People, Culture & Wellbeing 27 Nov 2025 (draft)
  - 14.3 Audit & Risk 2 December 2025 (verbal update)
  - 14.4 Joint A&R and F&I 2 December 2025 (verbal update)
  - 14.5 Finance & Infrastructure – 2 December 2025 (verbal update)
15. **CORRESPONDENCE** Paper R for information
16. **DATE OF NEXT MEETING** Tuesday 17 March 2026 at 5.00pm Room A-IS-103 Arbroath Campus

**Board Development Session – Thursday 22 January 2026, 3.00pm – 7.00pm**

**BOARD OF MANAGEMENT**

**Tuesday 9 December 2025**

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**MINUTE OF LAST MEETING**

**PAPER A**

# BOARD OF MANAGEMENT

**Tuesday 30 September 2025 at 5.00pm  
in Room A-IS-103 Arbroath Campus (MS Teams  
option available)**

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## *Draft*

<b>PRESENT:</b>	Laurie O'Donnell (Chair)	Simon Hewitt
	Derek Smith	Carri Cusick
	Adele Lawrence	Robert Young
	Brian Lawrie	Kelly McIntosh
	Ged Bell	Helen Honeyman
	Donald Mackenzie	Stephen Oakley
	Kirsten Marsh	Brian Mooney
	Richard Gordon	Connor Pithie

**IN ATTENDANCE:** Julie Grace (Vice Principal Curriculum and Partnerships)  
Steve Taylor (Vice Principal Support Services and Operations)  
Nicky Anderson (Director of Finance)  
Penny Muir (Board Administrator)

## **1. WELCOME**

L O'Donnell welcomed all attendees to the Board of Management Meeting.

## **2. APOLOGIES**

Apologies were received from N Lowden and C Smith.

## **3. DECLARATIONS OF INTEREST OR CONNECTION**

S Taylor declared an interest in item 16 on the agenda and withdrew from the meeting for this item.

L O'Donnell noted the potential conflict for staff and student members in respect of agenda items 12.1 and 12.2 and that this would be picked up under these if required.

L O'Donnell confirmed plan to amend the order of the agenda to take agenda items 12 and 16 first.

## **4. MINUTE OF LAST MEETING**

The minute of the Board of Management meeting held on 17 June 2025 was approved as an accurate record.

## **5. MATTERS ARISING**

S Taylor noted that all matters arising had either been progressed and closed or were included within the agenda.

C Cusick proposed that page numbers to be included on all Board papers if possible. **S Taylor to progress.**

## 6. FINANCE ITEMS

### 6.1 Financial Sustainability & Savings Planning

S Hewitt presented the underlying financial picture for the sector and College, outlining ongoing challenges and providing updates since the last presentation. S Hewitt emphasised that a different national funding model is required and highlighted strong support from the Finance Committee within the Parliament, referencing the challenges faced at D&A College.

S Hewitt stated the updated Audit Scotland report due on 6 October 2025 would likely highlight a cut of c20% to college sector funding over the past 5 years, reflecting long-standing sector challenges.

The Scottish Funding Council (SFC) reported that the sector is experiencing structural sustainability challenges, including declining cash reserves, widening deficits, and flat cash settlements set against rising staff costs (e.g. NI and pension contributions). It was noted that limited opportunities for commercial growth exist, given lean college structures and the focus on core business.

S Hewitt also noted that the number of colleges with positive balances is expected to decline, with D&A currently holding c£4 million. N Anderson commented that annual cash reductions could be misleading, as colleges forecast holding over £52 million, with a total downwards shift of £108 million by 2027/28.

S Hewitt highlighted risks relating to industrial relations and the potential withdrawal of apprenticeship partners / employers. S Hewitt stated core funding from SFC does not fully cover staff costs, exacerbated by recent pay awards and pension contributions, resulting in a gap that is increasingly difficult to close. Higher Education tuition fees have declined significantly over the past five years due to reduced HN numbers, contributing to reduced income.

S Hewitt highlighted that the next steps include ongoing discussions with the Funding Council regarding national funding positions, with a minimum two-year timeframe before any reform agenda may be implemented or additional funds from this realised. S Hewitt outlined the timeline for stabilisation over the next two years and the five-year horizon for wider reform. He stated a significant savings plan will be needed, with this to be published imminently, with principal briefings to follow.

The broader context includes national political developments, including the upcoming election and the positioning of Colleges Scotland and universities on funding and tuition fees. S Hewitt stressed the need for a unified approach with trade unions, students, and management to advocate for the college sector and manage the current turbulent period.

B Lawrie noted that the draft budget aligns with this update report and highlighted the importance of joint working to try to influence future funding.

D Mackenzie thanked S Hewitt for the update and sought clarity on support for executive members and trade unions. S Hewitt confirmed that mutual support is being prioritised to navigate the challenges while maintaining calm and finding a way forward.

S Oakley and C Cusick emphasised the importance of strong relationships and a united approach between unions and College management. G Bell and L O'Donnell highlighted sector-wide engagement and forums but noted limited progress in some areas.

R Young raised concerns regarding reputational impact and the surgical nature of the required decisions. S Hewitt described the savings plan history, including a 21% reduction since his tenure as Principal, and the rationale for minimising impact on core business and provision. J Grace highlighted previous reductions and the criteria used to inform proposals that sought to minimise impact on breadth of opportunity, transitions etc. This was difficult in some cases.

S Oakley asked if the future plans are being tested against strategic direction to ensure alignment. S Hewitt confirmed that this was the case.

R Gordon raised considerations regarding financial drivers and succession planning risks. This point was noted.

R Young enquired about feedback on staff morale and what additional support could be provided. R Gordon highlighted the importance of transparency and effort in communicating the approach, noting that effective communication could be supported through established relationships.

L O'Donnell expressed concern that the situation could negatively impact staff mental health and wellbeing and indicated that this issue would continue to be monitored.

L O'Donnell noted the need to be clear about the Board's role in strategic decision making relative to the operational identification and management of savings, emphasising the importance of accountability and oversight. S Hewitt outlined his view on delegated authority for operational decisions, with the Board retaining responsibility for budget approval.

The discussion continued regarding communication and consultation with trade unions, staff, and stakeholders. H Honeyman, D Mackenzie, and other board members emphasised the important role of the Board in supporting and scrutinising as well as alignment in the decision-making.

K Marsh clarified consultation on the savings plan and operational management responsibilities.

Arrangements for Board engagement in discussion and scrutinising of the saving proposals were discussed and it was agreed that **S Hewitt and L O'Donnell would further consider arrangements.**

L O'Donnell concluded by thanking the Board for their engagement and support.

## **6.2 2025/26 Budget**

N Anderson presented the paper for approval and advised Members of the progress with the 2025/26 budget, which currently reflected a deficit of £2.3m. She further highlighted the indicative budgets for future years, with a projected deficit of £6.9m in 2026/27 and £6.6m in 2027/28.

N Anderson noted that, since the paper was written, the CED/RDEL position was still awaiting national resolution.

B Lawrie acknowledged the draft budget, confirming that savings would need to be implemented to restore financial balance. He noted that it may not be possible to achieve this within 2025/26 and that a balanced budget might not be possible to achieve until 2026/27.

S Taylor emphasised that Board approval of the budget is required for the College to proceed. R Young noted that the extent of budgetary adjustments would need to be made on an on-going basis.

K McIntosh asked if this meant that the current financial year would result in a net deficit. N Anderson explained that, without intervention, the projected deficit for the year would be £2.3 million. She added that, through consultations and planned decisions by the end of the calendar year this would be reduced, but that additional voluntary severance costs would also be incurred but the underlying financial position would be improved.

B Lawrie expressed concern at a personal and professional level in terms of approving a deficit budget. He accepted and acknowledged the detail provided, as the base position, and recommended approval of necessary actions to bring the budget into balance as soon as feasible, acknowledging that the full level of savings may not be achieved within the 2025/26 year. The Board recognised this and approved the 2025/26 budget process as outlined which would deliver financial sustainability within the three year budget period.

### **6.3 Financial Forecast Return (FFR)**

N Anderson highlighted to the Board the Financial Forecast Return was approved by the Chair- L O'Donnell.

### **6.4 Finance & Infrastructure Committee End of Year Forecast (for information only)**

N Anderson stated that the paper was for noting. She reported that the end-of-year accounts had been submitted to the auditors on 30 September 2025, reflecting a deficit of £235,000.

L O'Donnell thanked N Anderson for the update.

## **7. REVIEW OF GOVERNANCE PROFESSIONAL ARRANGEMENTS**

S Taylor noted his conflict of interest and withdrew from the meeting for this item.

L O'Donnell acknowledged the progress made and thanked S Hewitt for his work. Three key areas of agreement were identified: the need to address possible conflicts of interest, to ensure compliance with the governance code, and to protect the Board from potential risks. The Board discussed the possibility of making an external appointment but concluded that this would be costly and could create additional complications.

There was some disagreement regarding timescales. It was noted that the report from May 2024 had recommended separating the role of Board Secretary from the Senior Leadership Team (SLT) and that this remained the only outstanding recommendation.

L O'Donnell proposed postponing the appointment until January 2026, highlighting the pressures on the SLT given budget responsibilities and reduced capacity. S Hewitt confirmed that the timing of the appointment was the main consideration and emphasised that appointing an internal candidate would minimise risk to both the Board and the SLT.

C Cusick observed that a full recruitment process would be required, while R Young suggested that this could provide an opportunity to upskill a part-time candidate. S Hewitt agreed that such an approach could be incorporated into the timeline.

B Mooney emphasised the need to unbundle the role in order to identify governance-sensitive responsibilities. H Honeyman underlined the importance of providing mentorship and support to ensure audit compliance, while D Mackenzie stressed that the matter should be addressed without delay.

L O'Donnell noted that only two colleges currently have a Vice Principal serving as Board Secretary, which is inconsistent with governance guidance, and reiterated the need for action.

S Hewitt confirmed the importance of the role, and the Board agreed that it was comfortable with the associated additional annual expenditure of c£43,000.

The Board agreed that the preferred approach was to make an internal, part-time appointment and resolved to appoint an independent Governance Professional to support its operations, replacing responsibilities previously undertaken by the Vice Principal, Support Services and Operations.

In line with governance requirements, the Board further agreed to conclude S Taylor's tenure as Board Secretary on appointment of the new, with the new role to be in place by January 2026. **L O'Donnell and S Hewitt to progress.**

## **8. NATIONAL ACTIVITY UPDATE**

L O'Donnell reported on the appointment of a new Minister and advised that an election is forthcoming. The Board noted that members are familiar with current developments in Scotland, the United Kingdom, and nationally.

## **9. INFRASTRUCTURE VISION UPDATE**

The paper was for information only.

S Hewitt highlighted since its circulation, further conversations had taken place. S Hewitt reported that he had visited Parliament and advised that it appeared the project would feature in both the Labour and SNP manifestos, as well as within the Government Infrastructure Pipeline plan awaiting approval. He further noted that Shona Robison had engaged in positive discussions on the matter.

S Hewitt stated with regards to the Welsh model, a discussion had been facilitated between the Welsh and Scottish Governments to progress awareness, with significant interest expressed. If approved, this would enable the project to move forward. The Board was informed that the College project had been identified as a possible pilot to support its development. While good progress was being made, it was acknowledged that a potential risk remained in respect of investor commitment.

It was noted that S Hewitt emphasised the vision was centred on safeguarding and developing the future.

The meeting welcomed the ongoing progress and engagement.

## **10. STRATEGIC ITEMS**

### **10.1 Board Development Day**

L O'Donnell informed the Board that the Development Session will be held on 23<sup>rd</sup> of October 2025 from 3.00-7.00pm. The session will be delivered in two parts: from 3.00-5.00pm a review of developments within the sector, facilitated with B Mooney; and from 5.00-7.00pm a focus on Board skills and maximising resources to support the College and the Senior Leadership Team.

## **10.2 2030 Strategy Launch**

S Hewitt stated the paper was for information only and thanked Board members for their input, noting that their contributions were helping to shape the future direction. He acknowledged the challenges of launching a strategy but emphasised its importance, highlighting the need for stakeholder engagement and the Board's role in supporting various aspects.

S Hewitt reported that the Senior Leadership Team had begun considering the strategy over a three-year period, with a longer-term focus on budget planning. L O'Donnell confirmed that he was working alongside the development of this strategy.

L O'Donnell thanked S Hewitt for the update.

## **10.3 Strategic Projects Update**

J Grace reported that progress was being made, and targets were being achieved.

L O'Donnell thanked J Grace and all those involved for their contributions.

## **11. STUDENTS' ASSOCIATION REPORT**

C Pithie reported on the College's presence across all three campuses for new students starting their studies. He reflected on the previous Connect 2 initiative and outlined plans to improve it for the coming year. The initiative had been delivered as a team, promoting engagement among students, with many returning to participate. Efforts had increased awareness of the College and enhanced student engagement.

Regarding inductions, C Pithie advised that 50 sessions had been completed over two weeks, reaching 1,125 students through a split-team approach. He noted the positive impact on student awareness and connection. Feedback collected included new ideas and interests to support engagement.

C Pithie stated that the revised approach encouraged students to engage in conversation. Overall, feedback indicated high levels of positive engagement and activity, demonstrating that the change in approach had made a significant difference, with hopes that participation numbers would be maintained.

L O'Donnell thanked C Pithie and A Lawrence for their efforts, noting it was a great start to the year.

## **12. PRINCIPAL'S REPORT**

S Hewitt introduced the report for noting. J Grace highlighted the importance of reinvesting and improving the economy.

B Lawrie observed that attainment rates remain strong but are showing a downward trend.

The report and on-going success from students and staff was welcomed.

## **13. NATIONAL BARGAINING UPDATE**

S Taylor presented this item, noting that there had been good discussions through the People, Culture and Wellbeing Committee.



B Lawrie raised questions regarding job evaluation, noting that the number of roles under review had increased from 150 to 500, and expressed concern about the source of funding and its potential impact. S Taylor explained that the increase in numbers reflects more roles rather than staff and that this would not necessarily increase the implementation costs but was a challenge in terms of project planning and funding. Assurance had been provided by the government that funding would be available when required.

A revised project plan had been submitted to the Scottish Funding Council, but the timeline was likely to move, as the government requested that the funding bid be completed to Green Book standard, which may result in delays.

The update was welcomed.

## **14. GOVERNANCE ITEMS**

### **14.1 Membership Update**

S Taylor informed the Board that J Buchanan had stood down from the Board and sought approval to proceed with the search for a replacement. The Board also considered the appointment of A Lawrence as a student member.

Both matters were approved.

### **14.2 Financial Governance Reflection**

S Taylor noted the report.

He stated that the report included a lesson's learnt checklist created within the Gillies report and identified College practices or areas for development against this framework. Overall, S Taylor highlighted that the College is in a strong position, with almost all elements of the checklist embedded. Areas identified for further attention included management of critical incidents, with the recommendation to exclude the Chair of the Audit and Risk Committee to maintain independence and separation for review purposes.

The Scottish Funding Council had recently published its own ask in respect of governance arising from the work undertaken by Professor Gillies and that this would be included in a further review of the document.

L O'Donnell thanked S Taylor for the update.

### **14.3 Strategic Risk Register**

S Taylor stated that the Strategic Risk Register is reviewed at each Audit & Risk (A&R) Committee, noting that updates are provided to the Board twice a year. Clarification was made regarding committee responsibilities, with references to the UK Government included. The Register was approved.

B Lawrie highlighted a typographical error which was noted on section 3.6 of the Risk Register.  
**S Taylor to progress.**

### **14.4 Board Metrics**

S Taylor presented the update for noting, highlighting the switch over to the revised methodology for calculating national performance indicators.

## 15. MINUTES OF COMMITTEE MEETINGS

The minutes of the Committee meetings were noted.

## 16. CORRESPONDENCE

The correspondence was noted.

L O'Donnell highlighted that a letter had been received from the Secretary of the Wheelchair Basketball Club regarding the booking of Gardyne Gym. L O'Donnell confirmed that the matter had been dealt with by A Ross and that he would respond to the club secretary. **L O'Donnell to progress.**

The Board noted the update.

## 17. DATE OF NEXT MEETING

Tuesday 9 December 2025 at 10.00 followed by the Board Christmas Lunch.

It was agreed, given the current financial situation, that Board members would be asked to contribute to the cost of the lunch on a voluntary basis.

### **Action Point Summary**

<b>Action</b>	<b>Responsibility</b>	<b>Date</b>
To review and (if possible) add page numbers to the packaged papers.	S Taylor	9 December 2025
Board discussion and scrutiny arrangements for the savings plan to be confirmed.	S Hewitt, L O'Donnell	3 October 2025
Board Secretary appointment to be progressed.	L O'Donnell	9 December 2025
To correct the typographical error noted by B Lawrie in section 3.6 of the Risk Register.	S Taylor	9 December 2025
Response to the Secretary of the Wheelchair Basketball Club to be provided.	L O'Donnell	3 October 2025

**BOARD OF MANAGEMENT**

**Tuesday 9 December 2025**

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**MATTERS ARISING**

**PAPER B**

# BOARD OF MANAGEMENT

Tuesday 9 December 2025

## Matters Arising



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### *Paper B for information*

The following actions were noted from Tuesday 30 September 2025 Board of Management Meeting:

Agenda Item No	Action	Current Status	Open/Closed
5.0	To review and (if possible) add page numbers to the packaged papers. <b>S Taylor</b>	Reviewed	Open
6.1	Board discussion and scrutiny arrangements for the savings plan to be confirmed. <b>L O'Donnell/S Hewitt</b>	Discussion held	Closed
7.0	Board Secretary appointment to be progressed <b>L O'Donnell</b>	Scheduled for 9 December 2025	Open
14.3	To correct the typographical error noted by B Lawrie in section 3.6 of the Risk Register. <b>S Taylor</b>	Updated	Closed
16.0	Response to the Secretary of the Wheelchair Basketball Club to be provided. <b>L O'Donnell</b>	Completed	Closed

**Author & Executive Sponsor:** Steve Taylor, Vice Principal Support Services and Operations

**BOARD OF MANAGEMENT**

**Tuesday 9 December 2025**

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**INFRASTRUCTURE VISION UPDATE**

**PAPER C**

# Board of Management

**Tuesday 9 December 2025**

## **New Campus Developments Project Update**

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### ***Paper for information***

#### **1. Outline Business Case (OBC) Development**

Three key components of D&A's outline business case (OBC) for the new campus development project are due to be delivered imminently:

- Project feasibility study (ML&H)
- Initial designs based on feasibility findings (Keppie Design, via ML&H)
- Employability operating model research (Allermuir Consulting)

These elements will be combined to form the completed OBC in line with the end of 2025 calendar year date specified in the September 2025 Project Update to Committee, meaning the OBC work remains on track.

McLaughlin & Harvey (ML&H) will soon receive the Project Board's feedback on their recently completed feasibility study, which incorporates Keppie Design's initial designs for the three campuses.

Allermuir Consulting are also due to provide their final report on co-located employability services and lessons learned / applicable to D&A's project in the coming weeks.

This work will build on the work already completed by Biggar Economics and \*\* on the economic impact and funding / financing models developed by Grant Thornton.

#### **2. Project Vision and Communication**

To support and wrap around the more technical elements of the project, concurrent work has taken place to define guiding principles and vision for the capital works on a sustained basis. This has been completed in partnership with Aéto Strategy, involving the full Project Board in developing a Vision Booklet.

The outputs of the work are physical and strategic:

- The overall vision for the project is defined
- The full Project Board are aligned on the vision, language and culture of the project
- Decisions to be taken right through the project to occupancy can be sense checked against the vision and definitions therein
- A Vision Booklet is available to share with key external stakeholders

The Vision Booklet's first version is nearly final, and the College will be provided with the artwork to allow ongoing updates and the project progresses.

The Vision Booklet and design work from Keppie (architects) will allow the College to undertake further promotion of the project in the new calendar year, with plans around press engagement and a vivid campus digital flythrough at the Co-Star facility at Water's Edge.

Further details will be provided to Board members in due course regarding engagement with external communications activity, along with the overall project communications plan.

### **3. Next Steps**

Following significant political engagement in recent weeks (First Minister, Cabinet Secretary for Finance and local MSPs), positive assurances regarding progressing the next steps in making this project a Scottish Government priority have been given.

Whilst there is still some distance to travel in terms of full green light status, initial interest in financial support for the Gardyne phase of the project have been forthcoming, along with confirmation the project will be included the appropriate processes to ensure the opportunity to progress it exists.

All of these steps are important in bringing the vision to a stage where full discussion with the Board will be required prior to sign off of the Outline Business Case (OBC). Following collation of all relevant information, arrangements will be made for the Board to review final documentation and approve for progressing to future stages. It is hoped that this may be possible for the Board Development Session currently scheduled for 22 January 2026.

### **4. Funding**

The College has thus far utilised ALF funding to bring the project to this stage and continues to work with the Scottish Funding Council (SFC) on routes to securing appropriate funding to continue. Recent support from SFC through their emergency capital funding has provided £100k for RAAC related activity, which due to the nature of the project will allow operations to continue through the OBC phase.

As noted in the previous update, the College (following the advice of the Scottish Government), commissioned a financial modelling analysis to support dialogue around the potential of utilising the Mutual Investment Model (MIM) of funding, along with the pros and cons of a range of methodologies. This has been shared with Government and indications have been given that MIM is a definite possibility.

Re-engagement has taken place with originally interested investors to provide an update on the project's progress, as well as to highlight that discussions around funding models and affordability are being progressed with Scottish Government.

### **5. Link to Strategic Risk Register**

Consideration of the topics included in this Corporate Services Report will support the mitigation of a range of risks identified within the Strategic Risk Register namely;

- 1.3 Difficulties or over commitment arising within large scale/national College led initiatives or projects
- 2.6 Demands of capital developments / maintenance impacts on financial sustainability or delivery of learning and/or services
- 4.5 Lack of investment in ageing / beyond serviceable life infrastructure (inc RAAC, Asbestos and M&E failure concerns) impacts on financial sustainability and/or delivery of learning and/or services

**BOARD OF MANAGEMENT**

**Tuesday 9 December 2025**

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**FINANCE ITEMS**

**8.1 Financial Sustainability**

**PAPER D**



# Remaining Financially Sustainable in a Flat Cash Environment

## Final Savings and Change Proposals for Implementation 1 December 2025



### 1. Overview

Following publication of the initial consultation paper in September 2025 and the follow up paper of November 2025, this implementation paper details the progress being made in terms the urgent need to address a funding gap of at least £2.5 million. This final paper summarises the changes to be implemented to address the financial challenges we face as a result of years of 'flat cash' funding settlements set against the backdrop of increasing costs.

This paper outlines the plans to address the significant challenges we face, with some additional information in some areas around how implementation of these plans will progress through to summer 2026.

As detailed in all previous papers, the plans and savings outlined within this paper are not steps that we want to take and represent difficult choices we have had to make to help to keep the College in a manageable financial position following many years of real terms funding cuts.

Similar to previous savings plan approaches we will summarise the key headlines, supported by the rationale for associated decisions. This paper is developed on this basis and provides information on the scale of the challenge facing the College and the progress that has been made in addressing these challenges. The detail outlined in this paper underlines the ongoing need for the following steps and outcomes:

- Continue to develop our curriculum to reflect the economic and social growth needs of our region, including supporting new curriculum opportunities and activities.
- Address a funding gap of c.£2.4 million and make savings of at least £2.5 million within the current academic year.
- Focus on the further sustainability steps needed for 2026/27 (£6.9m deficit) and 2027/28 (£6.6m deficit) should the anticipated flat cash funding position materialise within the 2026/27 Scottish budget, and no action is taken to address the current predicted deficit for 2025/26.
- Continue to support our students and progress developments around the changing learner.

Steps taken to date will generate annual savings of just over £1.9 million leaving a remaining total of £600k to be achieved.

Sadly, the continued flat-cash and below inflation funding for the sector, alongside rising costs, means that we are again at a very difficult juncture and there is no way to navigate the coming period without taking significant action.

As with previous years, we are hugely disappointed with the funding situation which has brought about the action required, and we understand these challenges will affect staff in a range of ways. Please reach out for support if you need it, or to ask questions and seek answers – further details can be found at the end of this paper.

## **2. Consultation Feedback**

In addition to the 188 consultation responses highlighted in respect of the initial paper, a further 45 responses have been received through the consultation inbox or anonymous hotline in response to the second consultation paper. All consultation responses received have been (or will shortly be) responded to.

The consultation submissions are a mixture of responses from individual academic and support staff, from managers, and from some external community partners / customers. Where appropriate these responses have been shared with the relevant senior managers and further discussion encouraged so that ideas and proposals can be considered as opportunities and arrangements are developed.

Feedback received has continued to be varied, but the most common themes received are as follows.

- The impact of reduction in Student Services Officers
- The closure of the Saltire Centre and impact on the sports curriculum
- Impact on Supported Education provision
- Impact and alternative proposals between HR and OD activities
- Alternative savings proposals through reduction in hours and term-time working
- Proposals to increase income and commercial activities including a revised operating plan for the nursery
- Queries on the application of VS in some specific situations

In addition to the feedback received through the consultation inbox and anonymous hotline, a small number of meetings have been arranged. These discussions have supported staff to articulate their questions, concerns, and alternative proposals directly to Senior Leadership Team members and to seek clarification around areas of confusion.

Feedback ideas and responses have been considered by the Senior Leadership Team in determining many of the final proposals outlined below. This has resulted in some changes to initial proposals, and to some developments in plans and approaches going forward.

There are also a number of feedback points and ideas that, regrettably, it has not been possible to include or progress due to the balance struck between addressing valid points and ideas, and the need to make substantial savings.

## **3. D&A Key Decision Making Criteria**

As detailed in both previous papers, as we plan a way forward through the challenges facing us, we are keen to utilise the same clear criteria as previously and use these as guiding principles to support and test proposals put forward and the decisions that we are making. These criteria have been discussed with our local trade unions and will continue to underpin decision making around both curriculum and support service changes impacting over the next 3 years.

In considering and developing future plans to support and underpin financial sustainability the following key criteria will be considered:

- Active engagement and involvement of staff, learners and relevant stakeholders is critical. Teams and team members should be actively engaged in regular discussions around the changes needed to create a successful and sustainable College.

- We will continue to provide access to education and training across the Dundee and Angus region, delivering a curriculum that provides clear progression pathways with multiple entry / exit points. Within this, courses will be consolidated to remove internal competition, reduce duplication and to prevent early specialisation with changes reflected in curriculum design. The creation of centres of excellence where practicable will be encouraged.
- Changes should recognise the needs of D&A learners and the needs of our wider community and economy. We will continue to build a sense of community, provide an inclusive curriculum, delivering on our regional economic priorities and supporting vulnerable and under-represented learners.
- Efficiency of curriculum and service delivery will be critical, such as class sizes being optimised to ensure efficient delivery, good housekeeping maintained, course hours, use of resources, working patterns, engagement, and outcomes managed.
- Developments should focus funding on the frontline learning, teaching, and services to support learners. Duplication of provision or services should be minimised (where this makes good educational or operational sense) and other activities streamlined where possible. Simplification and reduction of bureaucracy or other 'non-contributing' activities should always be a priority.
- Developments should generate genuine and sustainable cost savings and / or income (contribution) increases in the short, medium and / or long-term.
- Simplification of systems, arrangements and structures is desirable, with this balanced alongside the need to support new opportunities and future investment.
- Current structures and working arrangements are not necessarily sustainable and are not as important as the financial sustainability needed to assure high quality learning opportunities and outcomes are maintained.

By creating and sharing these at the start and throughout the process, we hope that staff will be able to use these to inform their own thinking, and to understand how any proposed changes or developments fit into a longer term direction of travel.

#### 4. Restating the Financial Context

Feedback from our unions and from some staff has noted that there remains confusion and concern in terms of the current and future financial context

The most recent information would seem to suggest that the intensive political pressure and engagement is creating a greater focus on sector funding and the impact of this on the future financial sustainability of the whole sector. This focus, and the questions this is raising nationally, is welcome and we remain hopeful that this will have a positive impact on funding for 2026/27 and beyond. What remains clear, however, is that the financial picture for 2025/26 has not changed significantly since the publication of the initial paper.

Until any changes in future funding is known, the long-term picture also remains the same, and **if we do nothing**, the £2.34 million deficit in 2025/26 would become £6.9 million in 2026/27 and a further £6.6 million in 2027/28. If we do not make savings to balance our 2025/26 budget, our opening cash position of £4.1m in 2025/26 will fall to £1.6m at the end of this financial year. If no savings plan actions were to be taken it is forecast that the College would run out of cash in Spring 2027.

As noted previously, this is not just a D&A issue, and since publication of the initial paper, [Audit Scotland has published its 2025 report on sector finances](#). This confirms that the sector as a whole has suffered a 20% reduction in funding over the past 5 years and add weight to the concerns raised within the [SFC publication on the financial sustainability of the college sector](#) highlighted in October of this year.

College figures have highlighted that the real terms impact of funding cuts on D&A means that our current budget is over 60% less than it was compared with the combined budgets of both legacy colleges pre-merger. This highlights the extent to which successive years of flat cash (or below inflation increases) have impacted on D&A and the sector as a whole.

## Section 2: Savings Progress and Steps Needed

### 5. Solving the Funding Gap – Progress to Date

As detailed above, the College is required to make savings of at least £2.5 million. Positive progress has been made in addressing this target, and it can be noted that the gap to the £2.5 million minimum savings target has been **reduced by just over £1.9 million** as a result of the following actions.

#### 5.1. PTV and Other Staffing Changes

From the initial proposals paper, it has been possible to achieve further savings within the PTV budget. These savings reflect the reduction in January starts and a review and reforecast of this budget. The PTV and other staff savings highlighted in the November paper were £226k and further savings of £170k have been achieved since then, **bringing the total to £396.5k** on a full year basis. Arrangements and curriculum changes underpinning these savings are summarised below.

All staffing requests will continue to be scrutinised very carefully in light of the financial position.

We have discussed the possibility of a full freeze on recruitment, and whilst it is never as simple as that, we do need to approach every staffing request on the basis that they will be declined unless there are very compelling reasons to do otherwise.

Where vacancies do arise they will be progressed as redeployment options and will be made available for internal application by current staff in the first instance.

#### 5.2. Voluntary Severance

The Voluntary Severance (VS) scheme remains open and VS applications will be considered on a rolling basis relative to proposed changes in curriculum, services and staffing.

Where current and future VS applications align with proposals outlined within the savings plan, these applications will be progressed without delay.

Doing so allows the College to progress the savings needed, whilst giving individuals clarity on their VS application and future plans. Approaching VS in this way allows decisions to be made as early as possible and supports the achievement of the required savings whilst actively minimising the risk of compulsory redundancy or staff being considered to be 'at risk' where this is not necessary.

Voluntary severance options within the previous paper amounted to £469k and we can confirm that this has been increased by further approved VS options that will realise recurrent annual savings of £391k, bringing the **current total of VS savings to £896.5k** at a cost of £630k in the current year inclusive of pension strain costs.

A number of VS applications are still under consideration and outcomes will be confirmed with the individuals involved as soon as it is possible to do so.

The [Voluntary Severance scheme](#) will remain open for all staff until 5 December 2025 as one of the key approaches to support cost reductions and mitigate against compulsory redundancy.

The scheme will also be made available after 5 December 2025 on a targeted basis for any staff that are awaiting the outcome of redeployment selection activities.

Any member of staff may apply for VS and all applications will be considered on their merits either as a direct savings opportunity, or to create a redeployment opportunity for another member of staff.

Where a VS application has been turned down previously it does not mean that it will be again, and equally where a VS application cannot be supported, applying does not impact on any future application or job opportunities.

It is recognised that the terms associated with VS can be complex, particularly where there is interaction for support staff with the terms of the Local Government Pension Scheme. Staff are encouraged to meet with their People Team contact to raise any questions or seek additional information.

It is anticipated that VS costs will be very significant, and the College will need to carefully manage VS arrangements to support voluntary options where these are needed without creating future cashflow challenges.

### 5.3. Other Voluntary Options

As teams have discussed the current situation, a number of other voluntary options have been identified. This has included opportunities for individual staff to seek part-time working options, winding down arrangements under the relevant pension regulations, and term-time working.

Where it has been possible to accommodate voluntary requests of this type they have been approved and have **contributed to savings by £36k** as detailed below.

Changes in working arrangements of this type will be matched against changes in service activity and arrangements made to avoid work commitments simply being added to the work of others. Concerns around the potential for work to be passed on in this way have been raised by trade union representatives and it is important that this point is noted.

Opportunities of this type remain open and any member of staff that is interested in potential options of this type should discuss this with their line manager and People Team Advisor. Indicative information in terms of the 'take home pay' impact of reduced hours for lecturers and CQLs is available although it should be recognised that individual arrangements will vary. Given the range of support staff grades, individual information should be sought by contacting the People Team.

### 5.4. Non-Pay Savings

As detailed in the October 2025 paper, it is becoming increasingly difficult to realise non-pay savings of any significant value, although a range of non-pay savings will be progressed.

Savings identified for 2025/26 were summarised in the October paper and include the decision to delay replacement of IT equipment a range of savings within estates budgets, print services, and Thrive eligibility amongst others. As detailed in the previous paper, **the value of these savings is £534k** in the 2025/26 budget.

This work will continue and all budgets should be considered to be under review and steps taken to minimise spend where this is practicable. Further discussions around this will be held with each budget holder as the academic year progresses.

One-off savings arising from this work will be achieved during 2025/26. These savings will help to support the College's cash position in year as we meet the costs associated with significant voluntary severance but are likely to be very short-term in nature so cannot be assumed as on-going savings in terms of future budgets.

## 5.5. Increased Income and Contribution

Work will continue to create and access additional opportunities to increase income and contribution where possible, including ensuring that all projects and bids include a contribution towards core College activities. Additional project activities and other income forecast for the current year budget **remains at £150k**.

**Given the progress made to date, the £2.5 million minimum savings target can be reduced to a minimum of £600k. Proposed steps to address this remaining gap are summarised in the sections below and are open for final consultation.**

## 6. Solving the Funding Gap – Final Consultation Proposals

Following on from the initial consultation paper, the Senior Leadership Team can confirm the following steps have progressed and have identified the following final draft proposals to seek to resolve the gap in funding and to move the College closer to a sustainable financial position.

As previously, it is recognised that each of these proposals will have an impact on individual staff, teams, and College operations, but are necessary to help secure the financial sustainability of the College as a whole.

## 7. Senior Leadership Team

As set out within the initial and follow up papers, it is important that we operate with a promoted / senior structure that balances both the need to meet the strategic aims of the College, but delivers the required savings needed.

It is recognised that these are extremely difficult decisions, however, the College's financial position remains critical, and the scale of savings required cannot be achieved without further structural change. The review has therefore been guided by the level of savings needed to stabilise the organisation and protect essential delivery functions. Decisions have been taken to ensure statutory, governance and operational responsibilities can continue to be met, while maintaining a lean leadership structure that is sustainable in the long term.

As highlighted in the first consultation paper, the College's Executive and senior structures are already among the smallest in the sector. Further reductions at this level would compromise compliance, governance and strategic delivery capacity. The removal of the Head of People and Organisational Development role therefore reflects a reallocation of responsibilities within existing senior capacity rather than a de-prioritisation of staff or organisational development. The original proposal to remove the Head of People and Organisational Development role will be progressed, with this role being removed from the structure with effect from 31 December 2025. This change will be achieved through VS.

Work relating to wellbeing, leadership development, communications and staff engagement will continue through shared ownership across the senior team, supported by targeted use of project groups and existing specialist expertise. These arrangements will continue to be reviewed throughout the remainder of the 2025/26 academic year to ensure they remain effective.

Other proposals in respect of the increased compliance and required arrangements around governance will be progressed, as will reductions in non-pay budgets. Combined, these changes will deliver a saving of **at least £65k per annum**. This represents a 10.9% reduction in senior and promoted staff costs, alongside further efficiencies in operational expenditure.

These measures ensure that the Senior Leadership Team continues to contribute proportionately to the College's financial recovery while retaining the leadership and compliance capacity required to operate effectively.

## 8. The College Curriculum and Partnerships

A number of course changes and savings were outlined within the previous paper as having already been achieved. This included reductions achieved through VS, vacancies arising and reductions through the usual flex of part-time variable (PTV) staffing as follows.

Team	Changes	Impact
Access and Supported Education	Community Ops - Student support	0.4 FTE
Access and Supported Education	Removal of Gateway KC Semester 2 January -start servicing	26 hrs per week (S2)
Access and Supported Education	Reduced delivery Community Operations AC & GC Removal of SCP AC Removal or Preparation for Project SEARCH	1.17 FTE
Art & Design	Removal of Fast Track to Art & Design	13 hrs per week (S2)
Building Services and Built Environment	Reduction in Built Environment courses	0.75 FTE
Computing	Removal of SCP provision	0.5 FTE
Construction	Removal of Building Trade Fast Track KC	12 hrs per week (S2)
Engineering	Removal of Engineering Fast Track KC	10 hrs per week (S2)
English Language Teaching and Training	Removal of contribution to DIWC creche	£16k
Essential Skills	Semester 2 January-start servicing	29 hrs per week (S2)
Hair and Beauty	Removal of SCP provision Tues/Thurs	0.7 FTE
Hospitality and Professional Cookery	Removal of SCP Provision	0.87 FTE
Strategic Projects	Reduction of Curriculum Project Lead	1.0 FTE
Strategic Projects	Conclusion of MSIP lease	£16k
Business Partnerships	Team Leader retirement	1.0 FTE

Since the last paper, the following further changes have also been able to be progressed either through approved Voluntary Severance applications or reductions in PTV hours.

Team	Changes	Impact
Art & Design	Removal of SCP NPA Photography	0.17 FTE
Building Service and Built Environment	Removal of: SCP Preparation for Plumbing SCP Preparation for Electrical	0.35 FTE



Team	Changes	Impact
Construction	Removal of Building Trade Fast Track KC	12 hrs per week (S2)
Construction	Removal of SCP NPA Construction Tues/Thurs	0.5 FTE
Children and Young People	Removal of Preparation for a Career in Early Learning and Childcare	6 hrs per week (S2)
Health and Social Care	Removal of Preparation for a Career in Early Learning and Childcare	6 hrs per week (S2)
Science, Land and Animals	Removal of National Qualifications Removal of: SCP NPA Zoo Animal Behaviour SCP NPA Criminology (Forensic Science) SCP Rural Skills Animal Care – 1 stream	0.75 FTE
Sports and Fitness	Removal of Fastrack to Sports and Fitness	14 hrs per week (S2)
Sports and Fitness	Removal of SCP Provision	0.7 FTE

With the above changes identified, there are not expected to be any further savings required or identified within the following teams/services at this time. This will, however, remain under review as curriculum, student, financial and operational requirements develop.

- Access and Supported Education
- Building Services
- Business
- Computing
- Construction
- Engineering
- English Language, Teaching and Training
- Essential Skills
- Hair and Beauty
- Hospitality and Professional Cookery
- Science, Land and Animals
- Strategic Projects
- Business Partnerships

This represents significant progress in terms of our reduced curriculum, and in terms of the level of savings needed to maintain financial sustainability.

The remaining savings plans will be progressed as detailed in each instance.

Team	Changes	Impact
Children and Young People	Removal of Placement Co-ordinator	1 FTE
Children and Young People	Removal of SCP provision	0.5 FTE
Health and Social Care	Removal of SCP Provision	0.35 FTE
Performing Arts	Removal of Dance provision (adjusted for staffing reductions made)	1.5 FTE
Performing Arts and Art & Design	Reduction of 1 HCQ	1.0 FTE
Sports and Fitness	Reduction of non-advanced provision	2.5 FTE
Sports and Fitness	Conclusion of the Saltire Centre Lease	£93k per year

Team	Changes	Impact
Academic Partnerships	Reduction of 1 Academic Partnership Officer	1 APO post

## 8.1 Children and Young People and Health and Social Care

As noted in the previous paper the HSC and CYP teams have been brought together under the management of the Head of Curriculum for Children and Young People to provide stability for staff and students during the current challenging circumstances being faced by the College. This arrangement will be reviewed in April 2026 from an operational perspective and to ensure that the most appropriate academic leadership is in place to support student success.

This review will include consideration of the portfolio structure and the staffing hours required to deliver the curriculum effectively, taking into account the planned and unplanned reduction of teaching activity across both departments. Recruitment and selection activities for the required teaching posts will take place once teaching concludes at the end of Semester 2 in May 2026.

The proposed removal of the 1 FTE role of Placement Coordinator will be progressed, with this role being removed from the structure with effect from 31 December 2025, resulting in **savings of £37k per year**. Individual discussion around options including redeployment and VS will be progressed.

## 8.2 Performing Arts

The Dance curriculum will be removed from the course portfolio in session 2026/27 as proposed. Voluntary severance approvals have reduced the savings required in this area to **1.5 FTE lecturing staff generating a saving of £106k**. Individual discussions around options including redeployment and VS will be progressed with a view to final arrangements being progressed once teaching concludes at the end of Semester 2 in May 2026.

## 8.3 Performing Arts/Art and Design

The proposal to bring together Art and Design and Acting will be progressed, generating **a saving of £82k per annum**. The combined department will be managed by 1FTE Head of Curriculum and Quality. The recruitment and selection timeline is as follows:

- 8 January – Applications open for impacted staff to apply for the available roles.
- 15 January – Applications close.
- 22 January – Interviews will be conducted with all applicants
- 23 January – Interview outcomes will be communicated and next steps progressed

## 8.4 Sports and Fitness

Since the last paper discussions have taken place with the Sports and Fitness team to explore how sport and fitness provision could be retained in Angus. Following this and detailed work with the HCQ, an alternative proposal was submitted to Angus Council for consideration. Further discussions will be held over the next few weeks to explore alternative lease options that would be acceptable to Angus Council and meet our requirement to reduce our annual operating costs.

If the proposal is accepted by Angus Council, the staffing reductions required would decrease to **0.75 FTE lecturing staff**. If no acceptable and more affordable alternative operating model can be agreed, the proposal to discontinue non-advanced classes in Arbroath would be implemented with HN classes relocated to Gardyne Campus. This would result in a reduction of **2.5 FTE lecturing staff (£147k)**. Recruitment and selection activities for the required teaching posts will take place once teaching concludes at the end of Semester 2 in May 2026.

The January-start Fast Track course has been removed as planned and the removal of SCP courses across both campuses will proceed as outlined in the initial proposal. The staffing reductions resulting from the removal of these programmes have been achieved.

## 8.5 Academic Partnerships

The proposal to reduce from 3 to 2 Academic Partnerships Officers will be progressed, with one role being removed from the structure with effect from 31 December 2025, resulting in **savings of £40k per year**. The selection process and timeline are as follows:

- 12 January – Applications open for impacted staff to apply for the available roles.
- 19 January – Applications close.
- 26 January – Interviews will be conducted with all applicants
- 28 January – Interview outcomes will be communicated and next steps progressed

## 9. Support Services

The following support service staff / role changes have been achieved through a combination of VS, vacancy savings, and reductions through expiry of fixed term staffing. Details of remaining proposals and other proposed changes are summarised in the sections below.

Team	Changes	Impact
Academic Development	Staff VS approved	1.0 FTE
Estates	Expiry of fixed-term apprenticeship role in May 2026.	1.0 FTE
Print Services	Staff VS approved alongside progression of new contract arrangements	0.6 FTE
Student Services	Staff VS approved alongside development of a revised proposal	2.6 FTE
Digital	Staff VS and hours reduction approved and restructure of service proposed	2.5 FTE (1.0 FTE still to be achieved)
People Team	Proposal* to remove additional hours and progress voluntary reductions under discussion	0.5FTE

This represents good progress in terms of the savings needed to maintain financial sustainability.

With the above changes identified, there are not expected to be any further savings required or identified within the following teams/services at this time. This will, however, remain under review as curriculum, student, financial and operational requirements develop. Voluntary severance options within these areas may also be considered to support redeployment from those teams still impacted.

- Academic Development
- Administration
- Estates
- Learner & Community Engagement
- Print Services
- Quality
- Students' Association
- People Team\*

Building on the proposals outlined within the second consultation paper, the following savings proposals will be progressed as detailed in each section.

Team	Changes	Impact
Catering	Move to skeleton service out with main semester. Reduction of 0.5FTE in Arbroath	0.5 FTE
Digital	Restructure of IT Service Desk	1.0 FTE
Finance	Removal of promoted accountancy role	1.0 FTE
Nursery	Revised operating model or closure	Up to 6.1FTE £96k saving
Marketing	Removal of roles	1.5 FTE
Student Services	Removal of roles	1.6 FTE

### 9.1. Academic Development

A further voluntary severance application has been accepted from a member of Academic Development staff, with **the vacancy this creates being available as a redeployment opportunity**. This vacancy will be advertised and interviewed for in January 2026 with appointment to the role (assuming this is filled on a redeployment basis) to be determined relative to transition timelines for the successful applicant. This approach will ensure that there is an effective transition to the role without unduly disrupting current curriculum delivery.

### 9.2. Catering

The proposal to transition to a 'skeleton service' out with semester dates will be progressed and during these periods, a limited "grab and go" service will be available, with minimal or no hot food provision. This service will be supported by a maximum of three members per campus and will operate during the following weeks.

- The weeks prior to Semester 1
- Quality week
- The weeks following the end of Semester 2.

To support this transition and realise savings, we will reduce the number of staff contracted for more than 32 weeks. This will be achieved through contract reductions as vacancies arise or on a voluntary basis.

Where this isn't possible alternative options and flexibility around tasks will be progressed to maintain annual working hours and/or weeks but also realise the overall value of savings needed. This will include input to other tasks and roles during the out-of-semester weeks including the potential to supplement the cleaning service and /or undertake other duties to generate TOIL.

The proposal to reduce the FTE of Food Service Assistants based in the Arbroath outlet by **0.5 FTE, saving c.£16k**, will proceed. The selection process and timeline are as follows:

- 2 December – Applications open for Food Service Assistants in Arbroath to apply for the available roles.
- 9 December – Applications close.
- 18 December – Interviews will be conducted for all applicants
- 19 December – Interview outcomes will be communicated and next steps progressed

### 9.3. Digital

The revised proposals arising from Team input in respect of the implementation of a Digital Hub operating mode will be progressed, resulting in the following changes.

The savings proposed in respect of the Digital Specialist role will be achieved through voluntary severance and a transfer to term-time working. No further reductions in this service are anticipated.

The revised campus model comprising of one Digital Hub Team Leader, responsible for Digital Leads, Specialists, Advisors and Technicians (proposed through initial feedback) will be progressed. This will result in the current structure of three Digital Team Leaders and one IT Service Desk Team Leader being replaced by three Digital Hub Team Leaders, whose remit will combine the responsibilities of the four legacy roles. The savings proposed have been achieved through a voluntary severance application. No further reductions in this area are anticipated.

The Digital Advisors have been reduced from 3.6 FTE to 3 FTE through a reduction in contract of one of the members of staff. No further reductions in this service are anticipated.

Alongside these developments, the number of IT Service Desk Technicians will reduce from 5 FTE to 4 FTE **generating a saving of £41k per annum**.

The selection process and timeline for the above role will proceed on the following basis.

- 2 December – Applications open for impacted staff to apply for the roles they currently fulfil.
- 9 December – Applications close.
- 16 December – Interviews will be conducted for all applicants
- 17 December – Interview outcomes will be communicated and next steps progressed

#### **9.4. Finance**

The proposed removal of the promoted role of Senior Accountant will be progressed, with this role being removed from the structure with effect from 31 December 2025 and **generating an annual saving of £67k**. It is anticipated that this change will be achieved through VS.

#### **9.5. Helping Hands Nursery**

Discussions around the Nursery service and the related income and expenditure arrangements are continuing to progress with a view to bringing the service into a breakeven or better position. As specified in the initial consultation, these arrangements are operating on a different timeline to other changes within the paper with a final decision to be determined by 31 January 2026.

Initial discussions have been held with Angus Council to ensure that suitable places are available for all current children within the Nursery and we are also working in partnership with the Council to signpost opportunities for Nursery staff.

If progressed, closure of the Nursery would **generate savings of £96k per annum** from academic year 2026/27 onwards.

#### **9.6. Marketing**

The proposed removal of the 1 FTE role of Marketing and Design Coordinator and a reduction of 0.5 FTE in the 1 FTE Marketing Administrator role will be progressed, with these roles being removed from the structure with effect from 31 December 2025, resulting in **savings of £65k per annum**. Individual discussion around options including redeployment and VS will be progressed as soon as practicable.

#### **9.7. People Team**

A range of further feedback responses have also been received in respect of the proposed reduction in administrative support within the People Team, including further information around how these roles interact across the broader range of HR, OD and Academic Development activities.

An alternative savings plan has been proposed, **delivering savings of £14k** through reduction in hours and 'buying' additional holidays. Final discussions will seek to progress this proposal by Friday 5 December and if not possible the proposed reduction of 0.5 FTE administrative staffing will be implemented.

Further work will progress early in the new year to review caseloads across the team (given changes in staffing levels and teams) and to create clearer engagement and more flexible links between Human Resource and Organisational Development activities.

### 9.8. Student Services

As detailed in the previous paper, arrangements in respect of the reduction in Student Support Officer roles will be progressed through VS. Since that time, a further Student Support Officer vacancy has arisen and **the vacancy this creates will be available as a redeployment opportunity**. This vacancy will be advertised and interviewed for as soon as practicable with appointment to the role (assuming this is filled on a redeployment basis) to be determined relative to transition timelines for the successful applicant.

As previously noted, whilst further detailed work is required to develop the service SDS can offer and to match up what SDS can provide with what is best provided by College staff, it would not be appropriate to refuse this additional input at a time where budgets are under extreme pressure. This work will be progressed over the coming months.

The revised savings plan from the Team includes proposals to closer align administration services between campuses and reduce by 1FTE Advice Centre Administration in Arbroath and 0.6 FTE Student Services Administration at Gardyne. This revised proposal would **generate a saving of 60k per annum**. These proposals will now be progressed and the roles removed from the structure with effect from 31 December 2025. Individual discussions around options including redeployment and VS will be progressed as soon as practicable.

Other points highlighted in the November consultation paper in respect of income generation proposals, closer working with the Help Points and review / rebalance of staff number on each campus will be progressed over the coming months.

Arrangements for the more detailed Learner Journey Review will be progressed, led by the Director of Student Experience and a Director of Curriculum and Partnerships (with input from staff and students) and will be completed by August 2026 for implementation thereafter.

## 10. Capital Investment

Capital funding (for buildings, maintenance, and large equipment purchases) is used and managed separately from the funding available for normal College operations. Generally, capital funds cannot be used for day-to-day activities. Given this, we will continue to utilise our Capital funds to improve the College estate and ICT infrastructure and undertake routine maintenance and upgrading.

## Section 3 – Consultation, Support and Planning Arrangements

### 11. Support for Staff

HR support and advice is available to all staff on an ongoing basis, including support and guidance on interview skills for any member of staff looking at redeployment opportunities or taking Voluntary Severance.

Confidential support around personal wellbeing, or the wellbeing of colleagues, can also be sought by contacting the People Team via [peopleteam@dundeeandangus.ac.uk](mailto:peopleteam@dundeeandangus.ac.uk) or directly through Teams.

The College also supports an individual Employee Assistance Programme and provides links to other services through the [D&A Wellbeing Hub](#). Your [trade union](#) may also offer similar support for members.

Where staff are impacted by the changes identified, individual and (as appropriate) team discussions will continue alongside work with our trade unions to look at individual options / opportunities / support to avoid the risk of compulsory redundancy.

### 12. Redeployment

Where there is a potential risk in respect of the areas outlined in sections 7, 8 and 9, the People Team will discuss opportunities for redeployment and / or retraining with the individual(s) impacted and staff are encouraged to regularly check the vacancies published on the [homepage of the Staff Portal](#).

The [Redeployment Policy](#) is in place and will be used to support redeployment arrangements where possible. In line with the appropriate national bargaining arrangements, conservation of salary would be available for staff redeployed into a suitable alternative role.

This will ensure that staff are aware of current and potential opportunities as they arise and will support options within areas where activity is being scaled down for individuals to redeploy to an available vacancy within another area and / or role. This may also allow a voluntary severance to be accepted (where it might not otherwise) in one service, with the tasks filled by a member of staff redeploying from another area. Any changes of this type will be done through consultation and with the agreement of the staff involved.

To support this activity, redeployment options will be explored prior to a vacancy being advertised externally.

### 13. Voluntary Severance Scheme

The [Voluntary Severance scheme](#) is now open for all staff and will remain open until 5 December 2025 in the first instance, as one of the key approaches to support cost reductions.

**The scheme will remain available after 5 December 2025 on a targeted basis for any staff that are awaiting the outcome of redeployment selection activities and/or where the timeline for implementation (as specified above) is after 31 December 2025.**

Where current and future VS applications align with proposals outlined within the savings plan, the applications will be progressed without delay. Doing so allows the College to progress the savings needed, whilst giving individuals clarity on their VS application and future plans. Approaching VS in this way allows decisions to be made as early as possible and supports achievement of savings whilst actively minimising the risk of compulsory redundancy or staff being considered to be 'at risk' where this is not necessary.



Any member of staff may apply for VS and all applications will be considered on their merits either as a direct savings opportunity, as an alternative savings opportunity, or to create a redeployment opportunity for another member of staff.

Where a VS application has been turned down previously it does not mean that it will be again, and equally where a VS application cannot be supported, applying does not impact on any future application or job opportunities.

It is recognised that the terms associated with VS can be complex, particularly where there is interaction for support staff with the terms of the Local Government Pension Scheme. The wording of this section of the VS scheme outlines these requirements, but the arrangements are complex, and staff are encouraged to meet with their People Team contact to raise any questions or seek additional information.

It is anticipated that VS costs will be very significant, and the College will need to carefully manage VS arrangements to support voluntary options where these are needed without creating future cashflow challenges.

#### **14. Consultation and Engagement**

As outlined above, we need to reduce costs and activity whilst also boosting efficiency and increasing income. This must be achieved within a challenging financial backdrop and with an eye on future developments, opportunities and limitations and your input and feedback on this is really important.

Good progress has been made towards the savings target, with the remaining difficult steps outlined in section 7, 8 and 9 above supporting the College to maintain financial sustainability.

With over 220 consultation responses received, the engagement and input of staff has helped to shape the final proposals developed and we will now move into the implementation stage for these. To support this, and in addition to ongoing discussion with our unions, we will be in contact with all of the staff directly impacted by the changes planned.

This contact will outline the anticipated timeline for the changes to be made, will confirm opportunities for individual discussion and consultation around the alternatives available to seek to avoid compulsory redundancy. This information will be provided by 5 December 2025 at the latest and discussion and implementation arrangements will continue into the early part of next calendar year.

The consultation inbox and anonymous hotline remains open on all of the above plans, and we are happy to continue to review alternative proposals or savings ideas from any member of staff. The email inbox [consultation@dundeeandangus.ac.uk](mailto:consultation@dundeeandangus.ac.uk) can be used to direct all feedback and confidential queries and comments can be raised through a dedicated online anonymous hotline: [you can access the Hotline here](#). Anonymous questions can be asked at any time and responses will be given as soon as practicable.

Principal's Briefing sessions will be held on each campus and online during wb 10 November where the content of this paper and related savings plans will be further discussed and questions can be raised. The Portal announcement accompanying this paper confirms arrangements for these sessions.

We will ensure that we are honest, transparent, and clear in our decision making, using the guiding principles outlined in section 3 above. We will undertake to communicate as much as we can so that need for change, the specific proposals and the timescales for decisions are clear and understood.



## 15. Timeline

The timeline for changes proposed through this paper is summarised in the table below.

Date/s	VS	Activities
Ongoing	VS Scheme open 15 September – 5 December 2025	Extensive discussion with local unions on financial situation and sustainability planning.
w/b 15 Sept 2025		Initial <a href="#">Portal post on savings / sustainability needs</a> shared with staff.
24 Sept 2025		Joint Consultation Forum (JCF) meeting with trade unions to discuss draft proposals.
24 Sept 2025		Leadership Development Session to discuss draft proposals with managers.
1 October 2025		Paper shared in advance with trade unions
2 October 2025		Publication of draft savings plans with opportunity for individual consultation with staff and final comment / consultation via the <a href="#">Consultation inbox</a> , with further opportunity to discuss comments or concerns directly with line managers, <a href="#">the People Team</a> or through the <a href="#">anonymous hotline</a> .
Oct 2025		Principal's Briefing sessions for staff at all campuses and online.
Oct 2025		Special Joint Consultation Forum (JCF) meeting to discuss consultation feedback. Weekly JCF meetings to address questions, concerns or ideas.
24 Oct 2025		Consultation on draft savings plans closes.
w/b 27 Oct 2025		Special Joint Consultation Forum (JCF) meeting with trade unions to discuss consultation feedback.
10 Nov 2025		Final paper published with further opportunity for individual consultation with staff / areas impacted and final comment / consultation via the <a href="#">Consultation inbox</a> , with further opportunity to discuss comments or concerns directly with line managers, <a href="#">the People Team</a> or through the <a href="#">anonymous hotline</a> .
w/b 10 Nov 2025		Principal's Briefing sessions for staff at all campuses and online.
19 Nov 2025		Special Joint Consultation Forum (JCF) meeting with trade unions to discuss consultation feedback.
21 Nov 2025		Close of final consultation
1 Dec 2025		Confirmation of final proposals and progression of outcomes.

## 16. Avoiding Compulsory Redundancy

Whilst the funding gap and savings required are significant, it remains the strong joint desire of the College and our unions to avoid any compulsory redundancy situation if at all possible. This step would only be contemplated as a last resort where all other options and savings steps had been exhausted.

As a crucial part of this commitment, it is important to note that no compulsory redundancies have been signalled by the College, and no statutory redundancy consultation has been triggered.

It is hoped that compulsory redundancy can be avoided through the use of natural vacancies that arise, voluntary severance, expiry of temporary contracts, other voluntary options, and engagement with redeployment opportunities supported by retraining support and development as appropriate.

The Voluntary Severance scheme is a key step in avoiding the need for compulsory redundancy and whilst all applications will be considered, particular consideration will be given to staff in any area impacted by proposed changes.

The College will also ensure that no member of staff is disadvantaged in terms of applying for VS due to a delay in receiving pensions estimate or 'strain on the fund' details from the Tayside Pension scheme.

## **17. Conclusions**

Whilst much of the above information is similar to previous savings exercises, these are set against a backdrop for the whole sector that is very challenging. The impact of flat cash settlements for the sector highlight the need for us to plan our curriculum and services more closely and carefully than ever before, to ensure that the College meets its twin objectives of success and sustainability.

As highlighted throughout this paper, the proposals are not what the College would ordinarily have planned, but these are not ordinary circumstances and there are some stark choices that must be made.

That said, significant progress has been made towards the savings target identified and the remaining proposals will continue to take us towards (and potentially beyond) the £2.5 million minimum total that will support our financial sustainability pending future funding announcements from the Scottish Government.

We would encourage all staff to read through the paper, understand the changes being proposed and to support their colleagues (directly impacted or otherwise) through what is a difficult period. We will also do all we can to support those affected and key to this is managing this process in as fair and quick a timescale as possible.

The details outlined in this paper represent some very difficult and unpalatable choices and we continue to be frustrated and disappointed to be in this position. Sadly, these are necessary steps if the College is to remain financially stable and successful. We have faced times like this before and, together, we have always found a way forward.

At the heart of all of this are our students and we are sure that the College (and sector) will come through this difficult period and continue to engage and inspire our students to change their lives and grow our local economy and communities.

**BOARD OF MANAGEMENT**

**Tuesday 9 December 2025**

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**FINANCE ITEMS**

**8.2 – Annual Report from Audit and Risk Committee**

**PAPER E**

# BOARD OF MANAGEMENT

Tuesday 9 December 2025

## Annual Report from the Audit & Risk Committee to the Board



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### *Paper for approval*

#### 1. Introduction

The Audit & Risk Committee is required to report annually to the full Board on its activities, and on the reports presented to the Committee by the College's internal and external auditors.

#### 2. Recommendation

Members are asked to discuss and approve the contents of this report.

#### 3. Background

In accordance with the Scottish Government [Audit and Assurance Committee Handbook](#) ("the Handbook") the Audit & Risk Committee is required to provide the Board with a written annual report, timed to support the finalisation of the accounts and the governance statement, summarising its conclusions from the work it has done during the year.

This report is intended to be presented to the Board by the Chair, on behalf of the Audit & Risk Committee to cover the period of its operations in relation to the financial year 2024/25, including the Audit & Risk Committee meeting held on 16 September 2025.

This is the draft report, which following discussion and agreement on its content by this Audit & Risk Committee will be submitted to the full Board at its meeting of 9 December 2025.

#### 4. Overview

- 4.1. The period of this Annual Report includes the consideration of the statutory accounts for AY 2024/25, together with the associated 2024/25 Annual Audit Report from Forvis Mazars, the College's External Auditors for the period.
- 4.2. The Committee continues to have an oversight of the work of the College's Internal Auditors, Henderson Loggie, and considers reports issued by them.
- 4.3. 2024/25 is summarised as a positive year in most aspects, with progress made against a significant initial deficit budget forecast despite the very challenging funding environment. This helped the Board and College to progress the new 'Our College' strategy whilst further improving student outcomes and progressing its very ambitious infrastructure vision.
- 4.4. In all cases the Board has engaged well in providing supportive challenge to the senior team and in shaping and informing future developments including active engagement audit, risk, processes, systems, management, leadership, and governance.
- 4.5. The Committee met four times over the period covered by this report.
- 4.6. In addition to the reports provided by the College's Internal and External Auditors the Committee considered the following during the course of the year:

- College's Strategic Risk Registers and the oversight and review of specific risks by committees.
- Updates on progress towards implementing audit recommendations.
- Information and Cyber Security (ICS) Risk and Maturity Report.
- Discussion with Mazars as our External Auditors for the audit of the College's statutory accounts 2022/23 to 2026/27.
- Preparation of a detailed Audit Assurance Response in respect of the range of information required to fulfil the International Auditing Standards, in respect of preventing fraud in the annual accounts, compliance with laws and regulations, litigation and claims, and going concern assurance.
- A self-evaluation report and action plan in respect of lessons learned from the Dundee University financial situation and subsequent report undertaken by Professor Gillies.

## **5. Committee Membership**

The Audit & Risk Committee Membership in the 2024/2025 year was as follows:

Helen Honeyman (Chair), Margo Williamson (to April 2025) Sally Middleton (to December 2024), Roy McLellan (to December 2024), Jackie Buchanan (to September 2025), Ged Bell, Derek Smith, Matthew Beattie (to August 2025), Kelly McIntosh, Richard Gordon, Carri Cusick (from September 2025), Brian Mooney (from September 2025).

College staff members – Steve Taylor, Vice Principal Support Services and Operations/Secretary to the Board, Nicky Anderson, Director of Finance and Penny Muir, Board Administrator were also in regular attendance at meetings. Andy Ross, Director of Infrastructure attended in respect of the Cyber-Security Risk and Maturity Report.

Representatives from Henderson Loggie (Internal Auditor) and Forvis Mazars (External Auditor) attend all meetings of the Audit & Risk Committee.

## **6. Meetings and Discussions**

The Audit & Risk Committee met during the year on the following dates:

- 17 September 2024
- 3 December 2024
- 4 March 2025
- 3 June 2025
- 16 September 2025

## **7. Internal Audit**

The Internal Auditor's 2024/25 Annual Plan was presented and approved at the Audit & Risk Committee meeting in September 2024.

The reports considered by the Audit & Risk Committee under the plan for 2024/25 covered:

Audit Area	Report Grades <sup>2</sup>	Number of Recommendations (& Action Grades <sup>1</sup> )			Recommendations Outstanding
		1	2	3	
Payroll	Good	-	-	-	
Staff Development	Good	-	-	-	
Student Activity Data	Audit opinion unqualified			3	
Student Support Funds	Audit opinion unqualified		2		
<b>Total</b>			2	3	<b>0</b>

Progress in respect of the recommendations arising from the 2023/24 Procurement and Creditors audit were also reported at each meeting. All actions from this audit (which was graded as 'Requires Improvement') were closed out over the course of the year.

Two planned audits (Digital Strategy and Budgetary Control) were delayed due to a combination of operational pressures and to support additional focus on the updating of the College Asset Register.

Audit Follow up reporting in September 2025 confirmed that there are currently no outstanding recommendations from previous internal audits.

The College's Internal Auditors reported that "the College has made good progress in implementing the recommendations followed up."

In the Annual Report for 2024/25 the Internal Auditor concluded that

In our opinion, the College has adequate and effective arrangements for risk management, control and governance. Proper arrangements are in place to promote and secure Value for Money. From the internal audit work conducted during 2024/25 we have not identified any downward trends in relation to risk management, control or governance. However, the College has identified that the following risks on the Strategic Risk Register are currently graded as a 'Major Risk' and are above risk appetite and subject to regular scrutiny:

- 2.2 - Failure to achieve institutional sustainability; and
- 4.5 - Lack of investment in ageing / beyond serviceable life infrastructure (inc. RAAC, Asbestos and M&E failure concerns) impacts on financial sustainability and / or delivery of learning and / or services.

This opinion has been arrived at taking into consideration the work we have undertaken during 2024/25 and in previous years since our initial appointment.

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<sup>1</sup> Priority 1 = Issue subjecting the College to material risk, and which requires to be brought to the attention of management and the Audit and Risk Committee.

Priority 2 = Issue subjecting the College to significant risk, and which should be addressed management.

Priority 3 = Matters subjecting the College to minor risk or which, if addressed, will enhance efficiency and effectiveness.

<sup>2</sup> Good = System meets control objectives

Satisfactory = System meets control objectives with some weaknesses present

Requires improvement = System has weaknesses that could prevent it achieving control objectives

Unacceptable = System cannot meet control objectives

The work of Internal Audit is carried out primarily for the benefit of the Board/Executive of the College and is the single most significant resource used by the Committee in discharging its responsibilities to be assured of the overall adequacy and effectiveness of the organisation's governance, risk management and control processes. The relationship between Henderson Loggie and the Committee and College staff continues to be professional, proactive, positive, and effective.

The fee for internal audit activities in 2024/2025 was £20,200.

## **8. External Audit Improvement Plan**

Following concerns expressed as part of the 2023/2024 external audit arrangements an improvement plan was implemented to support clearer working and improved reporting for the 2024/2025 external audit. Good progress has been made through this plan in areas including significant work on the Asset Register and Capital Accounting alongside improvements in communication, data sharing and presentation of audit journals and materials.

## **9. External Audit of Year End Financial Statements**

The external audit of the Financial Statements to 31 July 2025 was undertaken by Forvis Mazars, who were appointed by the Auditor General for a 5-year term from 2022/23 to 2026/27 inclusive.

The fee for the 2024/25 College Statutory Accounts was £43,400.

The external auditor's Annual Audit Plan was considered by the Committee at its June 2025 meeting.

At a joint meeting with the Finance & Infrastructure Committee on 2 December 2025, the Audit & Risk Committee received the Annual Accounts for 2024/25, together with the external auditor's Annual Audit Report and the internal auditor's Annual Report to the Board of Management.

The external auditor provided an unqualified report relating to the financial statements and reported that the financial statements of Dundee & Angus College:

- give a true and fair view of the state of the affairs of the College and its Group as at 31 July and of its deficit for the year 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).

The Committee reviewed the Annual Audit Report and related work and expressed satisfaction with the assessment provided. In terms of the contribution from the External Auditor, the Committee were pleased with the support provided by the external audit team, the process and the performance and effectiveness of the External Audit team throughout the financial year.

A professional, positive, and effective relationship between the external auditor and College staff was reported.

## **10. Cyber Security (ICS) Risk and Maturity Report**

The annual Cyber Security Risk and Maturity Review was undertaken in November 2024. The report from this review was considered at the March 2025 meeting and confirmed the strength of arrangements and mitigations in place.

## **11. Discussions Between the Audit & Risk Committee and the External and Internal Auditors**

These discussions confirmed that:

- External and internal auditors have been provided with all necessary help and information
- College staff and managers are operating effective systems of internal control and maintaining accurate and reliable financial records
- College managers and staff have responded positively and timeously to implement suggested changes for improvement.

## **12. Risk Management**

A Strategic Risk Register has been compiled and this is passed for discussion to the full Board of Management.

Risks are monitored and reported (including reporting to the Board of Management where necessary) at each meeting of the Audit & Risk Committee. Risks (including both pre- and post-mitigation risk ratings) are amended/added/deleted as appropriate through on-going analysis and approval at each Audit & Risk Committee meeting.

During 2018/19 the Board agreed that appropriate risks be allocated to each Committee for their regular review and consideration, with feedback on these discussions and considerations being fed back into the Audit & Risk Committee. This process continues to work well and has continued to be embraced.

## **13. Opinion**

In accordance with the Audit and Assurance Committee Handbook, this Annual Report should summarise the committee's work for the year past, and present its opinion about:

- the effectiveness of governance, risk management and control;
- the comprehensiveness of assurances in meeting the Accountable Officer and Board's needs;
- the reliability and integrity of these assurances;
- whether the assurance available is sufficient to support the Board in their decision taking and their obligations;
- the implications of these assurances for the overall management of risk;
- any issues the committee considers pertinent to the Governance Statement and any long term issues the committee thinks the Accounting Officer and/or Board should give attention to;
- financial reporting for the year;
- the quality of both Internal and External Audit and their approach to their responsibilities; and
- the committee's view of its own effectiveness, including advice on ways in which it considers it needs to be strengthened or developed.

The Audit & Risk Committee considers that it has been successful in progressing the Board's governance and internal control priorities during the period covered by this annual report.

The Committee welcomed the success in finalising the annual accounts. The Committee recognised the significant efforts of the College's Finance Team, and the supportive, flexible, and pragmatic approach adopted by the Forvis Mazars audit team.



Based on the assessment and reports provided by External and Internal Auditors, the Audit & Risk Committee is satisfied as to the adequacy and soundness of the College's system of internal control and financial management, and the arrangements to deliver value for money from public funds, ensuring economy, efficiency, and effectiveness in the use of resources.

The Audit & Risk Committee believes that the governance of the College is compliant with the principles of the:

- [Code of Good Governance for Scotland's Colleges](#), which was revised in September 2022, and
- Scottish Government [Audit and Assurance Committee Handbook](#), which was revised in February 2023

and that the College has been compliant for the period from 1 August 2024 to 31 July 2025.

#### **14. Link to Strategic Risk Register**

The preparation and consideration of this Audit & Risk Committee Annual Report alongside the topics covered within the report, by its very nature, support the mitigation of all the risks included within the Strategic Risk Register.

**Board Sponsor:** Helen Honeyman, Chair Audit & Risk Committee

**BOARD OF MANAGEMENT**

**Tuesday 9 December 2025**

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**FINANCE ITEMS**

**8.3 – Accounts Sign off and Forvis Mazars Annual Report**

**PAPER F**



# Annual Audit Report

## Dundee and Angus College— year ended 31 July 2025

27 November 2025

# Annual Audit Report Letter



The Audit and Risk Committee  
Dundee & Angus College  
Old Glamis Road  
Dundee  
DD3 8LE

27 November 2025

Forvis Mazars  
5th Floor,  
3 Wellington Place  
Leeds  
LS1 4AP

Dear Committee Members and the Auditor General for Scotland,

## Annual Audit Report – Year ended 31 July 2025

We are pleased to present our Annual Audit Report for Dundee and Angus College for the year ended 31 July 2025. The purpose of this report is to summarise our audit findings and conclusions.

This report has been prepared in accordance with the responsibilities set out within the Audit Scotland’s Code of Audit Practice (“the Code”). This report is intended solely for The Audit and Risk Committee for the purpose of communicating certain matters that, in our professional judgement, are relevant to your oversight of the financial reporting process. Except where required by law or regulation, it should not be used, quoted or made available to any other parties without our prior written consent.

We appreciate the courtesy and co-operation extended to us by Dundee and Angus College throughout our audit. We would be happy to discuss the contents of this report, or any other matters regarding our audit, with you in more detail.

Yours faithfully

Forvis Mazars

Forvis Mazars LLP – 5<sup>TH</sup> Floor, 3 Wellington Place, Leeds, LS1 4AP Tel: [0113 394 2000](tel:01133942000) – Fax: [0113 394 20001](tel:011339420001) – [www.forvismazars.com/uk](http://www.forvismazars.com/uk)

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- 02** Status of our audit
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- 05** Significant control deficiencies
- 06** Summary of misstatements
- 07** Fraud considerations
- 08** Wider scope and Best Value

Appendix A: Internal control conclusions

Appendix B: Draft management representation letter

Appendix C: Draft audit report

Appendix D: Confirmation of our independence

Appendix E: Other communications

Appendix F: Wider scope ratings

This document is to be regarded as confidential to Dundee and Angus College. It has been prepared for the sole use of Audit and Risk Committee as the appropriate sub-committee charged with governance. No responsibility is accepted to any other person in respect of the whole or part of its contents. Our written consent must first be obtained before this document, or any part of it, is disclosed to a third party.

# 01

Executive Summary

# Executive summary

## Scope

We have been engaged to audit the financial statements of Dundee and Angus College for the year ended 31 July 2025 which are prepared in accordance with the Statement of Recommended Practice: Accounting for Further and Higher Education (SORP) 2019 edition and the Government Financial Reporting Manual (FReM) 2024-25.

We have conducted our audit in accordance with International Standards on Auditing (UK) ('ISAs'), relevant ethical and professional standards, and the requirements set out in the Audit Scotland's Code of Audit Practice 2021. Our responsibilities and powers are derived from our appointment by the Auditor General under the Public Finance and Accountability (Scotland) Act 2000.

## Audit status

Our audit procedures are now substantially complete for the year ended 31 July 2025.

Please refer to the '*Status of our audit*' section for a list of significant audit matters outstanding at the date of this report. We will provide an update to the audit committee on completion of those outstanding matters by way of a follow-up letter.

## Areas of focus and audit approach, and significant findings

We have not made any changes to our initial risk assessment and planned audit approach that was communicated to The Board of Management in our Annual Audit Plan.

## Significant control deficiencies

We identified significant deficiencies in internal control. Please refer to the '*Significant control deficiencies*' section and the non-significant control observations that we have identified to date are set out in '*Appendix A: Internal control conclusions*'.

## Audit misstatements

A summary of the adjusted and unadjusted misstatements above our reporting threshold we have identified to date is set out in the '*Summary of misstatements*' section.

# Executive summary (continued)

## Audit opinion

At the time of issuing this report and subject to the satisfactory conclusion of our remaining audit work, we anticipate issuing an unqualified opinion, without modification, as set out in Appendix C.

## Wider scope

We have identified a significant wider scope risk in relation to Financial sustainability.

We however do not anticipate any significant wider scope risks to report in relation to the financial management; vision, leadership and governance; and use of resources to improve outcomes arrangements that the College has in place. Further details have been provided in *section 'Wider scope and Best Value'* of this report

## Best Value

We anticipate having no risks in arrangements to report in relation to the vision and leadership; governance and accountability; effective use of resources; partnerships and collaborative working; working with communities; sustainability; and fairness and equality arrangements that the College has in place.

Further details have been provided in *section 'Wider scope and Best Value'* of this report.

## Regularity opinion

We anticipate issuing an unqualified regularity opinion, meaning that in our opinion, in all material respects the expenditure and income recognised in the financial statements have been applied or incurred in accordance with any applicable enactments and guidance issued by the Scottish Ministers. Our proposed regularity opinion is included in the draft auditor's report in Appendix C.

## Performance Report and Governance Statement opinion

We anticipate that we will have no matters to report in respect of the Annual Governance Statement or the Performance Report preparation as it is consistent with the financial statements and has been prepared in accordance with the Further and Higher Education (Scotland) Act 1992 and directions made thereunder by the Scottish Funding Council. Our proposed Performance Report and Governance Statement opinion is included in the draft auditor's report in Appendix C.

## Matters on which we report by exception

We are required by the Auditor General for Scotland to report to you if, during the course of our audit, we have found that adequate accounting records have not been kept; the financial statements and the audited part of the Remuneration and Staff Report are not in agreement with the accounting records; or we have not received all the information and explanations we require for our audit. We have nothing to report in respect of these matters.



## Executive summary (continued)

### Other information

We are required to report on whether the other information (comprising of the Performance Report and the Accountability Report excluding the audited parts of the Remuneration and Staff Report), is materially inconsistent with the financial statements; is materially inconsistent with our knowledge obtained in the course of the audit; or is materially misstated. No inconsistencies have been identified and we have issued an unmodified opinion in this respect.

### Audited parts of the Remuneration and Staff Report

We are required to provide an opinion on the audited parts of the Remuneration and Staff Report to confirm that have been properly prepared in accordance with the Further and Higher Education (Scotland) Act 1992 and directions made thereunder by the Scottish Funding Council.

We expect to issue an unqualified opinion, without modification. Our proposed audit opinion is included in the draft auditor's report in Appendix C.

# Executive summary (continued)

## Qualitative aspects of the College's accounting practices

We have reviewed the College's accounting policies and disclosures and conclude that they comply with the Statement of Recommended Practice: Accounting for Further and Higher Education (SORP) 2019 edition and the Government Financial Reporting Manual (FReM) 2024/25, appropriately tailored to the College's circumstances.

Draft accounts were received from the College on 29 September 2025 and were of a good quality.

## Significant matters discussed with management

During our audit, we communicated the following significant matters to management:

- **BACS access and review**

During the audit, it was identified that certain members of the Finance team previously had access to both initiate and authorize transactions within the banking system, creating a potential segregation of duties risk. This issue was initially highlighted during an internal review in August 2024, after which management implemented corrective actions by revising user permissions and revoking inappropriate access. As part of our audit procedures, we reviewed lists of all users who initiated BACS runs and those who approved BACS transactions, and noted no individuals appearing on both lists, confirming that segregation of duties is currently maintained.

- **Valuation of fixed assets**

During our review of the fixed asset valuation, we observed that the useful lives of certain buildings had been significantly reduced compared to the prior year. We sought clarification from management regarding these revaluation differences and engaged our internal specialists for further analysis. Consequently, a revaluation exercise was initiated to address the matter.

## Executive summary (continued)

### Significant difficulties during the audit

We have not encountered any significant difficulties and we have had the full co-operation of management.

### Other matters of significance

We encountered no significant difficulties during our audit and had no significant disagreements with management. There was effective co-operation and communication between Forvis Mazars, management, and The Audit and Risk Committee during our audit. All requested information and explanations were provided to us.

Other matters we are required by ISA (UK) 260 *Communication with Those Charged with Governance* to communicate to you have been set out in Appendix E.

## Status of our audit

# Status of our audit

Our audit work is substantially complete and there are currently no matters of which we are aware that would require modification of our audit opinion, subject to the satisfactory resolution of the outstanding matters set out below.

## Completion of audit areas

- |   |            |
|---|------------|
| <ul style="list-style-type: none"><li>- Receipt of final assumptions pension report relating to Tayside pension fund from our actuarial team</li><li>- Receipt of audit bank letter in respect of Gardyne Theatre Limited</li><li>- Review of revised property valuations taking into account of late amendments to remaining economic lives; and</li><li>- Review of revised final financial statements taking account of the amendment to Land and Buildings carrying value</li></ul> | <b>Low</b> |
|---|------------|

## Standard completion items prior to sign-off

- |   |            |
|---|------------|
| <ul style="list-style-type: none"><li>- Update to our post balance sheet events prior to sign off; and</li><li>- Receipt of signed management letter of representation.</li></ul> | <b>Low</b> |
|---|------------|

## Status

**High** - Likely to result in a material adjustment or a significant change to disclosures in the financial statements.

**Medium** - Potential to result in a material adjustment or a significant change to disclosures in the financial statements.

**Low** - Not considered likely to result in a material adjustment or a change to disclosures in the financial statements.

**N/A** - Work on Wider Scope and Best Value arrangements therefore no risk of adjustment to the financial statements.

## Audit approach and risk summary

# Audit approach and risk summary

## Changes to our audit approach

There have been no changes to the audit approach we communicated in our Annual Audit Plan, issued on 27 May 2025, except for updating the figures used in the calculation of materiality to reflect the actual financial result.

## Materiality

Our provisional materiality at the planning stage of our audit was set at £1116k using a benchmark of 1.75% as per the Annual Audit Plan (provisional performance materiality: £838k and provisional clearly trivial threshold: £33k). There have been no changes to the materiality levels we communicated in the Annual Audit Plan

## Reliance on internal audit

Where possible we utilised the work performed by internal audit to modify the nature, extent and timing of our audit procedures, but no reliance has been placed on their work

## Use of experts

Management makes use of experts relating to the Defined Benefit Pension Liability and the associated accounting entries and disclosure requirements under FRS 102, with the actuary Barnett Waddingham being their expert.

Management makes use of experts relating to the valuation of land and buildings with Graham and Sibbald being their expert.

## Going concern

Our audit testing has not highlighted any issues regarding the going concern nature of Dundee and Angus College.

## Disclosures

Our reviews of the disclosures of the college have not highlighted any issues.

## Risks

We have not identified any changes to our significant risks and key judgement areas highlighted in our Annual Audit Plan.

Audit approach and risk summary (continued)

Significant risks	Fraud risk	Judgement	Error	Substantive audit procedures	Tests of controls	Misstatement identified	Control recommendations	Conclusion	Page ref to finding
Revenue recognition	Yes	Yes	No	Yes	No	No	No	Risk satisfactorily addressed	17
Management override of controls	Yes	No	Yes	Yes	No	No	No	Risk satisfactorily addressed	18
Defined benefit pension scheme assets	No	Yes	Yes	Yes	No	No	No	Risk satisfactorily addressed	19



## Audit approach and risk summary (continued)

Other key areas of judgement, and enhanced risks	Fraud risk	Judgement	Error	Substantive audit procedures	Tests of controls	Misstatement identified	Control recommendations	Conclusion	Page ref to finding
Defined benefit pension scheme assumptions	No	Yes	Yes	Yes	No	No	No	Risk satisfactorily addressed	20
Early Retirement Provision	No	Yes	Yes	Yes	No	No	No	Risk is satisfactorily addressed	21
Valuation of land and buildings	No	Yes	Yes	Yes	No	No	No	Risk is satisfactorily addressed. Please refer to page 19 for more details	22
Accounting treatment of Job Evaluation Scheme	No	Yes	Yes	Yes	No	No	No	Risk is satisfactorily addressed	23

Significant findings

## Significant findings

### Revenue recognition

#### Description of the risk

There is a presumption under International Standards on Auditing that there is a significant risk of fraud and error in the timing of revenue recognition leading to the material misstatement of revenue overall. This is because revenue is an area of particular focus by users of financial statements and can be subject to judgements as to when certain income streams should be recognized and if claw back conditions apply to any funding.

The risk above applies only to the non-core grant income and other non-grant income generated by the College. The risk has been rebutted in relation to the core grant income received by the College, given the highly regulated nature of this income, and therefore the lower inherent and fraud risks associated with it.

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#### How we addressed this risk

We addressed this risk through performing audit work over:

- the design and implementation of the controls management has in place to ensure income is recognized in the correct period;
  - cash receipts around the year end to ensure they have been recognized in the right year;
  - the judgements made by management in determining when non-grant income is recognized;
  - for major grant income, obtaining counterparty confirmation; and
  - expected credit loss provisions applied to receivables at the year end, considering the appropriateness of judgements made by management
- 

#### Audit conclusion

From the work performed, we have identified no misstatements in respect of revenue recognition.

---

## Significant findings

The significant findings from our audit include our conclusions regarding the significant risks we identified and other key areas of judgement, which are set out in this section.

### **Management override of controls**

#### **Description of the risk**

In all entities, management at various levels within an organization are in a unique position to perpetrate fraud because of their ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. Due to the unpredictable way in which such override could occur, we consider there to be a risk of material misstatement due to fraud and thus a significant risk on all audits.

---

#### **How we addressed this risk**

We addressed this risk through performing audit work over:

- Accounting estimates impacting amounts included in the financial statements;
  - Consideration of identified significant transactions outside the normal course of business;  
and
  - Journal entries recorded in the general ledger and other adjustments made in preparation of the financial statements.
- 

#### **Audit conclusion**

Satisfactory assurance has been gained in respect of the presumed risk of management override of controls. We however identified some control weaknesses and have communicated them in section 5

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## Significant findings (continued)

### **Defined benefit pension scheme assets**

#### **Description of the risk**

There is a significant asset value used in calculating the Tayside Pension Fund (TPF) position as at 31 July 2025 and due to the nature of the pension scheme there is significant complexity in identifying the College's share of the assets.

The complexity is created by factors such as:

- The types of assets held by the pension scheme and their valuation bases; and
- The calculation of the College's share of the overall Scheme assets requiring

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#### **How we addressed this risk**

We have undertaken a range of substantive procedures including:

- Obtaining confirmation from the pension fund of the total value submitted to the actuary and details of how the College's share of assets has been calculated.
- Reviewing this confirmation and considering if the information provided is sufficient and challenge any inconsistencies noted.

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#### **Audit conclusion**

Our audit testing has not highlighted any issues with the Defined Benefit pension scheme assets.

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## Significant findings (continued)

### Other key areas of management judgement/ enhanced risks

#### Valuation of Defined Benefit Pension assumptions

##### Description of the management judgement

The College makes contributions to two pension schemes - the Scottish Teachers Superannuation Scheme (STSS) and the Tayside Pension Fund (TPF). While both are defined benefit schemes, it is not possible to identify the College's share of the underlying assets and liabilities in the STSS scheme and it is therefore accounted for as a defined contribution scheme.

The College's share of the TPF's underlying assets and liabilities is identifiable and the net position is recognised in the accounts. There are significant assumptions used in calculating the value of the liability element of the year-end position of the TPF.

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##### How we addressed this risk

We have undertaken a range of substantive procedures including:

- Considering the arrangements put in place, including existence of any relevant controls, for making estimates in relation to pension entries within the financial statements.
- Considering the reasonableness of the actuary's assumptions used in providing the College with information in the financial statements through the use of our internal experts.

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##### Audit conclusion

Our audit testing has not highlighted any issues with the Defined Benefit pension scheme assumptions. We have completed our draft review of the assumptions using our internal actuarial team and are awaiting their final review of the assumptions.

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Significant findings (continued)

Other key areas of management judgement/  
enhanced risks

Early Retirement  
Provision

Description of the management judgement

The College includes a provision in their financial statements in respect of staff who receive an enhanced pension for accepting early retirement. The calculation of the value of this provision uses a model which incorporates actuarial assumptions.

How our audit addressed this area of management judgement

We have addressed the risk by:

- Considering the actuarial assumptions used by the actuary when calculating the provision value.

Audit conclusion

There have been no significant findings arising from our review of the early retirement provisions and associated disclosures in the financial statements.

## Significant findings (continued)

### Other key areas of management judgement/enhanced risks

#### Valuation of land and buildings

#### Description of the management judgement

The College's property, plant and equipment (PPE) portfolio totals over £74.102 million of assets (2024: £67.7921million). The valuation of these assets requires expertise and significant estimation.

To meet the requirements of the accounting framework, the College values its property, plant and equipment on an annual basis. For 2024/25, the College obtained a full valuation from their external valuer.

As at 31 July 2025, Land and Building had a net book value of £74.102 million. Given the significance of the value of fixed assets held, a misstatement in the valuation could be material to the financial statements.

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#### How our audit addressed this area of management judgement

We have undertaken a range of substantive procedures including:

- Examining the professional qualifications of the valuer;
- Challenge and substantiate the assumptions and the appropriateness of the date of the valuation used by management's valuer in completing the valuations;
- Considering the impact of any uncertainty arising from the professional valuation of college land and buildings, assessing against third party benchmark information where appropriate.
- Ensuring that valuations and impairments have been completed on the correct basis for each item and that movements are in line with expectation; and
- Assessing whether the report produced by the valuer has been correctly reflected in the accounts.

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#### Audit conclusion

We obtained satisfactory assurance over the valuation risk relating to land and buildings. Our review identified that the valuations used remaining life economic capped at the expected date a campus move would occur should funding be made available. This approach is inconsistent with RICS Valuation – Global Standards ('the Global Red Book') . A revised valuation has been provided and reflected in the financial statements



## Significant findings (continued)

### Other key areas of management judgement/ enhanced risks

#### Accounting treatment of Job Evaluation Scheme

##### Description of the management judgement

Following the release of the final 2023/24 Accounts Direction for Scottish Colleges the accounting treatment for the Job Evaluation Scheme was updated in the 2024 financial statements with the removal of the debtor and reclassification of the creditor to provisions.

The 2024/25 Accounts Direction requires the Colleges to account for the Scheme in an equivalent manner.

The historic creditor was calculated using figures extracted from the Funding Allocation Letter although in recent years no separate figure has been provided to Colleges. As such the calculation of the provision requires Colleges to exercise judgement as to the quantum of the provision giving consideration to changes to staffing and pay levels since 2018.

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##### How our audit addressed this area of management judgement

We considered a range of substantive procedures including:

- Considering the proposed treatment against the requirements of the 2024/25 Accounts Direction;
- Considering the consistency between the proposed treatment and FRS 102;
- Considering the appropriateness of the basis of calculation of the provision; and
- Considering whether the computation of the job evaluation provision appropriately takes account of all relevant considerations

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##### Audit conclusion

Our audit testing has concluded that the treatment is in line with the 2024/25 Accounts Direction and FRS 102.

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Significant control deficiencies

## Significant control deficiencies

As part of our audit, we obtained an understanding of the College's internal control environment and control activities relevant to the preparation of the financial statements, which was sufficient to plan our audit and determine the nature, timing, and extent of our audit procedures. Although our audit was not designed to express an opinion on the effectiveness of the College's internal controls, we are required to communicate to The Audit and Risk Committee any significant deficiencies in internal controls that we identified in during our audit.

### Deficiencies in internal control

A deficiency in internal control exists if:

- A control is designed, implemented, or operated in such a way that it is unable to prevent, detect, and/ or correct potential misstatements in the financial statements; or
- A control that is necessary to prevent, detect, and/ or correct misstatements in the financial statements on a timely basis is missing.

The purpose of our audit was to express an opinion on the financial statements. As part of our audit, we have considered the College's internal controls relevant to the preparation of the financial statements to design audit procedures to allow us to express an opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the College's internal controls or to identify any significant deficiencies in their design or operation.

The matters reported in this section of our report are limited to those deficiencies and other control recommendations that we have identified during our normal audit procedures and which we consider to be of sufficient importance to merit being reported.

If we had performed more extensive procedures on internal control, we might have identified more deficiencies to report or concluded that some of the reported deficiencies need not in fact have been reported.

Our comments in this section should not be regarded as a comprehensive record of all deficiencies that may exist or improvements that could be made.

### Significant deficiencies in internal control

A significant deficiency in internal control is one which, in our professional judgement, has the potential for financial loss, damage to reputation, or a loss of information which may have implications on the achievement of business strategic objectives. Our view is that observations categorised as a significant deficiency is of sufficient importance to merit the attention of The Audit and Risk Committee.

The significant deficiencies in the Dundee and Angus's internal controls that we have identified as at the date of this report are in set out on the following pages

### Other observations

We also record our observations on the College's internal controls where, in our professional judgement, there is a need to strengthen internal control or enhance business efficiency that do not constitute significant deficiencies in internal control but which we view as being important for consideration by management.

We have not identified any such control deficiencies as at the date of this report.

# Significant control deficiencies (continued)

## Significant deficiencies in internal control

In our view, the deficiencies in internal control set out in this section result in a potential for financial loss, damage to reputation, or a loss of information. This may have implications for the achievement of business strategic objectives. Our recommendations should be considered for immediate action.

### Journal Reviews

#### Description of deficiency

We observed that there were several weaknesses in the overall journal process:

- There was no mandated formal review of 'correcting' journals
- We observed that the Transaction team posts journals directly to the accounting system without conducting a detailed review either before or after posting. The team relies primarily on the bank reconciliation as an accuracy control, which may not be sufficient to identify errors or ensure the accuracy and appropriateness of journal entries prior to their final submission
- We observed that the Financial Reporting team's monthly journal entries are typically reviewed by the Senior Accountant as part of their control process. However, during periods of absence, there was no evidence of alternative review procedures being performed or documented. As such it is apparent that, whilst journals provided for review are typically reviewed, no completeness check is undertaken.

#### Potential effects

The lack of a formal review process in certain circumstances could lead to an increased risk of error, misclassification, or non-detection of inappropriate entries. This could lead to inaccurate financial reporting, weakened audit trails and potential non-compliance with internal controls.

#### Recommendation

We recommend implementing a formal review and approval process for all journals before they are posted in the accounting software or a periodic review of all journals posted.

#### Management response

This recommendation is accepted. We will develop and implement a formal review and approval process along with a periodic review of all journals posted.

The combination of these two identified control deficiencies resulted in the theoretical weakness whereby an individual could have prepared and submitted a BACS payment and posted journals which were unreviewed.

As such, we directly obtained details of the individuals who initiated and approved BACS payments from the outsourced IT provider and bank respectively in order to determine whether or not evidence exists that anyone had exploited this control weakness. Based on the reports provided we were able to conclude that the list of individuals who initiated a BACS payment did not approve one for the period 1 August 2022 to August 2025 (when the control weakness was remedied).

### BACS Controls

#### Description of deficiency

During the audit, we were made aware that certain members of the Finance team had access rights that allowed them to both initiate and authorize payments via BACS within the banking system. This created a potential segregation of duties risk. The issue was initially highlighted during an internal review in August 2024. Management implemented corrective actions by revising user permissions and revoking inappropriate access to ensure proper segregation of duties. The audit team reviewed BACS transactions in the affected period to determine that the initiators and approvers of BACS payments were not the same individuals, validating that corrective actions were effective.

#### Potential effects

The overall access to the BACS system prior to corrective action could have led to a potential risk of fraud or error, as individuals could process and approve transactions without independent oversight.

#### Recommendation

We commend that actions were taken once the situation had been identified.

We recommend that a review is undertaken whenever the BACS system users are updated to reconfirm that segregations of duty continue to exist.

#### Management response

This recommendation is accepted and has been implemented. The previous over-ride of controls was only possible because finance BACS users were set up with admin level access. Admin access has been removed from all except senior finance staff (Finance Manager and Director of Finance). This ensures that access to BACS is based on staff roles and segregation of duties remains at all times.

## Summary of misstatements

# Summary of adjustments

## Adjusted misstatements

Our overall materiality, performance materiality, and clearly trivial (reporting) threshold were reported in our Audit Summary Memorandum, issued on 27 May 2025. Any subsequent changes to those figures are set out in the ‘*Audit Approach and Risk Summary*’ section of this report.

Management has assessed the misstatements in the table below as being material, individually or in aggregate, to the financial statements and has adjusted them.

Details of adjustment	Entity	Nature	CIES	CIES	Balance Sheet	Balance Sheet
			Dr (£ '000)	Cr (£ '000)	Dr (£ '000)	Cr (£ '000)
Dr: Fixed Asset  Cr: Revaluation reserve  Being the correction required to the property valuations following on from a revised report from the valuer.			TBC			
Dr: Accumulated depreciation  Cr: Revaluation reserve  Being the correction required to the property valuations following on from a revised report from the valuer.					TBC	
Aggregate effect of adjusted misstatements						

## Summary of misstatements (continued)

### Unadjusted misstatements

We identified no unadjusted misstatements above our reporting threshold, or that we deem to be material by nature, as at the date of this report.

### Disclosure misstatements

We have not identified any disclosure misstatements as at the date of this report.

# 07

Fraud considerations



# Fraud considerations

We have a responsibility to plan and perform our audit to obtain reasonable assurance that the financial statements are free from material misstatement, whether due to fraud or error.

## Your responsibilities

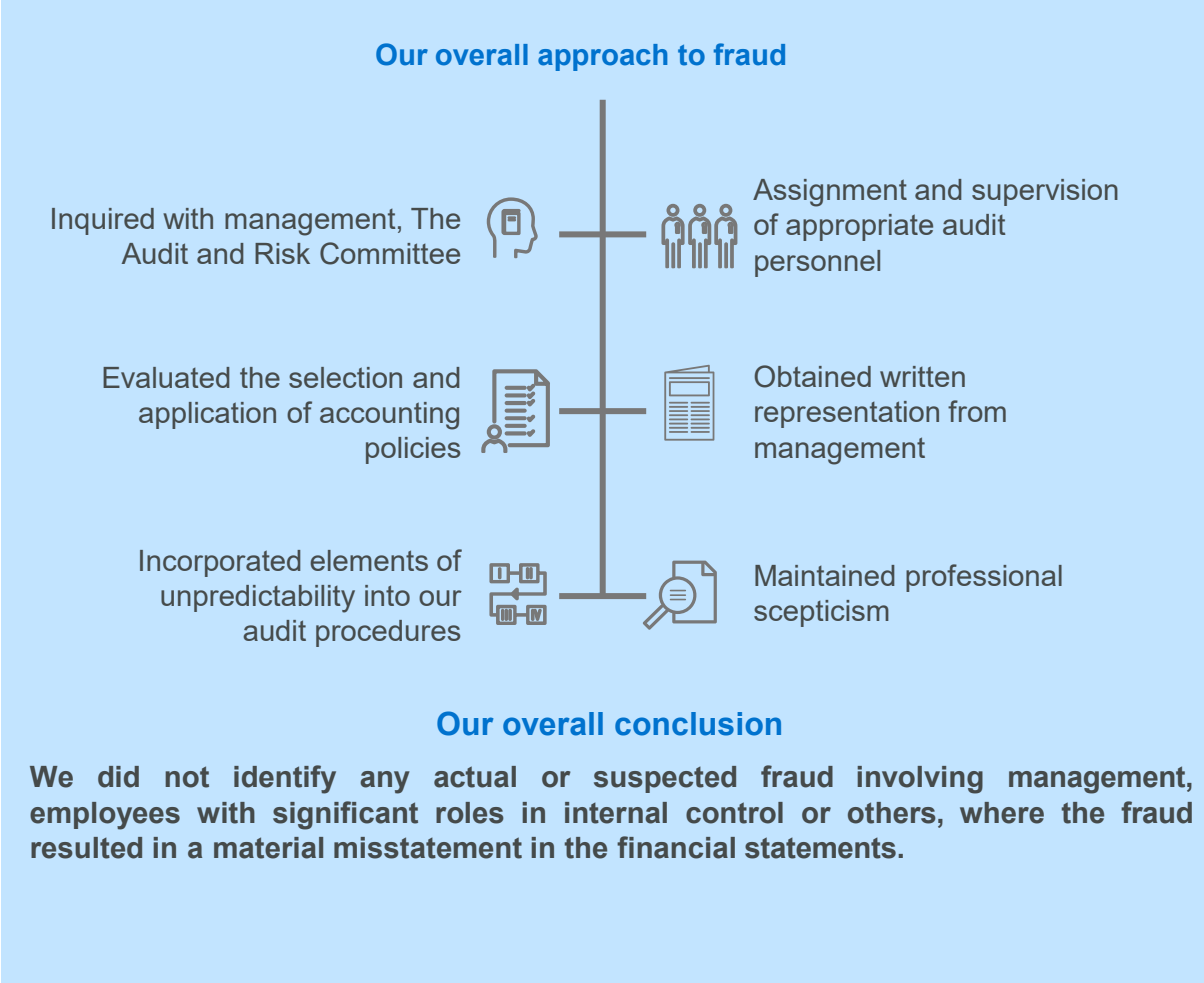
Management has primary responsibility for the prevention and detection of fraud. It is important that management, with your oversight, place a strong emphasis on fraud prevention, which may reduce opportunities for fraud to take place, and fraud deterrence, which could persuade individuals not to commit fraud because of the likelihood of detection and punishment. This involves a commitment to creating a culture of honesty and ethical behaviour which is reinforced by your active oversight.

## Our responsibilities

We have a responsibility for obtaining reasonable assurance that the financial statements taken as a whole are free from material misstatement, whether due to fraud or error. The distinguishing factor between fraud and error is whether the underlying action that results in a misstatement is intentional or unintentional. Two types of intentional misstatements are relevant to us – misstatements resulting from fraudulent financial reporting, and misstatements resulting from the misappropriation of assets.

## ISA presumed fraud risks

As set out in the 'Audit approach and risk summary' section, the risks of fraud in revenue recognition and management override of controls were identified as significant risks.



Wider scope and Best Value

# Commentary on Wider Scope

## Overall Summary



# Commentary on Wider Scope

## Wider Scope summary

As auditors appointed by the Auditor General of Scotland, our Wider Scope responsibilities are set out in the Code of Audit Practice 2021. The Code requirements broaden the scope of the 2024/25 audit and allow us to use a risk-based approach to report on our consideration of the College’s performance and make recommendations for improvement and, where appropriate, conclude on the College’s performance.

The Code’s Wider Scope framework is categorised into four areas:

- financial management;
- financial sustainability;
- vision, leadership and governance; and
- use of resources to improve outcomes.

## Overall summary by reporting criteria

From the satisfactory conclusion of our audit work, we have the following conclusions:

Reporting criteria	Commentary page reference	Possible significant risks?	Significant risks identified?	Other recommendations made?
Financial management	35	No	No	No
Financial sustainability	40	Yes – see risk on page 41	Yes	No
Vision, leadership and governance	45	No	No	No
Use of resources to improve outcomes	48	No	No	No



# Commentary on Wider Scope

## Financial management

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



# Financial management

## Significant risks

We have not identified any significant risks in arrangements as part of our continuous planning procedures.

## Our overall assessment

Area assessed	Our findings	Our judgements	Significant risks identified
Financial management culture	Overall there is a good culture of financial management. From our review of monthly management accounts, to reviewing the FFR and other forecasts, there is a clear plan and oversight within the college.	The FFR was prepared on time and to a good quality.	No significant risks have been identified.
Accountability	We have seen that quarterly management accounts are prepared and reported to the Finance & Infrastructure Committee. These have been challenged in their meetings, which we have seen evidence of through our review of meeting minutes.	We reviewed all meeting minutes and noted that the results were discussed in each meeting of Finance and infrastructure committee.	No significant risks have been identified.
Arrangements to prevent and detect fraud, error and other irregularities, bribery and corruption	<p>Management and the Audit &amp; Risk Committee, as those charged with governance, also have responsibilities in respect of fraud. They are responsible for safeguarding assets and for the prevention and detection of fraud, error and non-compliance with laws and regulations.</p> <p>We have a responsibility to review the College's arrangements for the prevention and detection of fraud. Our audit work was planned to provide a reasonable expectation of detecting material misstatements in the financial statements resulting from fraud and irregularity.</p>	Our review has not highlighted any issues relating to the College's arrangements and procedures for the prevention and detection of fraud, error and other irregularities.	No significant risks have been identified.

# Financial management

## Significant risks

We have not identified any significant risks in arrangements as part of our continuous planning procedures.

## Overall commentary on the financial management reporting criteria

### FE/HE SORP position

Area	2024/25 £'000	2023/24 £'000
Operating income	47,510	45,470
Staff costs	(35,364)	(32,304)
Operating expenditure	(14,158)	(17,061)
Operating Deficit for the year (FE/HE SORP basis)	(2,012)	(3,895)

The above table shows the financial performance of the college for 2024/25 and 2023/24 under the FE/HE SORP. Despite a deficit being shown in both years:

- The College achieved its financial targets and spending was in line with the plan;
- There were no significant changes to the reported position during the year; and
- The student credit target was met confirming the level of funding in the financial statements.

### Adjusted operating position

The table below sets out the financial position in accordance with SORP requirements. The table reflects the 'adjusted operating position' as required by the Accounts Direction issued by the Scottish Funding Council. The adjusted operating position removes more volatile accounting entries, such as the valuation of pensions. Full details of the adjustments included are shown, as required, in the Performance Report within the Annual Report and Financial Statements.

Area	2024/25 £'000	2023/24 £'000
Deficit before other gains and losses	(2,012)	(3,895)
Add back:	1,369	1,767
Depreciation (net of deferred capital grant release)		
Non-cash pension adjustments – net service costs	(323)	(67)
Non-cash pension adjustments – net interest cost	51	63
Costs of job evaluation exercise not matched by revenue	677	4,001
Deduct:	-	-
Non-government capital grants from ACF		
SFC declared adjusted operating (deficit)/surplus	(238)	1,869

The Accounts Direction issued by the SFC for 2024/25 requires Colleges to submit the adjusted operating position calculation with draft accounts to the SFC for review before the accounts are signed off. The table above shows that excluding the non-cash and other applicable adjustments, the College still has a deficit in the year, albeit small in comparison to the deficit under the SORP basis.

# Financial management (continued)

## Impact of depreciation budget

The Statement of Comprehensive Income and Expenditure is prepared under the FE/HE SORP, which does not permit the inclusion of the non-cash budget for depreciation. Colleges may show a deficit equivalent to net depreciation as a result of having to meet Government accounting rules.

Area	2024/25 £'000	2023/24 £'000
Operating Deficit for the year (FE/HE SORP basis)	(2,012)	(3,895)
Add: Depreciation budget for government funded assets (net of deferred capital grant) for the academic year	1,369	1,767
Operating surplus / (deficit) on Central Government accounting basis	(643)	(2,128)

The table above shows a deficit when the impact of the depreciation budget is taken as the only adjusting factor to the financial position. The operating position table on the previous page also shows an operating deficit for 2024/25.

The increase in the deficit is considered to be a result of inflationary pressure. Whilst income allocated from the Scottish Funding Council remains in line with 2023/24, this has not been sufficient enough to fund the increase in national insurance costs, the cost of pay awards and the inflationary increase of operating costs.

## Budgetary process

We have reviewed and considered the budgetary processes and controls and budget monitoring arrangements in place at the College.

Our work consisted of a review of budget monitoring reports and committee papers along with attendance at committees. Overall, we consider that the Board of Management obtains regular and timely financial information that reflects the actual financial position.

We note that budget reports are produced on a timely basis and considered by the appropriate committee throughout the year. Budget reports and forecasts were appropriately updated based on prudent assumptions, there was considered to be no unreasonable movements throughout the forecasts and budgets.

The Finance and Infrastructure committee considers the management accounting pack regularly alongside reporting to the Board of Management at Dundee and Angus College. Minutes of the meetings document the level of challenge to the financial performance.

## Internal Controls

As part of our audit, we have considered the internal controls in place that are relevant to the preparation of the financial statements. We do this to design audit procedures that allow us to express an opinion on the financial statements; this does not extend to expressing an opinion on the effectiveness of internal control or to identify any significant deficiencies in their design or operation.

We have also considered the work of internal audit, from individual reviews of financial systems and their annual audit opinion on the control framework in place at the College.

We conclude that the processes and controls in place at the College are operating effectively. The College has all the expected control, risk, performance and financial arrangements in place. There are a series of regularity documents including standing orders, articles of governance, code of conduct, and financial regulations intended to ensure regularity of transactions.



# Financial management (continued)

## **Prevention and detection of fraud and irregularity**

Management and the Audit and Risk Committee, as those charged with governance, also have responsibilities in respect of fraud. They are responsible for safeguarding assets and for the prevention and detection of fraud, error and non-compliance with laws and regulations.

We have a responsibility to review the College's arrangements for the prevention and detection of fraud. Our audit work was planned to provide a reasonable expectation of detecting material misstatements in the financial statements resulting from fraud and irregularity.

# Commentary on Wider Scope

## Financial sustainability

Financial sustainability looks forward to the medium and longer term to consider whether the body is planning effectively to continue to deliver its services or the way in which they should be delivered.



# Financial sustainability (continued)

## Our overall assessment

Area assessed	Our findings	Our judgements	Significant risks identified
Financial sustainability	<p>We are aware that the overall College Sector in Scotland is having to respond to the financial pressures of inflating costs in a period when core grant income is flat.</p> <p>The College has prepared a three year Financial Forecast Return (FFR) to the SFC which shows positive projected cash balance to 2027 which turns negative during 2026/27. Through the June 2025 FFR process and other financial reporting throughout the year, the College and its Board have a clear view of the financial challenges and long-term risks faced. FFR planning assumptions, as advised by the SFC, have been considered fully before use.</p> <p>Looking ahead to the upcoming years, Management and the Board are fully committed to exploring all efficiency saving possibilities, new sources of commercial income and other cost saving measures such as voluntary severance. However, until such time as either additional funding is made available or the College is able to identify and implement additional cost efficiencies, we therefore consider there to be concerns over the financial sustainability of the College. We note that this conclusion is consistent with the findings of the sector-wide outlook set out in the 'Scotland's Colleges 2025' briefing and in the 'Financial Sustainability of Colleges in Scotland 2020-21 to 2025-26' issued by Audit Scotland and SFC.</p>	<p>Our assessment has replicated that of management. They have shown an adjusted operating deficit in their forecasts for 2025/26 to 2027/28, but have focused on preparing an accurate forecast to show their true position.</p>	<p>As shown to the left, the FFR shows a projected cash shortfall during 2027/28.</p>

# Financial sustainability

## Significant risks

We have outlined below the significant risks in arrangements that we have identified as part of our continuous planning procedures, and the work undertaken to respond to each of those risks.

	Significant Risk in Arrangements Identified	Work undertaken and the results of our work
1	<p><b>Financial Sustainability</b> We are aware that the overall College Sector in Scotland is having to respond to the financial pressures of inflating costs in a period when core grant income is flat.</p> <p>We have been made aware that the College is projecting a deficit position of £6.8m (prior to the inclusion of depreciation) and are expecting a significant deficit in both 2026 and 2027 of £12,120k and £12,765k respectively without further remedial actions.</p> <p>The above position means that the College will have to make decisions in order to appropriately balance finances.</p> <p>Given the level of sector wide uncertainties around the sufficient of future funding and of the general economic environment that has arisen there is a significant risk to the financial sustainability of the College.</p>	<p><b>Work undertaken</b> We have addressed the risk by:</p> <ul style="list-style-type: none"> <li>• Reviewing the forecast financial position in the financial plans submitted to the SFC; and</li> <li>• Considering alternative plans being considered by the College to ensure a balanced budget is achieved; and</li> <li>• Reviewing the financial reporting arrangements in place at the college.</li> </ul> <p><b>Results of our work</b> During 2024/25 the College prepared a three-year forecast cover to 2027/28 which highlights the future funding gap. The College has already implemented various cost saving action have taken steps to identify further areas where savings can be made to mitigate the funding gap in the FFR. One such example is the voluntary severance scheme that is currently underway and further exploring any other measure that they can take to save costs. Even with any proposed changes, given the sector wide challenges around future funding (as setout in the 'Scotland's College 2025' briefing and in the 'Financial Sustainability of Colleges in Scotland 2020-21 to 2025-26' issued by Audit Scotland and SFC respectively) there is a risk to financial sustainability without the further cost savings being identified and implemented by the College and additional funding not being made available from the SFC.</p> <p>As a result, we consider that there remains a risk that the College will not remain financially sustainable in medium to longer term.</p>

# Financial sustainability

## Overall commentary on the financial sustainability reporting criteria

### Financial Planning

This year the College has been requested to produce a three-year Financial Forecast Return (FFR) to the SFC.

SFC's FFR Call for Information set out two scenarios for colleges to consider.

The first scenario is the planning assumptions which are based on the Scottish Government's Spending Review. The income and expenditure projections using SFC's planning assumptions result in the following in-year SOCI operating deficits including depreciation.

Area	Forecast 2025-26 £000	Forecast 2026-27 £000	Forecast 2027-28 £000
<b>SOCI operating surplus /(deficits) including depreciation.</b>	(6,847)	(12,210)	(12,765)

Through the June 2025 FFR process and other financial reporting throughout the year, the College and its Board have a clear view of the financial challenges and long-term risks faced. FFR planning assumptions, as advised by the SFC, have been considered fully before use.

The FFR for this period includes providing for the expected cost of implementing the support staff and middle managers job evaluation. The outcome of this remains uncertain, and if negotiations result in higher levels than expected, this will have a further negative impact on the budget for 2025-26.

Further detail on the College's forecast is included in the table to the right:

Area	Forecast 2025-26 £000	Forecast 2026-27 £000	Forecast 2027-28 £000
<b>Total income</b>	44,467	42,399	42,283
<b>Staff costs</b>	(37,758)	(39,629)	(41,480)
<b>Total other expenditure</b>	(13,456)	(14,900)	(13,488)
<b>Operating deficit before other gains and losses</b>	<b>(6,877)</b>	<b>(12,210)</b>	<b>(12,765)</b>
<b>Total depreciation net of capital grant</b>	(1,767)	(3,889)	(3,889)
<b>Cost of job evaluation exercise not matched by revenue</b>	676	676	676
<b>Interest and finance costs</b>	0	0	0
<b>Adjusted operating result</b>	<b>(4,404)</b>	<b>(7,645)</b>	<b>(8,200)</b>

These results are based on the assumptions provided by the SFC and are not deemed to be a fixed forecast or strategic plan. The College is actively considering a range of options in relation to the coming years and will continue to work to updated the projected income and costs reflected in their financial plans to better reflect actual expectations.

The forecasts have been completed based on the assumptions provided by the SFC on their website.

Looking ahead to the upcoming years, Management and the Board are fully committed to exploring all efficiency saving possibilities, new sources of commercial income and consideration of changes to working practices. However, until such time as either additional funding is made available or the College is able to identify and implement additional cost efficiencies, we therefore consider there to be concerns over the financial sustainability of the College.

# Financial sustainability (continued)

## Overall commentary on the financial sustainability reporting criteria

### Asset management and estates strategy

Capital grant funding provided to the college by the SFC is used in order to maintain the longevity of the current assets.

We consider that appropriate attention is given to the estate and assets and their continued development and improvement, and that their maintenance continues to be factored into long term plans and discussions.



# Commentary on Wider Scope

## Vision, leadership and governance

Vision, Leadership and Governance is concerned with the effectiveness of scrutiny and governance arrangements, leadership and decision making, and transparent reporting of financial and performance information.



# Vision, leadership and governance (continued)

## Our overall assessment

Area assessed	Our findings	Our judgements	Significant risks identified
Clarity of plans to implement the vision	The College has developed a financial strategy to address ongoing challenges to financial sustainability. This strategy includes engagement with the Scottish Funding Council (SFC) regarding funding and the implementation of cost-saving initiatives. At the time of review, the College was in the process of implementing a voluntary severance scheme as part of these measures. Further cost-saving actions are under consultation with affected stakeholders and are expected to be implemented upon finalization.	Our judgement is that management have clear leadership and plans for the future and are actively looking to implement these.	No significant risks have been identified.
Strategy and priorities		Our judgement is that management have clear leadership and plans for the future and are actively looking to implement these.	No significant risks have been identified.
Governance arrangements	We have seen that regular Board and appropriate sub committee meetings have taken place during the year, and that these have been well attended and items discussed.	Our review has deemed the governance structure for the College to be appropriate.	No significant risks have been identified.
Financial and performance information	Monthly management accounts are prepared and circulated, with these being of a good quality and prepared in a timely nature.	Our review has deemed this to be appropriate.	No significant risks have been identified.



# Vision, leadership and governance

## Overall commentary on the vision, leadership and governance reporting criteria

### Governance arrangements

Our work in this area has considered the overall governance arrangements in place at the College, reviewed the financial and performance reporting to the Board of Management, and reviewed the minutes of committees to inform our assessment of the appropriateness of the governance structure. We have also attended Audit Committees during the year.

Financial papers submitted to committees are relevant and timely. Each paper has a summary setting out the purpose of the paper and the action required by the members. Minutes are understandable and contain detail of discussions and rationale for decision making.

At 31 July 2025, the Board consisted of 26 members, 11 female and 15 male (including the Principal). The Board continues to maintain a gender balance that meets with the objective of the Gender Representation on Public Boards (Scotland) Bill which was introduced by the Scottish Parliament in June 2017 with an implementation date of 2022.

The key committees' membership comprises of, and are chaired by Board members, with each also containing the Principal. Appropriate College officers attend committees and present reports as required.

### Governance Statement

As part of our audit we have read the governance statement included in the annual report. The governance statement sets out the corporate governance framework in place throughout the reporting year, the internal controls in operation, the work of internal audit and the overall efficiency and effectiveness of the governance framework.

### Significant risks

We have not identified any significant risks in arrangements as part of our continuous planning procedures.

The governance statement confirms the College's compliance with the 2022 Code of Good Governance for Scotland's Colleges except where the code 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". As noted within the 'Assessment of corporate governance' in the financial statements this arrangement will change in 2025-26 and we have verified the College is currently in the process of identifying a suitable candidate.

We are required to read and provide an opinion on the governance statement. In our opinion, the information contained within is consistent with the financial statements. We also consider that the governance statement has been prepared in accordance with the Further and Higher Education (Scotland) Act 1992 and further directions made by the Scottish Funding Council.

### Internal audit

An effective internal audit service is an important element of any organisation's governance arrangements. Internal audit provide the College with independent assurance on internal control and corporate governance processes. The internal audit function at the College has been provided by Henderson Loggie to 31 July 2025. Internal audit has attended Audit Committees throughout the year and have produced reports to support the overall Internal Audit Opinion.

### Transparency

Transparency means that service users and the public have access to understandable information about how the College is making decisions and using its resources. There is a commitment to transparency, with the minutes and papers of the Board of Management and key committees being available on the website.

# Commentary on Wider Scope

## Use of resources to improve outcomes

Audited bodies need to make best use of their resources to meet stated outcomes and improvement objectives, through effective planning and working with strategic partners and communities. This includes demonstrating economy, efficiency, and effectiveness through the use of financial and other resources and reporting performance against outcomes.



# Use of resources to improve outcomes (continued)

## Our overall assessment

Area assessed	Our findings	Our judgements	Significant risks identified
Performance management	<p>The College delivered its Outcome Framework &amp; Assurance Model (OFAM) baseline target credits. The college made a deficit highlighting the continued financial difficulties the College faces. There is close monitoring of the delivery of the OFAM and financial performance reports provide sufficient information to allow members to understand performance. Budget monitoring information provides a detailed analysis of variances allowing budget to be appropriately managed.</p> <p>Through this management of the 2024/25 budget there is clear evidence that the College understands cost drivers and is in control of costs as far as can be reasonably expected.</p>	Our judgement is that the College is performing in requirements with its situation.	No significant risks have been identified.
Regularity	<p>As part of our audit of the College's financial statements, we are required by the Public Finance and Accountability (Scotland) Act 2000 to give an opinion on the regularity of expenditure and receipts shown in the financial statements. Regular expenditure and income is that which has been incurred / obtained in line with guidance issued by the Scottish Ministers and the terms and conditions of funding of the Scottish Funding Council.</p> <p>The College has arrangements to monitor the requirements of the Scottish Funding Council, Audit Scotland and other regulatory or advisory bodies to ensure it complies with the terms and conditions of funding including regular reporting of financial and operational performance to the Board of Management and its committees.</p>	Our review found an effective control environment exists over regularity of expenditure and receipts. No instances of non-compliance with Scottish Funding Council terms and conditions were noted.	No significant risks have been identified.

## Significant risks

We have not identified any significant risks in arrangements as part of our continuous planning procedures.



# Commentary on Best Value

Best Value



# Best Value

## Best Value in Colleges

The Scottish Public Finance Manual (SPFM) explains that accountable officers have a specific responsibility to ensure that arrangements have been made to meet their Best Value obligations. The duty of Best Value as set out in the SPFM is:

- To make arrangements to secure continuous improvement in performance whilst maintaining an appropriate balance between quality and cost; and, in making those arrangements and securing that balance; and
- To have regard to economy, efficiency, effectiveness, the equal opportunities requirements and to contribute to the achievement of sustainable development.

Ministerial guidance for Accountable Officers in public bodies sets out their duty to ensure that arrangements are in place to secure Best Value in public services.

The seven Best Value characteristics have been recently regrouped to reflect the key themes which will support the development of an effective organisational context from which public services can deliver key outcomes and ultimately achieve Best Value:

1. Vision and leadership
2. Governance and accountability
3. Effective use of resources
4. Partnerships and collaborative working
5. Working with communities
6. Sustainability
7. Fairness and equality

We have used a risk-based approach that is proportionate to the size and type of the body, to assess whether the College has made proper arrangements for securing Best Value. We have also followed up on previously reported Best Value findings, where applicable, and have assessed the pace and depth of improvement implemented by the College.

# Best Value (continued)

## Best Value in colleges – overall conclusion

The College delivered over 99% of its credit target (resulting in no clawback of core funding).

The College can point to achievement of financial targets, management of costs and income and a number of improvements in performance in 2024/25. The College has summarised their key performance indicators in the performance analysis within the financial statements. The College has arrangements to analyse cost and performance. Through delivery of the 2024/25 budget there is clear evidence that the college understands cost drivers and is controlling costs.



# Appendices

A: Internal control conclusions

B: Draft management representation letter

C: Draft audit report

D: Confirmation of our independence

E: Other communications

F: Wider scope ratings

G: Current year updates, forthcoming accounting & other issues

# Appendix A: Internal control conclusions

## Other deficiencies in internal control

A deficiency in internal control exists if:

- A control is designed, implemented, or operated in such a way that it is unable to prevent, detect, and/ or correct potential misstatements in the financial statements; or
- A control that is necessary to prevent, detect, and/ or correct misstatements in the financial statements on a timely basis is missing.

The purpose of our audit was to express an opinion on the financial statements. As part of our audit, we have considered the Dundee and Angus College's internal controls relevant to the preparation of the financial statements to design audit procedures to allow us to express an opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Dundee and Angus College's internal controls or to identify any significant deficiencies in their design or operation.

The matters reported in Appendix A are limited to those deficiencies and other control recommendations that we have identified during our normal audit procedures and which we consider to be of sufficient importance to merit being reported. If we had performed more extensive procedures on internal control, we might have identified more deficiencies to report or concluded that some of the reported deficiencies need not in fact have been reported. Our comments in Appendix A should not be regarded as a comprehensive record of all deficiencies that may exist or improvements that could be made.

This Appendix sets out the internal control observations that we have identified as at the date of this report. These control observations are not, in our view, significant control deficiencies but have been reported to management directly and are included in this report for your information. In our view, there is a need to address the deficiencies in internal control set out in this section to strengthen internal control or enhance business efficiency. Our recommendations should be actioned by management in the near future.



# Other control deficiencies (continued)

## Other deficiencies in internal control

In our view, the deficiencies in internal control set out in this section result in a potential for financial loss, damage to reputation, or a loss of information. This may have implications for the achievement of business strategic objectives. Our recommendations should be considered for immediate action.

### Miscomputation of the Financial Forecast Report

#### Description of deficiency

During the audit, it was identified that certain figures within the June 2025 Financial Forecast Report (FFR) were incorrectly computed. The calculations did not fully account for other aspects such as deferred capital grant release, resulting in discrepancies between reported forecasts and expected values

#### Potential effects

Inaccurate financial forecasts may lead to poor budgeting decisions, misallocation of resources, and potential reputational risk as this report is submitted to the Scottish Funding Council

#### Recommendation

We recommend automated controls are implemented within the forecasting system to validate calculations against approved formulas. Furthermore, the college should strengthen the review processes by introducing independent verification of key computations.

#### Management response

This recommendation is accepted. There were two figures incorrectly included in the FFR which related to 2025/26 and 2026/27 forecasts. Forecasts for deferred capital grants are being developed and this will be included in future FFR submissions. We have developed a spreadsheet to support the FFR workings and this has built in control checks. We continue to enhance these workings as time progresses and we will build in additional controls where the errors were identified.

### Accruals Review

#### Description of deficiency

We observe that the client continues to carry a long-standing accrual intended to retain contractor building payments until the completion of work to an acceptable standard or full retention. However, this accrual has remained unused for a number of years, with no movement or associated activity during that period. Upon further inquiry, management confirmed that no further invoices are expected in relation to this balance, indicating that the underlying obligation may no longer exist. This suggests the accrual may be overstated and should be reviewed for potential release to ensure the financial statements reflect current liabilities accurately.

#### Potential effects

If left unchecked, the continued recognition of a non-moving accrual that no longer reflects a valid liability could lead to an overstatement of liabilities and understatement of net assets in the financial statements, potentially distorting the client's financial position and misinforming stakeholders. It may also indicate weaknesses in balance sheet review controls and undermine the integrity of year-end close procedures, increasing the risk of misstatements and audit qualifications.

#### Recommendation

We recommend that management formally review the long-standing accrual balance and assess whether it continues to represent a valid liability. If no further invoices are expected and the underlying obligation has ceased, the accrual should be released to ensure the financial statements accurately reflect current liabilities. Additionally, we suggest implementing periodic reviews of aged accruals to prevent similar instances of outdated balances remaining on the ledger.

#### Management response

This recommendation is accepted, including implementing periodic reviews.

# Other control deficiencies (continued)

## Other deficiencies in internal control

In our view, the deficiencies in internal control set out in this section result in a potential for financial loss, damage to reputation, or a loss of information. This may have implications for the achievement of business strategic objectives. Our recommendations should be considered for immediate action.

### IT General controls

#### Description of deficiency

Modification of user access/accounts does not have a formal documented process.

#### Potential effects

The absence of a formal documented process for modifying user access/accounts can lead to significant risks, including unauthorized access, compromised data security, and non-compliance with regulatory standards. Establishing a clear, controlled process helps ensure accountability, consistency, and protection of sensitive systems and data.

#### Recommendation

To mitigate the potential impact of not having a formal process for modifying user access during IT systems testing, it is recommended to implement a documented access control procedure that includes defined roles and responsibilities, approval workflows, and logging mechanisms. This process should ensure that all access changes are authorized, recorded, and reviewed regularly, ideally integrated with a change management system. Automating access provisioning and de-provisioning where possible can further enhance consistency and reduce human error, while periodic audits help maintain compliance and security integrity.

#### Management response

This recommendation is accepted; We will investigate whether we can automate the process

### Fixed assets valuations review

#### Description of deficiency

During the audit, it was noted that the valuation initially obtained to determine the carrying value of College land and buildings did not appropriately take account of the College's desire to move to new campuses in the future. The initial valuation capped the Useful Economic Lives of the campuses to the approximate date the College hopes to vacate the premises, which is inconsistent with the provisions of the RICS guidelines. As a result, management needed to request additional valuations from the valuers to ensure accuracy and reasonableness.

#### Potential effects

This may result in misstated asset values and depreciation and result in a distorted value of the assets

#### Recommendation

Implement a formal review process for valuation reports to ensure assumptions comply with relevant standards before inclusion in financial statements.

#### Management response

This recommendation is accepted. We will establish a formal review and challenge process for external validations including validations of assumptions and methodologies.

# Other control deficiencies (continued)

## Follow up on significant deficiencies in internal controls identified on prior year audits

Set out below is an update on the action taken by the Dundee and Angus College to address significant deficiencies in internal control identified on prior audits, that were not resolved on commencement of our audit.

### Maintenance of fixed asset register

#### Description of deficiency

The College’s fixed asset register has historically been prepared in a format, and with backing detail, which has now proven to be difficult to readily interpret and understand by other individuals. In the prior year the surrounding explanations provided to us facilitated the audit process – the loss of these explanations rendered it difficult for management to accurately update the register for 2023/24’s changes.

#### Current year update:

Work has progressed on the comprehensive review and reconciliation of the fixed asset register with specialist support and training being provided via our internal audit contract. A complete review of the works will be completed in July 2026.

#### Potential effects

Inaccurate fixed asset records will, and have, resulted in misstated draft financial statements. Further, if replicated, these inaccuracies will potentially result in the incorrect calculation of depreciation and/or the revaluation reserve.

#### Recommendation

We recommend that a comprehensive review and reconciliation of the fixed assets register is undertaken to rectify the difficulties encountered in the 2024 audit. We recommend that training is provided to appropriate staff members in respect of the accounting treatment of revaluations.

#### Management response

Work has progressed on the comprehensive review and reconciliation of the fixed asset register with specialist support and training being provided via our internal audit contract. A complete review of the works will be completed in July 2026

# Appendix B: Draft management representation letter

## LETTER OF REPRESENTATION

This representation letter is provided in connection with your audit of the financial statements of for the year ended 31 July 2025 for the purpose of expressing an opinion as to whether the financial statements give a true and fair view in accordance with the Further and Higher Education (Scotland) Act 1992 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 the Companies Act 2006 and relevant legislation and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland”.

We confirm that the following representations are made on the basis of enquiries of management and staff with relevant knowledge and experience (and, where appropriate, inspection of supporting documentation) sufficient to satisfy ourselves that we can properly make each of the following representations to you.

### **Responsibility for the financial statements and accounting information**

We acknowledge as members of the Board of Management our responsibility for ensuring:

the financial statements are free of material misstatements including omissions;

that the financial statements give a true and fair view of the state of affairs of the College as at 31st July 2025;

all the accounting records have been made available to you for the purpose of your audit and all the transactions undertaken by the College have been properly reflected and recorded in the accounting records;

all other records and related information, including minutes of all management meetings, have been made available to you;

the accounting policies used are detailed in the financial statements and are consistent with those adopted in the previous financial statements and are in accordance with the Accounts Direction issued by the Scottish Funding Council (SFC) under the terms of the Further and Higher Education (Scotland) Act 1992; and

compliance with the terms and conditions of the Financial Memorandum issued to the Board of Management by the SFC.

### **Internal Audit information**

Henderson Loggie acted as Internal Auditors to the College during the year to 31 July 2024. All reports issued to the College and our responses to them have been made available to you.

### **Internal control systems**

We acknowledge our responsibility for the design and implementation of internal control systems to prevent and detect fraud. We have disclosed to you the results of our risk assessment that the financial statements may be misstated as a result of fraud. There have been no irregularities (or allegations of irregularities) involving management, employees who have a significant role in internal control or others that could have a material effect on the financial statements.

# Appendix B: Draft management representation letter

## Contingencies

Aside from those disclosed in the financial statements, there are no material contingent losses including pending or potential litigation that should be accrued where: information presently available indicates that it is probable that an asset has been impaired or a liability had been incurred at the balance sheet date; and the amount of the loss can be reasonably estimated.

There are no material contingent losses that should be disclosed where, although either or both the conditions specified above are not met, there is a reasonable possibility that a loss, or a loss greater than that accrued, may have been incurred at the balance sheet date.

There are no contingent gains which should be disclosed.

All material matters, including unasserted claims, that may result in litigation against the company have been brought to your attention. All known actual or possible litigation and claims whose effects should be considered when preparing the financial statements have been disclosed to you and accounted for and disclosed in accordance with the relevant legislation and United Kingdom Accounting Standards.

## Claims and Litigation

All claims in connection with litigation that have been, or are expected to be, received have been properly accrued for in the financial statements.

## Subsequent events

There have been no events since the balance sheet date that require disclosure or which would materially affect the amounts in the accounts, other than those already disclosed or included in the accounts. Should further material events occur, which may necessitate revision of the figures included in the financial statements or inclusion of a note thereto, we will advise you accordingly.

## Related party transactions

We confirm that we have disclosed to you all related party transactions relevant to the College and that we are not aware of any further related party matters that require disclosure in order to comply with the requirements of charities legislation, the Statement of Recommended Practice for Further and Higher Education accounts or accounting standards.

## Future commitments

The College has not contracted for any capital expenditure other than as disclosed in the accounts.

## Charges on assets

The College has satisfactory title to all assets and there are no liens or encumbrances on the College's assets, except for those that are disclosed in the financial statements.

# Appendix B: Draft management representation letter

## Fraud and error

We are not aware of any irregularities, including fraud, involving existing management or employees of the College, nor are we aware of any breaches or possible breaches of statute, regulations, contracts, agreements or College's Constitution and Articles of Government which might result in the College suffering significant penalties or other loss that we have not already disclosed to you. No allegations of such irregularities, including fraud, or such breaches have come to our attention.

## Laws and regulations

We confirm that we are not aware of any possible or actual instance of non-compliance with those laws and regulations which provide a legal framework within which the College conducts its business.

## Going Concern

We confirm that, in our opinion, the College is a going concern on the grounds that current and future sources of funding or support will be more than adequate for the College's needs. We have considered a period of no less than twelve months from the date of approval of the financial statements. We believe that no further disclosures relating to the College's ability to continue as a going concern need to be made in the financial statements.

## Impairment review

To the best of our knowledge, there is nothing to indicate that there is a permanent reduction in the recoverable amount of the fixed assets below their carrying value at the balance sheet date. An impairment review is therefore not considered necessary.

## Accounting policies

We confirm that we have reviewed the accounting policies applied during the year in accordance with Section 10 of Financial Reporting Standard 102 and consider these policies appropriate to faithfully represent the effects of transactions, other events or conditions on the company's financial position, financial performance and cash flows.

## Accounting estimates

We confirm that the methods, significant assumptions and the data used in making the accounting estimates are appropriate to achieve recognition, measurement or disclosure that is in accordance with the applicable financial reporting framework.

## Unadjusted misstatements

We confirm that we are not aware of any misstatements within the College's accounting records which could be considered to be material to users of the financial statements.

## Other Representations

The College has had at no time during the year any arrangement, transaction or agreement to provide credit facilities (including loans, quasi-loans or credit transactions) for the Board of Management nor to guarantee or provide security for such matters.

# Appendix C: Draft audit report

## Report on the audit of the financial statements

### Opinion on the financial statements

We have audited the financial statements in the annual report and accounts of Dundee and Angus (“the College”) and its Group for the year ended 31 July 2025 under the Further and Higher Education (Scotland) Act 1992 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005. The financial statements comprise the Consolidated and College Statement of Comprehensive Income, Consolidated and College Statement of Changes in Reserves, Consolidated and College Statement of Financial Position, and the Consolidated and

College Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the accompanying financial statements:

give a true and fair view of the state of affairs of the College and its Group as at 31 July 2025 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

We conducted our audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)), as required by the [Code of Audit Practice](#) approved by the Auditor General for Scotland. Our responsibilities under those standards are further described in the auditor’s responsibilities for the audit of the financial statements section of our report. We were appointed by the Auditor General on 18 May 2022. Our period of appointment is five years, covering 2022/23 to 2026/27. We are independent of the College and its Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK including the Financial Reporting Council’s Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Non-audit services prohibited by the Ethical Standard were not provided to the College. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern basis of accounting

We 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 we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the ability of the College and its Group 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

## Appendix C: Draft audit report

These conclusions are not intended to, nor do they, provide assurance on the current or future financial sustainability of the College and its Group. However, we 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**

We report in our Annual Audit Report, the most significant assessed risks of material misstatement that we 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 ability of the College and its Group 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 operations of the College and its Group.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from

fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of these financial statements.

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

including fraud. Procedures include:

using our 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 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 concerning the College's policies and procedures regarding compliance with the applicable legal and regulatory framework;

discussions among our 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.



## Appendix C: Draft audit report

The extent to which our 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 skilfulness of the perpetrator, the frequency and extent of manipulation, the degree of collusion involved, the relative size of individual amounts manipulated, and the seniority of those individuals involved.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). **This description forms part of our auditor's report.**

### **Reporting on regularity of expenditure and income**

#### **Opinion on regularity**

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

#### **Responsibilities for regularity**

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

### **Reporting on other requirements**

#### **Opinion prescribed by the Auditor General for Scotland on the audited parts of the Remuneration and Staff Report**

We have audited the parts of the Remuneration and Staff Report described as audited. In our opinion, the audited parts of the Remuneration and Staff Report have 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 the other information in the annual report and accounts. The other information comprises the Performance Report and the Accountability Report excluding the audited parts of the Remuneration and Staff Report.

## Appendix C: Draft audit report

Our 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 our knowledge obtained in the course of the audit

or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon except on 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 our opinion, based on the work undertaken in the course of the audit:

the information given in the Performance Report for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance

with the Further and Higher Education (Scotland) Act 1992 and directions made thereunder by the Scottish Funding Council; and

the information given in the Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance

with the Further and Higher Education (Scotland) Act 1992 and directions made thereunder by the Scottish Funding Council.

### **Matters on which we are required to report by exception**

We are required by the Auditor General for Scotland to report to you if, in our opinion:

adequate accounting records have not been kept; or

the financial statements and the audited parts of the Remuneration and Staff Report are not in agreement with the accounting records; or

we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

# Appendix C: Draft audit report

## **Conclusions on wider scope responsibilities**

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

## **Use of our report**

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

## Appendix D: Confirmation of our independence

We communicate any matters which we believe may have a bearing on the independence or the objectivity of Forvis Mazars LLP and the audit team. As part of our ongoing risk assessment, we monitor our relationships with you to identify any new actual or perceived threats to our independence within the regulatory or professional requirements governing us as your auditors.

We confirm that no new threats to independence have been identified since issuing our Annual Audit Plan and therefore we remain independent.

# Appendix D: Confirmation of our independence (continued)





## Fees for work as the College’s auditor

We reported our proposed fees for the delivery of our work under the Code of Audit Practice in our Annual Audit Plan presented to the Audit Committee in May 2025 and which are included within the table below:

Area of work	2024/25 fees (inc VAT)	2023/24 fees (inc VAT)
Auditor remuneration	£54,890	£52,680
Pooled costs	(£6,930)	(£5,620)
Sectoral cap adjustment	(£4,580)	(£4,500)
Total fees	£43,380	£42,560

We have substantially completed our work for the 2024/25 financial year but would highlight that we have undertaken work on the BACS position which was beyond the original scope of our work as per our Annual Audit Plan. Once we have completed the audit, we will determine the time this took and request a contribution for the additional work undertaken.



# Appendix E: Other communications

Other communication	Response
 <b>Compliance with Laws and Regulations</b>	<p>We have not identified any significant matters involving actual or suspected non-compliance with laws and regulations.</p> <p>We will obtain written representations from management that all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements have been disclosed.</p>
 <b>External confirmations</b>	<p>We did not experience any issues with respect to obtaining external confirmations.</p>
 <b>Related parties</b>	<p>We did not identify any significant matters relating to the audit of related parties.</p> <p>We will obtain written representations from management confirming that:</p> <ul style="list-style-type: none"> <li>a. they have disclosed to us the identity of related parties and all the related party relationships and transactions of which they are aware; and</li> <li>b. they have appropriately accounted for and disclosed such relationships and transactions in accordance with the requirements of the applicable financial reporting framework.</li> </ul>
 <b>Going Concern</b>	<p>We have not identified any evidence to cause us to disagree with the Finance Director that Dundee and Angus College will be a going concern, and therefore we have not identified any evidence to cause us to consider that the use of the going concern assumption in preparation of the financial statements is not appropriate.</p>

# Appendix E: Other communications (continued)

Other communication	Response
<div data-bbox="96 378 165 449"></div> <div data-bbox="196 391 463 422"><b>Subsequent events</b></div>	<p>We are required to obtain evidence about whether events occurring between the date of the financial statements and the date of the auditor’s report that require adjustment of, or disclosure in, the financial statements are appropriately reflected in those financial statements in accordance with the applicable financial reporting framework.</p> <p>We will obtain written representations from management that all events occurring subsequent to the date of the financial statements and for which the applicable financial reporting framework requires adjustment or disclosure have been adjusted or disclosed.</p>
<div data-bbox="84 742 165 828"></div> <div data-bbox="196 761 402 825"><b>Matters related to fraud</b></div>	<p>Our audit was designed to obtain reasonable assurance whether the financial statements as a whole are free from material misstatement due to fraud. Please refer to the section titled ‘<i>Fraud considerations</i>’ for our fraud considerations and conclusion.</p> <p>We will obtain written representations from management and, where appropriate, The Audit and Risk Committee, confirming that</p> <ol style="list-style-type: none"> <li>they acknowledge their responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud;</li> <li>they have disclosed to the auditor the results of management’s assessment of the risk that the financial statements may be materially misstated as a result of fraud;</li> <li>they have disclosed to the auditor their knowledge of fraud or suspected fraud affecting the entity involving:               <ol style="list-style-type: none"> <li>management;</li> <li>employees who have significant roles in internal control; or</li> <li>others where the fraud could have a material effect on the financial statements; and</li> </ol> </li> <li>they have disclosed to the auditor their knowledge of any allegations of fraud, or suspected fraud, affecting the entity’s financial statements communicated by employees, former employees, analysts, regulators or others.</li> </ol>

# Appendix E: Other communications (continued)

Other communication	Response
 <b>System of Quality Management</b>	<p>To address the requirements of ISQM (UK) 1, our firm’s System of Quality Management team completes, as part of an ongoing and iterative process, a number of key steps to assess and conclude on our firm’s System of Quality Management, including:</p> <ul style="list-style-type: none"><li>• Ensuring there is an appropriate assignment of responsibilities under ISQM (UK) 1 and across Leadership</li><li>• Establishing and reviewing quality objectives each year, ensuring ISQM (UK) 1 objectives align with our firm’s strategies and priorities</li><li>• Identifying, reviewing, and updating quality risks each quarter, taking into consideration a number of input sources (such as FRC / ICAEW review findings, internal monitoring findings, findings from our firm’s root cause analysis and remediation functions, etc.)</li><li>• Identifying, designing, and implementing responses as part of the process to strengthen our firm’s internal control environment and overall quality</li><li>• Evaluating responses and remediating control gaps or deficiencies</li></ul> <p>We perform an evaluation of our system of quality management on an annual basis. Our latest evaluation was performed as of 31 August 2024. Details of that assessment and our conclusion are set out in our 2023/2024 Transparency Report, which is available on our website <a href="#">here</a>.</p>
 <b>National Fraud Initiative</b>	<p>The National Fraud Initiative (NFI) in Scotland is a counter-fraud exercise led by Audit Scotland and overseen by the UK’s Cabinet Office, designed to prevent and detect fraud. The NFI uses data analytics to compare information held on individual by different public bodies to highlight the existence of fraud or error.</p>



# Appendix F: Wider scope ratings

We need to gather sufficient evidence to support our commentary on the College’s arrangements and to identify and report on any risks. We will carry out more detailed work where we identify significant risks. Where significant risks are identified we will report these to the College and make recommendations for improvement. In addition to local risks, we consider challenges that are impacting the public sector as a whole.

We have assigned priority rankings to each of the risks identified to reflect the importance that we consider each poses to your organisation and, hence, our recommendation in terms of the urgency of required action. The table below describes the meaning behind each rating that we have awarded to each wider scope area based on the work we have performed.

Rating	Description
Level 1	The identified risk and/or significant deficiency is critical to the business processes or the achievement of business strategic objectives. There is potential for financial loss, damage to reputation or loss of information. The recommendation should be taken into consideration by management immediately.
Level 2	The identified risk and/or significant deficiency may impact on individual objectives or business processes. The audited body should implement the recommendation to strengthen internal controls or enhance business efficiency. The recommendations should be actioned in the near future.
Level 3	The identified risk and/or significant deficiency is an area for improvement or less significant. In our view, the audited body should action the recommendation, but management do not need to prioritise.

# Contact

## Forvis Mazars

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**BOARD OF MANAGEMENT**

**Tuesday 9 December 2025**



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**FINANCE ITEMS**

**8.4 – Financial Statements for the year ended 31 July 2025**

**PAPER G**



# **DRAFT Annual Report and Financial Statements**

For the year ended 31 July 2025

Registered Charity No: SC021188



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The financial statements were approved and authorised for issue by the Board of Management on xx December 2025

## PERFORMANCE REPORT

### OVERVIEW

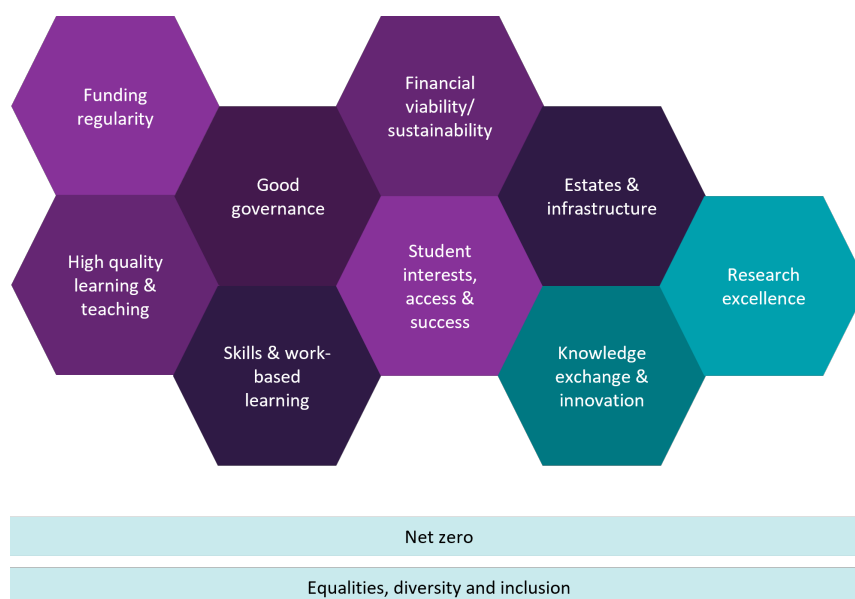
#### Overview summary

This section of our financial statements is designed to give an overview of high-level College performance and development during 2024/25. 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

Dundee & Angus College continues to be a high performing college in Scotland and has delivered sector leading outcomes for our learners on a consistent annual basis since merger in 2013. It is these performance outcomes that has underpinned the successful conclusion of the D&A College 2025 More Successful Students strategy and carries on into the **new 2030 'Our College' Strategy**.

The College produced its final annual Regional Outcome Agreement (ROA) in 2023 as the transition from the Scottish Funding Council (SFC) ROA arrangements to the new [Outcome Framework and Assurance Model \(OFAM\) arrangements](#) are progressed. This revised framework operates on a rolling basis to review and assess College performance over a broad range of measures covering almost all aspects of College activity.



The OFAM 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 reviewed and assessed through a series of meetings with our Outcome Manager from the Scottish Funding Council.

## Performance Report (continued)

SFC data published in July 2025 shows that Dundee & Angus College was the highest ranked college in Scotland for full-time Higher Education courses (FT HE) and was above average in all bar one of the 19 separate student success measures published. The College was in the top 10 performing colleges for 15 of these. This included being ranked 4<sup>th</sup> for outcomes for Care Experienced students and in the top 5 ranking for black and minority ethnic students, students with a disability and older (age 41+ students). Full-time Further Education students at D&A from the most deprived communities (SIMD 10 and 20) perform better than the average for all students in Scotland.

Overall, this performance continues the position of D&A's successful completion rate remaining significantly above average and sector leading in many aspects.

In each of these areas, this performance helps to address the attainment gap within our communities and supports a higher percentage of students from D&A to progress and develop meaningful future careers compared with national averages.

The post course success of our students has remained consistently high, with this improving by 2.6% during 2024/25, with 96.4% of our 2023/24 student cohort moving into sustained positive destinations (work or further study) within the 6 – 9 month period after completing their course. This performance is supported by our excellent links with local schools and universities and our extensive network of links and partnerships with business.

These outcomes not only reflect the benefit gained from attendance at D&A for the individual students involved but also highlight the very strong value for money that D&A as an organisation offers within our region and at a national level.

The sustained high level performance of D&A College has been set against the on-going need to make financial savings and significant change arising through voluntary severance and management structure changes. During 2024/25 the College took the difficult decisions to cease the public operations of the Gardyne Sports Centre and to close the Gardyne Pool. These changes generated significant public, press and political interest and comment, but were essential in supporting the college to maintain its financial sustainability. Decisions to stop the delivery of service design curriculum and consultancy activities were also taken alongside the decision to close Gardyne Theatre limited (GTL) and return the operation of the Gardyne Theatre space to the College. Combined, these changes will have a net positive impact on College in the 2025/26 budget.

To support the transformation of employability and economic growth within our region and address significant challenges with current infrastructure the College announced [an ambitious 10-year infrastructure vision in November 2024](#).

If realised, this vision would transform the way in which the College operates and would see the College move from the current Kingsway and Arbroath campuses onto new city and town centre sites. Plans would also see redevelopment of the current Gardyne campus.

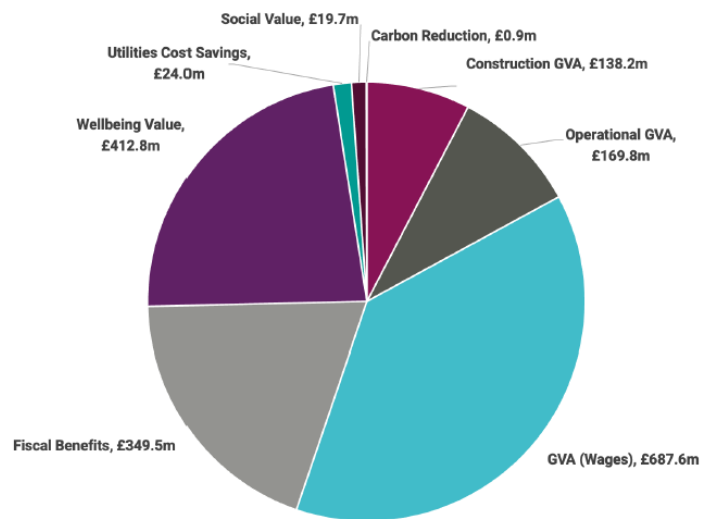
This is an exciting and innovative 10-year vision that will require funding estimated at £265million to realise. Work is progressing to develop this vision into reality and to identify and secure the necessary funding.

## Performance Report (continued)

Significant work has been progressed on this vision, including an independent assessment of the economic impact of the development, and work to progress the creation of a person centred and joined up approach to the delivery of employability support across the region.

Work to progress the Business Cases necessary to inform approval of the major infrastructure investment required to realise this ambition is progressing well, with the Outline Business Case (OBC) planned for submission in late 2025 or very early 2026.

The independent economic analysis of the infrastructure proposals has identified that the investment made would result in economic benefits of c1.8 billion over its first two decades of operation, delivering a social and economic return of 30% and Cost: benefit impact of £10 for every £1 invested.



The impact of COVID-19 remains evident in the preparedness of many learners and in the decline in mental health wellbeing, resilience, and behaviours of a significant proportion of our students. This significant and on-going impact on learners has underpinned our Changing Learners project and work to support both learners and staff with changing needs, behaviours and expectations.

Aligning with the effective partnerships pledge within our 2025 strategy, positive progress is continuing to be made in respect of the wide range of strategic projects the College is involved in.

The Tay Cities Engineering Partnership (TCEP) continues to work towards achieving project objectives with significant progress against school engagement in 2024/2025. The primary focus is now on developing the relationships with business to deliver 20 projects, 10 new training courses, supporting growth within the sector.

Following the departure of the Head of Curriculum and Quality in Science in August, a new Project Manager has been appointed to lead the Tay Cities Life Sciences (Science Futures) project, with Science Futures making strong progress towards its 2030 targets:

- Engagement with 72 Primary Schools (180% of the target) and 31 Secondary Schools (70.5% of the target)
- Additional Numbers of HNC/D have increased by 22 (20% of the target)
- There are 9 additional MAs (31% of the target)
- 7 work placements (12.5% of the target)

There has been an increase in all targets for underrepresented groups, with the number of students with disabilities enrolled already surpassing the target.

A new information page has been created on [the Science Futures website](#) for MAs, and the written and video case studies have been developed as well as a promotional brochure.



## Performance Report (continued)

An online HNC Bioscience and an online HNC Applied Science are under development as well as an online Diploma in Horticulture which is currently in development in collaboration with Intelligent Growth Solutions. Advanced Higher Biology and Chemistry Practical Courses have been created alongside a Good Manufacturing Practice (GMP)

A new tissue culture suite has been set up at D&A, allowing the Animal and Plant Cell Culture unit to be delivered in response to the industry skills scoping exercise.

The supporting SME Skills project continues to progress well with significant progress made towards Tay Cities Year 6 targets. The project has supported, 500 staff in SMEs to upskill and develop their careers.

A new Sustainable Construction Skills project received formal approval in August 2025, with work on this scheduled to commence by the end of the calendar year.

Successful funding applications were made to Angus and Dundee City Councils as part of the UK Shared Prosperity Fund, securing a further investment of £200 000 for workforce development training for businesses in the region and £100 000 for the delivery of Green Skills training to support energy efficiency transition. Significant work is underway to ensure the training is completed by 31 March 2026.

Additional funds were also secured from UKSPF via Angus Council for the successful Parent and Child Maths Homework Clubs. These will continue to run in secondary schools across Angus until March 2026, supporting family engagement within maths education.

The College also secured a small amount of UKSPF via Dundee City Council funding to address maths anxiety within community settings. Plans for this activity are currently being developed with a focus on empowering parents to support children's maths learning. It is hoped that this work will inform a pilot of the homework club model in Dundee, anticipated to launch early 2026.

Following the transfer of [textile manufacturing by Wilkie's to the Michelin Scotland Innovation Parc \(MSIP\)](#), the role and focus of the Skills Academy has changed, with the College exiting the physical site in October 2025. The Skill Academy banner will, however, continue and the College remains committed to offering an industry focused curriculum to underpin the work of the MSIP facility as a manufacturing and assembly innovation site with a focus on sustainable energy and hybrid / green transport.

With the recent approval of planning permission for the [Eden Project site in Dundee](#), the College is stepping up its engagement as a skills and key strategic partner throughout both the design and implementation phases. This includes the designation of the College as the official skills partner and deliverer of apprenticeships and other skills training as the site develops.

The College continues to play a key role within our communities and is integrated fully within both of our local Community Planning Partnerships (CPPs) and economic development forums, including senior College staff chairing both the Angus and Dundee Local Employability Partnerships (LEPS).

## Performance Report (continued)

We continue to lead on the development of the school/college curriculum and infrastructure to deliver on the Developing the Young Workforce (DYW) strategy in our region and continue our senior phase and Foundation Apprenticeship activity with our regional schools.

We make active use of all funding opportunities to support a diverse range of delivery to support both economic and social recovery and the College has been successful in attracting Trust and other funds to support our community focused activities and to continue our pioneering work to reduce child poverty.

Despite the excellent outcomes that the College consistently achieves, and the fantastic opportunities developing within the D&A region, there are significant challenges to be faced. The ongoing 'flat cash' funding settlement for the college sector through a period of above target inflation and significant wage pressures has represented significant year on year real terms funding reductions.

With a £2.34 million deficit budget anticipated in 2025/26, future financial forecasting highlights that this will grow to c£16 million cumulative deficit by 2028 if significant action is not taken (or funding uplifts received).

Following on from significant savings plans enacted in 2022 and 2023, a current savings plan of at least £2.5 million in-year is being consulted on. Achieving savings of this level are extremely challenging

D&A College has continued to play a significant national role in lobbying the Scottish Government and SFC to modernise the funding methodology and key approaches adopted in respect of flexibility in operation of the sector. This includes direct engagement within the Tripartite group comprising the sector, Scottish Funding Council and Scottish Government.

This national engagement has included working with the Minister for HE, FE and Veterans to seek to inform response to the Skills Delivery Landscape Review, Review of Qualifications and Assessment, and the Post-school Education, Research and Skills Purpose and Principals work.

The College continues to invest in our infrastructure prioritising capital backlog maintenance projects aligned to the Scottish Funding Council 2017 condition survey and the College's own 2024 conditions survey which highlights a need for c76million of investment to resolve the RAAC issues within the Kingsway campus and bring all College facilities up to condition B.

In addition to the utilisation of capital maintenance funds, significant additional funds have been utilised to upgrade heating infrastructure – replacement pumps in our Kingsway Campus (c£70k) and replacement gas boilers and BMS controls in our Arbroath Campus (c£180k). All of these works have been completed on time and within the allocated budgets.

Investment in our digital infrastructure remains significant, with the trend continuing for digital spend to move from capital to revenue expenditure as the College transitions towards the final stages of our 'Cloud First' strategy for digital based systems and services.

Significant developments include the rapid progress of a replacement project for our key student management systems covering student recruitment, student records, and funding. This work represents a very significant 'root and branch' change to a major central system and has required

## Performance Report (continued)

additional investment in staff capacity to manage and support the transition alongside review and change to the initial project plan and timeline. The transition continues to progress, with 2025/26 representing the first full year that the full student journey will be managed within the new system.

The College has made excellent progress with implementing its Climate Emergency Action Plan (CEAP) with our 2021 plan signed off in June 2024 and a new updated 2025 – 2030 plan now being implemented. This action plan is aligned to the Scottish Government's commitment to reduce Scotland's emissions of all greenhouse gases to net-zero by 2045 and is centred around the five roadmap elements of the Climate Commission and Nous Group's Climate Action Roadmap for UK FE Colleges.

The five roadmap elements are:

- Leadership and governance
- Learning and teaching
- Estates and operations
- Partnerships and engagement
- Data collection

Using the Roadmap elements, we have established a range of objectives and targets for each one that forms the basis of our Climate Emergency Action Plan. This has in turn set out the College's strategy for reducing carbon emissions over the next 5 years and throughout our Path To Net Zero.

Dundee & Angus College enjoys significant success across a wide range of activities and is regularly recognised nationally through a number of prestigious awards. During 2024/2025 these have included:

- College Development Network Awards in the Inclusive College; Employer Connections (x2); Community Learning; and Skills Development Categories; as well as the overall Judges Award for 2024
- A UK Green Gown award for Sustainability Champion of the Year
- A LANTRA Alba Award for mentoring in the Landbased Industries
- An NHS Tayside Award for our work with students with learning disabilities
- A Scottish Public Service Award on the Championing Diversity and Inclusion Category
- A Scotland's Regeneration Forum (SURF) Award for removing barriers to Employment.
- A Scottish Association of Minority Ethnic Educators Special Recognition Award
- A Scottish Ethnic Minority Talent Award for our College of Sanctuary Work.

## Purpose and Activities of the College

Dundee & Angus College is a public body constituted under statute and a Scottish charity (SC021188). It was designated a Regional College in November 2013 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 Dundee and Angus region. It delivers education programmes on a full-time and part-time basis to around 17,000 students annually across three main campuses, one in Arbroath and two in Dundee (Kingsway and Gardyne).

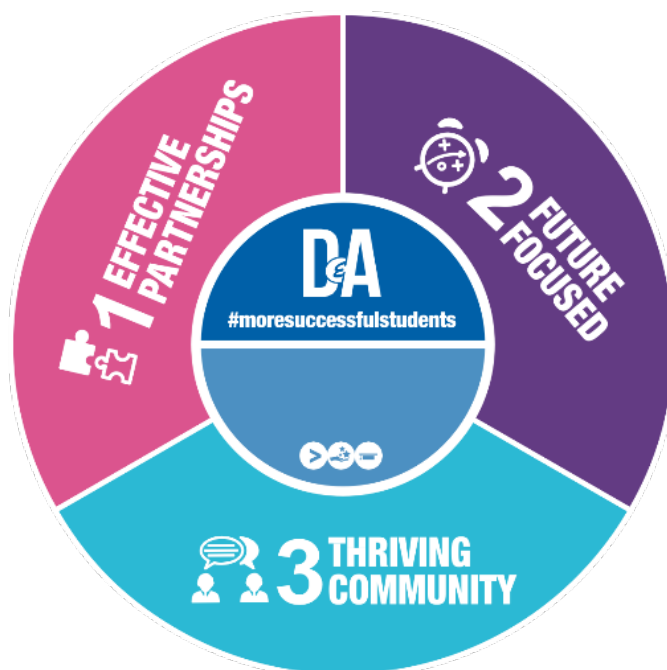
The College's mission is to generate regional economic growth and social well-being through the provision of skills and education for individuals, employers and the wider community. The College has an excellent reputation locally, nationally and internationally. Maintaining a quality brand is essential to its on-going success, ensuring it continues to attract students and grow external partnerships.

The Board of Management adopted its 2025 'More Successful Students' strategy in 2019, with this strategy focused firmly on enhancing student opportunities, outcomes and success by working with others across our region.

## 2025 Vision



To create more successful students through effective partnerships that change lives and create thriving communities.



Over the past 18 months the Board have been working on an update to our strategic vision, mission and purpose, with the new 'Our College' strategy approved in June 2025 ready to be implemented as the previous strategy reaches its conclusion.



The Our College strategy is based around four core outcomes, specifically referencing our students, our staff, our campuses and our impact. These core outcomes are underpinned by twelve strategic priorities (see below) alongside nineteen multi-year metrics to measure achievement.

In order to ensure that it provides educational opportunities that meet the social and economic needs of the region, the College works closely with a number of regional partners, including Dundee City Council, Angus Council, NHS Tayside, Community Planning Partnerships in Dundee and Angus, Abertay University and the University of Dundee.

We have a number of other key stakeholders, including national agencies, for instance the Scottish Funding Council, Scottish Enterprise and Skills Development Scotland, as well as local schools, employers, other colleges, and the local community. We also engage with a range of international partners in the spheres of education and business.

The primary source of funding for the College is its teaching grant from the Scottish Funding Council. The table below outlines the key Priority Outcomes for Dundee and Angus College for 2025/2026. These Priority Outcomes align with the [National Performance Framework for Scotland](#) and four key [SFC Strategic Priorities 2022 - 2027](#).

### Our Students

1. **Enable Student Success:** Enhance student success and satisfaction by creating learning that is inspiring, enabling, engaging and sustainable.
2. **Provide Inclusive Education:** Ensure all students, regardless of background, have access to the high-quality education, skills, training and support needed for them to succeed

## Performance Report (continued)

3. **Develop Career Readiness:** Equip our students with the confidence, skills, experience, enterprise mindsets and attributes needed to create routes and opportunities for successful careers in their chosen fields.

### Our Staff

4. **Champion Professional Development:** Continue to enhance the skills, growth and futures of our people through comprehensive and career long professional learning.
5. **Embed Wellbeing and Support:** Co-create a supportive work environment that embeds wellbeing and sustainability within our outcomes and enhances the experience of our people.
6. **Role Model Leadership and Culture:** Create and encourage a collaborative, proactive and confident, coaching culture for all staff in all roles, that nurtures innovation, ownership, accountability and aspiration.

### Our Infrastructure & Campuses

7. **Deliver our Infrastructure Ambitions:** Co-create and maintain digitally enabled, sustainable and state-of-the-art facilities and environments that engage staff, students and stakeholders, and support innovative teaching, learning, working and service delivery.
8. **Drive Sustainability:** Ensure our campuses and operations are sustainable, energy-efficient and deliver our net-zero ambitions.
9. **Culture of Welcome:** Make our campuses inclusive, accessible and welcoming for all our students, staff, stakeholders, partners and communities.

### Our Impact

10. **Strengthen Community Connections:** Deepen our relationships with our internal and external communities by growing partnerships and collaborative projects that deliver mutual benefit and address shared needs and opportunities.
11. **Drive Economic Growth:** Contribute to our local and national economies by creating a skilled workforce, supporting local businesses, delivering financial stability to our College and maximising our regional social and economic contribution.
12. **Be Trusted and Respected throughout Scotland:** Increase the regional and national reputation and visibility of our College for the benefit of our students, staff and stakeholders.

The College actively mainstreams equality in accordance with the Equality Act 2010 and celebrates the diversity of all people who are directly and indirectly involved in the College. This commitment is reflected in the excellent sector leading outcomes achieved for learners irrespective of protected characteristic.

The College works hard to ensure that all staff, students and other stakeholders are treated equally, regardless of age, disability, family responsibility, marital status, race, colour, ethnicity, nationality, religion or belief, gender, sexual orientation, trade union activity, or unrelated criminal convictions.

In addition to tackling discrimination, the College also supports and fosters good relations between individuals with different characteristics. This includes significant input to the Equally Safe campaign to eradicate gender-based violence and a focus on supporting good mental health and wellbeing for students and staff.

## Social Matters

One of our strategic pledges is to create thriving communities and this is supported by our focus on seamless access and inclusive learning with the provision of 'wraparound' support for the many students that require this intensive level of input.

The College operates a wide range of strategies, policies and approaches to underpin this commitment, including extensive work to address issues such as gender inequality within the curriculum. The College has clear strategies and targets to improve outcomes for carers, care experienced, military veterans and estranged students.

In May 2024 D&A became the first College in Scotland to be recognised as a College of Sanctuary for the learning and services we provide to support refugees and asylum seekers to thrive in their new home. This has been a major exercise to support a growing group of students that have suffered major trauma and threat prior to arriving in the region, with College efforts designed to create a safe and supportive learning environment that encourages cultural and community integration and dispels the myths around forced migration.

Specialist project activity aimed at reducing and eradicating Child Poverty has continued into 2024/25, through multi-year trust funding secured from the Northwood Trust.

This work has engaged with hundreds of disengaged young people, providing a supported pathway through into formal education in partnership with our College Community Collaborative (CCC).

As the work of the CCC has developed, we have expanded opportunities and are working at the heart of a range of community initiatives to offer access to education and support those disenfranchised from learning. This includes work of national significance as a partner within the Linlathen Project in Dundee, working as part of a focused multi agency engagement in the most deprived council ward in the city (and one of the most deprived communities in the UK) to transform the opportunities available to individual residents alongside creating multi-generational cultural change in terms of attitudes to education. [The evaluation of this work](#) highlights the positive impact of the College addressing intergenerational poverty.

In response to the emerging cost of living crisis in late summer 2022 the College launched its Thrive with D&A initiative, as previously mentioned, designed to provide students and staff with access to a range of support aimed at helping to offset the impact of rising costs. Working to actively remove the stigma of seeking help or financial support, Thrive with D&A has provided a multi-faceted approach to encourage engagement with the provision of free food, advice, financial support, clothing and toys, events, job opportunities and even Christmas movies.

This work has proven to be hugely beneficial, and over the course of past two years we provided almost 80,000 free portions of soup and 30,000 free breakfasts. This work is supported by the work of our Students' Association to deliver breakfast clubs and provide free food larders and access to our free Thrive shops on each campus. Thrive is funded through funds from the College plus joint fundraising by students and staff.

## Performance Report (continued)

The Thrive work has been picked up by College Development Network Research and Enhancement Centre as an area of good practice with a [Case Study published on the work undertaken](#). Given the on-going levels of need, the Thrive with D&A work will continue in 2025/2026 with an increased focus on support for students.

The College runs a wide range of services and provision to support current and potential students in their learning journey. Extensive services to promote and support good mental health and wellbeing are provided, including the provision of specialist counselling support and extensive wellbeing activities and advice. Despite the removal of funding for this service the College has opted to maintain this counselling specialism and continue to offer this support to learners.

Our governance codes, D&A Way Leadership Excellence framework and fraud, bribery and corruption policy have strong anti-corruption and anti-bribery provisions, and detailed operating procedures provide the checks and controls necessary to ensure that these commitments are met and evidenced in day-to-day operations.

The College is a Living Wage Employer and provides a wide range of support and benefits for staff.

The College has an up-to-date Modern Slavery statement and procedures and has well established checks in place to avoid engaging with any organisation with serious organised crime connections. Guidance has been issued to staff on spotting and responding to human trafficking.

Guidance and regular Career long professional Development (CLPD) is provided to support the College's duty of care in respect of its Equalities, Prevent and Safeguarding responsibilities and the College received positive endorsement of these approaches from Education Scotland through its most recent safeguarding review.

## Key Risks and Issues

The College identifies risks within its Strategic Risk Register as detailed below on page 36.

The year on year cuts arising from successive flat cash settlements have created significant risks around the future financial sustainability of the college sector and D&A College. This has been clearly recognised within our Strategic Risk Register, with the Financial Strategy and the progress and impact of the resulting major savings plans discussed in detail at each Board and Committee meeting.

[Audit Scotland's Colleges 2025 report](#) highlights the precarious and significantly worsening financial position that the sector faces and makes some clear recommendations in line with the identified need for sustainable funding. This builds upon previous Audit Scotland reports and the recent report published by the Scottish Funding Council [Financial Sustainability of Colleges in Scotland 2022-23 to 2027-28](#) report which highlights that colleges are operating in an extremely tight and rapidly deteriorating financial position resulting in almost all colleges already in deficit positions, with this worsening each year.

Whilst D&A has taken significant action to support its ongoing financial sustainability, the risks in respect of this remain significant and significant savings steps will be required for the foreseeable future to seek to maintain a sustainable operating position.



## Performance Report (continued)

The College (and sector as a whole) are in active dialogue with the Scottish Government to seek to influence in-year and future funding decisions to support short-term financial management and future financial sustainability.

The Board of Management receives regular updates on the management and oversight of key strategic risks

Whilst there are considerable risks, there are also opportunities for the College which are included above as part of the Principal's statement.

### Going Concern

As set out in the Accountability Report which follows this Performance Report, 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.

### Performance Summary

The Statement of Comprehensive Income shows an operating deficit for 2024/25 of (£2.0m). However, this includes non-cash items such as depreciation, the potential cost of the support staff job evaluation exercise (not matched by revenue), pension adjustments and non-government capital grants, and if these are excluded there was a deficit of £0.9m after allocation of funding to loan repayments.

After working capital movements there was a net cash outflow from operating activities of (£2.3m), along with investing and financing cash outflows totalling (£0.4m). The total net cash outflow of £2.7m resulted in a closing position of £4.1m.

Student credits are the measure of activity upon which College funding is based, with each credit representing 40 hours of learning for a student (irrespective of subject area, mode of delivery, etc.). Each College in Scotland has an annual credit target that equates to the funding it receives.

During 2024/25 the College successfully delivered student activity of 98,254 credits, aligning within the agreed threshold for its SFC credit target (98,307).

The College's academic performance was once again strongly positive, with our long-term trends confirming it a consistently high performing college in the sector for both further and higher education.

# PERFORMANCE ANALYSIS

## Methodology

Over recent years the Board of Management has developed and refined a series of Board and Committee metrics that it uses to monitor performance, the following metrics are produced for consideration at each Board meeting. These metrics draw on the balanced scorecard methodology and link together a number of data sources into a single high level report which is submitted to each Board meeting. [Board papers can be accessed on our website](#) and are published in line with good governance practice. Where appropriate, this report includes comparison with benchmarks, for instance previous year or [Regional Outcome Agreements and Related Measurement Plans](#). A summary of performance on these measures is detailed below.

Measure	Comment on 2024/2025 Performance
1. Student Successful Completion Rate (pass rates)	See Summary below
2. Early Withdrawal Rate	0.12% point improvement
3. Further Withdrawal Rate	2.04% point improvement
4. Post Course Destination Success rate	96.4% +1.2% point increase
5. Overall satisfaction score from most recent student survey	90% (consistent with 2024)
6. Overall satisfaction score from SFC national student survey	98% for FE (+1% on last year) and 96.8% for HE (+.4% on last year. National average 95.2% and 93.0% respectively)
7. Forecast credit out-turn	Overall in line with target
8. Student Recruitment figures, FT and PT	Core target met
9. Employee Engagement and Happiness Indices (2024)	Engagement 81% Happiness 76%
10. Employee Absence Rate (Lost time rate)	2.25% (0.82% improvement)
11. Employee Turnover (non-forced)	10.2% (3.5% increase)
12. Staff Headcount and FTE data	On target with managed reduction 2024 to 2025
13. Cash-backed surplus/deficit: year-end forecast v annual budget	See financial performance section
14. RIDDOR reportable accidents	2 (7 in 2023/24 and 4 in 2022/23)
15. Audits completed vs Planned	All completed or on target

The measures provide a high-level indication of College performance, with the detail resting with the relevant Board Committee: Audit & Risk; Finance & Infrastructure; Learning, Teaching & Quality; People, Culture & wellbeing. At these individual Committees further metrics are reviewed to provide a robust overview of real-time College performance and to alert Board members to any potential areas of concern.

## Financial Performance

The following table summarises the key performance metrics contained in the financial statements for the year to July 2025, along with comparatives for the previous year.

Metric	2024/25	2023/24
	£000	£000
Total comprehensive income (SCI)	7,209	(8,070)
Consolidated deficit (SCI)	(2,035)	(3,895)
Underlying operating deficit, before loan repayment (Note 2)	(957)	(2,840)
Total net cash inflow/(outflow) (Cashflow)	(2,701)	1,244
Cash balances (Cashflow)	4,076	6,777
Accumulated reserves (SOFP)	46,645	39,436
Long-term loan outstanding (note 15)	1,366	1,819
Pension liability (note 17)	1,950	2,290
Support Job evaluation liability (note 21)	4,678	4,001
Property, plant & equipment (SOFP, note 12)	74,102	67,791

The consolidated result for the year is a deficit of £2,035k. As explained below, this is effectively a “paper” loss, a consequence of the reclassification of colleges in Scotland as central government bodies. It reflects non-cash expenditure items as well as the cash expenditure supported by the funding related to these non-cash items. If the result is adjusted for non-cash and non-recurring items, the adjusted result shows a deficit of £957k for the year, compared with a deficit of £2,840k the previous year.

The Statement for Comprehensive Income included a £4.001m adjustment in 2023/24 for changes to the accounting treatment for Support Job Evaluation funding, when we created a provision with a corresponding contingent liability. The provision has increased to £4.678m in 2024/25 to reflect the ongoing liability. This is detailed in Note 21 and in the section Technical Impact of National Job Evaluation Funding Change section on page 18 and 19.

Going forward, the College requires to generate an adjusted surplus of £457k in order to meet future annual capital loan repayments. As can be seen from the table, after loan repayment and working capital adjustments, there was a net cash outflow of £2,701k. The loan repayment has a net balance of £1,366k at 31 July 2025, there remains 3 cash repayments due before this liability is discharged, with a final repayment in June 2027.

Reserves at the year-end are £46.645m, an increase of £7,209k, being the value of Total Comprehensive Income.

The total net pension liability has decreased by £340k, as a result of changed assumptions together with unfunded payments made during the year, and now comprises a funded asset reduced to £nil, following the application of an asset ceiling by actuaries, and an unfunded liability of £1,950k. These changes are described in more detail within notes 1, 16 and 17.

## Performance Analysis (continued)

The net book value of fixed assets increased during the year by £6,311k. The depreciation charge of £3,782k is offset by a revaluation increase of £9,039k, additions of £1,178k and disposals of £124k.

### Student Outcomes

The College worked closely and positively with the Quality Assurance Agency Scotland (QAA) and SFC under as an active participant in the work to create and roll out the new Tertiary Quality Enhancement Framework (TQEF).

This has included completion of the first annual Self Evaluation and Action Plan (SEAP) for submission to SFC in December 2024, with this plan being identified as one of a small number of good practice examples to be shared with the sector through development arrangements progressed by QAA and the College Development Network (CDN).

Engagement with QAA within their annual quality meeting and with SFC through their OFAM arrangements has confirmed that (more than) satisfactory progress was being achieved around quality engagements and the recruitment, retention, attainment, and progress of learners.

Outcomes across the full range of protected characteristics continue to be positive, with consistently high outcomes achieved for learners with a declared disability, those from identified BAME ethnicities, and those that are Care Experienced or estranged. Outcomes for SIMD10, Care Experienced Learners and Learners with Disabilities are consistently at or around the top performing in Scotland.

Engagement with our twin learner satisfaction surveys has remained very strong, with an increase in responses of almost 1,000 from 2023/24. Both surveys showed very positive results and both continued a 6-year unbroken run of consistently high levels of learner satisfaction.

At 90% in both surveys, student satisfaction within the learning and teaching survey improved by 2 percentage points compared with the previous year. This high level of learner satisfaction is also reflected in the [Scottish Funding Council annual survey](#) which shows D&A College students participate well and with a satisfaction score of 98.0% at FE level and 96.8% at HE are significantly more satisfied compared with sector average.

Work to reduce gender segregation within the curriculum and to provide positive opportunities for non-traditional participation within subject areas continues and has remained as a focus for the College with key developments such as the Tay Cities Deal incorporating clear opportunities and enhancement targets for gender engagement within the TCEP and Science Futures projects.

[Learner outcomes published in 2025](#) (academic year 2023/24) were higher than in previous years and remained strong on a comparative basis with much of the sector, especially for full-time higher education learners. This also included outcomes for younger learners (18 – 20) those from areas of multiple deprivation (SIMD10), those with Disabilities, and those from a Care Experienced background. These performance metrics represent a continued strong performance by the College and demonstrate a long-term above average trend of D&A performance.

## Performance Analysis (continued)

Student outcomes for 2024/25 remain provisional at this time but show further improvement across almost all key measures. A summary of D&A provisional performance indicator outcomes for 2024/2025 is outlined below.

Mode	Successful Outcome					
	19/20	20/21	21/22	22/23	23/24	24/25
All Modes	76.9%	80.3%	72.3%	70.9%	75.4%	<b>77.9</b>
Full Time – All	73.8%	76.5%	72.9%	69.1%	72.2%	<b>75.5</b>
Full Time – FE	72.3%	73.6%	65.2%	67.5%	70.8%	<b>75.4</b>
Full Time – HE	76.5%	81.9%	76.4%	72.4%	74.4%	<b>77.9</b>
Part Time – All	80.3%	84.3%	77.3%	72.4%	79.6%	<b>81.4</b>
Part Time – FE	80.3%	85.2%	77.4%	72.3%	78.1%	<b>80.9</b>
Part Time – HE	80.0%	76.0%	69.9%	73.2%	84.6%	<b>85.6</b>

NB, Outcomes in 2019/20, 2020/21 and 2021/2022 were impacted by COVID-19 and final outcomes were developed under different assessment adaptations and requirements in each of these years. Outcomes noted for 2023/24 and 2024/25 reflect the revised PI guidance issued by SFC and do not include early withdrawals within the final outcome percentage.

Within these outcomes there has been a substantial improvement in outcomes for all learners including part-time learners, particularly at FE level, reflecting significant review and development to our part-time curriculum. This is also reflected in a decrease in learner withdrawals for part-time programmes.

Overall there has been an improvement in learner retention, with this being achieved despite the on-going increase in student support needs (particularly in respect of issues surrounding poor mental health and resilience). Overall retention improved by 2.04%, reversing the decline seen in 2023/24.

Early retention was improved by a smaller margin (0.12%) reflecting the already high levels of early retention seen in previous years.

Post course progression and success has improved year to year, with 96.4% of full-time College learners achieving a positive destination (employment or further study) three to six months after completing their course. This represents a 1.4% improvement from 2023.

The proportion of learners progressing with advanced standing (2023/24 cohort) has remained relatively static.

Despite the financial challenges faced by the College, alongside the post-pandemic impact on learner mental health and support needs, the high levels of learner attainment and satisfaction outlined above, with the high levels of post course progression and articulation with advanced standing, identify D&A as a hugely successful College with outcomes for learners that are consistently above national averages.

### **Fair Work**

Details of activities, arrangements and outcomes underpinning our commitment to the fair work agenda and principles are summarised within the staff report below (pages 40 – 45) and within our published [Fair Work First Statement](#) on the College website.

### **Technical Impact of National Job Evaluation Funding Change**

Before 2023/24 the College financial statements included a creditor and a corresponding debtor for funds held by the Scottish Funding Council (SFC) in respect of the anticipated costs associated with the implementation of a national middle management and support staff job evaluation exercise for colleges. The corresponding creditor and debtor amounts were £3.7m in 2022/23.

Whilst these funds were reported in the College financial statements, SFC held this funding (provided by the Scottish Government) in reserve. The funds held by SFC were returned to Scottish Government in 2023.

This change in approach between SFC and the Scottish Government affected the technical accounting treatment of the funds within the College financial statements from 2023/24, with this showing as a negative impact (provision) of £4.0m within the 2023/24 financial statements and a corresponding note in the accounts for a contingent asset. The provision has increased to £4.678m in 2024/25 to reflect the ongoing liability. This gives the impression of a £4.678m 'loss' to the College and it is important to note that this is a technical accounting change only and does not reflect the underlying financial performance or cash position of the College.

This is a national sector wide change and the Scottish Government has confirmed that responsibility for job evaluation funding commitments rests with it until the job evaluation process is complete. Further information is available in the notes to the accounts (note 21).

### **Climate Change (Scotland) Act 2009**

The Climate Change (Scotland) Act 2009 set outs measures adopted by the Scottish Government to reduce emissions in Scotland by at least 80% by 2050. In 2015, an Order was introduced requiring all designated Major Players (of which Dundee & Angus College is one) to submit an annual report to the Sustainable Scotland Network detailing compliance with the climate change duties imposed by the Act. The information returned by the College is compiled into a national analysis report, published annually and superseding the prior requirement for public bodies to publish individual sustainability reports.

Further information on the Act, along with copies of prior year national reports, [can be found here](#).

### **Adjusted Operating Position**

To enable a clearer understanding of the College's financial performance, the consolidated deficit is adjusted below for certain specified items. These adjustments are prescriptive, and include non-cash charges, capital grants recognised as income, and other commitments funded from revenue, but which are excluded from the Consolidated Statement of Comprehensive Income.

## Performance Analysis (continued)

<b>Adjusted operating position</b>		
<b>Revenue</b>	<b>2024/25 £000</b>	<b>2023/24 £000</b>
<b>(Deficit) before other gains and losses</b>	(2,012)	(3,895)
<b>Add back:</b>		
Depreciation (Note 12) (net of Deferred Capital Grant release (Note 3 and note 5))	1,369	1,767
Exceptional non-restructuring costs – Impairment	-	-
Non-cash pension adjustment – Net service cost (Note 9)	(323)	(67)
Non-cash pension adjustment – Net interest cost (note 16)	51	63
Non-cash pension adjustment – Early retirement provision	-	-
Costs of middle management job evaluation exercise not matched by revenue (SCI)	677	4,001
<b>Deduct:</b>		
Non-Government capital grants (Note 8)	-	-
Revenue funding allocated to loan repayments (Note 15)	-	-
<b>Adjusted operating (deficit)/surplus</b>	<b>238</b>	<b>1,869</b>

### Creditor Payment Policy

The Late Payment of Commercial Debts (Interest) Act 1998, which came into force on 1 November 1998, requires the College, in the absence of agreement to the contrary, to make payments to suppliers within 30 days of either the provision of goods or services or the date on which the invoice was received. During the financial year to 31 July 2025, the College incurred penalty and interest charges of £1,622 in respect of late payment.

The Scottish Government is committed to supporting business by paying bills more quickly, with the intention to achieve payment of all undisputed invoices within 10 working days.

The College is committed to the principles of The Better Payment Practice Code by processing suppliers' invoices for payment without unnecessary delay and by settling them in a timely manner. Consequently, in the absence of any alternative arrangements, all suppliers are placed on immediate payment terms. In 2024/25 the average credit taken was 5 days.

**Simon Hewitt**  
Principal

# ACCOUNTABILITY REPORT

The Accountability Report comprises the Corporate Governance Report and the Remuneration and Staff Report and is signed by the Chair and the Principal.

## Corporate Governance Report

The Corporate Governance Report comprises the following sections:

- Directors' Report
- Statement of the Board of Management's Responsibilities
- Governance Statement
  - Statement of Compliance
  - Governance Structure
  - Corporate Strategy
  - Board's Statement on Internal Control
  - Going Concern

## Directors' Report

Dundee & Angus College's Board of Management is constituted in accordance with the requirements of the Further and Higher Education (Scotland) Act, 1992 and complies with further requirements as set out in the Further and Higher Education (Scotland) Act 2005 and the Post-16 Education (Scotland) Act 2013.

The Board comprises lay members, employees and two student representatives. The roles of the Board Chair and Vice Chair are separated from the role of the College Principal, who (as Chief Executive) holds the only executive role on the Board. In line with good governance practice, the Board has appointed one of its members as 'Senior Independent Member' to whom any member of the board can refer to seek advice or to raise any matters of concern.

A list of Board Members for 2024/25 is included on pages 22 and 23. Board Members' Register of Interests is available via the [enclosed link on our website](#). The Board has five standing committees, the roles of which are explained at pages 28 and 29.

Board of Management				
Audit & Risk	Finance & Infrastructure (formerly Finance & Property)	People, Culture and Wellbeing (formerly HR & Development)	Learning, Teaching and Quality	Chairs

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

Name	Designation
Simon Hewitt	Principal
Steven Taylor	Vice Principal Support Services and Operations
Julie Grace	Vice Principal Curriculum and Partnerships



Accountability Report (continued)

**DUNDEE & ANGUS COLLEGE - Board of Management Membership – 1 August 2024 – 31 July 2025**

	<b>Appointed</b>	<b>Term Ends</b>	<b>Status of Appointment</b>	<b>Profession/Specialism</b>	<b>Chairs</b>
<b>Laurie O'Donnell</b> Regional Chair	July 2022	10/07/26	Scottish Government Appointment	Education, Management & Digital Technologies	Board of Management Chairs Committee
<b>Helen Honeyman</b>	January 2019	31/12/26	Ordinary Member	Risk, Governance, HR Management	Audit & Risk Committee & Board Vice Chair (from Jun 2025)
<b>Donald Mackenzie</b>	April 2019	31/03/27	Ordinary Member	HR & OD, Corporate Communications Management	People, Culture & Wellbeing Committee
<b>Neil Lowden</b>	January 2019	31/12/26	Ordinary Member	Educational Management, Learning & Teaching, Educational Policy	Learning, Teaching & Quality Committee
<b>Brian Lawrie</b>	May 2022	31/04/26	Ordinary Member	Finance and Public Sector Management	Chair of Finance & Infrastructure Committee (from May 2025)
<b>Jackie Buchanan</b>	February 2023	31/01/27	Ordinary Member	Legal, Governance, Public Sector Management	
<b>Carri Cusick</b>	April 2023	30/04/27	Ordinary Member	Economic Development, Commercial Management, Enterprise	
<b>Kelly McIntosh</b>	February 2025	31/01/29	Ordinary Member (previously co-opted to LT&Q)	Public Service Management	
<b>Ged Bell</b>	September 2024	31/08/2028	Ordinary Member	ICT/Digital, Public Sector Management	
<b>Robert Young</b>	February 2025	31/01/29	Ordinary Member	Private Sector Management, Infrastructure/Engineering	
<b>Kirstin Marsh</b>	June 2025	31/05/29	Ordinary Member	Government Strategy, Funding, Infrastructure & Economic Development	

## Accountability Report (continued)

	Appointed	Term Ends	Status of Appointment	Profession/Specialism	Chairs
<b>Colin Smith</b>	June 2025	31/05/29	Ordinary Member	Infrastructure & Estates Leadership, Senior HE Management	
<b>Brian Mooney</b>	June 2025	31/05/29	Ordinary Member	Business Consultancy & Turnarounds, National Project Leadership	
<b>Simon Hewitt</b>	August 2020	-	Principal	Principal	
<b>Derek Smith</b>	April 2023	31/03/27	Teaching Staff Member	Teaching Staff	
<b>Matthew Beattie</b>	Nov 2023	Resigned 18/08/25	Support Staff Member	Support Staff	
<b>Stephen Oakley</b>	April 2024	29/02/28	Academic Trade Union Nominated Member	Lecturer	
<b>Richard Gordon</b>	Feb 2025	31/01/29	Non-teaching staff union nominated member	Cyber Security Engineer	
<b>Adele Lawrence</b>	March 2024	31/07/26	Student Member	Students' Association Nominee	
<b>Kara Ramsay</b>	August 2024	31/07/25	Student Member	Students' Association Nominee	
<b>Connor Pithie</b>	August 2025	31/07/26	Student Member	Students' Association Nominee	
<b>Margo Williamson</b>	June 2021	Term ended 31/05/25	Ordinary Member	Management, Education	Board of Management Vice Chair until May 2025
<b>Donna Fordyce</b>	April 2017	Term ended 30/04/25	Ordinary Member	Economic Development, Enterprise, Fisheries, Retail Management	Finance & Infrastructure Committee Chair until April 2025
<b>Sally Middleton</b>	June 2021	Resigned 29/11/24	Ordinary Member	HE Learning & Teaching, Management, Access, and Articulation	
<b>Roy McLellan</b>	May 2022	Resigned 31/12/24	Ordinary Member	Enterprise and Corporate Management	
<b>Daniel Rosie</b>	May 2023	Resigned 03/12/2024	Ordinary Member	Marketing, Promotions, PR, Enterprise, Management	

Accountability Report (continued)

	<b>Appointed</b>	<b>Term Ends</b>	<b>Status of Appointment</b>	<b>Profession/Specialism</b>	<b>Chairs</b>
<b>Donna Fordyce</b>	August 2025	31/12/26	Coopted member Finance & Infrastructure Committee	Economic Development, Enterprise, Fisheries, Retail Management	
<b>Sally Middleton</b>	August 2025	31/12/26	Coopted member Learning, Teaching & Quality Committee	HE Learning & Teaching, Management, Access, and Articulation	
<b>Derek Stewart</b>	August 2025	31/12/26	Coopted member Finance & Infrastructure Committee	HE Learning & Teaching, Management, Infrastructure	

## 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 development and operational oversight of College strategy and outcomes. This includes the creation of future strategy, the educational character of the College and administration and management of the College's affairs, including approving the Regional Outcome Agreement (Priority Outcomes are referenced on pages 8-9) and ensuring an effective system of internal control in respect of activities, expenditures and outcomes. As a part of these requirements, the Board of Management is required to present audited financial statements for each financial year.

In understanding these financial statements, the following Board of Management responsibilities in respect of the proper use of College funds is important.

The Board of Management maintains a rolling five-year financial strategy that aids decision making and oversight in respect of financial sustainability, whilst informing short and medium term financial planning and control. This strategy was updated in April 2022.

The Board of Management is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the College. This ensures that financial statements are fully accurate and meet the requirements of the Further and Higher Education (Scotland) Acts (1992 and 2005), the Statement of Recommended Practice on Accounting for Further and Higher Education, the Government Financial Reporting Manual (FReM) issued by HM Treasury and other relevant accounting standards.

Within the terms and conditions of the Financial Memorandum agreed between the College and the Scottish Funding Council, the Board of Management approves financial statements for each financial year that give a true and fair view of the College's state of affairs and of the surplus or deficit and cash flows for that year.

The Principal provides a signed Certificate of Assurance each year, confirming that a review of the internal control arrangements of the College has been undertaken and that these controls have been, and are, working well. This Certificate of Assurance supports the Accountable Officer for the college sector (the Scottish Funding Council Chief Executive) to provide a governance certificate of assurance covering all colleges to the Principal Accountable Officer of the Scottish Government.

In approving the annual financial statements, the Board of Management has ensured that:

- suitable accounting policies are selected and applied consistently.
- judgements and estimates are made that are reasonable and prudent.
- applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.

## Accountability Report (continued)

- financial statements are prepared on the going concern basis unless it is inappropriate to presume that the College will continue in operation. The Board of Management is satisfied that it has adequate resources to continue in operation for the foreseeable future and for this reason the going concern basis continues to be adopted in the preparation of the financial statements.

The Board of Management has taken reasonable steps to:

- ensure that funds from the Scottish Funding Council are used only for the purposes for which they have been given and in accordance with the Financial Memorandum with the Funding Council and any other conditions which the Funding Council may from time to time prescribe.
- 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 there are appropriate financial and management controls in place to safeguard public funds and funds from other sources.
- safeguard the assets of the College and prevent and detect fraud.
- secure the economical, efficient and effective management of the College's resources and expenditure.

The key elements of the College's system of internal financial control that discharge the responsibilities set out above include the following:

- a comprehensive medium and short-term financial planning process, supplemented by detailed annual income, expenditure, capital and cash flow budgets, reviewed and approved annually by the Board of Management and monitored regularly by the Finance & Property Committee
- a suite of reporting that involves regular reviews of key performance indicators monitored by the appropriate Board Committee
- a Strategic Risk Register that is monitored and reviewed regularly by the Board and the Audit & Risk Committee (more detail on the Risk Register is provided on pages 35 and 36)
- clear definitions of the responsibilities of, and the authority delegated to senior staff which is reviewed periodically by the Board of Management
- 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 & Risk Committee and Finance & Property Committee

## Accountability Report (continued)

- the College has appointed Internal Auditors whose annual programme is approved by the Audit 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 (more detail on the work and opinion of the Internal Auditors is provided on page 35.)

## Governance Statement

### Introduction

Dundee & Angus College is committed to maintaining and delivering good practice in all aspects of corporate governance. This governance statement is written to assist the reader of the financial statements understand how these principles have been applied.

This governance statement supplements the information provided in the financial statements. It sets out the governance structures, risk management and internal control processes that have been operating in the College in the year to 31 July 2025 and reports the Board's assessment of the effectiveness of these arrangements.

### Statement of Compliance

The College complies in full with all the principles and requirements of the 2022 Code of Governance for Scottish Colleges with the exception of the role of the Secretary to the Board. 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 appointed the Vice Principal Support Services and Operations as Secretary to the Board, who reports directly to the Chair in relation to their Board Secretary duties, in order to prevent any conflicts of interest. The Board has been satisfied with this arrangement, and the independence and appropriateness of the governance role fulfilled by the Board Secretary. Following a review the Board is working to appoint a Board Secretary who is not a member of the College senior management team by January 2026.

### Governing Body and Governance Structure

The Board of Management operates a formal structure of Board and Committee meetings (referenced on pages 28 and 29), supported by clear agendas, minutes and supporting papers, reports and information, all of which underpins 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 a rolling basis.

## Accountability Report (continued)

In accordance with the requirements of the Code of Good Governance for Scottish Colleges, Board evaluation arrangements are supplemented every three to five years by a comprehensive [Externally Facilitated Evaluation of Board Effectiveness](#) with a resulting development plan. An external evaluation was undertaken in autumn 2024 and approved by the Board in December 2024 and submitted to the Scottish Funding Council.

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 and during 2024/25 these were undertaken as in-person meetings with an online attendance option.

A list of Committee Members for 2024/25 is included on pages 22 to 24.

The **Chairs' Committee** met twice in 2024/25 to inform the future work and development of the Board and to consider arrangements around matters of College strategy.

As a part of its remit, this Committee also operates as 'Nominations Committee' undertaking all steps necessary to identify high quality candidates to fill board vacancies in line with the Ministerial Code for Appointments.

The Chairs' Committee has delegated authority from the Board to consider and determine salaries and conditions of service for members of the College Executive and Senior Leadership Team and has an agreed remuneration strategy in place for the consideration of senior post holder salaries. When operating as Remuneration Committee the Committee is chaired by the Vice Chair or other Committee Chair.

The **Audit & Risk Committee** meets with the College's external and internal auditors in attendance. The Committee considers detailed reports together with recommendations for the improvement of the College's systems of internal control and management's responses and implementation plans. It also receives and considers reports from the Scottish Funding Council or other government departments as they affect the College's business and monitors adherence to the regulatory requirements.

During 2024/25 the Committee has considered and monitored key actions arising from the Strategic Risk Register and annual Risk and Maturity Report on cyber security. The Audit & Risk Committee also undertook oversight of risk arrangements arising from the 'red' financial security risk arising as a result of funding cuts.

The **Finance & Infrastructure Committee** (formerly Finance & Property) oversees the preparation of a multi-year financial strategy for approval by the Board and informs and approves actions required to ensure financial sustainability. This committee also plays an important role in overseeing and approving procurement activities (within designated thresholds).

## Accountability Report (continued)

In consultation with other Committees, it recommends to the Board of Management the College's annual revenue and capital budgets and monitors performance in relation to the approved budgets. It reviews the effectiveness of financial management and monitors financial controls, ensuring appropriateness of and compliance with the Financial Regulations.

This Committee was renamed as the Finance & Infrastructure Committee in June 2025.

The **People, Culture & Wellbeing Committee** (formerly Human Resources & Development) has overall responsibility for the direction and oversight of all Human Resources matters relating to the function of the Board of Management as employer of the College's staff. It oversees the development and implementation of the People Strategy and Workforce Plan, ensures compliance with employment legislation, considers a suite of staff-related metrics, and oversees Health & Safety matters on behalf of the Board.

During 2024/25, this has included input to the revised Workforce Plan and consideration of the staffing impacts and good practice approaches around the savings plan and structure changes.

This Committee was renamed as the People, Culture & Wellbeing Committee in June 2025.

The **Learning, Teaching & Quality Committee** has overall responsibility for monitoring the direction and performance of learning and teaching, and the quality of the learners' experience at the College. It oversees significant developments in the College curriculum and plays a key role in promoting the student voice, ensuring that the Board's legal responsibilities with regard to the Students Association are met.

During 2024/25 the Committee has received detailed presentations on key aspects of College activity, including enhancement in the Animals, Land and Environment and Art & Design curriculums plus developments in support for learners and staff as part of the Changing Learners project.

In line with good governance practice, details of discussions held, alongside feedback from the relevant Committee Chair on the activities of each Committee are shared with all Board members and are raised as a standing item at each full meeting of the Board of Management.

Given the financial challenges facing the sector and College, a copy of the quarterly management accounts are included within each set of Board meeting papers for information. Board and Committee agendas, minutes and papers are [published on the College website](#) and Board Members receive a copy of the most recent Management Accounts at each meeting.

All current Board members have received clear induction into their roles from the Chair and Board Secretary and have attended comprehensive Board member induction development session provided by the College. In addition, all Board members attend Board member induction and/or specialist training provided on a sector basis by College Development Network.

All Board members engage in an annual appraisal process conducted by the Chair of the Board. The Chair receives two appraisals, one conducted by the Vice Chair and one conducted by a senior official from the Scottish Government. Board member feedback provides clear information to inform individual and collective evaluation and action planning.



## Accountability Report (continued)

A Strategic planning and development event in October 2024 was used to engage board members in reviewing and setting the Boards risk appetite and to receive an update directly from Audit Scotland on sector funding and workforce planning for the Scottish public sector.

Significant Board input has been focused on the development of the range of strategic opportunities arising through Tay Cities whilst recent focus has been on the governance requirements surrounding the progression of savings plans and major infrastructure project development.

**DUNDEE & ANGUS COLLEGE - BOM & Committee Attendance Record – 1 August 2024 – 31 July 2025**

<b>Member's Name</b>	<b>Board of Management</b>	<b>Audit &amp; Risk Committee</b>	<b>Finance &amp; Property Committee</b>	<b>HR &amp; Development Committee</b>	<b>Learning, Teaching &amp; Quality Committee</b>
Laurie O'Donnell	4/4	2/2 (Observer)	3/4	1/1 (Observer)	3/4
Margo Williamson	3/3	3/3			1/3
Donna Fordyce	1/3		1/4	1/3	1/3
Helen Honeyman	3/4	4/4			3/4
Donald Mackenzie	3/4		1/4	3/3	
Neil Lowden	3/4			1/3	4/4
Stephen Oakley	3/4		4/4	2/3	4/4
Sally Middleton	0/2	1/2			1/2
Brian Lawrie	4/4	2/2 (Observer)	4/4	3/3	
Roy McLellan	1/2	0/2	0/2		
Jackie Buchanan	1/4	1/4		1/3	
Carri Cusick	1/4		3/4	2/3	
Daniel Rosie	0/2		0/2	1/1	
Simon Hewitt	4/4		3/4	2/3	4/4
Derek Smith	4/4	4/4	3/4		3/4
Matthew Beattie	4/4	3/4	4/4	3/3	
Adele Lawrence	4/4				2/4
Connor Pithie	1/1				
Kelly McIntosh	1/2	1/2			3/4
Ged Bell	4/4	4/4	4/4		
Kara Ramsay	4/4				4/4
Kirstin Marsh	1/1				

Accountability Report (continued)

Member's Name	Board of Management	Audit & Risk Committee	Finance & Property Committee	HR & Development Committee	Learning, Teaching & Quality Committee
Colin Smith	1/1				
Robert Young	2/2		2/2	1/2	
Richard Gordon	2/2	2/2		2/2	
Brian Mooney	1/1				

## 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 future strategic and operational planning.

During 2024/25, these activities focused significantly on progress towards completion of the 2025 strategy and development of the new Our College strategy for 2025 – 2030.

## Board's Statement on Internal Control

The Board of Management takes its responsibilities for internal control and for reviewing its effectiveness very seriously. These systems are designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board of Management provides strong leadership within a framework of effective controls that enable risk to be assessed and managed. Through the operation of the Board and each Board Committee, Board members monitor, challenge and oversee risk management within the College as a whole. Within all of these arrangements it is the responsibility of the Board of Management to:

- Establish the overall culture and ethos in respect of risk and opportunity management within the College.
- Determine the appropriate risk appetite (the level of exposure with which the Board is comfortable) for the College that balances risk with opportunity.
- Approve major decisions affecting the College risk profile or exposure in accordance with appropriate financial strategy and procedures and agreed delegation limits.
- Ensure that risk management is integrated in strategic planning activities and regional outcome agreements.
- Monitor the management of key risks (those rated in excess of the risk appetite) to reduce their probability and impact.
- Satisfy itself that the less significant risks are managed, and that risk controls are in place and working effectively.
- Annually review the College approach to risk management and approve changes or improvements as necessary.

The Board of Management has delegated day-to-day responsibility to the Principal (Chief Executive) for maintaining a sound system of internal control that reflects the needs of good risk management and supports the achievement of the Colleges policies, aims and objectives.

## Accountability Report (continued)

The Board operates a clear scheme of delegation and financial procedures that strengthen and inform internal control arrangements. These are reviewed annually, and work has continued during 2024/25 to embed Board visibility and oversight of major procurement spend and contracts. Financial Regulations were revised during 2024/25 to better align financial responsibilities and delegated thresholds with day-to-day management and leadership responsibilities.

In response to the developing situation at the University of Dundee the College has undertaken its own evaluation and action plan on financial governance and reporting. This plan has been discussed at the Finance & Infrastructure and Audit & Risk Committees as well as the full Board. The plan summarises the College approaches to the key areas where it has been identified that failings occurred at the University and also outlines College practice in relation to the lessons learned check list created by Professor Gillies as part of the independent review of University financial governance. The College evaluation and action plan will continue to be monitored and action taken as further lessons emerge from the university situation.

The Board of Management and each of the Committees actively monitors key areas of risk, seeking updates through the Executive Leadership Team and the Audit & Risk Committee. The emphasis is on obtaining the relevant degree of assurance and not merely reporting on exceptions or issues.

Henderson loggie were reappointed for a period of 3 years (with an extension option) as the College's Internal Auditors following a procurement exercise. The new appointment is effective from 1 October 2025.

The Audit & Risk Committee also receive regular reports from the College's Internal and External Auditors and the following provides a summary of current progress in respect of audit recommendations up to 31 August 2025.

Audit Area	Report Grades	Number of Recommendations ( & Priority Grades)			Recommendations Outstanding
		1	2	3	
Procurement & Creditors (May 2024)	Requires Improvement		9		0
Sports Centre Review	NA		7		0
Payroll	Good		0		0
Staff Development	Good		0		0
Student Activity Data (2023/24)	Audit opinion unqualified			3	0
Student Support Funds (2023/24)	Audit opinion unqualified		1		0
	<b>Total</b>	-	<b>17</b>	<b>3</b>	<b>0</b>

Good progress has been made in respect of the closing out of audit recommendations and there are no outstanding actions from previous years' audits. The College's Internal Auditors reported that the College has made good progress in implementing the identified recommendations.

### \* Report Grades

- Good - System meets control objectives.
- Satisfactory - System meets control objectives with some weaknesses present.
- Requires improvement - System has weaknesses that could prevent it achieving control objectives.
- Unacceptable - System cannot meet control objectives.

## Accountability Report (continued)

### \*\* Action Grades

Priority 1	Issue subjecting the College to material risk and which requires to be brought to the attention of management and the Audit & Risk Committee.
Priority 2	Issue subjecting the College to significant risk and which should be addressed by management
Priority 3	Matters subjecting the College to minor risk or which, if addressed, will enhance efficiency and effectiveness.

The Internal Audit opinion for the work undertaken in 2024/25 is that the College has adequate and effective arrangements for risk management, control and governance. Proper arrangements are in place to promote and secure Value for Money.

The College operates a Strategic Risk Register, which identifies the most significant risks to the College. Specific risks are allocated to Committees for regular review and consideration with any proposed changes presented to the Audit & Risk Committee for approval. This Strategic Risk Register is discussed and approved at every meeting of the Audit & Risk Committee and is discussed bi-annually at the Board of Management.

The Strategic Risk Register has been subject to additional review during 2024/25 as part of the outcomes an internal audit on arrangements for management of risk and following on from the review and resetting of the Board of Management risk appetite in late 2024. This includes the introduction of minor and moderate categories for low risk elements.

The following table sets out the strategic risks for which the underlying risk has been scored as “Major” or “Fundamental”. It records the residual risk, with three risks shown as “Significant”, following the mitigating actions that have been taken. Two risks (Financial Sustainability and Infrastructure Investment) remain as “Major” post mitigation, reflecting the risk arising as a result of the long-term impact of ‘flat cash’ funding for the sector and the lack of investment required to improve the Kingsway and Arbroath campuses.

Where any post-mitigation risk remains as “Major” or above, a specific report on actions being taken is presented to each meeting of the Audit & Risk Committee.

Risk		Before Mitigation	After Mitigation
1.1	Failure of College strategy to meet the needs of the D&A Region and/or national priorities	Major	Moderate
2.2	Failure to achieve institutional sustainability	Major	Major
2.3	National outcomes on salaries and conditions of service outstrip ability to pay	Major	Significant
2.6	Demands of capital developments / maintenance impacts on financial sustainability or delivery of learning and/or services	Major	Significant
3.3	Legal actions; serious accident; incident or civil/criminal breach	Major	Moderate
3.4	Failure to meet the aspirational standards in respect of the health, safety, wellbeing and development of staff and students	Major	Moderate

Risk		Before Mitigation	After Mitigation
3.6	National bargaining outcomes impact adversely on College operations, activity and flexibility	Major	Significant
3.7	Industrial Relations Problems	Major	Moderate
3.8	Breach of data security / data protection #	Major	Moderate
4.5	Lack of investment in ageing / beyond serviceable life infrastructure (inc RAAC, Asbestos and M&E failure concerns) impacts on financial sustainability and/or delivery of learning and/or services	Major	Major

**Key to Risk Estimation/Score based on scale of 1 – 5 for impact/likelihood:** Blue (1-3) = Minor Risk; Green (4 – 8) = Moderate Amber (9-15) = Significant Risk; Red (16-20) = Major Risk; Purple, (>21 - 25) = Fundamental Risk. Board Risk Appetite for the utilised risk categories is assessed as Open (based on the [UK Treasury Orange book](#) criteria).

# There have been no significant lapses of data security and no reportable personal data-related incidents reported to the Information Commissioner's Office during the reporting period.

The College participates in the National Fraud Initiative (NFI), which is a data-matching exercise led by Audit Scotland to aid the detection of fraudulent payments. The exercise undertaken during 2024/2025 did not identify any errors or fraud. The next exercise will be undertaken during 2026/2027.

As a key step in assuring the appropriate oversight of College systems and risks, the Audit & Risk Committee produces a draft annual report that is discussed and approved by the Audit & Risk Committee prior to further discussion and approval by full Board. This report summarises work reviewed by the Committee and confirms internal and external audit assurances in respect of the adequacy and effectiveness of internal control, the effectiveness of financial controls and the delivery of internal audit plans in line with relevant internal audit standards. In line with other Board papers, this report is publicly available on the College website.

As an addition to these arrangements the Audit & Risk Committee also prepared an Audit Assurance Response in respect of a standard series of questions and assurances requested by the College auditors. This assurance response was approved under delegated authority by the Chair of the Audit & Risk Committee and provides a summary of how the Board minimises risk and assures itself in respect of key elements of the international audit standards.

Internal and external audit representatives meet annually with members of the Audit Committee without senior members of College staff present. This allows an opportunity for any concerns or issues to be raised and for Audit Committee members to seek appropriate assurances.

During 2024/25 a number of factors impacted on the final sign off of the annual accounts, with this being delayed to March 2025. A lessons learned review was undertaken in spring 2025 with an action plan agreed on steps to be taken to avoid reoccurrence or delay to future accounts sign-off.

### Significant Control Issues/Weaknesses

In completing this governance statement there have been no exceptions or issues raised for inclusion by internal or external auditors in respect of significant control issues/weaknesses.

### **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.

### **Conclusion**

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 2025 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.



## Remuneration and Staff Report

The sections marked \* in this Remuneration Report have been audited by Forvis Mazars LLP, external auditors. The other sections of the Remuneration Report were reviewed by Forvis Mazars LLP to ensure that they were consistent with the financial statements.

### Remuneration Policy

Annually the remuneration of the Principal and Executive Team is the subject of a discussion at the Chairs' Committee – which serves as a Remuneration Committee.

### \*Remuneration including salary and pension entitlements

The following tables provide detail of the remuneration and pension interests of senior management:

	year ended 31 July 2025			year ended 31 July 2024		
Name	Salary Band £000	Pension Benefit £000	Band Total £000	Salary Band £000	Pension Benefit £000	Band Total £000
Laurie O'Donnell	15-20	0	15-20	15-20	0	15-20
Simon Hewitt	130-135	0	130-135	125-130	0	125-130
Steven Taylor	100-105	0	100-105	95-100	0	95-100
Julie Grace	100-105	0	100-105	95-100	0	95-100

Post titles are provided on pages 21 and 22

### Median Remuneration

Colleges have been required by the Government Financial Reporting Manual (FReM) to disclose the relationships between the remuneration of the highest paid official and the median remuneration of their workforce and the range of staff remuneration. The 2021-22 FReM introduced new requirements around disclosures of 25<sup>th</sup> and 75<sup>th</sup> percentile pay ratios, their comparison to the remuneration of the College's highest paid official, percentage changes from previous year and explanation of any changes:

*Range of workforce remuneration:-		2024-25	2023-24	Change
		£	£	%
Staff Average (salary & allowances)		39,309	36,009	9.2%
Highest paid official remuneration		130k-135k	125k-130k	3.8%
Median (total pay and benefits)		42,128	39,264	7.3%
Median (salary only)		42,128	39,264	7.3%
Ratio		3.1	3.2	-3.1%
25 <sup>th</sup> percentile (total pay and benefits)		27,734	26,234	5.7%
25 <sup>th</sup> percentile (salary only)		27,734	26,234	5.7%
Ratio*		4.8	4.9	-2.0%
75 <sup>th</sup> percentile (total pay and benefits)		48,357	43,357	11.5%
75 <sup>th</sup> percentile (salary only)		48,357	43,357	11.5%
Ratio		2.7	2.9	-6.9%

The banded remuneration of the highest paid official in the organisation in the financial year 2024-25 was £130,000-£135,000 (2023-24: £125,000-£130,000). This was 3.1 times (2023-24: 3.2 times) the median remuneration of the workforce which in the financial year 2024-25 was £42,128 (2023-24 £39,264). The lowest paid employee salary was £22,932 (2023-24 £21,840).

Changes from prior year mainly reflects the implementation of 2 years Staff pay awards during the year.

### Accrued Pension Benefits

Pension benefits for teaching staff are provided through the Scottish Teacher's Superannuation Scheme (STSS), a defined benefit scheme, which is notionally funded and contracted out of State Earnings-Related Pension Scheme. The Pension Benefit in the above tables does not represent the cash value of pension contributions made in the year. It is calculated as the real increase in pension multiplied by 20, plus the real increase in any lump sum, less contributions made by the member, as required by FReM issued by HM Treasury.

STSS is provided by the Scottish Public Pensions Agency. It remained a final salary (Legacy) pension scheme for protected members only and since 1 April 2015 has been a Career Average Revalued Earnings (CARE) scheme for the majority of members. However, from 1 April 2022 all members retrospectively transferred to the 2015 CARE scheme and the intervening period becomes a Remedy period providing options for eligible members upon retirement.

Non-teaching staff are enrolled into the Local Government Pension Scheme (LGPS). Benefits for all members of this scheme are now provided under CARE arrangements since transition on 1 April 2016. Contribution rates for both schemes are set annually for all employees and can be found in Note 16.

There is no longer any automatic entitlement to a lump sum. STSS members may opt to give up (commute) pension for lump sum up to the limit set by the Finance Act 2004. LGPS members can access pension under new pension release rules introduced in April 2015.

### \*Senior Officials Pension

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

Name	Accrued pension at pension age at 31 July 2025	Accrued lump sum at pension age at 31 July 2025	Real increase in pension 1 August 2024 to 31 July 2025	Real increase in lump sum 1 August 2024 to 31 July 2025	CETV at 31 July 2025	CETV at 31 July 2024	Real increase in CETV
	£000	£000	£000	£000	£000	£000	£000
Simon Hewitt	40-45	0-5	2.5- 5	0-2.5	556	494	62
Steven Taylor	65-70	0-5	5-7.5	0-2.5	1,192	1,055	137
Julie Grace	60-65	0-5	5-7.5	0-2.5	984	870	114

## 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 Local Government service and not just their current appointment.

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

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

## Real Increase in CETV

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

## Staff Report

During the year to 31 July 2024 the College employed 636 full-time equivalent staff. At 31 July 2025 the staff headcount was 960 comprising of 624 females and 336 males.

Full disclosure of staff costs of £36.388m is given in Note 9 to the Accounts.

Disclosure of agency staff costs of £353k is given in Note 11. Other than individuals engaged under a shared service agreement with Advanced Procurement for Universities and Colleges, all amounts are paid for temporary staff on an ad hoc basis to cover staff absence or to obtain specialisms not available from permanent staff.

Working time lost through sickness was 3.75%, marking a return to similar absence levels to the pre-COVID period. At an average of 6.1 days per annum this rate is significantly below the September CIPD reported UK average staff absence rate of 9.4 days.

Staff Turnover (non-forced) is sitting at 10.45%, consistent with the rate in 2023/24 and remaining low by sector and UK standards ([CIPD estimates](#) UK Education staff turnover at 16.1%).

Reflecting the financial position of the whole college sector, overall staff numbers have declined year-on-year, with this trend set to continue for the foreseeable future. Given the continuing flat cash funding

model, the College is again embarked on a major savings exercise with a target to reduce the 2025/26 budget by a minimum of £2.5 million through a combination of curriculum and service reductions.

Steps are in place to communicate the background and rationale for the saving being proposed and active steps are being taken to involve staff in proposing alternatives alongside campaigning for additional funds. This work will continue throughout 2025/26 and it is anticipated may be necessary in future years should funding levels fail to increase.

As part of on-going service review and savings measures the College took the decision in May 2025 to cease the commercial operation of the Gardyne Sports Centre and to close the swimming pool. These changes met with some resistance from customers but were necessary given the financial subsidy required to support these operations. A decision was also made to cease the commercial operation of the Service Design Academy, with this transferring to a new employee owned organisation. Following the decision of Gardyne Theatre Limited to cease operations, the College will assume operating responsibility for the Gardyne Theatre from January 2026 onwards.

Significant developments continue to be made in the use of Artificial Intelligence, Power Automate and workflows, and developments have incorporated improved data use plus a focus on underpinning culture changes to reduce silo working and enhance agile and collegiate approaches.

Regular biennial staff engagement surveys are undertaken independently using the 'Peachy Mondays' platform and utilise a common format and questions to support comparison. Outcomes from the last survey (spring 2024) were strongly positive and were reported fully in the 2023/24 financial statements. It is planned that a follow up survey will be undertaken in early 2026.

Utilising the Peachy Monday's platform ensures that the survey benefits from this expertise and also that it is fully confidential. The platform also hosts the anonymous conversations functionality, allowing a representative from the College to respond to specific survey feedback and engage anonymously in conversation around these.

The survey data has been used in a variety of ways to influence Senior Leadership Team and People Team activities and plans. Including using the data to inform operational priorities and focus in respect of staff CPD and other development opportunities.

Specific feedback in respect of issues surrounding student behaviour management have supported prioritisation of this as a key 'Changing Learner' theme during 2024/25, combining the development of positive behaviour management with the growing focus on embedding [trauma informed practice](#) across all services and staff approaches.

The #JustOne Hour initiative launched in 2024 continues to grow and develop. During AY 2024/2025, over 550 staff have attended more than 40 individual college sessions, with 95.5% rating their experience as 'excellent'. Wellbeing engagement has increased in almost all teams, especially for those that have not previously been involved. This approach will continue to be developed through 2025/2026.

In line with the Our People element of the 2030 Strategy, arrangements to support staff wellbeing have been refreshed and the College has also become a signatory of the [TUC Dying to Work Charter](#), offering clear support for any staff diagnosed with a terminal illness.

Responding to feedback within the staff survey, the College's first all staff development day was held in November 2024. This event was held across all campuses with over 400 staff attending and over 80 different CPD sessions offered with over 90% reported feeling more confident and equipped for their roles post-event.

Of those responding, 82% highlighted that they would recommend the session they attended to their colleagues, with 80% keen to attend further similar development activities. Following on from this feedback, a similar all staff event has been scheduled for February 2026.

In line with recommended good practice from Audit Scotland an updated Workforce Plan was implemented in February 2025. This revised 2025 – 2028 plan outlines the key areas of focus for the recruitment, development and leadership of our workforce over the forthcoming period, embedding recognised themes around CPD, the Changing Learner, Trauma Informed Practice and Digital / AI developments.

D&A is committed to the Fair Work agenda and principles as outlined in the [Fair Work First statement](#) on our website. We have positive and productive relationships with our recognised unions (EIS, GMB and Unison). The College and recognised unions work together on joint solutions and approaches, based around agreed principles and ways of working. This includes approaches in respect of the adoption and promotion of health and safety and joint ways of working as unions/management. These approaches have supported greater engagement and communication between College and unions and have supported engagement around the major savings and efficiency plans.

Direct engagement and communication with staff is open, ensuring that all staff have access to up-to-date information around College developments, opportunities and challenges. We make active use of service design methodologies to engage and involve staff in major developments impacting the College and offer multiple opportunities for staff at all levels to join working groups, College committees and other developments. Two members of staff are full members of the Board of Management alongside the trade union nominated board members introduced in March 2024.

The College has transparent arrangements underpinning staff recruitment and progression coupled with extensive continuous professional development support for all staff. The College has been a Living Wage employer since 2017 and operates a range of best practice Human Resource policies and procedures to underpin positive engagement, equalities, dignity, wellbeing and job security for staff.

Staff satisfaction and engagement is consistently high and our absence and turnover figures are regularly well below national averages.

The College is a regular winner of employer awards, including recognition for individual services and activities, and as an employer of choice. Evaluation under the Scottish Government Fair Work Self-evaluation tool places D&A at the highest 'Embedding level' across all five Fair Work indicators.

Good use continues to be made of the JISC Digital Elevation tool to evaluate progress on our digital transformation. This has identified significant strengths around our Digital Culture, Pre-arrival, Curriculum Staff, Cyber Security and Cloud elements, with these assessed to be operating at the 'elevate' level.

We are progressing rapidly with our cloud first strategy and have invested significantly (c£950k) in our network infrastructure over the past 24 months. We are currently investing in replacement of our full range of student management systems, designed to improve and integrate services for students whilst significantly reducing costs. As part of our transformation agenda we are progressing our use of data to inform and transform analysis and decision making.

Excellent progress has been made in respect of our Climate Emergency Action Plan, with D&A reducing its scope 1 and 2 emissions by c70% since 2009. We have achieved almost all of the challenge targets outlined within our CEAP Roadmap published in 2021, with significant progress also being made in respect of the handful of targets not achieved. To further support our journey to net zero, a revised CEAP and set of stretching targets was published in late 2024.

Our curriculum sustainability mapping project commenced in January 2023, with our Academic Development Team working in partnership with curriculum teams to identify and create opportunities to promote and embed the UN Sustainable Development Goals within curriculum content and teaching practice.

All of these activities reflect our commitment to take a mixture of practical, cultural, and pedagogical action to address the climate emergency and meet our ambitious net zero ambitions.

All of these activities are supported by mandatory training on positive equalities practice and our culture and approaches to foster good relations across the range of equalities protected characteristics.

In May 2024 D&A became the first college in Scotland to be recognised as a College of Sanctuary for our practice in supporting positive engagement and integration for refugees and asylum seekers and we have progressed significant work to further tackle issues of gender based violence in our community.

We introduced our student charter in August 2024 to underpin expectations and behaviours across the College, linking this into our college values and promoting our RSPECT branding for students and staff.

Outcomes in respect of monitoring of equalities data and activities are reported through our [Equalities Mainstreaming Report](#) and [Gender Pay Gap reporting](#)

**\*Compensation for loss of office**

The table below summarises the exit packages by cost band.

	<b>2025</b>	<b>2025</b>	<b>2025</b>	<b>2024</b>
<b>Exit package cost band</b>	<b>Number of compulsory redundancies</b>	<b>Number of other departures agreed</b>	<b>Total number of exit packages by cost band</b>	<b>Total number of exit packages by cost band</b>
<£10,000	-	7	7	3
£10,000 - £25,000	-	7	7	3
£25,000 - £50,000	-	7	7	3
£50,000 - £100,000	-	2	2	1
£100,000 - £150,000	-	0	0	0
Total number of exit packages	-	23	23	10
<b>Total cost (£)</b>	<b>-</b>	<b>504,911</b>	<b>504,911</b>	<b>231,193</b>

**\*Salaries and Related costs**

	<b>2025</b>	<b>2025</b>	<b>2025</b>	<b>2024</b>
	<b>Directly employed staff on permanent UK contracts £000s</b>	<b>Other staff including short-term contract, seconded and agency staff £000s</b>	<b>Total</b>	<b>Total</b>
Wages and salaries	23,707	3,847	<b>27,554</b>	<b>25,638</b>
Social security costs	2,494	398	<b>2,892</b>	<b>2,520</b>
Other pension costs	4,923	785	<b>5,708</b>	<b>4,896</b>
<b>Total</b>	<b>31,124</b>	<b>5,030</b>	<b>36,154</b>	<b>33,054</b>
Average number of FTE	<b>540</b>	<b>98</b>	<b>638</b>	<b>617</b>

The total number of higher paid staff, including senior post-holders, above a threshold of total emoluments of £60,000, are tabled in Note 9. The total remuneration of the Principal is given in Note 10 along with the total emoluments of all senior post holders.

## 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 July 2025.

### Relevant Union Officials

Number of Employees who were relevant union officials during the relevant period:	Full-time equivalent employee number:
9	9

### Percentage of time spent on facility time

Percentage:	Number of Employees:
0%	0
1%-50%	9
51%-99%	0
100%	0

### Percentage of pay bill spent on facility time

Total cost of facility time:	£64,328
Total pay bill:	£35,931,820
Percentage of the total pay bill spent on facility time:	0.18%

### Paid trade union activities

Time spent on trade union activities as a percentage of total paid facility time hours:	12%
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Approved on Behalf of the Board of Management on xx December 2025

**Simon Hewitt**  
**Principal**



# **Independent auditor's report to the Board of Management of Dundee and Angus College, the Auditor General for Scotland and the Scottish Parliament**

## **Report on the audit of the financial statements**

### **Opinion on the financial statements**

We have audited the financial statements in the annual report and accounts of Dundee and Angus ("the College") and its Group for the year ended 31 July 2025 under the Further and Higher Education (Scotland) Act 1992 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005. The financial statements comprise the Consolidated and College Statement of Comprehensive Income, Consolidated and College Statement of Changes in Reserves, Consolidated and College Statement of Financial Position, and the Consolidated and College Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the accompanying financial statements:

- give a true and fair view of the state of affairs of the College and its Group as at 31 July 2025 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**

We conducted our audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)), as required by the [Code of Audit Practice](#) approved by the Auditor General for Scotland. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We were appointed by the Auditor General on 18 May 2022. Our period of appointment is five years, covering 2022/23 to 2026/27. We are independent of the College and its Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Non-audit services prohibited by the Ethical Standard were not provided to the College. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern basis of accounting**

We 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 we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the ability of the College and its Group 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 current or future financial sustainability of the College and its Group. However, we 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**

We report in our Annual Audit Report, the most significant assessed risks of material misstatement that we 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 ability of the College and its Group 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 operations of the College and its Group.

### **Auditor's responsibilities for the audit of the financial statements**

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

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

- using our 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;

## Independent Auditor's Report (continued)

- inquiring of the College Principal 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 concerning the College's policies and procedures regarding compliance with the applicable legal and regulatory framework;
- discussions among our 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 our 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 skilfulness of the perpetrator, the frequency and extent of manipulation, the degree of collusion involved, the relative size of individual amounts manipulated, and the seniority of those individuals involved.

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

## Reporting on regularity of expenditure and income

### Opinion on regularity

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

### Responsibilities for regularity

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

## Reporting on other requirements

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

We have audited the parts of the Remuneration and Staff Report described as audited. In our opinion, the audited parts of the Remuneration and Staff Report have 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 the other information in the annual report and accounts. The other information comprises the Performance Report and the Accountability Report excluding the audited parts of the Remuneration and Staff Report.

Our 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 our knowledge obtained in the course of the audit

or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon except on 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 our opinion, based on the work undertaken in the course of the audit:

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

## **Matters on which we are required to report by exception**

We are required by the Auditor General for Scotland to report to you if, in our opinion:

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

We have nothing to report in respect of these matters.

## **Conclusions on wider scope responsibilities**

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

## Use of our report

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

Michael Speight, Audit Director  
For and on behalf of Forvis Mazars LLP

Forvis Mazars  
5th Floor,  
3 Wellington Place,  
Leeds  
LS1 4AP

Michael Speight is eligible to act as an auditor in terms of section 21 of the Public Finance and Accountability (Scotland) Act 2000

# PROFESSIONAL ADVISERS

## **External Auditor**

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## **Internal Auditor**

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## **Banking**

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DD3 8NS

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Glasgow  
G2 5HN

## **Solicitors**

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Whitehall House,  
33 Yeaman Shore  
Dundee  
DD1 4BJ

# CONSOLIDATED AND COLLEGE STATEMENTS

Consolidated & College Statement of Comprehensive Income for the year ended 31 July 2025

		Consolidated		College	
	Note	2025 £000	2024 £000	2025 £000	2024 £000
<b>Income</b>					
Funding body grants	3	34,181	34,183	34,181	34,183
Tuition fees and education contracts	4	4,870	4,780	4,870	4,780
Other grants and contracts	5	5,275	3,366	5,265	3,351
Other income	6	2,978	2,330	2,673	2,119
Investment income	7	96	109	96	109
Donations and endowments	8	110	702	110	702
<b>Total income</b>		<b>47,510</b>	<b>45,470</b>	<b>47,195</b>	<b>45,244</b>
<b>Expenditure</b>					
Staff costs	9	35,364	32,304	35,233	32,152
Cost of Job Evaluation not matched by Revenue	9	676	676	676	676
Exceptional restructuring costs	9	348	238	348	238
Other operating expenses	11a	9,216	12,072	9,060	11,950
Depreciation	12	3,782	3,889	3,782	3,889
Interest and other finance costs	11b	136	186	136	186
<b>Total expenditure</b>		<b>49,522</b>	<b>49,365</b>	<b>49,235</b>	<b>49,091</b>
<b>(Deficit) before other gains/ (losses)</b>		<b>(2,012)</b>	<b>(3,895)</b>	<b>(2,040)</b>	<b>(3,847)</b>
Loss on disposal of assets		(23)	-	(23)	-
<b>(Deficit) for the year</b>		<b>(2,035)</b>	<b>(3,895)</b>	<b>(2,063)</b>	<b>(3,847)</b>
Actuarial gain/(loss) in respect of pension scheme		306	(410)	306	(410)
Unrealised surplus/(loss) on revaluation of tangible fixed assets		8,938	(3,765)	8,938	(3,765)
<b>Total comprehensive income for the year</b>		<b>7,209</b>	<b>(8,070)</b>	<b>7,181</b>	<b>(8,022)</b>

## Consolidated & College Statements (continued)

For the year ended 31 July 2025

		Consolidated		College	
	Note	2025 £000	2024 £000	2025 £000	2024 £000
Represented by:					
Unrestricted comprehensive income for the year		7,209	(8,070)	7,181	(8,022)
		<u>7,209</u>	<u>(8,070)</u>	<u>7,181</u>	<u>(8,022)</u>
Deficit for the year attributable to:					
Group/College		(2,035)	(3,895)	(2,063)	(3,847)
		<u>(2,035)</u>	<u>(3,895)</u>	<u>(2,063)</u>	<u>(3,847)</u>
Total comprehensive income/(expenditure) for the year attributable to:					
Group/College		7,209	(8,070)	7,181	(8,022)
		<u>7,209</u>	<u>(8,070)</u>	<u>7,181</u>	<u>(8,022)</u>

The Statement of Comprehensive Income is in respect of continuing activities.

The Statement of Comprehensive Income is prepared under the FE/HE SORP. Colleges are also subject to Central Government accounting rules, but the FE/HE SORP does not permit colleges to include Government non-cash allocations for depreciation in the Statement of Comprehensive Income. Note 2 provides details of the adjusted operating position on a Central Government accounting basis.

Comprehensive income includes a £4.0m adjustment for changes to Accounting Treatment of Support Job Evaluation funding in 2023/24. This created a provision of £4.0m in 2023/24 and this increased to £4.678m in 2024/25. This is detailed in Note 21 and in the “Technical Impact of National Job Evaluation Funding Change” section on page 18.

The accompanying notes form part of these financial statements.



**Consolidated & College Statement of Changes in Reserves For the year ended 31 July 2025**

	<b>Income Expenditure Reserve £000</b>	<b>Revaluation Reserve £000</b>	<b>Total £000</b>
<b>Consolidated balance at 1 August 2023</b>	<b>14,166</b>	<b>33,340</b>	<b>47,506</b>
(Deficit) from the Consolidated Statement of Comprehensive Income	(3,895)	-	(3,895)
Actuarial loss	(410)	-	(410)
Revaluation loss	-	(3,765)	(3,765)
Transfers between revaluation and income and expenditure reserves	631	(631)	-
<b>Total comprehensive income for the year</b>	<b>(3,674)</b>	<b>(4,396)</b>	<b>(8,070)</b>
<b>Balance at 1 August 2024</b>	<b>10,492</b>	<b>28,944</b>	<b>39,436</b>
(Deficit) from the Consolidated Statement of Comprehensive Income	(2,034)	-	(2,034)
Actuarial surplus	306	-	306
Revaluation surplus	-	8,938	8,938
Transfers between revaluation and income and expenditure reserve	695	(695)	-
<b>Total comprehensive income for the year</b>	<b>(1,033)</b>	<b>8,243</b>	<b>7,210</b>
<b>Balance at 31 July 2025</b>	<b>9,459</b>	<b>37,187</b>	<b>46,646</b>
<b>College</b>			
<b>Balance at 1 August 2023</b>	<b>14,144</b>	<b>33,340</b>	<b>47,484</b>
(Deficit) from the College Statement of Comprehensive Income	(3,847)	-	(3,847)
Actuarial loss	(410)	-	(410)
Revaluation loss	-	(3,765)	(3,765)
Transfers between revaluation and income and expenditure reserve	631	(631)	-
<b>Total comprehensive income for the year</b>	<b>(3,626)</b>	<b>(4,396)</b>	<b>(8,022)</b>
<b>Balance at 1 August 2024</b>	<b>10,518</b>	<b>28,944</b>	<b>39,462</b>
(Deficit) from the College Statement of Comprehensive Income	(2,062)	-	(2,062)
Actuarial surplus	306	-	306
Revaluation surplus	-	8,938	8,938
Transfers between revaluation and income and expenditure reserve	695	(695)	-
<b>Total comprehensive income for the year</b>	<b>(1,061)</b>	<b>8,243</b>	<b>7,182</b>
<b>Balance at 31 July 2025</b>	<b>9,457</b>	<b>37,187</b>	<b>46,644</b>

There are no endowment or restricted reserves

**Consolidated & College Statement of Financial Position as at 31 July 2025**

		<b>Consolidated</b>		<b>College</b>	
	<b>Note</b>	<b>2025 £000</b>	<b>2024 £000</b>	<b>2025 £000</b>	<b>2024 £000</b>
<b>Non-current assets</b>					
Fixed assets	<b>12</b>	74,102	67,791	74,102	67,791
Trade & other receivables	<b>13</b>	464	546	464	546
		<b>74,566</b>	<b>68,337</b>	<b>74,566</b>	<b>68,337</b>
<b>Current assets</b>					
Stocks		10	13	9	10
Trade & other receivables	<b>13</b>	1,164	1,633	1,167	1,629
Cash and cash equivalents		4,076	6,777	4,061	6,726
		<b>5,250</b>	<b>8,423</b>	<b>5,237</b>	<b>8,365</b>
Creditors: amounts falling due within one year	<b>14</b>	7,087	9,476	7,076	9,392
<b>Net current (liabilities)</b>		<b>(1,837)</b>	<b>(1,053)</b>	<b>(1,839)</b>	<b>(1,027)</b>
<b>Total assets less current liabilities</b>		<b>72,729</b>	<b>67,284</b>	<b>72,727</b>	<b>67,310</b>
Less: Creditors falling due after more than one year	<b>15</b>	19,456	21,557	19,456	21,557
<b>Net assets</b> excluding pension and other (asset)/liability		<b>53,273</b>	<b>45,727</b>	<b>53,271</b>	<b>45,753</b>
Provision	<b>21</b>	4,678	4,001	4,678	4,001
Funded pension (asset)/liability	<b>16</b>	-	-	-	-
Unfunded pension liability	<b>17</b>	1,950	2,290	1,950	2,290
<b>Total net assets</b>		<b>46,645</b>	<b>39,436</b>	<b>46,643</b>	<b>39,462</b>
<b>Unrestricted reserves</b>					
Income and expenditure reserve – unrestricted		9,458	10,492	9,456	10,518
Revaluation reserve		37,187	28,944	37,187	28,944
<b>Total reserves</b>		<b>46,645</b>	<b>39,436</b>	<b>46,643</b>	<b>39,462</b>

The financial statements were approved and authorised for issue by the Board of Management on xx December 2025 and signed on its behalf by:

Laurie O'Donnell - Chair

Simon Hewitt – Principal

**Consolidated Statement of Cash Flows For the year ended 31 July 2025**

	<b>Note</b>	<b>2025 £000</b>	<b>2024 £000</b>
<b>Cash flow from operating activities</b>			
Deficit for the year		(2,035)	(3,895)
<b>Adjustment for non-cash items</b>			
Depreciation	12	3,782	3,889
Decrease/(Increase) in stocks		3	(1)
Decrease in debtors		552	3,076
Decrease in creditors		(2,389)	(2,841)
Pension costs less contributions payable		643	(410)
(Decrease)/Increase in Provision	21	(353)	4,001
<b>Adjustment for investing or financing activities</b>			
Investment income	7	(96)	(109)
Interest payable	11b	85	123
Loss on the sale of fixed assets		(15)	-
Release of deferred capital grants		(2,474)	(2,121)
<b>Net cash (outflow)/inflow from operating activities</b>		<b>(2,297)</b>	<b>1,712</b>
<b>Cash flow from investing activities</b>			
Proceeds from sale of fixed assets		38	-
Investment income		96	109
Deferred capital grants received		1,179	732
Non-government capital grants			
Payments made to acquire fixed assets		(1,179)	(732)
<b>Net cash inflow from investing activities</b>		<b>134</b>	<b>109</b>
<b>Cash flow from financing activities</b>			
Interest paid		(85)	(123)
Repayments of amounts borrowed		(453)	(454)
<b>Net cash (outflow) from financing activities</b>		<b>(538)</b>	<b>(577)</b>
<b>(Decrease)/Increase in cash and cash equivalents in the period</b>		<b>(2,701)</b>	<b>1,244</b>
Cash and cash equivalents at beginning of the period		<b>6,777</b>	<b>5,533</b>
Cash and cash equivalents at end of the period		<b>4,076</b>	<b>6,777</b>

# NOTES TO THE FINANCIAL STATEMENTS

## Note 1 Statement of Principal Accounting Policies

### Charity Information

The College was established under the Further and Higher Education Act 1992. The College is a registered charity (Scottish charity Number: SC021188) for the purposes of the Law Reform (Miscellaneous Provision) (Scotland) Act 2005. The registered office is Old Glamis Road, Dundee, DD3 8LE.

### Basis of Preparation

The financial statements are prepared in accordance with the requirements of the Further and Higher Education (Scotland) Act 1992, the Statement of Recommended Practice (SORP) 2019: Accounting in Further and Higher Education, and the Financial Reporting Manual (FReM) 2024-25 issued by HM Treasury and in accordance with applicable Accounting Standards, including Financial Reporting Standard 102 – "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" ("FRS 102"), the Charities and Trustee Investment (Scotland) Act 2005, and regulation 14 of The Charities Accounts (Scotland) Regulations 2006. They conform to the Accounts Direction and other guidance issued by the Scottish Funding Council.

The college is a public benefit entity and therefore has applied the relevant public benefit requirement of FRS 102.

Basis of Accounting The financial statements are prepared in accordance with the historical cost convention modified by the revaluation of certain fixed assets.

The accounting policies contained in the FReM apply International Reporting Standards as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy the accounting policy which is judged to be most appropriate to the College for the purpose of giving a true and fair view has been selected. The particular policies adopted by the College in dealing with items that are considered material to the financial statements are set out in these notes.

The financial statements are presented in Sterling (£).

### Significant judgements and estimates

In the application of the Group's accounting policies, the Board of Management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Key sources of estimation have been applied as follows:

Non-current asset valuations and useful economic lives - College buildings are of a specialist nature and are valued on the depreciated replacement cost basis. Buildings are depreciated over their expected remaining useful economic life as assessed by an independent, qualified valuer. As a result of the 10-year infrastructure vision for the College as highlighted in the Performance report –Statement from the Principal the economic life has not been reduced. The Caretaker's Cottage at Kingsway Campus is an exception as it is valued at Market Value.

Obligations under the LGPS - The Board has relied on the actuarial assumptions of independent, qualified actuaries. The assumptions interact in complex ways, and the balance sheet position is dependent upon several factors. The key variables are Asset Returns, Discount Rate, Inflation and Mortality. An Asset Ceiling was applied by the scheme actuaries in 2022/23 and this continues for 2024/25. The asset ceiling is the present value of any economic benefit available to the Employer in the form of refunds or reduced future employer contributions. Whilst it is potentially possible for employers to receive such benefit it is assumed that there is no prospect of an unconditional right to this as it is at the discretion of the fund. Furthermore, it is assumed that the employer will participate in the fund indefinitely and the present value of future accruals and primary contributions far exceed the value of the Asset Ceiling and consequently the economic benefit of future contribution reductions is nil. We have reviewed these assumptions and consider them reasonable and appropriate. A provision continues to be made for unfunded pension liabilities.

#### Continuing Activities

The results reported in the financial statements are derived from the continuing activities of Dundee and Angus College.

#### Basis of Consolidation

The consolidated financial statements for the Group bring together the financial statements of the College and its wholly owned subsidiary 'Gardyne Theatre Limited'.

#### Investment in Subsidiaries

The consolidated financial statements incorporate the financial statements of the college and entities controlled by the Group. Control is achieved where the Group has the power to govern the financial and operating policies of an entity so as to obtain benefit from its activities.

The results of subsidiaries acquired or disposed of during the year are included in total comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate using accounting policies consistent with those of the parent. All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Investments in subsidiaries are accounted for at cost less impairment in the individual financial statements.

#### Recognition of Income

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

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

## Notes to the Financial Statements (continued)

Where the amount of the tuition fee is reduced, by a discount for prompt payment, income receivable is shown net of the discount.

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

Funds the College receives and disburses as paying agent on behalf of a funding body are excluded from the income and expenditure account.

### Grant Funding

Government revenue grants including the recurrent grants from the Scottish Funding Council (SFC) 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 any 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 statement of financial position and released to income as the conditions are met.

### Donations and Endowments

Non exchange transactions without performance related conditions are donations and endowments. Donations and endowments with donor-imposed restrictions are recognised in income when the College is entitled to the funds. Income is retained within the restricted reserve until such time that it is utilised in line with such restrictions at which point the income is released to general reserves through a reserve transfer.

Donations with no restrictions are recognised in income when the College is entitled to the funds.

Investment income and appreciation of endowments is recorded in income in the year in which it arises and as either restricted or unrestricted income, according to the terms 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. The funds will be held in deferred income under creditors until conditions are met.

#### Foreign Currency Translation

Transactions denominated in foreign currencies are recorded at the rate of exchange ruling at the dates of the transactions.

#### Maintenance of Premises

Property maintenance is carried out as a result of surveys, ongoing inspections and in accordance with the College Estates Strategy. The cost of the maintenance is charged to the Consolidated Statement of Comprehensive Income in the year in which it is incurred.

#### Pension Schemes

The College participates in two multi-employer defined benefit pension schemes.

Teaching staff may join the Scottish Teachers' Superannuation Scheme (STSS), which is administered by the Scottish Public Pensions Agency. The College is unable to identify its share of the underlying assets and liabilities of the STSS and therefore, as required by FRS 102, accounts for its participation in the STSS as if it were a defined contribution scheme. Contributions are charged to the income and expenditure account as they arise. This is expected to result in the pension cost being a substantially level percentage of current and future pensionable payroll. The contributions are determined by qualified actuaries based on periodic valuations using the projected unit basis.

Non-teaching staff may join the Tayside Superannuation Scheme which is administered by Dundee City Council. The Fund is a defined benefit pension scheme, contracted out of the State Earnings-Related Pension Fund. Benefits are provided based on length of service, together with final pensionable pay to 31 March 2015 and Career Average Revalued Earnings thereafter. Assets and Liabilities of the Fund are held separately from those of the College. Fund assets are measured using market values. Fund 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 Fund are calculated so as to spread the cost of pensions over employees' working lives with the College. The contributions are determined by an actuary on the basis of triennial valuations using the Age Attained Method. The actuaries also review the progress of the scheme in each of the intervening years. Variations from regular costs are spread over the expected average remaining working lifetime of members of the Fund, after making allowances for future withdrawals. The expected cost of providing staff pensions to employees contributing to the Fund is recognised in the Consolidated Statement of Comprehensive Income on a systematic basis over the expected average remaining lives of members of the Fund in accordance with FRS 102 and recognises retirement benefits as the benefits are earned and not when they are due to be paid.

#### 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.

Property, Plant and Equipment

(a) Land and Buildings

Land and buildings inherited from the local education authority, inherited but not in use for education purposes and other acquired land and buildings since incorporation are stated in the Statement of Financial Position at valuation. Land is not depreciated.

Buildings are depreciated over their expected useful economic life within the following major components:

Buildings and main sub-structure	50 years
Internal structure/mechanical & electrical	25 years
Internal fixtures & property improvements	10 years
Information & communications infrastructure	5 years

Property improvements are depreciated on a straight-line basis over ten years.

Depreciation is revised to amortise building components over remaining economic life when this has been identified as part of the revaluation process described below.

Assets may continue in use beyond their initial estimated useful life. Where this is the case an estimation of the remaining useful life will be made along with a subsequent adjustment to recognise the remaining value in use.

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

Where land and buildings are acquired with the aid of specific Government grants, the related grants are credited to a deferred capital grant account and are released to the Income and Expenditure Account over the expected useful economic life of the related asset on a basis consistent with the depreciation policy.

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

(b) Property Revaluation

In accordance with the Government Financial Reporting Manual (FReM), tangible fixed assets are required to be valued on a current value basis. As a minimum, quinquennial valuations are undertaken with interim valuations in year three by qualified surveyors. Fair value will however be considered annually, and this exercise will be supplemented by further interim valuations using either surveyor values or building price indexation. A full revaluation of land and buildings was carried out at 31 July 2025 by an independent qualified valuer.



## Notes to the Financial Statements (continued)

### (c) Subsequent Expenditure on Existing Fixed Assets

Where expenditure is incurred on tangible fixed assets it is charged to the Income and Expenditure Account in the period it is incurred unless it meets one of the following criteria, in which case it is capitalised and depreciated on the relevant basis:

- Market value of the fixed asset has subsequently improved
- Asset capacity increases or service potential of the asset is enhanced
- Substantial improvement in the quality of output or the reduction in operating costs
- Significant extension of the asset's life beyond that conferred by repairs and maintenance

Costs which are easily identifiable for specific projects or of a similar type will be grouped, capitalised and depreciated on the relevant basis.

### (d) Equipment

Individual assets which are separately identifiable or groups of assets of a similar type are capitalised and depreciated on the relevant basis, at cost.

Capitalised equipment is depreciated over its useful economic life as follows:

Heavy plant	10 years
Furniture	10 years
Light plant and equipment	5 years
Motor vehicles	4 years
Computer/digital equipment	3 years

Assets may continue in use beyond their initial estimated useful life. Where this is the case an estimation of the remaining useful life will be made along with a subsequent adjustment to recognise the remaining value in use.

Where equipment is acquired with the aid of specific Government grants, the related grant is credited to a deferred capital grant account and released to the income and expenditure account over the expected useful economic life of the related equipment.

Equipment acquired by non-Government grants is 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 for equipment as it is common for such assets to reduce in value, rather than increase, as they are utilised by the College.

Contracts providing a license to use software for a specific period are not capitalised where no ownership is acquired. The cost is charged to revenue and spread evenly over the term of the license with any prepayment included in debtors.

### Leased Assets

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

## Notes to the Financial Statements (continued)

Leasing agreements which transfer to the College substantially all the benefits and risks of ownership of an asset are treated as if the asset had been purchased outright. The assets are included in fixed assets and the capital element of the leasing commitments is shown as obligations under finance leases. Assets held under finance leases are depreciated over their useful life.

Where a lease covers both land and buildings, the land and buildings elements are considered separately for classification.

The lease rentals are treated as consisting of capital and interest. The capital element is applied to reduce the outstanding obligation and the interest element is charged to the Consolidated Statement of Comprehensive Income in proportion to the reducing capital element outstanding. Leases not meeting the criteria of a finance lease are treated as an operating lease. 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 minimum lease term.

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

Stocks are stated at the lower of their cost and net realisable value. Where necessary, provision is made for obsolete, slow moving and defective stocks.

### Cash and cash equivalents

Cash includes cash in hand and deposits repayable on demand. 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.

The College is obliged to use the Scottish Government Banking Scheme and consequently utilises only current and special interest-bearing accounts repayable on demand.

### Debtors

Debtors are measured at transaction price, less any impairment, unless the arrangement represents a financing transaction. If the arrangement constitutes a financing transaction, the college measures the financial asset at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

Loan receivables are measured initially at the present value of cash receivable and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Financial assets identified as non-basic will be measured at fair value.

## Notes to the Financial Statements (continued)

### Creditors

Short Term Creditors are measured at transaction price.

Other financial liabilities, including bank loans are measured initially at the present value of cash payable, and are measured subsequently at amortised cost using the effective interest method.

Financial liabilities identified as non-basic will be measured at fair value.

### Agency Arrangements

The College acts as an agent in the collection and payment of certain Student Support Funds. These funds are excluded from the Consolidated Statement of Comprehensive Income, and movements have been disclosed in the notes to the financial statements.

Where the College has more discretion in the manner in which specific funds are disbursed, and those funds do not meet the definition of agency funds, the income and expenditure related to those funds are shown in the Consolidated Statement of Comprehensive Income.

### Taxation

The College is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable organisation for UK corporation tax purposes. Accordingly, the College is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

The College is partially exempt from VAT.

The College's subsidiary company is subject to corporation tax and VAT in the same way as any commercial organisation, although where profits are transferred by gift aid corporation tax will not be liable.

### Provisions

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

### 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.

		Consolidated		College	
2	Government Non-cash allocation for depreciation	2025 £000	2024 £000	2025 £000	2024 £000
	(Deficit) before other gains and losses (FE/HE SORP basis)	(2,012)	(3,895)	(2,040)	(3,847)
	Add back: Non-cash allocation for depreciation (net of deferred capital grant)	1,055	1,055	1,055	1,055
	(Deficit) on Central Government accounting basis	<b>(957)</b>	<b>(2,840)</b>	<b>(985)</b>	<b>(2,792)</b>

Following reclassification, colleges received additional non-cash budget to cover depreciation, but this additional budget is not recognised under the FE/HE SORP accounting rules. As a result, colleges show a deficit equivalent to net depreciation (where funds are spent on revenue items) to meet Government accounting rules and the requirement to spend the entire cash allocation.

Under the FE/HE SORP, the college recorded a consolidated operating deficit of £2.012m for the year ended 31 July 2025. After taking account of the Government non-cash budget, the college shows an “adjusted” consolidated deficit of £0.957m on Central Government accounting basis.

		Consolidated		College	
3	Scottish Funding Council grants	2025 £000	2024 £000	2025 £000	2024 £000
	SFC recurrent grant	31,251	28,366	31,251	28,366
	SFC childcare funds	305	412	305	412
	Release of deferred capital grants	64	1,714	64	1,714
	Capital grants	-	-	-	-
	Other SFC grants	2,561	3,691	2,561	3,691
		<b>34,181</b>	<b>34,183</b>	<b>34,181</b>	<b>34,183</b>

		Consolidated		College	
		2025 £000	2024 £000	2025 £000	2024 £000
<b>4</b>	<b>Tuition Fees and Education Contracts</b>				
	FE fees - UK & EU	450	713	450	713
	FE fees – non-EU	236	146	236	146
	HE fees	2,205	2,389	2,205	2,389
	Education contracts	1,971	1,520	1,971	1,520
	Other contracts	8	12	8	12
		<b>4,870</b>	<b>4,780</b>	<b>4,870</b>	<b>4,780</b>

		Consolidated		College	
		2025 £000	2024 £000	2025 £000	2024 £000
<b>5</b>	<b>Other Grants and Contracts</b>				
	Releases of deferred capital grants (non SFC)	2,349	408	2,349	408
	Other grant income	2,926	2,958	2,916	2,943
		<b>5,275</b>	<b>3,366</b>	<b>5,265</b>	<b>3,351</b>

		Consolidated		College	
		2025 £000	2024 £000	2025 £000	2024 £000
<b>6</b>	<b>Other Income</b>				
	Residences, catering and conferences	1,177	1,026	1,120	971
	Other income-generating activities	1,261	966	1,013	810
	Other income	540	338	540	338
		<b>2,978</b>	<b>2,330</b>	<b>2,673</b>	<b>2,119</b>

		<b>Consolidated</b>		<b>College</b>	
		<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
<b>7</b>	<b>Investment Income</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
	Interest receivable	96	109	96	109
		<b>96</b>	<b>109</b>	<b>96</b>	<b>109</b>

		<b>Consolidated</b>		<b>College</b>	
		<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
<b>8</b>	<b>Donations and Endowment</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
	Donations	110	702	110	702
		<b>110</b>	<b>702</b>	<b>110</b>	<b>702</b>

Dundee and Angus Foundation donated £110k in 2024/25 to support specialist staff to manage the next stages of Dundee and Angus College Infrastructure Vision and creation of the required outline and final business cases.

Dundee and Angus Foundation donated £700k in 2023/24 towards replacement of the College IT network.

		<b>Consolidated</b>		<b>College</b>	
		<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
<b>9</b>	<b>Staff Costs</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
	Wages and salaries	27,443	25,564	27,324	25,426
	Social security costs	2,890	2,520	2,883	2,513
	Other pension costs	5,707	4,896	5,702	4,889
	Exceptional restructuring costs	348	238	348	238
		<b>36,388</b>	<b>33,218</b>	<b>36,257</b>	<b>33,066</b>

	Consolidated		College	
	2025	2024	2025	2024
Staff Costs (continued)	£000	£000	£000	£000
Academic/Teaching departments	22,334	20,606	22,334	20,606
Academic/Teaching services	695	627	695	627
Administrative and central services	10,468	9,209	10,337	9,057
Premises	1,849	1,841	1,849	1,841
Catering and Residences	694	697	694	697
Sub-total	<b>36,040</b>	<b>32,980</b>	<b>35,909</b>	<b>32,828</b>
Exceptional restructuring costs	348	238	348	238
	<b>36,388</b>	<b>33,218</b>	<b>36,257</b>	<b>33,066</b>

The Exceptional restructuring costs relate to our Voluntary Severance Scheme.

Pension liabilities to present and former staff of £323k (2024: £67k) and the Apprenticeship Levy of £129k (2024: £102k) have been included within administrative and central services.

A change to the accounting treatment of the anticipated costs associated with the implementation of a national middle management and support staff job evaluation exercise for colleges required reversal of a £3.7m debtor and corresponding creditor (Scottish Funding Council) and creation of a £4.0m provision for job evaluation along with a contingent asset in 2023/24. This accounting treatment has continued for 2024/25 and the provision and corresponding contingent asset have increased to £4.7m. Further information is included at note 21 in the notes to the accounts and in the section Technical Impact of National Job Evaluation Funding Change on page 18.

The average number of full-time equivalent employees (including higher paid employees) during the period was:

	Consolidated		College	
	2025 Number	2024 Number	2025 Number	2024 Number
Academic/teaching departments	355	342	355	342
Academic/teaching services	15	15	15	15
Administrative and central services	194	189	189	184
Premises	51	48	51	48
Catering and residences	20	22	20	22
<b>Total</b>	<b>635</b>	<b>616</b>	<b>630</b>	<b>611</b>

## Notes to the Financial Statements (continued)

Pay awards for Dundee and Angus College staff are negotiated nationally, except Senior Leadership Team pay awards which are determined by the Board Remuneration Committee. The Board of Gardyne Theatre Limited determine pay awards for theatre staff. There are no outstanding pay awards at July 2025.

The number of staff, including the Principal, who received emoluments in the following ranges (above a threshold of £60,000) was:

	<b>Senior Staff</b>		<b>Other Staff</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
£60,001 - £70,000	1	1	-	-
£70,001 - £80,000	7	5	-	-
£80,001 - £90,000	-	-	1	1
£90,001 - £100,000	-	2	-	-
£100,001 - £110,000	2	-	-	-
£120,001 - £130,000	-	1	-	-
£130,001 - £140,000	1	-	-	-
	<b>11</b>	<b>9</b>	<b>1</b>	<b>1</b>

### 10 Senior Post-Holders' Emoluments

	<b>Year to 31 July 2025 Number</b>	<b>Year to 31 July 2024 Number</b>
The number of senior post-holders including the Principal was:	11	13
	<b>£000</b>	<b>£000</b>
Salaries	915	890
Pension contributions	206	195
Total emoluments	<b>1,121</b>	<b>1,085</b>



## Notes to the Financial Statements (continued)

The above emoluments are for key management personnel and include amounts payable to the Principal (who was the highest paid senior post-holders) of:

	Year to 31 July 2025 £000	Year to 31 July 2024 £000
Salary	135	129
Pension contributions	35	31
	<b>170</b>	<b>160</b>

The pension contributions in respect of the Principal and senior post-holders are in respect of employer's contributions to the Scottish Teachers' Superannuation Scheme or Local Government Superannuation Scheme and are paid at the same rate as for other employees.

Other than as stated above, no member of staff received any payment from the institution other than the reimbursement of travel and subsistence expenses incurred in the course of their duties.

Compensation for the loss of office paid to senior post holders:

	Year to 31 July 2025 £000	Year to 31 July 2024 £000
Compensation for the loss of office paid to senior post holders	2	38

		Consolidated		College	
11a	Other Operating Expenses	2025 £000	2024 £000	2025 £000	2024 £000
	Academic/teaching departments	1,015	1,456	1,015	1,456
	Academic/teaching services	72	138	72	138
	Administration and central services	3,175	3,621	3,175	3,621
	Premises costs	3,540	5,586	3,540	5,586
	Catering and residence operations	622	572	600	550
	Other Income Generating Activities	134	100	-	-
	SFC Childcare funds	305	412	305	412
	Agency staff costs	353	187	353	187
	<b>Total</b>	<b>9,216</b>	<b>12,072</b>	<b>9,060</b>	<b>11,950</b>

Notes to the Financial Statements (continued)

		<b>Consolidated</b>		<b>College</b>	
		<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
		<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Other operating expenses include:					
External Auditor's remuneration					
-	in respect of these financial statements	89	50	78	39
Internal Auditor's remuneration					
-	internal audit	12	13	12	13
-	other services	2	-	2	-
		<b>Consolidated</b>		<b>College</b>	
		<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
		<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>11b</b>	<b>Interest and Other Finance Costs</b>				
	Loan	85	123	85	123
	Pension	51	63	51	63
		<hr/>	<hr/>	<hr/>	<hr/>
		<b>136</b>	<b>186</b>	<b>136</b>	<b>186</b>
		<hr/>	<hr/>	<hr/>	<hr/>

## 12 Property, Plant and Equipment

	Land and Buildings £000	Equipment £000	Total £000
<b>Valuation/Cost</b>			
Accounts 31 July 2024	98,382	4,084	102,466
Add back 2034/24 Revaluation movement*	5,318	-	5,318
At 31 July 2024	<b>103,700</b>	<b>4,084</b>	<b>107,784</b>
Additions	453	725	1,178
Disposals	(400)	(188)	(588)
Revaluation Movement	438	-	438
<b>At 31 July 2025</b>	<b>104,191</b>	<b>4,621</b>	<b>108,812</b>
<b>Depreciation</b>			
Accounts 31 July 2024	32,096	2,579	34,675
Add back 2034/24 Revaluation movement*	5,318		5,318
At 31 July 2024	<b>37,414</b>	<b>2,579</b>	<b>39,993</b>
Disposals	(295)	(169)	(464)
Charge for year	3,303	479	3,782
Revaluation Movement	(8,601)	-	(8,601)
<b>At 31 July 2025</b>	<b>31,821</b>	<b>2,889</b>	<b>34,710</b>
<b>Net Book Value</b>			
At 31 July 2024	66,286	1,505	67,791
<b>At 31 July 2025</b>	<b>72,370</b>	<b>1,732</b>	<b>74,102</b>

\* A presentational adjustment was made to the opening cost and depreciation balances carried forward from 2023/24 to move the 2023/24 revaluation adjustment of £5,318k from cost to depreciation. This is a presentational adjustment and does not impact on the opening net book value.

Land and Buildings with a net book value of £43.023m have been financed by exchequer funds.

Land and Buildings are valued at depreciated replacement cost due to the specialist nature of the College, with the exception of the Caretaker's Cottage at Kingsway Campus which is valued at £135k fair value and St Vigeans the Glebe in Arbroath at £35k fair value.

A full revaluation of land and buildings was carried out at 31 July 2025 by Graeme and Sibbald an independent firm of Chartered Surveyors who are regulated by the Royal Institution of Chartered

Notes to the Financial Statements (continued)

Surveyors (RICS). This resulted in an increase of £8.060m to the next book value of land and buildings between 2023/24 and 2024/25, comprising £8.601m revaluation and £0.541k depreciation.

The value of land and buildings has changed due to the revaluation exercise but has not changed due to capital additions because capital additions are considered from the perspective of the overall value of the buildings or useful economic life.

There are no assets under construction as at 31 July 2025 (31 July 2024, £0.383m).

We have made a presentational change to opening cost and depreciation balances for land and buildings in 2024/25 because £5.318m was charged to cost in 2023/24 and is better presented as a charge to cumulative depreciation. This resulted in a presentational change to the opening cost balance from £98.382m to £103.700m and depreciation opening balance from £32.096m to £37.414m. This did not change the net book value.

College assets can only be sold in accordance with the terms of the Procedure Notes for the Disposal of Exchequer-Funded Assets and the Retention of Proceeds by FE Colleges.

	Consolidated		College	
<b>13 Debtors</b>	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Amounts falling due within one year:</b>				
Trade Debtors	248	287	253	289
Prepayments / Accrued Income	916	1,346	914	1,340
	<b>1,164</b>	<b>1,633</b>	<b>1,167</b>	<b>1,629</b>
<b>Amounts falling due after more than one year:</b>				
Prepayments / Accrued Income	464	546	464	546
	<b>464</b>	<b>546</b>	<b>464</b>	<b>546</b>

	Consolidated		College	
<b>14 Creditors: amounts falling due within 1 year</b>	<b>2025 £000</b>	<b>2024 £000</b>	<b>2025 £000</b>	<b>2024 £000</b>
Deferred income and payments received in advance	842	1,161	841	1,159
Trade creditors	933	839	941	810
Other creditors	26	41	24	26
Other tax and Social Security	732	1,204	730	1,201
Accruals	1,118	3,145	1,104	3,110
Bursaries and Access Funds for future disbursement	509	512	509	512
Bank Term Loan	453	453	453	453
Deferred Capital Grant	2,474	2,121	2,474	2,121
	<b>7,087</b>	<b>9,476</b>	<b>7,076</b>	<b>9,392</b>

Creditors includes £491k (2024: £586k) relating to Scottish Funding Council grants.

Creditors include funds held for Energy Skills Partnership, an independent strategic partnership established by the Scottish Funding Council, of £583k (2024: £471k). At 31 July the College has no beneficial interest and acts as host for the partnership's activities disbursing these funds to third parties. This is matched by corresponding cash and cash equivalent balance, resulting in a net nil impact upon the College's financial statements.

A change to the accounting treatment of the anticipated costs associated with the implementation of a national middle management and support staff job evaluation exercise for colleges in 2023/24 required a £4.7m provision for job evaluation along with a contingent asset. Further information is included at note 21 in the notes to the accounts and in the section Technical Impact of National Job Evaluation Funding Change on page 18.

	Consolidated		College	
<b>15 Creditors: amounts falling due after 1 year</b>	<b>2025 £000</b>	<b>2024 £000</b>	<b>2025 £000</b>	<b>2024 £000</b>
Deferred Capital Grant	18,543	20,191	18,543	20,191
Bank Term Loan	913	1,366	913	1,366
	<b>19,456</b>	<b>21,557</b>	<b>19,456</b>	<b>21,557</b>

### Analysis of borrowings

Bank loans are repayable as follows:	2025 £000	2024 £000
Between one and two years	453	453
Between two and five years	460	913
In five years or more	-	-

Initially borrowed as a revolving credit facility, on 29th June 2012 this sum transferred to a term loan repayable over 15 years commencing July 2014. Amount repayable within one year is shown within Creditors: amounts falling due within one year.

## 16 Pension and Similar Obligations

The College's employees belong to two principal pension schemes; the Scottish Teachers' Superannuation Scheme (STSS) and the Local Government Pension Scheme (LGPS).

The total pension contributions paid for the period was £5.377m (2024: £4.995m).

	2025 £000	2024 £000
STSS: contributions paid	3,515	3,138
LGPS: contributions paid	1,862	1,817
<b>Total pension contributions paid for the year</b>	<b>5,377</b>	<b>4,955</b>

### Scottish Teachers' Superannuation Scheme

(a) Dundee & Angus 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 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 results of the actuarial valuation as at 31 March 2020 informed an increased employer contribution to 26% from 1 April 2024 to 31 March 2027. The anticipated average yield employee's contribution is 9.6%. The level of contributions depends upon many factors but the change in financial assumptions and cost of future pension benefits has had the greatest impact upon the increase in employer contributions.

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

## Notes to the Financial Statements (continued)

(c) 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.

(d) (i) The scheme is an unfunded multi-employer defined benefit scheme.

(d) (ii) It is accepted that the scheme can be treated for accounting purposes as a defined contribution scheme in circumstances where Dundee & Angus College is unable to identify its share of the underlying assets and liabilities of the scheme.

(d) (iii) The employer contribution rate for the period from 1 April 2022 was 23% of pensionable pay. The employee rate applied is variable and is anticipated to provide a yield of 9.4% of pensionable pay. As described above, these rates increase to 26% and 9.6% from 1 April 2024.

(d) (iv) The College's level of participation in the scheme is 0.44% based on the proportion of employer contributions paid in 2022/23 and 2023-24

- £3.138m/£706.5m = 0.44% (per STPS 2022/23 Annual Report and Accounts)
- £3.515m/793.9m = 0.44% (per STPS 2023/24 Annual Report and Accounts).

**Local Government Pension Scheme (LGPS)** - The LGPS is a defined benefit statutory scheme, with the assets held in separate trustee administered funds. It currently provides benefits based on career average revalued earnings. The scheme is subject to triennial valuations by independent actuaries, with the most recent results available from a valuation carried out as at 31 March 2023. The employer contribution was maintained at 17% until 31 March 2024. This reduced to 15.7% on 1 April 2024 and is expected to remain at 15.7% until the next valuation in 2026.

### The major categories of scheme assets as a percentage of total scheme assets are as follows:

	<b>2025</b>	<b>%</b>	<b>2024</b>	<b>%</b>
	<b>£000</b>		<b>£000</b>	
Equities	68,032	68	65,198	77
Gilts	6,071	6	5,662	7
Other bonds	6,232	6	4,239	5
Property	17,444	18	7,826	9
Cash	2,001	2	1,671	2
Alternatives	(2)	-	62	-
<b>Total</b>	<b>99,778</b>	<b>100</b>	<b>84,658</b>	<b>100</b>

Principal actuarial assumptions at the Statement of Financial Position date (expressed as weighted averages):

	<b>2025</b>	<b>2024</b>
	<b>%</b>	<b>%</b>
Discount rate at 31 July	5.80	5.00
Future salary increases	3.85	3.85
Future pension increases (CPI)	2.85	2.85
RPI inflation	3.10	3.20

Notes to the Financial Statements (continued)

Life expectancy from age 65 years:

Retiring today:

Male	19.1	18.8
Female	21.7	21.6

Retiring in 20 years:

Male	20.5	20.2
Female	23.2	23.1

<b>Statement of Financial Position</b>	<b>2025</b>	<b>2024</b>
	<b>£000</b>	<b>£000</b>
Net Pension Asset as at:		
Present value of the defined benefit obligation	(58,562)	(62,355)
Fair value of Fund assets (bid value)	99,778	84,658
Notional Surplus	<b>41,216</b>	<b>22,303</b>
Unrecognised past service cost	-	-
Impact of actuarial asset ceiling cap calculation	(41,216)	(22,303)
Net defined benefit asset	-	-

The application of an Asset Ceiling at 31 July 2025 is disclosed within Note 1.

### Employer membership statistics

The table below summarises the membership data as at 31 March 2023 for members receiving funded benefits, and as at 31 March 2023 for any members receiving unfunded benefits.

<b>Member data summary</b>	<b>Number</b>	<b>Salaries/Pensions</b>	<b>Average age</b>
		<b>£000s</b>	
Actives	577	10,371	46
Deferred pensioners	616	887	48
Pensioners	274	1,468	69
Unfunded pensioners	78	343	81

This includes membership under the following employers in the Fund: (236) Dundee and Angus College, (402) Angus College, and (202) Dundee College.



<b>Amounts recognised in the Consolidated Statement of Comprehensive Income</b>	<b>2025 £000</b>	<b>2024 £000</b>
Service cost	2,410	1,751
Net interest on the defined asset/(liability)	51	63
Administration expenses	36	35
<b>Total cost</b>	<b>2,497</b>	<b>1,849</b>

### **Asset and benefit obligation reconciliation**

Reconciliation of opening and closing balances of the present value of the defined benefit obligation

	<b>2025 £000</b>	<b>2024 £000</b>
Opening defined benefit obligation	62,355	54,122
Current service cost	2,410	1,692
Interest cost	3,084	2,747
Change in financial assumptions	(8,810)	2,128
Change in demographic assumptions	300	(140)
Experience loss on defined benefit obligation	573	3,400
Liabilities assumed / (extinguished) on settlements	-	-
Estimated benefits paid net of transfers in	(2,128)	(2,236)
Past service cost, including curtailments	-	59
Contributions by scheme participants and other employers	778	583
<b>Closing defined benefit obligation</b>	<b>58,562</b>	<b>62,355</b>

### Changes in the fair value of scheme assets

<b>Reconciliation of opening and closing balances of the fair value of scheme assets</b>	<b>2025 £000</b>	<b>2024 £000</b>
Opening fair value of scheme Assets	84,658	79,591
Interest on assets	4,252	4,104
Return on assets less interest	10,131	72
Other actuarial gains	-	726
Administration expenses	(36)	(35)
Contributions by employer included unfunded	2,531	2,261
Contributions by scheme participants and other employers	778	583
Estimated benefits paid unfunded net of transfers in	(2,536)	(2,644)
<b>Fair value of scheme assets at end of period</b>	<b>99,778</b>	<b>84,658</b>

The total return on the fund assets for the year to 31 July 2025 is £14.383m.

### Remeasurements in other comprehensive income

<b>Remeasurement of the net assets / (defined liability) in other comprehensive income:</b>	<b>2025 £000</b>	<b>2024 £000</b>
Return on Fund assets in excess of interest	10,131	72
Other actuarial gains on assets	-	726
Change in financial assumptions	8,893	(2,151)
Change in demographic assumptions	(327)	148
Experience (loss) on defined benefit obligation	(593)	(3,683)
Changes in effect of asset ceiling- movement in unrecognised surplus	(18,913)	3,166
Changes in effect of asset ceiling- interest on impact of asset ceiling	1,115	1,312
<b>Re-measurement of the net assets/ (defined liability)</b>	<b>306</b>	<b>(410)</b>

<b>17 Provisions for Liabilities and Charges</b>	<b>Unfunded Pension £000</b>	<b>2025 Total £000</b>	<b>2024 Total £000</b>
Balance at 1 August	(2,290)	(2,290)	(2,292)
Payments made in period	408	408	408
Provision adjustment required in period	(68)	(68)	(406)
Balance at end of period	<b>(1,950)</b>	<b>(1,950)</b>	<b>(2,290)</b>

The unfunded pension liability is in respect of future pension liabilities arising from early retirements. The valuation of the College's liabilities has been undertaken by independent actuaries.

<b>Amounts recognised in the Income and Expenditure Account</b>	<b>2025 £000</b>	<b>2024 £000</b>
Interest cost	104	108
<b>Total cost</b>	<b>104</b>	<b>108</b>

#### **Benefit obligation reconciliation**

Reconciliation of opening and closing balances of the present value of the defined benefit obligation

	<b>2025 £000</b>	<b>2024 £000</b>
Opening defined benefit obligation	2,290	2,292
Interest cost	104	108
Change in financial assumptions	(83)	23
Change in demographic assumptions	27	(8)
Experience loss on defined benefit obligation	20	283
Unfunded pension payments	(408)	(408)
<b>Closing defined benefit obligation</b>	<b>1,950</b>	<b>2,290</b>

**Remeasurements in other comprehensive income**

	<b>2025</b>	<b>2024</b>
	<b>£000</b>	<b>£000</b>
<b>Remeasurement of the net assets / (defined liability):</b>		
Change in financial assumptions	83	(23)
Change in demographic assumptions	(27)	8
Experience (loss) on defined benefit obligation	(20)	(283)
<b>Re-measurement of the net assets/ (defined liability)</b>	<b>36</b>	<b>(298)</b>
	<b>2025</b>	<b>2024</b>
	<b>£000</b>	<b>£000</b>
<b>18 Capital Commitments</b>		
Commitments contracted for at period end	0	383

**19 Financial Commitments**

At period end the College had annual commitments under operating leases as follows:

<b>Payable During the year</b>	<b>2025</b>	<b>2024</b>
	<b>£000</b>	<b>£000</b>
Land and Buildings	166	161
Others	23	33
	<b>189</b>	<b>194</b>
<b>Land and Buildings</b>		
Not later than 1 year	96	105
Later than 1 year and not later than 5 years	315	257
Later than 5 years	343	400
	<b>754</b>	<b>762</b>
<b>Others</b>		
No later than 1 year	9	-
Later than 1 year and not later than 5 years	-	-
Later than 5 years	-	-
	<b>9</b>	<b>-</b>

Land and Buildings include £32k payable during the year and £343k within future year's commitments in respect of leasehold construction costs paid previously and amortised over 30 years.

## **20 Post Balance Sheet Events**

No events have occurred, since 31 July 2025 and up to the date of signing the Financial Statements, that would materially affect the information provided.

## **21 Contingent Liability/Asset**

Full provision has been made for all known liabilities.

A contingent liability requires to be noted but cannot be estimated with sufficient accuracy. It affects future employer pension liabilities to LGPS members following a recent employment tribunal (the Goodwin Tribunal) changing the pension entitlement of male survivors in opposite sex marriages to take account of the female member's service from 6 April 1978 rather than 6 April 1999. Whilst the government have confirmed that a remedy will be required for all public sector pension schemes, this change is not reflected in the valuation of pension liabilities at 31 July 2025. The Government's Actuary Department (GAD) is undertaking a review to assess the potential impact on public sector pension schemes because insufficient data is currently available to precisely ascertain the impact. The impact is expected to be minimal and not material for LGPS funds so the actuary does not currently intend to make any adjustments to accounting valuations as a result of the Goodwin Case.

In 2022/23 the College financial statements included a £3.7m creditor in respect of the anticipated costs associated with the implementation of a national middle management and support staff job evaluation exercise for colleges. The accounts also included a corresponding £3.7m debtor for the Scottish Funding Council (SFC) who held this funding. The funds were required to be returned to Scottish Government in 2023 and we were informed of this in 2024. The Scottish Government remains clear that the responsibility for funding these job evaluation costs rests with it.

This change in approach between Scottish Government and the SFC required a change to the accounting treatment for job evaluation in 2023/24, so a provision of £4.0m was created for the middle management/support staff job evaluation exercise, as it is a past event where an obligation exists, its impact can be reliably measured, and it is likely to result in an outflow of benefits in future periods. The corresponding revenue was removed in 2023/24 due to these funds no longer being reserved by SFC or the Scottish Government for this purpose in line with SFC Accounts Direction.

The provision increased to £4.678m in 2024/25 to reflect the on-going liability and ensure the costs of the exercise are recognised and a liability provided for the total cost of the exercise to date.

We are reporting a corresponding contingent asset for £4.678m because we would require this additional funding from Scottish Government. It is important to note that this is a technical accounting change as repayment of the funds by SFC to Scottish Government leaves the college without associated funding, but the College will require this funding from Scottish Government to fulfil its obligation.

## **22 Related Party Transactions**

The Board of Management of Dundee & Angus College is a body incorporated under the Further and Higher Education (Scotland) Act 1992 sponsored by the Scottish Funding Council (SFC), who in turn are sponsored by the Scottish Government Learning Directorate.

The Scottish Government Learning Directorate is regarded as a related party. During the period the College had various material transactions with other entities for which the Scottish Government Learning Directorate is regarded as the sponsor department, viz; Students Awards Agency for Scotland (SAAS) and Scottish Funding Council. Of all these public bodies, transactions with SFC are the most significant to the College, and all income from SFC is disclosed in Note 3.

In addition, Dundee & Angus College has had material transactions with other Government Departments and other central government bodies.

Due to the nature of the College's operations and the composition of the Board of Management (being drawn from local public and private sector organisations), it is inevitable that transactions will take place with organisations in which a member of the College's Board of Management or key managers of the College may have an interest.

During the period under review, transactions with bodies in which a member of the Board of Management or key managers of the College had an interest are noted below:

Member	Organisation	Position in Organisation	Nature of Transaction	College Income	College Expenditure	Balance as at 31st July
				£	£	£
Jackie Buchanan	Angus Council	Director of Legal & Democratic Services	Grant income and service charges	941,040	(79,220)	4,040
Kelly McIntosh	Angus Council	Director of Education and Lifelong Learning	Grant income and service charges	941,040	(79,220)	4,040
Simon Hewitt	SAAS	Principal (D&A College)	Student Course Fees	1,394,458		(44,975)
Simon Hewitt	Gardyne Theatre Ltd	Director	Staff Salaries, Licence to Operate and Service Level Agreement yearly charges	332,079	(241,190)	0

**Other Related Parties:**

Dundee & Angus Foundation. The Foundation is a registered charity, and its objective is to advance education and in particular the enhancement of the learning experience of students in Dundee and Angus. Its trustees include representatives of the College serving alongside independent trustees. Details of donations received from the Foundation is provided in note 8.

<b>23 Bursaries and other student support funds</b>	<b>Year ended 31 July 2025</b>			<b>Year ended 31 July 2024</b>	
	<b>FE Bursary £000</b>	<b>EMA's £000</b>	<b>Other £000</b>	<b>Total £000</b>	<b>Total £000</b>
Balance b/fwd	484	12	0	<b>496</b>	<b>451</b>
Allocation received	6,426	356	913	<b>7,695</b>	<b>8,047</b>
College Contribution to Funds	-	-	-	-	<b>42</b>
Expenditure	(5,946)	(356)	(908)	<b>(7,210)</b>	<b>(7,605)</b>
Repaid to Funding body as Clawback	(484)	-	-	<b>(484)</b>	<b>(439)</b>
Virements	-	-	-	-	-
<b>Balance c/fwd</b>	<b>480</b>	<b>12</b>	<b>5</b>	<b>497</b>	<b>496</b>

Represented by :

Repayable to Funding body as clawback	480	-	5	<b>485</b>	<b>484</b>
Retained by College for students	-	12	-	<b>12</b>	<b>12</b>

Repayments to Funding body as clawback within the year relate to a surplus of funds available from the prior year.

Grants and bursary funds received from both SFC and the Students Award Agency for Scotland are available solely for students; the College acts only as paying agent. The funds and related disbursements are therefore excluded from the Consolidated Statement of Comprehensive Income, with the exception noted below.

In accordance with Accounts Direction for 2024/25 issued by the SFC, Further Education Childcare Funds have been included in the Consolidated Statement of Comprehensive Income. The Childcare funds reported in Note 24 below now incorporate both Higher and Further Education funds.

<b>24 FE &amp; HE Childcare Funds</b>	<b>Year Ended 31 July 2025 £000</b>	<b>Year Ended 31 July 2024 £000</b>
Balance b/fwd	-	-
Allocation received	305	412
Expenditure	(305)	(412)
Repaid to Funding Body as Clawback	-	-
Virements	-	-
<b>Balance c/fwd</b>	<b>-</b>	<b>-</b>
Represented by:		
Repayable to Funding body as clawback	-	-
Retained by College for students	-	-

**25 Subsidiary Undertakings**

Details of the subsidiary company, which is registered in Scotland and 100% owned by the College, is as follows:

<b>Company</b>	<b>Principal Activity</b>
Gardyne Theatre Limited	Promotion of performing arts

The company has no share capital but is limited by guarantee. The ultimate controlling party is Dundee & Angus College, the only member, and control is exercised by virtue of the provisions of the Memorandum and Articles of Association. The trading results of the subsidiary have been included in the consolidated results.

At 31 July 2025, staff are being consulted on plans to close Gardyne Theatre Limited and bring management of the Theatre back into the College. The consultation is expected to end on 30 September 2025 and if agreed, action will be taken to close Gardyne Theatre Limited by 31 December 2025. In the meantime, the trading results of Gardyne Theatre Limited for the year to July 2025 have been reported in these accounts.



## **Appendix – 1 Accounts direction for Scotland’s colleges 2024-25**

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 2024-25 (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 are reminded that they must send two copies of their annual report and accounts to the Auditor General for Scotland by 31 December 2025.
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  
14 August 2025



# **DRAFT Annual Report and Financial Statements**

For the year ended 31 July 2025

Registered Charity No: SC021188



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The financial statements were approved and authorised for issue by the Board of Management on xx December 2025

## PERFORMANCE REPORT

### OVERVIEW

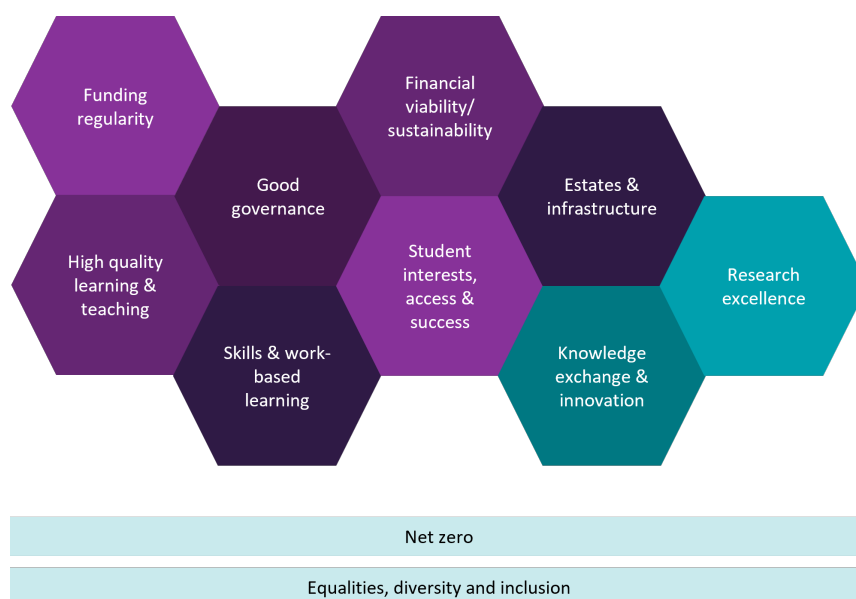
#### Overview summary

This section of our financial statements is designed to give an overview of high-level College performance and development during 2024/25. 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

Dundee & Angus College continues to be a high performing college in Scotland and has delivered sector leading outcomes for our learners on a consistent annual basis since merger in 2013. It is these performance outcomes that has underpinned the successful conclusion of the D&A College 2025 More Successful Students strategy and carries on into the **new 2030 'Our College' Strategy**.

The College produced its final annual Regional Outcome Agreement (ROA) in 2023 as the transition from the Scottish Funding Council (SFC) ROA arrangements to the new [Outcome Framework and Assurance Model \(OFAM\) arrangements](#) are progressed. This revised framework operates on a rolling basis to review and assess College performance over a broad range of measures covering almost all aspects of College activity.



The OFAM 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 reviewed and assessed through a series of meetings with our Outcome Manager from the Scottish Funding Council.

## Performance Report (continued)

SFC data published in July 2025 shows that Dundee & Angus College was the highest ranked college in Scotland for full-time Higher Education courses (FT HE) and was above average in all bar one of the 19 separate student success measures published. The College was in the top 10 performing colleges for 15 of these. This included being ranked 4<sup>th</sup> for outcomes for Care Experienced students and in the top 5 ranking for black and minority ethnic students, students with a disability and older (age 41+ students). Full-time Further Education students at D&A from the most deprived communities (SIMD 10 and 20) perform better than the average for all students in Scotland.

Overall, this performance continues the position of D&A's successful completion rate remaining significantly above average and sector leading in many aspects.

In each of these areas, this performance helps to address the attainment gap within our communities and supports a higher percentage of students from D&A to progress and develop meaningful future careers compared with national averages.

The post course success of our students has remained consistently high, with this improving by 2.6% during 2024/25, with 96.4% of our 2023/24 student cohort moving into sustained positive destinations (work or further study) within the 6 – 9 month period after completing their course. This performance is supported by our excellent links with local schools and universities and our extensive network of links and partnerships with business.

These outcomes not only reflect the benefit gained from attendance at D&A for the individual students involved but also highlight the very strong value for money that D&A as an organisation offers within our region and at a national level.

The sustained high level performance of D&A College has been set against the on-going need to make financial savings and significant change arising through voluntary severance and management structure changes. During 2024/25 the College took the difficult decisions to cease the public operations of the Gardyne Sports Centre and to close the Gardyne Pool. These changes generated significant public, press and political interest and comment, but were essential in supporting the college to maintain its financial sustainability. Decisions to stop the delivery of service design curriculum and consultancy activities were also taken alongside the decision to close Gardyne Theatre limited (GTL) and return the operation of the Gardyne Theatre space to the College. Combined, these changes will have a net positive impact on College in the 2025/26 budget.

To support the transformation of employability and economic growth within our region and address significant challenges with current infrastructure the College announced [an ambitious 10-year infrastructure vision in November 2024](#).

If realised, this vision would transform the way in which the College operates and would see the College move from the current Kingsway and Arbroath campuses onto new city and town centre sites. Plans would also see redevelopment of the current Gardyne campus.

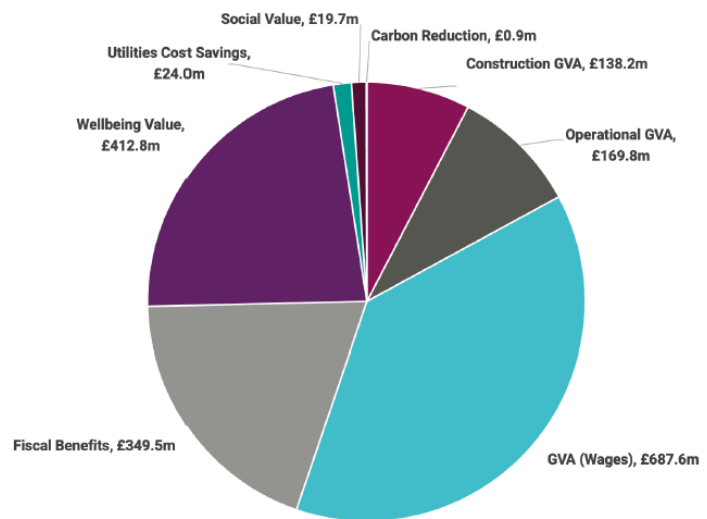
This is an exciting and innovative 10-year vision that will require funding estimated at £265million to realise. Work is progressing to develop this vision into reality and to identify and secure the necessary funding.

## Performance Report (continued)

Significant work has been progressed on this vision, including an independent assessment of the economic impact of the development, and work to progress the creation of a person centred and joined up approach to the delivery of employability support across the region.

Work to progress the Business Cases necessary to inform approval of the major infrastructure investment required to realise this ambition is progressing well, with the Outline Business Case (OBC) planned for submission in late 2025 or very early 2026.

The independent economic analysis of the infrastructure proposals has identified that the investment made would result in economic benefits of c1.8 billion over its first two decades of operation, delivering a social and economic return of 30% and Cost: benefit impact of £10 for every £1 invested.



The impact of COVID-19 remains evident in the preparedness of many learners and in the decline in mental health wellbeing, resilience, and behaviours of a significant proportion of our students. This significant and on-going impact on learners has underpinned our Changing Learners project and work to support both learners and staff with changing needs, behaviours and expectations.

Aligning with the effective partnerships pledge within our 2025 strategy, positive progress is continuing to be made in respect of the wide range of strategic projects the College is involved in.

The Tay Cities Engineering Partnership (TCEP) continues to work towards achieving project objectives with significant progress against school engagement in 2024/2025. The primary focus is now on developing the relationships with business to deliver 20 projects, 10 new training courses, supporting growth within the sector.

Following the departure of the Head of Curriculum and Quality in Science in August, a new Project Manager has been appointed to lead the Tay Cities Life Sciences (Science Futures) project, with Science Futures making strong progress towards its 2030 targets:

- Engagement with 72 Primary Schools (180% of the target) and 31 Secondary Schools (70.5% of the target)
- Additional Numbers of HNC/D have increased by 22 (20% of the target)
- There are 9 additional MAs (31% of the target)
- 7 work placements (12.5% of the target)

There has been an increase in all targets for underrepresented groups, with the number of students with disabilities enrolled already surpassing the target.

A new information page has been created on [the Science Futures website](#) for MAs, and the written and video case studies have been developed as well as a promotional brochure.

## Performance Report (continued)

An online HNC Bioscience and an online HNC Applied Science are under development as well as an online Diploma in Horticulture which is currently in development in collaboration with Intelligent Growth Solutions. Advanced Higher Biology and Chemistry Practical Courses have been created alongside a Good Manufacturing Practice (GMP)

A new tissue culture suite has been set up at D&A, allowing the Animal and Plant Cell Culture unit to be delivered in response to the industry skills scoping exercise.

The supporting SME Skills project continues to progress well with significant progress made towards Tay Cities Year 6 targets. The project has supported, 500 staff in SMEs to upskill and develop their careers.

A new Sustainable Construction Skills project received formal approval in August 2025, with work on this scheduled to commence by the end of the calendar year.

Successful funding applications were made to Angus and Dundee City Councils as part of the UK Shared Prosperity Fund, securing a further investment of £200 000 for workforce development training for businesses in the region and £100 000 for the delivery of Green Skills training to support energy efficiency transition. Significant work is underway to ensure the training is completed by 31 March 2026.

Additional funds were also secured from UKSPF via Angus Council for the successful Parent and Child Maths Homework Clubs. These will continue to run in secondary schools across Angus until March 2026, supporting family engagement within maths education.

The College also secured a small amount of UKSPF via Dundee City Council funding to address maths anxiety within community settings. Plans for this activity are currently being developed with a focus on empowering parents to support children's maths learning. It is hoped that this work will inform a pilot of the homework club model in Dundee, anticipated to launch early 2026.

Following the transfer of [textile manufacturing by Wilkie's to the Michelin Scotland Innovation Parc \(MSIP\)](#), the role and focus of the Skills Academy has changed, with the College exiting the physical site in October 2025. The Skill Academy banner will, however, continue and the College remains committed to offering an industry focused curriculum to underpin the work of the MSIP facility as a manufacturing and assembly innovation site with a focus on sustainable energy and hybrid / green transport.

With the recent approval of planning permission for the [Eden Project site in Dundee](#), the College is stepping up its engagement as a skills and key strategic partner throughout both the design and implementation phases. This includes the designation of the College as the official skills partner and deliverer of apprenticeships and other skills training as the site develops.

The College continues to play a key role within our communities and is integrated fully within both of our local Community Planning Partnerships (CPPs) and economic development forums, including senior College staff chairing both the Angus and Dundee Local Employability Partnerships (LEPS).

## Performance Report (continued)

We continue to lead on the development of the school/college curriculum and infrastructure to deliver on the Developing the Young Workforce (DYW) strategy in our region and continue our senior phase and Foundation Apprenticeship activity with our regional schools.

We make active use of all funding opportunities to support a diverse range of delivery to support both economic and social recovery and the College has been successful in attracting Trust and other funds to support our community focused activities and to continue our pioneering work to reduce child poverty.

Despite the excellent outcomes that the College consistently achieves, and the fantastic opportunities developing within the D&A region, there are significant challenges to be faced. The ongoing 'flat cash' funding settlement for the college sector through a period of above target inflation and significant wage pressures has represented significant year on year real terms funding reductions.

With a £2.34 million deficit budget anticipated in 2025/26, future financial forecasting highlights that this will grow to c£16 million cumulative deficit by 2028 if significant action is not taken (or funding uplifts received).

Following on from significant savings plans enacted in 2022 and 2023, a current savings plan of at least £2.5 million in-year is being consulted on. Achieving savings of this level are extremely challenging

D&A College has continued to play a significant national role in lobbying the Scottish Government and SFC to modernise the funding methodology and key approaches adopted in respect of flexibility in operation of the sector. This includes direct engagement within the Tripartite group comprising the sector, Scottish Funding Council and Scottish Government.

This national engagement has included working with the Minister for HE, FE and Veterans to seek to inform response to the Skills Delivery Landscape Review, Review of Qualifications and Assessment, and the Post-school Education, Research and Skills Purpose and Principals work.

The College continues to invest in our infrastructure prioritising capital backlog maintenance projects aligned to the Scottish Funding Council 2017 condition survey and the College's own 2024 conditions survey which highlights a need for c76million of investment to resolve the RAAC issues within the Kingsway campus and bring all College facilities up to condition B.

In addition to the utilisation of capital maintenance funds, significant additional funds have been utilised to upgrade heating infrastructure – replacement pumps in our Kingsway Campus (c£70k) and replacement gas boilers and BMS controls in our Arbroath Campus (c£180k). All of these works have been completed on time and within the allocated budgets.

Investment in our digital infrastructure remains significant, with the trend continuing for digital spend to move from capital to revenue expenditure as the College transitions towards the final stages of our 'Cloud First' strategy for digital based systems and services.

Significant developments include the rapid progress of a replacement project for our key student management systems covering student recruitment, student records, and funding. This work represents a very significant 'root and branch' change to a major central system and has required



## Performance Report (continued)

additional investment in staff capacity to manage and support the transition alongside review and change to the initial project plan and timeline. The transition continues to progress, with 2025/26 representing the first full year that the full student journey will be managed within the new system.

The College has made excellent progress with implementing its Climate Emergency Action Plan (CEAP) with our 2021 plan signed off in June 2024 and a new updated 2025 – 2030 plan now being implemented. This action plan is aligned to the Scottish Government's commitment to reduce Scotland's emissions of all greenhouse gases to net-zero by 2045 and is centred around the five roadmap elements of the Climate Commission and Nous Group's Climate Action Roadmap for UK FE Colleges.

The five roadmap elements are:

- Leadership and governance
- Learning and teaching
- Estates and operations
- Partnerships and engagement
- Data collection

Using the Roadmap elements, we have established a range of objectives and targets for each one that forms the basis of our Climate Emergency Action Plan. This has in turn set out the College's strategy for reducing carbon emissions over the next 5 years and throughout our Path To Net Zero.

Dundee & Angus College enjoys significant success across a wide range of activities and is regularly recognised nationally through a number of prestigious awards. During 2024/2025 these have included:

- College Development Network Awards in the Inclusive College; Employer Connections (x2); Community Learning; and Skills Development Categories; as well as the overall Judges Award for 2024
- A UK Green Gown award for Sustainability Champion of the Year
- A LANTRA Alba Award for mentoring in the Landbased Industries
- An NHS Tayside Award for our work with students with learning disabilities
- A Scottish Public Service Award on the Championing Diversity and Inclusion Category
- A Scotland's Regeneration Forum (SURF) Award for removing barriers to Employment.
- A Scottish Association of Minority Ethnic Educators Special Recognition Award
- A Scottish Ethnic Minority Talent Award for our College of Sanctuary Work.

## Purpose and Activities of the College

Dundee & Angus College is a public body constituted under statute and a Scottish charity (SC021188). It was designated a Regional College in November 2013 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 Dundee and Angus region. It delivers education programmes on a full-time and part-time basis to around 17,000 students annually across three main campuses, one in Arbroath and two in Dundee (Kingsway and Gardyne).

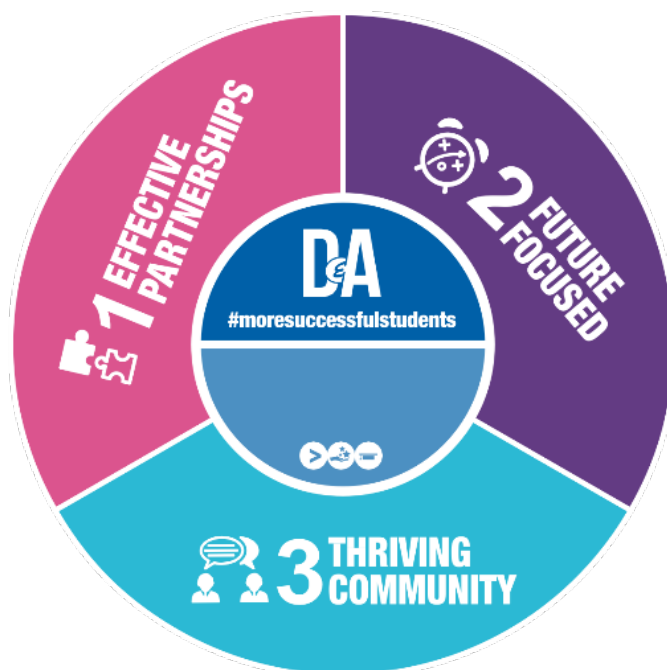
The College's mission is to generate regional economic growth and social well-being through the provision of skills and education for individuals, employers and the wider community. The College has an excellent reputation locally, nationally and internationally. Maintaining a quality brand is essential to its on-going success, ensuring it continues to attract students and grow external partnerships.

The Board of Management adopted its 2025 'More Successful Students' strategy in 2019, with this strategy focused firmly on enhancing student opportunities, outcomes and success by working with others across our region.

## 2025 Vision



To create more successful students through effective partnerships that change lives and create thriving communities.



Over the past 18 months the Board have been working on an update to our strategic vision, mission and purpose, with the new 'Our College' strategy approved in June 2025 ready to be implemented as the previous strategy reaches its conclusion.



The Our College strategy is based around four core outcomes, specifically referencing our students, our staff, our campuses and our impact. These core outcomes are underpinned by twelve strategic priorities (see below) alongside nineteen multi-year metrics to measure achievement.

In order to ensure that it provides educational opportunities that meet the social and economic needs of the region, the College works closely with a number of regional partners, including Dundee City Council, Angus Council, NHS Tayside, Community Planning Partnerships in Dundee and Angus, Abertay University and the University of Dundee.

We have a number of other key stakeholders, including national agencies, for instance the Scottish Funding Council, Scottish Enterprise and Skills Development Scotland, as well as local schools, employers, other colleges, and the local community. We also engage with a range of international partners in the spheres of education and business.

The primary source of funding for the College is its teaching grant from the Scottish Funding Council. The table below outlines the key Priority Outcomes for Dundee and Angus College for 2025/2026. These Priority Outcomes align with the [National Performance Framework for Scotland](#) and four key [SFC Strategic Priorities 2022 - 2027](#).

### Our Students

1. **Enable Student Success:** Enhance student success and satisfaction by creating learning that is inspiring, enabling, engaging and sustainable.
2. **Provide Inclusive Education:** Ensure all students, regardless of background, have access to the high-quality education, skills, training and support needed for them to succeed

## Performance Report (continued)

3. **Develop Career Readiness:** Equip our students with the confidence, skills, experience, enterprise mindsets and attributes needed to create routes and opportunities for successful careers in their chosen fields.

### Our Staff

4. **Champion Professional Development:** Continue to enhance the skills, growth and futures of our people through comprehensive and career long professional learning.
5. **Embed Wellbeing and Support:** Co-create a supportive work environment that embeds wellbeing and sustainability within our outcomes and enhances the experience of our people.
6. **Role Model Leadership and Culture:** Create and encourage a collaborative, proactive and confident, coaching culture for all staff in all roles, that nurtures innovation, ownership, accountability and aspiration.

### Our Infrastructure & Campuses

7. **Deliver our Infrastructure Ambitions:** Co-create and maintain digitally enabled, sustainable and state-of-the-art facilities and environments that engage staff, students and stakeholders, and support innovative teaching, learning, working and service delivery.
8. **Drive Sustainability:** Ensure our campuses and operations are sustainable, energy-efficient and deliver our net-zero ambitions.
9. **Culture of Welcome:** Make our campuses inclusive, accessible and welcoming for all our students, staff, stakeholders, partners and communities.

### Our Impact

10. **Strengthen Community Connections:** Deepen our relationships with our internal and external communities by growing partnerships and collaborative projects that deliver mutual benefit and address shared needs and opportunities.
11. **Drive Economic Growth:** Contribute to our local and national economies by creating a skilled workforce, supporting local businesses, delivering financial stability to our College and maximising our regional social and economic contribution.
12. **Be Trusted and Respected throughout Scotland:** Increase the regional and national reputation and visibility of our College for the benefit of our students, staff and stakeholders.

The College actively mainstreams equality in accordance with the Equality Act 2010 and celebrates the diversity of all people who are directly and indirectly involved in the College. This commitment is reflected in the excellent sector leading outcomes achieved for learners irrespective of protected characteristic.

The College works hard to ensure that all staff, students and other stakeholders are treated equally, regardless of age, disability, family responsibility, marital status, race, colour, ethnicity, nationality, religion or belief, gender, sexual orientation, trade union activity, or unrelated criminal convictions.

In addition to tackling discrimination, the College also supports and fosters good relations between individuals with different characteristics. This includes significant input to the Equally Safe campaign to eradicate gender-based violence and a focus on supporting good mental health and wellbeing for students and staff.

## Social Matters

One of our strategic pledges is to create thriving communities and this is supported by our focus on seamless access and inclusive learning with the provision of 'wraparound' support for the many students that require this intensive level of input.

The College operates a wide range of strategies, policies and approaches to underpin this commitment, including extensive work to address issues such as gender inequality within the curriculum. The College has clear strategies and targets to improve outcomes for carers, care experienced, military veterans and estranged students.

In May 2024 D&A became the first College in Scotland to be recognised as a College of Sanctuary for the learning and services we provide to support refugees and asylum seekers to thrive in their new home. This has been a major exercise to support a growing group of students that have suffered major trauma and threat prior to arriving in the region, with College efforts designed to create a safe and supportive learning environment that encourages cultural and community integration and dispels the myths around forced migration.

Specialist project activity aimed at reducing and eradicating Child Poverty has continued into 2024/25, through multi-year trust funding secured from the Northwood Trust.

This work has engaged with hundreds of disengaged young people, providing a supported pathway through into formal education in partnership with our College Community Collaborative (CCC).

As the work of the CCC has developed, we have expanded opportunities and are working at the heart of a range of community initiatives to offer access to education and support those disenfranchised from learning. This includes work of national significance as a partner within the Linlathen Project in Dundee, working as part of a focused multi agency engagement in the most deprived council ward in the city (and one of the most deprived communities in the UK) to transform the opportunities available to individual residents alongside creating multi-generational cultural change in terms of attitudes to education. [The evaluation of this work](#) highlights the positive impact of the College addressing intergenerational poverty.

In response to the emerging cost of living crisis in late summer 2022 the College launched its Thrive with D&A initiative, as previously mentioned, designed to provide students and staff with access to a range of support aimed at helping to offset the impact of rising costs. Working to actively remove the stigma of seeking help or financial support, Thrive with D&A has provided a multi-faceted approach to encourage engagement with the provision of free food, advice, financial support, clothing and toys, events, job opportunities and even Christmas movies.

This work has proven to be hugely beneficial, and over the course of past two years we provided almost 80,000 free portions of soup and 30,000 free breakfasts. This work is supported by the work of our Students' Association to deliver breakfast clubs and provide free food larders and access to our free Thrive shops on each campus. Thrive is funded through funds from the College plus joint fundraising by students and staff.

## Performance Report (continued)

The Thrive work has been picked up by College Development Network Research and Enhancement Centre as an area of good practice with a [Case Study published on the work undertaken](#). Given the on-going levels of need, the Thrive with D&A work will continue in 2025/2026 with an increased focus on support for students.

The College runs a wide range of services and provision to support current and potential students in their learning journey. Extensive services to promote and support good mental health and wellbeing are provided, including the provision of specialist counselling support and extensive wellbeing activities and advice. Despite the removal of funding for this service the College has opted to maintain this counselling specialism and continue to offer this support to learners.

Our governance codes, D&A Way Leadership Excellence framework and fraud, bribery and corruption policy have strong anti-corruption and anti-bribery provisions, and detailed operating procedures provide the checks and controls necessary to ensure that these commitments are met and evidenced in day-to-day operations.

The College is a Living Wage Employer and provides a wide range of support and benefits for staff.

The College has an up-to-date Modern Slavery statement and procedures and has well established checks in place to avoid engaging with any organisation with serious organised crime connections. Guidance has been issued to staff on spotting and responding to human trafficking.

Guidance and regular Career long professional Development (CLPD) is provided to support the College's duty of care in respect of its Equalities, Prevent and Safeguarding responsibilities and the College received positive endorsement of these approaches from Education Scotland through its most recent safeguarding review.

## Key Risks and Issues

The College identifies risks within its Strategic Risk Register as detailed below on page 36.

The year on year cuts arising from successive flat cash settlements have created significant risks around the future financial sustainability of the college sector and D&A College. This has been clearly recognised within our Strategic Risk Register, with the Financial Strategy and the progress and impact of the resulting major savings plans discussed in detail at each Board and Committee meeting.

[Audit Scotland's Colleges 2025 report](#) highlights the precarious and significantly worsening financial position that the sector faces and makes some clear recommendations in line with the identified need for sustainable funding. This builds upon previous Audit Scotland reports and the recent report published by the Scottish Funding Council [Financial Sustainability of Colleges in Scotland 2022-23 to 2027-28](#) report which highlights that colleges are operating in an extremely tight and rapidly deteriorating financial position resulting in almost all colleges already in deficit positions, with this worsening each year.

Whilst D&A has taken significant action to support its ongoing financial sustainability, the risks in respect of this remain significant and significant savings steps will be required for the foreseeable future to seek to maintain a sustainable operating position.

## Performance Report (continued)

The College (and sector as a whole) are in active dialogue with the Scottish Government to seek to influence in-year and future funding decisions to support short-term financial management and future financial sustainability.

The Board of Management receives regular updates on the management and oversight of key strategic risks

Whilst there are considerable risks, there are also opportunities for the College which are included above as part of the Principal's statement.

### Going Concern

As set out in the Accountability Report which follows this Performance Report, 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.

### Performance Summary

The Statement of Comprehensive Income shows an operating deficit for 2024/25 of (£2.0m). However, this includes non-cash items such as depreciation, the potential cost of the support staff job evaluation exercise (not matched by revenue), pension adjustments and non-government capital grants, and if these are excluded there was a deficit of £0.9m after allocation of funding to loan repayments.

After working capital movements there was a net cash outflow from operating activities of (£2.3m), along with investing and financing cash outflows totalling (£0.4m). The total net cash outflow of £2.7m resulted in a closing position of £4.1m.

Student credits are the measure of activity upon which College funding is based, with each credit representing 40 hours of learning for a student (irrespective of subject area, mode of delivery, etc.). Each College in Scotland has an annual credit target that equates to the funding it receives.

During 2024/25 the College successfully delivered student activity of 98,254 credits, aligning within the agreed threshold for its SFC credit target (98,307).

The College's academic performance was once again strongly positive, with our long-term trends confirming it a consistently high performing college in the sector for both further and higher education.

# PERFORMANCE ANALYSIS

## Methodology

Over recent years the Board of Management has developed and refined a series of Board and Committee metrics that it uses to monitor performance, the following metrics are produced for consideration at each Board meeting. These metrics draw on the balanced scorecard methodology and link together a number of data sources into a single high level report which is submitted to each Board meeting. [Board papers can be accessed on our website](#) and are published in line with good governance practice. Where appropriate, this report includes comparison with benchmarks, for instance previous year or [Regional Outcome Agreements and Related Measurement Plans](#). A summary of performance on these measures is detailed below.

Measure	Comment on 2024/2025 Performance
1. Student Successful Completion Rate (pass rates)	See Summary below
2. Early Withdrawal Rate	0.12% point improvement
3. Further Withdrawal Rate	2.04% point improvement
4. Post Course Destination Success rate	96.4% +1.2% point increase
5. Overall satisfaction score from most recent student survey	90% (consistent with 2024)
6. Overall satisfaction score from SFC national student survey	98% for FE (+1% on last year) and 96.8% for HE (+.4% on last year. National average 95.2% and 93.0% respectively)
7. Forecast credit out-turn	Overall in line with target
8. Student Recruitment figures, FT and PT	Core target met
9. Employee Engagement and Happiness Indices (2024)	Engagement 81% Happiness 76%
10. Employee Absence Rate (Lost time rate)	2.25% (0.82% improvement)
11. Employee Turnover (non-forced)	10.2% (3.5% increase)
12. Staff Headcount and FTE data	On target with managed reduction 2024 to 2025
13. Cash-backed surplus/deficit: year-end forecast v annual budget	See financial performance section
14. RIDDOR reportable accidents	2 (7 in 2023/24 and 4 in 2022/23)
15. Audits completed vs Planned	All completed or on target

The measures provide a high-level indication of College performance, with the detail resting with the relevant Board Committee: Audit & Risk; Finance & Infrastructure; Learning, Teaching & Quality; People, Culture & wellbeing. At these individual Committees further metrics are reviewed to provide a robust overview of real-time College performance and to alert Board members to any potential areas of concern.



## Financial Performance

The following table summarises the key performance metrics contained in the financial statements for the year to July 2025, along with comparatives for the previous year.

<b>Metric</b>	<b>2024/25</b>	<b>2023/24</b>
	<b>£000</b>	<b>£000</b>
Total comprehensive income (SCI)	7,209	(8,070)
Consolidated deficit (SCI)	(2,035)	(3,895)
Underlying operating deficit, before loan repayment (Note 2)	(957)	(2,840)
Total net cash inflow/(outflow) (Cashflow)	(2,701)	1,244
Cash balances (Cashflow)	4,076	6,777
Accumulated reserves (SOFP)	46,645	39,436
Long-term loan outstanding (note 15)	1,366	1,819
Pension liability (note 17)	1,950	2,290
Support Job evaluation liability (note 21)	4,678	4,001
Property, plant & equipment (SOFP, note 12)	74,102	67,791

The consolidated result for the year is a deficit of £2,035k. As explained below, this is effectively a “paper” loss, a consequence of the reclassification of colleges in Scotland as central government bodies. It reflects non-cash expenditure items as well as the cash expenditure supported by the funding related to these non-cash items. If the result is adjusted for non-cash and non-recurring items, the adjusted result shows a deficit of £957k for the year, compared with a deficit of £2,840k the previous year.

The Statement for Comprehensive Income included a £4.001m adjustment in 2023/24 for changes to the accounting treatment for Support Job Evaluation funding, when we created a provision with a corresponding contingent liability. The provision has increased to £4.678m in 2024/25 to reflect the ongoing liability. This is detailed in Note 21 and in the section Technical Impact of National Job Evaluation Funding Change section on page 18 and 19.

Going forward, the College requires to generate an adjusted surplus of £457k in order to meet future annual capital loan repayments. As can be seen from the table, after loan repayment and working capital adjustments, there was a net cash outflow of £2,701k. The loan repayment has a net balance of £1,366k at 31 July 2025, there remains 3 cash repayments due before this liability is discharged, with a final repayment in June 2027.

Reserves at the year-end are £46.645m, an increase of £7,209k, being the value of Total Comprehensive Income.

The total net pension liability has decreased by £340k, as a result of changed assumptions together with unfunded payments made during the year, and now comprises a funded asset reduced to £nil, following the application of an asset ceiling by actuaries, and an unfunded liability of £1,950k. These changes are described in more detail within notes 1, 16 and 17.

## Performance Analysis (continued)

The net book value of fixed assets increased during the year by £6,311k. The depreciation charge of £3,782k is offset by a revaluation increase of £9,039k, additions of £1,178k and disposals of £124k.

### Student Outcomes

The College worked closely and positively with the Quality Assurance Agency Scotland (QAA) and SFC under as an active participant in the work to create and roll out the new Tertiary Quality Enhancement Framework (TQEF).

This has included completion of the first annual Self Evaluation and Action Plan (SEAP) for submission to SFC in December 2024, with this plan being identified as one of a small number of good practice examples to be shared with the sector through development arrangements progressed by QAA and the College Development Network (CDN).

Engagement with QAA within their annual quality meeting and with SFC through their OFAM arrangements has confirmed that (more than) satisfactory progress was being achieved around quality engagements and the recruitment, retention, attainment, and progress of learners.

Outcomes across the full range of protected characteristics continue to be positive, with consistently high outcomes achieved for learners with a declared disability, those from identified BAME ethnicities, and those that are Care Experienced or estranged. Outcomes for SIMD10, Care Experienced Learners and Learners with Disabilities are consistently at or around the top performing in Scotland.

Engagement with our twin learner satisfaction surveys has remained very strong, with an increase in responses of almost 1,000 from 2023/24. Both surveys showed very positive results and both continued a 6-year unbroken run of consistently high levels of learner satisfaction.

At 90% in both surveys, student satisfaction within the learning and teaching survey improved by 2 percentage points compared with the previous year. This high level of learner satisfaction is also reflected in the [Scottish Funding Council annual survey](#) which shows D&A College students participate well and with a satisfaction score of 98.0% at FE level and 96.8% at HE are significantly more satisfied compared with sector average.

Work to reduce gender segregation within the curriculum and to provide positive opportunities for non-traditional participation within subject areas continues and has remained as a focus for the College with key developments such as the Tay Cities Deal incorporating clear opportunities and enhancement targets for gender engagement within the TCEP and Science Futures projects.

[Learner outcomes published in 2025](#) (academic year 2023/24) were higher than in previous years and remained strong on a comparative basis with much of the sector, especially for full-time higher education learners. This also included outcomes for younger learners (18 – 20) those from areas of multiple deprivation (SIMD10), those with Disabilities, and those from a Care Experienced background. These performance metrics represent a continued strong performance by the College and demonstrate a long-term above average trend of D&A performance.

## Performance Analysis (continued)

Student outcomes for 2024/25 remain provisional at this time but show further improvement across almost all key measures. A summary of D&A provisional performance indicator outcomes for 2024/2025 is outlined below.

Mode	Successful Outcome					
	19/20	20/21	21/22	22/23	23/24	24/25
All Modes	76.9%	80.3%	72.3%	70.9%	75.4%	<b>77.9</b>
Full Time – All	73.8%	76.5%	72.9%	69.1%	72.2%	<b>75.5</b>
Full Time – FE	72.3%	73.6%	65.2%	67.5%	70.8%	<b>75.4</b>
Full Time – HE	76.5%	81.9%	76.4%	72.4%	74.4%	<b>77.9</b>
Part Time – All	80.3%	84.3%	77.3%	72.4%	79.6%	<b>81.4</b>
Part Time – FE	80.3%	85.2%	77.4%	72.3%	78.1%	<b>80.9</b>
Part Time – HE	80.0%	76.0%	69.9%	73.2%	84.6%	<b>85.6</b>

NB, Outcomes in 2019/20, 2020/21 and 2021/2022 were impacted by COVID-19 and final outcomes were developed under different assessment adoptions and requirements in each of these years. Outcomes noted for 2023/24 and 2024/25 reflect the revised PI guidance issued by SFC and do not include early withdrawals within the final outcome percentage.

Within these outcomes there has been a substantial improvement in outcomes for all learners including part-time learners, particularly at FE level, reflecting significant review and development to our part-time curriculum. This is also reflected in a decrease in learner withdrawals for part-time programmes.

Overall there has been an improvement in learner retention, with this being achieved despite the on-going increase in student support needs (particularly in respect of issues surrounding poor mental health and resilience). Overall retention improved by 2.04%, reversing the decline seen in 2023/24.

Early retention was improved by a smaller margin (0.12%) reflecting the already high levels of early retention seen in previous years.

Post course progression and success has improved year to year, with 96.4% of full-time College learners achieving a positive destination (employment or further study) three to six months after completing their course. This represents a 1.4% improvement from 2023.

The proportion of learners progressing with advanced standing (2023/24 cohort) has remained relatively static.

Despite the financial challenges faced by the College, alongside the post-pandemic impact on learner mental health and support needs, the high levels of learner attainment and satisfaction outlined above, with the high levels of post course progression and articulation with advanced standing, identify D&A as a hugely successful College with outcomes for learners that are consistently above national averages.

### Fair Work

Details of activities, arrangements and outcomes underpinning our commitment to the fair work agenda and principles are summarised within the staff report below (pages 40 – 45) and within our published [Fair Work First Statement](#) on the College website.

### Technical Impact of National Job Evaluation Funding Change

Before 2023/24 the College financial statements included a creditor and a corresponding debtor for funds held by the Scottish Funding Council (SFC) in respect of the anticipated costs associated with the implementation of a national middle management and support staff job evaluation exercise for colleges. The corresponding creditor and debtor amounts were £3.7m in 2022/23.

Whilst these funds were reported in the College financial statements, SFC held this funding (provided by the Scottish Government) in reserve. The funds held by SFC were returned to Scottish Government in 2023.

This change in approach between SFC and the Scottish Government affected the technical accounting treatment of the funds within the College financial statements from 2023/24, with this showing as a negative impact (provision) of £4.0m within the 2023/24 financial statements and a corresponding note in the accounts for a contingent asset. The provision has increased to £4.678m in 2024/25 to reflect the ongoing liability. This gives the impression of a £4.678m 'loss' to the College and it is important to note that this is a technical accounting change only and does not reflect the underlying financial performance or cash position of the College.

This is a national sector wide change and the Scottish Government has confirmed that responsibility for job evaluation funding commitments rests with it until the job evaluation process is complete. Further information is available in the notes to the accounts (note 21).

### Climate Change (Scotland) Act 2009

The Climate Change (Scotland) Act 2009 set out measures adopted by the Scottish Government to reduce emissions in Scotland by at least 80% by 2050. In 2015, an Order was introduced requiring all designated Major Players (of which Dundee & Angus College is one) to submit an annual report to the Sustainable Scotland Network detailing compliance with the climate change duties imposed by the Act. The information returned by the College is compiled into a national analysis report, published annually and superseding the prior requirement for public bodies to publish individual sustainability reports.

Further information on the Act, along with copies of prior year national reports, [can be found here](#).

### Adjusted Operating Position

To enable a clearer understanding of the College's financial performance, the consolidated deficit is adjusted below for certain specified items. These adjustments are prescriptive, and include non-cash charges, capital grants recognised as income, and other commitments funded from revenue, but which are excluded from the Consolidated Statement of Comprehensive Income.

## Performance Analysis (continued)

<b>Adjusted operating position</b>		
<b>Revenue</b>	<b>2024/25 £000</b>	<b>2023/24 £000</b>
<b>(Deficit) before other gains and losses</b>	(2,012)	(3,895)
<b>Add back:</b>		
Depreciation (Note 12) (net of Deferred Capital Grant release (Note 3 and note 5))	1,369	1,767
Exceptional non-restructuring costs – Impairment	-	-
Non-cash pension adjustment – Net service cost (Note 9)	(323)	(67)
Non-cash pension adjustment – Net interest cost (note 16)	51	63
Non-cash pension adjustment – Early retirement provision	-	-
Costs of middle management job evaluation exercise not matched by revenue (SCI)	677	4,001
<b>Deduct:</b>		
Non-Government capital grants (Note 8)	-	-
Revenue funding allocated to loan repayments (Note 15)	-	-
<b>Adjusted operating (deficit)/surplus</b>	<b>238</b>	<b>1,869</b>

### Creditor Payment Policy

The Late Payment of Commercial Debts (Interest) Act 1998, which came into force on 1 November 1998, requires the College, in the absence of agreement to the contrary, to make payments to suppliers within 30 days of either the provision of goods or services or the date on which the invoice was received. During the financial year to 31 July 2025, the College incurred penalty and interest charges of £1,622 in respect of late payment.

The Scottish Government is committed to supporting business by paying bills more quickly, with the intention to achieve payment of all undisputed invoices within 10 working days.

The College is committed to the principles of The Better Payment Practice Code by processing suppliers' invoices for payment without unnecessary delay and by settling them in a timely manner. Consequently, in the absence of any alternative arrangements, all suppliers are placed on immediate payment terms. In 2024/25 the average credit taken was 5 days.

**Simon Hewitt**  
Principal

# ACCOUNTABILITY REPORT

The Accountability Report comprises the Corporate Governance Report and the Remuneration and Staff Report and is signed by the Chair and the Principal.

## Corporate Governance Report

The Corporate Governance Report comprises the following sections:

- Directors' Report
- Statement of the Board of Management's Responsibilities
- Governance Statement
  - Statement of Compliance
  - Governance Structure
  - Corporate Strategy
  - Board's Statement on Internal Control
  - Going Concern

## Directors' Report

Dundee & Angus College's Board of Management is constituted in accordance with the requirements of the Further and Higher Education (Scotland) Act, 1992 and complies with further requirements as set out in the Further and Higher Education (Scotland) Act 2005 and the Post-16 Education (Scotland) Act 2013.

The Board comprises lay members, employees and two student representatives. The roles of the Board Chair and Vice Chair are separated from the role of the College Principal, who (as Chief Executive) holds the only executive role on the Board. In line with good governance practice, the Board has appointed one of its members as 'Senior Independent Member' to whom any member of the board can refer to seek advice or to raise any matters of concern.

A list of Board Members for 2024/25 is included on pages 22 and 23. Board Members' Register of Interests is available via the [enclosed link on our website](#). The Board has five standing committees, the roles of which are explained at pages 28 and 29.

Board of Management				
Audit & Risk	Finance & Infrastructure (formerly Finance & Property)	People, Culture and Wellbeing (formerly HR & Development)	Learning, Teaching and Quality	Chairs

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

Name	Designation
Simon Hewitt	Principal
Steven Taylor	Vice Principal Support Services and Operations
Julie Grace	Vice Principal Curriculum and Partnerships

Accountability Report (continued)

**DUNDEE & ANGUS COLLEGE - Board of Management Membership – 1 August 2024 – 31 July 2025**

	<b>Appointed</b>	<b>Term Ends</b>	<b>Status of Appointment</b>	<b>Profession/Specialism</b>	<b>Chairs</b>
<b>Laurie O'Donnell</b> Regional Chair	July 2022	10/07/26	Scottish Government Appointment	Education, Management & Digital Technologies	Board of Management Chairs Committee
<b>Helen Honeyman</b>	January 2019	31/12/26	Ordinary Member	Risk, Governance, HR Management	Audit & Risk Committee & Board Vice Chair (from Jun 2025)
<b>Donald Mackenzie</b>	April 2019	31/03/27	Ordinary Member	HR & OD, Corporate Communications Management	People, Culture & Wellbeing Committee
<b>Neil Lowden</b>	January 2019	31/12/26	Ordinary Member	Educational Management, Learning & Teaching, Educational Policy	Learning, Teaching & Quality Committee
<b>Brian Lawrie</b>	May 2022	31/04/26	Ordinary Member	Finance and Public Sector Management	Chair of Finance & Infrastructure Committee (from May 2025)
<b>Jackie Buchanan</b>	February 2023	31/01/27	Ordinary Member	Legal, Governance, Public Sector Management	
<b>Carri Cusick</b>	April 2023	30/04/27	Ordinary Member	Economic Development, Commercial Management, Enterprise	
<b>Kelly McIntosh</b>	February 2025	31/01/29	Ordinary Member (previously co-opted to LT&Q)	Public Service Management	
<b>Ged Bell</b>	September 2024	31/08/2028	Ordinary Member	ICT/Digital, Public Sector Management	
<b>Robert Young</b>	February 2025	31/01/29	Ordinary Member	Private Sector Management, Infrastructure/Engineering	
<b>Kirstin Marsh</b>	June 2025	31/05/29	Ordinary Member	Government Strategy, Funding, Infrastructure & Economic Development	

## Accountability Report (continued)

	<b>Appointed</b>	<b>Term Ends</b>	<b>Status of Appointment</b>	<b>Profession/Specialism</b>	<b>Chairs</b>
<b>Colin Smith</b>	June 2025	31/05/29	Ordinary Member	Infrastructure & Estates Leadership, Senior HE Management	
<b>Brian Mooney</b>	June 2025	31/05/29	Ordinary Member	Business Consultancy & Turnarounds, National Project Leadership	
<b>Simon Hewitt</b>	August 2020	-	Principal	Principal	
<b>Derek Smith</b>	April 2023	31/03/27	Teaching Staff Member	Teaching Staff	
<b>Matthew Beattie</b>	Nov 2023	Resigned 18/08/25	Support Staff Member	Support Staff	
<b>Stephen Oakley</b>	April 2024	29/02/28	Academic Trade Union Nominated Member	Lecturer	
<b>Richard Gordon</b>	Feb 2025	31/01/29	Non-teaching staff union nominated member	Cyber Security Engineer	
<b>Adele Lawrence</b>	March 2024	31/07/26	Student Member	Students' Association Nominee	
<b>Kara Ramsay</b>	August 2024	31/07/25	Student Member	Students' Association Nominee	
<b>Connor Pithie</b>	August 2025	31/07/26	Student Member	Students' Association Nominee	
<b>Margo Williamson</b>	June 2021	Term ended 31/05/25	Ordinary Member	Management, Education	Board of Management Vice Chair until May 2025
<b>Donna Fordyce</b>	April 2017	Term ended 30/04/25	Ordinary Member	Economic Development, Enterprise, Fisheries, Retail Management	Finance & Infrastructure Committee Chair until April 2025
<b>Sally Middleton</b>	June 2021	Resigned 29/11/24	Ordinary Member	HE Learning & Teaching, Management, Access, and Articulation	
<b>Roy McLellan</b>	May 2022	Resigned 31/12/24	Ordinary Member	Enterprise and Corporate Management	
<b>Daniel Rosie</b>	May 2023	Resigned 03/12/2024	Ordinary Member	Marketing, Promotions, PR, Enterprise, Management	



Accountability Report (continued)

	<b>Appointed</b>	<b>Term Ends</b>	<b>Status of Appointment</b>	<b>Profession/Specialism</b>	<b>Chairs</b>
<b>Donna Fordyce</b>	August 2025	31/12/26	Coopted member Finance & Infrastructure Committee	Economic Development, Enterprise, Fisheries, Retail Management	
<b>Sally Middleton</b>	August 2025	31/12/26	Coopted member Learning, Teaching & Quality Committee	HE Learning & Teaching, Management, Access, and Articulation	
<b>Derek Stewart</b>	August 2025	31/12/26	Coopted member Finance & Infrastructure Committee	HE Learning & Teaching, Management, Infrastructure	

## 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 development and operational oversight of College strategy and outcomes. This includes the creation of future strategy, the educational character of the College and administration and management of the College's affairs, including approving the Regional Outcome Agreement (Priority Outcomes are referenced on pages 8-9) and ensuring an effective system of internal control in respect of activities, expenditures and outcomes. As a part of these requirements, the Board of Management is required to present audited financial statements for each financial year.

In understanding these financial statements, the following Board of Management responsibilities in respect of the proper use of College funds is important.

The Board of Management maintains a rolling five-year financial strategy that aids decision making and oversight in respect of financial sustainability, whilst informing short and medium term financial planning and control. This strategy was updated in April 2022.

The Board of Management is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the College. This ensures that financial statements are fully accurate and meet the requirements of the Further and Higher Education (Scotland) Acts (1992 and 2005), the Statement of Recommended Practice on Accounting for Further and Higher Education, the Government Financial Reporting Manual (FReM) issued by HM Treasury and other relevant accounting standards.

Within the terms and conditions of the Financial Memorandum agreed between the College and the Scottish Funding Council, the Board of Management approves financial statements for each financial year that give a true and fair view of the College's state of affairs and of the surplus or deficit and cash flows for that year.

The Principal provides a signed Certificate of Assurance each year, confirming that a review of the internal control arrangements of the College has been undertaken and that these controls have been, and are, working well. This Certificate of Assurance supports the Accountable Officer for the college sector (the Scottish Funding Council Chief Executive) to provide a governance certificate of assurance covering all colleges to the Principal Accountable Officer of the Scottish Government.

In approving the annual financial statements, the Board of Management has ensured that:

- suitable accounting policies are selected and applied consistently.
- judgements and estimates are made that are reasonable and prudent.
- applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.

## Accountability Report (continued)

- financial statements are prepared on the going concern basis unless it is inappropriate to presume that the College will continue in operation. The Board of Management is satisfied that it has adequate resources to continue in operation for the foreseeable future and for this reason the going concern basis continues to be adopted in the preparation of the financial statements.

The Board of Management has taken reasonable steps to:

- ensure that funds from the Scottish Funding Council are used only for the purposes for which they have been given and in accordance with the Financial Memorandum with the Funding Council and any other conditions which the Funding Council may from time to time prescribe.
- 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 there are appropriate financial and management controls in place to safeguard public funds and funds from other sources.
- safeguard the assets of the College and prevent and detect fraud.
- secure the economical, efficient and effective management of the College's resources and expenditure.

The key elements of the College's system of internal financial control that discharge the responsibilities set out above include the following:

- a comprehensive medium and short-term financial planning process, supplemented by detailed annual income, expenditure, capital and cash flow budgets, reviewed and approved annually by the Board of Management and monitored regularly by the Finance & Property Committee
- a suite of reporting that involves regular reviews of key performance indicators monitored by the appropriate Board Committee
- a Strategic Risk Register that is monitored and reviewed regularly by the Board and the Audit & Risk Committee (more detail on the Risk Register is provided on pages 35 and 36)
- clear definitions of the responsibilities of, and the authority delegated to senior staff which is reviewed periodically by the Board of Management
- 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 & Risk Committee and Finance & Property Committee

## Accountability Report (continued)

- the College has appointed Internal Auditors whose annual programme is approved by the Audit 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 (more detail on the work and opinion of the Internal Auditors is provided on page 35.)

## Governance Statement

### Introduction

Dundee & Angus College is committed to maintaining and delivering good practice in all aspects of corporate governance. This governance statement is written to assist the reader of the financial statements understand how these principles have been applied.

This governance statement supplements the information provided in the financial statements. It sets out the governance structures, risk management and internal control processes that have been operating in the College in the year to 31 July 2025 and reports the Board's assessment of the effectiveness of these arrangements.

### Statement of Compliance

The College complies in full with all the principles and requirements of the 2022 Code of Governance for Scottish Colleges with the exception of the role of the Secretary to the Board. 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 appointed the Vice Principal Support Services and Operations as Secretary to the Board, who reports directly to the Chair in relation to their Board Secretary duties, in order to prevent any conflicts of interest. The Board has been satisfied with this arrangement, and the independence and appropriateness of the governance role fulfilled by the Board Secretary. Following a review the Board is working to appoint a Board Secretary who is not a member of the College senior management team by January 2026.

### Governing Body and Governance Structure

The Board of Management operates a formal structure of Board and Committee meetings (referenced on pages 28 and 29), supported by clear agendas, minutes and supporting papers, reports and information, all of which underpins 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 a rolling basis.

## Accountability Report (continued)

In accordance with the requirements of the Code of Good Governance for Scottish Colleges, Board evaluation arrangements are supplemented every three to five years by a comprehensive [Externally Facilitated Evaluation of Board Effectiveness](#) with a resulting development plan. An external evaluation was undertaken in autumn 2024 and approved by the Board in December 2024 and submitted to the Scottish Funding Council.

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 and during 2024/25 these were undertaken as in-person meetings with an online attendance option.

A list of Committee Members for 2024/25 is included on pages 22 to 24.

The **Chairs' Committee** met twice in 2024/25 to inform the future work and development of the Board and to consider arrangements around matters of College strategy.

As a part of its remit, this Committee also operates as 'Nominations Committee' undertaking all steps necessary to identify high quality candidates to fill board vacancies in line with the Ministerial Code for Appointments.

The Chairs' Committee has delegated authority from the Board to consider and determine salaries and conditions of service for members of the College Executive and Senior Leadership Team and has an agreed remuneration strategy in place for the consideration of senior post holder salaries. When operating as Remuneration Committee the Committee is chaired by the Vice Chair or other Committee Chair.

The **Audit & Risk Committee** meets with the College's external and internal auditors in attendance. The Committee considers detailed reports together with recommendations for the improvement of the College's systems of internal control and management's responses and implementation plans. It also receives and considers reports from the Scottish Funding Council or other government departments as they affect the College's business and monitors adherence to the regulatory requirements.

During 2024/25 the Committee has considered and monitored key actions arising from the Strategic Risk Register and annual Risk and Maturity Report on cyber security. The Audit & Risk Committee also undertook oversight of risk arrangements arising from the 'red' financial security risk arising as a result of funding cuts.

The **Finance & Infrastructure Committee** (formerly Finance & Property) oversees the preparation of a multi-year financial strategy for approval by the Board and informs and approves actions required to ensure financial sustainability. This committee also plays an important role in overseeing and approving procurement activities (within designated thresholds).

## Accountability Report (continued)

In consultation with other Committees, it recommends to the Board of Management the College's annual revenue and capital budgets and monitors performance in relation to the approved budgets. It reviews the effectiveness of financial management and monitors financial controls, ensuring appropriateness of and compliance with the Financial Regulations.

This Committee was renamed as the Finance & Infrastructure Committee in June 2025.

The **People, Culture & Wellbeing Committee** (formerly Human Resources & Development) has overall responsibility for the direction and oversight of all Human Resources matters relating to the function of the Board of Management as employer of the College's staff. It oversees the development and implementation of the People Strategy and Workforce Plan, ensures compliance with employment legislation, considers a suite of staff-related metrics, and oversees Health & Safety matters on behalf of the Board.

During 2024/25, this has included input to the revised Workforce Plan and consideration of the staffing impacts and good practice approaches around the savings plan and structure changes.

This Committee was renamed as the People, Culture & Wellbeing Committee in June 2025.

The **Learning, Teaching & Quality Committee** has overall responsibility for monitoring the direction and performance of learning and teaching, and the quality of the learners' experience at the College. It oversees significant developments in the College curriculum and plays a key role in promoting the student voice, ensuring that the Board's legal responsibilities with regard to the Students Association are met.

During 2024/25 the Committee has received detailed presentations on key aspects of College activity, including enhancement in the Animals, Land and Environment and Art & Design curriculums plus developments in support for learners and staff as part of the Changing Learners project.

In line with good governance practice, details of discussions held, alongside feedback from the relevant Committee Chair on the activities of each Committee are shared with all Board members and are raised as a standing item at each full meeting of the Board of Management.

Given the financial challenges facing the sector and College, a copy of the quarterly management accounts are included within each set of Board meeting papers for information. Board and Committee agendas, minutes and papers are [published on the College website](#) and Board Members receive a copy of the most recent Management Accounts at each meeting.

All current Board members have received clear induction into their roles from the Chair and Board Secretary and have attended comprehensive Board member induction development session provided by the College. In addition, all Board members attend Board member induction and/or specialist training provided on a sector basis by College Development Network.

All Board members engage in an annual appraisal process conducted by the Chair of the Board. The Chair receives two appraisals, one conducted by the Vice Chair and one conducted by a senior official from the Scottish Government. Board member feedback provides clear information to inform individual and collective evaluation and action planning.

## Accountability Report (continued)

A Strategic planning and development event in October 2024 was used to engage board members in reviewing and setting the Boards risk appetite and to receive an update directly from Audit Scotland on sector funding and workforce planning for the Scottish public sector.

Significant Board input has been focused on the development of the range of strategic opportunities arising through Tay Cities whilst recent focus has been on the governance requirements surrounding the progression of savings plans and major infrastructure project development.

**DUNDEE & ANGUS COLLEGE - BOM & Committee Attendance Record – 1 August 2024 – 31 July 2025**

<b>Member's Name</b>	<b>Board of Management</b>	<b>Audit &amp; Risk Committee</b>	<b>Finance &amp; Property Committee</b>	<b>HR &amp; Development Committee</b>	<b>Learning, Teaching &amp; Quality Committee</b>
Laurie O'Donnell	4/4	2/2 (Observer)	3/4	1/1 (Observer)	3/4
Margo Williamson	3/3	3/3			1/3
Donna Fordyce	1/3		1/4	1/3	1/3
Helen Honeyman	3/4	4/4			3/4
Donald Mackenzie	3/4		1/4	3/3	
Neil Lowden	3/4			1/3	4/4
Stephen Oakley	3/4		4/4	2/3	4/4
Sally Middleton	0/2	1/2			1/2
Brian Lawrie	4/4	2/2 (Observer)	4/4	3/3	
Roy McLellan	1/2	0/2	0/2		
Jackie Buchanan	1/4	1/4		1/3	
Carri Cusick	1/4		3/4	2/3	
Daniel Rosie	0/2		0/2	1/1	
Simon Hewitt	4/4		3/4	2/3	4/4
Derek Smith	4/4	4/4	3/4		3/4
Matthew Beattie	4/4	3/4	4/4	3/3	
Adele Lawrence	4/4				2/4
Connor Pithie	1/1				
Kelly McIntosh	1/2	1/2			3/4
Ged Bell	4/4	4/4	4/4		
Kara Ramsay	4/4				4/4
Kirstin Marsh	1/1				



Accountability Report (continued)

Member's Name	Board of Management	Audit & Risk Committee	Finance & Property Committee	HR & Development Committee	Learning, Teaching & Quality Committee
Colin Smith	1/1				
Robert Young	2/2		2/2	1/2	
Richard Gordon	2/2	2/2		2/2	
Brian Mooney	1/1				

## 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 future strategic and operational planning.

During 2024/25, these activities focused significantly on progress towards completion of the 2025 strategy and development of the new Our College strategy for 2025 – 2030.

## Board's Statement on Internal Control

The Board of Management takes its responsibilities for internal control and for reviewing its effectiveness very seriously. These systems are designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board of Management provides strong leadership within a framework of effective controls that enable risk to be assessed and managed. Through the operation of the Board and each Board Committee, Board members monitor, challenge and oversee risk management within the College as a whole. Within all of these arrangements it is the responsibility of the Board of Management to:

- Establish the overall culture and ethos in respect of risk and opportunity management within the College.
- Determine the appropriate risk appetite (the level of exposure with which the Board is comfortable) for the College that balances risk with opportunity.
- Approve major decisions affecting the College risk profile or exposure in accordance with appropriate financial strategy and procedures and agreed delegation limits.
- Ensure that risk management is integrated in strategic planning activities and regional outcome agreements.
- Monitor the management of key risks (those rated in excess of the risk appetite) to reduce their probability and impact.
- Satisfy itself that the less significant risks are managed, and that risk controls are in place and working effectively.
- Annually review the College approach to risk management and approve changes or improvements as necessary.

The Board of Management has delegated day-to-day responsibility to the Principal (Chief Executive) for maintaining a sound system of internal control that reflects the needs of good risk management and supports the achievement of the Colleges policies, aims and objectives.

## Accountability Report (continued)

The Board operates a clear scheme of delegation and financial procedures that strengthen and inform internal control arrangements. These are reviewed annually, and work has continued during 2024/25 to embed Board visibility and oversight of major procurement spend and contracts. Financial Regulations were revised during 2024/25 to better align financial responsibilities and delegated thresholds with day-to-day management and leadership responsibilities.

In response to the developing situation at the University of Dundee the College has undertaken its own evaluation and action plan on financial governance and reporting. This plan has been discussed at the Finance & Infrastructure and Audit & Risk Committees as well as the full Board. The plan summarises the College approaches to the key areas where it has been identified that failings occurred at the University and also outlines College practice in relation to the lessons learned check list created by Professor Gillies as part of the independent review of University financial governance. The College evaluation and action plan will continue to be monitored and action taken as further lessons emerge from the university situation.

The Board of Management and each of the Committees actively monitors key areas of risk, seeking updates through the Executive Leadership Team and the Audit & Risk Committee. The emphasis is on obtaining the relevant degree of assurance and not merely reporting on exceptions or issues.

Henderson loggie were reappointed for a period of 3 years (with an extension option) as the College's Internal Auditors following a procurement exercise. The new appointment is effective from 1 October 2025.

The Audit & Risk Committee also receive regular reports from the College's Internal and External Auditors and the following provides a summary of current progress in respect of audit recommendations up to 31 August 2025.

Audit Area	Report Grades	Number of Recommendations (& Priority Grades)			Recommendations Outstanding
		1	2	3	
Procurement & Creditors (May 2024)	Requires Improvement		9		0
Sports Centre Review	NA		7		0
Payroll	Good		0		0
Staff Development	Good		0		0
Student Activity Data (2023/24)	Audit opinion unqualified			3	0
Student Support Funds (2023/24)	Audit opinion unqualified		1		0
	<b>Total</b>	-	<b>17</b>	<b>3</b>	<b>0</b>

Good progress has been made in respect of the closing out of audit recommendations and there are no outstanding actions from previous years' audits. The College's Internal Auditors reported that the College has made good progress in implementing the identified recommendations.

### \* Report Grades

- Good - System meets control objectives.
- Satisfactory - System meets control objectives with some weaknesses present.
- Requires improvement - System has weaknesses that could prevent it achieving control objectives.
- Unacceptable - System cannot meet control objectives.

## Accountability Report (continued)

### \*\* Action Grades

Priority 1	Issue subjecting the College to material risk and which requires to be brought to the attention of management and the Audit & Risk Committee.
Priority 2	Issue subjecting the College to significant risk and which should be addressed by management
Priority 3	Matters subjecting the College to minor risk or which, if addressed, will enhance efficiency and effectiveness.

The Internal Audit opinion for the work undertaken in 2024/25 is that the College has adequate and effective arrangements for risk management, control and governance. Proper arrangements are in place to promote and secure Value for Money.

The College operates a Strategic Risk Register, which identifies the most significant risks to the College. Specific risks are allocated to Committees for regular review and consideration with any proposed changes presented to the Audit & Risk Committee for approval. This Strategic Risk Register is discussed and approved at every meeting of the Audit & Risk Committee and is discussed bi-annually at the Board of Management.

The Strategic Risk Register has been subject to additional review during 2024/25 as part of the outcomes an internal audit on arrangements for management of risk and following on from the review and resetting of the Board of Management risk appetite in late 2024. This includes the introduction of minor and moderate categories for low risk elements.

The following table sets out the strategic risks for which the underlying risk has been scored as “Major” or “Fundamental”. It records the residual risk, with three risks shown as “Significant”, following the mitigating actions that have been taken. Two risks (Financial Sustainability and Infrastructure Investment) remain as “Major” post mitigation, reflecting the risk arising as a result of the long-term impact of ‘flat cash’ funding for the sector and the lack of investment required to improve the Kingsway and Arbroath campuses.

Where any post-mitigation risk remains as “Major” or above, a specific report on actions being taken is presented to each meeting of the Audit & Risk Committee.

Risk		Before Mitigation	After Mitigation
1.1	Failure of College strategy to meet the needs of the D&A Region and/or national priorities	Major	Moderate
2.2	Failure to achieve institutional sustainability	Major	Major
2.3	National outcomes on salaries and conditions of service outstrip ability to pay	Major	Significant
2.6	Demands of capital developments / maintenance impacts on financial sustainability or delivery of learning and/or services	Major	Significant
3.3	Legal actions; serious accident; incident or civil/criminal breach	Major	Moderate
3.4	Failure to meet the aspirational standards in respect of the health, safety, wellbeing and development of staff and students	Major	Moderate

Risk		Before Mitigation	After Mitigation
3.6	National bargaining outcomes impact adversely on College operations, activity and flexibility	Major	Significant
3.7	Industrial Relations Problems	Major	Moderate
3.8	Breach of data security / data protection #	Major	Moderate
4.5	Lack of investment in ageing / beyond serviceable life infrastructure (inc RAAC, Asbestos and M&E failure concerns) impacts on financial sustainability and/or delivery of learning and/or services	Major	Major

**Key to Risk Estimation/Score based on scale of 1 – 5 for impact/likelihood:** Blue (1-3) = Minor Risk; Green (4 – 8) = Moderate Amber (9-15) = Significant Risk; Red (16-20) = Major Risk; Purple, (>21 - 25) = Fundamental Risk. Board Risk Appetite for the utilised risk categories is assessed as Open (based on the [UK Treasury Orange book](#) criteria).

# There have been no significant lapses of data security and no reportable personal data-related incidents reported to the Information Commissioner's Office during the reporting period.

The College participates in the National Fraud Initiative (NFI), which is a data-matching exercise led by Audit Scotland to aid the detection of fraudulent payments. The exercise undertaken during 2024/2025 did not identify any errors or fraud. The next exercise will be undertaken during 2026/2027.

As a key step in assuring the appropriate oversight of College systems and risks, the Audit & Risk Committee produces a draft annual report that is discussed and approved by the Audit & Risk Committee prior to further discussion and approval by full Board. This report summarises work reviewed by the Committee and confirms internal and external audit assurances in respect of the adequacy and effectiveness of internal control, the effectiveness of financial controls and the delivery of internal audit plans in line with relevant internal audit standards. In line with other Board papers, this report is publicly available on the College website.

As an addition to these arrangements the Audit & Risk Committee also prepared an Audit Assurance Response in respect of a standard series of questions and assurances requested by the College auditors. This assurance response was approved under delegated authority by the Chair of the Audit & Risk Committee and provides a summary of how the Board minimises risk and assures itself in respect of key elements of the international audit standards.

Internal and external audit representatives meet annually with members of the Audit Committee without senior members of College staff present. This allows an opportunity for any concerns or issues to be raised and for Audit Committee members to seek appropriate assurances.

During 2024/25 a number of factors impacted on the final sign off of the annual accounts, with this being delayed to March 2025. A lessons learned review was undertaken in spring 2025 with an action plan agreed on steps to be taken to avoid reoccurrence or delay to future accounts sign-off.

### Significant Control Issues/Weaknesses

In completing this governance statement there have been no exceptions or issues raised for inclusion by internal or external auditors in respect of significant control issues/weaknesses.

### **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.

### **Conclusion**

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 2025 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.

## Remuneration and Staff Report

The sections marked \* in this Remuneration Report have been audited by Forvis Mazars LLP, external auditors. The other sections of the Remuneration Report were reviewed by Forvis Mazars LLP to ensure that they were consistent with the financial statements.

### Remuneration Policy

Annually the remuneration of the Principal and Executive Team is the subject of a discussion at the Chairs' Committee – which serves as a Remuneration Committee.

### \*Remuneration including salary and pension entitlements

The following tables provide detail of the remuneration and pension interests of senior management:

	year ended 31 July 2025			year ended 31 July 2024		
Name	Salary Band £000	Pension Benefit £000	Band Total £000	Salary Band £000	Pension Benefit £000	Band Total £000
Laurie O'Donnell	15-20	0	15-20	15-20	0	15-20
Simon Hewitt	130-135	0	130-135	125-130	0	125-130
Steven Taylor	100-105	0	100-105	95-100	0	95-100
Julie Grace	100-105	0	100-105	95-100	0	95-100

Post titles are provided on pages 21 and 22

### Median Remuneration

Colleges have been required by the Government Financial Reporting Manual (FReM) to disclose the relationships between the remuneration of the highest paid official and the median remuneration of their workforce and the range of staff remuneration. The 2021-22 FReM introduced new requirements around disclosures of 25<sup>th</sup> and 75<sup>th</sup> percentile pay ratios, their comparison to the remuneration of the College's highest paid official, percentage changes from previous year and explanation of any changes:

*Range of workforce remuneration:-		2024-25	2023-24	Change
		£	£	%
Staff Average (salary & allowances)		39,309	36,009	9.2%
Highest paid official remuneration		130k-135k	125k-130k	3.8%
Median (total pay and benefits)		42,128	39,264	7.3%
Median (salary only)		42,128	39,264	7.3%
Ratio		3.1	3.2	-3.1%
25 <sup>th</sup> percentile (total pay and benefits)		27,734	26,234	5.7%
25 <sup>th</sup> percentile (salary only)		27,734	26,234	5.7%
Ratio*		4.8	4.9	-2.0%
75 <sup>th</sup> percentile (total pay and benefits)		48,357	43,357	11.5%
75 <sup>th</sup> percentile (salary only)		48,357	43,357	11.5%
Ratio		2.7	2.9	-6.9%

The banded remuneration of the highest paid official in the organisation in the financial year 2024-25 was £130,000-£135,000 (2023-24: £125,000-£130,000). This was 3.1 times (2023-24: 3.2 times) the median remuneration of the workforce which in the financial year 2024-25 was £42,128 (2023-24 £39,264). The lowest paid employee salary was £22,932 (2023-24 £21,840).

Changes from prior year mainly reflects the implementation of 2 years Staff pay awards during the year.

### Accrued Pension Benefits

Pension benefits for teaching staff are provided through the Scottish Teacher's Superannuation Scheme (STSS), a defined benefit scheme, which is notionally funded and contracted out of State Earnings-Related Pension Scheme. The Pension Benefit in the above tables does not represent the cash value of pension contributions made in the year. It is calculated as the real increase in pension multiplied by 20, plus the real increase in any lump sum, less contributions made by the member, as required by FReM issued by HM Treasury.

STSS is provided by the Scottish Public Pensions Agency. It remained a final salary (Legacy) pension scheme for protected members only and since 1 April 2015 has been a Career Average Revalued Earnings (CARE) scheme for the majority of members. However, from 1 April 2022 all members retrospectively transferred to the 2015 CARE scheme and the intervening period becomes a Remedy period providing options for eligible members upon retirement.

Non-teaching staff are enrolled into the Local Government Pension Scheme (LGPS). Benefits for all members of this scheme are now provided under CARE arrangements since transition on 1 April 2016. Contribution rates for both schemes are set annually for all employees and can be found in Note 16.

There is no longer any automatic entitlement to a lump sum. STSS members may opt to give up (commute) pension for lump sum up to the limit set by the Finance Act 2004. LGPS members can access pension under new pension release rules introduced in April 2015.

### \*Senior Officials Pension

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

Name	Accrued pension at pension age at 31 July 2025	Accrued lump sum at pension age at 31 July 2025	Real increase in pension 1 August 2024 to 31 July 2025	Real increase in lump sum 1 August 2024 to 31 July 2025	CETV at 31 July 2025	CETV at 31 July 2024	Real increase in CETV
	£000	£000	£000	£000	£000	£000	£000
Simon Hewitt	40-45	0-5	2.5- 5	0-2.5	556	494	62
Steven Taylor	65-70	0-5	5-7.5	0-2.5	1,192	1,055	137
Julie Grace	60-65	0-5	5-7.5	0-2.5	984	870	114



## 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 Local Government service and not just their current appointment.

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

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

## Real Increase in CETV

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

## Staff Report

During the year to 31 July 2024 the College employed 636 full-time equivalent staff. At 31 July 2025 the staff headcount was 960 comprising of 624 females and 336 males.

Full disclosure of staff costs of £36.388m is given in Note 9 to the Accounts.

Disclosure of agency staff costs of £353k is given in Note 11. Other than individuals engaged under a shared service agreement with Advanced Procurement for Universities and Colleges, all amounts are paid for temporary staff on an ad hoc basis to cover staff absence or to obtain specialisms not available from permanent staff.

Working time lost through sickness was 3.75%, marking a return to similar absence levels to the pre-COVID period. At an average of 6.1 days per annum this rate is significantly below the September CIPD reported UK average staff absence rate of 9.4 days.

Staff Turnover (non-forced) is sitting at 10.45%, consistent with the rate in 2023/24 and remaining low by sector and UK standards ([CIPD estimates](#) UK Education staff turnover at 16.1%).

Reflecting the financial position of the whole college sector, overall staff numbers have declined year-on-year, with this trend set to continue for the foreseeable future. Given the continuing flat cash funding

model, the College is again embarked on a major savings exercise with a target to reduce the 2025/26 budget by a minimum of £2.5 million through a combination of curriculum and service reductions.

Steps are in place to communicate the background and rationale for the saving being proposed and active steps are being taken to involve staff in proposing alternatives alongside campaigning for additional funds. This work will continue throughout 2025/26 and it is anticipated may be necessary in future years should funding levels fail to increase.

As part of on-going service review and savings measures the College took the decision in May 2025 to cease the commercial operation of the Gardyne Sports Centre and to close the swimming pool. These changes met with some resistance from customers but were necessary given the financial subsidy required to support these operations. A decision was also made to cease the commercial operation of the Service Design Academy, with this transferring to a new employee owned organisation. Following the decision of Gardyne Theatre Limited to cease operations, the College will assume operating responsibility for the Gardyne Theatre from January 2026 onwards.

Significant developments continue to be made in the use of Artificial Intelligence, Power Automate and workflows, and developments have incorporated improved data use plus a focus on underpinning culture changes to reduce silo working and enhance agile and collegiate approaches.

Regular biennial staff engagement surveys are undertaken independently using the 'Peachy Mondays' platform and utilise a common format and questions to support comparison. Outcomes from the last survey (spring 2024) were strongly positive and were reported fully in the 2023/24 financial statements. It is planned that a follow up survey will be undertaken in early 2026.

Utilising the Peachy Monday's platform ensures that the survey benefits from this expertise and also that it is fully confidential. The platform also hosts the anonymous conversations functionality, allowing a representative from the College to respond to specific survey feedback and engage anonymously in conversation around these.

The survey data has been used in a variety of ways to influence Senior Leadership Team and People Team activities and plans. Including using the data to inform operational priorities and focus in respect of staff CPD and other development opportunities.

Specific feedback in respect of issues surrounding student behaviour management have supported prioritisation of this as a key 'Changing Learner' theme during 2024/25, combining the development of positive behaviour management with the growing focus on embedding [trauma informed practice](#) across all services and staff approaches.

The #JustOne Hour initiative launched in 2024 continues to grow and develop. During AY 2024/2025, over 550 staff have attended more than 40 individual college sessions, with 95.5% rating their experience as 'excellent'. Wellbeing engagement has increased in almost all teams, especially for those that have not previously been involved. This approach will continue to be developed through 2025/2026.

In line with the Our People element of the 2030 Strategy, arrangements to support staff wellbeing have been refreshed and the College has also become a signatory of the [TUC Dying to Work Charter](#), offering clear support for any staff diagnosed with a terminal illness.

Responding to feedback within the staff survey, the College's first all staff development day was held in November 2024. This event was held across all campuses with over 400 staff attending and over 80 different CPD sessions offered with over 90% reported feeling more confident and equipped for their roles post-event.

Of those responding, 82% highlighted that they would recommend the session they attended to their colleagues, with 80% keen to attend further similar development activities. Following on from this feedback, a similar all staff event has been scheduled for February 2026.

In line with recommended good practice from Audit Scotland an updated Workforce Plan was implemented in February 2025. This revised 2025 – 2028 plan outlines the key areas of focus for the recruitment, development and leadership of our workforce over the forthcoming period, embedding recognised themes around CPD, the Changing Learner, Trauma Informed Practice and Digital / AI developments.

D&A is committed to the Fair Work agenda and principles as outlined in the [Fair Work First statement](#) on our website. We have positive and productive relationships with our recognised unions (EIS, GMB and Unison). The College and recognised unions work together on joint solutions and approaches, based around agreed principles and ways of working. This includes approaches in respect of the adoption and promotion of health and safety and joint ways of working as unions/management. These approaches have supported greater engagement and communication between College and unions and have supported engagement around the major savings and efficiency plans.

Direct engagement and communication with staff is open, ensuring that all staff have access to up-to-date information around College developments, opportunities and challenges. We make active use of service design methodologies to engage and involve staff in major developments impacting the College and offer multiple opportunities for staff at all levels to join working groups, College committees and other developments. Two members of staff are full members of the Board of Management alongside the trade union nominated board members introduced in March 2024.

The College has transparent arrangements underpinning staff recruitment and progression coupled with extensive continuous professional development support for all staff. The College has been a Living Wage employer since 2017 and operates a range of best practice Human Resource policies and procedures to underpin positive engagement, equalities, dignity, wellbeing and job security for staff.

Staff satisfaction and engagement is consistently high and our absence and turnover figures are regularly well below national averages.

The College is a regular winner of employer awards, including recognition for individual services and activities, and as an employer of choice. Evaluation under the Scottish Government Fair Work Self-evaluation tool places D&A at the highest 'Embedding level' across all five Fair Work indicators.

Good use continues to be made of the JISC Digital Elevation tool to evaluate progress on our digital transformation. This has identified significant strengths around our Digital Culture, Pre-arrival, Curriculum Staff, Cyber Security and Cloud elements, with these assessed to be operating at the 'elevate' level.

We are progressing rapidly with our cloud first strategy and have invested significantly (c£950k) in our network infrastructure over the past 24 months. We are currently investing in replacement of our full range of student management systems, designed to improve and integrate services for students whilst significantly reducing costs. As part of our transformation agenda we are progressing our use of data to inform and transform analysis and decision making.

Excellent progress has been made in respect of our Climate Emergency Action Plan, with D&A reducing its scope 1 and 2 emissions by c70% since 2009. We have achieved almost all of the challenge targets outlined within our CEAP Roadmap published in 2021, with significant progress also being made in respect of the handful of targets not achieved. To further support our journey to net zero, a revised CEAP and set of stretching targets was published in late 2024.

Our curriculum sustainability mapping project commenced in January 2023, with our Academic Development Team working in partnership with curriculum teams to identify and create opportunities to promote and embed the UN Sustainable Development Goals within curriculum content and teaching practice.

All of these activities reflect our commitment to take a mixture of practical, cultural, and pedagogical action to address the climate emergency and meet our ambitious net zero ambitions.

All of these activities are supported by mandatory training on positive equalities practice and our culture and approaches to foster good relations across the range of equalities protected characteristics.

In May 2024 D&A became the first college in Scotland to be recognised as a College of Sanctuary for our practice in supporting positive engagement and integration for refugees and asylum seekers and we have progressed significant work to further tackle issues of gender based violence in our community.

We introduced our student charter in August 2024 to underpin expectations and behaviours across the College, linking this into our college values and promoting our RSPECT branding for students and staff.

Outcomes in respect of monitoring of equalities data and activities are reported through our [Equalities Mainstreaming Report](#) and [Gender Pay Gap reporting](#)

**\*Compensation for loss of office**

The table below summarises the exit packages by cost band.

	<b>2025</b>	<b>2025</b>	<b>2025</b>	<b>2024</b>
<b>Exit package cost band</b>	<b>Number of compulsory redundancies</b>	<b>Number of other departures agreed</b>	<b>Total number of exit packages by cost band</b>	<b>Total number of exit packages by cost band</b>
<£10,000	-	7	7	3
£10,000 - £25,000	-	7	7	3
£25,000 - £50,000	-	7	7	3
£50,000 - £100,000	-	2	2	1
£100,000 - £150,000	-	0	0	0
Total number of exit packages	-	23	23	10
<b>Total cost (£)</b>	<b>-</b>	<b>504,911</b>	<b>504,911</b>	<b>231,193</b>

**\*Salaries and Related costs**

	<b>2025</b>	<b>2025</b>	<b>2025</b>	<b>2024</b>
	<b>Directly employed staff on permanent UK contracts £000s</b>	<b>Other staff including short-term contract, seconded and agency staff £000s</b>	<b>Total</b>	<b>Total</b>
Wages and salaries	23,707	3,847	<b>27,554</b>	<b>25,638</b>
Social security costs	2,494	398	<b>2,892</b>	<b>2,520</b>
Other pension costs	4,923	785	<b>5,708</b>	<b>4,896</b>
<b>Total</b>	<b>31,124</b>	<b>5,030</b>	<b>36,154</b>	<b>33,054</b>
Average number of FTE	<b>540</b>	<b>98</b>	<b>638</b>	<b>617</b>

The total number of higher paid staff, including senior post-holders, above a threshold of total emoluments of £60,000, are tabled in Note 9. The total remuneration of the Principal is given in Note 10 along with the total emoluments of all senior post holders.

## 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 July 2025.

### Relevant Union Officials

Number of Employees who were relevant union officials during the relevant period:	Full-time equivalent employee number:
9	9

### Percentage of time spent on facility time

Percentage:	Number of Employees:
0%	0
1%-50%	9
51%-99%	0
100%	0

### Percentage of pay bill spent on facility time

Total cost of facility time:	£64,328
Total pay bill:	£35,931,820
Percentage of the total pay bill spent on facility time:	0.18%

### Paid trade union activities

Time spent on trade union activities as a percentage of total paid facility time hours:	12%
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Approved on Behalf of the Board of Management on xx December 2025

**Simon Hewitt**  
**Principal**

# **Independent auditor's report to the Board of Management of Dundee and Angus College, the Auditor General for Scotland and the Scottish Parliament**

## **Report on the audit of the financial statements**

### **Opinion on the financial statements**

We have audited the financial statements in the annual report and accounts of Dundee and Angus ("the College") and its Group for the year ended 31 July 2025 under the Further and Higher Education (Scotland) Act 1992 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005. The financial statements comprise the Consolidated and College Statement of Comprehensive Income, Consolidated and College Statement of Changes in Reserves, Consolidated and College Statement of Financial Position, and the Consolidated and College Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the accompanying financial statements:

- give a true and fair view of the state of affairs of the College and its Group as at 31 July 2025 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**

We conducted our audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)), as required by the [Code of Audit Practice](#) approved by the Auditor General for Scotland. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We were appointed by the Auditor General on 18 May 2022. Our period of appointment is five years, covering 2022/23 to 2026/27. We are independent of the College and its Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Non-audit services prohibited by the Ethical Standard were not provided to the College. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern basis of accounting**

We 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 we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the ability of the College and its Group 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 current or future financial sustainability of the College and its Group. However, we 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**

We report in our Annual Audit Report, the most significant assessed risks of material misstatement that we 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 ability of the College and its Group 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 operations of the College and its Group.

### **Auditor's responsibilities for the audit of the financial statements**

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

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

- using our 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;



## Independent Auditor's Report (continued)

- inquiring of the College Principal 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 concerning the College's policies and procedures regarding compliance with the applicable legal and regulatory framework;
- discussions among our 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 our 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 skilfulness of the perpetrator, the frequency and extent of manipulation, the degree of collusion involved, the relative size of individual amounts manipulated, and the seniority of those individuals involved.

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

## Reporting on regularity of expenditure and income

### Opinion on regularity

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

### Responsibilities for regularity

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

## Reporting on other requirements

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

We have audited the parts of the Remuneration and Staff Report described as audited. In our opinion, the audited parts of the Remuneration and Staff Report have 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 the other information in the annual report and accounts. The other information comprises the Performance Report and the Accountability Report excluding the audited parts of the Remuneration and Staff Report.

Our 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 our knowledge obtained in the course of the audit

or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon except on 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 our opinion, based on the work undertaken in the course of the audit:

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

## **Matters on which we are required to report by exception**

We are required by the Auditor General for Scotland to report to you if, in our opinion:

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

We have nothing to report in respect of these matters.

## **Conclusions on wider scope responsibilities**

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

## Use of our report

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

Michael Speight, Audit Director  
For and on behalf of Forvis Mazars LLP

Forvis Mazars  
5th Floor,  
3 Wellington Place,  
Leeds  
LS1 4AP

Michael Speight is eligible to act as an auditor in terms of section 21 of the Public Finance and Accountability (Scotland) Act 2000

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# CONSOLIDATED AND COLLEGE STATEMENTS

Consolidated & College Statement of Comprehensive Income for the year ended 31 July 2025

		Consolidated		College	
	Note	2025 £000	2024 £000	2025 £000	2024 £000
<b>Income</b>					
Funding body grants	3	34,181	34,183	34,181	34,183
Tuition fees and education contracts	4	4,870	4,780	4,870	4,780
Other grants and contracts	5	5,275	3,366	5,265	3,351
Other income	6	2,978	2,330	2,673	2,119
Investment income	7	96	109	96	109
Donations and endowments	8	110	702	110	702
<b>Total income</b>		<b>47,510</b>	<b>45,470</b>	<b>47,195</b>	<b>45,244</b>
<b>Expenditure</b>					
Staff costs	9	35,364	32,304	35,233	32,152
Cost of Job Evaluation not matched by Revenue	9	676	676	676	676
Exceptional restructuring costs	9	348	238	348	238
Other operating expenses	11a	9,216	12,072	9,060	11,950
Depreciation	12	3,782	3,889	3,782	3,889
Interest and other finance costs	11b	136	186	136	186
<b>Total expenditure</b>		<b>49,522</b>	<b>49,365</b>	<b>49,235</b>	<b>49,091</b>
<b>(Deficit) before other gains/ (losses)</b>		<b>(2,012)</b>	<b>(3,895)</b>	<b>(2,040)</b>	<b>(3,847)</b>
Loss on disposal of assets		(23)	-	(23)	-
<b>(Deficit) for the year</b>		<b>(2,035)</b>	<b>(3,895)</b>	<b>(2,063)</b>	<b>(3,847)</b>
Actuarial gain/(loss) in respect of pension scheme		306	(410)	306	(410)
Unrealised surplus/(loss) on revaluation of tangible fixed assets		8,938	(3,765)	8,938	(3,765)
<b>Total comprehensive income for the year</b>		<b>7,209</b>	<b>(8,070)</b>	<b>7,181</b>	<b>(8,022)</b>

## Consolidated & College Statements (continued)

For the year ended 31 July 2025

		Consolidated		College	
	Note	2025 £000	2024 £000	2025 £000	2024 £000
Represented by:					
Unrestricted comprehensive income for the year		7,209	(8,070)	7,181	(8,022)
		<u>7,209</u>	<u>(8,070)</u>	<u>7,181</u>	<u>(8,022)</u>
Deficit for the year attributable to:					
Group/College		(2,035)	(3,895)	(2,063)	(3,847)
		<u>(2,035)</u>	<u>(3,895)</u>	<u>(2,063)</u>	<u>(3,847)</u>
Total comprehensive income/(expenditure) for the year attributable to:					
Group/College		7,209	(8,070)	7,181	(8,022)
		<u>7,209</u>	<u>(8,070)</u>	<u>7,181</u>	<u>(8,022)</u>

The Statement of Comprehensive Income is in respect of continuing activities.

The Statement of Comprehensive Income is prepared under the FE/HE SORP. Colleges are also subject to Central Government accounting rules, but the FE/HE SORP does not permit colleges to include Government non-cash allocations for depreciation in the Statement of Comprehensive Income. Note 2 provides details of the adjusted operating position on a Central Government accounting basis.

Comprehensive income includes a £4.0m adjustment for changes to Accounting Treatment of Support Job Evaluation funding in 2023/24. This created a provision of £4.0m in 2023/24 and this increased to £4.678m in 2024/25. This is detailed in Note 21 and in the “Technical Impact of National Job Evaluation Funding Change” section on page 18.

The accompanying notes form part of these financial statements.

**Consolidated & College Statement of Changes in Reserves For the year ended 31 July 2025**

	<b>Income Expenditure Reserve £000</b>	<b>Revaluation Reserve £000</b>	<b>Total £000</b>
<b>Consolidated balance at 1 August 2023</b>	<b>14,166</b>	<b>33,340</b>	<b>47,506</b>
(Deficit) from the Consolidated Statement of Comprehensive Income	(3,895)	-	(3,895)
Actuarial loss	(410)	-	(410)
Revaluation loss	-	(3,765)	(3,765)
Transfers between revaluation and income and expenditure reserves	631	(631)	-
<b>Total comprehensive income for the year</b>	<b>(3,674)</b>	<b>(4,396)</b>	<b>(8,070)</b>
<b>Balance at 1 August 2024</b>	<b>10,492</b>	<b>28,944</b>	<b>39,436</b>
(Deficit) from the Consolidated Statement of Comprehensive Income	(2,034)	-	(2,034)
Actuarial surplus	306	-	306
Revaluation surplus	-	8,938	8,938
Transfers between revaluation and income and expenditure reserve	695	(695)	-
<b>Total comprehensive income for the year</b>	<b>(1,033)</b>	<b>8,243</b>	<b>7,210</b>
<b>Balance at 31 July 2025</b>	<b>9,459</b>	<b>37,187</b>	<b>46,646</b>
<b>College</b>			
<b>Balance at 1 August 2023</b>	<b>14,144</b>	<b>33,340</b>	<b>47,484</b>
(Deficit) from the College Statement of Comprehensive Income	(3,847)	-	(3,847)
Actuarial loss	(410)	-	(410)
Revaluation loss	-	(3,765)	(3,765)
Transfers between revaluation and income and expenditure reserve	631	(631)	-
<b>Total comprehensive income for the year</b>	<b>(3,626)</b>	<b>(4,396)</b>	<b>(8,022)</b>
<b>Balance at 1 August 2024</b>	<b>10,518</b>	<b>28,944</b>	<b>39,462</b>
(Deficit) from the College Statement of Comprehensive Income	(2,062)	-	(2,062)
Actuarial surplus	306	-	306
Revaluation surplus	-	8,938	8,938
Transfers between revaluation and income and expenditure reserve	695	(695)	-
<b>Total comprehensive income for the year</b>	<b>(1,061)</b>	<b>8,243</b>	<b>7,182</b>
<b>Balance at 31 July 2025</b>	<b>9,457</b>	<b>37,187</b>	<b>46,644</b>

There are no endowment or restricted reserves

**Consolidated & College Statement of Financial Position as at 31 July 2025**

		<b>Consolidated</b>		<b>College</b>	
	<b>Note</b>	<b>2025 £000</b>	<b>2024 £000</b>	<b>2025 £000</b>	<b>2024 £000</b>
<b>Non-current assets</b>					
Fixed assets	<b>12</b>	74,102	67,791	74,102	67,791
Trade & other receivables	<b>13</b>	464	546	464	546
		<b>74,566</b>	<b>68,337</b>	<b>74,566</b>	<b>68,337</b>
<b>Current assets</b>					
Stocks		10	13	9	10
Trade & other receivables	<b>13</b>	1,164	1,633	1,167	1,629
Cash and cash equivalents		4,076	6,777	4,061	6,726
		<b>5,250</b>	<b>8,423</b>	<b>5,237</b>	<b>8,365</b>
Creditors: amounts falling due within one year	<b>14</b>	7,087	9,476	7,076	9,392
<b>Net current (liabilities)</b>		<b>(1,837)</b>	<b>(1,053)</b>	<b>(1,839)</b>	<b>(1,027)</b>
<b>Total assets less current liabilities</b>		<b>72,729</b>	<b>67,284</b>	<b>72,727</b>	<b>67,310</b>
Less: Creditors falling due after more than one year	<b>15</b>	19,456	21,557	19,456	21,557
<b>Net assets</b> excluding pension and other (asset)/liability		<b>53,273</b>	<b>45,727</b>	<b>53,271</b>	<b>45,753</b>
Provision	<b>21</b>	4,678	4,001	4,678	4,001
Funded pension (asset)/liability	<b>16</b>	-	-	-	-
Unfunded pension liability	<b>17</b>	1,950	2,290	1,950	2,290
<b>Total net assets</b>		<b>46,645</b>	<b>39,436</b>	<b>46,643</b>	<b>39,462</b>
<b>Unrestricted reserves</b>					
Income and expenditure reserve – unrestricted		9,458	10,492	9,456	10,518
Revaluation reserve		37,187	28,944	37,187	28,944
<b>Total reserves</b>		<b>46,645</b>	<b>39,436</b>	<b>46,643</b>	<b>39,462</b>

The financial statements were approved and authorised for issue by the Board of Management on xx December 2025 and signed on its behalf by:

Laurie O'Donnell - Chair

Simon Hewitt – Principal



**Consolidated Statement of Cash Flows For the year ended 31 July 2025**

	<b>Note</b>	<b>2025 £000</b>	<b>2024 £000</b>
<b>Cash flow from operating activities</b>			
Deficit for the year		(2,035)	(3,895)
<b>Adjustment for non-cash items</b>			
Depreciation	12	3,782	3,889
Decrease/(Increase) in stocks		3	(1)
Decrease in debtors		552	3,076
Decrease in creditors		(2,389)	(2,841)
Pension costs less contributions payable		643	(410)
(Decrease)/Increase in Provision	21	(353)	4,001
<b>Adjustment for investing or financing activities</b>			
Investment income	7	(96)	(109)
Interest payable	11b	85	123
Loss on the sale of fixed assets		(15)	-
Release of deferred capital grants		(2,474)	(2,121)
<b>Net cash (outflow)/inflow from operating activities</b>		<b>(2,297)</b>	<b>1,712</b>
<b>Cash flow from investing activities</b>			
Proceeds from sale of fixed assets		38	-
Investment income		96	109
Deferred capital grants received		1,179	732
Non-government capital grants			
Payments made to acquire fixed assets		(1,179)	(732)
<b>Net cash inflow from investing activities</b>		<b>134</b>	<b>109</b>
<b>Cash flow from financing activities</b>			
Interest paid		(85)	(123)
Repayments of amounts borrowed		(453)	(454)
<b>Net cash (outflow) from financing activities</b>		<b>(538)</b>	<b>(577)</b>
<b>(Decrease)/Increase in cash and cash equivalents in the period</b>		<b>(2,701)</b>	<b>1,244</b>
Cash and cash equivalents at beginning of the period		<b>6,777</b>	<b>5,533</b>
Cash and cash equivalents at end of the period		<b>4,076</b>	<b>6,777</b>

# NOTES TO THE FINANCIAL STATEMENTS

## Note 1 Statement of Principal Accounting Policies

### Charity Information

The College was established under the Further and Higher Education Act 1992. The College is a registered charity (Scottish charity Number: SC021188) for the purposes of the Law Reform (Miscellaneous Provision) (Scotland) Act 2005. The registered office is Old Glamis Road, Dundee, DD3 8LE.

### Basis of Preparation

The financial statements are prepared in accordance with the requirements of the Further and Higher Education (Scotland) Act 1992, the Statement of Recommended Practice (SORP) 2019: Accounting in Further and Higher Education, and the Financial Reporting Manual (FReM) 2024-25 issued by HM Treasury and in accordance with applicable Accounting Standards, including Financial Reporting Standard 102 – "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" ("FRS 102"), the Charities and Trustee Investment (Scotland) Act 2005, and regulation 14 of The Charities Accounts (Scotland) Regulations 2006. They conform to the Accounts Direction and other guidance issued by the Scottish Funding Council.

The college is a public benefit entity and therefore has applied the relevant public benefit requirement of FRS 102.

Basis of Accounting The financial statements are prepared in accordance with the historical cost convention modified by the revaluation of certain fixed assets.

The accounting policies contained in the FReM apply International Reporting Standards as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy the accounting policy which is judged to be most appropriate to the College for the purpose of giving a true and fair view has been selected. The particular policies adopted by the College in dealing with items that are considered material to the financial statements are set out in these notes.

The financial statements are presented in Sterling (£).

### Significant judgements and estimates

In the application of the Group's accounting policies, the Board of Management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Key sources of estimation have been applied as follows:

Non-current asset valuations and useful economic lives - College buildings are of a specialist nature and are valued on the depreciated replacement cost basis. Buildings are depreciated over their expected remaining useful economic life as assessed by an independent, qualified valuer. As a result of the 10-year infrastructure vision for the College as highlighted in the Performance report –Statement from the Principal the economic life has not been reduced. The Caretaker's Cottage at Kingsway Campus is an exception as it is valued at Market Value.

Obligations under the LGPS - The Board has relied on the actuarial assumptions of independent, qualified actuaries. The assumptions interact in complex ways, and the balance sheet position is dependent upon several factors. The key variables are Asset Returns, Discount Rate, Inflation and Mortality. An Asset Ceiling was applied by the scheme actuaries in 2022/23 and this continues for 2024/25. The asset ceiling is the present value of any economic benefit available to the Employer in the form of refunds or reduced future employer contributions. Whilst it is potentially possible for employers to receive such benefit it is assumed that there is no prospect of an unconditional right to this as it is at the discretion of the fund. Furthermore, it is assumed that the employer will participate in the fund indefinitely and the present value of future accruals and primary contributions far exceed the value of the Asset Ceiling and consequently the economic benefit of future contribution reductions is nil. We have reviewed these assumptions and consider them reasonable and appropriate. A provision continues to be made for unfunded pension liabilities.

#### Continuing Activities

The results reported in the financial statements are derived from the continuing activities of Dundee and Angus College.

#### Basis of Consolidation

The consolidated financial statements for the Group bring together the financial statements of the College and its wholly owned subsidiary 'Gardyne Theatre Limited'.

#### Investment in Subsidiaries

The consolidated financial statements incorporate the financial statements of the college and entities controlled by the Group. Control is achieved where the Group has the power to govern the financial and operating policies of an entity so as to obtain benefit from its activities.

The results of subsidiaries acquired or disposed of during the year are included in total comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate using accounting policies consistent with those of the parent. All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Investments in subsidiaries are accounted for at cost less impairment in the individual financial statements.

#### Recognition of Income

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

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

## Notes to the Financial Statements (continued)

Where the amount of the tuition fee is reduced, by a discount for prompt payment, income receivable is shown net of the discount.

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

Funds the College receives and disburses as paying agent on behalf of a funding body are excluded from the income and expenditure account.

### Grant Funding

Government revenue grants including the recurrent grants from the Scottish Funding Council (SFC) 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 any 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 statement of financial position and released to income as the conditions are met.

### Donations and Endowments

Non exchange transactions without performance related conditions are donations and endowments. Donations and endowments with donor-imposed restrictions are recognised in income when the College is entitled to the funds. Income is retained within the restricted reserve until such time that it is utilised in line with such restrictions at which point the income is released to general reserves through a reserve transfer.

Donations with no restrictions are recognised in income when the College is entitled to the funds.

Investment income and appreciation of endowments is recorded in income in the year in which it arises and as either restricted or unrestricted income, according to the terms 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. The funds will be held in deferred income under creditors until conditions are met.

#### Foreign Currency Translation

Transactions denominated in foreign currencies are recorded at the rate of exchange ruling at the dates of the transactions.

#### Maintenance of Premises

Property maintenance is carried out as a result of surveys, ongoing inspections and in accordance with the College Estates Strategy. The cost of the maintenance is charged to the Consolidated Statement of Comprehensive Income in the year in which it is incurred.

#### Pension Schemes

The College participates in two multi-employer defined benefit pension schemes.

Teaching staff may join the Scottish Teachers' Superannuation Scheme (STSS), which is administered by the Scottish Public Pensions Agency. The College is unable to identify its share of the underlying assets and liabilities of the STSS and therefore, as required by FRS 102, accounts for its participation in the STSS as if it were a defined contribution scheme. Contributions are charged to the income and expenditure account as they arise. This is expected to result in the pension cost being a substantially level percentage of current and future pensionable payroll. The contributions are determined by qualified actuaries based on periodic valuations using the projected unit basis.

Non-teaching staff may join the Tayside Superannuation Scheme which is administered by Dundee City Council. The Fund is a defined benefit pension scheme, contracted out of the State Earnings-Related Pension Fund. Benefits are provided based on length of service, together with final pensionable pay to 31 March 2015 and Career Average Revalued Earnings thereafter. Assets and Liabilities of the Fund are held separately from those of the College. Fund assets are measured using market values. Fund 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 Fund are calculated so as to spread the cost of pensions over employees' working lives with the College. The contributions are determined by an actuary on the basis of triennial valuations using the Age Attained Method. The actuaries also review the progress of the scheme in each of the intervening years. Variations from regular costs are spread over the expected average remaining working lifetime of members of the Fund, after making allowances for future withdrawals. The expected cost of providing staff pensions to employees contributing to the Fund is recognised in the Consolidated Statement of Comprehensive Income on a systematic basis over the expected average remaining lives of members of the Fund in accordance with FRS 102 and recognises retirement benefits as the benefits are earned and not when they are due to be paid.

#### 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.

Property, Plant and Equipment

(a) Land and Buildings

Land and buildings inherited from the local education authority, inherited but not in use for education purposes and other acquired land and buildings since incorporation are stated in the Statement of Financial Position at valuation. Land is not depreciated.

Buildings are depreciated over their expected useful economic life within the following major components:

Buildings and main sub-structure	50 years
Internal structure/mechanical & electrical	25 years
Internal fixtures & property improvements	10 years
Information & communications infrastructure	5 years

Property improvements are depreciated on a straight-line basis over ten years.

Depreciation is revised to amortise building components over remaining economic life when this has been identified as part of the revaluation process described below.

Assets may continue in use beyond their initial estimated useful life. Where this is the case an estimation of the remaining useful life will be made along with a subsequent adjustment to recognise the remaining value in use.

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

Where land and buildings are acquired with the aid of specific Government grants, the related grants are credited to a deferred capital grant account and are released to the Income and Expenditure Account over the expected useful economic life of the related asset on a basis consistent with the depreciation policy.

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

(b) Property Revaluation

In accordance with the Government Financial Reporting Manual (FReM), tangible fixed assets are required to be valued on a current value basis. As a minimum, quinquennial valuations are undertaken with interim valuations in year three by qualified surveyors. Fair value will however be considered annually, and this exercise will be supplemented by further interim valuations using either surveyor values or building price indexation. A full revaluation of land and buildings was carried out at 31 July 2025 by an independent qualified valuer.

## Notes to the Financial Statements (continued)

### (c) Subsequent Expenditure on Existing Fixed Assets

Where expenditure is incurred on tangible fixed assets it is charged to the Income and Expenditure Account in the period it is incurred unless it meets one of the following criteria, in which case it is capitalised and depreciated on the relevant basis:

- Market value of the fixed asset has subsequently improved
- Asset capacity increases or service potential of the asset is enhanced
- Substantial improvement in the quality of output or the reduction in operating costs
- Significant extension of the asset's life beyond that conferred by repairs and maintenance

Costs which are easily identifiable for specific projects or of a similar type will be grouped, capitalised and depreciated on the relevant basis.

### (d) Equipment

Individual assets which are separately identifiable or groups of assets of a similar type are capitalised and depreciated on the relevant basis, at cost.

Capitalised equipment is depreciated over its useful economic life as follows:

Heavy plant	10 years
Furniture	10 years
Light plant and equipment	5 years
Motor vehicles	4 years
Computer/digital equipment	3 years

Assets may continue in use beyond their initial estimated useful life. Where this is the case an estimation of the remaining useful life will be made along with a subsequent adjustment to recognise the remaining value in use.

Where equipment is acquired with the aid of specific Government grants, the related grant is credited to a deferred capital grant account and released to the income and expenditure account over the expected useful economic life of the related equipment.

Equipment acquired by non-Government grants is 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 for equipment as it is common for such assets to reduce in value, rather than increase, as they are utilised by the College.

Contracts providing a license to use software for a specific period are not capitalised where no ownership is acquired. The cost is charged to revenue and spread evenly over the term of the license with any prepayment included in debtors.

### Leased Assets

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

## Notes to the Financial Statements (continued)

Leasing agreements which transfer to the College substantially all the benefits and risks of ownership of an asset are treated as if the asset had been purchased outright. The assets are included in fixed assets and the capital element of the leasing commitments is shown as obligations under finance leases. Assets held under finance leases are depreciated over their useful life.

Where a lease covers both land and buildings, the land and buildings elements are considered separately for classification.

The lease rentals are treated as consisting of capital and interest. The capital element is applied to reduce the outstanding obligation and the interest element is charged to the Consolidated Statement of Comprehensive Income in proportion to the reducing capital element outstanding. Leases not meeting the criteria of a finance lease are treated as an operating lease. 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 minimum lease term.

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

Stocks are stated at the lower of their cost and net realisable value. Where necessary, provision is made for obsolete, slow moving and defective stocks.

### Cash and cash equivalents

Cash includes cash in hand and deposits repayable on demand. 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.

The College is obliged to use the Scottish Government Banking Scheme and consequently utilises only current and special interest-bearing accounts repayable on demand.

### Debtors

Debtors are measured at transaction price, less any impairment, unless the arrangement represents a financing transaction. If the arrangement constitutes a financing transaction, the college measures the financial asset at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

Loan receivables are measured initially at the present value of cash receivable and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Financial assets identified as non-basic will be measured at fair value.



## Notes to the Financial Statements (continued)

### Creditors

Short Term Creditors are measured at transaction price.

Other financial liabilities, including bank loans are measured initially at the present value of cash payable, and are measured subsequently at amortised cost using the effective interest method.

Financial liabilities identified as non-basic will be measured at fair value.

### Agency Arrangements

The College acts as an agent in the collection and payment of certain Student Support Funds. These funds are excluded from the Consolidated Statement of Comprehensive Income, and movements have been disclosed in the notes to the financial statements.

Where the College has more discretion in the manner in which specific funds are disbursed, and those funds do not meet the definition of agency funds, the income and expenditure related to those funds are shown in the Consolidated Statement of Comprehensive Income.

### Taxation

The College is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable organisation for UK corporation tax purposes. Accordingly, the College is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

The College is partially exempt from VAT.

The College's subsidiary company is subject to corporation tax and VAT in the same way as any commercial organisation, although where profits are transferred by gift aid corporation tax will not be liable.

### Provisions

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

### 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.

		Consolidated		College	
2	Government Non-cash allocation for depreciation	2025 £000	2024 £000	2025 £000	2024 £000
	(Deficit) before other gains and losses (FE/HE SORP basis)	(2,012)	(3,895)	(2,040)	(3,847)
	Add back: Non-cash allocation for depreciation (net of deferred capital grant)	1,055	1,055	1,055	1,055
	(Deficit) on Central Government accounting basis	<b>(957)</b>	<b>(2,840)</b>	<b>(985)</b>	<b>(2,792)</b>

Following reclassification, colleges received additional non-cash budget to cover depreciation, but this additional budget is not recognised under the FE/HE SORP accounting rules. As a result, colleges show a deficit equivalent to net depreciation (where funds are spent on revenue items) to meet Government accounting rules and the requirement to spend the entire cash allocation.

Under the FE/HE SORP, the college recorded a consolidated operating deficit of £2.012m for the year ended 31 July 2025. After taking account of the Government non-cash budget, the college shows an “adjusted” consolidated deficit of £0.957m on Central Government accounting basis.

		Consolidated		College	
3	Scottish Funding Council grants	2025 £000	2024 £000	2025 £000	2024 £000
	SFC recurrent grant	31,251	28,366	31,251	28,366
	SFC childcare funds	305	412	305	412
	Release of deferred capital grants	64	1,714	64	1,714
	Capital grants	-	-	-	-
	Other SFC grants	2,561	3,691	2,561	3,691
		<b>34,181</b>	<b>34,183</b>	<b>34,181</b>	<b>34,183</b>

	Consolidated		College	
	2025 £000	2024 £000	2025 £000	2024 £000
<b>4 Tuition Fees and Education Contracts</b>				
FE fees - UK & EU	450	713	450	713
FE fees – non-EU	236	146	236	146
HE fees	2,205	2,389	2,205	2,389
Education contracts	1,971	1,520	1,971	1,520
Other contracts	8	12	8	12
	<b>4,870</b>	<b>4,780</b>	<b>4,870</b>	<b>4,780</b>

	Consolidated		College	
	2025 £000	2024 £000	2025 £000	2024 £000
<b>5 Other Grants and Contracts</b>				
Releases of deferred capital grants (non SFC)	2,349	408	2,349	408
Other grant income	2,926	2,958	2,916	2,943
	<b>5,275</b>	<b>3,366</b>	<b>5,265</b>	<b>3,351</b>

	Consolidated		College	
	2025 £000	2024 £000	2025 £000	2024 £000
<b>6 Other Income</b>				
Residences, catering and conferences	1,177	1,026	1,120	971
Other income-generating activities	1,261	966	1,013	810
Other income	540	338	540	338
	<b>2,978</b>	<b>2,330</b>	<b>2,673</b>	<b>2,119</b>

		<b>Consolidated</b>		<b>College</b>	
		<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
<b>7</b>	<b>Investment Income</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
	Interest receivable	96	109	96	109
		<b>96</b>	<b>109</b>	<b>96</b>	<b>109</b>

		<b>Consolidated</b>		<b>College</b>	
		<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
<b>8</b>	<b>Donations and Endowment</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
	Donations	110	702	110	702
		<b>110</b>	<b>702</b>	<b>110</b>	<b>702</b>

Dundee and Angus Foundation donated £110k in 2024/25 to support specialist staff to manage the next stages of Dundee and Angus College Infrastructure Vision and creation of the required outline and final business cases.

Dundee and Angus Foundation donated £700k in 2023/24 towards replacement of the College IT network.

		<b>Consolidated</b>		<b>College</b>	
		<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
<b>9</b>	<b>Staff Costs</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
	Wages and salaries	27,443	25,564	27,324	25,426
	Social security costs	2,890	2,520	2,883	2,513
	Other pension costs	5,707	4,896	5,702	4,889
	Exceptional restructuring costs	348	238	348	238
		<b>36,388</b>	<b>33,218</b>	<b>36,257</b>	<b>33,066</b>

	Consolidated		College	
<b>Staff Costs (continued)</b>	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Academic/Teaching departments	22,334	20,606	22,334	20,606
Academic/Teaching services	695	627	695	627
Administrative and central services	10,468	9,209	10,337	9,057
Premises	1,849	1,841	1,849	1,841
Catering and Residences	694	697	694	697
Sub-total	<b>36,040</b>	<b>32,980</b>	<b>35,909</b>	<b>32,828</b>
Exceptional restructuring costs	348	238	348	238
	<b>36,388</b>	<b>33,218</b>	<b>36,257</b>	<b>33,066</b>

The Exceptional restructuring costs relate to our Voluntary Severance Scheme.

Pension liabilities to present and former staff of £323k (2024: £67k) and the Apprenticeship Levy of £129k (2024: £102k) have been included within administrative and central services.

A change to the accounting treatment of the anticipated costs associated with the implementation of a national middle management and support staff job evaluation exercise for colleges required reversal of a £3.7m debtor and corresponding creditor (Scottish Funding Council) and creation of a £4.0m provision for job evaluation along with a contingent asset in 2023/24. This accounting treatment has continued for 2024/25 and the provision and corresponding contingent asset have increased to £4.7m. Further information is included at note 21 in the notes to the accounts and in the section Technical Impact of National Job Evaluation Funding Change on page 18.

The average number of full-time equivalent employees (including higher paid employees) during the period was:

	Consolidated		College	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
	<b>Number</b>	<b>Number</b>	<b>Number</b>	<b>Number</b>
Academic/teaching departments	355	342	355	342
Academic/teaching services	15	15	15	15
Administrative and central services	194	189	189	184
Premises	51	48	51	48
Catering and residences	20	22	20	22
<b>Total</b>	<b>635</b>	<b>616</b>	<b>630</b>	<b>611</b>

## Notes to the Financial Statements (continued)

Pay awards for Dundee and Angus College staff are negotiated nationally, except Senior Leadership Team pay awards which are determined by the Board Remuneration Committee. The Board of Gardyne Theatre Limited determine pay awards for theatre staff. There are no outstanding pay awards at July 2025.

The number of staff, including the Principal, who received emoluments in the following ranges (above a threshold of £60,000) was:

	<b>Senior Staff</b>		<b>Other Staff</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
£60,001 - £70,000	1	1	-	-
£70,001 - £80,000	7	5	-	-
£80,001 - £90,000	-	-	1	1
£90,001 - £100,000	-	2	-	-
£100,001 - £110,000	2	-	-	-
£120,001 - £130,000	-	1	-	-
£130,001 - £140,000	1	-	-	-
	<b>11</b>	<b>9</b>	<b>1</b>	<b>1</b>

### 10 Senior Post-Holders' Emoluments

	<b>Year to 31 July 2025 Number</b>	<b>Year to 31 July 2024 Number</b>
The number of senior post-holders including the Principal was:	11	13
	<b>£000</b>	<b>£000</b>
Salaries	915	890
Pension contributions	206	195
Total emoluments	<b>1,121</b>	<b>1,085</b>

## Notes to the Financial Statements (continued)

The above emoluments are for key management personnel and include amounts payable to the Principal (who was the highest paid senior post-holders) of:

	Year to 31 July 2025 £000	Year to 31 July 2024 £000
Salary	135	129
Pension contributions	35	31
	<b>170</b>	<b>160</b>

The pension contributions in respect of the Principal and senior post-holders are in respect of employer's contributions to the Scottish Teachers' Superannuation Scheme or Local Government Superannuation Scheme and are paid at the same rate as for other employees.

Other than as stated above, no member of staff received any payment from the institution other than the reimbursement of travel and subsistence expenses incurred in the course of their duties.

Compensation for the loss of office paid to senior post holders:

	Year to 31 July 2025 £000	Year to 31 July 2024 £000
Compensation for the loss of office paid to senior post holders	2	38

		Consolidated		College	
11a	Other Operating Expenses	2025 £000	2024 £000	2025 £000	2024 £000
	Academic/teaching departments	1,015	1,456	1,015	1,456
	Academic/teaching services	72	138	72	138
	Administration and central services	3,175	3,621	3,175	3,621
	Premises costs	3,540	5,586	3,540	5,586
	Catering and residence operations	622	572	600	550
	Other Income Generating Activities	134	100	-	-
	SFC Childcare funds	305	412	305	412
	Agency staff costs	353	187	353	187
	<b>Total</b>	<b>9,216</b>	<b>12,072</b>	<b>9,060</b>	<b>11,950</b>

		<b>Consolidated</b>		<b>College</b>	
		<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
		<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Other operating expenses include:					
External Auditor's remuneration					
- in respect of these financial statements		89	50	78	39
Internal Auditor's remuneration					
- internal audit		12	13	12	13
- other services		2	-	2	-
		<b>Consolidated</b>		<b>College</b>	
		<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
		<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>11b</b>	<b>Interest and Other Finance Costs</b>				
	Loan	85	123	85	123
	Pension	51	63	51	63
		<u>136</u>	<u>186</u>	<u>136</u>	<u>186</u>



## 12 Property, Plant and Equipment

	Land and Buildings £000	Equipment £000	Total £000
<b>Valuation/Cost</b>			
Accounts 31 July 2024	98,382	4,084	102,466
Add back 2034/24 Revaluation movement*	5,318	-	5,318
At 31 July 2024	<b>103,700</b>	<b>4,084</b>	<b>107,784</b>
Additions	453	725	1,178
Disposals	(400)	(188)	(588)
Revaluation Movement	438	-	438
<b>At 31 July 2025</b>	<b>104,191</b>	<b>4,621</b>	<b>108,812</b>
<b>Depreciation</b>			
Accounts 31 July 2024	32,096	2,579	34,675
Add back 2034/24 Revaluation movement*	5,318		5,318
At 31 July 2024	<b>37,414</b>	<b>2,579</b>	<b>39,993</b>
Disposals	(295)	(169)	(464)
Charge for year	3,303	479	3,782
Revaluation Movement	(8,601)	-	(8,601)
<b>At 31 July 2025</b>	<b>31,821</b>	<b>2,889</b>	<b>34,710</b>
<b>Net Book Value</b>			
At 31 July 2024	66,286	1,505	67,791
<b>At 31 July 2025</b>	<b>72,370</b>	<b>1,732</b>	<b>74,102</b>

\* A presentational adjustment was made to the opening cost and depreciation balances carried forward from 2023/24 to move the 2023/24 revaluation adjustment of £5,318k from cost to depreciation. This is a presentational adjustment and does not impact on the opening net book value.

Land and Buildings with a net book value of £43.023m have been financed by exchequer funds.

Land and Buildings are valued at depreciated replacement cost due to the specialist nature of the College, with the exception of the Caretaker's Cottage at Kingsway Campus which is valued at £135k fair value and St Vigeans the Glebe in Arbroath at £35k fair value.

A full revaluation of land and buildings was carried out at 31 July 2025 by Graeme and Sibbald an independent firm of Chartered Surveyors who are regulated by the Royal Institution of Chartered

Notes to the Financial Statements (continued)

Surveyors (RICS). This resulted in an increase of £8.060m to the next book value of land and buildings between 2023/24 and 2024/25, comprising £8.601m revaluation and £0.541k depreciation.

The value of land and buildings has changed due to the revaluation exercise but has not changed due to capital additions because capital additions are considered from the perspective of the overall value of the buildings or useful economic life.

There are no assets under construction as at 31 July 2025 (31 July 2024, £0.383m).

We have made a presentational change to opening cost and depreciation balances for land and buildings in 2024/25 because £5.318m was charged to cost in 2023/24 and is better presented as a charge to cumulative depreciation. This resulted in a presentational change to the opening cost balance from £98.382m to £103.700m and depreciation opening balance from £32.096m to £37.414m. This did not change the net book value.

College assets can only be sold in accordance with the terms of the Procedure Notes for the Disposal of Exchequer-Funded Assets and the Retention of Proceeds by FE Colleges.

13 Debtors	Consolidated		College	
	2025 £000	2024 £000	2025 £000	2024 £000
<b>Amounts falling due within one year:</b>				
Trade Debtors	248	287	253	289
Prepayments / Accrued Income	916	1,346	914	1,340
	<b>1,164</b>	<b>1,633</b>	<b>1,167</b>	<b>1,629</b>
<b>Amounts falling due after more than one year:</b>				
Prepayments / Accrued Income	464	546	464	546
	<b>464</b>	<b>546</b>	<b>464</b>	<b>546</b>

	Consolidated		College	
<b>14 Creditors: amounts falling due within 1 year</b>	<b>2025 £000</b>	<b>2024 £000</b>	<b>2025 £000</b>	<b>2024 £000</b>
Deferred income and payments received in advance	842	1,161	841	1,159
Trade creditors	933	839	941	810
Other creditors	26	41	24	26
Other tax and Social Security	732	1,204	730	1,201
Accruals	1,118	3,145	1,104	3,110
Bursaries and Access Funds for future disbursement	509	512	509	512
Bank Term Loan	453	453	453	453
Deferred Capital Grant	2,474	2,121	2,474	2,121
	<b>7,087</b>	<b>9,476</b>	<b>7,076</b>	<b>9,392</b>

Creditors includes £491k (2024: £586k) relating to Scottish Funding Council grants.

Creditors include funds held for Energy Skills Partnership, an independent strategic partnership established by the Scottish Funding Council, of £583k (2024: £471k). At 31 July the College has no beneficial interest and acts as host for the partnership's activities disbursing these funds to third parties. This is matched by corresponding cash and cash equivalent balance, resulting in a net nil impact upon the College's financial statements.

A change to the accounting treatment of the anticipated costs associated with the implementation of a national middle management and support staff job evaluation exercise for colleges in 2023/24 required a £4.7m provision for job evaluation along with a contingent asset. Further information is included at note 21 in the notes to the accounts and in the section Technical Impact of National Job Evaluation Funding Change on page 18.

	Consolidated		College	
<b>15 Creditors: amounts falling due after 1 year</b>	<b>2025 £000</b>	<b>2024 £000</b>	<b>2025 £000</b>	<b>2024 £000</b>
Deferred Capital Grant	18,543	20,191	18,543	20,191
Bank Term Loan	913	1,366	913	1,366
	<b>19,456</b>	<b>21,557</b>	<b>19,456</b>	<b>21,557</b>

### Analysis of borrowings

Bank loans are repayable as follows:	2025 £000	2024 £000
Between one and two years	453	453
Between two and five years	460	913
In five years or more	-	-

Initially borrowed as a revolving credit facility, on 29th June 2012 this sum transferred to a term loan repayable over 15 years commencing July 2014. Amount repayable within one year is shown within Creditors: amounts falling due within one year.

## 16 Pension and Similar Obligations

The College's employees belong to two principal pension schemes; the Scottish Teachers' Superannuation Scheme (STSS) and the Local Government Pension Scheme (LGPS).

The total pension contributions paid for the period was £5.377m (2024: £4.995m).

	2025 £000	2024 £000
STSS: contributions paid	3,515	3,138
LGPS: contributions paid	1,862	1,817
<b>Total pension contributions paid for the year</b>	<b>5,377</b>	<b>4,955</b>

### Scottish Teachers' Superannuation Scheme

(a) Dundee & Angus 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 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 results of the actuarial valuation as at 31 March 2020 informed an increased employer contribution to 26% from 1 April 2024 to 31 March 2027. The anticipated average yield employee's contribution is 9.6%. The level of contributions depends upon many factors but the change in financial assumptions and cost of future pension benefits has had the greatest impact upon the increase in employer contributions.

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

## Notes to the Financial Statements (continued)

(c) 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.

(d) (i) The scheme is an unfunded multi-employer defined benefit scheme.

(d) (ii) It is accepted that the scheme can be treated for accounting purposes as a defined contribution scheme in circumstances where Dundee & Angus College is unable to identify its share of the underlying assets and liabilities of the scheme.

(d) (iii) The employer contribution rate for the period from 1 April 2022 was 23% of pensionable pay. The employee rate applied is variable and is anticipated to provide a yield of 9.4% of pensionable pay. As described above, these rates increase to 26% and 9.6% from 1 April 2024.

(d) (iv) The College's level of participation in the scheme is 0.44% based on the proportion of employer contributions paid in 2022/23 and 2023-24

- £3.138m/£706.5m = 0.44% (per STPS 2022/23 Annual Report and Accounts)
- £3.515m/793.9m = 0.44% (per STPS 2023/24 Annual Report and Accounts).

**Local Government Pension Scheme (LGPS)** - The LGPS is a defined benefit statutory scheme, with the assets held in separate trustee administered funds. It currently provides benefits based on career average revalued earnings. The scheme is subject to triennial valuations by independent actuaries, with the most recent results available from a valuation carried out as at 31 March 2023. The employer contribution was maintained at 17% until 31 March 2024. This reduced to 15.7% on 1 April 2024 and is expected to remain at 15.7% until the next valuation in 2026.

### The major categories of scheme assets as a percentage of total scheme assets are as follows:

	<b>2025</b>	<b>%</b>	<b>2024</b>	<b>%</b>
	<b>£000</b>		<b>£000</b>	
Equities	68,032	68	65,198	77
Gilts	6,071	6	5,662	7
Other bonds	6,232	6	4,239	5
Property	17,444	18	7,826	9
Cash	2,001	2	1,671	2
Alternatives	(2)	-	62	-
<b>Total</b>	<b>99,778</b>	<b>100</b>	<b>84,658</b>	<b>100</b>

Principal actuarial assumptions at the Statement of Financial Position date (expressed as weighted averages):

	<b>2025</b>	<b>2024</b>
	<b>%</b>	<b>%</b>
Discount rate at 31 July	5.80	5.00
Future salary increases	3.85	3.85
Future pension increases (CPI)	2.85	2.85
RPI inflation	3.10	3.20

Notes to the Financial Statements (continued)

Life expectancy from age 65 years:

Retiring today:

Male	19.1	18.8
Female	21.7	21.6

Retiring in 20 years:

Male	20.5	20.2
Female	23.2	23.1

<b>Statement of Financial Position</b>	<b>2025</b>	<b>2024</b>
	<b>£000</b>	<b>£000</b>
Net Pension Asset as at:		
Present value of the defined benefit obligation	(58,562)	(62,355)
Fair value of Fund assets (bid value)	99,778	84,658
Notional Surplus	<b>41,216</b>	<b>22,303</b>
Unrecognised past service cost	-	-
Impact of actuarial asset ceiling cap calculation	(41,216)	(22,303)
Net defined benefit asset	-	-

The application of an Asset Ceiling at 31 July 2025 is disclosed within Note 1.

### Employer membership statistics

The table below summarises the membership data as at 31 March 2023 for members receiving funded benefits, and as at 31 March 2023 for any members receiving unfunded benefits.

<b>Member data summary</b>	<b>Number</b>	<b>Salaries/Pensions</b>	<b>Average age</b>
		<b>£000s</b>	
Actives	577	10,371	46
Deferred pensioners	616	887	48
Pensioners	274	1,468	69
Unfunded pensioners	78	343	81

This includes membership under the following employers in the Fund: (236) Dundee and Angus College, (402) Angus College, and (202) Dundee College.

<b>Amounts recognised in the Consolidated Statement of Comprehensive Income</b>	<b>2025 £000</b>	<b>2024 £000</b>
Service cost	2,410	1,751
Net interest on the defined asset/(liability)	51	63
Administration expenses	36	35
<b>Total cost</b>	<b>2,497</b>	<b>1,849</b>

### **Asset and benefit obligation reconciliation**

Reconciliation of opening and closing balances of the present value of the defined benefit obligation

	<b>2025 £000</b>	<b>2024 £000</b>
Opening defined benefit obligation	62,355	54,122
Current service cost	2,410	1,692
Interest cost	3,084	2,747
Change in financial assumptions	(8,810)	2,128
Change in demographic assumptions	300	(140)
Experience loss on defined benefit obligation	573	3,400
Liabilities assumed / (extinguished) on settlements	-	-
Estimated benefits paid net of transfers in	(2,128)	(2,236)
Past service cost, including curtailments	-	59
Contributions by scheme participants and other employers	778	583
<b>Closing defined benefit obligation</b>	<b>58,562</b>	<b>62,355</b>

### Changes in the fair value of scheme assets

<b>Reconciliation of opening and closing balances of the fair value of scheme assets</b>	<b>2025 £000</b>	<b>2024 £000</b>
Opening fair value of scheme Assets	84,658	79,591
Interest on assets	4,252	4,104
Return on assets less interest	10,131	72
Other actuarial gains	-	726
Administration expenses	(36)	(35)
Contributions by employer included unfunded	2,531	2,261
Contributions by scheme participants and other employers	778	583
Estimated benefits paid unfunded net of transfers in	(2,536)	(2,644)
<b>Fair value of scheme assets at end of period</b>	<b>99,778</b>	<b>84,658</b>

The total return on the fund assets for the year to 31 July 2025 is £14.383m.

### Remeasurements in other comprehensive income

<b>Remeasurement of the net assets / (defined liability) in other comprehensive income:</b>	<b>2025 £000</b>	<b>2024 £000</b>
Return on Fund assets in excess of interest	10,131	72
Other actuarial gains on assets	-	726
Change in financial assumptions	8,893	(2,151)
Change in demographic assumptions	(327)	148
Experience (loss) on defined benefit obligation	(593)	(3,683)
Changes in effect of asset ceiling- movement in unrecognised surplus	(18,913)	3,166
Changes in effect of asset ceiling- interest on impact of asset ceiling	1,115	1,312
<b>Re-measurement of the net assets/ (defined liability)</b>	<b>306</b>	<b>(410)</b>



<b>17 Provisions for Liabilities and Charges</b>	<b>Unfunded Pension £000</b>	<b>2025 Total £000</b>	<b>2024 Total £000</b>
Balance at 1 August	(2,290)	(2,290)	(2,292)
Payments made in period	408	408	408
Provision adjustment required in period	(68)	(68)	(406)
Balance at end of period	<b>(1,950)</b>	<b>(1,950)</b>	<b>(2,290)</b>

The unfunded pension liability is in respect of future pension liabilities arising from early retirements. The valuation of the College's liabilities has been undertaken by independent actuaries.

<b>Amounts recognised in the Income and Expenditure Account</b>	<b>2025 £000</b>	<b>2024 £000</b>
Interest cost	104	108
<b>Total cost</b>	<b>104</b>	<b>108</b>

#### **Benefit obligation reconciliation**

Reconciliation of opening and closing balances of the present value of the defined benefit obligation

	<b>2025 £000</b>	<b>2024 £000</b>
Opening defined benefit obligation	2,290	2,292
Interest cost	104	108
Change in financial assumptions	(83)	23
Change in demographic assumptions	27	(8)
Experience loss on defined benefit obligation	20	283
Unfunded pension payments	(408)	(408)
<b>Closing defined benefit obligation</b>	<b>1,950</b>	<b>2,290</b>

**Remeasurements in other comprehensive income**

	<b>2025</b>	<b>2024</b>
	<b>£000</b>	<b>£000</b>
<b>Remeasurement of the net assets / (defined liability):</b>		
Change in financial assumptions	83	(23)
Change in demographic assumptions	(27)	8
Experience (loss) on defined benefit obligation	(20)	(283)
<b>Re-measurement of the net assets/ (defined liability)</b>	<b>36</b>	<b>(298)</b>
	<b>2025</b>	<b>2024</b>
	<b>£000</b>	<b>£000</b>
<b>18 Capital Commitments</b>		
Commitments contracted for at period end	0	383

**19 Financial Commitments**

At period end the College had annual commitments under operating leases as follows:

<b>Payable During the year</b>	<b>2025</b>	<b>2024</b>
	<b>£000</b>	<b>£000</b>
Land and Buildings	166	161
Others	23	33
	<b>189</b>	<b>194</b>
<b>Land and Buildings</b>		
Not later than 1 year	96	105
Later than 1 year and not later than 5 years	315	257
Later than 5 years	343	400
	<b>754</b>	<b>762</b>
<b>Others</b>		
No later than 1 year	9	-
Later than 1 year and not later than 5 years	-	-
Later than 5 years	-	-
	<b>9</b>	<b>-</b>

Land and Buildings include £32k payable during the year and £343k within future year's commitments in respect of leasehold construction costs paid previously and amortised over 30 years.

## **20 Post Balance Sheet Events**

No events have occurred, since 31 July 2025 and up to the date of signing the Financial Statements, that would materially affect the information provided.

## **21 Contingent Liability/Asset**

Full provision has been made for all known liabilities.

A contingent liability requires to be noted but cannot be estimated with sufficient accuracy. It affects future employer pension liabilities to LGPS members following a recent employment tribunal (the Goodwin Tribunal) changing the pension entitlement of male survivors in opposite sex marriages to take account of the female member's service from 6 April 1978 rather than 6 April 1999. Whilst the government have confirmed that a remedy will be required for all public sector pension schemes, this change is not reflected in the valuation of pension liabilities at 31 July 2025. The Government's Actuary Department (GAD) is undertaking a review to assess the potential impact on public sector pension schemes because insufficient data is currently available to precisely ascertain the impact. The impact is expected to be minimal and not material for LGPS funds so the actuary does not currently intend to make any adjustments to accounting valuations as a result of the Goodwin Case.

In 2022/23 the College financial statements included a £3.7m creditor in respect of the anticipated costs associated with the implementation of a national middle management and support staff job evaluation exercise for colleges. The accounts also included a corresponding £3.7m debtor for the Scottish Funding Council (SFC) who held this funding. The funds were required to be returned to Scottish Government in 2023 and we were informed of this in 2024. The Scottish Government remains clear that the responsibility for funding these job evaluation costs rests with it.

This change in approach between Scottish Government and the SFC required a change to the accounting treatment for job evaluation in 2023/24, so a provision of £4.0m was created for the middle management/support staff job evaluation exercise, as it is a past event where an obligation exists, its impact can be reliably measured, and it is likely to result in an outflow of benefits in future periods. The corresponding revenue was removed in 2023/24 due to these funds no longer being reserved by SFC or the Scottish Government for this purpose in line with SFC Accounts Direction.

The provision increased to £4.678m in 2024/25 to reflect the on-going liability and ensure the costs of the exercise are recognised and a liability provided for the total cost of the exercise to date.

We are reporting a corresponding contingent asset for £4.678m because we would require this additional funding from Scottish Government. It is important to note that this is a technical accounting change as repayment of the funds by SFC to Scottish Government leaves the college without associated funding, but the College will require this funding from Scottish Government to fulfil its obligation.

## **22 Related Party Transactions**

The Board of Management of Dundee & Angus College is a body incorporated under the Further and Higher Education (Scotland) Act 1992 sponsored by the Scottish Funding Council (SFC), who in turn are sponsored by the Scottish Government Learning Directorate.

The Scottish Government Learning Directorate is regarded as a related party. During the period the College had various material transactions with other entities for which the Scottish Government Learning Directorate is regarded as the sponsor department, viz; Students Awards Agency for Scotland (SAAS) and Scottish Funding Council. Of all these public bodies, transactions with SFC are the most significant to the College, and all income from SFC is disclosed in Note 3.

In addition, Dundee & Angus College has had material transactions with other Government Departments and other central government bodies.

Due to the nature of the College's operations and the composition of the Board of Management (being drawn from local public and private sector organisations), it is inevitable that transactions will take place with organisations in which a member of the College's Board of Management or key managers of the College may have an interest.

During the period under review, transactions with bodies in which a member of the Board of Management or key managers of the College had an interest are noted below:

Member	Organisation	Position in Organisation	Nature of Transaction	College Income	College Expenditure	Balance as at 31st July
				£	£	£
Jackie Buchanan	Angus Council	Director of Legal & Democratic Services	Grant income and service charges	941,040	(79,220)	4,040
Kelly McIntosh	Angus Council	Director of Education and Lifelong Learning	Grant income and service charges	941,040	(79,220)	4,040
Simon Hewitt	SAAS	Principal (D&A College)	Student Course Fees	1,394,458		(44,975)
Simon Hewitt	Gardyne Theatre Ltd	Director	Staff Salaries, Licence to Operate and Service Level Agreement yearly charges	332,079	(241,190)	0

**Other Related Parties:**

Dundee & Angus Foundation. The Foundation is a registered charity, and its objective is to advance education and in particular the enhancement of the learning experience of students in Dundee and Angus. Its trustees include representatives of the College serving alongside independent trustees. Details of donations received from the Foundation is provided in note 8.

<b>23 Bursaries and other student support funds</b>	<b>Year ended 31 July 2025</b>			<b>Year ended 31 July 2024</b>	
	<b>FE Bursary £000</b>	<b>EMA's £000</b>	<b>Other £000</b>	<b>Total £000</b>	<b>Total £000</b>
Balance b/fwd	484	12	0	<b>496</b>	<b>451</b>
Allocation received	6,426	356	913	<b>7,695</b>	<b>8,047</b>
College Contribution to Funds	-	-	-	-	<b>42</b>
Expenditure	(5,946)	(356)	(908)	<b>(7,210)</b>	<b>(7,605)</b>
Repaid to Funding body as Clawback	(484)	-	-	<b>(484)</b>	<b>(439)</b>
Virements	-	-	-	-	-
<b>Balance c/fwd</b>	<b>480</b>	<b>12</b>	<b>5</b>	<b>497</b>	<b>496</b>

Represented by :

Repayable to Funding body as clawback	480	-	5	<b>485</b>	<b>484</b>
Retained by College for students	-	12	-	<b>12</b>	<b>12</b>

Repayments to Funding body as clawback within the year relate to a surplus of funds available from the prior year.

Grants and bursary funds received from both SFC and the Students Award Agency for Scotland are available solely for students; the College acts only as paying agent. The funds and related disbursements are therefore excluded from the Consolidated Statement of Comprehensive Income, with the exception noted below.

In accordance with Accounts Direction for 2024/25 issued by the SFC, Further Education Childcare Funds have been included in the Consolidated Statement of Comprehensive Income. The Childcare funds reported in Note 24 below now incorporate both Higher and Further Education funds.

<b>24 FE &amp; HE Childcare Funds</b>	<b>Year Ended 31 July 2025 £000</b>	<b>Year Ended 31 July 2024 £000</b>
Balance b/fwd	-	-
Allocation received	305	412
Expenditure	(305)	(412)
Repaid to Funding Body as Clawback	-	-
Virements	-	-
<b>Balance c/fwd</b>	<b>-</b>	<b>-</b>
Represented by:		
Repayable to Funding body as clawback	-	-
Retained by College for students	-	-

**25 Subsidiary Undertakings**

Details of the subsidiary company, which is registered in Scotland and 100% owned by the College, is as follows:

<b>Company</b>	<b>Principal Activity</b>
Gardyne Theatre Limited	Promotion of performing arts

The company has no share capital but is limited by guarantee. The ultimate controlling party is Dundee & Angus College, the only member, and control is exercised by virtue of the provisions of the Memorandum and Articles of Association. The trading results of the subsidiary have been included in the consolidated results.

At 31 July 2025, staff are being consulted on plans to close Gardyne Theatre Limited and bring management of the Theatre back into the College. The consultation is expected to end on 30 September 2025 and if agreed, action will be taken to close Gardyne Theatre Limited by 31 December 2025. In the meantime, the trading results of Gardyne Theatre Limited for the year to July 2025 have been reported in these accounts.

## **Appendix – 1 Accounts direction for Scotland’s colleges 2024-25**

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 2024-25 (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 are reminded that they must send two copies of their annual report and accounts to the Auditor General for Scotland by 31 December 2025.
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  
14 August 2025

**BOARD OF MANAGEMENT**

**Tuesday 9 December 2025**



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**FINANCE ITEMS**

**8.5 – Finance and Property Committee Management  
Accounts (For information only)**

**PAPER H**



## 2025/26 Budget and Indicative Budgets for 2026/27 and 2027/28 – Update Report

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### *Paper for information*

#### 1. Introduction

At its meeting on 9 September 2025 the Finance and Infrastructure Committee considered the 2025/26 budget.

This was considered for approval by the Board on 30<sup>th</sup> September 2025, when B Lawrie expressed concern at a personal and professional level in terms of approving a deficit budget. He accepted and acknowledged the detail provided as the base position and recommended approval of necessary actions to bring the budget into balance as soon as feasible, acknowledging that the full level of savings may not be achieved within the 2025/26 financial year.

The Board recognised this and approved the 2025/26 budget process as outlined, which would deliver financial sustainability within the three-year budget period.

This report updates the Committee on the action taken to date to balance the budget within the three-year period to 2027/28 and the current budget position.

#### 2. Recommendation

- a.) Finance and Infrastructure Committee is asked to note progress with the Financial Sustainability Plan and the next steps.

#### 3. Financial Sustainability Plan

On 2<sup>nd</sup> December the SLT launched the first consultation on savings and change proposals designed to make savings of at least £2.5m in 2025/26 (“25/26 deficit of £2.348m) and focus on closing the funding gap in 2026/27 (£6.9m deficit) and 2027/28 (£6.6m deficit).

The proposals were discussed with trade unions and affected staff. Staff were asked to feedback through their line manager, the People Team, an email consultation inbox or using an anonymous hotline. The Principal held briefings and question and answer sessions for all staff at each campus and on-line.

The first consultation closed on 17 November 2025, by which time we had received 188 responses in respect of the proposals. This feedback was considered by the SLT in determining the second savings and change proposal paper which resulted in some significant changes to the initial proposals, plans and approaches going forward.

The second proposals paper was issued on 10 November 2025 and the consultation ended on Friday 21 November 2025. The same process for consultation with staff and unions was followed. We received 44 further responses in respect of the second proposals paper.

Confirmation of the final proposals will be communicated to staff and unions during week beginning 1 December 2025.

#### 4. Impact on 2025/26 Budget and 2026/27 and 2027/28 Indicative Budgets

The College is required to make savings of at least £2.5m in 2025/26. At the time of writing this report, (after consultation 1, but before final decisions from consultation 2 have been made), savings of c£1.3m have been identified. This is expected to reduce the 2026/27 deficit to £4.4m and 2027/28 deficit to £4.0m.

	<b>2025/26 Budget £m</b>	<b>2026/27 Indicative Budget £m</b>	<b>2027/28 Indicative Budget £m</b>
Savings required	2.5	6.9	6.6
Baseline savings identified by 21 Nov 2025	(1.3)	(2.5)	(2.6)
<b>Remaining deficit to be addressed</b>	<b>1.2m</b>	<b>4.4m</b>	<b>4.0m</b>

It should be noted that the 2025/26 budgeted deficit is unlikely reduce significantly as a result of the baseline savings we have identified so far. This is because the cost of voluntary severance is likely to offset any salary savings made in the 2025/26 financial year. We anticipate our outturn position at 31 July 2026 to be broadly consistent with the current budgeted deficit for 2025/26 and we are in discussion with the Scottish Funding Council about the impact of this on our cash position.

#### 5. Cash Flow

We expect our opening 2025/26 cash position of £4.1m to fall to c£1.6m at the end of this financial year.

If no action were to be taken (i.e. savings in 2025/26 and 2026/27) it is forecast that the College would run out of cash in Spring 2027. Cash, free of restrictions, could fall as low as £70k during this period, which continues to represent a significant risk.

The SFC are aware of our cash forecasts and we are in discussion with them about how we can mitigate this risk.

#### 6. Next steps

Once final savings decisions are made our 2025/26 budget will be updated. The impact of these decisions will be included in the preparation of our Draft 2026/27 budget and indicative budgets for 2027/28 and 2028/29.

## **7. Link to Strategic Risk Register**

Consideration of the options suggested in this report will support the mitigation of our financial risk identified within the Strategic Risk Register namely;

2.2 – failure to achieve institutional sustainability

**Author:** Nicky Anderson, Director of Finance

**Executive Sponsor:** Simon Hewitt, Principal

# Finance and Infrastructure Committee

Tuesday 2 December 2025

## Budget Monitoring Report at 31 October 2025



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### *Paper for information*

#### **1. Introduction**

This report sets out the current projected outturn for the year 1 August 2025 to 31 July 2026, as at 31 October 2025. This report also sets out the cashflow forecast for the same period.

#### **2. Recommendation**

Finance and Infrastructure Committee is asked to note the projected 2025/26 outturn figures as at 31 October 2025 and the related cashflow projection. A summary of risks is attached at Appendix B.

#### **3. Executive Summary**

Our Board approved a deficit budget of £2.348m (including £457k loan) in September 2025. The budget was approved as the base position with the caveat that action would be taken to bring the budget into balances as soon as feasible, acknowledging that the full level of savings may not be achieved within the 2025/26 year. The Board approved the 2025/26 budget process to deliver financial sustainability within the three-year budget period up to 2027/28.

As agreed with the Board, the SLT is currently working on a sustainability plan aiming to identify £2.5m savings by 31 December 2025. Savings proposals have been developed and refined after feedback from staff. The second and final consultation ended on Friday 21<sup>st</sup> November 2025 and the final proposals will be confirmed week beginning 1 December 2025.

Current projections suggest we have achieved baseline savings of c£1.3m in 2025/26 from reducing on-off in year costs as well as voluntary severance. This will increase to c£2.5m of baseline savings in 2026/27. This will not necessarily mitigate the 2025/26 overspend due to the cost of voluntary severance. The budget will be refined to take account of the final savings agreed in December.

#### **4. Projected Outturn at 31 October 2025**

Appendix A details the College budget including capital and projects compared to the current projected outturn. At 31 October 2025 this is a projected deficit of £2.343m. This is £5k less than our budgeted deficit. All movements to the projection are minor amounts under £50k.

## 5. Cash flow projection

Cash held at 31 October 2025 was £4,717k. Unrestricted cash currently represents 28 days cash relative to forecast expenditure.

	2023/24	2024/25	2025/26
Cashflow forecast 2025/26	£000	£000	£000
	Actual	Actual	Forecast
Cash backed (surplus)/deficit c/f	(1,478)	(1,869)	238
Loan repayment	457	457	457
Capital expenditure	733	1,208	700
Capital funding	(733)	(1,208)	(700)
Asset disposal	0	38	0
Working capital movements	(223)	(1,327)	1,825
<b>Net movement in cash balances</b>	<b>(1,244)</b>	<b>(2,701)</b>	<b>2,520</b>
Opening cash balances	5,533	6,777	4,076
Closing cash balances	6,777	4,076	1,556
<b>Net movement in cash balances</b>	<b>1,244</b>	<b>(2,701)</b>	<b>2,520</b>

## 6. Link to Strategic Risk Register

Managing the budget and reporting to the SLT supports the mitigation of strategic risk 2.2 – failure to achieve institutional sustainability.

**Author:** Nicky Anderson – Director of Finance  
Holly Farningham – Finance Manager

**Executive Sponsor:** Steve Taylor, Vice Principal – Support Services & Operations

Operating and projects budget 2025/26	Revised Operating Budget £000	Actuals £000	Projected Outturn at 31 Oct 2025 £000	(Underspend)/ Overspend £000
Teaching Grant	(31,460)	0	(31,460)	0
Other SFC Grants	(4,338)	(959)	(4,338)	0
<b>SFC Total</b>	<b>(35,798)</b>	<b>(959)</b>	<b>(35,798)</b>	<b>0</b>
Tuition Fees	(2,571)	(442)	(2,571)	0
Non core income	(3,926)	(517)	(3,971)	(45)
Catering & other income	(2,408)	(503)	(2,430)	(22)
Donation from ALF	(145)	0	(145)	0
<b>Total income</b>	<b>(44,848)</b>	<b>(2,421)</b>	<b>(44,915)</b>	<b>(67)</b>
<b>Staff pay</b>				
Teaching pay - established	18,218	4,378	18,218	0
Teaching pay - variable	2,175	235	2,175	0
Invoiced staff costs	535	97	535	0
Teaching support pay	2,858	663	2,858	0
Support pay	12,940	3,107	12,940	0
Apprenticeship levy	125	28	125	0
Voluntary Severance Scheme	300	(56)	300	0
Unfunded pension payments	430	75	430	0
<b>Total pay</b>	<b>37,581</b>	<b>8,527</b>	<b>37,581</b>	<b>0</b>
<b>Non-staff costs</b>				
Staff related costs	293	68	307	14
Consumables and equipment	1,854	368	1,891	37
Exam fees	780	124	781	1
Student related costs	177	103	175	(2)
Property cost	3,017	642	3,017	0
ICT and telephony	1,178	292	1,199	21
Insurance	212	212	212	0
Marketing	132	25	132	0
Professional fees	171	(42)	171	0
General overheads	286	125	270	(16)
Interest and charges	110	10	110	0
VAT	883	192	890	7
<b>Total non-staff costs</b>	<b>9,093</b>	<b>2,120</b>	<b>9,155</b>	<b>62</b>
Total Income	(44,848)	(2,421)	(44,915)	(67)
Total Expenditure	46,674	10,647	46,736	62
<b>Non-consolidated (surplus)/deficit</b>	<b>1,826</b>	<b>8,226</b>	<b>1,821</b>	<b>(5)</b>
Gardyne Theatre Limited deficit	65		65	0
<b>Consolidated (surplus)/deficit</b>	<b>1,891</b>	<b>8,226</b>	<b>1,886</b>	<b>(5)</b>
<b>Overall (surplus)/deficit</b>	<b>2,348</b>	<b>8,226</b>	<b>2,343</b>	<b>(5)</b>

## Appendix B

Risk	Forecast Outturn £000	Risk assessment Likelihood	Impact	Overall	Mitigating actions and owners
SFC credit income	(31,460)	Low	Low	Low	Our credit target is expected to be achieved.  We have limited influence over demand, however, we can influence recruitment, delivery and retention.
Tuition fee income	(2,571)	Medium	High	Medium	We re currently projecting tuition fee income at budget. Further work is required to review income sources and projctions.
Non-core income	(3,971)	Low	Low	Low	This category contains a disparate range of activities. There is potential for movement on projects income as well as expenditure.
Catering and other income	(2,720)	Medium	Low	Medium	Forecasts tend to be prudent, however, there is potential for adverse movement on catering income given the current cost of living crisis.
Staff pay	37,581	Medium	Medium	Medium	Our staff budget is set on an individual employee basis. Our projections for PTV hours are based on actual hours worked up to May 2025 and estimated hours for June and July 2025. We are continuing to refine this as the savings exercise progresses.
Property costs	3,017	Low	Low	Low	Property costs are being carefully managed in year in order to mitigate any risks.
Non-pay expenditure, excluding property	6,138	Low	Low	Low	Effective budget monitoring and monthly meetings with budget holders will ensure these budgets are effectively controlled and variances are identified early enabling prompt mitigating action.

**BOARD OF MANAGEMENT**

**Tuesday 9 December 2025**

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**STRATEGIC ITEMS**

**9.1- Board Development Day**

**PAPER I**



### Board Development Session Feedback

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#### *Paper for discussion*

#### 1. Background

A Board Development workshop, facilitated by Brian Mooney, was held on Thursday 23<sup>rd</sup> October. The agenda was in three parts. Initially Board members considered the political, economic, social, technological, legal and environmental context of the College sector in general and the implications for D&A. Board then discussed how the College could make the most of their professional skills and expertise. Finally, members discussed their own development needs and how to improve our ways of working as a Board.

This paper is for discussion, and the proposed next step is to develop and implement an action plan to take forward suggested improvements.

#### 2. Summary of Discussion

##### Part 1

##### PESTELE Analysis for D&A

###### Key:

'Tailwind' = positive factor in delivering 2030 strategy

'Headwind' = negative factor in delivering 2030 strategy

###### Political -Tailwind and Headwind

- Engage with stakeholders
- Be part of the solution
- Work with partners [don't duplicate what others already do well]
- Consistent messaging
- Explain the benefits and align with government policies (e.g., skills)
- Keep main message about ourselves (D&A)

**Implication: D&A should maintain trusted relationships with political stakeholders by presenting itself as a credible, solutions-oriented partner that aligns with government priorities.**

###### Economic – Headwind

- College funding model is broken
- Policy not joined up
- Need to message on flexibility of funding model

**Implication: Current funding structures constrain flexibility. D&A's communication should highlight the need for reform and flexibility of funding arrangements.**

### Social – Tailwind

- Society is different today
- Ageing population
- Demographic change and support needs
- Continue to inspire career changes and open up opportunities
- Offer new opportunities for lifelong learning
- New target operating model / transformation project is key to delivering

**Implication: Changing social and demographic conditions create opportunities for D&A to position itself around lifelong learning, reskilling, and social inclusion.**

### Technological – Tailwind and Headwind

- Cost of delivery is increasing
- Key is using technology to enhance delivery rather than replace people
- In-person education is our differentiator
- Partner with those who do tech well – invest rather than build ourselves

**Implication: Technology can enhance D&A's delivery model, but the cost of implementation and maintenance is rising. Partnerships offer a smarter route than in-house development.**

### Environmental – Tailwind

- D&A is award-winning
- Link to government policy
- Action: reinforce our messages

**Implication: D&A's environmental credentials strengthen its reputation and alignment with sustainability policy. This should be emphasised consistently in communications.**

### Legal – Headwind

- ONS classification prevents colleges from borrowing or keeping surpluses
- Build trust in our ability to manage finances, through credibility
- College transformation framework

**Implication: Legal and regulatory constraints limit financial autonomy. D&A should use credibility and trust to influence reform discussions.**

### Top Actions

- **Maintain consistency of messaging**
- **Demonstrate trust and credibility through delivery**
- **Reinforce D&A as a solution provider**
- **Communicate the importance of flexibility of funding**
- **Action: Letter from Board on funding model (as part of comms strategy)**

## Part 2

### Making the Most of the Board

#### Questions discussed

- *In what ways could the Board provide more strategic input?*
- *In what ways could Board members use their experience and networks better?*
- *In what ways could the Board 'lead by example', more?*
- *What one thing could the Board do to add more value without getting in the way?*

## **Responses**

- Board member support in college PR
- “Sell” the College
- Push the messages more
- Use communications pack provided to the Board
- Provide messages to share e.g. on LinkedIn
- 2–3 key points to make consistently
- Build a Board skills matrix
- Leading to subgroups
- More visibility of Board members
- Board members get involved
- Introduce a Board award for staff
- Maximise 1-to-1 feedback between Board member + Chair
- Develop better links into networks of Board members
- Board members help with scenario development and testing
- Staff and executives feel free to contact Board members
- Issue a regular “Board digest” for staff – to include main points discussed at Board and important decisions
- More explanation of the functions of the Board to staff
- Link College events to calendar of Board
- Board members make themselves available and attend events

## **Part 3**

### **Board Development Needs and Areas for Improvement**

#### **Questions discussed:**

- *Are there any areas of Board responsibility that we need clarification on?*
- *Are there any areas the Board could benefit from a change of process, conduct of meetings, better tools or information?*
- *How do we keep abreast of good governance practice across the sector?*
- *What one development would have the most impact on the effectiveness of the Board?*

## **Responses**

- Board agenda to better reflect current best practice
- “Priority issues” identified in papers
- Risks to be given much higher priority and not left to end of meeting
- Agenda structured → ‘for discussion’ / ‘for approval’ / ‘for noting’
- Agenda structured to ensure time is allocated to ensure good governance is prioritised
- Agenda to include indicative timings
- Use of executive summaries for Board papers/ a cover page
- More concise Board papers highlighting key points
- Don’t need people speaking to every paper at the Board meeting, especially those already considered fully at a committee
- Personal discipline on presenting papers
- Committee Chairs to highlight matters to be escalated to Board
- Themed Board discussions forward planner
- Board member training to be explored
- Monthly bulletin to Board on financial performance
- Revisit Board dashboard

- Board members with relevant expertise to contribute to Committees more systematically
- Prepare Board response to Gillies report, to complement Executive response
- Critically review College Development Network and SFC guidance on good governance practices with a view to becoming recognised as sector leading

**Author and Board Sponsor:** Laurie O'Donnell, Board Chair

# D&A College Board Development Workshop

23 Oct 2025

# Agenda

15.00-15.10	Welcome & introduction
15.10-16.45	Discussion 1: Current state of Scottish College Sector – PESTEL analysis Implications for D&A strategy and Board actions
16.45-17.00	Break
17.00-17.45	Discussion 2: Making the most of the Board
17.45-18.30	Discussion 3: Board Development Needs

# Discussion 1

Current state of Scottish College Sector – PESTLE analysis

P

Government  
policy

Political  
stability

Corruption

Foreign trade  
policy

Tax policy

Labour law

Trade restriction

E

Economic  
growth

Exchange rates

Interest rates

Inflation rates

Disposable  
income

Unemployment  
rates

S

Population  
growth rate

Age distribution

Career attitudes

Safety emphasis

Health  
consciousness

Lifestyle  
attitudes

Cultural barriers

T

Technology  
incentives

Level of  
innovation

Automation

R&D activity

Technological  
change

Technological  
awareness

L

Discrimination  
laws

Antitrust laws

Employment  
laws

Consumer  
protection laws

Copyright and  
patent laws

Health and  
safety laws

E

Weather

Climate

Environmental  
policies

Climate change

Pressures from  
NGO's



# What is PESTLE and how is it used

- Tool for understanding the external environment
- Identify what's changing and the implications
  - Not just a list of trends
- Understand causal links between the factors
- Adapt strategy based on most significant factors

# Political

## College sector in Scotland 2025

- **Devolved governance:** Education is a devolved matter in Scotland, allowing the Scottish Government to set distinct policies for colleges.
- **Policy reform:** The *Tertiary Education and Training (Funding and Governance) (Scotland) Bill* aims to streamline funding and governance across post-school education, including colleges. [\[digitalpub...ament.scot\]](#)
- **Budget pressures:** Despite some targeted investments, colleges face real-terms funding cuts. Since 2021/22, funding has dropped by 17% in real terms, leading to staff reductions and operational constraints. [\[audit.scot\]](#)

## Dundee and Angus College 2025

- **Government alignment:** The College's transformation strategy aligns with Scottish Government priorities on regeneration, employability, and net zero. Business leaders have formally urged government backing for its campus redevelopment plans. [\[www.scotti...alnews.com\]](#)
- **Funding pressures:** While the College receives substantial public funding (over £32 million in core teaching and capital maintenance), it faces challenges due to flat cash settlements and rising costs. [\[www.sfc.ac.uk\]](#)
- **Policy influence:** D&A College is actively engaging with national stakeholders and aims to be a “partner of choice” in shaping regional and national education policy. [\[dundeeandangus.ac.uk\]](#)

**Is this factor a tailwind or a headwind?**

**What are the implications? Anything missing?**

**What one thing do we need to act on?**

# Economic

## College sector in Scotland 2025

- **Skills shortages:** 31% of vacancies in Scotland are classified as “skills-shortage vacancies,” highlighting the critical role colleges play in workforce development. [\[collegessc...land.ac.uk\]](http://collegesscotland.ac.uk)
- **Financial sustainability:** Many colleges are operating at a deficit. In 2022/23, 11 out of 14 colleges reported financial losses, raising concerns about long-term viability. [\[audit.scot\]](http://audit.scot)
- **Student hardship:** A significant proportion of students face financial difficulties, with many relying on food banks or skipping meals. This impacts retention and wellbeing. [\[natcen.ac.uk\]](http://natcen.ac.uk)

## Dundee and Angus College 2025

- **Regional impact:** The College’s 10-year transformation plan is projected to generate **£1.8 billion** in economic benefits, including job creation, regeneration, and human capital uplift. [\[www.dundee...ulture.com\]](http://www.dundee.ac.uk/culture)
- **Financial sustainability:** Despite strong performance, the College has faced recurring deficits. The 2023/24 accounts show continued financial pressure, with sustainability dependent on investment and income generation. [\[www.sfc.ac.uk\]](http://www.sfc.ac.uk)
- **Skills development:** D&A College plays a key role in addressing local skills shortages, particularly in construction, engineering, and green technologies.

**Is this factor a tailwind or a headwind?**

**What are the implications? Anything missing?**

**What one thing do we need to act on?**

# Social

## College sector in Scotland 2025

- **Widening access:** Colleges are key to social mobility, offering inclusive pathways for learners from diverse backgrounds, including care-experienced and disabled students. [[education.gov.scot](https://www.education.gov.scot)]
- **Socio-economic inequality:** There remains a steep attainment gap between students from affluent and disadvantaged backgrounds, which colleges are working to address through targeted support. [[ifs.org.uk](https://www.ifs.org.uk)]
- **Mental health and wellbeing:** Financial stress and academic pressure are affecting student wellbeing, prompting calls for enhanced support services. [[natcen.ac.uk](https://www.natcen.ac.uk)]

## Dundee and Angus College 2025

- **Inclusive education:** The College ranks in the top 5 nationally for supporting care-experienced, disabled, and SIMD 10 learners. [[www.sfc.ac.uk](https://www.sfc.ac.uk)]
- **Community regeneration:** Plans to relocate campuses to Dundee's Wellgate and Arbroath's Abbeygate aim to embed education in the heart of communities, increasing accessibility and footfall. [[www.scottishnews.com](https://www.scottishnews.com)]
- **Student support:** The College offers bursaries, EMA, and discretionary funding to support learners facing financial hardship. [[dundeeandangus.ac.uk](https://www.dundeeandangus.ac.uk)]

**Is this factor a tailwind or a headwind?**

**What are the implications? Anything missing?**

**What one thing do we need to act on?**

# Technological

## College sector in Scotland 2025

- **Digital transformation:** Colleges are investing in digital infrastructure to support blended learning and remote access, though disparities in access and digital literacy remain.
- **Skills for emerging sectors:** Initiatives like the *Offshore Wind Skills Programme* are aligning college curricula with Scotland's green energy transition.  
[\[collegessc...land.ac.uk\]](http://collegessc...land.ac.uk)

## Dundee and Angus College 2025

- **Digital transformation:** The College is committed to being “digitally enabled and developed,” with modern learning spaces and data-informed decision-making.  
[\[dundeeandangus.ac.uk\]](http://dundeeandangus.ac.uk)
- **Innovation hubs:** A new STEM-focused facility at Gardyne Campus will support advanced learning in science, engineering, and green skills. [\[www.scotti...alnews.com\]](http://www.scotti...alnews.com)

**Is this factor a tailwind or a headwind?**

**What are the implications? Anything missing?**

**What one thing do we need to act on?**

# Legal

## College sector in Scotland 2025

- **Governance reform:** The new legislation proposes changes to how colleges are monitored and funded, including oversight of financial sustainability and student support. [[digitalpub...ament.scot](#)]
- **Funding conditions:** Colleges must meet specific criteria (e.g., student attendance in core subjects) to secure funding, which can be challenging for vulnerable learners.

## Dundee and Angus College 2025

- **Governance and transparency:** The College maintains strong governance practices, with annual audits and performance reviews aligned with Scottish Funding Council requirements. [[www.sfc.ac.uk](#)]
- **Charitable status:** As a registered charity (SC021188), the College must comply with charity law and public accountability standards.

**Is this factor a tailwind or a headwind?**  
**What are the implications? Anything missing?**  
**What one thing do we need to act on?**

# Environmental

## College sector in Scotland 2025

- **Sustainability goals:** The *College Infrastructure Strategy* aims to create environmentally sustainable campuses with modern facilities. [[www.sfc.ac.uk](http://www.sfc.ac.uk)]
- **Green skills development:** Colleges are central to training the workforce needed for Scotland's net-zero ambitions, particularly in renewable energy sectors. [[collegessc...land.ac.uk](http://collegesscotland.ac.uk)]

## Dundee and Angus College 2025

- **Net zero leadership:** D&A College aims to reach net zero for Scope 1 and 2 emissions by 2030, ahead of national targets. It leads the sector's climate emergency response. [[dundeeandangus.ac.uk](http://dundeeandangus.ac.uk)]
- **Sustainable campuses:** The redevelopment plans include energy-efficient buildings, green corridors, and integration of sustainability into the curriculum. [[www.scotti...alnews.com](http://www.scottishnews.com)]

**Is this factor a tailwind or a headwind?**  
**What are the implications? Anything missing?**  
**What one thing do we need to act on?**

# PESTEL key implications



Political (T&H): consistent messaging and explaining benefits of changing funding model



Economic (H): message on need for a more flexible funding model



Social (T): completion of the new Target Operating Model



Technological (T) : partner with best service providers



Legal (H): maintain pressure for change to ONS classification



Environmental (T): reinforce achievements and further potential of transformation

**Looking across all the implications, what is one most important insight we need to address?**



# Discussion 2

Making the most of the Board

# How can we make best use of the Board?

- Which of the PESTLE factors is this Board is dealing with most? Which one least?
- In what ways could the Board provide more strategic input?
- In what ways could Board members use their experience and networks better?
- In what ways could the Board 'lead by example', more?
- **What one thing could the Board do to add more value without getting in the way?**

# Discussion 3

Board Development Needs

# What are the development needs of the Board?

- Are there any areas of Board responsibility that we need clarification on?
- Are there any areas the Board could benefit from a change of process, conduct of meetings, better tools or information?
- How do we keep abreast of good governance practice across the sector?
- **What one development would have the most impact on the effectiveness of the Board ?**

**BOARD OF MANAGEMENT**

**Tuesday 9 December 2025**

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**STRATEGIC ITEMS**

**9.2 Strategic Projects Update**

**PAPER J**

# BOARD OF MANAGEMENT

9 December 2025

## STRATEGIC PROJECTS UPDATE

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### *Paper J for noting*

#### **1. Tay Cities Deal (TCD) Projects**

The Skills and Employability programme Tay Cities Deal Projects led by D&A College continue to perform well, drawing down funding and delivering on the outputs and outcomes in line with the respective business cases.

##### **1.1 Tay Cities Engineering Partnership (TCEP)**

TCEP continues to work towards achieving project objectives and has a continued focus on developing relationships with business and delivering the Mobile Unit with the procurement process well underway.

In October the project team attended an event at Dundee Science Centre to discuss their offerings with teachers as part of The Royal Society STEM projects. It was an excellent opportunity to discuss one to one with teachers how we can support them, many of them also took the opportunity to try out our augmented reality welders.

TCEP also co-hosted the STEM Careers Roadshow 30 October at Gardyne campus in collaboration with other TCD Projects; Science Futures and DigiTay.

Helen Ritchie departed as TCEP Manager and will be replaced by Alisdair Gilbert until the project's conclusion in March 2026..

##### **1.2 Science Futures**

Science Futures continues to make strong progress towards its targets. Recent highlights include:

- A STEM Careers Roadshow - co-hosted with TCEP and DigiTay at Gardyne campus in October. The event featured a Marketplace with 22 STEM organisations and employers, alongside 10 presentations on careers in STEM. Attendees included 92 pupils from five local schools as well as D&A students.
- School engagement – active participation in career fairs at Brechin High, Montrose Academy, Panbride ESP, and Carnoustie High – the project team engaged with 500 pupils. Additionally, 32 pupils from Greenfield Academy and Morgan Academy visited D&A for Advanced Higher practical courses.
- Industry collaboration - filmed promotional content at the BioDundee Business Brunch in September to showcase the new Innovation Hub at The University of Dundee, a

flexible, state-of-the-art lab and office facility designed to help life sciences companies thrive.

- Skills development – launched a business skills survey to ensure course alignment with industry needs and identify opportunities for tailored provision. An Essential Laboratory Skills course, scheduled for January at D&A, is already fully booked, demonstrating strong regional demand for practical lab skills.

### 1.3 Supporting SME Skills

The first three quarters have been very successful with significant progress made towards year 6 targets. The project has supported 53 SMEs to date, with funded training of £251, 116 delivered/approved for delivery. The breakdown of approvals is:

Angus	13 businesses	£60,433	27 courses	196 delegates
Dundee	14 businesses	£67,659	35 courses	247 delegates
Perth	15 businesses	£63,085	64 courses	503 delegates
Fife	12 businesses	£59,939	44 courses	287 delegates

Recent events promoting the fund include:

Winter Workforce Connections - held on 26<sup>th</sup> November at UHI Perth, featuring speakers from the project, UHI Perth, Perth and Kinross Council, Business Gateway, DYW, NHS and private businesses. Over 50 delegates attended, resulting in several referrals.

Tay Cities Networking – held on 4<sup>th</sup> December at Montrose Library, bringing together regional stakeholders and local businesses to hear from Skills Advisor Elaine Donnachie on available funding opportunities.

### 1.4 Sustainable Construction Skills

The TCD Sustainable Construction Skills Grant Offer letter was received in October 2025 enabling the project to commence with the appointment of the Project Manager, John Mitchell. John was previously a Curriculum Quality Leader in Building Services and has worked in the Construction industry prior to joining the college. John has extensive experience with developing and delivering technical construction qualifications including the pre-cursor to the Foundation Apprenticeship in Construction.

Since October, John has met with partners in Fife College and UHI Perth and has been preparing the essential project management arrangements including the project implementation and delivery plan, risk register, communications plan and financial workbook. He has also undertaken the Tay Cities induction on monitoring and reporting arrangements.

The **Curriculum Innovation Steering Group** with representatives from each college's construction/technical departments has also been established.

## **2. UK Shared Prosperity (UKSP) Fund**

In August, successful funding applications to Angus and Dundee City Councils secured £200,000 for workforce development training for regional businesses and £100,000 for Green Skills training to support the energy efficiency transition. Delivery of both funds is progressing well and, to date, we have committed £91,200 with strong pipelines and several applications in progress. We expect to deliver in full by 31 March 2026.

The Green Skills Fund is providing support for Dundee businesses, with resources flexible according to demand. Priority training areas include staff upskilling in green technologies, plumbing, joinery, plastering, bricklaying, and automotive mechanics. Training delivered to date covers Solar Thermal Hot Water, Heat Pump Systems, EV ChargePoint Installation, Electric Vehicles (combined Level 2/3), and a three-day Retrofit course. To date, 25 individuals have completed training, with a further 29 scheduled for upcoming sessions.

## **3. Maths Engagement Initiatives (formerly Multiply)**

Additional funding has enabled the continuation of the successful Parent & Child Maths Homework Clubs across secondary schools in Angus until March 2026. These clubs aim to strengthen family engagement in maths education. The first round of clubs launched at the end of August 2025 in three locations: Forfar Academy, Arbroath College Campus and Carnoustie High School. 37 families engaged, with several parents attending with more than one child.

The second round of clubs started in November in Arbroath High School, Monifieth High School and Brechin High School. For these clubs we have actively engaged schools to support recruitment, success has been mixed however we were able to top up numbers via previous recruitment methods and families who had previously attended the clubs. 44 families are engaged and early feedback has been positive. We are optimistic about the impact and reach of the third and fourth groups planned for January and February.

The College secured funding to address maths anxiety within community settings in Dundee. The development phase has been successfully completed, including the design of targeted learning materials and engagement strategies to build confidence and resilience in adult learners.

With full support from DCC Community Learning and Development (CLD) team, the first cohort launched in mid-November, delivered in partnership with Morgan Academy and providing a supportive and familiar learning environment for parents of 1st year pupils. 15 parents registered for this delivery and a planned launch of cohort 2 in January.

We were invited by DCC to apply for further funding to deliver Parent and Child Homework clubs in the Dundee region – this would be for an initial pilot and we are aware awaiting the outcome of our bid.

## **4. Scottish Government Offshore Wind Skills**

The Scottish Government has actively engaged with Energy Skills Partnership (ESP) through the grant management process to deliver targeted funding to support Colleges to



deliver an Offshore Wind Skills Program as part of the solution to resourcing over 20,000 new jobs required in the Offshore Wind sector, creating a pipeline of skilled workers to address critical workforce shortages and providing additionality to the rapid expansion of the sector.

The key elements of the project include:

- Enhancement of Apprenticeship programme – additional units on Offshore Wind
- Development, roll-out and expansion of Wind Turbine Technician course
- Professional certificated Wind training for apprentices
- 3 Paid internships within industry
- Upskilling of college staff to support Offshore Wind supply chain
- Building capacity and supporting development through staff resources.

The capacity building funding has enabled Steve Swinley to be released from his Head of Curriculum role to focus on the project. All activities are on track to be achieved by June 2026 when the project concludes.

## **5. Approvals**

The Board is asked to:

- i. Note progress being made in respect of strategic projects.

## **6. Link to Strategic Risk Register**

Information in this report is intended to provide Board members with reassurance that actions and activities are being progressed and addressed that support the mitigation of a range of risks identified within the Strategic Risk Register.

- 1.1** Failure of College strategy to meet the needs of the D&A Region and/or national priorities (eg Employability, DYW, attainment, articulation)
- 1.4** Difficulties or over commitment arising within large scale/national College led initiatives or projects impact negatively on:
  - Ability of the College to meet key regional strategies/ objectives
  - Financial loss or unmanageable financial risk
  - Reputational loss
- 3.5** Reputational Risk – Loss of reputation with key stakeholders

**Authors:** Project Delivery Teams

**Executive Sponsor:** Julie Grace, Vice Principal Curriculum and Partnerships

**BOARD OF MANAGEMENT**

**Tuesday 9 December 2025**

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**STUDENT'S ASSOCIATION REPORT**

**PAPER K**

# DASA UPDATE



**Students'**  
**Association**  
Dundee and Angus College

December 2025

# Inductions

More than 1120 interactions with students across the College

More than 15 departments engaged

More than 557 feedback responses from students

Attended evening class inductions

New space in Arbroath is a productive space for inductions and training

# Induction Feedback from Staff

- *"It was one of the best DASA inductions I have had."* - Allan Smith, ESOL Induction
- *"That was one of the best inductions we have had with DASA, full of information and laughs."* - Sharon Philips, HNC Cyber
- *"Just a quick note to say thank you so much for your input yesterday for our Induction Day! The energy in the auditorium was fantastic, a real buzz. 😊"* - Gemma Dowling, PFA Induction
- *"I just loved the way you did inductions and got the class up and moving and working together."* - Vicky Hirst, Gateway Induction

# Induction Feedback from Students

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- Excellent overall rating: 4.75/5 stars; 78% gave 5 stars, 19% gave 4 stars.
- Gamification worked well: Kahoot Quiz and Shapes Game made sessions engaging and interactive.
- Students appreciated friendly, positive, and approachable staff; all team members contributed.
- Inductions encouraged peer connection early in the semester.
- Students learned about:
  - Students' Association roles and team members
  - Campus services and support signposting
  - Thrive Initiative and available opportunities



## 2025 Student Rep Dashboard

11/3/2025 12:31:32 PM

☐ FE  
☐ HE

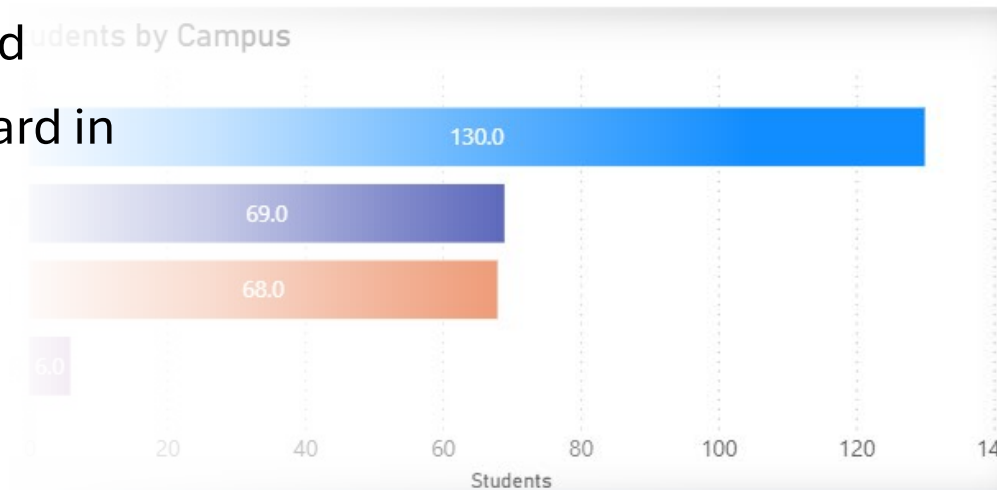
☐ N  
☐ Y

Code  
All

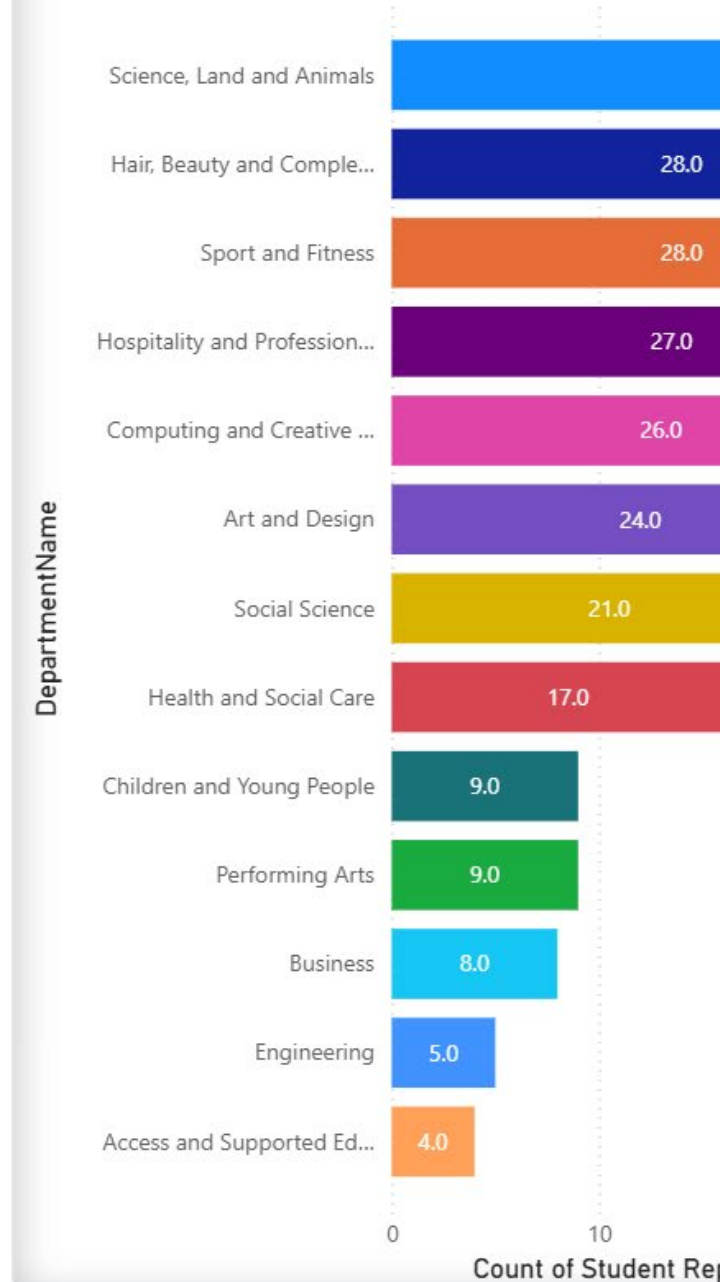
No. of Students  
241

# Class Reps

- More than 280 Class Reps registered
- More than 170 Class Reps trained so far
- 10 Sessions both online and in person
- 16 Departments engaged
- New Class Rep Dashboard in place



## % Completed by Cost Centre with Drill to Course





# New Class Rep Training Overview

Introduced a more interactive and practical approach to Class Rep development.

Built student knowledge, skills, confidence, and understanding of the representation system.

Used scenario-based and collaborative activities to apply learning in real contexts.

Encouraged cross-college teamwork, connecting students from different subject areas.

Promoted inclusive engagement through activities on unconscious bias, active listening, and informed decision making.



# Embedding Partnership and the TQEF

Training structured around the SPARQS Student Learning Experience (SLE) model.

Supported Class Reps see how their role contributes to student engagement within the TQEF.

Highlighted themes and timing of feedback, strengthening understanding of the feedback process.

Emphasised the feedback loop and the importance of closing it to keep peers informed and engaged.

Reinforced true partnership between students and staff as a driver for quality enhancement.

Supported a college-side culture of collaboration and continuous improvement.

# Class Rep Training Feedback



*I learned the importance of community, That I am not on my own doing this!, I learned how to be patient and take my time to understand things more clearly.*



*I liked getting to talk to other people about issues that I have had, all the activities especially the instructions activity, I liked all the activities and meeting others, how the sessions felt really friendly and chilled I feel reassured and confident in what I am doing and who I am working with. The Kahoot quiz.*



*I suggest, a quieter space for training, more team building exercises, when dividing into teams, Maybe give each team one attribute to focus on (Kingsway Campus)*



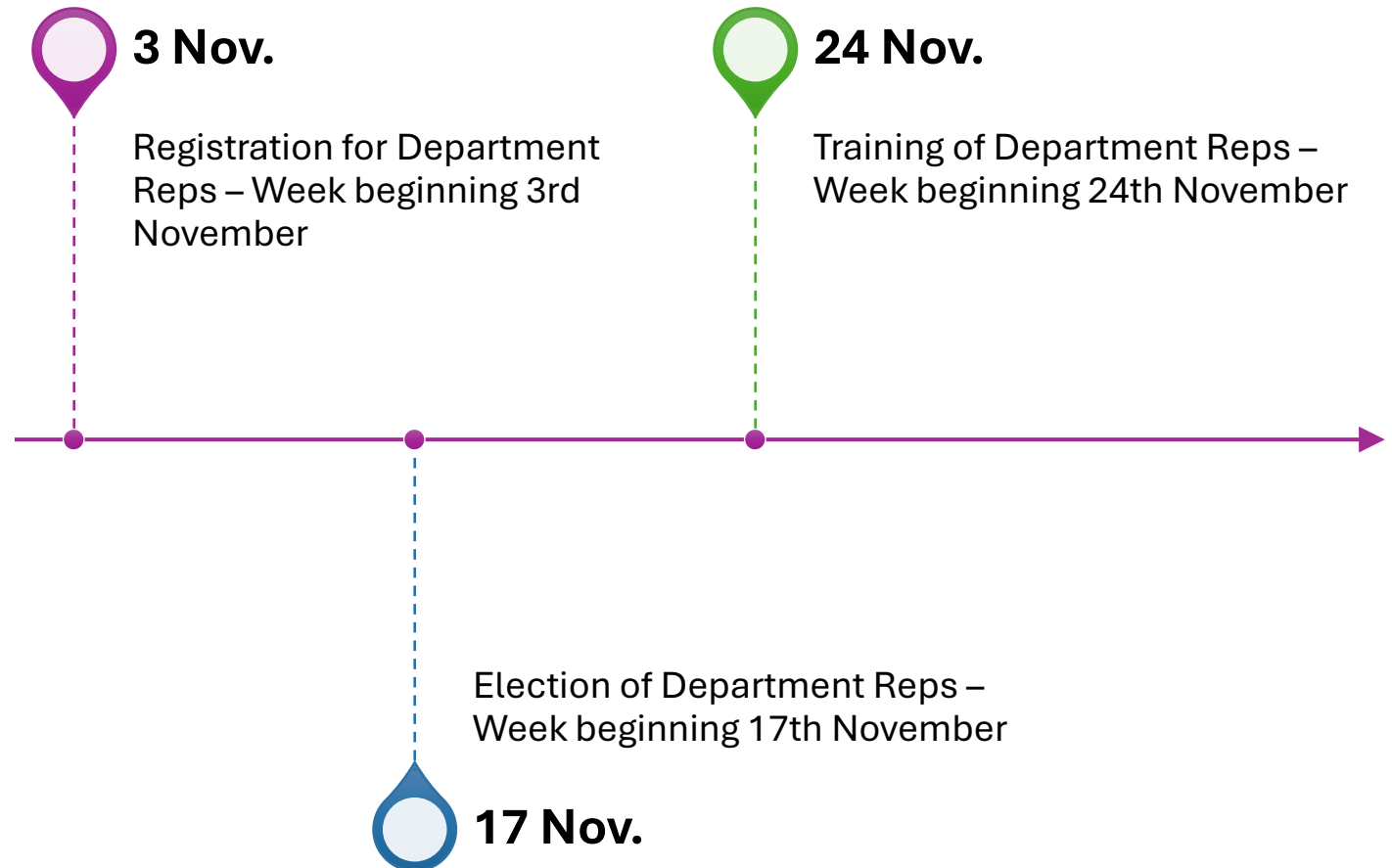
*"I wanted to say the Team should be proud of the class rep training yesterday it was delivered fantastically, I thoroughly enjoyed it"*



# Lessons Learned from Class Rep Training

- Building a sense of community is important to our students.
- Students developed patience and clarity when understanding issues.
- Interactive activities (instructions exercise, Kahoot quiz, and The Witches of Glum) enhanced learning and engagement.
- Friendly, supportive atmosphere increased confidence and reassurance.
- Opportunities to share experiences and meet peers were highly valued.
- Quieter spaces would improve focus; team-building exercises could be expanded.
- Spaces matter: Gardyne & Kingsway less suitable; Arbroath SA space ideal for collaboration.
- Positive recognition of excellent delivery by the Team.

# Department Rep Timeline





# Promoting the Learner Survey



Shared survey via multiple channels: Student Megaphone, group tutors, DASA SharePoint, and Student App.



Reminded students during breaks and lunchtimes to complete the survey.



Communicated the importance of participation and how feedback drives change.



Targeted Class Reps as key advocates to encourage peer engagement.



# Graduation 2025

- **High student engagement:** More than 100 interactions with students before and after the ceremony.
- **Diverse showcase:** Highlighted courses and students from across the college on social media.
- **Promoting the College:** Showcased both achievements and the fun side of student life.
- **Student support:** Provided guidance and assistance before, during, and after the ceremony.
- **Student leadership:** Student President delivered speech and vote of thanks.





# Clubs

- Current clubs: Warhammer, Dungeons & Dragons (D&D), Crochet Club.
- New/upcoming groups: Invertebrate Society (with Animal Care) and potential Poultry Club, as well as Crochet for Calm.
- Driven by student voice: Clubs created in response to student requests.
- Opportunities for socialising, peer support, and community building.
- Encourages creativity, shared interests, and engagement beyond the classroom.



# Lunchtime Activities

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- Games & Socialising: Uno, group games, and chatting with peers.
- Creative activities: Colouring, arts & crafts, crochet.
- Wellbeing-focused sessions to support student mental health, such as calming art work etc.
- Open doors: Informal space for connection and relaxation.
- Encouraged community building and peer interaction in a relaxed environment.





# Funding Campaign

- **32 letters** sent to Cabinet Ministers and MSPs highlighting the need for college funding.

- **2 MSP visits** to meet students and discuss college impact.

- Sent the petition to **every college and university** in Scotland through our SA networks.

- **More than 33,000 social media views** raising awareness of the campaign.

- **Promoting the value of colleges** and the importance of continued investment.



**BOARD OF MANAGEMENT**

**Tuesday 9 December 2025**



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**PRINCIPAL'S REPORT**

**PAPER L**

# BOARD OF MANAGEMENT



Tuesday 9<sup>th</sup> December 2025

## Principal's Report

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### *Paper L for information*

#### 1. Introduction

The following paper summarises key projects and recent activities currently being progressed and have been aligned to the four core pillars of the new 2030 *Our College* strategy (*Our Students, Our People, Our Campuses, Our Impact*).

#### 2. Recommendation

Board Members are asked to note the contents of this paper.

#### 3. Our Students

3.1. Student Welcome Events: To welcome students to college, the Learner and Community Engagement (LACE) team hosted Freshers events across all three campuses, supported by 80 community partners. Within the first six weeks of term, they delivered 45 Respect sessions, 38 Team Building activities, and 17 Art of Conversation workshops to student groups – creating a vibrant and inclusive start to the academic year.

3.2. Student Retention: Retention efforts remain a priority across all teams, supported by the Stay@D&A campaign. This cross-college initiative promotes the wide range of support available, using some of the challenging circumstances our students face and is featured across our social media, internal screens, student app, and campus posters:



3.3. Bridging Cultures: ESOL Learners Step into Shared Understanding: This year, all full time ESOL groups took part in new Cultural Awareness Sessions, which aimed to help ESOL students learn about each other's cultures. The sessions involved meeting other students in different classes and talking more explicitly about what it means to be studying in a multicultural environment. Given the changing learner profile and current political/societal issues, the ESOL staff recognised the

importance of students developing an understanding of the diverse nationalities and cultures of their fellow students.

- 3.4. Scottish Women and Girls in Sport Week: At the start of October, we were proud to celebrate Scottish Women & Girls in Sport Week, an initiative that highlights the importance of physical activity in empowering women and girls. The week aims to inspire participation, promote health and wellbeing, and recognise the outstanding achievements of female athletes across Scotland. We were also delighted to welcome Graeme Dey, MSP for Angus South and Minister for Parliamentary Business and Lord Provost Bill Campbell, to our Gardyne campus to see the activities in action.
- 3.5. Graduation 2025: Almost 2,000 people filled the Caird Hall on Friday 31st October to celebrate our 2025 Graduation Ceremony. Over 380 graduates crossed the stage, cheered on by family, friends, and staff, as we recognised their incredible achievements across HNC, HND, BA, SVQ and PDA programmes. We were also joined by guest speaker David Hamilton, a former Dundee College student turned entrepreneur, wildlife park owner, and digital innovator, who inspired everyone with his story of creativity, resilience, and passion.
- 3.6. Linlathen Fairness Initiative: The Linlathen Fairness Initiative (LFI) has shown what can be achieved when communities and partners unite [around a shared vision of fairness, wellbeing and opportunity](#). Launched in 2021 as part of Dundee's wider commitment to tackling child poverty, the LFI brought together Dundee City Council, Dundee & Angus College, local organisations and residents to co-design solutions that respond directly to the community needs. By embedding the Dundee & Angus College Community Engagement team within the Linlathen Hub, the College gained a deeper understanding of the barriers local residents face in accessing education. Working alongside community partners and the Student Services team, our staff opened doors for learning opportunities and future careers.

## 4. Our People

- 4.1. Real Living Wage: As with previous years, the College has opted to pay the increase in the Real Living Wage for those staff eligible from the implementation date of 1 November 2025. The Real Living Wage increase this year is 6.7% although the impact for College staff is lower as the gap between RLW and the bottom of the 2024/2025 salary scale is limited. Our Living Wage accreditation is however an important principle for the College and earlier payment will make a small but important difference for those staff impacted. The overall cost impact of this earlier implementation will be negligible as the increase will be overtaken once the support staff pay offer for 2025/26 is finalised and implemented.
- 4.2. National Recognition: Awards season is now underway, and despite scaled-back arrangements due to savings, it remains important to recognise our staff's achievements. Following the outstanding contribution award presented to Nicola Weston Gokalp and Katie Baxter by SAMEE for their leading role in securing Scotland's first College of Sanctuary, the pair were also honoured at the Scottish Ethnic Minority Talent Summit & Awards 2025. The College now heads into December shortlisted for two CDN Awards: the Changemakers Award, recognising the Animal Care team's inclusive, partnership-driven teaching that boosts learner confidence and opportunity; and the Skills Development Award, celebrating the Sport and Fitness team's Sports Performance Lab @D&A project, which has strengthened attendance, progression, collaboration and key learner attributes across a dynamic, shared learning experience.

- 4.3. Developing Excellence in Learning and Teaching: College Development Network's (CDN) 'Elevate LT' programme provides a practical, evidence-based approach to professional learning, aimed at embedding transformative pedagogies and instructional techniques. Supported by innovative digital tools, including AI-enhanced resources, the programme is designed to strengthen the impact of learning and teaching practice. In partnership with TeachingHOW2s, CDN has offered a dedicated number of free places to all colleges in Scotland as part of a three-stage pilot running throughout the 2025–26 academic year. The programme focuses on practical strategies, peer collaboration, and reflective improvement.
- 4.4. Autumn Walking Challenge: As a regular part of our wellbeing and #JustOne Hour activities our Autumn Walking Challenge started on 10 November 2025 with teams of 5 engaged in friendly competition as an incentive to improve their step count and get more active as the weather changes and the nights get longer.
- 4.5. Staff Development in Partnership with CDN: As part of CDN's commitment to deliver a more tailored offer to we will work in partnership with the college and key stakeholders to deliver:
- The Changing Learner Programme: Support the college to engage in CDN's The Changing Learner Programme including helping to identify how staff wellbeing can be embedded into existing action plans.
  - All Staff Sessions: Supporting the college by delivering a session at their all staff day in February 2026. Topic to be agreed, but likely to be based around the practical use of AI in learning and teaching.

## **5. Our Campuses**

- 5.1. Salon upgrade at Arbroath Campus: The Beauty salons at the Arbroath Campus have recently undergone a significant refurbishment. The upgraded facilities provide a modern, bright, and professional salon environment designed to reflect current industry standards. This enhancement offers our students a high quality, realistic training space that supports their learning experience and better prepares them for careers in the beauty industry. The refreshed salon has already made a noticeable impact, creating an inspiring and hygienic setting where our students can develop their skills and confidence.
- 5.2. The Play Space: The Children and Young People team have developed "The Play Space" in alignment with Realising the Ambition: Being Me, offering a purposefully designed environment that mirrors sector practice and supports student learning. Drawing on best practice and guided by the Health & Social Care Standards, the space encourages independent play, creativity, and exploration. Students on the Advanced Certificate programme will gain valuable hands-on experience by supporting children from the local community, applying sector frameworks and developing practitioner skills through meaningful, real-world interactions.
- 5.3. New Health and Social Care Facility: The plans for the new Health and Social Care Facility have been finalised following a robust planning and consultation process with the health and social care team. Funding of £500k for this project has been secured via the UK Government Levelling-UP fund. The funding will cover the costs of creating the new facility and also the specialist equipment required for learning for a health and social care environment.

## **6. Our Impact**

- 6.1. Sustainability in Action: As part of Scotland's Climate Week, our Horticulture and Landscaping students were actively engaged in hands on sustainability projects that



showcase the College's commitment to environmental responsibility and practical learning. At our Arbroath Campus, Horticulture students have introduced a new hydroponic unit, growing microgreens used to help feed animals in our Animal Care department. This innovative approach not only reduces waste and supports sustainable food production but also enhances the wellbeing of our animals, demonstrating the positive impact of circular, inter departmental collaboration. These initiatives reflect our ongoing efforts to integrate sustainability into teaching practice and to equip our students with the skills, knowledge, and environmental awareness needed for a greener future.

- 6.2. Dundee City Council - Green Skills Fund: In late August 2025, D&A College were awarded £100,000 from Dundee City Council to support the delivery of Green Skills training. This funding fully covers energy-efficiency and electric-vehicle training for businesses across Dundee, split 90/10 between support for businesses, and an allocation towards staff resource costs. The fund launched in September 2025, with £90,000 of support specifically for Dundee businesses, with resources allocated based on demand. This includes the reallocation of External Wall Insulation (EWI) SVQ funding following a change request to Dundee City Council owing to lack of current demand for that course.
- 6.3. Angus Council - SME Angus Business Skills Fund: An award of £100,000 was allocated to D&A College in early September 2025, with a 90/10 split between business allocation and staff resource. Delivery of the fund is progressing well, with over a third of the allocation already committed. The fund remains on track, and several marketing activities are underway to promote it to the local business community in partnership with Business Gateway and Skills Development Scotland.
- 6.4. Driving Change: Scotland's First Prison-Based Automotive Academy: The First Minister John Swinney has officially opened a [new Automotive Employability Academy](#) delivered by Dundee and Angus College within HMP Perth. The Automotive Academy offers candidates the chance to develop practical skills while earning industry-recognised qualifications. Through its training programme, three cohorts of prisoners will participate in a 10-week course that covers essential skills such as wiring, soldering, valeting and engine rebuilding.
- 6.5. EuroSkills Success for D&A-Trained Competitor: [EuroSkills and WorldSkills UK competitor Shelby](#) - coached at Dundee and Angus College by Curriculum and Quality Leader for Construction, Mike Swan - has been awarded a Medallion for Excellence in Painting and Decorating at EuroSkills Herning 2025. WorldSkills is an independent charity and global partnership that brings together employers, educators and governments to champion skills excellence. The EuroSkills and WorldSkills competitions cover a wide range of disciplines and skills, from construction, to digital, professional cookery and more. Many of these are delivered right here in the UK's further education colleges.
- 6.6. January Open Day: The annual student open day will be held on Saturday 17 January: Gardyne Campus, 11 am - 1 pm. Prospective students and families will get the opportunity to:
- Chat with staff and current students about courses, support and campus life
  - Get expert advice on choosing subjects, funding options and childcare
  - Discover how D&A College can help students achieve your goals

## 7. Link to Strategic Risk Register

Information in this report is intended to provide Board members with reassurance that

actions and activities are being progressed and addressed that support the mitigation of a range of risks identified within the Strategic Risk Register namely:

- 1.1 Failure of College strategy to meet the needs of the D&A Region and/or national priorities
- 3.1 Failure to reach aspirational standards in learning, teaching and service delivery

**Authors:** Senior Leadership Team  
**Executive Sponsor:** Simon Hewitt, Principal

**BOARD OF MANAGEMENT**

**Tuesday 9 December 2025**

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**NATIONAL BARGAINING UPDATE**

**PAPER M**



# BOARD OF MANAGEMENT

**Tuesday 9 December 2025**

## **National Bargaining Update**

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### *Paper for discussion*

#### **1. Introduction & Context**

This paper summarises the current position, recent developments arising from the national bargaining processes in place for colleges.

Following settlement of the recent pay disputes for academic and support staff groups, national bargaining arrangements have been focused more on resolving and progressing some of the longstanding workplans and areas for discussion.

#### **2. Academic Staff Negotiations**

Since the previous update there have been ongoing national discussions between the Colleges Employers Association and EIS-FELA. The recent focus has included updating to the national recognition and procedure agreement and related ways of working as detailed below.

#### **3. Support Staff Negotiations**

Since the previous update there have been further ongoing national discussions between the College Employers Association and the support unions (Unison, GMB and Unite) in respect of a range of long-standing work.

A national three year pay offer has been progressed and is being progressed for approval via ballots by support unions.

This offer includes an element of additional funding from the Scottish Government. This funding reflects the similar arrangement enacted for academic staff as part of their 2025/26 salary settlement and was included in the budget assumptions..

The details of the offer are as follows:

#### **Pay**

##### **Year 1 – 1 September 2025 – 31 August 2026**

A consolidated award of **4.25%**, on all salary points for support staff, with an underpin of £1,150 for salaries up to £27,000, effective from 1 September 2025.

##### **Year 2 – 1 September 2026 – 31 August 2027**

A consolidated award of **3.4%**, on all salary points for support staff, effective from 1 September 2026.

### **Year 3 – 1 September 2027 – 31 August 2028**

A consolidated award of **3.0%** on all salary points for support staff, effective from 1 September 2027.

This equates to an **11%** cumulative increase over the three-year period.

### **Terms and Conditions**

#### **Overtime Rate**

The employers agree to an increase in the salary level at which overtime is paid to £44,000 from 1 September 2025 – 31 August 2026.

From the 1 September 2026, this will increase in line with agreed Pay Awards. If or when the salary level falls within a single grade band, all salary points within that single grade band will be eligible for overtime payments.

#### **Standby Allowance**

The employers agree that employees on a locally agreed standby rota will have the payment increased to £120 per week.

#### **Notes:**

- The terms of this Agreement on Pay and Terms and Conditions will be applied pro rata for part time employees.
- Non-NRPA colleges will be encouraged to shadow any agreement
- The employers maintain their accreditation to the Living Wage Foundation.

**11 November 2025**

Assuming approval, payment of the pay awards (including any backdating) will be made in the January 2026 pay run.

Arrangements in respect of the national job evaluation project are continuing to progress, although the funding to underpin the project work is still unclear. Preparatory work is continuing, including

- Mapping of job history and roles back to 2018
- review job titles for duplication
- ensure Job Descriptions are accurate and up to date
- confirm the numbers of roles to be evaluated.

It is proposed that the project will progress in two phases, with the first focusing on current roles, with the second phase then looking at the historic roles back to 2018. Both parts of this project are complex and discussions around the details of this are on-going.

From a D&A perspective there are 150 job roles to be evaluated within the first phase of the project with up to a further 190+ to be evaluated in the second stage depending upon decisions made around coverage.

#### **4. Revised National Recognition and Procedure Agreement**

Following the resignation of Unison and Unite from the national recognition agreement (NRPA), discussions around the creation of a revised support staff agreement with both unions have progressed positively. As arrangements have developed, these have now included parallel discussions with EIS/FELA and it is anticipated that a revised NRPA agreement will be signed with these three unions.

GMB were initially not included in these national discussions, but have now advised of their acceptance of the revised wording.

The revised agreement will modernise and streamline elements of the current arrangements, including introducing expected behaviour standards in line with the standards in public life.

#### **5. Local GMB representation**

The College has been without any local representatives from GMB since spring 2024 and work continues to progress with GMB to seek to encourage College staff to take up this role.

To date no new representative has been identified, but this work will continue to encourage local engagement and representation. GMB are our biggest support union in terms of membership, and it is important for staff to have representation of this type.

The offer of support by local EIS/FELA and Unison representatives to provide informal information or input around the role has been welcomed as part of these arrangements.

The GMB Regional Office are continuing to provide support to D&A staff as required.

#### **6. Link to Strategic Risk Register**

Information in this report is intended to provide Board members with reassurance that actions and activities are being progressed and addressed that support the mitigation of the following risk within the Strategic Risk Register.

- 2.3 National outcomes on salaries and conditions of service outstrip ability to pay
- 3.6 National bargaining outcomes impact adversely on College operations, activity, and flexibility
- 3.7 Industrial Relations Problems (including industrial action)
- 3.12 Failure to attract, engage, retain, or develop appropriately qualified staff.

**Author and Executive Sponsor:** Steve Taylor, Vice Principal Support Services and Operations

**BOARD OF MANAGEMENT**

**Tuesday 9 December 2025**



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**GOVERNANCE ITEMS**

**13.1 – SFC REPORT ON EXPECTATIONS OF GOOD GOVERNANCE**

**PAPER N**



Scottish Funding Council  
Comhairle Maoineachaidh na h-Alba

SFC Announcement

Reference: SFC/AN/19/2025

Issue date: 24/09/2025

# SFC's Expectations of Good Governance



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## SFC's Expectations of Good Governance

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**Issue Date:** 24 September 2025

**Reference:** SFC/AN/19/2025

**Summary:** This report is designed to enhance good governance in colleges and universities. The publication sets out what we have learned about sector and institutional governance from analysis of governance effectiveness review reports and Professor Gillies' report into the University of Dundee. The report provides clarity about SFC's expectations of sector governance and how SFC will monitor governance.

**FAO:** Principals, Chairs, Finance Directors and Board Secretaries of Scotland's colleges and universities and the general public

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## SFC's Expectations of Good Governance

### Context

1. In June 2024, the Scottish Funding Council (SFC) published its [Outcomes Framework and Assurance Model](#) (OFAM) as the framework that replaced the Outcome Agreements and brought together all of the monitoring and engagement that SFC undertakes in relation to institutional outcomes and performance. One of the core principles that guides the Outcomes Framework, and the Assurance Model that underpins it, is that colleges and universities have flexibility in demonstrating how they deliver the outcomes – this reflects that no two institutions are exactly the same – and that their context can be taken into consideration in understanding how each has delivered the outcomes. SFC is considering how it enhances its institutional scrutiny and the proposals in this document form part of that – this may include an enhanced approach to monitoring financial viability and sustainability, revised Financial Memoranda and updated OFAM guidance.
2. The OFAM includes an explicit expectation about how colleges and universities operate under the Good Governance outcome, which states:

Governing Bodies demonstrate good governance and accountability, including ownership of institutions' performance, compliance with SFC's requirements, proactive risk management, value for money, leadership and integrity in decision making and the way they conduct their business, and having regard to the principles of Fair Work and fair access.

3. In the published OFAM, we set out that the method of monitoring delivery of the Good Governance outcome would continue to include the following:
  - Internal and external audit reports.
  - Corporate Governance Statements within Annual Reports and Accounts (in the narrative part of the audited financial statements).
  - Annual Reports and Accounts meeting the relevant Financial Memorandum and sector code of good governance.
  - Governance effectiveness reviews (GERs).
4. Therefore, in considering the Good Governance outcome, SFC expects that colleges and universities will follow the relevant sector code, each of which adopts a 'comply or explain' principle. This affords individual institutions flexibility in determining compliance that is appropriate for their circumstances. The codes of good governance are owned by the sectors, rather than by SFC. As part of the terms and conditions of funding, SFC requires institutions to comply with the relevant sector code, but SFC also sets out any additional requirements in the Financial Memoranda with institutions. Colleges follow the [Code of Good Governance for Scotland's Colleges](#). Universities follow the [Scottish Code of Good Higher Education Governance](#).



5. To understand the assurance available over the current state of institutional governance, SFC commissioned a review of the most recently available GER report for each college, university and regional strategic body. This was to enable a baseline understanding of external assurance over governance in the institutions that SFC funds. There are two important aspects to note at the outset of this work:
  - The review was of the GER reports and what they tell us about governance in the institutions that we fund, and not a direct review of governance itself. Therefore, a report or GER approach that may need improvement is not the same as governance at the institution needing improvement.
  - SFC provided feedback to colleges following report submissions in 2017-18 and the College Development Network (CDN) undertook an [analysis of college GER reports](#) in 2021. The period covered by the current review included the Covid-19 pandemic years where many institutions and bodies, including the SFC, had to rapidly reprioritise activity and business as usual to manage extraordinary circumstances.
6. The purpose of this paper is to set out what we have learned about sector and institutional governance from this analysis of the GER reports as well as from Professor Gillies' report of the root causes of the issues that arose at the University of Dundee ('the Gillies Report'). It is also to set out SFC's expectations of sector governance because of these pieces of work and how we will monitor delivery of the Good Governance outcome of the OFAM going forward.
7. In setting out these expectations, SFC is cognisant that colleges and universities:
  - Operate under different statutory frameworks in relation to Good Governance – overall, there are strong elements of compatibility between the frameworks for the two sectors, however there are also some key differences.
  - Have dual regulation and legal obligations as charities. SFC's expectations, as set out in this paper, are compatible with expectations on institutions as charities and the approach to monitoring will strengthen the assurance over governance for key stakeholders, including the Office of the Scottish Charity Regulator (OSCR).
8. We are grateful to On Board Training and Consultancy (On Board) and to Professor Gillies and her investigation team for their work, on which we are drawing heavily in this paper.

## Analysis of Governance Effectiveness Review Reports

9. In March 2025, SFC commissioned On Board to conduct a desk-based analysis of the most recent GERs and governance statements within the audited financial statements in the Further and Higher Education Sectors in Scotland (this included the GER reports of the Glasgow and Lanarkshire Regional Strategic Bodies that were in place during this period). On Board undertook this review and reported to SFC its key findings for each

sector and provided assurance to SFC, to the extent possible, about the quality of governance and, in particular, financial oversight in operation across the sectors.

10. The approach adopted by On Board, following guidance from SFC, was desk-based only with no follow-up or interviews with the institutions or those responsible for the GERs (reviewers). The conclusions and recommendations in the sector level reports made available to SFC are therefore based solely on review of the GER reports by On Board.
11. In their analysis of the GER reports, On Board identified areas of strength as well as areas for improvement and gives SFC a baseline and template for future reviews. On Board also made recommendations for the SFC that are included as Annex A (for the university sector) and Annex B (for the college sector).
12. The analysis of university GER reports highlighted a number of strengths that were noted in the reports. These included governing body member skills and experience and the quality of governing body and committee papers. About half of GER reports highlighted a culture of respect, openness and inclusion and constructive relationships as a strength, although many other reports commented favourably, but less directly, on these areas which led On Board to conclude that this strength is more widespread.
13. The analysis of college sector GER reports highlighted a number of strengths that were noted in the reports. These included the skills and experience of the Chair and governing body members, constructive challenge and an open culture, and students being at the centre of board decisions.
14. Reinforcing the principle that good governance is good governance regardless of sector, there were several developmental findings in common between college and university GER reports. These were as follows.
15. **Some institutions are long overdue an external governance effectiveness review.** We note that some external GERs were understandably delayed during the Covid-19 pandemic and we expect institutions to undertake these reviews as soon as possible to ensure that they address this area of non-compliance with the governance code. We also expect that future GERs are undertaken on schedule<sup>1</sup>. In setting this expectation, we recognise that institutions may have continued to undertake annual internal reviews of governance effectiveness, but this was out of scope of On Board's work. Although the governance codes for each sector adopt a 'comply or explain' approach, regular externally facilitated GERs are essential to provide assurance to the governing bodies, SFC, Scottish Government and other stakeholders that governance is adequate (designed appropriately) and effective (operating as designed) to ensure safeguarding of public funding and security of student interests. Such externally facilitated GERs provider

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<sup>1</sup> Under the sector codes, externally facilitated governance effectiveness reviews must be undertaken at least every five years for higher education institutions and every three-five years for colleges.

greater assurance over governance effectiveness than internal reviews due to their independence from executive management as well as from governing bodies themselves.

16. The GER reports often focus on development and do not always have a strong element of assurance. In addition, GER reports are not consistent in providing assurance about the adequacy and effectiveness of governance of institutions – it is important to note that this is a comment on the reports and not a comment on the governance arrangements at institutions themselves. Although we understand and welcome the desire for boards to develop and improve, part of the purpose of externally facilitated GERs is to provide assurance, as noted above. An exclusive focus in GER reports on areas for development does not provide assurance as to whether current arrangements are adequate and effective. Without assurance over existing arrangements, it is unclear whether the recommended developments are intended to enhance and improve already effective arrangements or to make arrangements adequate and effective. The assurance element is vitally important and therefore GERs should be designed to provide both assurance and development opportunities for governing bodies. In this context, we note that neither of the sector governance codes includes an explicit reference to development as being a key purpose of GERs, although the college code states that the GER and an accompanying Board Development Plan should be sent to the SFC and published.
17. Institutions have not always shared the reports with SFC in a timely way and, SFC has not always or consistently (a) chased provision or publication of the reports or (b) reviewed those that we have received. The sector code's requirement for colleges, as public bodies, to share the GER reports with SFC is and has always been clear; the sector code's requirement for universities to share reports is more focused on reporting publicly on the results of effectiveness reviews and associated actions. There has been no explicit requirement in the past for universities to share their GER reports with the SFC. As noted above, SFC's activities and priorities were also impacted by the Covid-19 pandemic and this was an activity that was deprioritised at that time. SFC is addressing this moving forward with colleges and universities being required under the OFAM to undertake the reviews on a frequency in line with the appropriate sector governance code and to submit the reports to SFC in a timely way. SFC will review GER reports on submission and will chase for submission where these are outstanding.
18. There is a need for greater clarity around what assurances are needed or desired and this would provide benefit to SFC and to Governing Bodies – our guidance will support the sectors in understanding our expectations in this space. SFC expects that GER reports provide assurance over compliance with the relevant sector governance code in practice and that the governance arrangements in place at institutions are both adequate (i.e., designed appropriately) and effective (i.e., operating as intended). This includes effective scrutiny stemming from the culture of the governing body and committees being one that is curious, challenging and holds the executive to account. It also includes appropriate governance oversight of the institution's strategy, internal

control and risk management framework and financial viability and sustainability. GER reports should be clear about the evidence on which assurances are based.

19. The **GER process should support the requirement on governing bodies to comply or explain compliance with the relevant sector governance code in their Annual Governance Statement** in the narrative part of the audited financial statements. The analysis noted that there were occasional inconsistencies between the level of compliance indicated in the GER report and what is stated in the financial statements for the period of the review (e.g., the financial statements stating full compliance with the relevant sector governance code and the recent GER showing non-compliance). There is also a lesson for external auditors here in sense-checking the narrative part of the financial statements and considering what evidence they draw on to do so. Checking against the most recent GER report and action plan would enhance the assurance over the statements made by institutions in their financial statements.
20. **No standard approach to GERs is used within each sector and guidance on what is expected to be covered would be helpful**, particularly in terms of the evidence base for the review. Although it is for governing bodies to secure an external reviewer for the GERs, there can be significant variation in the approach adopted by reviewers and so in the assurance that the review itself can provide. Although SFC does not believe that it would be helpful for us to mandate an approach to GERs, we would encourage reviewers to consider the approach that they need to take to provide assurance, including over governance aspects such as the oversight of financial sustainability, with triangulation of evidence. On Board suggests that the approach should include document review, observation of governing body and committee meetings, a survey or questionnaire (that can be benchmarked), interviews and a workshop to gather governing body members' views.
21. There is a **need for improved induction and for training and development for governing body members** (including students). It is insufficient to recruit appropriate governing body members, although that is a necessary first step. It is important that there is an induction programme that ensures governing body members are aware of their role and responsibilities as both board members and trustees and of the context of their institution. It is also important that there is continuing training and development for governing body members and that they avail themselves of these opportunities.
22. Few GER reports commented on the **quality of financial oversight by the governing body** and, where there was comment, this was relatively superficial. Many GERs did not mention finance or financial oversight at all in the report. Although not a primary focus of GERs or a primary source of assurance about financial oversight, the governing body and committee's role here is crucial and lack of appropriate challenge and oversight can lead to financial issues not being identified or addressed in a timely way. This can have significant adverse consequences for the institution.
23. In addition to the common findings above, On Board identified findings specific to

college or university sectors that were more closely related to governance in the institutions and we recommend that governing bodies consider these and whether and how they might apply in their institution. We note that Outcome Managers will engage with institutions in relation to On Board's key findings about them as individual institutions in the coming OFAM meetings.

- For colleges, areas for improvement that were identified in GER reports related to monitoring progress on strategy delivery (including KPIs and strategic reporting), the effectiveness of risk management and its contribution as a strategic enabler to improving College performance, and tracking delivery of implementing previous recommendations.
- For universities, areas for improvement that were identified in GER reports related to more focus on strategic matters, the structure and strategic fit of committees, equality and diversity, and coverage of financial reporting and financial management.

## Sector findings of Gillies Report

24. The Gillies Report was primarily focused on the issues that arose at the University of Dundee, but noted that the well-established SFC Financial Memorandum ('FM') with Higher Education Institutions and the Scottish Code of Good Higher Education Governance in Scotland ('Scottish Code') are fit for purpose.
25. Although the Gillies Report noted that the root causes were largely unique to the University of Dundee, the report included a short section that set out the lessons for the sector more broadly. This included a number of lessons for executive teams related to financial management and reporting, including consideration of student recruitment, and decision making.
26. In summary, the lessons for sector governance emphasise the following:
  - Effective governance relies not only on systems and processes, there is critical importance of a culture that values questioning and critical appraisal at all levels, without fear, and encourages curiosity and engagement to uncover risks and issues worthy of debate.
  - The importance of a values-led university culture that prioritises transparency and accountability and that supports evidence-based decision-making, integrity, and openness to challenge.
  - The need for regular updates on sensitive matters, clear communication, and unbiased minutes that reflect challenges and decision-making processes.
  - The importance of the Audit Committees maintaining independence and objectivity, avoiding overlap with other committees to prevent bias.

- Papers being provided sufficiently in advance of meetings to ensure informed decision-making.
27. There are also two specific lessons around roles that we wish to highlight in this paper.
- The report notes that the dual role of the University Secretary as Chief Operating Officer is a potential conflict of interest, requiring careful management to ensure primary responsibility to the Chair of Court. This is not a common arrangement in the Scottish university sector, but instances outside of the University of Dundee do occur. SFC recognises that institutions are autonomous and that staffing matters are not for the SFC. Therefore, we encourage institutions to consider carefully whether this arrangement is appropriate and how best to secure the University Secretary's independence where a dual role is in place.
  - Overlapping attendance, whether or not formal memberships, between Finance Committee and Audit Committee, which can undermine the crucial independence of the Audit Committee. Although the sector codes of governance do not explicitly prohibit this, the spirit of the codes and SFC's view is that impact on the independence of the Audit Committee is detrimental to its oversight and assurance function. We therefore encourage the relevant bodies that own the sector codes of governance to consider carefully whether this should continue to be permitted in future iterations of the codes.
28. While the lessons from the Gillies Report are primarily focused on universities, some of these are also applicable to colleges – good governance is good governance after all. We encourage all governing bodies and executive teams to review these lessons and consider whether and how these may be applicable to their own institution.

## Implications for Outcomes Framework and Assurance Model

29. SFC has, over and since the Covid-19 pandemic, had an approach to sectors governance that placed significant reliance on the colleges and universities complying with the relevant sector codes. This has been due to reprioritisation of activities during this period. Having introduced the new OFAM and considered the evidence from On Board's analysis of GER reports, SFC has determined that it would be helpful to set out the monitoring activity that will be undertaken to gain ongoing assurance that governance in colleges and universities is adequate and effective. As previously and to maintain institutions' autonomy:
- Colleges must comply with the principles of good governance as defined in the [Code of Good Governance for Scotland's Colleges](#). The code sets out expectations, roles and responsibilities, including the requirement to undertake an annual internal Board evaluation and an externally facilitated effectiveness review every three to five years.



- Universities must comply with the principles of good governance as defined in the [Scottish Code of Good Higher Education Governance](#). The Code sets out the requirement to undertake an annual internal Governing Body evaluation and an externally facilitated evaluation at least every five years.

30. However, SFC will undertake closer monitoring in this area, including:

- Requiring institutions to submit the reports from the externally facilitated GERs to SFC to provide assurance that:
  - GERs are undertaken regularly in line with sector governance codes.
  - the institution is complying with the relevant sector governance code.
  - the GERs consider and provide judgements about the adequacy (design) and effectiveness (operation) of the governance arrangements at the institution, with a focus on assurance and not just on development.

**Where an institution has not undertaken a recent externally facilitated GER in line with the sector governance code timings, we strongly recommend that this is rectified as soon as possible.**

- Requiring institutions to submit to SFC regular updates on the implementation of recommendations of the GERs – to manage the burden associated with this, these should be the updates provided to the institution’s Court / Board of Management and therefore will require minimal additional work for institutions.
- Where SFC’s monitoring identifies risks or issues around weak governance, this will be addressed through the OFAM’s institutional engagement and intervention strategy, including issues being discussed with institutions and the development and monitoring of actions plans, where appropriate.
- Requiring non-compliance with the relevant sector governance code to be reported to the SFC, with the report to include details of the non-compliance, how it has arisen and how it will be rectified in future if the institution does intend to rectify the non-compliance. Not all non-compliance with the Code will be considered a breach of the Financial Memorandum or the OFAM, as the governance codes themselves operate on a comply or explain basis and include aspects that institutions **must** comply with and other aspects that they **should** comply with. The materiality of the non-compliance to good governance in an institution will also be a consideration.
- Consideration of breaches of Financial Memorandum (FM) that are required to be reported to the SFC – these may include issues such as failure to observe statutory regulations or obligations, mismanagement of funding, financial irregularity, fraud,

systems failures, breakdown of management or governance relations, etc. SFC is considering publication of further guidance about events that are notifiable by institution. The institution must refer itself to SFC if a breach of the FM has occurred.

- Consideration of the opinions in internal and external audit reports that are already submitted to the SFC by institutions insofar as these are relevant to governance effectiveness – this will include whether there have been internal control failures, qualifications or matters emphasised in the overall audit opinions, and the materiality and scale of any audit recommendations (including whether these are being addressed in a timely way).
  - Requirement that institutions have clear and appropriate whistleblowing policies that are readily accessible to staff and students and clear communication to alert staff to these. The policies should clearly state that if the matters staff members wish to report involve the person they would normally report to under the policy, who they should contact instead (e.g., the Chair of the institution's Audit Committee or SFC directly if no possible alternative internal reporting lines remain).
  - Scrutiny of institutional strategies, which SFC will undertake for a variety of purposes, including any implications for governance. These aspects might include the alignment between the institution's goals and its mission and vision, challenges in decision-making processes, consistency of information provided (such as in financial forecasts) with the institution's strategic plan, the quality of risk management within the strategic plan, stakeholder engagement, and the inclusion of appropriate performance metrics that align with the institution's goals.
31. Other activities that SFC plans to undertake in future to strengthen governance in the sectors include:
- The process set out in the [Higher Education Governance \(Scotland\) Act 2016](#) requires an election by governing body members, staff and students of the Chair. However, it is vital to ensure that those put forward for election have the requisite and appropriate experience and skills to undertake the role and responsibilities of the Chair. Therefore, SFC will work with the Committee of Scottish Chairs and Universities Scotland to support the development of guidance about the process for recruiting Chairs of Court. This process will be compliant with the 2016 Act's statutory requirements but will also include steps to assess the applicants such that all candidates for the election are suitable.
  - Working with relevant sector bodies (such as Advance HE and CDN) to provide training for new governing body members and continuing governing body members at the start of new terms as a refresher. Although training is already provided for governing body members, we plan to supplement this with SFC-presented training



about our expectations of members and the role and responsibilities of governing bodies, the accountable officer and executive teams. SFC recognises that governing body members are unpaid volunteers, but they are also charity trustees of the institution and have personal liabilities in this regard. Undertaking suitable and appropriately frequent training is important in both ensuring that institutions have good oversight and that governing body members are supported in undertaking their work as trustees. SFC will also work with Universities Scotland and Colleges Scotland to agree a way forward to ensure that all governing body members undertake this training, including whether this should be made mandatory under the FM or whether this would be better placed withing the sector governance codes.

- Enhance SFC’s routine engagement with auditors to include internal auditors in addition to ongoing engagement with external auditors – this will bring additional sector intelligence and enhance the assurance available to SFC.
  - Consider with external auditors how they can ensure that they identify and surface issues of governance and financial control – this will not require any additional audit work to be undertaken but is focused on external auditors raising these matters through their usual reporting mechanisms.
32. We recognise that SFC may be notified of issues concerning governance through complaints, allegations or media reporting. However, we would always encourage institutions to speak with their [Outcome Manager](#) if it identifies issues with governance, as with any other matter. The upcoming revised OFAM guidance will contain further detail on how SFC will monitor and engage with institutions across all outcomes, including Good Governance.
33. We will review our approach to good governance annually to ensure it remains fit for purpose.

**Dr Jacqui Brasted**

Director of Access, Learning and Outcomes

## Annex A: Recommendations re: University GER reports

Annex A sets out the recommendations for SFC from On Board from its review of the university sector GER reports.

1. The Funding Council should remove any current ambiguity and make it a clear requirement that all Universities must send their GER reports to the Funding Council and publish them online.
2. The Funding Council should tighten up its monitoring of the GER process to (1) ensure that GERs are commissioned, undertaken and submitted in line with the deadlines set out in the Code and that (2) what is submitted is the actual GER report and not a summary/cover report, a PowerPoint presentation on the findings, feedback from Governing Body or a Committee on the GER report's recommendations, a self-evaluation etc.
3. GER reports should be accompanied by a rolling action plan to track the implementation of recommendations from previous GERs (whether external or self-evaluation). The testing of this should be a clear component of the GER process.
4. The Funding Council should provide greater clarity to Universities on what assurances are needed or desired. This would enhance the process (both internal evaluations and externally facilitated evaluations) and provide benefit not just to the Funding Council but also to Governing Bodies. Such an approach would support the requirement on Governing Bodies to comply or explain compliance with the Code in their Annual Governance Statement and the Funding Council's new Assurance Model. This clarity may form part of a new Guidance Note which sets out best practice in undertaking externally facilitated effectiveness reviews. This would serve as a 'standard' and bring the University sector into line with the College sector.
5. Going forward, the Funding Council should review each GER for evidence of strengths and weaknesses in governance (including cases of non-compliance with the Code) and take appropriate follow-up action to address any issues raised. The current process of reviewing GERs within the Funding Council needs to be strengthened.
6. Universities should be asked to benchmark their current GER practices against the findings in this report.

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## Annex B: Recommendations re: College GER reports

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Annex B sets out the recommendations for SFC from On Board from its review of the college sector GER reports.

1. Colleges should be asked to benchmark their current GER practices against the findings in this report.
2. Revisions to the CDN Guidance Note should be considered to take account of the observations in this report and the accompanying report on individual Colleges. Revisions to the Guidance Note should set out clear expectations around the importance of evidence.
3. Instructions to Reviewers should include the requirement to follow the CDN Guidance Note in full or equivalent best practice.
4. Consideration should be given to mandating that externally facilitated GERs are required every three years. GERs which are currently overdue should be prioritised.
5. The Scottish Funding Council should clarify that GERs should be approached as both a developmental tool for College Boards and as a means of providing assurance to Boards and the funding bodies. In doing so, the Scottish Funding Council should specify its assurance requirements, including in relation to compliance with the Code of Good Governance.
6. Assessing the quality of financial oversight exercised by the Board and Finance Committee should be a clear component of the GER process, and revised guidance should highlight this requirement.
7. Where this is not already in place, Colleges should develop a process to assess, monitor and report compliance with the Code of Good Governance. The testing of this process should be a clear component of the GER process.
8. GER reports should be accompanied by a rolling action plan to track the implementation of recommendations from previous GERs (whether external or self-evaluation). The testing of this should be a clear component of the GER process.

# Analysis of the SFC's Expectations of Good Governance Report (September 2025)

## Background

This paper has been prepared by CDN to assist the Good Governance Steering Group (GGSG) in considering its response to the recommendations of the [SFC's Expectations of Good Governance Report](#), published in September 2025.

The analysis concentrates on actions that could be taken under the leadership of the Good Governance Steering Group in response to the Report to ensure that colleges continue to deliver good governance in line with SFC's expectations. This includes instances where it may be advisable to consider adjustments to the Code or to other guidance within the sector to facilitate this.

## Key Documents

As noted in the Report, the key governance document for the college sector is the Code of Good Governance for Scotland's Colleges ('the Code'). The latest version of this was published by the Good Governance Steering Group in May 2024 and is available [here](#). Minor revisions to the Code are due to be considered by the Good Governance Steering Group in November 2025.

In June 2022, CDN and the Good Governance Steering Group published the latest edition of the Guidance Note for Conducting Externally Facilitated Effectiveness Reviews (the 'Guidance Note'). This edition took account of the findings of CDN's [Overview Report](#) of 20 externally-facilitated effectiveness reviews completed by the conclusion of the previous cycle of reviews in 2021.

CDN published a further report on the implementation of actions from this round of reviews, [External College Governance Reviews: What Happened Next?](#) in June 2023.

It should be noted that the Code and the Guidance Note are both 'owned' by the Good Governance Steering Group although they are created and published by CDN on their behalf.

## Terminology

The college sector currently uses the terminology 'externally facilitated effectiveness reviews' (EERs) for its governance reviews, based on the language used in Section D24 of the Code.

It is noted that the SFC Report, and the SFC's [Outcomes and Assurance Framework](#), use the terminology 'governance effectiveness reviews' (GERs).

Consideration should be given to the adoption in future versions of the Code and guidance documents of the GERs terminology in order to ensure consistency.

## Training

The emphasis on training and development in the report should be noted. The National Board Development Programme is a key deliverable in CDN's funding agreement with SFC and engagement with it is regularly reported through SFC's quarterly meetings with the CDN senior team.

The programme as currently constituted consists of an extensive suite of online training materials, to which all board members have access, and the provision of in person training for individual boards in a range of areas from briefings on the role of the board to key skills topics such as questioning, chairing and quality assurance.

All new board members in the sector receive a welcome email from CDN containing a copy of the Code of Good Governance, the Guide for College Board Members and a link to the [online materials](#) including the new board member induction module.

CDN is constantly seeking to improve and expand this offer and will review the report to see where it can add new provision in support of the recommendations.

In terms of specific comments in the report:

- The direct involvement of SFC colleagues in the National Board Development Programme would be a positive development, both in the delivery of dedicated content for the online programme and in training events.
  - This could include specific information to be added to the welcome email sent to all new board members, which is an ideal opportunity to raise awareness of SFC's expectations.
- CDN is able to report on the engagement of board members with the National Board Development Programme and already provides this on request to individual colleges.
  - The expectation of, and reporting on, engagement with the Programme could form part of a board's annual self-evaluation and could also be built more explicitly into the guidance for GERs.

## Specific Recommendations for Colleges

This section looks at the specific recommendations in Annex B of the report in the context of the wider observations in the body of the report.

### **1. Colleges should be asked to benchmark their current GER practices against the findings in this report.**

This could be undertaken as a collaborative exercise by the Governance Professionals' Network, facilitated by CDN. The benchmarking exercise could include reiteration of the requirements of the Code of Good Governance and the Guidance Note for conducting GERs. It could also assess the current level of compliance with these documents.

### **2. Revisions to the CDN Guidance Note should be considered to take account of the observations in this report and the accompanying report on individual Colleges. Revisions to the Guidance Note should set out clear expectations around the importance of evidence.**

CDN could undertake this revision with the oversight of the Good Governance Steering Group, which endorsed the current guidance. This should be preceded by consideration of revisions to the Code of Good Governance taking account of the observations in this report.

This revision of the Code of Good Governance and the Guidance Note could look specifically at key themes emerging from the report:

- Clarity on the assurance role of the GERs (para 19 of the Report). The existing Guidance Note recommends mapping the GER against the 5 pillars of the Code, which include Accountability (for assurance). This could also be considered in respect of para 22 of the Report in order to ensure that the checklist for evaluation in the Guidance Note adequately reflects the assurance role of the board.
- Ensuring a standard approach to GERs within the college sector (para 20 of the Report). The intention of the Good Governance Steering Group's endorsement of the Guidance Note was that there should be a standard approach based on that guidance. The inclusion in the Code of Good Governance of an explicit requirement for GERs to be conducted in line with a GGSG-endorsed Guidance Note could be considered.

**3. Instructions to Reviewers should include the requirement to follow the CDN Guidance Note in full or equivalent best practice.**

As noted under 2, the requirement to follow the GGSG-endorsed Guidance Note could be formally enshrined in the Code of Good Governance. This would provide support for individual colleges to require this of their reviewers as part of the tender process.

**4. Consideration should be given to mandating that externally facilitated GERs are required every three years. GERs which are currently overdue should be prioritised.**

This would be a matter for the Good Governance Steering Group, which approved a shift from a 3 year to a 5 year cycle for reviews after the cycle that concluded in 2021. It should be noted that CDN is unaware of any colleges that are currently overdue a review within the current cycle (2021-26). It is expected that all reviews should be complete on schedule by the end of 2026.

**5. The Scottish Funding Council should clarify that GERs should be approached as both a developmental tool for College Boards and as a means of providing assurance to Boards and the funding bodies. In doing so, the Scottish Funding Council should specify its assurance requirements, including in relation to compliance with the Code of Good Governance.**

We note that this is a recommendation for SFC. The Code of Good Governance, in its 5 pillars, supports the dual approach of GERs being developmental tools and a means of assurance. The Code and the Guidance Note could be revised to increase clarity on this point if the GGSG feels that to be helpful.

**6. Assessing the quality of financial oversight exercised by the Board and Finance Committee should be a clear component of the GER process, and revised guidance should highlight this requirement.**

The intention of the current Code of Good Governance and Guidance Note is that this should be the case. CDN can work with the GGSG to ensure appropriate revision of those documents to ensure that this is made clear.

**7. Where this is not already in place, Colleges should develop a process to assess, monitor and report compliance with the Code of Good Governance. The testing of this process should be a clear component of the GER process.**

This should already be in place as part of the annual self-evaluation required by the Code and reported on via the requirements of the Outcome and Assurance Framework.

CDN, supported by the GGSG, can work to ensure that a revised Code of Good Governance makes clear that the development of such a process is a requirement of the Code. A separate guidance note on best practice in such processes could also be produced.

**8. GER reports should be accompanied by a rolling action plan to track the implementation of recommendations from previous GERs (whether external or self-evaluation). The testing of this should be a clear component of the GER process.**

As noted in the Report, this is already a requirement of the GER process, but previous CDN research has indicated a lack of consistency of approach across colleges. CDN could produce guidance on the development of action plans as an extension of its previous work in this area.

## Next Steps

Once the Good Governance Steering Group has had time to consider the Report and the comments/suggestions in this analysis, CDN will work with key stakeholders in the group, including the Governance Professionals' Network and SFC, to take forward the agreed actions.

Gordon Hunt  
Head of Insight, Planning and Impact,  
CDN

September 2025

**BOARD OF MANAGEMENT**

**Tuesday 9 December 2025**



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**GOVERNANCE ITEMS**

**13.2 – MEMBERSHIP UPDATE**

**PAPER O**



# BOARD OF MANAGEMENT

Tuesday 9 December 2025

## Membership Update

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### *Paper for approval*

#### 1. Introduction

This paper summarises arrangements and requirements in respect of the membership of the Board of Management of Dundee and Angus College as a Regional College under the terms of the Post-16 Education (Scotland) Act 2013.

#### 2 Board of Management Membership

Under the terms of the Post-16 Education (Scotland) Act and the ministerial guidance on the recruitment of board members, the Board of Management must make appropriate arrangements for the recruitment of migrating and new members of the Board.

To operate within the terms of the legislation the Board of Management must now include **a minimum of 17 members and a maximum of 20 members** (up to 12 of whom are classified as “ordinary members” recruited under the board arrangements). The College Board cannot operate legally with fewer than 17 members.

A list of current board members is included as Appendix A and it should be noted that the College is now operating at its lower membership limit.

#### 3 Support Staff Board Member

Following election between two candidates, Jenna Lawrence, Marketing Manager has taken up the role of a Support Staff member of the board for a four year term effective from 1 October 2025.

#### 4 Board Member Reappointment

The term of office of Brian Lawrie is due to come to an end in April 2026. Under the terms of the ministerial guidance, Mr Lawrie can have his term of office extended for a further 4 year term without the need for further recruitment. Extension is at the discretion of the minister and requires prior approval of a request by the Board of Management and Board Chair.

Given the time it normally taken to progress reappointments by the Scottish government approval for this extension is sought from the Board now, with this taking effect from April 2026.

#### 5 Board Recruitment

As detailed at the previous meeting, Board recruitment has progressed with five applications received. Interview and selection arrangements will be undertaken on 22 December 2025 with a view to a nomination being made early in the new year.

## **6      Link to Strategic Risk Register**

Information in this report is intended to provide Board members with reassurance that actions and activities are being progressed and addressed that support the mitigation of a range of risks identified within the Strategic Risk Register namely:

- 3.2**      Failure to achieve/maintain compliance arrangements, e.g. contracts; awarding bodies; audit.

**Author and Executive Sponsor:** Steve Taylor, Vice Principal Support Services and Operations

Name	Appointment	Member Until	Profession/Specialism
1. Laurie O'Donnell	Regional Chair July 2022	Scottish Government Appointment until 10/07/2026	Learning & Teaching, Digital, Management
2. Helen Honeyman	January 2019	31/12/2026	Risk, Governance, HR Management
3. Donald Mackenzie#	April 2019	31/03/2027	HR & OD, Corporate Communications, Management
4. Neil Lowden	January 2019	31/12/2026	Educational Management, Learning & Teaching, Educational Policy
5. Brian Lawrie*	May 2022	31/04/2026	Finance, Public Service Management
6. Carri Cusick*	April 2023	30/04/2027	Economic Development/ Enterprise, Digital, Management
7. Ged Bell*	September 2024	31/08/2028	ICT/Digital, Public Sector Management
8. Kelly McIntosh*	February 2025	31/01/2029	Public Service Management, Education, Learning & Teaching
9. Robert Young*	February 2025	31/01/2029	Private Sector Management, Infrastructure/Engineering
10. Kirsten Marsh*	June 2025	31/05/2029	Government Strategy, Funding, Infrastructure & Economic Development
11. Brian Mooney*	June 2025	31/05/2029	Business Consultancy & Turnarounds, National Project Leadership
12. Colin Smith*	June 2025	31/05/2029	Infrastructure & Estates Leadership, Senior HE Management
13. Simon Hewitt	August 2020	--	Principal
14. Jenna Lawrence	October 2025	30/09/2029	Non-Teaching Staff Member
15. Derek Smith	April 2023	31/03/2027	Teaching Staff Member
16. Stephen Oakley	March 2024	31/03/2028	Teaching staff union nominated member
17. Richard Gordon	February 2025	31/01/2029	Non-teaching staff union nominated member
18. Connor Pithie	August 2025	31/07/2026	Student Member
19. Adele Lawrence	March 2024	31/07/2026	Student Member

\* Eligible for reappointment

# Senior Independent Member

<b>Name</b>	<b>Appointment</b>	<b>Member Until</b>	<b>Profession/Specialism</b>
<b>Donna Fordyce</b> (Co-opted F&I member)	August 2025	31/12/2026	Economic Development/ Enterprise, Fisheries, Retail Management
<b>Sally Middleton</b> (Co-opted LT&Q member)	August 2025	31/12/2026	Academic Management, Learning & Teaching, Articulation
<b>Derek Stewart</b> (Co-opted F&I member)	August 2025	31/12/2026	Academic Management, Infrastructure & Funding

**BOARD OF MANAGEMENT**

**Tuesday 9 December 2025**



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**GOVERNANCE ITEMS**

**13.3 – BOARD METRICS**

**PAPER P**

# BOARD OF MANAGEMENT

Tuesday 9 December 2025

## Board Metrics



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### *Paper for information*

#### **1 Introduction**

This paper outlines a series of standardised Board Metrics as discussed and agreed at previous meetings.

#### **2 Board Metrics Report**

To ensure that there is clear visibility of data and progress the following series of clear metrics is produced for consideration at each Board meeting. These metrics link together a number of data sources into a single high level Board report to provide high level indications of College performance. The further detail in each case should rest with the relevant Committee, or be part of the operational activities of the College. In this way, the metric report should supplement, rather than replace, the range of current information provided to the Board and its Committees.

#### **3 Link to Strategic Risk Register**

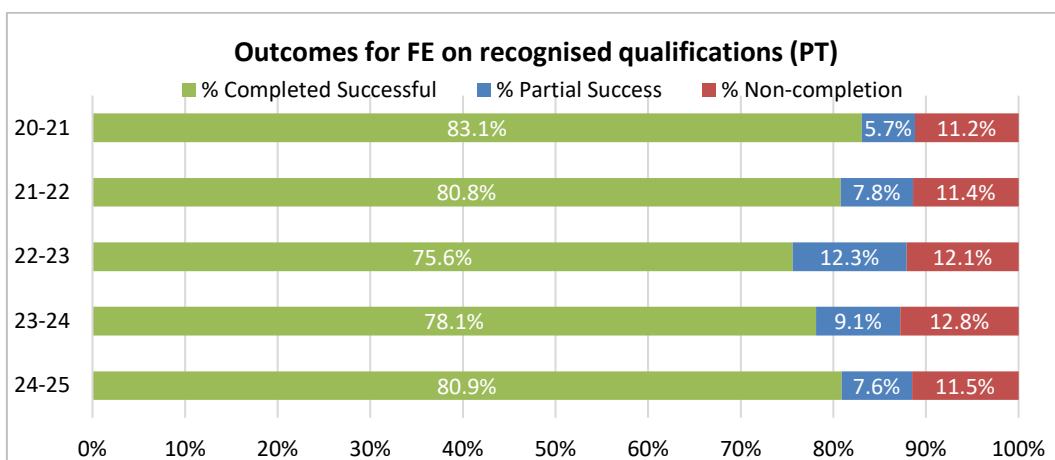
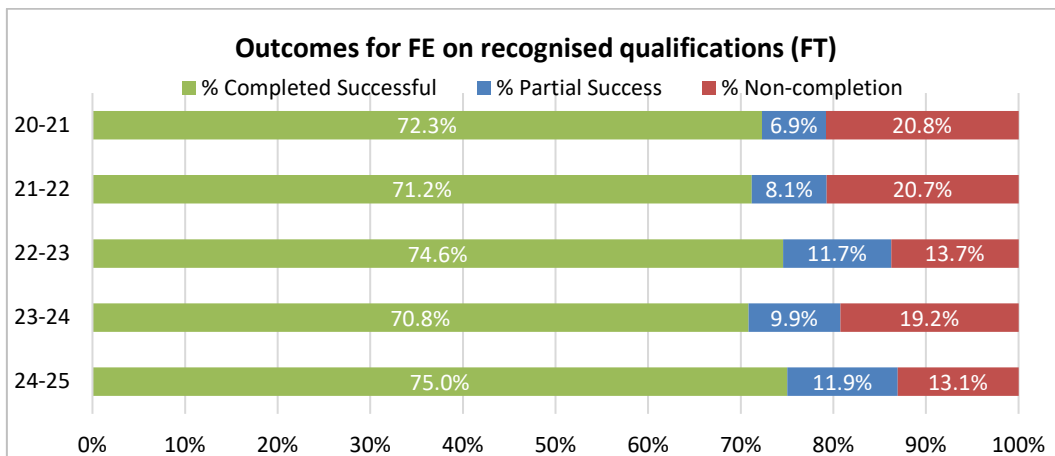
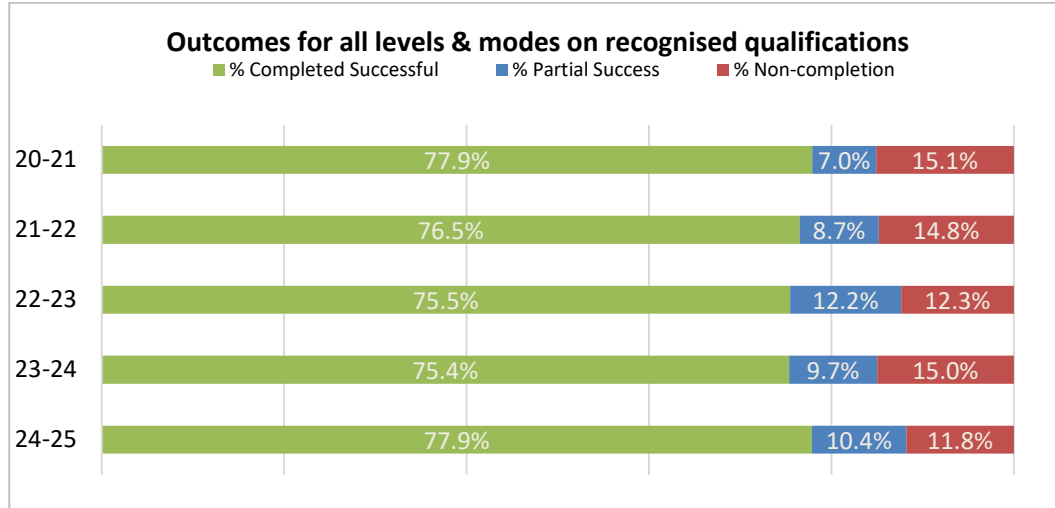
Information in this report is intended to provide Board members with reassurance that actions and activities are being progressed and addressed that support the mitigation of a range of risks identified within the Strategic Risk Register namely;

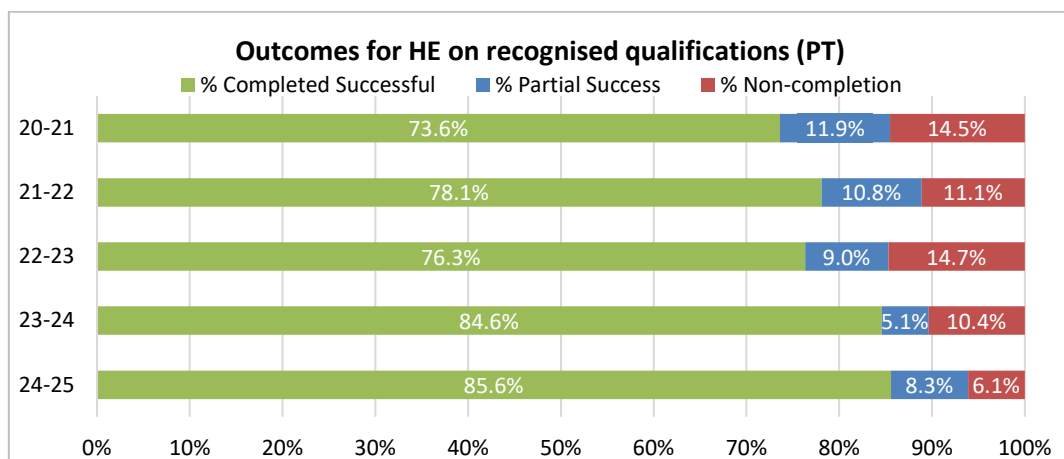
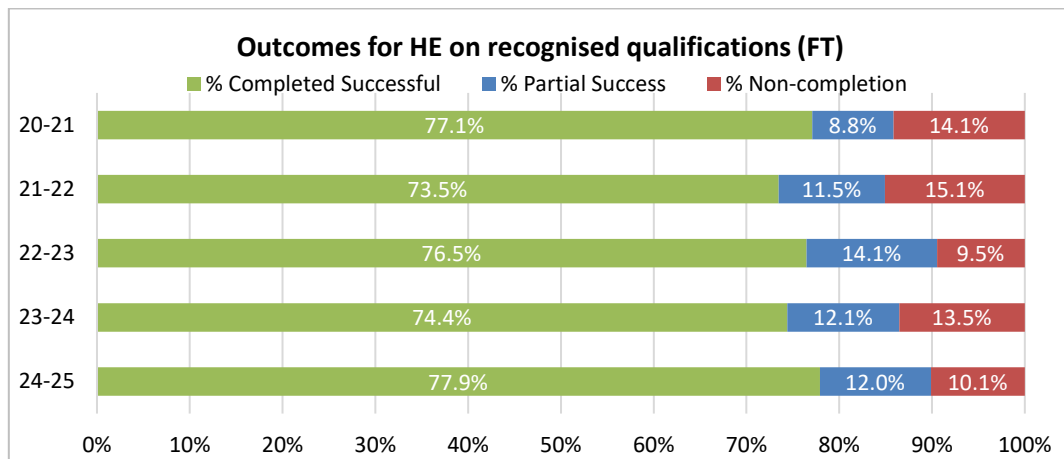
- 1.1 – Failure of College strategy to meet the needs of the D&A Region and/or national priorities (eg Employability, DYW, attainment, articulation)
- 2.2 – Failure to achieve institutional sustainability
- 3.1 – Failure to reach aspirational standards in learning, teaching and service delivery
- 3.3 – Legal actions; serious accident; incident or civil/criminal breach
- 3.4 – failure to meet aspirational standards in respect of the health, safety, wellbeing and development of staff and students

**Author** Lauren Mowatt, Data Analyst

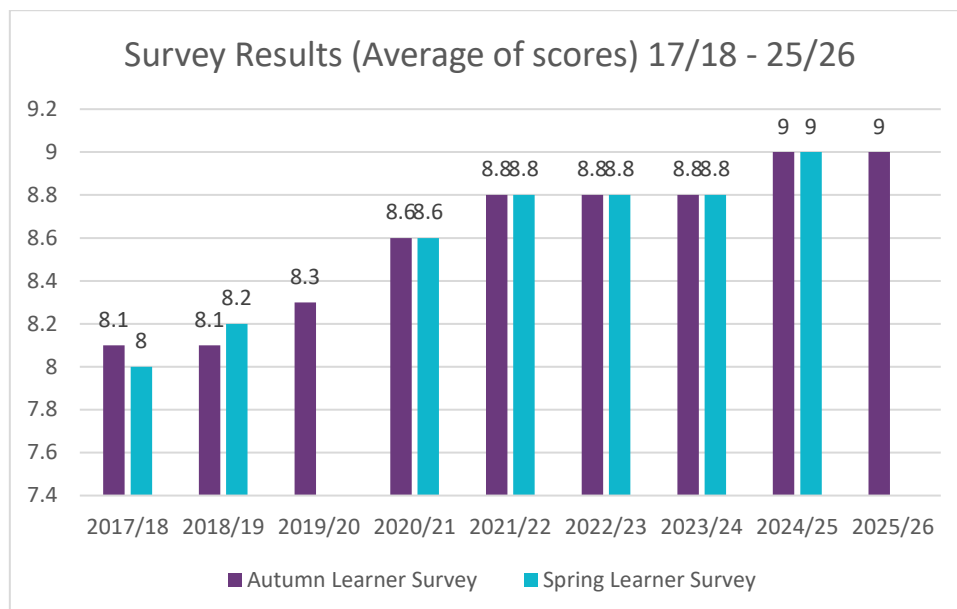
**Executive Sponsor:** Steve Taylor, Vice Principal Support Services and Operations

## Performance Indicators





## Student Survey Results

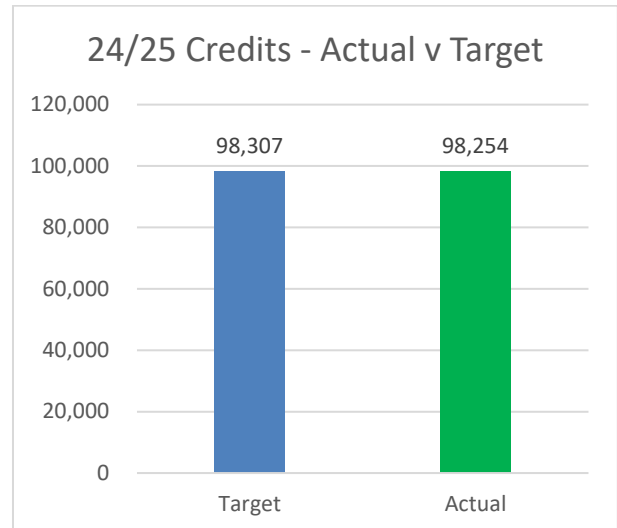
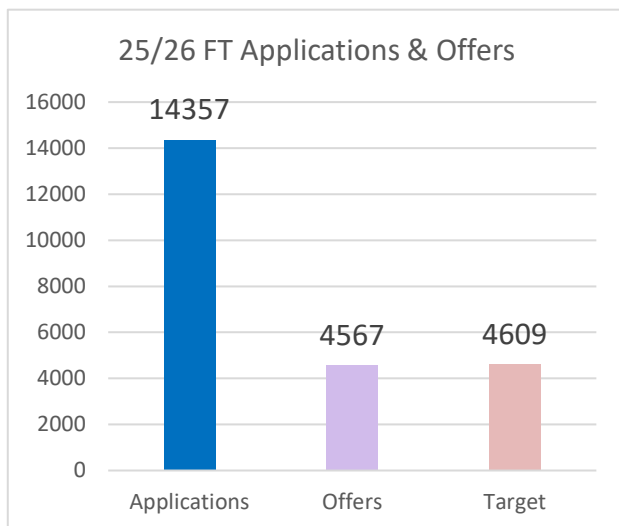


Note: The 2019/20 L&T Survey was not completed. The Learner Survey is now scored out of 5 but the results are scaled up to be consistent with prior years. The overall 2025/26 Autumn survey score was 9 (4.5 out of 5).

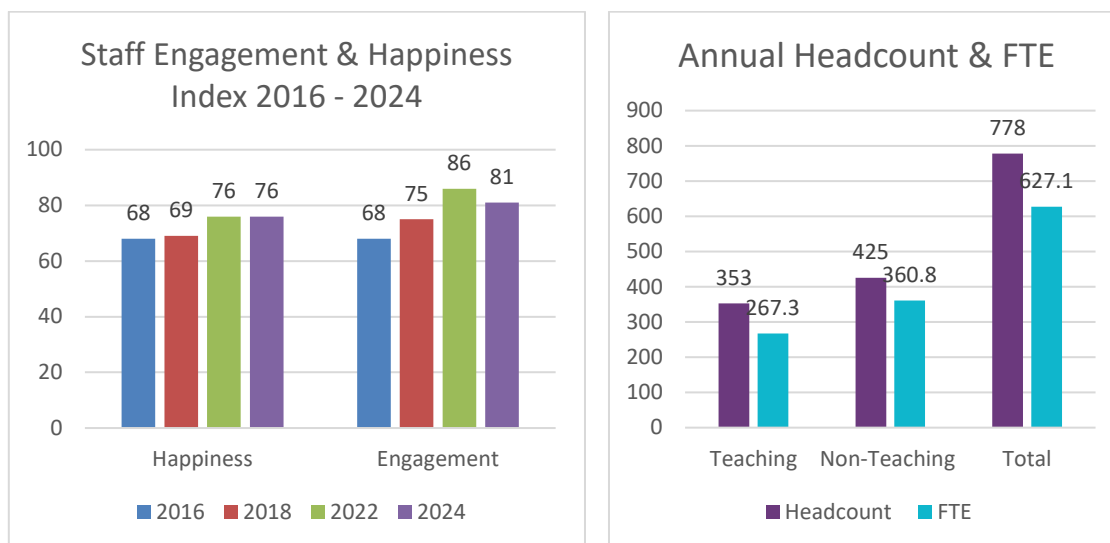


## SFC Student Satisfaction & Engagement Survey – Positive response rate

	D&A	National
Overall Satisfaction 2020/21	92.4%	85.9%
Overall Satisfaction 2021/22	96.3%	90.2%
Overall Satisfaction 2022/23	96.7%	93.4%
Overall Satisfaction 2023/24	97.2%	92.1%
Overall Satisfaction 2024/25	97.9%	94.8%

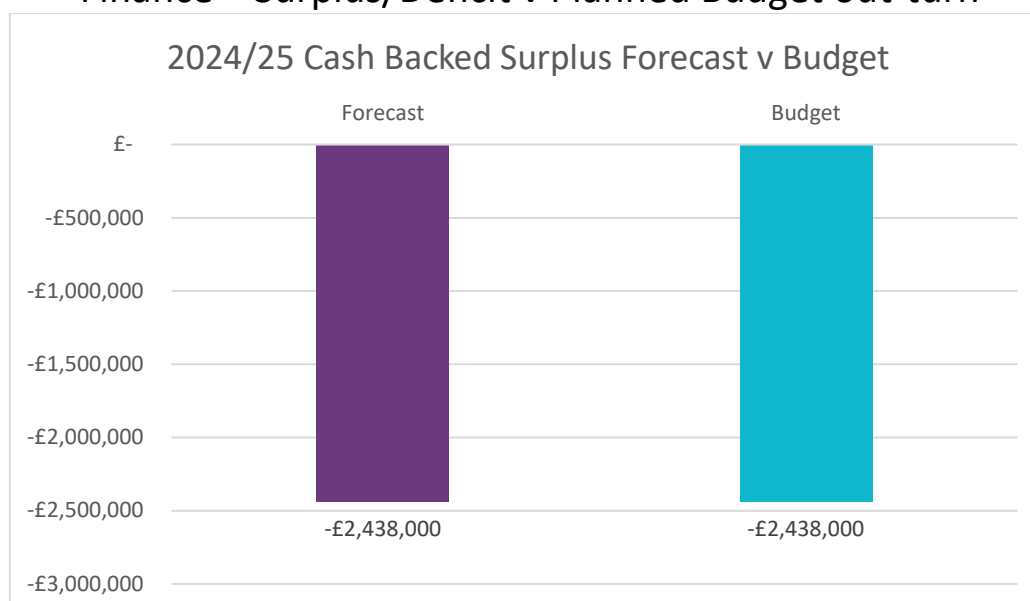


## Staff – Engagement and Happiness Index, FTE & Headcount and Absence



	Staff Absence Last Full Quarter	Staff Absence Rolling Year to Start of Last Quarter
<b>Average working days lost per sick headcount</b>	<b>7.49 days</b>	<b>8.24 days</b>
<b>Working time lost</b>	<b>3.49%</b>	<b>4.01%</b>
<b>Comparison with sector/national rates</b> UK All Sector rate (CIPD 2016) UK Public Sector rate (Unison 2016)	3.3% (3.4% CIPD 2023) 3.4%	

## Finance – Surplus/Deficit v Planned Budget out-turn



	2025/26	2024/25	2023/24
RIDDOR – Reportable Accidents	0	2	7

2024/25	Completed	Planned
Audits Completed v Planned	6*	8

- Two audits were transferred into 2025/2026

**BOARD OF MANAGEMENT**

**Tuesday 9 December 2025**



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**MINUTES OF COMMITTEE MEETINGS**

**PAPER Q**

**14.1- LEARNING, TEACHING AND QUALITY – 12 NOV 2025**

**14.2- PEOPLE, CULTURE AND WELLBEING – 27 NOV 2025**

**14.3- AUDIT & RISK (VERBAL UPDATE) - 2 DEC 2025**

**14.4 – JOINT A&R and F&I (VERBAL UPDATE) – 2 DEC 2025**

**14.5 – FINANCE AND INFRASTRUCTURE (VERBAL UPDATE)  
– 2 DEC 2025**

# BOARD OF MANAGEMENT



## Learning, Teaching and Quality Committee

Wednesday 12<sup>th</sup> November 2025 at 5.00pm **Room K-TO-624, Kingsway Campus** (MS Teams option available)

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Minute of the Learning, Teaching and Quality Committee meeting held on Wednesday 12<sup>th</sup> November 2025 at 5.00pm in Room K-TO-624 Kingsway Campus and via Microsoft Teams.

### **PRESENT:**

Neil Lowden	Simon Hewitt
Adele Lawrence	Connor Pithie
Stephen Oakley	Laurie O'Donnell
Ged Bell	Colin Smith
Kirstin Marsh	Sally Middleton

**IN ATTENDANCE:** Steve Taylor (Vice Principal / Secretary to the Board)  
Julie Grace (Vice Principal Curriculum and Partnerships)  
Jane Roscoe, Lee Lapin & Steph Toms (Directors of Curriculum & Partnerships)  
Leann Crichton (Director of Student Experience)  
Megan MacQueen (Executive Coordinator)

### **1. WELCOME**

Neil Lowden opened the meeting by welcoming all board members to the LTQ Committee. He expressed his thanks to M MacQueen for stepping in to cover board duties during the absence of P. Muir, who is currently on maternity leave. Congratulations were extended to P. Muir.

### **2. APOLOGIES**

Apologies received from K McIntosh and D Smith.

### **3. DECLARATIONS OF INTEREST & CONNECTION**

There are no declarations of interest or connection.

### **4. MINUTE OF THE PREVIOUS MEETING**

The minutes of the previous meeting held on 27th August were approved. Steph will provide an update regarding SQA data and share the relevant figures, including NQ Day One outcomes, as detailed at the end of this minute.

### **5. MATTERS ARISING**

There were no matters arising.

## **6. CURRICULUM REPORT – PROMOTING POSITIVE MASCULINITY**

L Lappin provided an update on the ongoing work to promote positive masculinity within the curriculum. This initiative primarily impacts the engineering, building services, construction, and computing areas.

The Computing team has taken a proactive approach by embedding this theme into their learning and teaching practices for the current academic year.

H Honeyman highlighted the importance of storytelling in reducing stigma and noted the powerful impact this approach can have. The DASA team shared that they offer mental wellbeing activities such as 'colouring in' sessions as a form of detox for students; however, male students often feel reluctant to participate due to peer perceptions.

L O'Donnell commended the progress made on this project, while S Oakley suggested exploring whether this initiative could be linked to course portfolios. J Grace emphasised that cultural change among staff is the starting point for success.

N Lowden queried the nature of investment required—whether it is primarily time and training or financial resources. Lee confirmed that initial financial investment was made to bring in guest speakers, but the current focus is on utilising existing tools and resources within teams.

The Committee thanked L Lappin for a comprehensive presentation.

## **7. STUDENTS' ASSOCIATION REPORT**

C Pithie and A Lawrence presented a comprehensive update on Student Association activities. Inductions were successfully delivered across three campuses, engaging with over 1,120 students and involving more than 15 departments. Staff feedback was positive, noting the dynamic and interactive approach adopted by DASA, which replaced traditional presentations with quizzes and games. Student feedback averaged 4.75 out of 5 stars.

Class representative engagement has been strong, with 280 registered and 170 trained so far, spanning 16 departments. A new dashboard has been introduced to improve communication and make class rep information more interactive. Students appreciated quieter rooms for training and expressed interest in continuing team-building exercises.

The partnership with TQEF was discussed, and class rep recruitment will remain open until December 2025 to allow for mop-up training sessions. The learner survey achieved high engagement and results will be presented at the next LTQ meeting. Additionally, over 450 student interactions occurred during lunchtime activities and club events.

The Student Association also highlighted their advocacy efforts as part of the Fighting for our Future campaign, including sending 32 letters to cabinet ministers and MSPs to emphasise the need for college funding.

The update and on-going work of DASA was commended by the Committee.

## **8. CURRICULUM PLANNING FOR A MORE SUSTAINABLE COLLEGE**

J Grace presented a paper outlining strategic curriculum planning, considering significant financial constraints happening within the College currently and following 2023 funding cuts.

Key proposals include streamlining school-college partnerships due to increased competition from schools and scaling back on national qualifications, while retaining National 5 Mathematics and Higher English. The sports and fitness portfolio is under review, with consolidation proposed.

Following a query from S Middleton, J Grace clarified that not all sports courses are being cut, addressing misconceptions in community partners. S Taylor reiterated that all changes are currently proposals and will be communicated thoroughly once finalised.

H Honeyman queried the impact on facilities used for Dance and whether Gardyne Theatre would be affected. L Lappin confirmed that the theatre and studios will continue to serve curriculum, community and commercial offers.

G Bell expressed appreciation for the team's efforts and asked about anticipated reduction in terms of credits. J Grace noted that final figures are not yet available but the proposals would fit within the credit tolerance threshold to avoid the risk of funds being clawed back. S Hewitt added that the current credit model is problematic. L Crichton reported that recruitment has been maximised this year and early retention figures are promising, which will positively influence credit targets.

N Lowden highlighted that he had a connection but was not directly involved and asked about the Saltire Centre lease. S Hewitt confirmed that rising lease costs make it unsustainable and that alternative options are being explored with Angus Council. Further discussions will follow.

The committee also discussed the current credit model, noting that students must attend 25% of a course for any funding to be awarded.

## **9. 2025/26 PERFORMANCE INDICATOR REPORT**

S Taylor summarised the Performance Indicator report, which focused on detailed analysis and reflection. Courses performing below national averages undergo evaluation through the Successful Outcome Action Report (SOAR) process. Sixteen courses currently fall below benchmarks and are being considered for discontinuation.

## **10. CURRICULUM AND PARTNERSHIPS REPORT**

L Crichton introduced the report and provided an update on ongoing partnership work, including collaboration with Abertay University to meet entry target requirements. Over 80 community partners participated in Freshers events. The College is developing an in-house student funding system, which presents significant challenges but remains on track for testing in the new year. S Oakley queried whether the REMS would be used for student funding and it was clarified that this would not progress due to a commercial decision by CIVICA not to invest in a student funding product for the Scottish market. It was confirmed that the College was not charged for any part of this product.

N Lowden asked about the free CPD activity offered through the Elevate programme; L Lappin confirmed that one member from each academic team has been invited, with strong engagement so far. The programme will officially launch in January, and L Lappin will provide an update at a future meeting. **S Taylor to progress.**

J Grace noted that Graduation photos were highlighted in the report, as a powerful reminder of the College's impact on students.

## **11. STRATEGIC RISK REGISTER**

The Strategic Risk Register was noted and no changes to the risks delegated to the Committee were proposed. N Lowden asked whether further consideration should be given to any risks, given the ongoing savings plan. S Taylor noted that this could impact on risk 1.1 (failure to meet regional needs) but the overall impact of the savings was <2% of all activity and the discussion under item 8 had highlighted how this impact was being minimised.

S Hewitt noted that portfolio decisions remain challenging but are being managed.

## **12. LTQ METRICS**

Metrics were presented for noting, including SFC funding targets. S Oakley asked about the framework, and discussions are ongoing with the SFC outcome agreement manager, given that formal outcome agreements are no longer in place.

S Taylor summarised the arrangement in place through the Outcome Framework and Assurance Measure (OFAM) arrangements now in place.

## **13. DATE OF NEXT MEETING**

Wednesday 11 February 2026, Room K-TO-624, Kingsway Campus

### **Action Point Summary**

<b>Action</b>	<b>Responsibility</b>	<b>Date</b>
Update on progress and impact of the Elevate Project to be provided to a future meeting	S Taylor / L Lappin	13 May 2026



Awar d	Subject	App s	Enrolle d	Withdraw al	Examine d	Pas s A	Pas s B	Pas s C	Fai l D	No Awar d	Pas s	Fail/N o Award	Pass % of enrolle d	Pass % of examine d	2024 Pass Rate	2023 Pass Rate	Chang e in Pass rate (points )
Highe r	Chemistry	27	14	6	8	0	5	1	1	1	6	2	43%	75.0%	92.9 %	75.0%	-17.9%
Highe r	English	71	50	27	23	6	11	3	3	0	20	3	40%	87.0%	84.4 %	92.6%	2.6%
Highe r	Human Biology	33	17	1	16	3	6	3	2	2	12	4	71%	75.0%	53.3 %	90.9%	21.7%
Highe r	Mathematic s	36	20	8	12	2	2	2	2	4	6	6	30%	50.0%	70.0 %	100.0 %	-20.0%
Highe r	Psychology	27	27	1	26	5	7	8	5	1	20	6	74%	76.9%	85.0 %	68.8%	-8.1%
Nat 5	Biology	47	15	11	11	6	2	1	0	2	9	2	60%	81.8%	80.0 %		1.8%
Nat 5	English	46	22	9	13	5	3	4	1	0	12	1	55%	92.3%	88.9 %	100.0 %	3.4%
Nat 5	Mathematic s	107	69	36	33	7	11	11	1	3	29	4	42%	87.9%	71.4 %	75.0%	16.5%
Nat 5	Psychology	31	31	1	30	7	8	11	1	3	26	4	84%	86.7%	69.2 %	52.6%	17.4%

# BOARD OF MANAGEMENT



## People, Culture and Wellbeing Committee

Thursday 27 November 2025 at 5.00pm **Room K-TO-624, Kingsway Campus** (MS Teams option available)

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Minute of the People, Culture and Wellbeing Committee meeting held on Thursday 27 November 2025 at 5.00pm, in Room K-TO-624, Kingsway Campus.

**PRESENT:**

Donald Mackenzie	Brian Mooney
Brian Lawrie	Simon Hewitt
Jenna Lawrence	Stephen Oakley

**IN ATTENDANCE:** Steven Taylor (Vice Principal Support Services and Operations)  
Julie Grace (Vice Principal Curriculum and Attainment)  
Billy Grace (Head of Estates)  
Megan MacQueen (Executive Coordinator)  
Abi Mawhirt (Head of People and Organisation Development)  
Laurie O'Donnell (Regional Chair)

### 1. WELCOME

S Oakley welcomed everyone to the People, Culture and Wellbeing Committee meeting, in the absence of D MacKenzie who was joining later.

### 2. APOLOGIES

Apologies received from Robert Young, Neil Lowden, Carri Cussick and Richard Gordon.

### 3. DECLARATIONS OF CONNECTION & INTEREST

There were no declarations of connection & interest.

### 4. MINUTE OF THE PREVIOUS MEETING

The minutes of the meeting held on 4 September 2025 were approved as an accurate record.

### 5. MATTERS ARISING

Actions have been closed off and moving the metrics on a 15th month rolling period was still being considered.

Arrangements around the Emily Test 'charter mark' were discussed and it was noted that a group of staff were looking at this alongside the extensive work undertaken on eradicating gender based violence. Further updates would be provided.

## **6. FINANCIAL SECURITY & SAVINGS UPDATE**

S Hewitt provided an update on financial savings. The second consultation paper has been issued, and an email was sent to the Board outlining the timeline and when the final paper will be released. The savings plan remains on track, although the impact will not be visible until next year due to voluntary severance payments and the timing of the academic year.

S Hewitt reported that he met Ben Macpherson (Minister for HE and FE) yesterday, and it appears likely that some additional funding may be allocated to the college sector, although the amount and form remain unclear. Any funding received will apply to the next academic year.

Further proposals are being considered, and final options may change. Voluntary Severance applications had increased, with applications closing on 5 December. A final update will be released next week, and the Board will receive a copy. Progress continues, and more details will be provided at the Finance and Infrastructure Committee.

S Taylor noted that conversations with unions are ongoing, and meetings are held weekly to ensure clear communication. There have been 188 consultation responses in round one and a further 45 in round two. The impact on staff morale has been noted, with this having been the lowest among all savings plans implemented. Lobbying efforts have been positive, with strong collaboration and effective messaging to the press and Scottish Government.

The People Team remains exceptionally busy responding to staff queries and support needs. S Oakley commented that communications have improved and are now more focused and guided, with strong support from the Senior Leadership Team in union discussions. B Lawrie commended the quality of the paper given the challenging circumstances. S Taylor acknowledged that many difficult decisions remain over the coming weeks.

B Mooney requested information on headcount and the impact on remaining staff, and Simon confirmed that the January budget will be a key milestone. L O'Donnell noted the positive media coverage of Simon's recent interviews.

## **7. PEOPLE, CULTURE & WELLBEING REPORT**

D Mackenzie joined the meeting during this item. S Taylor presented his report, noting that health and safety signage has been updated across all campuses and that there has been an increase in near-miss reports. A fire evacuation course is being developed for all staff, and a flexible system for fire wardens during evacuations had been reinforced to accommodate hybrid working.

J Lawrence reported that an online survey was issued to all graduation attendees, and feedback has been overwhelmingly positive. The CDN Awards will take place next week. S Taylor confirmed that wellbeing support continues to be supported and feedback on options and approaches discussed during the weekly union catch up meetings.

The overall mood across the College, while low previously, has improved slightly following the recent walk event and enhanced communications. S Hewitt added that staff who feel secure are continuing to engage, and the Senior Leadership Team is supporting each other through this challenging period. B Lawrie asked how many voluntary severance applications had been declined, and S Hewitt confirmed that none had been declined. It was noted that in addition to savings in areas directly impacted, voluntary severance was also considered as a way of generating redeployment opportunities. D Mackenzie welcomed the report.

## **8. NATIONAL BARGAINING UPDATE**

The Committee noted the paper outlining recent updates. Support staff have been offered a three-year deal, and the GMB ballot remains open until 8 December.

The offer had been approved already by Unison, with Unite also expected to vote in favour. If approved, the increases would be applied in the January 2026 pay run.

Job evaluation is progressing slowly due to the lack of project funding required to compile necessary data and complete evaluation steps.

The report was noted.

## **9. STRATEGIC RISK REGISTER**

S Taylor reported that no changes were proposed.

## **10. HR METRICS**

S Taylor highlighted the HR Metrics report. Absence rates have increased slightly due to a combination of long-term absences and seasonal short-term absences. There is no evidence that this is linked to the savings plan (given the retrospective timescale for absence reporting).

Staff were reminded of hand hygiene procedures, and it was noted that February 17 will support a significant focus on training and staff development on a day when no classes are scheduled.

## **11. MEETING MINUTES/UPDATES**

The minutes of the Joint Consultative Committee and Health, Safety and Wellbeing Committee were noted. Sandy Fowler's achievement as Junior Vice President of Health and Safety was recognised.

B Grace noted that guidance on Martin's Law is still awaited from the Scottish Government, and a sector health and safety meeting will take place in December to (hopefully) consider the draft guidance.

## **12. DATE OF NEXT MEETING**

Thursday 19 February 2026 at 5.00pm in K-TO-624, Kingsway Campus

### **Action Point Summary**

<b>Action</b>	<b>Responsibility</b>	<b>Date</b>
Update on work to eradicate gender-based violence and progress towards the Emily Test 'charter mark' to be provided to a future meeting.	S Taylor	21 May 2026

**BOARD OF MANAGEMENT**

**Tuesday 9 December 2025**



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**CORRESPONDENCE**

**PAPER R**

# BOARD OF MANAGEMENT

## Tuesday 9 December 2025



### Correspondence – SFC Communications

#### *Paper for information*

<b>Reports and Publications Listing</b>	
<b>In-Year Management of College Student Support Funding 2025–26</b>  SFC/CI/08/2025 18 November 2025	Invitation to colleges to relinquish unspent student support funds or request an increase to their student support funding allocations for AY 2025-26.
<b>College Financial Statements and Returns 2024–25</b>  SFC/CI/06/2025 14 November 2025	This Call for Information requests copies of audited 2024–25 financial statements and associated supporting information.
<b>Guidance for Foundation Apprenticeships 2025-26</b>  SFC/GD/22/2025 13 November 2025	Guidance for colleges on the delivery of Foundation Apprenticeships in Academic Year 2025-26
<b>College Transformation Framework 2026–27</b>  SFC/AN/20/2025 12 November 2025	Guidance and invitation to colleges to submit expressions of interest in the College Transformation Framework for AY 2026-27.
<b>Outcomes Framework and Assurance Model: Guidance for Institutions</b>  SFC/GD/21/2025 30 October 2025	The Scottish Funding Council (SFC) gathers evidence of each institution's contributions, impact and delivery against its Outcomes Framework through the Assurance Model. This guidance sets out how SFC will monitor and engage with each college, college region and university as part of the SFC Assurance Model.
<b>Education Maintenance Allowance Guidance 2025-26</b>  SFC/GD/20/2025 23 October 2025	Guidance on the Education Maintenance Allowance (EMA) programme for colleges in Academic Year 2025-26
<b>Report on Widening Access 2023-24</b>  SFC/ST/06/2025 21 October 2025	This report presents data relating to the Commission on Widening Access (COWA) targets, and on Scottish-domiciled entrants to higher and further education in Scotland by SIMD domicile, sex, ethnicity, disability, care experience and age.
<b>Student Satisfaction and Engagement Survey 2024-25</b>  SFC/ST/07/2025 14 October 2025	To inform stakeholders of the publication of the college 2024-25 Student Satisfaction and Engagement Survey (SSES) outcomes.

<b>Financial Sustainability of Colleges in Scotland 2022-23 to 2027-28</b>  SFC/CP/05/2025 26 September 2025	<a href="#">Financial Sustainability of Colleges in Scotland 2022-23 to 2027-28</a>
<b>SFC's Expectations of Good Governance</b>  SFC/AN/19/2025 24 September 2025	The publication sets out what we have learned about sector and institutional governance from analysis of governance effectiveness review reports and Professor Gillies' report into the University of Dundee; SFC's expectations of sector governance; and how SFC will monitor governance.
<b>Self-Evaluation and Action Plan Thematic Report</b>  SFC/CP/03/2025 25 August 2025	The purpose of this publication is to present to the sector an overview of the development of the Self Evaluation and Action Plans and a thematic summary of the first submissions for 2023-24, submitted in December 2024.

Further details on the above Communications can be accessed via:

[Publications - Scottish Funding Council \(sfc.ac.uk\)](https://sfc.ac.uk/publications)

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**Executive Sponsor:** Steve Taylor, Vice Principal