



Southern Regional College Annual Report and Accounts

For the year ended 31 July 2018

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for the year ended 31 July 2018

The Accounting Officer authorised these financial
statements for issue on 20th November 2018

Laid before the Northern Ireland Assembly under the Institutions of Further
Education (Public Sector Audit) Order (Northern Ireland) 2008 by the
Department for the Economy on 10th December 2018

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2018**

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NATURE, OBJECTIVES AND STRATEGIES

The members of the Governing Body of the Southern Regional College present their report and the audited financial statements for the year ended 31 July 2018.

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 has resulted in colleges being determined as Non-Departmental Public Bodies.

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. The Southern Regional College is well placed to provide learners, employers and the local community with a world class facility to satisfy all their educational needs 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.

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 leading provider of professional and technical training - prized by individuals and employers in the local community and beyond.

This vision complements the strategic aim for the sector as laid down in "Further Education Means Business" and is further amplified through the mission statement, which articulates what this will mean to individual learners.

MISSION STATEMENT

To 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 European 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 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 and this is set out in the College's Corporate Plan. The Governing Body leads the annual development planning process including a planning event through which Governors review the mission, vision, strategic aims and objectives in the context of future priorities, challenges and changes.

The College's strategic aims and objectives are set in the context of the wider policy environment and relevant priorities. 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 draft Industrial 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;
- 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 strategy for further education, 'Further Education Means Success'. 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 overleaf.

The seven key strategic aims of the College for the planning period 2016-2019 are:

Provision of a relevant and meaningful curriculum portfolio	<ul style="list-style-type: none"> 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.
Excellent learning experiences for all	<ul style="list-style-type: none"> To provide an excellent experience for all current and prospective learners supported through high quality and effective learner support services.
Flexible business solutions that improve competitiveness and productivity	<ul style="list-style-type: none"> 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.
Committed people and organisation	<ul style="list-style-type: none"> To be a high performing College through the recruitment, development and deployment of a highly skilled and well motivated staff.
Effective governance and financial management	<ul style="list-style-type: none"> To provide effective corporate Governance and ensure that the College operates within a robust system of internal financial management and control.
Modern fit for purpose College estate	<ul style="list-style-type: none"> To provide a modern fit for purpose College estate for the southern region.
International links	<ul style="list-style-type: none"> To promote an outward and forward looking College through the development of international links supporting staff, students and knowledge exchange.

IMPLEMENTATION OF THE STRATEGIC PLAN

The College's strategic aims are underpinned by a series of strategic objectives, actions and targets that were set out in the College Development Plan 2016-19. The underpinning strategic objectives and supporting actions take account of the wider policy decisions, changing Government priorities and anticipated pressures on public finances. These objectives are reviewed and updated annually to reflect changing priorities. The following section provides a summary of progress against each strategic aim and underpinning objectives for the period 1 August 2017 – 31 July 2018 together with an update on progress and refinements against longer term objectives.

1. STRATEGIC AIM: PROVISION OF A RELEVANT AND MEANINGFUL CURRICULUM PORTFOLIO

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 revised Skills Barometer, 'Skills in Demand' highlights the importance of skills and talent development as part of a new economic strategy that aims to attract new business to NI as well helping indigenous business innovate and grow. More specifically the transformational change required in increasing the skills levels of Northern Ireland's workforce is articulated further through the Department's draft Industrial Strategy, 'Economy 2030'. Skills development has been identified as a key element of the Strategy. The College is also an active participant in the development of a skills plan to support the Belfast City Deal and in particular the element straddling the Newry, Mourne and Down District Council area. It is in this context that the College's curriculum offer will continue to be aligned to key strategies. During 2017-18 the regional Colleges of Further Education in conjunction with the Department for the Economy have moved to the development of a single corporate plan for the sector with individual annual development plans closely aligned to specific Programme for Government outcome targets. These revisions also included the introduction of a new funding methodology that will replace the current Funding Learning unit (FLU) for the 2018-19 academic year onwards.

The enrolment targets for 2017-18 were agreed with DfE through the existing bilateral Funded Learning Unit (FLU) 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 skill areas, and ensuring that provision leads to qualifications that are on the regulated qualifications framework.

The changing economic situation 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, including the removal of funding to support hobby and leisure programmes, has led to a re-prioritisation in the allocation of resources and a re-examination of what we offer and where we deliver our curriculum.

Despite these changes our 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 in any other area 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 1,100 trainees and apprentices delivered in skills training centres in Armagh, Newry and Portadown.

The College's performance over the course of the 2017-18 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;
- Traineeship and apprenticeship pilots;
- Schools' Partnership Provision; and
- Community engagement.

This section of the Annual Report provides information on delivery, provision and enrolments. Readers should note that the FLU and enrolment numbers presented for 2017-18 are those at 1 August 2018 and are not final validated figures. Numbers for 2016-17 comparisons are final audited figures and therefore may differ slightly, in some instances, from those reported in the 2016-17 Annual Report.

The total College enrolment (including training and cost recovery provision) for the academic year 2017-18 was 31,060, compared to an enrolment of 27,006 in 2016-17. In light of the challenging financial position the College took a strategic decision to prioritise resources to ensure that all school leavers were provided with the opportunity to undertake a programme of full time study that included specific employability qualifications. In order to manage within available resources there was a planned reduction in the offer of part time courses including evening provision, community outreach and adult essential skills whilst ensuring that full-time students were protected from any reductions in delivery. The large increase in enrolments in 2017-18 is primarily due to the reconfiguration of qualifications undertaken by full-time students.

The College's enrolment across full-time courses (further education, work based learning and higher education) decreased from the previous year, **Figure 1**. The overall number of students undertaking full-time higher education decreased significantly from the previous year and projected enrolments targets were not met.

The total part-time enrolment was over 4,000 enrolments above that recorded in 2016-17, however this is largely explained by the introduction of additional employability qualifications across all full time further and higher education courses. The total essential skill provision was slightly above that recorded in 2016-17. The total essential skills enrolment figure has remained relatively static over the last three years and reflects the continued reduction in funding from that recorded in the periods 2014-15, **Figure 2**. The drop in hobby and leisure provision, **Figure 3** and the increase in accredited provision, **Figure 4** reflects the college's prioritisation of resources to support economically relevant courses.

Community based enrolments increased slightly from 2016-17 but remains significantly lower than that recorded in 2014-15 reflecting the reduction in funding for hobby and leisure provision and the increased focus on courses aimed at those economically inactive or with little or no educational achievement, **Figure 5**.

College Enrolment

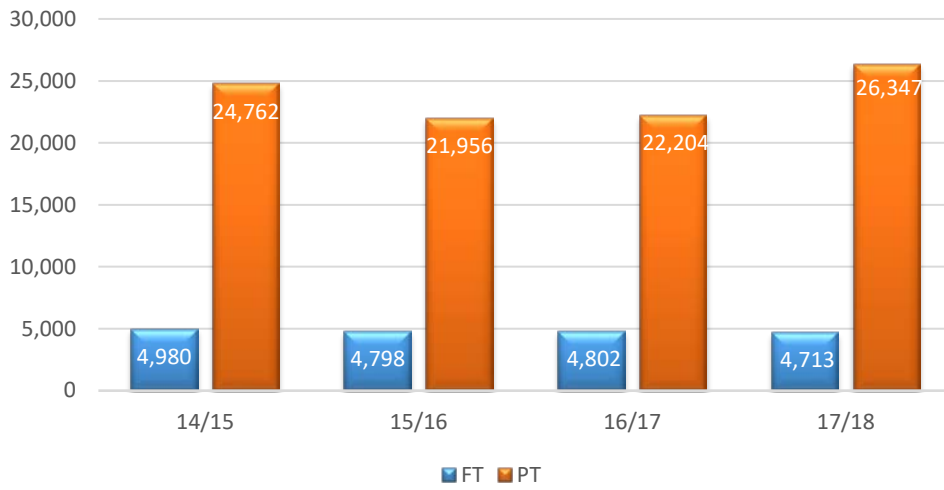


Figure 1

Essential Skills (FLU)

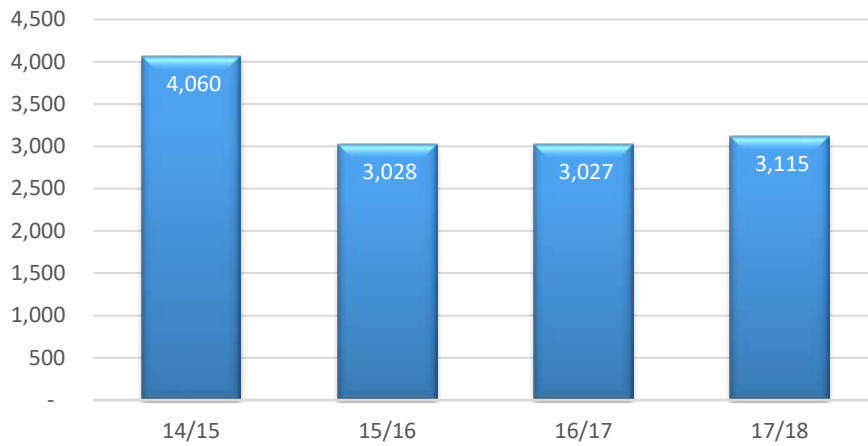


Figure 2

Hobby and Leisure

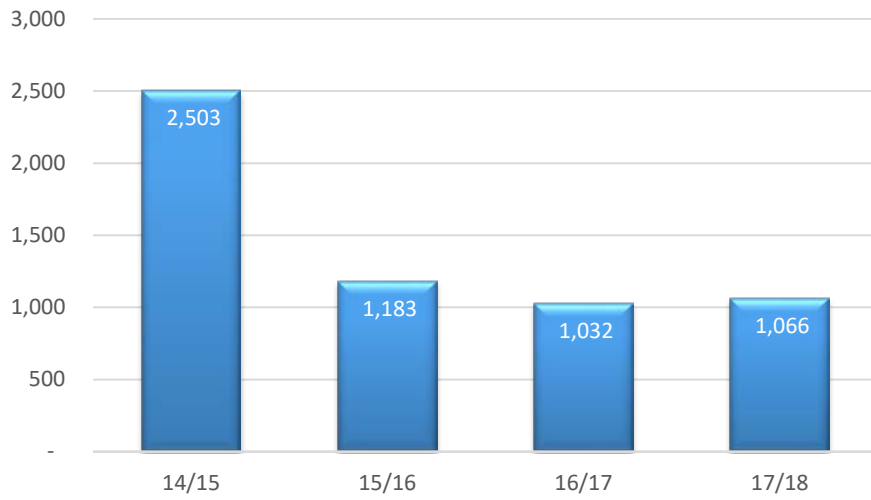


Figure 3

Accredited Provision

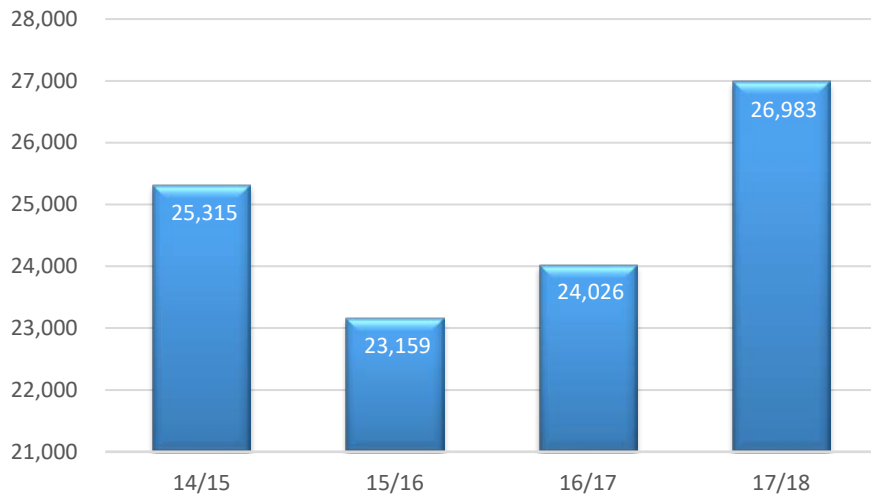


Figure 4

Community Provision

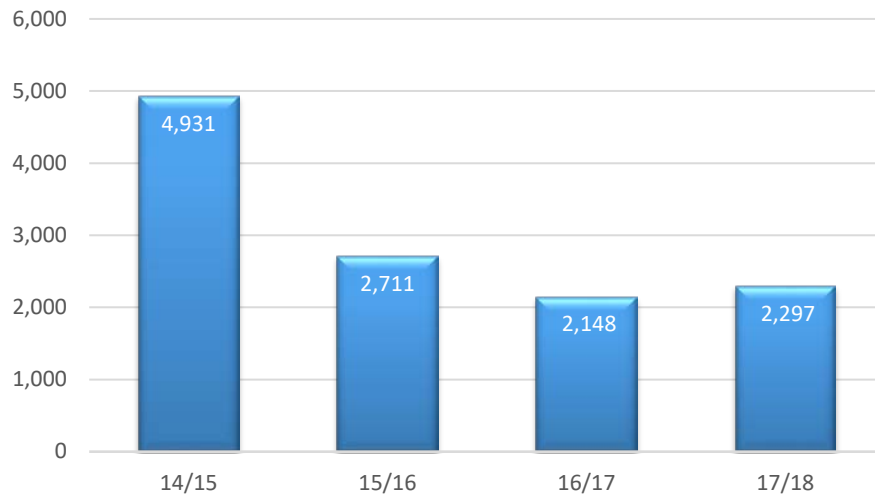


Figure 5

FUNDED LEARNING UNIT (FLU) TARGETS

As part of the annual funding cycle, the Department for the Economy would normally engage colleges to formalise FLU targets and associated block grant (cash or grant in aid) in advance of the start of the academic year. The resource budget and FLU / enrolment (business plan) targets for 2017-18 were delayed due to uncertainties around FE funding and resource pressures. In the absence of a Minister the Permanent Secretary approved College resource budgets on 20 December 2017.

Whilst the College was set an overall FLU target agreed through the bilateral process for 2017-18 the actual funding received from the Department to deliver this did not align to the FLU model of funding. As of 1 April 2018 (due to the implementation of a new DfE Colleges' funding model), the recurrent grant amount included items of Grant Aid Income that would have previously been received by the Colleges as a separate income stream from the DfE. As a result of the change in funding model various items (Additional Support Fund, Employer Support Programme strands and discrete SLDD funding) of Grant and Aid Income included are no longer being received as separate income streams from DfE as of 1 April 2018 thus it is not possible to provide an extract conversion of FLU to recurrent grant.

Resource allocated for the eight year period 2010-18 is summarised in **Table 1**.

Academic Year	Resource Allocation (FLU)	Funding (£)	Shift (£)
		£	£
2010-11	7,966	27,084,400	
2011-12	7,721	26,096,041	(988,359)
2012-13	7,685	26,129,000	32,959
2013-14	7,831	26,625,174	496,174
2014-15	7,770	26,416,525	(208,649)
2015-16	7,501	25,502,972	(913,553)
2016-17	7,493	25,476,735	(26,237)
2017-18**	7,344	25,701,000	224,265

Indicative funding allocation

Table 1

** The change in funding model introduced in 2017-18 does not allow for an extract translation of FLU targets to recurrent grant. In an attempt to provide a comparison with prior year income the recurrent grant figure shown for 2017-18 is made up of 8 months of the previous FLU model plus 4 months of the new Grant Aid Income allocation with notional allocations removed.

The actual FLU delivery target agreed with DfE for 2017-18 was 7,344. The College delivered a total of 7,143 FLU thus under delivering by 201 FLU.

The level of delivery for the period 2009-18 is shown in **Figure 6**.

FLU Funding Analysis

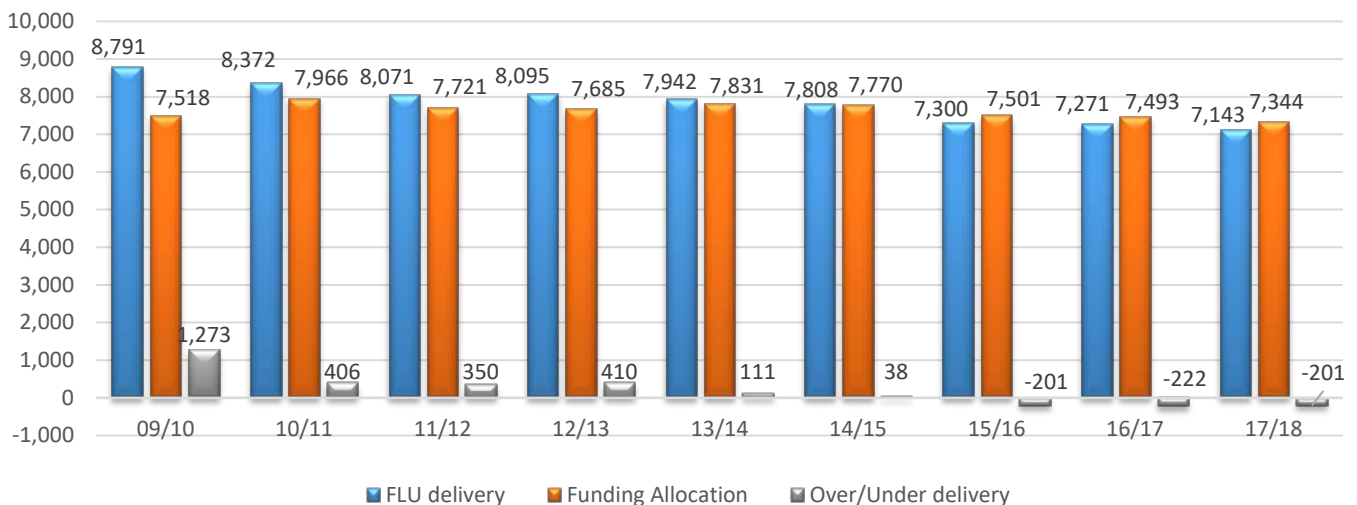


Figure 6

The most significant reason for the under delivery in 2017-18 relates to the under recruitment across full time further and higher education courses and the impact of student withdrawal in year. The agreed target for full time further education learners reflected the declining number of school leavers at 16 years of age, yet the extent of the under recruitment was higher than planned. The College delivered against its part time further education and essential skills FLU targets and fell just short of its overall higher education FLU target. The College exceeded its further and higher education and essential skills enrolment targets. **Figures 7a** and **7b** provides a summary of the FLU and enrolment performance for Essential Skills and Further and Higher Education against the agreed targets for 2017-18 compared to that for 2016-17.

The FLU target agreed with DfE for 2017-18 reflects the reduction in the levels of funding over recent years. The level of funding provided for 2017-18 is approximately £1.38m less than that provided to support delivery in 2010-11, a 5% reduction in funding. Within the allocation of funding the College has had to absorb increasing operational costs including increased salary costs. It is anticipated that the pressures on public sector funding will continue to drive down the level of delivery across the further education sector. The College’s Governing Body remains concerned that the continued pressures on resources over the next few years will result in a further reduction in the provision offered across campuses including that served through the community outreach programme.

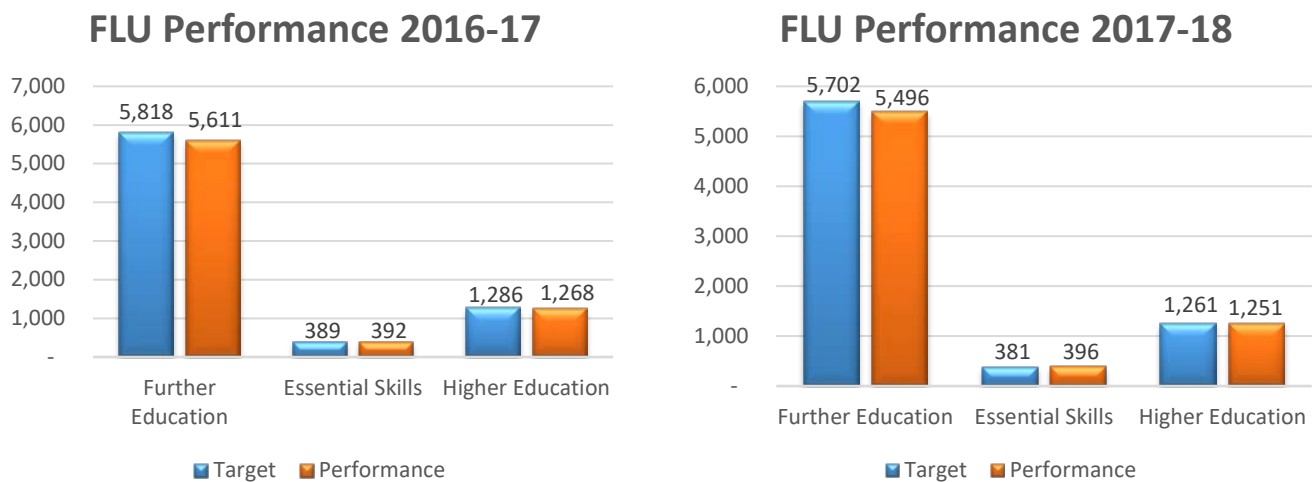


Figure 7a

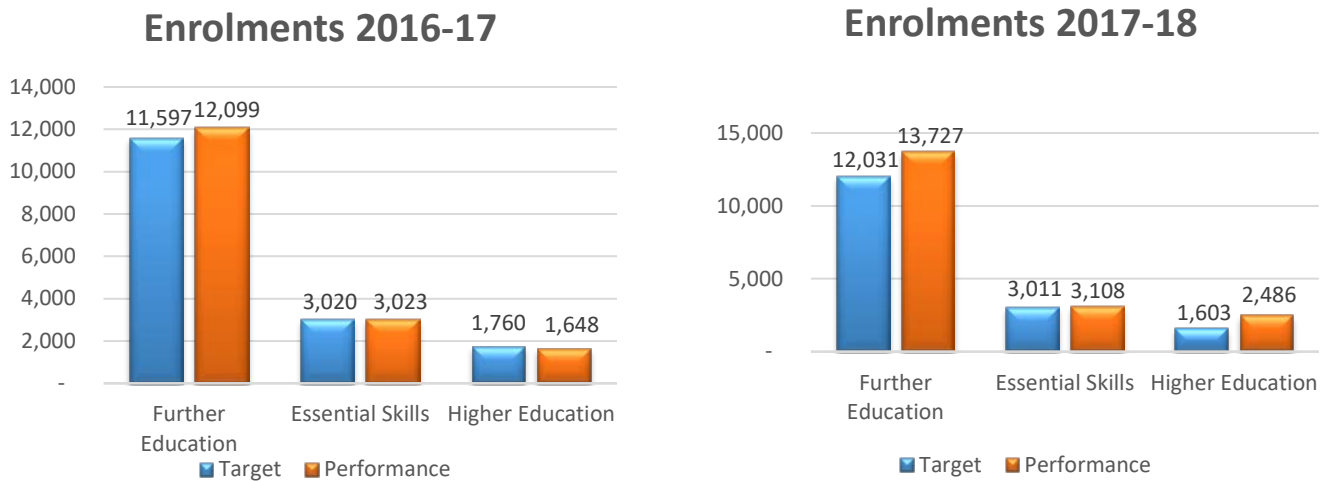


Figure 7b

The following section provides a more detailed analysis of enrolments contributing to the overall FLU and work based learning contracted position for 2017-18.

FULL TIME STUDY (INCLUDING TRAINING)

The total number enrolled in full-time study defined within the areas of Further Education, Higher Education, Training and Apprenticeships dropped by nearly 100 students compared to that recorded in 2016-17. This drop was particularly evident in the numbers opting to undertake full time higher education courses and in level 3 further education see **Figure 8**.

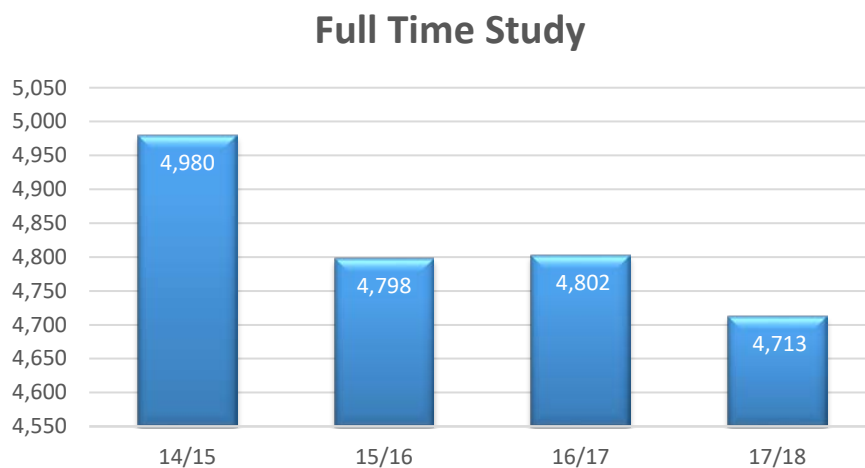


Figure 8

WORK BASED LEARNING (TRAINING AND APPRENTICESHIPS)

The total numbers enrolled on Work Based Learning increased by 56. The increased enrolment was across all levels of training and apprenticeships including new higher level apprenticeships in IT Infrastructure, applied science, mechatronics and accounting and finance, **see Figure 9**.

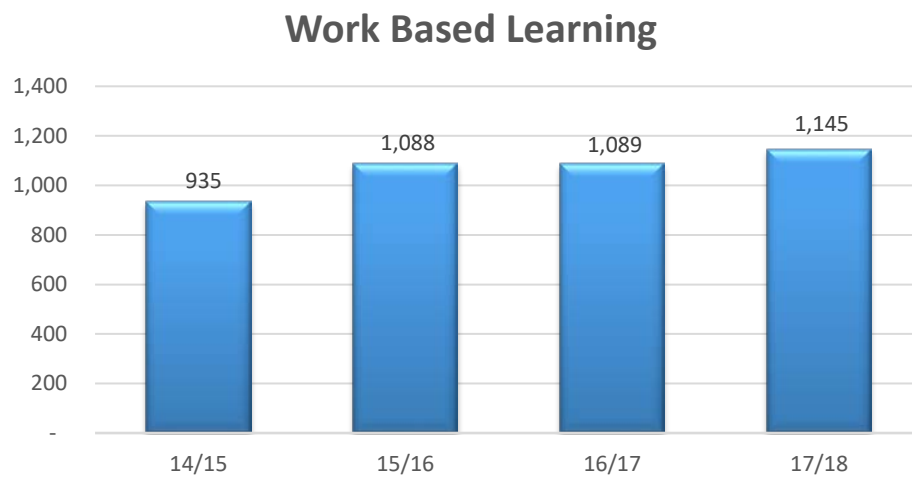


Figure 9

FURTHER EDUCATION

The total number of full time Further Education students decreased by 68 from 2016-17, **see Figure 10**. Whilst the College anticipated a drop in the total number of new entrants as a result of the declining school leaver population, the uptake for full time further education at Level 3 was significantly lower than projected.

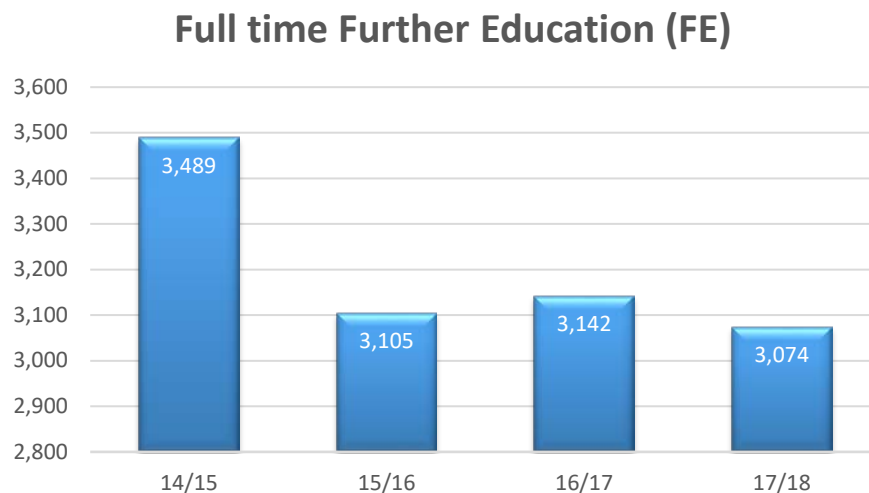


Figure 10

Figures 11-13 illustrate the changes in full time Further Education enrolments by level over the last four years.

The demand for provision at Level 1 was similar to that experienced in the previous year, **Figure 11**. This provision includes the College’s Fresh Start programme aimed at young people not in education, employment or training (NEETS) together with provision for those with specific learning difficulties or disabilities.

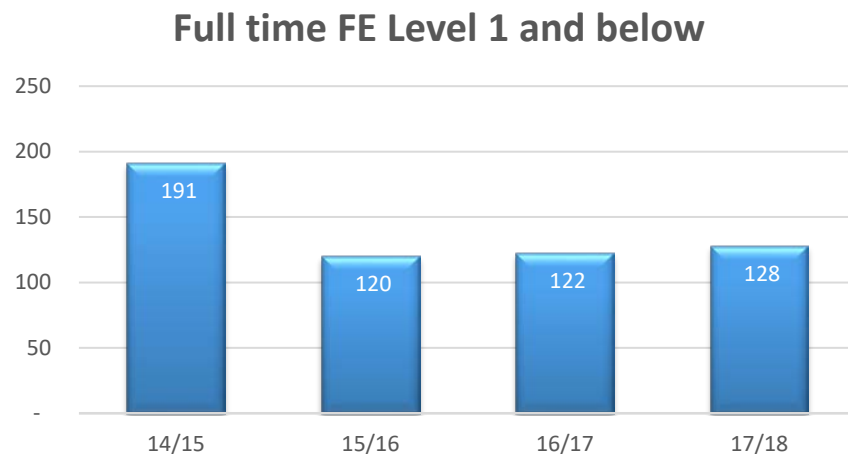


Figure 11

The number of young people undertaking full time programmes at Level 2 increased by 13 compared to 2016-17, **Figure 12**. The most significant decrease in full time further education was experienced at Level 3, **Figure 13** in areas including A Level, computing and information technology, children’s care performing arts, professional cookery and hospitality, sports studies and hairdressing .

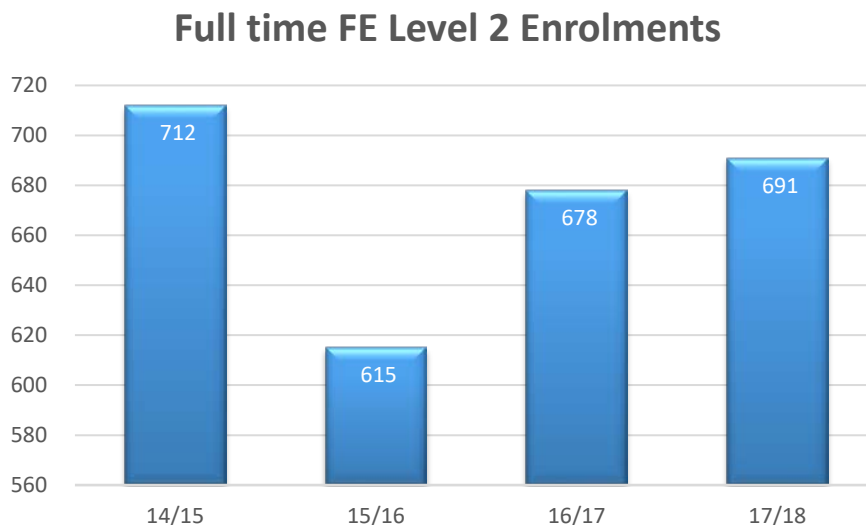


Figure 12

Full time FE Level 3 Enrolments

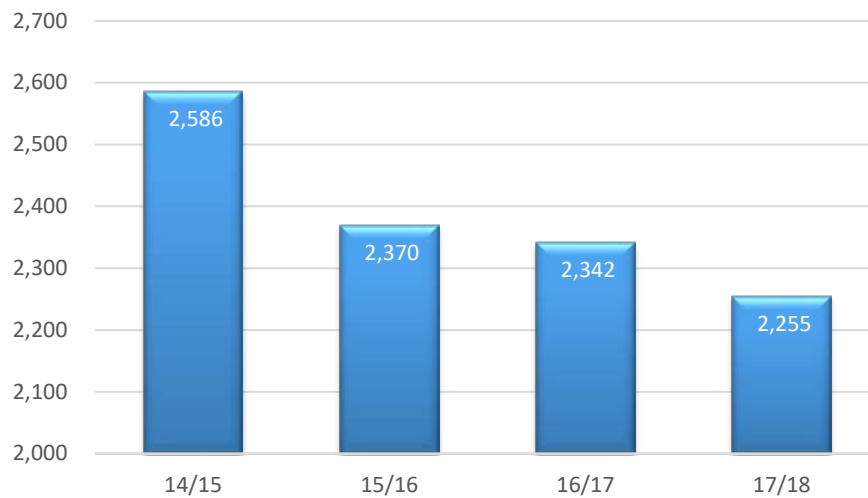


Figure 13

PART TIME FURTHER EDUCATION

The total FLU funded evening enrolment (Further Education) decreased slightly to 2,567 compared to 2,719 in 2016-17. The decrease in evening enrolments experienced since 2014-15 should be viewed in the context of planned decrease in hobby and leisure provision that was previously funded through FLU up until 2014-15, **Figure 14**.

Evening Enrolment

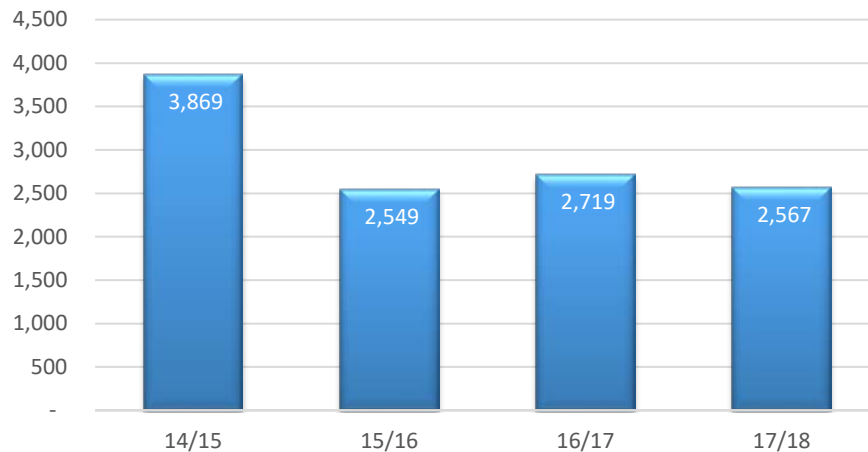


Figure 14

Despite the removal of the FLU funding subsidy in 2015-16 the College continues to offer a range of hobby and leisure programmes within a competitive fees structure resulting in over 3,200 enrolments over the period 2015-18, **Figure 15**. The reduction in hobby and leisure provision was particularly felt across the College’s community outreach programme.

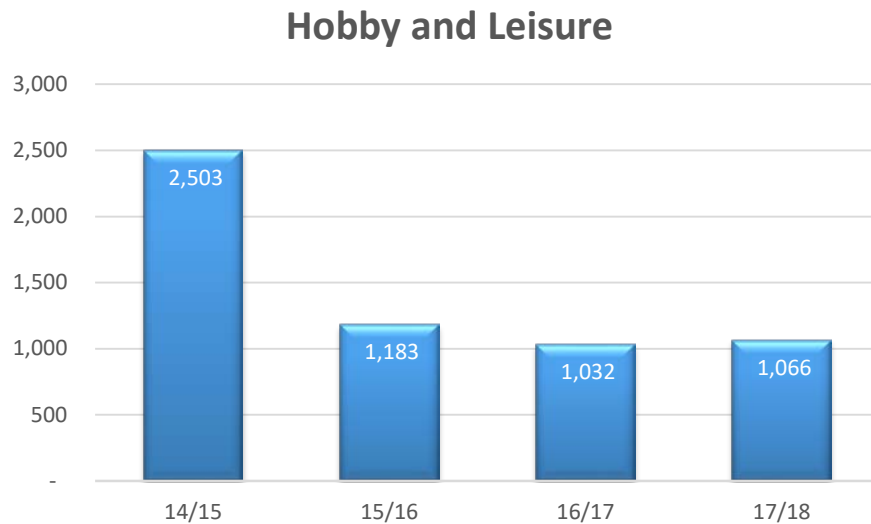


Figure 15

The profile of accredited provision by level remained largely similar to that in 2016-17 with a slight increase in the number undertaking level 3 courses, **Figure 16**.

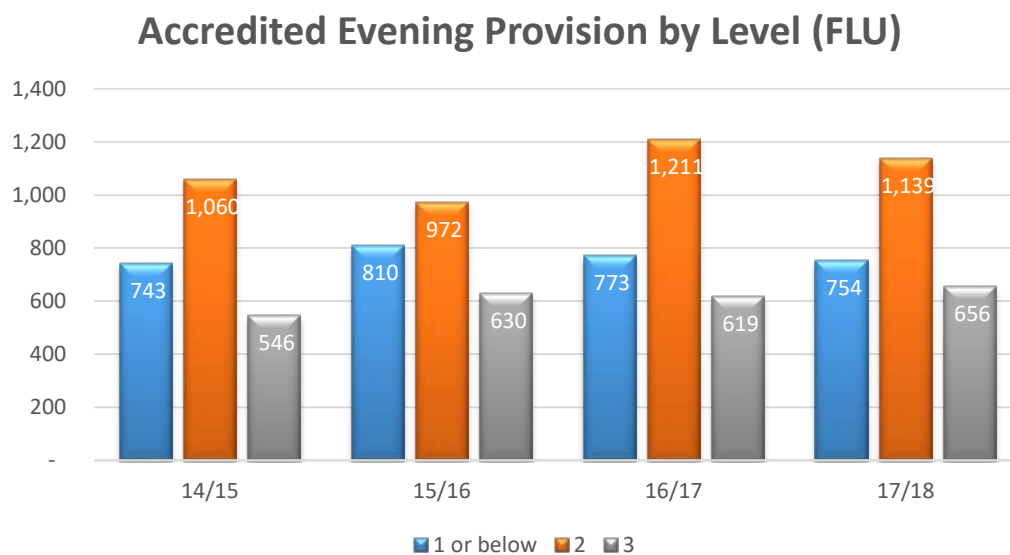


Figure 16

EXTERNALLY ACCREDITED PROVISION

Externally accredited provision accounted for 99.5% of the total FLU provision with over 12,881 enrolments, with non-accredited special educational needs accounting for the remaining 0.5% of FLU provision. Full time Further Education accounted for 78.7% and part time 21.3% of total externally regulated FLU funded provision. The College delivered 4,328 externally regulated full time FLU against a target of 4,536 FLU. The College delivered 1,138 externally regulated part time FLU against a target of 1,098 FLU.

VOCATIONAL PROVISION

Vocational provision accounted for 93.5% of the total FLU delivery compared to a target of 90%. The College delivered 4,089 vocational full time FLU against a target of 4,166 FLU. The College delivered 1,051 vocational part time FLU against a target of 1,025 FLU.

ESSENTIAL SKILLS

The College enrolled a total of 3,115 learners (**Figure 17**) against a target enrolment of 3,011. The reduction in funding provided to support Essential Skills has resulted in a planned reduction in enrolments across the three Essential Skills areas over recent years.

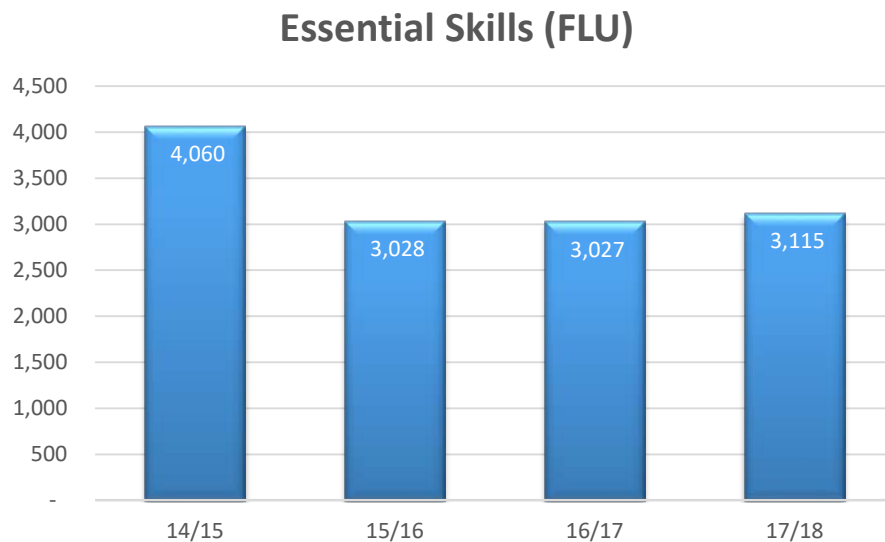


Figure 17

There has been an increase in the number of enrolments in both literacy and numeracy but a decrease in enrolments in ICT. Despite the reduction in ICT enrolments it remains the most popular of the three Essential Skills, **Figure 18**.

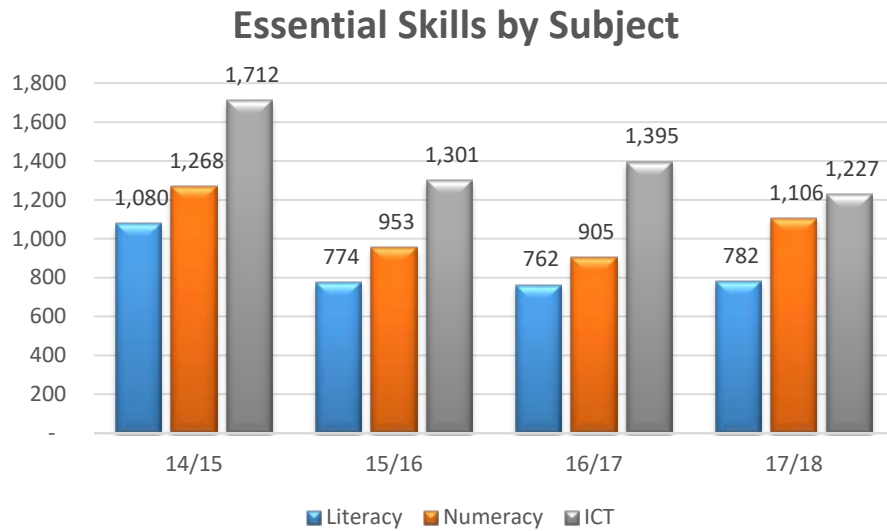


Figure 18

PRIORITY SKILLS

There was a decrease in the total FLU based enrolment across Priority Skills areas at level 2 and above, **Figure 19**. IT and computing accounted for over 62.4% of full time provision (61.4% in 2016-17) and 37.0% of part time provision (36.9% in 2016-17). Part time delivery in engineering and construction accounted for 17.6% of full time provision (17.8 % in 2016-17) and 45.2% of part time provision (34.5% in 2016-17).

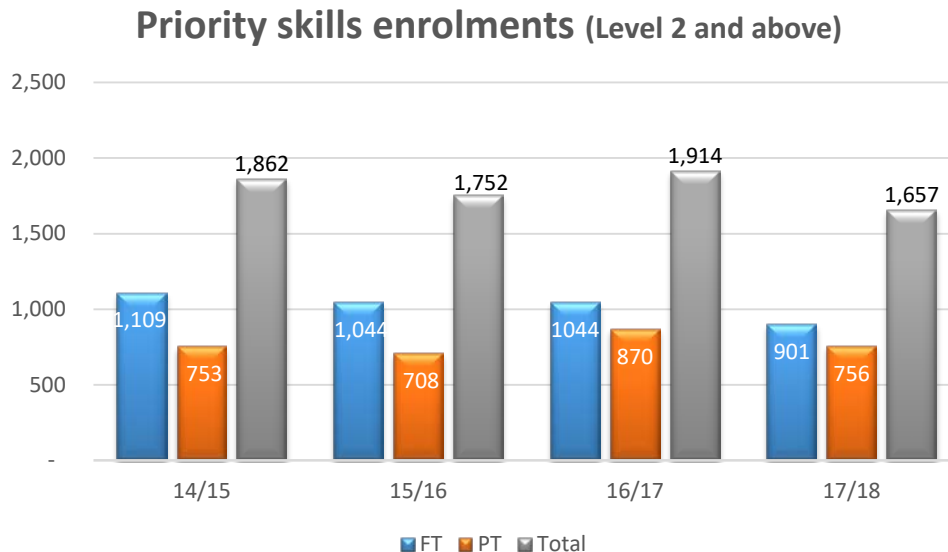


Figure 19

HIGHER EDUCATION

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 1,700 Higher Education students annually this is an increasingly important area of work for the College. Many students are finding that choosing to study locally can significantly help reduce the costs of Higher Education study and the demand for part time study continues to increase. The Foundation Degree remains the primary intermediary higher level qualification for full time provision. However, the Edexcel Higher National award remains popular for re-skilling through part time modes of study.

The College offers a number of Foundation Degree, Associate Bachelor Degree and Honours Degree courses validated by the Ulster University, Queen’s University Belfast and John Moore’s University Liverpool. Plans are in place to progress an institutional review exercise with the Open University that will lead to an increased portfolio of higher education courses on offer from September 2019.

DfE has set a cap on the total number of student enrolments for full time Higher Education (MaSN). The College was allocated a total Maximum Student Number (MaSN) of 565 places in 2017-18. The College recruited a total of 494 full time students with a further 114 enrolments (increase of 41 from 2016-17) on higher level apprenticeship programmes in applied science, IT infrastructure, mechatronics and accounting. The total full-time number of full time Higher Education enrolments decreased to 484 by 31st October 2017 as a result of students opting to take up places in local Universities during the early part of the first semester. The total part time Higher Education enrolment (FLU funded and Cost Recovery) increased by 883 enrolments from that recorded in 2016-17 as a result of the inclusion of employability qualifications for full time students, **Figure 20**. Despite this there was an increase in the total number of part time students undertaking higher education with 1,325 enrolments in 2017-18 compared to 1,186 in 2016-17 (this excludes the additionality introduced in 2017-18).

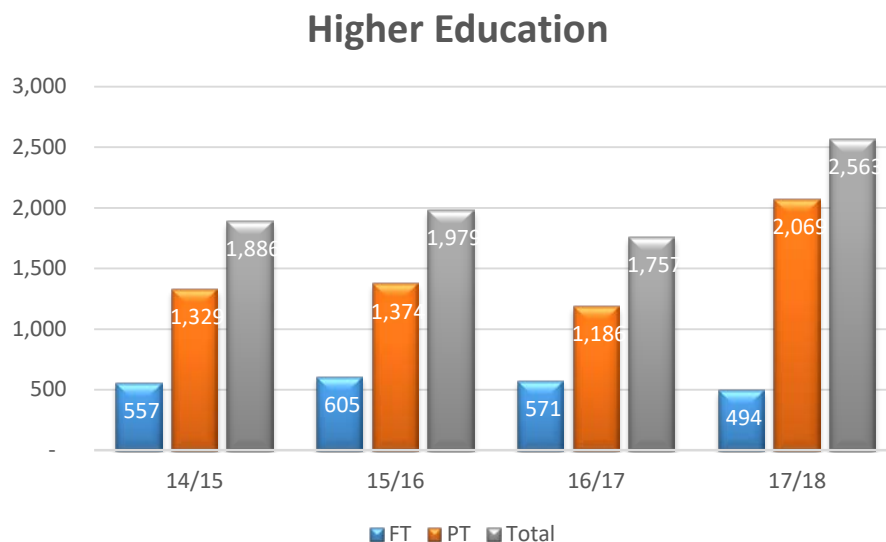


Figure 20

SKILLS TRAINING - TRAINING FOR SUCCESS AND APPRENTICESHIP TRAINING

Table 2 highlights the number of new starts for Training for Success (TfS) and Apprenticeship NI (AppNI) contracts in 2017-18. The total number of Trainees and Apprentices (new and existing) in 2017-18 was 1,108 compared to 1,183 in 2016-17. The figure in 2016-17 includes pilot programmes across the Higher Level Apprenticeships, Apprenticeships and Traineeships.

New starts	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
TfS	643	689	578	406	280	291	185	300
Traineeship pilots						66	103	-
ApprenticeshipNI	377	423	276	242	432	397	302	364
Apprenticeship pilots						46	56	-
TOTAL	1,020	1,112	854	648	712	800	646	664

Table 2

DfE approved the College to continue delivery of Training for Success and Apprenticeship NI programmes. These contracts will run initially for a two year period to July 2019 with the expectation that the new system of Youth Training and Apprenticeships will operate from this point. Within the renewed TfS and AppNI contracts from September 2017, the College has secured frameworks in a range of new subject areas in tandem with its curriculum strategy. There will continue to be a concentrated effort over the next year to develop Apprenticeships in subject areas in new areas such as financial services.

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 recognises the important role it plays in providing access to a wide range of vocational learning opportunities that would not otherwise be available to pupils in local schools.

In 2017-18 the College maintained excellent levels of engagement with 32 schools across the 4 Area Learning Communities. In spite of the success of the partnership, the number of schools engaging with the College fell by 11% from 2016-17 which led to a decrease in enrolments, Figure 21. This reduction has been contributed to by the growth of school to school collaboration, schools widening their curriculum offer and reducing budget.

The uncertainty over continued Entitlement Framework funding, the growth of school to school collaboration and a lack of commitment from some schools has led us to make strategic decisions on

‘what’, ‘where’ and ‘how’ our curriculum is delivered. Having to prioritise limited resources to support future provision has meant removing some of our curriculum offer to schools. Without the assurance of continued funding to support such collaboration, the College anticipates a continued decline in the level of engagement at both key stage 4 and post GCSE across all area learning communities.

Schools' Partnership

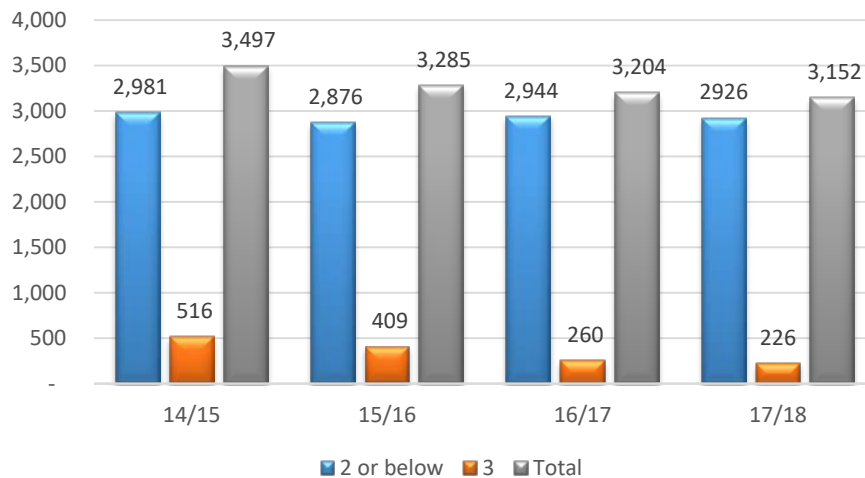


Figure 21

COMMUNITY ENGAGEMENT

The College continued to focus its community engagement during 2017-18 on areas of social deprivation and disadvantage and, in particular, on the five Neighbourhood Renewal Areas (NRA) within our region. A re-prioritisation of resources has resulted in some changes to the College’s community outreach provision, **Figure 22**. This has resulted in a refined curriculum offer including essential skills and level 2 qualifications aimed at encouraging further progression to the College’s main campuses.

Community Engagement

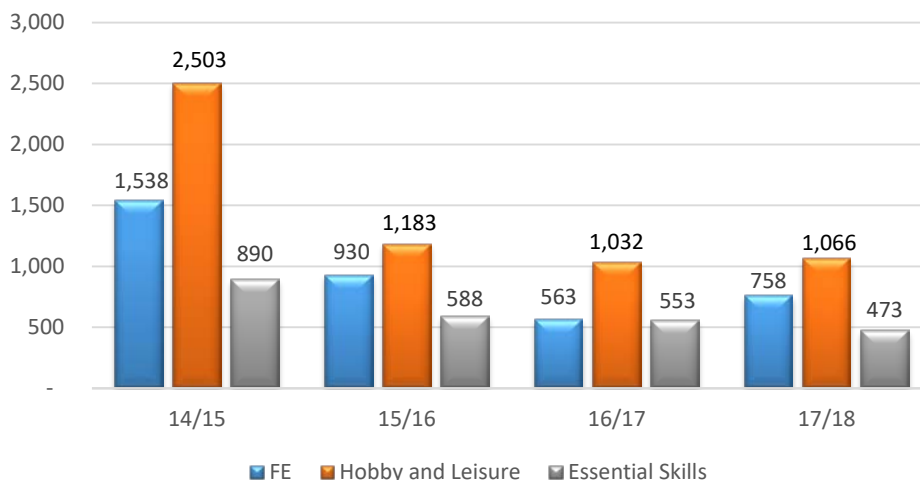


Figure 22

The College continues to be a leading player in the delivery of the regional Neighbourhood Renewal (NR) strategy and has been instrumental in the development of targeted projects to tackle social deprivation by providing innovative tailored training opportunities to meet the needs of marginalised groups and disadvantaged individuals. In 2017-18 six projects funded by the Department for Communities (DfC) were delivered to residents living within the five NRAs in Armagh, Brownlow, Lurgan, Newry and Portadown.

A total of 275 residents completed training through the Neighbourhood Renewal projects with 202 residents (74%) achieving a qualification and 34 residents (17%) obtaining employment as a direct result of their participation on the programme. In addition, 842 of our Schools' Partnership pupils living in Neighbourhood Renewal Areas (NRA) received mentoring support to help them with their studies.

While DfC projects benefit the residents of NRAs the College recognises that there is also a need to tackle social deprivation beyond NRA boundaries and implemented three additional programmes to tackle disadvantage and improve social inclusion. These programmes were the CREST programme, SRC's course bundle programme and the ASSET programme.

- **CREST:** The CREST project jointly funded by Newry, Mourne and Down District Council and the College was designed to encourage people back into further education to improve skills and enhance employability. 130 participants achieved accredited qualifications.
- **SRC's Course Bundles:** The College assisted individuals with the cost of tuition and delivered a bespoke delivery programme in essential skills ICT, First Aid, Food Hygiene, Manual Handling and Safeguarding Children. As a result of this intervention 97 participants, who would not otherwise have engaged in mainstream FE programmes, gained accredited qualifications.
- **ASSET** programme, funded by the Prince's Countryside Fund (PCF) was targeted at young farmers to provide them with the training and skills needed to help them secure their businesses for the future.
 - i. 19 participants achieved the Leadership and Management (ILM) Level 2 Certificate in Enterprise; and
 - ii. 23 participants achieved vocational qualifications specific to their own business needs.

In addition the College worked closely with Newry, Mourne and Down District Council to facilitate the delivery of the **Areas at Risk** programme. Three classes were delivered for residents of Crossmaglen and Bessbrook including Health and Safety for the Beauty Sector, Level 2 Award in Make Up and the Level 2 Award in Barista Skills.

The College has secured a further £240k for 5 new projects in the 2018-19 academic year targeted at people who are economically inactive and face social exclusion. These projects include:

- **Training and Employment Opportunities Programmes (TOPs).**
The programme consists of three strands delivered in Armagh, Craigavon and Newry:

1. mentoring to pupils from local schools engaged in the College's schools partnership programme (SPP);
2. additional targeted mentoring to young people progressing from SPP to full time Further Education and Training courses; and
3. accredited training programmes to adults.

- **Work@Sea:**

The programme consists of two strands:

1. accredited training in Essential Skills Literacy, Numeracy or IT;
2. training in the maritime industry qualification STCW 95 licence (Standards of Training, Certification and Watch Keeping). This is the compulsory basic safety training certificate required for anybody wanting to work at sea on ferries and commercial vessels.

- **GROW:**

Grow provides accredited training for NRA residents to work towards the BTEC Level 2 Certificate in Horticultural Management. Personal development and employability training will also be provided.

The College also plans to deliver a programme aimed at improving social inclusion through education and training in conjunction with Department of Agriculture, Environment and Rural Affairs (DAERA). The programme will tackle economic inactivity, unemployment, educational underachievement and social isolation in rural areas through the delivery of accredited training and industry recognised qualifications. This new DAERA programme is entitled PROSPER and will further enhance the work already carried out in rural areas.

- **PROSPER** consists of two strands:

1. mentoring support to 100 young people engaged in the SRC Schools' Partnership Programme; and
2. accredited qualifications for 63 economically inactive and low paid workers living within rural areas and other areas of deprivation.

The continued fiscal pressures and uncertainty over Neighbourhood Renewal funding post April 2019 is likely to lead the College to further reducing the level of engagement across the community at all levels.

2. STRATEGIC AIM: AN EXCELLENT LEARNING EXPERIENCE FOR ALL

To provide an excellent experience for all current and prospective learners supported through high and effective learner support services.

QUALITY AND PEDAGOGY

The College is committed to providing the highest quality learning experience for our students, using the most up-to-date teaching methods, technologies and Student Support systems. This is achieved through continuous professional development, identification of best practice solutions and through supportive interventions from the Quality Improvement Unit.

The College continues to have ‘Organisation, Learning and Growth’ at the centre of our business planning process and places significant importance in the development of our staff. The use of the Investors in People framework is a significant driver of the strategic and operational direction of Continuous Professional Development (CPD) within the College. The College successfully completed the assessment against the Sixth Generation Investors in People framework achieving the silver IIP standard together with Health and Well Being accreditation. The relevance and impact of CPD is regularly reviewed with regard to the developing needs of staff, learners, and industry partners to provide a “relevant and meaningful curriculum portfolio”. During 2017-18 staff had the opportunity to undertake professional development in a number of areas including:

- Teaching Thinking Certificate – 20 lecturers;
- Our team of 5 ‘Teaching Thinking Champions’ have been accredited to deliver the Teaching Thinking Programme;
- Postgraduate Certificate in Further Education – 12 lecturers;
- 55 staff undertook Industry visits;
- Lecturers into Industry aligned to curriculum developments including project based learning;
- International best practice study visits;
- Technology Enhanced Learning – support for 10 staff completing the e-tutoring programme, 2 completed training on “Train the Trainer “ for Turnitin software and a further 48 lecturers completed module 2 of the Postgraduate Certificate in Digital Learning;
- 770 staff completed a range of development opportunities covering suicide awareness and prevention, autism awareness and safeguarding training.

The College’s curriculum strategy sets out an ambitious programme of work that aims to position the college to be able to respond to the findings of the skills barometer and the new system of learning for traineeships and apprenticeships. The College’s employee development programme will continue to be informed by the changing pedagogic and curriculum development priorities.

Staff involved in the delivery of the higher apprenticeship in Applied Industrial Science have spearheaded the development of a blended learning solution. This blended learning model aims to provide learners with a more flexible and responsive mode of learning making use of technology including synchronous and asynchronous fora and virtual classrooms. The College introduced blended learning solutions across a number of other higher level courses in Mechatronics, Computing, and Accounting and Health & Social Care. The College continues to build its digital capability based on the experience of HLA blended development and has staff engaged in a number of accredited technology based courses.

As part of the College's commitment to widening participation, the College's curriculum and student service teams further embedded elements of the Inclusive Curriculum Strategy to meet the diverse needs of those learners who experience barriers to learning.

As part of the College's Higher Education Widening Access Participation Plan, student bursaries were awarded to full time students from care backgrounds and low income families.

The College continues to be innovative and proactive in seeking the views of students. The QDP online survey was used to seek the views of 12,483 part time and full time students across all areas of the student life cycle including induction, teaching and learning, pastoral care and student services. The College had a 74% participation rate which was one of the highest of 92 Colleges (499,930 learners) participating in the survey across the United Kingdom. Responses from students include:

- Higher Education - 96% agree that "Tutors encourage high standards of work"
- Further Education - 90% agree that "Lecturers use a variety of teaching and learning methods"
- Work based training - 95% agree that " Teaching on my course is good"

Second year Higher Education Students participated in the National Student Survey. SRC achieved an overall student satisfaction rating of 87%, the highest rating of all NI FE Colleges, joint top in NI with Stranmillis University College and Ulster University and 4% above the overall UK satisfaction rating of 83%.

During 2017-18 the College further embedded the Project Based Learning (PBL) initiative across a number of full-time further education courses as part of a three year plan. Project based learning is defined as "a teaching method in which students gain knowledge and skills by working for an extended period of time to investigate and respond to a complex business related problem, project or challenge". During the period 2015-18 PBL materials were developed for Level 3 programmes in the follow areas; Computing, Engineering, Multimedia, Media, Sport Studies, Science, Art and Design and Business and Finance. The College has invested in the development of a dedicated PBL space in the West Campus in Newry and this initiative will be used to test and trial a number of PBL delivery strategies in advance of the development of our build projects. As a result of these initiatives PBL has now embedded status across large areas of the curriculum.

During 2017-18, College processes were subject to a number of surveys, reviews and scrutiny inspections carried out by external bodies including the Education and Training Inspectorate (ETI), DfE FAST audit team, DfE evaluation of the Traineeship and Apprenticeship pilot programmes. The outcomes reflect the College's culture of innovation in teaching and learning excellence driven by high expectations across the six academic schools, support services and programme management.

In January 2018, the Education and Training Inspectorate (ETI) carried out an evaluation of the Training for Success (2017) programme 'including a review of the effectiveness of self-evaluation and quality improvement planning within Southern Regional College. The outcome of this scrutiny inspection was that ETI continued to have a 'high degree of confidence in Southern Regional College's self-evaluation and quality improvement planning processes'. In February 2018 the College was subject to review of its Higher Level Apprenticeship provision with DfE identifying fifteen areas of good practice. The College was commended for the positive impact in addressing local and regional employer needs.

The College's Higher Education provision received a Quality Review Visit in April 2018 from the Quality Assurance Agency (QAA). This extensive independent audit placed "Confidence that academic standards are reliable, meet UK requirements, and are reasonably comparable with standards set and achieved in other providers in the UK and Confidence that the quality of the student academic experience meets baseline regulatory requirements". Significantly the College was adjudged to have no areas for development.

STUDENT SERVICES

CARE GUIDANCE AND SUPPORT

Arrangements for the care, guidance and support of learners, including the provision for pastoral care and additional learning support was graded as 'outstanding' following the ETI Survey inspection carried out in 2014. This standard was also reported after the ETI Scrutiny Inspection in March 2016. The inspection process highlighted the comprehensive safeguarding arrangements which are in place within the College.

In October 2017 the College was delighted to obtain the full Matrix Award for Student Services and Marketing, the first College of Further Education in Northern Ireland to achieve this award. Assessed under four elements, Leadership & Management; Resources; Service Delivery and Continuous Quality Improvement, SRC received the full recognition of the Matrix Quality standard thanks to the information, advice and guidance (IAG) that the College provides to its students.

The Personal Tutorial system remains a key tool in the provision of pastoral care to learners. This includes target setting and monitoring of progress against agreed learner plans as well as signposting and directing learners to the wider range of student services within the College.

Southern Regional College has been accredited with the Louder than Words best practice Charter in April 2018 which endorses the College's support and commitment towards deaf and hard of hearing people.

CAREERS EDUCATION INFORMATION, ADVICE AND GUIDANCE

The Careers team support learners through a range of activities such as Induction, Central Registration, Higher Education applications (UCAS & CAO), Pre-Entry Advice and Guidance (PEAS) interviews and HE presentations. These activities enable students to develop their knowledge, understanding, skills and experience of the extensive range of career opportunities. It allows students to manage their career development, making informed choices, with successful transition into education, training and employment. The SRC Careers Service now uses Facebook to promote the service and improve communication with clients. This facility has been useful in advertising local employment opportunities to students. Intuition Careers, a careers advice and tracking tool is fully operational, recording all career interactions and enabling follow-up support to be provided to clients. New materials focusing on employability have been developed and have been accessible to students on the 'Careers' Section of Moodle since September 2017.

The Careers team, through effective working arrangements with Curriculum teams and other Student Service Departments, provide timely and quality advice to service users, through guiding them in choosing the best option suitable to their aspirations and individual needs. The team work closely with a range of external stakeholders to ensure a high quality information, advice and guidance provision from pre-entry to exiting the College. This intervention is provided at crucial times of the academic year including at Pre Enrolment and Advice Sessions (PEAS) and on exam results days.

Through engagement with a range of external stakeholders, including the Department for Communities, the Careers Service has been able to assist students moving into supported employment including the Work First Programme. Students have also been supported in transferring to supported programmes which catered for students' individual abilities. This work assisted students in overcoming barriers to progression and transition.

During the first term of the 2017-18 academic year, the Careers Team has tracked the destination of full-time and part-time Level 3 and Higher Education level learners who left Southern Regional College in June 2017. Findings indicating a range of leaver destinations, including progression into employment or additional learning. In total 1,634 students were contacted with a response rate of 1,581 students (96.7%).

- 47.5% of FE students completing Level 3 courses progressed to Higher Education.
- 33.3% of FE students completing Level 3 courses entered full or part time employment.
- 37.8% of students completing a HE course progressed to further HE study.
- 59.3% of students completing a HE course entered full or part time employment.

The top three subject choices for students progressing to Higher Education were:

1. Nursing;
2. Foundation Degree in Computing at SRC;
3. Psychology.

The most popular destinations for students progressing to higher education were SRC, 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 by providing a quality service that meets the information needs of staff and students, whether these are print-based, electronic or audio-visual. Services include:

- Learning resources in Moodle;
- 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 and international links with strategic information resources which facilitate research and learning techniques. The use of e-books continues to evolve with the College again ranked highly as one of the top users of e-books in the Further and Higher Education Sector in the United Kingdom.

The continued development of electronic resources, particularly e-books and the purchase of additional online database enhances embedded learning and contributes to the college's ILT strategy commitment of providing co-ordinated management of Learning Resources. The LRCs continue to extend the provision of e-resources available to service users. New resources include the EBSCO collection for Further Education which contains over 4,000 e-book resources available over a wide range of subject areas to include; Computers, Cooking, Education, Games, Law, Performing Arts, Religion, and Social Science. Additional resources made available through the Learning Resources to support teaching and learning during this academic year include:

- 30 new kindles are available for use with functions for visually impaired individuals and for those with loss of hearing.
- Over 950 additional e-books are now available to LRC users through JSTOR Open Access Platform.
- Curriculum mapped Health & Social Care digital resources available on Moodle.

3,743 students completed Central Registration throughout all sites which included LRC Induction. This year the LRC team trialled the introduction of lanyards and cardholders which were issued to students during Central Registration along with their Student ID card. The Heritage Library Management system has also been upgraded which enabled the provision of more accurate reports.

STUDENT ACTIVITIES

Throughout 2017-18 the Student Activities team continued to meet the needs of all students, delivering 304 activities with 12,315 students engaging in a wide and varied activities programme. The Student Activities Co-ordinator has contributed significantly to the success of this area by continuing to engage with external stakeholders such as the Policing and Community Safety Partnership, the Southern Health and Social Care Trust, Education Authority Youth Service and community groups to share expertise and

resources as well as securing funding for a number of student events. Partnerships with the new ABC Council have been strengthened through engagement in enterprise and employability initiatives.

The Student Union held its first annual SRC Students' Union (SRCSU) AGM. This resulted in constitution updates and the development of a new SRCSU development plan for 2018-2020. The Student Activities team has supported a range of marketing and communications activities across the college to promote the Students' Union and the work of the elected officers. This has included a new branding of the Student Union and the launch and maintenance of the SRCSU Facebook page.

Student Activities has had an input to the College's Health & Wellbeing Strategy and Action Plan. The Student Activities Co-ordinator has prioritised the theme of Mental Health throughout the programme and provided enhanced support for students through the delivery of activities with the team of graduate interns. This has included seminars, tutorials, one-off awareness days and campaigns. The Student Activities Team has supported the launch of the Health and Wellbeing HUB.

Student Activities has enhanced and adapted existing seminars to meet student needs. It was identified that there was a need to support students in their preparation for university life including budgeting skills, dealing with loneliness and what to expect in university. This has been achieved by running a series of programmes throughout 2017-18 that have targeted level 3 and HE groups including:

- Consumer Council workshops
- Action Mental Health seminars 'building resilience'.
- Exam Stress workshops focusing on developing study habits, time management skills and self-management.
- Gimmie 5 Mental Health Activities

The Tutorial programme has continued to be delivered in student tutorial sessions, developing greater awareness with students on health and wellbeing issues and signposting them to appropriate support.

The College Graduate Intern programme provides an excellent signposting service for students with the interns working under the direction of the Student Activities Co-ordinator to provide a range of activities which support students' personal development, health and wellbeing and provide a sense of belonging to the wider student community.

LEARNING SUPPORT

The Learning Support team consists of 70 Learning Support Assistants and Mentors and provides a wide range of support interventions to students with learning difficulties and/or disabilities. During the 2017-18 academic year the total number of 2,376 mainstream and discrete further education students receiving support, this represents a 15% increase from the 2016-17 year. Learning Support also provided additional support for 19 HE students and exam support for 473 students. The College received £683,081 from the Department for the Economy's Additional Support Fund (21% of the overall FE Sector allocation) to provide support to registered students.

As part of a pilot in Killylea and Lisanally campus, Learning Support trialled an exams reading pen (CPen) for a number of students. Learning Support Assistants and mentors were trained to support students using the reading pen as well as a range of other assistive technologies and this programme will be used to inform future deployment of this assistive technology.

Learning Support has worked in collaboration with Estates, Marketing, Student Services and Human Resources and Development (HRD) to retain the Louder than Words best practice Charter which endorses the College's support and commitment towards deaf and hard of hearing people.

The Learning Support team continued to work on the development of services such as:

- The development and implementation of the Health and Wellbeing HUB. As part of this initiative an onsite counsellor was employed in Newry, Lisanally and Killylea Road campuses. In 2017-18, a total of 54 students received 1:1 counselling support across all campuses;
- Health and Wellbeing awareness training to Curriculum staff with a focus on a drugs awareness;
- The development of a learning support portal allowing students to refer directly to learning support as part of their online course application;
- Learning Support has worked in collaboration with Senior Curriculum Manager to introduce a complex needs pre-enrolment assessment which enables relevant staff in SRC to risk assess relevant applicants prior to enrolment;
- Learning Support worked with HRD to revise the Safeguarding Policy, this was published on Moodle and made available to all staff. 3 new members of staff joined the Safeguarding team in 2017-18 which has added to the expertise and scope of the service. Members of the Safeguarding team attended the Inspire Student Wellbeing Conference in March 2018, the aim of this event was to provide support and guidance to staff who provide additional support to students;
- Learning Support worked with Marketing to produce a section of the HE website where students could access specific guidance on how to access additional learning support for a HE programme.

The team continue to work in collaboration with many internal and external staff in a student centred approach to support the holistic needs of the students.

MARKETING, COMMUNICATIONS AND STUDENT RECRUITMENT

During 2017-18, the Marketing, Communications and Student Recruitment team (MCR) launched a revised brand and identity mark for the College. The team worked with all college sections to promote the new brand with staff, students and external stakeholders. The implementation plan will continue over the next academic year. A new Marketing Toolkit was developed for staff use which included a complete redesign of all marketing materials.

The team undertook a review of the course information published on the college website and prospectus for prospective students. This included a review of the SRC Newspaper in order to assess suitability and effectiveness of using this media for promoting college courses. This resulted in a

number of recommendations on design layout and distribution of the publication. The team also introduced a new Course Information Portal to improve the flow of accurate course information from the six schools.

As part of the College's Digital Marketing Strategy two new social media channels (Instagram & Snapchat) were adopted to further raise the College's profile with current and potential students. The team successfully increased the reach on social media with (to date) 47,793 followers on Facebook, 2,937 followers on Twitter, 1,302 followers on LinkedIn and 335 followers on Instagram. The College was adjudged by Edurank to have the most significant social media presence of all regional colleges in Northern Ireland.

The MCR engaged with an external PR agency to develop a Communications Strategy in support of the College's Estates Strategy. This strategy has focused on promoting the College's new build projects across the region and to strengthen relationships with a number of external stakeholders.

A number of high profile events were hosted throughout the year. These included the Higher Education Graduation, Schools' Partnership Programme awards, Student Recognition awards, College Open Days and Big Apprenticeship Events, along with numerous other celebratory events to mark the achievements of students and staff. The team promoted the College's curriculum offer at 92 events over the course of the year including schools careers talks, careers conventions and at various information days.

The MCR team continue to provide graphic design support for promotion of the College and its courses to academic schools and other functional areas within the College. The team also filmed, produced and edited 51 videos for promotional purposes which were used across a range of platforms.

CAMPUS SERVICES

The Campus Services team continued to develop and streamline a number of key business processes including Admissions and Enrolment. An admissions/enrolment review was conducted in September 2017 leading to a number of service improvements and enhanced digital processes, including:

- Realignment of Pre Enrolment Advice Sessions (PEAS);
- Enhancements were made to the online application and PEAS portal to facilitate the implementation of a paperless admissions system for entry in 2018;
- The provision of training to the Curriculum Management Team (CMT), Campus Services (CS), Training for Success (TfS) and lecturing staff on revised admissions policy and processes between March and June 2018;
- A call centre was re-established in August 2017 following a successful trial of the Centre the previous year. The call centre operated for an 8 week period during August and September 2017 to further improve our responsiveness to student course enquiries;
- Further development of EMA portal to automate student absence reporting;

- A new online bus pass application process was introduced in September 2017 in collaboration with the Education Authority resulting in a more efficient application and approval process;
- The Campus Services team made further improvements to the Student Finance provision by conducting student finance talks across all campuses with all level 3 final year students progressing to Higher Education;
- Promotion of the new tuition fee loan arrangements for part time HE students;
- Improvements to the new Course Enquiry portal.

WIDENING PARTICIPATION

As part of the College's 2017-18 Widening Access Participation Plan, two outreach events were held in the Newry and Portadown campuses in June 2018. RISE (Retention, Inclusion, Support and Empowerment) Strand 1 is an outreach project which focuses on introducing/reinforcing the concept of higher education to post primary pupils in schools from areas of under-representation in higher education.

60 Year 10 pupils from Newry High School, St Joseph's High School Newry, Lismore Comprehensive Craigavon, Brownlow Integrated and St Ronan's College participated in a range of interactive taster sessions and received information regarding opportunities for future study at the College.

INFORMATION LEARNING TECHNOLOGY

The College has continued to develop its use of the Moodle hosted Virtual Learning Environment (VLE) to provide further capabilities and technical enhancements for users.

During the year, there was a focus on developing knowledge and skills and a using a comprehensive ILT pedagogic framework progressed in partnership with Ulster University. This development programme is now well embedded and is currently being used to support the development of Foundation Degrees and Higher Level Apprenticeship blended delivery models. The College is currently exploring further suitable qualifications at level 5 to support lecturers in building digital capability.

The College has been involved in the System Technology Services (STS) collaborative project which will provide a new Learner Management System to the Sector. This project has progressed and the procurement of the system has been completed with a service provider appointed. Workstreams have commenced to prepare the College for implementation of a shared infrastructure hosted by IT Assist and the piloting of the admissions module.

During 2017-18 the College has committed additional resources to the migration of a number of services (Microsoft Office and SharePoint 2013) to a cloud environment through the implementation of the Microsoft Office 365 solution. A number of pilot sites have been developed and prepared for launch at the start of the new academic year. Microsoft Lync has been upgraded to Skype for Business and remains a key tool in supporting internal and external communications.

In addition, mobile device access has been significantly enhanced by the implementation of further Wi-Fi coverage and the JISC Eduroam service across all campuses. The decant operation in Killylea Road, Armagh, has been used to test and pilot a number of ILT design features including use of Wi-Fi for primary connectivity to College networks and mobile interactive screens. The pilot of Interactive panels will inform the future ILT plans for new College Campus buildings in Banbridge, Armagh and Craigavon.

The ratio of networked PC's to student/staff was maintained through continued investment in ILT technology:

- PC: Learner FTE ratio of 1:4 across all campuses; and
- PC: Lecturer FTE ratio of 1:1 across all campuses.

3. STRATEGIC AIM: FLEXIBLE BUSINESS SOLUTIONS THAT IMPROVE COMPETITIVENESS AND PRODUCTIVITY

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

BUSINESS ENGAGEMENT

The Business Support and Innovation Centre (formerly known as i3) is the main contributor to the College's Employer Engagement Strategy. The Centre at SRC aims to help companies of all sizes to innovate, compete and grow through the provision of a unique mix of technical and business know-how; skills development; and research and development services. One of the Centre's key objectives is to increase Employer-College engagement to underpin, develop and strengthen innovative and flexible approaches to meeting current and future skills needs. The Business Support Staff work with companies from across Northern Ireland, particularly in the southern region, as well as servicing business clients in the Republic of Ireland. The Business Support and Innovation Centre has contributed to the strengthening of the College's position as a primary provider of business support and knowledge transfer activity to local and regional business and industry.

KNOWLEDGE TRANSFER ACTIVITY

During 2017-18 the Business Support and Innovation Centre continued to secure and deliver a range of knowledge transfer programmes with employers in Northern Ireland and the Republic of Ireland.

The key programmes delivered during 2017-18 include:

- **IntertradeIreland's Fusion Programme & Knowledge Transfer Partnerships:** The College's engagement with IntertradeIreland's FUSION programme continued in 2017-18. Eight Fusion

projects were secured during the year. Consistent with the previous year, the majority of the projects focused on Food Technology, Engineering and IT specialisms with these subject areas mirroring the staff specialism that exists with the Team presently. Companies included Norside Engineering in Kilkenny, Aphix Software in Drogheda and Retail Integration in Dublin.

- **Innovation Voucher Scheme:** Eighteen companies were supported via Innovation Vouchers during the 2017-18 year. The Voucher Scheme allows Companies to tap into expertise available across the College to bring new knowledge to help their businesses innovate, develop and grow. Companies that were supported included 'Oh So Lean', 'Cloud 9', '2020 Architects', 'PlantMec', 'Dagda Apps.', and 'Thermahood'.
- **InnovateUs:** 76 new projects were secured through the Department for the Economy's sponsored programme. The programme has served as an introductory engagement programme for many Clients who are new to the knowledge transfer services of the College. The majority of delivery was with micro businesses. The scheme allowed local businesses to engage with innovation activities in project service areas such as, 'Engineering', 'IT', 'Software' and 'Product Development', 'Food Technology' and 'Tourism and Emerging Technologies'. Clients supported under this programme included: 'Rolltac', 'McGirr Engineering', 'Gourmet Kitchen', 'Netronics', 'AppleMedia', 'IQ Inovations', 'Brack Tours', 'HFS Engineering', 'Killowen Distillery', 'Bethleen', 'HFS Engineering', 'Early Days Foods', and 'Mamo Contracts'.

TRAINING AND UPSKILLING PROGRAMMES

In 2017-18, the Business Support Team continued to coordinate the DfE's flagship upskilling programme for employers 'Skills Focus'. This funding mechanism enabled engagement with business clients who would not otherwise be in a position to avail of the skills development programmes at the College.

Some examples of training provision to industry in 2017-18 include:

- **Skills Focus:** 56 training projects were delivered in 2017-18. Companies receiving support under this programme included 'Shelbourne Motors', 'The Galley', 'The Bridge Bar', 'Romtech', 'Apache Pizza', 'McGees', 'Around Noon', 'Peninsula Care', and 'Ann's Homecare'. Examples of accredited provision delivered through this programme in 2017-18 included: 'Level 2 Award in Customer Service', 'Level 2 Food Safety', 'Level 3 Principles of Manual Handling', 'Level 3 IOSH', 'Level 4 Building Modelling Using Revit', 'Video Production', and 'Level 3 Electrical Installations'.
- **Full Cost Recovery:** The Business Support Team secured 78 full cost recovery training contracts. Clients included, 'The PSNI', 'Shelbourne Motors', 'Kilmorney Arms', 'Mindwise', 'Hyster Yale', 'Sunnymeade', 'Point Building Supplies', 'Teleperformance', and 'Translink'. The main areas of training delivered were similar to the previous year and included Health and Safety compliance, Microsoft Office as well as construction and engineering related skills development.
- **Apprenticeships:** The Business Support Team continued to work with employers to secure new apprenticeships as well as working internally to develop new programmes in response to employer feedback. Work on Higher Level Apprenticeships continued with an increase from the previous year's enrolments to 80 new entrants and 74 existing apprentices undertaking HLA programmes in 2017-18.

- **Council Engagement:** The Business Support and Innovation Centre secured a number of delivery contracts with the two local Councils including;
- **Digital Transformation Programme** – Armagh City, Banbridge and Craigavon Borough Council (ABC). The Digital Transformation Programme was launched in June 2018. The programme is funded by ABC Council. Approximately 100 local SMEs are receiving innovation business support via the programme which is being delivered by specialists from 42 Digital and Southern Regional College. The programme consists of twelve workshops, four networking events and covers two main events, namely digital marketing and digital innovation.
- **Digital NMD** – Newry Mourne and Down District Council (NMDDC). The College together with South Eastern Regional College (SERC) are engaged in the delivery of Digital NMD. The programme was launched in March 2018 and is helping to equip local SMEs with the confidence, skills and tools to benefit from the rapid growth of digital and emerging technologies. The college is delivering new technologies such as Augmented Reality (AR), Virtual Reality (VR), Internet of Things (IOT), Immersive Video Content, 3D Printing, and Big Data to local SME's under the programme.

EXTERNAL ENGAGEMENTS

During the 2017-18 academic year, the Business Support Team organised and hosted a number of information and networking events to help raise awareness of the services on offer at SRC. Some examples are detailed below:

- Big Apprenticeship Events held in Newry and Portadown Campuses;
- Digital Newry Mourne and Down Programme launch, in partnership with NMDDC and SERC;
- Civil Engineering Apprenticeship Event, Portadown Campus;
- Women in Business Networking Event, Newry Campus;
- NI Chamber Networking Event, Newry;
- R&D Tax Credits Workshop, Banbridge Campus;
- Digital NMDDC – Internet of Things Workshop, Greenshoots Newry; and
- Newry Chamber Networking Lunch with Chinese Consul General, Newry.

The Business Support Team also attended a number of networking events to raise the profile of the Centre. Business Support Staff were asked to present/exhibit at a number of events. Some examples are detailed below:

- ABBC Growth Driver Programme Innovation Funding & Tax Incentives Event, Craigavon Civic and Conference Centre;
- Ready Steady Innovate Event, Newry Business Improvement District, Newry;

SOUTHERN REGIONAL COLLEGE
 STRATEGIC REPORT (Continued)
 FOR THE YEAR ENDED 31 JULY 2018

- Women In Business Conference, Belfast;
- Mourne Entrepreneurs Business Event, Kilkeel;
- Navigating Brexit Event, Dundalk;
- Getting to Know Northern Ireland Chamber' Event, Belfast;
- Cross Border Tourism Conference, Carlingford;
- NI Management & Leadership Summit 2018, Belfast;
- Armagh Jobs Fair 28th Sept 2017 (Armagh City Hotel);
- Skills NI Show - Titanic Exhibition Centre;
- Harvesting Tomorrows Skills Workshop;
- Science and Stormont 2017 ;
- SMARTNI - Armagh City Hotel;
- Europa Hotel Job Fair ;
- St Patricks Grammar School Pathways Event;
- St Patricks College Dungannon - Apprenticeship Options for Students;
- Emerson Cookstown Open Evening;
- Belfast City Hall - DfE Business Breakfast; and
- Antrim and Newtownabbey Careers Fair.

The team also continued to build and maintain strong links with relevant agencies and stakeholders throughout the year including: 'Invest NI', 'InterTradeIreland', 'local Councils', 'Enterprise Agencies', 'DfE Employer Skills Branch', 'local Chambers of Commerce', 'Queen's University', 'Ulster University', 'Camden BRI', 'ABC Agri-Food Forum', 'Royal Society of Ulster Architects (RSUA)', 'CITB', 'Mourne Entrepreneurs' and 'Women in Business'. The College also became a corporate member of the NI Chamber of Commerce and Industry.

Business Support- Engagement 2010-17								
	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
No. companies engaged	672	645	927	580	523	513	579	640
Full cost recovery income	£188k	£186k	£215k	£182k	£118k	£54k	£103k	£122k
Other income	£2,543k	£1,278k	£720k*	£884k*	£900k*	£810k*	£843k*	£962k*

Table 3 * excluding Apprenticeship and associated income

4. STRATEGIC AIM: COMMITTED PEOPLE AND ORGANISATION

To be a high performing College with a highly skilled and well motivated staff and effective management and organisation structures to support the achievement of the College's strategic aims.

Over the course of the year, the College continued to support staff through a range of continuous professional development (CPD) activities. An annual Employee Development Plan, informed from a variety of sources including, staff appraisal, school reviews and the self-evaluation process was approved by the Staffing Committee. A series of mandatory and optional development activities were planned for the designated Employee Development days set out in the academic calendar. The College continued to promote the use of its portfolio of on-line employee development courses which provide a flexible and innovative form of learning for all staff.

The College also supported individual requests for professional development including supporting staff through teacher training (PGCEFE), professional and higher level course as well as job related training. This included the first tranche of lecturing staff successfully completing the newly established Post Graduate Certificate in Digital Learning. The College also provides 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. Other activities included:

- The introduction of accredited Teaching Thinking Champions and the delivery of Teaching Thinking Certificate training to 20 lecturers and part-time lecturers; 89 staff undertook teaching and learning activities such as assessor and verifier training; 181 staff attended curriculum management team workshops including risk management and preparation for ETI inspections and WCQIP;
- Delivery of a range of training courses and programmes including ICT/ILT, blended learning and digital workshops, to 220 staff;
- 80 staff undertook project based learning training and business process mapping;
- Academic staff were upskilled and received a range of development opportunities within various disciplines, for example, Media Makeup; Sound and Animation training and attended competitions and Worldskills events;
- 362 staff attended training sessions on various health & safety activities including first aid training, epilepsy training and soft landings induction training at our temporary Killylea campus.

Following the reaccreditation process for the new Investors in People (IIP) standard in May 2018, the College has been successful in meeting and exceeding the requirements of the IIP standard, being recognised at Silver-level. This is a significant accomplishment and coupled with an award for Health and Wellbeing acknowledges the commitment of the College to become an employer of choice.

The Human Resources and Development department continues to support the wider staff complement in managing and supporting staff in accordance with the College's staff absence management policy. The staff attendance rate for 2017-18 was 96.8% against a target of 96.0%.

5. STRATEGIC AIM: EFFECTIVE GOVERNANCE AND STRATEGIC MANAGEMENT

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

During 2017-18 the Executive Team led by the Chief Executive monitored and reviewed financial performance on an ongoing basis through detailed monthly operational reports and adjusted the operating strategy and budget as required throughout the academic year. The Finance and General Purposes Committee 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 Senior Management Team (SMT) in conjunction with curriculum managers monitored performance through an agreed set of Key Performance Indicators (KPIs) including student recruitment, retention and achievement targets as well as delegated budgets. Practical support and advice was 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 into existing management structures. 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 Committee meeting.

6. STRATEGIC AIM: MODERN FIT FOR PURPOSE COLLEGE ESTATE

To provide a modern fit for purpose College stated for the southern region

The Southern Regional College continues to progress the implementation of its estates strategy which remains a key priority. A significant element of the estates strategy is set out in the approved business case for the delivery of three new build projects in Armagh, Banbridge and Craigavon.

During the course of 2017-18 the Estates Project Board and the Capital Projects Steering Group met on a regular basis to provide governance with significant progress being made in the delivery of the projects including:

- Successful tender process for the Armagh Campus project with the appointment of Felix O'Hare Ltd in November 2017;
- Issue of Construction Notice and Sectional completion at the Armagh Campus project with construction making significant progress;

- Confirmation of funding approval for Banbridge project issued at the end of March 2018;
- Banbridge tender process commenced with Invitation to Tender documents issued in June 2018;
- Successful submission of the Craigavon planning application following extensive community consultation and stakeholder engagement. Further work completed following feedback from statutory consultees post submission with planning addendum due to be submitted imminently;
- Successful decant to Killylea road campus which has been operating for the 2017-18 academic year with positive feedback obtained;
- The Armagh Campus project has received numerous awards including the Northern Ireland and UK Government Opportunity (GO) award for Procurement Innovation / Initiative of the year and NEC Client of the Year 2018.

The College's programme of refurbishment and enhancements across existing campuses was scaled back in comparison to previous years and was largely restricted to sites that are not identified within the outline business case for new build projects. This included the completion of the refurbishment of the Graduate Restaurant facility at the Newry East Campus.

The College submitted a business case to the Department for the Economy to progress the second phase of the estates strategy that aims to consolidate the number of campus buildings used in Newry City.

7. STRATEGIC AIM: 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 strategy is to ensure that all students benefit from exciting learning experiences that will not only enable them to achieve relevant professional and technical qualifications but also avail of opportunities to grow personally and socially. .

The College is committed to international engagement and the External Funding and International Affairs Team (EFIAT) 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.

During 2017-18 the EFIAT facilitated 162 students and 43 staff to avail of mobility placements to Spain, Germany, Switzerland, Finland, Italy and Malta and signed 8 new Memorandums of Understanding with international partners. In addition, the College hosted 29 students and staff from across Europe:

- 10 students and 6 staff from Germany;
- 4 students and 1 staff from Finland;
- 4 staff from Spain;
- 1 staff from Latvia;
- 1 staff from Italy;
- 1 staff from Republic of Ireland;
- 1 staff from Sweden.

The College continues to be the largest provider of VET Erasmus mobility placements in the further education sector and is one of only six colleges across the UK to hold the prestigious VET Mobility Charter. The College is regarded by the National Agency as one of the leading colleges in international engagement for VET within the UK.

In 2017-18 Southern Regional College, as lead partner, commenced a two-year KA2 project entitled "Learning for Living Together". Working with international partners in the Republic of Ireland, Latvia, Italy and Sweden, with a value of €262,495 the project will develop an on-line equality and diversity programme supporting migrant, refugee and asylum seeker communities.

EFIAT secured EU funding of €279,275 under Erasmus+ VET which will enable a further 103 FE students and 24 staff to undertake mobility placements across Europe in the 2018-19 academic year. The team also secured €21,755 under the Erasmus+ programme for higher education to enable 15 staff to participate in HE staff mobilities in activities that help attune curricula to labour market needs and to take part in European and international cooperation for the exchange of good practice.

During 2017-18 the EFIAT completed the ICM (International Credit Mobility) project in conjunction with Messiah College, Pennsylvania. This has resulted in 8 staff mobilities and 2 student mobilities enabling 2 Foundation Degree students to undertake a 3 month study period in the USA. Southern Regional College is the first college in Northern Ireland to send higher education students on mobility placements outside of EU through the ICM Erasmus+ programme.

A new KA2 strategic partnership project on Active Citizenship with a value of €272,870 was approved in May 2017 to be delivered in 2017-19 subject to future funding being secured by the National Agency.

In July 2018 a new two year KA2 project worth €186,000 entitled CyVET Security (vocational education resources to develop cybersecurity skills) was approved. HETEL in Spain will be the lead partner working with four other partners:

- Southern Regional College;
- New College, Lanarkshire, Scotland;
- BCS Koolitus (IT training and consulting company), Estonia;
- Vantaa College, Helsinki.

FINANCIAL OBJECTIVES

The primary College financial objectives flow from the overarching strategic aim of effective governance and financial management which states our intention to strengthen governance and financial management, maximise funding and ensure the deployment of financial resources in the most efficient and effective way to support the College's strategic direction. In addition the strategic aim to provide a modern fit for purpose estate has its primary focus on the delivery of the three new build campuses and represents another important financial objective. The more detailed financial objectives are articulated in the College Development Plan and the Balanced Scorecards used at College, Directorate and operational levels.

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

- To maximise funding and income generation opportunities and to ensure the efficient and effective deployment of resources;
- To ensure that an effective system of risk management, governance and financial control operates at all levels within the college; and
- To progress towards the provision of a modern fit for purpose estate.

The financial objectives are concerned with ensuring the College continues to be financially viable and sustainable and that it operates high standards of corporate governance in the conduct of its business. The financial climate remains challenging across the public sector with continued constraints on funding. The College financial plan for 2018-19 has been developed taking account of the current situation regarding funding allocations with the aim of supporting delivery of the College's strategic aims as well as a wide range of more detailed objectives that have been developed around a number of themes, including curriculum planning, economic engagement, community engagement, school partnership, additional learning needs, information and learning technology and a range of corporate support functions.

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 new build projects.

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

FINANCIAL POSITION

FINANCIAL RESULTS

The Southern Regional College financial statements have been prepared in line with the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education 2015 and in accordance with Financial Reporting Standards (FRS102).

The financial position for the year ended 31 July 2018 showed an operating deficit for the year of £3.09m compared to the deficit for 2016-17 of £6.32m.

Overall income decreased on the previous year by £0.90m with expenditure in 2017-18 decreased by £0.13m. Although the 2016-17 overall financial position included the amount associated with the Voluntary Exit Scheme in 2016-17, these are excluded from the income and expenditure figures and are accounted for as an exceptional item. The staff leaving under the 2016-17 scheme left the College during 2017-18, the income and associated costs were included in the 2016-17 exceptional items. The College did not have a Voluntary Exit Scheme in 2017-18. The College in agreement with the Department made a repayment of £4.00m in 2016-17 as part of a managed process to reduce the College's cash balance, this has been accounted for as an exceptional item.

Indices, provided by Land and Property Services, were applied to the College's Land and Buildings to provide valuations at 31 July 2018. This resulted in an increase in value for the estate of £1.92m. As a consequence of the new build project progressing the property at Banbridge have been impaired to reflect the remaining life, this impairment reduced the value of this buildings by £1.48m. The total net book value of Land and Buildings, excluding assets under construction at 31 July 2018 was £41.21m, with assets under construction totalling £8.23m.

The College has significant reliance on the Department for the Economy (DfE) as its principal funding source, largely from recurrent grants. In 2017-18 67.5% of the College's total income was provided through allocated recurrent grant.

RESERVES

Reserves are managed in accordance with the management statement and financial memorandum and taking account of new arrangements introduced by the Department following reclassification 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, with the agreement of the Department, has committed £8m of reserves to the delivery of the new build estates projects. In this regard College reserves will form a crucial element of the funding stream that will enable the delivery of the estates strategy and help contribute towards the level of investment that is required in the Southern Regional College infrastructure. In 2016-17 an amount of £4.0m was repaid to the Department to maintain cash balances at an agreed level.

The College has total net assets of £53.66m and cash and cash equivalents, and short term deposits of £7.73m as at 31 July 2018. The College is holding a higher than normal level of reserves but this is committed to supporting investment in the estates projects, the capital expenditure of £7.72m in 2017-18 was funded from reserves.

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.

The Further Education (NI) Order 1997 gives the College power to invest surplus funds. The College has effective controls in place to manage cash flow and investments. In particular at this time the College continues to monitor developments in the banking and financial sectors. The College has a treasury policy in place, which is followed by College management and the Governing Body when investing surplus funds and managing cash flow. The policy is reviewed regularly, with cash flow and investments reported at every Finance and General Purposes Committee meeting. The application of the College's Treasury Policy ensures that:

- All investments are held with major financial institutions operating in the UK banking sector which are regulated by the Financial Conduct Authority and Prudential Regulation Authority. At the balance sheet date the College had the following investments:-
 - Santander - £4.09m
 - Danske Bank - £2.05m
 - Ulster Bank - £0.09m
- The investments were all short term deposits of less than 3 months and have been disclosed as short term deposits in the financial statements;
- All bank accounts operated by the College are approved by the Finance and General Purposes Committee;
- All College cash and deposits received are lodged and held in the approved bank accounts;
- The Assistant Director of Finance is responsible for arranging and operating a group bank account structure and ensuring all balances held earn investment interest;

- The Assistant Director of Finance maximises investment income by undertaking cash flow forecasts and placing the maximum amount of cash balances on deposit whilst maintaining a prudent balance to meet creditors and other short term liabilities;
- Investments are placed with the College's bankers or other approved Investment Bank for periods recommended by the Assistant Director of Finance (but no longer than one year) in conjunction with the Chief Executive following approval from the Chair of the Finance and General Purposes Committee and Vice Chair of the Governing Body; and
- Before making recommendations the Assistant Director of Finance carries out an appropriate exercise which will seek to minimise risk and optimise return.

CASH FLOWS AND LIQUIDITY

Cash outflow was £0.46m (2016-17 £1.27m outflow).

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

CURRENT AND FUTURE DEVELOPMENT AND PERFORMANCE

As part of its commitments under the Further Education Means Success programme the Department for the Economy has introduced a new funding model and associated business planning and performance accountability arrangement for colleges for the 2018-19 academic year.

The Department requested colleges to collectively develop a Corporate Plan for the FE sector that articulates a shared vision, mission, values and strategic priorities and demonstrates the dual mandate in terms of the role that colleges play in growing the NI economy and in supporting social and economic inclusion. The Corporate Plan for the period 2018-21 is supported by individual annual College development plans.

The new College Development Plan (CDP) for 2018-19 is underpinned by a series of report cards that reinforces the outcomes based accountability approach being adopted across all areas of the Government. The development plan and associated report cards set out expected outcomes for the new academic year in terms of:

- Enrolments and qualifications;
- Business engagement and innovation support; and
- Social and economic inclusion.

The continuing uncertainty with regard to funding has potential implications for future developments and on our ability to deliver against the CDP outcomes. The College will closely monitor developments in this regard and will review and revise plans and priorities as necessary.

This section of the Annual Report provides a synopsis of some of the key developments planned by the College over the next three years as well as information on performance against targets in 2017-18.

STUDENT NUMBERS

A summary of performance in respect of student enrolment and Funding Learning Unit (FLU) targets for 2017-18 is shown in **Table 4**.

2017-18	Targets		Performance		
	Enrols	FLU	Enrols	FLU	
Further Education	Full Time	3,074	4,537	2,952	4,328
	Part Time	8,956	1,166	10,775	1,168
	Total	12,030	5,702	13,727	5,496
Essential Skills	<20	1,978	259	2,103	270
	>20	1,033	122	1,012	125
	Total	3,011	381	3,115	396
Higher Education	Full Time	565	891	484	764
	Part Time	1,038	370	2,002	487
	Total	1,603	1,261	2,486	1,251

Table 4

The FLU delivery target set by DfE for 2017-18 was 7,344 compared to a target of 7,493 in 2016-17. This target was reflective of the budget position and an expectation the College could not continue to deliver to the same level as in previous years. The College delivered against its part time further education and essential skills FLU targets and fell just short of its overall higher education FLU target. The College exceeded its further and higher education and essential skills enrolment targets however the most significant element of under delivery related to full time further education. The level of delivery for the period 2010-18 is shown in **Table 5**.

FLU Delivery	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
Actual delivery	8,372	8,071	8,095	7,942	7,808	7,300	7,271	7,143
FLU budget allocation	7,966	7,721	7,685	7,831	7,770	7,501	7,493	7,344
Over /(Under) delivery	406	350	410	111	38	-201	-222	-201
Over /(under) delivery as % of resource allocation	5.20%	4.50%	5.30%	1.40%	0.50%	-2.70%	-2.90%	-2.74%
£ block grant	£27,084,400	£26,096,041	£26,129,000	£26,624,174	£26,416,525	£25,503,400	£25,476,735	£25,700,682
Over /(Under) delivery (£)	£1,380,400	£1,190,000	£1,394,000	£377,400	£129,200	(£686,800)	(£754,800)	(£703,409)

Table 5

STUDENT RETENTION AND ACHIEVEMENT 2017-18

A summary of the College’s performance for the 2017-18 academic year is shown in **Table 6**.

Overall retention rates for Further and Higher Education courses either met or exceeded target with the exception of full time further education (87.2%). Student withdrawal on full time level 2 courses was recorded at 19% of the total student intake.

Achievement and success rates on Essential Skills provision were below target recorded at 61.2% and 51.7% respectively.

The overall success rates across all areas of course provision exceeded target with the exception of Essential Skills and part time Higher Education.

Further and Higher Education							
	Mode	Targets 2017-18			Performance 2017-18		
		Ret.	Ach.	Success	Ret.	Ach.	Success
Higher Education	Full-time	95.0%	91.0%	86.5%	99.1%	94.9%	94.0%
	Part time	92.0%	90.0%	82.8%	92.8%	87.4%	81.1%
Further Education	Full-time	90.0%	88.0%	79.2%	87.2%	99.8%	87.0%
	Part time	90.0%	88.0%	79.2%	95.2%	93.0%	88.5%
Essential Skills	Part time	85.0%	77.0%	65.5%	84.6%	61.2%	51.7%

Table 6 (Source NICIS)

SCHOOLS’ PARTNERSHIP PROGRAMME

The total enrolment for the SPP (excluding essential skills project) dropped slightly to 3,152 compared to 3,204 in 2016-17. The performance across all areas and all levels of the SPP was excellent with an overall retention rate of 98% and achievement rate of 92.1%, see **Table 7**.

Schools’ Partnership Provision				
	Enrolment	Retention	Achievement	Success
2011-12	4,146	99.1%	96.7%	95.8%
2012-13	4,194	99.2%	95.1%	94.4%
2013-14	3,841	99.5%	94.0%	93.6%
2014-15	3,521	99.1%	95.3%	94.5%
2015-16	3,313	98.9%	95.1%	94.1%
2016-17	2,932	98.4%	96.1%	94.5%
2017-18	3,152	98.0%	92.1%	90.2%

Table 7

STUDENT ACHIEVEMENTS

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

- raise standards;
- promote excellence in skills;
- inject ambition and aspiration;
- build confidence and self-esteem; and
- provide meaningful and enjoyable learning experiences.

Competitions are used across Southern Regional College to raise standards in training to world class levels. This begins through the use of local inter-campus based competitions leading to selection for regional and national competitions. Our local inter-campus competitions have been extended to students from the Schools' Partnership Programme thus reinforcing our aim of achieving excellence in all areas of skills training.

Our commitment to skills competitions is demonstrated through our participation in local, regional, national and international competitions across many vocational areas. College students also engage in a number of other activities including enterprise, sporting, voluntary work and fund raising events.

During the 2017-18 academic year:

- Armondas Tamulis travelled to Abu Dhabi to represent SRC and compete at the WorldSkills finals in tiling;
- At the WorldSkills UK Final in Birmingham, SRC received the highest number of medals of any NI College and came 2nd overall in the UK medal table. College students brought home 2 Gold, 1 Silver, 2 Bronzes and 2 Highly Commended medals in areas such as Forensic Science, Butchery and Wall & Floor Tiling;
- Kieran Magee from Mayobridge, was crowned Apprentice of the Year at the Federation of Master Builders Awards;
- Hairdressing student Carla Mackle from Armagh, was crowned UK Hairdressing Student of the Year 2018;
- Cara McAleenan, an Art and Design student from Ballynahinch won the Young Designer of the Year 2018 at the Wedding Journal Show;
- James Gracey from Dromore, was crowned the UK's best young butcher, winning the prestigious title of 'Premier Young Butcher 2017';
- Higher Level Apprentice (Digital Marketing) Matthew McKeown, was awarded a City & Guilds Medal of Excellence for the production of an innovative video about his course and his experience at the SRC;

- Jordan Dillon from Markethill, a Sport & Exercise Science student was awarded the J.P McManus All Ireland Scholarship Award;
- SRC was the most successful college at Skillbuild NI winning a total of 11 medals - 5 Gold, 3 Silver and 3 Bronze Medals in areas including Brickwork, Plastering and Electrical Installation;
- A-Level student, Ruth Ferris from Bessbrook, was selected to attend an intensive two week placement at the United Space School in Houston, USA;
- At the NI Hairdressing Championships, Aoife Rogers scooped first place in the 1st Junior Total Fashion Look while Kyle Redpath won 2nd in Creative Colour and Cut, 3rd in Junior Day style and 3rd in the overall Northern Ireland Junior Hairdressing Championships;
- Fergal Gregory and Katrina Magee, ASDAN students from Newry campus, were recognised for their talent at the Youth and Future Talent Achievement Awards (YAFTAs) organised by the Down Youth Forum. Fergal picked up the Inspirational Student of the Year award and Katrina the runner-up prize;
- Former SRC student Rachel Rose Hamill, was named National Footwear Student of the Year by the Worshipful Company of Cordwainers, one of the oldest livery companies in the City of London;
- Aoife Loye, Paul McLearson, Joseph McKeown and Brandon McArdle all returned victorious from the All-Ireland Taekwondo Colleges and Universities Championships having won team Gold in the Patterns and Sparring events as well as each receiving individual medals;
- Sinead Owens and Clodagh McComisky both picked up Gold medals at the All Ireland Boxing competition held at National Stadium Dublin;
- At the All Ireland Hairdressing Championships, the SRC team of Nile Campbell, Seanan Murphy, Aina Siksniete, Rebekah Haffey and Catherine McGuigan won a total of 8 medals;
- The Newry Men's Gaelic team won the Ulster Colleges Fr. Sharkey Cup under the direction of their coaches Stephen Ferris and Rory McGreevy;
- Level 3 Engineering student Aodhan O'Brien, won the Harper Adams Engineering Innovation Award at the annual BEST Awards competition for his methane detector product and its value to the agricultural community;
- At the Newry Short Film Festival Student Awards, Conall Coulter from Newry picked up the award for Best Film, Daragh McSloy from Hilltown received the Best Director accolade and Anna-Louise Dougan from Collone won the Audience award;
- Sorcha Downey took first place in SRC's Caring competition and will be going forward to represent SRC in the UK WorldSkills Caring Competition heats later this year;
- Hairdressing student Liene Letsare from Armagh was placed 2nd in the Long Hair competition at Irish Hairdressers "Mirror Mirror" Mannequin Competition;
- Daniel Gordon and Cian McDonald both took part in the District Cross Country Competition finishing 3rd and 7th respectively and both have qualified for the Ulster Championships; and
- The SRC Ladies Gaelic team made it through to the final of the Ulster Colleges Competition.

CURRICULUM DEVELOPMENTS

The Southern Regional College is a main provider of professional and technical education and training and plays a primary role in raising the skill levels across the region it serves. The College has a strong reputation within Northern Ireland for curriculum innovation and delivery. The College provides a range of courses spanning essential skills, professional, technical and academic programs from entry-level through to level six and also hobby and leisure provision. Despite the continuing financial challenges ahead, the College will prioritise resources to deliver the following:

- The new curriculum strategy ‘Delivering a New System of Learning’, launched in August 2015 sets out our future developments and priorities including our response to embedding the new youth training and apprenticeship strategies;

The College will seek to ensure that the education and training portfolio it offers remains relevant and meaningful to the future workforce and that the supply of skills is aligned with market demand. This will be informed by the DfE Skills Barometer. There will be a particular emphasis on upskilling and reskilling the existing workforce at level 2 and above, encouraging school leavers at key stage 4 to continue education and training to at least level 3, and on delivery of Training for Success at level 2 and new apprenticeships at level 3 and above;

- Project Based Learning (PBL) is now embedded across all professional and technical programmes of study thus improving the connectivity between our curriculum and business and industry. A bespoke SOLVE PBL resource has been established on the Newry Campus to further support development of PBL throughout the curriculum and will inform planning for the new build estates project.
- The College will continue to strengthen business engagement through the work of our Business Support team by further developing the range of services and interventions for local SMEs and micro businesses with a view to improving business productivity, growth and competitiveness in the regional and Northern Ireland economy;
- The College will continue to prioritise resources to ensure that all school leavers (post GCSE) have the opportunity to undertake a full time programme of education or training;
- The College will continue to prioritise resources to support science, technology, engineering and mathematics and creative design as part of the wider curriculum offer;
- New and flexible delivery strategies will be developed for Essential Skills with the aim of enabling adults to improve their overall quality of life, their personal development and employment opportunities;
- The development of dedicated Higher Education Centres remains a priority and will be further explored in the context of the future estates developments in Craigavon and Newry;
- The College continues to develop its Higher Level Apprenticeship (HLA) portfolio in response to the skills need for the local economy including Accounting, Applied Industrial Science, Computing Infrastructure and Mechatronics.

- In support of DfE strategic objectives the College has been appointed as the Life and Health Science Hub for the NI FE Sector. In addition the College fulfils a secretariat function for the sectoral partnerships in Life and Health Science and Accounting and Financial Services.
- Community engagements promoting community cohesion and enhancing social inclusion through relevant education and training and strengthening partnership arrangements with schools based on longer term commitments across the four Area Learning Communities will remain as a priority over the next three years for the College; and
- The physical environment through which curriculum and training is delivered will be greatly enhanced through the provision of new campus facilities planned for Armagh, Banbridge and Craigavon.

FUTURE DEVELOPMENTS

The College recognises the challenging nature of the prevailing economic environment and takes this into account when projecting its future student intake and budget planning. 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 uncertainties including those linked to the EU Exit process, constraints on public sector funding, the absence of a devolved administration and the potential for future budget reductions will place significant pressure on the College's capacity to maintain its regional presence and the current curriculum offer.

Work based training and apprenticeship delivery represents another important source of income. A new system of youth training at level 2 and apprenticeships at level 3, including the associated funding mechanisms, is being progressed and the College will continue to work closely with the Department for the Economy and the other regional Colleges in developing and implementing of the new traineeship system from September 2019.

The implementation of the Estates Strategy remains a major priority and indeed a challenge for the College moving forward over the coming years. Excellent progress continues to be made through the work of the integrated consultant design team and the Colleges Estates project Team led by the Projects Director. Refurbishments and preparations were completed at a former high school at Killylea Road in Armagh to facilitate a temporary decant from the main College Hill / Lonsdale Road campus during the construction phase of the new campus building in Armagh City. Construction work on the new campus building in Armagh City is progressing following the appointment of Felix O'Hare Ltd. as the main contractor.

Capital funding necessary to progress the Banbridge campus project was allocated by the Department for the Economy. It is anticipated that a contractor for the new Banbridge Campus will be appointed in September 2018 with work likely to commence in January 2019. Both projects remain on track for completion in advance of the start of the 2020 academic year.

The College submitted a planning application for a further campus building in central Craigavon. This new build will replace existing sites in Lurgan and Portadown. The outcome of the planning process is

likely to known by October 2018. Following this the College hopes to secure additional capital funding to progress the appointment of a contractor during the 2018-19 academic year.

The College has also submitted a business case in support of the second phase of the College's Estates Strategy that aims to consolidate and rationalise the number of campus buildings in Newry City. The planned consolidation of existing sites in Newry City is planned in a number of phases the first of which will seek to acquire the vacant Sports Centre from Newry, Mourne and Down District Council that is adjacent to the College's East Campus building. This will be followed by the development of a new facility to support the work of the College's curriculum HUB in Life and Health Sciences and to support the delivery of project based learning across all areas of the curriculum.

The College was selected by the Department for the Economy as the lead curriculum HUB for Life and Health Sciences. The College will act as the lead for all curriculum development in life and health sciences across the FE sector.

The College also aims to progress its application for recognition as a STEM Assured centre. This will include the implementation of a future STEM strategy across the college.

The College aims to continue the development of its higher education provision including new higher level apprenticeships in response to local industry needs. The College will undertake an institutional review with the Open University that will lead to the development of an increased portfolio of higher level qualifications.

In October 2010, the Office of National Statistics reclassified Further Education Colleges from Non-Profit Institutions Serving Households to the General Government sector. From 1 April 2012 it was confirmed that for Northern Ireland, the Further Education colleges would be brought within the budgetary responsibility of the Department for Employment and Learning (now the Department for the Economy). The College continues to work with the Department for the Economy to determine the future impacts and implications of the change.

The College remains committed to working in partnership with local schools and Government departments to ensure that every young person has the opportunity to avail of a broad and balanced curriculum at both Key Stage 4 and Post GCSE including relevant and meaningful vocational courses. The College remains deeply concerned at the level of duplication that currently exists between schools and further education colleges. There is a need to re-examine existing policy commitments within DE and DfE to ensure that the issues of duplication and under performance are addressed. Should the Department of Education remain committed to delivering the Entitlement Framework there is also a need to review funding arrangements to ensure that the work we undertake with schools in the Area Learning Communities is planned and resourced appropriately.

The College is committed to working with the Department for the Economy and other colleges in implementing the programme of work set out as part of the new strategy, 'Further Education Means Success'. The College will continue to improve the efficiency and effectiveness of business processes and to maximise the opportunities through collaboration and use of shared services. This includes the implementation of a new learner management system during the new academic year.

PAYMENT PERFORMANCE

The Late Payment of Commercial Debts (Interest) Act 1988, which came into force on 1 November 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 2017 to 31 July 2018, the College paid 93% (94%, 2016-17) 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 2017 to 31 July 2018, the College paid 71% (73%, 2016-17) of its invoices within 10 days.

POST BALANCE SHEET EVENTS

In the period between the end of the reporting year (31 July 2018) and the date when the financial statements are authorised for issue (20 November 2018) there were no post balance sheet events.

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.

ESTATE

The College estate includes the following campus buildings and land:

Campus	Net Book Value at 31 July 2018
	£000
Armagh College Hill and Lonsdale Campus	930
Armagh, Station Rd Complex	300
Armagh, Lisanally Campus	1,535
Banbridge Campus	1,605
Banbridge Factory Site	250
Lurgan Campus	4,426
Newry East Campus	9,980
Newry West Campus	8,705
Newry Corry Square Campus	125
Newry Model Campus	1,100
Newry Greenbank Campus	3,277
Kilkeel Campus	662
Portadown Campus	8,312
Total	41,207

Table 8

FINANCIAL

The consolidated net assets at 31 July 2018 were £53.66m (including £3.46m pension liability). There was no long term debt at 31 July 2018.

PEOPLE

The average number of people employed by the College during 2017-18 was 1,023 (equating to 631.76 FTE staff of whom 324 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 3.18% or 8.24 days per FTE (based on FTE and work pattern analysis) for 2017-18 compared to 2.50% or 7.63 days per FTE in 2016-17.

Southern Regional College has participated in the Voluntary Exit Scheme (VES) that was approved for colleges of Further and Higher Education in Northern Ireland. This resulted in 3 staff (3 FTE) leaving the College during 2017-18 and this is reflected in the FTE figures.

REPUTATION

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

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.

Risk management practice and process is well established across the various business and operational areas within the College. It forms part of the College's internal control and corporate governance arrangements and the process followed is set out in the College's Risk Management Policy which describes the underlying approach and documents the roles and responsibilities of the Governing Body, Audit Committee, Senior Management, and other key parties.

The College has established a Risk Management Group with overall responsibility for the administration and implementation of the risk management process. Directors within Southern Regional College have responsibility for a number of functional areas and departments. Each Department Head or Section Manager maintains a separate risk register for their specific area of responsibility. These risk registers are, in effect, sub registers of the Corporate Risk Register and throughout the year the Directors conducted reviews with Department Heads and identified risks for inclusion in the Corporate Risk Register.

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 corporate plan and balanced scorecards that have 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 Committee for review.

The principal risk facing the College, as it moves into a new financial year, relates to the ongoing political uncertainty and potential impacts on funding allocations. The College will work closely with the Department for the Economy to monitor the situation and to develop mitigating actions and strategies and to assess the impacts and implications as further information becomes available.

A summary of the risks on the Corporate Risk Register, including a commentary on each is set out in the table below:

Summary of Corporate Risks:	Commentary:
Financial viability and optimisation of College resources:	<ul style="list-style-type: none"> • Management of delegated budgets and regular financial reporting to the Chief Executive, Finance and General Purposes Committee and DfE took place in-year. • Significant focus on emerging income streams, achievement of FLU targets, traineeship and apprenticeship enrolments and implementation of the second phase of the Voluntary Exit Scheme (VES).
Positive Reputation of the College:	<ul style="list-style-type: none"> • Pro-active approach to marketing activities and ensuring effective communication strategies to promote programmes and courses. • Positive coverage of student achievements and successes. • Promotion of student success. • Communication and consultation events, published leaflets and update website to provide information on the new build Estates Projects. • Responsiveness to complaints.
Non Compliance with Policies, Procedures and Statutory Requirements, Safe working environment and Health and Safety Legislation:	<ul style="list-style-type: none"> • Development of an action plan to achieve best practice in health and safety. • Delivery of health and safety management and leadership training programmes. • Close monitoring and review of estates works provided by Properties Division under new arrangements and initiating remedial action to address concerns with aspects of the service provided, including statutory and planned preventative maintenance. • Programme of estates works.
Effectiveness of the Delivery of Education and Training:	<ul style="list-style-type: none"> • Delivery of curriculum strategy and plan. • Whole College Quality Improvement Plan and Self-Evaluation Review. • Established Pre-Enrolment and Admissions (PEAs) processes. • External quality assurance (ETI, QAA, and Awarding Bodies) and Internal Teaching Controls (Internal Verification, Course Folder Review, KPIs and School Reviews, Student Surveys). • School Balanced Scorecards and an Employee Development Programme are in place. • Close monitoring of student achievement following the implementation of a new Essential Skills qualification.
Effectiveness of Core ICT Infrastructure and Related Services:	<ul style="list-style-type: none"> • Core ICT systems and networks including the Northern Ireland College Information System (NICIS) and the Joint Academic NETWORK (JANET) provided through the Joint Information Systems Committee (JISC). • Monitoring of network performance, firewalls and antivirus counter measures. • Established back-up processes and procedures and ongoing training and development of staff. • Business Continuity and Disaster Recovery arrangements are in place. • Upgrade of Agresso Business World software completed.

Summary of Corporate Risks:	
Risks:	Commentary:
Integrity of College Information:	<ul style="list-style-type: none"> • Key data and information policies are in place (Data Protection, FOI, and Network Security) and are reviewed in line with the policy review schedule. • Established processes for capturing, recording and managing information (students, staff, Management) with extensive use of ICT systems. • User id and user access controls, firewalls, backup procedures, contingency arrangements in place as well as physical security – (locked cabinets, store rooms).
Long Term Strategic Planning to Support Engagement between Schools and Colleges:	<ul style="list-style-type: none"> • Proactive engagement with a range of stakeholders to help inform strategic direction and planning. • Continued engagement with schools through the Schools Partnership Programme and the Area Learning Communities to build commitment to delivering on the Entitlement Framework.
Effectiveness of Quality Assurance and Improvement Processes:	<ul style="list-style-type: none"> • Established quality assurance and improvement processes including Internal Verification, Course Folder Review, KPIs and School Reviews, Student Surveys. • External review through ETI, QAA, Awarding Bodies, Internal Audit and External Audit. • Quality Audit and Compliance Unit established and operating.
Effectiveness of Governance and Risk Management Processes:	<ul style="list-style-type: none"> • Risk management policy and procedure. • Code of Conduct for Governing Body members. • Committee structure, Articles and Instruments of Government, an effective system of risk registers, health-check reporting and internal and external audit reporting.
Delivery of the new build Estates Project	<ul style="list-style-type: none"> • Project governance structures in place and operating effectively. • Project implementation resources in place (Project Director, Project Team, Integrated Consultants Team appointed). • Gateway review process.
Effectiveness of support arrangements for College Management Information Systems	<ul style="list-style-type: none"> • Sector-wide business case developed and approved by the Department. • Project resources and governance processes in place. • Gateway Review Process.
Pace and direction of curriculum reform	<ul style="list-style-type: none"> • Position of colleges in delivering traineeships and apprenticeships. • Impact of qualifications reform in England. • Absence of information on future contracting of traineeships and apprenticeships. • Sector development of traineeship frameworks.
Organisational readiness for GDPR	<ul style="list-style-type: none"> • Established Data Protection policy, procedures and guidance. • Retention and disposal schedule. • Structures realigned to support GDPR.

Summary of Corporate Risks:	
Risks:	Commentary:
Delay in closure of Colleges NI	<ul style="list-style-type: none"> • GDPR implementation plan. • Novation arrangements for existing sector contracts including support contracts for management information system. • Service level agreement developed by colleges in conjunction with DfE to establish future working arrangements.

Table 9

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
- 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, web conferencing, 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 video blogs. In addition, the College operates a senior management core briefing process through which teams are informed by managers on key developments and performance matters. 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.

EQUAL OPPORTUNITIES AND EMPLOYMENT OF DISABLED PERSONS

By virtue of Section 75 of the Northern Ireland Act 1998 the Southern Regional 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.

DISABILITY STATEMENT

The Disability Discrimination Act 1995 (the DDA) as amended by the Disability Discrimination Act 1995 (Amendment) Regulations (Northern Ireland) 2004, the Disability Discrimination (Transport Vehicles) Regulations 2005, the Disability Discrimination (Northern Ireland) Order 2006, the Special Educational Needs and Disability (Northern Ireland) Order 2005 (SENDO) and the Special Educational Needs and Disability (Northern Ireland) Order 2005 (Amendment) (Further and Higher Education) Regulations (Northern Ireland) 2006 provides protection for disabled persons against discrimination on the grounds of disability. The College is committed to meeting its obligations as set down in the legislation. The College's Learning Support Policy sets out the commitment to learners with a learning difficulty and/or disability. The College seeks to encourage learners to disclose a learning difficulty and/or disability and to ensure that such learners are protected from discrimination and have equal access, where reasonable, to the full range of College facilities and services.

The College's disability action plan outlines measures to promote positive attitudes towards disabled people and to encourage the participation of disabled people in College life. Specific activities in 2017-18 included:

- the Southern Regional College Website has been designed to meet Level AA of the Web Content Accessibility Guidelines;
- provision of Pre Enrolment Advice Support for students with a disability;

- initial needs assessments by the College's Team of Learning Support Coordinators (LSC) are conducted with the learner during their programme of study;
- an Individual Support Plan, outlining human and technical support was drawn up for each student by the LSC and forwarded to course coordinators following individual needs assessment and receipt of documentary evidence;
- continuous review of the College's estate and engagement with students, staff and external agencies to identify and resolve any issues of accessibility;
- publication of an accessibility guide for potential users of our buildings;
- access by the Learning Support Team to a range of assistive technology that is deployed to learners as required;
- publication of the College Admissions Policy for all students on the College website and in all prospectuses;
- use of the DfE Additional Support Funding to provide direct learning support;
- face to face and onsite counselling and welfare services were promoted across a range of College communication mediums;
- the College Health and Wellbeing HUB was developed and promoted to staff and students through a range of activities; and
- engagement with a range of stakeholders to ensure anticipatory and accessibility requirements are fully addressed in the design of the new build projects.

In addition, in September 2017, the College signed-up to the Equality Commission's Mental Health Charter, and is now working towards the five charter commitments through action planning. The College aims to ensure that managers include staff wellbeing as part of their management agenda; and are provided with guidance to equip them with key skills, knowledge and ability to support employees. Actions to date include:

- A launch of the Mental Health Charter by the CEO through his Core Brief;
- Provision of information by emails, eZines to staff on awareness raising days – World Mental Health day, National Stress day;
- Inclusion of information on managers' role in managing staff with mental health issues within the management induction;
- Inclusion of details and sources of information on stress awareness/mental health to all staff at induction; and
- Training to managers on managing workplace stress and mental health awareness as part of absence training. This included having open conversations with staff who they perceive to be suffering from stress, how to recognise indicators of stress and sources of internal/external support.

The College continues to hold the following charter mark:

- Action on Hearing Loss (RNID) Louder than Words Charter mark which was awarded in Recognition of the College’s commitment to working with people with hearing loss.

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 and each member has taken all the steps that he or she ought to have taken to be aware of any relevant audit information and to establish that the College’s auditors are aware of that information.

PERSONAL DATA RELATED INCIDENTS

No personal data related incidents occurred during the year.

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.

PROFESSIONAL ADVISERS	
External Auditors	Northern Ireland Audit Office, 106 University Street, Belfast, BT7 1EU
Internal Auditors	Grant Thornton, 12-15 Donegall Square West, Belfast , BT1 6JH
Bankers	Danske Bank, Corporate Banking, Donegall Square West, Belfast, BT1 6JS Bank of Ireland, 4-8 High Street, Belfast, BT1 2BA Ulster Bank, Lisburn Business Centre, 18 Bow Street, Lisburn, BT28 1YZ Santander UK plc, 301 St Vincent Street, Glasgow, G2 5HN
Solicitors	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 10

SOUTHERN REGIONAL COLLEGE
STRATEGIC REPORT (Continued)
FOR THE YEAR ENDED 31 JULY 2018

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

Governing Body Membership for 2017-18 Year					
Name	Date of Appointment	Term of Office	Date Resigned	Status of Appointment	Committees served
Scott Alexander	01/08/2015	31/07/2019		Member Member	Governing Body Staffing
Teresa Campbell	20/02/2017	19/02/2020		Chair Member (co-optee)	Finance Governing Body
Arder Carson	20/02/2017	19/02/2020		Chair Member (co-optee)	Staffing Governing Body
Brian Doran	28/01/2008			Accounting Officer & Chief Executive	Governing Body Education Finance Staffing
Gordon Gough	01/08/2015	31/07/2019		Chair Member	Education Governing Body
Aidan McCormick	01/08/2015	31/07/2019		Member Member Member	Governing Body Audit Education
John Nugent	01/08/2015	31/07/2019		Chair Member Member	Audit Staffing Governing Body
Gregory O'Hare	01/08/2015	31/07/2019		Member Member Member	Governing Body Audit Education
Tom Redmond	01/10/2015	30/09/2019		Member Member	Governing Body Finance
Andrew Saunders	01/08/2015	31/07/2019		Chair Member	Governing Body Education
Eileen Stewart	22/08/2016	21/06/2020		Member Member	Governing Body Staffing
Kieran Swail	16/11/2015	15/11/2019		Staff Member Member	Governing Body Finance
Judith Thompson	01/08/2015	31/07/2019		Member Member	Finance Governing Body
Matthew Turner	16/11/2015	15/11/2019		Staff Member Member Member	Governing Body Education Audit
Nicola Wilson	01/08/2016	31/07/2020		Vice Chair Member	Governing Body Audit
Jonasz Weinkauff	02/10/2017	30/09/2018		Student Member Student Member	Governing Body Education

Table 11

For and on behalf of the members of the Governing Body

ACS
Mr Andrew Saunders (Chairman)

20/11/18
Date

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 1st January 2016. There are no arrangements in place for the payment of a bonus. No member of the Governing Body, including the Chairperson, receives pension contribution from the College or the Department. The college 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 2017-18 £'000	Benefits in kind 2017-18 £'000	Pension Benefits 2017-18 £'000	Total 2017-18 £'000	Salary 2016-17 £'000	Benefits in kind 2016-17 £'000	Pension Benefits 2016-17 £'000	Total 2016-17 £'000
Scott Alexander Member	0-5	0	0	0-5	0-5	0	0	0-5
Plunkett Campbell Member	N/A	N/A	N/A	N/A	0-5	0	0	0-5
Teresa Campbell Member	0-5	0	0	0-5	0-5	0	0	0-5
Arder Carson Member	0-5	0	0	0-5	0-5	0	0	0-5
Katie Goodliffe Member	N/A	N/A	N/A	N/A	0.5	0	0	0.5
Gordon Gough 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
John Nugent Member	0-5	0	0	0-5	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
Andrew Saunders Chairman	15-20	0	0	15-20	15-20	0	0	15-20
Jordon Smith Member (Student)	N/A	N/A	N/A	N/A	0-5	0	0	0-5
Eileen Stewart Member	0-5	0	0	0-5	0-5	0	0	0-5

SOUTHERN REGIONAL COLLEGE
REMUNERATION REPORT

Name	Salary 2017-18	Benefits in kind 2017-18	Pension Benefits 2017-18	Total 2017-18	Salary 2016-17	Benefits in kind 2016-17	Pension Benefits 2016-17	Total 2016-17
Kieran Swail Member	0-5	0	0	0-5	N/A	N/A	N/A	N/A
Judith Thompson Member	0-5	0	0	0-5	0-5	0	0	0-5
Matthew Turner Member	0-5	0	0	0-5	N/A	N/A	N/A	N/A
Kenneth Twyble Member	N/A	N/A	N/A	N/A	0-5	0	0	0-5
Nicola Wilson Member	0-5	0	0	0-5	0-5	0	0	0-5
Jonasz Weinkauf Member (Student)	0-5	0	0	0-5	N/A	N/A	N/A	N/A

Table 12

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.

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.

SOUTHERN REGIONAL COLLEGE
REMUNERATION REPORT

PERFORMANCE PAY

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

TOTAL REWARD PACKAGE

Senior staff within the College have access to the Northern Ireland Teachers' Pension Scheme (NITPS). 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.

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 2017-18 £'000	Benefits in kind 2017-18 £'000	Pension Benefits 2017-18 £'000	Total 2017-18 £'000	Salary 2016-17 £'000	Benefits in kind 2016-17 £'000	Pension Benefits 2016-17 £'000	Total 2016-17 £'000
Brian Doran Chief Executive	110-115	0	30-35	140-145	110-115	0	30-35	140-145
Raymond Sloan Director	75-80	0	10-15	85-90	75-80	0	90-95	170-175
Keith Kilpatrick Director	75-80	0	20-25	100-105	10-15 (75-80 full year equiv.)	0	15-20	25-30
Terry McGonigal Director – from 07/02/18	35-40 (75-80 full year equiv.)	0	5-10	45-50	n/a	n/a	n/a	n/a
Jim O'Hagan Director – left 10/01/18	35-40 (80-85 full year equiv.)	0	0	35-40	80-85	0	20-25	100-105
Gerard Devlin Director – left 02/09/17	5-10 (80-85 full year equiv.)	0	0	5-10	80-85	0	10-15	95-100

Table 13

SOUTHERN REGIONAL COLLEGE
REMUNERATION REPORT

	2017-18	2016-17
	£'000	£'000
Band of highest paid directors' total remuneration	110-115	110-115
Median total remuneration	27,130	26,980
Ratio*	4.1	4.1

Table 14

- Brian Doran was appointed Chief Executive on 1 January 2008.
- Raymond Sloan was appointed Director of Client Services on 1 April 2016.
- Keith Kilpatrick was appointed Director of Curriculum on 1 June 2017.
- Terry McGonigal was appointed Director of Finance and Planning on 7 February 2018.

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 (AUDITED)

Name	Accrued pension at pension age as at 31/7/18 and related lump sum	Real increase/(decrease) in pension and related lump sum at pension age	Value of CETV at 31/07/18	Value of CETV at 31/07/17	Real increase in CETV during year
	£'000	£'000	£'000	£'000	£'000
Brian Doran (Chief Executive)	45-50 plus lump sum of 140-145	0-2.5 plus lump sum of 5-7.5	994	925	68
Raymond Sloan (Director)	25-30 plus lump sum of 45-50	0-2.5 plus lump sum of (0-2.5)	417	389	10
Keith Kilpatrick (Director)	0-5 plus lump sum of £0	0-2.5 plus lump sum of £0	120	94	16
Terry McGonigal (Director)	0-5 plus lump sum of £0	£0 plus lump sum of £0	9	0	9

Table 15

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.

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 deficit. 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 statement of total recognised gains and losses.

ENHANCED PENSIONS

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

SOUTHERN REGIONAL COLLEGE
REMUNERATION REPORT

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.

SOUTHERN REGIONAL COLLEGE
STATEMENT OF THE RESPONSIBILITIES OF THE GOVERNING BODY
FOR THE YEAR ENDED 31 JULY 2018

GOVERNING BODY STATEMENT OF RESPONSIBILITIES

The Governing Body of the College is required to present audited financial statements for each financial year.

In addition the Governing Body within the terms and conditions of the Financial Memorandum agreed between the Department for Employment and Learning (the Department) and the Governing Body of the College, the Governing Body through its chairman, is required to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the College and the result for that year.

In preparing the financial statements the Governing Body is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to assume that the College will continue in operation.

The Governing Body is also required to prepare an Annual 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 Governing Body is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the College and enable it to ensure that the financial statements are prepared in accordance with the relevant legislation and other relevant accounting standards. It has general responsibility for taking such steps that are reasonably open to it to safeguard assets of the College and to prevent and detect fraud and other irregularities.

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.

The Governing Body is responsible for ensuring that funds from the Department are used only in accordance with the Management Statement and Financial Memorandum agreed with the Department and other conditions which the Department may from time to time prescribe. The Governing Body must ensure that there are appropriate financial and management controls in place sufficient to safeguard public funds and ensure that they are used only in accordance with the conditions under which they have been made available. In addition, the Governing Body is responsible for securing the economic, efficient and effective management of the College's resources and expenditure, so that the benefits that should be derived from the application of public funds by the Department are not put at risk.

Approved by order of the Governing Body members 20 November 2018 and signed on its behalf by:


Mr Andrew Saunders (Chairman)

20/11/18
Date

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 2018 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 which 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 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;
- 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. The Governing Body met six times during the 2017-18 year and is supported by a number of committees, including the Staffing Committee, Finance and General Purposes Committee, Education Committee and the Audit 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.

AUDIT COMMITTEE

The Audit 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 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 2017-18 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 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 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 2017-18 the Committee also considered updates on the Estates projects, reports on Health and Safety, 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 five times during the 2017-18 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, approving a new plan for the following year and receiving an update on Investors In People (IIP). The Committee met three times during 2017-18.

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 four times during the 2017-18 year.

GOVERNING BODY PERFORMANCE AND EFFECTIVENESS

It is a requirement of the Department for the Economy to assess the performance of each member of the Governing Body on an annual basis and this process is ongoing for the 2017-18 financial year. In addition each Committee of the Governing Body undertakes an annual process of self-evaluation and a review of performance and effectiveness, including the quality of information received and presents a report to the Governing Body for consideration.

A schedule of membership and attendance at Governing Body and Committee meetings for the 2017-18 year is shown in the table below. In total there were twenty three meetings of the Governing Body and its various sub committees during 2017-18. Average Member attendance

SOUTHERN REGIONAL COLLEGE
 STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL (Continued)
 FOR THE YEAR ENDED 31 JULY 2018

recorded at Governing Body meetings during 2017-18, excluding staff and student representatives was 85.8% (87.1% for 2016-17).

	Governing Body	Audit Committee	Education Committee	Staffing Committee	Finance and General Purposes Committee
No. of meetings held:	7	4	4	3	5
Scott Alexander	7	-	-	3	-
Teresa Campbell	6	-	-	-	5
Arder Carson	4	-	-	1	-
Brian Doran (Chief Executive)	6	4	2	3	5
Gordon Gough	7	-	4	-	-
Aidan McCormick	6	4	4	-	-
John Nugent	7	4	-	3	-
Gregory O'Hare	7	2	4	-	-
Tom Redmond	6	-	-	-	5
Andrew Saunders (Chair)	6	2	1	3	2
Eileen Stewart	6	-	-	3	-
Kieran Swail (Support Staff Representative)	7	-	-	-	5
Judith Thompson	5	-	-	-	3
Matthew Turner (Teaching Staff Rep.)	7	4	4	-	-
Jonasz Weinkauff (Student Rep.)	6/6	-	3/3	-	-
Nicola Wilson	3	4	-	-	-

Table 16

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 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 the Director of Curriculum, the Director of Client Services and the Director of Finance and Planning all of whom contribute in various ways to these aspects of the work, but the ultimate responsibility for what is done rests with the Chief Executive and Accounting Officer. In addition to the Executive Team there is a Senior Management Team (SMT) which comprises the Chief Executive, the three Executive Directors and nine Assistant Directors. 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 AND THE SYSTEM OF INTERNAL CONTROL

There is an ongoing process for identifying the principal risks to the achievement of policies, aims and objectives; to evaluate the nature and extent of those risks; and to manage them efficiently, effectively and economically. This process has been in place and has operated for the year ended 31 July 2018.

The following actions are taken in relation to the operation of risk management and reviewing the effectiveness of the systems of internal control:

- The Governing Body and its supporting Committees met on a regular basis to provide strategic oversight and to monitor performance and achievement against plans, targets and budgets;
- There is a clear definition of the responsibilities and authority of the Governing Body, Committees and the Executive;
- A Corporate Risk Register which incorporates the key risks at College level is maintained;
- The Executive Team, acting as the College's designated Risk Management Committee, formally reviews and assesses corporate risks on a regular basis;
- Functional Risk Registers are maintained and reviewed on a regular basis by College managers and are subject to scrutiny by the Risk Management Committee;
- Management is proactive in implementing internal and external audit recommendations and operates a system to monitor and report progress;
- The Chief Executive provides update reports to the Governing Body on progress in respect of the implementation of the College Development Plan and corporate balanced scorecard and key targets and performance indicators;
- A report on risk management is submitted to the Governing Body through the Audit Committee annually;
- The Audit Committee receives reports from the independent Internal Auditors on the adequacy and effectiveness of the College's system of internal control with recommendations, as appropriate, for improvements;
- The College Development Plan (CDP), Corporate Plan and Balanced Scorecard sets the framework of strategic aims and objectives against which risks are assessed and performance is monitored and reported; and
- The College has a Risk Management policy that is reviewed and updated on a regular basis.

SOUTHERN REGIONAL COLLEGE
 STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL (Continued)
 FOR THE YEAR ENDED 31 JULY 2018

The key risks monitored and managed through the Corporate Risk Register during 2017-18 included:

- Financial Viability and Optimisation of College Resources;
- Positive Reputation of the College;
- Non-compliance with Policies, Procedures and Statutory Requirements, safe working environment and Health and Safety Legislation;
- Effectiveness of the Delivery of Education and Training;;
- Effectiveness of Core ILT Infrastructure and Related Services
- Integrity of College Information;
- Lack of Long Term Strategic Planning to Support Engagement between Schools and Colleges;
- Effectiveness of Quality Assurance and Improvement Processes;
- Effectiveness of Governance and Risk Management Processes;
- Effectiveness of delivery of the new build Estates Project;
- Effectiveness of support arrangements for College management information systems;
- Pace and direction of curriculum reform;
- Organisational readiness for GDPR;
- Impact of closures of Colleges NI.

The most significant emerging risks relate to longer term financial sustainability in the context of wider public sector finances and political uncertainty and maintaining progress in respect of the delivery of the new build Estates Projects. In addition the lack of clarity on the future introduction of the new traineeship and apprenticeship system remains an area of focus for the colleges.

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 2017-18 saw the completion of a programme of work that provided positive assurance in nine areas. A summary of the internal audit work and the assurance ratings for each is included below:

Internal Audit Operational Plan and Assurance Ratings 2017-18	
Area Reviewed:	Assurance Rating:
Business Continuity Planning and Disaster Recovery.	Satisfactory
Employer Engagement.	Satisfactory
Estates Management.	Satisfactory
Health and Safety.	Satisfactory
Key Financial Controls (inc Governor remuneration)	Satisfactory
Data Protection (GDPR) - Review	Not applicable – review exercise
Sector wide review – Use of Properties Division	Not applicable – review exercise

Table 17

SOUTHERN REGIONAL COLLEGE
 STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL (Continued)
 FOR THE YEAR ENDED 31 JULY 2018

Follow-up reviews conducted during 2017-18 indicated continued good progress with regard to implementing outstanding recommendations. The status of Internal Audit recommendations is set out in the table below and shows that all recommendations have been addressed.

Progress in Respect of Internal Audit Recommendations 2017-18				
	Priority 1	Priority 2	Priority 3	Total
New recommendations raised during 2017-18 reviews at 15 September 2018	-	3	8	11
Recommendations fully addressed / superseded as at 15 September 2018	-	2	7	9
Recommendations partially addressed as at 15 September 2018	-	-	1	1
Recommendations not yet due at 15 September 2018 and carried forward	-	1		1

Table 18

Based on the work performed during 2017-18 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 which 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. There were no incidents reported during 2017-18 where access to 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 Appendix C (Section 3) of the 'Management Statement and Financial Memorandum issued to Further Education Colleges'. During 2017-18 the College had no instances of suspected or detected fraud.

WHISTLEBLOWING

The College has a Whistleblowing Policy which is revised and updated on a regular basis. 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 Whistleblowing Policy is included as mandatory training for all staff.

In October 2017 the Department for the Economy wrote to the Chairman requesting that the College's Governing Body carry out an independent investigation into the accuracy and appropriateness of student performance data entered onto the College e-FELS system. The Governing Body appointed its internal auditor, Grant Thornton, to carry out this investigation and reported the findings to the Department in August 2018. In summary, the investigation concluded that there is no evidence that indicated any deliberate malpractice in the completion of e-FELs. However, it was confirmed that there have been a number of inaccurate e-FELs entries. The college auditors concluded that these mistakes had been caused by human error and/or occurred due to the lack of guidance and controls in place in the early periods of the e-FELs introduction. No student was disadvantaged as a result of these mistakes as qualification grades are issued from the prospective awarding body, a process that is separate from that of recording grades through e-FELs. The internal auditors also confirmed that the processes and controls around data entry onto e-FELS have significantly improved over the period under investigation and in subsequent years.

In May 2018 a member of staff raised concerns under the Whistleblowing Policy in respect of recruitment procedures, student safeguarding issues and the marking of student registers. After a thorough investigation, taking cognisance of the Public Interest Order (NI) 1998, the Investigating Officer found no evidence of wrongdoing as defined by the Legislation. However, the Executive Team will give due consideration to the Investigation Report, and will look to see if there are any opportunities for organisational learning and corporate improvement to strengthen our policies and procedures going forward.

EVENTS AFTER BALANCE SHEET DATE

A number of student examination papers which were posted to the Awarding Body, City and Guilds, have gone missing following an examination taken at the College. While there is proof through Royal Mail that City and Guilds did receive examination parcels sent by the College, there is no way of verifying the contents of the parcels.

On 19th September 2018 City and Guilds informed the College that a parcel had been recorded as 'damaged' on delivery. As the examination scripts contained Personal Data the College referred the matter to the Information Commissioner's Office (ICO) and has subsequently informed the Exams Regulator, CCEA, on 11th November 2018.

Despite an intensive engagement with City and Guilds the College has concluded that there is no likelihood of the missing examination papers being found. The College has already reviewed and

SOUTHERN REGIONAL COLLEGE
STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL (Continued)
FOR THE YEAR ENDED 31 JULY 2018

strengthened its internal processes and will work with the Awarding Bodies and the Regulator to strengthen the existing processes for submitting and receiving examination scripts.


The College has offered the affected Students various options to attend revision sessions, to prepare for exam resit options. The College Curriculum Team and Examinations Department will continue to work with students to prepare and give them the best possible chance of completing a successful re-sit.

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 2017-18 financial year.



Accounting Officer



Date

Opinion on financial statements

I certify that I have audited the financial statements of the Southern Regional College for the year ended 31 July 2018 under the Further Education (Northern Ireland) Order 1997 as amended by the Audit and Accountability Institutions of Further Education (Public Sector Audit) Order (Northern Ireland) 2008. The financial statements comprise: the Statement of Comprehensive Income, Consolidated Statement of Changes in Reserves, Balance Sheet, Statement of Cash Flows and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

In my opinion the financial statements:

- give a true and fair view of the state of the Southern Regional College's affairs as at 31 July 2018 and of its deficit for the year then ended;
- have been properly prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102); and
- have been prepared in accordance with the Further Education (Northern Ireland) Order 1997 as amended by the Audit and Accountability Institutions of Further Education (Public Sector Audit) Order (Northern Ireland) 2008 and the Department for the Economy directions issued thereunder.

Opinion on regularity

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

Basis for opinions

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

Other Information

The Governing Body is responsible for the other information reported in the annual report. The other information comprises the information included in the annual report other than the financial statements, the part of the Remuneration Report to be audited and my certificate thereon. My opinion on financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

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

Opinion on other matters

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

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

Responsibilities of the Governing Body

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

Matters on which I report by exception

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

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

Report

I have no observations to make on these financial statements.



KJ Donnelly

KJ Donnelly

Comptroller and Auditor General

Northern Ireland Audit Office

106 University Street

Belfast

BT7 1EU

26 *November 2018*

SOUTHERN REGIONAL COLLEGE
 STATEMENT OF COMPREHENSIVE INCOME AND EXPENDITURE
 FOR THE YEAR ENDED 31 JULY 2018

	Notes	2018 £'000	2017 £'000
INCOME			
Department for the Economy income	1	28,984	29,930
Education contracts	2	5,319	4,989
Tuition fees and charges	3	2,640	2,750
Other grant income	4	652	614
Other operating income	5	1,049	1,194
Investment income	6	33	105
Total income		38,677	39,582
EXPENDITURE			
Staff costs	7	(25,973)	(24,991)
Other operating expenses	9	(12,290)	(13,271)
Depreciation	12	(3,351)	(3,399)
Interest and other finance costs	10	(162)	(244)
Total expenditure		(41,776)	(41,905)
Deficit before exceptional items		(3,099)	(2,323)
Exceptional DfE repayment	1	-	(4,000)
Exceptional DfE grant – voluntary exit scheme	1	-	369
Exceptional staff costs - fundamental restructuring	7	13	(369)
Total exceptional items		13	(4,000)
Deficit before other gains/losses and share of operating surplus/deficit of joint ventures and associates		(3,086)	(6,323)
Deficit before tax		(3,086)	(6,323)
Taxation	11	-	-
Deficit for the year		(3,086)	(6,323)
Unrealised surplus/(deficit) on revaluation of land and buildings		438	(5,444)
Actuarial gain in respect of pension scheme		4,512	4,984
Total comprehensive income/(expenditure) for the year		1,864	(6,783)
Represented by:			
Restricted comprehensive income/(expenditure) for the year		-	-
Unrestricted comprehensive income/(expenditure) for the year		1,864	(6,783)
		1,864	(6,783)

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 2018


COLLEGE

	Income and expenditure account				Revaluation Reserve	Total
	Unrestricted (excluding Pension) £'000	Pension Reserve £'000	Unrestricted (including Pension) £'000	Restricted £'000	£'000	£'000
Balance at 1 August 2016	21,821	(10,960)	10,861	405	47,317	58,583
Surplus/(deficit) from Statement of Comprehensive Income/(Expenditure)	(5,362)	(961)	(6,323)	-	-	(6,323)
Other comprehensive income/(expenditure)	-	4,984	4,984	-	(5,444)	(460)
Transfers between revaluation and income and expenditure account	2,299	-	2,299	-	(2,299)	-
Release of restricted funds spent in year	-	-	-	-	-	-
Balance at 1 August 2017	18,758	(6,937)	11,821	405	39,574	51,800
Surplus/(deficit) from Statement of Comprehensive Income/(Expenditure)	(2,050)	(1,036)	(3,086)	-	-	(3,086)
Other comprehensive income/(expenditure)	-	4,512	4,512	-	438	4,950
Transfers between revaluation and income and expenditure account	2,047	-	2,047	-	(2,047)	-
Release of restricted funds spent in year	-	-	-	-	-	-
Total comprehensive income/(expenditure) for the year	(3)	3,476	3,473	-	(1,609)	1,864
Balance at 31 July 2018	18,755	(3,461)	15,294	405	37,965	53,664

SOUTHERN REGIONAL COLLEGE
BALANCE SHEET
AS AT 31 JULY 2018

	Notes	2018 £'000	2017 £'000
Non-current assets			
Tangible fixed assets	12	52,375	48,081
Intangible fixed assets	13	167	-
Other receivables falling due after more than one year	14	38	78
Total non-current assets		52,580	48,159
Current assets			
Trade and other receivables	15	1,855	2,718
Investments		-	11,224
Short term deposits		6,228	-
Cash and cash equivalents		1,499	1,959
Total current assets		9,582	15,901
Less: Creditors - amounts falling due within one year	16	(3,407)	(3,636)
Net current assets		6,175	12,265
Total assets less current liabilities		58,755	60,424
Less: Creditors - amounts falling after more than one year	17	(1,630)	(1,687)
Provisions:			
Pension provisions	18	(3,461)	(6,937)
Net assets including pension liability		53,664	51,800
Restricted reserves			
Income and expenditure account – restricted reserve	19	405	405
Unrestricted reserves			
Income and expenditure account – unrestricted reserves (excluding pension reserve)		18,755	18,758
Pension reserve		(3,461)	(6,937)
Income and expenditure account – unrestricted reserves (including pension reserve)		15,294	11,821
Revaluation reserve		37,965	39,574
Total reserves		53,664	51,800

The financial statements on pages 83-114 were approved by the Governing Body of Southern Regional College on 20 November 2018 and were signed on its behalf on that date by:


Mr A Saunders
Chair of Governing Body


Mr B Doran
Accounting Officer

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

SOUTHERN REGIONAL COLLEGE
CONSOLIDATED CASH FLOW STATEMENT
FOR YEAR ENDED 31 JULY 2018

	Notes	2018 £'000	2017 £'000
Cash outflow from operating activities			
Deficit for the year		(3,086)	(6,323)
Adjustment for non-cash items			
Depreciation	12	3,351	3,399
Decrease/(increase) in debtors more than one year	14	40	(78)
Decrease/(increase) in debtors less than one year	15	863	107
(Decrease)/increase in creditors less than one year	16	(229)	248
(Decrease)/increase in creditors more than one year	17	(224)	(504)
Increase in creditors more than one year - intangible asset	13	167	-
Intangible asset	13	(167)	-
Pension cost less contributions payable	21	874	717
Pension interest cost	21	162	244
Adjustment for investing or financing activities			
Investment income	6	(33)	(105)
Net cash inflow /(outflow)inflow from operating activities		1,718	(2,295)
Cash flows from investing activities			
Disposal of non-current asset investments		-	-
Investment income	6	33	105
Decrease in investments		11,224	3,612
Increase in short term deposits		(6,228)	-
Payments made to acquire tangible fixed assets	12	(7,207)	(2,690)
		(2,178)	1,027
Cash inflows from financing activities			
Interest paid		-	-
Increase/(decrease) cash and cash equivalents in the year		(460)	(1,268)
Net funds at 1 August		1,959	3,227
Net funds at 31 July		1,499	1,959

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 2015 and in accordance with Financial Reporting Standards (FRS 102). The College and Group 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.

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.

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

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.

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 balance sheet as a pension scheme asset or liability as appropriate. The carrying value of any resulting pension scheme asset is restricted to the extent that the College is able to recover the surplus either through reduced contributions in the future or through refunds from the scheme.

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

TANGIBLE FIXED ASSETS

LAND AND BUILDINGS

Land and buildings (including those inherited from the Education and Library Board) are stated in the balance sheet at valuation on the basis of depreciated replacement cost (inclusive of non-recoverable VAT), as the open market value for existing use is not readily obtainable. The associated credit is included in the revaluation reserve. The difference between depreciation charged on the historic cost of assets and the actual charge for the year calculated on the revalued amount is released to the income and expenditure account reserve on an annual basis. Properties which are surplus to requirements are

SOUTHERN REGIONAL COLLEGE
STATEMENT OF ACCOUNTING POLICIES (Continued)
FOR THE YEAR ENDED 31 JULY 2018

valued on the basis of market value. Land and buildings acquired since the last valuation are included in the balance sheet at cost. Freehold land is not depreciated. Freehold buildings are depreciated over their expected useful economic life to the College as advised by 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 2018. 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 balance sheet 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.

INVESTMENT PROPERTY

Fixed asset investments are measured at fair value with any changes in fair value being recognised immediately in the Statement of Comprehensive Income and Expenditure.

FOREIGN CURRENCY TRANSLATION

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

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.

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 28. 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 28. The College administers the payments in line with the recommendations from DfE.

SOUTHERN REGIONAL COLLEGE
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 JULY 2018

1. DEPARTMENT FOR THE ECONOMY INCOME

	2018	2017
	£'000	£'000
Grant in aid received from DfE		
Recurrent grant	26,109	25,477
Release of unrestricted capital grants	345	648
Additional support funds	528	543
Employer support programme – skills focus	248	270
Employer support programme - other	178	204
Students with learning difficulties and/or disabilities (SLDD)	261	340
Additional grant – inescapable pension pressures	-	317
Essential skills in schools	154	191
NICIS 2 Project staff	50	109
Other	-	222
Total grant in aid received from DfE excluding exceptional item	<u>27,873</u>	<u>28,321</u>
Non-grant in aid received from DfE		
Education maintenance allowance administration (EMA)	33	35
Higher level apprenticeships	308	344
Youth training programme	614	969
Other non-grant in aid	156	261
Total non-grant in aid received from DfE	<u>1,111</u>	<u>1,609</u>
Total grant received from DfE excluding exceptional items	<u>28,984</u>	<u>29,930</u>
Exceptional repayment	-	(4,000)
Exceptional grant – voluntary exit scheme (VES)	-	369
Total DfE income	<u><u>28,984</u></u>	<u><u>26,299</u></u>

As of 1 April 2018 (due to the implementation of a new DfE Colleges' funding model), the recurrent grant amount includes items of Grant and Aid Income that would have previously been received by the College as a separate income stream from the DfE. As a result of this, various items (Additional Support Fund, Employer support programme – skills focus, Employer support programme – other, and Students with learning difficulties and/or disabilities (SLDD)) of Grant and Aid Income included in the above note are no longer being received as separate income streams from the DfE as of 1 April 2018.

SOUTHERN REGIONAL COLLEGE
 STATEMENT OF ACCOUNTING POLICIES (Continued)
 FOR THE YEAR ENDED 31 JULY 2018

1. DEPARTMENT FOR THE ECONOMY INCOME (continued)

Such income streams were received by the College separately from the DfE for 8/12 months of the Financial Year and subsequently included within the recurrent grant for the remainder of the year.

The Department has provided notional allocations for the income streams effected by the change in funding model. The total funding including this notional funding received, was as follows:

	2018	2017
	£'000	£'000
Recurrent Grant	25,701	25,477
Additional support Funds	683	543
Employer support programme – skills focus	261	270
Employer support programme - other	304	204
Students with learning difficulties and/or disabilities (SLDD)	375	340

The College was the lead partner in a consortium to deliver Essential Skills in Northern Ireland. The income shown above includes that earned by the College in its capacity both as provider and as consortium lead. All income claimed from DfE and payable to the consortium partners has been excluded from these accounts. Total income claimed in the year under this arrangement and the related payments to partners was as follows;

	2018	2017
	£'000	£'000
Essential Skills Income	4	10
Payments to College Partners	0	(3)
Amounts due to College Partners	<u>4</u>	<u>7</u>

2. EDUCATION CONTRACTS

	2018	2017
	£'000	£'000
Entitlement framework	1,243	1,279
Training for success	4,076	3,710
Steps to work	<u>-</u>	<u>-</u>
Total	<u>5,319</u>	<u>4,989</u>

SOUTHERN REGIONAL COLLEGE
 STATEMENT OF ACCOUNTING POLICIES (Continued)
 FOR THE YEAR ENDED 31 JULY 2018

3. TUITION FEES AND CHARGES

	2018	2017
	£'000	£'000
Higher education (HE)	1,622	1,748
Home and other European Union	1,017	1,002
Non-European Union	<u>1</u>	<u>-</u>
Total	<u>2,640</u>	<u>2,750</u>

Tuition fees funded by bursaries

Included within the above amounts are amounts which fund bursaries of £35k (2017: £54k)

4. OTHER GRANT INCOME

	2018	2017
	£'000	£'000
European funds	323	263
Other funds	<u>329</u>	<u>351</u>
Total	<u>652</u>	<u>614</u>

5. OTHER OPERATING INCOME

	2018	2017
	£'000	£'000
Catering and residence operations	609	711
Other income generating activities	363	413
Other income	<u>77</u>	<u>70</u>
Total	<u>1,049</u>	<u>1,194</u>

6. INVESTMENT INCOME

	2018	2017
	£'000	£'000
Other interest receivable	<u>33</u>	<u>105</u>
Total	<u>33</u>	<u>105</u>

SOUTHERN REGIONAL COLLEGE
 STATEMENT OF ACCOUNTING POLICIES (Continued)
 FOR THE YEAR ENDED 31 JULY 2018

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:

	2018	2017
	No.	No.
Governing body	-	-
Teaching	324	318
Support	121	119
Administration	162	161
Premises	24	23
	<hr/>	<hr/>
Total	631	621
	<hr/> <hr/>	<hr/> <hr/>

	2018	2017
	£'000	£'000
Governing body	53	54
Teaching	14,896	14,644
Support	3,211	2,991
Administration	6,131	5,852
Premises	808	733
FRS 102 pension adjustment (note 21)	874	717
	<hr/>	<hr/>
	25,973	24,991
Exceptional staff costs - VES	(13)	369
	<hr/>	<hr/>
Total	25,960	25,360
	<hr/> <hr/>	<hr/> <hr/>

SOUTHERN REGIONAL COLLEGE
 STATEMENT OF ACCOUNTING POLICIES (Continued)
 FOR THE YEAR ENDED 31 JULY 2018

7. STAFF COSTS (continued)

	2018	2017
	£'000	£'000
Wages and salaries	19,840	19,291
Social security costs	1,768	1,682
Other pension costs (including FRS 102 adjustments)	4,365	4,018
	<u>25,973</u>	<u>24,991</u>
Exceptional staff costs - VES	(13)	266
Exceptional staff costs – VES pension enhancement	-	103
	<u>25,960</u>	<u>25,360</u>
Total	25,960	25,360

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

	Senior post-holders		Other staff	
	2018	2017	2018	2017
	No.	No.	No.	No.
£60,001 to £70,000	-	-	4	6
£70,001 to £80,000	-	-	7	8
£80,001 to £90,000	-	-	-	-
£90,001 to £100,000	2	3	-	-
£100,001 to £110,000	-	-	-	-
£110,001 to £120,000	-	-	-	-
£120,001 to £130,000	1	1	-	-
	<u>3</u>	<u>4</u>	<u>11</u>	<u>14</u>
Total	3	4	11	14

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.

	2018	2017
	No.	No.
The number of senior post-holders including the Chief Executive was:	<u>4</u>	<u>4</u>

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

	2018	2017
	£'000	£'000
Salaries	348	351
Benefits in kind	-	-
Pension contributions	<u>63</u>	<u>63</u>
Total emoluments	<u>411</u>	<u>414</u>

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

	2018	2017
	£'000	£'000
Salaries	110	110
Benefits in kind	-	-
	<u>110</u>	<u>110</u>
Pension contributions	<u>19</u>	<u>19</u>
Total	<u>129</u>	<u>129</u>

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

	2018	2017
	£'000	£'000
Direct teaching	1,172	1,399
Direct support	3,610	3,612
Administration	2,415	2,719
Consultancy Fees	-	-
Premises	<u>5,093</u>	<u>5,541</u>
Total	<u>12,290</u>	<u>13,271</u>

SOUTHERN REGIONAL COLLEGE
 STATEMENT OF ACCOUNTING POLICIES (Continued)
 FOR THE YEAR ENDED 31 JULY 2018

Other operating expenses include:	2018	2017
	£'000	£'000
Auditors' remuneration:		
Financial statements audit (includes £22k in respect of the college – 2016-17 £22k)	22	22
Internal audit	23	24
Other services provided by the financial statements auditors	-	1
Other services provided by the internal auditors	-	-
Hire of plant and equipment assets – operating leases	161	171
Hire of other assets – operating leases	279	145

10. INTEREST AND OTHER FINANCE COSTS

	Note	2018	2017
		£'000	£'000
Net charge on pension scheme	21	162	244
Total		162	244

11. TAXATION

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

	2018	2017
	£'000	£'000
Tax Payable	-	-

SOUTHERN REGIONAL COLLEGE
 STATEMENT OF ACCOUNTING POLICIES (Continued)
 FOR THE YEAR ENDED 31 JULY 2018

12. TANGIBLE FIXED ASSETS

COLLEGE	Freehold land & buildings £'000	Assets under construction £'000	Plant & equipment £'000	Computer: £'000	Fixtures & fittings £'000	Motor vehicles £'000	Total £'000
Cost or valuation							
At 1 August 2017	43,049	2,818	3,269	1,660	1,789	283	52,868
Additions	-	5,408	1,754	5	40	-	7,207
Disposals	-	-	-	-	-	-	-
Surplus on revaluation	1,922	-	-	-	-	-	1,922
Impairment at Banbridge	(1,484)	-	-	-	-	-	(1,484)
Eliminate	-	-	-	-	-	-	-
Depreciation on revaluation							
At 31 July 2018	43,487	8,226	5,023	1,665	1,829	283	60,513
Depreciation							
At 1 August 2017	-	-	2,386	1,169	1,059	173	4,787
Charge for the year	2,281	-	433	259	336	42	3,351
Elimination in respect of disposals	-	-	-	-	-	-	-
Impairment at Banbridge	-	-	-	-	-	-	-
Eliminate	-	-	-	-	-	-	-
Depreciation on revaluation							
At 31 July 2018	2,281	-	2,819	1,428	1,395	215	8,138
Net book value at 31 July 2018	41,206	8,226	2,204	237	434	68	52,375
5Net book value at 31 July 2017	43,049	2,818	883	491	730	110	48,081

Land and buildings were subject to a full revaluation at 31 July 2017, the majority of the estate was valued on a depreciated replacement cost basis. The valuations were performed independently by the Land and Property Service, in accordance with Department specifications. Subsequently that valuation has been updated by indices supplied by the Land and Property Service to provide a valuation as at 31 July 2018. The property at Banbridge has been impaired to reflect the expected remaining life. The revaluations and impairments have been incorporated into the financial statements and the resulting revaluation adjustments have been taken to the revaluation reserve.

SOUTHERN REGIONAL COLLEGE
 STATEMENT OF ACCOUNTING POLICIES (Continued)
 FOR THE YEAR ENDED 31 JULY 2018

12. TANGIBLE FIXED ASSETS (continued)

There are four surplus assets have been valued as follows:– premises at 81 Lisanelly Lane, Armagh valued at £80k, premises at Station Road, Armagh valued at £300k, premises at Corry Square, Newry valued at £125k and premises at Scarva Road, Banbridge valued at £250k.

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

	2018	2017
	£'000	£'000
Cost	16,482	11,075
Aggregate depreciation based on cost	(5,015)	(4,783)
	<u>11,467</u>	<u>6,292</u>

The depreciation charge for the year is analysed as follows:

	2018	2017
	£'000	£'000
Owned assets	3,351	3,399

13. INTANGIBLE FIXED ASSETS

	Asset Under Construction	Total
	£'000	£'000
Cost or valuation		
At 1 August 2017	-	-
Additions	167	167
Disposals	-	-
At 31 July 2018	<u>167</u>	<u>167</u>
Amortisation		
At 1 August 2017	-	-
Charge for the year	-	-
Disposals	-	-
At 31 July 2018	<u>-</u>	<u>-</u>
Net book value at 31 July 2018	<u>167</u>	<u>167</u>
Net book value as at 31 July 2017	<u>-</u>	<u>-</u>

The net book value of the intangible asset under construction is a jointly owned and controlled asset among the six Further Education Colleges of Northern Ireland. The asset under construction is a Learner Management System that will be operated centrally for the sector. The intangible asset is funded in full through a capital grant

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 FOR THE YEAR ENDED 31 JULY 2018

from the Department for the Economy. The total cost is estimated at £2,242k, with SRC's cost for the year being £167k.

14. OTHER RECEIVABLES FALLING DUE AFTER MORE THAN ONE YEAR

	2018	2017
	£'000	£'000
Receivables falling due after more than one year	<u>38</u>	<u>78</u>

15. TRADE AND OTHER RECEIVABLES FALLING DUE WITHIN ONE YEAR

	2018	2017
	£'000	£'000
Trade receivables	148	344
Prepayments and accrued income:	<u>1,707</u>	<u>2,374</u>
Total debtors	<u>1,855</u>	<u>2,718</u>

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

	2018	2017
	£'000	£'000
DfE income	<u>557</u>	<u>1,101</u>

16. CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018	2017
	£'000	£'000
Trade payables	1,804	1,086
Taxation and social security	16	45
Deferred income and payments received in advance	608	922
Accruals	<u>979</u>	<u>1,583</u>
Total	<u>3,407</u>	<u>3,636</u>

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 STATEMENT OF ACCOUNTING POLICIES (Continued)
 FOR THE YEAR ENDED 31 JULY 2018

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;

	2018	2017
	£'000	£'000
DfE grant income	82	38
Capital grant income	224	345
Other grant income	154	406
Other income	148	133
Total	608	922

17. CREDITORS - AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2018	2017
	£'000	£'000
Capital grant income	1,630	1,687
Total	1,630	1,687

18. PROVISIONS FOR LIABILITIES AND CHARGES

	Pensions	Litigation	Other	Total
	£'000	£'000	£'000	£'000
At 1 August 2017	6,937	-	-	6,937
Expenditure in the period	1,036	-	-	1,036
Transferred to statement of comprehensive income	(4,512)	-	-	(4,512)
At 31 July 2018	3,461	-	-	3,461

	Pensions	Litigation	Other	Total
	£'000	£'000	£'000	£'000
At 1 August 2016	10,960	-	-	10,960
Expenditure in the period	961	-	-	961
Transferred to statement of comprehensive income	(4,984)	-	-	(4,984)
At 31 July 2017	6,937	-	-	6,937

SOUTHERN REGIONAL COLLEGE
 STATEMENT OF ACCOUNTING POLICIES (Continued)
 FOR THE YEAR ENDED 31 JULY 2018

19. RESTRICTED RESERVE

	Unspent Capital Grants £'000	Donations £'000	2018 Total £'000	2017 Total £'000
At 1 August	405	-	405	405
New grants	-	-	-	-
Total comprehensive income for the year	-	-	-	-
At 31 July	405	-	405	405

20. CASH AND CASH EQUIVALENTS

	At 1 August 2017 £'000	Cash flows £'000	At 31 July 2018 £'000
Cash and cash equivalents	1,959	(460)	1,499

21. 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

	2018 £'000	2017 £'000
NITPS: contributions paid	2,145	2,101
NILGOSC: Contributions paid	1,451	1,200
NILGOSC: FRS 102 (28) adjustments	874	717
NILGOSC: charge to the Statement of Comprehensive Income and Expenditure (staff costs)	2,325	1,917
	4,470	4,018
Enhanced pension charge to the Statement of Comprehensive Income and Expenditure (staff costs)	-	103
Total pension cost for year	4,470	4,121

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 2017.

NITPS

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

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

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

The employer contribution rates increased to 17.7% from 1 April 2015. The salary bands applicable to member contribution for the NITPS, based on a members' annual salary rate (actual earnings) from 1st April 2017 to 31st March 2018:-

Salary	
Up to £26,259	7.4%
£26,260 to £34,349	8.6%
£35,350 to £41,914	9.6%
£41,915 to £55,549	10.2%
£55,550 to £75,749	11.3%
£75,750 and above	11.7%

Table 19

From 1st April 2018 the bands changed to those below.

Salary	
Up to £27,047	7.4%
£27,048 to £36,410	8.6%
£36,411 to £43,171	9.6%
£43,192 to £57,216	10.2%
£57,217 to £78,022	11.3%
£78,023 and above	11.7%

Table 20

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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 2017 updated to 31 July 2018 by a qualified actuary.

Principal actuarial assumptions

Principal actuarial assumptions at the balance sheet date are as follows:

	At 31 July 2018	At 31 July 2017
Rate of increase of salaries	3.6%	3.5%
Rate of increase for pensions	2.1%	2.0%
Discount rate for scheme liabilities	2.8%	2.6%
Inflation assumption (CPI)	2.1%	2.0%

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

	At 31 July 2018	At 31 July 2017
<i>Retiring today</i>		
Males	23.3	23.2
Females	25.9	25.8
<i>Retiring in 20 years</i>		
Males	25.5	25.4
Females	28.2	28.1

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

	Value at 31 July 2018 £'000	Value at 31 July 2017 £'000
Equities	29,081	31,071
Bonds	10,899	4,648
Property	4,855	4,146
Cash	2,761	2,010
	<hr/>	<hr/>
Fair value of assets	47,596	41,875
	<hr/> <hr/>	<hr/> <hr/>

SOUTHERN REGIONAL COLLEGE
 STATEMENT OF ACCOUNTING POLICIES (Continued)
 FOR THE YEAR ENDED 31 JULY 2018

Amounts recognised in the balance sheet

	2018	2017
	£'000	£'000
Scheme assets	47,596	41,875
Scheme liabilities	<u>(51,057)</u>	<u>(48,812)</u>
Deficit in the scheme (net pension liability recorded within pension provision)	<u>(3,461)</u>	<u>(6,937)</u>

Analysis of amounts charged to staff costs

	2018	2017
	£'000	£'000
Employer service cost (net of employee contributions)	<u>2,199</u>	<u>1,977</u>
Total operating charge	<u>2,199</u>	<u>1,977</u>

SOUTHERN REGIONAL COLLEGE
 STATEMENT OF ACCOUNTING POLICIES (Continued)
 FOR THE YEAR ENDED 31 JULY 2018

21. PENSIONS AND SIMILAR OBLIGATIONS (continued)

Analysis of pension finance costs

	2018	2017
	£'000	£'000
Expected return on pension scheme assets	1,103	939
Interest cost	(1,265)	(1,183)
	<u>(162)</u>	<u>(244)</u>

Analysis of other comprehensive income for pensions

	2018	2017
	£'000	£'000
Actuarial gains on pension scheme assets	3,543	1,272
Actuarial (losses)/gains on the scheme liabilities	969	3,712
	<u>4,512</u>	<u>4,984</u>

Movement in (deficit) during the year

	2018	2017
	£'000	£'000
Deficit in scheme at 1 August	(6,937)	(10,960)
Employer service cost (net of employee contributions)	(2,199)	(1,977)
Employer contributions	1,433	1,512
Curtailment	(108)	(252)
Net interest on assets	(162)	(244)
Actuarial (loss)/gain recognised in other comprehensive income	4,512	4,984
	<u>(3,461)</u>	<u>(6,937)</u>

Reconciliation of liabilities

	2018	2017
	£'000	£'000
Liabilities at start of period	48,812	49,493
Service cost	2,199	1,977
Interest cost	1,265	1,183
Employee contributions	419	380
Actuarial loss/(gain)	(969)	(3,712)
Benefits paid	(777)	(761)
Curtailments	108	252
	<u>51,057</u>	<u>48,812</u>

SOUTHERN REGIONAL COLLEGE
STATEMENT OF ACCOUNTING POLICIES (Continued)
FOR THE YEAR ENDED 31 JULY 2018

21. PENSIONS AND SIMILAR OBLIGATIONS (continued)

Reconciliation of assets

	2018	2017
	£'000	£'000
Assets at start of period	41,875	38,533
Expected return on assets	1,103	939
Actuarial (loss)/gain	3,543	1,272
Employer contributions	1,433	1,512
Employee contributions	419	380
Benefits paid	(777)	(761)
	<hr/>	<hr/>
Assets at end of period	47,596	41,875

The estimated value of employer contributions for the year ended 31 July 2019 is £1,439k.

History of experience gains and losses

	2018	2017	2016	2015	2014
Experience gains/(losses) on assets					
Amount £'000	N/A	N/A	N/A	1,556	(783)
% of assets	N/A	N/A	N/A	6.4%	-2.8%
Experience gains/(losses) on liabilities*					
Amount £'000	N/A	N/A	N/A	128	(3,201)
% of liabilities	N/A	N/A	N/A	0.3%	-9.0%

** This item consists of gains/(losses) in respect of liability experience only and excludes any change in liabilities in respect of changes to the actuarial assumptions used.*

22. POST BALANCE SHEET EVENTS

There are no post balance sheet events.

23. SUBSIDIARY UNDERTAKINGS

The College has no subsidiaries.

24. CAPITAL COMMITMENTS

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

	2018	2017
	£'000	£'000
Commitments contracted for at 31 July	24,950	1,688
Authorised but not contracted at 31 July	15,516	34,493
	<hr/>	<hr/>
Total	40,466	36,181

25. FINANCIAL COMMITMENTS

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

	2018	2017
	£'000	£'000
Land and Buildings		
Expiring within 12 months	20	20
Expiring within two and five years inclusive	<u>259</u>	<u>291</u>
Total	<u>279</u>	<u>311</u>
	2018	2017
	£'000	£'000
Other		
Expiring within 12 months	33	9
Expiring within two and five years inclusive	<u>143</u>	<u>160</u>
Total	<u>176</u>	<u>169</u>

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

	2018	2017
	£'000	£'000
Income		
Expiring within two and five years inclusive	77	77
Expiring in over five	<u>-</u>	<u>-</u>
Total	<u>77</u>	<u>77</u>

26. CONTINGENT LIABILITY

The College has a possible obligation in relation to outstanding pay revalorisation (cost of living increases) for those staff who are contracted under the “Contract for Lecturers” and Other Senior Staff. The possible obligation relates to the following periods 2015/16, 2016/17 and 2017/18, with the main issue of uncertainty being affordability. It is not possible to make a reliable estimate of the financial effect of the possible obligation as at 31 July 2018.

There is a legal case pending against the College and the matter will have to be considered by the Office of Industrial Tribunals in Northern Ireland, following which the any obligations will be confirmed.

27. RELATED PARTY TRANSACTIONS AND TRANSACTIONS INVOLVING GOVERNING BODY MEMBERS AND SENIOR MANAGEMENT

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

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

Governor / Senior Manager of Southern Regional College	Related Organisation	Transactions 2018 £'000	Transactions 2017 £'000	Amount outstanding at 31 July 2018 £'000	Amount outstanding at 31 July 2017 £'000
N Wilson* K Twyble* K Swail * M Turner*	Armagh City, Banbridge and Craigavon Borough Council	76	117	-	-
P Campbell*	Stranmillis University College	59	27	-	-
B Doran** A Saunders*	Colleges NI	8	168	-	-
A McCormick*	Education Authority	77	n/a	20	-
M Turner*	Pearson UK	4	n/a	-	-
M Turner*	CCEA	1	n/a	-	-

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

Table 21

27. 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	
	2018 £'000	2017 £'000	outstanding at 31 July 2018 £'000	outstanding at 31 July 2017 £'000	
A Saunders*	Ulster Bank Ltd*	9	19	-	13
A Carson*	Bank of Ireland*	2	26	-	3
N Wilson* K Twyble* K Swail * M Turner*	Armagh City, Banbridge and Craigavon Borough Council	1	3	-	-
R Sloan **	St Louis Grammar School	31	20	-	-
A McCormick*	Education Authority	116	n/a	5	-
T Campbell*	St Catherine's College	68	36	-	-
	PKF FPM Accountants	1	1	-	-

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

Table 22

*The College places funds with Ulster Bank and Bank of Ireland, the figures quoted relates to interest earned on these deposits.

28. 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 Income and Expenditure Account.

	2018 £'000	2017 £'000
DfE student hardship grant	421	476
Disbursed to students	(373)	(468)
Balance unspent at 31 July	48	8

SOUTHERN REGIONAL COLLEGE
STATEMENT OF ACCOUNTING POLICIES (Continued)
FOR THE YEAR ENDED 31 JULY 2018

28. AGENCY ARRANGEMENTS (continued)

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

	2018	2017
	£'000	£'000
DfE care to learn grant	46	14
Disbursed to students' childcare providers	<u>(51)</u>	<u>(17)</u>
Balance at 31 July	<u>(5)</u>	<u>(3)</u>

29. LOSSES AND SPECIAL PAYMENTS

There were no losses or special payments greater than £1,000 during the financial year.

SOUTHERN REGIONAL COLLEGE
 STATEMENT OF ACCOUNTING POLICIES (Continued)
 FOR THE YEAR ENDED 31 JULY 2018

30. ADDITIONAL DISCLOSURES TO COMPLY WITH FINANCIAL REPORTING MANUAL

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

	Notes	2018 £'000	2017 £'000
INCOME			
DfE income (non-grant in aid items)	1	1,111	1,609
Education contracts	2	5,319	4,989
Tuition fees and charges	3	2,640	2,750
Other grant income	4	652	614
Other operating income	5	1,049	1,194
Investment income	6	33	105
Total incoming resources		10,804	11,261
EXPENDITURE			
Staff costs	7	(25,973)	(24,991)
Fundamental restructuring costs	7	-	(369)
Other operating expenses	9	(12,290)	(13,271)
Depreciation	12	(3,351)	(3,399)
Interest and other finance costs	10	(162)	(244)
Total resources expended		(41,776)	(42,274)
Deficit before tax		(30,972)	(31,013)
Taxation	11	-	-
Deficit for the year		(30,972)	(31,013)
Unrealised surplus/(deficit) on revaluation of land and buildings		438	(5,444)
Actuarial (loss)/gain in respect of pension scheme		4,512	4,984
Amount transferred to reserves		(26,022)	(31,473)
Analysis of reserves prepared under FReM			
		2018 £'000	2017 £'000
Balance at 1 August		51,800	58,583
Grant in aid received in year excluding exceptional item		27,894	28,321
Grant in aid received in year exceptional item		-	(3,631)
Amount transferred to reserves		(26,030)	(31,473)
Balance at 31 July		53,664	51,800

