



**SOUTH EASTERN REGIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 JULY 2022**



**South Eastern Regional College
Annual Report and Accounts
for the year ended 31 July 2022**

***The Accounting Officer authorised these financial statements for issue on
28 November 2022***

*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

8 December 2022

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YEAR ENDED 31 JULY 2022

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SOUTH EASTERN REGIONAL COLLEGE STRATEGIC REPORT 2021/22

The members present their report and the audited financial statements for the year ended 31 July 2022.

PURPOSE OF FURTHER EDUCATION IN NORTHERN IRELAND

OUR VISION

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

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

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

OUR MISSION

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

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

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



STRATEGIC CONTEXT

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

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

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



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



Building upon the Economic Recovery Action Plan, the Department has published a number of **visions** and **strategies** that have contributed to the wider strategic context for the College in 2021/22:

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

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



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

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



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

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

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

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

ABOUT SERC

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

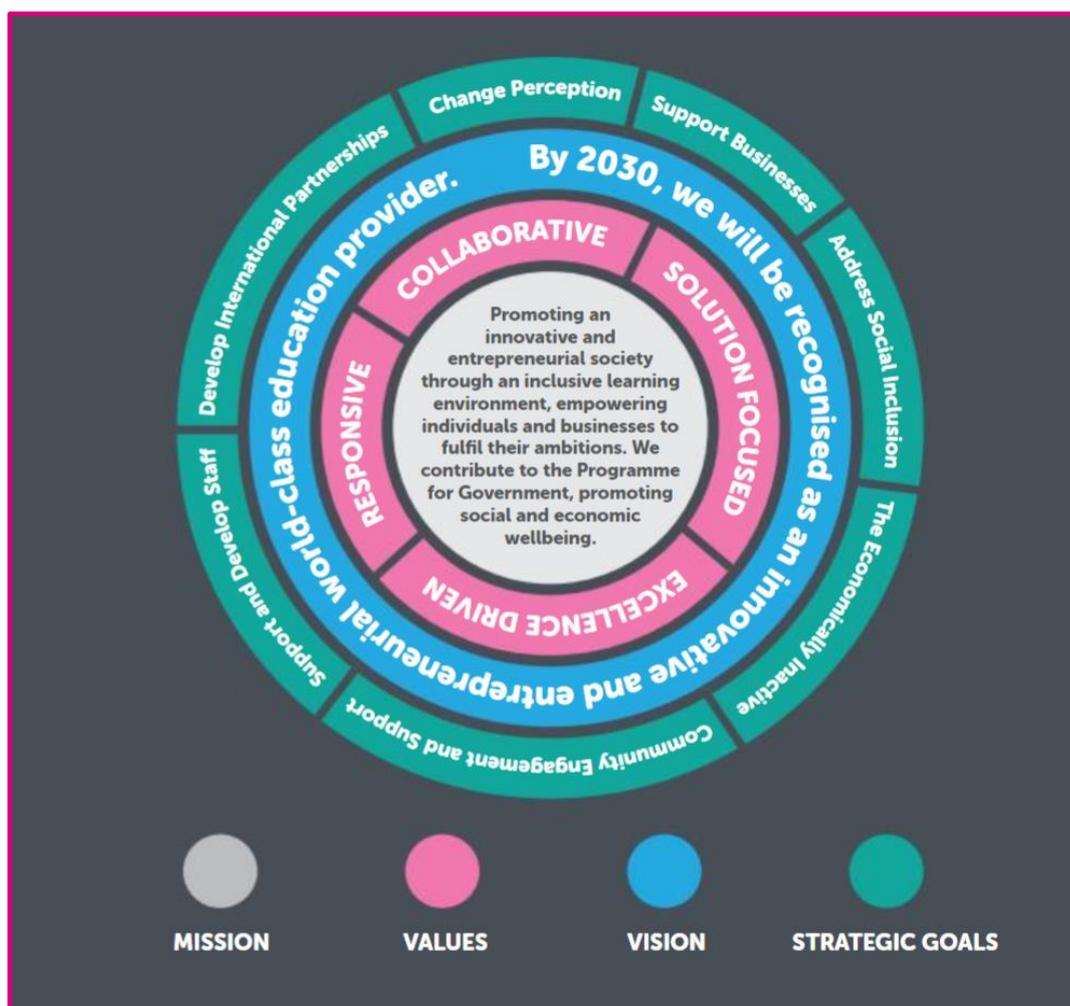
Our Vision

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

Our Mission & Values

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

Our values, vision and strategic goals are:



SERC Approach

At SERC, our approach is responsive, solution focussed, excellence driven and collaborative. As Northern Ireland responds to the impact of the pandemic and moves to recover, SERC and the FE sector have a crucial part to play.

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

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

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

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

CORPORATE AND BUSINESS PLANNING

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

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

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

Performance Indicators and review of performance in 2021/22

The College's performance was monitored by the Governing Body and reported to DfE throughout 2021/22 with appropriate actions agreed and implemented. The following sections detail progress against each report card and explore performance across three headings: how much did we do; how well did we do it; is anyone better off.

Report Card 1: Students and Qualifications

How much did we do?

Our proposals for 2021/22, and achievement against, are as follows:

Area of Planned Activity	Planned Activity for 2021/22	2021/22 Actual Activity
Further Education (Levels 0 - 3) <i>Excluding Essential Skills</i>	Number of Enrolments: 6,833 Number of individual students: 6,328	Number of Enrolments: 9,653 Number of individual students: 9,643
Higher Education (Levels 4 – 6) Full Time	Number of Enrolments: 509 Number of individual students: 509	Number of Enrolments: 408 Number of individual students: 408
Higher Education (Levels 4 – 6) Part Time	Number of Enrolments: 514 Number of individual students: 495	Number of Enrolments: 1,230 Number of individual students: 1,154
Training for Success (TfS) (Levels 0 – 3)	Number of Enrolments: 387 Number of individual students: 182	Number of Enrolments: 565 Number of individual students: 185
Skills for Life and Work (SfW) (Levels 0 -2)	Number of Enrolments: 106 Number of individual students: 106	Number of Enrolments: 373 Number of individual students: 98
Traineeships (Level 2)	Number of Enrolments: 170 Number of individual students: 170	Number of Enrolments: 200 Number of individual students: 160
Apprenticeships (Levels 2 – 3)	Number of Enrolments: 2,290 Number of apprentices registered for training: 991	Number of Enrolments: 2,617 Number of apprentices registered for training: 1,270
Higher Level Apprenticeships (Levels 4 – 5)	Number of Enrolments: 131	Number of Enrolments: 168
Essential Skills	Number of Enrolments: 2,578 Number of individual students: 1,575	Number of Enrolments: 2,394 Number of individual students: 1,602

Area of Planned Activity	Planned Activity for 2021/22	2021/22 Actual Activity
Priority Sector Areas and / or STEM (PSSA):	Number of Enrolments: 11,311 Number of individual students: 10,016 Target of final year students enrolled in one or more PSSA subjects: 2,353	Number of Enrolments: 11,532 Number of individual students: 7,857 Target of final year students enrolled in one or more PSSA subjects: 6,460

How well did we do it?

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

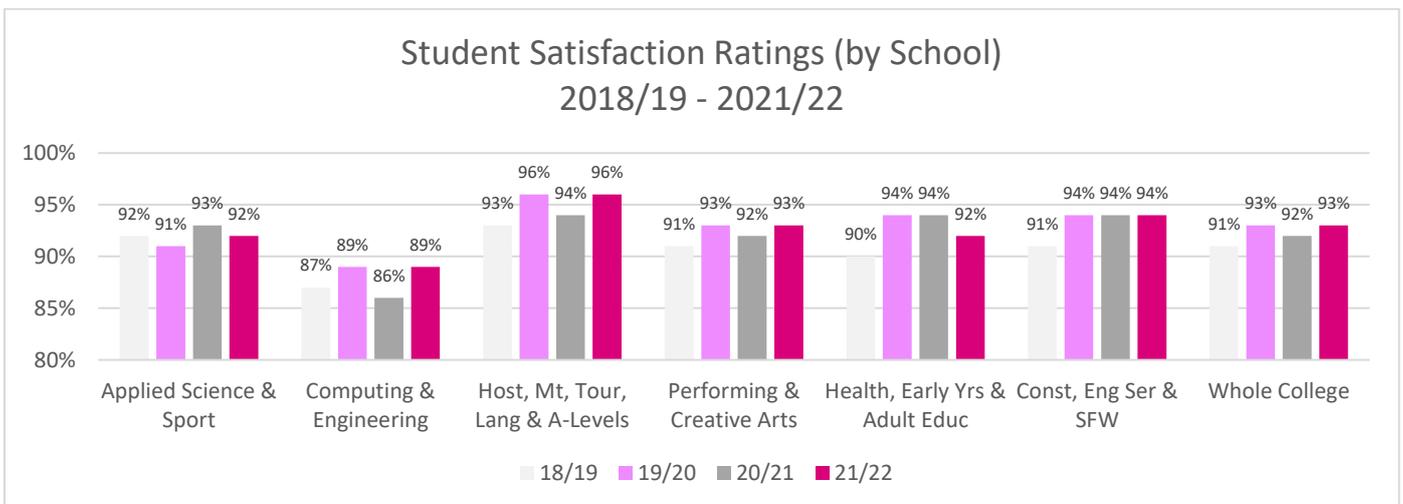
In 2021/22 our students achieved 10,359 FE qualifications and 959 HE qualifications, with the following performance indicator results:

Performance Indicator	2021/22	2020/21*
Retention Rate: The proportion of the number of enrolments who complete their final year of study to the number of final year enrolments.	89.7%	88.4%
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.	92.7%	92.4%
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.	83.2%	81.7%

*Re-stated from prior year publication to reflect final results.

SERC consistently reviews and monitors the quality of our delivery and is the best performing College in the FE sector¹.

SERC participates in the Department's **Big 14 Survey**, consisting of 14 questions covering areas common to all Colleges. In 2021/22, 3,272 students (67%) completed the survey. Student satisfaction has remained very high over the past four years, both at individual School level and by student type:



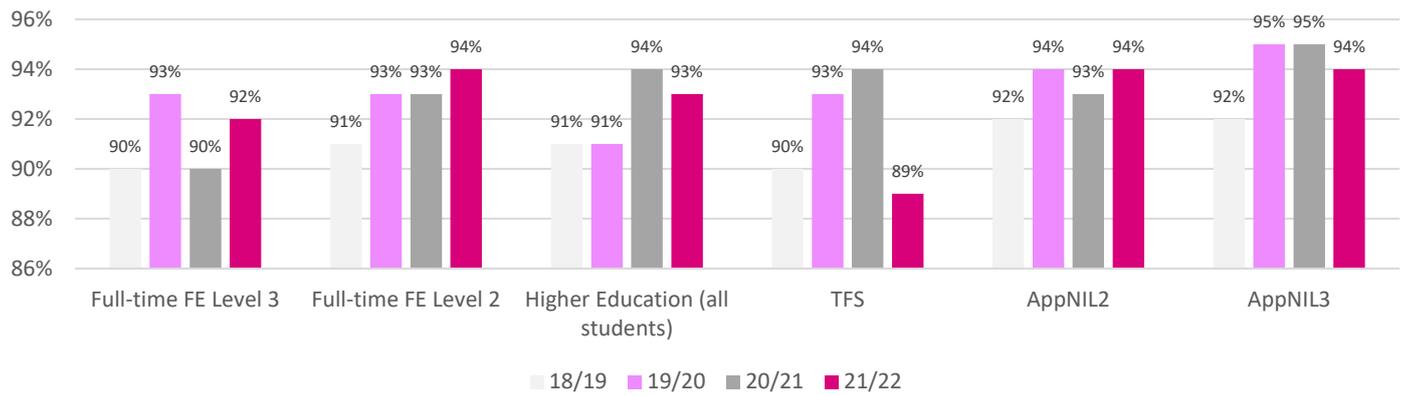
School Name Key:

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

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

¹ [Further Education Sector Activity in Northern Ireland: 2016/17 to 2020/21 \(economy-ni.gov.uk\)](https://www.economy-ni.gov.uk)

Student Satisfaction Ratings (by Student Type) 2018/19 - 2021/22



In 2021/22, 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 88.71% satisfaction rate (2020/21: 79.81%). This performance is 11.22% above the benchmark. All SERC scores were categorised as 'not significantly different from the benchmark' or 'significantly above the benchmark'.



Is anyone better off?

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

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

- Full Time Employment: 45%
- Employment and Further Study: 19%
- Part Time Employment: 11%
- Full Time Study: 6%
- Part-Time Further Study: 1%
- Other, including travel, care, retirement: 13%
- Voluntary or Unpaid Work: 1%
- Unemployed: 4%

What do we propose to do in 2022/23?

Area of Planned Activity	Planned Activity for 2022/23
Further Education (Levels 0 - 3) <i>Excluding Essential Skills</i>	Number of Enrolments: 11,827 Number of individual students: 8,276
Higher Education (Levels 4 – 6) Full Time	Number of Enrolments: 490 Number of individual students: 490
Higher Education (Levels 4 – 6) Part Time	Number of Enrolments: 888 Number of individual students: 800
Training for Success (Levels 0 – 3)	Number of Enrolments: 91 Number of individual students: 20
Skills for Life and Work (Levels 0 -2)	Number of Enrolments: 431 Number of individual students: 124
Traineeships (Level 2)	Number of Enrolments: 469 Number of individual students: 357
Apprenticeships (Levels 2 – 3)	Number of Enrolments: 2,178 Number of apprentices registered for training: 1,241
Higher Level Apprenticeships (Levels 4 – 5)	Number of Enrolments: 157 Number of individual students: 157
Essential Skills	Number of Enrolments: 2,820 Number of individual students: 1,599
Priority Sector Areas and / or STEM (PSSA):	Number of Enrolments: 9,194 Number of individual students: 5,323 Target of final year students enrolled in one or more PSSA subjects: 4,851

Report Card 2: Businesses

How much did we do?

Our proposals for 2021/22, and achievement against, are as follows:

Area of Planned Activity	Planned Activity for 2021/22	2021/22 Actual Activity
InnovateUs / Innovation Boost	Number of Projects: 160	Number of Projects: 178
Skills Focus (Level 2+)	Number of Enrolments: 1,000	Number of Enrolments: 1,241
Assured Skills (Levels 0 – 8)	Delivery of 4 Assured Skills Academies	Delivery of 9 Assured Skills Academies
Fusion Projects	To deliver 6 fusion projects	Delivered 6 fusion projects
Innovation Voucher Scheme	To deliver 20 innovation voucher schemes	Delivered 10 innovation voucher schemes
Flexible Skills Fund / Skills Intervention	Target Learners: 600	Learners: 529

The following information delves into our results against planned activity in 2021/22:

InnovateUs

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

We commenced 183 InnovateUs projects in 2021/22:

Priority Skills Area	2021/22
Financial, Business & Professional Services	45
Digital & Creative	80
Advanced Manufacturing	34
Agri-Food	5
Construction	10
Hospitality & Tourism	9
Total	183

Projects included database management to unlock the power of knowledge in an organisation, CAD mentoring, transitioning to a digital space and the introduction of eCommerce, product development and recipe development.

Of the 183 projects, **178 were completed in 2021/22**, against a target of 160. The projects completed were high value projects with longer hours (i.e., 60 hours rather than 30 hours).

Skills Focus

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

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

The College has worked with SMEs, by identifying the skills needs of SMEs' existing workforce and developing and delivering a tailored training solution to meet that need. This has resulted in 1,241 enrolments in 2021/22.

Assured Skills

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

The College delivered nine academies in 2021/22, two Data Engineering academies, two Human Capital academies and two Financial Services academies for Deloitte, two Cloud Engineering academies for ASOS and a Trade and Export academy for EOS IT Solutions.

Fusion / Innovation Boost

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

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

In 2021/22 we delivered **6 projects**. The projects focussed on product development, advanced manufacturing, and IT solutions. The College achieved its planned activity for 2021/22.

Innovation Voucher Scheme

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

Typical projects include:

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

In 2021/22, 10 innovation vouchers were awarded to SERC, against a target of 20 innovation vouchers. The reduction against planned activity was the result of a reduction in number of applications being converted to vouchers by the Invest NI panel. SERC was able to support a further 10 companies through the Economic Recovery Action Plan (detailed below), this enabled the companies who were unsuccessful with an Innovation Voucher application to still take their projects forward.

DfE - Economic Recovery Action Plan (ERAP)

In addition to the above activities, the College supported individuals and businesses during the COVID-19 recovery period by maximising funding available from the Department's Economic Recovery Action Plan project.

The core focus of the programme was to kick-start the economic recovery in Northern Ireland and build a more competitive, inclusive and greener economy. SERC was awarded £663k and delivered across five key themes: Trade & Export; Leadership & Management; Digital Innovation; Innovation in Construction; and Product Development.

The College supported and upskilled 164 individuals through this scheme.

How well did we do it?

The College closely monitors "how well did we do it" through a number of measures, including the InnovateUs Delivery and Evaluation report. In 2021/22, the results of the InnovateUs evaluation report provides a clear indication of how well we have performed within this report card, as detailed in the following bullet 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?

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 **13%**.
- Average **cost saving** of **20%**.
- **29 new jobs** were created.
- **376 jobs** were **safeguarded**.
- **3.5%** of businesses were able to **export** as a result.
- **89%** of the businesses felt they would be in a **position to scale up**.
- **5.5%** 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.

What do we propose to do in 2022/23?

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

Report Card 3: Social Inclusion

How much did we do?

Our proposals for 2021/22, and achievement against, are as follows:

Area of Planned Activity	Planned Activity for 2021/22	2021/22 Actual Activity
Enrolments within Quintile 1 and 2	Number of Enrolments: 5,500	Number of Enrolments: 6,357
Enrolments declaring a disability / long term health problem	Number of Enrolments: 445	Number of Enrolments: 1,431
Enrolments on Entry Level and Level 1 Programmes (including Essential Skills)	Number of Enrolments: 2,600	Number of Enrolments: 2,210
Enrolments on Targeted Programmes e.g. Collect Connect, Prince's Trust	Number of College Connect Enrolments: 20 Number of Restart Connect Enrolments: 90 Number of Access Enrolments: 275	Number of College Connect Enrolments: 30 Number of Restart Connect Enrolments: 125 Number of Access Enrolments: 287
Enrolments on ESOL Programmes	Number of Enrolments: 250	Number of Enrolments: 406
Overall number of individuals supported by above measures.	Number of individuals: 9,135	Number of individuals: 10,846

How well did we do it?

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

Community Engagement

SERC continues to engage with individuals in deprived communities to advise and support them to re-enter education. We have worked with a range of community and voluntary organisations to address barriers to education and our Community Engagement Officer facilitated events and on-going links with a wide range of community and voluntary organisations (CVS). The College continues to develop strong working relationships with community planning partners in the area of council areas of Ards & North Down, Lisburn and Castlereagh, and Newry, Mourne and Down.

Prominent areas of community engagement in 2021/22 included:

- **Engagement work** to promote **Access** and **Restart** courses has included online webinars with local Jobs and Benefits Offices. Face to face events with community and statutory organisations including Ballymacash in Lisburn and Social Workers in South Eastern Health and Social Care Trust.

- **‘Grow your Vegetables in a Pot’ Event** – SERC sourced funding from Tesco Community Grant for the local community to join a “grow your own” session at our Newcastle Campus. This event provided individuals with the opportunity to plant vegetable seeds in a pot to take home. The event was delivered in partnership with Murlough Community Association and coincided with the Open Day, allowing individuals to also talk to teaching staff about the courses on offer, look around the campus and ‘Little SERC’ creche.
- Working with **Newry, Mourne and Down District Council** to **address digital poverty** in the council area. The College provided two weeks of IT consultation clinics for individuals who needed help with the set-up of laptops and electronic devices. In addition, those who did not have access to Wi-Fi were able to use SERC Wi-Fi whilst visiting the campus building.

Wellbeing Framework

The College’s established structure of support services for students was very active in 2021/22:

- The **Learning Support Unit** manages the provision of support, help and guidance for students with physical disabilities, learning difficulties and medical conditions. This service is primarily funded through the Department for the Economy’s Additional Support Fund and during 2021/22 over 400 students accessed a range of services including:
 - Physical resources: specialist computers/tablets and software, orthopaedic chairs, smart pens, audio note takers.
 - Specialist human support: Learning Support Assistants, College lecturing staff and specialist support for a range of conditions that include Dyslexia and Autistic Spectrum Disorders. British Sign Language Interpreters were also available. These services were provided face to face and on an on-line basis to facilitate hybrid learning arrangements.
 - Administrative adjustments, such as specific individual College access arrangements for those taking examinations and other assessments, and bespoke risk assessments and action plans for those who experience specific conditions or illnesses such as epilepsy.

The unit is resourced by staff who are experienced in designing and implementing individual support strategies, as well as in providing essential information and guidance for teaching staff on a wide range of disabilities and conditions so that students can be effectively supported.

Support was adapted to reflect the ongoing implications of COVID-19 during 2021/22 and included the use of a range of online learning and teaching platforms to assist students working remotely.

Access to suitable IT equipment was provided during the year so that they could work effectively online from home. Addressing digital poverty in this way has assisted in further reducing barriers to education for these learners.

A major initiative during 2021/22 involved the consolidation of Learning Support Assistant roles into permanent term-time posts to further enhance the service experienced by our learners.

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, often the first indication of a student disability or learning difficulty.

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

- Ongoing individual student tutorial support through which issues and concerns can be identified and highlighted.
- 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.
- Teaching staff having access to specific knowledge and experience of strategies and approaches identified by the Learning Support Team.

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

During 2021/22, the Learning Support Team completed Needs Assessments for 21 applicants, and 12 of these availed of non-medical support in the form of one-to-one support sessions.

- In 2021/22, SERC continued to consolidate and develop its **Pastoral Care and Welfare activities** under the banner of **Safeguarding, Care and Welfare**. This updated banner reflects the sector wide policy and aligns with Education & Training Inspectorate (ETI) processes.

SERC has adopted 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 Pastoral Care, Students' Union, Student Finance, Careers and Training Office teams.

By supporting students through the challenges of being a student, the College seeks to ensure that all can achieve their full potential.

To support the College in its Safeguarding responsibilities, the **Designated Safeguarding Officer** team was expanded during 2021/22 with further training/refresher training being provided by iNEQE Safeguarding Group. The Designated Officer team used this training to reflect on the safeguarding role in its widest context.

SERC works with a range of external providers to assist in providing services such as the **Youth Health Advice Service** (supported by the South Eastern Health and Social Care Trust) and provided on each campus. A 24/7 Counselling Service, provided by Inspire, is also available to both students and staff. Information on all support services is communicated to students during induction and promoted on the College Intranet, via email, posters, and Tutor groups.

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

An increase in non-COVID-19 Cause for Concerns was recorded during 2021/22, compared to the previous year. 483 cases were recorded in 2021/22 (2020/21: 318). The increase was undoubtedly linked to the return to significant on campus learning. As with previous years, student mental health and family issues featured significantly amongst the concerns raised.

In response, the College prepared a **Student Mental Health Strategy**. This is based on a commitment to taking a whole College approach to promoting student wellbeing, as well as being responsive in our approach by identifying and responding to mental health challenges as early as possible. In doing so, SERC is committed to empowering students to take responsibility for their own mental health and wellbeing. It also ensures that students who experience mental ill health are appropriately supported throughout their learning.

- The college has held the Matrix Standard for its **careers** education, information, advice, and guidance (CEIAG) provision since 2009. In June 2022, the careers department successfully completed its annual Continuous Improvement Check, demonstrating the high-quality careers provision at SERC.

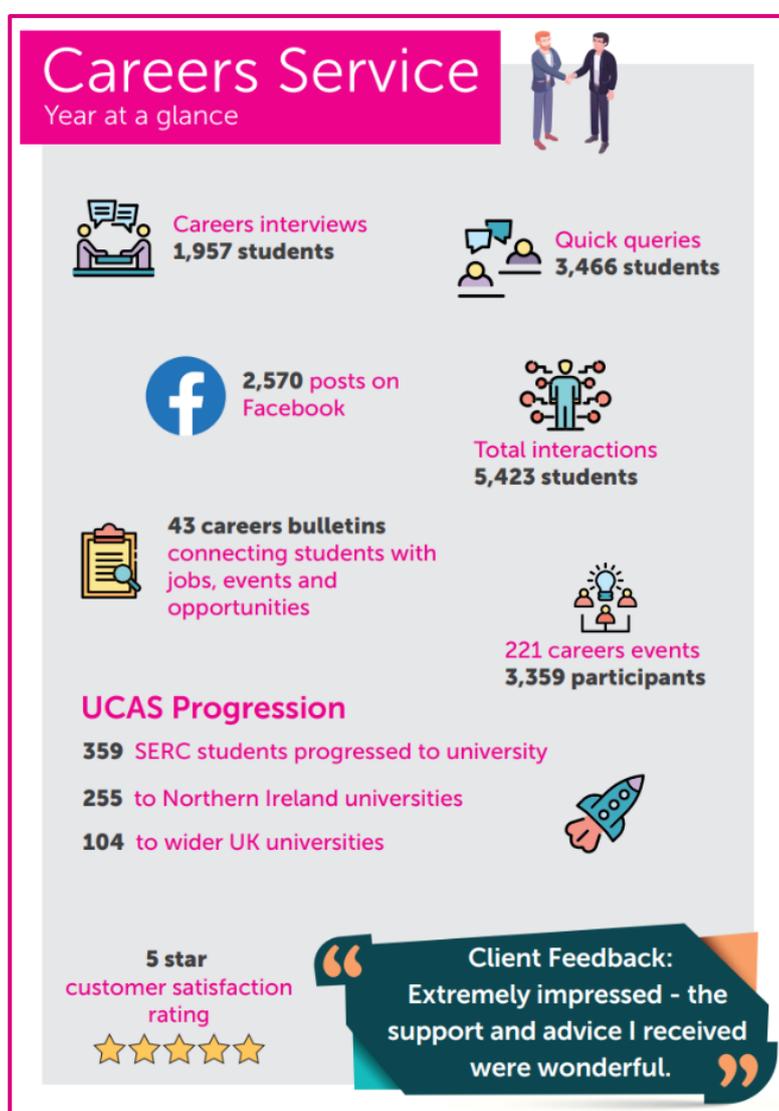
The Infographic provides a summary of the careers service activities during 2021/22, which were delivered via a hybrid of face to face and online sessions.

A high priority is placed on pre-entry advice and guidance and induction to ensure that all our students are informed of all their options and enrolled on the right course for them.

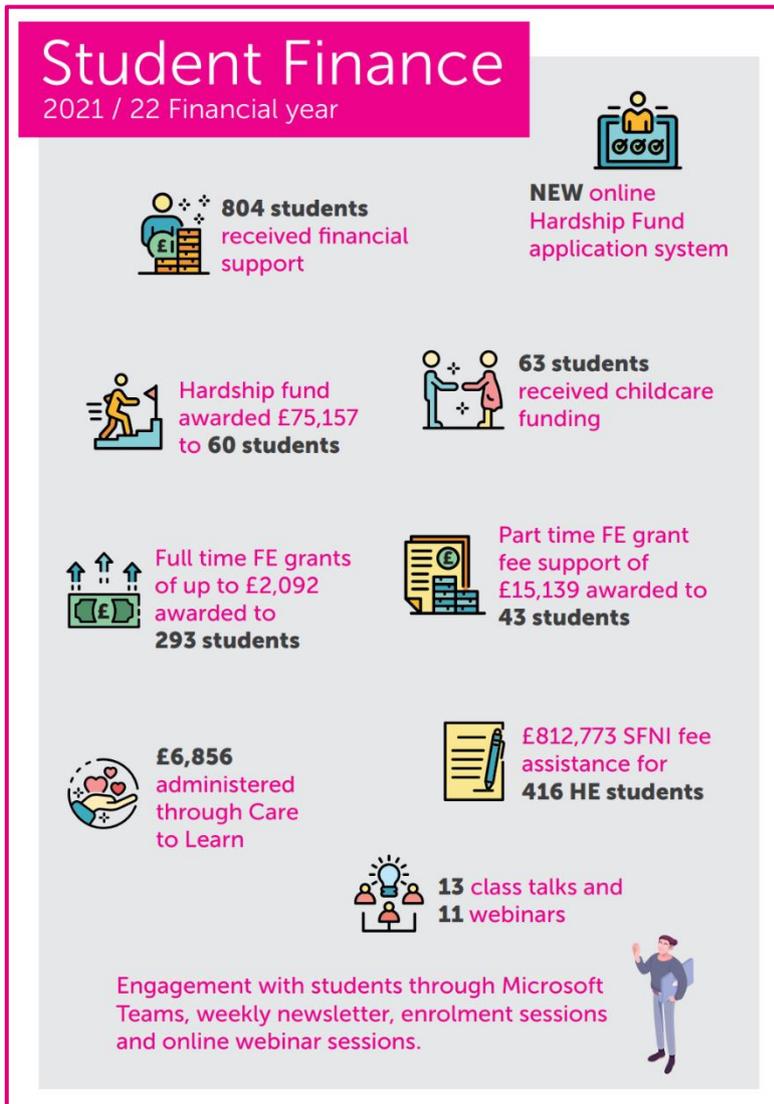
The careers team used digital solutions to engage with current students at the College, keeping them informed of career opportunities and encouraging them to seek advice on their progression options.

The provision of CEIAG is extensive and well-embedded throughout our curriculum, effectively supporting the

students to make informed career progression choices through the provision of high quality, impartial CEIAG.



- The **Student Finance** team has supported **804 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 2021/22 academic year, a total of 293 full-time Further Education students each received grants of up to £2,092 through FE Grants. Fee support from FE Grants totalled £15,139 and was awarded to 43 part-time Further Education students. Tuition fee loans totalling £812,773 were awarded through Student Finance NI (SFNI) to 416 Higher Education Students. The College then directly assisted 60 students through the Hardship Fund, providing total support of £75,157. The Care to Learn scheme administered £6,856 of childcare assistance to 3 students.

Throughout the 2021/22 academic year, the Student Finance team engaged with students in enrolment sessions, Freshers' Fayres, Microsoft Teams, weekly Student Finance Newsletters and class talks. The Student Finance Team also collaborated with the SERC Careers service to deliver online webinars and the Students' Union to connect with Class Reps. The Student Finance team also facilitated a return to working on campus to enable students to engage in person.

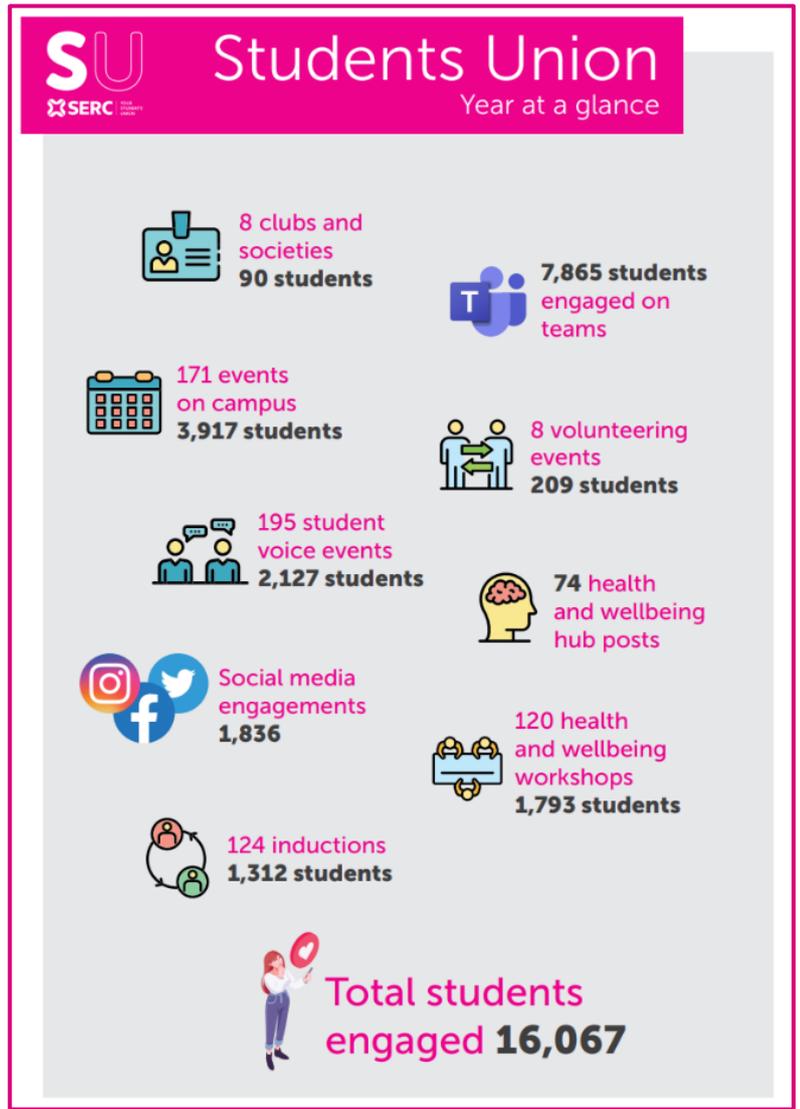
A new online Hardship Fund application system was launched in 2021/22. This system seeks to enhance the submission process and ensures increased accessibility to funding for our students.

- The **Students' Union** (SERCSU) has delivered a student engagement programme that has significantly contributed to the student resilience and wellbeing agenda, whilst promoting the diversity, and inclusivity of all our learners at SERC.

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

Initiatives have included the delivery of an online Students' Union HUB and Wellbeing HUB, Volunteering and social action projects and the delivery of a new period poverty support scheme.

The SU had a very busy year with 16,067 students engaged across 594 activities, an increase of 3,502 engagements from the 2020/21 year.



Is anyone better off?

The measure of anyone being better off can be demonstrated by achievement of their courses. In 2021/22 the following results were attained:

	2021/22
% of 'Student with Learning Difficulty' (SLDD) students who achieved their course	89.58%
% of students from quintile 1 who achieved their course	92.80%
% of students from quintile 2 who achieved their course	91.67%

What do we propose to do in 2022/23?

Area of Planned Activity	Planned Activity for 2022/23
Enrolments within Quintile 1 and 2	Number of Enrolments: 5,000
Enrolments declaring a disability / long term health problem	Number of Enrolments: 1,451
Enrolments on Entry Level and Level 1 Programmes (including Essential Skills)	Number of Enrolments: 1,900
Enrolments on Targeted Programmes e.g. Collect Connect, Prince's Trust	Number of College Connect Enrolments: 52 Number of Restart Connect Enrolments: 110 Number of Access Enrolments: 218
Enrolments on ESOL Programmes	Number of Enrolments: 384
Overall number of individuals supported by above measures.	Number of individuals: 7,664

FINANCIAL OBJECTIVES

The College's financial objectives and achievement in the year to 31 July 2022 were:

RATIO	TARGET	2021/22 RESULT
Final Outturn to Final Resource Consumption Budget Variance	0%	+0.16%
Total Staff Costs as % of Total Income (including Grant in Aid)	65%	66.4%
Cash Balance as % of Total Prior Year Income (including Grant in Aid)	10%	6.2%
Debtor Days	45 days	33 days
Payment Performance - % of supplier invoices paid within 30 days	90%	77.46%

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

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

The **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 **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 2021/22, the College monitored performance against its budget and against prior year position via the production of a full set of College Resource Accounts on a monthly basis. These College Resource Accounts include a Resource Budget Report (an Income and Expenditure Account), Income Analysis, Expenditure Analysis, a Statement of Financial Position, Debtors and Creditors analysis, a Cash-flow forecast and a Full Year Financial Forecast.

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

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

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

FINANCIAL RESULTS & POSITION

Financial Results

The College generated a deficit, as recorded in the Statement of Comprehensive Income & Expenditure, in the year of £4,602k (2020/21 deficit of £4,890k).

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

The College's approved Resource Allocation (and therefore financial target) for its 2021/22 financial year was confirmed in March 2022 as £43,856k. SERC's full year Resource Requirement result, £42,508k, constitutes an underspend of £1,348k (3.07% variance) against this resource allocation target. This target was subsequently (and retrospectively) reduced to £42,578k at the beginning of July 2022 as funding reductions were introduced by the Department. Measured against this in-year reduced target, SERC's underspend totalled £70k or 0.16%. A reduced spending plan was introduced by the College for the period April to July 2022, thereby allowing SERC to meet a reduced funding target and helping to ensure it meets its Departmental year financial target at 31 March 2023.

Statement of Comprehensive Income and Expenditure

The result in 2021/22 is stated after accounting for a pension charge of £4,748k (Pension Charge £4,194k and Net Interest £554k), as determined by the College's actuaries. The actuarial assumptions used in calculating the pension charge are explained in Note 22.

The result is also stated after accounting for the adjustment of the 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 £6k, as a result of the increase in Employers National Insurance rate (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 2021/22 is therefore translated into Resource Requirement as follows:

	£'000
Income	
Total incoming resources (excluding Grant-In-Aid funding) (Note 28)	12,569
Expenditure	
Staff costs (excluding Pension Charge & Interest)	(36,111)
Other operating expenses	(18,922)
Exceptional costs (other than Holiday Pay provision)	(44)
Total expenditure	(55,077)
RESOURCE REQUIREMENT	(42,508)
GRANT-IN-AID FUNDING (Note 28)	48,131
Non-Resource Expenditure	
Depreciation & Amortisation	(5,471)
Pension cost	(4,194)
Net interest on pension scheme	(554)
Exceptional Cost: Holiday Pay Provision (Annually managed expenditure (AME) resource)	(6)
Deficit as recorded in Statement of Comprehensive Income and Expenditure	(4,602)

The College has an actual Resource Requirement of £42,508k for the 2021/22 financial year. This is some £1.3m less than the final secured 21/22 Resource Allocation, as confirmed by DfE on 16th March 2022.

However, it should be emphasised that this Resource Allocation was retrospectively reduced for the period April to July 2022 by DfE on 8th July 2022. The College's actual Resource Requirement of £42,508k is £70k or 0.16% under this adjusted total annual allocation of £42,578k.

Total Income (excluding Grant-in-aid) of £12,569k is £1,661k better than the original budget due to higher than budgeted Assured Skills, Flexible Skills Fund, Higher Level Apprenticeship, Grant, and Student Fees income; all offset by lower than budgeted TfS and AppNI funding.

The College accounts also show increased Resource Expenditure, when compared to its original budget. In total such expenditure was £1,826k over budget due to both increased staffing and non-staffing expenditure. These expenditure variances reflect:

- An easement in expenditure for the period April to July 2022 caused by actual enrolments (and therefore overall delivery costs) on the new Traineeship programmes being significantly lower than originally envisaged. Although DfE adjusted the Traineeship funding for the period August to March, they did not do this in year for the period April to July 2022 – confirmation of that reduction was only received on 8th July 2022.
- Significantly reduced COVID-19 related expenditure to reflect the lifting of restrictions and public health advice.
- Substantially increased expenditure in a variety of areas, the most notable being utilities due to increased prices; and Estates Maintenance and IT Equipment due to planned increases in investment.
- A substantial increase in the PFI Unitary Charge to reflect the contractual RPI indexation increase, from April 2022 onwards.

The College actively reduced its spending plans for the April to July 2022 period in anticipation of the likely reduced funding from DfE for the Departmental year 2022/23. Such reduced funding was confirmed by DfE on 8th July 2022 with its Contingency Planning Allocation and, in effect, meant the College's total allocation for its financial year was approximately £42,578k. The spending plan reduction was instrumental in the College delivering the outturn and provides a strong foundation for the College in working towards its Departmental financial targets for the March 2023 year end.

The College has significant reliance on the Department for the Economy (DfE) for its principal funding source, largely from recurrent grants. In 2021/22, DfE provided some 79.29% of the College's total income through grant-in-aid (2020/21: 78.07%).

Net Assets and Reserves

Net assets at 31 July 2022 were £89,690k (31 July 2021: £56,619k). This includes a £10,257k pension liability (2020/21 £30,569k) and a £618k provision relating to holiday pay (2020/21: £612k).

The significant reduction in pension liability (decrease of £20,312k) is due to a number of pertinent reasons:

- a change in the financial assumptions used to calculate the Defined Benefit Obligation (DBO). Specifically higher corporate bond yields since the previous year-end have led to a decrease in the DBO of £33,125k; and
- a change in the demographic assumptions used to calculate the DBO, providing a decrease of £705k.

The decreases have been offset to some extent by:

- lower than assumed returns on the Fund assets over the period (negative £4,956k); and
- experience losses due to inflation (and therefore deferred revaluation and pension increases) being higher than expected over the 2021/22 financial year, as well as the allowance for an expected inflationary experience loss over the financial year 2022/23 due to the current high inflationary environment (negative £3,816k).

The College has a revaluation reserve of £92,379k (2020/21: £82,027k). Land and buildings were 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 increased the revaluation reserve by £12,611k, whilst £2,259k was transferred from revaluation reserve to the income and expenditure reserve.

The College has accumulated income and expenditure reserve of £7,562k (2020/21: £5,155k) (excluding the Pension Reserve Deficit of £10,257k [2020/21 £30,569k]) and cash balances of £3,504k (2020/21: £4,377k) as at 31 July 2022.

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 outflow of £873k during the year as a result of cash inflows from operating activities of £4,643k and cash outflows from investing and financing activities of £2,386k and £3,130k from investments and capital (2020/21: total inflow of £957k).

With a cash balance of £3,504k (2020/21: £4,377k), the College's liquidity is within the Department's target for College cash reserves, as detailed in the Management Statement and Financial Memorandum.

Estate

The College's estate consists of land with a net book value of £7,975k as at 31 July 2022 (31 July 2021: £7,970k) and buildings with a net book value of £154,141k as at 31 July 2022 (31 July 2021: £144,543k).

OUR SUCCESS

SERC's success has been recognised in 2021/22:

New Year Honours

Gareth Hetherington, Temporary Chair of Governing Body, was awarded a Member of the Order of the British Empire (MBE) for his services to Further Education and the Economy.

Gareth has been a member of the College's Governing Body since 2013, latterly as Temporary Chair, where he has made a significant contribution to the governance of the College, bringing strengths in a range of areas including public accountability, analytical and strategic thinking, as well as a detailed understanding of the role of Further Education in the economy.



Electrical Apprentice of the Year 2021

Level 3 Electrical Installation Apprentice, Troy McConville, was named as Electrical Apprentice of the Year 2021.

The Award, presented by the Electrical Contractors Association, recognises Electrical Apprentices from across Northern Ireland who are nominated by their employers through a testimonial submission followed by an interview.

Smarter Working Live Awards – Creating Communities

The College was awarded the Creating Communities award for the CARE Project in the Murlough area of Newcastle.

The Smarter Working Live Awards, celebrates innovation, collaboration and excellence in the public sector. The CARE Project was recognised for the prestigious award, under the Creating Communities category for its aims to enhance economic activity in the Murlough Ward area of Newcastle, County Down by providing support for adults with low, or no qualifications, to access education.



Learning Developer of the Year – Bronze Award



Gareth Compton, Head of Digital Media, was recognised as Learning Developer of the Year (Bronze) in the 2021 International Learning Technologies Awards. The awards are highly sought-after and recognise the commitment, enthusiasm and passion for learning technologies across the world.

Gareth's work was recognised as enabling the integrated digital systems, college strategy and teaching methodologies to work in synchronisation, and effectively, with a range of internal and external stakeholders.

Association of Colleges (AoC) Beacon Award for Widening Participation

The annual AoC Beacon Awards celebrate the best and most innovative practice amongst UK Colleges, including activities to widen participation for groups often under-represented in further education.

SERC won the award for the CARE Project in Murlough, Newcastle, County Down. The project was set up to engage and support adults in the area who have previously been failed by the education system and to help them successfully return to education. The intention is, through education, to address poverty and inequalities in employment in the area.



Engineer of Tomorrow



SERC Apprentice, Adam Smylie, Level 3 Fire & Security Apprentice won the title 'Engineer of Tomorrow' at the prestigious IFSEC National Competition.

Adam claimed the title, against winners from regional heats across the UK, in a live fire safety device installation challenge.

Team Win for Motorsport Engineering

SERC celebrated a local motorsport win, in a vehicle driven by a lecturer and prepared and managed by the students.

The team from the Level 3 Motorsport Engineering course, based at SERC's Newtownards Campus worked on the Formula Ford 1600 in which lecturer Stephen Wishart recently competed in a sprint championship, run by the Association of Northern Ireland Car Clubs. A string of wins and strong finishes finally secured the championship title in class 13 for sprint cars.

The race was contested over a series of events at Nutts Corner in Antrim and Kirkistown Racing Circuit on the Ards Peninsula.



The Motorsport Engineering first & second year students had responsibility for the car and driver before, during and after event making the championship title a real team success.

Success at IFEX Culinary Competition



IFEX is Northern Ireland's largest industry showcase of the latest products in food and drink, interiors, catering equipment, technology and services.

As part of the exhibition, the Chef Skills Live Theatre competitions are held to demonstrate and reward culinary talent. SERC entered several competition categories and achieved success in all.

The SERC success included:

- Gold Medal and Best in Class Cup in the Street Food International category;
- Gold in the Northern Ireland Culinary Ability Awards;
- Gold in both Student Culinarian of the Year 2022 and IFEX Young Chef of the Year 2022; and
- Gold in the Decorative Exhibit category.

Early Childhood Studies Student – Prize for Excellence

Student Sylvia Yue won the Prize for Excellence for the highest academic achievement of all Queen's University Belfast Foundation Degree students on her course, across the six Further Education Colleges in Northern Ireland.

Sylvia, originally from Hong Kong, developed an interest in early childhood education after her son was born in 2016.



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:

Open University (OU) Partner Institution

An exciting new partnership between The Open University (OU) and SERC has been created, growing the OU's validation of degrees through local Further Education Colleges in Northern Ireland. The partnership adds four new foundation degrees and two degrees to the SERC HE offering.

Starting in September 2022, students can follow an OU validated Foundation Degree course in Cloud Computing Technologies, in Cyber Security and Digital Forensics at SERC's Bangor, Downpatrick and Lisburn campuses, or in Culinary Arts at the College's Bangor campus. OU validated Degree courses will also be available in Cloud Computing Technologies and in Cyber Security and Digital Forensics providing a progression route for those currently studying a level 5 qualification in a related area. These are full-time courses with an option to also study part-time.

John D'Arcy, Director, The Open University, said, "The Open University is delighted to partner with SERC and provide validation for the awards. Further Educational Colleges are at the heart of their communities. The validation process enables FE colleges to put on a wider range of technical courses, supporting more people in local communities to secure high skill, high wage jobs, growing the economy to help tackle the cost of living crisis. SERC is a dynamic college and we are excited to work with them in the future and explore new areas of working to enhance this provision even further".



SERC's Principal and Chief Executive, Ken Webb said, "We are delighted SERC has recently been approved by The Open University as an appropriate organisation, to offer higher education programmes leading to Open University validated awards. The new courses we will deliver will be an important and exciting new element of the HE provision at the College."

The development presents new opportunities for applicants to study close to home, led by industry-experienced tutors in small classes, using state of the art, industry-standard equipment.

Educational Enhancement through International Partnerships

SERC is continuing to develop educational enhancement through international partnerships. The College's International Development Strategy centres around developing mutually beneficial partnerships to support student and staff exchanges, sharing best practice pedagogy, facilitating teacher upskilling, and securing collaboratively funded or commercial projects.

Throughout the pandemic, SERC strengthened its existing international partnerships by continuing transnational projects and teacher training through virtual technology solutions.

In 2021/22, SERC delivered online English Language training to 14 teachers from Tajikistan State University of Law, Business and Politics and online Project Based Learning (PBL) training to 110 teachers from the Hong Kong Vocational Training Council. The College also delivered PBL training sessions to four small enterprises in South Africa, Ghana, Malaysia and India.

SERC has a well-established reciprocal relationship with the National Institute of Technology, Toyama College, Japan with regular student and staff exchanges, research projects, competitions, and events. Recent collaboration involved a virtual student exchange where Travel & Tourism students shared language and cultural experiences.

The College will continue partnering in three transnational projects (leading one), which bring together partners from UK, Ireland, Greece, Finland, Netherlands, Denmark, Malta and Spain to develop innovative approaches to teacher digital skills, smart manufacturing and use of Artificial Intelligence. Such projects enhance the teaching experience for all SERC students.

International partnerships are also of direct benefit to SERC students. In 2021/22, a total of 149 further education students took part in international mobilities. European trips to Spain, Tenerife, Portugal and Italy were funded through Erasmus, with the professional cookery trip to USA funded through the Turing Scheme (the UK's global programme for studying, working and living abroad).



The professional cookery trip involved six students travelling to Nashville on a two-week work experience and cultural visit designed to hone their professional cookery skills. Student Ellie Hamilton, from Bangor, said, "Learning about new foods and styles of cooking and how the line kitchen works - where the cook supervises a specific area of the kitchen and reports to the head chef - was very interesting. The trip has made me more culturally aware and more confident in my own skills and abilities."

International Partnerships will continue into 2022/23, with it expected that approximately 230 staff and students will travel across Northern America and Europe.

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 will use additional fee income to financially support those within the lowest income groups. All higher education students at SERC in 2021/22 who were in receipt of the maximum maintenance grant from Student Finance NI or student support grant were eligible for a bursary of 10% of the tuition fee. The bursary amounts totalled £23,500.

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

	TARGET	2021/22 RESULT
Enrolments from Northern Ireland Multiple Deprivation Measure (MDM) - Quintile 1.	137 enrolments	137 enrolments
Enrolments from adult returners.	633 enrolments	953 enrolments
Enrolments from students with a disability.	105 enrolments	141 enrolments
Enrolments from students who have a Care Experience.	12 enrolments	15 enrolments
Young male students in MDM Quintile 1.	27 Young Males	13 Young Males

The following targets have been agreed for the 2022/23 year:

	TARGET
Enrolments from MDM Quintile 1	129
Enrolments from adult returners	594
Enrolments from students with a disability	108
Enrolments from students who have a Care Experience	12
Young male students in MDM Quintile 1	27

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 seek to attract the key target groups.

COVID-19 DEVELOPMENTS

At a NI Executive meeting on 12 August 2021, it was agreed that FE Colleges could move to Stage 5 of the “Pathway out of Restrictions”, effective from Monday 16 August 2021. This move facilitated the full return to face-to-face teaching for all students in the 2021/22 academic year and as ‘normal’ an academic learning environment as possible. Stage 5 was enabled by the agreement to remove social distancing in the classroom environment.

SERC, however, decided to enter its 2021/22 year with a “blended” delivery approach in certain areas of curriculum and a continuation of home working where possible with a view to maintaining an overall population density significantly lower than that of pre-pandemic levels.

In addition, numerous mitigations remained in place throughout SERC’s estate in Autumn 2021, for example social distancing, face masks, and the provision of lateral flow tests.

As the year progressed SERC, like the other FE Colleges, moved towards reflecting the wider societal guidance and a higher onus on personal responsibility in preventing the spread of COVID-19. In light of this, mitigation measures were gradually reduced across campuses as the year wore on. Nevertheless, at year end SERC’s hybrid home/campus working model and some levels of online curriculum delivery remained in place. This will continue in the short term to ensure SERC maintains a sound base for contingency planning should COVID-19 issues increase in autumn 2022.

STAKEHOLDER RELATIONSHIPS & REPUTATION

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

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

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

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

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

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

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

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



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

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



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

Staff Survey

“ Strongly Agreed and Agreed with the statements ”

The College is a good place to work **86% Staff Agree**



Feel motivated to be at work **70% Staff Agree**



Happy to go extra mile at work when required **89% Staff Agree**



I am proud to work for SERC **90% Staff Agree**

DISABILITY STATEMENT - STUDENTS

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

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

The Staff Report contains the Disability Statement relating to staff.

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

The College has 15 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 2020 to 31 July 2022, the College paid 77.46% of its invoices within 30 days (2020/21: 92.49%). The average payment days was 21.60 days (2020/21: 14.89 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 2021 to 31 July 2022, the college paid 24.58% of its invoices within 10 days (2020/21: 43.50%).

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 55 - 69).

Personal data related incidents

The College had no reportable data breaches in 2021/22.

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

There are no events after the reporting date to report.

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	Status of appointment	Committees Served	GB Attendance (attended / possible)
Mr Gareth Hetherington (Temporary Chair)	1 May 2013 1 May 2017 (Special Extension) 1 July 2019 (Second Term)	4 years 3 years +9 months	-	Independent Member – Business Category	Education, Finance and General Purposes (ex-officio member)	8 / 8
Mr Andrew Corbett	11 April 2016 11 April 2020 (Second Term)	4 years 4 years	-	Staff Governor	Education, Finance and General Purposes	4 / 5
Ms Majella Corrigan	1 April 2021	4 years	-	Independent Member – Business Category	Education, Finance and General Purposes	8 / 8
Ms Gemma Diamond	1 October 2021	1 year	-	Student Governor 2021/22	Audit and Risk, Education	4 / 4
Mrs Karen Fraser	1 August 2014 (with special extension) 1 July 2019 (Second Term)	4 years 4 years	-	Independent Member – Business Category	Audit and Risk, Education	7 / 8
Mr Samuel Hagen	18 October 2021	4 years	-	Independent Member – Business Category	Audit and Risk, Education	7 / 7
Mr Mark Huddleston	10 December 2020	4 years	-	Independent Member – Business Category	Audit and Risk, Education	6 / 8
Mr James Lee	11 April 2020	4 years	13 May 2022	Staff Governor	Audit and Risk, Education	3 / 4
Mr John Mackell	1 February 2016 1 February 2020 (Second Term)	4 years 4 years	-	Independent Member – Business Category	Audit and Risk, Education	8 / 8

Name	Date of Appointment	Term of Office	Date of Resignation	Status of appointment	Committees Served	GB Attendance (attended / possible)
Dr Daniel McConnell	10 December 2020	4 years	-	Independent Member – Business Category	Education, Finance and General Purposes	7 / 8
Mr Alan McCrum	10 December 2020	4 years	-	Independent Member – Business Category	Education, Finance and General Purposes	7 / 8
Mr Michael McQuillan	28 October 2021	4 years	-	Co-opted	Education, Finance and General Purposes	7 / 7
Mrs Deborah O'Hare	10 December 2020	4 years	-	Independent Member – Business Category	Audit and Risk, Education	7 / 8
Mr Steve Pollard	17 December 2014 19 December 2018 (Second Term)	4 years 4 years	-	Co-opted	Audit and Risk, Education	6 / 8
Mr Darren Stewart	10 December 2020	4 years	-	Independent Member – Business Category	Audit and Risk, Education	8 / 8
Mr Ken Webb	1 July 2008	On-going	-	Principal and Chief Executive	Education, Finance and General Purposes	5 / 5
Mr Derek Wilson	10 December 2020	4 years	-	Independent Member – Business Category	Education, Finance and General Purposes	8 / 8
Professor Alan Woodside	19 January 2015 20 January 2019 (Special Extension) 1 July 2019 (Second Term)	4 years 5 months 4 years	30 September 2021	Independent Member – Business Category	Education, Finance and General Purposes	1 / 1

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 Ken Webb
Accounting Officer

21 November 2022

SOUTH EASTERN REGIONAL COLLEGE REMUNERATION REPORT

Members of the Governing Body

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

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

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

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

Name	2021/22				2020/21			
	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 Gareth Hetherington (Temporary Chair)	15 - 20	-	-	15 - 20	15 - 20	-	-	15 - 20
Mr Neil Bodger (Term ended 31 Mar. 2021)	-	-	-	-	0 - 5	-	-	0 - 5
Mr Andrew Corbett	0 - 5	-	-	0 - 5	0 - 5	-	-	0 - 5
Ms Majella Corrigan	0 - 5	-	-	0 - 5	0 - 5	-	-	0 - 5
Ms Gemma Diamond (Term started 1 Oct. 2021)	0 - 5	-	-	0 - 5	-	-	-	-
Mrs Karen Fraser	0 - 5	-	-	0 - 5	0 - 5	-	-	0 - 5
Mr Samuel Hagen (Term started 18 Oct. 2021)	0 - 5	-	-	0 - 5	-	-	-	-
Mr Mark Huddleston	0 - 5	-	-	0 - 5	0 - 5	-	-	0 - 5

Name	2021/22				2020/21			
	Re-muneration	Benefits in kind	Pension Benefits	Re-muneration	Re-muneration	Benefits in kind	Pension Benefits	Re-muneration
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Mrs Barbara Larkin (Term ended 31 July 2021)	-	-	-	-	0 – 5	-	-	0 – 5
Mr James Lee (Resigned 13 May 2022)	0 – 5	-	-	0 – 5	0 – 5	-	-	0 – 5
Mr John Mackell	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	0 – 5	-	-	0 – 5
Mr Michael McQuillan (Term started 28 Oct. 2021)	0 – 5	-	-	0 – 5	-	-	-	-
Ms Deborah O'Hare	0 – 5	-	-	0 – 5	0 – 5	-	-	0 – 5
Mr Steve Pollard	0 – 5	-	-	0 – 5	0 – 5	-	-	0 – 5
Mrs Heather Reid (Term ended 31 Mar. 2021)	-	-	-	-	0 – 5	-	-	0 – 5
Ms Mollie Richardson (Student Governor – 20/21)	-	-	-	-	0 – 5	-	-	0 – 5
Mr Dillon Stanley (Student Governor – 19/20)	-	-	-	-	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
Prof Alan Woodside (Resigned 30 Sept. 2021)	0 – 5	-	-	0 – 5	0 – 5	-	-	0 – 5

The Principal/Director and Deputy Directors

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

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

Minimum Pay Levels

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

Progression

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

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

Performance Pay

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

Total Reward Package

Senior staff within the College have access to the Northern Ireland Teachers' Pension scheme.

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

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

Service Contracts

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

Salary and pension entitlements

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

Remuneration (including salary) and pension entitlements (Audited)

Name	2021/22				2020/21			
	Salary	Benefits in kind	Pension Benefits*	Total	Salary	Benefits in kind	Pension Benefits	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Mr Ken Webb Director (Appointed 1 July 2008)	115-120	-	50-55	170-175	115-120	-	20-25	140-145
Dr Michael Malone Deputy Director (Appointed 1 June 2009)	100-105	-	70-75	175-180	95-100	-	25-30	125-130
Mrs Heather McKee Deputy Director (Appointed 1 Jan 2017)	80-85	-	20-25	105-110	85-90**	-	30-35	120-125

*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.

** 2020/21 Salary included back-pay.

Salary

'Salary' includes gross salary; performance pay or bonuses; overtime; recruitment and retention allowances; private office allowances and any other allowance to the extent that it is subject to UK taxation and any severance or ex gratia payments. This report is based on accrued payments made by South Eastern Regional College and thus recorded in these accounts.

Benefits in kind

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

Bonuses

South Eastern Regional College does not make bonus payments.

Fair Pay Disclosure – Pay Ratios

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

The banded remuneration (excluding back dated pay award) of the highest-paid director South Eastern Regional College in the financial year 2021/22 was £115-120k (2020/21: £115-120k). The relationship between the mid-point of this band and the remuneration of the College’s workforce is disclosed below:

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

2020/21	25th percentile	Median	75th percentile
Total remuneration	£27,514	£34,812	£39,028
Pay ratio	4.27	3.38	3.01

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

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

Remuneration ranged from £20k-£25k to £115k-£120k (2020/21: £15-£20k to £115-£120k).

Fair Pay Disclosure – Percentage Change in Remuneration (Audited)

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

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

Percentage Change for:	2021/22 compared to 2020/21
Average employee salary and allowances	2.21%
Highest paid director’s salary and allowances	1.00%

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

The following pay awards were applied in 2021/22:

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

In March 2022, in accordance with the provisions of Article 11, Schedule 3, paragraph 10.3 of the Further Education (Northern Ireland) Order 1997 and the Constitution for Negotiating the Terms, Conditions of Service and Remuneration of Lecturers' Employed in Colleges of Further Education., the following changes were determined:

- 2.00% increase in salary rates (including allowances i.e. Threshold, Dean, Responsibility and Re-organisation) from **1 September 2019**.
- 2.00% increase in salary rates (including allowances i.e. Threshold, Dean, Responsibility and Re-organisation) from **1 September 2020**.

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

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

- 1.75% increase in salary rates (including incremental increases) from **1 April 2021**.

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

In December 2021, the Northern Ireland College Employers' Forum determined the following:

- 1.00% increase in salary rates (including incremental increases) from **1 September 2020**.

All awards applied in 2021/22 were accrued in the previous financial year.

The College has accrued expected pay awards, using latest information, in 2021/22 as follows:

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

- Increase in salary rates (including allowances i.e. Threshold, Dean, Responsibility and Re-organisation) from **1 September 2021**.

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

- Increase in salary rates including incremental increases) from **1 April 2022**

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

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

Pension Entitlements (Audited)

Officials	Accrued pension at pension age as at 31/7/22 and related lump sum	Real increase in pension and related lump sum at pension age	CETV at 31/7/22	CETV at 31/7/21	Real increase in CETV
	£'000	£'000	£'000	£'000	£'000
Mr Ken Webb Director	50-55 Plus, lump sum of 0*	3-3.5 Plus, lump sum of 0*	869	847	22
Dr Michael Malone Deputy Director	50-55 Plus, lump sum of 150-155	3.5-4 Plus, lump sum of 7-7.5	1,189	1,149	40
Mrs Heather McKee Deputy Director	5-10 Plus, lump sum of 0*	1.5-2 Plus, lump sum of 0*	113	89	24

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

Pension arrangements

Retirement benefits to employees of the college are provided by the Northern Ireland Teachers' Pension Scheme (NITPS) and the Local Government Pension Scheme for Northern Ireland administered by the Northern Ireland Local Government Officers' Superannuation Committee (NILGOSC).

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

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

The assets of the NILGOSC Scheme are measured using closing market values. NILGOSC liabilities are measured using the projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability. The increase in the present value of the liabilities of the Scheme expected to arise from employee service in the period is charged to the operating surplus. The expected return on the scheme's assets and the increase during the period in the present value of the scheme's liabilities, arising from the passage of time, are included in pension finance costs. Actuarial gains and losses are recognised in the Other Comprehensive Income section of the Statement of Comprehensive Income and Expenditure.

NITPS is a funded defined benefit scheme. The NI Teachers' Pension Scheme design changed from 1 April 2015. Existing scheme members who satisfied certain criteria remained in the existing final salary arrangements, whilst others started to have their benefits calculated using a combination of career average and final salary arrangements. A new entrant who joins the NITPS from 1 April 2015 will have their benefits calculated totally on a Career Average Revalued Earnings (CARE) basis. Benefits accrued prior to 1 April 2015 will be protected and remain in final salary arrangements. CARE schemes accumulate pension based on a fraction of pensionable earnings each year – for NITPS this is 1/57th. The Scheme is funded by contributions made by both employees and employers. See detail of contributions at www.education-ni.gov.uk.

Contributions to the NITPS are calculated to spread the cost of pensions over employees' working lives with the College in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by qualified actuaries on the basis of quinquennial valuations using a prospective/benefit method. The NITPS is a multi-employer scheme and South Eastern Regional College is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The NITPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

Enhanced Pensions

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

Cash Equivalent Transfer Values

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

The CETV figures include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the NITPS pension arrangements and for which the Fund has received a transfer payment commensurate with the additional pension liabilities being assumed. CETVs are calculated in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2015 and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

Real Increase in CETV

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

SOUTH EASTERN REGIONAL COLLEGE STAFF REPORT

Staff Costs

Staff Costs are disclosed in Note 8 to the Financial Statements (page 88).

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	2021/22 Total	2020/21
Teaching	382	-	382	338
Support	190	-	190	185
Administration	174	6	180	155
Premises	13	-	13	12
Total	759	6	765	690

Attendance Management

In the year August 2021 to July 2022, the overall sickness absence rate was 3.33% (2020/21 – 2.63%), equivalent to 8.29 days per employee.

Staff Composition

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

Group	31 July 2022			31 July 2021		
	Male	Female	Total	Male	Female	Total
Principal & Chief Executive and Deputy Directors	2	1	3	2	1	3
College Management Team	3	1	4	3	2	5
Employees (excluding Part-Time Lecturers)	313	468	781	279	427	706

Staff Turnover

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

Off Payroll Engagements

The College had no off-payroll engagements in 2021/22.

Temporary Staff

During the year to 31 July 2022, the College expended £295k on temporary agency staff (2020/21: £107k).

Equality of Opportunity and employment of disabled persons

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

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

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

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

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

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

The College's Disability Action Plan 2019 - 2024 confirms our commitment to, and proposals for, fulfilling the statutory obligations in compliance with Sections 49A and 49B of the Disability Discrimination Act 1995 (as amended by the Disability Discrimination (NI) Order 2006).

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

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

Specific action measures within the plan are monitored on an annual basis as part of the Annual Equality Progress Report. Progress for the reporting year 2021/22 can be viewed at www.serc.ac.uk/public-information/equality.

In 2021/22, the College became a Disability Confident Employer (Level 2) with Disability Confident. 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 with its **Wellbeing Strategy** in 2021/22, seeking to improve the health and wellbeing of employees, including good mental health and physical health. The Wellbeing Strategy focused on three main areas:

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

The Strategy continued with 'The Mind Yourself' campaign, which provided the basis for the holistic wellbeing focus - targeting the health and wellbeing needs of all employees working at SERC, whether that be on-campus, at home, or a hybrid working arrangement.

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

Nine 'Mental Health First Aiders' provide confidential mental health support for both staff and students. As a commitment, under mental health, a new Mental Health Policy and Action plan was devised and implemented.

The College's Mental Health Policy takes a proactive approach that enables the organisation's leaders 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.

SERC introduced a 'Feel-Good Fitness' exercise campaign, delivered by trained and professional staff and available to both staff and students. The campaign included live and recorded sessions of yoga, armchair yoga, Tai Chi, stretch and tone, cardio care, alongside walking and cycling challenges.



Staff wellbeing sessions, for both lecturing and corporate staff, included the following sessions:

- managing fear and anxiety;
- working well at home;
- managing stress and resilience development;
- developing emotional freedom techniques;
- making your money go further;
- boosting your immunity; and
- importance of sleep and nutrition.

Approximately six hundred staff members benefitted directly from these sessions.

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

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

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

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

Staff Development

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

Two staff development events were held in 2021/22:



The **Corporate Staff** development days focused on the theme: '**ReThink : ReCharge : ReConnect**'. Workshops included harnessing technology, mindfulness, emotional agility, presentation skills, coaching, and developing solutions as a team.

The **Teaching Staff** development days focused on the theme: '**Life, Learning and Work**'. The development days aimed to provide a balance on pedagogical staff development, whilst also focusing upon the staff member as a person, in terms of mindfulness and stress management techniques.

Throughout the year, all staff have the opportunity to partake in a variety of continuous professional development (CPD), including:



Early career staff receive support through whole College and departmental induction programmes. In 2021/22, 114 training workshops were delivered to teaching and corporate staff. Approximately 300 classroom observations were facilitated through the Learning Academy, enabling tailored training to be provided for these teachers.



A weekly webinar schedule that reflects the themes arising from the College's annual 'Training Needs Analysis', alongside in-year requests. The Link and Learn series helps to disseminate good practice arising from across the organisation.



The College offers a peer mentoring opportunity to staff. In 2021/22 70 staff availed of the mentoring programme, which included one-to-one training, demonstration lessons and team teaching.



Staff have opportunity to shadow others within the organisation, giving them valuable insight and experience.



The Leadership and Management programme at SERC includes the Aspiring Manager programme (Chartered Management Institute Level 4), New Manager Induction: Leading @ SERC monthly programme, and Bridging the Gap (Chartered Management Institute, Level 5).

The development programmes are augmented by College staff being able to apply for **funded support** for self-managed CPD, tailored to their specific development needs. In 2021/22, approximately **100 staff** received funded support to undertake professional and technical training, as well as Masters and PhD programmes.

SOUTH EASTERN REGIONAL COLLEGE STATEMENT OF THE RESPONSIBILITIES OF THE ACCOUNTING OFFICER & GOVERNING BODY FOR THE YEAR ENDED 31 JULY 2022

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

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

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

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

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

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

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

SOUTH EASTERN REGIONAL COLLEGE

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL

FOR THE YEAR ENDED 31 JULY 2022

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 2021/22 financial year and up to the date of approval of the Annual Report and Financial Statements.

This Statement of Corporate Governance and Internal Control has been prepared in accordance with guidance issued by the Department of Finance (DoF) and is aimed at supporting better governance and driving more consistent, coherent and transparent reporting.

Scope of Responsibility

The Chief Executive and Accounting Officer for the College has responsibility for maintaining a robust governance and risk management structure and a sound system of internal control that supports the achievement of the College's aims and objectives set by the Governing Body, whilst safeguarding the public funds and College assets for which he is personally responsible.

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

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

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

Governing Body

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

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

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

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

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

Governing Body Member	Meetings Attended	Out of a Possible
Mr Gareth Hetherington (Temporary Chair)	8	8
Mr Andrew Corbett	4	5
Ms Majella Corrigan	8	8
Ms Gemma Diamond	4	4
Mrs Karen Fraser	7	8
Mr Samuel Hagen	7	7
Mr Mark Huddleston	6	8
Mr James Lee	3	4
Mr John Mackell	8	8
Dr Daniel McConnell	7	8
Mr Alan McCrum	7	8
Mr Michael McQuillan	7	7
Mrs Deborah O'Hare	7	8
Mr Steve Pollard	6	8
Mr Darren Stewart	8	8
Mr Ken Webb	5	5
Mr Derek Wilson	8	8
Professor Alan Woodside	1	1
<i>In attendance</i>		
Director of Strategic Planning, Quality and Support	2	2
Chief Finance Officer	5	5
Chief Human Resources Officer	3	3
Department for the Economy – Director of Corporation Governance & Transformation	1	1
Boardroom Apprentice 2021/22	3	3

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 2021/22.

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

A minimum of six members of the Governing Body must be present for the meeting to be deemed quorate. All Governing Body meetings during the 2021/22 financial year were fully quorate. Full minutes of Governing Body meetings are available from the Secretary to the Governing Body.

Governing Body Conflicts of Interest

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

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

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

The Chair of the Governing Body (or committee) then determines an appropriate course of action in order to manage the conflict appropriately, for example the member may be asked to leave the meeting while a particular item of business is taken.

Governing Body Performance and Effectiveness

In 2021/22 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 three themes, the views expressed were more positive than in 2020/21. Views were most positive for Personal Performance, GB Committees, and Training & Induction, with least positive for GB Performance. This compares to most positive GB Committees and Training & Induction and least positive for GB Procedures & Composition in 2020/21.

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

Theme	SERC 2021/22	SERC 2020/21	Sector 2021/22
Personal Performance	100%	99.5%	97%
GB Performance	96.6%	99.3%	96%
GB Procedures & Composition	98.7%	99.2%	95.3%
GB Committees	100%	100%	97.2%
Training & Induction	100%	100%	96.2%

Views expressed on GB Performance, whilst being least positive across the five themes, increased by 0.6% from prior year. Compared to 2020/21, perception remained at 100% for five statements and reduced for three. Overall, perception was above the sector average for five statements.

Audit & Risk Committee

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

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

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

Audit & Risk Committee Member	Meetings Attended	Out of a Possible
Mr John Mackell (Chair)	5	5
Mrs Karen Fraser (Vice Chair)	4	5
Ms Gemma Diamond (Appointed 1 October 2021)	3	4
Mr Samuel Hagen (Appointed 18 October 2021)	4	4
Mr Mark Huddleston	5	5

Audit & Risk Committee Member	Meetings Attended	Out of a Possible
Mr James Lee	3	4
Mrs Deborah O'Hare	5	5
Mr Steve Pollard	5	5
Mr Darren Stewart	5	5
<i>In attendance:</i>		
Principal & Chief Executive	5	5
Temporary Chair of the Governing Body	5	5
Director of Curriculum and Information Services	4	5
Director of Strategic Planning, Quality and Support	1	1
Chief Finance Officer	5	5
Chief Technology Officer	4	5
Chief HR Officer	1	1
Chief Training & Contracts Officer	1	1
Northern Ireland Audit Office Representative	4	5
Internal Audit Representative	5	5
Department for the Economy Representative	5	5
Boardroom Apprentice 2021/22	1	5
Student Governor 2021/22 Elect	1	1

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

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

The key issues discussed at the Audit & Risk Committee meetings during the 2021/22 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 2021/22
- Fraud Updates
- IT Resilience
- Business Continuity Planning
- Raising Concerns Policy
- Environmental Social Governance
- Gift and Hospitality Register annual review
- Finance & Information Technology Services Policies

The Audit & Risk Committee is content with the quality and reliability of the information presented during 2021/22.

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

Finance and General Purposes Committee

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

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

- Finance
- Estates
- Health and Safety
- Staffing
- Insurance

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 (Chair)	5	5
Mr Gareth Hetherington (Ex-Officio)	5	5
Mr Andrew Corbett	5	5
Ms Majella Corrigan	4	5
Dr Daniel McConnell	3	5
Mr Michael McQuillan (Appointed 28 October 2021)	4	4
Mr Ken Webb	4	5
Mr Derek Wilson	5	5
Professor Alan Woodside (Resigned 30 September 2021)	0	1
<i>In attendance:</i>		
Chief Finance Officer	5	5
Chief Human Resources Officer	5	5
Head of Health & Safety	1	1
Head of Learning Academy	1	1
Boardroom Apprentice 2021/22	3	3
Student Governor 2021/22 Elect	1	1

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

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

The key issues discussed at the F&GP Committee meetings during the 2021/22 financial year were as follows:

- Financial Performance
- Capital Expenditure
- Debt Updates
- Health & Safety Update
- Resource Allocation and Resource Budget 2021/22
- Finance Policies
- Applications and Enrolments
- Estates Strategy and Update Report
- Indicative Resource Allocation 2022/23 & Baseline budget
- HR Priorities Plan and Status Updates
- Staff Absenteeism
- Staff Utilisation
- Equality Annual Progress Report
- Pay Awards
- Annual Staff Survey results

The F&GP Committee is content with the quality and reliability of the information presented during 2021/22. 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
Mr Steve Pollard (Chair)	5	5
Mr Gareth Hetherington (Ex-Officio)	4	5
Mr Andrew Corbett	5	5
Ms Majella Corrigan	5	5
Ms Gemma Diamond (Appointed 1 October 2021)	3	4
Mrs Karen Fraser	4	5
Mr Samuel Hagen (Appointed 18 October 2021)	4	4
Mr Mark Huddleston	4	5
Mr James Lee	4	4
Mr John Mackell	5	5
Dr Daniel McConnell	5	5
Mr Alan McCrum	5	5
Mr Michael McQuillan (Appointed 28 October 2021)	4	4
Mrs Deborah O'Hare	4	5
Mr Darren Stewart	5	5
Mr Ken Webb	5	5
Mr Derek Wilson	5	5
Professor Alan Woodside (Resigned 30 September 2021)	1	1
<i>In attendance:</i>		
Director of Curriculum and Information Services	5	5
Director of Strategic Planning, Quality and Support	5	5
Chief Training & Contracts Officer	1	1
Chief Officer Quality, Excellence & Development	2	2
Commercial Contracts Manager	1	1
Head of School for Construction, Engineering Services & Skills for Work	1	1
Deputy Heads of School for Health, Early Years & Adult Education	1	1
Head of Pastoral Care	2	2
Head of Higher Education	2	2
Head of Engagement & Admissions	1	1
Student Engagement Manager	1	1
Boardroom Apprentice 2021/22	4	4

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 2021/22 financial year there were five Education Committee meetings held. A quorum for any meeting of the Education Committee is three members. All Committee meetings during the 2021/22 financial year were fully quorate.

The key issues discussed at the Education Committee meetings during the 2021/22 financial year were as follows:

- Applications and Enrolments
- COVID-19 & Student Support
- Safeguarding, Care and Welfare
- Careers Advisory
- Project Based Learning & Transversal Skills
- College Development Plan – 2021/22 Updates
- Community Engagement
- HE Curriculum and Quality Assessment
- Entrepreneurship and Employability
- TFS and Apprenticeship
- Learning Support
- Higher Education Achievements and Growth
- Social Inclusion
- International Projects
- Mental Health Strategy
- Open University Partner Institution

The Education Committee is content with the quality and reliability of the information presented during 2021/22.

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

College Management Team

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

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

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

College Management Team Member	Meetings Attended	Out of a Possible
Mr Ken Webb, <i>Principal and Chief Executive</i>	11	11
Dr Michael Malone, <i>Director of Curriculum and Information Services</i>	9	11
Mrs Heather McKee, <i>Director of Strategic Planning, Quality and Support</i>	11	11
Mr Tommy Martin, <i>Chief Finance Officer</i>	10	11
Mr Paul Smyth, <i>Chief Human Resources Officer</i>	11	11
Mrs Claire Henderson, <i>Chief Officer – Quality, Excellence and Development</i>	11	11
Mr William Greer, <i>Chief Training & Contracts Officer</i>	10	11

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

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

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

Compliance with the Corporate Governance Code

During 2021/22, 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 2022 with budget holders throughout the College assessing their own departments and submitting a Departmental Statement of Internal Control to the Accounting Officer.

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

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

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

College Risks Identified in 2021/22

The risks identified for the College Risk Register, as at September 2022, are as follows:

Risk Classification	Risk Identified	Risk Categorisation
Enrolments	Maintaining current levels of Further & Higher Education provision	Red Zone
Corporate Governance	Managing the financial viability of the College	Red Zone (2020/21: Amber Zone)
Corporate Governance	COVID-19 Pandemic	Amber Zone (2020/21: Red Zone)
Staff	Managing the impact of industrial action	Amber Zone
Staff	Managing the College's Sickness Absence	Amber Zone
Corporate Governance	Inability to operate DfE's Training Management System due to implementation issues <i>(new risk identified in 2021/22)</i>	Amber Zone
Corporate Governance	Cyber Threats	Amber Zone

All risks identified throughout 2021/22 have been appropriately managed within the Risk and Control Framework.

Fraud Reporting

The College has a detailed Anti-Fraud Policy. This policy is reviewed on an annual basis. The Anti-Fraud Policy sets out the definition of fraud, details the responsibilities regarding the prevention of fraud and highlights the procedures to be followed in the event of a fraud being detected or suspected. The Anti-Fraud Policy is included as mandatory training for all staff.

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

There was one reported case of suspected fraud during the year ended 31 July 2022, reported through the Raising Concerns Policy. The case of suspected fraud investigation is currently in progress.

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

Raising Concerns

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

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

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

During 2021/22 the College had five incidents reported under the Raising Concerns Policy. Two incidents remain subject to ongoing investigation; three investigations have concluded.

Education and Training Inspectorate (ETI)

In November 2021, the Education and Training Inspectorate carried out a review of the work undertaken to progress the development and implementation of the Curriculum Hubs in the further education colleges. SERC is assigned the Curriculum Hub for Construction.

ETI identified nine positive findings that included effective leadership, pro-activity in identifying and investing in resources, developing project-based learning, and effective work undertaken through the Hub with employers and sector and awarding bodies. ETI identified with one area for future focus: supporting further collaboration and the sharing of resources and good practice at operational level across the sector. This will be a focus in 2022/23.

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 2021/22 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 2021/22 is provided below:

Area reviewed	Assurance Rating
COVID-19 Student Funding Initiatives	Satisfactory
Key Financial Controls	Satisfactory
Procurement and Contract Management	Satisfactory
Quality Management Processes Governance	Satisfactory
Risk Management Framework	Satisfactory

There were no Priority 1 issues reported in the 2021/22 Internal Audit Reviews. The reviews provided eleven recommendations (nine low priority, two medium priority). Three recommendations were brought forward from 2020/21. Of the fourteen recommendations, four have been fully implemented, one is ongoing, and nine are not yet due.

Internal audit completed one non-assurance review in 2021/22. The review, also conducted across the FE sector, focussed on the introduction of the new Learner Management System (LMS). Internal audit made a number of good practice recommendations that the College is actively implementing.

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

Pay Remits

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

Information Assurance

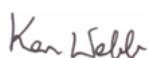
Effective information security is a key priority for the College, and it recognises that stringent principles of information security must be applied to all information it holds. In 2021/22 the College continued its development of Policies and Standard Operating Procedures surrounding information assurance and records management in relation to the Data Protection Act 2018 and the principles set out in the General Data Protection Regulation (GDPR). The Policies and Procedures were supplemented by updated online training for all staff.

The College had no reportable data breaches in 2021/22.

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

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

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



Mr Ken Webb
Accounting Officer
21 November 2022

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 2022 under the Further Education (Northern Ireland) Order 1997 as amended by the Audit and Accountability Institutions of Further Education (Public Sector Audit) Order (Northern Ireland) 2008. The financial statements comprise: the Statement of Comprehensive Income and Expenditure, Statement of Changes in Reserves, Statement of Financial Position, Statement of Cash Flows and the related notes including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom accounting standards including FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

I have also audited the information in the Remuneration Report that is described in that report as having been audited.

In my opinion the financial statements:

- give a true and fair view of the state of South Eastern Regional College's affairs as at 31 July 2022 and of its deficit for the year then ended;
- have been prepared in accordance with the Further Education (Northern Ireland) Order 1997 as amended by the Audit and Accountability Institutions of Further Education (Public Sector Audit) Order (Northern Ireland) 2008 and the Department for the Economy directions issued thereunder.

Opinion on regularity

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

Basis for opinions

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

SOUTH EASTERN REGIONAL COLLEGE

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

Conclusions relating to going concern

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

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

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

Other Information

The other information comprises the information included in the annual report other than the financial statements, the parts of the Remuneration Report described in that report as having been audited and my audit certificate and report thereon. The Accounting Officer and Governing Body are responsible for the other information reported in the annual report. My opinion on financial statements does not cover the other information and except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon. My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Opinion on other matters

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

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

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

SOUTH EASTERN REGIONAL COLLEGE

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

Matters on which I report by exception

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

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

Responsibilities of the Accounting Officer and Governing Body

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

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

Auditor's responsibilities for the audit of the financial statements

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

My objectives are to obtain 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.

SOUTH EASTERN REGIONAL COLLEGE

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

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 South Eastern Regional College through discussion with management and application of extensive public sector accountability knowledge. The key laws and regulations I considered included 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 and evaluating the design and implementation of internal controls in place to mitigate risk of material misstatement due to fraud and non-compliance with laws and regulations;
- designing audit procedures to address specific laws and regulations which the engagement team considered to have a direct material effect on the financial statements in terms of misstatement and irregularity, including fraud. These audit procedures included, but were not limited to, reading board and committee minutes, and agreeing financial statement disclosures to underlying supporting documentation and approvals as appropriate;

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

- 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

28 November 2022

SOUTH EASTERN REGIONAL COLLEGE
STATEMENT OF COMPREHENSIVE INCOME AND EXPENDITURE
FOR THE YEAR ENDED 31 JULY 2022

		2022	2021
	Note	£'000	£'000
INCOME			
Department for the Economy income	1	50,436	46,209
Education contracts	2	6,351	7,529
Tuition fees and charges	3	1,797	1,826
Other grant income	4	1,006	449
Other operating income	5	1,110	679
Investment income	6	-	-
Donations and endowments	7	-	-
Total Income		60,700	56,692
EXPENDITURE			
Staff costs	8	40,305	37,714
Other operating expenses	10	18,922	18,284
Depreciation	13	5,393	5,174
Amortisation	14	78	20
Profit on disposal of non-current assets		-	(3)
Interest and other finance costs	11	554	481
Total expenditure before exceptional items		65,252	61,670
Deficit before exceptional items		(4,552)	(4,978)
EXCEPTIONAL ITEMS			
Exceptional costs (staff)	8	12	(92)
Exceptional costs (non-staff)	10	38	4
Deficit before other gains/losses		(4,602)	(4,890)
(Loss) / gain on investment		-	-
Deficit before tax		(4,602)	(4,890)
Taxation	12	-	-
Deficit for the year		(4,602)	(4,890)
Unrealised surplus on revaluation of land and buildings	13	12,611	1,289
Cumulative increase in market value of investments	20	-	1
Actuarial gain/(loss) in respect of pension scheme	22	25,060	9,081
Total comprehensive surplus/(deficit) for the year		33,069	5,481
Represented by:			
Endowment comprehensive income for the year		-	-
Restricted comprehensive income for the year		-	1
Unrestricted comprehensive income/(expenditure) for the year		33,069	5,480
		33,069	5,481

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 2022**

	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 2020	4	1	-	(35,352)	3,592	82,893	51,138
(Deficit) from income and expenditure statement	-	-	-	(4,298)	(592)	-	(4,890)
Other comprehensive income	-	-	-	9,081	-	1,289	10,370
Transfers between revaluation reserve and income and expenditure account	-	-	-	-	2,155	(2,155)	-
Cumulative increase in market value of investments (rounding)	-	1	-	-	-	-	1
Balance at 31 July 2021 and 1 August 2021	4	2	-	(30,569)	5,155	82,027	56,619
(Deficit)/Income from income and expenditure statement	-	-	-	(4,748)	146	-	(4,602)
Other comprehensive income	-	-	-	25,060	-	12,611	37,671
Transfers between revaluation reserve and income and expenditure account	-	-	-	-	2,259	(2,259)	-
Cumulative rounding adjustment in income & expenditure	-	-	-	-	2	-	2
Total comprehensive (deficit)/income for the year	-	-	-	20,312	2,407	10,352	33,071
Balance as at 31 July 2022	4	2	-	(10,257)	7,562	92,379	89,690

**SOUTH EASTERN REGIONAL COLLEGE
STATEMENT OF FINANCIAL POSITION
AS AT 31 JULY 2022**

		2022	2021
	Note	£'000	£'000
Non-Current Assets			
Property, Plant & Equipment	13	166,003	156,399
Intangible assets	14	330	408
Investments	16	3	3
Total non-current assets		<u>166,336</u>	<u>156,810</u>
Current assets			
Trade and other receivables	17	5,536	3,328
Cash and cash equivalents	21	3,504	4,377
Total current assets		9,040	7,705
Current liabilities			
Creditors - amounts falling due within one year	18	(5,849)	(6,352)
PPP finance lease creditor - amounts falling due within one year	15	(1,464)	(1,391)
Provisions	24	(618)	(612)
Net current assets/(liabilities)		<u>1,109</u>	<u>(650)</u>
Total assets less current liabilities		167,445	156,160
Non-current liabilities			
Creditors – amounts falling due after more than one year	19	(39,544)	(39,554)
PPP finance leases – amounts falling due after more than one year	15	(27,954)	(29,418)
Pension liability	22	(10,257)	(30,569)
Net assets including pension liability		<u><u>89,690</u></u>	<u><u>56,619</u></u>

SOUTH EASTERN REGIONAL COLLEGE
STATEMENT OF FINANCIAL POSITION (continued)
AS AT 31 JULY 2022

		2022	2021
	Note	£'000	£'000
Restricted Reserves			
Income and expenditure account - endowment	20	6	6
Unrestricted Reserves			
Income and expenditure account – unrestricted reserve		7,562	5,155
Income and expenditure account – pension reserve	22	(10,257)	(30,569)
Revaluation reserve		92,379	82,027
Total reserves		<u>89,690</u>	<u>56,619</u>

The financial statements on pages 75 to 112 were approved by the Governing Body of South Eastern Regional College on 21 November 2022:



Mr John Nugent
Chair of Governing Body
South Eastern Regional College



Mr Ken Webb
Accounting Officer
South Eastern Regional College

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

SOUTH EASTERN REGIONAL COLLEGE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 JULY 2022

	Note	2022 £'000	2021 £'000
Cash outflow from operating activities			
Deficit for the year		(4,602)	(4,890)
Adjustment for non-cash items			
Depreciation	13	5,393	5,174
Amortisation	14	78	20
Deferred capital grants released to income	1	(2,387)	(2,334)
Profit on disposal of non-current assets	13	-	(3)
Interest and investment income receivable	6/7	-	-
NILGOSC FRS 102 (28) Pension Adjustment	22	4,748	4,298
(Increase) in trade and other receivables	17	(2,208)	(1,759)
Increase in creditors	18/19	1,874	3,943
Increase/(Decrease) in provision	25	6	(178)
Adjustment for investing or financing activities (Service Concession Interest)	10	1,739	1,814
Adjustment for cumulative rounding in income and expenditure		2	-
Net cash inflow from operating activities		4,643	6,085
Cash flows from investing activities			
Cumulative increase in endowment income	20	-	1
Proceeds on disposal of non-current assets	13	-	3
Payments made to acquire fixed assets (including intangible)	13/14	(2,386)	(1,998)
Cash (outflow) from investing activities		(2,386)	(1,994)
Cash flows from financing activities			
Interest element of finance lease and service concession payments	10	(1,739)	(1,814)
Capital payment of service concession payments	15	(1,391)	(1,320)
Cash (outflow) from financing activities		(3,130)	(3,134)
(Decrease)/Increase in cash and cash equivalents in the years		(873)	957
Cash and cash equivalents at beginning of the year		4,377	3,420
Cash and cash equivalents at end of the year		3,504	4,377

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 2022

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 liability schemes are included in the accounting policy note (page 82) and Note 22 (pages 98-104).

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 2022

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 2022

Donations and Endowments

Non exchange transactions without performance related conditions are donations and endowments. Donations and endowments with donor-imposed restrictions are recognised in income when the College is entitled to the income. Income is retained within the restricted reserve until such time that it is utilised in line with such restrictions at the point the income is released to general reserves through a reserve transfer.

Donations within no restrictions are recognised in income when the College is entitled to the funds.

Pension Scheme

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

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

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

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

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

**SOUTH EASTERN REGIONAL COLLEGE
STATEMENT OF PRINCIPAL ACCOUNTING POLICIES & ESTIMATION TECHNIQUES (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2022**

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 $\frac{1}{3}$ % per annum on a straight line basis
Fixtures and fittings	15% per annum on a straight line basis
Motor vehicles	25% per annum on a straight line basis
Plant and equipment	20% per annum on a straight line basis

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

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

Trade and other receivables

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

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

SOUTH EASTERN REGIONAL COLLEGE
STATEMENT OF PRINCIPAL ACCOUNTING POLICIES & ESTIMATION TECHNIQUES (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2022

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 2022:

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 2022

Taxation

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

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

Cash and cash equivalents

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

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

Trade and other payables

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

Provisions

Provisions are recognised when the College has a present legal or constructive obligation as a result of a past event. It is probable that a transfer of economic benefit will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Financial Instruments

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

Agency Arrangements

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

Hardship Fund payments and Care to Learn received from DfE and subsequent disbursements to students and child minding facilities are excluded from the Income and Expenditure account and are shown separately in Note 27.

In 2020/21 the College also acted as agent, for the Department of the Economy, for the disruption payment made under The COVID-19 Study Disruption Payment Scheme Regulations (Northern Ireland) 2021. Income and expenditure related to this scheme was excluded from the Income and Expenditure account and are shown separately in Note 27. In 2021/22, no student was eligible for payment, therefore disclosure is presented as comparatives only.

**SOUTH EASTERN REGIONAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022**

1. DEPARTMENT FOR THE ECONOMY INCOME

	2022	2021
	£'000	£'000
Grant in Aid Received from DfE		
Recurrent grant	45,744	41,928
Release of deferred capital grants	2,387	2,334
Grant in Aid Received from DfE	48,131	44,262
Non-Grant in Aid Received from DfE		
Educational Maintenance Allowance Administration	15	17
Higher Level Apprenticeships	688	799
Skills Intervention Programme / Flexible Skills Fund	741	865
Assured Skills	680	-
CRM Maintenance & Support	74	74
Challenge Fund	-	124
Skills Competition	39	23
The Vulnerable Persons Resettlement Scheme (VPRS)	59	20
Other	9	25
Non-Grant in Aid Received from DfE	2,305	1,947
Total DfE Income	50,436	46,209

2. EDUCATION CONTRACTS

	2022	2021
	£'000	£'000
Entitlement Framework	765	698
Training for Success	5,586	6,763
Steps to Success	-	68
	6,351	7,529

**SOUTH EASTERN REGIONAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2022**

3. TUITION FEES AND CHARGES

	2022	2021
	£'000	£'000
Higher Education (HE) income	1,331	1,485
Home and other European Union	438	312
Non-European Union	28	29
	<u>1,797</u>	<u>1,826</u>
Tuition fees funded by bursaries		

Included within the above amounts are tuition fees funded by bursaries of £24k (2021: £29k)

4. OTHER GRANT INCOME

	2022	2021
	£'000	£'000
European funds	523	77
Other funds	483	372
	<u>1,006</u>	<u>449</u>

5. OTHER OPERATING INCOME

	2022	2021
	£'000	£'000
Catering and residence operations	332	75
Other income generating activities	732	497
Other income	46	107
	<u>1,110</u>	<u>679</u>

6. INVESTMENT INCOME

	2022	2021
	£'000	£'000
Other interest receivable	-	-

7. DONATIONS AND ENDOWMENTS

	2022	2021
	£'000	£'000
New endowments	-	-

SOUTH EASTERN REGIONAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2022

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:

	2022	2021
	Number	Number
Governing Body (excl. Staff Governors & Principal)	15	19
Teaching	382	338
Support	190	185
Administration	174	155
Premises	13	12
Total	759	690

	2022	2021
	£'000	£'000
Staff costs for the above persons		
Governing Body	69	68
Teaching	19,787	19,366
Support	7,692	7,220
Administration	8,044	6,765
Premises	519	455
Pension Cost	4,194	3,840
	40,305	37,714
Exceptional staff costs - Redundancy	6	86
Exceptional staff costs – Holiday Pay provision (note 24)	6	(178)
Total	40,317	37,622

Wages and salaries	27,209	25,969
Social Security costs	2,783	2,408
Apprenticeship Levy	122	109
Pension costs	10,191	9,228
(including Pension adjustments of £4,194k (2020/21: £3,817k))		
	40,305	37,714
Exceptional staff costs - Redundancy	6	86
Exceptional staff costs – Holiday Pay provision (note 24)	6	(178)
Total	40,317	37,622

SOUTH EASTERN REGIONAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2022

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

	Senior Post Holders		Other Staff	
	2022	2021	2022*	2021
	Number	Number	Number	Number
£60,001 to £70,000	-	-	45	24
£70,001 to £80,000	-	-	14	10
£80,001 to £90,000	-	-	9	2
£90,001 to £100,000	-	-	1	3
£100,001 to £110,000	1	1	4	-
£110,001 to £120,000	-	-	-	-
£120,001 to £130,000	1	1	-	-
£130,001 to £140,000	-	-	-	-
£140,001 to £150,000	1	1	-	-
£150,001 to £160,000	-	-	-	-
	3	3	73	39

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

9. KEY MANAGEMENT PERSONNEL

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the College and are represented by the College Governing Body and the Principal/Director/Chief Executive and Directors:

	2022	2021
	Number	Number
The number of senior post-holders including the Chief Executive/Principal was:	3	3
Governors (excl. Staff Governors & Principal)	15	19

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

	2022	2021
	£'000	£'000
Governing Body Remuneration	69	68
Salaries	303	302
Benefits in kind	-	-
Pension contributions	76	76
Total emoluments	448	446

**SOUTH EASTERN REGIONAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2022**

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

	2022	2021
	£'000	£'000
Salaries	118	117
Benefits in kind	<u>-</u>	<u>-</u>
	118	117
Pension contributions	<u>30</u>	<u>29</u>
Total	<u>148</u>	<u>146</u>

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

**SOUTH EASTERN REGIONAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2022**

10. OTHER OPERATING EXPENSES

	2022	2021
	£'000	£'000
Direct teaching	935	595
Direct support	3,451	3,771
Administration	1,622	1,171
Consultancy Fees	-	-
Premises	4,971	4,098
COVID-19 Related Expenditure	276	615
Staying Connected – Digital Hardship Payments	(113)	367
Unitary payments – PPP operating cost	6,041	5,853
Unitary payments – PPP finance lease interest	1,739	1,814
	18,922	18,284
Exceptional costs – Special payment (note 26)	38	4
Total	18,960	18,288

Other operating expenses include:

	2022	2021
	£'000	£'000
Auditors' remuneration:		
Financial statements audit	27	24
Internal audit	21	19
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	63	37
Hire of other assets – premises	56	68

11. INTEREST AND OTHER FINANCE COSTS

	2022	2021
	£'000	£'000
Net charge on pension scheme	554	481

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 2022**

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 2021	7,970	51,713	96,836	6,763	2,023	4,389	354	170,048
Additions	-	770	306	998	121	191	-	2,386
Disposals	-	-	-	(1,047)	(338)	(462)	-	(1,847)
Revaluation	5	4,819	8,128	-	-	-	-	12,952
Eliminate Depreciation on Revaluation	-	(3,478)	(4,953)	-	-	-	-	(8,431)
At 31 July 2022	7,975	53,824	100,317	6,714	1,806	4,118	354	175,108
Accumulated Depreciation								
At 1 August 2021	-	1,652	2,354	4,967	1,606	2,755	315	13,649
Charge for the year	-	1,685	2,399	607	209	478	15	5,393
Disposals	-	-	-	(1,047)	(338)	(462)	-	(1,847)
Revaluation	-	141	200	-	-	-	-	341
Eliminate Depreciation on Revaluation	-	(3,478)	(4,953)	-	-	-	-	(8,431)
At 31 July 2022	-	-	-	4,527	1,477	2,771	330	9,105
Net book value at 31 July 2022	7,975	53,824	100,317	2,187	329	1,347	24	166,003
Net book value at 31 July 2021	7,970	50,061	94,482	1,796	417	1,634	39	156,399

SOUTH EASTERN REGIONAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2022

Surplus on Revaluation

Land and buildings were 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.

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:

	2022	2021
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
	2022	2021
Buildings	£'000	£'000
Cost / Deemed cost on transition	43,616	42,846
Accumulated depreciation based on cost / deemed cost	(9,610)	(8,716)
Net book value based on cost / deemed cost	34,006	34,130
	2022	2021
PPP Buildings	£'000	£'000
Cost / Deemed cost on transition	64,910	64,603
Accumulated depreciation based on cost / deemed cost	(14,668)	(13,365)
Net book value based on cost / deemed cost	50,242	51,238

**SOUTH EASTERN REGIONAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2022**

Depreciation Charge

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

	2022	2021
	£'000	£'000
Charge for the year on owned assets	2,994	2,841
Charge for the year on PPP assets	2,399	2,333
Charge in the Income & Expenditure Account	5,393	5,174

14. INTANGIBLE ASSETS

	Learner Management System (NI FE Sector)	Other Software	Total
	£'000	£'000	£'000
Cost or valuation			
At 1 August 2021	424	4	428
Additions	-	-	-
Transfer	-	-	-
Disposals	-	-	-
At 31 July 2022	424	4	428
Amortisation			
At 1 August 2021	20	-	20
Charge for the year	77	1	78
Disposals	-	-	-
At 31 July 2022	97	1	98
Net book value at 31 July 2022	327	3	330
Net book value at 31 July 2021	404	4	408

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 2022**

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 2022 is £100,317k (2021: £94,482k). The increase of £5,835k is the net of additions, depreciation, and revaluation.

Movement in service concession liabilities

The total liabilities relating to the service concession included in the statement of financial position as at 31 July 2022 was £29,418k (2021: £30,809k). The sum of £1,391k 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	1,464	6,679	10,572	10,703	29,418
Finance charge	1,661	5,774	4,879	1,553	13,867
Service charge (incl est inflationary increases)	6,584	27,756	37,452	32,367	104,159
	9,709	40,209	52,903	44,623	147,444

The service charge includes estimated inflationary increases, estimated at 4% from April 2023, then 2% annually from April 2024. This estimation is subject to change, which will affect the amount of future cashflows.

SOUTH EASTERN REGIONAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2022

16. INVESTMENTS

	Other fixed asset investment £'000	Total £'000
At 1 August 2021	3	3
Additions	-	-
Disposals	-	-
Impairment	-	-
At 31 July 2022	3	3

Investments consist of 217 shares held in the Northern Ireland Central Investment Fund for Charities, valued as at 31 July 2022.

17. TRADE AND OTHER RECEIVABLES

	2022 £'000	2021 £'000
Amounts falling due within one year:		
Trade receivables	1,457	1,075
Prepayments and accrued income	4,079	2,253
Total receivables	5,536	3,328

18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £'000	2021 £'000
Payments received in advance	257	207
Trade payables	952	446
Taxation and social security	20	2
Accruals and deferred income	4,526	5,632
Other payables	94	65
Total creditors falling due within one year	5,849	6,352

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:

	2022 £'000	2021 £'000
Grant income	2,336	2,321
Total	2,336	2,321

**SOUTH EASTERN REGIONAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2022**

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

	2022	2021
	£'000	£'000
Deferred income	39,544	39,554
Total creditors falling due after more than one year	39,544	39,554

20. ENDOWMENT RESERVES

	Restricted permanent £'000	Unrestricted permanent £'000	Expendable endowments £'000	2022 Total £'000	2021 Total £'000
At 1 August 2021					
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 2022	6	-	-	6	6

21. CASH AND CASH EQUIVALENTS

	At 1 August 2021 £'000	Cash flows £'000	At 31 July 2022 £'000
Cash and Cash Equivalents	<u>4,377</u>	<u>(873)</u>	<u>3,504</u>

**SOUTH EASTERN REGIONAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2022**

22. PENSION PROVISIONS

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

Total pension cost for the year

	2022	2021
	£'000	£'000
NITPS: contributions paid	3,970	3,547
NILGOSC: contributions paid	2,027	1,864
NILGOSC: Pension Charge (FRS 102 (28))	4,748	4,298
NILGOSC: charge to the Statement of Comprehensive Income & Expenditure (Staff Costs / Interest Paid)	6,775	6,162
Enhanced pension charge to the Statement of Comprehensive Income (staff costs)	0	0
Total pension cost for the year	10,745	9,709

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

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 2022 were:

Period	Contribution Rate
From 1 April 2019	25.1%

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

SOUTH EASTERN REGIONAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2022

The bands applicable to member contributions for the NITPS from 1 April 2021 are:

Actual annual pensionable earnings	Member Contribution Rate
Up to £28,309.99	7.4%
£28,310 to £38,108.99	8.6%
£38,109 to £45,185.99	9.6%
£45,186 to £59,885.99	10.2%
£59,886 to £81,661.99	11.3%
£81,662 and above	11.7%

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

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

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

NILGOSC

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

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

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

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

**SOUTH EASTERN REGIONAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2022**

The last actuarial valuation was at 31 March 2019 and the contributions to be paid until 31 March 2023 resulting from that valuation are set out in the Fund's Rates and Adjustment Certificate.

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 2019.

Principal actuarial assumptions

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

	2022	2021
Discount Rate	3.55%	1.70%
Future increase in Retail Prices Index (RPI)	3.10%	-
Future increase in Consumer Price Index (CPI)	2.75%	2.60%
Future increase in salaries	4.25%	4.10%
Pension increases in line with CPI	2.75%	2.60%

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:

	2022	2021
<u>Males</u>		
Member aged 65 at 31 July 2022	21.8	21.9
Member aged 45 at 31 July 2022	22.8	23.3
<u>Females</u>		
Member aged 65 at 31 July 2022	25.1	25.1
Member aged 45 at 31 July 2022	26.1	26.5

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 2022**

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 2019 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 2019 Valuation was used as the starting point for the roll forward calculation at 31 July 2022 and therefore the DBO calculated at 31 July 2022 implicitly includes an allowance for GMP indexation.

The 31 July 2022 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. The additional liability of £68k has been included in the past service cost recognised in the year ended 31 July 2022.

▪ **Early Retirement**

In the year ended 31 July 2022, there was an early retirement in the Fund. This has resulted in an increase in the College’s DBO at 31 July 2022.

The actuary has included the additional liability of £39k in the past service cost recognised in the year ended 31 July 2022. The actuary recorded the College’s additional contribution of £39k to cover the strain of this early retirement on the Fund.

▪ **COVID-19 and Ukraine**

The COVID-19 pandemic and the war in Ukraine have led to significant market fluctuations, including volatile global stock markets and increases to bond yields.

Yields on high quality corporate bonds, on which the discount rate is based, have been highly volatile. This has resulted in a discount rate assumption that is considerably higher than that used at 31 July 2021. All else being equal, a rise in the discount rate assumption leads to a lower DBO

SOUTH EASTERN REGIONAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2022

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

	Value at 31 July 2022	Value at 31 July 2021
	£'000	£'000
Equities	22,273	25,883
Government Bonds	13,229	16,237
Corporate Bonds	1,265	7,729
Property	7,069	5,332
Multi Asset Credit	7,326	-
Cash / Other	6,513	4,733
Fair value of assets	57,675	59,914
Present value of Defined Benefit Obligation (Funded & Unfunded)	<u>(67,932)</u>	(90,483)
Total Deficit in the scheme	<u>(10,257)</u>	(30,569)
Amounts recognised in the statement of financial position:	2022	2021
	£'000	£'000
Present value of funded defined benefit obligation	(67,909)	(90,456)
Fair value of employer assets	57,675	59,914
	<u>(10,234)</u>	(30,542)
Present value of unfunded liabilities	(23)	(27)
Net liability	<u>(10,257)</u>	<u>(30,569)</u>

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

	2022	2021
	£'000	£'000
Amounts included in staff costs:		
Employer service cost (net of employer contributions)	4,035	3,769
Past service cost	107	-
Administration Expenses	52	48
Total	4,194	3,817
Net Interest Cost	554	481
Net charge to Statement of Comprehensive Income	<u>4,748</u>	<u>4,298</u>

SOUTH EASTERN REGIONAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2022

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

	2022	2021
	£'000	£'000
Analysis of Other Comprehensive Income for Pensions		
Actuarial (losses)/gains from assets	(4,956)	8,062
Actuarial gains/(losses) from a change in financial assumptions	33,129	-
Actuarial gains from a change in demographic assumptions	705	-
Actuarial (losses)/gains from experience	(3,818)	1,019
Total amount recognised in Statement of Changes in Reserves	25,060	9,081

	2022	2021
	£'000	£'000
Movement in deficit during the year		
As at 1 August as stated	(30,569)	(35,352)
Service cost	(6,062)	(5,635)
Past Service cost	(107)	-
Administration expenses	(52)	(48)
Employer contributions	2,025	1,864
Contributions in respect of unfunded benefits	2	2
Net Interest Cost	(554)	(481)
Actuarial gains / (losses)		
– From change in financial assumptions	33,129	-
– From change in demographics	705	-
– From experience	(3,818)	1,019
– From assets	(4,956)	8,062
Deficit in scheme at 31 July	(10,257)	(30,569)

	2022	2021
	£'000	£'000
Reconciliation of Defined Benefit Obligation		
Liabilities at 1 August	90,483	85,002
Service cost	6,062	5,635
Past service cost	107	-
Administration expenses	52	48
Interest cost	1,587	1,187
Employee contributions	670	617
Actuarial (gains) / losses		
– From change in financial assumptions	(33,129)	-
– From change in demographics	(705)	-
– From experience	3,818	(1,019)
Unfunded Net benefits paid	(2)	(2)
Net benefits paid	(1,011)	(985)
Liabilities at 31 July	67,932	90,483

**SOUTH EASTERN REGIONAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2022**

Reconciliation of Fair Value of Employer Assets

	2022	2021
	£'000	£'000
Assets at 1 August	59,914	49,650
Expected return	1,033	706
Actuarial (losses) / gains	(4,956)	8,062
Employer contributions	2,025	1,864
Employer contributions in respect of unfunded benefits	2	2
Employee contributions	670	617
Unfunded benefits paid	(2)	(2)
Benefits paid	(1,011)	(985)
Assets at 31 July	<u>57,675</u>	<u>59,914</u>

History of actuarial gains/(losses) recognised in OCI

	2022	2021	2020	2019	2018
	£'000	£'000	£'000	£'000	£'000
Total Actuarial gains/(losses) recognised in OCI	<u>25,060</u>	<u>9,081</u>	<u>(19,520)</u>	<u>(4,740)</u>	<u>4,389</u>
Present value of liabilities	<u>67,932</u>	<u>90,483</u>	<u>85,002</u>	<u>63,723</u>	<u>52,574</u>

23. FINANCIAL COMMITMENTS

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

	2022	2021
	£'000	£'000
Land and buildings		
Expiring within one year	45	31
Expiring within two and five years inclusive	6	-
Expiring in over five years	-	-
	<u>51</u>	<u>31</u>
Plant and Equipment		
Expiring within one year	19	-
Expiring within two and five years inclusive	31	31
Expiring in over five years	-	-
	<u>50</u>	<u>31</u>
Total	<u>101</u>	<u>62</u>

**SOUTH EASTERN REGIONAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2022**

24. PROVISIONS

	2022	2021
	£'000	£'000
At 1 August	612	790
Addition in the year	6	-
Amounts charged against provision during year	-	-
Unused amounts reversed during year	-	(178)
At 31 July	618	612

The provision 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 has appealed the CoA judgment to the Supreme Court. In 2021, the case was paused to facilitate mediation. 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 mediation process continues, but the case has been re-listed with the UK Supreme Court on 14 and 15 December 2022. The Supreme Court judgement may result in a decision which either reduces the period of liability or confirms the full period back to 1998.

The £618k 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 updated Employer National Insurance rate.

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

1. The appeal to the Supreme Court (as detail above);
2. Lack of accessible data for years previous to 2008/09, requiring estimations to be applied;
3. Future negotiations with Trade Unions;
4. Obtaining legal advice on specific application of the ruling for the NI Further Education sector;
5. The provision is gross (inclusive of Employee National Insurance and PAYE) and also includes an uplift of 15.05% for Employer National Insurance Contributions (NI) £67k (2020/21: £61k at 13.8%); 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, which may be subject to change following the outcome of the Supreme Court appeal.

**SOUTH EASTERN REGIONAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2022**

25. 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	2022 Trans Paid £'000	2021 Trans Paid £'000	Outstanding at 31 July 2022 £'000	Outstanding at 31 July 2021 £'000
CCEA	Majella Corrigan (G)	Board Member	4	4		-
Association for Project Management	Ken Webb (D)	Member	-	-	1	-
Chartered Accountants Ireland	Darren Stewart (G)	Fellow	3	-		
	Tommy Martin (CO)	Fellow				
Chartered Institute of Personnel & Development	Paul Smyth (CO)	Member	15	-	3	-
Chartered Institute of Public Finance & Accountancy	Gareth Hetherington (G)	Member				
	Ken Webb (D)	Member	-	1	-	-
	Daniel McConnell (G)	Member				
Chartered Management Institute	Ken Webb (D)	Fellow				
	Claire Henderson (CMT)	Member	63	63	-	-
Confederation of British Industry (Related Organisation in 2021/22 only)	Heather McKee (D)	Council Member	-	-	14	-
Institute of Directors	Gareth Hetherington (G)	Member				
	Mark Huddleston (G)	Member				
	Daniel McConnell (G)	Member	-	1	1	-
	Michael McQuillan (G)	Member				
	Heather McKee (D)	Director				

**SOUTH EASTERN REGIONAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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Transactions where goods or services are provided to the College by the related organisation (cont'd):

Related Organisation	Governor (G) / Director (D)	Position in Related Organisation	2022 Trans Paid £'000	2021 Trans Paid £'000	Outstanding at 31 July 2022 £'000	Outstanding at 31 July 2021 £'000
National Trust	Karen Fraser (G)	Volunteer	-	1	-	-
Northern Ireland Chamber of Commerce (Related Organisation in 2021/22 only)	Gareth Hetherington (G)	Council Member	-	-	3	-
	Michael McQuillan (G)	Member				
Queens University Belfast	Karen Fraser (G)	Senior Educational Developer	4	-	-	-
	James Lee	Close Relative – Finance Officer				
Stranmillis University College	Majella Corrigan (G)	Governor	29	23	16	-
Ulster University	Gareth Hetherington (G)	Director, Ulster University Economic Policy Centre	125	122	-	-
	Steve Pollard (G)	Senior Lecturer				

All transactions are related to general operations.

**SOUTH EASTERN REGIONAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2022**

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

Related Organisation	Governor (G) / Director (D)	Position in Related Organisation	2022 Trans Paid £'000	2021 Trans Paid £'000	Outstanding at 31 July 2022 £'000	Outstanding at 31 July 2021 £'000
Armagh City, Banbridge & Craigavon Council (Related Organisation in 2021/22 only)	Samuel Hagen (G)	Audit & Risk Assurance Committee Member	2	-	1	-
Deloitte (Related Organisation in 2021/22 only)	Daniel McConnell (G)	Partner	1	-	-	-
	Michael Malone (D)	Close Relative – Software Engineer				
Department for the Economy	Gareth Hetherington (G)	Close Relative – Director of Finance	55,337	52,249	3,944	778
NI Housing Executive (Related Organisation in 2021/22 only)	Gareth Hetherington (G)	Close Relative – Audit & Risk Committee Member	24	-	-	-
	Derek Wilson (G)	Board Member				
Queens University Belfast	Karen Fraser (G)	Senior Educational Developer	1	-	-	-
	James Lee	Close Relative – Finance Officer				
Ulster University	Gareth Hetherington (G)	Director, Ulster University Economic Policy Centre	310	258	48	43
	Steve Pollard (G)	Senior Lecturer				

All transactions are related to general operations.

**SOUTH EASTERN REGIONAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2022**

26. LOSSES AND SPECIAL PAYMENTS

	2022	2021
	£'000	£'000
Bad Debt Write Off less than £1k (71 cases)	6	12
Bad Debt Write Off greater than £1k (2 cases)	2	-
Special Payments greater than £1k (3 cases)	38	4
	46	16

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

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

27. AMOUNTS DISBURSED AS AGENT

	2022	2021
	£'000	£'000
<u>Hardship Fund</u>		
Balance at 1 August	65	85
DfE Allocation	104	82
	169	167
Disbursed to students	(75)	(102)
Balance unspent at 31 July (recognised in payables)	94	65

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.

	2022	2021
	£'000	£'000
<u>Care to Learn</u>		
DfE Allocation	7	15
Disbursements	(7)	(15)
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)
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	2022	2021
	£'000	£'000
<u>The COVID-19 Study Disruption Payment Scheme</u>		
DfE Allocation	-	318
Disbursements	-	(318)
Balance unspent at 31 July	-	-

The College acted as paying agent, for the Department of the Economy, for the disruption payment made under The COVID-19 Study Disruption Payment Scheme Regulations (Northern Ireland) 2021.

The purpose of the Scheme was to provide financial assistance (a single disruption payment of £500) to eligible students to mitigate the effect on their studies of exceptional circumstances as a result of the ongoing COVID-19 pandemic. The eligibility criteria contained within the Regulations can be found: [The Covid-19 Study Disruption Payment Scheme Regulations \(Northern Ireland\) 2021 \(legislation.gov.uk\)](#).

The grant and related disbursements were excluded from the Income and Expenditure Account in 2020/21. No further students were eligible for payment in 2021/22.

SOUTH EASTERN REGIONAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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28. 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>	2022 £'000	2021 £'000
INCOME			
Department for the Economy income (non-grant in aid)	1	2,305	1,947
Education contracts	2	6,351	7,529
Tuition fees and charges	3	1,797	1,826
Other grant income	4	1,006	449
Other operating income	5	1,110	679
Total incoming recourses		12,569	12,430
EXPENDITURE			
Staff costs	8	40,305	37,714
Other operating expenses	10	18,922	18,284
Depreciation	13	5,393	5,174
Amortisation	14	78	20
Profit on disposal of non-current assets	13	-	(3)
Interest and other finance costs	11	554	481
Exceptional costs (staff)	8	12	(92)
Exceptional costs (non-staff)	10	38	4
Total resources expended		65,302	61,582
Net deficit for the year		(52,733)	(49,152)
Unrealised surplus on revaluation of land and buildings	13	12,611	1,289
Actuarial gain in respect of pension scheme	22	25,060	9,081
Amount transferred to reserve		(15,062)	(38,782)
Analysis of reserves prepared under FReM			
Balance as at 1 August		56,619	51,138
Grant-in-aid received in year	1	48,131	44,262
Cumulative increase in endowment reserve	20	-	1
Cumulative rounding in income & expenditure reserve		2	-
Net operating cost for year		(15,062)	(38,782)
Balance as at 31 July		89,690	56,619

29. EVENTS AFTER THE END OF THE REPORTING DATE

There are no reportable events after the end of the reporting date.

Date of authorisation for issue

The Accounting Officer authorised the issue of these financial statements on 28 November 2022.