



# **Southern Regional College Annual Report and Accounts**

For the year ended 31 July 2023



Southern Regional College  
Annual Report and Accounts  
for the year ended 31 July 2023

The Accounting Officer authorised these financial  
statements for issue on 27 November 2023

Laid before the Northern Ireland Assembly under the Institutions of  
Further Education (Public Sector Audit) Order (Northern Ireland) 2008 by  
the  
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**ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2023**

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## **NATURE, OBJECTIVES AND STRATEGIES**

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

## **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. Colleges have been granted charitable status by the UK HM Revenue and Customs. Based on this legislation the Office for National Statistics, in 2010, reclassified Colleges as part of Central Government. This resulted in Colleges being determined as Non-Departmental Public Bodies (NDPB).

## **REPUTATION**

The Further Education sector is the main provider of professional and technical education and training in Northern Ireland and has a key role to play in raising the skill levels in the region and in supporting the new 10X economic vision. The College is well placed to provide learners, employers, and the local community with a wide range of education and training opportunities and to realise its aim in establishing a reputation for outstanding quality in teaching, training, and business support, not just within Northern Ireland but nationally and internationally.

The College has a strong local and national reputation and maintaining a quality brand is essential for the College's success in attracting students and positively developing external relationships.

## **VISION STATEMENT**

The long-term vision of the College is based on the desire to provide relevant and meaningful vocational learning opportunities delivered through quality and innovative teaching, which is informed by effective quality improvement planning. The vision of the College is:

To be the provider of first choice for professional and technical education and training in the region – prized by individuals and employers .

This vision complements the strategic aim for the sector as laid down in "Further Education Means Success" and its role in supporting the new 10X economic vision for Northern Ireland. This is further amplified through the mission statement, which articulates what this will mean to individual learners.

## **MISSION STATEMENT**

To positively transform lives through meaningful and enjoyable learning experiences.

## COLLEGE VALUES

The College seeks to help establish a context of progressive and effective management and help build an appropriate working and learning environment for the community that we serve. Students are treated as mature individuals and are encouraged to take responsibility for their learning experience and to play an active role in decisions that affect them.

In addition to providing the best possible learning experiences, students are given every opportunity to develop personal and social skills so they can derive the maximum benefit from their College experience. This includes access to skills competitions, employability, work experience, work related challenges and projects, participation in student mobility programmes and an increasingly effective students' union.

A series of underpinning core values have been agreed with the Governing Body, which help define the culture of the College and are used as the final arbiter in our internal processes and external relationships, as well as the interaction between staff and learners.

The College's Core Values are:

Putting Learners First

### We believe that:

- teaching and learning is our first priority;
- it is important to recognise the success of our learners and staff;
- all staff are here to serve the needs of our learners;
- we strive to remove barriers to learner success; and
- information, advice, and guidance provided to learners should be impartial, accessible, and informative.

Working together to achieve more

### We believe that:

- we can achieve more through co-operation and partnership with others;
- staff and learners have an important role to play in the future development of the College;
- it is important to foster a culture that values innovation, professionalism, and accountability;
- it is important to develop effective working relationships within our teams;
- every individual is valued and respected; and
- effective communication is important.



Striving for Excellence

**We believe that:**

- we should strive for excellence in all that we do;
- all staff should be focused on improving the quality of learning and the wider learner experience;
- staff should have access to high quality and relevant development opportunities to assist them in carrying out their role in the College;
- all staff should have the opportunity to contribute to College improvement; and
- it is important to recognise and celebrate excellence and success.

**STRATEGIC AIMS**

The Governing Body has overarching responsibility for setting the strategic direction of the College. The annual College Development Plan 2022-23 sets out the College's purpose, values and vision and embodies our commitment to working effectively together in providing skills solutions that meet current and emerging economic demand.

The College's strategic aims and objectives are set in the context of the wider policy environment. These strategic aims and objectives are therefore closely aligned to our sponsor Department, the Department for the Economy (DfE), whose Public Service Agreement targets and commitments are aligned to the Executive's draft Programme for Government and the 10X economic vision and skills strategy. In summary, the College aims to address three important areas through its curriculum offering and business support activities:

- economic development through the provision of courses designed to meet the needs of the local and regional economy particularly in priority sectors;
- personal development through opportunities for further study and learning at all levels in preparation for working life and into retirement; and
- social development, allowing people from different community backgrounds to participate on a wide range of courses at all levels.

The strategic aims of the College reflect the wider strategic role of the Further Education sector as set out in the new Skills Strategy for Northern Ireland – Skills for a 10X Economy. In meeting the educational needs of the region and within the context of the College's vision and mission, the strategic aims for the planning period to which this report relates are set out below.

The seven key strategic aims of the College for the reporting period 2022-23 were:

<b>Provision of a high quality learning experience through a relevant and meaningful curriculum</b>	<ul style="list-style-type: none"><li>•To place the College at the heart of lifelong learning within the region in order to strengthen economic and workforce development, to enhance social cohesion and to advance individuals' skills and learning.</li></ul>
<b>Support economic growth and innovation through flexible business support solutions</b>	<ul style="list-style-type: none"><li>•To support local and regional economic development through the provision of flexible business services and training solutions aimed at improving the competitiveness and productivity of new and existing businesses.</li></ul>
<b>Inspired people and Organisation Development</b>	<ul style="list-style-type: none"><li>•To be a high performing College through the recruitment, development and deployment of a highly skilled and well-motivated staff.</li></ul>
<b>Effective Governance and Financial Management</b>	<ul style="list-style-type: none"><li>•To continue to provide effective corporate Governance and ensure that the College operates within a robust system of internal financial management and control.</li></ul>
<b>Provision of a safe and stimulating environment</b>	<ul style="list-style-type: none"><li>•To create an environment that inspires learners to achieve their potential.</li></ul>
<b>Increased International Links</b>	<ul style="list-style-type: none"><li>•To promote an outward and forward looking College through the development of international links supporting staff, students and knowledge exchange.</li></ul>
<b>Creating a sustainable inspired College</b>	<ul style="list-style-type: none"><li>•To use our position as an education and training provider to inspire and promote a sustainable culture in everything that we do.</li></ul>

## IMPLEMENTATION OF THE DEVELOPMENT PLAN

The College's development plan for 2022-23 sets out a series of strategic aims, underpinned by a series of strategic objectives, actions and targets.

The following section provides a summary of progress against each strategic aim and underpinning objectives for the period 1 August 2022 – 31 July 2023.

## **1. STRATEGIC AIM: PROVISION OF A HIGH QUALITY LEARNING EXPERIENCE THROUGH A RELEVANT AND MEANINGFUL CURRICULUM**

To place the College at the heart of lifelong learning within the region in order to strengthen economic and workforce development, to enhance social cohesion and to advance individuals' skills and learning.

### **LEARNER RECRUITMENT AND PERFORMANCE – OVERVIEW**

The demand and supply of skills solutions has never been more relevant for the future economic growth of Northern Ireland. The skills strategy for a 10X Economy highlights the importance of skills and talent development for a future economy and the role that Further Education will play. In addition, the DfE economic recovery plan highlighted the significant role that the Further Education Colleges could play in providing skills training and support to local companies.

It is in this context that the College's curriculum offer is closely aligned to supporting PfG outcomes and indicators, the new Economic vision and 10X delivery Plan.

The enrolment targets for 2022-23 were agreed with DfE through the existing bilateral planning process. These targets were focused on increasing the number of people who achieve Level 2 Essential Skills qualifications in literacy and numeracy, qualifications at Level 2 and above, increasing participation in priority/STEM skill areas, and ensuring that provision leads to qualifications that are on the regulated qualifications framework.

The absence of a NI Executive and continuing pressures in public sector funding has had a direct impact on the College's ability to maintain the same curriculum offer as in previous years. The reduction in DfE grant funding to support our core provision has led to a re-prioritisation in the allocation of resources and a re-examination of what the College offers and where curriculum is delivered.

Despite these challenges, the College's curriculum offer is increasingly targeted on the current and future needs of the local and regional economy, and we believe the outreach to employers across the region is unsurpassed compared to other areas in Northern Ireland. The College is one of the largest skills training providers in Northern Ireland with professional and technical training provided in more than 25 areas to over 1,400 trainees and apprentices delivered in skills training centres in Armagh, Newry and Portadown.

The College's performance over the course of the 2022-23 academic year can best be viewed in the context of the level of participation in the main areas of our core business, namely:

- Further and Higher Education (including Essential Skills);
- Skills training through the Training for Success and Apprenticeships NI contracts;
- Schools' Partnership Provision; and
- Community engagement.

This section of the Annual Report provides information on enrolment activity and qualification outcomes as set out in the College’s Development Plan. Readers should note that the enrolment numbers presented for 2022-23 are those recorded at 31 July 2023 and are not final validated figures. The figures presented for 2021-22 are revised audited figures and may differ from those presented in the 2021-22 annual report and accounts.

## ENROLMENT PROFILE

The College set out its plans for the provision of education and training opportunities in 2022-23 specifically addressing the needs of 3 groups of people, those entering the workforce, those already in the workforce and those furthest away from work.

The College continued to play a significant role in addressing the education needs of those living in areas of greatest deprivation. This is illustrated by the fact that 49.6% of the College’s total enrolment were from students within population quintiles 1 and 2, Figure 1.

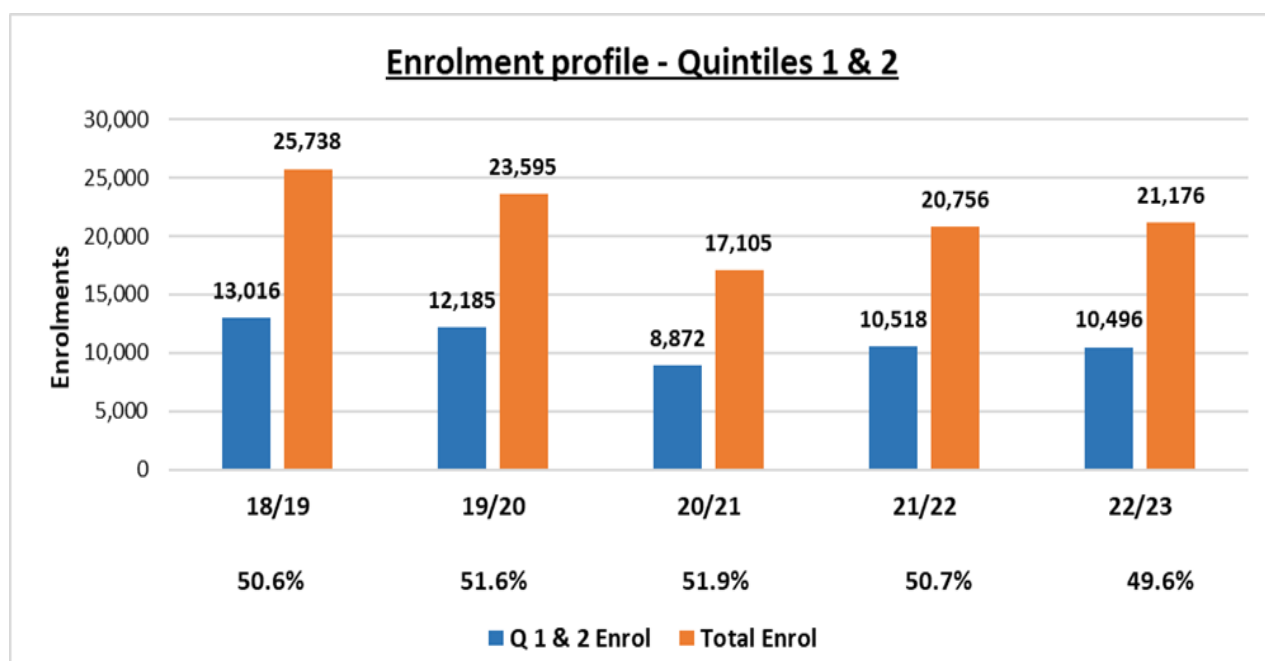


Figure 1

The College is at the forefront of delivering programmes aimed at supporting people and communities to overcome inequality and disadvantage through education and training. The College region includes 15 of the top 100 most deprived areas (in Northern Ireland) and over recent years, the College’s Community Outreach Team prioritised its limited resources on these areas of deprivation. Despite the limited provision offered through community outreach centres during the 2022-23 academic year, 53.7% of the total community outreach provision supported learners within population quintiles 1 and 2. Prioritising provision in areas of significant deprivation will remain our focus in the coming years and despite the challenges to continued levels of funding we will continue to work with the Department for Communities (DfC), Department of Agriculture, Environment and Rural Affairs (DAERA) and local councils to provide education and training opportunities in these areas as part of the wider community planning process.

### ENROLMENT POSITION 2022-23

The College’s development plan for 2022-23 set targets for enrolment across Further and Higher Education, Training and Essential Skills.

Despite this the overall enrolment position (excluding Essential Skills) at 31 July 2023 showed the College achieved 98.9% of its full-time enrolment target and 100.9% of our part time enrolment target.

Total Enrolment		Target	Actual	% Target
Level 0-7	Full time	3,932	3,887	98.9%
	Part time	15,109	15,248	100.9%

Table 1

The total enrolment position is further broken down against core activity in the following section.

### FURTHER EDUCATION (FE)

The College offered a wide range of courses aimed at meeting the needs of individuals and employers, including the delivery of qualifications ranging from Level 0 to Level 3 on the National Register of Regulated Qualifications.

The College achieved 95.5% of its target for full time FE enrolments, and 98.2% of its part time enrolment target, indicating that adult learners are now more confident in re-engaging with the college following the end of Covid-19.

Further Education	Enrolments			
		Target	Actual	% Target
Levels 0-3	Full time	2,355	2,250	95.5%
	Part time	12,587	12,364	98.2%
	Total	14,942	14,614	97.8%

Table 2

The College continues to experience challenges when recruiting to level 2 and 3 per figure 2 below:

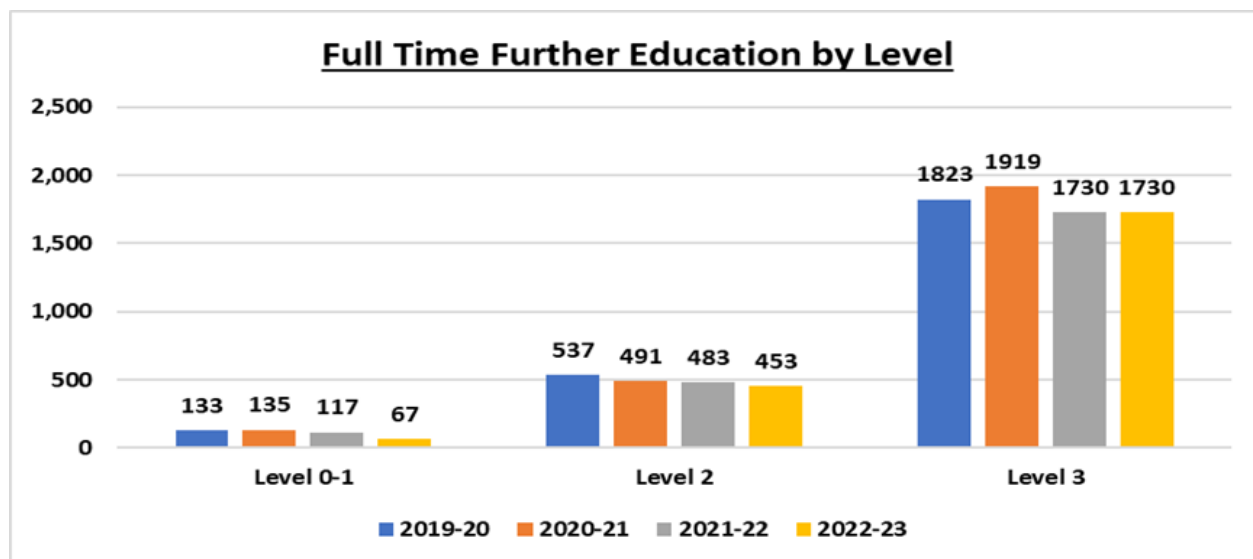


Figure 2

The College’s Inclusive Curriculum offer at Level 0-1 provides opportunities for young people with a range of challenges and learning difficulties to undertake programmes of study aimed at supporting the individual through independent living and progressing to sheltered employment. The College CONNECT programme funded through European Funding came to an end during 2022-23.

The College continued to prioritise its resources to support a wide-ranging offer for full time study across campuses within the southern region albeit with reduced class sizes.

### HIGHER EDUCATION (HE)

The College’s portfolio of university validated courses aims to provide students with the opportunity to further their education by developing higher-level skills as well as improving their career prospects. With over 1,600 HE enrolments annually this is an increasingly important area of work for the College. These HE courses, aligned to the 10X Strategy, aim to provide students with the opportunity to further their education by developing higher-level skills as well as improving their career prospects through opportunities to upskill. This provision comprises several Full Time and Part Time Foundation Degrees, the Edexcel Higher National Awards, a range of Professional, Statutory and Regulatory Body Qualifications such as ILM and City and Guilds. The College has eleven ‘Top Up’ Honours Degree courses validated by the Ulster University (UU), Queen’s University Belfast (QUB), Liverpool John Moore’s University (LJMU), and Open University (OU).

During 2022-23 a further four programmes earning a cumulative 28 commendations for outstanding practice in design and assessment were validated by OU.

The College also led on the new FinTech Foundation Degree in collaboration with North West College (NWC) and validated with UU.

The College was allocated a total Maximum Student Number (MaSN) of 322 full time HE places in 2022-23. The sectoral decline in HE full time provision is contrasted to the ongoing upward trend in

the uptake in Higher Level Apprenticeships (HLA) which contributed to the 12% increase in part time enrolments in 2022-23 compared to 2021-22. There were 317 enrolments on HLA programmes in Accounting, Applied Science, Construction, Cloud Computing, Mechatronics and Digital Marketing.

The College recruited 275 full time students achieving 85.4% of the targeted enrolment as outlined in Table 3.

Higher Education		Enrolments		
		Target	Actual	% Target
Levels 4-7	Full time	322	275	85.4%
	Part time	1,484	1,378	92.9%
	Total	1,806	1,653	91.5%

Table 3

#### SKILLS TRAINING - TRAINING FOR SUCCESS (TFS) AND APPRENTICESHIP TRAINING (AppsNI)

DfE approved the College to deliver the new Level 2 Traineeship from September 2021. Traineeship programmes were offered in areas previously delivered under Training for Success and the College in conjunction with the other five regional Colleges will expand the offer of Traineeships replacing existing full time further education options at Level 2. The College continues to offer a wide range of apprenticeships aligned to the traineeship areas and will continue to develop this in response to local industry needs.

During the 2022-23 academic year the College initially enrolled 230 year one trainees however, this had reduced to a year-end total enrolment figure of 197 due to trainees gaining employment and moving to a corresponding apprenticeship. The transition between Traineeship and Apprenticeship programmes contributed to the College exceeding its targets for Apprenticeships as shown in Table 4. The transitioning between Traineeships and Apprenticeships will be monitored in conjunction with DfE for the year ahead to assess the continuing impact of the workforce challenges faced by local companies and the need to fill vacancies through apprenticeships.

Traineeships		Enrolments		
		Target	Actual	% Target
Levels 2	Full time	265	197	74.3%
Apprenticeships		Enrolments		
		Target	Actual	% Target
Level 2-3	Full time	987	1,157	117.2%
Level 4+	Part time	315	317	100.6%
	Total	1,302	1,474	113.2%

Table 4

## ESSENTIAL SKILLS

The College enrolled a total of 1,839 learners for Essential Skills in Literacy, Numeracy and ICT against a target enrolment of 2,650, as shown in Table 5.

Essential Skills	Target	Actual	% Target
Age >=16 and <20	2,100	1,425	67.9%
Age 20 or over	550	414	75.3%
Total	2,650	1,839	69.4%

Table 5

## SCHOOLS' PARTNERSHIP PROGRAMMES (SPP)

The College remains committed to supporting local post-primary schools in the delivery of the Entitlement Framework (EF) at Key Stage 4 and Post-16. The EF aims to guarantee all school pupils greater choice and flexibility by providing them with access to a wide range of learning opportunities suited to their needs, aptitudes, and interests, irrespective of where they live or the school they attend. The College plays an important role in providing access to a wide range of vocational learning opportunities that would not otherwise be available to pupils in local schools.

In 2022-23, the College maintained excellent levels of engagement with 25 schools across the 4 Area Learning Communities within the region, Figure 3.

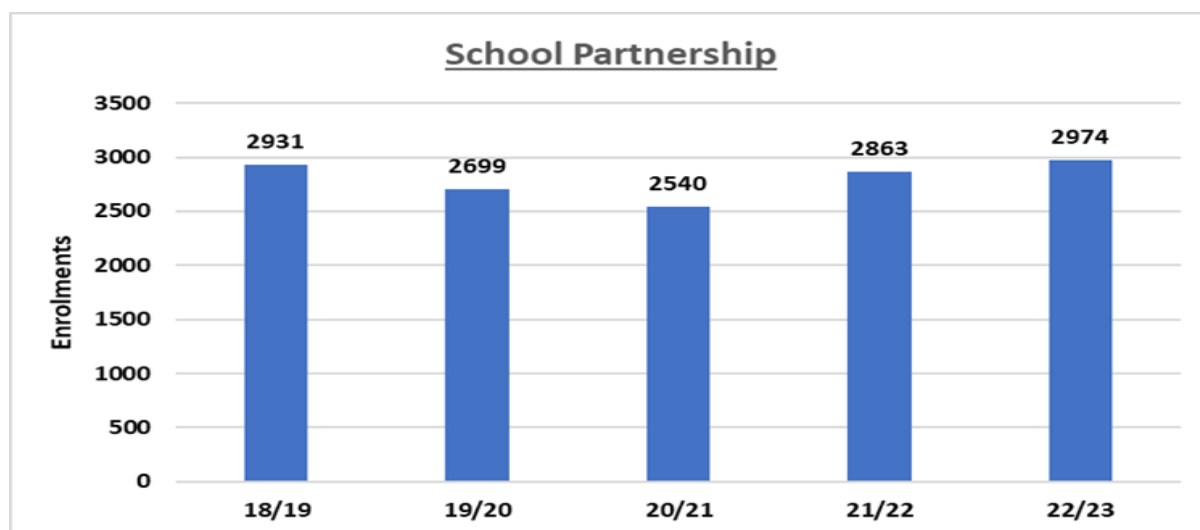


Figure 3

The launch of the joint DE/DfE 'Transition of Young People into Careers (14-19)' framework and the implementation of an effective action plan will be critical in addressing the future College – School partnership work and the continued level of competition for full time learners.

## EXTERNAL ENGAGEMENT



The College continued to focus its community engagement during 2022-23 on areas of social deprivation and, the five Neighbourhood Renewal Areas (NRA) within our region. Post COVID-19 the level of re-engagement by community groups has been slower than anticipated. Despite this a range of programmes were offered with the specific aim of encouraging progression on to programmes delivered at the College's main campuses and to assist participants to secure employment.

The total community enrolments for 2022-23 was 1,396 students. The numbers enrolling on recreational courses remained low compared with pre 2020 figures, which reflects the ongoing challenge post COVID-19.

The College continued to play a leading role in the delivery of Community Education and the regional Neighbourhood Renewal (NR) Strategy. This has been instrumental in the development of targeted projects to tackle social deprivation, through the provision of innovative tailored training opportunities to meet the needs of marginalised groups and disadvantaged individuals. These projects evolve each year to reflect the changing nature of skills shortages in businesses and requests from the community groups. In 2022-23, five projects, funded by DfC, were delivered to residents living within the five NRAs in Armagh, Brownlow, Lurgan, Newry and Portadown.

A total of 284 residents were recruited for the College training through NRA projects. Given that students experienced disruptions to training because of COVID-19, some training is still ongoing and to date 78 residents have achieved full qualifications. In addition, 242 of our Schools' Partnership pupils living in NRAs received mentoring support which ensured that all pupils studying with the College were not disadvantaged by COVID-19.

The College recognises the need to address social deprivation beyond NRA boundaries. In conjunction with DAERA, the College delivered the PROSPER programme which addresses economic inactivity, unemployment, educational underachievement, and social isolation. This programme provided mentoring support for 272 young people engaged in the Schools Partnership Provision enabling them to achieve a full qualification and supported 130 underemployed or unemployed individuals to attain new qualifications. 10 residents secured employment because of participating in the programme in the haulage, security, and construction industries.

The College secured further funding from DfC to deliver the following programmes targeted at those who are economically inactive and face social exclusion.

- **TOPS** (Training and Employment Opportunities Programmes – Craigavon **and Newry**);
- **STEPS** (Supporting Training and Employment Programmes - Armagh);
- **GROW** (Accredited training for NRA residents to work towards the BTEC Level 2 Certificate in Horticultural Management);
- **OCEANS** (A gateway to employability in the maritime/offshore industry for NRA residents);
- **SEAFLAG** (Kilkeel Jobs and Benefits Programme); and
- **REAP** (Rural Economic Accelerator Programme).

## New Funding Programmes

The continued fiscal pressures and the review of the People and Places Strategy is likely to lead to further reductions in the level of support across the community at all levels, to support delivery, the College pursued the following funding streams to support delivery.

- **Department for Levelling Up, Housing and Communities (DLUHC) - Employ Me Programme**

The College, in Partnership with the Clanrye Group, has secured just over £3m to deliver a 2-year Employ-Me employability programme providing training, employability and wraparound support for Economically Inactive people aged 16+ to reduce barriers, develop skills, achieve qualifications, and enhance employability to enable progression to employment/self-employment. The programme targets economically inactive people only, with emphasis on 5 Strands: Disability, Aged 50+, Women Returners, Justice (those in, or at risk of entering, the justice system), Others (including single parents and carers).

- **Step-Up**

The College in collaboration with the other 5 Colleges has secured just over £2m for a two-year programme (Step Up) that will provide support to those that face additional barriers to fully engage in skills and education opportunities (Women Returners, those with a disability, unemployed individuals aged over 25 and young people that are NEET's). The programme will provide a support training opportunities and support for 12 – 36 weeks duration that will include job coaching, work sampling, level 1 and 2 interventions.

## STUDENT OUTCOMES

The number of learners achieving qualifications as recorded September 2023 is shown in Table 6 below.

STUDENT ACHIEVEMENT	Achievement 2022-23	%	Achievement 2021-22	%
Further Education Full time	1,243	82%	1,572	84%
Part time	7,695	81%	6,473	84%
Higher Education Full time	110	87%	123	91%
Part time	680	76%	653	75%
Work Based Learning TFS/AppsNI	1,155	91%	971	89%
Essential Skills	1,071	56%	1,178	57%

Source:QLS/ebs

Table 6

## **QUALITY AND PEDAGOGY**

The College remains committed to providing outstanding quality learning and teaching experience for all students. Each Faculty, with continued support from the team of Teaching and Learning Advisors availed of the most up-to-date and relevant teaching strategies, technologies, and student support systems to promote and sustain positive student engagement aligned to successful outcomes.

A review of Project Based Learning (PBL)/T Skills has been undertaken in year and initial findings indicate the need for a refreshed approach to ensure that all stakeholders clearly understand the concept and are 'bought in to' the College's approach to this pedagogy. To deliver improved communication and college wide collaboration a Pedagogic Working Group (PWG) was formed to address the issues raised in the Review. PBL remains a "primary driver" of curriculum for learning, teaching, and assessment. 98 pedagogic support sessions were delivered on Transversal Skills introduced as part of the NI Traineeship.

### **Education and Training Inspectorate**

In March 2023 the Education and Training Inspectorate (ETI) advised that the Quality Improvement Planning Whole College Quality Improvement Plan 2022–24 submission contained sufficient evidence that the College is planning effectively for learning and quality improvement, which maintains the College's annual record of full proficiency in this significant area.

### **NI Traineeship**

Eleven Professional and Technical area Traineeships were piloted within the Faculty of BUTE. Given the innovative and intended transformative nature of the Level 2 NI Traineeships programme it was agreed that the FE sector submitted two Quality Monitoring and Evaluation Returns (QMERS) in December 2021 and June 2022. DfE Quality Improvement Advisor and Team carried out an evaluation of these submissions. A significant number of positive main findings were identified within the provision and moving forward key areas for ongoing evaluation and review identified.

Based on the quality and content of QMER 2 the College has demonstrated that it is using its self-evaluation capacity effectively to bring about ongoing improvement in, and consolidation of, The Traineeship Provision.

### **Higher Level Apprenticeship (HLA)**

The HLA Evaluation took place in the College between April and June 2022. DfE Quality Improvement Advisor provided feedback in November 2022. This identified 21 affirmative main findings and nine areas were identified for an additional 'deep dive' to further enhance this outstanding provision.

### **Life Science Curriculum HUB**

The College continued to progress on the action plan as lead for Life Sciences Curriculum HUB. Notable activity included increased short course delivery and discussions on a sector implementation of AppNI Pharmacy qualifications to meet the new regulatory framework requirements for Level 3. Significant discussions have occurred for an agreed Level 5 and level 6 industry led curriculum development with Open University in Biological and pharmaceutical Science.

## **STUDENT SERVICES**

### **CARE GUIDANCE AND SUPPORT**

The College is committed to providing a safe and supportive environment where students feel safe and receive effective pastoral and safeguarding care, guidance and support. The College shares the belief that safeguarding is everybody's responsibility and foster this culture across the College. All staff are responsible for safeguarding students. There are key staff within the College with specific responsibility and skills to provide interventions and ensure the safeguarding policy and process are followed. During 2022-23 the Further Education Sector Safeguarding Policy was reviewed and approved. The Safeguarding Team dealt with 35 Cause for Concerns during 2022-23 which represents a decrease of 11 from the previous year.

### **CAREERS EDUCATION INFORMATION, ADVICE AND GUIDANCE**

During the 2022-23 academic year the Careers Team provided support to learners through a range of activities such as Induction, Central Registration, HE applications, Pre-Entry Advice and Guidance (PEAS) interviews and HE presentations. 463 students received assistance in applying to HE through the University Central Application System (UCAS).

The Careers Team, through effective working arrangements with Curriculum teams and other Student Service departments, provided timely and quality advice to service users, through guiding them in choosing the best option suitable to their aspirations and individual needs. The team worked closely with a range of external stakeholders to ensure high-quality information, advice, and guidance provision from pre-entry to exiting the College. Prospective students can access the Careers Service through a variety of sources including the College Prospectus, Open Days/Evenings the College website. The Careers Service expanded its portfolio of digital resources, including videos and webinars to support the delivery of Careers Education, Information, Advice and Guidance. This included the creation a HE progression options webinar, outlining the range of progression options available targeted at Level 3 students, and a webinar to support HLA applicants on completing the Employer Additional Information section of their application, and preparing for their interview.

International students presenting with qualifications can have their qualifications equated to United Kingdom standard, enabling the Careers Team to advise clients on the most suitable pathway. In September 2022, the Careers Team facilitated information, advice and guidance at the Ukrainian Information events hosted by the College during the first week of September which including equating Ukrainian qualifications to United Kingdom education standards.

Through engagement with a range of external stakeholders, including the DfE, Education Authority Transition Officers and Area Learning Communities, the Careers Team support individuals in their transition to FE. The annual DfE Careers Officer information event took place on 20 April 2023 in the Colleges' Banbridge Campus.

There is ongoing engagement with Disability Action on the Job Match project. This project, coordinated by Disability Action, supports College students in accessing supported employment on completion of their course. Students are also being supported in transferring to supported programmes which caters for students' individual abilities. This work assists students in overcoming barriers to progression and transition.

During the first term of the 2022-23 academic year the Careers Team tracked the destination of full-time and part-time Level 2 and 3 Further Education learners and Higher Education learners who left the College in June 2022. Findings indicated a range of leaver destinations, including progression into employment or additional learning. In total, 2,637 students were contacted with a response rate of 2,568 students (97.3%). Table 7 shows the breakdown of tracked destinations for 2,568 FE and HE students.

TRACKED DESTINATION	Number	
Total Number of SRC Students Tracked	2637	100%
Total Number of SRC Students Responses	2568	97.3%
Progressed to HE externally	370	14.4%
Progressed to HE internally	240	9.3%
Progressed to FE internally	326	12.6%
Progressed to FE externally	10	0.4%
Progressed to other SRC Courses	159	6.2%
Entered Employment	1317	51.2%
Seeking Employment	28	1%
Gap Year	71	2.7%
Repeating Year	40	1.5%
Other	2	0.07%
Other Training	5	0.2%

Table 7

The most popular destinations for students progressing to HE were Southern Regional College, Ulster University and Queen’s University Belfast.

## LEARNING RESOURCES

The Learning Resource Centres (LRCs) support teaching and learning across all subject areas in the College. Staff and students are provided with access to a wide range of learning resources through Moodle, the College Virtual Learning Environment (VLE). This includes:

- A comprehensive study skills programme.
- A strong learner development programme including collaboration with partner HE institutions.
- A comprehensive collection of e-resources to support teaching and learning.

LRC staff ensure that all users can easily access learning resources, both electronic and non-electronic, by providing 24/7 access to resources through the College’s Virtual Learning Environment. LRC staff have established and continue to sustain national links with strategic information resources which facilitate research and learning techniques.

The continued development of electronic resources, particularly e-books and the purchase of additional online databases, enhances embedded learning and contributes to the College’s

Information Learning Technology (ILT) strategy commitment of providing co-ordinated management of Learning Resources.

The College has added extensively to the e-Book portfolio this year through procuring over £20,000 worth of e-books in a range of academic areas to support recent additions to the curriculum.

## **STUDENT ACTIVITIES**

Throughout 2022-23 the Student Engagement Team continued to meet the needs of all students, by delivering 758 activities with 32,718 students engaging in a wide and varied programme, including ongoing engagement with external stakeholders such as the Policing and Community Safety Partnership (PCSP), the Southern Health and Social Care Trust (SHSCT), external outreach programmes and community groups to share expertise and resources as well as linking for several student events.

Students have engaged in a range of tutorial sessions delivered by external organisations such as the PIPS Suicide Prevention Ireland Charity (PIPS) 'Resilience' workshops, while Women's Aid continued to facilitate a gender specific workshop titled 'Consent and Healthy Relationships' to young female students, and the team continued to develop extra-curricular clubs and societies including a Lesbian, Gay, Bisexual, Transgender Queer Plus (LGBTQ+) Society, Gaming Society and contributing to the National Union of Students – Union of Students of Ireland Further Education (NUS-USI FE) Steering Committee, a Sustainability Steering committee and the Quality Assurance Agency for Higher Education (QAA) Student Quality Network. The formation of a Dungeons and Dragons (DnD), a Women's society and a Higher Education (HE)/Mature students working group have also been notable additions.

The Student Engagement Team worked closely with the LEAP programme in delivering a series of sporting activities, such as a sport and well-being day for students with disabilities and a taster day for potential new students. The much-anticipated Freshers Fair returned in September 2022 while the extremely popular annual Formal took place in April 2023.

The Student Engagement Team worked closely with the Colleges' Learning Support team in implementing the Health and Wellbeing Hub Action Plan for 2022-23. This led to the promotion of support available for students who are Young Carers/Young Adult Carers and the Student Engagement Team focused on promotion and awareness raising to encourage participation from Young Carers. In support of this, the Student Engagement Coordinator continued to support dialogue from autistic students on potential issues experienced by students with disabilities. The Student Engagement Coordinator and the Learning Support Manager developed and promoted the Health and Wellbeing Hub Action Plan for 2023-24.

The Student Engagement Team have continued the promotion of on-site counsellors and health clinics to students.

## **COLLEGE ACHIEVEMENTS**

College Achievements for 2022-23 are listed below:

- The College was awarded formal accreditation status from The Royal Society of Chemistry, the only Further Education College within Northern Ireland to achieve this accolade. This was awarded based on excellence in delivery of the Higher-Level Apprenticeships in Applied Industrial Science;
- The Organisational Development Team were shortlisted as finalists at the CIPD NI HR awards in the category of Best Learning and Development/Organisation Development Initiative in December 2022;
- The Marketing, Communications and Student Recruitment team were shortlisted as finalists in the Best Marketing/Communications Team category at the Irish Education Awards;
- The External Engagement and International Affairs Team were also shortlisted at the same awards for The Best Erasmus Programme;
- The Student Services team were a finalist and a Commended College in the AoC Beacon Awards for the RCU Award for Support for Students;
- The College was certified as a Level 2 Disability Confident Employer by Disability Confident; a government scheme designed to encourage employers to recruit and retain individuals with disabilities and those with health conditions;
- The Estates Team (along with McAdam Design) was Highly Commended in the Most Innovative Public Sector Project - Newry Higher Education and Innovation Centre in the prestigious Digital Construction Live Awards 2023;
- In October 2022 the College retained the Matrix Quality Award for Student Services; and
- The College retained the Investors in People (IIP) Silver Award having gone through the IIP re-accreditation process in May 2022.

## **STUDENT ACHIEVEMENTS INCLUDING SKILLS COMPETITIONS**

The College places great importance on the use of skills competitions to:

- bring learning to life and enhance core competences through simulated workplace practices;
- improve the quality and profile of vocational education;
- offer greater scope for creativity in teaching, training and learning techniques;
- build confidence and self-esteem; and
- provide meaningful and enjoyable learning experiences.

Competitions are used across the College to raise standards in training to world-class levels. As well as building on a student's technical skillset, they are given the opportunity to develop their professional and personal skills. This begins with local intercampus based competitions leading to selection for regional and national competitions. The College's local intercampus competitions also extend to students from the SPP, reinforcing the aim of achieving excellence in all areas of skills training.



The College's commitment to skills competitions is demonstrated through participation in local, regional, national, and international competitions across many vocational areas. College students also engage in several other activities including enterprise, sporting, voluntary work, and fundraising events.

2022-23 was an outstanding year of competition success for the College with the College topping the leader board at the WorldSkills UK competition in November 2022. The College had set a 5-year target to be the top College in the UK having placed in the top three previously. In 2022-23 College students secured 13 medals and 4 highly commended places, which enabled the College to achieve this target in the first year.

Most notable student achievements in 2022-23 were:

- A higher-level apprentice studying Digital Marketing, Advertising, and Communications was awarded the Best Higher Level Apprentice Award at the Newry Chamber Employee and Team Awards in September 2022;
- A former NEBDN National Diploma Dental Nursing student was awarded The Most Invaluable Team Member Award at the Irish Dentistry Awards in September 2022;
- Team SRC competed at the Association of Hairdressers and Therapists UK Final in Blackpool with three top places awarded to the College students; first place in Fantasy Make up, first and third places in Men's Cut and Beard;
- Following on from WorldSkills UK success, two College students were named as UK WorldSkills competition squad members in February 2023. The two students will take part in the WorldSkills 2024 competition in Lyon, France;
- In March 2023, a level 2 Wall and Floor Tiling apprentice was awarded the Apprentice of the Year Award at the DfE annual Northern Ireland Apprenticeship Awards;
- In March 2023, a level 3 Wall and Floor Tiling apprentice was awarded the Montgomery Award for Excellence from The Worshipful Company of Tylers and Bricklayers' Craft Awards 2023;
- In May 2023, College students competed in the SkillBuild NI finals, securing twelve medals which comprised of four gold medals, four silver medals and four bronze medals. These successful competitors will represent Northern Ireland at the WorldSkills UK national finals; and
- A student studying the Media level 2 programme was a finalist at the Ulster Regional Banbridge Film Festival in the category of Audience Favourite Film Award.

## **STAFF ACHIEVEMENTS**

Staff Achievements for 2022-23 are listed below:

- A lecturer in Creative Arts and Digital Technologies launched her own art exhibition 'Memory Lane', which was on display at the Armagh Marketplace Theatre;
- A lecturer on the BA Degree in English and History secured a book deal in the field of Geocriticism and Literary Spatial Studies;
- The Principal and Chief Executive received the accolade of Outstanding Contributor to the Greater Newry Area at the Greater Newry Business Awards in June 2023; and
- A lecturer was announced on the shortlist for Tutor of the Year at the 2023 IAB Awards.



## **LEARNING SUPPORT**

The College received an Additional Support Fund allocation from DfE to support students with learning difficulties and disability throughout the 2022-23 academic year.

The Learning Support Team continued to work on the development of its services as follows:

- The team purchased 2 Sensory Hubs which were installed in Armagh and Banbridge campuses for use from September 2022, the first FE College in Northern Ireland to provide this type of provision for autistic students. Sensory Hubs allow for students with autism who become overwhelmed to escape this environment, giving them a break or allowing them to study, and is part of the College's effort to maintain and further develop its reputation as a College who puts the learner first and this includes autistic learners;
- The Learning Support Manager developed a 3 year employee development plan for Learning Support Assistants and Mentors, the focus for 2022-23 was Autism. 18 Learning Support staff including Mentors and Co-ordinators attended a bespoke session facilitated by Middletown Centre for Autism. The focus of the training was 'Supporting autistic students in further education'. An additional 26 Learning Support staff including Learning Support Assistants and Co-ordinators attended a 2-day Autism training course in June 2023;
- The Learning Support team worked alongside Student Engagement staff to introduce Autism Friendly lunch time clubs as a pilot between February and June 2023, to give students identifying as autistic a safe structured space to go to during the busy lunchtime period. This pilot has informed the resources, co-ordination and training required for a roll out of these clubs for 2023-24; and
- Meetings with the external transition working group continued during 2022-23. This was a valuable opportunity for the College to provide external partners with key information in relation to the curriculum offer and business processes which will benefit external stakeholders such as EA and the Southern Trust disability transition social workers, when supporting students who are enrolling for courses in September 2023. This is also a shared forum where College staff can receive updates from its external partners.

## **MARKETING, COMMUNICATIONS AND STUDENT RECRUITMENT**

The Marketing Communications and Student Recruitment (MCR) team successfully launched a new college website in November 2022 which included significant integration of the new website Content Management System (CMS) with the college learning management system, EBS. The new website design is AA Website Accessibility Standard compliant. A post project review and website survey was conducted 4 months after the launch of the site and the results showed a 99% improvement approval rating from survey respondents.

In the 2022-23 academic year, relationships and visits to schools finally resumed to normal levels post COVID-19, delivering 80 sessions which engaged approximately 5,307 students. Feedback from schools following these visits was positive.

As the delivery of College events also returned to normal, the MCR team planned, managed and delivered the following events:

- August Open Campus Event and Jobs Fair (August);
- HE Graduation (August);
- Swop Don't Drop (September);
- Ukrainian Information Event (September);
- Undergraduate Open Evening (November);
- WorldSkills Watch Party (November);
- HE in FE Sector Event (March);
- Open Days (March); and
- WorldSkills Celebration Event (April) Celebration of Success Awards (May).

The College's digital marketing continues to perform as the main vehicle for message delivery to the full-time and higher education market.

## **CAMPUS SERVICES**

During the 2022-23 academic year the Campus Services team have overseen the College key business processes of applications, enrolments, and student finance support services. The team continued to align admissions and enrolment processes with the EBS Learner Management System (LMS) which enabled the main student services to be delivered remotely and online. PEAS as well as one to one course interviews were mainly presented through Microsoft Teams or via telephone calls. Results, registration and clearing days were delivered as an online service with very few students having to travel and attend campuses for these events. The team worked collaboratively with Student Services, IT, Finance and Curriculum to plan and implement these processes.

### **Online Enrolment Pilot**

An online enrolment pilot, new enrolment processes and progress codes were developed along with changes to the EBS system. The enrolment pilot commenced on 29 July 2022 with a total of 916 students fully completing their online enrolment including the payment of fees online. 216 part time courses were included in the pilot.

## **WIDENING PARTICIPATION**

As part of the College's DfE, HE Widening Access Participation Plan (WAPP) 2022-23, bursaries were awarded to 85 HE students amounting to £20,875 support.

## **INFORMATION LEARNING TECHNOLOGY**

The College is committed to developing Information Learning Technology (ILT) Services and utilising new technologies to support and enhance curriculum delivery and business support services. During 2022-23, the College invested some £2.3m on ILT Services to maintain and improve the ILT infrastructure, detailed below:

- The continued development of blended models to support its delivery of Foundation Degrees and Higher-Level Apprenticeships and continues to use them specifically in its Higher Education Delivery;
- The College achieved Cyber Essentials accreditation in December 2022;
- To support students with remote learning, the College has provided access to, suitable devices, software for home use and remote access to specialist software for those with identified needs; and
- The College extended the use of interactive panels across its campuses including equipping its Portadown and Lurgan Campuses and will seek to include them in future ILT plans for College campuses where there a need is identified.

## 2. STRATEGIC AIM: SUPPORT ECONOMIC GROWTH AND INNOVATION THROUGH FLEXIBLE BUSINESS SUPPORT SOLUTIONS

To support local and regional economic development through the provision of flexible business services and training solutions aimed at improving the competitiveness and productivity of new and existing businesses.

The College’s Business Support and Innovation Team (BSI) is committed to supporting businesses of all sizes to innovate, compete and grow, thereby contributing to the growth of the NI Economy. The centre offers a range of knowledge transfer and innovation services; it plays a key role in identifying and responding to the training and development needs of those currently in the workforce; and it engages closely with employers to support their talent acquisition efforts through the development and promotion of a range of Apprenticeships and Higher-Level Apprenticeships (HLAs). The centre offers three key pillars of support:

1. Knowledge transfer and innovation;
2. Workforce development and upskilling; and
3. Talent Acquisition through the development and promotion of HLAs.

BSI manages a range of funding strands aimed at supporting businesses with their development and growth activities. This funding spans across the Department’s financial year, therefore BSI reporting refers to the period from 1 April to 31 March each year. The targets and outcomes for 2022-23 across the range of programmes are captured in Table 8.

### 2022-23 Business Support Targets and Outcomes

Number of Business Engaged		
Support Area:	2022-23 Target	Actual
InnovateUs	80	100
Innovation Vouchers	20	9
Fusion/KTP/Co-Innovate	20	32
Skills Focus	180	133
Full Cost Recovery/Scheduled Training	40	54
Assured Skills	1	1
Skill Up (The Flexible Skills Fund)	10	13
Themed Workshops	150	235
<b>TOTAL</b>	<b>501</b>	<b>577</b>

Table 8

BSI continues to exceed the business engagement and income targets. DfE offered additional funding in-year to support a greater volume of businesses through economic recovery, and the College was able to deliver on this through a range of upskilling and knowledge transfer projects in areas including digital skills; health and social care and childcare; engineering and manufacturing; leadership and management; construction skills; food innovation; hospitality and tourism skills.

2022-23 saw the College return to in-person events in, with a high turnout from businesses. Following the restrictions of COVID-19 over the past few years, businesses were keen to meet again face-to-face. BSI delivered 15 workshops and events this year with 235 businesses in attendance. The events included:

- Broadcasting for Live Events;
- Using the Big Cartel e-Commerce;
- What's New in Food Trends;
- 3D Design and Modelling;
- Live Local, Go Global (with Newry Chamber);
- What's New in Digital Tourism; and
- BIG Apprenticeship Event.

The College's industry events enable the centre to reach out to new clients in the region and beyond and has contributed to exceeding targets for 2022-23. The events are also an excellent opportunity to showcase the College's facilities to local businesses and stakeholders. See Figure 4 below for 3-year employer engagement figures from 2020-23:

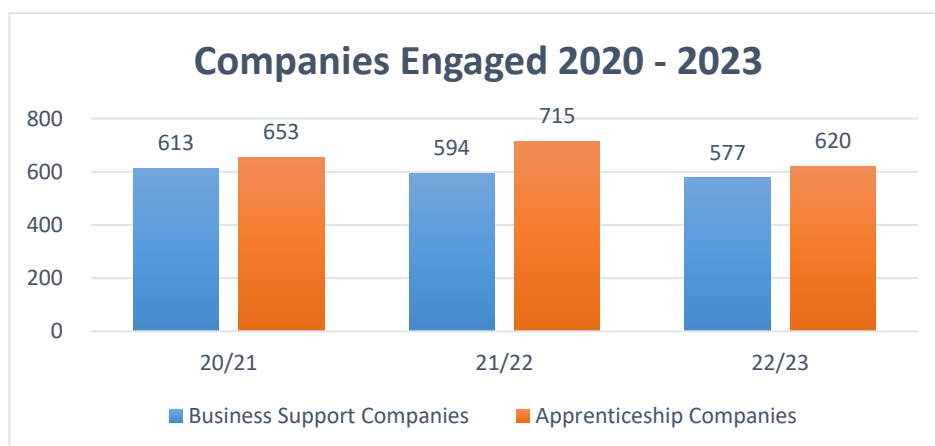


Figure 4

BSI continued to work in partnership with the economic development teams of the two local councils in the region – Armagh City, Banbridge and Craigavon Borough Council (ABC) and Newry, Mourne and Down District Council (NMDDC). BSI played an integral role in the development of local skills and employability action plans through the new Labour Market Partnerships (LMP). In partnership with the local enterprise agencies, BSI delivered the inaugural Employability and Skills Month for ABC Council – branded “Get Future Ready” which took place in February 2023. This initiative included a range of “Have a Go” sessions at College campuses, a jobs fair, employer tours, school talks and an Employability and Skills Conference. The initiative was very successful with over 1,700 people and 86 businesses engaged in activities throughout February 2023. BSI also secured a short Rapid Response welding academy, delivered by BUTE for participants and businesses in ABC Council area. BSI worked with NMDDC to secure and deliver an Upskilling for Growth programme as well as a Chef Bootcamp.

BSI continued to strengthen the relationship with Newry Chamber of Commerce and Trade as well as ABC's Business Partnership Alliance. The College sponsored the "Best Apprenticeship Business" award category at Newry Chamber's biennial Business Awards in June 2023 and the College hosted two popular events for the Chamber – one focusing on skills and the other focusing on innovation which were well attended and generated new projects with industry clients.

BSI worked in partnership with ABC Council to progress plans for the new AgriFood / AgriTech centre in the borough through the Mid-South West (MSW) Growth Deal. BSI worked with the Council to explore the skills and innovation provision that may be provided through the initiative. The council secured a one-year project with Galway and Leitrim County Councils for an "AgriFood Enabling Infrastructure" project, funded through the Shared Island programme. Through this one-year project with the cross-border partners, a number of best practice and co-creation events have taken place with the College hosting a co-creation event in June 2023 in the Armagh campus.

BSI worked closely with Invest NI, InterTradeIreland, local enterprise agencies, and other business networks in the region as well as the NI Chamber, CBI (Confederation of British Industry), Manufacturing NI and Women in Business to ensure businesses were informed of the College industry offering. BSI worked very closely with other FE colleagues across the sector, to collaborate on many key offerings to local industry including high profile informative events, training programmes and other supports.

#### **PILLAR 1: KNOWLEDGE TRANSFER AND INNOVATION ACTIVITY**

BSI's pillar 1 focuses on innovation support for SMEs. The main areas of specialism within this pillar include food innovation; product design and development; lean processes; digital transformation and tourism innovation. The key programmes delivered during 2022-23 include:

- **InnovateUs:** 100 businesses were supported through the flagship innovation programme, funded by the Department for the Economy. The programme has served as an introductory engagement programme for many clients who are new to the knowledge transfer services at the College. The majority of delivery was with micro businesses. The College delivered projects in digital technologies, food product development, product design and development, process improvement and tourism innovation;
- **IntertradeIreland's (Fusion) Innovation Boost:** The College's engagement with InterTradeIreland continued in 2022-23 with 32 businesses engaged in the Innovation Boost programme (previously known as Fusion). This year saw a significant growth in projects – 40% increase on previous year. The majority of projects focused on the Engineering, ICT and Food Technology specialisms;
- **Innovation Voucher Scheme:** 9 companies were engaged in the delivery of Innovation Vouchers during the 2022-23 year. The Innovation Voucher Scheme, funded by Invest NI, allows companies to tap into expertise available across the College to bring new knowledge to help their businesses innovate, develop and grow. Projects included new product design and prototypes, food product development and digital technologies;
- **Connected:** This programme facilitates collaboration between the FE and HE sectors to support small businesses along the innovation escalator. The business support team delivered 7 events through this fund as well as a lot of early-stage scoping with new businesses prior to moving them to the relevant area of support. Additional funding was

secured to allow the food innovation team to work in partnership with Ulster University and 5 local companies to explore a product development project for functional drinks; and

- **SME Productivity Booster:** This pilot initiative, funded by DfE, aimed to create a single programme for boosting productivity amongst SMEs in Northern Ireland, focusing on skills such as leadership, management, project planning, communication, innovation/creativity, sustainability, entrepreneurship, and automation. It was aimed at SMEs and microbusinesses and included an assessment of the existing skills set (initial health-check) and identification of developmental solutions culminating in a productivity road map for each participating SME. Each college delivered 3 x projects as part of the pilot which will be reviewed in November 2023 to identify impacts and therefore determine if funding can be sourced going forward.

## **PILLAR 2: WORKFORCE DEVELOPMENT AND UPSKILLING**

In 2022-23, BSI coordinated the delivery of DfE's flagship upskilling programme for employers 'Skills Focus' within the College. Provision included BIM, REVIT, Stonemasonry, Electric/Hybrid Vehicle Maintenance, MIG Welding, Leadership and Management, Health and Social Care, Food Safety and Allergens, Cocktail Making and Barista, generating over 300 enrolments. BSI developed and published a professional brochure to promote all industry provision which was widely distributed and has been very well received.

BSI managed the Skill Up programme within the College. This new programme, funded by DfE, has been established to help upskill and reskill individuals to meet the needs of the NI economy. BSI worked closely with faculty colleagues in 2022-23 to develop and deliver a suite of short, accredited courses from Level 3 to Level 5, all of which are free to the learners. Courses range across priority areas as follows:

- Digital skills;
- Health and life science;
- Advanced engineering and manufacturing;
- Leadership and management;
- Green technologies; and
- Employability and entrepreneurship.

Through Skill Up, the College also delivered a women returners programme encompassing a Level 3 Business Administration programme with soft skills and a work placement. This programme has helped to meet a gap in employment market with 15 participants successfully completing the programme with all progressing into employment or further education and training. The Skill Up programme has been successful in its second year with over 870 enrolments across a range of courses, an increase of 14% on previous year.

Through the Skill Up fund, funding was secured to carry out a range of development activities, resulting in a suite of new, short courses ready for delivery in 2023-24. The courses include new OCN units in Block Chain, Artificial Intelligence, Virtualisation, Robotic Welding, Retrofit, PV Panels, Forensics and Criminology, and a range of Early Years courses.

**Pillar 3: TALENT ACQUISITION THROUGH THE DEVELOPMENT AND PROMOTION OF HLAS**

BSI continued to engage with employers to support their talent acquisition activities through the recruitment of suitable higher-level apprentices. The total number of new higher-level apprentices enrolled in September 2022 was 185 compared with 120 new starts in September 2021. Employer engagement activities continued to grow as more employers signed up for the HLA route as a means to recruit new talent into their organisations.

The College's HLA portfolio continues to grow annually with a further two programmes commencing in 2022, taking the portfolio of HLA programmes to ten.

**Client Satisfaction and Evaluation**

BSI remain committed to providing a best-in-class service to all client companies, with 92% clients that responded, confirming they were satisfied (86% of whom were very satisfied).



### 3. STRATEGIC AIM: INSPIRED PEOPLE AND ORGANISATION DEVELOPMENT

To be a high performing College through the recruitment, development and deployment of a highly skilled and well-motivated staff.

Over the course of the year, the College continued to support staff through a range of continuous professional development (CPD) activities. The Staffing Committee approved an annual Organisational Development Plan, informed from a variety of sources including staff appraisal, faculty reviews and the self-evaluation process. A series of mandatory and optional development activities were planned for the designated Employee Development days set out in the academic calendar.

#### Continuous Professional Development

Continuous Professional Development of staff is an integral part of the College Development Plan. Priority is given to upskilling lecturing staff in order to respond to the challenges of embedding new skills and technology in support of emerging curriculum developments, such as, the new Traineeship system, Advanced Technical Awards and higher-level developments.

During 2022-23, staff had the opportunity to undertake professional development in several areas utilising a range of online delivery. Programmes included:

- 20 Lecturers completed the Certificate in Teaching, and 8 Lecturers successfully completed the Postgraduate Certificate in Further Education;
- 39 Full Time and Part Time Lecturers participated in the College's bespoke induction programme;
- The College used the JISC Framework to capture the digital capabilities of staff and students. During the last year 115 staff and 298 students engaged with this activity. The data from these tools will be utilised to plan, prioritise and review actions and will feature in key actions within the Digital Strategy;
- 355 staff attended an online Microsoft specialist CPD on use of Microsoft Teams, PowerPoint and OneNote session and the follow-up Microsoft session on 'Enhanced and Inclusive Teaching and Learning with Surface, Microsoft Teams and OneNote'. The Microsoft sessions were aimed at further complementing e-Educator modules;
- 10 staff are currently working towards Senior/Fellowship of Advance HE;
- 13 staff have completed assessor training and 6 staff have completed the verifier course;
- The Safeguarding team attended the following training during 2022-23;
  - ASIST training was attended by 11 Safeguarding staff in October 2022;
  - Keeping Children Safe: Designated Officer Refresher Training was attended by the Designated and Deputy Designated Safeguarding Officers in January 2023;
  - Keeping Children and Adults Safe: Training for staff and volunteers was attended by 18 Safeguarding staff in February 2023; and
  - Online Internet Safety training was attended by 19 Safeguarding staff in May 2023.

The College supported numerous individual requests for professional development including supporting staff through teacher training (PGCFE), professional and higher-level courses as well as specific job-related training. The College continued to deliver a bespoke introductory teaching and learning development programme for part-time lecturers, which includes new and innovative pedagogic strategies that can be applied in the classroom environment.

## **EQUAL OPPORTUNITIES AND EMPLOYMENT OF DISABLED PERSONS**

By virtue of Section 75 of the Northern Ireland Act 1998 the College in carrying out all its functions, powers and duties as required having 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;
- men and women, generally;
- persons with a disability and persons without; and
- persons with dependents 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 the 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 also completed its Fair Employment Monitoring Return and Annual Progress Review during the reporting year, submitting both to the Equality Commission during 2022-23.

## **DISABILITY STATEMENT**

The College will carry out its responsibilities under all relevant legislation, regulations and professional guidelines, under the following statutory functions:

- Article 13(2) of the Further Education (Northern Ireland) Order 1997 requires that ‘the Governing Body of an Institution of Further Education shall have regard to the requirements of persons over compulsory school age, who have learning difficulties;
- Disability Discrimination Act (DDA) 1995 (Section 49a and 49b) (as amended by Article 5 of the Disability Discrimination (Northern Ireland) Order 2006), requires that when carrying out its functions, Colleges are required to have due regard to the need to promote positive attitudes towards people with a disability, learning difficulty or long-term medical condition and encourage participation in public life (‘the disability duties’). Colleges are required to submit a Disability Action Plan to the Equality Commission to demonstrate this;
- Section 75 of NI Act 1998 requires public bodies to have due regard to the need to promote equality of opportunity and to have regard to promoting good relations; and

- FE Colleges are required under The Special Educational Needs and Disability (Northern Ireland) Order 2005 (amended 2006) to make reasonable adjustments for Students with Learning Difficulties and/or Disabilities (SLDD), so that they can access provision.

The needs of students continue to be a main priority as evidenced in one of the core College values which is “putting the learner first.” Their diverse needs and concerns continue to be met by staff across the College and as a college we strive to provide all staff, with the knowledge, skills and confidence to ensure the needs of learners are met.

Staff induction continues to provide awareness of not only the College’s obligations under Section 75, but also highlights tools available to support staff via the Employee Handbook and/or specific training.

New staff are also required to undertake mandatory Equality training in respect of Equality and Good Relations, SENDO and Safeguarding. The College continues to keep staff up to date, through its Employee Handbook, the Equality Information and Communications Support sections.

Staff across the College have been offered the opportunity to engage in a range of training and development activities to enhance and develop their knowledge and skills in respect of supporting an inclusive college environment such as Safe Talk, Understanding Self Harm, Mental Health Awareness, Admissions training.

The Further Education Sector Disability Action Plan outlines measures to promote positive attitudes towards disabled people and to encourage the participation of disabled people in college life.

The College raised awareness during the reporting period by linking with National Awareness campaigns and providing information to staff on topical issues such as: European Day of Languages (September 2022) Breast Cancer Awareness Month (October 2022), National Stress Awareness Day (November 2022), Human Rights Day (December 2022), Diet and Lifestyle (January 2023), Random Acts of Kindness Day (February 2023), International Women’s Day (March 2023), World Autism Awareness Month (April 2023), Mental Health Awareness Week and National Walking Month (May 2023) and Pride Month (June 2023).

## **PEOPLE**

The average full time equivalent (FTE) staff was 648 FTE of whom 334 FTE were teaching staff. The College undertakes active management of sickness absence through a number of established processes including sickness absence monitoring, review meetings and occupational health referrals. Sickness absence for the College was recorded at 4.3% or 7.35 days per FTE (based on FTE and work pattern analysis) for 2022-23.

#### 4. STRATEGIC AIM: EFFECTIVE GOVERNANCE AND FINANCIAL MANAGEMENT

To continue to provide effective corporate Governance and ensure that the College operates within a robust system of internal financial management and control.

During 2022-23, the Executive Team led by the Chief Executive monitored and reviewed financial performance on an ongoing basis throughout the academic year by reviewing detailed monthly operational reports resulting in adjustments to the operating strategy and budget allocations.

The Finance and General Purposes Committee (F&GP) of the Governing Body received regular financial reports detailing actual and budgeted figures together with variance analysis and commentary. In addition, the Finance and General Purposes Committee received other reports on governance and financial management matters including procurement activity, business cases, updates on policies and progress against delivery targets. In addition, the Governing Body received a full update on the College's financial position and progress against delivery targets at each meeting throughout the academic year. The College's Health and Safety Report was also reviewed together with Estates Maintenance plans, Complaints and Direct Award Contracts.

The Senior Management Team (SMT) in conjunction with curriculum managers monitored performance through an agreed set of Key Performance Indicators (KPIs) including enrolment targets, student recruitment, retention and achievement targets as well as delegated budgets. Practical support and advice were provided by the Finance Department throughout the financial year, including procurement support and all DfE financial monitoring returns were completed to schedule.

Risk management processes continued to operate, and formal risk management principles are well embedded in existing management structures. The College introduced the 4 Risk software tool to support recording and tracking of risk at all levels across the College. This was supported through a number of workshops where the corporate risks and risk appetite were reviewed by the Governing Body and Executive team. All functional area risk registers were reviewed with relevant managers and the Corporate Risk Register was reviewed and updated against an agreed annual schedule and presented at each Audit and Risk Committee meeting.

## 5. STRATEGIC AIM: PROVISION OF A SAFE AND STIMULATING ENVIRONMENT

To create an environment that inspires learners to achieve their potential.

The College continues to progress the implementation and delivery of its Estates Strategy which remains a key strategic priority. During 2022-23, the Estates Project Board and the Capital Projects Steering Group met on a regular basis to provide strategic governance and oversight with considerable progress being made in the delivery of the projects.

### ESTATE

The College estate includes the following campus buildings and land:

Campus	Net Book Value at 31 July 2023
	£000
Armagh, Lonsdale Campus	49,919
Armagh, Lisanally Campus	840
Banbridge Campus	18,418
Craigavon	964
Lurgan Campus	5,077
Newry East Campus	11,055
Newry West Campus	10,292
Newry Model Campus	1,266
Newry Greenbank Campus	3,988
Portadown Campus	8,964
<b>Total</b>	<b>110,783</b>

Table 9

## 6. STRATEGIC AIM: INCREASE INTERNATIONAL LINKS

To promote an outward and forward-looking College through the development of international links supporting staff, students and knowledge exchange.

The College recognises and values the importance of broadening the learner's experience through work-based learning, international placement, as well as exposing them to different learning and cultural activities in conjunction with a range of European partners.

The College is committed to International Engagement and continues to support the mobility of staff and students between countries and communities promoting excellence, innovation and successful collaboration in an increasingly European and global context.

Throughout 2022-23 the College led on the following projects:

- **The Well project** - 'Promoting Mental Well Being';
- **Bridges Project** - Building Resources in Digitalisation to Gain Employment Skills; and
- **Turing Scheme** - Funded mobilities to support students to develop new skills, gain vital international experience, and boost their employability.

## 7. STRATEGIC AIM: CREATING A SUSTAINABLE INSPIRED COLLEGE

To use our position as an education and training provider to inspire and promote a sustainable culture in everything that we do.

During 2022-23 the college took the following actions to promote a sustainable culture in the organisation:

- The College established a Sustainability Working Group (SWG) with the inaugural meeting held 25th March 2023 to support the delivery of the College's Sustainability Action Plans;
- The College signed the Sustainable Development Goals (SDG) Accord in March 2023; an initiative allied to the college and university sector which seeks to advance the role education has in delivering solutions to the biggest problems faced by the world; and
- The College has committed to report annually to the Environmental Association for Universities and Colleges (EAUC), on the progress we make in contributing to the achievement of the UN Sustainable Development Goals

To reduce the carbon footprint, the refurbishment and enhancements programme continued across the estate including:

- Upgrade of pipework and condensing boiler at Newry Model Campus;
- Automated Meter reading technology installation across the Estate to increase capability of measuring energy usage;
- Upgrade of the Building Management System across the Estate to enhance control of HVAC (Heating Ventilation and Air Conditioning) systems; and
- The College continues to report annually on utility consumption as part of the Energy Management Strategy and Action Plan for Central Government to 2030 against 2016-2017 baseline year.

## OTHER DEVELOPMENTS

The College recognises the challenging nature of the prevailing economic and political environment and has taken this into account when projecting its future student intake and budget plans. The College relies heavily on recurrent grant and contracts from the Department for the Economy and continues to diversify the range of income generating activities and cost recovery activity. The current budget uncertainties, cost of living crisis, industrial action, constraints on public sector funding, and the potential for future budget reductions continue to impact on the College's capacity to maintain its regional presence and the current curriculum offer.

DfE continues to progress its review of the current delivery model for Further Education, completing the evidence gathering phase during the 2022-23 year. This work will ultimately underpin the future development of an options appraisal and Strategic Outline Case determining the future direction of FE thus ensuring that the sector remains fit for purpose and sustainable going forward. Further stages in the review process may be taken forward during the 2023-24 academic year.

## FINANCIAL OBJECTIVES

The College has a strong track record of maintaining sound financial management to ensure financial viability and to ensure that the College continues to operate to high standards of corporate governance.

The College's key financial objectives can be summarized as:

- achieving a balanced budget and operating within the resource budget set by the Department for the Economy;
- secure and protect the College budget by maintaining a relevant and meaningful Curriculum;
- maximise College funding and income generation opportunities by supporting local economic development;
- secure appropriate Capital funding to provide a modern fit for purpose estate; and
- comply with the government's targets for prompt payment of undisputed supplier invoices.

## PERFORMANCE INDICATORS

The key targets and measures aligned to the College financial objectives for the incoming year include:

- achieving income targets and managing expenditure within the annual college budget plan;
- directing resources in support of a range of functions and services to facilitate delivery of courses and programmes to learners;
- overall satisfactory assurance on the internal control framework and risk management process; and
- continuing to progress the Estates Strategy.

Information on other Key Performance Indicators is set out in the preceding sections of this report.

## FINANCIAL POSITION

### FINANCIAL RESULTS

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

The financial position for the year ended 31 July 2023 showed an operating deficit for the year of £3.29m compared to the deficit for 2021-22 of £6.60m.

Overall income increased on the previous year by £7.44m with expenditure in 2022-23 increasing by £4.13m.

The College has significant reliance on the Department for the Economy (DfE) as its principal funding source, largely from recurrent grants. In 2022-23 73.6% of the College's total income through



allocated recurrent grant (2021-22 74.8%). This represented 15.2% of the total recurrent grant available to the sector (2021-22 13.6%).

At 31 July 2022 Land and Property Services (LPS) undertook a full inspection valuation on the College's Land and Buildings, the valuations were subsequently updated in line with indices provided by LPS at 31 March 2023 and 31 July 2023. The indices increased the building valuations by £8.39m. The total net book value of freehold Land and Buildings, excluding assets under construction as of 31 July 2023 was £110.78m (July 2022 £106.28m), with assets under construction totalling £3.02m.

The actuary valuation of the College assets and liabilities within the NILGOSC pension scheme, as at 31 July 2023, resulted in the liability of £8.32m at 31 July 2022 becoming an asset of £4.72m at 31 July 2023, a movement of £13.04m. The charge to the statement of comprehensive income and expenditure totalled £1.2m, offset by an actuarial gain of £14.24m.

The actuarial gain was mainly driven by:

- a change in the financial assumptions (specifically, higher corporate bond yields, leading to an increase in the discount rate assumption) resulted in a gain on liabilities of £17.26m; and
- a change in the demographic assumptions resulted in a gain of £1.53k.

These were partially offset by:

- a decrease in the asset value, due to the actual assets in the actuarial valuation for funding purposes as at 31 March 2022 (the '2022 Pension Fund Valuation') being lower than the asset value estimated for 31 July 2022, coupled with lower than assumed returns on the Fund assets over the period resulting in an overall loss on assets of £3.06m; and
- allowance made for updating the starting position of the roll-forward to the results of the 2022 Valuation, which includes £1.49m loss in respect of inflationary experience.

The pension fund is presented on the statement of financial position as a non-current asset.

## **RESERVES**

Reserves are managed in accordance with the management statement and financial memorandum and taking account of arrangements introduced by the Department following the designation of Colleges as Non-Departmental Public Bodies. Under these arrangements, reserves are now effectively managed at a sector level through an End of Year Flexibility (EYF) mechanism.

The College has total net assets of £85.80m at 31 July 2023 (£66.46m at July 2022).

## **TREASURY POLICIES AND OBJECTIVES**

### **TREASURY MANAGEMENT**

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.

In accordance with the Management Statement and Financial Memorandum the College should not have surplus funds. At Statement of Financial Position date, the College does not have surplus funds available for investment.

### **CASH FLOWS AND LIQUIDITY**

Cash outflow was £1.05m (2021-22 £1.00m outflow). The College does not have any borrowings, long-term loans, or financing.

### **PAYMENT PERFORMANCE**

The Late Payment of Commercial Debts (Interest) Act 1998 requires the College, in the absence of agreement to the contrary, to make payments to suppliers within 30 days of either the provision of goods or services or the date on which the invoice was received. The target set by the Treasury for payment to suppliers within 30 days is 95%. During the accounting period 1 August 2022 to 31 July 2023, the College paid 98% (96%, 2021-22) of its invoices within 30 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 period 1 August 2022 to 31 July 2023, the College paid 79% (80%, 2021-22) of its invoices within 10 days.

### **GOING CONCERN**

The Southern Regional 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 been considered appropriate to adopt a going concern basis for the preparation of the financial statements.

## **RESOURCES**

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

## **FINANCIAL**

The consolidated net assets at 31 July 2023 were £85.80m (including £4.71m pension asset). There was no long-term debt at 31 July 2023.

## **PRINCIPAL RISKS AND UNCERTAINTIES**

The College continues to operate and embed systems of internal control, including financial, operational and risk management which are designed to protect the College's assets and reputation.

The College has in place a comprehensive Corporate Risk Register and a series of operational risk registers, all of which form part of the College's internal control and corporate governance arrangements. During 2022-23 the College continued to embed a cloud-based risk management software to further enhance the system of Internal control providing a complete picture of the Colleges risk, controls, and assurance environment in real time.

The Colleges Risk Management Group with overall responsibility for the administration and implementation of the risk management process undertakes a comprehensive review of the risks to which the College is exposed.

The Risk Management Group met regularly throughout the year to review functional area risk registers and to update the Corporate Risk Register as appropriate. The college development plan has been cascaded through the different levels in the College are used to inform the identification of risks and risk factors. The Corporate Risk Register facilitates the identification and assessment of those significant risks to the College and emerging risks were added as required during the year and improvement actions and risk indicators monitored on a regular basis. In addition, the Corporate Risk Register is presented at each meeting of the Audit and Risk Committee for review.

A summary of the risks on the Corporate Risk Register during the 2022-23 academic year is set out in Table 10 below:

No.	Risk Category	Risk Description
1	Financial & Budgetary Management	The existing one-year planning process inhibits long term planning and delivery of College strategic objectives
2	Anti-Fraud	Financial loss resulting from fraud
3	Business Continuity	Security breach of College IT systems infrastructure disrupting business operations
4	Staff, Recruitment, Retention, and Development	Inability to recruit a skilled workforce could inhibit the capacity to deliver key strategic objectives
5	Business Continuity	Failure to deliver the Craigavon Campus as set out within the Estates strategy
6	Teaching & Learning	Continued reduction in Full time Higher Education MaSN recruitment leading to the demise of this core provision and the Colleges ability to provide relevant HE courses to address skills deficit within the College catchment area
7	Health & Safety	Failure to provide a safe working environment for staff, students and members of the general public, resulting in increased employer liability, death and personal injury.
8	Business Continuity	Failure of the learner management system to support critical business processes
9	Health & Safety	Provision of effective safeguarding processes to ensure the safety and protection of vulnerable adults and young people
10	Teaching & Learning	Retention and achievement underperformance in L2/3 Further Education programmes and essential skills may impact on the Colleges ability to deliver against its key strategic objectives
11	Teaching & Learning	Continued decline in full time L3 recruitment will lead to a reduced regional curriculum offer and in doing so impact on college finances and the future of further education within the College
12	Financial & Budgetary Management	Inability to make claims under TfS/Apps NI contracts through the new TAMS system leading to potential cashflow issues.
13	Governance, Legal, and Compliance.	Lecturer Trade /union industrial action could lead to significant reputational damage and legal challenge by learners against the College.

Table 10

## **STAKEHOLDER RELATIONSHIPS**

The College has a number of important stakeholders including:

- Students
- The Department for the Economy
- Staff
- Local employers (with specific links)
- Workforce Development Forum
- Sector Skills Councils
- Local schools / councils
- Elected representatives
- Local Enterprise Agencies
- Government offices / Regional Development Agencies
- Local community
- Other FE Institutions and training organisations
- Universities
- Trade Unions
- Professional bodies

The College recognises the importance of these relationships and engages in regular communication with stakeholders through the College's website, by meetings and participation on a number of external bodies.

The College considers good communication with its staff to be very important and regular meetings are held at campus level. The College uses electronic communication, webinars, its intranet, Microsoft Lync and Virtual Learning Environment as the main tools for communicating with all staff. A College electronic newsletter, 'SRCzine', is published monthly and informs staff and students on all College issues including student success stories and activities taking place across all campuses. The Chief Executive updates staff regularly on key developments and initiatives through the use of webinars. The College has a Students' Union including campus-based student councils through which student issues are raised and addressed with College management. The College also encourages staff and student involvement through membership of the Governing Body.

## **DISCLOSURE OF INFORMATION TO AUDITORS**

These accounts are subject to statutory audit 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. Each member has taken all the steps that he or she ought to have taken to be aware of any relevant audit information and to establish that the College's auditors are aware of that information.

## **PERSONAL DATA RELATED INCIDENTS**

During 2022-23 there were no data incidents which reached the threshold of there being a requirement to report to the Information Commissioner's Office (ICO).

**CHARITABLE AND TAXATION STATUS**

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

**CHARITABLE/POLITICAL DONATIONS**

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

<b>AUDITORS AND PROFESSIONAL ADVISERS</b>	
<b>External Auditors</b>	Northern Ireland Audit Office, 106 University Street, Belfast, BT7 1EU
<b>Internal Auditors</b>	RSM Northern Ireland (UK) Limited, Number One, Lanyon Quay, Belfast, BT1 3LG (from 1 August 2020)
<b>Bankers</b>	Danske Bank, Corporate Banking, Donegall Square West, Belfast, BT1 6JS Bank of Ireland, 4-8 High Street, Belfast, BT1 2BA
<b>Solicitors</b>	Carson McDowell, Murray House, Murray Street, Belfast, BT1 6DN J Blair Employment Solicitors, 106 Malone Avenue, Belfast, BT9 6ES Cleaver Fulton Rankin, 50 Bedford Street, Belfast, BT2 7FW

Table 11

SOUTHERN REGIONAL COLLEGE  
 STRATEGIC REPORT (Continued)  
 FOR THE YEAR ENDED 31 JULY 2023

The Members who served on the Governing Body during the year are outlined in Table 12. There were two resignations in the year. Mrs Shields resigned from her position on 5 July 2023 and Mr Redmond provided notification that he would step down as a Member of Southern Regional College's Governing Body with effect from 31 July 2023.

NAME	DATE OF APPOINTMENT	TERM OF OFFICE	STATUS OF APPOINTMENT	COMMITTEES SERVED
Scott Alexander	01/08/2015	31/07/2023	Chair Member	Staffing Governing Body
Brian Doran	28/01/2008	31/08/2023	Accounting Officer & Chief Executive	Governing Body Education Finance Staffing
Daniela Sanches Egas	03/10/2022	30/09/2023	Member Member	Governing Body Education
Nick Harkness	03/10/2022	02/10/2026	Member Member	Governing Body Finance
Stuart Harper	29/09/2022	28/09/2026	Member Member	Governing Body Education
Aidan McCormick	01/08/2015	31/07/2023	Member Member Chair	Governing Body Audit and Risk Education
Gary McMurray	13/01/2022	12/01/2026	Member Member	Governing Body Finance
Laura Milner	13/01/2022	12/01/2026	Member Member Member	Governing Body Education Staffing
Thomas Moore	13/01/2022	31/07/2026	Chair (01/08/2022) Member Member	Governing Body Education Staffing
Gregory O'Hare	01/08/2015	31/07/2023	Member Member Member	Governing Body Audit and Risk Education
Tom Redmond	01/10/2015	31/07/2023	Member Member	Governing Body Finance
Carla Shields	01/08/2021	05/07/2023	Member Member Member	Governing Body Audit and Risk Staffing

SOUTHERN REGIONAL COLLEGE  
 STRATEGIC REPORT (Continued)  
 FOR THE YEAR ENDED 31 JULY 2023

Hilary Singleton	13/01/2022	12/01/2026	Member Chair Member	Governing Body Audit and Risk Education
Eileen Stewart	22/06/2016	21/06/2024	Member Member Member	Governing Body Staffing Audit and Risk
Tracy Strachan	01/08/2021	31/07/2025	Member Chair	Governing Body Finance
Kieran Swail	16/11/2015	15/11/2023	Staff Member Staff Member	Governing Body Finance
Judith Thompson	01/08/2015	31/07/2023	Vice Chair Member Member	Governing Body Finance Education
Matthew Turner	16/11/2015	15/11/2023	Staff Member Staff Member Staff Member	Governing Body Education Audit and Risk

Table 12

For and on behalf of the members of the Governing Body



**Accounting Officer**

**Date: 23 November 2023**



## REMUNERATION POLICY

### MEMBERS OF THE GOVERNING BODY

Members of the Governing Body and the Chairperson are appointed in accordance with the Code of Practice of the Office of the Commissioner for Public Appointments for Northern Ireland.

The Members of the Governing Body and the Chairperson are appointed for a fixed period of up to four years. Thereafter they may be re-appointed in accordance with the Code of Practice.

The remuneration of Governing Body members (excluding staff members) was first introduced by the Department from 1 January 2016. There are no arrangements in place for the payment of a bonus. No member of the Governing Body, including the Chairperson, receives a pension contribution from the College or the Department. The College also reimburses Governing Body members for any incidental expenses incurred for carrying out their duties relevant to the organisation.

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

Name	Salary 2022-23	Benefits in kind 2022-23	Pension Benefits 2022-23	Total 2022-23	Salary 2021-22	Benefits in kind 2021-22	Pension Benefits 2021-22	Total 2021-22
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Scott Alexander Member	0-5	0	0	0-5	0-5	0	0	0-5
Aidan McCormick Member	0-5	0	0	0-5	0-5	0	0	0-5
Gary McMurray Member	0-5	0	0	0-5	0-5	0	0	0-5
Laura Milner Member	0-5	0	0	0-5	0-5	0	0	0-5
Thomas Moore Member	20-25	0	0	20-25	0-5	0	0	0-5
Gregory O'Hare Member	0-5	0	0	0-5	0-5	0	0	0-5
Thomas Redmond Member	0-5	0	0	0-5	0-5	0	0	0-5
Carla Shields Member	0-5	0	0	0-5	0-5	0	0	0-5
Hilary Singleton Member	5-10	0	0	5-10	0-5	0	0	0-5
Eileen Stewart Member	0-5	0	0	0-5	0-5	0	0	0-5
Tracy Strachan Member	0-5	0	0	0-5	0-5	0	0	0-5
Kieran Swail Member	0-5	0	0	0-5	0-5	0	0	0-5
Judith Thompson Member	5-10	0	0	5-10	0-5	0	0	0-5

SOUTHERN REGIONAL COLLEGE  
 REMUNERATION AND STAFF REPORT (Continued)  
 FOR THE YEAR ENDED 31 JULY 2023

Name	Salary 2022-23	Benefits in kind 2022-23	Pension Benefits 2022-23	Total 2022-23	Salary 2021-22	Benefits in kind 2021-22	Pension Benefits 2021-22	Total 2021-22
Matthew Turner Member	0-5	0	0	0-5	0-5	0	0	0-5
Daniela Sanches Egas Member	0-5	0	0	0-5	0	0	0	0
Nick Harkness Member	0-5	0	0	0-5	0	0	0	0
Stuart Harper Member	0-5	0	0	0-5	0	0	0	0
Louisa Goss Member (Student)	0	0	0	0	0-5	0	0	0-5
Gordon Gough Member	0	0	0	0	0-5	0	0	0-5
Aaron Foy Member (Student)	0	0	0	0	0-5	0	0	0-5
Teresa Campbell Member	0	0	0	0	0-5	0	0	0-5
Andrew Saunders Chairman	0	0	0	0	20-25	0	0	20-25
John Nugent Member	0	0	0	0	0-5	0	0	0-5
Nicola Wilson Member	0	0	0	0	0-5	0	0	0-5

Table 13

**THE CHIEF EXECUTIVE AND SECOND TIER OFFICERS (SENIOR STAFF)**

The Chief Executive and Second Tier Officer appointments are made in accordance with the College's Recruitment and Selection Policy. The policy requires appointments to be made on merit on the basis of fair and open competition.

The Chief Executive and Second Tier Officers hold permanent appointments. The notice period for these post holders is in accordance with their contracts.

**SENIOR STAFF PAY AWARD**

The rates of salaries for senior staff in Colleges of Further Education from 1 September 2021 and September 2022 were published on 10 November 2023.

The balance due to senior staff has been accrued in staff costs for the year ended 31 July 2023.

**MINIMUM PAY LEVELS**

Minimum pay levels for senior staff on academic salary scales are dependent on College size and vary across the sector.

## **PROGRESSION**

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

At initial appointment, the Second Tier Officers are normally placed on the bottom point of the four-point scale relevant to the size of the 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 the Second Tier Officers. If the College increases in size, a Second Tier Officer will automatically move to the new relevant salary scale.

## **PERFORMANCE PAY**

There is no performance pay or related scheme for the Chief Executive or Second Tier Officers.

## **STAFF REPORT (AUDITED INFORMATION)**

Staff costs and average numbers of staff employed by the College during the year are disclosed in Note 6 to the Financial Statements.

The College has not employed any Agency staff during the year.

### **Staff Composition**

The number of staff contracts held was 1046 (*Male 30% and Female 70%*).

### **Sickness/Absence Data**

The sickness/absence data for the year ended 31 July 2023 is shown on page 31.

### **Staff Turnover**

Staff turnover (excluding Part Time Lecturers) for the year 1 August 2022 to 31 July 2023 was 7.58%.

### **Off Payroll Engagements**

The College has no off-payroll engagements during the year.

### **Equality of Opportunity and Employment of Disabled Persons**

Equality of Opportunity and Employment of Disabled Persons is included on page 30 of the strategic report.

### **Staff Development**

The College is committed to learning and development for all staff which contributes to high standards of work performance, enables the sharing of ideas and the dissemination of good practice, builds strong and effective teams, encourages professional development and results in continuous improvement in the quality of services to our students and stakeholders.

Staff achievements have been included in page 20 of the strategic report.

### **Consultation/Relationship with Recognised Trade Unions**

During the year the College met with both Academic and Support staff trade unions, namely NIPSA and UCU, the College recognise the importance of consultation with Trade Union colleagues to ensure good relations across the college.

### **TOTAL REWARD PACKAGE**

Senior staff within the College have access to the Northern Ireland Teachers' Pension Scheme (NITPS) or the Local Government Pension Scheme for Northern Ireland (NILGOSC). Senior staff posts are based on 36 hours per week and post holders have access to the College employment related policies including, Maternity Leave Scheme, Paternity Leave Scheme and 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.

### **Lecturing Staff Pay Award**

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

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

### **EMPLOYMENT 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 would result in the individual being entitled to receive compensation.

### SALARY AND PENSION ENTITLEMENTS (AUDITED)

The following section provides details of the remuneration and pension interests of the most senior management of the College.

Name	Salary 2022-23	Benefits in kind 2022-23	Pension Benefits 2022-23	Total 2022-23	Salary 2021-22	Benefits in kind 2021-22	Pension Benefits 2021-22	Total 2021-22
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Brian Doran Chief Executive	115-120	0	150-155	265-275	115-120	0	80-85	195-205
Raymond Sloan Director	85-90	0	0	85-90	85-90	0	5-10	90-100
Lee Campbell Director	80-85	0	20-25	100-105	60-65	0	0	60-65
Libby Shackels Director	80-85	0	0	80-85	0	0	0	0
Keith Kilpatrick Director	5-10	0	0	5-10	85-90	0	25-30	110-120
T McGonigal Director	0	0	0	0	0-10	0	0-5	5-10

Table 14

Terry McGonigal left on 31/08/2021; Keith Kilpatrick retired on 31/08/2022; Libby Shackels commenced employment 09/08/2022; Brian Doran resigned as Chief Executive on 31/08/23; Raymond Sloan was appointed as Chief Executive on 01/09/23.

	2022-23	2021-22
	£'000	£'000
Band of highest paid directors' total remuneration	115-120	115-120
25 <sup>th</sup> percentile	21,575	20,962
Ratio*	5.4	5.6
Median total remuneration	27,541	28,465
Ratio*	4.2	4.1
75 <sup>th</sup> percentile	34,812	34,812
Ratio*	3.4	3.4

Table 15

### SALARY

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

### BENEFITS IN KIND

Senior post holders receive no non-cash benefits (benefits in kind).

## PENSION ENTITLEMENTS

Name	Accrued pension at pension age as at 31/7/23 and related lump sum	Real increase/(decrease) in pension and related lump sum at pension age	Value of CETV at 31/07/23	Value of CETV at 31/07/22	Real increase in CETV during year
	£'000	£'000	£'000	£'000	£'000
Brian Doran (Chief Executive)	60-65 plus lump sum of 165-170	7.5-8 plus lump sum of 15-15.5	1,607	1,325	281
Raymond Sloan (Director)	0	0	0	647	n/a
Keith Kilpatrick (Director)	0	0	0	281	n/a
Lee Campbell (Director)	0-5 plus lump sum of 0	0	37	13	24
Libby Shackels (Director)	25-30 plus lump sum 50-55	0	614	0	n/a

Table 16

Keith Kilpatrick left the scheme on 31 August 2022.

## PENSION ARRANGEMENTS

Retirement benefits to employees of the College are provided by the Northern Ireland Teachers' Pension Scheme (NITPS) and the Local Government Pension Scheme for Northern Ireland, administered by the Northern Ireland Local Government Officers' Superannuation Committee (NILGOSC). These are defined benefit schemes, which were externally funded and contracted out of the State Earnings-Related Pension Scheme (SERPS) until 31 March 2016.

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

## NILGOSC

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.

The actuarial assumptions include:

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

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

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

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

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

▪ **Goodwin Ruling**

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

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

▪ **McCloud Ruling**

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

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

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

### **ENHANCED PENSIONS**

The actual cost of any enhanced ongoing pension to a former member of staff, is paid by the College annually. An estimate of the expected future cost of any enhancement to the ongoing pension of a former member of staff is charged in full to the College's Statement of Comprehensive Income and Expenditure account in the year that the member of staff retires. In subsequent years, a charge is made to provisions in the Statement of Financial Position using the enhanced pension spreadsheet provided by the LSC (or equivalent tool).

### **CASH EQUIVALENT TRANSFER VALUES**

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. The CETV figures include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the NILGOSC pension arrangements and for which the Fund has received a transfer payment commensurate with the additional pension liabilities being assumed. CETV's are calculated in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance tax which may be due when pension benefits are taken.

### **REAL INCREASE IN CETV**

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



**STATEMENT OF THE RESPONSIBILITIES OF THE ACCOUNTING OFFICER AND GOVERNING BODY**

Under the Further Education (NI) Order 1997, DfE (with approval from Department of Finance (DoF)), has directed the Governing Body to prepare, for each financial year, a statement of accounts in the form and on the basis set out in the Accounts Direction. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of Southern Regional College and of its income and expenditure, Statement of Financial Position and cash flows for the financial year.

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

- observe the Accounts Direction issued by DfE with the approval of 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.

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

## STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL

### INTRODUCTION

This Statement of Corporate Governance and Internal Control sets out the governance structures, risk management system and the internal control procedures that operated within the Southern Regional College during the financial year ended 31 July 2023 and up to the date of approval of the Annual Report and Accounts.

It describes the manner in which the College has complied with guidance from the Department of Finance (DoF) and the Department for the Economy, (DfE) and is aimed at supporting better governance and driving more consistent, coherent and transparent reporting.

### GOVERNANCE FRAMEWORK

The Southern Regional College is a Non-Departmental Public Body within the budget responsibility and ambit of the Department for the Economy and is an incorporated body whose legal status derives from the Further Education (Northern Ireland) Order 1997. The College operates within a strong framework of regulation, including an instrument of government, articles of government and a management statement and financial memorandum. In terms of governance, all other documents are subordinate to the Further Education (Northern Ireland) Order 1997 and subject to its provisions.

Not only does the College comply with all mandatory requirements including compliance with the Corporate Governance Framework but it also strives to operate that guidance which represents best practice. The purpose of this Statement is to help the reader of the Annual Report and Accounts to obtain an understanding of the governance principles and how they have been applied within the College. The key elements of the governance framework, structures, roles and responsibilities that operates within the College are set out below.

### CORPORATE GOVERNANCE AND REGISTER OF INTERESTS

The Southern Regional College takes cognisance of and complies with a range of guidance and best practice including:

- Managing Public Money (Northern Ireland);
- Department for the Economy and Department of Finance guidance including the Guide for Governors of Further Education Colleges;
- Accounting Officer guidance on accountability, regularity and propriety issued by the Department of Finance;
- The Nolan Principles; and
- Good Governance Standards and codes of practice for public services.

A register of interests is maintained and conflicts of interest, or potential conflicts of interest, are declared and recorded by Chairs of Committees and at other meetings.

## **GOVERNING BODY**

The College's Governing Body comprises members appointed by the Minister for the Economy, staff and students of the College, the Chief Executive Officer (CEO) and members co-opted by the Governing Body.

The role of the Chairman of the Governing Body is separate and distinct from the role of the Chief Executive who is the designated Accounting Officer of the College. The Governing Body is responsible for the ongoing strategic direction of the College whilst the Chief Executive and the Executive Team are responsible for the operational management of the College. The Governing Body approves all major developments and receives regular reports on the activities of the College. Governing Body and committee meetings took place through a combination of face to face and Microsoft Teams. The Governing Body met on eleven occasions during the 2022-2023 year and is supported by a number of committees, including the Staffing Committee, Finance and General Purposes Committee, Education Committee and the Audit and Risk Committee. All of these committees are formally constituted with terms of reference and comprise mainly members of the Governing Body.

Minutes of Governing Body meetings are available from the secretary of the Governing Body or on the College website. The secretary to the Governing Body maintains a register of financial and personal interests for the Governing Body members and this is also available for inspection. The business of the Governing Body is formally planned, and agendas, papers and reports are supplied to members in a timely manner. Members receive payment in line with guidance from the Department on the arrangements for payment of Governing Body Chairs and Members.

The Governing Body and each Committee individually and collectively undertakes an annual process of self-evaluation and a review of performance and effectiveness, including the quality of information and reports presented to them. In addition, minutes and reports of all Committees are presented at Governing Body meetings.

A schedule of membership and attendance at Governing Body and Committee meetings for the 2022-23 year is shown in the table below. In total, there were twenty-six meetings of the Governing Body and its sub committees during 2022-23. Average Member attendance recorded at Governing Body meetings during 2022-23, excluding staff and student representatives was 85.8% (89.6% for 2021-22).

## **AUDIT AND RISK COMMITTEE**

The Audit and Risk Committee operates as an advisory body to the Governing Body and the Accounting Officer and is responsible for reviewing the effectiveness of the College's accounting procedures and systems of internal control. It provides a channel of communication for the College's auditors, which is independent of College management. It has a responsibility to ensure that adequate arrangements are in place to promote economy, efficiency, and effectiveness. The Audit and Risk Committee promotes high standards of propriety, accountability and financial management within the College and ensures that effective risk management processes are embedded and operating.

The Committee met four times during the 2022-23 year to discuss reports from the External and Internal Auditors and the relevant responses. The College's Internal Auditors and External Auditors were represented at all Audit and Risk Committee meetings. The Committee also receives and considers any reports from the Department for the Economy and reviews the annual financial statements to ensure compliance with legislation and accounting standards. Whilst Executive Officers and other officials attend meetings of the Audit and Risk Committee as necessary, they are not members of the Committee. The Committee can meet with both the internal and external auditors on their own for independent discussions.

#### **FINANCE AND GENERAL PURPOSES COMMITTEE**

The Finance and General Purposes Committee has oversight of all matters relating to the finance and accounts of the College and the receipt of its income and expenditure. The main business of the Finance and General Purposes Committee is to monitor, determine and advise the Governing Body on the College's solvency, recommend for approval the annual estimate of income and expenditure, and monitor performance in relation to the approved budget. During 2022-23 the Committee also considered updates on the Estates projects, the annual review on the Health and Safety policy and statement, business cases for approval, and a number of policies including the fees policy and the annual schedule of fees. The Committee also considers other matters as the Governing Body may from time-to-time remit to it. The Committee met on four occasions during the 2022-23 year.

#### **STAFFING COMMITTEE**

The Staffing Committee is responsible for dealing with issues in relation to the recruitment, appointment, promotion and grading of all staff, other than senior management. Over the course of the year the work of the Committee also included receiving the annual key performance indicator report, monitoring the delivery of the Employee Development plan, reviewing performance measures, monitoring a new plan for the following year and receiving an update on Investors in People (IIP). The Committee met on three occasions during 2022-23.

#### **EDUCATION COMMITTEE**

The Education Committee is responsible for overseeing the curricular provision of the College, especially the nature, quality and performance of the provision and the extent to which it meets the needs of the community the College seeks to serve. In particular, it considers the impact of strategic proposals, the broader educational environment and current and topical issues that have the potential to impact on educational, vocational and curricular provision. The Committee met on four occasions during 2022-23.

SOUTHERN REGIONAL COLLEGE  
 STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL (Continued)  
 FOR THE YEAR ENDED 31 JULY 2023

	Governing Body	Audit and Risk Committee	Education Committee	Staffing Committee	Finance and General Purposes Committee
<b>No. of meetings held:</b>	<b>11</b>	<b>4</b>	<b>4</b>	<b>3</b>	<b>4</b>
Scott Alexander	8	-	-	3	-
Brian Doran (Chief Executive)	10	4	3	2	3
Daniela Sanches Egas (Student representative)	3	-	3/3	-	-
Nick Harkness	8	-	-	-	2/3
Stuart Harper	9	-	2/2	-	-
Aidan McCormick	11	4	4	-	-
Gary McMurray	11	-	-	-	4
Laura Milner	11	-	4	3	-
Thomas Moore	11	3	4	3	4
Gregory O'Hare	7	3	4	-	-
Tom Redmond	10	-	-	-	4
Carla Shields	4	1	-	2	-
Hilary Singleton	11	4	4	-	-
Eileen Stewart	7	4	-	3	-
Tracy Strachan	6	-	-	-	4
Kieran Swail (Support Staff Representative)	6	-	-	-	4
Judith Thompson	10	-	4	-	4
Matthew Turner (Teaching Staff Representative)	8	4	4	-	-

Table 17

In conclusion the Governing Body and its Committees met on a regular basis to review and monitor performance against business objectives and to provide security and oversight of management decisions. The Governing Body continues to review and strengthen its corporate governance arrangements in line with government guidance, audit recommendations and best practice.

## **CHIEF EXECUTIVE AND ACCOUNTING OFFICER AND THE SENIOR MANAGEMENT TEAM**

The Chief Executive as Accounting Officer exercises considerable influence upon the development of strategy, the identification and planning of new developments and the shaping of the College ethos. The Chief Executive is supported in this role by an Executive Team comprising of 3 Executive Directors; the Director of Finance and Planning, the Director of Client Services, and the Director of Curriculum. In addition to the Executive Team, there is a Senior Management Team (SMT) that comprises the Chief Executive, the Executive Team, six Assistant Directors, four Heads of Faculty and two Heads of Department. The Executive Team and the Senior Management Team meet on a regular basis to discuss, review and progress a range of strategic and operational matters.

The Chief Executive is the designated Accounting Officer of the College and has responsibility for maintaining a sound system of internal control and risk management that supports 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, in accordance with the responsibilities assigned to him in Managing Public Money Northern Ireland. In his capacity as Accounting Officer, he can be summoned to appear before the Public Accounts Committee of the Northern Ireland Assembly.

## **RISK MANAGEMENT**

Risk management policies and processes are well embedded within the College's corporate governance framework and are closely linked with the College Development Plan and performance management processes.

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.

There are a number of key roles within the Risk Management process, and these are described below:

1. **Governing Body** – which has defined the strategic approach, encourages a culture of Risk Management within the College and during 2022-23 monitored, primarily through the Audit and Risk Committee, that significant risks were being managed;
2. **Audit and Risk Committee** – which has specific responsibility, delegated to it by the Governing Body, for oversight of the system of Internal Control, including the College's approach to Risk Management. The Audit and Risk Committee met on four occasions during the year and reviewed the corporate risk register and the actions plans to control and mitigate potential risks; and
3. **Risk Management Group** – This group is chaired by the Chief Executive and comprises the Director of Finance and Planning, the Director for Curriculum and the Director of Client Services. The Risk Management Group has overall responsibility for the administration and implementation of the Risk Management process in the College.

Each of the Executive Directors manage and control Functional Risk Registers within their Directorate. In total, there are twelve functional area Risk Registers, these are regularly reviewed by the Director and presented to the Risk Management Group to inform and update the corporate risk register.

**INTERNAL AUDIT**

Internal Audit is a key element that contributes to the effectiveness of risk management, control and governance processes within the College. In line with Public Sector Internal Audit Standards (PSIAS) a three-year Internal Audit Strategy is in place and flowing from this the Internal Audit Operational Plan for 2022-23 saw the completion of a programme of work that provided Satisfactory assurance in 4 areas. A summary of the internal audit work and the assurance ratings for each is included below:

Internal Audit Operational Plan and Assurance Ratings 2022-23	
Area Reviewed:	Assurance Rating:
Appeals & Complaints	Satisfactory
Framework for Compliance with Legal and Regulatory Requirements: Fraud, Whistleblowing and Bribery	Satisfactory
Human Resources – Focused Review of Part Time Lecturer Payments	Satisfactory
Student Engagement	Satisfactory
Lost Learning	Advisory

Table 18

Follow-up reviews conducted during 2022-23 indicated continued satisfactory progress with implementing outstanding recommendations. There were no priority 1 recommendations.

Based on the work performed during 2022-23 Internal Audit has provided a satisfactory assurance over the internal control environment at Southern Regional College as at the year-end.

**ASSURANCE STATEMENTS**

Southern Regional College provides a mid-year and an annual assurance statement to the Department.

**INFORMATION ASSURANCE**

Effective information security is a key priority for the College, and it recognises that appropriate principles of information security must be applied to the information it holds. A framework has been established including policies and procedures that identify key roles and responsibilities and the monitoring and reporting processes to be followed. Processes and controls over information are regularly reviewed to ensure compliance with best practice and current legislation. There were no incidents reported during 2022-23 where the processing of personal data did not comply with Data Protection requirements.

## **FRAUD REPORTING**

The College has a detailed Anti-Fraud Policy and Fraud Response Plan, which is revised and updated on a regular basis. The Anti-Fraud Policy and Fraud Response Plan 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 and Financial Memorandum' issued to Further Education Colleges. During 2022-23 there were no reports of suspected Fraud.

## **PUBLIC INTEREST DISCLOSURE**

The College has a Public Interest Disclosure (whistleblowing) Policy which is subject to periodic review and updated as necessary. 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 those who disclose concerns under the Public Interest Disclosure (NI) Order 1998. The College has a mandatory training module in place which all staff must complete. During 2022-23 the College received no disclosures under the Whistleblowing (Public Interest Disclosure) Policy.

## **EVENTS AFTER THE REPORTING PERIOD**

### **Reform to Save**

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

### **Provisions**

The provision of £141k relates to a Holiday Pay provision resulting from the Court of Appeal (CoA) judgement (17 June 2019) in the case PSNI v Agnew. The CoA judgement determined that claims for Holiday Pay shortfall can be taken back to 1998.

The PSNI appealed the CoA judgment to The Supreme Court.

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

The narrative disclosure of Note 17 has been updated to reflect The Supreme Court judgement.



**SIGNIFICANT GOVERNANCE ISSUES**

The review of the effectiveness of the systems and processes that comprise the governance framework demonstrates that governance arrangements within Southern Regional College are operating effectively. There are no significant internal control or non-compliance issues to report in respect of the 2022-23 financial year.



**Accounting Officer**

**Date: 23 November 2023**

### **Opinion on financial statements**

I certify that I have audited the financial statements of the Southern Regional College for the year ended 31 July 2023 under the Further Education (Northern Ireland) Order 1997 as amended by the Audit and Accountability Institutions of Further Education (Public Sector Audit) Order (Northern Ireland) 2008. The financial statements comprise the Statements of: Comprehensive Income and Expenditure, Changes in Reserves, Financial Position, 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 and Staff 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 Southern Regional College's affairs as at 31 July 2023 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 Southern Regional College in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK, including the Financial Reporting Council's Ethical Standard, and have fulfilled our other ethical responsibilities in accordance with these requirements. I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my opinions.

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

In auditing the financial statements, I have concluded that Southern 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 Southern

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.

The going concern basis of accounting for Southern Regional College is adopted in consideration of the requirements set out in the Government Reporting Manual, which require entities to adopt the going concern basis of accounting in the preparation of the financial statements where it is anticipated that the services which they provide will continue into the future.

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 and Staff 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 Southern Regional College and its environment obtained in the course of the audit, I have not identified material misstatements in the Strategic Report, Remuneration and 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 and Staff Report to be audited have been properly prepared in accordance with Department for the Economy directions made under the Further Education (Northern Ireland) Order 1997 as amended by the Audit and Accountability Institutions of Further Education (Public Sector Audit) Order (Northern Ireland) 2008; and
- the information given in the Strategic Report, Remuneration and 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 are consistent with the financial statements.

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

### **Responsibilities of the 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;
- ensuring the annual report, which includes the Remuneration and Staff Report, is prepared in accordance with the applicable financial reporting framework;
- such internal controls as the Accounting Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error;
- assessing the Southern 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 Southern 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 audit, certify and report on the financial statements in accordance with the Further Education (Northern Ireland) Order 1997 as amended by the Audit and Accountability Institutions of Further Education (Public Sector Audit) Order (Northern Ireland) 2008.

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

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

My procedures included:

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

- applying tailored risk factors to datasets of financial transactions and related records to identify potential anomalies and irregularities for detailed audit testing.

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

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

### **Report**

I have no observations to make on these financial statements.



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

*27 November 2023*

SOUTHERN REGIONAL COLLEGE  
STATEMENT OF COMPREHENSIVE INCOME AND EXPENDITURE  
FOR THE YEAR ENDED 31 JULY 2023

	Notes	2023 £'000	2022 £'000
<b>INCOME</b>			
Department for the Economy income	1	39,351	32,161
Education contracts	2	4,403	4,857
Tuition fees and charges	3	1,910	1,701
Other grant income	4	567	403
Other operating income	5	1,446	1,236
Investment Income	6	120	-
<b>Total income</b>		<b>47,797</b>	<b>40,358</b>
<b>EXPENDITURE</b>			
Staff costs	7	(30,698)	(30,872)
Other operating expenses	9	(14,799)	(14,886)
Depreciation, amortisation and impairment	12,13	(5,283)	(714)
Interest and other finance costs	10	(311)	(486)
<b>Total expenditure</b>		<b>(51,091)</b>	<b>(46,958)</b>
<b>Deficit before exceptional items</b>		<b>(3,294)</b>	<b>(6,600)</b>
Exceptional staff costs - provision for annual leave on overtime	7	2	(2)
<b>Total exceptional items</b>		<b>2</b>	<b>(2)</b>
<b>Deficit before other losses</b>		<b>(3,292)</b>	<b>(6,602)</b>
<b>Deficit before tax</b>		<b>(3,292)</b>	<b>(6,602)</b>
Taxation	11	-	-
<b>Deficit for the year</b>		<b>(3,292)</b>	<b>(6,602)</b>
Unrealised surplus on revaluation of land and buildings	12	8,391	30,820
Actuarial gain in respect of pension scheme	19	14,240	22,394
<b>Total comprehensive income and expenditure for the year</b>		<b>19,339</b>	<b>46,612</b>
Represented by:			
Unrestricted comprehensive income and expenditure for the year		19,339	46,612
		<b>19,339</b>	<b>46,612</b>

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*

SOUTHERN REGIONAL COLLEGE  
STATEMENT OF CHANGES IN RESERVES  
FOR THE YEAR ENDED 31 JULY 2023

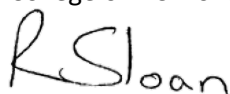
	Income and expenditure account				Revaluation Reserve	Total
	Unrestricted (excluding Pension)	Pension Reserve	Unrestricted (including Pension)	Restricted		
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Balance at 1 August 2021</b>	<b>17,848</b>	<b>(27,103)</b>	<b>(9,255)</b>	<b>405</b>	<b>28,699</b>	<b>19,849</b>
Deficit from Statement of Comprehensive Income and Expenditure	(2,987)	(3,615)	(6,602)	-	-	(6,602)
Other comprehensive expenditure	405	22,394	22,799	(405)	30,820	53,214
Transfers between revaluation and income and expenditure account	1,966	-	1,966	-	(1,966)	-
<b>Balance at 1 August 2022</b>	<b>17,232</b>	<b>(8,324)</b>	<b>8,908</b>	<b>-</b>	<b>57,553</b>	<b>66,461</b>
Deficit from Statement of Comprehensive Income and Expenditure	(2,090)	(1,202)	(3,292)	-	-	(3,292)
Other comprehensive income/(expenditure)	-	14,240	14,240	-	8,391	22,631
Transfers between revaluation and income and expenditure account	3,218	-	3,218	-	(3,218)	-
<b>Total comprehensive (expenditure)/income for the year</b>	<b>1,128</b>	<b>13,038</b>	<b>14,166</b>	<b>-</b>	<b>5,173</b>	<b>19,339</b>
<b>Balance at 31 July 2023</b>	<b>18,360</b>	<b>4,714</b>	<b>23,074</b>	<b>-</b>	<b>62,726</b>	<b>85,800</b>



SOUTHERN REGIONAL COLLEGE  
STATEMENT OF FINANCIAL POSITION  
AS AT 31 JULY 2023

	Notes	2023 £'000	2022 £'000
<b>Non-current assets</b>			
Tangible fixed assets	12	117,945	112,498
Intangible fixed assets	13	251	328
Pension asset	19	4,714	-
<b>Total non-current assets</b>		<b>122,910</b>	<b>112,826</b>
<b>Current assets</b>			
Trade and other receivables	14	3,237	2,901
Cash and cash equivalents	18	2,928	3,974
<b>Total current assets</b>		<b>6,165</b>	<b>6,875</b>
Less: Creditors - amounts falling due within one year	15	(7,051)	(8,474)
<b>Net current (liabilities)/assets</b>		<b>(886)</b>	<b>(1,599)</b>
<b>Total assets less current liabilities</b>		<b>122,024</b>	<b>111,227</b>
Less: Creditors - amounts falling after more than one year	16	(36,083)	(36,299)
<b>Provisions</b>			
Pension	19	-	(8,324)
Provisions for liabilities and charges	17	(141)	(143)
<b>Total provisions for liabilities and charges</b>		<b>(141)</b>	<b>(8,467)</b>
<b>Net assets including pension liability</b>		<b>85,800</b>	<b>66,461</b>
<b>Unrestricted reserves</b>			
Income and expenditure account – unrestricted reserves (excluding pension reserve)		18,360	17,232
Pension reserve		4,714	(8,324)
Income and expenditure account – unrestricted reserves (including pension reserve)		23,074	8,908
Revaluation reserve		62,726	57,553
<b>Total reserves</b>		<b>85,800</b>	<b>66,461</b>

The financial statements on pages 67-94 were approved by the Governing Body of Southern Regional College on 23 November 2023 and were signed on its behalf on that date by:



Mr R Sloan

Accounting Officer

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

SOUTHERN REGIONAL COLLEGE  
CASH FLOW STATEMENT  
FOR YEAR ENDED 31 JULY 2023

	Notes	2023 £'000	2022 £'000
<b>Cash outflow from operating activities</b>			
Deficit for the year		(3,292)	(6,602)
<b>Adjustment for non-cash items</b>			
Depreciation	12	5,204	4,859
Disposal of fixed assets	12	776	150
Adjustment for impairment below cost	12	2	(4,222)
Increase in debtors less than one year	14	(336)	(102)
(Decrease)/increase in creditors less than one year	15	(1,423)	332
(Decrease)/increase in creditors more than one year	16	(139)	2,795
Decrease in creditors more than one year - intangible asset	13	(77)	(77)
Amortisation of Intangible asset	13	77	77
(Decrease)/increase in other provisions	17	(2)	2
Pension cost less contributions payable	19	891	3,129
Pension interest cost	19	311	486
<b>Adjustment for investing or financing activities</b>			
Proceeds on disposal of fixed assets	12	1,168	360
Investment income	6	(120)	-
<b>Net cash inflow from operating activities</b>		<b>3,040</b>	<b>1,187</b>
<b>Cash flows from investing activities</b>			
Proceeds from sales of fixed assets		(1,168)	(360)
Payments made to acquire tangible fixed assets	12	(3,038)	(1,827)
Investment Income		120	-
<b>Net cash outflow from investing activities</b>		<b>(4,086)</b>	<b>(2,187)</b>
<b>Decrease in cash and cash equivalents in the year</b>			
Net funds at 1 August		3,974	4,974
<b>Net funds at 31 July</b>		<b>2,928</b>	<b>3,974</b>

In this statement, figures in brackets refer to cash outflows and all other figures are cash inflows to the College.

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

## **STATEMENT OF ACCOUNTING POLICIES**

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

### **BASIS OF PREPARATION**

These financial statements have been prepared on the going concern basis in accordance with the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education 2019 and in accordance with Financial Reporting Standards (FRS 102). The College is a public benefit entity and has therefore applied the relevant public benefit entity requirements for FRS 102. The financial statements are prepared in accordance with the historical cost convention except that certain freehold properties are shown at their revalued amount. 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 73). 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 19.

#### **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 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.

## **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 cash flow, liquidity and borrowings are described in the financial statements and accompanying Notes.

The College currently has no borrowings. The College's forecasts and financial projections indicate that it will not require any borrowings for the foreseeable future.

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 the going concern basis for the preparation of these financial statements.

## **RECOGNITION OF INCOME**

### **GOVERNMENT GRANTS [ACCRUALS MODEL]**

The recurrent grant and other revenue grants received from DfE (and other government bodies) are recognised in income over the periods in which the College recognises the related costs for which the grant is intended to compensate. Where part of a government grant is deferred, it is recognised as deferred income within creditors and allocated between creditors due within one year and creditors due after more than one year as appropriate.

### **TUITION FEES**

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

### **NON-GOVERNMENT GRANTS**

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

### **INTEREST**

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

### **CAPITAL GRANTS (NON-LAND GRANTS) [ACCRUALS MODEL]**

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

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

### **CAPITAL GRANTS (LAND) [PERFORMANCE MODEL]**

Capital grants (land) are recognised in income when the College is entitled to the funds subject to any performance related conditions being met.

## **DONATIONS AND ENDOWMENTS**

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

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

## **PENSION SCHEME**

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

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

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

The difference between the fair value of the assets held in the College's defined benefit pension scheme and the scheme's liabilities measured on an actuarial basis using the projected unit method are recognised in the College's 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 and Expenditure.

## **TANGIBLE FIXED ASSETS**

### **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 (inclusive of non-recoverable VAT) when the open market value for existing use is not readily obtainable, or existing use value when the open market value is available. 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. Properties that are surplus to requirements are valued on the basis of market value. 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 Land and Property Services. Where land and buildings are acquired with the aid of specific grants, these are accounted for in accordance with the revenue recognition policies above.

### **ASSETS UNDER CONSTRUCTION**

Assets under construction were accounted for at cost based on the value of architects' certificate and other direct costs, incurred to 31 July 2023. They are not depreciated until they are brought into use.

### **ASSETS OTHER THAN LAND AND BUILDINGS**

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

These assets are depreciated as follows:

Computers	-	three years straight line or over their useful economic lives
Fixtures and Fittings	-	five years straight line or over their useful economic lives
Motor vehicles	-	four years straight line or over their useful economic lives
Plant and equipment	-	five years straight line or over their useful economic lives

Where these assets are acquired with the aid of specific grants these are accounted for in accordance with the revenue recognition policies above.

### **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's substantial 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. Software integral to an item of hardware is dealt with as fixed assets.

### **FOREIGN CURRENCY TRANSLATION**

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

### **TAXATION**

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

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

### **INVESTMENTS**

Investments include sums on short-term deposits with major UK financial institutions regulated by the Financial Conduct Authority and Prudential Regulation Authority.

### **CASH AND CASH EQUIVALENTS**

Cash includes cash in hand, deposits payable on demand and overdrafts. 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. Investments would only be included in this total where the period of deposit is less than three months.

### **TRADE AND OTHER RECEIVABLES**

Trade and other receivables are measured at cost 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 when 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.

### **TRADE PAYABLES**

The College makes its payments to creditors, where the amount is not disputed, within 30 days. The College aims to make payments as quickly as possible and within 10 working days.

### **PROVISIONS**

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

### **AGENCY ARRANGEMENTS**

The College acts as an agent in the collection and payment of Hardship Funds. Related payments received from DfE and subsequent disbursements to students are excluded from the Statement of Comprehensive Income and Expenditure and are shown separately in Note 24. The College administers the Hardship Fund applications and payments through a Student Hardship Committee in line with the recommendations from DfE.

The College acts as an agent in the collection and payment of Care to Learn Grants. Related payments received from DfE and subsequent disbursements to students are excluded from the Statement of Comprehensive Income and are shown separately in Note 24. The College administers the payments in line with the recommendations from DfE.

### **FINANCIAL INSTRUMENTS**

Financial assets and financial liabilities are recognised when the College become 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.



**1. DEPARTMENT FOR THE ECONOMY INCOME**

	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
<b>Grant in aid received from DfE</b>		
Recurrent grant	35,187	30,204
Release of unrestricted capital grants	2,207	56
Total grant in aid received from DfE	<u>37,394</u>	<u>30,260</u>
<b>Non-grant in aid received from DfE</b>		
Education maintenance allowance administration (EMA)	19	22
Higher level apprenticeships	990	809
Other non-grant in aid	948	1,070
Total non-grant in aid received from DfE	<u>1,957</u>	<u>1,901</u>
<b>Total DfE income</b>	<b><u>39,351</u></b>	<b><u>32,161</u></b>

**2. EDUCATION CONTRACTS**

	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
Entitlement framework	1,023	1,022
Training for success	3,380	3,835
<b>Total</b>	<b><u>4,403</u></b>	<b><u>4,857</u></b>

**3. TUITION FEES AND CHARGES**

	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
Higher education (HE)	916	906
Home and other European Union	994	795
Non-European Union	-	-
<b>Total</b>	<b><u>1,910</u></b>	<b><u>1,701</u></b>

The HE fees above include amounts to fund bursaries payable to eligible HE students of £22k (2022: £22k)

**4. OTHER GRANT INCOME**

	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
European funds	156	61
Other funds	411	342
<b>Total</b>	<b><u>567</u></b>	<b><u>403</u></b>

**5. OTHER OPERATING INCOME**

	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
Catering and residence operations	733	485
Other income generating activities	603	720
Other income	110	31
<b>Total</b>	<b>1,446</b>	<b>1,236</b>

**6. INVESTMENT INCOME**

	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
Bank interest receivable	120	-
<b>Total</b>	<b>120</b>	<b>-</b>

**7. STAFF COSTS**

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

	<b>2023</b>	<b>2022</b>
	<b>No.</b>	<b>No.</b>
Governing body	-	-
Teaching	339	343
Support	116	113
Administration	174	161
Premises	24	23
<b>Total</b>	<b>653</b>	<b>640</b>

	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
Governing body	66	63
Teaching	17,172	16,438
Support	3,847	3,603
Administration	7,764	6,750
Premises	958	889
FRS 102 pension adjustment (note 19)	891	3,129
	<b>30,698</b>	<b>30,872</b>
Exceptional staff costs - provision for annual leave on overtime	(2)	2
<b>Total</b>	<b>30,696</b>	<b>30,874</b>

Wages and salaries	22,692	20,883
Social security costs	2,208	2,032
Apprentice Levy	92	91
Pension cost	5,704	7,867
<b>Total</b>	<b>30,696</b>	<b>30,874</b>

**7. STAFF COSTS (continued)**

	Senior post-holders		Other staff	
	2023	2022	2023	2022
	No.	No.	No.	No.
£60,001 to £70,000	-	-	23	24
£70,001 to £80,000	-	1	8	6
£80,001 to £90,000	1	-	6	7
£90,001 to £100,000	-	1	-	-
£100,001 to £110,000	2	1	-	-
£110,001 to £120,000	-	-	-	-
£120,001 to £130,000	-	-	-	-
£130,001 to £140,000	-	-	-	-
£140,001 to £150,000	1	1	-	-
£150,001 to £160,000	-	-	-	-
<b>Total</b>	<b>4</b>	<b>4</b>	<b>37</b>	<b>37</b>

There were no payroll costs capitalised during the year.

**8. 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 Executive Team, which comprises the Chief Executive and three Directors.

	2023	2022
	No.	No.
The number of senior post-holders including the Chief Executive was:	<b>4</b>	<b>4</b>

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

	2023	2022
	£'000	£'000
Salaries	374	363
Benefits in kind	-	-
Pension contributions	72	76
<b>Total emoluments</b>	<b>446</b>	<b>439</b>

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

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

The pension contributions in respect of the Chief Executive and senior post-holders are in respect of employer's contributions to the Teachers' Superannuation Scheme and the Northern Ireland Local Government Officers' Superannuation Scheme is paid at the same rate as for other employees.

## 9. OTHER OPERATING EXPENSES

	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
Direct teaching	1,982	1,926
Direct support	3,012	2,989
Administration	2,642	1,962
Premises	7,163	8,009
<b>Total</b>	<b>14,799</b>	<b>14,886</b>

### Other operating expenses include:

	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
Auditors' remuneration:		
Financial statements audit (includes £34k in respect of the College – 2021-22 £27k)	34	27
Internal audit	18	23
Other services provided by the financial statement's auditors (National Fraud Initiative exercise)	1	-
Hire of plant and equipment assets – operating leases	125	148
Hire of other assets – operating leases	-	-

## 10. INTEREST AND OTHER FINANCE COSTS

	<b>Note</b>	<b>2023</b>	<b>2022</b>
		<b>£'000</b>	<b>£'000</b>
Net charge on pension scheme	19	311	486
<b>Total</b>		<b>311</b>	<b>486</b>

## 11. TAXATION

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

## 12. TANGIBLE FIXED ASSETS

	Land & buildings	Assets under construction	Plant & equipment	Computer	Fixtures & fittings	Motor vehicles	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Cost or valuation</b>							
At 1 August 2022	106,277	2,267	7,530	4,739	1,521	293	122,627
Additions	377	748	1,470	443	-	-	3,038
Surplus on Indexation	8,391	-	-	-	-	-	8,391
Impairment below cost adjustment	(2)	-	-	-	-	-	(2)
Disposals	(776)	-	(218)	-	-	-	(994)
<b>At 31 July 2023</b>	<b>114,267</b>	<b>3,015</b>	<b>8,782</b>	<b>5,182</b>	<b>1,521</b>	<b>293</b>	<b>133,060</b>
<b>Depreciation</b>							
At 1 August 2022	-	-	5,302	3,480	1,115	232	10,129
Charge for the year	3,485	-	827	736	134	22	5,204
Disposals	-	-	(218)	-	-	-	(218)
<b>At 31 July 2023</b>	<b>3,485</b>	<b>-</b>	<b>5,911</b>	<b>4,216</b>	<b>1,249</b>	<b>254</b>	<b>15,115</b>
<b>Net book value at 31 July 2023</b>	<b>110,782</b>	<b>3,015</b>	<b>2,871</b>	<b>966</b>	<b>272</b>	<b>39</b>	<b>117,945</b>
Net book value at 31 July 2022	106,277	2,267	2,228	1,259	406	61	112,498

## REVALUATION

Land and buildings were subject to a full revaluation at 31 July 2022. This was a full 5 yearly asset valuation exercise, and as such, a full inspection of all assets was undertaken. The valuations were subsequently updated at March 2023 and July 2023 by indices provided by LPS.

There are premises at 81 and 83 Lisanelly Lane, Armagh are surplus assets and are valued at £840k.

During the year the site at 55 Greencastle Street, Kilkeel was sold with proceeds of £600k, and the Sports Field at the Banbridge Campus was sold with proceeds of £565k. The Department for the Economy has approved the use of the proceeds from the sale of the sites to fund capital investment in 2022-23.

Land and building valuation can be analysed as;

	2023 £'000	2022 £'000
Freehold Land & Buildings	110,718	106,213
Leasehold Land	64	64
<b>Owned assets</b>	<b>110,782</b>	<b>106,277</b>

## 12. TANGIBLE FIXED ASSETS (continued)

If land and buildings (including those that were inherited) had not been revalued, the cost of land and buildings including additions to inherited buildings and assets under construction would have been included at the following amounts:

	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
Cost (including assets under construction)	59,797	58,758
Aggregate depreciation based on cost	<u>(8,726)</u>	<u>(7,767)</u>
Net book value based on cost	<b><u>51,071</u></b>	<b><u>50,990</u></b>

The depreciation charge for the year is analysed as follows:

	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>(restated) £'000</b>
Owned assets	<u>(5,204)</u>	<u>(4,859)</u>

### Jointly Controlled Asset

The net book value of computers includes the fully depreciated computer hardware that is a jointly owned and controlled asset amongst the six Colleges 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.

## 13. INTANGIBLE FIXED ASSETS

	<b>Computer Asset £'000</b>	<b>Total £'000</b>
<b>Cost or valuation</b>		
At 1 August 2022	424	424
Reclassification	-	-
Transfer to Asset in Use	-	-
<b>At 31 July 2023</b>	<b><u>424</u></b>	<b><u>424</u></b>
<b>Amortisation</b>		
At 1 August 2022	96	96
Charge for the year	<u>77</u>	<u>77</u>
<b>At 31 July 2023</b>	<b><u>173</u></b>	<b><u>173</u></b>
	<b>251</b>	<b>251</b>
<b>Net book value at 31 July 2023</b>		
Net book value as at 31 July 2022	<u>328</u>	<u>328</u>

The net book value of the intangible asset is a jointly owned and controlled asset among the six Further Education Colleges of Northern Ireland. The intangible asset is funded in full through a capital grant from the Department for the Economy. The asset was amortised from May 2021.

**14. TRADE AND OTHER RECEIVABLES FALLING DUE WITHIN ONE YEAR**

	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
Trade receivables	392	637
Prepayments and accrued income	2,845	2,264
<b>Total debtors</b>	<b><u>3,237</u></b>	<b><u>2,901</u></b>

Included within prepayments and accrued income are the following items of income;

	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
DfE income	<u>1,054</u>	<u>688</u>

**15. CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
Trade payables	1,299	3,084
Taxation and social security	67	641
Deferred income and payments received in advance	2,589	2,893
Accruals	3,096	1,856
<b>Total</b>	<b><u>7,051</u></b>	<b><u>8,474</u></b>

Included within deferred income and payments received in advance are the following items of income which have been deferred until specific performance related conditions have been met;

	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
DfE grant income	225	213
Capital grant income	1,885	1,760
Other grant income	479	920
<b>Total</b>	<b><u>2,589</u></b>	<b><u>2,893</u></b>

**16. CREDITORS - AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
Capital grant income	36,083	36,299
<b>Total</b>	<b><u>36,083</u></b>	<b><u>36,299</u></b>

**17. PROVISIONS FOR LIABILITIES AND CHARGES**

	<b>Pensions</b>	<b>Other</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
At 1 August 2022	8,324	143	8,467
Expenditure in the period	1,202	(2)	1,200
Transferred to statement of comprehensive income and expenditure	(14,240)	-	(14,240)
Transfer to non-current assets	4,714	-	4,714
<b>At 31 July 2023</b>	<b>-</b>	<b>141</b>	<b>141</b>
	<b>Pensions</b>	<b>Other</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
At 1 August 2021	27,103	141	27,244
Expenditure in the period	3,615	-	3,615
Transferred to statement of comprehensive income and expenditure	(22,394)	2	(22,392)
<b>At 31 July 2022</b>	<b>8,324</b>	<b>143</b>	<b>8,467</b>

The pension fund valuation by the qualified actuary at 31 July 2023 determined that the pension was no longer a liability for the College. This resulted in a move of the pension valuation from provisions to non-current assets.

The provision of £141k relates to a Holiday Pay provision resulting from the Court of Appeal (CoA) judgement (17 June 2019) in the case PSNI v Agnew. The CoA judgement determined that claims for Holiday Pay shortfall can be taken back to 1998.

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

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

The £141k provision has been estimated by the College and covers the period from 1998 to 31 July 2020, following the Department of Finance approach outlined for Departmental Annual Reports and Accounts (FD (DoF) 08/20).

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

1. The outworking of The Supreme Court judgement and the application of The Court of Appeal's original judgement;
2. Lack of accessible data for years previous to 2008-09, requiring estimations to be applied;
3. Future negotiations with Trade Unions;
4. Obtaining legal advice on specific application of the ruling for the NI Further Education sector;



5. The provision is gross (inclusive of Employee National Insurance and PAYE)); and
6. Taxation issues are under discussion with HMRC, by the wider NI public sector.

Therefore, the estimated provision outline above is based on the application of DoF methodology, however there remains significant uncertainty over the amount and timing of future payments.

## 18. CASH AND CASH EQUIVALENTS

	At 1 August 2022 £'000	Cash flows £'000	At 31 July 2023 £'000
Cash and cash equivalents	3,974	(1,046)	2,928

## 19. PENSIONS AND SIMILAR OBLIGATIONS

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

### Total pension cost for the year

	2023 £'000	2022 £'000
NITPS: contributions paid	3,162	3,201
NILGOSC: Contributions paid	1,647	1,537
NILGOSC: FRS 102 (28) adjustments	891	3,129
NILGOSC: charge to the Statement of Comprehensive Income and Expenditure (staff costs)	2,538	4,666
<b>Total pension cost for year</b>	<b>5,700</b>	<b>7,867</b>

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 2012 and NILGOSC was 31 March 2022.

### NITPS

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

**19. PENSIONS AND SIMILAR OBLIGATIONS (continued)**

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

The employer contribution rates increased to 25.1% from April 2019. The salary bands applicable to member contribution for the NITPS, based on a members' annual salary rate (actual earnings) from 1 April 2021 to 31 March 2022:-

Salary	
Up to £29,188	7.4%
£28,188 to £39,291	8.6%
£39,291 to £46,587	9.6%
£46,587 to £61,743	10.2%
£61,743 to £84,194	11.3%
£84,194 and above	11.7%

Table 19

From 1 April 2023, the bands changed to those below.

Salary	
Up to £32,136	7.4%
£32,136 to £43,260	8.6%
£43,260 to £51,293	9.6%
£51,293 to £67,980	10.2%
£67,980 to £92,698	11.3%
£92,698 and above	11.7%

Table 20

**NILGOSC**

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

The following information is based upon a full actuarial valuation of the fund at 31 March 2022 updated to 31 July 2023 by a qualified actuary.

**19. PENSIONS AND SIMILAR OBLIGATIONS (continued)**

**Principal actuarial assumptions**

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

	<b>At 31 July 2023</b>	<b>At 31 July 2022</b>
Rate of increase of salaries	4.35%	4.25%
Rate of increase for pensions	2.85%	2.75%
Discount rate for scheme liabilities	5.10%	3.55%
Inflation assumption (CPI)	<u>2.85%</u>	<u>2.75%</u>

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

	<b>At 31 July 2023</b>	<b>At 31 July 2022</b>
<i>Retiring today</i>		
Males	21.3	21.8
Females	24.1	25.1
<i>Retiring in 20 years</i>		
Males	21.9/22.2	22.8
Females	<u>24.9/25.2</u>	<u>26.1</u>

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

	<b>Value at 31 July 2023 £'000</b>	<b>Value at 31 July 2022 £'000</b>
Equities	23,678	21,171
Bonds	11,891	13,776
Property	5,709	6,719
Cash	6,669	6,191
Multi Asset Credit	7,193	6,964
<b>Fair value of assets</b>	<u><b>55,140</b></u>	<u><b>54,821</b></u>

**Amounts recognised in the statement of financial position**

	<b>2023 £'000</b>	<b>2022 £'000</b>
Scheme assets	55,140	54,821
Scheme liabilities	<u>(50,426)</u>	<u>(63,145)</u>
<b>Surplus/(Deficit) in the scheme (net pension liability recorded within pension provision)</b>	<u><b>4,714</b></u>	<u><b>(8,324)</b></u>

**19. PENSIONS AND SIMILAR OBLIGATIONS (continued)**

**Analysis of amounts charged to staff costs**

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
Employer service cost (net of employee contributions)	2,530	4,565
<b>Total operating charge</b>	<b><u>2,530</u></b>	<b><u>4,565</u></b>

**Analysis of pension finance costs**

	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
Expected return on pension scheme assets	1,971	987
Interest cost	(2,282)	(1,473)
<b>Net charge to interest payable</b>	<b><u>(311)</u></b>	<b><u>(486)</u></b>

**Analysis of other comprehensive income/(expenditure) for pensions**

	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
Actuarial gains/(losses) from assets	(3,063)	(4,735)
Actuarial gains from a change in financial assumptions	17,268	29,931
Actuarial gains from a change in demographic assumptions	1,528	629
Actuarial (losses)/gains from experience	(1,493)	(3,431)
<b>Total of other comprehensive income</b>	<b><u>14,240</u></b>	<b><u>22,394</u></b>

**Movement during the year**

	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
Deficit in scheme at 1 August	(8,324)	(27,103)
Employer service cost (net of employee contributions)	(2,530)	(4,565)
Employer contributions	1,638	1,498
Past service cost	-	(63)
Net interest on assets	(311)	(486)
From changes in financial assumptions	1	1
Actuarial gains recognised in other comprehensive income	14,240	22,394
<b>Surplus/(Deficit) in scheme at 31 July</b>	<b><u>4,714</u></b>	<b><u>(8,324)</u></b>

## 19. PENSIONS AND SIMILAR OBLIGATIONS (continued)

### Reconciliation of liabilities

	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
<b>Liabilities at start of period</b>	<b>63,145</b>	<b>84,620</b>
Service cost	2,530	4,565
Interest cost	2,282	1,473
Employee contributions	525	477
Actuarial loss/(gain)	1,493	3,431
Benefits paid	(752)	(923)
Past service cost	-	63
From change in financial assumptions	(17,269)	(29,932)
From change in demographic assumptions	(1,528)	(629)
<b>Liabilities at end of period</b>	<b>50,426</b>	<b>63,145</b>

### Reconciliation of assets

	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
<b>Assets at start of period</b>	<b>54,821</b>	<b>57,517</b>
Expected return on assets	1,971	987
Actuarial (loss)/gain	(3,063)	(4,735)
Employer contributions	1,638	1,498
Employee contributions	525	477
Benefits paid	(752)	(923)
<b>Assets at end of period</b>	<b>55,140</b>	<b>54,821</b>

The estimated value of employer contributions for the year ended 31 July 2024 is £1,651k.

## 20. EVENTS AFTER THE REPORTING PERIOD

### Reform to Save

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

### Provisions

The provision of £141k relates to a Holiday Pay provision resulting from the Court of Appeal (CoA) judgement (17 June 2019) in the case PSNI v Agnew. The CoA judgement determined that claims for Holiday Pay shortfall can be taken back to 1998.

The PSNI appealed the CoA judgment to The Supreme Court.

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

The narrative disclosure of Note 17 has been updated to reflect The Supreme Court judgement.

**21. CAPITAL COMMITMENTS**

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

	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
Commitments contracted for at 31 July	1,355	2,056
Authorised but not contracted at 31 July	-	2,840
<b>Total</b>	<b><u>1,355</u></b>	<b><u>4,896</u></b>

**22. FINANCIAL COMMITMENTS**

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

	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
Other		
Expiring within 12 months	36	-
Expiring within two and five years inclusive	70	62
<b>Total</b>	<b><u>106</u></b>	<b><u>62</u></b>

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

	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
Income		
Expiring within two and five years inclusive	27	39
<b>Total</b>	<b><u>27</u></b>	<b><u>39</u></b>

**23. RELATED PARTY TRANSACTIONS AND TRANSACTIONS INVOLVING GOVERNING BODY MEMBERS AND SENIOR MANAGEMENT**

Owing to the nature of the College's operations and the composition of the Governing Body being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the Governing Body may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the College's financial regulations and normal procurement procedures.

**Table showing transactions where goods or services are provided to the College by the related organisation.**

Governor / Senior Manager of Southern Regional College	Related Organisation	Transactions 2023 £'000	Transactions 2022 £'000	Amount outstanding at 31 July 2023 £'000	Amount outstanding at 31 July 2022 £'000
T Rice**	Newry Chamber of Commerce & Trade	10	7	-	-
T Rice**	Newry, Mourne and Down District Council	29	18	-	-
A McCormick*	Education Authority	N/A	66	N/A	5
M Turner** S Rogan**	Pearson UK	215	199	-	-
S Rogan** M Turner**	CCEA	17	5	-	-
M Turner** F Bradley** T Rice**	Armagh City, Banbridge and Craigavon Borough Council	4	2	-	-
L Shackels**	The Open University	141	N/A	-	-
N Hackness*	Strategic Investment Board (SIB)	120	N/A	-	-
T Moore*	Department of Justice	19	N/A	-	-
S Alexander*	Legal Island	1	N/A	-	-

*\*denotes governor, \*\* denotes member of staff*

Table 21

**23. RELATED PARTY TRANSACTIONS AND TRANSACTIONS INVOLVING GOVERNING BODY MEMBERS AND SENIOR MANAGEMENT (continued)**

Table showing transactions where goods or services are provided by the College to the related organisation.

Related Organisation	Transactions	Transactions	Amount	Amount
	2023 £'000	2022 £'000	outstanding at 31 July 2023 £'000	outstanding at 31 July 2022 £'000
M Turner** F Bradley** T Rice**	18	6	2	-
T Rice**	100	N/A	-3	N/A
B Doran**	2	4	-	1
S Rogan**	14	21	-	-

*\*denotes governor, \*\* denotes member of staff*

Table 22

**24. AGENCY ARRANGEMENTS**

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

	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
DfE student hardship grant	358	360
Disbursed to students	(133)	(147)
<b>Balance unspent at 31 July</b>	<b><u>225</u></b>	<b><u>213</u></b>

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

	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
DfE care to learn grant	17	21
Disbursed to students' childcare providers	(17)	(21)
<b>Balance at 31 July</b>	<b><u>-</u></b>	<b><u>-</u></b>

**25. LOSSES AND SPECIAL PAYMENTS**

There were no special payments during the financial year. There were 40 bad debts written off during the year totalling £11k.



## 26. ADDITIONAL DISCLOSURES TO COMPLY WITH FINANCIAL REPORTING MANUAL

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

	Notes	2023 £'000	2022 £'000
<b>INCOME</b>			
DfE income (non-grant in aid items)	1	1,957	1,901
Education contracts	2	4,403	4,857
Tuition fees and charges	3	1,910	1,701
Other grant income	4	567	403
Other operating income	5	1,446	1,236
	6	120	-
<b>Total incoming resources</b>		<b>10,403</b>	<b>10,098</b>
<b>EXPENDITURE</b>			
Staff costs	7	(30,698)	(30,872)
Exceptional item – provision for annual leave on overtime	7	2	(2)
Other operating expenses	9	(14,799)	(14,886)
Depreciation and impairment	12	(5,283)	(714)
Interest and other finance costs	10	(311)	(486)
<b>Total resources expended</b>		<b>(51,089)</b>	<b>(46,960)</b>
<b>Deficit before tax</b>		<b>(40,686)</b>	<b>(36,862)</b>
Taxation	11	-	-
<b>Deficit for the year</b>		<b>(40,686)</b>	<b>(36,862)</b>
Unrealised surplus on revaluation of land and buildings		8,391	30,820
Actuarial gain/(loss) in respect of pension scheme		14,240	22,394
<b>Amount transferred to reserves</b>		<b>(18,055)</b>	<b>16,352</b>
<b>Analysis of reserves prepared under FRm</b>			
		<b>2023 £'000</b>	<b>2022 £'000</b>
Balance at 1 August		66,461	19,849
Grant in aid received in year		37,394	30,260
Amount transferred to reserves		(18,055)	16,352
<b>Balance at 31 July</b>		<b>85,800</b>	<b>66,461</b>

**Date of authorisation for Issue**

The Accounting Officer authorised the issue of these financial statements on 27 November 2023.

