



**SOUTH EASTERN REGIONAL COLLEGE  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
YEAR ENDED 31 JULY 2023**



**South Eastern Regional College  
Annual Report and Accounts  
for the year ended 31 July 2023**

***The Accounting Officer authorised these financial statements for issue on  
30 November 2023***

*Laid before the Northern Ireland Assembly  
under the Institutions of Further Education (Public Sector Audit) Order (Northern Ireland) 2008  
by the Department for the Economy*

*on*

*6 December 2023*

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ANNUAL REPORT AND FINANCIAL STATEMENTS**

**YEAR ENDED 31 JULY 2023**

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# SOUTH EASTERN REGIONAL COLLEGE STRATEGIC REPORT 2022/23

The members present their report and the audited financial statements for the year ended 31 July 2023.

## PURPOSE OF FURTHER EDUCATION IN NORTHERN IRELAND

### OUR VISION

Further Education in Northern Ireland will provide world-class skills and support to business that transforms lives.

The sector is unique in that it has a **dual mandate** of **economic development** and **social inclusion**.

The sector seeks to provide the range of professional and technical skills necessary to help learners achieve their potential, to **get a job, keep a job, or get a better job** and in doing so support employers to innovate and grow, to compete locally, nationally, and internationally:

The Further Education (FE) Sector in Northern Ireland provides skills and opportunities that are essential to building a **modern economy** and creating a stronger, more **inclusive society**.

As six colleges, the common purpose and collective vision is to **transform lives**.

### OUR MISSION

Further Education Colleges positively change people's lives by providing high quality, accessible and relevant skills, education and training which tackles disadvantage and drives economic growth.



## STRATEGIC CONTEXT

South Eastern Regional College (SERC / 'the College'), as a Non-Departmental Public Body (NDPB) and part of the wider FE sector, is a key delivery arm of the Department for the Economy (DfE / 'the Department'). As such, the College links and aligns itself to wider policies across central and local government:

SERC supports the '**New Decade, New Approach**' deal. 'New Decade, New Approach' outlines a series of priorities and ambitions for a reformed executive, including the development of 'an enhanced approach to careers advice, curriculum, training and apprenticeships to enhance employability and support economic growth' and the development of 'a regionally-balanced economy with opportunities for all'.

The College aims to help achieve the priorities and ambitions within the deal, by addressing the links between deprivation and lower educational outcomes, whilst contributing to the development of a more cohesive approach to education and training provision for 14-19 year olds.



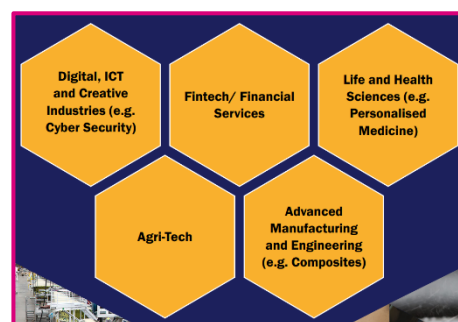
The dynamic ecosystem where Government, Industry and Education providers work together in partnership is a part of the strategic context for SERC and is demonstrated in our delivery of the Department's **Economic Recovery Action Plan**. The plan sets out a range of actions to stimulate economy recovery in Northern Ireland and build a more competitive, inclusive, and green economy. The plan necessitates the College's contributions to raising skill levels and increasing productivity of the future workforce by aligning delivery to the needs of the economy.



Building upon the Economic Recovery Action Plan, the Department has published a number of **visions** and **strategies** that have contributed to the wider strategic context for the College in 2022/23:

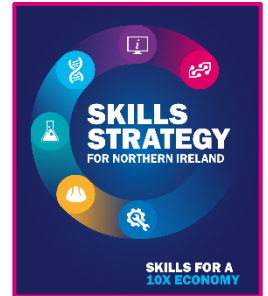
- '**A 10X Economy**' - the economic vision for a decade of innovation to encourage greater collaboration and innovation to deliver a ten times better economy with benefits for all NI by providing a '*positive impact on our economy, societal and environmental wellbeing*', '*creating jobs*', '*increasing incomes*', '*improving productivity levels*' and '*providing opportunities for all*'.

The FE sector will support the Department's economic vision and the five priority clusters to '**recover, rebuild and rebound back stronger than ever**', meaning '**better jobs with better wages, in a more flexible working environment and a better overall quality of life**'.



- '**Trade and Investment for a 10X Economy**' – a focus on equipping individuals and business with the information and skills to exploit emerging trade and investment opportunities in the priority clusters and in providing '**a world class talent offering**'.

- **'Tourism Recovery Action Plan'** – the Further Education sector supports the development and implementation of phase two of this action plan, in particular the theme of *'enhancing the skills of the workforce'*. The College will contribute to delivering management development programmes and developing a suite of flexible courses that can respond to the emerging skills needs of employers.
- **'Skills Strategy for Northern Ireland – Skills for a 10X Economy'**. This strategy, replacing 'Success through Skills – Transforming Futures', addresses the skills needs across Northern Ireland over the next decade.



The framework sets out three strategic goals which, cumulatively, aim to address the skills imbalances in the economy and improve social inclusion and wellbeing across Northern Ireland:

- Strategic Goal 1: increasing the proportion of individuals leaving Northern Ireland higher education institutions with first degrees and post-graduate qualifications in narrow STEM subjects;
- Strategic Goal 2: increasing the proportion of the working age population with qualifications at level 2 and above; and
- Strategic Goal 3: increasing the proportion of the working age population with qualifications at level 3 and above.

The College is a policy-enabler to this strategy; thus, it directs the strategic context for SERC in regard to curriculum planning and delivery of qualifications.

**Local Government Community Planning** is the final component of SERC's strategic environment. The planning aims to improve the connection across all the tiers of government and wider society through partnership working to jointly deliver better outcomes for everyone. Community plans identify long-term priorities for improving the social, economic, and environmental well-being of districts and the people who live there. Community Planning Partnerships have been established in each district and comprise the council, statutory bodies, agencies, and the wider community, including the community and voluntary sector. The partners develop and implement a shared plan for promoting the well-being of an area, improving community cohesion and the quality of life for all citizens. The **FE sector is committed to working with partners** across central and local government and the business, community, and voluntary sectors toward achieving the outcomes in Community Plans which also, in turn, contribute to the achievement of outcomes set by the NI Executive.



## ABOUT SERC

We deliver technical and professional skills that are economically relevant and enable our students to progress into work or into better jobs. We deliver innovative support to businesses that enables them to grow. Our aspirations to improve the economic and social wellbeing of our community are supported by our vision, our mission, and our values:

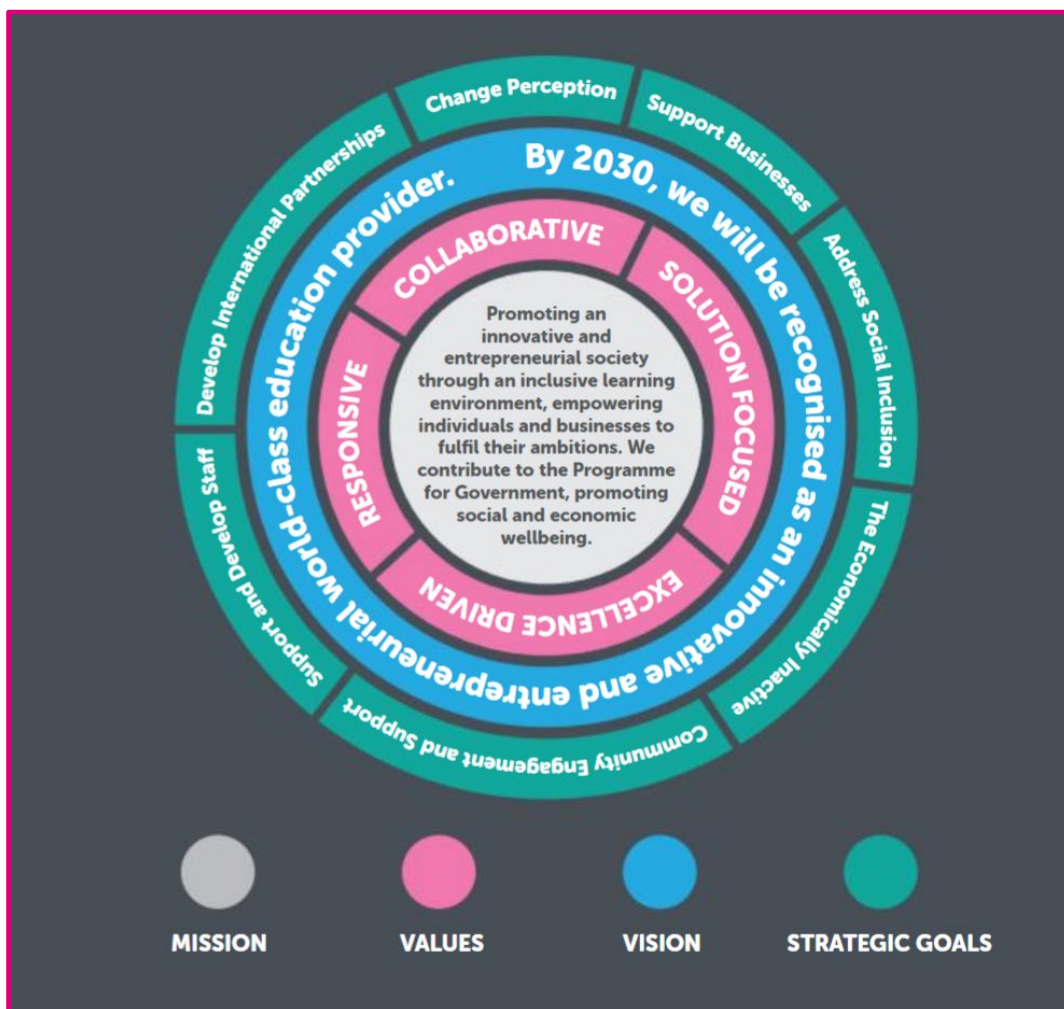
### Our Vision

By 2030, to be recognised as an innovative and entrepreneurial world class education provider. This vision aligns to the FE sector's overall vision of providing world-class skills and support to business that transforms lives.

### Our Mission & Values

Our mission is to shape our community by promoting an innovative and entrepreneurial society through maintaining an inclusive learning environment, which will empower and enable individuals and businesses to fulfil their ambitions. In doing so we will contribute to the relevant Programme for Government and associated strategies, as detailed in the strategic context, which are aimed at promoting social and economic wellbeing and the future prosperity of Northern Ireland.

Our values, vision and strategic goals are:





## SERC Approach

At SERC, our approach is responsive, solution focussed, excellence driven and collaborative.

The College has demonstrated over the past decade its ability to understand and meet the needs of industry partners, providing innovation and development support. SERC has helped to positively impact business productivity through upskilling employees with skills necessary to thrive in an increasingly technological environment. The College has intensively engaged with those who have thought themselves beyond education and whose experience at school may have made them reluctant learners, many of whom are labelled 'economically inactive'.

SERC recognises that one of the key elements underpinning change for individuals, businesses, our community, and economy, is to understand the barriers faced.

We understand lack of skills and/or qualifications may prevent an individual from advancing at work but also recognise that an unskilled workforce can hinder innovation and productivity for businesses. Effective solutions have required us to collaborate with those impacted and those with the ability to work alongside us to address the barriers preventing change. This has often meant labour intensive activity, involving nuanced engagement activity and effort outside of what is perceived as 'normal' activity for an FE College.

The SERC approach is to always go 'above and beyond'.

## CORPORATE AND BUSINESS PLANNING

Article 20 of the Further Education (Northern Ireland) Order 1997 requires that each college prepare a College Development Plan (CDP) for submission to the Department for the Economy. The CDP outlines SERC's strategy and business plan.

The CDP sets out the operational plans within the budget remit defined by DfE. The educational and performance measures are detailed in three report cards: **Report Card 1** – Students and Qualifications; **Report Card 2** – Businesses; **Report Card 3** – Social Inclusion.

These education outcomes and associated performance measures have been developed and align with the Outcome Based Approach (OBA) approach promoted by the draft Programme for Government.

## Performance Indicators and review of performance in 2022/23

The College's performance was monitored by the Governing Body and reported to DfE throughout 2022/23, with appropriate actions agreed and implemented. The following sections detail progress against each report card and explore performance across three headings: how much did we do; how well did we do it; is anyone better off.

### Report Card 1: Students and Qualifications

#### How much did we do?

Our proposals for 2022/23, and achievement against, are as follows:

Area of Planned Activity	Planned Activity for 2022/23	2022/23 Actual Activity
<b>Further Education (Levels 0 - 3)</b> <i>Excluding Essential Skills</i>	Number of Enrolments: 11,827 Number of individual students: 8,276	<b>Number of Enrolments: 17,855</b> <b>Number of individual students: 9,726</b>
<b>Higher Education (Levels 4 – 6)</b> <b>Full Time</b>	Number of Enrolments: 490 Number of individual students: 490	<b>Number of Enrolments: 350</b> <b>Number of individual students: 350</b>
<b>Higher Education (Levels 4 – 6)</b> <b>Part Time</b>	Number of Enrolments: 888 Number of individual students: 800	<b>Number of Enrolments: 1,293</b> <b>Number of individual students: 1,243</b>
<b>Training for Success (Levels 0 – 3)</b>	Number of Enrolments: 91 Number of individual students: 20	<b>Number of Enrolments: 92</b> <b>Number of individual students: 23</b>
<b>Skills for Life and Work (Levels 0 -2)</b>	Number of Enrolments: 431 Number of individual students: 124	<b>Number of Enrolments: 532</b> <b>Number of individual students: 128</b>
<b>Traineeships (Level 2)</b>	Number of Enrolments: 469 Number of individual students: 357	<b>Number of Enrolments: 730</b> <b>Number of individual students: 316</b>
<b>Apprenticeships (Levels 2 – 3)</b>	Number of Enrolments: 2,178 Number of apprentices registered for training: 1,241	<b>Number of Enrolments: 2,433</b> <b>Number of apprentices registered for training: 1,276</b>
<b>Higher Level Apprenticeships (Levels 4 – 5)</b>	Number of Enrolments: 157 Number of individual students: 157	<b>Number of Enrolments: 189</b> <b>Number of individual students: 188</b>
<b>Essential Skills</b>	Number of Enrolments: 2,820 Number of individual students: 1,599	<b>Number of Enrolments: 2,554</b> <b>Number of individual students: 1,729</b>

Area of Planned Activity	Planned Activity for 2022/23	2022/23 Actual Activity
<b>Priority Sector Areas and / or STEM (PSSA):</b>	Number of Enrolments: 9,194 Number of individual students: 5,323 Target of final year students enrolled in one or more PSSA subjects: 4,851	<b>Number of Enrolments: 12,730</b> <b>Number of individual students: 8,436</b> <b>Number of final year students enrolled in one or more PSSA subjects: 10,036</b>

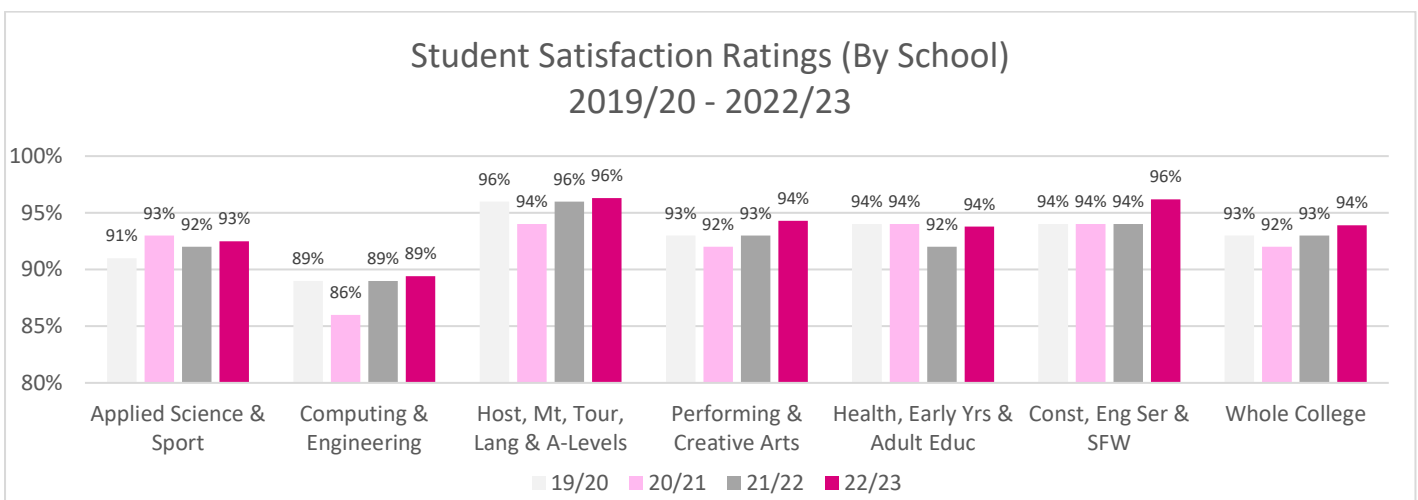
**How well did we do it?**

SERC measures "how well did we do it" by three performance measures: **Retention, Achievement, Success.**

In 2022/23 our students achieved 13,262 FE qualifications and 1,026 HE qualifications, with the following performance indicator results:

Performance Indicator	2022/23	2021/22
<b>Retention Rate:</b> The proportion of the number of enrolments who complete their final year of study to the number of final year enrolments.	92.7%	89.7%
<b>Achievement Rate:</b> The percentage of the number of enrolments who completed their final year of study and achieve their qualifications to the number of enrolments who completed their final year of study.	91.4%	92.7%
<b>Success Rate:</b> The proportion of the number of enrolments who complete their final year of study and achieve their qualification to the number of final year enrolments.	84.7%	83.2%

SERC participates in the Department's **Big 14 Survey**, consisting of 14 questions covering areas common to all Colleges. In 2022/23, 3,382 students (75%) completed the survey. Student satisfaction has remained very high over the past four years, both at individual School level and by student type:

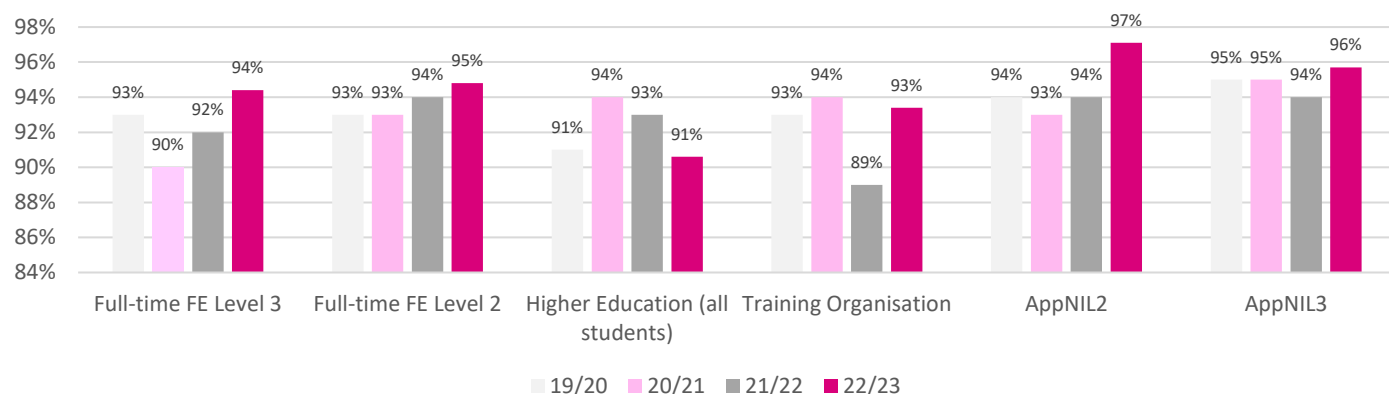


School Name Key:

Host, Mt, Tour, Lang & A-Levels: School of Hospitality, Management, Tourism, Languages & A-Levels

Const, Eng Ser & SFW: School of Construction, Engineering Services & Skills for Work

## Student Satisfaction Ratings (by student type) 2019/20 - 2022/23



In 2022/23, our HE students responded to the National Student Survey (NSS).

The NSS is a UK-wide survey undertaken by final year higher education students to give feedback on their course. The survey is managed by the Office for Students, on behalf of the four UK funding and regulatory bodies. The results of the overall satisfaction question provide SERC with an 85.2% satisfaction rate (2021/22: 88.71%). This performance is 2.8% above the benchmark. Almost all of SERC's scores were categorised as 'not significantly different from the benchmark' or 'significantly above the benchmark'.



### Is anyone better off?

SERC's alumni are engaged in continuing their studies through further and higher education, whilst others have found employment across multiple industries.

The most recent Graduate Outcomes Survey, commissioned by the Higher Education Statistics Agency (HESA)<sup>1</sup>, details the following outcomes for our students:

- Full Time Employment: 54%
- Employment and Further Study: 16%
- Part Time Employment: 11%
- Full Time Study: 6%
- Other, including travel, care, retirement: 9%
- Voluntary or Unpaid Work: 1%
- Unemployed: 3%

<sup>1</sup> [Graduate Outcomes 2020/21: Summary Statistics - Summary | HESA](#)

**What do we propose to do in 2023/24?**

Area of Planned Activity	Planned Activity for 2023/24
<b>Further Education (Levels 0 - 3)</b> <i>Excluding Essential Skills</i>	Number of Enrolments: 16,634 Number of individual students: 9,136
<b>Higher Education (Levels 4 – 6) Full Time</b>	Number of Enrolments: 353 Number of individual students: 353
<b>Higher Education (Levels 4 – 6) Part Time</b>	Number of Enrolments: 733 Number of individual students: 727
<b>Skills for Life and Work (Levels 0 -2)</b>	Number of Enrolments: 564 Number of individual students: 176
<b>Traineeships (Level 2)</b>	Number of Enrolments: 1,273 Number of individual students: 528
<b>Apprenticeships (Levels 2 – 3)</b>	Number of Enrolments: 2,426 Number of apprentices registered for training: 1,339
<b>Higher Level Apprenticeships (Levels 4 – 5)</b>	Number of Enrolments: 220 Number of individual students: 220
<b>Essential Skills</b>	Number of Enrolments: 1,959 Number of individual students: 1,380

## Report Card 2: Businesses

### How much did we do?

Our proposals for 2022/23, and achievement against, are as follows:

Area of Planned Activity	Planned Activity for 2022/23	2022/23 Actual Activity
<b>InnovateUs</b>	Number of Projects: 130	Number of Projects: 170
<b>Skills Focus (Level 2+)</b>	Number of Enrolments: 760	Number of Enrolments: 756
<b>Assured Skills (Levels 0 – 8)</b>	Delivery of 7 Assured Skills Academies	Delivered 7 Assured Skills Academies
<b>Innovation Boost</b>	To deliver 4 projects	Delivered 4 projects
<b>Innovation Voucher Scheme</b>	To deliver 16 innovation voucher schemes	Delivered 8 innovation voucher schemes
<b>Flexible Skills Fund / Skills Intervention</b>	Target Learners: 700	Learners: 1,218

The following information delves into our results against planned activity in 2022/23:

#### InnovateUs

The focus of InnovateUs is to enable small businesses, with fewer than 50 employees, to acquire the skills necessary to engage in innovation activities - the programme offers up to 180 hours of bespoke training and skills development support delivered across a maximum of 3 unique projects, normally delivered over a six-month period. By gaining these skills, small businesses can then undertake additional forms of innovation, which will contribute to growth and development.

We completed 170 InnovateUs projects in 2022/23:

Priority Skills Area	2022/23
Financial, Business & Professional Services	5
Digital & Creative	94
Advanced Manufacturing	23
Agri-Food	20
Construction	27
Hospitality & Tourism	1
<b>Total</b>	<b>170</b>

Projects included database management to unlock the power of knowledge in an organisation, Computer-Aided Design (CAD) mentoring, transitioning to a digital space and the introduction of eCommerce, product development, recipe development, and green technologies.

## Skills Focus

Skills Focus aims to support, promote, and facilitate collaborative working between business and FE colleges, in order to provide tailored skills provision to small-to-medium enterprises (SMEs), increasing the skills levels of their workforce to level 2 and above, and to increase Further Education's role in economic development.

All projects, delivered under Skills Focus, link and contribute to the government policies/strategies with regard to skills, and deliver a unique, tailored training solution to SMEs, which will provide the identified skills necessary to upskill and reskill the existing workforce.

The College has worked with SMEs, by identifying the skills needs of their existing workforce and developing and delivering a tailored training solution to meet that need. This has resulted in 756 enrolments in 2022/23.

## Assured Skills

The Assured Skills programme is a short, demand-led, pre-employment training programme, which is fully funded by the Department for the Economy, to upskill individuals and help them compete for guaranteed job vacancies in new foreign direct investment (FDI) companies and expanding businesses.

The College delivered seven academies in 2022/23 for ASOS and Deloitte: two Software Engineering academies, two Data Engineering academies, two Human Capital academies, and one ".net" academy.

## Innovation Boost

Product development and innovation is at the heart of growth, but often needs costly technology support. Innovation Boost helps businesses to develop new and innovative products, improve existing products, streamline production processes, implement quality systems, improve environmental performance, enhance design capabilities, and develop and implement IT solutions.

The project, funded by Intertrade Ireland, provides support by helping to fund a high calibre science, engineering, or technology graduate to work in the business alongside the College. The businesses are based in the Republic of Ireland.

In 2022/23, we delivered **4 projects**. The projects focussed on product development, advanced manufacturing, and IT solutions. The College achieved its planned activity for 2022/23.



## Innovation Voucher Scheme

Innovation Vouchers provide up to £5,000 of funding support for small to medium sized businesses in Northern Ireland to help them to innovate, develop and grow. Funded by Invest Northern Ireland, the Innovation Voucher enables companies to seek knowledge and expertise from colleges and universities.

Typical projects include:

- ideas for new or improved products, processes, and services
- product and service testing
- access to information and expertise on new materials
- tapping into research and scientific expertise

In 2022/23, 8 innovation vouchers were awarded to SERC, against a target of 16 innovation vouchers. The actual activity was less than planned due to a reduction in the number of applications being converted to vouchers by the Invest NI panel. The current conversion rate from application to award of a voucher is 55%.

### How well did we do it?

The College closely monitors “how well did we do it” through a number of measures, including the InnovateUs Delivery and Evaluation report. In 2022/23, the results of the InnovateUs evaluation report provides a clear indication of how well we have performed within this report card, as detailed in the following points:

- **100%** of businesses engaged believed felt the programme provided ‘**very good**’ or ‘**excellent**’ **value for money**.
- **100%** of participants were ‘**satisfied**’ or ‘**very satisfied**’ with the **delivery** of their project.
- **98%** of businesses engaged noted that **greater innovation** had been **achieved** within their business as a result of their project.
- **100%** of the businesses engaged indicated that they felt they had an ‘**excellent**’ or ‘**very good**’ **relationship with the College** as a result of participation on the InnovateUs programme.
- **100%** of businesses engaged said they **would use** the services of the College again.

## Is anyone better off?

Through our work with businesses, and specifically our targeted work under InnovateUs and Skills Intervention, businesses and people are better off and have reported the following:

- Average **increase** in **sales** of **12%**.
- Average **cost saving** of **24%**.
- **16 new jobs** were created.
- **327 jobs** were **safeguarded**.
- **5.5%** of businesses were able to **export** as a result.
- **100%** of the businesses felt they would be in a **position to scale up**.
- **5%** of the small business participants reported **increased sales** in other export markets such as Great Britain, America, and Europe.
- **25%** of businesses developed into new market areas.

## What do we propose to do in 2023/24?

Area of Planned Activity	Planned Activity for 2023/24
<b>InnovateUs</b>	Number of Projects: 170
<b>Skills Focus (Level 2+)</b>	Number of Enrolments: 350
<b>Assured Skills (Levels 0 – 8)</b>	Delivery of 3 Assured Skills Academies
<b>Innovation Boost</b>	To deliver 5 projects
<b>Innovation Voucher Scheme</b>	To deliver 6 innovation voucher schemes
<b>Flexible Skills Fund</b>	Target Learners: 800
<b>Knowledge Transfer Partnership (KTP)</b>	Secure and commence 1 project

## Report Card 3: Social Inclusion

### How much did we do?

Our proposals for 2022/23, and achievement against, are as follows:

Area of Planned Activity	Planned Activity for 2022/23	2022/23 Actual Activity
<b>Enrolments within Quintile 1 and 2</b>	Number of Enrolments: 5,000	Number of Enrolments: 7,080
<b>Enrolments declaring a disability / long term health problem</b>	Number of Enrolments: 1,451	Number of Enrolments: 4,247
<b>Enrolments on Entry Level and Level 1 Programmes (including Essential Skills)</b>	Number of Enrolments: 1,900	Number of Enrolments: 2,908 (excluding non-vocational)
<b>Enrolments on Targeted Programmes e.g., Collect Connect, Prince's Trust</b>	Number of College Connect Enrolments: 52 Number of Restart Connect Enrolments: 110 Number of Access Enrolments: 218	Number of College Connect Enrolments: 74 Number of Restart Connect Enrolments: 107 Number of Access Enrolments: 210
<b>Enrolments on ESOL Programmes</b>	Number of Enrolments: 384	Number of Enrolments: 993
<b>Overall number of individuals supported by above measures.</b>	Number of individuals: 7,664	Number of individuals: 15,619

### How well did we do it?

The College continues its dedication to care and welfare provision, holistic support services, and addressing barriers to learning:

#### Community Engagement

SERC continues to engage and develop relationships with external stakeholders to support individuals in deprived communities to re-enter education. In 2022/23, the College developed its engagement by bringing together the functions of Community Engagement, Partnerships and Projects, and the Students Union to maximise collaboration, establish good practice and strengthen stakeholder relationships to address barriers to education.

This approach has enabled the growth of new partnerships, improved internal collaboration across teams and supported new programmes for adult returners and those not in employment, education, or training to access pathways to education and sustainable employment.

The College continues to facilitate events, activities, workshops and opportunities with the Community and Voluntary Sector (CVS), statutory organisations, and strategic working groups, to identify new programmes and funding opportunities to support those furthest from education and employment.

The College has strengthened its working relationships with Community Planning and Labour Market partners in the council areas of Ards & North Down, Lisburn and Castlereagh, and Newry, Mourne and Down.

Prominent areas of community engagement in 2022/23 included:

- **Volunteering Network Workshop** where 18 participants from the Community and Voluntary sector completed a workshop to explore the needs of local volunteers and then identify how the College and that sector can collaborate to provide training, resourcing, and support in the local community.
- **Pathfinder** events for service users of the **Warehouse Social Supermarket** project in Newtownards. This activity helped to engage the supermarket users in a pathway for education and training.
- **Ballynahinch Community Health Fayre**, in conjunction with Co Down Community Network, where 45 people attended and obtained advice on various health matters.

### Wellbeing Framework

During 2022/23, restructuring activity resulted in the appointment of a Head of Learner Welfare. This role consolidated responsibility for all aspects of Learner Welfare, including the **Safeguarding, Wellbeing and Learning Support** needs of our students.

The College continued and enhanced its wellbeing framework throughout the year:

- The **Learning Support** unit manages the provision of support, help and guidance for students with physical disabilities, learning difficulties and medical conditions. During 2022/23 approximately 700 students (both full-time and part-time) accessed a range of services including:
  - Physical resources: specialist computers/tablets and software, orthopaedic chairs, smart pens, audio note takers.
  - Specialist human support: Learning Support Assistants, College lecturing staff and specialist support for a range of conditions that include Dyslexia and Autistic Spectrum Disorders. British Sign Language Interpreters were also available. These services were provided face to face and on an on-line basis to facilitate hybrid learning arrangements.
  - Administrative adjustments, such as specific individual College access arrangements for those taking examinations and other assessments, and bespoke risk assessments and action plans for those who experience specific conditions or illnesses such as epilepsy.

The unit is resourced by staff who are experienced in designing and implementing individual support strategies, as well as in providing essential information and guidance for teaching staff on a wide range of disabilities and conditions to ensure students can be effectively supported. The team of permanent Learning Support Assistants became fully embedded during 2022/23.

Students are encouraged to disclose any additional needs at the earliest opportunity so that appropriate support can be put in place. In addition, as part of the quality management processes, a range of student performance monitoring structures are in place to identify and address issues of student under-performance, as this may be an indication of a student disability or learning difficulty.

The Learning Support team engage fully with the curriculum teams through:

- Regular case conferences which enable the support teams to liaise directly with the teaching staff to identify and put in place actions to address specific student difficulties in a holistic manner.
- Communication with teaching staff, as appropriate, where issues and concerns have been identified during student support sessions.
- Guidance and approaches identified by the Learning Support Team to best support the student.

During 2022/23, SERC continued to engage with the Department for the Economy to ensure that those students participating in relevant Training Organisation programmes were able to avail of the additional support provided by Disability Support Services.

Disability Support is a contracted service to support young people with disabilities, who are participating in the Department's vocational training programmes, namely students who join SERC via the Training Organisation route (for example, Skills for Life and Work and ApprenticeshipsNI students). This Disability Support provision is intended to provide the additional support that students with complex needs require over and above the support that can be provided by the College. In 2022/23, 75 students (2021/22: 48 students) received support through this channel.

During 2022/23, the Learning Support Team completed 'Needs Assessments' under the Disabled Students' Allowance provision (Higher Education) for 13 applicants, and 10 of these availed of non-medical support in the form of one-to-one support sessions.

- In 2022/23, the **Learner Welfare** unit continued to develop and deliver a programme of **Safeguarding, Care and Welfare activity** through its pastoral provision. The College continues to adopt a whole College approach that promotes a culture of 'Safeguarding, Care and Welfare', and provides a range of support services through the work of the Welfare, Students' Union, Student Finance, Careers and Training Office teams.

To support the ongoing work of 'Safeguarding, Care and Welfare' within the College, and to ensure that activities in 2022/23 reflected the needs identified, the **Wellbeing and Resilience Framework** was re-developed. The Framework is built on the approaches highlighted in the **Student Mental Health Strategy** and focuses on the three themes of **supporting positive mental health, supporting healthy relationships, and supporting health and wellness**. The range of activities which underpinned these themes ensured that students were supported, as fully as possible, during their studies with SERC.

To support the College in its Safeguarding responsibilities, a team of **Safeguarding and Wellbeing Champions** was developed during 2022/23, with representatives available on each main campus.

SERC continues to work with a range of external providers to assist in providing student services such as the **Youth Health Advice Service** (supported by the South Eastern Health and Social Care Trust). Student counselling is provided by **Inspire** and includes 24/7 student helpline, an online Hub of support resources and the option of up to six sessions of counselling which can be provided either on-line or in person.

The College has an embedded **Cause for Concern** referral system which allows staff to record and forward a concern about the wellbeing of any student to the welfare team. This system allows the College to quickly implement a range of interventions, including engagement with the statutory bodies to ensure that all the College's responsibilities regarding the Safeguarding of Children and Adults at Risk of Harm are addressed.

During 2022/23, 460 cases were raised relating to a variety of situations including mental health, family issues, caring responsibilities. Of these, 5 cases were escalated to the relevant unit within Social Services.

In addition, 200 cases of 'Young Carers' were identified across the College and these students were facilitated to avail of additional relevant support.

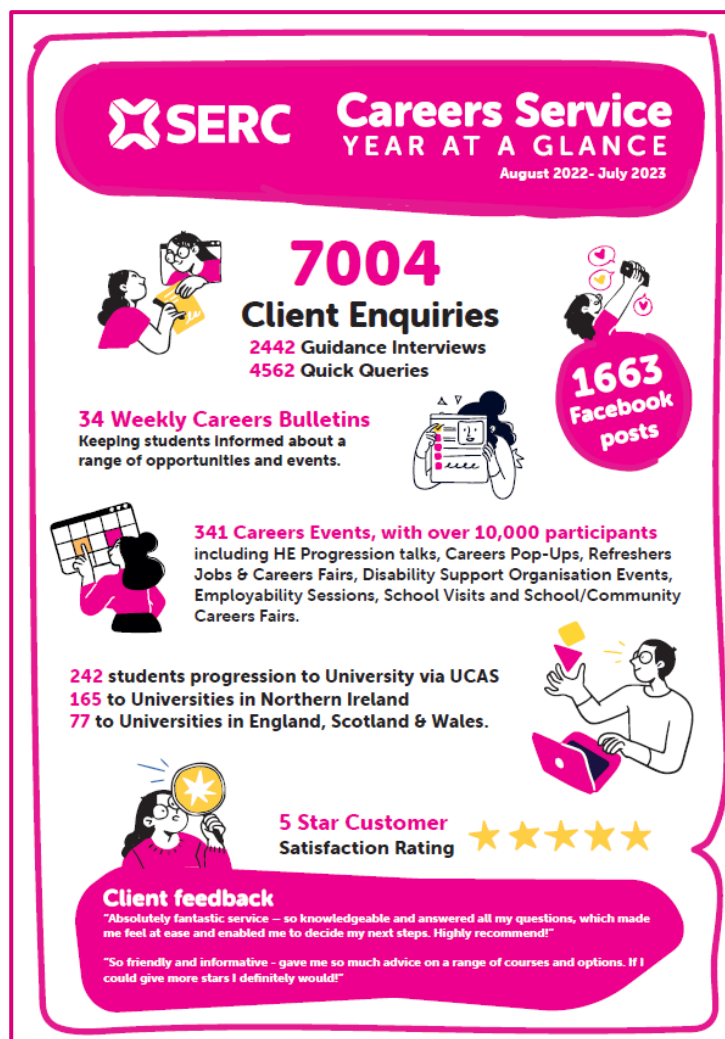
- **Careers Education, Information, Advice and Guidance (CEIAG)** within the College is an important mechanism for supporting individuals in choosing the correct career or educational pathway that will help them fulfil their personal, social, education and working ambitions. The service is impartial, confidential and client centred, resourced by staff who are professionally qualified, experienced, and adhere to the Career Development Institute (CDI) Code of Ethics.

SERC, since 2009, holds the **Matrix Quality Standard** for information, advice, and guidance (IAG) service, which is an internationally recognised quality standard. The 2023 Matrix 'Continuous Improvement Check' was successfully completed in June.

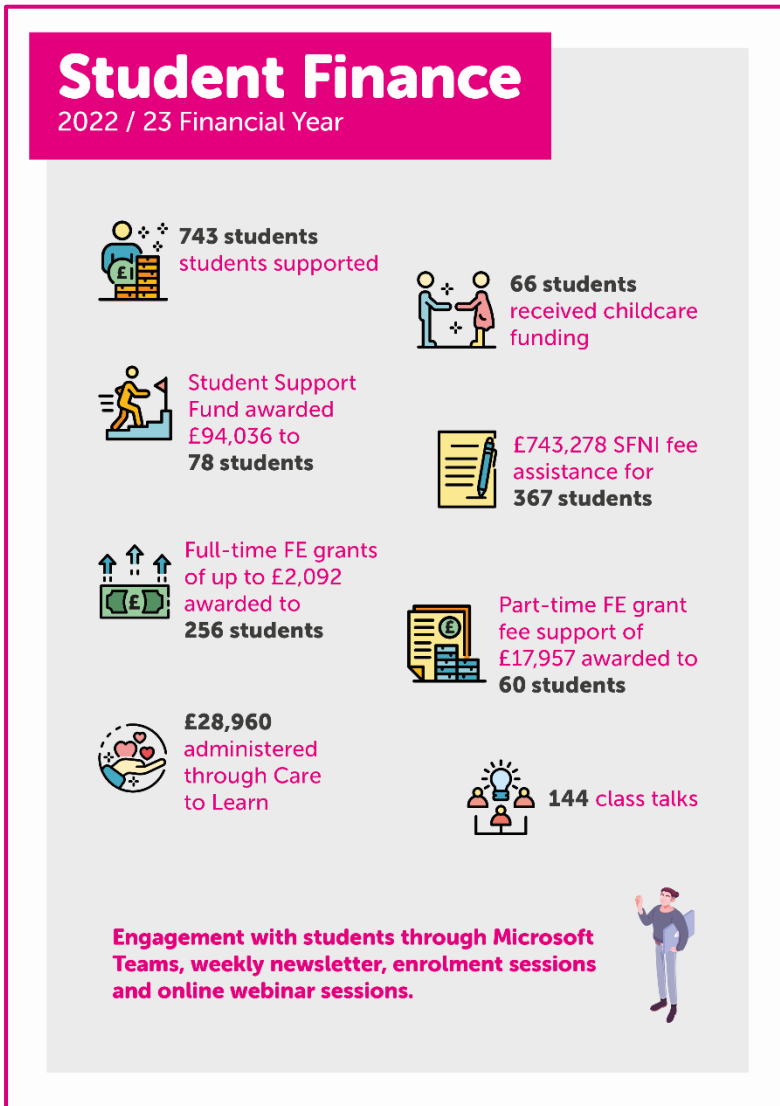
The key function of SERC's Careers Service is to provide **impartial careers information, advice and guidance** to prospective students, current students, and anyone in the local community. This is achieved through the provision of one-to-one career guidance, enabling individuals to develop a clear awareness of their interests and abilities, and a broad understanding of the range of opportunities available to them.

The 2022/23 year was a busy and successful one for the Careers Service. Events included employability workshops, career talks, higher education progression talks, and other varied support.

The year is summarised by the infographic:



- The **Student Finance** team has supported **743 students** in receiving financial support. This support, from multiple sources, has aided students with tuition fees, travel, maintenance, books & materials, and childcare costs.



In the 2022/23 academic year, a total of 256 full-time Further Education students each received grants of up to £2,092 through FE Grants. Fee support from FE Grants totalled £17,957 and was awarded to 60 part-time Further Education students. Tuition fee loans totalling £743,278 were awarded through Student Finance NI (SFNI) to 367 Higher Education (HE) students. The College then directly assisted 78 students through the Student Support Fund (Hardship Fund), providing total support of £94,036. The Care to Learn scheme administered £28,960 of childcare assistance to 6 students.

Recognising that many students faced financial challenges in the current economic climate, the Student Finance team sought to increase its engagement through enrolment sessions, Freshers' Fayres, weekly Student Finance Newsletters and 144 class talks.

The Student Finance Team introduced a 'Taste of Finance' event with colleagues in the School of Hospitality to provide free lunches and finance advice.

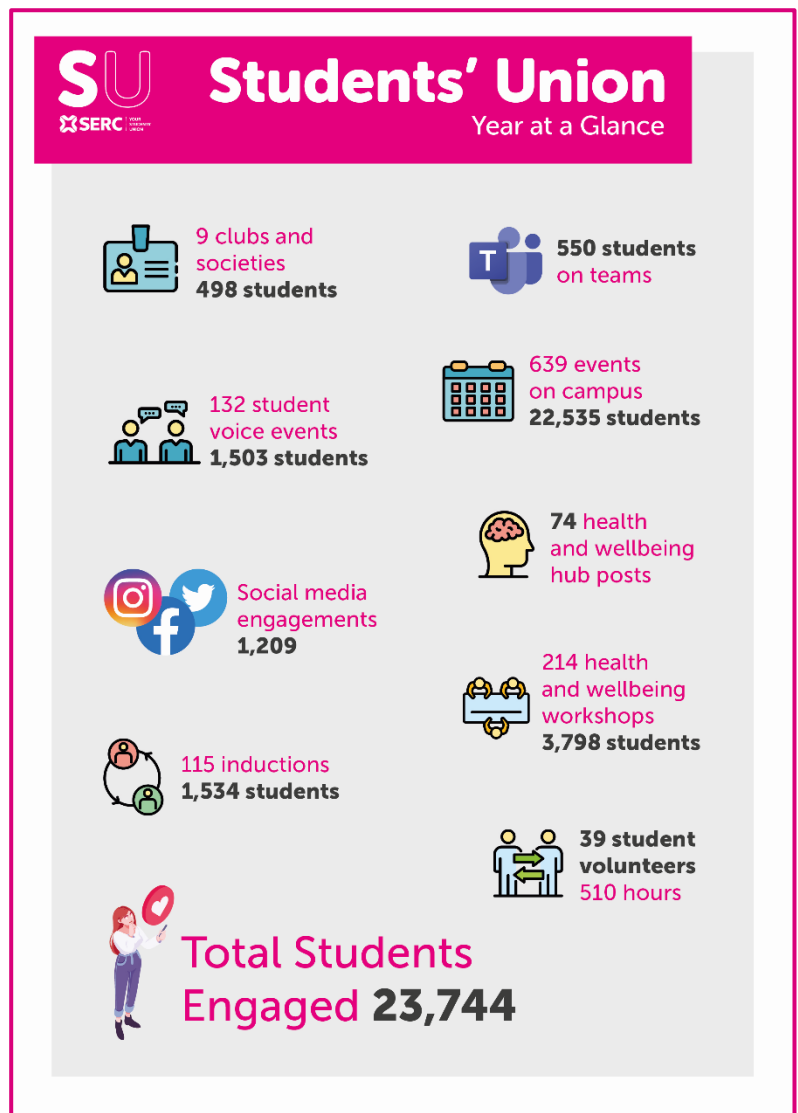


- The **Students' Union** (SERCSU) has delivered a student engagement programme that has supported the student voice, contributed to student health wellbeing and resilience, provided volunteering and social action projects, together with a range of student enhancement activities to support transversal skills.

SERCSU has endeavoured to foster a sense of belonging to enrich the educational experience of our learners, supporting them through the establishment of clubs, societies, events, and experiences that have helped them to reconnect with others in a post lockdown environment.

Initiatives have included the delivery of an online Students' Union HUB and Wellbeing HUB, establishing a new 'Recharge' student wellbeing room in Downpatrick Campus, the continued delivery of a new period poverty support scheme and a wide range of academic and social clubs and societies.

The SU had a very busy year with 23,744 students engaged across 653 activities.



### Is anyone better off?

The measure of anyone being better off can be demonstrated by achievement of their courses. In 2022/23 the following results were attained:

	2022/23
% of 'Students with Learning Difficulty' (SLDD) students who achieved their course	83%
% of students from quintile 1 who achieved their course	83%
% of students from quintile 2 who achieved their course	82%

**What do we propose to do in 2023/24?**

Area of Planned Activity	Planned Activity for 2023/24
<b>Step Up Programme</b> <b>16-24 year old 'not in employment, education or training' (NEET).</b>	<b>College Connect+</b> 116 participants across College Connect+ and College Connect 24+.
<b>Step Up Programme</b> <b>Neurodivergent Pathway</b>	<b>Disability Access Route to Education and Employment (DARE)</b> 83 participants.
<b>Step Up Programme</b> <b>Women Returns to Education</b>	<b>Woman Returners Access Programme (WRAP)</b> 100 participants.
<b>'Be Your Own Boss' Project (DfC Funded)</b> - <b>Anti Poverty</b> - <b>Wellbeing &amp; Inclusion</b> - <b>Sustainability &amp; Inclusivity</b>	10 people to receive non-job specific training. 10 people attaining a formal qualification from participation in Adult education.

## FINANCIAL OBJECTIVES

The College's financial objectives and achievement in the year to 31 July 2023 were:

RATIO	TARGET	2022/23 RESULT
Final Outturn to Final Resource Consumption Budget Variance	0%	+0.12%
Total Staff Costs as % of Total Income (including Grant in Aid)	65%	65.48%
Cash Balance as % of Total Prior Year Income (including Grant in Aid)	10%	6.32%
Debtor Days	45 days	34 days
Payment Performance - % of supplier invoices paid within 30 days	90%	66.67%

The **Final Outturn to Final Resource Consumption Budget Variance** is a target of 0% and demonstrates that the College must pursue a performance that is within the resource consumption budget allocation. The result is explained on pages 22 and 23.

The ratio for **Total Staff Costs as a % of Total Income** compares the total cost of staffing within the College against the total income. The target of 65% displays the causal relationship between the total staff costs and total income. The result is deemed to be within target.

The **Cash Balance** ratio details the percentage of cash reserves held by the College. The target of 10% is contained with the Management Statement / Financial Memorandum from the Department for the Economy. The 2022/23 result is within target.

The **Debtor Days** ratio measures how quickly cash is being collected from trade debtors (non-government department debt). The target of 45 days reflects the phasing of tuition fee payments from Student Loans Company. The 2022/23 has exceeded the target.

The **Payment Performance** ratio measures the percentage of invoices paid within 30 days. This ratio monitors our statutory requirement under The Late Payment of Commercial Debts (Interest) Act 1998. The 2022/23 result is explained on page 35.

### Financial Performance Monitoring

During 2022/23, the College monitored performance against its budget and against prior year position via the production of a full set of College Resource Accounts, on a monthly basis. These College Resource Accounts include a Resource Budget Report (an Income and Expenditure Account), Income Analysis, Expenditure Analysis, a Statement of Financial Position, Debtors and Creditors analysis, a Cash-flow forecast and a Full Year Financial Forecast.

The College Resource Accounts are reviewed on a monthly basis by the College Management Team and are presented to the Governing Body (GB) throughout the year in the form of a Financial Governance Report. The Financial Governance report provides the Governing Body with data on both the Department year (31 March) and the College year (31 July).

In addition, the College produces a set of departmental Resource Accounts for each school and unit, on a monthly basis. These departmental Resource Accounts consist of an Income and Expenditure Account and highlight actual year-to-date performance against budget.

The departmental resource accounts are issued to each of the College's Budget Holders shortly after period close and are used as the basis of the financial element of the College's "Integrated Monthly Performance Management" meetings at which each Budget Holder presents their department's year to date performance against budget to, and reviews their most recent full year forecast with, the College Management Team.

## **FINANCIAL RESULTS & POSITION**

### **Financial Results**

The College generated a deficit, as recorded in the Statement of Comprehensive Income & Expenditure, in the year of £3,569k (2021/22 deficit of £4,602k).

The College is a Non-Departmental Public Body (NDPB) of the Department for the Economy (DfE). The financial performance target, as set by the parent Department, is to deliver an actual Resource Requirement in line with its approved Resource Budget Allocation. The Resource Requirement is arrived at by quantifying the College's total resource expenditure less income received outside of Grant in Aid.

The College's approved Resource Allocation (and therefore financial target) for its 2022/23 financial year was confirmed in June 2023 as £45,325k. SERC's full year Resource Requirement result, £45,270k, constitutes an underspend of £55k (0.12% variance) against this resource allocation target.

### **Statement of Comprehensive Income and Expenditure**

The result in 2022/23 is stated after accounting for a pension charge of £1,618k (Pension Charge £1,232k and Net Interest £386k), as determined by the College's actuaries. The actuarial assumptions used in calculating the pension charge are explained in Note 22.

The result is also stated after accounting for the adjustment of a provision, relating to holiday pay resulting from the Court of Appeal judgement (17 June 2019) in the case PSNI v Agnew. The provision was decreased by £6k, as a result of the reversal of the change in Employers National Insurance rate (Note 24). The result also includes the accounting of an additional provision relating to a legal case (Note 24).

### **Non-Departmental Public Body (NDPB) Financial Performance**

The College's financial performance target, as set out by the Department for the Economy, is to deliver an actual Resource Requirement in line with its approved Resource Budget Allocation over the Department year, i.e., from 1 April to 31 March. The Resource Requirement is arrived at by quantifying the College's total resource expenditure less income received outside of Grant in Aid.

The result in 2022/23 is therefore translated into Resource Requirement as follows:

	<b>£'000</b>
<b>Income</b>	
Total incoming resources (excluding Grant-In-Aid funding) (Note 29)	<b>12,173</b>
<b>Expenditure</b>	
Staff costs (excluding Pension Charge & Interest)	(38,867)
Other operating expenses	(18,565)
Exceptional costs (other than Holiday Pay provision)	(11)
<b>Total expenditure</b>	<b>(57,443)</b>
<b>RESOURCE REQUIREMENT</b>	<b>(45,270)</b>
<b>GRANT-IN-AID FUNDING (Note 29)</b>	<b>49,069</b>
<b>Non-Resource Expenditure</b>	
Depreciation & Amortisation	(5,746)
Pension cost	(1,232)
Net interest on pension scheme	(386)
Exceptional Cost: Legal Provision (Annually managed expenditure (AME) resource)	(10)
Exceptional Cost: Holiday Pay Provision (Annually managed expenditure (AME) resource)	6
<b>Deficit as recorded in Statement of Comprehensive Income and Expenditure</b>	<b>(3,569)</b>

The College has an actual Resource Requirement of £45,270k for the 2022/23 financial year. This is some £55k less than the final secured 22/23 Resource Allocation of £45,325k, as confirmed by DfE on 26 June 2023. This represents a 0.12% variance.

Total Income (excluding Grant-in-aid) of £12,173k is £435k better than the original budget due to higher than budgeted Ignite Your Skills funding, higher than budgeted investment income and additional funding secured for Ukrainian students; all offset by lower than budgeted Assured Skills and Tuition fee income.

The College accounts also show increased Resource Expenditure, when compared to its original budget. In total such expenditure was £1,197k over budget due to both increased staffing and non-staffing expenditure. These expenditure variances include:

- Student Winter Support pack expenditure of approximately £500k, plus £130k of Ukrainian Student support expenditure, both of which were fully funded.
- Increase in expenditure to reflect pay awards for lecturers, as detailed within the Remuneration Report.

The College has significant reliance on the Department for the Economy (DfE) for its principal funding source, largely from recurrent grants. In 2022/23, DfE provided some 80.12% of the College's total income through grant-in-aid (2021/22: 79.29%). This represented 20.2% of the total recurrent grant available to the sector.

## Net Assets and Reserves

Net assets at 31 July 2023 were £117,649k (31 July 2022: £89,690k). This includes a £5,442k pension asset (31 July 2022: £10,257k liability) and £622k of provisions (31 July 2022: £618k).

The significant movement in pension liability to a pension asset (decrease of £15,699k) is due to a number of pertinent reasons:

- a change in the financial assumptions, specifically higher corporate bond yields leading to an increase in the discount rate assumptions; and
- a change in the demographic assumptions used to calculate the Defined Benefit Obligation (DBO), providing a decrease in the DBO.

The decreases have been offset to some extent by:

- a decrease in the asset value, due to the actual assets in the actuarial valuation for funding purposes as at 31 March 2022 being lower than the asset value estimated for financial year 2021/22 accounting, coupled with lower than assumed returns on the Fund assets over the period; and
- allowance made for updating the starting position of the roll-forward to the results of the 2022 Valuation, which includes a 10% uplift in respect of inflationary experience.

The College has a revaluation reserve of £103,991k (2021/22: £92,379k). Land and buildings were last subject to a full revaluation at 31 July 2022, on a depreciated replacement cost basis. The valuations were performed independently by the Land and Property Services (LPS). Subsequently, that revaluation has been updated using indices supplied by LPS at 31 March 2023 and 31 July 2023 to provide valuations at 31 July 2023. Indices are applied to assets previously valued by LPS at 31 July 2022. The valuations increased the revaluation reserve by £14,211k, whilst £2,599k was transferred from revaluation reserve to the income and expenditure reserve.

The College has an accumulated income and expenditure reserve of £8,210k (31 July 2022: £7,562k) (excluding the Pension Reserve of £5,442k (31 July 2022: £10,257k deficit) and cash balances of £3,839k (31 July 2022: £3,504k) as at 31 July 2023.

## Treasury policies and objectives

Treasury Management is the management of the College's cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities and the pursuit of optimum performance consistent with those risks.

The Further Education Order 1997 gives the College power to invest its funds. The College has a formal Treasury Management Policy which has been approved by the Finance & General Purposes Committee and the Governing Body. This policy is designed to ensure that appropriate controls are in place to regulate cash funds.

The purpose of the policy is to provide for the College cash funds to ensure all investments are held with major UK financial institutions and the requirement for any borrowings to be fully evaluated and approval sought from the Finance & General Purposes Committee and the Department for the Economy.

## Cash Flows & Liquidity

The College had a net cash inflow of £335k during the year, as a result of cash inflows from operating activities of £5,516k and cash outflows from investing and financing activities of £2,056k, and £3,125k from investments and capital (2021/22: total outflow of £873k).

With a cash balance of £3,839k (2021/22: £3,504k), the College's liquidity is within the Department's target for cash reserves, as detailed in the Management Statement and Financial Memorandum.

## Estate

The College's estate consists of land with a net book value of £7,975k as at 31 July 2023 (31 July 2022: £7,975k) and buildings with a net book value of £164,974k as at 31 July 2023 (31 July 2022: £154,141k).



## OUR SUCCESS

SERC's success has been recognised in 2022/23:

### Pearson National Teaching Silver Awards

A number of staff members received three Silver Pearson National Teaching Awards, selected from thousands of nominations.

**Aine McGreeghan**, Engineering Lecturer, was honoured with the Silver Award for Further Education Lecturer of the Year. SERC's **Little SERC team** was honoured with the Silver Award for Early Years Team of the Year for their work at the Newcastle Campus creche. The **Enterprise, Entrepreneurship and Environment team** was honoured with the Silver Award for Further Education Team of the Year for their Entrepreneurs' Club.



The Awards all recognise outstanding commitment to changing the lives of the young people and the children they work with every day.

### Students scoop Gold and Silver at WorldSkills UK 2022 Finals

Three students scooped Gold and Silver at the WorldSkills UK Finals – recognised as the 'Olympics' for skills – in competitions held across the UK in November 2022. Winners were announced in a live stream from Steph McGovern's Channel 4 Packed Lunch studio, on Friday 26 November 2022.



Level 3 **Patisserie and Confectionery** student Marija Kuzaitė from Coalisland, was awarded a **Gold Medal**, with fellow student Eimear McCarthy from Portaferry, being awarded a **Silver Medal** in the Confectionery and Patisserie competition.

Level 3 **Fire and Security** apprentice Alexander Wallace (27) from Saintfield, employed by BPS, took Gold in the inaugural Fire Detection and Alarm System competition hosted in Romford and Dagenham.

## Royal Navy Cook and Serve Competition

Our culinary arts and hospitality students were served a worthy challenge and came out on top when they went head-to-head with teams from the Royal Navy Submariner Caterers and NI schools during the Royal Navy's 'Cook and Serve' competition.

The Submarine Flotilla's Belfast Shield 'Cook and Serve' competition gives students and submariner chefs the opportunity to demonstrate hospitality and culinary skills in front of a professional judging panel.



The winning SERC team were Nadia Rainey (Ballywalter), Higher Level Apprenticeship in Culinary Arts and Eimear McCarthy (Portaferry), Level 3 Hospitality and Events, who both fulfilled the back of house roles, with Erin Horner (Comber), Level 3 Hospitality and Events, taking on the front of house role.

## Pearson BTEC Award

Pearson's BTEC Awards is an annual event that recognises and celebrates all the hard work and dedication of BTEC learners, educators, and providers from all around the globe.

Clare Gillen, Hospitality and Catering Curriculum Manager, was awarded **Bronze** in the **Tutor of the Year Award**. The award is designed to recognise the excellence in teaching that exemplary tutors put into their work. Clare was nominated due to her dedication to pastoral care and student wellbeing, in combination with her practical teaching methods.

## Northern Ireland Hair & Beauty Awards – Junior Stylist of the Year



Work ethic, drive and exceptional skills won the day for Level 3 Hairdressing student Ami Morrow at the Hair and Beauty Awards. The prestigious award ceremony celebrated the highest standards of quality and service in the NI Hair and Beauty Industry.

Ami beat six other finalists to take home the '**Junior Stylist of the Year**' award.

## Electrical Awards

SERC Level 3 Electrical Installation Apprentice Cameron Gorman was recognised at the NI Electrical Awards 2023.

Cameron lifted the title for **Electrical Apprentice of the Year**.



## Open College Network NI Awards 2023

The OCN NI Learning Endeavour Awards celebrate the achievements of individuals and their training providers, by highlighting the power of learning to transform lives for the better.

SERC was named **Provider of the Year**, in a category which recognises education providers that have a major positive impact on their learners, on local communities and on the economy.



The College was singled out for the 'We Can Engineer It' programme, which developed leadership programmes for women and girls in engineering to help create positive role models, as well as hosting family workshops for girls and engineering lesson packs for primary schools.

## Craft Guild of Chefs Award

SERC Level 3 Hospitality with Events student Eimear McCarthy was recognised with a prestigious **Craft Guild of Chefs Award** (known as the Chefs' Oscars).



The awards recognise the exceptional talent across the catering industry throughout the UK.

Eimear, who was nominated for the Award by Patisserie and Confectionery Course Co-ordinator, Paul Monaghan, honed her skills on the Level 2 Bakery course before progressing to the Level 3 in Patisserie and Confectionery, and is currently completing a Level 3 Hospitality with Events at the College's Bangor Campus.



## DEVELOPMENTS

SERC is constantly developing to ensure it maintains its existing reputation as a trusted and respected part of our local community by delivering an industry focused curriculum.

The latest developments in the College are discussed below:

### Step Up

In June 2023, the Department for the Economy and the Department for Communities announced funding totalling £30 million to increase access and participation of under-represented individuals in skills, education, and employment opportunities. The funding is provided by the UK Government under the New Deal for Northern Ireland initiative.

The two Departments are working collaboratively to harness their expertise, relationships, and creativity, working with Northern Ireland's further and higher education institutions and employers, to create a compelling offer which will help remove barriers to employment and unlock the economic and societal potential of people who are currently economically inactive.



Through the Step Up programme, the Department for the Economy will lead on skills and education-related interventions aimed at increasing / widening participation, particularly from those most at risk of experiencing economic activity.

SERC, as one of the six colleges, is the Department's delivery arm for the Step Up programme commencing in September 2023. The Step Up Programme offers anyone aged 16 plus a choice of four pathways, designed to meet various employment and training needs.

The College is offering three pathways under the programme:

- College Connect +  
Designed for those aged 16-24 not in education, employment, or training.
- College Connect 24+  
Designed for anyone aged 24 plus who is unemployed or economically inactive and looking to build their skills to enter employment.
- Disability Access Route to Education and Employment (DARE)  
Designed for anyone aged 16 plus who has a disability or is neurodivergent.

Each pathway will be person-centred and flexible, with the College providing personal support to help the individuals reach their goals.

## Special EU Programmes Body (SEUPB) - PEACE PLUS Programme

The overall objective of the PEACE PLUS Programme is to build Peace and Prosperity and ensure that the Programme will leave a lasting and tangible legacy across Northern Ireland and the border counties of Ireland. The Programme's strategy is to continue to take the opportunities and address the needs arising from the peace process in order to boost economic growth and stimulate social and economic regeneration and secondly, to promote social inclusion, particularly for those at the margins of economic and social life. The Programme will seek to help address many long-standing social and economic challenges which have, and continue to impact on communities, particularly those in rural border areas, as well as ongoing challenges that exist in urban settings.



**Special EU Programmes Body**  
**Comhlacht na gClár Speisialta AE**  
**Special EU Skemes Boadie**

The Programme will seek to help address many long-standing social and economic challenges which have, and continue to impact on communities, particularly those in rural border areas, as well as ongoing challenges that exist in urban settings.

The Programme has six themes:



The College has deepened partnerships across the NI FE sector, local councils, Health Trusts, and the Public Health Agency to develop initiatives that will develop under Themes 1 – 4. The partnerships will continue to work with the SEUPB in seeking funding throughout 2023/24 to deliver various projects to meet the requirements of the Programme.

## Widening Participation

The College values diversity within the student population and is committed to widening participation and avoiding unfair discrimination on any grounds. SERC recognises that success depends on the ability to attract a wide range of students from a range of educational backgrounds.

In relation to Higher Education (HE), SERC seeks to ensure that all students can participate in higher education regardless of financial circumstances. The College uses additional fee income to financially support those within the lowest income groups. All higher education students at SERC in 2022/23, who were in receipt of the maximum maintenance grant from Student Finance NI or student support grant, were eligible for a bursary of 10% of the tuition fee. The bursary amounts totalled £23,155.

SERC has set Widening Participation targets with DfE that focus on target groups:

	TARGET	2022/23 RESULT
Enrolments from Northern Ireland Multiple Deprivation Measure (MDM) - Quintile 1.	129 enrolments	152 enrolments
Enrolments from adult returners.	594 enrolments	972 enrolments
Enrolments from students with a disability.	108 enrolments	134 enrolments
Enrolments from students who have a Care Experience.	12 enrolments	15 enrolments
Young male students in MDM Quintile 1.	27 Young Males	11 Young Males

The following targets have been agreed for the 2023/24 year:

	TARGET
Enrolments from MDM Quintile 1	9% or 133 enrolments
Enrolments from adult returners	53% or 757 enrolments
Enrolments from students with a disability	8% or 103 enrolments
Enrolments from students who have a Care Experience	15
Young male students in MDM Quintile 1	14
Students in receipt of DSA	22

The College has a long and successful record of implementing outreach activity to widen participation, raise aspirations and encourage students from under-represented groups to apply to further and higher education. Pre-access courses and community based promotional events will continue to seek to attract the key target groups.

## STAKEHOLDER RELATIONSHIPS & REPUTATION

In line with other colleges and with universities, the College has many stakeholders. These include:

- Students;
- The Department for the Economy (DfE);
- Staff;
- Local employers (with specific links);
- Local Councils;
- Government Offices/ Regional Development Agencies;
- The local community;
- Other FE Institutions;
- Trade unions;
- Professional bodies;
- Universities; and
- Elected Representatives.

SERC is committed to listening to key stakeholders, not only students and staff, but others such as politicians, businesses, voluntary and community groups and local Government, and take actions to influence their perceptions of FE and promote its value and importance. This engagement process is also used to inform more businesses, decision makers and influencers, such as school teachers and parents, of the quality of the FE offer in order to develop the existing curriculum and seek new entrants.

Given the diversity of stakeholders that FE engages with, measuring stakeholder views and perceptions is undertaken in a number of ways. SERC conduct annual surveys with part-time and full-time students, staff members and business customers to gauge their perceptions and to enable us to respond better to stakeholder needs.

There is no one entity which can provide a single reflection of how SERC is perceived so we use a 'Listening and Influencing' quotient to measure all listening and influencing activity. These reflect customer satisfaction, employee satisfaction and reputation/perceptions of SERC.

The reputation indicator is based on core questions used in all customer surveys and shows how SERC is perceived by stakeholders – a fundamental output from all listening and influencing activity. Academic research into perceptions in the public sector has indicated that such organisations should manage expectations in this area in that the best output could be 'neutral' rather than positive.

Customer satisfaction is viewed by SERC as of strategic importance and again a fundamental indicator of how effective listening and influencing activity has been. It is also an indicator of our quality standards.

Employees are a key stakeholder and are critical champions in influencing and listening to other stakeholders. They impact greatly on the perceptions of the College and so their satisfaction levels are an important indicator.



The perceptions of customers are shown in the latest DfE Big 14 Survey, which seeks student views of their College experience for the Department to compare SERC against the other colleges in Northern Ireland and by doing so, continue to improve the quality of our service to the student.

The latest results for this survey are very encouraging for SERC:

“ Strongly Agreed and Agreed with the statements ”



 <p><b>92.5%</b> I am learning new skills that will help me in real life (Practical skills, interview skills, presentation skills, study skills)</p>	 <p><b>90.2%</b> I am aware of who I could talk to about safeguarding (e.g. child protection, bullying, self-harm, mental health)</p>	 <p><b>93%</b> I am enjoying my course</p>
 <p><b>92.9%</b> I have been given clear guidance and support to prepare for assignments</p>	 <p><b>94.2%</b> I was clear about the support I can get from the College e.g. student support services</p>	 <p><b>97.3%</b> My tutors encourage me to work to the best of my ability</p>
 <p><b>95.4%</b> I have good support to help me learn and progress e.g. tutorial/teaching team</p>	 <p><b>95.3%</b> The expected standards of work are made clear to me</p>	 <p><b>95.2%</b> My tutors use different ways to help me learn</p>
 <p><b>94.8%</b> Overall I am satisfied with my course</p>	 <p><b>93.8%</b> The projects that I have worked on have helped me develop skills and knowledge that will be useful in the work place</p>	 <p><b>92.7%</b> The facilities and resources provided by the College helped me learn</p>
 <p><b>96.3%</b> The College ensures all students are treated equally and with respect and is committed to promoting inclusive learning</p>	 <p><b>91.2%</b> The online resources are useful e.g. Moodle, MS Teams, e Portfolio, Class Notebook</p>	





Employee satisfaction is also of vital importance for the College with the latest staff survey showing:

Staff Survey



<p><b>The College is a good place to work</b> <b>86% Staff Agree</b></p>	<p style="font-size: 2em; font-weight: bold;">“ Strongly Agreed and Agreed with the statements ”</p>
<p><b>Feel motivated to be at work</b> <b>70% Staff Agree</b></p>	
<p><b>Happy to go extra mile at work when required</b> <b>89% Staff Agree</b></p>	
<p><b>I am proud to work for SERC</b> <b>90% Staff Agree</b></p>	







## DISABILITY STATEMENT - STUDENTS

The College's Disability Equality Statement sets out the College's commitment to potential and existing employees and students with a disability. The College is committed to:

- A policy of equal opportunity and seeks to ensure that disabled staff and students have equitable access, as far as is reasonably possible, to the full range of facilities, and services provided by the College;
- Creating an environment where those with disabilities are comfortable to disclose details of their disability and are provided with suitable opportunities to disclose at various stages throughout their time at the College;
- Providing access to the appropriate reasonable adjustments to enable the effects of disabilities to be minimised while participating in College life;
- Preventing occurrences of unlawful direct discrimination, indirect discrimination, harassment, and victimisation;
- Treating all staff and students with dignity and respect and will seek to provide a positive and safe working and learning environment.

The Staff Report contains the Disability Statement relating to staff.

The College delivers on the objectives set out in the Disability Discrimination Act 1995, the Special Education Needs and Disability Order (NI) 2005 and the Disability Discrimination (NI) Order 2006, through a wide range of structures and initiatives aimed at ensuring students with physical disabilities, learning difficulties and long-term medical conditions are facilitated in accessing and fully engaging in the breadth of the available learning opportunities. In addition, a range of support is also in place to help students experiencing difficulties in their personal lives so that the challenges arising from these issues do not become barriers to their ongoing learning.

The College has 25 Safeguarding and Wellbeing Champions (Designated Safeguarding Officers) looking after the needs of its learners, whether they be designated as Children or Vulnerable Adults.

Safeguarding Officers are based at all the main Campuses. In addition, two members of the Governing Body are classified as Designated Officers and overview aspects of the Safeguarding and Pastoral Care systems, through regular reporting to the Governing Body.

## OTHER INFORMATION AND DISCLOSURES

### 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 the Treasury for payment to suppliers within 30 days is 95%.

During the accounting period 1 August 2022 to 31 July 2023, the College paid 66.67% of its invoices within 30 days (2021/22: 77.46%). The average payment days was 28.02 days (2021/22: 21.60 days). The College incurred £389 of interest charges in respect of late payment for this period.

The Northern Ireland Executive is committed to paying suppliers as quickly as possible, within 10 working days. During the accounting year 1 August 2022 to 31 July 2023, the college paid 20.02% of its invoices within 10 days (2021/22: 24.58%).

The decrease in payment statistics was directly related to staff resource constraints throughout 2022/23.

### Principal Risks and Uncertainties

The College has developed and embedded a system of internal control, including financial, operational and risk management which is designed to protect the College's assets and reputation. For details on SERC's principal risks and uncertainties refer to the Statement of Corporate Governance and Internal Control (pages 56 - 72).

### Personal data related incidents

The College had no reportable data breaches in 2022/23.

### 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.

### Events after the end of the reporting date

#### Lecturer Pay Rates

The rates of salaries for Lecturers in Colleges of Further Education from 1 September 2021 and September 2022 were published on 8 August 2023. The publication also announced a non-consolidated payment due to those members of staff employed outside National Joint Council (NJC) terms and conditions during the period 1 September 2021 – 31 August 2022.

The rates and non-consolidated payment have been accrued in staff costs for the year ended 31 July 2023.

### Provision

The provision of £612k relates 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 appealed the CoA judgment to The Supreme Court.

The Supreme Court made its ruling on 5 October 2023 where it dismissed the appeal and upheld the judgement of the Court of Appeal.

The narrative disclosure of Note 24 has been updated to reflect The Supreme Court judgement.

### Other

In September 2023, in response to budgetary pressures, it was announced that the College may need to reduce its staffing complement in the 2023/24 academic year.

In November 2023, formal consultation commenced on a proposed redundancy programme. The College is proposing up to 37 permanent staff will be redundant, equivalent to an estimated 32 full time equivalents (FTEs). The College anticipates that the proposed redundancies will be achieved entirely through volunteers and does not envisage any requirement for compulsory redundancy. In addition, as is the case annually, there are a number of non-permanent part-time hourly paid lecturers (PTLs) who have not been allocated hours in the 2023/24 academic year. The current number is 27 staff (equivalent to 6.37 FTE). In line with normal practice, if there remains little or no prospect of finding/allocating hours to the PTLs, it is likely such roles will also become redundant.

### **Disclosure of Information to Auditors**

These financial statements are subject to audit by statute 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.

### **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.

### **Charitable and Taxation Status**

The College has charitable status for taxation purposes from the UK HM Revenue and Customs.

### **Charitable/Political Donations**

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

## Members

The members who served the Governing Body (GB) during the year were as follows:

Name	Date of Appointment	Term of Office	Date of Resignation / End of Term Date	Status of appointment	Committees Served	GB Attendance (attended / possible)
Mr John Nugent (Chair)	1 August 2022	4 years	-	Independent Member	Education, Finance and General Purposes (ex-officio member)	9 / 9
Mr Andrew Corbett	11 April 2016 11 April 2020 (Second Term)	4 years 4 years	-	Staff Governor - Teaching	Education, Finance and General Purposes	5 / 5
Ms Majella Corrigan	1 April 2021	4 years	-	Independent Member – Business Category	Education, Finance and General Purposes	9 / 9
Ms Gemma Diamond	1 October 2021	1 year	30 September 2022	Student Governor 2021/22	Audit and Risk, Education	0 / 1
Ms Wilma Fee	2 February 2023	4 years	-	Co-opted	Audit and Risk, Education	4 / 6
Miss Sophie Leigh Francis	1 October 2022	1 year	-	Student Governor 2022/23	Audit and Risk, Education	4 / 4
Mrs Karen Fraser	1 August 2014 (with special extension) 1 July 2019 (Second Term)	4 years 4 years	30 June 2023	Independent Member – Business Category	Audit and Risk, Education	4 / 9
Mr Samuel Hagen	18 October 2021	4 years	-	Independent Member – Business Category	Audit and Risk, Education	9 / 9
Mr Gareth Hetherington	1 May 2013 1 May 2017 (Special Extension) 1 July 2019 (Second Term)	4 years 3 years +9 months	30 April 2023	Independent Member – Business Category	Audit and Risk, Education	6 / 6

Name	Date of Appointment	Term of Office	Date of Resignation / End of Term Date	Status of appointment	Committees Served	GB Attendance (attended / possible)
Mr Mark Huddleston	10 December 2020	4 years	-	Independent Member – Business Category	Audit and Risk, Education	7 / 9
Mrs Carolyn King	24 October 2022	4 years	-	Staff Governor – Corporate	Audit and Risk, Education	3 / 4
Mr John Mackell	1 February 2016 1 February 2020 (Second Term)	4 years 4 years	-	Independent Member – Business Category	Audit and Risk, Education	7 / 9
Dr Daniel McConnell	10 December 2020	4 years	-	Independent Member – Business Category	Education, Finance and General Purposes	6 / 9
Mr Alan McCrum	10 December 2020	4 years	-	Independent Member – Business Category	Education, Finance and General Purposes	9 / 9
Mr Michael McQuillan	28 October 2021	4 years	-	Co-opted	Education, Finance and General Purposes	8 / 9
Mrs Deborah O'Hare	10 December 2020	4 years	-	Independent Member – Business Category	Audit and Risk, Education	7 / 9
Mr Steve Pollard	17 December 2014 19 December 2018 (Second Term)	4 years 4 years	18 December 2022	Co-opted	Audit and Risk, Education	3 / 3
Mr Darren Stewart	10 December 2020	4 years	-	Independent Member – Business Category	Audit and Risk, Education	9 / 9
Mr Ken Webb	1 July 2008	On-going	-	Principal and Chief Executive	Education, Finance and General Purposes	9 / 9

Name	Date of Appointment	Term of Office	Date of Resignation / End of Term Date	Status of appointment	Committees Served	GB Attendance (attended / possible)
Mr Derek Wilson	10 December 2020	4 years	-	Independent Member – Business Category	Education, Finance and General Purposes	7 / 9

### Professional Advisers

<b>Internal Auditors</b>	RSM Northern Ireland (UK) Limited Number One Lanyon Quay Belfast BT1 3LG
<b>Bankers</b>	Danske Bank Donegall Square West Belfast BT1 6JS

### External Auditor

<b>External Auditor</b>	Comptroller and Auditor General Northern Ireland Audit Office 106 University Street Belfast BT7 1EU
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For and on behalf of the members of the Governing Body:



Mr Ken Webb  
Accounting Officer

28 November 2023

## SOUTH EASTERN REGIONAL COLLEGE REMUNERATION REPORT

### Members of the Governing Body

There are normally 18 members of the College 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. 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 for the Economy from 1 January 2016. There are no arrangements in place for the payment of a bonus. The Governing Body Chair and individual Governors are not deemed to be employees of the College and are therefore not eligible to join the NILGOSC Pension Scheme. The Pensions Regulator has confirmed that the Governing Body Chair and individual Governors are excluded from the pension auto-enrolment process as members of the Governing Body do not hold a contract of employment with the College.

The College also reimburses Governing Body members for any incidental expenses incurred for carrying out their duties relevant to the College.

The remuneration of the Chair and Governing Body is as follows (Audited):

Name	2022/23				2021/22			
	Re-muneration	Benefits in kind	Pension Benefits	Total	Re-muneration	Benefits in kind	Pension Benefits	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Mr John Nugent	15 - 20	-	-	<b>15 - 20</b>	-	-	-	-
Mr Andrew Corbett	0 - 5	-	-	<b>0 - 5</b>	0 - 5	-	-	<b>0 - 5</b>
Ms Majella Corrigan	0 - 5	-	-	<b>0 - 5</b>	0 - 5	-	-	<b>0 - 5</b>
Ms Gemma Diamond (Term ended 30 Sept 2022)	0 - 5	-	-	<b>0 - 5</b>	0 - 5	-	-	<b>0 - 5</b>
Ms Wilma Fee (Term started 2 Feb 2023)	0 - 5	-	-	<b>0 - 5</b>	-	-	-	-
Miss S L Francis (Term started 1 Oct. 2022)	0 - 5	-	-	<b>0 - 5</b>	-	-	-	-
Mrs Karen Fraser (Term ended 30 June 2023)	0 - 5	-	-	<b>0 - 5</b>	0 - 5	-	-	<b>0 - 5</b>
Mr Samuel Hagen	0 - 5	-	-	<b>0 - 5</b>	0 - 5	-	-	<b>0 - 5</b>
Mr Gareth Hetherington (Term ended 30 April 2023)	0 - 5	-	-	<b>0 - 5</b>	15 - 20	-	-	<b>15 - 20</b>

Name	2022/23				2021/22			
	Re-muneration	Benefits in kind	Pension Benefits	Total	Re-muneration	Benefits in kind	Pension Benefits	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Mr Mark Huddleston	0 – 5	-	-	<b>0 – 5</b>	0 – 5	-	-	<b>0 – 5</b>
Mrs Carolyn King (Term started 24 Oct. 2022)	0 – 5	-	-	<b>0 – 5</b>	-	-	-	-
Mr James Lee (Resigned 13 May 2022)	-	-	-	-	0 – 5	-	-	<b>0 – 5</b>
Mr John Mackell	0 – 5	-	-	<b>0 – 5</b>	0 – 5	-	-	<b>0 – 5</b>
Dr Daniel McConnell	0 – 5	-	-	<b>0 – 5</b>	0 – 5	-	-	<b>0 – 5</b>
Mr Alan McCrum	5 - 10	-	-	<b>5 - 10</b>	5 - 10	-	-	<b>5 - 10</b>
Mr Michael McQuillan (Term started 28 Oct. 2021)	0 – 5	-	-	<b>0 – 5</b>	0 – 5	-	-	<b>0 – 5</b>
Ms Deborah O'Hare	0 – 5	-	-	<b>0 – 5</b>	0 – 5	-	-	<b>0 – 5</b>
Mr Steve Pollard (Term ended 18 Dec 2022)	0 – 5	-	-	<b>0 – 5</b>	0 – 5	-	-	<b>0 – 5</b>
Mr Darren Stewart	0 – 5	-	-	<b>0 – 5</b>	0 – 5	-	-	<b>0 – 5</b>
Mr Derek Wilson	0 – 5	-	-	<b>0 – 5</b>	0 – 5	-	-	<b>0 – 5</b>
Prof Alan Woodside (Resigned 30 Sept. 2021)	-	-	-	-	0 – 5	-	-	<b>0 – 5</b>



## **The Principal/Director and Deputy Directors**

The Principal/Director and the Deputy Director 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/Director and the Deputy Directors hold permanent appointments. Staff may be able to retire before state pension age with no diminution of earned pension benefits depending on the terms of their pension. The policy relating to notice periods is contained in the College's Staff Handbook.

## **Minimum Pay Levels**

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

## **Progression**

There is no incremental progression for Principals/Directors 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, Deputy Directors 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 1 September is used for all Deputy Directors. If the College increases in size a Deputy Director will automatically move to the new relevant salary scale.

## **Performance Pay**

There is no performance related pay for the Director or any Deputy Director.

## **Total Reward Package**

Senior staff within the College have access to the Northern Ireland Teachers' Pension 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 twelve 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)

Name	2022/23				2021/22			
	Salary	Benefits in kind	Pension Benefits*	Total	Salary	Benefits in kind	Pension Benefits	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Mr Ken Webb Director (Appointed 1 July 2008)</b>	115-120	-	140-145	<b>260-265</b>	115-120	-	50-55	<b>170-175</b>
<b>Dr Michael Malone Deputy Director (Appointed 1 June 2009)</b>	100-105	-	125-130	<b>225-230</b>	100-105	-	70-75	<b>175-180</b>
<b>Mrs Heather McKee Deputy Director (Appointed 1 Jan 2017)</b>	85-90	-	40-45	<b>130-135</b>	80-85	-	20-25	<b>105-110</b>

\*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 decrease due to a transfer of pension rights.

### 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 and any severance or ex gratia payments. This report is based on accrued payments made by South Eastern Regional College and thus recorded in these accounts.

### Benefits in kind

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

### Bonuses

South Eastern Regional College does not make bonus payments.

## Fair Pay Disclosure – Pay Ratios

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the lower quartile, median and upper quartile remuneration of the organisation’s workforce.

The banded remuneration of the highest-paid director South Eastern Regional College in the financial year 2022/23 was £115-120k (2021/22: £115-120k). The relationship between the mid-point of this band and the remuneration of the College’s workforce is disclosed below:

2022/23	25 <sup>th</sup> percentile	Median	75 <sup>th</sup> percentile
<b>Total remuneration</b>	£31,364	£38,223	£39,813
<b>Pay ratio</b>	3.75	3.07	2.95

2021/22	25 <sup>th</sup> percentile	Median	75 <sup>th</sup> percentile
<b>Total remuneration</b>	£28,371	£36,298	£39,809
<b>Pay ratio</b>	4.14	3.24	2.95

Total remuneration includes salary, non-consolidated performance-related pay, and benefits-in-kind. It does not include severance payments, employer pension contributions and the cash equivalent transfer value of pensions.

The 25<sup>th</sup> percentile, median and 75<sup>th</sup> percentile remuneration values consist solely of salary payments.

Remuneration ranged from £20k-£25k to £115k-£120k (2021/22: £20-£25k to £115-£120k).

## Fair Pay Disclosure – Percentage Change in Remuneration (Audited)

Reporting bodies are required to disclose the percentage change from the previous financial year in the: (i) salary and allowances, (ii) performance pay and bonuses, of the highest paid director and of the employees as a whole.

The percentage changes in respect of South Eastern Regional college are shown in the following table. It should be noted that the calculation for the highest paid director is based on the mid-point of the band within which their remuneration fell each year.

Percentage Change for:	2022/23 compared to 2021/22
<b>Average employee salary and allowances</b>	3.61%
<b>Highest paid director’s salary and allowances</b>	1.00%

There is no performance related pay for the highest paid Director or any other employee.

The following pay awards were applied in 2022/23:

▪ **Further Education Lecturers' Pay (Lecturer's Contract of Employment)**

The rates of salaries for Lecturers in Colleges of Further Education from 1 September 2021 and September 2022 were published on 8 August 2023. The rates are considered an adjusting event after the reporting date. The following changes were determined and applied:

- 1.0% increase in salary rates (including allowances i.e., Threshold, Dean, Responsibility and Re-organisation) from **1 September 2021** relating to Lecturer's Contract of Employment (i.e., Associate Lecturers, Full-Time Lecturers, Principal Lecturers', and Heads of Department) and Part-time Hourly Paid Lecturers.
- 1.0% increase in salary rates (including allowances i.e., Threshold, Dean, Responsibility and Re-organisation) from **1 September 2022** relating to Lecturer's Contract of Employment (i.e., Associate Lecturers, Full-Time Lecturers, Principal Lecturers', and Heads of Department) and Part-time Hourly Paid Lecturers.
- Non-consolidated payment to those members of staff employed outside NJC terms and conditions during the **period 1 September 2021 - 31 August 2022** (calculated at £3,000 gross subject to normal tax and NI deductions per Full Time Equivalent, Part Time Lecturers paid on a pro rata basis)

▪ **Further Education Non-Teaching Staff Negotiating Committee (Non-Teaching Contract of Employment)**

In December 2022, in accordance with the provisions of Article 11, Schedule 3, paragraph 10.3 of the Further Education (Northern Ireland) Order 1997 and the Constitution for Negotiating the Terms, Conditions of Service and Remuneration of Non-Teaching Staff Employed in Incorporated Colleges of Further Education, the following change was determined:

- £1,925 annual increase on each salary scale point from **1 April 2022**.

All awards applied in 2022/23 were accrued in the relevant period.

The College has accrued expected pay awards, using latest information, in 2022/23 as follows:

▪ **Further Education Non-Teaching Staff Negotiating Committee (Non-Teaching Contracts of Employment)**

- Increase in salary rates (including incremental increases) from **1 April 2023**

▪ **Further Education Directors' Negotiating Committee (Principal & Deputy Directors)**

- Increase in salary rates (including incremental increases) from **1 September 2021** and **1 September 2022**.

## Pension Entitlements (Audited)

Officials	Accrued pension at pension age as at 31/7/23 and related lump sum	Real increase in pension and related lump sum at pension age	CETV at 31/7/23	CETV at 31/7/22	Real increase in CETV
	£'000	£'000	£'000	£'000	£'000
<b>Mr Ken Webb Director</b>	60-65 Plus, lump sum of 0*	7.5-8 Plus, lump sum of 0*	1,003	869	134
<b>Dr Michael Malone Deputy Director</b>	55-60 Plus, lump sum of 165-170	6-6.5 Plus, lump sum of 15.5-20	1,396	1,189	207
<b>Mrs Heather McKee Deputy Director</b>	10-15 Plus, lump sum of 0*	2.5-3 Plus, lump sum of 0*	174	113	61

\* An entrant to the NITPS after 01/04/2007 has no lump sum applicable, although the entrant may elect to commute part of their pension to a lump sum. Mr K Webb joined SERC and NITPS on 1 July 2008 and Mrs H McKee joined SERC and NITPS on 1 January 2017 therefore this condition applied.

## 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).

**NILGOSC** is a funded defined benefit scheme. Benefits earned up to 31 March 2015 are linked to final salary. Benefits earned after 31 March 2015 are based on a Career Average Revalued Earnings Scheme.

From 1 April 2015, a member builds up retirement pension at the rate of 1/49th pensionable pay for each year. Pension benefits in relation to membership between 1 April 2009 and 31 March 2015 were built up at the rate of 1/60th pensionable pay for each year of membership. There is no automatic lump sum provided in respect of membership after 31 March 2009. Pension benefits in relation to any membership before 1 April 2009 were build up at the rate of 1/80th (pension) and 3/80ths (tax free lump sum) of pensionable pay for each year of membership up to 31 March 2009. At retirement, members may give up some pension for additional lump sum, subject to HM Revenue and Customs (HMRC) limits. The Scheme is funded by contributions made by both employees and employers. See detail of contributions at Note 22.

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.

**NITPS** is a funded defined benefit scheme. The NI Teachers' Pension Scheme design was reformed from 1 April 2015. Existing scheme members who satisfied certain criteria remained in the existing final salary arrangements, whilst others started to have their benefits calculated using a combination of career average and final salary arrangements. This transitional protection arrangement was, however, considered discriminatory. Thus, the government has introduced primary legislation to make the necessary changes to remedy the discrimination within public service pension schemes. In NITPS the remedy is being implemented in two stages:

- **Stage 1:** The first stage is focused on the technical amendments that are needed to the Northern Ireland Teachers' Pension Scheme regulations to comply with the primary legislation introduced within the Public Service Pensions Scheme & Judicial Offices (PSPJO) Bill. The changes being implemented are:
  - the final salary (legacy) scheme will close to further accrual on 31 March 2022; and
  - all active members of the Scheme will build up pension benefits within the existing career average (reform) scheme from 1 April 2022.

Stage 1 is complete with all active members of the NITPS becoming members of the 2015 reformed scheme (career average) from 1 April 2022, irrespective of age.

- **Stage 2:** This is retrospective remedy, which will allow eligible members the choice between their legacy scheme (final salary) or 2015 reformed scheme (career average) for the remedy period (1 April 2015 to 31 March 2022). The consultation opened on 21 April 2023 and closed on 16 June 2023.

All new entrants joining the NITPS have their benefits calculated totally on a Career Average Revalued Earnings (CARE) basis. CARE schemes accumulate pension based on a fraction of pensionable earnings each year – for NITPS this is 1/57th.

The Scheme is funded by contributions made by both employees and employers. See detail of contributions at [www.education-ni.gov.uk](http://www.education-ni.gov.uk).

Contributions to the NITPS are calculated 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 South Eastern Regional 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.

### **Enhanced Pensions**

There are currently no enhanced pensions payable to any former member of staff.

## 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 NITPS 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 2015 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.

## SOUTH EASTERN REGIONAL COLLEGE STAFF REPORT

### Staff Costs

Staff Costs are disclosed in Note 8 to the Financial Statements (page 91).

### Average number of persons employed (Audited Information)

The average number of full-time equivalent persons employed **during** the year was as follows (excluding Governors):

Category	Permanent Staff	Agency Staff	2022/23 Total	2021/22
Teaching	380	-	<b>380</b>	382
Support	201	-	<b>201</b>	190
Administration	182	2	<b>184</b>	180
Premises	13	1	<b>14</b>	13
<b>Total</b>	<b>776</b>	<b>3</b>	<b>779</b>	<b>765</b>

### Attendance Management

In the year August 2022 to July 2023, the overall sickness absence rate was 4.40% (2021/22 – 3.33%), equivalent to 10.95 days per employee.

### Staff Composition

The table below provides a breakdown of the number of persons (head-count) employed by the College, **as at 31 July**, by gender for each of the following groups:

Group	31 July 2023			31 July 2022		
	Male	Female	Total	Male	Female	Total
Principal & Chief Executive and Deputy Directors	<b>2</b>	<b>1</b>	<b>3</b>	2	1	3
College Management Team	<b>3</b>	<b>1</b>	<b>4</b>	3	1	4
Employees (excluding Part-Time Lecturers)	<b>307</b>	<b>464</b>	<b>771</b>	313	468	781

### Staff Turnover

Staff turnover (excluding Part Time Lecturers) for the period 1 August 2022 to 31 July 2023 was 6.47%. (2021/22: 5.73%)

### Off Payroll Engagements

The College had no off-payroll engagements in 2022/23.



## Temporary Staff

During the year to 31 July 2023, the College expended £80k on temporary agency staff (2021/22: £295k).

## Equality of Opportunity and employment of disabled persons

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

- between persons of different religious belief, political opinion, racial group, age, marital status, or sexual orientation;
- between men and women generally;
- between persons with a disability and persons without; and
- 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 its 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 Disability Equality Statement sets out the College's commitment to potential and existing employees with a disability. The College is committed to:

- A policy of equal opportunity and seeks to ensure that disabled staff and students have equitable access, as far as is reasonably possible, to the full range of facilities, and services provided by the College;
- Creating an environment where those with disabilities are comfortable to disclose details of their disability and are provided with suitable opportunities to disclose at various stages throughout their time at the College;
- Providing access to the appropriate reasonable adjustments to enable the effects of disabilities to be minimised while participating in College life;
- Preventing occurrences of unlawful direct discrimination, indirect discrimination, harassment, and victimisation;
- Treating all staff and students with dignity and respect and will seek to provide a positive and safe working and learning environment.

The College's Disability Action Plan 2019 - 2024 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).

This plan outlines how the College ensures that disability issues are effectively considered within the policy and decision-making processes and commits the College to:

- promotion of its Disability Duties;
- allocating the necessary resources to implement the plan;
- ongoing communication and training for staff in respect of raising awareness and supporting those with disabilities;
- encouraging the involvement of people with a disability in internal working groups, partnerships, and focus groups; and
- engaging with a wide range of key stakeholders including people those with a disability on the development and implementation of the plan.

Specific measures within the plan are monitored on an annual basis as part of the Annual Equality Progress Report. Progress for the reporting period can be accessed, following approval in September 2023, at [www.serc.ac.uk/public-information/equality](http://www.serc.ac.uk/public-information/equality).

SERC has partnered with **AccessAble** who provide accessible information for visitors, staff and students relating to the College's facilities. AccessAble uses thirty-two accessibility symbols, designed in consultation with people with disabilities and represents information to help users find out immediately whether a venue is accessible for individuals. AccessAble undertake annual surveys of the College's buildings to ensure any changes are made in compliance with legislation and necessity for people with disabilities and the website is updated to reflect any changes.

The College has also maintained its designation as Disability Confident Employer (Level 2) with Disability Confident and continues to keep under review its processes to ensure compliance and continuous improvement. Disability Confident Employers are recognised as going the extra mile to make sure disabled people get a fair chance. As a Disability Confident Employer, SERC has committed to:



- ensuring recruitment processes are inclusive and accessible;
- communicating and promoting vacancies;
- offering an interview to persons with a disability who meet the minimum criteria for the job.
- anticipating and providing reasonable adjustments as required; and
- supporting any existing employee who acquires a disability or long-term health condition, enabling them to stay in work.

## Staff Wellbeing



The College highly values its staff and acknowledge that their wellbeing is critical and of fundamental importance to the College.

The College continued its **Wellbeing Strategy** in 2022/23, seeking to improve the health and wellbeing of employees, including good mental health and physical health. The Wellbeing Strategy focused on three main areas:

- delivering health promotion;
- implementing mental wellbeing initiatives; and
- creating a positive and dynamic work culture.

Staff wellbeing sessions for both lecturing and corporate staff took place throughout the year. A sample of the sessions included:

- menopause;
- pension updates;
- money guidance;
- cancer awareness;
- managing stress and resilience development;
- working well at home; and
- developing emotional freedom techniques.

Approximately six hundred staff members benefitted directly from these sessions.

The College dedicates two HR staff members to Staff Wellbeing and has six '**Health and Wellbeing Champions**'. The role of the champions is to input and support the strategy and drive initiatives with staff on individual campuses.

As a commitment, under mental health, the Mental Health Policy and Action plan were reviewed and updated in May 2023.

The College's Mental Health Policy takes a proactive approach that enables College management and HR to focus on building a resilient workforce, increasing the comfort around mental health conversations, and implementing wellbeing initiatives to support the workforce in being knowledgeable and healthy. As part of this, nine '**Mental Health First Aiders**' provide confidential mental health support for both staff and students.

The College continues to collaborate with partners to provide specialist support:

- SERC Employee Assistance program with **Inspire Wellbeing**: 24/7-hour telephone support line and up to six one-hour confidential sessions. Staff can self-refer, and counselling can be delivered either over the telephone or face to face at locations throughout Northern Ireland with the target of being offered an appointment within 3 working days.
- Occupational Health related services with **OHRD Consultancy**, including HR referral for sickness absence or staff-self referral for additional support.
- Cashback healthcare scheme through **UK Healthcare** covering 'day to day' healthcare expenditure, such as optical, dental, consultant costs and diagnostic tests. The scheme provides 100% cash back (up to policy limits) and is fully funded by SERC.

Staff have the option to upgrade to a higher level of cover, whilst partners can be included within the scheme for an additional premium (payable directly by staff member to UK Healthcare). Children are included (up to 4 children per adult, up to the age of 24 in full time education) free of charge.

The College draws upon the support of many partners; such as Age NI, Parenting NI, local cardiac services, sports groups, leisure centres, Cycle to Work scheme, Money Advice Service, The Consumer Council, and Inspire Wellbeing to provide a holistic wellbeing package to all employees.

SERC was highly commended at the CIPD NI Awards in 2022 for "**Best Health and Wellbeing Initiative**" in relation to SERC's commitment to mental health, breaking the stigma surrounding it and supporting employees.

## Staff Development

SERC is committed to providing professional development opportunities for all staff through the in-house 'Learning Academy' department. The Learning Academy bears testimony to the College's commitment to develop its staff.

Two staff development events were held in 2022/23:



The **Corporate Staff** development days focused on the theme: '**Invest in Yourself, Your Team, Your Community**'.

Delegates took part in team building activities and gleaned information about local volunteering opportunities. Development workshops included Advanced Excel, Neurodiversity in teams, Emotional Intelligence, PowerBI, Assertiveness and Personal Impact, Career Development and Sustainable Living

The **Teaching Staff** development days focused on the theme: '**Life, Learning and Work**'. This blended programme consisted of a one-day session for all teaching staff, with workshops on Transversal Skills and Meta Skills, support for the Level Two Innovation and Enterprise Award, curriculum planning and digital evidence gathering for Project Based Learning and training on the Staff Portal. Teaching staff continued their development through a further one-day, school-specific, face-to-face training on Student Manager and the SERC Report Centre enabling staff to better utilise college systems.



Throughout 2022/23, the Learning Academy focused its work on four key areas, to ensure all staff can partake in a variety of continuous professional development (CPD) activities that support SERC's organisational goals and priorities:



63 staff completed the Pedagogical Mentoring programme, positively impacting the quality of lesson planning and delivery in SERC. An FE Sector wide programme to fully embed Project Based Learning (PBL), as a main teaching methodology, was delivered to 92 participants, 28% of whom were SERC staff. In addition, 62 FE College managers were trained to embed PBL across their curriculum.

The College continued to deliver the 'Bridging the Gap' programme where staff members achieved a Chartered Management Institute Level 5 Certificate in Management and Leadership, with five being awarded Chartered Manager status. Line managers were also supported through the Leading@SERC programme covering performance management, leading change, and promoting staff wellbeing.



Ongoing training in digital skills was provided to all staff, focussing upon SERC IT systems including Staff Portal, Student Manager, Report Centre. The effective and efficient use of Microsoft products was an additional area for development. The College provided staff with 11 short courses and over 20 webinars

The College supported 24 staff in achieving their Certificate in Teaching (CIT), with a further 20 staff members achieving their Post Graduate Certificate in Education (FE). Over 100 staff received funded support for professional and technical training, Masters and PhD programmes.

## Employee Consultation and Trade Union Relationships

The Colleges Employers' Forum (CEF) is a collaborative network of the six colleges which develops good practice in relation to the employers' relationship with staff. CEF's has the responsibility to arrange for the negotiation of pay, conditions of service and related issues through regional negotiation committees and agreed procedures, on behalf of the six regional colleges. CEF has the authority to sign off collective agreements reached by the relevant negotiating committees.

There are three negotiating committees in operation, one for each of the following staff groups:

- Principal and Chief Executives and senior staff;
- Lecturers; and
- Support staff

The remit of the negotiating committees extends to agreeing the terms and conditions of the staff within the above groups. They comprise representatives from both the employers (colleges) and recognised trade unions.

At an individual College level, there is a local consultative forum which allows College Management and Staff Representatives to meet on a regular and constructive basis to exchange information and resolve issues of mutual concern and develop good relations between College Management, employees, and Trade Unions

## **SOUTH EASTERN REGIONAL COLLEGE**

### **STATEMENT OF THE RESPONSIBILITIES OF THE ACCOUNTING OFFICER & GOVERNING BODY**

#### **FOR THE YEAR ENDED 31 JULY 2023**

Under the Further Education (NI) Order 1997, the Department for the Economy (DfE) (with approval from Department of Finance (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. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of South Eastern Regional College and of its income and expenditure, Statement of Financial Position and cash flows for the financial year.

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 the 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 of 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.

The Accounting Officer, on behalf of the Governing Body, has taken all the steps he ought to have taken to make himself aware of any relevant audit information and to establish that South Eastern Regional College's auditors are aware of that information. So far as the Accounting Officer is aware, there is no relevant audit information of which the auditors are unaware.

# **SOUTH EASTERN REGIONAL COLLEGE**

## **STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL**

### **FOR THE YEAR ENDED 31 JULY 2023**

#### **Introduction**

This Statement of Corporate Governance and Internal Control for South Eastern Regional College sets out the governance structures, risk management and internal control procedures that operated within SERC during the 2022/23 financial year and up to the date of approval of the Annual Report and Financial Statements.

This Statement of Corporate Governance and Internal Control 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 Chief Executive and 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 the College's aims and objectives set by the Governing Body, whilst safeguarding the public funds and College assets for which he is personally responsible.

The responsibilities as Chief Executive and Accounting Officer are set out in Managing Public Money Northern Ireland (MPMNI) issued by DoF and in accordance with the Management Statement/Financial Memorandum between the Department for the Economy (DfE) and the Further Education Colleges.

The Chief Executive and Accounting Officer is accountable to the Governing Body, the Department for the Economy, and the NI Assembly.

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 Governing Body is established in accordance with the Further Education (Northern Ireland) Order 1997 which provides the statutory basis for further education in Northern Ireland. The Governing Body is subject to an Instrument and Articles of Government, a Management Statement/Financial Memorandum, the Department of Finance's (DoF) Audit and Risk Assurance Committee Handbook (NI) (replacing the 2018 Audit Code for Governing Bodies (and Audit and Risk Committee) of Further Education Colleges), and other regulatory requirements. In terms of governance, all other documents are subordinate to the Order and subject to its provisions.

The Governing Body of a college is a body corporate appointed by the Minister to act on behalf of the Department to ensure the efficient and effective management of the college and to ensure it secures the provision of suitable and efficient education to its students in line with statutory obligations in respect of further education. The purpose of corporate governance in further education is to ensure that the systems by which colleges are directed and controlled are operating effectively. The Governing Body has responsibility for setting the strategic direction of the College and for maintaining strategic oversight. It should ensure the demarcation of responsibilities between the Governing Body and the College's management team and provide and exercise both a support and challenge function in respect of the Principal and the executive team.

Individual Governing Body members should bring independence, objectivity, impartiality, and expertise to both the decision making and challenge processes within the college. There should be an appropriate balance of skills, experience, and knowledge to enable the Governing Body to discharge its duties effectively.

The College's Governing Body comprises of members appointed by the Minister for the Economy, staff and students who are elected within the College, the Chief Executive/Principal and members co-opted by the Governing Body.

Membership and attendance during the year at the Governing Body meetings was as follows:

<b>Governing Body Member</b>	<b>Meetings Attended</b>	<b>Out of a Possible</b>
Mr John Nugent ( <i>Chair</i> )	9	9
Mr Andrew Corbett	5	5
Ms Majella Corrigan	9	9
Ms Gemma Diamond ( <i>Term ended 30 September 2022</i> )	0	1
Ms Wilma Fee ( <i>Appointed 2 February 2023</i> )	4	6
Miss Sophie Leigh Francis ( <i>Appointed 1 October 2022</i> )	4	4
Mrs Karen Fraser ( <i>Term ended 30 June 2023</i> )	4	9
Mr Samuel Hagen	9	9
Mr Gareth Hetherington ( <i>Term ended 30 April 2023</i> )	6	6
Mr Mark Huddleston	7	9
Mrs Carolyn King ( <i>Appointed 24 October 2022</i> )	3	4
Mr John Mackell	7	9
Dr Daniel McConnell	6	9
Mr Alan McCrum	9	9
Mr Michael McQuillan	8	9
Mrs Deborah O'Hare	7	9
Mr Steve Pollard ( <i>Term ended 18 December 2022</i> )	3	3
Mr Darren Stewart	9	9
Mr Ken Webb	9	9
Mr Derek Wilson	7	9
<i>In attendance</i>		
Director of Strategic Planning, Quality and Support	4	-
Director of Curriculum and Information Services	1	-
Chief Finance Officer	8	-
Chief Human Resources Officer	8	-
Chief Officer: Quality, Excellence and Development	1	-
Chief Training and Contractors Officer	2	-
Chief Technology Officer	1	-
Deputy Chief Officer: Quality, Excellence and Development	1	-
Student Governor 2022/23 Elect	1	-
Boardroom Apprentice 2022/23	2	-
Further Education Director, Department for the Economy	3	-
Deputy Further Education Director, Department for the Economy	1	-



Members of SERC staff are invited to attend where significant items pertaining to their business area are to be discussed by the Governing Body.

Information presented to the Governing Body, and all sub-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 satisfied with the quality and reliability of the information presented during 2022/23.

In order to fulfil its role, the Governing Body met nine times during 2022/23 (2021/22: eight times). There are three established Committees: the Finance and General Purposes Committee; the Audit & Risk Committee; and the Education Committee. All of the committees are formally constituted with terms of reference and comprise mainly lay members of the Governing Body.

A minimum of six members of the Governing Body must be present for the meeting to be deemed quorate. All Governing Body meetings during the 2022/23 financial year were fully quorate. Full minutes of Governing Body meetings are available from the Secretary to the Governing Body.

### **Governing Body Conflicts of Interest**

The Secretary to the Governing Body maintains a register of financial and personal interests of the Governing Body members and this is also available for inspection.

The Governing Body, and each committee, has a standing agenda item at the outset of each meeting to allow declaration of conflicts of interest.

Each member takes personal responsibility to pro-actively declare any potential conflict of interest arising out of business undertaken by the college, arising on the agenda or from changes in the member's personal circumstances.

The Chair of the Governing Body (or committee) then determines an appropriate course of action in order to manage the conflict appropriately, for example the member may be asked to leave the meeting while a particular item of business is taken. Actions taken, including no action required, are recorded within the minutes.

### **Governing Body Performance and Effectiveness**

In 2022/23 the Governing Body completed the Department's assessment exercise (as per FE Circular FE 06/12) that focuses on three stands: a member's assessment; a Chair assessment; and a Governing Body (GB) self-assessment. The strand that focuses upon the Governing Body is administered by the Department through completion of a questionnaire that covers five main themes: Personal Performance, Governing Body Performance, Governing Body Procedures and Composition, Governing Body Committees, and Training and Induction.

The results, issued by the Department, provide the Governing Body with an opportunity to reflect on how it operates, as well as providing a benchmark against levels of performance in the NI FE sector.

For two themes, the views expressed were more positive than in 2022/23. Views were most positive for Personal Performance, GB Procedures and Composition, and GB Committees, with least positive for GB performance and Training and Induction. This compares to most positive for Personal Performance, GB Committees, and Training and Induction, and least positive for GB Performance in 2021/22.

The table below summarises the percentage of respondents who agreed / strongly agreed to the questions within each theme:

Theme	SERC 2022/23	SERC 2021/22	Sector 2022/23
Personal Performance	99.4%	100%	97.5%
GB Performance	98.3%	96.6%	96.3%
GB Procedures & Composition	99.0%	98.7%	96.9%
GB Committees	98.7%	100%	97.5%
Training & Induction	98.3%	100%	96.6%

Views expressed on GB Performance, whilst being least positive across the five themes, increased by 1.7% from prior year. Overall, perception was above the sector average for all five statements.

### Audit & Risk Committee

The Audit & Risk Committee is responsible for reviewing the effectiveness of the College's accounting procedures and systems of internal control and reporting to the Governing Body. The Audit & Risk Committee provides a medium of communication for the College's auditors, which is not controlled by College management. The Audit & Risk Committee seeks to ensure that the internal control systems, including audit activities, are monitored actively, independently, and objectively in order to:

- promote and ensure high standards of propriety, accountability, and financial management within the college;
- improve the quality of financial reporting by reviewing internal and external financial statements on behalf of the Governing Body;
- promote a financial climate of financial discipline and control which will help to reduce the opportunity for financial mismanagement or fraud;
- improve, where necessary, the effectiveness of the College's internal controls and mechanisms for achieving value for money, policy and legislative requirements and the extent to which these comply with requirements set down by the Department;
- reinforce the independence and effectiveness of the internal audit function and to underpin the objectivity and independence of the external auditors;
- advise on the reliability of the College's information systems;
- ensure that risk management processes are embedded within the College;
- provide a sounding board for College management on issues of concern in relation to the College's internal control systems; and
- contribute to the maintenance or increasing of public confidence in the quality of the College's corporate governance and management.

Members of the Audit & Risk Committee are drawn from the Governing Body. Attendance during the year at Audit & Risk Committee meetings was as follows:

<b>Audit &amp; Risk Committee Member</b>	<b>Meetings Attended</b>	<b>Out of a Possible</b>
Ms Gemma Diamond <i>(Term ended 30 September 2022)</i>	1	1
Ms Wilma Fee <i>(Appointed 2 February 2023)</i>	1	2
Miss Sophie Leigh Francis <i>(Appointed 1 October 2022)</i>	3	4
Mrs Karen Fraser <i>(Committee Vice Chair until 8 November 2022)</i>	3	5
Mr Samuel Hagen <i>(Committee Chair from 9 November 2022)</i>	4	5
Mr Gareth Hetherington <i>(Term ended 30 April 2023)</i>	3	4
Mr Mark Huddleston	5	5
Mrs Carolyn King <i>(Appointed 24 October 2022)</i>	2	4
Mr John Mackell <i>(Committee Chair until 8 November 2022)</i>	5	5
Mrs Deborah O'Hare	5	5
Mr Steve Pollard <i>(Term ended 18 December 2022)</i>	2	2
Mr Darren Stewart <i>(Committee Vice Chair from 9 November 2022)</i>	4	5
<i>In attendance:</i>		
Principal & Chief Executive	5	-
Chair of the Governing Body	5	-
Director of Curriculum and Information Services	2	-
Director of Strategic Planning, Quality and Support	1	-
Chief Finance Officer	5	-
Chief Technology Officer	5	-
Chief Human Resources Officer	1	-
Chief Training and Contracts Officer	1	-
Northern Ireland Audit Office Representative	5	-
Internal Audit Representative	5	-
Department for the Economy Representative	5	-
Boardroom Apprentice 2022/23	1	-

Other attendees are invited to attend the Audit & Risk Committee meetings if a discussion is to be held around their particular business area.

The Articles and Terms of Reference for the Audit & Risk Committee state that the Committee should meet at least four times a year, and more frequently as circumstances require. During the 2022/23 financial year there were five Audit & Risk Committee meetings held (2021/22: five). A quorum for any meeting of the Audit & Risk Committee is three members. All Committee meetings during the 2022/23 financial year were fully quorate.

The key issues discussed at the Audit & Risk Committee meetings during the 2022/23 financial year were as follows:

- Risk Management Reporting & Risk Horizon Scanning
- Annual Report & Financial Statements (including Governance Statement)
- Internal Audit and External Audit reports
- External Audit Strategy 2022/223
- Fraud Updates
- IT Resilience
- Business Continuity Planning
- Raising Concerns Policy
- Environmental Social Governance
- Gift and Hospitality Register annual review
- Finance & Information Technology Services Policies
- National Fraud Initiative
- Department of Finance Annual Theft & Fraud Report

The Audit & Risk Committee is content with the quality and reliability of the information presented during 2022/23.

The Governing Body takes assurance from the reports presented by the Chair of the Audit & Risk Committee to the Governing Body at each meeting.

### **Finance and General Purposes Committee**

The Finance and General Purposes Committee (F&GP) is the key mechanism by which the Governing Body ensures the proper use of public money, ensures that the College remains solvent and secures the effective financial management of the College. The Finance and General Purposes Committee also ensures that the Governing Body is provided with information in a timely manner and in a format that can be readily understood by all members to enable it to discharge its duties effectively.

The Finance and General Purposes Committee advises the Governing Body on all areas of College finance and staffing, to include:

- Finance
- Estates
- Health and Safety
- Staffing

Members of the Finance and General Purposes Committee are drawn from the Governing Body.

Attendance during the year at the Finance and General Purposes Committee meetings was as follows:

<b>F&amp;GP Committee Member</b>	<b>Meetings Attended</b>	<b>Out of a Possible</b>
Mr Andrew Corbett	5	5
Ms Majella Corrigan	5	5
Mr Gareth Hetherington <i>(Term ended 30 April 2023)</i>	4	4
Dr Daniel McConnell	3	5
Mr Alan McCrum <i>(Committee Chair)</i>	5	5
Mr Michael McQuillan	5	5
Mr John Nugent <i>(Ex-Officio)</i>	5	5
Mr Ken Webb	5	5
Mr Derek Wilson <i>(Committee Vice Chair)</i>	5	5
<i>In attendance:</i>		
Chief Finance Officer	5	-
Chief Human Resources Officer	5	-
HR Services Manager	1	-
HR Business Partner	1	-
Head of Health and Safety	1	-
Head of Learning Academy	2	-
Boardroom Apprentice 2022/23	1	-

Other attendees are invited to attend the Finance and General Purposes Committee meetings if a discussion is to be held around their particular business area.

The Articles and Terms of Reference for the F&GP Committee state that the Committee should meet at least four times a year, and more frequently as circumstances require. During the 2022/23 financial year there were five F&GP Committee meetings held (2021/22: five). A quorum for any meeting of the F&GP Committee is three members. All Committee meetings during the 2022/23 financial year were fully quorate.

The key issues discussed at the F&GP Committee meetings during the 2022/23 financial year were as follows:

- Financial Performance
- Capital Expenditure
- Debt Updates
- Health & Safety Update
- Resource Allocation and Resource Budget 2022/23
- Finance Policies
- Applications and Enrolments
- Estates Strategy and Update Report
- Indicative Resource Allocation 2022/23 & Baseline budget
- HR Priorities Plan and Status Updates
- Staff Absenteeism
- Staff Utilisation
- Employee Relations
- Equality Annual Progress Report
- Pay Awards
- Annual Staff Survey results

The F&GP Committee is content with the quality and reliability of the information presented during 2022/23. The Finance and General Purposes Committee presents a report to each meeting of the Governing Body.

## Education Committee

The Education Committee is responsible for overseeing College curricular provision, especially the nature, quality and performance of the provision and the extent to which it meets the needs of the community that the College seeks to serve. The main functions of the Education Committee are:

- College Development Plan – to ensure the delivery of the College’s strategy through input to the preparation and implementation of the CDP.
- Quality – to drive the improvement of quality and raising of standards in all College activities.
- Curriculum Plan/Prospectus – to ensure that overall course provision is responsible to the needs of the wider community which the College seeks to serve, taking into account the curriculum offer of other providers, and developing partnerships where possible.
- Business Services – To ensure the College is developing relationships with businesses, with a focus on securing industry projects, international projects and maximising the potential of SERC student companies.
- Strategy – to assist in the development of the College’s Strategy, which aims to establish the purpose, strategy, and values of the College.

Members of the Education Committee are drawn from the Governing Body. Attendance during the year at the Education Committee meetings was as follows:

Education Committee Member	Meetings Attended	Out of a Possible
Mr Andrew Corbett	5	5
Ms Majella Corrigan	5	5
Ms Gemma Diamond <i>(Term ended 30 September 2022)</i>	1	1
Ms Wilma Fee <i>(Appointed 2 February 2023)</i>	1	2
Miss Sophie Leigh Francis <i>(Appointed 1 October 2022)</i>	4	4
Mrs Karen Fraser <i>(Term ended 30 June 2023)</i>	4	5
Mr Samuel Hagen	5	5
Mr Gareth Hetherington <i>(Term ended 30 April 2023)</i>	4	4
Mr Mark Huddleston	4	5
Mrs Carolyn King <i>(Appointed 24 October 2022)</i>	4	4
Mr John Mackell	5	5
Dr Daniel McConnell	4	5
Mr Alan McCrum	5	5
Mr Michael McQuillan <i>(Committee Vice Chair from 15 November 2022)</i>	3	5
Mr John Nugent <i>(Ex-Officio)</i>	5	5
Mrs Deborah O’Hare <i>(Committee Chair from 20 September 2022)</i>	5	5
Mr Steve Pollard <i>(Committee Chair until 19 September 2022 / Term end 18 Dec 2022)</i>	2	2
Mr Darren Stewart	5	5
Mr Ken Webb	5	5
Mr Derek Wilson	5	5

<b>Education Committee Member</b>	<b>Meetings Attended</b>	<b>Out of a Possible</b>
<i>In attendance:</i>		
Director of Curriculum and Information Services	2	-
Director of Strategic Planning, Quality and Support	5	-
Chief Training and Contracts Officer	1	-
Chief Officer Quality, Excellence and Development	1	-
Deputy Chief Officer Quality, Excellence & Development	1	-
Commercial Contracts Manager	1	-
Marketing Manager	1	-
Head of Higher Education	1	-
Head of School for Media, Performing and Creative Arts, Hairdressing & Beauty	1	-
Senior International Development Manager	1	-
Head of Collaboration and Transformation Projects	1	-
Director of Tertiary Education Reform, Department for the Economy	1	-
Quality Improvement Advisor, Department for the Economy	1	-
Quality Improvement Team Member, Department for the Economy	1	-

Other attendees are invited to attend the Education Committee meetings if a discussion is to be held around their particular business area.

The Articles and Terms of Reference for the Education Committee state that the Committee should meet at least four times a year, and more frequently as circumstances require. During the 2022/23 financial year there were five Education Committee meetings held (2021/22: five). A quorum for any meeting of the Education Committee is three members. All Committee meetings during the 2022/23 financial year were fully quorate.

The key issues discussed at the Education Committee meetings during the 2022/23 financial year were as follows:

- Applications and Enrolments
- Safeguarding, Care and Welfare
- Careers Advisory
- Trainees and Apprenticeship Updates
- Project Based Learning & Transversal Skills
- College Development Plan – 2022/23 Updates
- Community Engagement
- HE Curriculum and Quality Assessment
- Entrepreneurship, Employability and T-Skills
- Whole College Self Evaluation Report & Quality Improvement Plan
- Learning Support
- Higher Education Achievements and Growth
- Social Inclusion

The Education Committee is content with the quality and reliability of the information presented during 2022/23.

The Education Committee presents a report to each meeting of the Governing Body.

## College Management Team

The College Management Team (CMT) of the College consists of:

- Principal and Chief Executive
- Director of Curriculum and Information Services
- Director of Strategic Planning, Quality and Support
- Chief Finance Officer
- Chief Human Resources Officer
- Chief Training & Contracts Officer
- Chief Officer – Quality, Excellence and Development

Attendance during the year at the CMT meetings was as follows:

College Management Team Member	Meetings Attended	Out of a Possible
Mr Ken Webb, <i>Principal and Chief Executive</i>	15	15
Dr Michael Malone, <i>Director of Curriculum and Information Services</i>	14	15
Mrs Heather McKee, <i>Director of Strategic Planning, Quality and Support</i>	14	15
Mr Tommy Martin, <i>Chief Finance Officer</i>	15	15
Mr Paul Smyth, <i>Chief Human Resources Officer</i>	15	15
Mrs Claire Henderson, <i>Chief Officer – Quality, Excellence and Development</i>	14	15
Mr William Greer, <i>Chief Training &amp; Contracts Officer</i>	14	15

The CMT meets to consider a pre-determined agenda. Typical agenda items which are discussed at CMT meetings include:

- Chair's Business
- Enrolment Updates
- Update on Investigations
- GDPR
- Project Priorities
- Update from the Director of Curriculum and Information Services
- Update from the Director of Strategic Planning, Quality and Support
- Update from Chief Officer Quality, Excellence and Development
- Update from Chief Human Resources Officer
- Update from Chief Finance Officer
- Update from Chief Training and Contracts Officer

The College has an online approval process, facilitated by its secure intranet, which provides a timely process for requests that require CMT review and approval (e.g., staff recruitment, capital expenditure, new Policies and Standard Operating Procedures). The system provides a tool for decision making without the necessity of a physical meeting.



## Compliance with the Corporate Governance Code

During 2022/23, the College complied with the principles and supporting provisions set out in the Corporate Governance Code.

## Risk Management

The College places significant emphasis on risk management. Risk management is viewed by the College as an essential element of the College's corporate governance framework and is closely linked with the College Development Plan and monitoring process.

The robust risk management process is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness.

Risk management within the College is a dynamic process designed to identify and prioritise the risks to the achievement of College policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively, and economically.

The College's capacity to manage risk is established through the risk and control framework and the experience of senior management in the risk management process. The College Management Team, together with the Governing Body, provide leadership to the risk management environment.

The College has an embedded Risk Management Policy which has been enforced to ensure that the College's objectives and risks have been identified and that a control strategy for each of the significant risks has been determined. Risk ownership is allocated to the appropriate staff and the College has set out its attitude to risk to the achievement of the College objectives.

The College has ensured that staff are trained and equipped to manage risk in a way appropriate to their level of authority and duties, and guidance on the College's risk management process is available to all staff on the intranet.

## Risk and Control Framework

The Governing Body has instructed that procedures are in place for verifying that aspects of risk management and internal control are regularly reviewed and reported on.

There has been a full risk and control assessment before reporting on the year ending 31 July 2023 with budget holders throughout the College assessing their own departments and submitting a departmental Statement of Internal Control to the Accounting Officer.

Risk management has been incorporated fully into the corporate planning and decision-making processes of the College:

- The College has a Risk Management Team which meets regularly to review and update the register of corporate risks facing the organisation.
- Each corporate risk is evaluated against a standardised risk impact/likelihood matrix to reduce subjectivity in assessing risk. The evaluation includes a review of the inherent risk (otherwise known as the raw or untreated risk) and the treated risk. The evaluation also includes determining the risk appetite in relation to each individual corporate risk.
- The Corporate Risk Register is presented to the Audit & Risk Committee at each scheduled meeting.
- The College operates a formal system of Integrated Monthly Performance Review meetings at which budget holders report to the College Management Team outlining their department's financial performance against plan and target and reviewing other quantitative and qualitative key performance indicators. A key element of these monthly performance review meetings is the presentation of each department's operational risk register and a review of the steps being taken to ensure appropriate internal controls are maintained to mitigate identified risks.
- The College holds regular management meetings to review enrolments, retentions, and achievements and to review and assess quality.
- A fundamental aspect of the College's control framework is the continual development of policies and standard operating procedures. Key policies and procedures are identified as mandatory training for all staff. Completion of such online training is monitored by College management.

The Governing Body has received periodic reports concerning internal control. The appropriate steps have been taken to manage risks in significant areas of responsibility and progress on key projects has been monitored.

## College Risks Identified in 2022/23

The risks identified for the College Risk Register, as at September 2023, are as follows:

Risk Classification	Risk Identified	Risk Categorisation
Enrolments	Maintaining current levels of Further & Higher Education provision	Red Zone
Corporate Governance	Managing the financial viability of the College	Red Zone
Corporate Governance	Inability to operate DfE's Training Management System due to implementation issues	Red Zone
Corporate Governance	Cyber Threats	Red Zone
Staff	Managing the impact of industrial action	Red Zone
Staff	Managing the College's Sickness Absence	Amber Zone

All risks identified throughout 2022/23 are deemed to have been appropriately managed within the Risk and Control Framework.

## Fraud Reporting

The College has a detailed Anti-Fraud Policy. This policy is reviewed on an annual basis. The Anti-Fraud 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 Anti-Fraud Policy is included as mandatory training for all staff.

The College reports all suspected or detected frauds to the Department for the Economy in line with the Management Statement/Financial Memorandum.

There was one reported case of suspected fraud during the year ended 31 July 2023. The outcome of the investigation deemed the issue to be actual fraud, with no financial loss. Appropriate action is ongoing.

The College participates in the National Fraud Initiative (NFI) by investigating matches in relation to payroll, pensions, and trade creditors. The NFI activity did not identify any instances of fraud.

## **Raising Concerns**

The College has a detailed Raising Concerns Policy and Procedure, in line with guidance from the Department for the Economy and best practice guidance from the NI Audit Office. The Policy facilitates concerns being raised from non-employees. The Policy and Procedure is reviewed annually, or sooner if required.

The Policy provides individuals with a process to facilitate the reporting of concerns and suspected wrongdoing within the College and highlights the protection afforded to College employees who disclose concerns under the Public Interest Disclosure (NI) Order 1998. The College also endeavours, as far as possible, to apply the same principles in respect of concerns raised by non-staff members.

The Raising Concerns Policy is included as mandatory training for all staff.

During 2022/23 the College had one incident reported under the Raising Concerns Policy. The investigation in to the incident remains ongoing.

## **Education and Training Inspectorate (ETI) / Other Curriculum Feedback**

In 2021/22, two Quality Monitoring and Evaluation Returns (QMER) were submitted to the Department of the Economy on the Level 2 Traineeship and Skills of Life and Work programmes, alongside the Department undertaking an evaluation of Higher Level Apprenticeship provision (April 2022-July 2022). The feedback on this evaluation was received in 2022/23 and was rated very positive. Specific feedback on the QMERs stated that there is 'sufficient evidence to demonstrate that the College is using its self-evaluation capacity effectively to bring about ongoing improvement in, and consolidation of, the Traineeship provision'.

In December 2022, the College submitted the Quality Improvement Planning Document 2022-24 to the Department for the Economy. The ETI carried out a scrutiny of the planning document, resulting from the self-evaluation and quality improvement planning processes in SERC. On the basis of the information provided by the College, the ETI advised that there is sufficient evidence of the College planning effectively for learning and quality improvement.

## Internal Audit

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. The internal audit plan was endorsed and approved by the Audit & Risk Committee and the Governing Body.

The internal audit service reports to the Accounting Officer and to the Audit & Risk Committee on a regular basis and has direct access to the Governing Body and to the Chairperson of the Audit & Risk Committee.

Internal audit opinions are graded as follows, in line with DAO (DoF) 07/16 Internal Audit Opinions and Prioritisation of Recommendations:

Assurance Rating	Definition
Satisfactory	Overall, there is a satisfactory system of governance, risk management and control. While there may be some residual risk identified, this should not significantly impact on the achievement of system objectives.
Limited	There are significant weaknesses within the governance, risk management and control framework, which, if not addressed, could lead to the system objectives not being achieved.
Unacceptable	The system of governance, risk management and control has failed or there is a real and substantial risk that the system will fail to meet its objectives.

Recommendations are prioritised to reflect organisational priorities in order to enable management to more easily identify significant issues at an organisational level. The priority levels are defined as:

Priority	Definition
1 (High)	Failure to implement the recommendation is likely to result in a major failure of a key organisational objective, significant damage to the reputation of the organisation or the misuse of public funds.
2 (Medium)	Failure to implement the recommendation could result in the failure of an important organisational objective or could have some impact on a key organisational objective.
3 (Low)	Failure to implement the recommendation could lead to an increased risk exposure.

The Head of Internal Audit issues an Assurance Statement to the Accounting Officer which provides an independent and objective opinion on the overall adequacy and effectiveness of the College's risk management, control, and governance processes. The Assurance Statement, provided by the Head of Internal Audit, is a key element of the framework of assurance that the Accounting Officer needs to inform this Governance Statement.

On the basis of the audit work performed during the 2022/23 financial year, the Head of Internal Audit has provided an overall assurance of Satisfactory.

A summary of the ratings from the assurance reviews completed during 2022/23 is provided below:

<b>Area reviewed</b>	<b>Assurance Rating</b>	<b>Recommendations</b>
Data Protection Policies and Procedures – GDPR Review	Satisfactory	Low: One
Estates Management – Repairs and Maintenance	Satisfactory	Low: Two Medium: One
Framework for Compliance with Legal and Regulatory Requirements: Fraud, Whistleblowing and Bribery	Satisfactory	Low: Four
Marketing, Careers and Employability	Satisfactory	Low: Three
Payroll	Satisfactory	Low: One

There were no Priority 1 issues reported in the 2022/23 Internal Audit Reviews. The reviews provided a total of fifteen recommendations. Ten recommendations were brought forward from 2021/22. Of the twenty-five recommendations, twenty-three have been fully implemented, with two in progress, but not yet due.

Internal audit completed one non-assurance review in 2022/23. The review, also conducted across the FE sector, focussed on the internal controls on the use of funding from the Department for the Economy for 'Lost Learning' related to COVID-19. There were no findings identified, with five areas of good practice identified.

Internal Audit arrangements were compliant with Public Sector Internal Audit Standards.

### **Pay Remits**

The College is required to comply each year with Department of Finance (DoF) guidance on the approval of pay remits. The College withholds progression increments until DoF approval is received.

### **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. In 2022/23 the College continued its development of Policies and Standard Operating Procedures surrounding information assurance and records management in relation to the Data Protection Act 2018 and the principles set out in the UK General Data Protection Regulation (GDPR). The Policies and Procedures were supplemented by updated online training for all staff.

The College had no reportable data breaches in 2022/23.

## Office for National Statistics (ONS) Reclassification of Further Education Colleges

South Eastern Regional College is a Non-Departmental Public Body (NDPB), as classified by the Office of National Statistics on 26 August 2010.

The College complies with all governance, financial, and accounting requirements of a Non-Departmental Public Body.



Mr Ken Webb  
Accounting Officer  
28 November 2023

## **SOUTH EASTERN REGIONAL COLLEGE**

### **THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE NORTHERN IRELAND ASSEMBLY**

#### **Opinion on financial statements**

I certify that I have audited the financial statements of the South Eastern Regional College for the year ended 31 July 2023 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, the Statement Changes in Reserves, the Statement of Financial Position, the Statement of Cash Flows and the related notes including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom accounting standards including FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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 South Eastern Regional College's affairs as at 31 July 2023 and of its deficit the year then ended;
- 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 opinions**

I conducted my audit in accordance with International Standards on Auditing (ISAs) (UK), applicable law and Practice Note 10 'Audit of Financial Statements and Regularity of Public Sector Bodies 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 South Eastern Regional College in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK, including the Financial Reporting Council's Ethical Standard, and 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.



## **SOUTH EASTERN REGIONAL COLLEGE**

### **THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE NORTHERN IRELAND ASSEMBLY (Cont'd)**

#### **Conclusions relating to going concern**

In auditing the financial statements, I have concluded that South Eastern Regional College's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

My responsibilities and the responsibilities of the Accounting Officer and Governing Body with respect to going concern are described in the relevant sections of this report.

#### **Other Information**

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

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 I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

#### **Opinion on other matters**

In the light of the knowledge and understanding of the South Eastern Regional College and its environment obtained in the course of the audit, I have not identified material misstatements in the Strategic Report, Remuneration Report, Staff Report, Statement of the Responsibilities of the Accounting Officer and the Governing Body, and Statement of Corporate Governance and Internal Control.

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, Staff 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.

## **SOUTH EASTERN REGIONAL COLLEGE**

### **THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE NORTHERN IRELAND ASSEMBLY (Cont'd)**

#### **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.

#### **Responsibilities of the Accounting Officer and the Governing Body**

As explained more fully in the Statement of Responsibilities of the Accounting Officer and the Governing Body, the Accounting Officer and Governing Body are responsible for

- the preparation of the financial statements in accordance with the applicable financial reporting framework and for being satisfied that they give a true and fair view;
- ensuring the annual report, which includes the Remunerations and Staff Report, is prepared in accordance with the applicable financial reporting framework;
- such internal controls as the Accounting Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error;
- assessing the South Eastern Regional College's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Accounting Officer anticipates that the services provided by South Eastern Regional College will not continue to be provided in the future.

### **THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE NORTHERN IRELAND ASSEMBLY (Cont'd)**

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

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

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulation, including fraud.

My procedures included:

- obtaining an understanding of the legal and regulatory framework applicable to the South Eastern Regional College through discussion with management and application of extensive public sector accountability knowledge. The key laws and regulations I considered included 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;
- making enquires of management and those charged with governance on South Eastern Regional College's compliance with laws and regulations;
- making enquiries of internal audit, management and those charged with governance as to susceptibility to irregularity and fraud, their assessment of the risk of material misstatement due to fraud and irregularity, and their knowledge of actual, suspected and alleged fraud and irregularity;
- completing risk assessment procedures to assess the susceptibility of South Eastern Regional College's financial statements to material misstatement, including how fraud might occur. This included, but was not limited to, an engagement director led engagement team discussion on fraud to identify particular areas, transaction streams and business practices that may be susceptible to material misstatement due to fraud. As part of this discussion, I identified potential for fraud in the following areas: revenue recognition and posting of unusual journals;
- engagement director oversight to ensure the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with the applicable legal and regulatory framework throughout the audit;

**THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE NORTHERN IRELAND ASSEMBLY (Cont'd)**

**Auditor's responsibilities for the audit of the financial statements (cont'd)**

- documenting and evaluating the design and implementation of internal controls in place to mitigate risk of material misstatement due to fraud and non-compliance with laws and regulations;
- designing audit procedures to address specific laws and regulations which the engagement team considered to have a direct material effect on the financial statements in terms of misstatement and irregularity, including fraud. These audit procedures included, but were not limited to, reading board and committee minutes, and agreeing financial statement disclosures to underlying supporting documentation and approvals as appropriate;
- addressing the risk of fraud as a result of management override of controls by:
  - performing analytical procedures to identify unusual or unexpected relationships or movements;
  - testing journal entries to identify potential anomalies, and inappropriate or unauthorised adjustments;
  - assessing whether judgements and other assumptions made in determining accounting estimates were indicative of potential bias; and
  - investigating significant or unusual transactions made outside of the normal course of business; and
- applying tailored risk factors to datasets of financial transactions and related records to identify potential anomalies and irregularities for detailed audit testing.

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](http://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.

**Report**

I have no observations to make on these financial statements.



Dorinnia Carville  
Comptroller and Auditor General  
Northern Ireland Audit Office  
106 University Street  
BELFAST  
BT7 1EU

30 November 2023

**SOUTH EASTERN REGIONAL COLLEGE**  
**STATEMENT OF COMPREHENSIVE INCOME AND EXPENDITURE**  
**FOR THE YEAR ENDED 31 JULY 2023**

		<b>2023</b>	2022
	Note	<b>£'000</b>	£'000
<b>INCOME</b>			
Department for the Economy income	1	<b>51,643</b>	50,436
Education contracts	2	<b>5,312</b>	6,351
Tuition fees and charges	3	<b>1,774</b>	1,797
Other grant income	4	<b>860</b>	1,006
Other operating income	5	<b>1,455</b>	1,110
Investment income	6	<b>197</b>	-
Donations and endowments	7	<b>1</b>	-
<b>Total Income</b>		<b>61,242</b>	60,700
<b>EXPENDITURE</b>			
Staff costs	8	<b>40,099</b>	40,305
Other operating expenses	10	<b>18,565</b>	18,922
Depreciation	13	<b>5,668</b>	5,393
Amortisation	14	<b>78</b>	78
Profit on disposal of non-current assets		-	-
Interest and other finance costs	11	<b>386</b>	554
<b>Total expenditure before exceptional items</b>		<b>64,796</b>	65,252
<b>Deficit before exceptional items</b>		<b>(3,554)</b>	(4,552)
<b>EXCEPTIONAL ITEMS</b>			
Exceptional costs (staff)	8	<b>5</b>	12
Exceptional costs (non-staff)	10	<b>10</b>	38
<b>Deficit before other gains/losses</b>		<b>(3,569)</b>	(4,602)
(Loss) / gain on investment		-	-
<b>Deficit before tax</b>		<b>(3,569)</b>	(4,602)
Taxation	12	-	-
<b>Deficit for the year</b>		<b>(3,569)</b>	(4,602)
Unrealised surplus on revaluation of land and buildings	13	<b>14,211</b>	12,611
Cumulative increase in market value of investments	20	-	-
Actuarial gain/(loss) in respect of pension scheme	22	<b>17,317</b>	25,060
<b>Total comprehensive surplus/(deficit) for the year</b>		<b>27,959</b>	33,069
<b>Represented by:</b>			
Endowment comprehensive income for the year		-	-
Restricted comprehensive income for the year		-	-
Unrestricted comprehensive income/(expenditure) for the year		<b>27,959</b>	33,069
		<b>27,959</b>	33,069

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.***

**SOUTH EASTERN REGIONAL COLLEGE  
STATEMENT OF CHANGES IN RESERVES  
FOR THE YEAR ENDED 31 JULY 2023**

	Income and Expenditure Account						Total Reserves £'000
	Endowment Permanent Restricted £'000	Endowment Temporary Restricted £'000	Restricted Reserve £'000	Pension Reserve £'000	Unrestricted Reserve £'000	Revaluation Reserve £'000	
<b>Balance at 1 August 2021</b>	<b>4</b>	<b>2</b>	-	<b>(30,569)</b>	<b>5,155</b>	<b>82,027</b>	<b>56,619</b>
(Deficit) from income and expenditure statement	-	-	-	(4,748)	146	-	<b>(4,602)</b>
Other comprehensive income	-	-	-	25,060	-	12,611	<b>37,671</b>
Transfers between revaluation reserve and income and expenditure account	-	-	-	-	2,259	(2,259)	-
Cumulative increase in market value of investments (rounding)	-	-	-	-	2	-	<b>2</b>
<b>Balance at 31 July 2022 and 1 August 2022</b>	<b>4</b>	<b>2</b>	-	<b>(10,257)</b>	<b>7,562</b>	<b>92,379</b>	<b>89,690</b>
(Deficit)/Income from income and expenditure statement	-	-	-	(1,618)	(1,951)	-	(3,569)
Other comprehensive income	-	-	-	17,317	-	14,211	31,528
Transfers between revaluation reserve and income and expenditure account	-	-	-	-	2,599	(2,599)	-
Cumulative rounding adjustment in income & expenditure	-	-	-	-	-	-	-
<b>Total comprehensive (deficit)/income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15,699</b>	<b>648</b>	<b>11,612</b>	<b>27,959</b>
<b>Balance as at 31 July 2023</b>	<b>4</b>	<b>2</b>	-	<b>5,442</b>	<b>8,210</b>	<b>103,991</b>	<b>117,649</b>

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

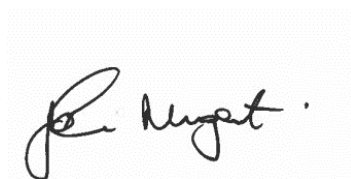
**SOUTH EASTERN REGIONAL COLLEGE  
STATEMENT OF FINANCIAL POSITION  
AS AT 31 JULY 2023**

		<b>2023</b>	2022
	Note	<b>£'000</b>	£'000
<b>Non-Current Assets</b>			
Property, Plant & Equipment	13	<b>176,800</b>	166,003
Intangible assets	14	<b>252</b>	330
Investments	16	<b>3</b>	3
Pension asset	22	<b>5,442</b>	-
		<u><b>182,497</b></u>	<u>166,336</u>
<b>Total non-current assets</b>			
<b>Current assets</b>			
Trade and other receivables	17	<b>6,964</b>	5,536
Cash and cash equivalents	21	<b>3,839</b>	3,504
		<u><b>10,803</b></u>	<u>9,040</u>
<b>Total current assets</b>			
<b>Current liabilities</b>			
Creditors - amounts falling due within one year	18	<b>(7,603)</b>	(5,849)
PPP finance lease creditor - amounts falling due within one year	15	<b>(1,542)</b>	(1,464)
Provisions	24	<b>(622)</b>	(618)
		<u><b>1,036</b></u>	<u>1,109</u>
<b>Net current assets/(liabilities)</b>			
<b>Total assets less current liabilities</b>		<b>183,533</b>	167,445
<b>Non-current liabilities</b>			
Creditors – amounts falling due after more than one year	19	<b>(39,472)</b>	(39,544)
PPP finance leases – amounts falling due after more than one year	15	<b>(26,412)</b>	(27,954)
Pension liability	22	-	(10,257)
		<u><b>117,649</b></u>	<u>89,690</u>
<b>Net assets including pension liability</b>			

**SOUTH EASTERN REGIONAL COLLEGE**  
**STATEMENT OF FINANCIAL POSITION (continued)**  
**AS AT 31 JULY 2023**

		<b>2023</b>	2022
	Note	<b>£'000</b>	£'000
<b>Restricted Reserves</b>			
Income and expenditure account - endowment	20	<b>6</b>	6
<b>Unrestricted Reserves</b>			
Income and expenditure account – unrestricted reserve		<b>8,210</b>	7,562
Income and expenditure account – pension reserve	22	<b>5,442</b>	(10,257)
<b>Revaluation reserve</b>		<b>103,991</b>	92,379
<b>Total reserves</b>		<b><u>117,649</u></b>	<u>89,690</u>

The financial statements on pages 78 to 116 were approved by the Governing Body of South Eastern Regional College on 28 November 2023:



**Mr John Nugent**  
**Chair of Governing Body**  
**South Eastern Regional College**



**Mr Ken Webb**  
**Accounting Officer**  
**South Eastern Regional College**

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



**SOUTH EASTERN REGIONAL COLLEGE**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 JULY 2023**

	Note	2023 £'000	2022 £'000
<b>Cash outflow from operating activities</b>			
Deficit for the year		(3,569)	(4,602)
<b>Adjustment for non-cash items</b>			
Depreciation	13	5,668	5,393
Amortisation	14	78	78
Deferred capital grants released to income	1	(2,351)	(2,387)
Interest and investment income receivable	6/7	(197)	-
NILGOSC FRS 102 (28) Pension Adjustment	22	1,618	4,748
(Increase) in trade and other receivables	17	(1,428)	(2,208)
Increase in creditors	18/19	4,033	1,874
Increase in provision	24	4	6
Adjustment for investing or financing activities (Service Concession Interest)	10	1,661	1,739
Adjustment for cumulative rounding in income and expenditure		(1)	2
<b>Net cash inflow from operating activities</b>		<b>5,516</b>	<b>4,643</b>
<b>Cash flows from investing activities</b>			
Proceeds on bank investment interest		197	-
Payments made to acquire fixed assets (including intangible)	13/14	(2,253)	(2,386)
<b>Cash (outflow) from investing activities</b>		<b>(2,056)</b>	<b>(2,386)</b>
<b>Cash flows from financing activities</b>			
Interest element of finance lease and service concession payments	10	(1,661)	(1,739)
Capital payment of service concession payments	15	(1,464)	(1,391)
<b>Cash (outflow) from financing activities</b>		<b>(3,125)</b>	<b>(3,130)</b>
<b>Increase/(Decrease) in cash and cash equivalents in the years</b>		<b>335</b>	<b>(873)</b>
Cash and cash equivalents at beginning of the year		3,504	4,377
<b>Cash and cash equivalents at end of the year</b>		<b>3,839</b>	<b>3,504</b>

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.*

## **SOUTH EASTERN REGIONAL COLLEGE STATEMENT OF PRINCIPAL ACCOUNTING POLICIES & ESTIMATION TECHNIQUES FOR THE YEAR ENDED 31 JULY 2023**

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### **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 Standard (FRS 102). The College is a public benefit entity and has therefore applied the relevant public benefit entity requirements of 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.

#### **Critical accounting judgements and estimates**

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the College's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are:

##### **Pension asset**

The critical judgements of the pension schemes are included in the accounting policy note (page 85) and Note 22 (pages 101-107).

The key actuarial assumptions used in the valuation of the NILGOSC pension scheme, including discount rates, salary and pension increases, and mortality rates are reported in note 22.

##### **Property, Plant and Equipment**

Land and buildings (including those inherited from the Education and Library Board) are stated in the statement of financial position at valuation on the basis of depreciated replacement cost, including irrecoverable VAT, as the open market value for existing use is not readily obtainable.

Freehold buildings are depreciated over their expected useful economic life to the College as advised by the Land & Property Services (LPS).

All other depreciation is calculated based on assumptions of asset useful economic lives and expected residual value.

A change in depreciable life is treated as a change in accounting estimate.

## **SOUTH EASTERN REGIONAL COLLEGE**

### **STATEMENT OF PRINCIPAL ACCOUNTING POLICIES & ESTIMATION TECHNIQUES (CONTINUED) FOR THE YEAR ENDED 31 JULY 2023**

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#### **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.

#### **Government Grants (Accruals Model)**

The recurrent grant and other revenue grants received from Department for the Economy 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) (Accruals Model)**

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 on income when the College is entitled to the funds subject to any performance related conditions being met.

#### **Capital Grants (Land Grants)**

Capital government grants for land are accounted for in accordance with the performance model.

**SOUTH EASTERN REGIONAL COLLEGE**  
**STATEMENT OF PRINCIPAL ACCOUNTING POLICIES & ESTIMATION TECHNIQUES (CONTINUED)**  
**FOR THE YEAR ENDED 31 JULY 2023**

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**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 the point the income is released to general reserves through a reserve transfer.

Donations within 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 statement of financial position 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.

**SOUTH EASTERN REGIONAL COLLEGE**  
**STATEMENT OF PRINCIPAL ACCOUNTING POLICIES & ESTIMATION TECHNIQUES (CONTINUED)**  
**FOR THE YEAR ENDED 31 JULY 2023**

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**Property, Plant & Equipment**

▪ **Land and buildings**

Land and buildings (including those inherited from the Education and Library Board) are stated in the statement of financial position at valuation on the basis of depreciated replacement cost, including irrecoverable 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 statement of financial position at cost. Freehold land is not depreciated. Freehold buildings are depreciated over their expected useful economic life to the College as advised by the LPS. The depreciation charge on buildings is based on the opening value as valued by 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 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. All other assets are capitalised at cost.

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

<b>Fixed Asset</b>	<b>Depreciation</b>
Computers	33 $\frac{1}{3}$ % per annum on a straight line basis
Fixtures and fittings	15% per annum on a straight line basis
Motor vehicles	25% per annum on a straight line basis
Plant and equipment	20% per annum on a straight line basis

▪ **Jointly Controlled Assets (Northern Ireland FE Sector)**

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.

**Trade and other receivables**

Trade and other receivables are measured at amortised cost, measured at the undiscounted amount of the cash expected to be received, less any bad or doubtful debt impairment. An allowance for impairment of trade and other receivables is established if the collection of a receivable becomes doubtful.

Such receivable becomes doubtful if there is objective evidence that the College will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor and delinquency in payments are considered indicators that the receivable is impaired. An impairment loss is recognised in the Statement of Comprehensive Income and Expenditure, as are subsequent recoveries of previous impairments.

**SOUTH EASTERN REGIONAL COLLEGE**  
**STATEMENT OF PRINCIPAL ACCOUNTING POLICIES & ESTIMATION TECHNIQUES (CONTINUED)**  
**FOR THE YEAR ENDED 31 JULY 2023**

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**Public Private Partnerships**

Where it is concluded that the College has an asset of the property and therefore a liability to pay for it, these are recorded on the statement of financial position. The initial amount recorded for each is the fair value of the property or if lower the present value of the minimum lease payments determined at the inception of the lease. Subsequently, the asset is depreciated over its useful economic life.

Payments are allocated between service costs, finance charges and financial liability repayments to reduce the financial liability to nil over the life of the arrangement.

The College recognises the property when it comes into use, unless it bears significant construction risk, in this case the property is recognised as it is constructed.

**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 all the benefits and risks of 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, are capitalised at cost in the accounts. Software integral to an item of hardware is dealt with as Property, Plant & Equipment.

Amortisation is charged on a systematic basis over the useful economic life of the intangible asset. The useful economic life is limited to the period of any contractual or legal rights (including any renewal periods where the cost of renewal is not significant). Where the intangible asset has perpetual rights, the asset is amortised over the estimated useful economic life. The following amortisation rates are used in the year ended 31 July 2023:

<b>Intangible Asset</b>	<b>Amortisation</b>
Sector Learner Management System	Contractual License Period – 66 months from May 2021
Software	36 months

**Investments**

Fixed asset investments are measured at their fair value with changes in fair value recognised in the statement of income and expenditure.

**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.

**SOUTH EASTERN REGIONAL COLLEGE**  
**STATEMENT OF PRINCIPAL ACCOUNTING POLICIES & ESTIMATION TECHNIQUES (CONTINUED)**  
**FOR THE YEAR ENDED 31 JULY 2023**

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### **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 & Equipment as appropriate, where the inputs themselves are Property, Plant & Equipment by nature.

### **Cash and cash equivalents**

Cash includes cash in hand and deposits repayable on demand. Deposits are repayable on demand if they are in practice available within 24 hours without penalty.

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

### **Trade and other payables**

Trade and other payables are measured at amortised cost, being the undiscounted amount of the cash expected to be paid.

### **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.

### **Financial Instruments**

Financial assets and financial liabilities are recognised when the College becomes a party to the contractual provisions of the instruments. Financial liabilities are classified according to the substance of the contractual arrangements being entered into. The College's financial assets and liabilities all meet the criteria for basic financial instruments, prescribed within FRS 102 Section 11.8.

### **Agency Arrangements**

The College acts as an agent in the collection and payment of Hardship Funds and the Care to Learn Scheme.

Hardship Fund payments and Care to Learn received from DfE and subsequent disbursements to students and child minding facilities are excluded from the Income and Expenditure account and are shown separately in Note 28.

**SOUTH EASTERN REGIONAL COLLEGE  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2023**

**1. DEPARTMENT FOR THE ECONOMY INCOME**

	<b>2023</b>	2022
	<b>£'000</b>	£'000
<b>Grant in Aid Received from DfE</b>		
Recurrent grant	<b>46,718</b>	45,744
Release of deferred capital grants	<b>2,351</b>	<u>2,387</u>
<b>Grant in Aid Received from DfE</b>	<b>49,069</b>	48,131
<b>Non-Grant in Aid Received from DfE</b>		
Educational Maintenance Allowance Administration	<b>14</b>	15
Higher Level Apprenticeships	<b>637</b>	688
Skills Intervention Programme / Flexible Skills Fund	<b>1,174</b>	741
Skills Initiative	<b>91</b>	-
Assured Skills	<b>250</b>	680
SME Productivity Booster	<b>19</b>	-
CRM Maintenance & Support	<b>74</b>	74
Challenge Fund	<b>(20)</b>	-
Skills Competitions	<b>59</b>	39
Further Education Ukrainian Scheme	<b>134</b>	-
Further Education Asylum Seekers Dispersal Funding	<b>9</b>	-
Project Based Learning Sector Training	<b>125</b>	-
The Vulnerable Persons Resettlement Scheme (VPRS)	<b>-</b>	59
Other	<b>8</b>	<u>9</u>
<b>Non-Grant in Aid Received from DfE</b>	<b>2,574</b>	2,305
<b>Total DfE Income</b>	<b><u>51,643</u></b>	<u>50,436</u>

**2. EDUCATION CONTRACTS**

	<b>2023</b>	2022
	<b>£'000</b>	£'000
Entitlement Framework	<b>729</b>	765
Training for Success, Apprenticeship NI, Skills for Life & Work	<b>4,583</b>	<u>5,586</u>
	<b><u>5,312</u></b>	<u>6,351</u>



**SOUTH EASTERN REGIONAL COLLEGE  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 JULY 2023**

**3. TUITION FEES AND CHARGES**

	<b>2023</b>	2022
	<b>£'000</b>	£'000
Higher Education (HE) income	<b>1,255</b>	1,331
Home and other European Union	<b>479</b>	438
Non-European Union	<b>40</b>	28
	<b><u>1,774</u></b>	<u>1,797</u>

**Tuition fees funded by bursaries**

Included within the above amounts are tuition fees attracting bursaries of £54k (2022: £24k)

**4. OTHER GRANT INCOME**

	<b>2023</b>	2022
	<b>£'000</b>	£'000
European funds	<b>158</b>	523
Other funds	<b>702</b>	483
	<b><u>860</u></b>	<u>1,006</u>

**5. OTHER OPERATING INCOME**

	<b>2023</b>	2022
	<b>£'000</b>	£'000
Catering and residence operations	<b>431</b>	332
Other income generating activities	<b>1,000</b>	732
Other income	<b>24</b>	46
	<b><u>1,455</u></b>	<u>1,110</u>

**6. INVESTMENT INCOME**

	<b>2023</b>	2022
	<b>£'000</b>	£'000
Bank interest receivable	<b>197</b>	-

**7. DONATIONS AND ENDOWMENTS**

	<b>2023</b>	2022
	<b>£'000</b>	£'000
Donations	<b>1</b>	-

**SOUTH EASTERN REGIONAL COLLEGE**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 JULY 2023**

**8. STAFF COSTS**

The average number of persons (including senior post-holders) employed by the College (or in the case of Governors those appointed to the College) during the year, expressed as full-time equivalents (except Governing body where it is expressed as number of persons who served during the year) was:

	<b>2023</b>	2022
	<b>Number</b>	Number
Governing Body (excl. Staff Governors & Principal)	<u>17</u>	<u>15</u>
Teaching	<b>380</b>	382
Support	<b>201</b>	190
Administration	<b>182</b>	174
Premises	<u>13</u>	<u>13</u>
<b>Total</b>	<u><b>776</b></u>	<u>759</u>

	<b>2023</b>	2022
	<b>£'000</b>	£'000
<b>Staff costs for the above persons</b>		
Governing Body	<b>72</b>	69
Teaching	<b>21,220</b>	19,787
Support	<b>8,355</b>	7,692
Administration	<b>8,644</b>	8,044
Premises	<b>576</b>	519
Pension Cost	<u><b>1,232</b></u>	<u>4,194</u>
	<b>40,099</b>	40,305
Exceptional staff costs - Redundancy	<b>11</b>	6
Exceptional staff costs – Holiday Pay provision (note 24)	<u><b>(6)</b></u>	<u>6</u>
<b>Total</b>	<u><b>40,104</b></u>	<u>40,317</u>

Wages and salaries	<b>29,779</b>	27,209
Social Security costs	<b>2,827</b>	2,783
Apprenticeship Levy	<b>126</b>	122
Pension costs	<b>7,367</b>	10,191
(including Pension adjustments of £1,232k (2021/22: £4,194k))		
	<u><b>40,099</b></u>	<u>40,305</u>
Exceptional staff costs - Redundancy	<b>11</b>	6
Exceptional staff costs – Holiday Pay provision (note 24)	<u><b>(6)</b></u>	<u>6</u>
<b>Total</b>	<u><b>40,104</b></u>	<u>40,317</u>

**SOUTH EASTERN REGIONAL COLLEGE**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 JULY 2023**

The number of senior post-holders and other staff who received emoluments, including pension contributions and benefits in kind but excluding redundancy payments, in the following ranges was:

	<b>Senior Post Holders</b>		<b>Other Staff</b>	
	<b>2023</b>	2022	<b>2023</b>	2022*
	<b>Number</b>	Number	<b>Number</b>	Number
£60,001 to £70,000	-	-	<b>33</b>	45
£70,001 to £80,000	-	-	<b>14</b>	14
£80,001 to £90,000	-	-	<b>6</b>	9
£90,001 to £100,000	-	-	<b>2</b>	1
£100,001 to £110,000	<b>1</b>	1	<b>3</b>	4
£110,001 to £120,000	-	-	-	-
£120,001 to £130,000	<b>1</b>	1	-	-
£130,001 to £140,000	-	-	-	-
£140,001 to £150,000	<b>1</b>	1	-	-
£150,001 to £160,000	-	-	-	-
	<b>3</b>	3	<b>58</b>	73

\* The payment of arrears in 2021/22, for staff employed under lecturing contracts, for period September 2019 and September 2020 has increased the staff number requiring disclosure.

**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 the Principal/Director/Chief Executive and Directors:

	<b>2023</b>	2022
	<b>Number</b>	Number
The number of senior post-holders including the Chief Executive/Principal was:	<b>3</b>	3
Governors (excl. Staff Governors & Principal)	<b>17</b>	15

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

	<b>2023</b>	2022
	<b>£'000</b>	£'000
Governing Body Remuneration	<b>72</b>	69
Salaries	<b>300</b>	303
Benefits in kind	-	-
Pension contributions	<b>75</b>	76
<b>Total emoluments</b>	<b>447</b>	448

**SOUTH EASTERN REGIONAL COLLEGE  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 JULY 2023**

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

	<b>2023</b>	2022
	<b>£'000</b>	£'000
Salaries	<b>117</b>	118
Benefits in kind	<u>-</u>	<u>-</u>
	<b>117</b>	118
Pension contributions	<u>29</u>	<u>30</u>
<b>Total</b>	<b><u>146</u></b>	<b><u>148</u></b>

The pension contributions in respect of the Chief Executive/Principal and senior post-holders are in respect of employer's contributions to the Teachers' Pension Scheme and are paid at the same rate as for other employees.

Emoluments in 2021/22 included backpay arrears.

**SOUTH EASTERN REGIONAL COLLEGE  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 JULY 2023**

**10. OTHER OPERATING EXPENSES**

	<b>2023</b>	2022
	<b>£'000</b>	£'000
Direct teaching	<b>899</b>	935
Direct support	<b>3,766</b>	3,451
Administration	<b>1,845</b>	1,622
Consultancy Fees	-	-
Premises	<b>3,843</b>	4,971
COVID-19 Related Expenditure	<b>1</b>	276
Staying Connected – Digital Hardship Payments	-	(113)
Unitary payments – PPP operating cost	<b>6,550</b>	6,041
Unitary payments – PPP finance lease interest	<b>1,661</b>	1,739
	<b>18,565</b>	18,922
Exceptional costs (2023: Note 24 / 2022: Note 26)	<b>10</b>	38
<b>Total</b>	<b>18,575</b>	18,960

**Other operating expenses include:**

	<b>2023</b>	2022
	<b>£'000</b>	£'000
Auditors' remuneration:		
Financial statements audit	<b>34</b>	27
Internal audit	<b>21</b>	21
Other services provided by the financial statement auditors - NFI	<b>1</b>	-
Other services provided by the internal auditors	<b>1</b>	1
Hire of other assets – operating leases	<b>61</b>	63
Hire of other assets – premises	<b>56</b>	56

**11. INTEREST AND OTHER FINANCE COSTS**

	<b>2023</b>	2022
	<b>£'000</b>	£'000
Net charge on pension scheme	<b>386</b>	554

**12. TAXATION**

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

**SOUTH EASTERN REGIONAL COLLEGE  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 JULY 2023**

**13. PROPERTY, PLANT & EQUIPMENT**

	Freehold land £'000	Buildings £'000	PPP Buildings £'000	Plant and equipment £'000	Computers £'000	Fixtures and fittings £'000	Motor vehicles £'000	Total £'000
<b>Cost or valuation</b>								
At 1 August 2022	7,975	53,824	100,317	6,714	1,806	4,118	354	<b>175,108</b>
Additions	-	986	22	634	166	445	-	<b>2,253</b>
Disposals	-	-	-	-	-	-	-	-
Revaluation	-	5,049	9,447	-	-	-	-	<b>14,496</b>
Eliminate Depreciation on Revaluation	-	-	-	-	-	-	-	-
<b>At 31 July 2023</b>	<b>7,975</b>	<b>59,859</b>	<b>109,786</b>	<b>7,348</b>	<b>1,972</b>	<b>4,563</b>	<b>354</b>	<b>191,857</b>
<b>Accumulated Depreciation</b>								
At 1 August 2022	-	-	-	4,527	1,477	2,771	330	<b>9,105</b>
Charge for the year	-	1,853	2,534	617	236	414	14	<b>5,668</b>
Disposals	-	-	-	-	-	-	-	-
Revaluation	-	120	164	-	-	-	-	<b>284</b>
Eliminate Depreciation on Revaluation	-	-	-	-	-	-	-	-
<b>At 31 July 2023</b>	<b>-</b>	<b>1,973</b>	<b>2,698</b>	<b>5,144</b>	<b>1,713</b>	<b>3,185</b>	<b>344</b>	<b>15,057</b>
<b>Net book value at 31 July 2023</b>	<b>7,975</b>	<b>57,886</b>	<b>107,088</b>	<b>2,204</b>	<b>259</b>	<b>1,378</b>	<b>10</b>	<b>176,800</b>
Net book value at 31 July 2022	7,975	53,824	100,317	2,187	329	1,347	24	<b>166,003</b>

**SOUTH EASTERN REGIONAL COLLEGE**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 JULY 2023**

**Surplus on Revaluation**

Land and buildings were last subject to a full revaluation at 31 July 2022 on a depreciated replacement cost basis. The valuations were performed independently by the Land and Property Services (LPS). The valuations were undertaken having regard to UK GAAP, and more specifically the Statement of Recommended Practice: accounting for further and higher education (SORP) 2019 (effective from 1st January 2019) for the Higher and Further Education sectors and Financial Reporting Standard (FRS) 102 issued by the Financial Reporting Council (FRC). The valuations were also carried out in accordance with HM Treasury guidance, International Valuation Standards, and the requirements of the Royal Institution of Chartered Surveyors (RICS) Professional Standards.

Subsequently, that revaluation has been updated using indices supplied by LPS at 31 March 2023 and 31 July 2023 to provide valuations at 31 July 2023. Indices are applied to assets previously valued by LPS at 31 July 2022.

The revaluations have been incorporated into the financial statements and the resulting revaluation adjustments have been taken to the revaluation reserve.

**Jointly Controlled Asset**

The net book value of computers includes fully depreciated computer hardware that is a jointly owned and controlled asset amongst the six college of the Northern Ireland Further Education Sector. The hardware is used to support the sector's Management Information Systems and Information Technology services and is operated centrally on behalf of the sector.

**Land and Buildings Value**

If land and buildings (including those that were inherited/transferred) had not been revalued, they would have been included at the following amounts:

	<b>2023</b>	2022
<b>Land</b>	<b>£'000</b>	£'000
Cost / Deemed cost on transition	<b>41,775</b>	41,775
Accumulated depreciation based on cost / deemed cost	-	-
<b>Net book value based on cost / deemed cost</b>	<b>41,775</b>	41,775
	<b>2023</b>	2022
<b>Buildings</b>	<b>£'000</b>	£'000
Cost / Deemed cost on transition	<b>44,602</b>	43,616
Accumulated depreciation based on cost / deemed cost	<b>(10,506)</b>	(9,610)
<b>Net book value based on cost / deemed cost</b>	<b>34,096</b>	34,006
	<b>2023</b>	2022
<b>PPP Buildings</b>	<b>£'000</b>	£'000
Cost / Deemed cost on transition	<b>64,932</b>	64,910
Accumulated depreciation based on cost / deemed cost	<b>(15,924)</b>	(14,668)
<b>Net book value based on cost / deemed cost</b>	<b>49,008</b>	50,242

**SOUTH EASTERN REGIONAL COLLEGE  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 JULY 2023**

**Depreciation Charge**

The depreciation shown in the Income & Expenditure Account is analysed below:

	<b>2023</b>	2022
	<b>£'000</b>	£'000
Charge for the year on owned assets	<b>3,134</b>	2,994
Charge for the year on PPP assets	<b>2,534</b>	2,399
Charge in the Income & Expenditure Account	<b>5,668</b>	5,393

**14. INTANGIBLE ASSETS**

	<b>Learner Management System (NI FE Sector)</b>	<b>Other Software</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Cost or valuation</b>			
At 1 August 2022	424	4	428
Additions	-	-	-
Transfer	-	-	-
Disposals	-	-	-
<b>At 31 July 2023</b>	<b>424</b>	<b>4</b>	<b>428</b>
<b>Amortisation</b>			
At 1 August 2022	97	1	98
Charge for the year	<b>77</b>	<b>1</b>	<b>78</b>
Disposals	-	-	-
<b>At 31 July 2023</b>	<b>174</b>	<b>2</b>	<b>176</b>
<b>Net book value at 31 July 2023</b>	<b>250</b>	<b>2</b>	<b>252</b>
Net book value at 31 July 2022	327	3	330

The net book value of the Learner Management System is a jointly owned and controlled asset amongst the six colleges of the Northern Ireland Further Education Sector. The asset value is SERC's share of the total net book value (one sixth). The intangible asset is funded in full through a capital grant from the Department for the Economy.



**SOUTH EASTERN REGIONAL COLLEGE  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 JULY 2023**

**15. SERVICE CONCESSION ARRANGEMENTS**

The College has two on-statement of financial position arrangements where service delivery has commenced.

The arrangements relate to the design, build and maintenance, for 25 years, of College campuses at the following sites:

- Market Street, Downpatrick
- Castlewellan Road, Newcastle
- Church Road, Ballynahinch
- Castle Street, Lisburn

Capital repayments are made over a 25-year period.

The terms of the arrangement include an index-link on 42% of the Unitary Charge (i.e., the amount payable in relation to the service concession arrangements). The index link applies the change in RPI from the base year (1 May 2006) to RPI as at 31 March each year, to the indexable part of the Unitary charge. This index link can affect the amount of future cashflows. The index link increase is treated as a contingent rent and charged as an expense in the Statement of Comprehensive Income & Expenditure (FRS 102, s20.11).

**Movement in service concession arrangement assets**

The asset value of the service concession included in the statement of financial position as at 31 July 2023 is £107,088k (2022: £100,317k). The increase of £6,771k is the net of additions, depreciation, and revaluation.

**Movement in service concession liabilities**

The total liabilities relating to the service concession included in the statement of financial position as at 31 July 2023 was £27,954k (2022: £29,418k). The sum of £1,464k was repaid during the year.

**Future Commitments**

The following table analyses the College's future commitments in relation to service concession arrangements:

	<b>Payable in 1 year £'000</b>	<b>Payable 2–5 years £'000</b>	<b>Payable 6–10 years £'000</b>	<b>Payable 11–15 years £'000</b>	<b>Total £'000</b>
Liability repayments	1,542	7,036	11,141	8,235	<b>27,954</b>
Finance charge	1,579	5,397	4,282	948	<b>12,206</b>
Service charge (incl est inflationary increases)	7,142	31,053	43,554	28,973	<b>110,722</b>
	<b>10,263</b>	<b>43,486</b>	<b>58,977</b>	<b>38,156</b>	<b>150,882</b>

The service charge includes estimated inflationary increases, estimated at 3% from April 2024. This estimation is subject to change, which will affect the amount of future cashflows.

**SOUTH EASTERN REGIONAL COLLEGE**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 JULY 2023**

**16. INVESTMENTS**

	<b>Other fixed asset investment £'000</b>	<b>Total £'000</b>
At 1 August 2022	3	3
Additions	-	-
Disposals	-	-
Impairment	-	-
<b>At 31 July 2023</b>	<b>3</b>	<b>3</b>

Investments consist of 217 shares held in the Northern Ireland Central Investment Fund for Charities, valued as at 31 July 2023.

**17. TRADE AND OTHER RECEIVABLES**

	<b>2023 £'000</b>	2022 £'000
Amounts falling due within one year:		
Trade receivables	3,400	1,457
Prepayments and accrued income	3,564	4,079
<b>Total receivables</b>	<b>6,964</b>	<b>5,536</b>

**18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2023 £'000</b>	2022 £'000
Payments received in advance	343	257
Trade payables	472	952
Taxation and social security	20	20
Accruals and deferred income	6,634	4,526
Other payables	134	94
<b>Total creditors falling due within one year</b>	<b>7,603</b>	<b>5,849</b>

**Deferred Income**

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

	<b>2023 £'000</b>	2022 £'000
Grant income	2,311	2,336
<b>Total</b>	<b>2,311</b>	<b>2,336</b>

**SOUTH EASTERN REGIONAL COLLEGE**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 JULY 2023**

**19. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	<b>2023</b>	2022
	<b>£'000</b>	£'000
Deferred income	<b>39,472</b>	39,544
<b>Total creditors falling due after more than one year</b>	<b>39,472</b>	39,544

**20. ENDOWMENT RESERVES**

	<b>Restricted permanent</b>	<b>Unrestricted permanent</b>	<b>Expendable endowments</b>	<b>2023 Total</b>	2022 Total
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	£'000
At 1 August 2022					
Capital	6	-	-	<b>6</b>	6
Accumulated Income	-	-	-	-	-
	<b>6</b>	-	-	<b>6</b>	6
New endowments	-	-	-	-	-
Income for year	-	-	-	-	-
Expenditure for year	-	-	-	-	-
Cumulative increase in endowment reserves	-	-	-	-	-
As at 31 July 2023	<b>6</b>	-	-	<b>6</b>	6

**21. CASH AND CASH EQUIVALENTS**

	At 1 August 2022	Cash flows	At 31 July 2023
	£'000	£'000	£'000
Cash and Cash Equivalents	<u>3,504</u>	<u>335</u>	<u><b>3,839</b></u>

**SOUTH EASTERN REGIONAL COLLEGE  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 JULY 2023**

**22. PENSION PROVISIONS**

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**

	<b>2023</b>	2022
	<b>£'000</b>	£'000
NITPS: contributions paid	<b>3,831</b>	3,970
NILGOSC: contributions paid	2,304	2,027
NILGOSC: Pension Charge (FRS 102 (28))	1,618	4,748
NILGOSC: charge to the Statement of Comprehensive Income & Expenditure (Staff Costs / Interest Paid)	<b>3,922</b>	6,775
Enhanced pension charge to the Statement of Comprehensive Income (staff costs)	<b>0</b>	0
<b>Total pension cost for the year</b>	<b>7,753</b>	10,745

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 2022.

**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](http://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 earnings 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 rates payable in the year ended 31 July 2023 were:

<b>Period</b>	<b>Contribution Rate</b>
From 1 April 2019	25.1%

The employer contribution rate changed in line with the 2016 Actuarial Valuation results. Contributions are based on a member's annual salary rate (actual earnings).

**SOUTH EASTERN REGIONAL COLLEGE**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 JULY 2023**

The bands applicable to member contributions for the NITPS from 1 April 2022 are:

<b>Actual annual pensionable earnings</b>	<b>Member Contribution Rate</b>
Up to £29,187.99	7.4%
£29,188 to £39,290.99	8.6%
£39,291 to £46,586.99	9.6%
£46,587 to £61,742.99	10.2%
£61,743 to £84,193.99	11.3%
£84,194 and above	11.7%

The salary bands applicable to member contributions for the NITPS from 1 April 2023 are:

<b>Actual annual pensionable earnings</b>	<b>Member Contribution Rate</b>
Up to £32,135.99	7.4%
£32,136 to £43,259.99	8.6%
£43,260 to £51,292.99	9.6%
£51,293 to £67,979.99	10.2%
£67,980 to £92,697.99	11.3%
£92,698 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 represents the contributions payable to the scheme in respect of the accounting year. 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.

NILGOSC is a funded defined benefit plan with benefits earned up to 31 March 2015 being linked to final salary. Benefits after 31 March 2015 are based on a Career Average Revalued Earnings scheme. Details of the benefits over the period covered by this disclosure are set out in 'The Local Government Pension Scheme Regulations (Northern Ireland) 2014' (as amended) and 'The Local Government Pension Scheme (Amendment and Transitional Provisions) Regulations (Northern Ireland) 2014' (as amended).

The unfunded pension arrangements relate to termination benefits made on a discretionary basis upon early retirement in respect of members of the Local Government Pension Scheme under the 'Local Government (Early Termination of Employment) (Discretionary Compensation) Regulations (Northern Ireland) 2003'.

The funding nature of the scheme requires the College and employees (not opted out) to pay contributions into the Fund, calculated at a level intended to balance the pension liabilities with investment assets. Information on the framework for calculating contributions to be paid is set out in 'The Local Government Pension Scheme Regulations (Northern Ireland) 2014' and the Fund's Funding Strategy Statement.

**SOUTH EASTERN REGIONAL COLLEGE  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
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The last actuarial valuation was at 31 March 2022, with the contribution rate from 1 April 2023 to 31 March 2026 resulting from this valuation (19%). The contribution rate paid (19.5%) until 31 March 2023 resulted from the previous 2019 actuarial valuation of the NILGOSC fund.

The Committee, Northern Ireland Local Government Officers' Superannuation Committee, is responsible for the governance of the Fund.

The following information is based upon a full actuarial valuation of the fund at 31 March 2022.

**Principal actuarial assumptions**

Principal actuarial assumptions at the statement of financial position date are as follows:

	<b>2023</b>	2022
Discount Rate	5.10%	3.55%
Retail Price Index (RPI) Inflation	3.15%	3.10%
Consumer Price Index (CPI) Inflation	2.85%	2.75%
Salary increases	4.35%	4.25%
Pension increases in deferment	2.85%	2.75%
Pension increases in payment	2.85%	2.75%

The mortality assumptions are based on the recent actual mortality experience of members within the Fund and allow for expected future mortality improvements. Sample life expectancies at age 65 resulting from these mortality assumptions are as follows:

	<b>2023</b>	2022
<u>Males</u>		
Member aged 65 at 31 July	<b>21.3</b>	21.8
Active / Deferred male aged 45 at 31 July	<b>21.9 / 22.2</b>	22.8
<u>Females</u>		
Member aged 65 at 31 July	<b>24.1</b>	25.1
Active / Deferred female aged 45 at 31 July	<b>24.9 / 25.2</b>	26.1

The assets allocated to the College in the Fund are notional and are assumed to be invested in line with the investments of the Fund, for the purposes of calculating the return over the accounting period. The Fund holds a significant proportion of its assets in liquid investments. As a consequence, there will be no significant restriction on realising assets if a large payment is required to be paid from the Fund in relation to an employer's liabilities. The assets are invested in a diversified spread of investments.

**SOUTH EASTERN REGIONAL COLLEGE  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 JULY 2023**

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The actuarial assumptions also include:

▪ **Guaranteed Minimum Pension (“GMP”) Indexation**

In order to ensure smooth transition to the single tier State pension and equalisation of GMP benefits between males and females, the Government introduced an interim solution in March 2016 in respect of people who are in public service pension schemes and who have a State Pension Age (“SPA”) between 6 April 2016 and 5 December 2018, whereby full inflationary increases will be provided by the Fund. In January 2018, this interim solution was extended to members who reach SPA between 6 December 2018 and 5 April 2021.

An announcement on 23 March 2021 further confirmed that public sector schemes will need to provide full indexation to members with a GMP state pension age beyond 5 April 2021.

The 2022 Valuation included an allowance for the additional liability potentially arising as a result of GMP indexation for all members reaching State Pension Age after 5 April 2021. The 2022 Valuation was used as the starting point for the roll forward calculation of the accounting Defined Benefit Obligation (DBO) at 31 July 2023 and therefore the DBO calculated at 31 July 2023 implicitly includes an allowance for GMP indexation.

The 31 July 2023 accounting valuation does not include any further allowance for GMP indexation.

▪ **Goodwin Ruling**

A legal challenge has been made against the Government in respect of unequitable benefits for male dependants of female members (based on service after 1988) following the earlier Walker ruling. The Walker ruling made it necessary for public service pension schemes to provide survivors of registered civil partnerships or same-sex marriages with benefits that replicate those provided to widows. However, widows’ pensions were generally introduced in public service schemes in the 1970s whereas a male widower of a female member historically only received benefits based on service from 6 April 1988.

An Employment Tribunal on 30 June 2020 has upheld the claim, and as a result the valuation has allowed for an additional liability in respect of the Goodwin ruling. An additional liability of £68k (0.1% of DBO) has been included in the past service cost recognised in the year ended 31 July 2022. The Defined Benefit Obligation at 31 July 2023 also includes this allowance. No further allowance has been proposed at 31 July 2023.

▪ **McCloud Ruling**

Two employment tribunal cases were brought against the Government in relation to possible discrimination in the implementation of transitional protection following changes made to public service pension scheme legislation in 2014. The claimants challenged the transition protection arrangements on the grounds of direct age discrimination, equal pay and indirect gender and race discrimination. In December 2018, the Court of Appeal ruled that the transitional protections gave rise to unlawful discrimination on the basis of age. The Government requested leave to appeal this decision to the Supreme Court, however the request was denied on 27 June 2019.

As a result, certain scheme members had to be compensated for any discrimination suffered as a result of the transitional protections. The changes to legislation were implemented in 2015 for the NILGOSC Fund and therefore this only impacts benefits accrued from 1 April 2015 for those members who were active at that date.

The 2022 Valuation included an allowance for the past service additional liability potentially arising as a result of McCloud underpin. The 2022 Valuation was used as the starting point for the roll-forward calculation at 31 July 2023 and therefore the DBO calculated at 31 July 2023 implicitly includes an allowance for the McCloud underpin for past service.

**SOUTH EASTERN REGIONAL COLLEGE**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
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▪ **Elevated mortality experience**

During the accounting period, the UK has continued to experience elevated mortality experience with a sustained level of over 1,000 excess deaths per week (on average) seen since Q2 of 2022. This experience could be directly attributed to COVID-19 over the years following the pandemic, but recent evidence suggest that excess deaths are now primarily due to other causes. This sustained and less volatile experience, than seen during 2020 and 2021, has caused the CMI to adjust its core parameters in the latest release of the mortality projections mode, CMI\_2022, to give weight to post-pandemic experience for the first time. The CMI's view is that 2022 experience may be indicative of future mortality to some extent.

The assumption for future projections in longevity has been updated to use the most recent projections available, the CMI 2022 projections, to make allowance for the current elevated mortality experience.

**The approximate split of assets and liabilities relating to the College is as follows:**

	<b>Value at 31 July 2023</b>	Value at 31 July 2022
	<b>£'000</b>	£'000
Equities	<b>26,021</b>	22,273
Government Bonds	<b>11,315</b>	13,229
Corporate Bonds	<b>1,752</b>	1,265
Property	<b>6,274</b>	7,069
Multi Asset Credit	<b>7,905</b>	7,326
Cash / Other	<b>7,329</b>	6,513
<b>Fair value of assets</b>	<b>60,596</b>	57,675
Present value of Defined Benefit Obligation (Funded & Unfunded)	<b>(55,154)</b>	(67,932)
<b>Total Surplus / (Deficit) in the scheme</b>	<b>5,442</b>	(10,257)

<b>Amounts recognised in the statement of financial position:</b>	<b>2023</b>	2022
	<b>£'000</b>	£'000
Present value of funded defined benefit obligation	<b>(55,134)</b>	(67,909)
Fair value of employer assets	<b>60,596</b>	57,675
	<b>5,462</b>	(10,234)
Present value of unfunded liabilities	<b>(20)</b>	(23)
<b>Net asset / (liability)</b>	<b>5,442</b>	(10,257)



**SOUTH EASTERN REGIONAL COLLEGE**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 JULY 2023**

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

	<b>2023</b>	2022
	<b>£'000</b>	£'000
<b>Amounts included in staff costs:</b>		
Employer service cost (net of employer contributions)	<b>1,172</b>	4,035
Past service cost	-	107
Administration Expenses	<b>60</b>	52
<b>Total</b>	<b>1,232</b>	4,194
Net Interest Cost	<b>386</b>	554
<b>Net charge to Statement of Comprehensive Income</b>	<b>1,618</b>	4,748

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

	<b>2023</b>	2022
	<b>£'000</b>	£'000
<b>Analysis of Other Comprehensive Income for Pensions</b>		
Actuarial (losses) from assets	<b>(1,384)</b>	(4,956)
Actuarial gains from a change in financial assumptions	<b>19,958</b>	33,129
Actuarial gains from a change in demographic assumptions	<b>1,763</b>	705
Actuarial (losses) from experience	<b>(3,020)</b>	(3,818)
<b>Total amount recognised in Statement of Changes in Reserves</b>	<b>17,317</b>	25,060

	<b>2023</b>	2022
	<b>£'000</b>	£'000
<b>Movement in asset / (deficit) during the year</b>		
<b>As at 1 August as stated</b>	<b>(10,257)</b>	(30,569)
Service cost	<b>(3,476)</b>	(6,062)
Past Service cost	-	(107)
Administration expenses	<b>(60)</b>	(52)
Employer contributions	<b>2,302</b>	2,025
Contributions in respect of unfunded benefits	<b>2</b>	2
Net Interest Cost	<b>(386)</b>	(554)
Actuarial gains / (losses)		
– From change in financial assumptions	<b>19,958</b>	33,129
– From change in demographics	<b>1,763</b>	705
– From experience	<b>(3,020)</b>	(3,818)
– From assets	<b>(1,384)</b>	(4,956)
<b>Asset / (Deficit) in scheme at 31 July</b>	<b>5,442</b>	(10,257)

**SOUTH EASTERN REGIONAL COLLEGE**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 JULY 2023**

<b>Reconciliation of Defined Benefit Obligation</b>	<b>2023</b>	2022
	<b>£'000</b>	£'000
<b>Liabilities at 1 August</b>	<b>67,932</b>	90,483
Service cost	<b>3,476</b>	6,062
Past service cost	-	107
Administration expenses	<b>60</b>	52
Interest on liabilities	<b>2,473</b>	1,587
Employee contributions	<b>782</b>	670
Actuarial (gains) / losses		
– From change in financial assumptions	<b>(19,958)</b>	(33,129)
– From change in demographics	<b>(1,763)</b>	(705)
– From experience	<b>3,020</b>	3,818
Unfunded Net benefits paid	<b>(2)</b>	(2)
Net benefits paid	<b>(866)</b>	(1,011)
<b>Liabilities at 31 July</b>	<b><u>55,154</u></b>	<b><u>67,932</u></b>

**Reconciliation of Fair Value of Employer Assets**

	<b>2023</b>	2022
	<b>£'000</b>	£'000
<b>Assets at 1 August</b>	<b>57,675</b>	59,914
Expected return	<b>2,087</b>	1,033
Actuarial (losses)	<b>(1,384)</b>	(4,956)
Employer contributions	<b>2,302</b>	2,025
Employer contributions in respect of unfunded benefits	<b>2</b>	2
Employee contributions	<b>782</b>	670
Unfunded benefits paid	<b>(2)</b>	(2)
Benefits paid	<b>(866)</b>	(1,011)
<b>Assets at 31 July</b>	<b><u>60,596</u></b>	<b><u>57,675</u></b>

**History of actuarial gains/(losses) recognised in OCI**

	<b>2023</b>	2022	2021	2020	2019
	<b>£'000</b>	£'000	£'000	£'000	£'000
Total Actuarial gains/(losses) recognised in OCI	<b><u>17,317</u></b>	<u>25,060</u>	<u>9,081</u>	<u>(19,520)</u>	<u>(4,740)</u>
Present value of liabilities	<b><u>55,154</u></b>	<u>67,932</u>	<u>90,483</u>	<u>85,002</u>	<u>63,723</u>

**SOUTH EASTERN REGIONAL COLLEGE  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 JULY 2023**

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**23. FINANCIAL COMMITMENTS**

At 31 July the College had annual commitments under non-cancellable operating leases as follows:

	<b>2023</b>	2022
	<b>£'000</b>	£'000
<b>Land and buildings</b>		
Expiring within one year	<b>45</b>	45
Expiring within two and five years inclusive	<b>6</b>	6
Expiring in over five years	-	-
	<b>51</b>	51
<b>Plant and Equipment</b>		
Expiring within one year	<b>15</b>	19
Expiring within two and five years inclusive	-	31
Expiring in over five years	-	-
	<b>15</b>	50
<b>Total</b>	<b>66</b>	101

**SOUTH EASTERN REGIONAL COLLEGE**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 JULY 2023**

**24. PROVISIONS**

	<b>Holiday Pay £'000</b>	<b>Legal Costs £'000</b>	<b>2023 Total £'000</b>	2022 £'000
<b>At 1 August</b>	<b>618</b>	-	<b>618</b>	612
Addition in the year	-	<b>10</b>	<b>10</b>	6
Amounts charged against provision during year	-	-	-	-
Unused amounts reversed during year	<b>(6)</b>	-	<b>(6)</b>	-
<b>At 31 July</b>	<b>612</b>	<b>10</b>	<b>622</b>	618

**Holiday Pay Provision**

The provision of £612k relates 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 appealed the CoA judgment to the Supreme Court. In 2021, the case was paused to facilitate mediation, however, in March 2022 the PSNI were unable to obtain the required authorisation from the Department of Finance in respect of agreeing a potential financial settlement. The Supreme Court heard the case on 14<sup>th</sup> and 15<sup>th</sup> December 2022.

The Supreme Court made its ruling on 5 October 2023 where it dismissed the appeal and upheld the judgement of the Court of Appeal.

The £612k 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). The decrease from prior year reflects the update to the Employer National Insurance rate (reduction from 15.05% to 13.8%).

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

1. The outworking of The Supreme Court judgement and the application of The Court of Appeal's original judgement;
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. The provision is gross (inclusive of Employee National Insurance and PAYE) and includes an uplift of 13.8% for Employer National Insurance Contributions (NIC) £61k (2022: £67k at 15.05%); and
6. 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, however, there remains significant uncertainty over the amount and timing of future payments.

**SOUTH EASTERN REGIONAL COLLEGE  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 JULY 2023**

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**24. PROVISIONS (Cont'd)**

**Legal Costs Provision**

The provision of £10k relates to legal and insurance costs resulting from a legal claim against the College, on the grounds of discrimination.

At the reporting date, the College's legal advisers have advised the transfer of £10k, in settlement of costs, is probable regardless of the outcome of the case.

There is uncertainty on the timing of the settlement of costs.

The legal case claim is disclosed as a contingent liability in Note 25.

**25. CONTINGENT LIABILITIES**

A legal claim has been made against the College, on the grounds of discrimination. The amount currently claimed by the Claimant is in the region of £10,000.

At the reporting date, the College's legal advisers are uncertain as to the potential outcome of the case. As such, the claimed amount is not recognised as a provision.

There is possibility that the College will reimburse any claim payable from insurance cover.

**SOUTH EASTERN REGIONAL COLLEGE  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 JULY 2023**

**26. 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.

**Transactions where goods or services are provided to the College by the related organisation:**

<b>Related Organisation</b>	<b>Governor (G) / Director (D) / Chief Officer (CO)</b>	<b>Position in Related Organisation</b>	<b>2023 Trans Paid £'000</b>	2022 Trans Paid £'000	<b>Outstanding at 31 July 2023 £'000</b>	Outstanding at 31 July 2022 £'000
Ards & North Down Borough Council (Related Party in 2022/23 only)	Sophie Lee Francis (G)	Co-Chair Ards & North Down Youth Voice Youth Council	<b>6</b>	-	-	-
Association for Project Management	Ken Webb (D)	Member	<b>18</b>	-	-	<b>1</b>
British Computer Society (Related Party in 2022/23 only)	Karen Fraser (G)	Professional Membership	<b>3</b>	-	-	-
CCEA	Majella Corrigan (G)	Board Member	<b>7</b>	4	-	-
Chartered Accountants Ireland	Darren Stewart (G)	Fellow	-	3	-	-
	Tommy Martin (CO)	Fellow	-	-	-	-
Chartered Institute of Personnel & Development	Paul Smyth (CO)	Member	<b>14</b>	15	-	<b>3</b>
Chartered Management Institute	Ken Webb (D)	Fellow	-	-	-	-
	Heather McKee (D) Claire Henderson (CO)	Member	<b>47</b>	63	<b>3</b>	-
City & Guilds (Related Party in 2022/23 only)	Mark Huddleston (G)	Industry Skills Board Member	<b>173</b>	-	<b>2</b>	-
Confederation of British Industry	Heather McKee (D)	Council Member	<b>14</b>	-	-	<b>14</b>
Deloitte	Daniel McConnell (G)	Partner	-	-	-	-
	Michael Malone (D)	Close Relative – Software Engineer	<b>3</b>	-	-	-

**SOUTH EASTERN REGIONAL COLLEGE**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 JULY 2023**

**Transactions where goods or services are provided to the College by the related organisation (cont'd):**

<b>Related Organisation</b>	<b>Governor (G) / Director (D) / Chief Officer (CO)</b>	<b>Position in Related Organisation</b>	<b>2023 Trans Paid £'000</b>	<b>2022 Trans Paid £'000</b>	<b>Outstanding at 31 July 2023 £'000</b>	<b>Outstanding at 31 July 2022 £'000</b>
Institute of Directors	Gareth Hetherington (G)	Member				
	Mark Huddleston (G)	Member	<b>1</b>	-	-	<b>1</b>
	Michael McQuillan (G)	Member				
	Heather McKee (D)	Director				
Northern Ireland Chamber of Commerce	Gareth Hetherington (G)	Council Member	<b>7</b>	-	-	3
Queens University Belfast	Karen Fraser (G)	Senior Educational Developer	<b>94</b>	4	-	-
Stranmillis University College	Majella Corrigan (G)	Governor	<b>40</b>	29	-	16
Ulster University	Gareth Hetherington (G)	Director, Ulster University Economic Policy Centre	<b>153</b>	125	<b>4</b>	-
	Steve Pollard (G)	Senior Lecturer				
	Michael McQuillan (G)	Close Relative – Senior Lecturer				

All transactions are related to general operations.

<b>Related Organisation</b>	<b>Governor (G) / Director (D) / Chief Officer (CO)</b>	<b>Position in Related Organisation</b>	<b>2023 Trans Rec'd £'000</b>	<b>2022 Trans Rec'd £'000</b>	<b>Outstanding at 31 July 2023 £'000</b>	<b>Outstanding at 31 July 2022 £'000</b>
Danske Bank (Related Party in 2022/23 only)	Derek Wilson (G)	Close Relative – Head of Customer Service Delivery	<b>169</b>	-	<b>28</b>	-

Danske Bank are the College's bankers. The transactions relate to interest received on account balances.

**SOUTH EASTERN REGIONAL COLLEGE**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 JULY 2023**

**Transactions where goods or services are provided by the College to the related organisation:**

<b>Related Organisation</b>	<b>Governor (G) / Director (D) / Chief Officer (CO)</b>	<b>Position in Related Organisation</b>	<b>2023 Trans Paid £'000</b>	<b>2022 Trans Paid £'000</b>	<b>Outstanding at 31 July 2023 £'000</b>	<b>Outstanding at 31 July 2022 £'000</b>
Ards & North Down Borough Council (Related Party in 2022/23 only)	Sophie Lee Francis (G)	Co-Chair Ards & North Down Youth Voice Youth Council	<b>109</b>	-	<b>2</b>	-
Armagh City, Banbridge & Craigavon Council	Samuel Hagen (G)	Audit & Risk Assurance Committee Member	<b>1</b>	2	-	1
Deloitte	Daniel McConnell (G)	Partner	-	1	-	-
	Michael Malone (D)	Close Relative – Software Engineer	-	1	-	-
Department for the Economy	Gareth Hetherington (G)	Close Relative – Director of Finance	<b>55,084</b>	55,337	<b>5,130</b>	3,944
Invest Northern Ireland (Related Party in 2022/23 only)	Michael McQuillan	Board Member	<b>10</b>	-	-	-
NI Housing Executive	Gareth Hetherington (G)	Close Relative – Audit & Risk Committee Member	<b>23</b>	24	-	-
	Derek Wilson (G)	Board Member	-	-	-	-
	Wilma Fee (G)	Board Member	-	-	-	-
Police Service of Northern Ireland	Not disclosed	Not disclosed	<b>36</b>	-	-	-
Queens University Belfast	Karen Fraser (G)	Senior Educational Developer	-	1	-	-
Ulster University	Gareth Hetherington (G)	Director, Ulster University Economic Policy Centre	<b>312</b>	310	<b>5</b>	48
	Steve Pollard (G)	Senior Lecturer	-	-	-	-
	Michael McQuillan (G)	Close Relative – Senior Lecturer	-	-	-	-

All transactions are related to general operations.



**SOUTH EASTERN REGIONAL COLLEGE  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 JULY 2023**

**27. LOSSES AND SPECIAL PAYMENTS**

	<b>2023</b>	2022
	<b>£'000</b>	£'000
Bad Debt Write Off less than £1k (57 cases)	<b>18</b>	6
Bad Debt Write Off greater than £1k (6 cases)	<b>9</b>	2
Bad Debt Write Off greater than £2k (1 case)	<b>2</b>	-
Special Payments greater than £1k	-	38
	<b>29</b>	46

The bad debt write off (less than £2k) refers to outstanding tuition fees and charges that are considered uncollectable. The College held a bad debt provision to match the bad debt write off.

The bad write off (greater than £2k) refers to outstanding debt relating to estate hire charges. The debt recovery process was exhausted, and the amount is considered irrecoverable. In line with the Management Statement and Financial Memorandum (MS/FM) with DfE, the Department provided approval for write off. The College held a bad debt provision to match this write off.

The special payments in 2021/22 refer to one settlement of a legal case (£35k) and two compensation payments relating to copyright infringement (£3k).

**28. AMOUNTS DISBURSED AS AGENT**

	<b>2023</b>	2022
	<b>£'000</b>	£'000
<b><u>Hardship Fund</u></b>		
Balance at 1 August	<b>94</b>	65
DfE Allocation	<b>90</b>	104
	<b>184</b>	169
Disbursed to students	<b>(92)</b>	(75)
Balance unspent at 31 July (recognised in payables)	<b>92</b>	94

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

	<b>2023</b>	2022
	<b>£'000</b>	£'000
<b><u>Care to Learn</u></b>		
DfE Allocation	<b>29</b>	7
Disbursements	<b>(29)</b>	(7)
Balance unspent at 31 July	-	-

The Care to Learn Scheme funds are available solely for the purposes of paying Childcare under the DfE Care to Learn Scheme; the College acts only as paying agent. The grants and related disbursements are therefore excluded from the Income and Expenditure Account.

**SOUTH EASTERN REGIONAL COLLEGE  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 JULY 2023**

**29. ADDITIONAL DISCLOSURES TO COMPLY WITH FINANCIAL REPORTING MANUAL**

Financial Reporting Manual (FReM) 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.

	<u>Notes</u>	<b>2023</b> <b>£'000</b>	2022 £'000
<b>INCOME</b>			
Department for the Economy income (non-grant in aid)	1	<b>2,574</b>	2,305
Education contracts	2	<b>5,312</b>	6,351
Tuition fees and charges	3	<b>1,774</b>	1,797
Other grant income	4	<b>860</b>	1,006
Other operating income	5	<b>1,455</b>	1,110
Investment income	6	<b>197</b>	-
Donations and endowments	7	<b>1</b>	-
<b>Total incoming recourses</b>		<b>12,173</b>	12,569
<b>EXPENDITURE</b>			
Staff costs	8	<b>40,099</b>	40,305
Other operating expenses	10	<b>18,565</b>	18,922
Depreciation	13	<b>5,668</b>	5,393
Amortisation	14	<b>78</b>	78
Interest and other finance costs	11	<b>386</b>	554
Exceptional costs (staff)	8	<b>5</b>	12
Exceptional costs (non-staff)	10	<b>10</b>	38
<b>Total resources expended</b>		<b>64,811</b>	65,302
<b>Net deficit for the year</b>		<b>(52,638)</b>	(52,733)
Unrealised surplus on revaluation of land and buildings	13	<b>14,211</b>	12,611
Actuarial gain in respect of pension scheme	22	<b>17,317</b>	25,060
<b>Amount transferred to reserve</b>		<b>(21,110)</b>	(15,062)
<b>Analysis of reserves prepared under FReM</b>			
<b>Balance as at 1 August</b>		<b>89,690</b>	56,619
Grant-in-aid received in year	1	<b>49,069</b>	48,131
Cumulative increase in endowment reserve	20	-	-
Cumulative rounding in income & expenditure reserve		-	2
Net operating cost for year		<b>(21,110)</b>	(15,062)
<b>Balance as at 31 July</b>		<b>117,649</b>	89,690

**SOUTH EASTERN REGIONAL COLLEGE  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 JULY 2023**

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**30. EVENTS AFTER THE END OF THE REPORTING DATE**

Lecturing Staff Pay Award – September 2021 and September 2022

The rates of salaries for Lecturers in Colleges of Further Education from 1 September 2021 and September 2022 were published on 8 August 2023. The publication also announced a non-consolidated payment due to those members of staff employed outside National Joint Council (NJC) terms and conditions during the period 1 September 2021 – 31 August 2022.

The rates of salaries for lecturers and the non-consolidated payment have been accrued in staff costs for the year ended 31 July 2023.

Provisions

The provision of £612k relates 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 appealed the CoA judgment to The Supreme Court.

The Supreme Court made its ruling on 5 October 2023 where it dismissed the appeal and upheld the judgement of the Court of Appeal.

The narrative disclosure of Note 24 has been updated to reflect The Supreme Court judgement.

Other

In September 2023, in response to budgetary pressures, it was announced that the College may need to reduce its staffing complement in the 2023/24 academic year.

In November 2023, formal consultation commenced on a proposed redundancy programme. The College is proposing up to 37 permanent staff will be redundant, equivalent to an estimated 32 full time equivalents (FTEs). The College anticipates that the proposed redundancies will be achieved entirely through volunteers and does not envisage any requirement for compulsory redundancy. In addition, as is the case annually, there are a number of non-permanent part-time hourly paid lecturers (PTLs) who have not been allocated hours in the 2023/24 academic year. The current number is 27 staff (equivalent to 6.37 FTE). In line with normal practice, if there remains little or no prospect of finding/allocating hours to the PTLs, it is likely such roles will also become redundant.

**Date of authorisation for issue**

The Accounting Officer authorised the issue of these financial statements on 30 November 2023.