



Southern Regional College Annual Report and Accounts

For the year ended 31 July 2019

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for the year ended 31 July 2019

The Accounting Officer authorised these financial
statements for issue on 29th November 2019

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**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019**

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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 2019.

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 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. In advance of the 2018-19 academic year the six regional Colleges of Further Education in conjunction with the Department for the Economy developed a sector corporate plan with each College developing an individual annual development plan and associated report cards. The corporate plan for the period 2018-21 sets out the sector's shared purpose, values and vision and embodies our commitment to working effectively together in providing skills solutions that meet current and emerging economic demand. This corporate plan was underpinned by an annual development plan for each College.

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 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 reporting period 2018-19 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 DEVELOPMENT PLAN

The College's development plan for 2018-19 set out a series of strategic aims, underpinned by a series of strategic objectives, actions and targets that contribute to Programme for Government outcomes and four of the five pillars of growth within the NI Industrial Strategy. The following section provides a summary of progress against each strategic aim and underpinning objectives for the period 1 August 2018 – 31 July 2019.

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' and within the Programme for Government (PfG). The FE sector's contribution to these is shown in Figure 1.

It is in this context that the College's curriculum offer is closely aligned to supporting PfG outcomes and indicators and four of the five pillars of the Industrial Strategy.

The enrolment targets for 2018-19 were agreed with DfE through the existing bilateral planning process. These targets were focused on increasing the number of people who achieve level 2 essential skills qualifications in literacy and numeracy, qualifications at level 2 and above, increasing participation in priority 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 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, the College's curriculum offer is increasingly targeted on the current and future needs of the local and regional economy and we believe the outreach to employers across the region is unsurpassed 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 2018-19 academic year can best be viewed in the context of the level of participation in the main areas of our core business, namely:

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

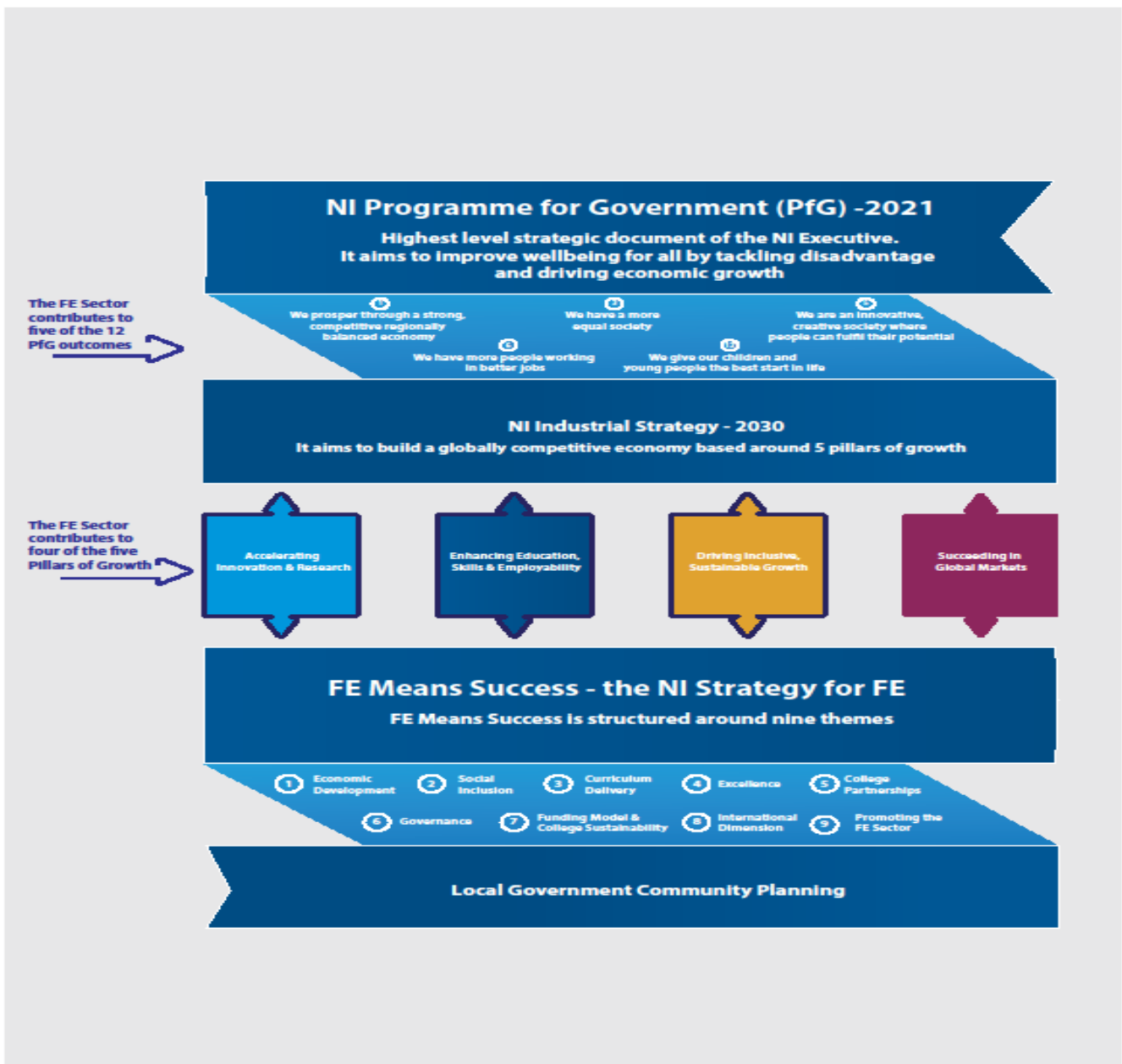


Figure 1

This section of the Annual Report provides information on enrolment activity and qualification outcomes as set out in the College’s Development Plan 2018-19. Readers should note that the enrolment numbers presented for 2018-19 are those recorded at 31 July 2019 and are not final validated figures.

ENROLMENT PROFILE

The College set out its plans for the provision of education and training opportunities in 2018-19 specifically addressing the needs of 3 groups of people, those entering the workforce, those already in the workforce and those furthest away from work.

Within these targeted groups the College plays a significant role in addressing the education needs of those living in areas of greatest deprivation, be that through regional provision across College campuses or through our community outreach programme. This is illustrated by the fact that -50.5% of the College’s total enrolment are from students within population quintiles 1 and 2, Figure 2.

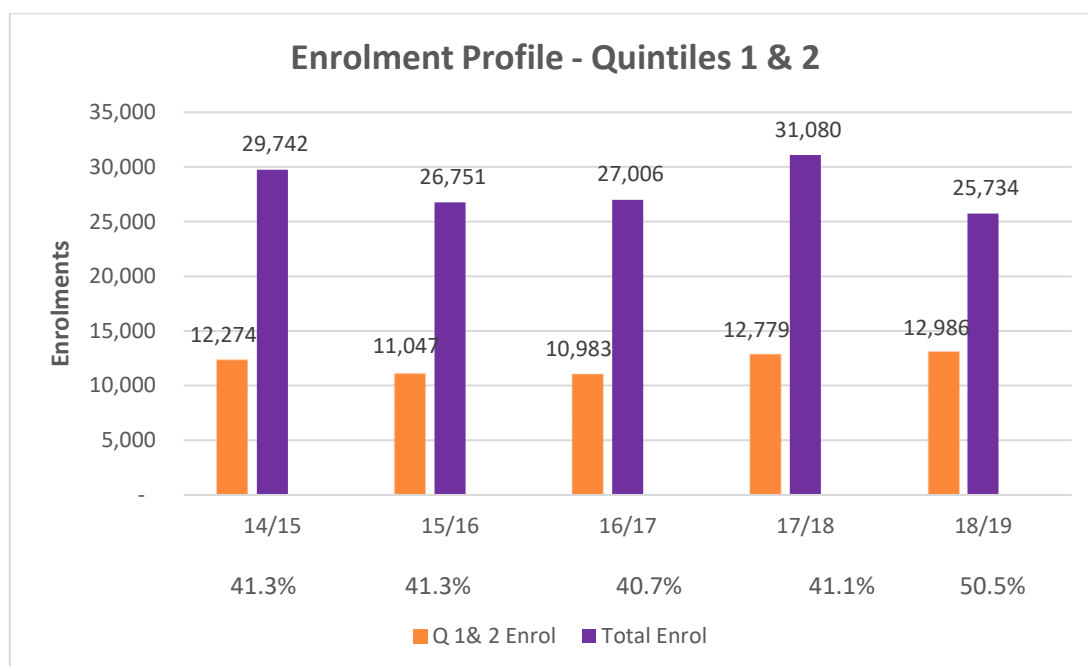


Figure 2

SRC is at the forefront of delivering programmes aimed at supporting people and communities to overcome inequality and disadvantage through education and training. The College region includes 15 of the top 100 most deprived areas (in Northern Ireland) and over recent years, the College’s community outreach Team has prioritised its limited resources on these areas of deprivation. As a result over 66% of the total community outreach provision in 2018-19 supported learners within population quintiles 1 and 2. Prioritising provision in areas of significant deprivation will remain our focus of the coming years and we will continue to work with the Department for the Communities (DfC), Department of Agriculture, Environment and Rural Affairs (DAERA) and local councils to provide education and training opportunities in these areas as part of the wider community planning process.

ENROLMENT POSITION 2018-19

The College’s development plan for 2018-19 set targets for enrolment across Further, Higher Education, Training and Essential Skills.

The overall enrolment position (excluding essential skills) at 31 July 2019 showed the College achieved 97% of its full time enrolment target and exceeded its part time enrolment target by 6%, Table 1.

Total Enrolment		Enrolments		
		Target	Actual	% Target
Levels 0-8	Full time	4,441	4,292	97%
	Part time	16,653	17,669	106%
	Total	21,094	21,961	

Table 1

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

FURTHER EDUCATION

The College offered a wide spectrum of courses across campuses aimed at meeting the needs of individuals and employers. This included the delivery of qualifications ranging from Level 1 to level 3 on the National Register of Regulated Qualifications.

The College enrolled 94% of its target for full time further education and exceeded the target for part time enrolments by 5%, Table 2.

Further Education		Enrolments		
		Target	Actual	%
Levels 0-3	Full time	2,934	2,749	94%
	Part time	14,327	15,084	105%
	Total	17,261	17,833	

Table 2

The total full time further education enrolment fell by 197 from that recorded in 2017-18, Figure 3. The fall in enrolments at Level 3 was most evident in areas including ICT, Sports Studies, Travel and Tourism and Performing Arts. The agreed target for full time further education learners reflected the on-going declining number of school leavers at 16 years of age. The continued fall in full time further education numbers can also be attributed to the continued challenges the College faces in promoting its offer to key stage 4 students within our local schools.

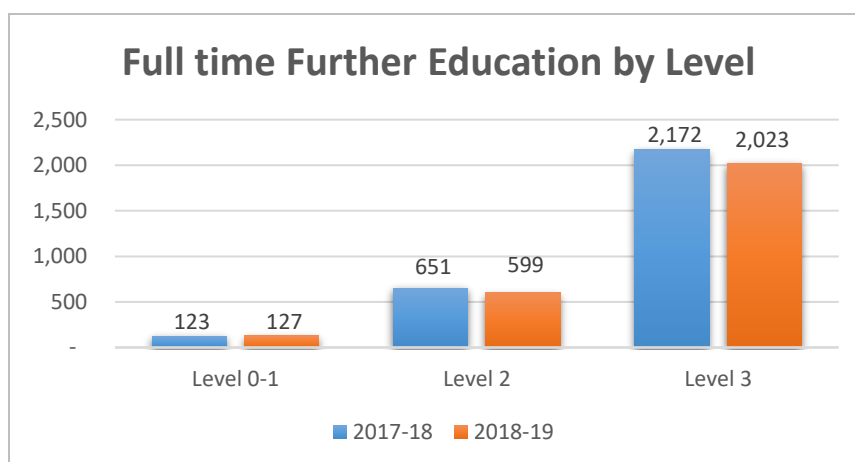


Figure 3

The College's Inclusive Curriculum offer at Level 0-1 provides opportunities for those young people with a range of challenges and learning difficulties to undertake programmes of study aimed at supporting the individual through independent living and progressing to sheltered employment.

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

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 enrolments 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. The College successfully completed an institutional review exercise with the Open University that will lead to an increased portfolio of Higher Education courses on offer from September 2019.

Higher Education		Enrolments		
		Target	Actual	% Target
Levels 4-8	Full time	555	478	86%
	Part time	1,174	1,202	102%
	Total	1,729	1,680	

Table 3

The College was allocated a total Maximum Student Number (MaSN) of 555 full time Higher Education places in 2018-19. The College recruited a total of 478 full time students with a further 154 enrolments on Higher Level Apprenticeship programmes in Applied Science, IT Infrastructure, Mechatronics and Accounting. The total number of full time Higher Education enrolments decreased as a result of students opting to take up places in local Universities during the early part of the first semester and the fall in the number of further education students completing Level 3 programmes and applying for internal progression. The total part time Higher Education was above target.

SKILLS TRAINING - TRAINING FOR SUCCESS AND APPRENTICESHIP TRAINING

DfE approved the College to continue delivery of Training for Success (TfS) and Apprenticeship NI (AppNI) programmes to August 2020 with the expectation that the new system of Youth Training and will operate from September 2020. 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 Gas Installation, Engineering, Insurance and Financial Services.

During the 2018-19 academic year, the College exceeded targets for those undertaking Training and Apprenticeships as shown in Table 4. Unlike Further Education, full time programmes the College experienced an increase in the number of new entrants on both Training and Apprenticeship programmes particularly in construction trades.

Training for Success		Enrolments		
		Target	Actual	% Target
Levels 1-3	Full time	369	430	117%
	Part time	918	1,036	113%
	Total	1,287	1,466	

Apprenticeships		Enrolments		
		Target	Actual	% Target
Levels 2-8	Full time	588	635	108%
	Part time	234	347	148%
	Total	822	982	

Table 4

ESSENTIAL SKILLS

The College enrolled a total of 3,458 learners for Essential Skills in Literacy, Numeracy and ICT against a target enrolment of 3,376, as shown in Table 5. However, the College has had to restrict its commitments to the delivery of Essential Skills particularly to adult learners as a result of reductions in funding. In 2017-18, the College recruited 3,982 essential enrolments, reducing its target in 2018-19 to 3,376 (15% reduction).

Essential Skills	Target	Actual	% Total
Age >=16 and <20	2,464	2,566	104%
Age 20 or over	912	892	98%
Total	3,376	3,458	

Table 5

SCHOOLS' PARTNERSHIP PROGRAMMES (SPP)

The College remains committed to supporting local post-primary schools in the delivery of the Entitlement Framework (EF) at Key Stage 4 and Post-16. The EF aims to guarantee all school pupils greater choice and flexibility by providing them with access to a wide range of learning opportunities suited to their needs, aptitudes and interests, irrespective of where they live or the school they attend. The College 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 2018-19, the College maintained excellent levels of engagement with 29 schools across the 4 Area Learning Communities within the region. In spite of the success of the partnership, the number of schools engaging with the College continues to fall and as a result year on year enrolment has fallen, Figure 4. This reduction has been contributed to by the growth of school-to-school collaboration, pressure on school budgets and schools widening their curriculum offer to include vocational awards and reductions in Entitlement Framework funding.

School Partnership Enrolments

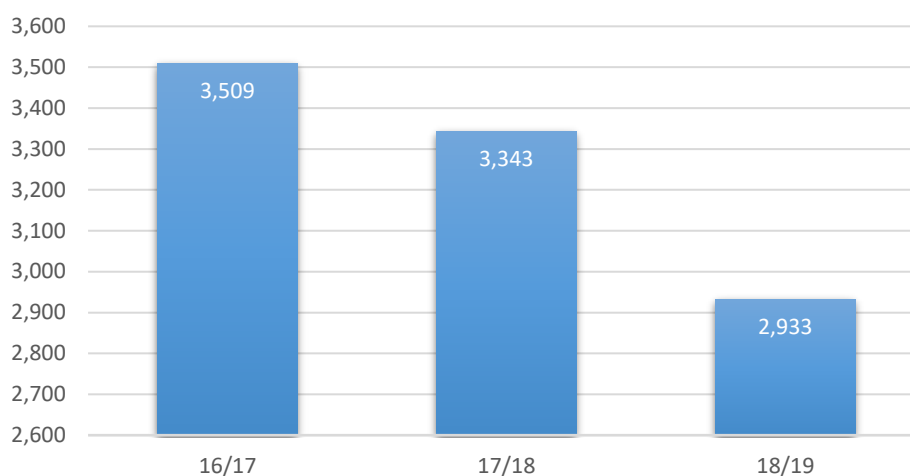


Figure 4

The uncertainty over continued Entitlement Framework funding, the growth of school to school collaboration and a lack of commitment from some schools has led the College 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.

COMMUNITY ENGAGEMENT

The College continued to focus its community engagement during 2018-19 on areas of social deprivation and disadvantage and, in particular, on the five Neighbourhood Renewal Areas (NRA) within our region. This has resulted in a refined curriculum offer including essential skills, professional and other level 2 qualifications aimed at encouraging further progression to the College’s main campuses.

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 2018-19, five 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 245 residents completed training through the Neighbourhood Renewal projects with 245 residents (100%) achieving a qualification and 35 residents (14%) obtaining employment as a direct result of their participation on the programme. In addition, 432 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. In conjunction with Department of Agriculture, Environment and Rural Affairs (DAERA), the College delivered the PROSPER programme which tackles economic inactivity, unemployment, educational underachievement and social isolation in rural areas through the delivery of accredited training and industry recognised qualifications. PROSPER further enhanced the work already carried out in rural areas by our Community Development Team.

An additional programme entitled the Prince's Countryside Care for the Future programme, funded by the Prince's Countryside Fund, was also introduced to tackle disadvantage and improve social inclusion in rural and farming communities. This project consisted of two strands:

- i. provide accredited training to people living in rural areas from both farming and non-farming backgrounds, equipping them with the skills required to conserve and develop their locality for future generations, enhancing its long-term sustainability.
- ii. encourage the growth of rural enterprises and new business start-ups who wish to work together to care for and improve their local area. Participants will be able to identify potential areas for improvement in the farming landscape in terms of conservation and the possible improvements that can be made.

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 organised for residents of Crossmaglen and Bessbrook, included Door Security, Level 2 Award in Barista Skills and Working with Children with Special Needs.

The College has secured a further £236k for 5 new projects in the 2019-20 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 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.

OUTCOMES

STUDENT OUTCOMES

The move to an outcome based accountability approach to planning had led the College to setting outcome targets in terms of the number of learners achieving or partially achieving regulated qualifications.

The number of learners achieving qualifications as recorded at 1 August 2019 is shown in Table 6 below.

STUDENT ACHIEVEMENT					
Mode	Level	Target	Achievement	Q1 & Q2 achievement	Q1 & 2 achievement as % of overall achievements
Full time (Further, Higher, WBL)	Level 1-3	1,982	1,913	1,021	53%
	Level 4+	248	218	113	52%
Part time (Further, Higher, WBL)	Level 1-3	4,603	7,148	3,702	52%
	Level 4+	566	669	295	44%
Essential Skills		2,502	1,873	1,305	70%

Table 6

Achievement rates for students from quintiles 1 and 2 are shown in Table 6.

Students enrolled from population quintiles 1 and 2 represented 51% of the total college enrolment.

DESTINATION INFORMATION

The number of full time learners progressing to further study or employment on completion of their programme of study is summarised in Table 7.

Destinations	Target	No. progressing to further study or employment
No. of final year Level 2 FE Learners	354	491
No. of final year Level 3 FE Learners	766	1032
No. of final year Level 5 HE Learners	223	218
No. of final year TFS trainees	106	173

Table 7

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 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 2018-19, staff had the opportunity to undertake professional development in a number of areas including:

- 8 staff successfully completed Postgraduate Certificate in Further Education
- 9 staff successfully completed Certificate in Teaching
- 33 Full Time Lecturers & 20 Part Time Lecturers trained in Teaching Thinking programme
- 162 lecturers attended exam board training
- 25 staff attended Essential Skills workshops
- 12 lecturers attended student coaching and motivation workshop
- 53 staff attended ETI Inspector training
- 28 staff were trained on working with students with English as second language.

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, Accounting and Health & Social Care. The College continues to build its digital capability based on the experience of HLA blended development and staff are 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 7,659 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 93 Colleges (510,149 learners) participating in the survey across the United Kingdom. Responses from students include:

- Higher Education - 96% agree that “Lecturers encourage me to work to the best of my ability”
- Further Education - 94% agree that “I have good support to help me learn and progress”
- Work based training - 94% agree that “Clear guidance & support to prepare for assignments”

Second year Higher Education Students participated in the National Student Survey. SRC achieved an overall student satisfaction rating of 89%, the second highest rating of all NI FE Colleges, and ranking 4% above the 4 NI Universities. It is of note that the SRC student satisfaction has risen 2%, SRC is also 6% above the overall UK HE satisfaction rating of 83%.

During 2018-19, 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.

In November 2018, the Education and Training Inspectorate (ETI) carried out a focused inspection in areas of Work based Learning provision inclusive of APPNI/TfS and ES programme. The outcome of this inspection was that areas of TfS provision were assessed as required important areas for improvement (AFI) and ES was designated as requires significant improvement (RSI). As a result, an ETI/DfE approved Recovery Plan was implemented in January 2019 and will continue through to an interim inspection in November 2018 and full inspection in March/April 2020.

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. An ETI Inspection in November 2018 highlighted the need to update the College Safeguarding Policy, appoint an Adult Safeguarding Champion and ensure all staff are trained to an adequate level. There has been significant progress to date on each of the three key priority areas to ensure the College continues to provide a quality service for all students.

In October 2017, the College obtained 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.

Southern Regional College has been accredited with the Louder than Words best practice Charter in April 2018. This Charter Mark 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 Careers Team continues to use Facebook to promote the service and improve communication with clients. This facility has been useful in advertising local employment opportunities to students. During the 2018-19 academic year, the Careers Facebook page has been rebranded to become a communication channel for both Careers and Learning Resources.

During the 2018-19 academic year the Team have embedded the Unifrog learner destination software as a one-stop-shop careers tool for students. Unifrog is the only place where students can compare every university course, apprenticeship and FE course in the UK as well as universities in 30 other countries across the world. This sits alongside access to labour market information and advice on careers and subjects for all routes. Students can record and evidence their key activities & competencies and prepare their CVs and personal statements alongside the teacher reference. This system records CEIAG interactions and serves as a learner destination-tracking tool.

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 the Economy and Disability Action, a partnership model has been developed through the Job Match project. This project, co-ordinated by Disability Action, supports SRC students in

accessing supported employment on completion of their course. Students are also been supported in transferring to supported programmes which caters for students' individual abilities. This work assists students in overcoming barriers to progression and transition.

During the first term of the 2018-19 academic year, the Careers Team tracked the destination of full-time and part-time Level 3 and Higher Education level learners who left Southern Regional College in June 2018. Findings indicated a range of leaver destinations, including progression into employment or additional learning. In total, 2078 students were contacted with a response rate of 2053 students (98.8%). Table 8 shows the breakdown of tracked destinations for 2053 FE & HE students who left SRC in June 2018.

TRACKED DESTINATION	Number	%
Total Number of SRC Students Tracked	2078	100%
Total Number of SRC Students Responses	2053	98.8%
Progressed to HE Externally	507	24.7%
Progressed Internally to HE	352	17.1%
Progressed Internally to FE (TfS)	91	4.4%
Other SRC Courses	88	4.3%
Entered Employment	796	38.7%
Seeking Employment	26	1.2%
Gap Year	160	7.8%
Repeating Year	33	1.6%

Table 8

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

1. Nursing;
2. Foundation Degree in Computing at SRC;
3. Associate Bachelors' Degree in English and History at SRC.

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. Staff and students are provided with access to a wide range of learning resources through Moodle, the College virtual learning environment. This includes:

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

LRC staff ensure that all users can easily access learning resources, both electronic and non-electronic, by providing 24/7 access to resources through the College's Virtual Learning Environment. LRC staff have established and continue to sustain national 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. A number of new technological developments have been recently introduced including the development of the EBSCO Discovery App. Students can now access the wide range of EBSCO E-books via the app 24/7, on their mobile or tablet. Further procurement of e-resources within the LRCs included the JSTOR e-Journals package purchased specifically for students studying the Associate Bachelor's Degree in English and History. This resource gives students access to approximately five hundred e-journals and thousands of articles in the areas of Social Sciences and Humanities.

Other additional online databases available to our Higher Education students include Passport Euromonitor, an award-winning global market research database providing strategic analysis on industries, countries, and consumers and companies. The resource has been used as an effective research tool by HE students from Computing, Engineering and Business Studies programmes. The Geospatial Data Service has been uploaded onto Moodle and promoted on social media and to all relevant lecturing staff. This resource provides access to a wide range of digital mapping products to support teaching and learning. A new resource, Health and Social Care Training has been uploaded onto Moodle and advertised on social media.

In 2018-19, 3,771 students completed Central Registration across all sites, which included LRC induction. Lanyards and cardholders were issued to students during Central Registration along with their Student ID card. The Heritage Library Management system has also been upgraded which has enabled the provision of more accurate reports.

STUDENT ACTIVITIES

Throughout 2018-19, the Student Activities Team continued to meet the needs of all students, delivering 489 activities with 15,633 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.

The Student Activity Interns continued to roll out the tutorial and seminar programme, that included the launch of a new suite of tutorials "Prep for Uni", that aims to support student

progression to Higher Education. Students have engaged in several tutorial sessions delivered by external organisations such as the Women's Aid Heading for Healthy Relationships Programme in Lurgan and Newry, while Ulster Bank have facilitated Cybersecurity and Digital Banking workshops to TfS and AppNI students on the Greenbank campus.

This year the Student Activities Team have developed several new clubs and societies, including an E-Sports Club, a Movie Club and a Gaming Society. Several sporting activities are available to the SRC student body including the use of the Fitness Suite, which had been jointly co-ordinated by the HBSS School and Student Activities Team. The College's Gaelic football and volleyball Teams had a successful year winning all Ireland titles.

The Student Activities Co-ordinator worked closely with the Learning Support Manager in implementing the Health and Wellbeing Hub Action Plan for 2018-19 which was presented to the visiting DfE 14-19 Team on 12 March 2019 in Portadown Campus as part of an overview of Pastoral Care at SRC. The Student Activities Co-ordinator and the Learning Support Manager are now members of the Annual Student Wellbeing Conference Steering Group who are in the process of planning the Conference for December 2019.

The Student Activities Team have continued the promotion of on-site counsellor and health clinics to students in tutorials and during class visits with health clinic staff and an Inspire counsellor throughout this academic year. Health clinic staff have launched the "Pink Present" initiative in efforts to tackle the silent problem of Period Poverty. This initiative involved SHSCT providing each SRC campus with a stock of sanitary products for young females to access free of charge.

The Student Union held its annual SRC Students' Union (SRCSU) AGM on 29 April 2019. 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 year saw the election of new positions with the election of two LGBTQ+ Student Union Officers, 1 elected in Armagh and the other in Newry representing the interests of the LGBTQ+ community within SRC.

The Student Activities Team were shortlisted in the category of the Student Engagement & Communications Award in the Education Awards 2019. The Education Awards recognise, encourage and celebrate excellence in the third level education sector on the island of Ireland from both State and privately funded institutions.

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

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 with 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 fundraising events.

During the 2018-19 academic year:

- SRC Music students were victorious at the Music Skills NI Competition at the MAC, Belfast bringing home 3 first place awards and 1 runner up out of the 6 categories in the competition;
- SRC Esports Team, Team SRCulater, won their first grand final of the British Esports Championships and became the only undefeated FE College in the Rocket League series;
- Three Media students, Cameron Camblin, Rory McStraw and Matthew Spiers, from Banbridge Campus made it through to the final of the Young Filmmaker of the Year Competition in Dublin. The organisers commended SRC on the quality of the work submitted which included a range of animation and live action films;
- SRC came out as the big winners at SkillBuild NI with a remarkable 4 gold, 3 silver and 5 bronze medals. SRC also won the Chairpersons Cup for most entries and DfE Cup for Highest Number of Medal Winners;
- SRC received the highest number of medals of any NI College at WorldSkills UK and came 3rd overall in the UK medal table. SRC students brought home a fantastic 2 golds, 1 silver and 3 bronze medals. Additional medals were also secured in the Inclusive Skills competitions with gold, silver and bronze medals;
- Former SRC Painting and Decorating student, Robert Mythen, received the Radius House Endeavour Award for overcoming adversity to achieve a qualification;

- Caitlin Wright was awarded BTEC Bronze Certificate for BTEC Child and Social Care Student of the Year;
- Two students had the opportunity to compete in the Special Olympics World Games in Abu Dhabi in March. Jill Connery finished fourth in her golfing event and Fergal Gregory secured Bronze in the 500m kayak event;
- Three ASDAN students attended NI Inclusive Skills Competition in Belfast. Matthew Robinson and Mairead McGonnell were winners of the Media competition while Nevin Kelly was winner of the Independent Shopping Competition;
- Louis Browne, Sinead Owens and Shantelle Ritchie competed over 2 weekends at the Irish Athletic Third Level Boxing Association Championships picking up 3 titles;
- Hairdressing students had amazing success at the Mirror Hairdressing competition, coming home with a total of 9 medals: 2 gold, 4 silver and 3 bronze;
- SRC Volleyball Team won the NI League and the All-Ireland Championship coached by Paul McIlwaine;
- The Newry Men's Gaelic Team won the Electric Ireland HE GAA Corn Comhairle Ardoideachais under the direction of their coaches Stephen Ferris and Rory McGreevy;
- Matthew McCabe won the BTEC Award for Public Services Student of the Year in recognition of his achievement in his chosen subject;
- Kelsie Stewart won the British Education Award – Vocational Category for Northern Ireland, in recognition of his brilliant academic results and extracurricular success;
- Danielle Brown received one of the top marks in the country in the Diploma for Accounting Technicians.

LEARNING SUPPORT

The Learning Support Team consists of 6 Learning Support Co-ordinators, 80 Learning Support Assistants, Mentors and Note takers and provides a wide range of support interventions to students with learning difficulties and/or disabilities.

The College received a total Additional Support Fund allocation of £808,617 from the Department for the Economy to support students with learning difficulties and disability during the 2018-19 academic year. A total number of 674 Further Education mainstream and discrete students receiving additional learning support during this period. Learning Support also provided additional support for 28 HE

students. The department also processed 585 examination access applications for students during 2018-19.

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

- planning and reviewing activities for the Health and Wellbeing HUB. The introduction of onsite counselling in 2017/18 was further enhanced this year by extending the services to Greenbank, Hamiltonsbawn and Portadown Trade Centres. In 2018-19, a total of 79 students received 1:1 counselling support across all campuses (an increase of 46% from the previous year). In the same reporting period, 9 students attended the drop-in service;
- working alongside colleagues to support the development of the Learning support section of the new Learner Management System. This work will be ongoing throughout 2019/20;
- invited to form part of the Southern Trust ASD Forum. The key role of the forum is to include representatives from the Trust, voluntary sector, local councils, education and other statutory agencies to implement the regional ASD action plan. This is an excellent opportunity for SRC to influence local strategies and to access up to date information on the services for ASD students provided by external providers;
- hosting 2 transition working group meetings during 2018-19. This enhances stakeholder engagement and strengthens the working relationship between SRC and external transition agencies;
- working closely with the SRC Examinations Manager to develop an Access Arrangements Policy. This was approved and published in February 2019;
- organising Access Arrangements training and delivering to curriculum staff during employee development in February 2019;
- organising SENCO (Special Educational Needs Co-Ordinator) coffee mornings to invite SENCOs from the local feeder schools in to the College to meet with the Learning Support Team. This was extremely beneficial as common challenges were discussed and agreement was sought in areas such as sharing of examination support information and documentary evidence; and
- continuing 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 2018-19, the Marketing, Communications and Student Recruitment Team (MCR) completed the implementation of the revised brand and identity mark for the College. The Team worked closely with a number of College departments to promote the new brand with staff, students and external stakeholders. This included the removal and refresh of the old logo within the campuses.

The College's website is continually updated and refreshed to improve its design and accessibility. Working with the Web Development Team, we are developing a new course search page, which is

planned to go live early in the 2019-20 academic year. The Team will also undertake a review of the course information published on the College website and prospectus for prospective students.

The MCR Team continually review the effectiveness of new platforms included within the College’s key recruitment campaigns for digital marketing. Two new social media channels, Instagram and Snapchat, were included this year. As of July 2019 SRC was adjudged by Edurank to have the most significant social media presence of all regional Colleges in Northern Ireland.

Social Media Type	2017-18 followers	2018-19 followers
Facebook	followers – 14, 963	followers - 16,275
Twitter	2,937	3,214
Instagram	335	1,071
LinkedIn	1,302	1,936

Table 9

The MCR Team continued to implement the Communications and Stakeholder Engagement Plan to support 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. Key PR activities and events this year included:

- Banbridge Campus - Contractor appointment, Breaking Ground milestone, Looking Back Looking Forward event, hoarding design;
- Armagh Campus - Topping Out Ceremony.

The New Builds section of the College website has also been redesigned and uploaded with up to date information to inform key stakeholders on the progress of the builds.

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, The Big Apprenticeship Events. In June 2019, the College won the ‘Best Marketing Initiative’ at the Greater Newry Business Awards. The award was for the work on the Big Apprenticeship Events, held in April 2019 at SRC Campuses in Portadown and Newry. The Team promoted the College’s curriculum offer at over 100 events over the course of the year including schools’ careers talks, careers conventions and at various information days. Over 50 press releases were submitted to a range of local printed press including local, regional and national.

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 producing over 200 fliers or posters. The Team also filmed, produced and edited 30 videos for promotional purposes, which were used across a range of platforms. This year, we also increased our suite of SRC student and course-centred photographs for use within our communications. The MCR Team was a finalist at the Irish Education Awards for the Category: Best Marketing/Communications Team.

CAMPUS SERVICES

The Campus Services Team have overseen the successful implementation of a paperless Admissions system in 2018-19. The Campus Services Team continued to focus on customer service and develop efficient business processes through greater use of electronic and automated systems, emails and text messages. The Call Centre was once again operational during the busy enrolment period from August to September 2018 dealing successfully with course enquiries and processing enrolments.

The Campus Services Team have also been involved in a number of projects and initiatives in collaboration with other sections within the College and with the Education Authority (EA). The standard of customer service has greatly improved through continued development and enhancements to a number of online processes, which include:

- Admissions portals (PEAS and Administration portals);
- Online bus pass process with EA;
- Course Enquiry portal;
- Hardship portal;
- Promotion of the tuition fee loan arrangements for part time HE students;
- EMA administration and attendance portals.

The Campus Services Team delivered refresher 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 2019.

WIDENING PARTICIPATION

As part of the College's 2018-19 Widening Access Participation Plan, two outreach events were held in the Newry and Portadown campuses in March 2019. 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.

Sixty Year 10 pupils from Newry High School, St Joseph's High School Newry, Lismore Comprehensive, Craigavon, Brownlow Integrated and Craigavon Senior High School participated in a range of interactive taster sessions and received information regarding opportunities for future study at the College. The bespoke workshops featured activities such as The Big Gaming Event and Automation and Robotics. The success of the events resulted in a 95% pupil satisfaction rating with 67% of the pupils indicating their desire to learn more about careers in engineering, computing and science at SRC.

INFORMATION LEARNING TECHNOLOGY

SRC is committed to developing our ILT Services and utilise new technologies to support and enhance our curriculum offer and to deliver efficient and effective business support services. During 2018-19, we invested some £1.6m in ILT Services to maintain and improve our ILT infrastructure. Key development during the year included:

- the College has developed blended models to support its delivery of Foundation Degrees and Higher Level Apprenticeships and continues to use them specifically in its Higher Education Delivery;
- the College has been involved in the System Technology Services (STS) collaborative project, which will provide a new Learner Management System to the Sector. The project has progressed to the implementation phase and infrastructure has been deployed by IT Assist to support the new solution;
- 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;
- the College has committed additional resources to the migration of a number of services (Microsoft Office and SharePoint) to a cloud environment through the implementation of the Microsoft Office 365 solution;
- mobile device access has continued to be enhanced by the implementation of further Wi-Fi coverage and the JISC Eduroam service across all campuses;
- following the successful pilot of interactive panels in the Killylea Road Campus, the College has extended the use of interactive panels to the Newry East and Newry West Campuses and will seek to include them in future ILT plans for new the College Campus buildings in Armagh, Banbridge and Craigavon;
- IT Services has worked with the College Estates Project Team to plan and deliver new IT systems and solutions for the new build projects in Armagh, Banbridge and Craigavon;
- the College has completed internal audit in the areas of IT Security and Data Protection (GDPR) compliance achieving a satisfactory level of assurance in both areas;
- to ensure the security of IT Systems a project has been completed to upgrade to Windows 10 and Office requiring the refresh of 850 devices across the network;

To build digital capability among lecturers the College has now identified an OCN Level 5 Certificate in Digital Technologies for Learning qualification as the preferred method. Twenty staff have been identified to undertake this qualification (5 from each faculty) during the next academic year.

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

- PC: Learner FTE (Full-Time Equivalent) 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

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

Engagement with our partners increased significantly in 2018-19 leading to new opportunities with our two local Councils, Dundalk Institute, Ulster University, InterTrade Ireland, Invest NI, Local Enterprise Agencies and Chambers of Commerce.

During 2018-19, the College’s business engagement targets were agreed with the Department for the Economy through the new College Development Planning process and associated Report Card Targets. With regards to business engagement, the Business Support centre’s targets and outcomes for 2018-19 are captured in Table 10.

A target was set at the beginning of the year to engage with 1,015 businesses to deliver direct support to business to help them innovate, compete and grow and to support the placement and recruitment of Apprentices (including Higher Apprentices). In 2018-19, the College exceeded its overall business engagement target with engagement with 1,061 companies.

2018-19 Business Support Targets & Outcomes

Measure	Target 18-19	Actual
Innovation and upskilling support to businesses	365	411
Engagement with businesses through TfS placement and apprenticeship	650	653
Total Engagement	1,015	1,064
Upskilling of local employees	1,500	1,570

Table 10

The Business Support Team carries out evaluations with every business following a specific support intervention on an ongoing basis throughout the year. During 2018-19, it was decided to embed the annual survey questions into the College evaluation tool. This has resulted in an overall response rate of 85% with a satisfaction rating of 96% (the percentage of businesses that agree that their objectives were met through engaging with the College). In particular, the impacts from the InnovateUs programme include a total number of 173 jobs safeguarded, 32 jobs created and 52 projects involving new product development. In addition, 97% of the businesses involved in InnovateUs reported that a greater level of innovation had been achieved within their business as a result of the support provided.

In order to raise the profile of the business support services at the College, the unit had a target to deliver:

- Two Big Apprenticeship Events
- Ten themed workshops

The Big Apprenticeship Events have become fully embedded in SRC's events calendar and in 2019, there were over 450 attendees at separate events in the Newry and Portadown campuses with approximately 250 apprenticeship vacancies being created by employers. The College works with our local councils of Newry Mourne & Down District and Armagh City, Banbridge and Craigavon Borough as well as local Chambers of Commerce to promote the events as a platform to drive regional skills development. In 2019, the College was the recipient of the Best Marketing Initiative for the Big Apprenticeship Event at the Greater Newry Business Awards.

The centre delivered a number of industry workshops, with varying themes as follows: Cyber Security Workshop; Instagram for Business; Ready Steady Innovate; Practical Innovation in a Digital World; CE Marking; Digital Construction Workshop; Art, Tech and Tourism; Podcasting Workshop; Growth Innovation Driver; Stonemasonry Workshop.

KNOWLEDGE TRANSFER ACTIVITY

During 2018-19, 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 2018-19 include:

- **IntertradeIreland's Fusion Programme & Knowledge Transfer Partnerships:** the College's engagement with IntertradeIreland's FUSION programme continued in 2018-19 with eight new projects secured in-year, and eleven projects in delivery during the year. Consistent with the previous year, the majority of the projects focused on the Engineering, IT and Food Technology specialisms with these subject areas mirroring the staff specialism that exists with the Team presently;

- **Innovation Voucher Scheme:** 15 companies were supported via Innovation Vouchers during the 2018-19 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;
- **InnovateUs:** 62 businesses were supported through the Department for the Economy's sponsored innovation programme. The programme has served as an introductory engagement programme for many clients who are new to the knowledge transfer services at the College. The majority of delivery was with micro businesses. The 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';
- **Colnnovate Programme:** InterTradelreland introduced a new innovation programme during 2018-19, which is funded through Interreg VA. There are five strands of support and Colleges can become involved in Strand 3 which offers bespoke mentoring and Strand 4 which offers a 12-month graduate placement (similar to Fusion). SRC secured three Engineering mentoring projects as well as a 12-month graduate project with Mullan Lighting in Monaghan;
- **Digital Transformation Programme:** funded by ABC Council, this programme offers a range of specialist mentoring, workshops and clustering initiatives to digital businesses. SRC has been tasked with providing mentoring to 50 businesses over a 2.5-year period to make advances in creating their Internet of Things (IoT) capability, whose core business is using digital devices and platforms and support Digital Tech micro small businesses in the Borough to accelerate growth and, create jobs. The College provided mentoring support to 14 businesses in 2018-19;

TRAINING AND UPSKILLING PROGRAMMES

In 2018-19, 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 2018-19 include:

- **Skills Focus:** 94 businesses were supported through Skills Focus funding in the academic year. Some of the new companies we engaged with in 2018-19 under this programme included Art of Stone, Ballylisk, Felix O'Hare Ltd, Kitchen Bakes, M&M Refrigeration, The Merchant Hotel and Design ID Consulting. Examples of some new accredited provision delivered through this programme in 2018-19 included: 'L4 Award in Laser and Light Treatment' and 'L4 3D Building Modelling Using Revit';
- **Full Cost Recovery:** the Business Support Team engaged with 62 businesses for full cost recovery training contracts. As in previous years, we enjoyed a high volume of repeat custom but some new clients secured in 2018-19 included: Killeavy Castle Estate, EOS and Fitzpatrick & Kearney;
- **Assured Skills Academies:** the Business Support and Innovation centre engaged with local companies to meet their talent and recruitment needs through DfE's Assured Skills programme. This programme seeks to assure potential investors, and existing employers considering

expansion, that the skills they need to support a growing business can be found in Northern Ireland. It does this by employing all of DfE's responsibilities for the Higher and Further Education sectors and the Department's Skills and Training programmes.

During 2018-19, SRC noted an increasing number of companies experiencing difficulty in recruiting suitably skilled welders. This is an issue across Northern Ireland and the Department committed to running six pilot Welding academies, one in each College catchment area. SRC engaged with two local companies, Annard Ltd and Walter Watson to deliver the pilot. Eight candidates successfully embarked on a 5-week training programme where they achieved L2 Unit in MIG Welding. All eight candidates completed the programme and secured employment with the two participating companies. The Business Support Team continues to liaise with DfE to determine the need for a second welding academy in the southern region in 2019-20.

Another local company, EOS IT Solutions, engaged with the Assured Skills programme to fill 60 new job vacancies, mainly for Audio Visual (AV) Field Engineers. The Business Support Team liaised with the company and with Curriculum to develop a bespoke 6-week training programme incorporating bespoke AV training, Networking, Customer Service, project Management, Procurement and Understanding CAD Drawings. There were 20 candidates on the programme and 19 candidates were offered and accepted employment with EOS. Plans are afoot for the second and third academies to take place in 2019-20.

APPRENTICESHIPS AND HIGHER LEVEL APPRENTICESHIPS (HLAs)

The Business Support Team continued to work with employers to create new apprenticeship opportunities as well as working internally to develop new programmes in response to employer feedback. The Team liaised with employers to secure over 90 apprenticeship places in areas such as:

- Business Administration;
- Engineering Multiskilling;
- Civil Engineering;
- Surveying;
- Specialist Joinery and Furniture Production;
- Financial Services.

Work was ongoing during the year to develop a new Engineering Technician Apprenticeship, which is in high demand from local employers. The Business Support Team, along with Curriculum, hosted employer clusters to negotiate a common set of units with the aim of delivery commencing in September 2020.

Work on Higher Level Apprenticeships continued to increase with 84 new entrants in 2018-19 against a target of 73. At the end of 2018-19, over 150 employer vacancies have been generated for HLA positions in September 2019. The areas for which we engaged with employers include:

- Applied Industrial Science;
- Accountancy;
- Mechatronics;
- Computing.

Engagement with employers commenced in-year to develop new HLAs for January 2020 in the following areas:

- Digital Construction;
- Digital Marketing, Advertising and Communications.

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. The Staffing Committee approved an annual Employee

Development Plan, informed from a variety of sources including staff appraisal, school reviews and the self-evaluation process. A series of mandatory and optional development activities were planned for the designated Employee Development days set out in the academic calendar. 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 supported numerous individual requests for professional development including supporting staff through teacher training (PGCEFE), professional and higher level courses as well as specific job related training. 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 in year developmental activities included:

- 203 academic staff attended teaching and learning activities such as pedagogic best practice; Essential Skills workshops; coaching and mentoring workshops; ETI observation training; teaching students with English as a second language and schemes of work / lesson planning workshops;
- 56 staff attended curriculum management Team meetings;
- 33 full-time lecturers completed Level 1 Teaching Thinking, and 20 part-time lecturers completed a bespoke course for staff teaching on work based learning programmes;
- academic staff were upskilled and received a range of development opportunities within various disciplines, for example, Personal Training; Graphic Design; Video Games Design; Computer Programming; Data Analytics; Digital Construction; Digital Learning Tools; Hospitality & Tourism; Wedding Hair Styling; Barbering Techniques and Dental Nursing;
- 150 staff attended training sessions on various health & safety activities including first aid training; risk assessment training; manual handling; outdoors emergency response; construction skills and scaffolding.

Following the reaccreditation process for the new Investors in People (IIP) standard in May 2018, the College was successful in meeting and exceeding the requirements of the IIP standard, being recognised

at Silver-level, coupled with an award for Health and Wellbeing. The College has developed and implemented a Continuous Improvement Action Plan during the 18 months from May 2018 to December 2019 as identified within the IIP and Health and Wellbeing Assessment reports.

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 2018-19 was 97.01% against a target of 96.5%.

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 (SENDI) 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.

Specific activities in 2018-19 included:-

- The Learning Support Policy was revised in August 2018 and published for all staff;
- The online referral portal was further developed and enhanced to capture learning support referral;
- Further development of the Health and Well Being Strategy with a particular focus on Mental Health to provide a framework for promotion of health & wellbeing to all full-time and part-time students;
- Development of onsite counselling services in trade centre campuses;
- Development of an Examination Support Policy in August 2018 to provide a framework for staff, students and relevant third parties for the application and approval of Access arrangements.

A Sector Disability Action Plan was developed and this was adopted and implemented by the College during the reporting period. The Plan outlines measures to promote positive attitudes towards disabled people and to encourage the participation of disabled people in College life. Specific activities in 2018-19 included:

- 92% of current staff undertook equality, SENDO and Safeguarding on line mandatory training;
- 15 staff took part in deaf awareness training;
- the College raised awareness of specific barriers faced by people with a disability by linking with National Awareness campaigns such as, National Eye Health Week (Sept 2018), Breast Cancer Awareness (Oct 2018), International Day of Persons with Disabilities (Dec 2018), National Heart Month (Feb 2019), Time to Change – Time to Talk day (Feb 2019), Prostate Cancer Month (Mar 2019), Mental Health and Stress Awareness (Apr 2019) and Diabetes Awareness (May 2019);
- to promote the use of AccessAble website to encourage participation, the Equality Section on the College website specifically links prospective staff and students to the AccessAble website. A new access guide for the Arches Restaurant was developed and will provide prospective students and staff with accessibility information;
- to create an open and inclusive workplace culture that displays respect for those with mental ill health, the College continued to implement its Mental Health Charter action plan and developed an intranet page entitled MindHub which brings together a number of resources to support employees and managers in looking after their emotional health and wellbeing at work;
- the College explored the scope of offering meaningful placements and work shadowing and volunteering for people with a disability by consulting with disability groups such as the Cedar Foundation and Mencap.

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.

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 2018-19, 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 with the implementation and delivery of its estates strategy which remains a key priority. A significant element of the estates strategy is the delivery of three new build projects in Armagh, Banbridge and Craigavon.

During the course of 2018-19, 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:

- approval of Technical Design at Armagh as well as significant progress on site with the project remaining on programme with a Planned Completion Date of the 18 March 2020;
- procurement of IT Infrastructure, Loose Fixtures and Fittings and Schools Equipment underway in preparation for handover / operation;
- successful IST (Integrated Supply Team) Contract awarded to OHMG Holdings in October 2018 for the Banbridge Project;
- construction Notice issued in January 2019 with construction underway, making steady progress and remaining on programme to date. Technical Design also nearing completion;
- receipt of full planning approval for Craigavon Project in January 2019 following submission in December 2017;
- funding allocation received for Craigavon campus with PQQ process underway in early June 2019.

The College's refurbishment and enhancements programme continues across the estate, focussing mainly on the out of scope campuses. Some of the projects carried out during the past year are:

- extensive refurbishment to the exams hall in the Newry West Campus, providing improved heating, power, audiovisual equipment, blinds and furniture in a redecorated space. The room is now a multi-functional space, used for exams, teaching, information days, enrolments, open days and events. Completed March 2019;
- refurbishment of the 4th and 5th floor classrooms at the West Campus in Newry. Work included painting, refurbishment of floors, new blinds and new furniture. Completed summer 2019;
- refurbishment of toilets on ground floor in West Campus and throughout the tower block. Work included new sanitary ware, vanity units, energy efficient lighting with PIRs (Passive infrared sensors), painting, flooring and hand dryers. Works have been ongoing and continue in the summer of 2019;
- upgrade of the College's Building Management System, Trend with the latest version, IQ Vision in line with the system to be installed in the new build campuses. Installation, upgrades and training have been ongoing throughout the year;
- procurement of Computer Aided Facilities Management (CAFM) platform. This system will provide the latest technology for management of the Colleges assets. The system will be used for both the existing estate and the new buildings. Procurement took place in June 2019;
- refurbishment of the lecture theatre seating in the East Campus took place in March 2019;

- combining rooms 001 and 002 in the Dr Byrne building in Portadown to accommodate a modernised Mechatronics Suite and all associated building, mechanical and electrical works was completed in January 2019 and;
- painting of Oracle Restaurant and Bistro in Portadown was completed in July 2019.

The Outline Business Case submitted to the Department for the Economy in July 2018, which aims to consolidate and modernise certain areas of the campus buildings in Newry, has been reviewed and commented upon by DfE and a further draft has been re-submitted by the College.

ESTATE

The College estate includes the following campus buildings and land:

Campus	Net Book Value at 31 July 2019
	£000
Armagh College Hill and Lonsdale Campus	930
Armagh, Station Rd Complex	300
Armagh, Lisanally Campus	1,295
Banbridge Campus	1,333
Banbridge Factory Site	250
Lurgan Campus	1,940
Newry East Campus	10,225
Newry West Campus	8,641
Newry Corry Square Campus	125
Newry Model Campus	1,074
Newry Greenbank Campus	3,220
Kilkeel Campus	647
Portadown Campus	3,820
Total	33,800

Table 11

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 2018-19, the EFIAT facilitated 111 students and 51 staff to avail of mobility placements to Spain, Germany, Portugal, Italy and Malta. In addition, the College hosted 35 students and staff from across Europe:

- 1 student from Spain;
- 1 student from Finland;
- 1 staff from Malta;
- 5 staff from Granada, Spain;
- 7 staff from Poland;
- 5 staff from the Republic of Ireland;
- 5 staff from Sweden;
- 5 staff from Italy;
- 5 staff from Latvia.

The College continues to be one of the largest providers of VET Erasmus mobility placements in the further education sector and was the first College in NI to receive 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 and in February 2018, this work was recognised by the Association of Colleges (AoC) when SRC was nominated as a finalist in the AoC Beacon International Awards in 2019 being awarded Highly Commended status.

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

- Southern Regional College;
- New College, Lanarkshire, Scotland;
- BCS Koolitus (IT Training & Consulting Co), Estonia;
- Vantaa College, Helsinki.

This work is now entering its final year and to date all targets and outputs have been met.

In 2018-19 Southern Regional College, the EFIAT secured EU funding of €613,240.00 for a new Erasmus+ KA1 VET project entitled *Mobility of Vocational Education in Unique Placements 2 (MOVE UP 2)* which will enable a further 218 VET FE students and 68 staff to undertake mobility placements across Europe in the 2018-19 academic year. Working with partners in Germany, Italy, Malta, Finland, Portugal and Spain, the project will enable VET students and apprentices to be recruited from a range of curriculum areas including, Early Years, Public Services, IT, Multi-media, Construction, Engineering, Science and Hospitality.

The Team also secured funding under the Erasmus+ Higher Education programme to enable 25 staff and 4 students to participate in HE 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. In addition, EFIAT secured funding as a partner in an Erasmus KA2 strategic partnership application, entitled '*Supporting Professional Skills in Organising and Implementing Skills Competition in VET*'. The value of the project to SRC is €16,830.

The College has submitted an application for a new KA2 strategic partnership project on '*Promoting Mental Well Being*' with a value of €272,870. This project, if successful, will commence in September 2019 with partners in Finland, Holland and Spain.

FINANCIAL OBJECTIVES

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

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

- the College will achieve a balanced budget and live with our resource budget set by the Department for the Economy;
- secure and protect our budget by maintaining a relevant and meaningful Curriculum;

- maximise our funding and income generation opportunities by supporting local economic development;
- secure appropriate Capital funding to provide a modern fit for purpose estate and deliver three new Campuses; and
- comply with the government's targets for prompt payment of undisputed supplier invoices.

PERFORMANCE INDICATORS

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

- achieving income targets and managing expenditure within the annual College budget plan;
- directing resources in support of a range of functions and services to facilitate delivery of courses and programmes to learners;
- overall satisfactory assurance on the internal control framework and risk management process; and
- continuing to progress the Estates 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 2019 showed an operating deficit for the year of £2.09m compared to the deficit for 2017-18 of £3.09m.

Overall income increased on the previous year by £1.68m with expenditure in 2018-19 increased by £0.66m. Although the 2018-19 overall financial position included the amount associated with the Voluntary Exit Scheme in 2018-19, these are excluded from the income and expenditure figures and are accounted for as an exceptional item. The College did not have a Voluntary Exit Scheme in 2017-18.

Indices, provided by Land and Property Services, were applied to the College's Land and Buildings to provide valuations at 31 July 2019. This resulted in an increase in value for the estate of £1.02m. As a consequence of the new build project progressing, the properties at Banbridge, Portadown and Lurgan

have been impaired to reflect the remaining life, this impairment reduced the value of these buildings by £6.29m. The total net book value of Land and Buildings, excluding assets under construction at 31 July 2019 was £33.80m, with assets under construction totalling £30.73m.

The College has significant reliance on the Department for the Economy (DfE) as its principal funding source, largely from recurrent grants. In 2018-19, 72.5% of the College's total income was provided through allocated recurrent grant.

The pension charge includes a past service cost of £1,170k relating to the McCloud Judgement (£1,049k) and the Guaranteed Minimum Pension (GMP) Indexation and Equalisation (121k):

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 has total net assets of £41.69m at 31 July 19 (£53.66m at July 18).

The College, with the agreement of the Department, had committed £8m of reserves to the delivery of the new build estates projects. In supporting the estates strategy and supporting investment in the estates projects the College cash balances reduced during the year with capital expenditure of £10.78m in 2018-19 funded from cash 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.

In accordance with the Management Statement and Financial Memorandum the College should not have surplus funds, as a result the College has withdrawn its Treasury Management Policy. At balance sheet date the College does not have surplus funds available for investment.

CASH FLOWS AND LIQUIDITY

Cash inflow was £1.24m (2017-18 £0.46m outflow). The College does not have any borrowings, long-term loans or financing.

CURRENT AND FUTURE DEVELOPMENT

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

Under the direction of the Department for the Economy the regional Colleges developed a Corporate Plan for the FE sector that articulates a shared vision, mission, values and strategic priorities. The Colleges primary function being to grow 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 annual College Development Plan (CDP) 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;
- Social and economic inclusion.

The continuing long term uncertainty with regard to funding has potential implications for future developments and on the College's 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.

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 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 and the Belfast City Region skills plans. 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 has been used to inform the design of similar areas in 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. Having achieved STEM assured status the College will develop and launch its STEM manifesto to highlight our long term strategic commitments to the development of STEM opportunities for our student body;
- 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;
- the College has ambitions to increase the range of full honours degree courses over the next five years. The recent institutional review process concluded with the Open University and on-going discussions with Dundalk Institute are key to widening the degree offering in priority areas;
- 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.

OTHER 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 continue to impact 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 the new traineeship system from September 2020.

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 Project Director. The construction of new builds in Armagh and Banbridge is progressing in line with the construction timeline and plans are well underway to facilitate decant from existing building to both new campus buildings in advance of the start of the 2020-21 academic year. The College's planning application for a further campus building in central Craigavon was approved in January 2019. This new build will replace existing sites in Lurgan and Portadown. The Department for the Economy confirmed capital funding in February 2019 to progress the appointment of a contractor and the appointment of a contractor is likely to be concluded in November 2019. This project is scheduled for completion in advance of the 2022-23 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 conducted a public consultation process to review the future use of the Kilkeel Campus. The consultation process will continue with recommendations being brought to the Governing Body for consideration by Jan 2020.

The College was selected by the Department for the Economy as the lead curriculum HUB for Life and Health Sciences. The College will progress the agreed implementation plan in conjunction with the other regional Colleges.

The College also succeeded in its application for STEM Assured status. The College will progress the launch of its STEM manifesto during the 2019-20 academic year.

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 successfully completed an institutional review with the Open University and has used this to progress the validation of two new Foundation degrees in

- Digital construction;
- Digital Marketing and Communication.

Further development work will be progressed to increase portfolio of Higher Level qualifications offered across College campuses.

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 2018 to 31 July 2019, the College paid 92% (93%, 2017-18) 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 2018 to 31 July 2019, the College paid 70% (71%, 2017-18) of its invoices within 10 days.

POST BALANCE SHEET EVENTS

In the period between the end of the reporting year (31 July 2019) and the date when the financial statements are authorised for issue (29 November 2019) 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.

FINANCIAL

The consolidated net assets at 31 July 2019 were £41.69m (including £10.09m pension liability). There was no long term debt at 31 July 2019.

PEOPLE

The average number of people employed by the College during 2018 -19 was 973 (equating to 605 FTE staff of whom 305 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 2.99% or 8.60 days per FTE (based on FTE and work pattern analysis) for 2018-19 compared to 3.18% or 8.24 days per FTE in 2017-18.

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 2 staff (2 FTE) leaving the College during 2018-19 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 is set out in Table 12 below:

NO.	RISK CATEGORY	RISK DESCRIPTION
1	Funding	College does not receive sufficient funding to successfully deliver CDP Targets and Outcomes.
2	Estates Strategy	College fails to deliver its Colleges Estates Strategy as a result of planning and funding restrictions leading to continued poor service to students.
3	14-19 strategy	The absence of a joint 14-19 strategy and policy from DE and DfE leading to continued duplication of provision by schools and reducing College enrolment at Level 3.
4	New Learner Management System	The failure to deploy the new learner management system could impact on our ability to operate an effective admissions and enrolment process for new intake in 2019-20 and in meeting our statutory reporting requirements.
5	Service provided by Property Division (PD)	The effectiveness of service provided by Property Division (PD) to deliver responsive and planned preventative maintenance contracts, statutory health and safety compliance checks and other College projects resulting in breaches of statutory compliance and deterioration of building fabric.
6	Positive reputation	Failure to maintain a positive reputation could potentially impact on future enrolment and continued business support services.
7	Safe working environment	Failure to provide a safe working environment for our staff, students and members of the general public resulting in increased employer liability, death and personal injury.
8	Recruit lecturing staff	An inability to recruit lecturing staff leading to a failure to deliver our strategic aims and objectives.
9	New Traineeship System	Failure to implement the new Traineeship System leading to continued underfunding of training, failure to rationalise vocational qualifications and inability to establish the College as the main provider of vocational education and training at Level 2.
10	Potential data breach	Potential data breach leading to the accidental or unlawful destruction, loss, alteration, unauthorised disclosure of, or access to, personal data transmitted, stored or otherwise processed. (GDPR compliance)
11	Leadership capacity and poor performance of essential skills curriculum	Leadership capacity and poor performance of essential skills curriculum resulting in restricted student progression and financial penalties.
12	Leadership capacity and poor performance of training provision in School of Construction and Engineering	Leadership capacity and poor performance of training provision in School of Construction and Engineering resulting in restricted student progression, poor outcomes and financial loss.
13	The absence of a functioning Executive and associated Minister for the Economy	The absence of a functioning Executive and associated Minister for the Economy resulting in a lack of key decision-making.
14	Uncertainty of EU exit arrangements	Uncertainty of EU exit arrangements in the event of a No Deal.

Table 12

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.

DISCLOSURE OF INFORMATION TO AUDITORS

These accounts are subject to statutory audit by the Comptroller and Auditor General for Northern Ireland.

The Members, who held office at the date of approval of this report, confirm that, so far as they are each aware, there is no relevant audit information of which the College's auditors are unaware. Each member has taken all the steps that he or she ought to have taken to be aware of any relevant audit information and to establish that the College's auditors are aware of that information.

PERSONAL DATA RELATED INCIDENTS

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 13

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

GOVERNING BODY MEMBERSHIP FOR 2018-19 YEAR					
NAME	DATE OF APPOINTMENT	TERM OF OFFICE	DATE RESIGNED	STATUS OF APPOINTMENT	COMMITTEES SERVED
Scott Alexander	01/08/2015	31/07/2019		Chair from November 2018 Member	Staffing Governing Body
Teresa Campbell	20/02/2017	19/02/2021		Chair Member (co-optee)	Finance Governing Body
Arder Carson	20/02/2017	19/02/2021		Chair until November 2018 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 Member	Education Staffing from November 2018 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 Vice Chair	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 Member	Governing Body Staffing Audit
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
Tanya Troughton	01/10/2018	30/09/2019		Student Member Student Member	Governing Body Education

GOVERNING BODY MEMBERSHIP FOR 2018-19 YEAR					
NAME	DATE OF APPOINTMENT	TERM OF OFFICE	DATE RESIGNED	STATUS OF APPOINTMENT	COMMITTEES SERVED
Matthew Turner	16/11/2015	15/11/2019		Staff Member Member Member	Governing Body Education Audit
Nicola Wilson	01/08/2016	31/07/2020		Member Member	Governing Body Education
Jonasz Weinkauf	02/10/2017	30/09/2018		Student Member Student Member	Governing Body Education

Table 14

For and on behalf of the members of the Governing Body



19th December 2019

Mr Andrew Saunders (Chairman)

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 2018-19	Benefits in kind 2018-19	Pension Benefits 2018-19	Total 2018-19	Salary 2017-18	Benefits in kind 2017-18	Pension Benefits 2017-18	Total 2017-18
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Scott Alexander Member	0-5	0	0	0-5	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
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	20-25	0	0	15-20	15-20	0	0	15-20
Eileen Stewart Member	0-5	0	0	0-5	0-5	0	0	0-5
Kieran Swail Member	0-5	0	0	0-5	0-5	0	0	0-5
Judith Thompson Member	0-5	0	0	0-5	0-5	0	0	0-5

SOUTHERN REGIONAL COLLEGE
REMUNERATION REPORT

Name	Salary 2018-19	Benefits in kind 2018-19	Pension Benefits 2018-19	Total 2018-19	Salary 2017-18	Benefits in kind 2017-18	Pension Benefits 2017-18	Total 2017-18
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Tanya Troughton Member (Student)	0-5	0	0	0-5	n/a	n/a	n/a	n/a
Matthew Turner Member	0-5	0	0	0-5	0-5	0	0	0-5
Nicola Wilson Member	0-5	0	0	0-5	0-5	0	0	0-5
Jonasz Weinkauff Member (Student)	0-5	0	0	0-5	0-5	0	0	0-5

Table 15

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.

PERFORMANCE PAY

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

SOUTHERN REGIONAL COLLEGE
REMUNERATION REPORT

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 2018-19	Benefits in kind 2018-19	Pension Benefits 2018-19	Total 2018-19	Salary 2017-18	Benefits in kind 2017-18	Pension Benefits 2017-18	Total 2017-18
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Brian Doran Chief Executive	110-115	0	10-15	120-125	110-115	0	30-35	140-145
Raymond Sloan Director	80-85	0	30-35	115-120	75-80	0	10-15	85-90
Keith Kilpatrick Director	80-85	0	25-30	105-110	75-80	0	20-25	100-105
Terry McGonigal Director – from 07/02/18	75-80	0	15-20	95-100	35-40 (75- 80 full year equiv.)	0	5-10	45-50

Table 16

	2018-19	2017-18
	£'000	£'000
Band of highest paid directors’ total remuneration	110-115	110-115
Median total remuneration	30,065	27,130
Ratio*	3.7	4.1

Table 17

SOUTHERN REGIONAL COLLEGE
REMUNERATION REPORT

- 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 31/7/19 and related lump sum	Real increase/(decrease) in pension and related lump sum at pension age	Value of CETV at 31/07/19	Value of CETV at 31/07/18	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 2.5-5	1,098	994	104
Raymond Sloan (Director)	30-35 plus lump sum of 45-50	0-2.5 plus lump sum of 0-2.5	515	467	30
Keith Kilpatrick (Director)	10-15 plus lump sum of £0	0-2.5 plus lump sum of £0	163	132	26
Terry McGonigal (Director)	0-5 plus lump sum of £0	£0 plus lump sum of £0	30	9	21

Table 18

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

SOUTHERN REGIONAL COLLEGE REMUNERATION REPORT

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 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.

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 that 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 that 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 19 November 2019 and signed on its behalf by:



Mr Andrew Saunders (Chairman)

19th November 2109

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 2019 and up to the date of approval of the Annual Report and Accounts.

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

GOVERNANCE FRAMEWORK

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

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

CORPORATE GOVERNANCE AND REGISTER OF INTERESTS

The Southern Regional College takes cognisance of and complies with a range 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 eight times during the 2018-19 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 2018-19 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 2018-19 the Committee also considered updates on the Estates projects the annual review on the Health and Safety policy and statement, business cases for approval, and a number of policies including the fees policy and the annual schedule of fees. The Committee also considers other matters as the Governing Body may from time to time remit to it. The Committee met four times during the 2018-19 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 2018-19.

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 2018-19 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 2018-19 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 2018-19 year is shown in the table below. In total, there were twenty-three meetings of the Governing Body and its sub committees during 2018-19. Average Member attendance recorded at

SOUTHERN REGIONAL COLLEGE
 STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL (Continued)
 FOR THE YEAR ENDED 31 JULY 2019

Governing Body meetings during 2018-19, excluding staff and student representatives was 86% (85.8% for 2017-18).

	Governing Body	Audit Committee	Education Committee	Staffing Committee	Finance and General Purposes Committee
No. of meetings held:	8	4	4	3	4
Scott Alexander	8	-	-	3	-
Teresa Campbell	8	-	-	-	3
Arder Carson	5	-	-	1/1	-
Brian Doran (Chief Executive)	6	4	4	3	4
Gordon Gough	8	-	4	2/2	-
Aidan McCormick	7	4	4	-	-
John Nugent	8	4	-	3	-
Gregory O'Hare	6	4	4	-	-
Tom Redmond	8	-	-	-	4
Andrew Saunders (Chair)	8	1	4	2	0
Eileen Stewart	8	4	-	3	
Kieran Swail (Support Staff Representative)	7/7	-	-	-	4
Judith Thompson	5	-	-	-	3
Tanya Troughton (Student Rep. from October 2018)	5/3		3		
Matthew Turner (Teaching Staff Rep.)	7/7	4	4	-	-
Jonasz Weinkauff (Student Rep. until October 2018)	1/1	-	-	-	-
Nicola Wilson	5	-	3	-	-

Table 19

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) that 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

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

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

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

- **Governing Body** – which has defined the strategic approach, encourages a culture of Risk Management within the College and during 2018/19 monitored, primarily through the Audit Committee, that significant risks were being managed;
- **Audit Committee** – which has specific responsibility, delegated to it by the Governing Body, for oversight of the system of Internal Control, including the College's approach to Risk Management. The Audit Committee met on four occasions during the year and reviewed the corporate risk register and the actions plans to control and mitigate potential risks;
- **Risk Management Group**. This group is chaired by the Chief Executive and comprises the Director of Finance and Planning, the Director for Curriculum and the Director of Client Services. The Risk Management Group has overall responsibility for the administration and implementation of the Risk Management process in SRC.

SOUTHERN REGIONAL COLLEGE
 STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL (Continued)
 FOR THE YEAR ENDED 31 JULY 2019

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

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

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 2018-19 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 2018-19	
Area Reviewed:	Assurance Rating:
Armagh Campus New Build	Satisfactory
Budgetary Control Financial Planning	Satisfactory
eFELS Review	Satisfactory
IT Security	Satisfactory
Data Protection (GDPR)	Satisfactory
Travel and Subsistence	Satisfactory
Sector wide review of Hardship Fund ASF and Care to Learn	Satisfactory

Table 20

Follow-up reviews conducted during 2018-19 indicated continued good progress with regard to implementing outstanding recommendations. There were no priority 1 recommendations.

Based on the work performed during 2018-19 Internal Audit has provided a satisfactory assurance over the internal control environment at Southern Regional College as at the year-end.

ASSURANCE STATEMENTS

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

INFORMATION ASSURANCE

Effective information security is a key priority for the College and it recognises that appropriate principles of information security must be applied to the information it holds. A framework has been established including policies and procedures that identify key roles and responsibilities and the monitoring and reporting processes to be followed. Processes and controls over information are regularly reviewed to ensure compliance with best practice. There were no incidents reported during 2018-19 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 the 'Management Statement and Financial Memorandum' issued to Further Education Colleges. During 2018-19, the College had one instance of suspected fraud, but there was not proven.

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 2019 the College received an anonymous whistleblowing complaint alleging misuse of college funds and potential data protection issues. A senior manager has been appointed to investigate these issues.

EVENTS AFTER BALANCE SHEET DATE

There were no post balance sheet events.

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 2018-19 financial year.



19th November 2019

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 2019 under the Further Education (Northern Ireland) Order 1997 as amended by the Audit and Accountability Institutions of Further Education (Public Sector Audit) Order (Northern Ireland) 2008. The financial statements comprise: the Statement of Comprehensive Income and Expenditure, Statement of Changes in Reserves, Balance Sheet, Cash Flow Statement and the related notes including significant accounting policies. 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 2019 and of its deficit 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 opinion

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 and Statement of Corporate Governance and Internal Control for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

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 (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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 Department of Finance's guidance.

THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE NORTHERN IRELAND ASSEMBLY (Continued)

Report

I have no observations to make on these financial statements.

A handwritten signature in black ink that reads "Kieran J Donnelly". The signature is written in a cursive style with a large initial 'K' and 'D'.

KJ Donnelly
Comptroller and Auditor General
Northern Ireland Audit Office
106 University Street
Belfast
BT7 1EU

29 November 2019

SOUTHERN REGIONAL COLLEGE
 STATEMENT OF COMPREHENSIVE INCOME AND EXPENDITURE
 FOR THE YEAR ENDED 31 JULY 2019

	Notes	2019 £'000	2018 £'000
INCOME			
Department for the Economy income	1	30,730	28,984
Education contracts	2	5,291	5,319
Tuition fees and charges	3	2,595	2,640
Other grant income	4	615	652
Other operating income	5	1,114	1,049
Investment income	6	9	33
Total income		40,354	38,677
EXPENDITURE			
Staff costs	7	(27,082)	(25,973)
Other operating expenses	9	(11,879)	(12,290)
Depreciation and impairment	12	(3,398)	(3,351)
Interest and other finance costs	10	(77)	(162)
Total expenditure		(42,436)	(41,776)
Deficit before exceptional items		(2,082)	(3,099)
Exceptional DfE repayment	1	-	-
Exceptional DfE grant – voluntary exit scheme	1	886	-
Exceptional staff costs - fundamental restructuring	7	(891)	13
Total exceptional items		(5)	13
Deficit before other gains/losses and share of operating surplus/deficit of joint ventures and associates		(2,087)	(3,086)
Deficit before tax		(2,087)	(3,086)
Taxation	11	-	-
Deficit for the year		(2,087)	(3,086)
Unrealised surplus/(deficit) on revaluation of land and buildings		(5,272)	438
Actuarial (loss)/gain in respect of pension scheme		(4,611)	4,512
Total comprehensive income/(expenditure) for the year		(11,970)	1,864
Represented by:			
Restricted comprehensive income/(expenditure) for the year		-	-
Unrestricted comprehensive income/(expenditure) for the year		(11,970)	1,864
		(11,970)	1,864

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 2019

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 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	-	-	-	-	-	-
Balance at 1 August 2018	18,755	(3,461)	15,294	405	37,965	53,664
Surplus/(deficit) from Statement of Comprehensive Income/(Expenditure)	(66)	(2,021)	(2,087)	-	-	(2,087)
Other comprehensive income/(expenditure)	-	(4,611)	(4,611)	-	(5,272)	(9,883)
Transfers between revaluation and income and expenditure account	1,989	-	1,989	-	(1,989)	-
Release of restricted funds spent in year	-	-	-	-	-	-
Total comprehensive income/(expenditure) for the year	1,923	(6,632)	(4,709)	-	(7,261)	(11,970)
Balance at 31 July 2019	20,678	(10,093)	10,585	405	30,704	41,694

SOUTHERN REGIONAL COLLEGE
BALANCE SHEET
AS AT 31 JULY 2019

	Notes	2019 £'000	2018 £'000
Non-current assets			
Tangible fixed assets	12	67,380	52,375
Intangible fixed assets	13	370	167
Other receivables falling due after more than one year	14	20	38
Total non-current assets		67,770	52,580
Current assets			
Trade and other receivables	15	2,724	1,855
Investments		-	-
Short term deposits		-	6,228
Cash and cash equivalents	20	2,741	1,499
Total current assets		5,465	9,582
Less: Creditors - amounts falling due within one year	16	(7,098)	(3,407)
Net current assets		(1,633)	6,175
Total assets less current liabilities			
		66,137	58,755
Less: Creditors - amounts falling after more than one year	17	(14,350)	(1,630)
Provisions:			
Pension provisions	18	(10,093)	(3,461)
Net assets including pension liability		41,694	53,664
Restricted reserves			
Income and expenditure account – restricted reserve	19	405	405
Unrestricted reserves			
Income and expenditure account – unrestricted reserves (excluding pension reserve)		20,678	18,755
Pension reserve		(10,093)	(3,461)
Income and expenditure account – unrestricted reserves (including pension reserve)		10,585	15,294
Revaluation reserve		30,704	37,965
Total reserves		41,694	53,664

The financial statements on pages 71-101 were approved by the Governing Body of Southern Regional College on 19 November 2019 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 2019

	Notes	2019 £'000	2018 £'000
Cash outflow from operating activities			
Deficit for the year		(2,087)	(3,086)
Adjustment for non-cash items			
Depreciation	12	3,398	3,351
Decrease/(increase) in debtors more than one year	14	18	40
(Increase)/Decrease in debtors less than one year	15	(869)	863
Increase/(Decrease) in creditors less than one year	16	3,691	(229)
Increase/(Decrease) in creditors more than one year	17	12,517	(224)
Increase in creditors more than one year - intangible asset	13	203	167
Intangible asset	13	(203)	(167)
Pension cost less contributions payable	21	1,944	874
Pension interest cost	21	77	162
Adjustment for investing or financing activities			
Investment income	6	(9)	(33)
Net cash inflow /(outflow)inflow from operating activities		18,680	1,718
Cash flows from investing activities			
Disposal of non-current asset investments		-	-
Investment income	6	9	33
Decrease in investments		-	11,224
Increase/(Decrease) in short term deposits		6,228	(6,228)
Payments made to acquire tangible fixed assets	12	(23,675)	(7,207)
		(17,438)	(2,178)
Cash inflows from financing activities			
Interest paid		-	-
Increase/(decrease) cash and cash equivalents in the year		1,242	(460)
Net funds at 1 August		1,499	1,959
Net funds at 31 July		2,741	1,499

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) when the open market value for existing use is not readily obtainable, or existing use value when the open market value is available. The associated credit is included in the revaluation reserve. The difference between depreciation charged on the historic cost of assets and the actual charge for the year calculated on the revalued amount is released to the income and expenditure account reserve on

an annual basis. Properties that are surplus to requirements are valued on the basis of market value. Land and buildings acquired since the last valuation are included in the 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 2019. 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 THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 JULY 2019

1. DEPARTMENT FOR THE ECONOMY INCOME

	2019	2018
	£'000	£'000
Grant in aid received from DfE		
Recurrent grant	29,258	26,109
Release of unrestricted capital grants	413	345
Additional support funds	-	528
Employer support programme – skills focus	-	248
Employer support programme - other	-	178
Students with learning difficulties and/or disabilities (SLDD)	-	261
Minor works	238	-
Essential skills in schools	-	154
NICIS 2 Project staff	-	50
Total grant in aid received from DfE excluding exceptional item	<u>29,909</u>	<u>27,873</u>
Non-grant in aid received from DfE		
Education maintenance allowance administration (EMA)	29	33
Higher level apprenticeships	387	308
Youth training programme	9	614
Other non-grant in aid	396	156
Total non-grant in aid received from DfE	<u>821</u>	<u>1,111</u>
Total grant received from DfE excluding exceptional items	<u>30,730</u>	<u>28,984</u>
Exceptional grant – voluntary exit scheme (VES)	<u>886</u>	<u>-</u>
Total DfE income	<u><u>31,616</u></u>	<u><u>28,984</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.

Such income streams were received by the College separately from the DfE for 8/12 months of the 2017-18 Financial Year and subsequently included within the recurrent grant for the remainder of the year.

SOUTHERN REGIONAL COLLEGE
 NOTES TO THE FINANCIAL STATEMENTS (Continued)
 FOR THE YEAR ENDED 31 JULY 2019

1. DEPARTMENT FOR THE ECONOMY INCOME (continued)

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:

	2019	2018
	£'000	£'000
Recurrent Grant	27,842	25,701
Additional support Funds	495	683
Employer support programme – skills focus	300	261
Employer support programme - other	277	304
Students with learning difficulties and/or disabilities (SLDD)	344	375

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:

	2019	2018
	£'000	£'000
Essential Skills Income	-	4
Level 2 Traineeship Income	185	-
Payments to College Partners	<u>(185)</u>	<u>-</u>
Amounts due to College Partners	<u>-</u>	<u>4</u>

2. EDUCATION CONTRACTS

	2019	2018
	£'000	£'000
Entitlement framework	1,082	1,243
Training for success	<u>4,209</u>	<u>4,076</u>
Total	<u>5,291</u>	<u>5,319</u>

SOUTHERN REGIONAL COLLEGE
 NOTES TO THE FINANCIAL STATEMENTS (Continued)
 FOR THE YEAR ENDED 31 JULY 2019

3. TUITION FEES AND CHARGES

	2019	2018
	£'000	£'000
Higher education (HE)	1,601	1,622
Home and other European Union	986	1,017
Non-European Union	8	1
	<u>2,595</u>	<u>2,640</u>
Total	2,595	2,640

Tuition fees funded by bursaries

Included within the above amounts are amounts that fund bursaries of £39k (2018: £35k)

4. OTHER GRANT INCOME

	2019	2018
	£'000	£'000
European funds	275	323
Other funds	340	329
	<u>615</u>	<u>652</u>
Total	615	652

5. OTHER OPERATING INCOME

	2019	2018
	£'000	£'000
Catering and residence operations	511	609
Other income generating activities	499	363
Other income	104	77
	<u>1,114</u>	<u>1,049</u>
Total	1,114	1,049

6. INVESTMENT INCOME

	2019	2018
	£'000	£'000
Other interest receivable	9	33
	<u>9</u>	<u>33</u>
Total	9	33

SOUTHERN REGIONAL COLLEGE
 NOTES TO THE FINANCIAL STATEMENTS (Continued)
 FOR THE YEAR ENDED 31 JULY 2019

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:

	2019	2018
	No.	No.
Governing body	-	-
Teaching	305	324
Support	116	121
Administration	160	162
Premises	24	24
	<hr/>	<hr/>
Total	605	631

	2019	2018
	£'000	£'000
Governing body	56	53
Teaching	14,475	14,896
Support	3,298	3,211
Administration	6,451	6,131
Premises	858	808
FRS 102 pension adjustment (note 21)	1,944	874
	<hr/>	<hr/>
	27,082	25,973
Exceptional staff costs - VES	891	(13)
	<hr/>	<hr/>
Total	27,973	25,960

SOUTHERN REGIONAL COLLEGE
 NOTES TO THE FINANCIAL STATEMENTS (Continued)
 FOR THE YEAR ENDED 31 JULY 2019

7. STAFF COSTS (continued)

	2019	2018
	£'000	£'000
Wages and salaries	19,597	19,840
Social security costs	1,725	1,768
Other pension costs (including FRS 102 adjustments)	5,760	4,365
	<u>27,082</u>	<u>25,973</u>
Exceptional staff costs - VES	891	(13)
Exceptional staff costs – VES pension enhancement	-	-
	<u> </u>	<u> </u>
Total	<u>27,973</u>	<u>25,960</u>

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	
	2019	2018	2019	2018
	No.	No.	No.	No.
£60,001 to £70,000	-	-	4	4
£70,001 to £80,000	-	-	6	7
£80,001 to £90,000	-	-	-	-
£90,001 to £100,000	3	2	-	-
£100,001 to £110,000	-	-	-	-
£110,001 to £120,000	-	-	-	-
£120,001 to £130,000	-	1	-	-
£130,001 to £140,000	1	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total	<u>4</u>	<u>3</u>	<u>10</u>	<u>11</u>

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.

	2019	2018
	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:

	2019	2018
	£'000	£'000
Salaries	351	348
Benefits in kind	-	-
Pension contributions	<u>69</u>	<u>63</u>
Total emoluments	<u>420</u>	<u>411</u>

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

	2019	2018
	£'000	£'000
Salaries	110	110
Benefits in kind	<u>-</u>	<u>-</u>
	110	110
Pension contributions	<u>22</u>	<u>19</u>
Total	<u>132</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

	2019	2018
	£'000	£'000
Direct teaching	1,321	1,172
Direct support	3,446	3,610
Administration	2,168	2,415
Premises	<u>4,944</u>	<u>5,093</u>
Total	<u>11,879</u>	<u>12,290</u>

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 NOTES TO THE FINANCIAL STATEMENTS (Continued)
 FOR THE YEAR ENDED 31 JULY 2019

Other operating expenses include:	2019	2018
	£'000	£'000
Auditors' remuneration:		
Financial statements audit (includes £24k in respect of the college – 2017-18 £22k)	24	22
Internal audit	17	23
Other services provided by the financial statements auditors (National Fraud Initiative exercise)	1	-
Other services provided by the internal auditors	-	-
Hire of plant and equipment assets – operating leases	165	161
Hire of other assets – operating leases	259	279

10. INTEREST AND OTHER FINANCE COSTS

	Note	2019	2018
		£'000	£'000
Net charge on pension scheme	21	77	162
Total		77	162

11. TAXATION

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

	2019	2018
	£'000	£'000
Tax Payable	-	-

SOUTHERN REGIONAL COLLEGE
 NOTES TO THE FINANCIAL STATEMENTS (Continued)
 FOR THE YEAR ENDED 31 JULY 2019

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 2018	43,487	8,226	5,023	1,665	1,829	283	60,513
Additions	138	22,501	122	914	-	-	23,675
Disposals	-	-	(9)	-	-	(80)	(89)
Surplus on revaluation	1,015	-	-	-	-	-	1,015
Impairment	(6,287)	-	-	-	-	-	(6,287)
At 31 July 2019	38,353	30,727	5,136	2,579	1,829	203	78,827
Depreciation							
At 1 August 2018	2,281	-	2,819	1,428	1,395	215	8,138
Charge for the year	2,174	-	632	251	216	26	3,299
Elimination in respect of disposals	-	-	(9)	-	-	(80)	(89)
Impairment	99	-	-	-	-	-	99
At 31 July 2019	4,554	-	3,442	1,679	1,611	161	11,447
Net book value at 31 July 2019	33,799	30,727	1,694	900	218	42	67,380
Net book value at 31 July 2018	41,206	8,226	2,204	237	434	68	52,375

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 2019. The properties at Banbridge, Lurgan and Portadown have 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.

There are four surplus assets have been valued as follows:— premises at 81 Lisnally 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.

12. TANGIBLE FIXED ASSETS (continued)

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

	2019	2018
	£'000	£'000
Cost (including assets under construction)	39,122	16,482
Aggregate depreciation based on cost	(5,301)	(5,015)
	<u>33,821</u>	<u>11,467</u>
Net book value based on cost	33,821	11,467

The depreciation charge for the year is analysed as follows:

	2019	2018
	£'000	£'000
Owned assets	-3,398	3,351

13. INTANGIBLE FIXED ASSETS

	Asset Under Construction	Total
	£'000	£'000
Cost or valuation		
At 1 August 2018	167	167
Additions	203	203
Disposals	-	-
At 31 July 2019	<u>370</u>	<u>370</u>
Amortisation		
At 1 August 2018	-	-
Charge for the year	-	-
Disposals	-	-
At 31 July 2019	<u>-</u>	<u>-</u>
Net book value at 31 July 2019	<u>370</u>	<u>370</u>
Net book value as at 31 July 2018	<u>167</u>	<u>167</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 from the Department for the Economy. The total cost is estimated at £2,325k, with SRC's cost for the year being £203k.

14. OTHER RECEIVABLES FALLING DUE AFTER MORE THAN ONE YEAR

	2019	2018
	£'000	£'000
Receivables falling due after more than one year	<u>20</u>	<u>38</u>

15. TRADE AND OTHER RECEIVABLES FALLING DUE WITHIN ONE YEAR

	2019	2018
	£'000	£'000
Trade receivables	234	148
Prepayments and accrued income:	<u>2,490</u>	<u>1,707</u>
Total debtors	<u>2,724</u>	<u>1,855</u>

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

	2019	2018
	£'000	£'000
DfE income	<u>1,308</u>	<u>557</u>

16. CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019	2018
	£'000	£'000
Trade payables	3,829	1,804
Taxation and social security	-	16
Deferred income and payments received in advance	765	608
Accruals	<u>2,504</u>	<u>979</u>
Total	<u>7,098</u>	<u>3,407</u>

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;

	2019	2018
	£'000	£'000
DfE grant income	154	82
Capital grant income	387	224
Other grant income	74	154
Other income	<u>150</u>	<u>148</u>
Total	<u>765</u>	<u>608</u>

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

	2019 £'000	2018 £'000
Capital grant income	14,350	1,630
Total	14,350	1,630

18. PROVISIONS FOR LIABILITIES AND CHARGES

	Pensions £'000	Litigation £'000	Other £'000	Total £'000
At 1 August 2018	3,461	-	-	3,461
Expenditure in the period	2,021	-	-	2,021
Transferred to statement of comprehensive income	4,611	-	-	4,611
At 31 July 2019	10,093	-	-	10,093

	Pensions £'000	Litigation £'000	Other £'000	Total £'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

19. RESTRICTED RESERVE

	Unspent Capital Grants £'000	Donations £'000	2019 Total £'000	2018 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 2018	Cash flows	At 31 July 2019
	£'000	£'000	£'000
Cash and cash equivalents	1,499	1,242	2,741

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

	2019	2018
	£'000	£'000
NITPS: contributions paid	2,374	2,145
NILGOSC: Contributions paid	1,442	1,451
NILGOSC: FRS 102 (28) adjustments	1,944	874
NILGOSC: charge to the Statement of Comprehensive Income and Expenditure (staff costs)	3,386	2,325
	5,760	4,470
Enhanced pension charge to the Statement of Comprehensive Income and Expenditure (staff costs)	-	-
Total pension cost for year	5,760	4,470

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.education-ni.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.

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The employer contribution rates was 17.7% until 31st March 2018. The employer contribution rates increased to 25.1% from April 2019. The salary bands applicable to member contribution for the NITPS, based on a members' annual salary rate (actual earnings) from 1st April 2018 to 31st March 2019:-

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 21

From 1st April 2019, the bands changed to those below.

Salary	
Up to £27,697	7.4%
£27,698 to £37,284	8.6%
£37,285 to £44,208	9.6%
£44,209 to £58,590	10.2%
£58,591 to £79,895	11.3%
£79,896 and above	11.7%

Table 22

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 2019 by a qualified actuary.

Principal actuarial assumptions

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

	At 31 July 2019	At 31 July 2018
Rate of increase of salaries	3.7%	3.6%
Rate of increase for pensions	2.2%	2.1%
Discount rate for scheme liabilities	2.2%	2.8%
Inflation assumption (CPI)	2.2%	2.1%

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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 2019	At 31 July 2018
<i>Retiring today</i>		
Males	22.3	23.3
Females	24.6	25.9
<i>Retiring in 20 years</i>		
Males	24.0	25.5
Females	26.4	28.2

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

	Value at 31 July 2019 £'000	Value at 31 July 2018 £'000
Equities	20,757	29,081
Bonds	21,118	10,899
Property	5,576	4,855
Cash	4,182	2,761
	<hr/>	<hr/>
Fair value of assets	51,633	47,596
	<hr/> <hr/>	<hr/> <hr/>

Amounts recognised in the balance sheet

	2019 £'000	2018 £'000
Scheme assets	51,633	47,596
Scheme liabilities	(61,726)	(51,057)
	<hr/>	<hr/>
Deficit in the scheme (net pension liability recorded within pension provision)	(10,093)	(3,461)
	<hr/> <hr/>	<hr/> <hr/>

Analysis of amounts charged to staff costs

	2019 £'000	2018 £'000
Employer service cost (net of employee contributions)	2,212	2,199
	<hr/>	<hr/>
Total operating charge	2,212	2,199
	<hr/> <hr/>	<hr/> <hr/>

21. PENSIONS AND SIMILAR OBLIGATIONS (continued)

Analysis of pension finance costs

	2019	2018
	£'000	£'000
Expected return on pension scheme assets	1,348	1,103
Interest cost	<u>(1,425)</u>	<u>(1,265)</u>
Net charge to interest payable	<u>(77)</u>	<u>(162)</u>

Analysis of other comprehensive income for pensions

	2019	2018
	£'000	£'000
Actuarial gains on pension scheme assets	1,626	3,543
Actuarial (losses)/gains on the scheme liabilities	<u>(6,237)</u>	<u>969</u>
Total of other comprehensive income	<u>(4,611)</u>	<u>4,512</u>

Movement in (deficit) during the year

	2019	2018
	£'000	£'000
Deficit in scheme at 1 August	(3,461)	(6,937)
Employer service cost (net of employee contributions)	(2,212)	(2,199)
Employer contributions	1,438	1,433
Curtailment	-	(108)
Past service cost	(1,170)	-
Net interest on assets	(77)	(162)
Actuarial (loss)/gain recognised in other comprehensive income	<u>(4,611)</u>	<u>4,512</u>
Deficit in scheme at 31 July	<u>(10,093)</u>	<u>(3,461)</u>

Reconciliation of liabilities

	2019	2018
	£'000	£'000
Liabilities at start of period	51,057	48,812
Service cost	2,212	2,199
Interest cost	1,425	1,265
Employee contributions	430	419
Actuarial loss/(gain)	6,237	(969)
Benefits paid	(805)	(777)
Past service cost	1,170	-
Curtailments	<u>-</u>	<u>108</u>
Liabilities at end of period	<u>61,726</u>	<u>51,057</u>

21. PENSIONS AND SIMILAR OBLIGATIONS (continued)

Reconciliation of assets

	2019	2018
	£'000	£'000
Assets at start of period	47,596	41,875
Expected return on assets	1,348	1,103
Actuarial (loss)/gain	1,626	3,543
Employer contributions	1,438	1,433
Employee contributions	430	419
Benefits paid	(805)	(777)
	<hr/>	<hr/>
Assets at end of period	51,633	47,596
	<hr/>	<hr/>

The estimated value of employer contributions for the year ended 31 July 2020 is £1,535k.

History of experience gains and losses

	2019	2018	2017	2016	2015
Experience gains/(losses) on assets					
Amount £'000	N/A	N/A	N/A	N/A	1,556
% of assets	N/A	N/A	N/A	N/A	6.4%
Experience gains/(losses) on liabilities*					
Amount £'000	N/A	N/A	N/A	N/A	128
% of liabilities	N/A	N/A	N/A	N/A	0.3%

** 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.*

McCloud Judgement (£1,049k)

In December 2018 the Court of Appeal ruled in the 'McCloud/Sargeant' judgement that the transitional protection arrangements put in place when the Firefighters' and Judges' pension schemes were reformed were age discriminatory. The Government applied to the Supreme Court for permission to appeal this judgement, however the Supreme Court rejected the Government's request on 27 June 2019. The next stage is for the case to be referred to the Employment Tribunal to agree the remedy, following appropriate consultation. In a Ministerial Statement dated 15 July 2019 the Government committed to extending a remedy across all public sector schemes which included similar transitional protection arrangements and includes the LGPS. As a result, the College has included a constructive obligation at 31 July 2019 in relation to the potential remedy using an approximate method.

Guaranteed Minimum Pension Indexation and Equalisation (£121k)

Following changes to the State Pension in April 2016, there was a risk that members of the LGPS who were 'contracted out' of the State Pension between 6 April 1978 and 6 April 1997, and who would reach their State Pension Age (SPA) after April 2016, would be worse off. This is because State Pension reforms removed the facility of the State to pay 'top up' payments to ensure their

total pension was fully inflation protected. The LGPS was only required to pay limited increases on some elements of GMP (a portion of pension accrued in the LGPS when members were contracted out of the State Scheme). In March 2016, the Government committed the LGPS to pay full pension increases on GMPs to individuals reaching SPA between 6 April 2016 and 5 December 2018. This has previously been accounted for. In January 2018, the Government committed the LGPS to pay full pension increases on GMPs to individuals reaching SPA between 6 December 2018 and 5 April 2021. This has not been recognised in the accounts to date. Further, the Government has indicated that it is committed to continuing to compensate all members of public sector pension schemes reaching SPA after 5 April 2021. The Government's view is that this solution also meets sex equalisation requirements. As a result, the College has included a constructive obligation at 31 July 2019, using an approximate method, for the Government's commitment to pay pension increases on GMPs for members reaching SPA after 5 December 2018, which includes a liability for Government's commitment to compensate all members in the future from changes to the State Pension.

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

	2019	2018
	£'000	£'000
Commitments contracted for at 31 July	14,739	24,950
Authorised but not contracted at 31 July	<u>6,245</u>	<u>15,516</u>
Total	<u>20,984</u>	<u>40,466</u>

25. FINANCIAL COMMITMENTS

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

	2019	2018
	£'000	£'000
Land and Buildings		
Expiring within 12 months	259	20
Expiring within two and five years inclusive	<u>-</u>	<u>259</u>
Total	<u>259</u>	<u>279</u>

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	2019	2018
	£'000	£'000
Other		
Expiring within 12 months	164	33
Expiring within two and five years inclusive	<u>-</u>	<u>143</u>
Total	<u>164</u>	<u>176</u>

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

	2019	2018
	£'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

On the 17th June 2019, the Court of Appeal ruled in respect of Northern Ireland Industrial Tribunal's November 2018 decision on cases taken against the PSNI on backdated Holiday Pay. It is recognised that the final detail remains to be determined by the Industrial Tribunal who will be guided by the Court of Appeal's Judgement.

This is an extremely rare and complex case with a significant number of issues that still need to be resolved, including further legal advice with regards to the Judgement; the scope; timescales; process of appeals and engagement with Trade Unions. The legal issues arising from this Judgement and the implications for Northern Regional College and wider public sector will need further consideration. The Department of Finance (DoF) is leading a piece of work across the NI Civil Service, reviewing the implications for each of the major staffing groups across the public sector.

Until there is further clarity when this work has concluded, and based on the inherent uncertainties in the final decision that will be made, a reliable estimate cannot be provided at this stage.

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

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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 2019 £'000	Transactions 2018 £'000	Amount outstanding at 31 July 2019 £'000	Amount outstanding at 31 July 2018 £'000
N Wilson* M Turner**	Armagh City, Banbridge and Craigavon Borough Council	7	76	-	-
C Byrne**	Newry Chamber of Commerce & Trade	3	3	-	-
A McCormick*	Education Authority	69	77	20	20
M Turner**	Pearson UK	275	4	1	-
B Doran** M Turner**	CCEA	50	1	-	-

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

Table 23

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
	2019 £'000	2018 £'000	outstanding at 31 July 2019 £'000	outstanding at 31 July 2018 £'000
A Saunders*	Ulster Bank Ltd	-	9	-
A Carson*	Bank of Ireland	-	2	-
B Doran** M Turner**	CCEA	5	-	-
J Nugent* G O'Hare*	Queen's University Belfast	1	-	-
N Wilson* M Turner**	Armagh City, Banbridge and Craigavon Borough Council	6	1	-
C Byrne**	Newry Chamber of Commerce & Trade	1	-	-
A McCormick*	Education Authority	253	116	6
T Campbell*	St Catherine's College	31	68	-

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

Table 24

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.

	2019 £'000	2018 £'000
DfE student hardship grant	422	421
Disbursed to students	(327)	(373)
Balance unspent at 31 July	95	48

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.

	2019	2018
	£'000	£'000
DfE care to learn grant	56	46
Disbursed to students' childcare providers	<u>(54)</u>	<u>(51)</u>
Balance at 31 July	<u>2</u>	<u>(5)</u>

29. LOSSES AND SPECIAL PAYMENTS

There were 3 special payments greater than £1,000 during the financial year, totalling £50,000.

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	2019 £'000	2018 £'000
INCOME			
DfE income (non-grant in aid items)	1	821	1,111
Education contracts	2	5,291	5,319
Tuition fees and charges	3	2,595	2,640
Other grant income	4	615	652
Other operating income	5	1,114	1,049
Investment income	6	9	33
Total incoming resources		10,445	10,804
EXPENDITURE			
Staff costs	7	(27,082)	(25,973)
Fundamental restructuring costs	7	(891)	-
Other operating expenses	9	(11,879)	(12,290)
Depreciation	12	(3,398)	(3,351)
Interest and other finance costs	10	(77)	(162)
Total resources expended		(43,327)	(41,776)
Deficit before tax		(32,882)	(30,972)
Taxation	11	-	-
Deficit for the year		(32,882)	(30,972)
Unrealised surplus/(deficit) on revaluation of land and buildings		(5,272)	438
Actuarial (loss)/gain in respect of pension scheme		(4,611)	4,512
Amount transferred to reserves		(42,765)	(26,022)
Analysis of reserves prepared under FReM			
		2019 £'000	2018 £'000
Balance at 1 August		53,664	51,800
Grant in aid received in year excluding exceptional item		29,909	27,894
Grant in aid received in year exceptional item		886	-
Amount transferred to reserves		(42,765)	(26,030)
Balance at 31 July		41,694	53,664

