



**SOUTH EASTERN REGIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 JULY 2024**



**South Eastern Regional College
Annual Report and Accounts
for the year ended 31 July 2024**

***The Interim Accounting Officer authorised these financial statements for issue on
17 December 2024***

*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

18 December 2024

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Any enquiries related to this publication should be sent to us at South Eastern Regional College, Finance Department, Ards Campus, Victoria Avenue, Newtownards, BT23 7EH.

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YEAR ENDED 31 JULY 2024

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SOUTH EASTERN REGIONAL COLLEGE STRATEGIC REPORT 2023/24

The members present their report and the audited financial statements for the year ended 31 July 2024.

STRATEGIC CONTEXT

South Eastern Regional College (SERC / 'the College'), as a Non-Departmental Public Body (NDPB) and part of the wider Further Education (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.

At the beginning of the 2023/24 year, the strategic context was focused upon the following **visions** and **strategies** as published by the Department:

- **'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's support to the Department's economic vision regards 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'**.
- **'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.

Following the return of the Northern Ireland Assembly in February 2024, SERC's strategic context became set within the **'Economic Mission'**, announced by DfE Minister Murphy on 19 February 2024.

The Minister has recognised that challenges faced in Northern Ireland of low employment rate, low productivity, low wages, and severe regional imbalances have deep roots.

Minister Murphy's statement on the Economic Mission, to the Northern Ireland Assembly, advocated that these problems 'can be overcome'.

The Minister noted:

"...many of the key levers needed to tackle these issues, including the regulation of financial services, trade policy, monetary policy, and fiscal policy are reserved in London.





However, devolution provides significant control over business support, skills, innovation policy, and employment law. As a small region [Northern Ireland] we are well placed to tailor support to local industries through partnership and co-design.

In addition, as a result of the Windsor Framework we alone can export goods to the British and EU markets, without the frictions and paperwork that others now endure. The Windsor Framework also protects the all-Ireland economy, which has tremendous unrealised potential.

So, there are opportunities for change."



Given this backdrop, the Minister set out **four key objectives** as part of the new **Economic Mission**:

-  **Good jobs**
-  **Regional Balance**
-  **Productivity**
-  **Reduce Carbon Emissions**

The objective on **Good Jobs** is to increase the proportion of working-age people in good jobs as it is not acceptable that being in work does not guarantee a reasonable standard of living. The Minister is focused on increasing the number of people working in Good Jobs by:

- investing in affordable childcare and fair pay for childcare workers;
- **creating more and better paid apprenticeships and skills academies;**
- replacing zero hour contracts with contracts that provide flexibility and protect workers rights;
- strengthening the role of trade unions, particularly in low-paying sectors;
- altering our economic structure by supporting industries that provide Good Jobs;
- **harnessing the unrealised potential of the Social Economy; and**
- **improving careers advice, including in schools, so that people are fully informed about the opportunities available to them.**

The Minister's objective on promoting **Regional Balance** focuses upon everyone, no matter where they live, having the same opportunity to earn a living. The Minister is seeking to create a more regionally balanced economy by:

- **setting local economic targets and funding local economic strategies that are designed in partnership with councils and local enterprise agencies, and that are based on local strengths and potential;**
- offering greater financial incentives for inward investors and for indigenous companies that are expanding, to locate in areas that are underdeveloped;
- **developing industries with a strong sub-regional presence such as tourism, hospitality and manufacturing;**
- building the portfolio of land and property for business development in disadvantaged areas; and
- driving forward delivery of projects that improve regional balance, such as the expansion of the Magee Campus, and City and Growth Deal projects.

The third objective is to **raise Productivity** as productivity is a fundamental driver of overall living standards. The Minister informed the Assembly that 'output per worker here is 11% lower than in Britain and according to a recent study by the Economic and Social Research Institute, almost 40% lower than in the south of Ireland'. The Minister aims to close this gap by:

- using dual market access to grow domestic exports and to attract highly productive FDI;
- developing all-Ireland clusters in high-productivity sectors;
- **improving work-relevant skills, including through upskilling workers and increasing the number of students in further and higher education;**
- **working with businesses to adopt productivity-improving technology such as AI and robotics;**
- **supporting R&D, and driving innovation through collaboration across government, academia and the private sector; and**
- **improving management practices.**

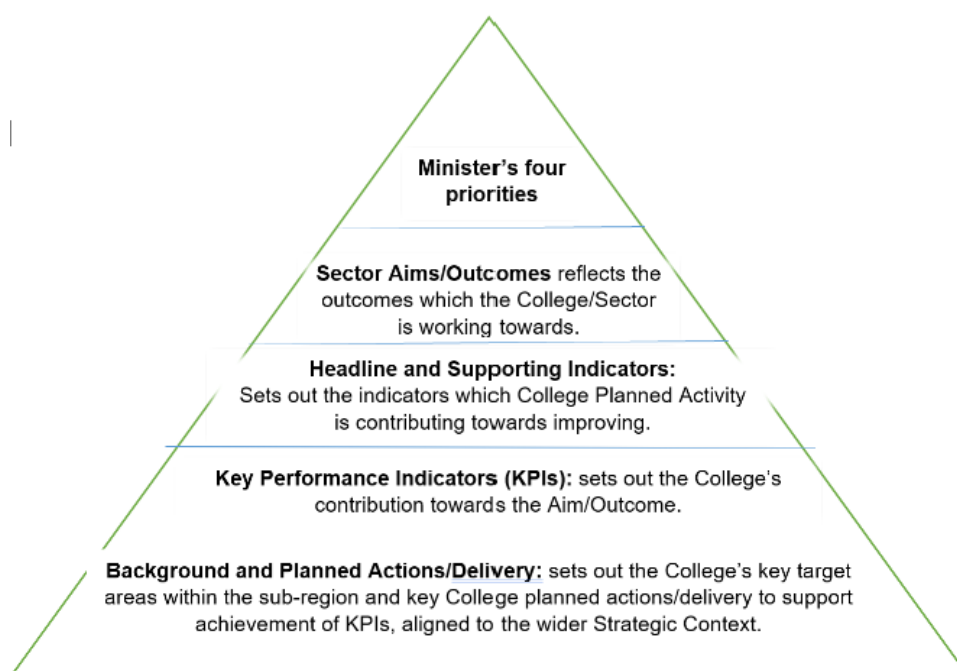
The final, critical, objective is to **reduce carbon emissions**. Northern Ireland has a legal and moral obligation to reach net zero by 2050, at the latest. The transition to a greener and more sustainable economy can be a just transition that also generates for all, by way of:

- increasing our energy efficiency;
- becoming self-sufficient in, and even an exporter of affordable renewable energy – Northern Ireland has the resources including wind, biomethane and geothermal to do this;
- breaking the link with global commodity prices and ensuring that people and businesses pay a fair price for the energy produced locally;
- collaborating strategically on the opportunities and investments needed to realise our energy aspirations on the island of Ireland, within the Single Electricity Market;
- establishing a Net Zero Accelerator Fund to help plug the funding gap for projects that are not fully financed by private sources;
- **developing the circular economy and taking advantage of the opportunities that exist to reduce waste, reduce cost and increase both collaboration and competitiveness across the island; and**
- **using Investment Zone funding to support green technologies and the skills needed for a green economy.**

The Minister has been clear, his Department’s focus is on the **delivery** of this **Economic Mission**.

The Minister recognises that skills are the foundation of all **four strategic objectives** and has recalibrated the **Skills Agenda** in line with the objectives. The Skills Agenda seeks to address the skills need across Northern Ireland, ensuring that it is a key driver for future growth. The College is a policy-enabler to the agenda; thus, it directs the strategic context for SERC in regard to curriculum planning and delivery of qualifications.

Overall, South Eastern Regional College, as a **key delivery arm** of the Department, has placed the **Economic Mission** as its **central strategic context**. Indeed, the College’s planned delivery is being set out to show how SERC can and does contribute to the four priorities:



ABOUT SERC

Our Vision

By 2030, to be recognised as an innovative and entrepreneurial world class education and skills 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

Our mission is to shape and influence our community, by promoting an innovative and entrepreneurial society through shaping and influencing education and skills, maintaining an inclusive learning environment, which will empower and enable individuals and businesses to fulfil their ambitions. In doing so, SERC will contribute to the Programme for Government and associated strategies which are aimed at promoting social and economic wellbeing and the future prosperity of Northern Ireland.

Our Strategic Priorities

SERC delivers its vision through **eight** strategic priorities.

Our strategic priorities set out the practical means through which we will initiate an entrepreneurial, creative environment where all our staff, students and clients are encouraged and supported to fulfil their potential:



Students: We will enhance student capabilities and ambition, enabling them to fulfil their potential, through providing a professional, relevant curriculum, innovative learning and teaching approaches.

Business: We will promote economic development through supporting business to improve efficiency, productivity and sustainability.

Social Inclusion: We will address social inclusion, through communication, engagement and support, providing opportunities for economically inactive to obtain a professional qualification and obtain employment.

Staff: We will support and develop all our staff, encouraging creativity and entrepreneurial culture.

International: We will further develop national and international partnerships to enhance learner, staff and business opportunities.

Qualifications: We will work to secure a fit for purpose suite of portable and relevant qualifications which meet the needs of the local economy.

Wellbeing: We will promote and support healthy and resilient learners and staff through a range of inclusive wellbeing initiatives, creating a supportive learning environment.

Student Experience: We will provide extra-curricular opportunities which enhance the student experience at SERC.

Our Values & Our Culture

Our values and culture remain key to our effective delivery and underpin everything we do.

We encourage staff to act on their ideas, to bring a customer focused, problem solving mentality. The College cares about staff wellbeing and provide the tools for continuous development.

We are:

SOLUTION FOCUSED
EXCELLENCE DRIVEN
RESPONSIVE
COLLABORATIVE

Solution Focused - we focus on providing creative and innovative solutions for our customer rather than academic theories. We invest in pioneering developments to make our offering customer led and take a similar approach to our internal processes and systems to avoid bureaucracy, focusing always on the end users' needs.

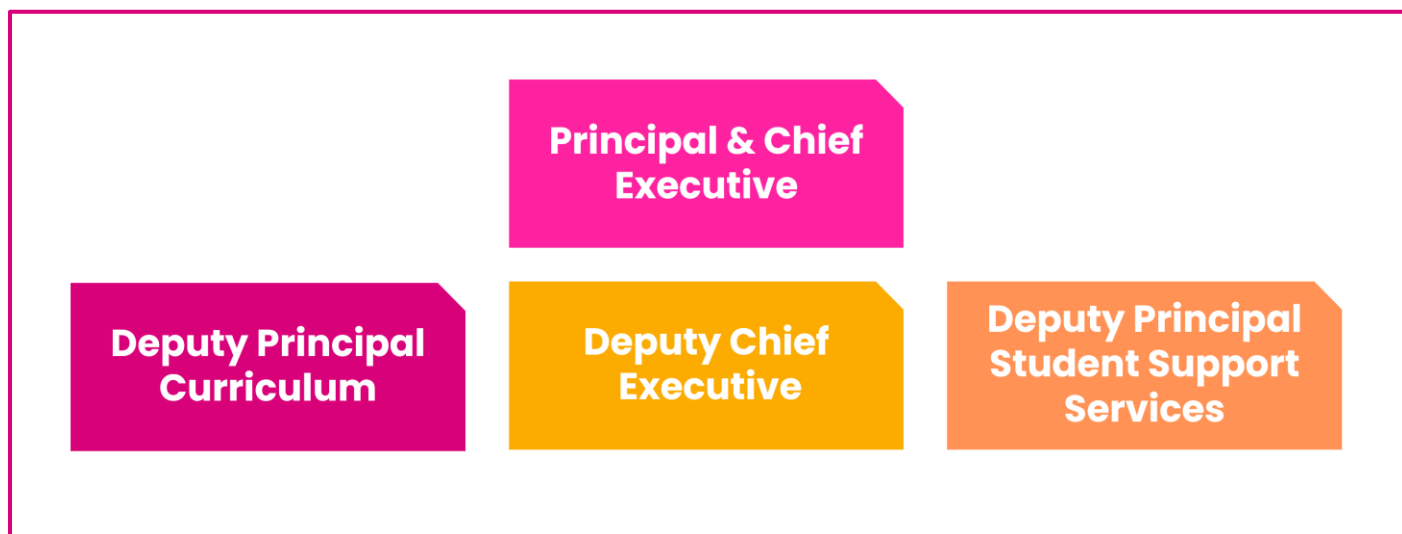
Excellence Driven - our Culture of Excellence underpins everything that we do, focusing on the activities which add value for customers. Our standards are recognised at an international level, and we take pride in the levels of professionalism, expertise and industry experience of our staff. We are, and aim to be, outstanding and help our customers to achieve the same.

Responsive - we are responsive to the needs of our students, colleagues, businesses, economy and local communities.

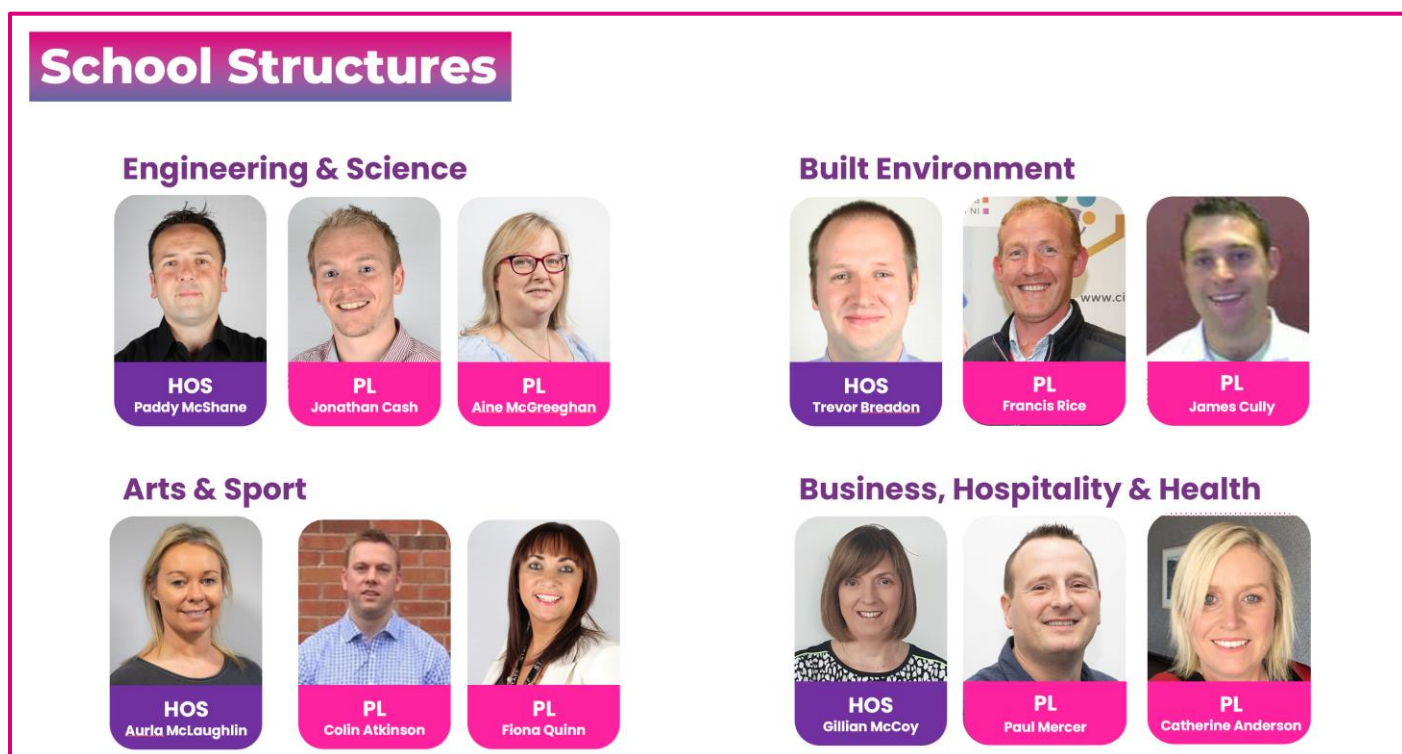
Collaborative - we nurture relationships with stakeholders and are open to new partnerships. We create partnerships with organisations, such as schools, to ensure that our local community has access to the very best of education. This also includes working with others within the FE sector.

Organisational Structure

The College's Senior Management structure at 31 July 2024:



Within the remit of the Deputy Principal: Curriculum, four 'schools' exist to deliver the vision and strategic priorities:



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.

2023/24 COLLEGE DEVELOPMENT PLAN¹

The 2023/24 CDP set out the activity planned for the College, as endorsed by the College's Governing Body. The activities in the plan demonstrate the College's contribution to fulfilling the aspirations within our Vision, our Mission, and our Strategic Priorities, all within the overall strategic context.

AIMS

Six aims were established within the 2023/24 plan (based largely on the strategic context of the 10x Economy). These aims, and associated performance measures, have been developed and align with the Outcome Based Approach (OBA) approach promoted by the draft Programme for Government.

Aim One: To increase the number of businesses in Northern Ireland engaging in innovation activities.

The College provides practical, effective training and innovation support to businesses and individuals. This support enables businesses to upskill and reskill their staff, and to develop new products, processes and services. As such, the College is helping to improve innovation and productivity, which seeks to safeguard jobs and to address the skills shortages.

Our proposals for 2023/24, and achievement against are as follows:

Area of Planned Activity	Planned Activity for 2023/24	2023/24 Actual Activity
InnovateUs	Number of Projects: 150	Number of Projects: 151
Innovation Vouchers	To deliver 6 innovation voucher schemes	Delivered 6 innovation voucher schemes
Knowledge Transfer Partnership (KTP)	Secure and commence 1 project	Delivered 2 projects
Innovation Boost	To deliver 6 projects	Delivered 6 projects
Commercial Innovation Projects	To deliver 2 projects	Delivered 2 projects

¹ [SERC - College Development Plan](#)

Spotlight: 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.

The priority skills areas supported in the 151 projects were:

Priority Skills Area	2023/24
Financial, Business & Professional Services	4
Digital & Creative	86
Advanced Manufacturing	19
Agri-Food	10
Construction	15
Hospitality & Tourism	16
Life & Health Sciences	1
Total	151

Aim Two: To meet the skills needs of businesses in Northern Ireland to support increased business productivity and growth.

Our proposals for 2023/24, and achievement against are as follows:

Area of Planned Activity	Planned Activity for 2023/24	2023/24 Actual Activity
Skills Focus	To support 300 small & medium sized enterprises and upskills 700 individuals.	Number of enterprises supported: 379 Number of Enrolments: 934
SME Productivity Booster	To complete 10 projects	10 projects completed
Full Cost Recovery	To deliver approximately £560k of full cost recovery work	£332k of full cost recovery work delivered
Labour Market Partnership Academies	To complete 3 academies: - Upskilling for Growth - Women Returners Programme - Female Leadership Programme	3 academies delivered

Spotlight: 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 934 enrolments in 2023/24.

Aim Three: Creating a culture of life-long learning, by providing access to Further Education and Higher Education to those furthest away from the labour market and those with low or no formal qualifications.

Encourage learners to progress to achieve higher industry relevant qualifications and employment.

The College aims to develop an education-employment pathway that connects those from socially deprived backgrounds with employment opportunities that address both the skills shortage in Northern Ireland and the high levels of economic inactivity.

Our proposals for 2023/24, and achievement against are as follows:

Area of Planned Activity	Planned Activity for 2023/24	2023/24 Actual Activity
Enrolments within Quintile 1 and 2	Number of Enrolments: 5,418	Number of Enrolments: 7,560
Enrolments declaring a disability / long term health problem	Number of Enrolments: 3,271	Number of Enrolments: 5,095
Enrolments on Entry Level and Level 1 Programmes (including Essential Skills)	Number of Enrolments: 1,878	Number of Enrolments: 5,184
Enrolments on Step Up and Skills for Life & Work	Number of Enrolments: 725	Number of Enrolments: 1,324
Enrolments on Restart and Access to Higher Education	Number of Enrolments: 288	Number of Enrolments: 292
Enrolments on ESOL Programmes	Number of Enrolments: 411	Number of Enrolments: 846
Females in narrow 'STEM' related subjects	Number of Enrolments: 362	Number of Enrolments: 680

Aim Four: Upskilling and reskilling learners to progress in life-long learning and to meet employer skills needs through provision of focused training, providing the skills and qualifications necessary to secure employment.

Our proposals for 2023/24, and achievement against are as follows:

Area of Planned Activity	Planned Activity for 2023/24	2023/24 Actual Activity
Apprenticeships (Levels 2 & 3)	Support 1,329 learners	1,375 learners supported
Traineeships (Level 2)	Support 488 learners	499 learners supported
Advanced Technical Qualifications	Support 100 learners	106 learners supported
Higher Level Apprenticeships	Support 223 learners	237 learners supported
Skill Up	Support 787 learners	854 learners supported
Ignite Your Skills	Support 108 learners	124 learners supported

Area of Planned Activity	Planned Activity for 2023/24	2023/24 Actual Activity
Skills Competitions	Support 425 learners	471 learners supported
The Turing Programme	Support 87 learners	87 students attended 10 Turing Programmes

Aim Five: To address the skills needs of the future workforce in green industries through upskilling and reskilling learners in support of a net zero economy in Northern Ireland.

Sustainability is a core area within the strategic framework, with the Northern Ireland FE sector seeking to develop a range of accredited provision to support knowledge and skills within industry, in order to help the economy implement sustainability into every day working practices.

Our proposals for 2023/24, and achievement against are as follows:

Area of Planned Activity	Planned Activity for 2023/24	2023/24 Actual Activity
Staff Training – Awareness & Understanding of Climate Change	Delivery of formal training to 30% of staff.	90% of staff trained
Staff Training	Develop and initiate training module for staff.	Module developed and delivered

Aim Six: To deliver against the Public Body reporting duties of the Climate Change legislation delivering an energy efficient and sustainable estate.

The College, as a public body, will have reporting obligations in relation to Climate Change legislation, as well as seeking to ensure the estate is energy efficient and sustainable.

Our proposals for 2023/24, and achievement against are as follows:

Area of Planned Activity	Planned Activity for 2023/24	2023/24 Actual Activity
Capital Development	Apply for £300k of capital funding to contribute to a sustainable College estate.	£300k of Energy Capital funding obtained and delivered.
Data Analysis	Establish a baseline position for each campus.	Baseline position established.
Action Plan	Establish key actions to improve & maintain energy efficiency of campuses.	Action Plan delivered within Estates Strategy.

HOW WELL DID WE DELIVER OUR AIMS?

The College measures how well we delivered our aims under the headings of **students** and **business**.

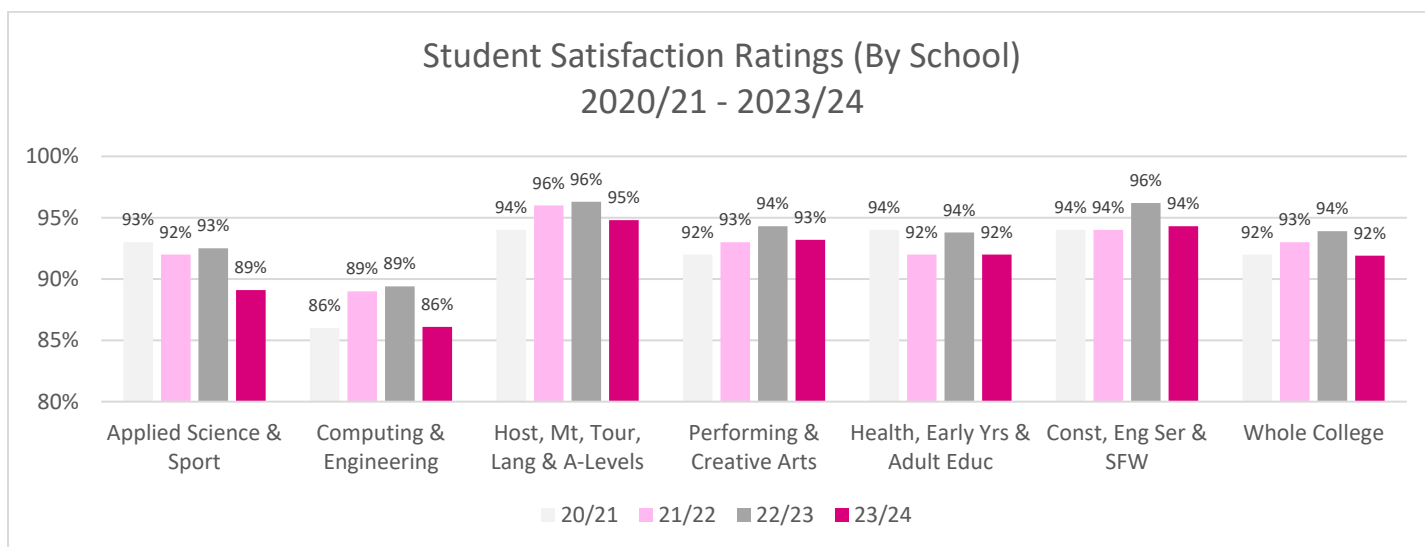
Students

The main measurement for how well we delivered our aims for students is: **Retention, Achievement, Success**.

In 2023/24 our students achieved 12,465 Further Education qualifications and 1,100 Higher Education qualifications, with the following performance indicator results:

Performance Indicator	2023/24	2022/23
Retention Rate: The proportion of the number of enrolments who complete their final year of study to the number of final year enrolments.	94.9%	92.8%
Achievement Rate: 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.	91.1%	91.2%
Success Rate: 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.	86.5%	84.7%

SERC participates in the Department's **Big 14 Survey**, consisting of 14 questions covering areas common to all Colleges. In 2023/24, 3,575 students (74%) completed the survey. Student satisfaction has remained very high over the past four years, both at individual School level (based on the school structure prior to restructuring) and by student type:

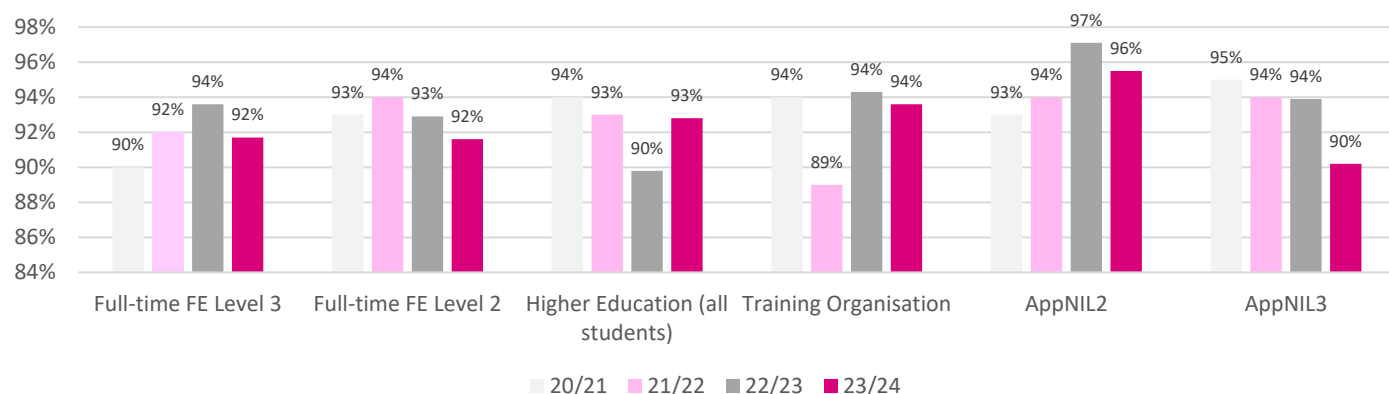


School Name Key:

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) 2020/21 - 2023/24



In 2023/24, 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 **86.6% satisfaction rate** (2022/23: 85.2%). This performance is 6.3% above the benchmark.



Business

The College closely monitors “how well did we deliver our aims” through a number of measures, including the InnovateUs Delivery and Evaluation report. In 2023/24, the results of the InnovateUs evaluation report provides a clear indication of how well we have performed for businesses, 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.
- **97%** 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?

The College measures how if anyone is better off from the delivery of our aims also under the headings of **students** and **business**.

Students

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)², details the following outcomes for our students:

▪ Full-time employment:	47%
▪ Part-time employment:	18%
▪ Employment and Further Study:	15%
▪ Full Time Study:	3%
▪ Other, including travel, care, retirement:	12%
▪ Voluntary or Unpaid Work	2%
▪ Unemployed	3%

Business

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 5% in NI, 8% in ROI, 20% in UK and 3% in other regions.
- Average **cost saving** of **28%**.
- **10 new jobs** created.
- **166 jobs safeguarded**.
- **3%** of businesses able to **export**.
- **97%** of the businesses felt they would be in a **position to scale up**.
- **3%** of the small business participants reported **increased sales** in other export markets such as Great Britain, America, and Europe.
- **20%** of businesses developed into new market areas.

² [Graduate Outcomes Data | HESA](#)

What do we propose to do in 2024/25?

To increase regional business productivity/growth through the delivery of tailored/bespoke training programmes

Area of Planned Activity	Planned Activity for 2024/25
Innovation Based Projects in SMEs	Delivery of 194 projects
Tailored Training Programmes	Delivery of 15 tailored training programmes

To upskill/reskill individuals with the knowledge and skills necessary to secure employment, meet employer needs for today and the future, and support economic growth of the region

Area of Planned Activity	Planned Activity for 2024/25
Individuals enrolled in the College	11,668 individuals
Individuals participating in International Programmes & Skills Competitions	485 individuals
Individuals supported by the College who are furthest away from the labour market and with low or no formal qualifications	8,327 individuals
Full Time Students Retention Rate	To increase to 91%
Achievement Rate	To maintain at 91%
Individuals aged 25-64 participating in education and training	5,635 individuals

To address the skills need of the future workforce in green industries through upskilling and reskilling individuals in support of a net zero economy in Northern Ireland

Area of Planned Activity	Planned Activity for 2024/25
Staff Training	Train 30% of College staff in delivery of green sustainable skills
Individuals enrolled on Green / Sustainable Courses	180 individuals

To delivery against the Public Body reporting duties of the Climate Change legislation delivering an energy efficient and sustainable estate

Area of Planned Activity	Planned Activity for 2024/25
Action Plan	Establish the key actions to improve/maintain energy efficiency in the College

OTHER COLLEGE ACTIVITIES

Safeguarding, Wellbeing and Learning Support

The College continued to develop and enhance its welfare and wellbeing activities for all students throughout 2023/24:

Learning Support

The **Learning Support** team provides support, help and guidance for students with **physical disabilities, learning difficulties** and **medical conditions**.

In 2023/24, **943 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. Sign Language Interpreters were also available.
- Administrative adjustments, such as specific individual examination access arrangements for those taking examinations. During 2023/24, **exam access arrangements were put in place for 751 students**.
- Other assessments, including bespoke risk assessments and action plans for those who experience specific conditions or illnesses, such as epilepsy or severe allergic reactions.

The SERC team are experienced in designing and implementing individual support strategies, as well as in providing essential information and guidance for lecturing staff on a wide range of disabilities and conditions to ensure students can be effectively supported.

Students are encouraged to disclose any additional needs, at the earliest opportunity, to enable the College to put in place appropriate support. 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 have engaged in partnership with the curriculum teams:

- 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 2023/24, 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 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 2023/24, **105 students** received support through this channel.

During 2023/24 the Learning Support Team provided support under the Disabled Students' Allowance provision (Higher Education) for **23 students** (new and returning students). A total of twenty 'Needs Assessments' were completed, and non-medical support in the form of one-to-one support sessions was provided to 7 students.

Safeguarding & Wellbeing

In 2023/24, the **Learner Welfare** team 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.

A key success of 2023/24 was the delivery of Department for the Economy's cost of living support to students from January to March 2024, with over **25,000 free meals** provided to SERC students. As part of this initiative, staff from SERCs student support services used the opportunity to provide additional advice and guidance to students which was supplemented by a short online welfare and support services training module.

To support the ongoing work of 'Safeguarding, Care and Welfare' within the College, and to ensure that activities in 2023/24 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**. A range of activities which underpinned these themes ensured that students were supported, as fully as possible, during their studies with SERC.

In addition, **200 cases of 'Young Carers'** were identified across the College and these students were assisted with additional relevant support.

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 a 24/7 student helpline, an online Hub of support resources and the option of up to six sessions of counselling provided either on-line, via telephone or in person.

The College has an established **Cause for Concern** referral system – this allows staff to record and forward a concern about the wellbeing of any student to the welfare team. This system ensures the College can 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 2023/24, **385 cases** were raised relating to a variety of situations including mental health, family issues, caring responsibilities.

SERC continued to support The Police Service of Northern Ireland in **Operation Encompass**. This operation is a partnership between the PSNI, Safeguarding Board Northern Ireland, the Education Authority and schools aimed at supporting children who witness domestic violence or abuse in the home.

SERC Careers Service

The SERC Careers Service provides **Careers Education, Information, Advice and Guidance (CEIAG)** for current and prospective students, as well as anyone in the local community. The service is impartial, confidential and client centred, and the careers team are all professionally qualified and adhere to the Career Development Institute (CDI) Code of Ethics.

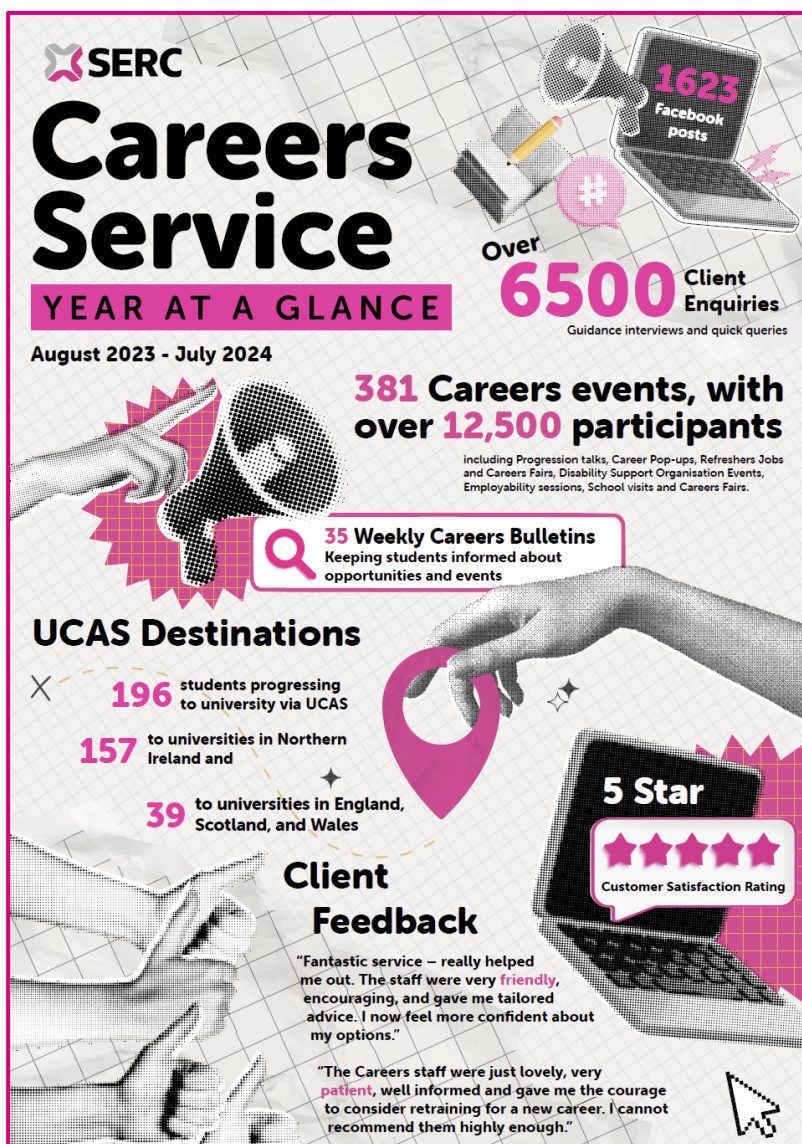
CEAIG within the college is an important mechanism for supporting individuals in choosing suitable careers or educational pathways to help them fulfil their personal, social, education and working ambitions.

In June 2024, the Careers Service was successfully re-accredited with the **Matrix Quality Standard** for a further three years. Outstanding feedback was received in the Matrix Assessor's Report, which stated **"SERC's CEIAG Service is exemplary in the promotion, delivery and review of its identified services"**.

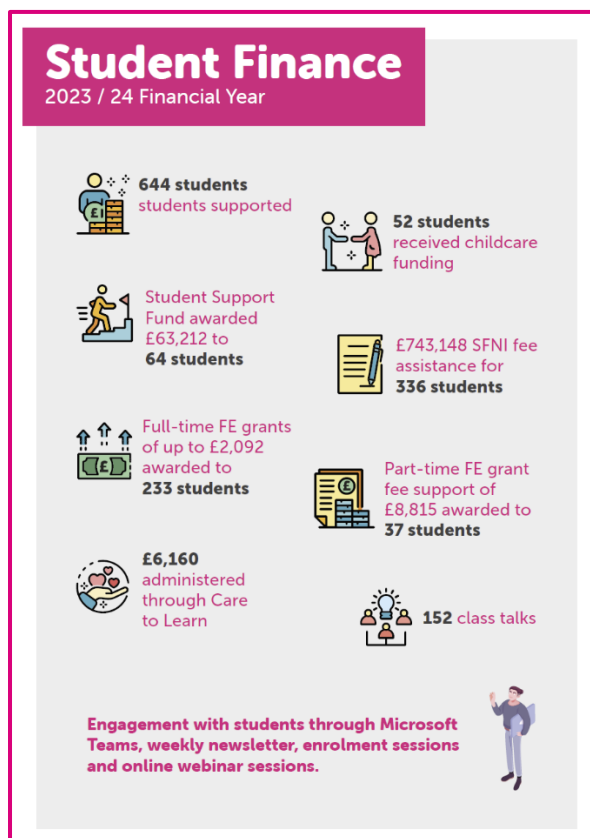
Throughout the 2023/24 year, the Careers Team delivered a wide range of activities to support current students, including the Refreshers Jobs and Careers Fairs run in collaboration with the Student Union, Community Support Organisation Fairs, Mock Interviews, Higher Education Fairs, in addition to sessions on UCAS, employability and progression options.

The Careers Team delivered an extensive programme of support for Traineeship cohorts, through class talks and 1-1 guidance sessions supporting them with preparation for placements and progression.

External engagement also increased during 2023/24 with the careers team delivering presentations to local school pupils on FE, HE and apprenticeship options, in addition to participating in school careers fairs and local council job fairs. Careers organised 'Onsite-Insight' events where local careers teachers received a briefing on SERC's post-16 provision and tour of the facilities. Following on from this, several schools brought groups of year 12 and year 14 pupils into Lisburn and Downpatrick for a campus tour and presentation on options at SERC.



Student Finance



The **Student Finance** team supported **644 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 2023/24 year, a total of 233 full-time Further Education students each received grants of up to £2,092 through FE Grants. Fee support from FE Grants totalled **£8,815** and was awarded to 37 part-time Further Education students.

Tuition fee loans totalling **£743,148** were awarded through Student Finance NI (SFNI) to 336 Higher Education (HE) students.

The College directly assisted 64 students through the Student Support Fund (Hardship Fund), providing total support of **£63,212**. The Care to Learn scheme administered **£6,160** of childcare assistance to 1 student.

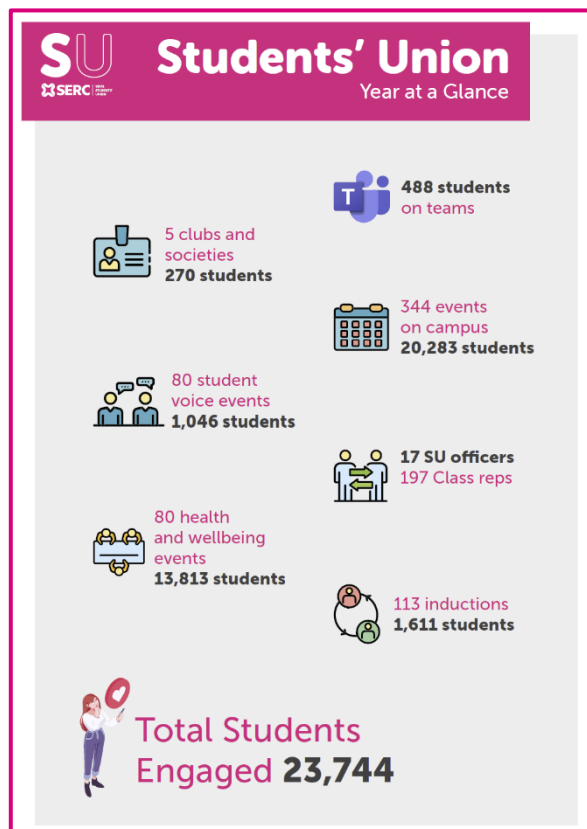
Students' Union

The **Students' Union** (SERCSU) delivered a student engagement programme that 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 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 clubs and societies, the development of a new carers programme resulting in the establishment of a new carers space in Lisburn campus, as well as a wide range of health and wellbeing and democratic activity.

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



FINANCIAL OBJECTIVES

The College's financial objectives and achievement in the year to 31 July 2024 were:

RATIO	TARGET	2023/24 RESULT
Total Staff Costs as % of Total Income (including Grant in Aid)	65%	62.83%
Cash Balance as % of Total Prior Year Income (including Grant in Aid)	5%-10%	6.6%
Debtor Days	45 days	21 days
Payment Performance - % of supplier invoices paid within 30 days	90%	89.01%

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 5-10% is contained with the Partnership Agreement with the Department for the Economy. The 2023/24 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 2023/24 has improved upon 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.

Financial Performance Monitoring

During 2023/24, the College monitored performance against its budget and against prior year position via the production of a full set of College Resource Accounts. 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 by the College Management Team and are presented to the Governing Body (GB) throughout.

In addition, the College produces a set of departmental Resource Accounts for each school and unit. 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 £3,501k (2022/23 deficit of £3,569k).

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.

Statement of Comprehensive Income and Expenditure

The result in 2023/24 is stated after accounting for a pension charge of £373k (Pension Charge £372k and Net Interest £1k), as determined by the College's actuaries. The actuarial assumptions used in calculating the pension charge are explained in Note 22.

The result is stated after exceptional costs of £3,510k. This exceptional cost includes £3,355k of costs related to the execution a Voluntary Severance Scheme (VSS) in 2023/24. The Voluntary Severance Scheme was a Northern Ireland Further Education sector-wide initiative, as approved by the Department for the Economy, seeking to effectively manage the staffing requirement whilst reducing permanent headcount and payroll costs. The Department provided grant-in-aid of £2,345k to partially fund the scheme within the College.

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 increased by £16k, as a result of the increase in the employer contribution rate for the Northern Ireland Teachers' Pension Scheme (increase from 25.1% to 29.1% on 1 April 2024) (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 2023/24 is therefore translated into Resource Requirement as follows:

	£'000
Income	
Total incoming resources (excluding Grant-In-Aid funding) (Note 29)	14,354
Expenditure	
Staff costs (excluding Pension Charge & Interest)	(37,802)
Other operating expenses	(18,896)
Exceptional costs (other than Holiday Pay provision)	(3,494)
Total expenditure	(60,192)
RESOURCE REQUIREMENT	(45,838)
GRANT-IN-AID FUNDING (Note 30)	48,751
Non-Resource Expenditure	
Depreciation & Amortisation	(6,025)
Pension cost	(372)
Net interest cost on pension scheme	(1)
Exceptional Cost: Legal Provision (Annually managed expenditure (AME) resource)	-
Exceptional Cost: Holiday Pay Provision (Annually managed expenditure (AME) resource)	(16)
Deficit as recorded in Statement of Comprehensive Income and Expenditure	(3,501)

The College has an actual Resource Requirement of £45,838 for the 2023/24 College financial year (August to July). This is some £977k less than the calculated 2023/24 Resource Allocation (August 23 – July 24) of £46,815k. However, this calculated Resource Allocation is considered a **notional amount** as it is based on the College's actual allocation for April 2023 – March 2023 (final confirmation in April 2024), with adjustments for notional allocations for April 2023 – July 2023 and also April 2024 – July 2024.

The College's true **financial performance target**, as set out by the Department for the Economy, is the delivery of an actual Resource Requirement in line with its approved Resource Budget Allocation **over the Department year**, i.e., from 1 April to 31 March.

SERC's Resource Requirement target, for the Departmental year (April 2023 – March 2024), was £46,732k, as confirmed DfE on 16 April 2024. For the twelve months ending 31 March 2024, the College delivered an **actual** Resource Requirement of £46,732k, including VSS costs. As such, the College met the target allocation for the Departmental 2023/24 financial year.

Therefore, whilst notionally there appears to be an "underspend" in College's financial year to 31 July 2024, this forms part of the 2024/25 departmental year financial planning to ensure SERC meets its Departmental year financial targets at 31 March 2025.

The College has significant reliance on the Department for the Economy (DfE) for its principal funding source, largely from recurrent grants. In 2023/24, DfE provided some 77.25% of the College's total income through grant-in-aid (2022/23: 80.12%). This represented 19.16% of the total recurrent grant available to the sector.

Net Assets and Reserves

Net assets at 31 July 2024 were £113,245k (31 July 2023 Restated: £112,187k). This includes a £19k pension liability (31 July 2023 Restated: £20k) and £638k of provisions (31 July 2023: £622k).

The College has a revaluation reserve of £105,267k (31 July 2023: £103,991k). 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, 31 July 2023, 31 March 2024 and 31 July 2024 to provide valuations at 31 July 2024. Indices are applied to assets previously valued by LPS at 31 July 2022. The valuations increased the revaluation reserve by £4,186k, whilst £2,910k was transferred from revaluation reserve to the income and expenditure reserve.

The College has an accumulated income and expenditure reserve of £7,991k (31 July 2023: £8,210k) (excluding the Pension Deficit of £19k (31 July 2023 Restated: £20k) and cash balances of £4,067k (31 July 2023: £3,839k) as at 31 July 2024.

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 £228k during the year, as a result of cash inflows from operating activities of £4,537k and cash outflows from investing and financing activities of £1,188k, and £3,121k from investments and capital (2022/23: total inflow of £335k).

With a cash balance of £4,067k (31 July 2023: £3,839k), the College's liquidity is within the Department's target for cash reserves, as detailed in the Partnership Agreement with DfE.

Estate

The College's estate consists of land with a net book value of £7,975k as at 31 July 2024 (31 July 2023: £7,975k) and buildings with a net book value of £164,532k as at 31 July 2024 (31 July 2023: £164,974k).

OUR SUCCESS

SERC's success has been recognised in 2023/24:

Pearson National Teaching Awards 2024

Several staff members and curriculum teams were recognised in the Pearson National Teaching Awards 2024, selected from thousands of nominations:

The Engineering Education team achieved the prestigious **Silver Pearson National Teaching Award**, within the 'FE Team of the Year' category.

The Award recognises the team of full-time and part-time lecturing and support staff who bring industry specific qualifications and experience to over 1,000 engineering and manufacturing students across SERC.



The Hospitality and Culinary Arts team were presented with a **Bronze Pearson National Teaching Award**, with the 'FE Team of the Year' category.

The award recognises their ongoing Food Poverty Project in which they have radically adapted their project-based learning (PBL) focus from solely business enterprise to fifty percent social enterprise work, in response to the extreme food poverty in their local communities.

SERC Deputy Head of Enterprise and Entrepreneurship, Lizzie Buick, was announced as the recipient of a **Certificate of Excellence**, within the category 'FE Lecturer of the Year'.

Lizzie was nominated for the award for her success in several areas of teaching, including evolving the SERC Entrepreneur Club, and developing the first Level 3 Understanding Neurodiversity in the Workplace qualification for FE in the UK.



Screwfix Trade Apprentice 2024 Champion



Level 2 Apprentice in Carpentry and Joinery **Matthew Rutherford** was named **Screwfix Trade Apprentice 2024 Champion**.

During the two-day final, in London, Matthew wowed the panel of industry judges, including representatives from the National Inspection Council for Electrical Installation Contracting (NICEIC), the Chartered Institute of Plumbing and Heating Engineering (CIPHE), and the Federation of Master Builders (FMB) with his passion for carpentry.

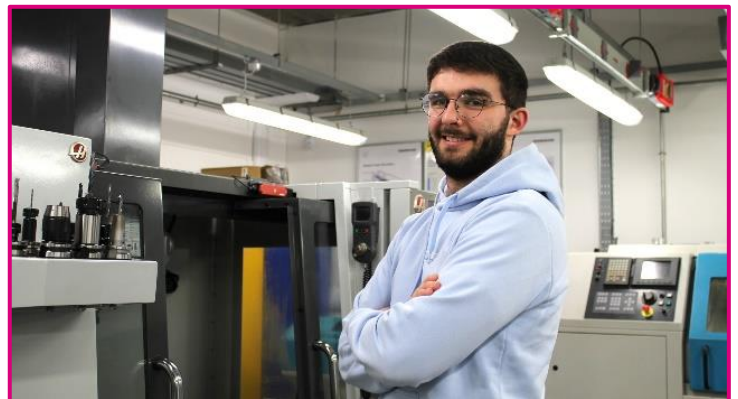
At the same event, Level 3 Apprentice in Electrical Installation **Jindara Scott** was awarded a **Highly Commended** recognition.

Northern Ireland Apprentice of the Year

Level 3 Apprenticeship in Advanced Manufacturing Engineering apprentice **Andrew Smyth** was named the **Department for the Economy's Northern Ireland Apprentice of the Year 2024**.

The Northern Ireland Apprenticeship Awards celebrate the exceptional achievements of apprentices, their employers and mentors, and training providers.

Andrew is currently completing his apprenticeship with Thales UK Ltd.



Outstanding Contribution to the Security Industry



Fire and Security lecturer **Ross Harvey** was awarded the security industry's most prestigious honour, the **David Clark Award**.

The accolade recognised Ross' significant contributions to the security sector and underscores a career dedicated to excellence, leadership, and the advancement of industry standards.

Ross's citation said that his work has not only safeguarded assets and people, but also fostered a spirit of integrity and professionalism that is the hallmark of the David Clark Award.

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 was Higher Level Apprenticeship in Culinary Arts student Grace Dugan; Level 3 Diploma in Professional Chef student Sarah Termonia; and Level 3 Diploma in Hospitality with Events student Lucie Ramm,

Further Education NI Excellence Awards

Eight students and two staff members were honoured at the first-ever Further Education NI Excellence Awards.

FE Excellence Award for Introductory Programme:

Dean Mackintosh

FE Excellence Award for Supported Learning:

Avery Chambers

FE Excellence Award for Level 2/Traineeship:

Yehor Chuckhil

FE Excellence Award for School Partnership:

Ellie Notley



FE Excellence Award for Level 3 Further Education:

Cassie Caldwell

FE Excellence Award for Higher Education:

Alex Markuls

FE Excellence Award for Lifelong Learning:

Vikki Pinkerton

FE Excellence Apprentice Award :

Andrew Smyth

Staff Recognition Awards for Lifetime Contributions

Wendy Baird, Finance Business Partner

Martha Craig, Deputy Head of School

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:

Curriculum Developments

SERC continues to evolve the curriculum offer to ensure alignment with local industry need and the ministerial priorities. An example of this can be seen through the validation of an exciting new Industry 4.0 Foundation Degree. This qualification will enable businesses to adopt and implement cutting edge digital and automation technologies.

Alongside this SERC have developed a Higher-Level Apprenticeship (HLA) in Leadership and Productivity Improvement. The HLA aims to equip leaders and managers within industry to harness digital transformation opportunities whilst increasing productivity and management effectiveness.

On a larger scale, the College continues to roll out the introduction of its "Traineeship" programmes. Traineeships are the new Department for Economy (DfE) programmes at level 2 and offer learners the opportunity to undertake a comprehensive package of education that includes a vocational qualification, essential skills, transversal skills and work placement opportunities. In 2023/24 SERC's Traineeship implementation continued to expand with additional level 2 further education programmes such as Information Technology (IT) transitioning to a traineeship model. In the 2024/25 academic year all level 2 further education programmes will move to a traineeship model.

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 2023/24, 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 £21,400.

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

	TARGET	2023/24 RESULT
Enrolments from Northern Ireland Multiple Deprivation Measure (MDM) - Quintile 1.	9% or 133 enrolments	148 enrolments
Enrolments from adult returners.	53% or 757 enrolments	957 enrolments
Enrolments from students with a disability.	8% or 103 enrolments	165 enrolments
Enrolments from students who have a Care Experience.	15 enrolments	8 enrolments
Young male students in MDM Quintile 1.	14 young males	6 Young Males
Students in receipt of DSA	22 students	23 students

The following targets have been agreed for the 2024/25 year:

	TARGET
Enrolments from MDM Quintile 1	134
Enrolments from adult returners	827
Enrolments from students with a disability	110
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;
- Department for the Economy;
- 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 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.

The perceptions of customers are primarily shown in the latest **Big 14 Survey**, which seeks student views of their College experience for the Department for the Economy 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:



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.

During 2023/24, the College had 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 2023 to 31 July 2024, the College paid 89.01% of its invoices within 30 days (2022/23: 66.67%). The average payment days was 17.58 days (2022/23: 28.02 days). The College incurred no 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 2023 to 31 July 2024, the College paid 30.67% of its invoices within 10 days (2022/23: 20.02%).

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 57 - 75).

Personal data related incidents

The College had no reportable data breaches in 2023/24.

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

Senior Staff Pay Award – September 2023

The rates of salaries for Principals and Deputy Directors in Colleges of Further Education from 1 September 2023 were published on 25 October 2024.

These rates of salaries for senior staff have been accrued in staff costs for the year ended 31 July 2024.

Non-Teaching Pay Award – April 2024

The rates of salaries for non-teaching staff follow the National Joint Council (NJC) Local Government Services Pay Agreement. The rates of salaries from 1 April 2024 were published by NJC on 22 October 2024.

These rates of salaries for non-teaching staff have been accrued in staff costs for the year ended 31 July 2024.

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)	12 / 12
Mr Andrew Corbett	11 April 2016 11 April 2020 (Second Term)	4 years 4 years	10 April 2024	Staff Governor - Teaching	Education, Finance and General Purposes	2 / 3
Ms Majella Corrigan	1 April 2021	4 years	-	Independent Member – Business Category	Education, Finance and General Purposes	12 / 12
Ms Wilma Fee	2 February 2023	4 years	18 April 2024	Co-opted	Audit and Risk, Education	0 / 8
Miss Sophie Leigh Francis	1 October 2022	1 year	30 September 2023	Student Governor 2022/23	Audit and Risk, Education	0 / 0
Mr Samuel Hagen	18 October 2021	4 years	-	Independent Member – Business Category	Audit and Risk, Education	11 / 12
Mr Mark Huddleston	10 December 2020	4 years	-	Independent Member – Business Category	Audit and Risk, Education	7 / 12
Mrs Carolyn King	24 October 2022	4 years	-	Staff Governor – Corporate	Audit and Risk, Education	6 / 6
Mr Steven Lee	29 May 2024	4 years	-	Staff Governor – Teaching	Education, Finance and General Purposes	0 / 1
Ms Pauline Leeson CBE	26 June 2024	4 years	-	Independent Member – Business Category	-	0 / 0

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 Mackell	1 February 2016 1 February 2020 (Second Term)	4 years 4 years	31 January 2024	Independent Member – Business Category	Audit and Risk, Education	3 / 3
Dr Daniel McConnell	10 December 2020	4 years	-	Independent Member – Business Category	Education, Finance and General Purposes	12 / 12
Mr Alan McCrum	10 December 2020	4 years	-	Independent Member – Business Category	Education, Finance and General Purposes	11 / 12
Mr Michael McQuillan	28 October 2021	4 years	-	Co-opted	Audit and Risk, Education, Finance and General Purposes	12 / 12
Mrs Deborah O'Hare	10 December 2020	4 years	-	Independent Member – Business Category	Audit and Risk, Education, Finance and General Purposes	7 / 12
Ms Vikki Pinkerton	1 October 2023	1 year	-	Student Governor 2023/24	Audit and Risk, Education	6 / 6
Ms Nuala Reid	26 June 2024	4 years	-	Independent Member – Business Category	-	0 / 0
Mr Darren Stewart	10 December 2020	4 years	-	Independent Member – Business Category	Audit and Risk, Education	12 / 12
Mr Ken Webb	1 July 2008	On-going	31 July 2024	Principal and Chief Executive	Education, Finance and General Purposes	11 / 11

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	11 / 12
Ms Nicola Wilson	26 June 2024	4 years	-	Independent Member – Business Category	-	0 / 0

Professional Advisers

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

External Auditor

External Auditor	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 Tommy Martin
Interim Accounting Officer

2 December 2024

SOUTH EASTERN REGIONAL COLLEGE REMUNERATION REPORT

REMUNERATION POLICY

South Eastern Regional College is a member of the Northern Ireland Colleges Employers' Forum (CEF).

The CEF is a collaborative network of the six colleges and 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 CEF negotiating committees producing pay grades for each of the following staff groups:

- Principal and Chief Executives and senior staff (deputy directors);
- Lecturers; and
- Non-Teaching staff

The pay of each of these groups, excluding the Principal & Chief Executive, is based on a system of pay scales for each grade, containing a number of pay points from minimum to maximum, allowing progression towards the maximum based on contractual annual increments.

Annual pay awards are made in accordance with Northern Ireland's public sector pay policy guidance, and in the context of the wider public sector pay policy.

SERVICE CONTRACTS

South Eastern Regional College staff 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.

REMUNERATION (INCLUDING SALARY) AND PENSION ENTITLEMENTS

The following sections provide details of the remuneration and pensions interests of the Governing Body, Principal & Chief Executive and most senior management of the College.

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 a 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	2023/24				2022/23			
	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	-	-	15 - 20	15 - 20	-	-	15 - 20
Mr Andrew Corbett (Term ended 10 April 2024)	0 - 5	-	-	0 - 5	0 - 5	-	-	0 - 5
Ms Majella Corrigan	0 - 5	-	-	0 - 5	0 - 5	-	-	0 - 5
Ms Wilma Fee (Term ended 18 April 2024)	-	-	-	-	0 - 5	-	-	0 - 5
Miss S L Francis (Term ended 30 Sept 2023)	0 - 5	-	-	0 - 5	0 - 5	-	-	0 - 5
Mrs Karen Fraser (Term ended 30 June 2023)	-	-	-	-	0 - 5	-	-	0 - 5
Mr Samuel Hagen	5 - 10	-	-	5 - 10	0 - 5	-	-	0 - 5
Mr Gareth Hetherington (Term ended 30 April 2023)	-	-	-	-	0 - 5	-	-	0 - 5

Name	2023/24				2022/23			
	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	-	-	0 – 5	0 – 5	-	-	0 – 5
Mrs Carolyn King	0 – 5	-	-	0 – 5	0 – 5	-	-	0 – 5
Mr Steven Lee (Term started 29 May 2024)	0 – 5	-	-	0 – 5	-	-	-	-
Mr John Mackell (Term ended 31 Jan. 2024)	0 – 5	-	-	0 – 5	0 – 5	-	-	0 – 5
Dr Daniel McConnell	0 – 5	-	-	0 – 5	0 – 5	-	-	0 – 5
Mr Alan McCrum	5 - 10	-	-	5 - 10	5 - 10	-	-	5 - 10
Mr Michael McQuillan	0 – 5	-	-	0 – 5	0 – 5	-	-	0 – 5
Ms Deborah O'Hare	0 – 5	-	-	0 – 5	0 – 5	-	-	0 – 5
Ms Vikki Pinkerton (Term started 1 Oct. 2023)	0 – 5	-	-	0 – 5	-	-	-	-
Mr Steve Pollard (Term ended 18 Dec 2022)	-	-	-	-	0 – 5	-	-	0 – 5
Mr Darren Stewart	0 – 5	-	-	0 – 5	0 – 5	-	-	0 – 5
Mr Derek Wilson	0 – 5	-	-	0 – 5	0 – 5	-	-	0 – 5

THE PRINCIPAL & CHIEF EXECUTIVE AND DEPUTY DIRECTORS

Service Contracts

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 (NITPS) or the Northern Ireland Local Government 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.

Remuneration (including salary) and pension entitlements (Audited)

Name	2023/24					2022/23				
	Salary*	Annual Leave Payment**	Benefits in kind	Pension Benefits*** (to nearest £1,000)	Total	Salary	Annual Leave Payment*	Benefits in kind	Pension Benefits*** (to nearest £1,000)	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Mr Ken Webb Director (Appointed 1 July 2008 Retired 31 July 2024)	135-140	15-20	-	119	270-275	115-120	-	-	142	260-265
Dr Michael Malone Deputy Director (Appointed 1 June 2009 Exited 30 June 2024)	105-110	-	-	115	220-225	100-105	-	-	127	225-230
Mrs Heather McKee Deputy Director (Appointed 1 January 2017)	115-120	-	-	42	155-160	85-90	-	-	43	130-135
Mr Tommy Martin Deputy Director (Appointed 15 May 2024)	20-25 (95-100 Full year equivalent)	-	-	19	40-45	-	-	-	-	-
Mr Gary Ritchie Deputy Director (Appointed 15 May 2024)	20-25 (90-95 Full year equivalent)	-	-	2	20-25	-	-	-	-	-

* Salary includes pay award arrears paid during the 2023/24 year, and accrued payments recorded in these accounts.

** Annual Leave Payment relates to the payment of accrued annual leave at date of retirement from the College.

***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; and any other allowance (including payment of unused annual leave on retirement, and job evaluation arrears) 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 (HMRC) as a taxable emolument. No senior officials received any benefits in kind in 2023/24 or 2022/23.

Bonuses

South Eastern Regional College does not make bonus payments.

Compensation for loss of office

Dr Michael Malone left employment of the College, under the terms of NI Further Education Voluntary Severance Scheme 2023/24, on 30 June 2024. Dr Malone received a compensation payment of £175-180k (total cost to the College, including Employer Class 1A National Insurance: £215-£220k).

Mr Ken Webb retired from the employment of the College on 31 July 2024. Mr Webb did not receive any additional compensation on retirement other than payment of unused contractual annual leave.

Pension Entitlements (Audited)

Officials	Accrued pension at pension age as at 31/7/24 and related lump sum £'000	Real increase in pension and related lump sum at pension age £'000	CETV at 31/7/24 £'000	CETV at 31/7/23 or start date if later £'000	Real increase in CETV £'000
Mr Ken Webb Director	65-70 Plus, lump sum of 0*	7	1,145	1,003	142
Mrs Heather McKee Deputy Director	10-15 Plus, lump sum of 0*	3	220	174	46
Mr Tommy Martin Deputy Director	25-30 Plus, lump sum of 0*	1 (from 14 May 2024)	399	393 (as at 14 May 2024)	6
Mr Gary Ritchie Deputy Director	10-15 Plus, lump of 30-35	- (from 14 May 2024)	244	241 (as at 14 May 2024)	3

* An entrant to the NITPS after 01/04/2007 or NILGOSC from 01/04/2009 has no lump sum applicable, although the entrant may elect to commute part of their pension to a lump sum.

Fair Pay Disclosure – Pay Ratios (Audited)

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 salary remuneration of the highest-paid director South Eastern Regional College in the financial year 2023/24 was £115-120k (2022/23: £115-120k). To ensure no impact on comparability, this banded figure does not include the payment for annual leave upon retirement, and excludes arrears paid and amounts accrued and therefore differs from the salary band shown in the Remuneration table on Page 41.

The relationship between the mid-point of this band and the remuneration of the College’s workforce is disclosed below:

2023/24	25 th percentile	Median	75 th percentile
Total remuneration	£29,269	£39,495	£44,158
Pay ratio	4.01	2.98	2.66

2022/23	25 th percentile	Median	75 th percentile
Total remuneration	£29,439	£36,298	£39,028
Pay ratio	3.99	3.24	3.01

Total remuneration includes salary and benefits-in-kind. It does not include severance/redundancy payments, employer pension contributions, payments in respect of unused annual leave, accrued payments, nor the cash equivalent transfer value of pensions.

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

Remuneration ranged from £20k-£25k to £115k-£120k (2022/23: £20k-£25k to £115k-£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:	2023/24 compared to 2022/23
Average employee salary and allowances	7.81%
Highest paid director’s salary and allowances	2.00%

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

The following pay awards were applied in the 2023/24 financial year:

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

The rates of salaries for Principals and Deputy Directors in Colleges of Further Education from 1 September 2021 and 1 September 2022 were published on 10 November 2023. The following changes were determined and applied:

- 1% increase in salary rates from **1 September 2021**;
- 1% increase salary rates from **1 September 2022**; and
- **Non-consolidated payment** for those employed during the period 1 September 2021 - 31 August 2022 (calculated at £3,000 gross per Full Time/Whole Time Equivalent).

The rates of salaries from 1 September 2023 were published on 25 October 2024. The following change was determined and accrued into 2023/24 accounts:

- 8.4% increase plus £1,000 on each salary scale point.

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

The rates of salaries for Lecturers in Colleges of Further Education from **1 September 2023** were published on 5 June 2024. The following changes were determined and applied:

- Salary scale point 1 of the lecturing scale increased to £30,000.
- 8.4% increase plus £1,000 on each salary scale point (excluding point 1) 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.
- 8.4% increase to allowances (i.e. Threshold, Deane, Responsibility and Re-organisation) relating to Lecturer's Contract of Employment (i.e. Associate Lecturers, Full-Time Lecturers, Principal Lecturers and Heads of Department).

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

In January 2024, 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:

- The higher of £1,925 or 3.88% annual increase on each salary scale point from **1 April 2023**.

The rates of salaries from 1 April 2024 were published by the National Joint Council on 22 October 2024. The following change was determined and accrued in 2023/24 accounts:

- £1,290 per annum pay increase up to maximum of the pay spine, with locally determined pay points above the maximum of the pay spine increased by 2.5%.

PENSION ARRANGEMENTS

Retirement benefits to employees of the College are provided by the Northern Ireland Teachers' Pension Scheme (NITPS) and/or the Local Government Pension Scheme (Northern Ireland).

Northern Ireland Teachers' Pension Scheme

Pension benefits may be provided through the Northern Ireland Teacher's Pension Scheme which is administered by the Teachers' Pension Team within the Department of Education. The Scheme is funded by contributions made by both employees and employers. See detail of contributions at www.education-ni.gov.uk.

The pension scheme, from 1 April 2015, operates as a Career Average Revalued Earnings (CARE) and all new entrants joining the scheme on or after 1 April 2015 have their benefits calculated using career average arrangements only. CARE schemes accumulate pension based on a fraction of pensionable earnings each year – for NITPS this is 1/57th.

Existing scheme members, on 1 April 2015, who satisfied certain criteria (generally members within 10 years of their normal pension age) 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.

In 2018, the UK Court of Appeal found that transitional protections put in place in 2015, that allowed older workers to remain in their original scheme, were discriminatory on the basis of age (**McCloud Judgement**).

The NITPS has now made regulations which remedy the discrimination by:

- prospective remedy: all active members of the NITPS becoming members of the 2015 reformed scheme (career average) from 1 April 2022, irrespective of age; and
- retrospective remedy: providing each eligible member with options to have their pension entitlements for the period when the discrimination existed between 1 April 2015 and 31 March 2022 (the remedy period) retrospectively calculated under either the current (2015 reformed) scheme rules, or the legacy scheme (final salary) rules which existed before 2015.

This means that all active NITPS Pension Scheme members are in the same pension scheme, CARE, from 1 April 2022 onwards, regardless of age. This removes the discrimination going forward in providing equal pension provision for all scheme members.

The NITPS is now implementing the second part of the remedy, which addresses the discrimination which was incurred by affected members between 1 April 2015 and 31 March 2022.

Eligible members with relevant service between 1 April 2015 and 31 March 2022 (the Remedy Period) will now be entitled to a choice of alternative pension benefits in relation to that period i.e. calculated under legacy rules or alternatively calculated under CARE scheme rules. As part of this retrospective remedy most active members will now receive a choice about their remedy period benefits at the point of retirement. This is known as the Deferred Choice Underpin (DCU). For those members who already have pension benefits in payment in relation to the Remedy Period, they will receive an Immediate Choice as soon as practicable after 1 October 2023, and no later than 18 months following this date.

At this stage, allowance has not yet been made within CETVs for this remedy. Further information on the remedy can be found at [Retrospective Remedy Consultation | Department of Education \(education-ni.gov.uk\)](http://Retrospective Remedy Consultation | Department of Education (education-ni.gov.uk)).

Local Government Pension Scheme (Northern Ireland)

Pension benefits may be provided through the Local Government Pension Scheme (Northern Ireland) (LGPS (NI)) which is administered by the Northern Ireland Local Government Officers' Superannuation Committee (NILGOSC).

The pension scheme operates as a Career Average Scheme where a member builds up retirement pension at the rate of 1/49th pensionable pay for each year.

The LGPS (Northern Ireland) changed from a Final Salary Scheme to a Career Average Scheme on 1 April 2015. Members who joined the Scheme before 1 April 2015 have built up benefits in the final salary scheme. For members between 1 April 2009 and 31 March 2015, pension benefits were built up at the rate of 1/60th pensionable pay for each year of membership. Pension benefits in relation to any membership before 1 April 2009 were built 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. There is no automatic lump sum provided in respect of membership after 31 March 2009. At retirement, members may give up some pension for additional lump sum, subject to HM Revenue and Customs (HMRC) limits.

Existing scheme members, on 1 April 2015, who were closer to retirement were protected from the changes of LGPS (NI) moving from a final salary scheme to a career average scheme. For 'protected' members, at point of retirement, NILGOSC would compare the career average pension they built up before age 65 with the pension they would have built up in the final salary scheme. If the final salary pension was higher, the difference was added to their pension. This protection was called the '**underpin**'. The underpin period is from 1 April 2015 to 31 March 2022 (also known as the **remedy period**).

The **McCloud Judgement** ruled that this protection was discriminatory on the basis of age. The LGPS (NI) has made regulations to remedy this discrimination (the '**McCloud Remedy**')

- prospective remedy: from 1 April 2022 all members, irrespective of age, have their pension built up based on the career average scheme only; and
- retrospective remedy: eligible younger members also retrospectively protected by the underpin.

This means that all active LGS (NI) Pension Scheme members build up their pension on the same basis, from 1 April 2022 onwards, regardless of age. This removes the discrimination going forward in providing equal pension provision for all scheme members.

The NILGOSC is now implementing the second part of the remedy, which addresses the discrimination which was incurred by affected members between 1 April 2015 and 31 March 2022. Eligible members with relevant service between 1 April 2015 and 31 March 2022 (the Remedy Period) will now receive the same treatment in the application of the underpin protection: when a member takes their pension, NILGOSC will compare the pension built up from 1 April 2015 to 31 March 2022 in the career average scheme with the pension that could have been built up had the final salary scheme continued – if the final salary pension would have been higher, the difference will be added to the member's pension.

For those members who already have pension benefits in payment (pre 1 October 2023) in relation to the Remedy Period, NILGOSC will review the pension being paid. If the pension that would have built up between 1 April 2015 and 31 March 2022 in the final salary scheme would have been higher than in the career average scheme, then the member's pension will be increased. NILGOSC will pay arrears of pension and interest.

Further information on the NILGOSC remedy can be found at [The McCloud Remedy - NILGOSC](#).

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 or NILGOSC pension arrangements and for which the Fund has received a transfer payment commensurate with the additional pension liabilities being assumed. They also include any additional benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost.

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.

The Lifetime Allowance ended in April 2024 and will be replaced by the Lump Sum Allowance and The Lump Sum and Death Benefit Allowance.

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 (which therefore disregards the effect of any changes in factors).

Enhanced Pensions

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

SOUTH EASTERN REGIONAL COLLEGE STAFF REPORT

Staff Costs

Staff Costs are disclosed in Note 8 to the Financial Statements (page 95).

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	2023/24 Total	2022/23 Total
Teaching	349	-	349	380
Support	192	-	192	201
Administration	169	2	171	184
Premises	13	1	14	14
Total	723	3	726	779

Attendance Management

In the year August 2023 to July 2024, the overall sickness absence rate was 5.57% (2022/23 – 4.40%), equivalent to 13.87 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 2024**, by gender for each of the following groups:

Group	31 July 2024			31 July 2023		
	Male	Female	Total	Male	Female	Total
Principal & Chief Executive and Deputy Directors	3	1	4	2	1	3
College Management Team	-	-	-	3	1	4
Employees (excluding Part-Time Lecturers)	292	454	746	307	464	771

Staff Turnover

Staff turnover (excluding Part Time Lecturers) for the period 1 August 2023 to 31 July 2024 was 9.54 % (2022/23: 6.47%). Staff turnover in 2023/24 includes exits under the Voluntary Severance Scheme (see below)

Exit Packages Costs (Audited)

The table below shows the **total** cost of exit packages agreed and accounted for in 2023/24.

Voluntary Severance Scheme costs have been paid in accordance with compensation arrangements agreed within the Northern Ireland Further Education Colleges Voluntary Severance Scheme 2023/24 conditions. Minister Murphy approved the scheme with assurances that the scheme was to be delivered in a way which minimised the impact on front line delivery. The additional costs of the NILGOSC pension scheme are met by the College and included within the below table.

Voluntary Redundancy costs have been paid in accordance with compensation arrangements under the Redundancy Terms for Northern Ireland Further Education staff. Voluntary redundancy payment is calculated on the basis of age, service and pay, and are traditionally enhanced terms.

Exit Package Cost Band	Voluntary Severance Scheme		Voluntary Redundancy	
	2024	2023	2024	2023
	Number	Number	Number	Number
< £10,000	-	-	9	4
£10,000 - £25,000	1	-	1	-
£25,001 - £50,000	5	-	-	-
£50,001 - £100,000	9	-	-	-
£100,001 - £150,000	10	-	1	-
£150,001 - £200,000	4	-	-	-
£200,001 - £250,000	1	-	-	-
£250,001 - £300,000	-	-	-	-
£300,001 - £350,000	-	-	-	-
£350,001 - £400,000	-	-	-	-
£400,001 - £450,000	-	-	-	-
£450,001 - £500,000	1	-	-	-
Total number of exit packages	31	-	11	4
Total Cost (£'000)	3,450	-	136	11

Temporary Staff

During the year to 31 July 2024, the College expended £71k on temporary agency staff (2022/23: £80k).

Off Payroll Engagements

The College had no off-payroll engagements in 2023/24.

Consultancy

The College had no consultancy engagements in 2023/24.

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 5-year Equality Scheme covering the period 2022 to 2027 to promote equality of opportunity can be 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 2024, at 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 information can be found at the following link: [South Eastern Regional College | AccessAble](#). 713 users have visited the site, with 2,405 pages being viewed.

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 2023/24, seeking to improve the health and wellbeing of employees, including good mental health and physical health. The Wellbeing Strategy focused on four main areas:

- review and refocus on mental health support arrangements and structure;
- supporting employees' financial wellbeing;
- promotion of healthy lifestyle to promote physical activities; and
- supporting social health - caring for others, volunteering, social etc.

Staff wellbeing sessions occurred throughout the 2023/24 year, with 72 online information/training sessions being delivered. A sample of the sessions included:

- menopause awareness and support;
- pension awareness;
- money guidance, budgeting, and savings scheme;
- managing stress and resilience development;
- managing bereavement; and
- caring support services and dementia.

Approximately five hundred staff members benefitted directly from the online sessions.

The College dedicates two HR staff members to Staff Wellbeing and has twelve '**Health and Wellbeing Champions**', an increase of six from 2022/23. The role of the champion is to input and support the strategy and drive initiatives with staff on individual campuses.

The College also proactively supports and encourages physical wellbeing by introducing initiatives such as 'Step Challenges', lunchtime 'circuits', walking football, badminton, and provides gym induction for staff to avail of the College gym facilities on a free of charge basis.

A new initiative in 2023/24 has been the engagement of staff wellbeing through student project-based learning. Students developed and delivered four beauty events for staff, and student carers, where beauty and relaxation treatments were provided. This event was part of staff wellbeing, but also develop student skills for the curriculum.

In 2023/24, SERC became a Champion for the 'Workplace Pledge Commitment' with Money and Pensions Service – this commits the College to support staff in their financial wellbeing through pension awareness sessions, online information sessions during Money Talk Week, savings plan with Teachers Credit Union, and day-to-day budgeting sessions.

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, ten '**Mental Health First Aiders**' provide confidential mental health support for both staff and students.

SERC supports mental health awareness days; such as 'Time to Talk', Mental Health Awareness, Suicide Awareness, with coffee and connect mornings, and time to talk and walk events.

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. 833 staff were enrolled in this scheme in 2023/24.

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.

UK Healthcare also offer an online 24/7 confidential counselling service with qualified and experienced counsellors that staff can avail off.

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.

Staff Development

SERC is proud to invest in professional development opportunities for all staff through the in-house '**Learning Academy**' department. This team supports excellence in learning and teaching and ensures staff have the skills required to meet the College Development Plan.

Two staff development events were held in 2023/24:



The **Corporate Staff** development day focused on the theme: '**ADAPT: Developing Skills for a Changing World**'.

More than 200 corporate staff attended the development day.

Delegates took part in workshops that included advanced MS Excel, supporting neurodiversity at work, emotional intelligence, introduction to AI, PowerBI, Accessibility, advanced MS Word, digital wellbeing, and Coping with change.

The **Teaching Staff** development day focused on the theme: '**ELEVATEd; Empowering Educators**'.



The blended programme consisted of a one-day session for all teaching staff (delivered over three campuses with 303 attending), with mandatory workshops focusing on Transversal Skills, Accessibility and Meta Skills, and optional workshops including Working Smarter with AI, Reports to Support, Mental Health support for Students, Alternative assessment in the age of AI and Building Community within Teams.

Throughout 2023/24, the Learning Academy focused its work on **four key workstreams** to support learning and teaching, managerial practice, digital upskilling and to deliver continuous professional development (CPD) activities that support SERC's organisational goals and priorities.

Under these four workstreams the following were highlights for 2023/24:



33 staff completed the Pedagogical Mentoring programme, positively impacting the quality of lesson planning and delivery in SERC.

The College supported 9 staff in achieving their Certificate in Teaching (CIT), with a further 17 staff members achieving their Post Graduate Certificate in Education (Further Education).

The '**Leading@SERC**' programme seeks to ensure leaders in SERC are kept update to date with best managerial practice on areas including strategic thinking, emotional intelligence and promoting wellbeing. The College continued to deliver the '**Bridging the Gap**' programme where five staff members achieved a Chartered Management Institute Level 5 Certificate in Management and Leadership, with 4 additional staff being awarded Chartered Manager status.



Ongoing training in digital skills was provided to all staff, focussing upon the College's IT systems including Staff Portal, Digital Accessibility and TEL (Technology Enhanced Learning) platforms.

Staff were also guided in the opportunity Artificial Intelligence (AI) offers the College while highlighting the risks with AI and the ethical issues it poses. Comprehensive training on 'Turnitin' software aimed to reduce the risk of plagiarism and combat the inappropriate use of AI was delivered to 56 staff, alongside a just-in-time training resource via SharePoint. The College provided staff with eight short courses and over 30 webinars.

12 staff members received funded support for professional and technical training, including Masters and PhD programmes, five were supported in gaining Fellowships and a further seventeen successfully achieved IQA & Assessor Awards / Certificates.



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 2024

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 detailing the resources acquired, held or disposed of, and the use of resources, during the year by South Eastern Regional College. 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.

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 the Department of Finance.

As Accounting Officer, on behalf of the Governing Body, I have taken all steps that I ought to have taken to make myself aware of any relevant audit information and to establish that South Eastern Regional College's auditors are aware of that information. So far as I am 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 2024

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 2023/24 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 Partnership Agreement between the Department for the Economy (DfE) and the College.

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 Partnership Agreement with the Department for the Economy, 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:

Governing Body Member	Meetings Attended	Out of a Possible
Mr John Nugent (<i>Chair</i>)	12	12
Mr Andrew Corbett (<i>Term ended 10 April 2024</i>)	2	3
Ms Majella Corrigan	12	12
Ms Wilma Fee (<i>Term ended 18 April 2024</i>)	0	8
Miss Sophie Leigh Francis (<i>Student Governor 2022/23 - Term ended 30 September 2023</i>)	-	-
Mr Samuel Hagen	11	12
Mr Mark Huddleston	7	12
Mrs Carolyn King	6	6
Mr Steven Lee (<i>Appointed 29 May 2024</i>)	0	1
Mr John Mackell (<i>Term ended 31 January 2024</i>)	3	3
Dr Daniel McConnell	12	12
Mr Alan McCrum	11	12
Mr Michael McQuillan	12	12
Mrs Deborah O'Hare	7	12
Ms Vikki Pinkerton (<i>Student Governor 2023/24 – Appointed 1 October 2023</i>)	6	6
Mr Darren Stewart	12	12
Mr Ken Webb	11	11
Mr Derek Wilson	11	12
<i>In attendance</i>		
Director of Strategic Planning, Quality and Support (<i>until 14 May 2024</i>)	5	-
Deputy Principal: Student Support Services (<i>from 15 May 2024</i>)		
Deputy Principal: Curriculum (<i>from 15 May 2024</i>)	1	-
Chief Finance Officer (<i>until 14 May 2024</i>)	6	-
Deputy Chief Executive (<i>from 15 May 2024</i>)		
Director of Curriculum & Information Services (<i>exit from College 30 June 2024</i>)	1	-
Chief Human Resources Officer	11	-
Chief Training & Contracts Officer	1	-
Chief Officer: Quality, Excellence & Development	1	-
Head of Human Resources	1	-
Head of Health & Safety	1	-
SHEQ.point Ltd, Safety, Health, Environment and Quality Consultancy Services	1	-
Boardroom Apprentice 2023/24	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 2023/24.

In order to fulfil its role, the Governing Body met twelve times during 2023/24 (2022/23: nine times). There are three established Committees: the Finance and General Purposes Committee; the Audit and 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 2023/24 financial year were fully quorate. Full minutes of Governing Body meetings are available from the SERC website or 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. Declarations include anything which may give rise to conflict with the position of the Governing Body member, including:

- Private occupations, such as sitting on the boards of other public bodies;
- Payment for private work;
- Relationships with suppliers with whom the College does business;
- Gifts or benefits received in connection with work in the College;
- Membership of professional institutes and/or committees; and
- Any other interests that could have a conflict.

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.

For 2023/24, a number of interests were declared which could potentially pose a conflict with the business of the College. Appropriate assessments have been carried out, mitigations put in place where necessary, and no significant conflict has materialised.

Governing Body Performance and Effectiveness

In 2023/24 the Governing Body completed the Department's assessment exercise (as per FE Circular FE 06/12) that focuses on three strands: 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 with perception within 1% for the remaining themes. Views were most positive for 'Training and Induction', with least positive for 'GB Procedures and Composition'. This compares to most positive for 'Personal Performance', and least positive for 'GB Performance' and 'Training and Induction' in 2022/23.

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

Theme	SERC 2023/24	SERC 2022/23	Sector 2023/24
Personal Performance	99.3%	99.4%	99.2%
GB Performance	99.1%	98.3%	99.1%
GB Procedures & Composition	98.0%	99.0%	98.2%
GB Committees	98.6%	98.7%	98.8%
Training & Induction	100%	98.3%	96.3%

Views expressed on GB Procedures and Composition, whilst being least positive across the five themes, decreased by 1% from prior year. Overall, perception was largely in line with sector average for all five statements.

Audit and Risk Committee

The Audit and Risk Committee is responsible for reviewing the effectiveness of the College's accounting procedures and systems of internal control and reporting to the Governing Body. The Audit and Risk Committee provides a medium of communication for the College's auditors, which is not controlled by College management.

The Audit and 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.

All meetings of the Audit and Risk Committee are attended by representatives of the Northern Ireland Audit Office (NIAO) and the Department for the Economy.

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

Audit and Risk Committee Member	Meetings Attended	Out of a Possible
Mr Samuel Hagen (<i>Committee Chair</i>)	5	5
Ms Wilma Fee (<i>Term ended 18 April 2024</i>)	0	3
Miss Sophie Leigh Francis (<i>Student Governor 2022/23 - Term ended 30 September 2023</i>)	0	1
Mr Mark Huddleston	3	5
Mrs Carolyn King	5	5
Mr John Mackell (<i>Term ended 31 January 2024</i>)	1	2
Mr Michael McQuillan (<i>Position on Committee from October 2023</i>)	3	4
Mrs Deborah O'Hare (<i>Left position on Committee on 30 September 2023</i>)	1	1
Ms Vikki Pinkerton (<i>Student Governor 2023/24 – Appointed 1 October 2023</i>)	4	4
Mr Darren Stewart	5	5
<i>In attendance:</i>		
Principal & Chief Executive	5	-
Chair of the Governing Body	5	-
Director of Curriculum and Information Services (<i>exit from College 30 June 2024</i>)	2	-
Director of Strategic Planning, Quality and Support (<i>until 14 May 2024</i>)	1	-
Deputy Principal: Student Support Services (<i>from 15 May 2024</i>)	1	-
Deputy Principal: Curriculum (<i>from 15 May 2024</i>)	1	-
Chief Finance Officer (<i>until 14 May 2024</i>)	5	-
Deputy Chief Executive (<i>from 15 May 2024</i>)	5	-
Chief Technology Officer	4	-
Chief Human Resources Officer	2	-
Chief Training and Contracts Officer	1	-
Head of Business Engagement	1	-

Audit and Risk Committee Member	Meetings Attended	Out of a Possible
Head of Training Programmes & Apprenticeship	1	-
Northern Ireland Audit Office Representative	5	-
Internal Audit Representative	5	-
Department for the Economy Representative	5	-
Boardroom Apprentice 2023/24	1	-

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

The Articles and Terms of Reference for the Audit and Risk Committee state that the Committee should meet at least four times a year, and more frequently as circumstances require. During the 2023/24 financial year there were five Audit and Risk Committee meetings held (2022/23: five). A quorum for any meeting of the Audit & Risk Committee is three members. All Committee meetings during the 2023/24 financial year were fully quorate.

The key issues discussed at the Audit and Risk Committee meetings during the 2023/24 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 2023/24
- 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 and Risk Committee considered the quality and reliability of the information presented during 2023/24 to be appropriate for the execution of their responsibilities.

The Governing Body takes assurance from the reports presented by the Chair of the Audit and 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 resources, 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:

F&GP Committee Member	Meetings Attended	Out of a Possible
Mr Alan McCrum (<i>Committee Chair</i>)	5	5
Mr Andrew Corbett	3	3
Ms Majella Corrigan	5	5
Mr Steven Lee (<i>Appointed 29 May 2024</i>)	1	1
Dr Daniel McConnell	1	5
Mr Michael McQuillan (<i>Left position on Committee on 30 September 2023</i>)	1	1
Mr John Nugent (<i>Ex-Officio</i>)	5	5
Mrs Deborah O'Hare (<i>Position on Committee from October 2023</i>)	4	4
Mr Ken Webb	5	5
Mr Derek Wilson	5	5
<i>In attendance:</i>		
Chief Finance Officer (<i>until 14 May 2024</i>)	4	-
Deputy Chief Executive (<i>from 15 May 2024</i>)		
Chief Human Resources Officer	5	-
Head of Human Resources	2	-
HR Business Partner	1	-
Head of Health and Safety	2	-
Head of Learning Academy	1	-
Head of Finance	1	-
Deputy Principal: Curriculum (<i>from 15 May 2024</i>)	1	-
Deputy Principal: Student Support Services	1	-
SHEQ.point Ltd, Safety, Health, Environment and Quality Consultancy Services	2	-

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 2023/24 financial year there were five F&GP Committee meetings held (2022/23: five). A quorum for any meeting of the F&GP Committee is three members. All Committee meetings during the 2023/24 financial year were fully quorate.

The key issues discussed at the F&GP Committee meetings during the 2023/24 financial year were as follows:

- Financial Performance
- Capital Expenditure
- Debt Updates
- Health & Safety Update
- Health and Safety Management Profile Framework
- Resource Allocation and Resource Budget 2023/24
- Finance Policies
- Applications and Enrolments
- Estates Strategy and Update Report
- Indicative Resource Allocation 2024/25 & Baseline budget
- Human Resources Priorities Plan and Status Updates
- Staff Absenteeism
- Staff Utilisation
- Employee Relations
- Equality Annual Progress Report
- Pay Awards
- Annual Staff Survey results
- Staff Efficiency Review
- Voluntary Severance Scheme 2023/24

The Finance and General Purposes Committee considered the quality and reliability of the information presented during 2023/24 to be appropriate for the execution of their responsibilities.

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 responsive 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
Mrs Deborah O'Hare (<i>Committee Chair</i>)	5	5
Mr Andrew Corbett (<i>Term ended 10 April 2024</i>)	3	3
Ms Majella Corrigan	5	5
Ms Wilma Fee (<i>Term ended 18 April 2024</i>)	0	3
Miss Sophie Leigh Francis (<i>Student Governor 2022/23 - Term ended 30 September 2023</i>)	1	1
Mr Samuel Hagen	5	5
Mr Mark Huddleston	2	5
Mrs Carolyn King	5	5
Mr Steven Lee (<i>Appointed 29 May 2024</i>)	0	1
Mr John Mackell (<i>Term ended 31 January 2024</i>)	2	2
Dr Daniel McConnell	3	5
Mr Alan McCrum	5	5
Mr Michael McQuillan	5	5
Mr John Nugent (<i>Chair</i>)	5	5
Ms Vikki Pinkerton (<i>Student Governor 2023/24 – Appointed 1 October 2023</i>)	4	4
Mr Darren Stewart	5	5
Mr Ken Webb	5	5
Mr Derek Wilson	5	5
<i>In attendance:</i>		
Director of Curriculum and Information Services (<i>exit from College 30 June 2024</i>)	3	-
Director of Strategic Planning, Quality and Support (<i>until 14 May 2024</i>)	5	-
Deputy Principal: Student Support Services (<i>from 15 May 2024</i>)		
Deputy Principal: Curriculum	1	-
Deputy Chief Executive	1	-
Chief Officer Quality, Excellence and Development	2	-
Deputy Chief Officer Quality, Excellence & Development	3	-
Marketing Manager	1	-
Head of Engagement	1	-
Senior International Development Manager	1	-
Head of Learner Welfare	1	-
Senior Careers Advisor	1	-
Boardroom Apprentice 2023/24	1	-
Further Education Director, 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 2023/24 financial year there were five Education Committee meetings held (2023/24: five). A quorum for any meeting of the Education Committee is three members. All Committee meetings during the 2023/24 financial year were fully quorate.

The key issues discussed at the Education Committee meetings during the 2023/24 financial year were as follows:

- Applications and Enrolments
- Safeguarding, Care and Welfare
- Careers Advisory
- 10X Economy Delivery Plan
- SERC Strategy 2030
- Traineeship and Apprenticeship Updates
- College Development Plan – 2023/24 Updates
- Interim evaluation of Higher Level Apprenticeship (HLA) programmes
- 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
- UCAS Pilot Scheme

The Education Committee considered the quality and reliability of the information presented during 2023/24 to be appropriate for the execution of their responsibilities.

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

Accounting Officer

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 is responsible for establishing and maintaining a sound system of internal control for the management of resources under their control.

The Accounting Officer submits, twice yearly, formal assurance statements to the Department for the Economy on risk management, governance, financial management.

College Management Team

In 2023/24 the College Management Team (CMT) of the College consisted of:

- Principal and Chief Executive (Mr Ken Webb retired on 31 July 2024)
- Director of Curriculum and Information Services (until 30 June 2024)
- Deputy Principal: Student Support Services (*known as Director of Strategic Planning, Quality and Support until 14 May 2024*)
- Deputy Chief Executive (*known as Chief Finance Officer until 14 May 2024*)
- Deputy Principal: Curriculum (from 15 May 2024)
- Chief Human Resources Officer (until 30 June 2024)
- Chief Training & Contracts Officer (until 30 June 2024)
- Chief Officer – Quality, Excellence and Development (until 30 June 2024)

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 (retired on 31 July 2024)</i>	17	17
Dr Michael Malone, <i>Director of Curriculum and Information Services (until 30 June 2024)</i>	15	17
Mrs Heather McKee, <i>Deputy Principal: Student Support Services</i>	17	17
Mr Tommy Martin, <i>Deputy Chief Executive</i>	16	17
Mr Paul Smyth, <i>Chief Human Resources Officer (until 30 June 2024)</i>	17	17
Mrs Claire Henderson, <i>Chief Officer – Quality, Excellence & Development (until 30 June 2024)</i>	14	17
Mr William Greer, <i>Chief Training & Contracts Officer (until 30 June 2024)</i>	16	17
Mr Gary Ritchie, <i>Deputy Principal: Curriculum (from 15 May 2024)</i>	2	2

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

- Chair's Business
- Enrolment Updates
- Update on Investigations
- Project Priorities
- Update from the Director of Curriculum and Information Services / Deputy Principal: Curriculum
- Update from the Deputy Principal: Student Support Services
- Update from Chief Officer Quality, Excellence and Development
- Update from Chief Human Resources Officer
- Update from Deputy Chief Executive
- Update from Chief Training and Contracts Officer
- Voluntary Severance Scheme 2023/24

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.

Mr Ken Webb retired as Principal & Chief Executive on 31 July 2024. Mr Tommy Martin was appointed as Interim Principal & Chief Executive commencing on 1 August 2024.

College Management Team Declarations of Interest

The Personal Assistant to the Principal & Chief Executive maintains a register of financial and personal interests of the College Management Team and this is also available for inspection. Declarations include anything which may give rise to conflict with the position of the CMT member, including:

- Private occupations, such as sitting on the boards of other public bodies;
- Payment for private work;
- Relationships with suppliers with whom the College does business;
- Gifts or benefits received in connection with work in the College;
- Membership of professional institutes and/or committees; and
- Any other interests that could have a conflict.

The College Management Team 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 Principal & Chief Executive, acting as the Chair of the College Management Team, 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.

For 2023/24, a number of interests were declared which could potentially pose a conflict with the business of the College. Appropriate assessments have been carried out, mitigations put in place where necessary, and no significant conflict has materialised.

Compliance with the Corporate Governance Code

During 2023/24, 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 2024 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 and 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 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 2023/24

The risks identified for the College Risk Register, as at September 2024, are as follows:

Likelihood	4 Almost Certain			Curriculum Risk: Maintaining qualification availability and delivering qualification reform.	
	3 Probable			Staff Risk: Managing the College's sickness absence. Corporate Governance Risk Inability to operate the Training Assistance Management System.	Corporate Governance Risk: Managing the financial viability of the College. Corporate Governance Risk: Cyber threat.
	2 Possible			Corporate Governance Risk Managing Implementation of New SERC Management Structure.	
	1 Remote				
		1 - Minor	2 - Moderate	3 - Major	4 - Severe
		Impact			

All risks identified throughout 2023/24 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 Partnership Agreement.

There were no reported cases of suspected fraud during the year ended 31 July 2024.

One live case was brought forward from the 2022/23 financial year. The investigation completed within the year, with the issue deemed to be actual fraud, with no financial loss. The investigation outcome was appropriately reported to the Department for the Economy. The Department has closed the case. Appropriate action was taken, and lessons learned were implemented within the College.

The College participates in the National Fraud Initiative (NFI) by investigating matches in relation to payroll, pensions, and trade creditors. The last 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 employees and 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 2023/24, the College had no new incidents reported under the Raising Concerns Policy. One incident from 2022/23 was investigated and completed in January 2024.

Education and Training Inspectorate (ETI) / Other Curriculum Feedback

In January 2024, the College submitted the Quality Improvement Plan, Mid Cycle update, 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 2023/24 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 2023/24 is provided below:

Area reviewed	Assurance Rating	Recommendations
Safeguarding	Limited	Low: One Medium: One High: One
Part Time Lecturer Payments	Satisfactory	-
Human Resources – Absence Management	Satisfactory	Low: Three
Training Assistance Management System (TAMS)	Satisfactory	Low: One

There was one Priority 1 (High) issue reported in the 2023/24 Internal Audit Reviews. The priority 1 issue related to the operation of the Staff Appointments procedure, regarding employee pre-employment checks. The recommendation related specifically to the recording of staff supervision where, on limited occasions, it has been necessary to commence an employee's employment prior to completion of all pre-employment checks.

The reviews provided a total of seven recommendations. Two recommendations were brought forward from 2022/23. Of the nine recommendations, eight have been fully implemented, with one in progress.

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 and pay awards until appropriate Departmental approval is received.

Information Assurance

The College has policies, procedures and processes in place to ensure that all staff, contractors, agents, and other parties who process personal information held by, or on behalf of, SERC are fully aware of their responsibilities under data protection legislation, including the Data Protection Act 2018 and the principles set out in the UK General Data Protection Regulation (GDPR).

The College has:

- Encouraged and promoted accountability and data protection by design in all aspects of college planning and project management;
- Retained an experienced Data Protection Officer, who is given the required independence to perform her tasks;
- Provided robust policies and guidance which support data protection requirements;
- Delivered communication and awareness of data protection to staff;
- Provided online data protection awareness sessions to staff;
- Documented all holdings of personal data;
- Provided staff with robust procedures to detect, report and investigate data incidents and breaches;
- Provided staff with the appropriate organisational and technical security measures to securely collect, process and manage personal data, particularly where personal data is shared with other organisations.

There were no reportable breaches of personal data between 1 August 2023 and 31 July 2024.

Complaints

The College is committed to providing a high quality service, and as such, welcomes all feedback, both positive and negative. The feedback is used to assist with the improvement of our services.

The College has a two-stage complaints process, which is set out in our Customer Complaints and Compliments Policy, publicly available at [Complaints and Compliments Policy - SERC](#).

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 Tommy Martin
Interim Accounting Officer
2 December 2024

SOUTH EASTERN REGIONAL COLLEGE ADDITIONAL ASSEMBLY ACCOUNTABILITY DISCLOSURE REPORT FOR THE YEAR ENDED 31 JULY 2024

This Additional Assembly Accountability Disclosure Report provides our disclosure requirements under Managing Public Money NI:

Losses (subject to audit)

The College is required by Managing Public Money NI (MPMNI) to provide a losses statement where total losses exceed £300,000.

The College did not incur losses exceeding £300,000.

Losses are disclosed in Note 27.

Special Payments (subject to audit)

The College is required by MPMNI to provide a special payments statement where total losses exceed £300,000.

The College did not incur losses exceeding £300,000.

Special payments are disclosed in Note 27.

Remote Contingent Liabilities (subject to audit)

Remote Contingent Liabilities are not required to be disclosed under Financial Reporting Standard in the UK and Republic of Ireland (FRS 102, Section 21), since the possibility of any outflow of resources in settlement is remote.

Remote Contingent Liabilities are included in this report for Assembly accountability purposes.

There are no remote contingent liabilities that require disclosure at 31 July 2024.

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 2024 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 and Staff Report that is described in those reports 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 2024 and of its deficit for the year then ended; and
- have been properly 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.

Emphasis of Matter – pension surplus

During my audit of the 2023-24 financial statements, South Eastern Regional College obtained revised actuarial valuations which showed that the pension asset disclosed in the 2022-23 financial statements had been overstated by £5.462 million. I draw attention to Note 29 of the financial statements, which describes a prior period adjustment relating to this matter. My opinion is not modified in respect of this matter.

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.

SOUTH EASTERN REGIONAL COLLEGE

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

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.

Conclusions relating to going concern

In auditing the financial statements, I have concluded 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 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 certificate.

Other Information

The other information comprises the information included in the annual report other than the financial statements, the parts of the Remuneration Report and Staff Report described in those reports as having been audited, and my audit certificate and report. The Governing Body and the Accounting Officer are responsible for the other information included in the annual report. My opinion on the financial statements does not cover the other information and except to the extent otherwise explicitly stated in my certificate 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.

SOUTH EASTERN REGIONAL COLLEGE

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

Opinion on other matters

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

- the parts of the Remuneration Report and Staff 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.

In light of the knowledge and understanding of 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 Governing Body and Statement of Corporate Governance and Internal Control.

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 and Staff 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 Governing Body and Accounting Officer for the financial statements

As explained more fully in the Statement of the Responsibilities of the Accounting Officer and Governing Body, the Governing Body and the Accounting Officer 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 such internal controls are in place as deemed necessary to enable the preparation of financial statements to be free from material misstatement, whether due to fraud or error;
- ensuring the annual report, which includes the Remuneration Report and Staff Report is prepared in accordance with the applicable financial reporting framework; and
- assessing 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 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;
- documenting 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;

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)

- 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. 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

17 December 2024

SOUTH EASTERN REGIONAL COLLEGE
STATEMENT OF COMPREHENSIVE INCOME AND EXPENDITURE
FOR THE YEAR ENDED 31 JULY 2024

	Note	2024 £'000	2023 £'000
INCOME			
Department for the Economy income	1	49,540	51,643
Education contracts	2	6,888	5,312
Tuition fees and charges	3	1,809	1,774
Other grant income	4	931	860
Other operating income	5	1,264	1,455
Investment income	6	328	197
Donations and endowments	7	-	1
Total Income		60,760	61,242
EXPENDITURE			
Staff costs	8	38,174	40,099
Other operating expenses	10	18,896	18,565
Depreciation	13	5,947	5,668
Amortisation	14	78	78
Profit on disposal of non-current assets		-	-
Interest and other finance costs	11	1	386
Total expenditure before exceptional items		63,096	64,796
Deficit before exceptional items		(2,336)	(3,554)
EXCEPTIONAL ITEMS			
Exceptional income (DfE – VSS Funding)	1	(2,345)	-
Exceptional costs (staff)	8	3,510	5
Exceptional costs (non-staff)	10	-	10
Deficit before other gains/losses		(3,501)	(3,569)
(Loss) / gain on investment		-	-
Deficit before tax		(3,501)	(3,569)
Taxation	12	-	-
Deficit for the year		(3,501)	(3,569)
Unrealised surplus on revaluation of land and buildings	13	4,186	14,211
Cumulative increase in market value of investments	20	-	-
Actuarial gain in respect of pension scheme	22	374	17,317
Total comprehensive surplus for the year		1,059	27,959
Represented by:			
Endowment comprehensive income for the year		-	-
Restricted comprehensive income for the year		-	-
Unrestricted comprehensive income for the year		1,059	27,959
		1,059	27,959

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 2024**

	Income and Expenditure Account						
	Endowment Permanent Restricted £'000	Endowment Temporary Restricted £'000	Restricted Reserve £'000	Pension Reserve £'000	Unrestricted Reserve £'000	Revaluation Reserve £'000	Total Reserves £'000
Balance at 1 August 2022	4	2	-	(10,257)	7,562	92,379	89,690
(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 increase in market value of investments (rounding)	-	-	-	-	-	-	-
Balance as previously stated at 31 July 2023 and 1 August 2023	4	2	-	5,442	8,210	103,991	117,649
Prior Period Adjustment (Note 29) – Actuarial loss from recoverable surplus	-	-	-	(5,462)	-	-	(5,462)
Restated Balance at 31 July 2023 and 1 August 2023	4	2	-	(20)	8,210	103,991	112,187
(Deficit) from income and expenditure statement	-	-	-	(373)	(3,128)	-	(3,501)
Other comprehensive income	-	-	-	3,108	-	4,186	7,294
Other comprehensive income - Pension Asset Ceiling Adjustment	-	-	-	(2,734)	-	-	(2,734)
Transfers between revaluation reserve and income and expenditure account	-	-	-	-	2,910	(2,910)	-
Cumulative rounding adjustment in income & expenditure	-	-	-	-	(1)	-	(1)
Total comprehensive (deficit)/income for the year	-	-	-	1	(219)	1,276	1,058
Balance as at 31 July 2024	4	2	-	(19)	7,991	105,267	113,245

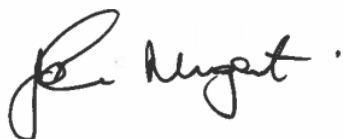
**SOUTH EASTERN REGIONAL COLLEGE
STATEMENT OF FINANCIAL POSITION
AS AT 31 JULY 2024**

		2024	2023
	Note	£'000	Restated £'000
Non-Current Assets			
Property, Plant & Equipment	13	176,555	176,800
Intangible assets	14	174	252
Investments	16	3	3
Total non-current assets		<u>176,732</u>	<u>177,055</u>
Current assets			
Trade and other receivables	17	3,045	6,964
Cash and cash equivalents	21	4,067	3,839
Total current assets		7,112	10,803
Current liabilities			
Creditors - amounts falling due within one year	18	(5,109)	(7,603)
PPP finance lease creditor - amounts falling due within one year	15	(1,624)	(1,542)
Provisions	24	(638)	(622)
Net current (liabilities)/assets		<u>(259)</u>	<u>1,036</u>
Total assets less current liabilities		176,473	178,091
Non-current liabilities			
Creditors – amounts falling due after more than one year	19	(38,421)	(39,472)
PPP finance leases – amounts falling due after more than one year	15	(24,788)	(26,412)
Pension liability	22	(19)	(20)
Net assets including pension liability		<u>113,245</u>	<u>112,187</u>

SOUTH EASTERN REGIONAL COLLEGE
STATEMENT OF FINANCIAL POSITION (continued)
AS AT 31 JULY 2024

	Note	2024 £'000	2023 Restated £'000
Restricted Reserves			
Income and expenditure account - endowment	20	6	6
Unrestricted Reserves			
Income and expenditure account – unrestricted reserve		7,991	8,210
Income and expenditure account – pension deficit	22	(19)	(20)
Revaluation reserve		105,267	103,991
Total reserves		113,245	112,187

The financial statements on pages 82 to 121 were approved by the Governing Body of South Eastern Regional College on 2 December 2024:



Mr John Nugent
Chair of Governing Body
South Eastern Regional College



Mr Tommy Martin
Interim 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 2024

	Note	2024 £'000	2023 £'000
Cash outflow from operating activities			
Deficit for the year		(3,501)	(3,569)
Adjustment for non-cash items			
Depreciation	13	5,947	5,668
Amortisation	14	78	78
Deferred capital grants released to income	1	(2,317)	(2,351)
Interest and investment income receivable	6/7	(328)	(197)
NILGOSC FRS 102 (28) Pension Adjustment	22	373	1,618
Decrease/(Increase) in trade and other receivables	17	3,919	(1,428)
(Decrease)/Increase in creditors	18/19	(1,228)	4,033
Increase in provision	24	16	4
Adjustment for investing or financing activities (Service Concession Interest)	10	1,579	1,661
Adjustment for cumulative rounding in income and expenditure		(1)	(1)
Net cash inflow from operating activities		4,537	5,516
Cash flows from investing activities			
Proceeds on bank investment interest		328	197
Payments made to acquire fixed assets (including intangible)	13/14	(1,516)	(2,253)
Cash (outflow) from investing activities		(1,188)	(2,056)
Cash flows from financing activities			
Interest element of finance lease and service concession payments	10	(1,579)	(1,661)
Capital payment of service concession payments	15	(1,542)	(1,464)
Cash (outflow) from financing activities		(3,121)	(3,125)
Increase in cash and cash equivalents in the years		228	335
Cash and cash equivalents at beginning of the year		3,839	3,504
Cash and cash equivalents at end of the year		4,067	3,839

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 2024

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 liability

The critical judgements of the pension schemes are included in the accounting policy note (page 107) and Note 22 (pages 105-111).

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 2024

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 2024

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 Schemes

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 2024**

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:

Fixed Asset	Depreciation
Computers	33 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 2024

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 2024:

Intangible Asset	Amortisation
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 2024

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. The College also acts as an agent, in 2023/24, of The Royal Academy of Engineering's Northern Ireland Post-16 Education Bursary.

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.

Bursary Payments received from The Royal Academy of Engineering and subsequent disbursements to students 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 2024**

1. DEPARTMENT FOR THE ECONOMY INCOME

	2024	2023
	£'000	£'000
Grant in Aid Received from DfE		
Recurrent grant	44,089	46,718
Release of deferred capital grants	2,317	2,351
Grant in Aid Received from DfE	46,406	49,069
Non-Grant in Aid Received from DfE		
Educational Maintenance Allowance Administration	15	14
Higher Level Apprenticeships	756	637
Step Up Programme	1,085	-
Skills Intervention Programme / Flexible Skills Fund	692	1,174
Ignite Your Skills	133	-
The Vulnerable Persons Resettlement Scheme (VPRS)	146	-
CRM Maintenance & Support	75	74
Numeracy Bootcamps	53	-
Skills Competitions	50	59
SME Productivity Booster	47	19
Further Education Asylum Seekers Dispersal Funding	35	9
Multiply Scheme	17	-
UCAS Pilot Scheme	17	-
Skills Initiative	-	91
Assured Skills	-	250
Challenge Fund	-	(20)
Further Education Ukrainian Scheme	-	134
Project Based Learning Sector Training	-	125
Other	13	8
Non-Grant in Aid Received from DfE	3,134	2,574
Grant in Aid – Exceptional Income – Voluntary Severance Scheme	2,345	-
Total DfE Income	51,885	51,643

2. EDUCATION CONTRACTS

	2024	2023
	£'000	£'000
Entitlement Framework	684	729
Training for Success, Apprenticeship NI, Skills for Life & Work	6,204	4,583
	6,888	5,312

SOUTH EASTERN REGIONAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2024

3. TUITION FEES AND CHARGES

	2024	2023
	£'000	£'000
Higher Education (HE) income	1,297	1,255
Home and other European Union	417	479
Non-European Union	95	40
	<u>1,809</u>	<u>1,774</u>

Tuition fees funded by bursaries

Included within the above amounts are tuition fees attracting bursaries of £39k (2023: £54k)

4. OTHER GRANT INCOME

	2024	2023
	£'000	£'000
European funds	232	158
Other funds	699	702
	<u>931</u>	<u>860</u>

5. OTHER OPERATING INCOME

	2024	2023
	£'000	£'000
Catering and residence operations	485	431
Other income generating activities	752	1,000
Other income	27	24
	<u>1,264</u>	<u>1,455</u>

6. INVESTMENT INCOME

	2024	2023
	£'000	£'000
Bank interest receivable	328	197

7. DONATIONS AND ENDOWMENTS

	2024	2023
	£'000	£'000
Donations	-	1

SOUTH EASTERN REGIONAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2024

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:

	2024	2023
	Number	Number
Governing Body (excl. Staff Governors & Principal)	<u>17</u>	<u>17</u>
Teaching	349	380
Support	192	201
Administration	169	182
Premises	<u>13</u>	<u>13</u>
Total	<u>723</u>	<u>776</u>
Staff costs for the above persons	2024	2023
	£'000	£'000
Governing Body	64	72
Teaching	20,069	21,220
Support	8,336	8,355
Administration	8,732	8,644
Premises	601	576
Pension Cost	<u>372</u>	<u>1,232</u>
	38,174	40,099
Exceptional staff costs – Voluntary Severance Scheme 2023/24	3,355	-
Exceptional staff costs - Redundancy	139	11
Exceptional staff costs – Holiday Pay provision (note 24)	<u>16</u>	<u>(6)</u>
Total	<u>41,684</u>	<u>40,104</u>
Wages and salaries	27,905	29,779
Social Security costs (excluding Class 1A NIC)	3,158	2,827
Apprenticeship Levy	137	126
Pension costs	6,974	7,367
(including Pension adjustments of £372k (2022/23: £1,232k))		
	<u>38,174</u>	<u>40,099</u>
Exceptional staff costs – Voluntary Severance Scheme 2023/24	3,355	-
Exceptional staff costs - Redundancy	139	11
Exceptional staff costs – Holiday Pay provision (note 24)	<u>16</u>	<u>(6)</u>
Total	<u>41,684</u>	<u>40,104</u>

**SOUTH EASTERN REGIONAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2024**

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

	Senior Post Holders		Other Staff	
	2024*	2023	2024*	2023
	Number	Number	Number	Number
£60,001 to £70,000	-	-	80	33
£70,001 to £80,000	-	-	33	14
£80,001 to £90,000	-	-	12	6
£90,001 to £100,000	1	-	8	2
£100,001 to £110,000	1	1	3	3
£110,001 to £120,000	-	-	-	-
£120,001 to £130,000	1	1	-	-
£130,001 to £140,000	1	-	-	-
£140,001 to £150,000	-	1	-	-
£150,001 to £160,000	-	-	-	-
£160,001 to £170,000	-	-	-	-
£170,001 to £180,000	1	-	-	-
	5	3	136	58

* The payment of arrears in 2023/24, for staff employed under lecturing contracts, for period September 2021 and September 2022, alongside the increase of NITPS employer pension contributions (from April 2024) has increased the staff number requiring disclosure.

**SOUTH EASTERN REGIONAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2024**

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 Chief Executive & Principal and Deputy Directors:

	2024	2023
	Number	Number
The number of senior post-holders including the Chief Executive/Principal was:	5	3
Governors (excl. Staff Governors & Principal)	17	17

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

	2024	2023
	£'000	£'000
Governing Body Remuneration	64	72
Salaries	387	300
Benefits in kind	-	-
Pension contributions	95	75
Total emoluments	546	447

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

	2024	2023
	£'000	£'000
Salaries	123	117
Payment of unused annual leave on retirement	15	-
Non-consolidated payment (2021/22)	3	-
Benefits in kind	-	-
	141	117
Pension contributions	32	29
Total	173	146

Emoluments disclosed in this note are the amounts paid to senior post-holders in the period where they are classified as a senior post-holder, i.e. where an employee became a senior post-holder on 15 May 2024 the emolument is disclosed from that date.

Emoluments include payment of arrears, relating to the Further Education Principals' and Deputy Directors' Pay Award for 1 September 2021 and 1 September 2022 (where applicable).

The pension contributions in respect of the Chief Executive & Principal and senior post-holders are in respect of employer's contributions to the Northern Ireland Teachers' Pension Scheme and the Northern Ireland Local Government Pension (NILGOSC) are paid at the same rate as for other employees.

**SOUTH EASTERN REGIONAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2024**

10. OTHER OPERATING EXPENSES

	2024	2023
	£'000	£'000
Direct teaching	789	899
Direct support	3,341	3,766
Administration	1,565	1,845
Consultancy Fees	-	-
Premises	4,527	3,843
COVID-19 Related Expenditure	-	1
Unitary payments – PPP operating cost	7,095	6,550
Unitary payments – PPP finance lease interest	1,579	1,661
	18,896	18,565
Exceptional costs (Note 24)	-	10
Total	18,896	18,575

Other operating expenses include:

	2024	2023
	£'000	£'000
Auditors' remuneration:		
Financial statements audit	40	34
Internal audit	19	21
Other services provided by the financial statement auditors - NFI	-	1
Other services provided by the internal auditors	1	1
Hire of other assets – operating leases	59	61
Hire of other assets – premises	52	56

11. INTEREST AND OTHER FINANCE COSTS

	2024	2023
	£'000	£'000
Net charge on pension scheme	1	386

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 2024**

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
Cost or valuation								
At 1 August 2023	7,975	59,859	109,786	7,348	1,972	4,563	354	191,857
Additions	-	109	-	153	577	677	-	1,516
Disposals	-	-	-	(204)	(100)	(713)	-	(1,017)
Revaluation	-	1,533	2,869	-	-	-	-	4,402
Eliminate Depreciation on Revaluation	-	-	-	-	-	-	-	-
At 31 July 2024	7,975	61,501	112,655	7,297	2,449	4,527	354	196,758
Accumulated Depreciation								
At 1 August 2023	-	1,973	2,698	5,144	1,713	3,185	344	15,057
Charge for the year	-	2,022	2,715	570	225	405	10	5,947
Disposals	-	-	-	(204)	(100)	(713)	-	(1,017)
Revaluation	-	91	125	-	-	-	-	216
Eliminate Depreciation on Revaluation	-	-	-	-	-	-	-	-
At 31 July 2024	-	4,086	5,538	5,510	1,838	2,877	354	20,203
Net book value at 31 July 2024	7,975	57,415	107,117	1,787	611	1,650	0	176,555
Net book value at 31 July 2023	7,975	57,886	107,088	2,204	259	1,378	10	176,800

**SOUTH EASTERN REGIONAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2024**

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.

That revaluation has been updated using indices supplied by LPS at 31 March 2023, 31 July 2023, 31 March 2024 and 31 July 2024 to provide valuations at 31 July 2024. 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:

	2024	2023
Land	£'000	£'000
Cost / Deemed cost on transition	41,775	41,775
Accumulated depreciation based on cost / deemed cost	-	-
Net book value based on cost / deemed cost	41,775	41,775
	2024	2023
Buildings	£'000	£'000
Cost / Deemed cost on transition	44,711	44,602
Accumulated depreciation based on cost / deemed cost	(11,474)	(10,506)
Net book value based on cost / deemed cost	33,237	34,096
	2024	2023
PPP Buildings	£'000	£'000
Cost / Deemed cost on transition	64,932	64,932
Accumulated depreciation based on cost / deemed cost	(17,275)	(15,924)
Net book value based on cost / deemed cost	47,657	49,008

**SOUTH EASTERN REGIONAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2024**

Depreciation Charge

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

	2024	2023
	£'000	£'000
Charge for the year on owned assets	3,232	3,134
Charge for the year on PPP assets	2,715	2,534
Charge in the Income & Expenditure Account	5,947	5,668

14. INTANGIBLE ASSETS

	Learner Management System (NI FE Sector)	Other Software	Total
	£'000	£'000	£'000
Cost or valuation			
At 1 August 2023	424	4	428
Additions	-	-	-
Transfer	-	-	-
Disposals	-	-	-
At 31 July 2024	424	4	428
Amortisation			
At 1 August 2023	174	2	176
Charge for the year	76	2	78
Disposals	-	-	-
At 31 July 2024	250	4	254
Net book value at 31 July 2024	174	-	174
Net book value at 31 July 2023	250	2	252

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 2024**

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 2024 is £107,117k (2023: £107,088k). The increase of £29k is the net of 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 2024 was £26,412k (2023: £27,954k). The sum of £1,542k was repaid during the year.

Future Commitments

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

	Payable in 1 year £'000	Payable 2–5 years £'000	Payable 6–10 years £'000	Payable 11–15 years £'000	Total £'000
Liability repayments	1,624	7,413	11,742	5,633	26,412
Finance charge	1,492	5,001	3,653	482	10,628
Service charge (incl est inflationary increases)	7,321	32,032	45,173	19,780	104,306
	10,437	44,446	60,568	25,895	141,346

The service charge includes estimated inflationary increases, estimated at 3% from April 2025. 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 2024

16. INVESTMENTS

	Other fixed asset investment £'000	Total £'000
At 1 August 2023	3	3
Additions	-	-
Disposals	-	-
Impairment	-	-
At 31 July 2024	3	3

Investments consist of 217 shares held in the Northern Ireland Central Investment Fund for Charities, valued as at 31 July 2024.

17. TRADE AND OTHER RECEIVABLES

	2024 £'000	2023 £'000
Amounts falling due within one year:		
Trade receivables	966	3,400
Prepayments and accrued income	2,079	3,564
Total receivables	3,045	6,964

18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024 £'000	2023 £'000
Payments received in advance	307	343
Trade payables	455	472
Taxation and social security	9	20
Accruals and deferred income	4,253	6,634
Other payables	85	134
Total creditors falling due within one year	5,109	7,603

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:

	2024 £'000	2023 £'000
Grant income	2,563	2,311
Total	2,563	2,311

SOUTH EASTERN REGIONAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2024

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

	2024	2023
	£'000	£'000
Deferred income	38,421	39,472
Total creditors falling due after more than one year	<u>38,421</u>	<u>39,472</u>

20. ENDOWMENT RESERVES

	Restricted permanent	Unrestricted permanent	Expendable endowments	2024 Total	2023 Total
	£'000	£'000	£'000	£'000	£'000
At 1 August 2023					
Capital	6	-	-	6	6
Accumulated Income	-	-	-	-	
	6	-	-	6	6
New endowments	-	-	-	-	-
Income for year	-	-	-	-	-
Expenditure for year	-	-	-	-	-
Cumulative increase in endowment reserves	-	-	-	-	-
As at 31 July 2024	6	-	-	6	6

21. CASH AND CASH EQUIVALENTS

	At 1 August 2023	Cash flows	At 31 July 2024
	£'000	£'000	£'000
Cash and Cash Equivalents	<u>3,839</u>	<u>228</u>	<u>4,067</u>

**SOUTH EASTERN REGIONAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2024**

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 Local Government Pension Scheme (Northern Ireland) administered by the Northern Ireland Local Government Officers' Superannuation Committee (NILGOSC) for non-teaching staff. Both are defined-benefit schemes.

Total pension cost for the year

	2024	2023
	£'000	£'000
NITPS: contributions paid	4,266	3,831
NILGOSC: contributions paid	2,336	2,304
NILGOSC: Pension Charge (FRS 102 (28))	373	1,618
NILGOSC: charge to the Statement of Comprehensive Income & Expenditure (Staff Costs / Interest Paid)	2,709	3,922
Enhanced pension charge to the Statement of Comprehensive Income (staff costs)	-	-
Total pension cost for the year	6,975	7,753

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 2020 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.

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 2024 were:

Period	Contribution Rate
From 1 August 2023 to 31 March 2024	25.1%
From 1 April 2024	29.1%

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 2024**

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

Actual annual pensionable earnings	Member Contribution Rate
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 salary bands applicable to member contributions for the NITPS from 1 April 2024 are:

Actual annual pensionable earnings	Member Contribution Rate
Up to £34,289.99	7.4%
£34,290 to £46,158.99	8.6%
£46,159 to £54,729.99	9.6%
£54,730 to £72,534.99	10.2%
£72,535 to £98,918.99	11.3%
£98,909 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.

Local Government Pension Scheme (Northern Ireland)

The Local Government Pension Scheme (Northern Ireland), administered by 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.

It 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)
FOR THE YEAR ENDED 31 JULY 2024**

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 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:

	2024	2023	2022
Discount Rate	5.00%	5.10%	3.55%
Retail Price Index (RPI) Inflation	3.10%	3.15%	3.10%
Consumer Price Index (CPI) Inflation	2.80%	2.85%	2.75%
Salary increases	4.30%	4.35%	4.25%
Pension increases in deferment	2.80%	2.85%	2.75%
Pension increases in payment	2.80%	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:

	2024	2023
<u>Males</u>		
Member aged 65 at 31 July	21	21.3
Active / Deferred male aged 45 at 31 July	21.6 / 21.9	21.9 / 22.2
<u>Females</u>		
Member aged 65 at 31 July	23.9	24.1
Active / Deferred female aged 45 at 31 July	24.7 / 25.0	24.9 / 25.2

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 2024**

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 funding 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 funding valuation was used as the starting point for the roll-forward calculation at 31 July 2024, and therefore the DBO calculated at 31 July 2024 implicitly includes an allowance for GMP indexation.

The 31 July 2024 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 equating to 0.1% of the Defined Benefit Obligation was included in the past service cost recognised in the year ended 31 July 2022. No further allowance has been proposed at 31 July 2024.

▪ **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 and 2015. The claimants challenged the transitional 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 from 1 April 2015 for those members who were active at that date.

In previous years, no increase to the service cost was required to allow for the impact of the McCloud ruling on materiality grounds. Following the completion of the 2016 cost management process and the end of the McCloud remedy period on 31 March 2022, an uplift to the service cost is no longer required.

SOUTH EASTERN REGIONAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2024

The 2022 funding valuation included an allowance for the past service additional liability potentially arising as a result of McCloud underpin. The 2022 funding valuation was used as the starting point for the roll-forward calculation at 31 July 2024 and therefore the DBO calculated at 31 July 2024 implicitly includes an allowance for the McCloud underpin for past service.

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

	Value at 31 July 2024	Value at 31 July 2023
	£'000	£'000
Equities	27,613	26,021
Government Bonds	11,499	11,315
Corporate Bonds	2,909	1,752
Property	6,315	6,274
Multi Asset Credit	8,964	7,905
Cash / Other	11,848	7,329
Fair value of assets	69,148	60,596
Present value of Defined Benefit Obligation (Funded & Unfunded)	(60,702)	(55,154)
Total Surplus in the scheme (Funded & Unfunded)	8,446	5,442
Amounts recognised in the statement of financial position:	2024	2023
	£'000	£'000
		Restated
Funded Benefits		
Present value of scheme liabilities	(60,683)	(55,134)
Fair value of scheme assets	69,148	60,596
Present value of funded defined benefit obligation	8,465	5,462
Irrecoverable surplus (pension asset ceiling adjustment)	(8,465)	(5,462)
Funded Scheme – Net asset / (liability)	-	-
Unfunded Benefits		
Present value of unfunded deficit	(19)	(20)
Net liability	(19)	(20)

SOUTH EASTERN REGIONAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2024

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

	2024	2023
	£'000	£'000
Amounts included in staff costs:		
Employer service cost (net of employer contributions)	(188)	1,172
Past service cost	498	-
Administration Expenses	62	60
Total	372	1,232
Net interest credit (funded benefits)	269	385
Interest adjustment due to irrecoverable surplus	(269)	-
Net Interest Cost	1	1
Net charge to Statement of Comprehensive Income	373	1,618

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

	2024	2023
	£'000	Restated £'000
Analysis of Other Comprehensive Income for Pensions		
Actuarial gains/ (losses) from assets	3,207	(1,384)
Actuarial (losses) / gains from a change in financial assumptions	(553)	19,958
Actuarial gains from a change in demographic assumptions	454	1,763
Actuarial gains / (losses) from experience	-	(3,020)
Actuarial gains / (losses) from recoverable surplus	(2,734)	(5,462)
Total amount recognised in Statement of Changes in Reserves	374	11,855

	2024	2023
	£'000	£'000
Movement in asset during the year		
As at 1 August as stated	5,442	(10,257)
Service cost	(2,148)	(3,476)
Past Service cost	(498)	-
Administration expenses	(62)	(60)
Employer contributions	2,334	2,302
Contributions in respect of unfunded benefits	2	2
Net Interest Gain / (Cost)	268	(386)
Actuarial gains / (losses)		
– From change in financial assumptions	(553)	19,958
– From change in demographics	454	1,763
– From experience	-	(3,020)
– From assets	3,207	(1,384)
Asset in scheme at 31 July	8,446	5,442

SOUTH EASTERN REGIONAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2024

Reconciliation of Defined Benefit Obligation	2024	2023
	£'000	£'000
Liabilities at 1 August	55,154	67,932
Service cost	2,148	3,476
Past service cost	498	-
Administration expenses	62	60
Interest on liabilities	2,878	2,473
Employee contributions	803	782
Actuarial (gains) / losses		
– From change in financial assumptions	553	(19,958)
– From change in demographics	(454)	(1,763)
– From experience	-	3,020
Unfunded Net benefits paid	(2)	(2)
Net benefits paid	(938)	(866)
Liabilities at 31 July	60,702	55,154

Reconciliation of Fair Value of Employer Assets

	2024	2023
	£'000	£'000
Assets at 1 August	60,596	57,675
Expected return	3,146	2,087
Actuarial gains / (losses)	3,207	(1,384)
Employer contributions	2,334	2,302
Employer contributions in respect of unfunded benefits	2	2
Employee contributions	803	782
Unfunded benefits paid	(2)	(2)
Benefits paid	(938)	(866)
Assets at 31 July	69,148	60,596

History of actuarial gains/(losses) recognised in OCI

	2024	2023	2022	2021	2020
	£'000	Restated £'000	£'000	£'000	£'000
Total Actuarial gains/(losses) recognised in OCI	374	11,855	25,060	9,081	(19,520)
Present value of liabilities	60,702	55,154	67,932	90,483	85,002

**SOUTH EASTERN REGIONAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2024**

23. FINANCIAL COMMITMENTS

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

	2024	2023
	£'000	£'000
Land and buildings		
Expiring within one year	45	45
Expiring within two and five years inclusive	6	6
Expiring in over five years	-	-
	51	51
Plant and Equipment		
Expiring within one year	9	15
Expiring within two and five years inclusive	34	-
Expiring in over five years	-	-
	43	15
Total	94	66

**SOUTH EASTERN REGIONAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2024**

24. PROVISIONS

	Holiday Pay £'000	Legal Costs £'000	2024 Total £'000	2023 £'000
At 1 August	612	10	622	618
Addition in the year	16	-	16	10
Amounts charged against provision during year	-	-	-	-
Unused amounts reversed during year	-	-	-	(6)
At 31 July	628	10	638	622

Holiday Pay Provision

The provision of £628k 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 14th and 15th 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 £628k 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 increase from prior year reflects the update to the employer contribution rate for Northern Ireland Teacher's Pension (increase from 25.1% to 29.1%).

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; 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 2024**

24. PROVISIONS (Cont'd)

Legal Costs Provision

The opening 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.

25. CONTINGENT LIABILITIES

There are no contingent liabilities to disclose as at 31 July 2024

**SOUTH EASTERN REGIONAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2024**

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:

Related Organisation	Governor (G) / Director (D) / Chief Officer (CO)	Position in Related Organisation	2024 Trans Paid £'000	2023 Trans Paid £'000	Outstanding at 31 July 2024 £'000	Outstanding at 31 July 2023 £'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	-	6	-	-
Association for Project Management	Ken Webb (D)	Member	-	18	-	-
CCEA	Majella Corrigan (G)	Board Member	-	7	-	-
Chartered Institute of Personnel & Development	Paul Smyth (CO)	Member	13	14	5	-
Chartered Management Institute	Ken Webb (D)	Fellow	35	47	-	3
	Heather McKee (D) Claire Henderson (CO)	Member Member				
City & Guilds	Mark Huddleston (G)	Industry Skills Board Member	-	173	-	2
Confederation of British Industry	Heather McKee (D)	Council Member	4	14	-	
Deloitte	Daniel McConnell (G)	Partner	-	3	-	-
	Michael Malone (D)	Close Relative – Software Engineer				

**SOUTH EASTERN REGIONAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2024**

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

Related Organisation	Governor (G) / Director (D) / Chief Officer (CO)	Position in Related Organisation	2024 Trans Paid £'000	2023 Trans Paid £'000	Outstanding at 31 July 2024 £'000	Outstanding at 31 July 2023 £'000
Institute of Directors	Samuel Hagen (G)	Member				
	Mark Huddleston (G)	Member	1	1	-	-
	Michael McQuillan (G)	Member				
	Heather McKee (D)	Member				
Stranmillis University College	Majella Corrigan (G)	Governor	17	40	-	-
Ulster University	Michael McQuillan (G)	Close Relative – Senior Lecturer	147	153	3	4

All transactions are related to general operations.

**SOUTH EASTERN REGIONAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2024**

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

Related Organisation	Governor (G) / Director (D) / Chief Officer (CO)	Position in Related Organisation	2024 Trans Paid £'000	2023 Trans Paid £'000	Outstanding at 31 July 2024 £'000	Outstanding at 31 July 2023 £'000
Ards & North Down Borough Council	Sophie Lee Francis (G)	Co-Chair Ards & North Down Youth Voice Youth Council	40	109	1	2
Armagh City, Banbridge & Craigavon Council	Nicola Wilson (G)	Head of Department	2	1	-	-
Cancer Fund for Children NI	Nuala Reid (G)	Trustee	-	-	1	-
Invest Northern Ireland	Michael McQuillan	Board Member	5	10	-	-
Laurelhill Community College	Nuala Reid (G)	Governor	5	-	-	-
NI Housing Executive	Derek Wilson (G)	Board Member	43	23	1	-
	Wilma Fee (G)	Board Member				
	Pauline Leeson (G)	Board Member				
Shnuggle Ltd	Michale McQuillan (G)	Non-Executive Chair	1	-	-	-
Southern Health & Social Care Trust	Pauline Leeson (G)	Non-Executive Director	5	-	1	-
Ulster University	Michael McQuillan (G)	Close Relative – Senior Lecturer	250	312	71	5

All transactions are related to general operations.

Banking Transactions

Related Organisation	Governor (G) / Director (D)	Position in Related Organisation	2024 Trans Rec'd £'000	2023 Trans Rec'd £'000	Outstanding at 31 July 2024 £'000	Outstanding at 31 July 2023 £'000
Danske Bank	Derek Wilson (G)	Close Relative – Head of Customer Service Delivery	324	169	32	28

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 2024**

27. LOSSES AND SPECIAL PAYMENTS

	2024	2023
	£'000	£'000
Bad Debt Write Off less than £1k (161 cases)	50	18
Bad Debt Write Off greater than £1k (5 cases)	6	11
Special Payments greater than £1k	-	-
	56	29

The bad debt write off refers to outstanding tuition fees, charges and other debts that are considered uncollectable. The College held a bad debt provision to match the bad debt write off for debtors.

One special payment was made in 2023/24 (£250) relating to a settlement figure, on advice from legal expertise, for withdrawal of a Small Claims Court case without admission of liability.

28. AMOUNTS DISBURSED AS AGENT

	2024	2023
	£'000	£'000
<u>Hardship Fund</u>		
Balance at 1 August	92	94
DfE Allocation	46	90
	138	184
Disbursed to students	(63)	(92)
Balance unspent at 31 July (recognised in payables)	75	92

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.

	2024	2023
	£'000	£'000
<u>Care to Learn</u>		
DfE Allocation	6	29
Disbursements	(6)	(29)
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 2024**

28. AMOUNTS DISBURSED AS AGENT (Cont'd)

	2024	2023
	£'000	£'000
<u>Royal Academy of Engineering – Northern Ireland Post 16 Bursaries</u>		
Balance at 1 August	-	-
Allocation for Bursary	1	-
	1	-
Disbursed to students	(1)	-
Balance unspent at 31 July	-	-

The Northern Ireland Post-16 Education Bursary is part of the Royal Academy of Engineering's Northern Ireland Education Programme. The College acts only as paying agent. The grant and related disbursement is therefore excluded from the Income and Expenditure Account.

29. PRIOR PERIOD ADJUSTMENT

At 31 July 2023, a net pension asset of £5,442k was recognised in respect of the NILGOSC pension scheme. The asset was calculated as the difference between the fair value of the assets held in the defined benefit scheme and the scheme's liabilities, measured on an actuarial basis using the projected unit method. At the reporting date, the College's actuary considered IFRIC 14 and recommended that the asset ceiling (i.e. the maximum surplus which should be recognised) should be set to equal the present value of the future service cost over a prescribed period, using the accounting assumptions at the measurement date. As such, the College recognised the full surplus at 31 July 2023.

In November 2023, the Chartered Institute of Public Finance & Accountancy issued "CIPFA Bulletin 15 – Reporting of pensions surpluses and IFRIC 14". In this, the CIPFA concluded that the requirements of the Local Government Pension Scheme Regulations could be interpreted such that a minimum funding requirement applies to Local Government Pension Schemes.

As such, the College actuary now considers that any pension accounting surplus is to be recognised on the Statement of Financial Position is to be restricted to the present value of future service costs less the present value of the minimum funding requirement contributions for future service (i.e. the asset ceiling should be set at this level).

At 31 July 2023, the future service cost was between 19% and 20% of the College. This is broadly in line with the minimum NILGOSC funding requirement contributions of 19.8%. As such, the present value of future service costs less the present value of the minimum funding requirement contributions is less than zero and the actuary has recommended that the asset ceiling is set equal to zero.

The accounts have been restated to incorporate the impact of the latest actuarial advice. The change has resulted in a reduction of net assets at 31 July 2023 by £5,462k:

Summary of prior year impact	2024
	£'000
Reduction in pension asset	5,462
Reduction in pension reserve	5,462

**SOUTH EASTERN REGIONAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2024**

30. 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>	2024 £'000	2023 Restated £'000
INCOME			
Department for the Economy income (non-grant in aid)	1	3,134	2,574
Education contracts	2	6,888	5,312
Tuition fees and charges	3	1,809	1,774
Other grant income	4	931	860
Other operating income	5	1,264	1,455
Investment income	6	328	197
Donations and endowments	7	-	1
Total incoming recourses		14,354	12,173
EXPENDITURE			
Staff costs	8	38,174	40,099
Other operating expenses	10	18,896	18,565
Depreciation	13	5,947	5,668
Amortisation	14	78	78
Interest and other finance costs	11	1	386
Exceptional costs (staff)	8	3,510	5
Exceptional costs (non-staff)	10	-	10
Total resources expended		66,606	64,811
Net deficit for the year		(52,252)	(52,638)
Unrealised surplus on revaluation of land and buildings	13	4,186	14,211
Actuarial gain in respect of pension scheme	22	374	11,855
Amount transferred to reserve		(47,692)	(26,572)
Analysis of reserves prepared under FReM			
Balance as at 1 August		112,187	89,690
Grant-in-aid received in year	1	48,751	49,069
Cumulative increase in endowment reserve	20	-	-
Cumulative rounding in income & expenditure reserve		(1)	-
Net operating cost for year		(47,692)	(26,572)
Balance as at 31 July		113,245	112,187

**SOUTH EASTERN REGIONAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2024**

31. EVENTS AFTER THE END OF THE REPORTING DATE

Senior Staff Pay Award – September 2023

The rates of salaries for Principals and Deputy Directors in Colleges of Further Education from 1 September 2023 were published on 25 October 2024.

These rates of salaries for senior staff have been accrued in staff costs for the year ended 31 July 2024.

Non-Teaching Pay Award – April 2024

The rates of salaries for non-teaching staff follow the National Joint Council (NJC) Local Government Services Pay Agreement. The rates of salaries from 1 April 2024 were published by NJC on 22 October 2024.

These rates of salaries for non-teaching staff have been accrued in staff costs for the year ended 31 July 2024.

Date of authorisation for issue

The Interim Accounting Officer authorised the issue of these financial statements on 17 December 2024.