



NORTHERN
Regional College

**Annual Report
and Accounts
2019/20**



Northern Regional College Annual Report and Accounts

For the year ended 31 July 2020

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under the Institutions of Further Education
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Ireland) 2008 by the Department for the
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16 December 2020

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Foreword by Chair of Governing Body

The 2019/2020 academic year was a year of two halves – pre Covid-19 and during the Covid-19 pandemic. During the first half of the year, the College continued to make steady progress with its mission to 'provide students with a life-changing, supportive and innovative experience, which will equip them with the skills to compete successfully in the global employment market and meet the needs of local industry and employers'.

I took over as Chair of the Governing Body in April 2020 during the Covid-19 lockdown and at a time when people were adapting to the 'new normal'. My introduction to the senior leadership team and fellow governors was via on-line meetings. I was impressed then and continue to be impressed by the commitment of all staff to ensuring that each and every student at Northern Regional College achieves to the best of their ability.

One impressive outcome of the campus closures was the way our staff and students adapted to online learning. Between March and June 2020, there were over 2.6 million page views on Canvas, the College's Virtual Learning Environment. I would like to commend and congratulate staff on their innovation and creativity to adapt to new ways of doing things. For example, the end of year showcase for Art, Design and Media Practice students was replaced by a digital alternative and streamed live on the College's [YouTube channel](#). The planned Coleraine Campus reunion was yet another casualty of the lockdown and a group of Tour Guiding students worked with their lecturer to create a [virtual tour](#).

Celebrating student success should be an enjoyable part of the chairman's role and in normal circumstances, the annual student

achievement awards are a good opportunity to meet students and their parents. The awards were among the many events cancelled because of the pandemic but nonetheless, we had some outstanding academic results and students from different curriculum areas across all campuses achieved to the best of their ability. I am confident that their time at Northern Regional College will have given them a solid foundation to build upon for a successful future.

Some notable achievements during the 2019/20 year include: Adam Pidgeon and Tyson McKeown (both Engineering) and Matthew Sterritt (Business) secured British Council Study USA scholarships to spend an academic year at a US College; Samuel Gilmore, third year carpentry and joinery apprentice, named Europe's Best Apprentice at the European Alliance for Apprenticeship Awards in Helsinki; seven students represented the College at WorldSkills UK LIVE in Birmingham – the equivalent of the Olympics for vocational students. They were Abigail Reilly (Plumbing); Jack Marshall (Web Design); Ashton Logan (Bricklaying); Patrick McCloskey (Carpentry); Tadas Dobrovlskis (Welding); Philip Park (Graphic Design); and Maciej Twardowski (IT Software Solutions for Business); thirty of our College Connect students spent a day at Crusaders Football Club as part of their 'Soccer Brains' initiative and had an opportunity to sharpen up their numeracy skills and meet the club's players; Jack Bradshaw and Caitlin Allen received prestigious JP McManus Scholarship awards and will each receive £5,500 a year towards university fees and other expenses for the duration of their undergraduate programmes; IT student Dylan O'Kane qualified for the MOS UK & Ireland Championship Virtual Final 2020; Heavy Vehicle Maintenance students, Paul Thompson (Level 3) and Kevin Doherty (Level 2) were winners at the Institute of Road Transport Engineers awards ceremony. I am also pleased to note how some of our former students are carving out successful careers for themselves: Chloe McCarron, who completed a Foundation Degree in Sport Exercise and Fitness at Coleraine has signed a professional contract with Birmingham City, the first Northern



Tadas Dobrovlskis



Ashton Logan

Abigail Reilly



Chloe McCarron



Ireland woman to move directly into a FA Women's Super League team – the highest division of women's football in England; Aaron Stewart and Laura Murdy, who both completed a Foundation Diploma in Art at Ballymena, graduated with first class honours from Ulster University this summer and have secured employment with the university; while Business students Luke McIlreavy and Savannah Corbett both launched successful online businesses during the lockdown.

I would also like to acknowledge how many of our staff and students worked as key workers during

the lockdown, many of whom had to juggle caring responsibilities and home schooling with their work and College commitments.

The College was also proud to play a part in supporting our frontline healthcare workers through the manufacture of visors and donations of PPE to local nursing homes and care facilities. College staff also volunteered their time and talents to mark Covid-19 Volunteer Day in May – a bespoke initiative to support local communities and help raise vital funds for charities affected by the pandemic.

Our flagship capital project to deliver two new campuses at Ballymena and Coleraine has been gathering momentum. The Coleraine campus has been temporarily re-located to Beresford Avenue and the contractor for the new development at Union Street will be announced this autumn, marking another important milestone in our estate strategy. We continue to invest in our existing estate to ensure it remains fit for purpose and matches the ambitions we have for our students.

Each new academic year brings with it different opportunities and challenges. While the current uncertainty surrounding Covid-19 presents new levels of uncertainty and change for the College and our stakeholders, I have every confidence that the Principal and Senior Leadership Team, supported by the wider staff body and my fellow governors, will see us report on another successful year in 2021.



Barney McGahan
Chair of the Governing Body

Overview from Principal & Chief Executive

The 2019/2020 academic year was certainly different but, despite the challenges of coping with a worldwide pandemic in the second part of the year, we managed to make significant progress on our journey to be an outstanding provider of training and further and higher education, focused on matching the needs of today's economy.

We are now midway through our three-year transformational plan which identified improved learner outcomes, improved infrastructure and learning environment and improved capacity and productivity as our three strategic priorities. While it is difficult to do justice to all achievements of staff and students, this snapshot will give a brief overview of progress in each priority area.

Improved Learner Outcomes

Our students continue to excel and impress and there have been significant improvements in student achievements across all campuses: BTEC Level 3 Extended students achieved triple Distinction*, the highest possible grade in Applied Science, Business, Construction & Built Environment, Creative Media Production (Television & Film), Engineering, Health & Social Care, IT (Software Development), Performing Arts, Public Services (Uniformed), Sport (Development, Coaching & Fitness), Sport & Exercise Sciences and Travel & Tourism.

Third year carpentry apprentice Samuel Gilmore, who was a gold medallist at 2017 WorldSkills UK LIVE finals and former Northern Ireland Young Apprentice of the Year, was crowned Europe's Best Apprentice at the European Alliance for Apprenticeship Awards in Helsinki in October 2019. The following month, seven students from eight different skills areas represented the College at WorldSkills UK LIVE, the UK's largest skills, apprenticeship and careers event. To secure their place in the LIVE finals, they had to progress through competitive inter-campus and regional qualifying rounds.

Improved Infrastructure & Learning Environment

The College's new Wi-Fi system went live in October 2019, increasing the number of access points from 187 to 460 and boosting signal coverage to almost 100% on each campus. Improvements were also carried out to the College's network configuration enabling connectivity to the new sector wide Learner Management System (LMS) which passed its first major milestone in November 2019 when HE applications went live.

Canvas was officially launched as the College's new Virtual Learning Environment (VLE), transforming our teaching operations through online learning. Our investment in Canvas paid handsome dividends during the Covid-19 lockdown. Although all campuses were closed, online learning resources were available 24/7 and I was very proud of how our staff and students adapted to working and studying remotely. Following the initial lockdown in March 2020, 83% of staff continued to deliver teaching to students through Canvas and other e-learning systems and 62% of staff participated in online training and webinars to update and improve their own skills. Support and technical staff also made an almost seamless transition to working from home to ensure all core services and business as usual activities were maintained.

Progress on our new campuses was delayed by Covid-19. However, the Coleraine campus buildings at Union Street were decanted on schedule and the move to our temporary premises in Beresford Avenue was completed in advance of the start of the new academic year.

Improved Capacity and Productivity

The curriculum optimisation project carried out during 2019/20 reviewed the workload of line managers in each curriculum area. The aim of the review was to facilitate an increased focus on curriculum planning and improve efficiency and productivity by reducing the time spent on travel and administration. The new structure will provide clearer accountability and an improved balance of workload

for managers across the three departments: Business and Service Industries, Health Social Care and Access and Advanced Technologies. As well as improving capacity and productivity, the new structure will provide greater opportunities for career progression and strengthen succession planning for key posts.

Student Recruitment/Enrolments 2019/2020

While the overall recruitment target for 2019/2020 was not achieved, there were mitigating factors. The shortfall is largely accounted for by the fall in the number of part-time students as planned activity for the latter part of the year was impacted directly by Covid-19. On a positive note, recruitment to Level 3 Apprenticeships was higher than expected with an additional 260 enrolments, which was 34% above target. Work Based Learning numbers were broadly in line with expectations and represent continued success for the College in this area.

Response to Covid-19

We all had to make major changes to the way we live and work as a result of Covid-19. Facing the challenges together as a College community strengthened the already strong sense of collegiality. The ongoing commitment and professionalism of our staff was commendable and allowed the College to continue to operate, albeit in a very different way.

Staff and students across the College pulled together to support their local communities and, despite coping with the challenges of home working, home schooling, virtual classes, studying online or caring responsibilities, they managed to find the time and energy to support some of the most vulnerable people in our society. In response to the unprecedented demand for PPE, we sourced thousands of items of PPE – including disposable gloves, aprons, facemasks, goggles, safety glasses, protective visors produced 'in-house' and hundreds of handmade reusable facemasks – for distribution to frontline staff in hospitals and nursing homes.

The College's inaugural Volunteer Day in May was a great success and highlighted the strong sense of community spirit that underpins Northern Regional College, as well as raising thousands of pounds for local charities. In addition to their voluntary efforts, hundreds of current and former students and staff from the College's Health and Social Care courses worked as frontline healthcare workers and domiciliary assistants in hospitals, care homes and in their local community, while others filled key roles in supermarkets, community pharmacies, agri-food factories and other production lines.

To manage the obvious difficulties of dealing with so many unknowns, Task and Finish groups were established to lead on key areas: Calculated grades; Admissions; Covid-19 community response; and Return to Business. We continue to work with the other five FE colleges in a sector wide response to a wide range of Covid-19 related issues, including health & safety matters, professional indemnity, adaptive assessments & calculated grades and staff & student well-being.

Business Engagement

The College was successful in a bid for Department for the Economy funding to deliver fully online, part-time accredited courses for workers impacted by Covid-19. The courses, which will continue during 2020/21, are aimed at closing skills gaps identified by employers and will focus on improving digital skills along with numeracy, communication, employability and leadership & management skills. The College engages with over 1,000 local businesses through a variety of business support programmes.

Honorary Fellows

Each year the College acknowledges achievement of individuals who are outstanding role models by awarding Honorary Fellowships. We were delighted to confer the honorary awards on: David Watson, Managing Director of Ryobi Aluminium Casting (UK) Ltd; Katie Mullan, captain of the Ireland's women's national field hockey team; Gail Redmond, Women's Domestic Manager for the Irish FA Foundation; and Jimmy Kelly, former Training and Development Manager at RLC Langford Lodge.

International Links

The College played host to visiting students and lecturers from partner institutions in Europe, Latin America and South Africa throughout the year through Erasmus, British Council and College funding respectively. Reciprocal visits took place with colleges and businesses in Europe (France, Netherlands, Finland, Spain, Portugal, Italy, Czech Republic and Romania), Latin America (Colombia) and in South Africa (Cape Town). Our international developments were recognised by the European Alliance for Apprenticeships (EAfA) and the College was invited to address the 4th annual conference in Skopje, Macedonia.

Looking to the Future

Our external environment will continue to be subject to constant change and we are committed to working with our stakeholders to seek out opportunities and address challenges together. The achievements and resilience demonstrated by our staff and students in response to the pandemic certainly augurs well for the future of Northern Regional College. I would also thank our Chair and members of governing body for their dedication and unstinting support.



Professor Terri Scott

Principal & CEO

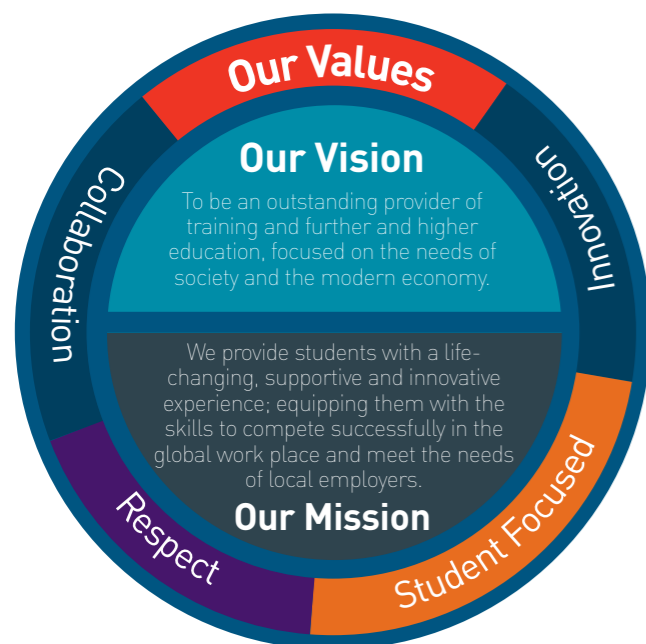
Nature, Objectives and Strategies

The members present their report and the audited financial statements for the year ended 31 July 2020.

Legal status

The current arrangements for further education in Northern Ireland were established by the Further Education (Northern Ireland) Order 1997 with colleges being self-governing incorporated bodies with effect from 1 April 1998. Based on this legislation, the Office for National Statistics, in 2010, reclassified colleges as part of Central Government. This has resulted in colleges being determined as Non-Departmental Public Bodies.

Colleges in Northern Ireland have been granted charitable status by the UK HM Revenue and Customs.



Mission statement

The College's Vision and Mission Statements were revisited in 2019/20 and reaffirmed.

Vision

"To be an outstanding provider of training and further and higher education, focused on the needs of society and the modern economy."

Mission

"We provide students with a life-changing, supportive and innovative experience, equipping them with the skills to compete successfully in the global work place and meet the needs of local employers."

Our core values underpinning our work are:

- ▶ student focused
- ▶ innovation
- ▶ collaboration
- ▶ respect

The College's Strategic Priorities and Objectives:

- ▶ Improved Learner Outcomes
- ▶ Improved Infrastructure & Learning Environment
- ▶ Improved Capacity & Productivity

Success Story



Counselling student Karen Kearns has been nominated for an Ulster University award for highest overall mark, based on all modules studied over the three years of the programme.



Corporate and Business Planning

The College developed a new College Development Plan (CDP) following a sector-wide exercise involving all six NI FE colleges working with DfE to ensure common reporting across the sector.

The most significant change the new CDP has brought about is a focus on Outcomes-Based Accountability (OBA) for all our activities. Impact is measured using this approach rather than more conventional metrics such as expenditure or numbers completing programmes. This will allow us to evaluate success more thoroughly and enable us to make more informed, longer-term decisions which will impact on current and future generations.

This CDP sets out the benchmarks against which will be measured over the coming years and is aligned to the draft Programme for Government (PfG) and draft Industrial Strategy which articulate the economic and social priorities for Northern Ireland to 2021, FE Means Success and NI Skills Barometer.

The key elements of this approach are a focus on outcomes, impact, and making a difference to peoples' lives, all of which mirror the direction this College has been taking over the last few years, and will continue as part of our 'Transforming & Performing' programme for the next three years.

To ensure the College can fully contribute to the draft PfG and draft Investment Strategy, it is vital that sufficient funding, both recurrent grant and capital funding, is provided from DfE. The continuing uncertainty with regard to funding has potential implications for current and future developments, and on our ability to deliver against the College targets.

The College contributes directly to the following PfG outcomes;

- ▶ We prosper through a strong, competitive, regionally balanced economy;
- ▶ We are an innovative, creative society, where people can fulfil their potential;
- ▶ We have more people working in better jobs.

Performance indicators and review of performance in 2019/20

The College's performance was monitored by the Governing Body and the DfE throughout 2019/20 with appropriate actions agreed and implemented.

The summary table below outlines the progress.

How much did we do?

Report Card	Description	Status	Comment
1 Students & Qualifications	Meeting Enrolment Targets & Achievement of Qualifications	●	Not achieved The overall recruitment figure of 16,365 enrolments (excluding Essential Skills) was not achieved this year, with a shortfall of 2,000 (mainly PT) enrolments. Planned activity for the latter part of the year was impacted directly by Covid-19 and the associated lockdown which prevented campus-based delivery. On a positive note, recruitment to Level 3 Apprenticeships was higher than expected with an additional 260 enrolments (34% above target).
2 Employers	Engaging with Employers and Strategic Partners	●	Partial achievement The College continues to have strong relationships with employers for work placements with almost 700 businesses providing work-based learning placements. Additionally, targets were achieved in the majority of business engagement areas - meeting the target for the Innovate Us programme, establishing the regional Entrepreneurship Hub and the College ran a successful Supply Chain Assured Skills Academy.
3 Social Inclusion	Improving Social Inclusion	●	Partially Achieved The College met the targets for delivery in a number of areas including Prince's Trust, Essential Skills (including community provision), Access, Council Engagement and Widening Participation. The College had been on plan to deliver Empower Programme targets until Covid-19 hit in March 2020 and all activity had to be moved online. The College was slightly under in Entitlement Framework numbers (76 places) as a result of falling demand from schools in our areas, whose focus is increasingly on retaining pupils in school. This is consistent with trends across the region.

How well did we do it?

Report Card 1 – Students and Qualifications

Measure	Target 19-20	Actual 19-20	RAG*1
Further Education (FT & PT)	12,695	10,848	●
Higher Education (FT & PT)	1,223	1,063	●
Essential Skills (16-19 & 20+)	3,500	3,424	●
Work Based Learning (TfS, Apps NI & HLA)	2,447	2,367	●
Enrolment Total	19,865	17,702	●

*1 within 3% tolerance levels

The overall enrolment target of 19,865 was not achieved by 2,163 (mainly part-time) enrolments. Planned activity for spring/summer 2020 was directly impacted by lockdown measures as a result of Covid-19. The programme was aimed at level 0-2 part time enrolments with a campus-based delivery model and these enrolments could not be achieved through an online model. With the impact of Covid-19 and continued social distancing guidelines, the College is reviewing its provision for 2020/21 to ensure that it continues to meet the changing needs of local employers, businesses and those adult learners that have been directly affected by Covid-19. The 2020/21 planned activity will be reflective of the current circumstances.

Performance by Level of Provision

In 2019/20, at level 0/1 the College aimed to enrol 5,001 students (excluding essential skills). This was a reduction from previous years as the College had identified that in order to provide a more balanced curriculum, a reduction in the proportion of Level 0/1 activity was required. The actual number of enrolments at Level 0/1 in 2019/20 was 4,875, a small short fall of 2.5% against the planned target, largely due to the inability to deliver short programmes post lockdown. In line with the agreed strategy, the proportion of provision at level 0/1 was reduced from 37% in 2018/19 to 34% in 2019/20.

Level 2 recruitment did not meet the target of 5,553 enrolments, with an actual recruitment figure of 4,223. This reflects the increased pressure on the College to maintain Level 2 provision against increasing competition from post primary schools in our local catchment areas. Level 2 provision is crucial to ensure progression onto Level 3 programmes, the offering at this level will be reviewed in 2020/21 to ensure a sustainable and relevant curriculum to meet the local skills needs.

Level 3 enrolment fell short of the target by almost 10%. The level 3 FE part time activity saw the greatest under recruitment with 448 enrolments not met. There was success within the Level 3 Apprenticeship recruitment as there were an additional 260 enrolments above target. This demonstrates trainees with the ability to achieve higher level qualifications and in turn better paid employment.

Targets for Level 4 and above were not achieved by 160 enrolments. The College continues to face stiff competition from the two university campuses within its catchment area and the focus in 2020/21 will be to review the HE in FE provision to ensure it is innovative and sustainable.

Essential Skills delivery was close to target (-2%) and the College would have achieved the overall targets had delivery planned for June 2020 not had to be cancelled due to the impact of Covid-19 and the requirement for centre assessed grades.

Work Based Learning numbers were broadly in line with expectations with an overall underperformance of 80 enrolments. The over-recruitment to Level 3 Apps NI compensated for lower than expected recruitment to Level 2 Apps NI and Training for Success programmes. A number of programmes were impacted by the ability to recruit appropriately trained lecturing staff (e.g. Motor Vehicle). However, the College will continue to promote the positive benefits of a career in NRC to help to address any gaps in our staffing complement.

Report Card 2 – Employers

The College has maintained over 2,000 engagements with employers for both work-based learning placements for apprentices/trainees and short-term work placements for FE and HE students.

A successful Assured Skills Academy was delivered in Supply Chain Logistics and has resulted in the College now developing a HLA in Supply Chain and Logistics to meet the identified need within local businesses. The Business Engagement department has also been very successful in delivering short programmes through additional funding from DfE to address the impact of Covid-19 on individuals.

Report Card 3 – Social Inclusion

The College maintains its commitment to addressing barriers to education and employment through social inclusion programmes. Approximately 6,000 individuals engaged in programmes which addressed specific barriers. These included Essential Skills qualifications, Access qualifications for entry to higher education, ESOL programmes and the Empower Project.

Who is better off?

The College's annual induction survey in 2019/20 demonstrated a 95% student satisfaction rate with their course. In the 2017/18 FE Leavers Survey (conducted by the Department for the Economy), 87% of the College's students either went into employment or stayed in education; this shows a high proportion of students are better off having studied with the College. The College delivered over 9,300 regulated qualifications in 2018/19 with this number expected to be broadly similar in 2019/20 once final outcomes are published.

Success Story



A number of former Thomas Cook employees underwent an intensive IT training course to help improve their employability. The College developed the fast-track course after being approached by cabin crew of the now-defunct travel operator.



Financial Objectives

The College's key financial objectives for 2019/20 are shown below:

2019-20	College Target	Actual Performance
% Resource spend against budget	100%	100%
% Capital spend against budget	100%	100%
Absenteeism	3%	3.56%*
Prompt Payment within 30 calendar days	95%	94%*

* Targets not met due to Covid-19 impact on staffing



Current and Future Development and Performance

Student External Achievements 2019/20

Covid-19 had a significant impact on external achievements for 2019/20 as so many events and other opportunities normally available to students were cancelled. However, there were some noteworthy achievements in the first part of the year. Three Farm Lodge students, Adam Pidgeon and Tyson McKeown (both Engineering) and student Matthew Sterritt (Business) were the recipients of a prestigious Study USA Scholarship while Coleraine Tourism student Caitlin Allen and a Newtownabbey Graphic Design student were each awarded a coveted JP McManus scholarship. Coleraine carpentry apprentice Samuel Gilmore was named Europe's top apprentice and nine other apprentices, from eight different skills areas and all campuses, represented the College at the WorldSkills UK LIVE finals in Birmingham.

The College adapted to ensure that curriculum delivery continued during lockdown to provide engagement with students. Throughout this period, the College worked closely with awarding organisations to ensure that predicted grades were provided, and the necessary adaptations were made to allow students to gain their qualifications and progress. Plans were also put in place to facilitate deferred assessments on-site in adherence with Public Health Agency and Department for the Economy (DfE) guidelines.

We partnered with Mid and East Antrim Borough Council and local employers to successfully offer an Assured Skills Academy in Logistics and Supply Chain, supported by DfE. A new Level 3 qualification in Supply Chain and Logistics was delivered to Caterpillar staff at their Larne site.

A new HND in Performing Arts was introduced in Newtownabbey to provide a progression pathway for our own students and also to attract new students. The Level 3 Industrial Art & Design Diploma was updated to reflect feedback from employers.

The popular Level 2 Tour Guiding course was extended to the Magherafelt campus and delivered in conjunction with Mid Ulster District Council. The Level 2 Apprenticeship in Food and Beverage was extended to include Leightinmohr House Hotel in Ballymena.

A new Level 3 in Barbering was introduced at Trostan Avenue campus while Level 2 Barbering was expanded to Magherafelt, Newtownabbey and Ballymoney campuses.

The Health and Social Care provision was updated with new courses offered at Level 4 and Level 5, including qualifications in Adult Care and Health, Social Care Leadership Services and Therapeutic Counselling. Level 2 Health and Social Care was also extended to the Magherafelt Campus.

Working closely with local employers, a new HLA in Computing was successively introduced on the Farm Lodge campus integrating with the already successful FdSc programme in Computing.

Curriculum Developments in 2019/20

The College's curriculum provision for 2019/20 was based on a number of factors, including: student demand; central government priorities; local council priorities; and meeting College goals of increasing the curriculum offer within STEM and WBL.

The curriculum planning cycle has been refined to ensure that the College offers a dynamic and appropriate provision. The curriculum offering at all levels continues to focus on provision aligned to Priority Skill Areas to help close skills gaps identified by the Northern Ireland Skills Barometer.

The College has been impacted by Covid-19: social distancing has changed the delivery of College provision and will be the new normal for the first term and the basis of the current advice for the foreseeable future. However, the College has demonstrated its agility in responding to shifting economic demands and employers' need. While not without its challenges, the College moved swiftly to online delivery and more than 75% of FE learners engaged in remote learning.

The College led on Engineering Academies in association with the Mid and East Antrim Manufacturing Task Force as well as Aerospace Defence and Security in Ballymena and Newtownabbey campuses. We strengthened engineering links with Ulster University and Queen's University Belfast through the Advanced Manufacturing Innovation Centre, which is being supported through the Belfast Regional City Deal. Our partnership development continues to evolve with Mid and East Antrim Borough Council's i4C project.

In collaboration with local industries, a new level 3 Advanced Manufacturing Engineering qualification has been developed for introduction across all campuses from September 2020. New electric hybrid motor vehicle industrial courses were developed and successfully delivered on both Newtownabbey and Ballymena areas. A new IMI L2 Award in Hybrid Electric Vehicle Operation & Maintenance was introduced in response to demand from local employers and plans are under way for L3 and L4 courses to be introduced in 2021.

The College has invested in two hybrid and two electric vehicles as well as training to enable staff to keep skills aligned to industry needs. Vehicles are also used by students in workshop environments.

Widening Participation and Social Inclusion

The College has a Widening Access and Participation (WAP) plan and action plan in place for all HE provisions, with the aim of promoting HE access opportunities to students and adults from disadvantaged areas. Both our College Connect and The Prince's Trust programmes also offer opportunities for students and young adults to re-engage in education and employment.

The College continues to provide English for Speakers of Other Languages (ESOL) and Pre-ESOL programmes. In 2019/20, the College continued to participate in the Syrian Vulnerable Persons Resettlement Scheme (VPRS) within our catchment area. It is planned that ESOL provision will be maintained at its current level and it is anticipated that these students will progress through the relative levels and enrol on FE programmes.

Through School Partnerships, the social inclusion agenda is focused in the local community alongside engagement with 62 post primary schools across the four local councils. The College will continue, where possible in the current environment, to work in the community to provide pathways into training or employment. The provision for 2020/21 will be maximised under restrictions to ensure safe delivery during the period of Covid-19.

Assured Skills Academy

An Assured Skills Academy in Logistics and Supply Chain commenced in February 2020 and ran for six weeks. As lockdown restrictions were introduced as a result of the Covid-19 pandemic, teaching and learning moved online. A total of 10 candidates successfully completed the course.

The Transport and Logistics industry has been under considerable strain due to the pandemic. One supporting company furloughed the majority of its staff, with another facing strict regulation as they supplied high-street supermarkets and stores. No companies were able to conduct interviews with candidates when the Assured Skills Academy ended at the start of April. Due to the many constraints faced by the industry, many firms are making redundancies and use of the furlough scheme meaning that only one candidate has been offered employment.

Staff Development

Staff development is intrinsic to improving student outcomes and the successful delivery of the curriculum across the College. All teaching staff are contractually obliged to complete staff development on an annual basis, with many also availing of additional opportunities to undertake Continual Professional Development internally and courses delivered by external providers.

In order to support the inspection process, the Education and Training Inspectorate (ETI) regularly recruits staff from the FE sector to work alongside the inspectorate. The College has currently five ETI Associate Assessors who play an important role in dissemination of best practice to our curriculum teams as part of our mission of promoting outstanding teaching and learning.

To support the growth in the College of Work Based Learning during 2019/20, 27 staff members registered for, with 17 successfully completing, the L3 and L4 Training, Assessment & Quality Assurance (TAQA) assessors award in order to meet the awarding body requirements for fully qualified assessors.

It should be noted that due to the Covid-19 pandemic, these courses have been extended into the 2020/21 academic year to facilitate the completion of practical assessments. The College has also supported 12 new members of staff on the Certificate in Teaching (CIT) which is a one-year programme delivered by Ulster University, with eight completing the programme, and a further 15 staff on the Ulster University PGCHE course – which requires one further year of study in addition to the CIT – with nine staff members completing this programme.

Embedding Entrepreneurship

During 2019/20, the College commenced its role of lead Entrepreneurship Hub for the FE Sector in Northern Ireland. In meeting the criteria for hub status, we have committed to act as the central lead in entrepreneurship and link with the other five regional colleges to draw on teaching and curriculum excellence, sectoral knowledge and employer engagement to provide a consistent and high-quality provision for learners and employers throughout Northern Ireland.

With a dedicated team now in place within the College to take this forward through an action plan agreed with the Department for Economy, we have moved forward to:

- ▶ Establish the FE Entrepreneurship Hub Forum
- ▶ Map curriculum delivery in entrepreneurship across the sector
- ▶ Benchmark delivery of wider student experience in entrepreneurship with international best practice (EntreComp Framework)
- ▶ Identify professional competencies required to develop entrepreneurship courses and services
- ▶ Identify digital learning resources to support CPD for staff and develop a staff CPD programme in Design Thinking and Problem-Based-Learning
- ▶ Establish an Entrepreneurship Hub Industry Links Group (stakeholders and employers)
- ▶ Promote entrepreneurship through the 'Let's do business' brand.

International partnerships

The College continues to engage in international partnerships and hosted visiting students and lecturers from partner institutions in Europe, Latin America and South America through Erasmus, British Council and College funding. Reciprocal visits took place to colleges and businesses in Europe, (France, Netherlands, Finland, Spain, Portugal, Italy, Czech Republic and Romania), South America (Colombia) and South Africa (Cape Town).

Our international developments were recognised by the European Alliance for Apprenticeships (EAfA) and the College was invited to address the 4th annual conference in Skopje, Macedonia.



Coleraine

Campus Developments

Significant progress was made during 2019/20 towards realising the College's plans to develop new campus buildings in Ballymena and Coleraine with the objective of moving to a four-campus model.

The new campus building in Coleraine will bring our current Coleraine and Ballymoney provision together under one roof, providing modern, technically advanced and flexible accommodation to meet the requirements of future curriculum delivery.

The College commenced the tender process for the Coleraine campus in November 2019 and the most

economically advantageous tender was identified in May 2020. The College is reassessing the tender submission to consider the full impact of Covid-19 on the delivery and expenditure for the project. It is anticipated the contract will be awarded in autumn 2020 with a forecast completion of early 2023.

To facilitate the construction of the new campus on the existing site in Coleraine, the College has moved to temporary accommodation in a former post-primary school in Beresford Avenue. The decant of the campus and necessary alterations to the school buildings were completed in advance of the 2020/21 academic

year. The Beresford Avenue facility will be in operation until the new Coleraine campus building is completed.

Planning permission was secured in August 2019 for our proposed redevelopment in Ballymena (which will amalgamate current provision across Farm Lodge, Trostan Avenue and the Lamont building). The procurement process is currently underway with tenders released to the market in autumn 2020. The planned completion date for this phased project is the end of 2024.



Ballymena

College Covid-19 Response

Online Learning

Following the closure of all College campuses as a result of the Covid-19 pandemic, 83% of staff continued to deliver teaching to students through Canvas and other e-learning platforms. 62% of staff participated in online training and webinars to further develop their own skillsets. Between March and June 2020, there were over 2.6 million page views on Canvas and over 42,000 engagements. The College also held a successful pilot of Zoom video conferencing software which was used to deliver live teaching to students.

Over the summer months, the Creative and Innovative Learning Team, in conjunction with Student Services, Careers and the Business Engagement Team, developed a range of online courses to support those impacted by the pandemic. These courses are being funded by the Department for the Economy. Learners are also participating in Essential Skills ICT and Social Media courses with further courses being developed across Digital Marketing, Safeguarding and Leadership and Management.

The below guiding principles have been developed to set the direction for the 2020/21 delivery model in light of the Covid-19 operating environment:

1. Social distancing is the new normal and delivery will be structured to reflect this. Classes will be balanced across the college week to optimise opportunities for students to enjoy face to face learning in line with the agreed set of principles and guidelines developed through the work of the Departmental Advisory and Oversight Group on the safe resumption of onsite delivery.
2. The College will deliver the planned curriculum to the maximum number of learners that is achievable in the current circumstances and will adopt a range of approaches including: face to face; blended; relayed and, peripatetic.
3. Level one and Level two programmes will mostly take place through on-campus delivery. However, all full-time Level two programmes will include some online delivery to prepare learners for progression.

4. Level three and Higher Education programmes will be blended for year 1 and year 2.
5. High quality and accessible on-line delivery will continue to be used during the phased return of on-site provision to deliver teaching and learning, provide student pastoral support, provide support to businesses, and upskilling programmes for individuals who wish to retrain or upskill.
6. Work with local employers will continue to provide apprenticeship and placement opportunities whilst ensuring the safety of staff and students.
7. The College will engage with businesses to:
 - ▶ Support employers through the provision of fully funded, tailored solutions through the Skills Focus Programme to increase the skills levels of the workforce; and
 - ▶ Facilitate small businesses in acquiring the skills to innovate, by delivering up to three InnovateUs upskilling projects per business, through which they work on developing new products, services or processes.
8. The College recognises that every student will not have the same access to broadband and IT facilities to support remote learning from home and as such we will explore appropriate strategies to ensure that these students are not disadvantaged.
9. The College will continue to support the most disadvantaged in communities across NI by ensuring access to learning opportunities that lead to sustainable career pathways.
10. The Curriculum Hub Action Plans, will be reviewed and revised in agreement with DfE, to ensure that actions are reflective of the most pertinent needs of the economy in each curricular area. The quarterly reporting of progress against targets will continue to provide the Department with robust assurance of each Hub's performance.

Supporting the local community

Staff members, supported by the Senior Leadership Team, established a Covid-19 Response Working Group. Major achievements included over 4,000 volunteer hours working across frontline foodbanks, over £5,000 being raised for local charities and thousands of items of PPE being distributed to local hospitals and care homes. College facilities were used to manufacture face shields and provide Covid-19 compliant blood donation services.

Learner Management System

Despite the challenges of remote learning, the College has continued with the rollout of its new Learner Management System (LMS). In addition to the online applications portal, the new LMS facilitates a fully online enrolment process. As a result, we were able to progress the majority of enrolments without the need for applicants to visit campus, significantly reducing the number of staff required on-site and minimising any risks related to Covid-19. Ongoing staff training and support was also provided through Canvas and webinar sessions.

Once the enrolment period is complete, the Project Team will move to other features of the system, including Pastoral, Individual Learning Plans and Markbook, as well as the Engage and View app. Preparations will also be made to commence the Admissions process for 2021.

Financial Position

Financial Results

Northern Regional College financial statements have been prepared in line with the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education 2019 and in accordance with Financial Reporting Standards (FRS102) The Financial Reporting Standard applicable in the UK and Republic of Ireland.

The College recorded a deficit before exceptional items in 2019/20 of £3,387k (2019: deficit of £4,038k). There was a £805k exceptional item relating to a Holiday Pay provision which is fully explained in Note 19.

Land and Buildings were subject to an interim revaluation at 31 July 2020 on a depreciated replacement cost basis. The valuations were performed independently by the Land and Property Service. The interim revaluation resulted in a £2.311m increase in some land and building values. Overall there was a £1.0m increase in the College's net book value. The total net book value of Land and Buildings, excluding work in progress at 31 July 2020, is £66.9m. In addition, work in progress, relating to the new build totalled £3.9m.

The outbreak of the Covid-19 pandemic has had significant impact economically and on the financial markets. As a result of this, local and national property markets are experiencing lower levels of activity than normal and hence there is less market data available for comparative purposes. LPS have advised that less certainty can be attached to the valuations than would normally be the case, given the exceptional current circumstances as the future short term and long-term impacts remain unknown.

Due to actuarial adjustments in the NILGOSC Pension Scheme following the ongoing impacts of Covid-19, the pension scheme for support staff within the College has recorded a £12.8m actuarial loss in 2019/20 (see Note 22), this has been accounted for within the Statement of Financial Position (Balance Sheet).

The significant reduction in net assets from 31 July 2019 is primarily the result of the increased Statement of Financial Position sheet deficit of the NILGOSC pension.

The pension's deficit on the Statement of Financial Position is measured as the assets held by the Fund less the value of the promised benefits to be paid to members (the defined benefit obligation, or 'liability'). Both assets and liabilities are those relating to the College's membership. The value of assets and liabilities can change significantly over an accounting period resulting in a highly volatile balance sheet position.

On the asset side, investment returns over the 2019/20 year have been volatile, with negative returns on almost all asset classes during March 2020 followed by positive returns over the quarter to 30 June 2020. UK equities have performed poorly over the year (returning around -15% to -20%), but the returns on both highly rated corporate and government bonds have returned positively (up to +15% in the case of UK fixed interest gilts and AA rated corporate bonds). On the liability side, the main factor impacting liability values is the assumptions used at the reporting date. The key assumptions made are the rate of future inflation (impacting how benefits will increase in the future), and the amount by which future payments are 'discounted' to calculate a value in today's terms at the reporting date (the 'discount rate'). The discount rate must be set equal to the yield on high quality corporate bonds of the same term and currency as the future cash flows.

A lower assumption for CPI inflation results in lower expected future payments to beneficiaries and a lower liability. Conversely, a lower discount rate results in a higher value being placed on future payments in today's terms. The opposite applies in both cases.

The discount rate, used by the College's actuaries (AON), has reduced by 0.8%, whilst the CPI inflation assumption has increased by 0.10%. This has resulted in the significant deterioration in the pension liability reported at 31 July 2020.

The College has significant reliance on DfE for its principal funding source, largely from recurrent grants. In 2019/20, DfE provided 73% of the College's total income through allocated recurrent grant. This represented 12.2% (2019: 13.6%) of the total recurrent grant available to the sector.

Success Story



Placing high value on maintaining a strong working relationship with other educational institutions, the majority of Specialist Support for Teaching and Learning in Schools students have gained employment with local employers.



Reserves

The College has accumulated income and expenditure reserves, excluding pension reserves, of £1,073k (2019: £1,674k) and cash balances of £1,381k (2019: £4,968k). The College's cash reserves at 31 July 2020 are 4.2% of the income for the year. The cash amount held is within the limit set in the Financial Memorandum by DfE.

Treasury Policies and Objectives

Treasury Management

The College's Treasury Management policy sets out a framework for cash management, long-term investment and borrowing by the College. The College acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. The Treasury Management policy is to ensure the College has proper financial control, safeguards its assets and secures value for money. The College regards the successful identification, monitoring and control of risk to be the measure of the effectiveness of its Treasury Management Policy.

Cash Flows

The College's operating cash outflow was £3,587k, (2019: £1,007k inflow). The decreased cashflow was due to the timing of cash drawdowns from the Department.

Liquidity

The level of reserves has contributed to a strong liquidity position for the College. Consequently the College does not have any borrowings, loans or financing.

Payment Performance

The Late Payment of Commercial Debts (Interest) Act 1998, which came into force on 1 November 1998, requires colleges, 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. The target set by HM Treasury for payment to suppliers within 30 calendar days is 95%.

During the accounting period 1 August 2019 – 31 July 2020, the College paid 94% (2018/19: 97%) of its invoices within 30 days. £0 (2019: £0) was paid to suppliers in interest charges.

The Northern Ireland Executive is committed to paying suppliers as quickly as possible, within 10 working days. During the accounting period 1 August 2019 to 31 July 2020, the College paid 75% (2019: 83%) of its invoices within 10 working days.

The marginal decrease in payment performance was due to Covid-19 operational impacts.

Events After the End of the Reporting Period

There are no events after the end of the reporting period.

Going Concern

The College is satisfied that the organisation is a going concern on the basis that there is no reason to believe that the Department's future sponsorship and future assembly approval will not be forthcoming to meet the College's liabilities as they fall due. It has accordingly been considered appropriate to adopt a going concern basis for the preparation of these financial statements. The Department have issued a budget for 2020/21 to the College and we are in consultation with the Department to receive adequate resources to deliver the programme of work planned for 2020/21.

Success Story



Our partnership with the Irish Football Association has been strengthened with 62 Level 3 students completing various coaching and training qualifications led by the Association. Set up to enhance the employability of our Level 3 Sports students, the partnership will provide them with the knowledge and skills to gain employment in a wide range of sports careers.



Resources

The College has various resources at its disposal that it can deploy in pursuit of its strategic objectives.

Estates

The College's estate includes campuses at:

Campus	Net Book Value - £'000
Ballymena – Farm Lodge	12,112
Ballymena – Trostan Avenue	5,057
Ballymena – Lamont	2,009
Ballymoney	3,255
Coleraine	4,399
Larne	3,190
Magherafelt	4,731
Newtownabbey	32,135
Portrush (currently not utilised)	0
New Build – Asset in the Course of Construction	3,868
Total	70,756

Financial

Net assets at 31 July 2020 were £36.0m (2019: £50.7m) (including £22.5m net pension liability, 2019: £8.3m liability).

People

The College employs 569 people (2019: 586) (expressed as full-time equivalents), of whom 315 are teaching staff.

	% Sickness Absence		Average days Lost	
	2019/20	2018/19	2019/20	2018/19
College	3.56	3.22	8.00	8.07
Support Staff	4.19	4.32	10.50	10.80
Lecturing Staff	3.20	2.71	9.00	6.78

Reputation

The College has a strong reputation locally and nationally and maintaining a quality brand is essential for the College's success in attracting students and external relationships.



Principal Risks and Uncertainties

Northern Regional College is committed to the principles endorsed by the Northern Ireland Audit Office in its guidance "Good Practice in Risk Management".

The College's key principles in relation to risk management and internal control are as follows:

- ▶ The Governing Body has responsibility for determining the risk appetite of the College and overseeing risk management within the College as a whole;
- ▶ The Principal and Senior Leadership Team support, advise and implement policies approved by the Governing Body;
- ▶ Senior and middle managers are responsible for encouraging good risk management practice within their designated managed area; and
- ▶ Key risks are identified and closely monitored on a regular basis.

College Risk Register

The Risk Register for the College is reviewed and updated quarterly. The principal risks facing the College have been identified in the Risk Register (at 31 July 2020) as:

Risk	Description
1	The College does not meet enrolment targets and achievement of qualifications
2	The College does not improve the quality of education
3	The College does not accelerate business and community engagement
4	The College does not accelerate innovation and creativity
5	The College does not achieve financial health
6	The College does not meet data protection requirements
7	The College does not implement sector wide Systems, Technology and Services Project
8	The College fails to deliver an efficient Estates environment in a compliant manner due to Central Procurement Directorate – Properties Division delays and processes
9	College fails to deliver full educational programme due to an inability to secure the requisite skill sets to deliver the full curriculum provision
10	College does not deliver improvements to infrastructure & learning environment
11	College fails to deliver educational programmes and College operations due to outbreak of Coronavirus

Stakeholder Relationships

In line with other colleges, we have many stakeholders. These include:

- ▶ students;
- ▶ the Department for the Economy;
- ▶ staff;
- ▶ local employers;
- ▶ local authorities;
- ▶ Government Offices / Regional Development Agencies;
- ▶ local communities;
- ▶ other FE institutions;
- ▶ trade unions; and
- ▶ professional bodies.

The College recognises the importance of these relationships and engages in regular communication with them through a wide variety of channels, both face-to-face and virtual.

The College considers two-way communication with its staff and students to be vital and regular meetings are held. Currently a number of mechanisms are in place to achieve effective internal communications including:

- ▶ during Covid-19 pandemic, weekly messages issued from the Principal & CEO;
- ▶ student/staff consultative meetings;
- ▶ team/department, directorate meetings;
- ▶ multi-disciplinary team meetings;
- ▶ staff events/conferences;
- ▶ student and staff intranets;
- ▶ College website and social media channels;
- ▶ student and staff newsletters and e-zines; and
- ▶ health and wellbeing events.

Success Story



Samuel Gilmore, a Carpentry and Joinery Apprentice, was named Europe's Best Apprentice at the European Alliance for Apprenticeship Awards ceremony in Helsinki in October 2019.



Equal opportunities and employment of disabled persons

By virtue of Section 75 of the Northern Ireland Act 1998, Northern Regional College in carrying out all its functions, powers and duties is required to have due regard to the need to promote equality of opportunity:

- a) between persons of different religious belief, political opinion, racial group, age, marital status or sexual orientation;
- b) between men and women generally;
- c) between persons with a disability and persons without; and
- d) between persons with dependants and persons without.

Without prejudice to its obligations above, the College has, in carrying out its functions, had regard to the desirability of promoting good relations between persons of different religious belief, political opinion or racial group. The College has included the promotion of good relations as part of the corporate planning process.

The College is committed to the fulfilment of its Section 75 obligations in all parts of our organisation. The College is committed to allocating necessary resources to ensure that the statutory duties are complied with and that the measures within the Equality Scheme to promote equality of opportunity are implemented effectively and on time.

The College's Equality Statement states that:

"Northern Regional College is committed to the promotion of equality of opportunity in all of its activities. We aim to ensure that we provide a supportive, fair, inclusive and welcoming environment for all staff, students and visitors free from any form of discrimination or harassment."

In 2019/20 the College continued to better promote equality of opportunity and good relations through a wide variety of initiatives and programmes including Sexual Orientation and Gender Identity training for students, student wellbeing sessions, digital accessibility developments, Women in STEM project and various staff development sessions e.g. mental health awareness, autism, safeguarding and trauma. The College was awarded Legal-Island Diversity & Inclusion Charter Mark, for being a more diverse and inclusive workplace.

Disability statement

Under section 49A of the Disability Discrimination Act (DDA) 1995 (as amended by the Disability Discrimination (Northern Ireland) Order 2006), Northern Regional College as a public authority, when carrying out its functions, has due regard to the need to promote positive attitudes towards disabled people and will encourage participation by disabled persons in public life.

Under section 49B of the Act, the College is committed to the development of a disability action plan which relates to all disabled people including disabled employees, customers, clients and service users, as well as disabled students. This action plan also encompasses College efforts in relation to the Special Education Needs and Disability Order 2005 to ensure the full mainstreaming of all duties.

“Northern Regional College is committed to equality of opportunity for all its staff and students and will, therefore, strive to facilitate staff and students with disabilities as an integral part of the Northern Regional College community.”

In January 2019, a NI Further Education Colleges Disability Action Plan was developed for 2019 – 2024 and adopted by the College. This Plan confirms our commitment to and proposals for fulfilling the statutory obligations in compliance with Sections 49A and 49B of the Disability Discrimination Act 1995 (as amended by the Disability Discrimination (NI) Order 2006).

In 2019/20 the College has continued to support those with mental ill health by implementing commitments in the Equality Commission’s Mental Health Charter. The College has also been working closely and collaboratively with the Education Authority’s Autism Advisory and Intervention Service (AAIS) and the NHSCT ASD service to help ease transition from School to College.

Disclosure of information to auditors

These accounts are subject to audit under the Institutions of Further Education (Public Sector Audit) Order (Northern Ireland) 2008 by the Comptroller and Auditor General for Northern Ireland.

The members who held office at the date of approval of this report confirm that, so far as they are each aware, there is no relevant audit information of which the College’s auditors are unaware; and each member has taken all the steps that he or she ought to have taken to be aware of any relevant audit information and to establish that the College’s auditors are aware of that information.

Personal data related incidents

The College reported one data incident to the Information Commissioner’s Office (ICO) in 2019/20. The ICO did not deem it was necessary to take any regulatory action. The College continues to remind all staff and students on the importance of data security.

Charitable and taxation status

The college has charitable status with HM Revenue and Customs and is not liable to corporation tax.

Charitable/Political Donations

The College made no charitable or political donations during the year.

Professional Advisers

External Auditors:
Northern Ireland Audit Office
106 University Street, Belfast, BT7 1EU

Internal Auditors:
Grant Thornton
Donegall Square West, Belfast, BT1 6JH

Bankers:
Danske Bank
Donegall Square West, Belfast, BT1 6JS

Success Story



Level 4 Healthcare Practice student, Bethan Millar, worked six days a week during the first lockdown, using her day off to catch up on assignments for her course. She already had A-Levels in Biology and Health & Social Care but felt the Level 4 HNC would be an ideal stepping stone and help make the transition to studying nursing at university easier.



Members

The members who served on the Governing Body during the year were as follows:

Name	Date of appointment	Term of office	Date of resignation	Status of appointment	Committees served
Isobel Allison	08/07/16	30/04/21		Member Member	Audit & Risk Gov Body
Samuel Kevin Chambers	01/08/15	31/07/23		Member Member	Resources Gov Body
Reece Cochrane	01/10/19	31/08/20		Student Member Student Member	Education Gov Body
Hugh Crossey	01/08/15	31/12/19	14/11/19	Chair Vice Chair	Resources Gov Body
Angela Dynes	15/01/18	14/01/22		Staff Member Staff Member	Education Gov Body
Judith Eve	04/02/17	27/02/21	31/07/20	Vice-Chair Member (Co-Opt)	Audit & Risk Gov Body
Maeve Hamilton	20/04/20	unbounded		Member Member	Audit & Risk Gov Body
William Hutchinson	01/08/15	31/07/23		Member Member (temp) Member	Audit & Risk Education Gov Body
Richard Jay	25/01/10	24/01/20		Member Member	Education Gov Body
David Lennox	01/08/11	30/06/20		Chair Vice-Chair	Education Gov Body
Yvonne Mallon	01/08/15	31/07/23		Member Member	Resources Gov Body
Karen McCambridge	21/07/16	20/07/21		Staff Member Staff Member	Audit & Risk Gov Body

Name	Date of appointment	Term of office	Date of resignation	Status of appointment	Committees served
Robert McCann	01/10/19	30/09/23	30/01/20	Chair	Gov Body
William McCluggage	01/08/15	31/07/20		Chair Member	Audit & Risk Gov Body
Gillian McConnell	08/07/16	30/07/20		Vice-Chair Member (temp) Member	Resources Education Gov Body
Barney McGahan	20/04/20	unbounded		Chair	Gov Body
Tony Montgomery	20/04/20	unbounded		Member Member	Education Gov Body
Ian Murphy	01/09/18	31/08/22		Chair (from 19/10/19) Member (Co-Opt)	Resources Gov Body
Terri Scott	01/09/14	unbounded		Principal & Chief Executive	Education Resources Gov Body
Graeme Wilkinson	20/04/20	unbounded		Member Member	Resources Gov Body

All members served from 1 August 2019 to 31 July 2020 unless otherwise indicated.

For and on behalf of the members of the Governing Body.

Signed:  Date: 25 November 2020

Mr Barney McGahan

Chair of the Governing Body Northern Regional College

Remuneration Report

Members of the Governing Body

There are normally 18 members of the Governing Body, most of whom are appointed in accordance with the Code of Practice of the Office of the Commissioner for Public Appointments for Northern Ireland. Of these, six members are appointed in line with statutory requirements. The majority of members are appointed for a fixed period of up to four years and thereafter they may be re-appointed in accordance with the Code of Practice.

The remuneration of Governing Body members (excluding staff members) was first introduced by the Department from 1st January 2016. Staff members do not receive remuneration. There are no arrangements in place for the payment of a bonus.

No member of the Governing Body, including the Chairperson, receives pension contribution from the College or the Department. The College reimburses the Chairperson and Members of the Governing Body for any incidental expenses incurred for carrying out their duties relevant to the organisation.

Mrs Joy Allen was appointed as Chair from 1st January 2019 and resigned from this role on 8th April 2019. Mr Robert McCann was appointed as Chair from 1st October 2019 and resigned from this role on 31st January 2020.

Mr Barney McGahan was appointed as Chair from 20th April 2020. The Department appointed three other GB members on 20 April 2020, two of which are non-salary.

The remuneration of the Chairman and Board members is as follows:

	2019-20				2018-19			
	Salary	Benefits in Kind	Pension benefits	Total	Salary	Benefits in Kind	Pension benefits	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Margaret Joy Allen- Chair	-	-	-	-	5-10	-	-	5-10
Isobel Allison	0-5	-	-	0-5	0-5	-	-	0-5
Samuel Kevin Chambers	0-5	-	-	0-5	0-5	-	-	0-5
Reece Cochrane - Student	0-5	-	-	0-5	-	-	-	-
Hugh Crossey	0-5	-	-	0-5	10-15	-	-	10-15
Alana Duff – Student	-	-	-	-	0-5	-	-	0-5
Judith Eve	0-5	-	-	0-5	0-5	-	-	0-5
William Hutchinson	0-5	-	-	0-5	0-5	-	-	0-5
Richard Jay	0-5	-	-	0-5	0-5	-	-	0-5
David Lennox	0-5	-	-	0-5	0-5	-	-	0-5
Yvonne Mallon	0-5	-	-	0-5	0-5	-	-	0-5
Robert McCann - Chair	5-10	-	-	5-10	-	-	-	-
William McCluggage	0-5	-	-	0-5	0-5	-	-	0-5
Gillian McConnell	0-5	-	-	0-5	0-5	-	-	0-5
Barney McGahan - Chair	5-10	-	-	5-10	-	-	-	-
Tony Montgomery	0-5	-	-	0-5	-	-	-	-
Ian Murphy	5-10	-	-	5-10	0-5	-	-	0-5



Success Story



Leaving school after AS levels to study Level 3 Applied Science at the College turned out to be the absolutely right decision for Jenna Craig. Having completed her course with a triple Distinction* - the equivalent of three A*s at A level - she has accepted a place at Ulster University to study Diagnostic Radiography and Imaging.



The Principal and Senior Leadership Team

The Principal and the Senior Leadership Team appointments are made in accordance with the College's recruitment policy. The policy requires appointments to be made on merit on the basis of fair and open competition.

The Principal and Senior Leadership Team hold permanent appointments. The normal retiring age was previously 65, although staff may retire at any time after age 60.

Minimum pay levels

Minimum pay levels are dependent on College size and vary across the sector.

Progression

There is no incremental progression for Principals as they are paid on a one-point scale according to College size. However, if the College size changes they will automatically move to that new salary point.

At initial appointment, Vice-Principals and equivalents are normally placed on the bottom point of the four-point scale relevant to the size of their College. Thereafter, there is annual incremental progression up the scale until the maximum of the scale is reached. A common incremental date of September is used for all Vice-Principals and equivalents. If the College increases in size a Vice-Principal and equivalents will automatically move to the new relevant salary scale.

Performance pay

There is no performance pay or related scheme for any of the Senior Leadership Team.

Total reward package

Senior staff within the College have access to the Northern Ireland Teachers' Superannuation Scheme or to the Northern Ireland Local Government Superannuation Scheme.

Senior staff posts are based on 36 hours per week and post holders have access to the College's Maternity Leave Scheme, Paternity Leave Scheme, Adoption Leave Scheme and flexible working arrangements.

All Senior Staff have 35 days holiday entitlement and a further 12 statutory and public holidays as recognised by the sector.

Service contracts

College appointments are made on merit on the basis of fair and open competition. Unless otherwise stated, the officials covered by this report hold appointments which are open ended. Early termination, other than for misconduct, would result in the individual being entitled to receive compensation.

Salary and Pension Entitlements

The following sections provide details of the remuneration and pension interests of the most senior management of the College.

Remuneration (including salary) and Pension Entitlements (audited information)

Remuneration	2019-20				2018-19			
	Salary	Benefits in Kind	Pension benefits	Total	Salary	Benefits in Kind	Pension benefits	Total
	£'000	£'000	£'000*	£'000	£'000	£'000	£'000*	£'000
Senior Management								
Principal & CEO Professor Terri Scott Note 1	125-130	0	30-35	155-160	110-115	0	20-25	130-135
Chief Information Officer and Vice Principal Business Development Dr Steve Brankin. *End date 31/8/2019	10-15 [75-80 full year equivalent]	0	0-5	15-20	75-80	0	15-20	90-95
Vice Principal Teaching & Learning Mr Vincent Taggart *End date 30/06/2020 Note 1	80-85 [75-80 full year equivalent]	0	15-20	100-105	70-75	0	10-15	85-90
Vice Principal Teaching & Learning Mr Pat O'Neill Note 2	75-80 [110-115 full year equivalent]	0	0	75-80	-	-	-	-
Vice Principal Organisational Development Mr Des Hewitt *End date 17/1/2019	-	-	-	-	35-40 [75-80 full year equivalent]	0	5-10	40-45
Vice Principal Organisational Development Ms Mary Donnelly Note 3	90-95 [90-95 full year equivalent]	0	0	90-95	0-5 [90-95 full year equivalent]	0	0	0-5
Chief Operating Officer Mr Mel Higgins Note 1	85-90	0	20-25	110-115	80-85	0	15-20	95-100
Vice Principal Performance and Development Ms Jenny Small Start date 02/03/2020	30-35 [70-75 full year equivalent]	0	5-10	35-40	-	-	-	-

Salary and Pension Entitlements - Continued

Note 1

The salary for 2019/20 includes back-pay for a number of years.

Note 2

The Vice Principal Teaching & Learning was appointed on a fixed term appointment from 24 October 2019 to 30 June 2020 under an operational partnership agreement with SIB and is not an employee of NRC.

Note 3

The Vice Principal Organisational Development was appointed on a fixed term appointment from 16 July 2019 to 15 July 2020 under an operational partnership agreement with SIB and is not an employee of NRC.

* The value of pension benefits accrued during the year is calculated as (the real increase in pension multiplied by 20) plus (the real increase in any lump sum) less (the contributions made by the individual). The real increases exclude increases due to inflation or any increase or decreases due to a transfer of pension rights.

	2019-20	2018-19
	£'000	£'000
Band of highest paid directors total remuneration	125-130	110-115
Median total remuneration	28,474	27,355
Ratio	4.39	4.03

The ratio has increased due to senior staff pay increments which includes back-pay.

Salary

'Salary' includes gross salary; performance pay or bonuses; overtime; recruitment and retention allowances; private office allowances and any other allowance to the extent that it is subject to UK taxation.

Benefits in Kind

The monetary value of benefits in kind covers any benefits provided by the employer and treated by HM Revenue and Customs as a taxable emolument. No senior officials received any benefits in kind.

Pension Entitlements (Audited information)

Senior Management	Accrued pension at pension age as at 31/07/20 and related lump sum	Real increase in pension and related lump sum at pension age	CETV at 31/07/20	CETV at 31/07/19	Real increase in CETV
	£'000	£'000	£'000	£'000	£'000
Principal & CEO Professor Terri Scott	10-15	0-5	195	112	83
Chief Information Officer and Vice Principal Business Development Dr Steve Brankin	5-10	0-5	85	81	4
Vice Principal Teaching & Learning Mr Vincent Taggart	30-35 plus lump sum 100-105	0-5 plus lump sum 10-15	835	701	134
Chief Operating Officer Mr Mel Higgins	5-10	0-5	84	62	22
Vice Principal Performance and Development Ms Jenny Small	0-5	0-5	8	0	8
VP Teaching & Learning Mr Pat O'Neill Note 1	-	-	-	-	-
VP Organisational Development Ms Mary Donnelly Note 2	-	-	-	-	-

Note 1

The Vice Principal Teaching & Learning is not a member of the College's pension arrangements as he is employed by SIB.

Note 2

The Vice Principal Organisational Development is not a member of the College's pension arrangements as she is employed by SIB.

Pension Arrangements

Retirement benefits to employees of the College are provided by the Northern Ireland Teachers' Pension Scheme (NITPS) and the Local Government Pension Scheme for Northern Ireland administered by the Northern Ireland Local Government Officers' Superannuation Committee (NILGOSC). These are defined benefit schemes, which are externally funded and contracted out of the State Earnings-Related Pension Scheme (SERPS).

Contributions to the NITPS are calculated so as to spread the cost of pensions over employees' working lives with the College in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by qualified actuaries on the basis of quinquennial valuations using a prospective/benefit method.

The NITPS is a multi-employer scheme and the College is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The NITPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The assets of the NILGOSC scheme are measured using closing market values. NILGOSC liabilities are measured using the 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. The increase in the present value of the liabilities of the scheme expected to arise from employee service in the period is charged to the operating surplus. The expected return on the scheme's assets and the increase during the period in the present value of the scheme's liabilities, arising from the passage of time, are included in pension finance costs. Actuarial gains and losses are recognised in the Other Comprehensive Income section of the Statement of Comprehensive Income and Expenditure.

National Employment Savings Trust (NEST) is the workplace pension set up by the government especially for auto enrolment. It is a defined contribution workplace pension scheme with contributions by the employer. NEST Corporation is the Trustee that runs the NEST scheme. It took over from the Personal

Accounts Delivery Authority (PADA), the agency set up by the government to deliver 'personal accounts' – a key element of the auto enrolment policy. 'Personal accounts' became NEST. As a non-departmental public body NEST Corporation is accountable to Parliament through the Department for Work and Pensions but is generally independent of government in its day-to-day decisions.

Cash Equivalent Transfer Values

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 benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies.

The CETV figures include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the NILGOSC pension arrangements and for which the Fund has received a transfer payment commensurate with the additional pension liabilities being assumed. CETVs are calculated in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

Real increase in CETV

This reflects the increase in CETV effectively 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.

Statement of the Responsibilities of the Accounting Officer & Governing Body For the Year Ended 31 July 2020

Under the Further Education (NI) Order 1997, DfE (with approval from DoF), has directed the Governing Body to prepare, for each financial year, a statement of accounts in the form and on the basis set out in the Accounts Direction.

In preparing the financial statements the Accounting Officer on behalf of the Governing Body is required to:

- ▶ observe the Accounts Direction issued by DfE with the approval of DoF, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- ▶ make judgements and estimates on a reasonable basis;
- ▶ state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- ▶ prepare the financial statements on the going concern basis unless it is inappropriate to assume that the college will continue in operation; and
- ▶ confirm that the Annual Report and Accounts as a whole is fair, balanced and understandable and take personal responsibility for the Annual Report and Accounts and the judgments required for determining that it is fair, balanced and understandable.

The Governing Body is also required to prepare an Annual Strategic Report which describes what it is trying to do and how it is going about it, including the legal and administrative status of the College.

The maintenance and integrity of the College website is the responsibility of the Governing Body of the College; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In addition, the Governing Body is responsible for securing the efficient and effective management of the College and ensuring that the college provides suitable and efficient further education.

The Accounting Officer of DfE has designated the Principal/Chief Executive as the Accounting Officer of the College. The responsibilities as an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding the College's assets, are set out in Managing Public Money Northern Ireland (MPMNI) published by DoF.

Success Story



Having completed the Higher Level Apprenticeship in Accountancy, Laura Todd has just qualified as a chartered accountant. She started as a trainee accountant with Irwin Donaghey and Stockman and still remains working today in the local accountancy firm.



Statement of Corporate Governance & Internal Control For the Year Ended 31 July 2020

Introduction

This Governance Statement for Northern Regional College sets out the governance structures, risk management and internal control procedures that operated within the College during the 2019/20 financial year and up to the date of approval of the Annual Report and Accounts. This Governance Statement has been prepared in accordance with guidance issued by the Department of Finance (DoF) and is aimed at supporting better governance and driving more consistent, coherent and transparent reporting.

Scope of Responsibility

The Accounting Officer for the College has responsibility for maintaining a robust governance and risk management structure and a sound system of internal control that supports the achievement of College policies, aims and objectives, whilst safeguarding the public funds and assets for which she is personally responsible, in accordance with the responsibilities assigned to her in Managing Public Money Northern Ireland (MPMNI).

In order to manage the College efficiently, the Accounting Officer has been supported by formal governance structures with clear remits, details of which are provided below.

Governing Body

The College's Governing Body comprises of members appointed by the Minister for the Economy, staff and students of the College, the Principal and members co-opted by the Governing Body. The role of the Chairman of the Governing Body is separate from the role of the College Principal as Chief Executive and Accounting Officer. The Governing Body is responsible for the ongoing strategic direction of the College whilst the Executive Officers are responsible for the operational management of the College. The Governing Body approves all major developments and receives regular reports on the activities of the College. The Governing Body met eight times during the 2019/20 year, two of these meetings were to review risks and strategies for dealing with Covid-19. The Governing Body committees include a Resources Committee, an Audit & Risk Committee and an Education Committee. All of these committees are formally constituted with terms of reference.

Unreserved minutes of Governing Body meetings are available from the Secretary to the Governing Body and on the College website. The Secretary to the Governing Body maintains a register of financial and personal interests of the Governing Body members and the PA to the Chief Executive maintains a register for members of the Senior Leadership Team. Formal agendas, papers and reports are supplied to the Governing Body members in a timely manner.

Information presented to the Governing Body and its committees is drafted by the appropriate department and proceeds through the necessary internal clearance procedures before being presented as formal agendas, papers and reports to the Governing Body. This ensures a high quality of reliable and up to date information is presented for the Governing Body's consideration. The Governing Body is content with the quality and reliability of the information presented during 2019/20.

The Governing Body through its stewardship complies with the Corporate Governance Code.

Attendance during the year at the Governing Body meetings was as follows:

Member	Meetings Attended	Out of a Possible
Ms Isobel Allison	8	8
Mr Samuel Kevin Chambers	8	8
Mr Reece Cochrane (Student Governor)	7	7
Mr Hugh Crossey	2	2
Ms Angela Dynes (Staff Governor)	8	8
Mrs Judith Eve	3	8
Mrs Maeve Hamilton	2	3
Mr William Hutchinson	6	8
Mr Richard Jay	2	2
Dr David Lennox	8	8
Mrs Yvonne Mallon	8	8
Dr Karen McCambridge (Staff Governor)	8	8
Mr William McCluggage	8	8
Mrs Gillian McConnell	8	8
Mr Barney McGahan (Chair)	3	3
Mr Tony Montgomery	3	3
Mr Ian Murphy	8	8
Professor Terri Scott (Principal & CEO)	8	8
Mr Graeme Wilkinson	2	3

A minimum of six members of the Board must be present for the meeting to be deemed quorate. All Board meetings during the 2019/20 financial year were fully quorate. There were nine male and eight female members of the Governing Body at 31 July 2020.

Audit and Risk Committee

The Audit and Risk Committee is responsible for reviewing the effectiveness of the College's accounting procedures and systems of internal control. It provides a channel of communication from the College's auditors, which is not controlled by College management. It also must satisfy itself that adequate arrangements are in place to promote economy, efficiency and effectiveness. The Committee met five times during the 2019/20 year, which included an extra meeting due to the impact of Covid-19. Discussion included reports from the External and Internal Auditors and the relevant responses.

It also receives and considers reports from the Department for the Economy. It reviews the College's annual financial statements to ensure compliance with legislation and accounting standards.

Whilst Executive Officers and other officials attend meetings of the Audit and Risk Committee as necessary, they are not members of the Committee. The Committee meets with auditors on their own for independent discussions prior to each meeting.

Attendance during the year at the Audit Committee meetings was as follows:

Member	Meetings Attended	Out of a Possible
Mrs Isobel Allison	5	5
Mrs Judith Eve	3	5
Mrs Maeve Hamilton	1	1
Mr William Hutchinson	3	5
Dr Karen McCambridge	5	5
Mr William McCluggage (Chair)	5	5

Success Story



Having completed Level 3 Health and Social with top marks of triple Distinction*, the equivalent standard of three A*s at A-level, Grace Thompson secured offers from all five universities she applied for. She has accepted a place at Queen's University Belfast to start an Adult Nursing Degree in February 2021.



Resources Committee

The Resources Committee supervises all matters relating to the finance and resources (staffing and other resources) of the College. The Committee is responsible for ensuring the College meets its statutory obligations under section 75 of the NI Order (1998). The Committee met six times during the 2019/20 year, including an extra meeting due to the impact of Covid-19.

Member	Meetings Attended	Out of a Possible
Mr Samuel Kevin Chambers	5	6
Mr Hugh Crossey	2	2
Mrs Gillian McConnell	5	6
Ms Yvonne Mallon	6	6
Mr Ian Murphy (Chair)	6	6
Professor Terri Scott (Principal)	5	6
Mr Graeme Wilkinson	2	2

Education Committee

The Education Committee is responsible for overseeing the curricular provision of the College, especially the nature, quality and performance of the provision and the extent to which it meets the needs of the community the College seeks to serve. The Committee met seven times during the 2019/20 year, including extra meetings due to the impact of Covid-19.

Member	Meetings Attended	Out of a Possible
Mr Reece Cochrane (Student Governor)	6	7
Ms Angela Dynes (Staff Governor)	7	7
Mr William Hutchinson	1	2
Mr Richard Jay	3	3
Dr David Lennox (Chair)	7	7
Mrs Gillian McConnell	2	2
Mr Tony Montgomery	2	2
Professor Terri Scott (Principal)	7	7



Governing Body Performance and Effectiveness

The Governing Body held a planning meeting on 17 June 2020. During the course of the meeting the Governing Body considered the direction, development and strategic priorities of the College Strategic Plan 2019-24, taking account of the outcomes from the 2019 DfE report on the NRC Governing Body self-assessment survey and the current operating environment and guiding principles in light of Covid-19.

A schedule of membership and attendance at Governing Body and Committee meetings for the 2019-20 year is shown in the tables above. In total there were twenty meetings of the Governing Body and its various sub committees during 2019-20. Average attendance of governors, excluding staff and student representatives, recorded at Governing Body meetings during 2019-20 was 90.8% (85.0% for 2018-19).

At July 2020 the NRC Governing Body had no vacant post on the Governing Body.

In conclusion the Governing Body and Committees of the Northern Regional College met regularly and conducted business effectively during 2019-20.

Senior Leadership Team

The Senior Leadership Team (SLT) of the College consists of:

- ▶ Principal;
- ▶ Chief Operating Officer;
- ▶ Vice Principal Organisational Development (Temporary Post*);
- ▶ Vice Principal Performance and Development; and
- ▶ Vice Principal Teaching & Learning.

* The Vice Principal Organisational Development post was established on 1 July 2017 for a three-year period and ended on 31 July 2020.

The purpose of the SLT is to act as the strategic leadership forum within the College. The SLT is responsible for the operational implementation of the vision and objectives agreed by the Governing Body.

The Senior Management Team comprises the SLT and all Heads of Department (academic and support).

Risk Management

The College is committed to the principles endorsed by Northern Ireland Audit Office in its guidance "Good Practice in Risk Management".

By adopting the above risk management principles, and embedding a culture of effective risk management, the Colleges key principles in relation to risk management and internal control are as follows:

- ▶ The Governing Body has responsibility for determining the risk appetite of the College and overseeing risk management within the College as a whole;
- ▶ The Principal and Senior Management Team support, advise and implement policies approved by the Governing Body;
- ▶ Senior and middle managers are responsible for encouraging good risk management practice within their designated managed area; and
- ▶ Key risks will be identified and closely monitored on a regular basis.

The Accounting Officer has responsibility for maintaining a sound system of internal controls that supports the achievements of aims and objectives, whilst safeguarding the public funds and College assets. This includes having a system in place to ensure that all business areas identify the key risks to the achievement of the organisation's objectives. The Accounting Officer reports annually on the College's system of internal control in the Governance Statement.

The College has an outsourced internal audit service, the work of which concentrates on areas of key activities determined by an analysis of the areas of greatest risk and in accordance with the annual internal audit plan approved by the Governing Body.

The internal auditors report to the Accounting Officer and to the Audit & Risk Committee on a regular basis and have direct access to the Governing Body and to the Chairman of the Audit & Risk Committee. Internal Audit has issued an Assurance Statement that provides an opinion on the adequacy and effectiveness of the internal control system and the extent to which it can be relied upon.

The principal risks facing the College at 31 July 2020 have been identified as:

Risks	Description
1	The College does not meet enrolment targets and achievement of qualifications
2	The College does not improve the quality of education
3	The College does not accelerate business and community engagement
4	The College does not accelerate innovation and creativity
5	The College does not achieve financial health
6	The College does not meet data protection requirements
7	The College does not implement sector wide Systems, Technology and Services Project
8	The College fails to deliver an efficient Estates environment in a compliant manner due to Central Procurement Directorate – Properties Division delays and processes
9	College fails to deliver full educational programme due to an inability to secure the requisite skill sets to deliver the full curriculum provision
10	College does not deliver improvements to infrastructure & learning environment
11	College fails to deliver educational programmes and College operations due to outbreak of Coronavirus

In addition to the above, a risk register was managed for the College new build estates project and reported via the New Build Project Board.

Fraud Reporting

The anti-fraud and bribery policy sets out the definition of fraud, details the responsibilities regarding the prevention of fraud and highlights the procedures to be followed in the event of a fraud being detected or suspected. The fraud response plan is a procedural guide and provides a checklist of the required actions which must be followed in the event of a fraud, attempted fraud or irregular activity being suspected.

Whistleblowing

There was no College notified whistleblowing instances during 2019/20.

Internal Audit

The College's Internal Audit function is outsourced to Grant Thornton, following a sector wide procurement exercise in 2017. The main remit of the Internal Audit function is to provide the Accounting Officer with an independent and objective opinion on the overall adequacy and effectiveness of the organisation's risk management, control and governance processes.

The Annual Opinion and Report, provided by the Internal Audit function, is a key element of the framework of assurance that the Accounting Officer needs to inform this Governance Statement. The Internal Audit function operates in accordance with HM Treasury's Public Sector Internal Audit Standards (PSIAS).

The Audit & Risk Committee set an audit strategy and work plan for the financial year 2019/20, which was carried out by Grant Thornton (GT). For the period 2019/20 GT has reported an overall satisfactory audit opinion on the College's system of governance, risk management and internal control. Satisfactory is the highest assurance rating available.

A summary of the internal audit work and the assurance ratings for each is shown below:

Area Reviewed:	Assurance Rating:
Exams	Satisfactory
Lecturers Implementation Agreement	Satisfactory
Strategic Planning & Performance Management	Satisfactory
IT Security	Satisfactory
Absence Management	Satisfactory
Additional Work Performed at request of GB: Reviews in 2018/19	N/A

An internal audit recommendations have either been addressed during the year or are still being implemented. Progress reporting on any outstanding audit recommendations are presented to the Audit & Risk Committee.

Education Training Inspectorate (ETI)

The planned ETI inspection in April 2020 has been delayed due to Covid-19. The previous ETI review was June 2018.

The inspection visit by ETI in June 2018 resulted in both the Essential Skills and Training for Success provision in the College being graded as 'Good'. The Self Evaluation Report and Quality Improvement Plan also received a scrutiny inspection, the outcome of which was that "ETI has continued confidence in the SER/QIP process within the College".

ETI reports are available online at www.etini.gov.uk

QAA Summative Review

The Quality Assurance Agency for Higher Education (QAA) is an independent body entrusted with monitoring and advising on standards and quality in UK higher education.

The QAA visited the College in the beginning of May 2018 to review all our HE provision across the College. Following their visit and review of the evidence submitted, the review team report states:

- ▶ *There can be confidence that academic standards are reliable, meet UK requirements, and are reasonably comparable with standards set and achieved in other providers in the UK.*
- ▶ *There can be confidence that the quality of the student academic experience meets baseline regulatory requirements.*

There were no QAA inspections during the 2019/20 year. The last review prior to 2018 was in 2013.

Information Assurance

Effective information security is a key priority for the College and it recognises that stringent principles of information security must be applied to all information it holds. The College reported one data incident to the Information Commissioner's Office (ICO) in 2019/20. The ICO did not deem it necessary to take any regulatory action. The College continues to remind all staff and students on the importance of data security.

Signed:



Date:

25 November 2020

Professor T Scott

Accounting Officer
Northern Regional College

The Certificate and Report of the Comptroller and Auditor General to the Northern Ireland Assembly

Opinion on financial statements

I certify have audited the financial statements of the Northern Regional College for the year ended 31 July 2020 under the Further Education (Northern Ireland) Order 1997 as amended by the Audit and Accountability Institutions of Further Education (Public Sector Audit) Order (Northern Ireland) 2008. The financial statements comprise: the Statement of Comprehensive Income and Expenditure, Statement of Changes in Reserves, Statement of Financial Position, Statement of Cash Flows and the related notes including significant accounting policies. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

In my opinion the financial statements:

- ▶ give a true and fair view of the state of Northern Regional College's affairs as at 31 July 2020 and of its deficit the year then ended;
- ▶ have been properly prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102); and
- ▶ have been prepared in accordance with the Further Education (Northern Ireland) Order 1997 as amended by the Audit and Accountability Institutions of Further Education (Public Sector Audit) Order (Northern Ireland) 2008 and the Department for the Economy directions issued thereunder.

Opinion on regularity

In my opinion, in all material respects the expenditure and income recorded in the financial statements have been applied to the purposes intended by the Assembly and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Basis for opinion

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of this certificate. My staff and I are independent of Northern Regional College in accordance with the ethical requirements of the Financial Reporting Council's Revised Ethical Standard 2016, and have fulfilled our other ethical responsibilities in accordance with these requirements. I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my opinions.

Conclusions relating to going concern

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

- ▶ the Northern Regional College's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- ▶ the Northern Regional College has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Northern Regional College's ability to continue to adopt the going concern basis.

Other Information

The Accounting Officer and Governing Body are responsible for the other information reported in the annual report. The other information comprises the information included in the annual report other than the financial statements, the parts of the Remuneration Report described in the report as having been audited and my audit certificate thereon. My opinion on financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Opinion on other matters

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

- ▶ the parts of the Remuneration Report to be audited have been properly prepared in accordance with Department for the Economy directions made under the Further Education (Northern Ireland) Order 1997 as amended by the Audit and Accountability Institutions of Further Education (Public Sector Audit) Order (Northern Ireland) 2008; and
- ▶ the information given in the Strategic Report, Remuneration Report, Statement of the Responsibilities of the Accounting Officer and the Governing Body and Statement of Corporate Governance and Internal Control for the financial year for which the financial statements are prepared is consistent with the financial statements.

Responsibilities of the Accounting Officer and Governing Body

As explained more fully in the Statement of Responsibilities of the Accounting Officer and Governing Body, the Accounting Officer and Governing Body are responsible for the preparation of the financial statements and being satisfied that they give a true and fair view.

Auditor's responsibilities for the audit of the financial statements

My objectives are to examine, certify and report on the financial statements in accordance with the Further Education (Northern Ireland) Order 1997 as amended by the Audit and Accountability Institutions of Further Education (Public Sector Audit) Order (Northern Ireland) 2008.

My objectives are to obtain evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

In addition, I am required to obtain evidence sufficient to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by the Assembly and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Matters on which I report by exception

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- ▶ adequate accounting records have not been kept; or
- ▶ the financial statements and the parts of the Remuneration Report to be audited are not in agreement with the accounting records; or
- ▶ I have not received all of the information and explanations I require for my audit; or
- ▶ the Statement of Corporate Governance and Internal Control does not reflect compliance with the Department of Finance's guidance.

Report

I have no observations to make on these financial statements.

Signed: 

KJ Donnelly

Comptroller and Auditor General
Northern Ireland Audit Office
106 University Street
Belfast
BT7 1EU

Date: 11 December 2020

Statement of Comprehensive Income and Expenditure For the Year Ended 31 July 2020

	Notes	2020	2019
		€'000	€'000
Income			
Department for the Economy income	1	25,338	26,086
Education contracts	2	4,329	4,099
Tuition fees and charges	3	1,835	1,969
Other grant income	4	197	315
Other operating income	5	820	410
Investment Income	6	4	1
Donations and endowments	7	0	0
Total income		32,523	32,880
Expenditure			
Staff costs	8	24,273	23,923
Fundamental restructuring costs	8	0	420
Other operating expenses	10	7,848	8,801
Interest and other finance costs	11	171	99
Depreciation	13	3,618	3,675
Total expenditure		35,910	36,918
Surplus /(Deficit) before exceptional items		(3,387)	(4,038)
Exceptional Item: Holiday Pay Liability	8	(805)	0
Surplus / (Deficit) before Tax		(4,192)	(4,038)
Taxation	12	0	0
Surplus / (Deficit) for the year		(4,192)	(4,038)
OTHER COMPREHENSIVE INCOME:			
Unrealised surplus on revaluation of land and buildings	13	2,311	3,180
Actuarial (loss) / Gain in respect of pension scheme	22	(12,810)	(2,801)
Total comprehensive income for the year		(14,691)	(3,659)
Represented by:			
Endowment comprehensive income for the year		4	1
Unrestricted comprehensive income for the year		(14,695)	(3,660)

All amounts above relate to the continuing operations of the College.

The accompanying accounting policies and notes form an integral part of these financial statements.

Statement of Changes in Reserves For the Year Ended 31 July 2020

	Income and expenditure account				Revaluation Reserve	Total
	Unrestricted (excluding Pension)	Pension Reserve	Unrestricted (including Pension)	Endowment		
	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 August 2018	2,102	(4,076)	(1,974)	64	56,309	54,399
Surplus/(deficit) from income and expenditure statement	(2,618)	(1,420)	(4,038)	-	-	(4,038)
Other comprehensive income	-	(2,801)	(2,801)	-	3,180	379
Transfers between revaluation and income and expenditure account	2,190	-	2,190	-	(2,190)	-
Release of restricted funds spent in year	-	-	-	-	-	-
Balance at 1 August 2019	1,674	(8,297)	(6,623)	64	57,299	50,740
Surplus/(deficit) from income and expenditure statement	(2,804)	(1,388)	(4,192)	-	-	(4,192)
Other comprehensive income	-	(12,810)	(12,810)	-	2,311	(10,499)
Transfers between revaluation and income and expenditure account	2,203	-	2,203	-	(2,203)	-
Release of restricted funds spent in year	-	-	-	-	-	-
Total comprehensive income for the year	(601)	(14,198)	(14,799)	0	108	(14,691)
Balance at 31 July 2020	1,073	(22,495)	(21,422)	64	57,407	36,049

The accompanying accounting policies and notes form an integral part of these financial statements.

Statement of Financial Position as at 31 July 2020

	Notes	2020	2019
		£'000	£'000
Non Current Assets			
Property, Plant and Equipment	13	72,303	71,341
Intangible assets	14	429	338
		72,732	71,679
Current assets			
Trade and other receivables	16	3,989	1,641
Cash and cash equivalents	21	1,381	4,968
Total current assets		5,370	6,609
Less: Payables - amounts falling due within one year	17	4,205	5,606
Net current assets		1,165	1,003
Total assets less current liabilities		73,897	72,682
Less : Payables: amounts falling due after more than one year	18	14,548	13,645
Provisions:			
Pension provisions	19	(22,495)	(8,297)
Other provisions	19	(805)	0
Net Assets including pension liability		36,049	50,740
Unrestricted Reserves			
Income and expenditure account (exc. Pension)		1,073	1,674
Pension Reserve		(22,495)	(8,297)
Income and expenditure account (Inc. Pension)		(21,422)	(6,623)
Revaluation Reserve		57,407	57,299
Restricted Reserves			
Endowments	20	64	64
Total Reserves		36,049	50,740

The financial statements on pages 61 to 102 were approved by the Governing Body of the Northern Regional College on 25 November 2020 and were signed on its behalf by:

Signed: 

Mr Barney McGahan
Chair of the Governing Body Northern Regional College

Date: 25 November 2020

Signed: 

Professor T Scott
Accounting Officer Northern Regional College

The accompanying accounting policies and notes form an integral part of these financial statements.

Statement of Cash Flows For the Year Ended 31 July 2020

	Notes	2020	2019
		£'000	£'000
Cash inflow/ (outflow) from operating activities			
Surplus / (Deficit) for the Year		(4,192)	(4,038)
Adjustment for non-cash items			
Depreciation	13	3,618	3,675
(Increase) / Decrease in receivables	16	(2,348)	(89)
(Decrease) / Increase in payables less one year	17	(1,401)	1,628
Increase / (Decrease) in payables more one year	18	812	943
Other Provisions	19	805	0
Pension cost less contributions contributions payable	22	1,217	1,321
Pension interest cost	22	171	99
Adjustment for investing or financing activities			
Investment income	6	(4)	(1)
Net Cash (outflow) / inflow from operating activities		(1,322)	3,538
Cash flows from investing activities			
Investment income	6	4	1
Payments made to acquire fixed assets	13	(2,269)	(2,532)
(Decrease) / Increase in cash and cash equivalents in the year		(3,587)	1,007
Net funds at 1 August	21	4,968	3,961
Net funds at 31 July	21	1,381	4,968

In this statement, figures in brackets refer to cash outflows and all other figures are cash inflows to the College.
The accompanying accounting policies and notes form an integral part of these financial statements.

Statement of Accounting Policies For the Year Ended 31 July 2020

Statement of Accounting Policies

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

Basis of preparation

These financial statements have been prepared on the going concern basis in accordance with the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education 2019 and in accordance with Financial Reporting Standards (FRS 102) The Financial Reporting Standard applicable in the UK and Republic of Ireland. The College is a public benefit entity and has therefore applied the relevant public benefit entity requirements for FRS 102. The financial statements are prepared in accordance with the historical cost convention except that certain freehold properties are shown at their revalued amounts.

They also conform to the Accounts Direction issued by the Department for the Economy (DfE).

Basis of accounting

The financial statements are prepared in accordance with the historical cost convention modified by the revaluation of certain fixed assets and in accordance with applicable United Kingdom accounting standards.

Going concern

The activities of the College, together with factors likely to affect its future development and performance are set out in the Strategic Report. The financial position of the College, its cashflow, liquidity and borrowings are described in the financial statements and accompanying notes.

The College is satisfied that the organisation is a going concern on the basis that there is no reason to believe that the Department's future sponsorship and future Assembly approval will not be forthcoming to meet the College's liabilities as they fall due. It has accordingly been considered appropriate to adopt a going concern basis for the preparation of these financial statements.

Basis of consolidation

The College has no subsidiaries.

Recognition of Income

Government Grants

The recurrent grant and other revenue grants received from DfE (and other government bodies) 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 creditors due after more than one year as appropriate.

Tuition Fees

Income from tuition fees is recognised in the period for which it is received and includes all fees payable by students or their sponsors.

Non-Government Grants

Income from non-government grants, controls and other services rendered is included to the extent that the conditions of the funding have been met, or the extent of the completion of the contract or service concerned.

Interest

All income from short-term deposits is credited to the income and expenditure account in the year in which it is earned.

Capital Grants (non land grants)

Non-recurrent grants from DfE and other government bodies received in respect of the acquisition of fixed assets are recognised in income over the expected useful life of the asset.

Other Capital Grants

Other capital grants are recognised in income when the College is entitled to the funds subject to any performance related conditions being 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 income. 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.

Pension Scheme

The two principal pension schemes for the College's staff are the Northern Ireland Teacher's Pension Scheme (NITPS) and the Northern Ireland Local Government Officers' Superannuation Committee (NILGOSC) defined benefit schemes, which are externally funded and contracted out of the State Earnings Related Pension Scheme.

The NITPS is an unfunded contributory, voluntary membership scheme administered by the Department of Education. The current regulations under which the scheme operates are the Teachers' Superannuation Regulations (NI) 1998 (as amended). The NITPS is a multi-employer scheme and the College is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The NITPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

NILGOSC is a defined benefit scheme which is externally funded and contracted out of the second state Pension Scheme. The Funds are valued every three years by actuaries using the projected unit method, the rates of contribution payable being determined by the trustees on the advice of the actuaries. Pension costs are assessed on the basis of the latest actuarial valuations of the schemes and are accounted for on the basis of charging the cost of providing pensions over the period during which the College benefits from the employees' services. Variations from regular cost are spread over the expected average remaining working lifetime of members of the schemes after making allowances for future withdrawals.

The difference between the fair value of the assets held in the College's defined benefit pension scheme and the scheme's liabilities measured on an actuarial basis using the projected unit method are recognised in the College's balance sheet as a pension scheme asset or liability as appropriate. The carrying value of any resulting pension scheme asset is restricted to the extent that the College is able to recover the surplus either through reduced contributions in the future or through refunds from the scheme.

Changes in the defined benefit pension scheme asset or liability arising from factors other than cash contribution by the college are charged to the Statement of Comprehensive Income and Expenditure.

Enhanced pensions

The actual cost of any enhanced ongoing pension to a former member of staff is paid by the College annually. An estimate of the expected future cost of any enhancement to the ongoing pension of a former member of staff is charged in full to the College's income and expenditure account in the year that the member of staff retires. In subsequent years a charge is made to provisions in the balance sheet.

Property, Plant and Equipment

► Land and buildings

Land and buildings (including those inherited from the former Education and Library Board) are stated in the balance sheet at valuation on the basis of depreciated replacement cost (inclusive of VAT), as the open market value for existing use is not readily obtainable. The associated credit is included in the revaluation reserve. The difference between depreciation charged on the historic cost of assets and the actual charge for the year calculated on the revalued amount is released to the income and expenditure account reserve on an annual basis. Land and buildings acquired since the last valuation are included in the balance sheet at cost. Freehold land is not depreciated. Freehold buildings are depreciated over their expected useful economic life to the College as advised by Land and Property Services (LPS). Where land and buildings are acquired with the aid of specific grants, these are accounted for in accordance with the revenue recognition policies above.

► Assets under construction

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

► Assets other than land and buildings

Assets other than land and buildings costing less than £3,000 per individual item are written off to the income and expenditure account in the period of acquisition. Assets other than land and buildings inherited from the former Education and Library Board are included in the balance sheet at valuation. All other assets are capitalised at cost.

These assets are depreciated over their useful economic lives as follows:

Computers

- three years straight-line

Motor vehicles

- four years straight-line

Plant and equipment

- five years straight-line

Fixtures and fittings

- seven years straight-line

► Leased Assets

Costs in respect of operating leases are charged on a straight-line basis over the lease term.

Leasing agreements which transfer to the College substantially ownership of an asset are treated as if the asset had been purchased outright and are capitalised at their fair value at the inception of the lease and depreciated over the shorter of the lease term or the useful economic lives of equivalently owned assets. The capital element outstanding is shown as obligations under finance leases. The finance charges are allocated over the period of the lease in proportion to the capital element outstanding.

► Intangible Assets

Intangible assets, greater than £3,000 per individual item, should be capitalised. Software integral to an item of hardware should be dealt with as fixed assets.

► Jointly Controlled Assets

Colleges recognise their individual share of assets that are jointly owned and controlled amongst the Northern Ireland Further Education sector. The assets are classified according to their nature.

Foreign Currency Translation

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the end of the financial period with all resulting exchange differences being taken to the income and expenditure account in the period in which they arise.

Taxation

As an exempt charity the College benefits by being broadly exempt from corporation tax on income it receives from tuition fees, interest and rents.

The college is exempted from levying VAT on most of the services it provides to students. For this reason the college is partially exempt in respect of VAT, so that it can only recover a minor element of VAT charged on its inputs. Irrecoverable VAT on inputs is included in the costs of such inputs and added to the cost of Property, Plant and Equipment as appropriate, where the inputs themselves are Property, Plant and Equipment by nature.

Liquid Resources

Liquid resources include sums on short-term deposits with recognised banks and building societies.

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.

Agency Arrangements

The College acts as an agent in the collection and payment of Hardship Funds and Care to Learn. Related payments received from DfE and subsequent disbursements to students are excluded from the Statement of Comprehensive Income and Expenditure and are shown separately in Note 28. The College administers the Hardship Fund applications and payments through a Student Hardship Committee in line with the recommendations from DfE.



Notes to the Financial Statements for the Year Ended 31 July 2020

1. Department for the Economy Income

	2020	2019
	£'000	£'000
Grant in aid received from DfE		
Recurrent grant	23,677	24,007
Release of deferred capital grants	1,419	1,481
Exceptional grant – voluntary exit scheme (VES)	-	415
Other	-	61
Grant in aid Total	25,097	25,964
Non-grant in aid received from DfE		
Education maintenance allowance (EMA) administration	15	28
Higher Level Apprenticeships	70	94
Curriculum Development	130	0
Skills Competitions	26	0
Non-grant in aid Total	241	122
Total DfE income	25,338	26,086

2. Education Contracts

	2020	2019
	£'000	£'000
Entitlement Framework	418	485
Training for Success*	3,911	3,614
Total	4,329	4,099

* TfS income is currently treated as revenue due to the commercial nature of the award of contracts

3. Tuition Fees and Charges

	2020	2019
	£'000	£'000
Higher Education (HE) income	835	899
Home and other European Union	1,000	1,070
Total	1,835	1,969

4. Other Grant Income

	2020	2019
	£'000	£'000
European funds	66	24
Other funds	131	291
Total	197	315

5. Other Operating Income

	2020	2019
	£'000	£'000
Catering and residence operations	96	137
Other income generating activities	721	269
Other income	3	4
Total	820	410

6. Investment Income

	2020	2019
	£'000	£'000
Income from endowments	4	1
Other interest receivable	0	0
Total	4	1

7. Donations and Endowments

	2020	2019
	£'000	£'000
New Endowments	0	0
Total	0	0

8. Staff Costs

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

	2020	2019
	Number	Number
Governing Body	0	0
Teaching	315	324
Support	99	98
Administration	134	143
Premises	21	21
Total	569	586

Staff costs for the above posts

	2020	2019
	£'000	£'000
Governing Body	53	44
Teaching	13,403	13,370
Support	2,713	2,617
Administration	6,227	5,937
Premises	660	634
FRS charge	1,217	1,321
	24,273	23,923
Fundamental restructuring costs - VES	0	420
Total (excluding Exceptional Item)	24,273	24,343
Exceptional Item: Holiday Pay Provision (See Note 19)	805	0
Total Staff Costs (including Exceptional Item)	25,078	24,343

8. Staff Costs - Continued

	2020	2019
	£'000	£'000
Wages & salaries	17,798	17,789
Social security costs	1,598	1,636
Other pension costs (including FRS 102 adjustments)	4,877	4,498
	24,273	23,923
Fundamental restructuring costs – VES	0	420
Total (excluding Exceptional Item)	24,273	24,343
Exceptional Item: Holiday Pay Provision (See Note 19)	805	0
Total Staff Costs (including Exceptional Item)	25,078	24,343

The number of senior post-holders and other staff who received emoluments including pension contributions and benefits in kind in the following ranges were:

	Senior post-holders		Other Staff	
	2020*	2019	2020*	2019
	No.	No.	No.	No.
£60,001 to £70,000	-	-	15	11
£70,001 to £80,000	1	-	4	1
£80,001 to £90,000	-	1	-	-
£90,001 to £100,000	1	2	-	-
£100,001 to £110,000	1	-	-	-
£110,001 to £120,000	1	-	-	-
£120,001 to £130,000	-	-	-	-
£130,001 to £140,000	-	1	-	-
£140,001 to £150,000	-	-	-	-
£150,001 to £160,000	1	-	-	-
	5	4	19	12

* Some of the 2020 increases are due to back-pay having in-year impact.

9. Key Management Personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the College and are represented by the college Governing Body and Senior Leadership Team which comprises the Principal and holders of the other senior posts.

	2020	2019
	Number	Number

The number of senior post-holders including the Principal was:

5	5
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Senior post-holders' emoluments are made up as follows:

	2020	2019
	£'000	£'000
Salaries	516	377
Benefits in Kind	0	0
Pension contributions	84	75
Total emoluments	600	452

The above emoluments include amounts payable to the Principal (who is also the highest paid senior post-holder) of:

	2020	2019
	£'000	£'000
Salaries	125*	110
Pension contributions	31	22
Total	156	132

* The £125k includes back-pay relating to prior years, causing a one-off increase. The pension contributions in respect of the Principal and senior post-holders are in respect of employer's contributions to the Teachers' Superannuation Scheme and the Northern Ireland Local Government Officers' Superannuation Scheme and are paid at the same rate as for other employees.

Key Management Personnel - Continued

Compensation for loss of office to a former senior post-holder

	2020	2019
	£'000	£'000
Compensation paid to the former post holder	0	0
Estimated value of other benefits, including provisions for pension benefits	0	0
Total	0	0

10. Other Operating Expenses

	2020	2019
	£'000	£'000
Direct teaching	390	581
Direct support	2,684	2,703
Administration	1,645	2,170
Premises costs	3,129	3,347
Total	7,848	8,801
Other operating expenses include:		
Auditors' remuneration:		
Financial statements external audit	24	25
Internal audit	18	15

11. Interest and Other Finance Costs

	2020	2019
	£'000	£'000
Net Charge on Pension Scheme (note 22)	171	99
Total	171	99

12. Taxation

The Governing Body members do not believe the College was liable for any corporation tax arising out of its activities during this period.

13. Property, Plant and Equipment

	Freehold Land & Buildings	Assets Under Construction	Plant and Machinery	Computer Equipment	Fixtures and Fittings	Motor vehicles	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation							
At 1 August 2019	72,571	2,143	6,133	3,772	217	475	85,311
Additions	0	1,725	24	520	0	0	2,269
Surplus/(Deficit) on revaluation	2,311	-	-	-	-	-	2,311
Elimination in respect of revaluation	(7,994)	-	-	-	-	-	(7,994)
Disposals	-	-	-	-	-	-	-
At 31 July 2020	66,888	3,868	6,157	4,292	217	475	81,897
Depreciation							
At 1 August 2019	5,398	-	4,627	3,362	217	366	13,970
Charge for the year	2,596	-	557	388	0	77	3,618
Elimination in respect of Reval	(7,994)	-	-	-	-	-	(7,994)
Backlog Depreciation	-	-	-	-	-	-	-
At 31 July 2020	0	-	5,184	3,750	217	443	9,594
Net book value At 31 July 2020	66,888	3,868	973	542	0	32	72,303
Net book value At 31 July 2019	67,173	2,143	1,506	410	0	109	71,341

13. Property, Plant and Equipment - Continued

Land and buildings were subject to an interim revaluation at 31 July 2020 on a depreciated replacement cost basis. The valuations were performed independently by the Land and Property Service in accordance with Department specifications. These revaluations have been incorporated into the financial statements and the resulting revaluation adjustments have been taken to the revaluation reserve.

If inherited land and buildings had not been revalued they would have been included at the following amounts:

	2020	2019
	£'000	£'000
Cost	13,404	13,404
Aggregate depreciation based on cost	(4,105)	(3,728)
Net book value based on cost	9,299	9,676

The net book value of **Property, Plant and Equipment** includes an amount of £0k (2019: £0k) in respect of assets held under finance leases.

The depreciation charge for the year is analysed as follows:

	2020	2019
	£'000	£'000
Owned assets	3,618	3,675
Assets held under finance leases and hire purchase arrangements	-	-
Net book value based on cost	3,618	3,675

14. Intangible Assets

	Assets Under Construction	Total
	£'000	£'000
Cost or valuation		
At 1 August 2019	338	338
Additions	91	91
Disposals	0	0
At 31 July 2020	429	429
Amortisation		
At 1 August 2020	0	0
Charge for the year	0	0
Elimination in respect of Disposals	0	0
Impairment	0	0
At 31 July 2020	0	0
Net Book Value at 31 July 2020	429	429
Net Book Value at 31 July 2019	338	338

The net book value of the intangible asset under construction is a jointly owned and controlled asset among the six Further Education Colleges of Northern Ireland. The asset under construction is a Learner Management System that will be operated centrally for the sector. The intangible asset is funded in full through a capital grant from the Department for the Economy. The total sector-wide cost is estimated at £2,464K with a completion date expected of March 2021.

15. Investments

The College does not have any subsidiary companies.

16. Trade and Other Receivables

	2020	2019
	£'000	£'000
Amounts falling due within one year:		
Trade receivables	291	156
Prepayments and accrued income	544	321
Amounts due from the Department	3,154	1,164
Total receivables	3,989	1,641

17. Payables: Amounts Falling Due In Less Than One Year

	2020	2019
	£'000	£'000
Payments received in advance	0	1,211
Trade payables	102	430
Taxation and social security	905	969
Accruals and deferred income	2,814	2,657
Amounts owed to the Department	384	339
Total	4,205	5,606

Deferred income

Included within accruals and deferred income are the following items of income which have been deferred until specific performance related conditions have been met.

	2020	2019
	£'000	£'000
Deferred Capital Grant Income	1,278	1,240
Total	1,278	1,240

18. Payables - Amounts Falling Due After More Than One Year

	2020	2019
	£'000	£'000
Deferred Capital Grant Income	14,548	13,645
Total	14,548	13,645

19. Provisions For Liabilities and Charges

	Pensions	Other	Total
	£'000	£'000	£'000
At 1 August 2019	8,297	0	8,297
Additions	0	805	805
Expenditure in the period	1,388	0	1,388
Transferred to statement of comprehensive income and expenditure	12,810	0	12,810
At 31 July 2020	22,495	805	23,300

	Pensions	Other	Total
	£'000	£'000	£'000
At 1 August 2018	4,076	0	4,076
Additions	0	0	0
Expenditure in the period	1,420	0	1,420
Transferred to statement of comprehensive income and expenditure	2,801	0	2,801
At 31 July 2019	8,297	0	8,297

Pensions provisions above relates to Pensions and Similar Obligations – see Note 22.

19. Provisions For Liabilities and Charges - Continued

The Other additions in year relate to a Holiday Pay provision resulting from the Court of Appeal (CoA) judgement (17 June 2019) in the case PSNI v Agnew. The CoA judgement determined that claims for Holiday Pay shortfall can be taken back to 1998.

The PSNI has appealed the CoA judgment to the Supreme Court, however due to delays in relation to the Covid-19 situation, it is expected that this will not be heard until 2021. The Supreme Court judgement may result in a decision which either reduces the period of liability or confirms the full period back to 1998.

The £805k provision has been estimated by the College and covers the period from 1998 to 31 July 2020, following the Department of Finance approach outlined for Departmental Annual Reports and Accounts (FD (DoF) 08/20).

There are some very significant elements of uncertainty around this estimate for a number of reasons:

1. The appeal to the Supreme Court (as detail above);
2. Lack of accessible data for years previous to 2008/09, requiring estimations to be applied;
3. Future negotiations with Trade Unions;
4. Obtaining legal advice on specific application of the ruling for the NI Further Education sector;
5. A reliable estimate for the pension element is not yet available so this has not been factored into the provision;
6. The provision is gross (inclusive of Employee National Insurance and PAYE) and also includes an uplift of 13.8% for Employer National Insurance Contributions (NI) £97k (2019: £nil); and
7. Taxation issues are under discussion with HMRC, by the wider NI public sector.

Therefore, the estimated provision outlined above is based on the application of DoF methodology, which may be subject to change following the outcome of the Supreme Court appeal.

20. Endowment Reserves

	2020	2019
	£'000	£'000
At 1 August	64	64
New endowments	0	0
At 31 July	64	64

21. Cash and Cash Equivalents

	At 1 August 2019	Cash flows	At 31 July 2020
	£'000	£'000	£'000
Cash and cash equivalents	4,968	(3,587)	1,381

22. Pensions and Similar Obligations

The College's employees belong to two principal pension schemes: the Northern Ireland Teachers' Pension Scheme (NITPS) for academic and related staff; and the Northern Ireland Local Government Officers' Superannuation Committee (NILGOSC) for non-teaching staff. Both are defined-benefit schemes.

Total pension cost for the year

	2020	2019
	£'000	£'000
NITPS: contributions paid	2,563	2,074
NILGOSC: Contributions paid	1,097	1,103
NILGOSC: FRS 102 (28) adjustments	1,217	1,321
NILGOSC: charge to the Statement of Comprehensive Income and Expenditure	2,314	2,424
Enhanced pension charge to the Statement of Comprehensive Income and Expenditure	4,877	4,498
Total pension cost for year	4,877	4,498

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest formal actuarial valuation of the NITPS was 31 March 2016 and NILGOSC was 31 March 2019.

22. Pensions and Similar Obligations – Continued

NITPS

The NITPS is an unfunded contributory, voluntary membership scheme administered by the Department of Education. Until 1 April 2015 the scheme operated under the Teachers' Superannuation Regulations (NI) 1998 (as amended). Further information about the scheme is given in the explanatory booklet dated November 2007, and on the Department of Education's website at www.deni.gov.uk.

The Public Service Pensions Act (Northern Ireland) 2014 provides for the closure of existing public sector pension schemes (including the NITPS) from 31 March 2015 and the establishment of new schemes based on a career average re-valued earning model with normal pension age equal to state pension age introduced from 1 April 2015.

The Government Actuary's Department values the scheme every 4 years with an interim valuation in the intervening 2-year period using the projected accrued benefit method.

The employer contribution rate increased from 17.7% to 25.1% from 1 April 2019.

The salary bands applicable to member contributions for the NITPS, based on a member's annual salary rate (actual earnings), from 1 April 2020 were:

Salary	Contribution Rate
Up to £28,168.99	7.4%
£28,169 to £37,918.99	8.6%
£37,919 to £44,960.99	9.6%
£44,961 to £59,587.99	10.2%
£59,588 to £81,254.99	11.3%
£81,255 and above	11.7%

The NITPS is a multi-employer pension scheme. The College is unable to identify its share of the underlying assets and liabilities of the scheme, and therefore, as required by FRS 102 (28), accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the Statement of Comprehensive Income and Expenditure represents the contributions payable to the scheme in respect of the accounting period. The college has set out above the information available on the scheme and the implications for the college in terms of the anticipated contribution rates.

NILGOSC

NILGOSC is a defined benefit statutory scheme, administered in accordance with the Local Government Pension Scheme Regulations (Northern Ireland) 2002, as amended. It is contracted out of the state pension scheme.

From 1 April 2020 the employers' contribution rates was 19.5% of the full-time salary or if-part-time, the full-time equivalent salary, and the employees' contribution rate is banded in line with the full-time salary or if part-time, the full-time equivalent salary as follows:

Salary	Contribution Rate
£0 to £15,000	5.5%
£15,001 to £22,900	5.8%
£22,901 to £38,300	6.5%
£38,301 to £46,400	6.8%
£46,401 to £91,900	8.5%
£91,901 and above	10.5%

McCloud Judgement (£646k)

In December 2018 the Court of Appeal ruled in the 'McCloud/Sargeant' judgement that the transitional protection arrangements put in place when the Firefighters' and Judges' pension schemes were reformed were age discriminatory. The Government applied to the Supreme Court for permission to appeal this judgement, however the Supreme Court rejected the Government's request on 27 June 2019. The next stage is for the case to be referred to the Employment Tribunal to agree the remedy, following appropriate consultation. In a Ministerial Statement dated 15 July 2019 the Government committed to extending a remedy across all public sector schemes which included similar transitional protection arrangements and includes the LGPS. As a result, the College has included a constructive obligation at 31 July 2019 in relation to the potential remedy using an approximate method.

Guaranteed Minimum Pension Indexation and Equalisation (£95k)

Following changes to the State Pension in April 2016, there was a risk that members of the LGPS who were 'contracted out' of the State Pension between 6 April 1978 and 6 April 1997, and who would reach their State Pension Age (SPA) after April 2016, would be worse off. This is because State Pension reforms removed the facility of the State to pay 'top up' payments to ensure their total pension was fully inflation protected. The LGPS was only required to pay limited increases on some elements of GMP (a portion of pension accrued in the LGPS when members were contracted out of the State Scheme). In March 2016, the Government committed the LGPS to pay full pension increases on GMPs to individuals reaching SPA between 6 April 2016 and 5 December 2018. This has previously been accounted for. In January 2018, the Government committed the LGPS to pay full pension increases on GMPs to individuals reaching SPA between 6 December 2018 and 5 April 2021. This has not been recognised in the accounts to date. Further, the Government has indicated that it is committed to continuing to compensate all members of public sector pension schemes reaching SPA after 5 April 2021. The Government's view is that this solution also meets sex equalisation requirements. As a result, the College has included a constructive obligation at 31 July 2019, using an approximate method, for the Government's commitment to pay pension increases on GMPs for members reaching SPA after 5 December 2018, which includes a liability for Government's commitment to compensate all members in the future from changes to the State Pension.

22. Pensions and Similar Obligations – Continued

The following information is based upon a full actuarial valuation of the fund at 31 March 2016 updated to 31 July 2020 by a qualified actuary.

Principal actuarial assumptions

Principal actuarial assumptions at the Statement of Financial Position date are as follows:

	At 31 July 2020	At 31 July 2019
Rate of increase of salaries	3.8%	3.7%
Rate of increase for pensions in payments/inflation	2.3%	2.2%
Discount rate for scheme liabilities	1.4%	2.2%
Inflation assumption (CPI)	2.3%	2.2%
Commutation of pensions to lump sums	75%	75%

The current mortality assumptions include sufficient allowance for the future improvements of mortality rates. The assumed life expectations on retirement age 65 are:

	At 31 July 2020	At 31 July 2019
Retiring today		
Males	21.8	22.3
Females	25.0	24.6
Retiring in 20 years		
Males	23.2	24.0
Female	26.4	26.4

The college's share of the assets in the scheme were:

	Value at 31 July 2020	Value at 31 July 2019
	£'000	£'000
Equities	17,126	16,148
Bonds	15,522	16,430
Property	3,730	4,338
Cash / Other	3,730	3,254
Fair Value of Assets	40,108	40,170

22. Pensions and Similar Obligations – Continued

Amounts recognised in the Statement of Financial Position

	2020	2019
	£'000	£'000
Scheme assets	40,108	40,170
Scheme liabilities	(62,603)	(48,467)
Deficit in the scheme (net pension liability recorded within pension provision)	(22,495)	(8,297)

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

Amounts included in staff costs

	2020	2019
	£'000	£'000
Employer service cost (net of employee contributions)	2,314	1,590
Past Service Cost / Curtailment	0	834
Total	2,314	2,424

Analysis of pension finance costs

	2020	2019
	£'000	£'000
Expected return on pension scheme assets	887	1,052
Interest cost	(1,058)	(1,151)
Net charge to other finance costs	(171)	(99)

Analysis of other comprehensive income for pensions

	2020	2019
	£'000	£'000
Actuarial (losses)/gains on pension scheme assets	(1,266)	1,270
Actuarial (losses)/gains on the scheme liabilities	(11,544)	(4,071)
Total of other comprehensive income	(12,810)	(2,801)

Movement in (deficit) during the year

	2020	2019
	£'000	£'000
Deficit in scheme at 1 August	(8,297)	(4,076)
Movement in the year:		
Employer service cost (net of employee contributions)	(2,314)	(1,590)
Employer contributions	1,097	1,103
Net interest on assets	(171)	(99)
Past Service Cost / Curtailment	0	(834)
Actuarial (loss)/gain recognised in other comprehensive income and expenditure	(12,810)	(2,801)
Deficit in scheme at 31 July	(22,495)	(8,297)

22. Pensions and Similar Obligations – Continued

Asset and liability reconciliation

	2020	2019
Reconciliation of liabilities	£'000	£'000
Liabilities at start of period	48,467	41,375
Service cost	2,314	1,590
Interest cost	1,058	1,151
Employee contributions	317	308
Actuarial loss/(gain)	11,544	4,071
Benefits paid	(1,097)	(862)
Past Service Cost	0	834
Liabilities at end of period	62,603	48,467

	2020	2019
Reconciliation of assets	£'000	£'000
Assets at start of period	40,170	37,299
Expected return on assets	887	1,052
Actuarial (loss) / gain	(1,266)	1,270
Employer contributions	1,097	1,103
Employee contributions	317	308
Benefits paid	(1,097)	(862)
Assets at end of period	40,108	40,170

The estimated value of employer contributions for the year ended 31 July 2021 is £1,046k.

23. Events After the End of the Reporting Period

There are no events after the end of the reporting period to report.

24. Capital Commitments

Provision has not been made for the following capital commitments at 31 July

	2020	2019
	£'000	£'000
Commitments contracted for at 31 July	1,242	1,230
Authorised but not contracted at 31 July	0	0
Total	1,242	1,230

25. Financial Commitments

There were no financial commitments at 31 July 2020.

26. Contingent Liabilities

There were no contingent liabilities at 31 July 2020.

27. Related Party Transactions and Transactions Involving Governing Body Members and Senior Management

Owing to the nature of the College's operations and the composition of the Governing Body 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 Governing Body may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the College's financial regulations and normal procurement procedures.

Table showing transactions where goods or services are provided to the College by the related organisation (all are governors other than those stated below name).

Governor / Senior Manager	Related organisation	Position in related organisation	Amount paid / (income) 2019/20	Amount paid / (income) 2018/19	Nature of transactions	Amount outstanding at 31 July 2020	Amount outstanding at 31 July 2019
			£'000	£'000		£'000	£'000
Ms Isobel Allison	Graham Asset Management Ltd	HR Manager	412	387	Maintenance	18	1
Mr Steve Brankin <i>(Chief Info. Officer and Vice Principal Business Dev.)</i>	The Institute of Engineering & Technology	Chair	1	-	Attended an event	-	1
Mr Kevin Chambers	Dept for Infrastructure	Inspector for Public Inquiries	-	-	Tuition Fees	3	-
Mrs Judith Eve	Appeals Service (Dept for Communities NI)	Legal Chairman	-	-	Project	-	1

27. Related Party Transactions and Transactions Involving Governing Body Members and Senior Management Continued

Governor / Senior Manager	Related organisation	Position in related organisation	Amount paid / (income) 2019/20	Amount paid / (income) 2018/19	Nature of transactions	Amount outstanding at 31 July 2020	Amount outstanding at 31 July 2019
			£'000	£'000		£'000	£'000
Mrs Maeve Hamilton	Department for the Economy	Director	(222)	(315)	Funding	(40)	(3)
Mr Mel Higgins <i>(Chief Operating Officer)</i>	Chartered Accountants Ireland	Member	3	2	Trainee Accountant Fees	-	-
Mr Bill McCluggage	Catalyst Inc	Entrepreneur in Residence	5	-	Membership Fees	-	-
	The Institute of Engineering & Technology	Member	1	-	Attended an event	-	1
Mr Ian Murphy	Chartered Accountants Ireland	Fellow	3	2	Trainee Accountant Fees	-	-
Prof Terri Scott <i>(Principal & CEO)</i>	Causeway Chamber of Commerce	Council Member	1	-	Membership Fees	-	-
Mr Vincent Taggart <i>(VP Teaching & Learning)</i>	The Institute of Engineering & Technology	Member	1	-	Attended an event	-	1
Mr Graeme Wilkinson	Department for the Economy	Director	(222)	(315)	Funding	(40)	(3)

28. Amounts Disbursed As Agent: Support Funds

Student Hardship funds are available solely for students; the College acts only as paying agent. The grant and related disbursements are therefore excluded from the Income and Expenditure Account.

	2020	2019
	£'000	£'000
Balance – Opening	25	(2)
DfE grants	94	128
	119	126
Disbursed to students	(58)	(101)
Balance unspent/(overspent) at 31 July	61	25

Care to learn funds are available solely for students' childcare obligations; the College acts only as paying agent. The grant and related disbursements are therefore excluded from the Income and Expenditure Account.

	2020	2019
	£'000	£'000
DfE care to learn grant	9	30
Disbursed to students' childcare providers	(9)	(30)
Balance at 31 July	-	-

29. Losses and Special Payments

There were no losses or special payments exceeding £2,000 for the year. (2019: £0).

Total claims abandoned for the year related to bad debt written off totalling £5k in relation to 23 cases. (2019: £8k, 287 Cases).

Date of authorisation for issue

The Accounting Officer authorised the issue of these financial statements on 11 December 2020.

Appendix A

Additional Disclosures to Comply with Financial Reporting Manual

Financial Reporting Manual (FRM) requires Non-Departmental Public Bodies to regard grant-in-aid received as contributions from controlling parties giving rise to a financial interest in the residual interest of the body, and hence accounted for as financing i.e. by crediting them to the income and expenditure reserve.

	Notes	2020	2019
		£'000	£'000
INCOME			
DfE income (non grant in aid items)	1	241	122
Education contracts	2	4,329	4,099
Tuition fees and charges	3	1,835	1,969
Other grant income	4	197	315
Other operating income	5	820	410
Endowment and Investment income	6	4	1
Total incoming resources		7,426	6,916
EXPENDITURE			
Staff costs	8	(24,273)	(23,923)
Fundamental restructuring costs	8	(0)	(420)
Other operating expenses	10	(7,848)	(8,801)
Depreciation	12	(3,618)	(3,675)
Interest and other finance costs	11	(171)	(99)
Total resources expended		(35,910)	(36,918)

	Notes	2020	2019
		£'000	£'000
Exceptional Item: Holiday Pay Provision	8	(805)	0
Net Deficit for the year		(29,289)	(30,002)
Unrealised surplus/(deficit) on revaluation of land and buildings		2,311	3,180
Actuarial (loss)/gain in respect of pension scheme		(12,810)	(2,801)
Amount transferred to reserves		(39,788)	(29,623)
Analysis of reserves prepared under FRM			
	Notes	2020	2019
		£'000	£'000
Balance at 1 August		50,740	54,399
Grant in aid received in year	1	25,097	25,964
Amount transferred to reserves		(39,788)	(29,623)
Balance at 31 July		36,049	50,740

Appendix A
Additional Disclosures to Comply with Financial Reporting Manual
(Continued)

Appendix A1

DfE income (non-grant in aid items)	2020	2019
	£'000	£'000
EMA	15	28
Higher Level Apprenticeships	70	94
Curriculum Development	130	0
Skills Competitions	26	0
Balance at 31 July	241	122

Appendix A2

Reconciliation of amount transferred to reserves and grant in aid	2020	2019
	£'000	£'000
Amount transferred to reserves	39,788	29,623
Add back: total comprehensive income for the year	(14,691)	(3,659)
Grant in aid received in year	25,097	25,964

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