

Southern Regional College Annual Report and Accounts

For the year ended 31 July 2020

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for the year ended 31 July 2020

The Accounting Officer authorised these financial
statements for issue on 23 February 2021

Laid before the Northern Ireland Assembly under the Institutions of Further
Education (Public Sector Audit) Order (Northern Ireland) 2008 by the
Department for the Economy on 1 March 2021

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020**

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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 2020.

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

Working together to achieve more

We believe that:

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

Striving for Excellence

We believe that:

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

STRATEGIC AIMS

The Governing Body has overarching responsibility for setting the strategic direction of the College. The 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.

Covid-19 Emergency

The Covid-19 global pandemic and subsequent closure of College campus buildings on 23 March 2020 had an unprecedented impact on all areas of College life. In the immediate aftermath of the decision to close campuses the College's Business Continuity plans were initiated resulting in all key business functions transitioned to remote delivery through key staff working from home. The scale and timescale in transiting services was achieved within a few short weeks from lockdown and College staff can take enormous pride in achieving this while working remotely.

The lockdown had a most dramatic impact on our ability to continue to deliver education and training to many thousands of learners. Course teams used a range of College communications tools to maintain contact with as many learners as possible including through email, Microsoft Teams and other third-party communication tools. At its peak the College was able to maintain delivery support to nearly 75% of all full-time learners. The complexity of the College offering from GCSE A 'Level academic qualifications through to work related and skills competency qualifications resulted in curriculum managers having to grapple with a complex and ever-changing environment during the period from

March – June. The examinations regulator CCEA introduced an extraordinary regulatory framework in May providing structure within which specific vocational qualification outcomes would be addressed prior to the Summer. Despite this, the complexity of dealing with over 50 awarding organisations and absence of definitive direction and control from the regulator inevitably led to different arrangements emerging or in some cases not being provided until late summer. Despite these challenges College staff performed with a commendable level of commitment and professionalism that led to many thousands of students obtaining qualifications through centre assessed grading processes. In addition, many staff voluntarily provided the opportunity for hundreds of students to return to campus in June to undertake adaptive assessment that would enable them to complete their programme of study. The process of adaptive assessment continued during the Summer months and the outcome of this exercise will not be truly known until the Autumn term.

Despite the enormous effort to ensure as many students would obtain their qualifications before the end of the Summer, unfortunately there were also many students who did not. Students undertaking qualifications requiring license to practice were unable to complete their assessments as adaptive assessment opportunities were not appropriate. In addition, many hundreds of learners, particularly part time adult learners were unable to complete their courses as their qualifications fell outside the scope of the extraordinary regulatory framework. The College is continuing to address the legacy position for these learners and every effort is being made to ensure that they are provided with the repeat opportunity in the new academic year.

The closure of College campuses also impacted significantly on the new build projects for Armagh and Banbridge. The College took ownership of the new build in Armagh on the day of lockdown and contingency measures were immediately introduced to delay delivery of equipment and furniture. Similarly, the contractor for the Banbridge campus, in conjunction with the College, closed the site until the construction industry was permitted to resume in late April. The College's estates project team developed wide ranging contingency plans that reset delivery and fit out for Armagh and a completion date for Banbridge. This has culminated in the College being able to achieve its objective of moving to the new Builds in Armagh and Banbridge for the start of the 2020-21 academic year.

The College has implemented a range of measures for the safe resumption of on-site delivery and services from 1 September 2020. Detailed plans have been developed in line with the Department for the Economy's 'Framework for the safe resumption of Educational Provision and Related Activity in Further Education Colleges and non-statutory contractors'. The year ahead poses significant challenges for students and staff as we move to a range of new delivery models including continued use of remote learning.

The seven key strategic aims of the College for the reporting period 2019-20 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 2019-20 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 2019 – 31 July 2020. The commentary also sets out the impact of the Covid-19 lockdown on delivery of these objectives.

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

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

LEARNER RECRUITMENT AND PERFORMANCE – OVERVIEW

The demand and supply of skills solutions has never been more relevant for the future economic growth of Northern Ireland. The revised Skills Barometer, 'Skills in Demand' highlights the importance of skills and talent development as part of a new economic strategy that aims to attract new business to NI as well helping indigenous business innovate and grow. More specifically the transformational change required in increasing the skills levels of Northern Ireland's workforce is articulated further through the Department's draft Industrial Strategy, 'Economy 2030' 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 2019-20 were agreed with DfE through the existing bilateral planning process. These targets were focused on increasing the number of people who achieve Level 2 Essential Skills qualifications in literacy and numeracy, qualifications at Level 2 and above, increasing participation in priority/STEM skill areas, and ensuring that provision leads to qualifications that are on the regulated qualifications framework.

The changing economic situation, continuing pressures in public sector funding and Covid-19 has had a direct impact on the College's ability to maintain the same curriculum offer as in previous years. The reduction in DfE grant funding to support our core provision has led to a re-prioritisation in the allocation of resources and a re-examination of what the College offers and where curriculum is delivered.

Despite these challenges, the College's curriculum offer is increasingly targeted on the current and future needs of the local and regional economy and we believe the outreach to employers across the region is unsurpassed 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 2019-20 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.

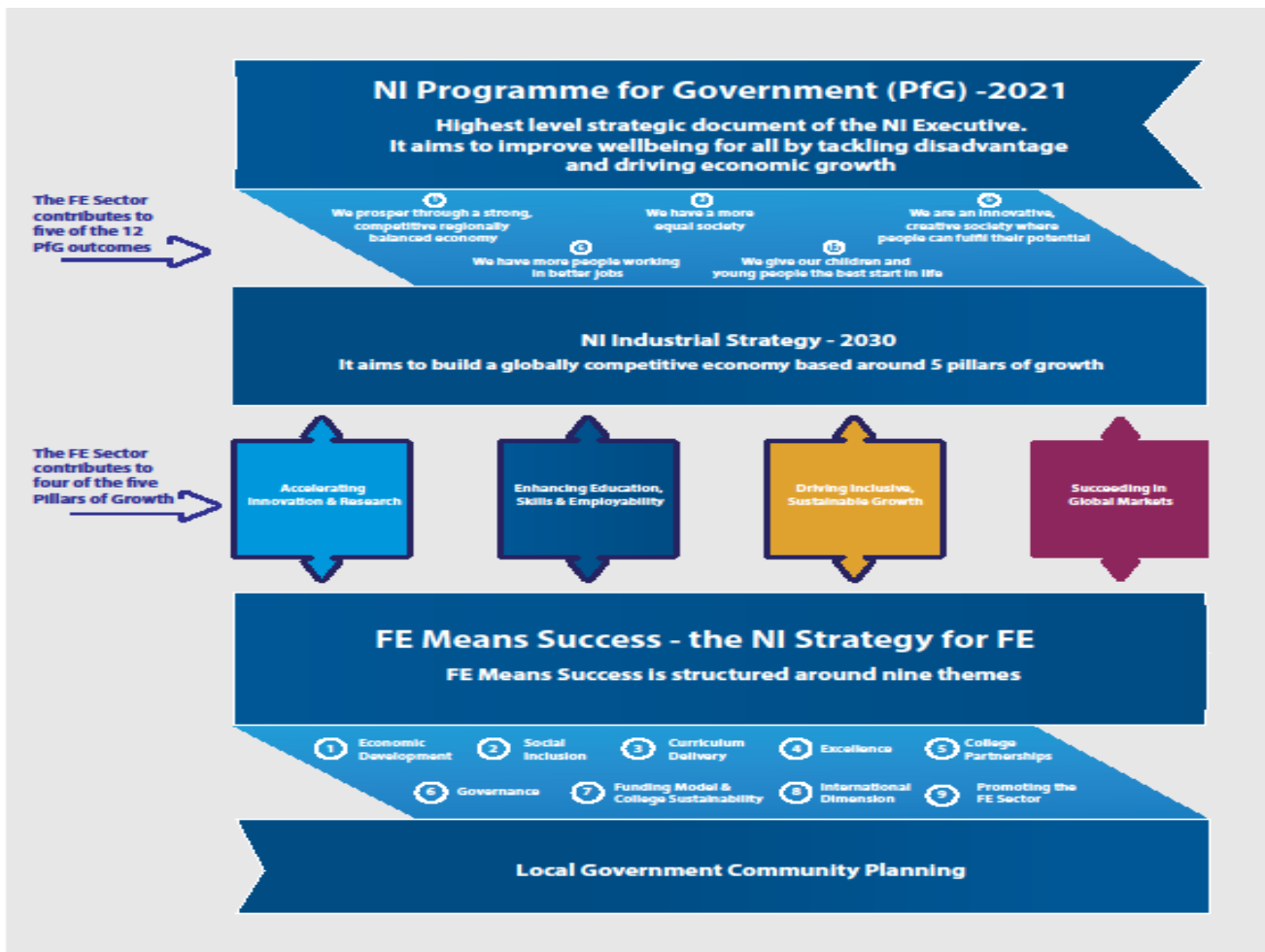


Figure 1

On March 24th normal curriculum delivery ceased when the UK entered lockdown in response to the Covid-19 pandemic. Students on accredited programmes at every level were therefore unable to complete the full range of assessment to achieve a qualification outcome. In response to exceptional regulatory requirements for centre assessed grades (CAGs) the College ensured that a fair and robust process was implemented to ensure that outcomes were claimed on behalf of students. This included an Awarding Panel which scrutinised all outcomes (CAGs) presented by course teams. The College also had to make provision for adaptive assessments where practical skills assessments were required to achieve the qualification.

This section of the Annual Report provides information on enrolment activity and qualification outcomes as set out in the College’s Development Plan 2. Readers should note that the enrolment numbers presented for 2019-20 are those recorded at 31 July 2020 and are not final validated figures.

ENROLMENT PROFILE

The College set out its plans for the provision of education and training opportunities in 2019-20 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 51% of the College’s total enrolment are from students within population quintiles 1 and 2, Figure 2.

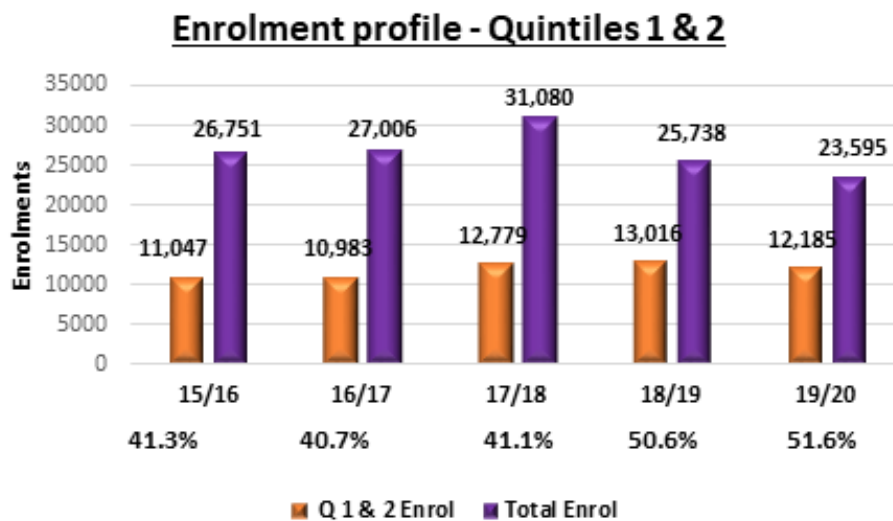


Figure 2

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 72% of the total community outreach provision in 2019-20 supported learners within population quintiles 1 and 2. Prioritising provision in areas of significant deprivation will remain our focus in 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 2019-20

The College’s development plan for 2019-20 set targets for enrolment across Further, Higher Education, Training and Essential Skills. The Covid-19 lockdown in March 2020 has a direct impact on continued activity across community outreach and planned on site evening provision.

Despite this the overall enrolment position (excluding Essential Skills) at 31 July 2020 showed the College achieved 96.4% of its full-time enrolment target and almost met its part time enrolment, Table 1.

Total Enrolment		Enrolments		
		Target	Actual	% Target
Levels 0-8	Full time	4,188	4,039	96.4%
	Part time	16,348	16,330	99.9%
	Total	20,536	20,369	

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 93.4% of its target for full time Further Education and 96.7% for part time enrolments, Table 2.

Further Education		Enrolments		
		Target	Actual	%
Levels 0-3	Full time	2,669	2,493	93.4%
	Part time	13,820	13,362	96.7%
	Total	16,489	15,855	

Table 2

The total full-time Further Education enrolment fell by 266 from that recorded in 2018-19, Figure 3. The fall in enrolments at Level 3 was most evident in areas including Adult Access Childcare, Performing Arts, ICT and Sport and Exercise Science. Decreases at Level 2 were in ICT and Sports Studies. Areas where enrolment increased include Science and Health Care. 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.

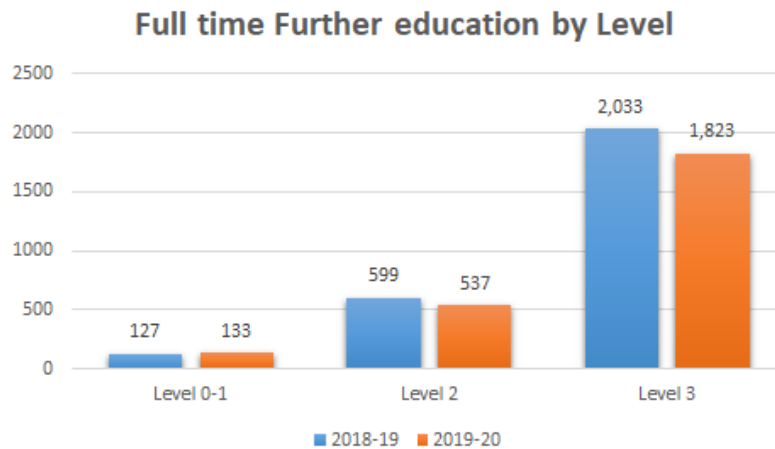


Figure 3

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 1,500 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 Degrees, Associate Bachelor Degrees 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 range of courses of Higher Education courses on offer from September 2020.

Higher Education		Enrolments		
		Target	Actual	% Target
Levels 4-8	Full time	504	417	82.7%
	Part time	1,200	1,163	96.9%
	Total	1,704	1,580	

Table 3

The College was allocated a total Maximum Student Number (MaSN) of 504 full time Higher Education places in 2019-20. The College recruited a total of 417 full time students with a further 190 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 consequently applying for internal progression. The trend in increasing uptake in Higher Level Apprenticeships continued with a 23% increase compared to enrolments in 2018-19.

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 would operate from September 2020. In light of the Covid-19 emergency the DfE has decided to extend existing TfS contract to July 2021 and defer the introduction of new Traineeships to September 2021. 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 2019-20 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 continued to experience an increase in the number of new entrants on both Training and Apprenticeship programmes at Level 2 particularly in construction trades.

Training for Success		Enrolments		
		Target	Actual	% Target
Levels 1-3	Full time	425	463	108.9%
	Part time	1,010	1,402	138.8%
	Total	1,435	1,865	

Apprenticeships		Enrolments		
		Target	Actual	% Target
Levels 2-8	Full time	590	666	112.9%
	Part time	318	403	126.7%
	Total	908	1,069	

Table 4

ESSENTIAL SKILLS

The College enrolled a total of 3,298 learners for Essential Skills in Literacy, Numeracy and ICT against a target enrolment of 3,421, as shown in Table 5. The Covid-19 emergency in March 2020 prevented the College from progressing further enrolments in community outreach centres in semester 2 resulting in a lower enrolment figure for those over the age of 20.

Essential Skills	Target	Actual	% Total
Age >=16 and <20	2,526	2,616	103.6%
Age 20 or over	895	682	76.2%
Total	3,421	3,298	

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 2019-20, the College maintained excellent levels of engagement with 27 schools across the 4 Area Learning Communities within the region. Despite 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.

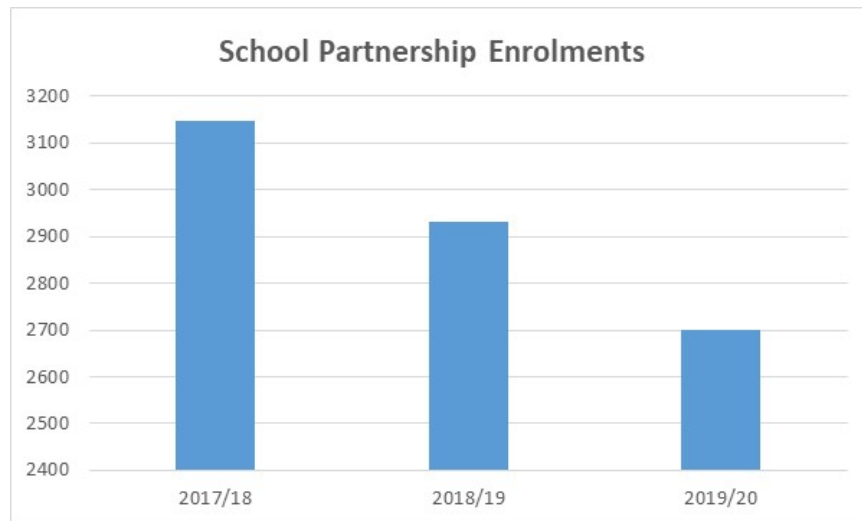


Figure 4

The School Partnership Programme generated income of £955k in 2019-20 (11.7% decrease on 2018-19) equating to 13,658 teaching hours. 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. This has involved prioritising limited resources to support future provision and removing of some of our curriculum offer to schools particularly in areas of Engineering and Plumbing. 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. In an effort to address this, the School Partnership team are using the opening of the new Campuses in Armagh and Banbridge as an opportunity to invite Principals to show them what facilities we can offer to their students.

COMMUNITY ENGAGEMENT

The College continued to focus its community engagement during 2019-20 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. Despite the challenge of Covid-19, the total community enrolments for 2019-20 totalled 1,718 students. The most popular type of provision was recreational which generated 39% of the enrolments and is an important mechanism to re-engage people in education and training who are trapped in the spiral of economic inactivity and social exclusion.

The College continues to be a leading player in the delivery of Community Education and 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 2019-20, 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 346 residents were recruited for SRC training through the Neighbourhood Renewal projects. A total of 266 residents achieved full qualifications with 9 residents obtaining employment as a direct result of their participation on the programme. In addition, 271 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. The PROSPER programme provided mentoring support to 91 young people engaged in the Schools Partnership Provision aiding them to achieve their qualifications and the enhanced the work already carried out in rural areas by our Community Development Team through additional 96 enrolments for economically inactive and low paid workers. PROSPER further enhanced employment prospects and 6 people have gained employment as a result of participation and completion of qualifications.

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.

The College has secured a further £227k for 5 new projects in the 2020-21 academic year targeted at people who are economically inactive and face social exclusion and has sought additional funding through DEARA. 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.

- **Oceans**

The OCEANS project was developed as a gateway to employability in the maritime/offshore industry for NRA residents. It provides residents (employed and unemployed) with the opportunity to gain skills, accredited qualifications and confidence and therefore access to employment in a variety of jobs in the maritime sector.

The continued fiscal pressures and uncertainty over Neighbourhood Renewal funding post April 2020 is likely to lead the College to further reducing the level of engagement across the community at all levels and as a result the team are actively pursuing other opportunities:

- Response to Covid-19 project with Local Council Community Planning Partnership
- SEAFLAG Cadetship Project
- PEACE Plus
- Future Skills Programme for Rural Communities - DEARA

STUDENT OUTCOMES

The number of learners achieving qualifications as recorded at 21 October 2020 is shown in Table 6 below.

STUDENT ACHIEVEMENT	Achievement 2018-19	%	Achievement 2019-20	%
Further Education				
Full time	1,591	84%	1,406	81%
Part time	6,302	82%	4,762	75%
Higher Education				
Full time	218	97%	197	92%
Part time	729	78%	777	84%
Work Based Learning TFS/AppsNI	1,172	87%	982	67%
Essential Skills	1,857	53%	1,978	59%

Table 6

Student outcomes for the year ending July 2020 was significantly impacted as a result of the Covid lockdown. Many students were either unable to complete their programme of study or have moved to an adaptive assessment that will continue into the new academic year. In total over 1,100 students were unable to complete their programme of study before the end of July 2020.

The impact of non-completion of qualification resulting from the lockdown was a particular issue in vocational skills based programmes of study including;

- Hairdressing;
- Beauty Therapy;
- Construction Trades;
- Engineering.

The College has taken additional steps since re-opening of campuses to ensure that these students are provided with the support needed to complete their programme of study.

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.

No. progressing to further study or employment	2018-19	2019-20
No. of final year Level 2 FE Learners	491	441
No. of final year Level 3 FE Learners	1,032	864
No. of final year Level 5 HE Learners	218	198
No. of final year TFS trainees	173	285

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 remains committed to providing the highest quality learning and teaching experience for all our students, using the most up-to-date teaching strategies, technologies and Student Support systems. This is achieved through ongoing professional development, identification of best practice solutions with dissemination of these overseen by the Quality and Pedagogy Unit.

Continuous Professional Development of staff is an integral part of the College Development Plan. The College will continue to invest in upskilling our lecturing teams to ensure that we are able to respond to changing curriculum and skills needs. Priority will be given to upskilling lecturing staff in order to respond to the challenges of embedding new skills and technology and ensuring that our curriculum remains relevant particularly at Level 3 and above.

During 2019-20, staff had the opportunity to undertake professional development in several areas including:

- 9 successfully completed Postgraduate Certificate in Further Education.
- 5 completed Certificate in Teaching.
- 11 Full Time Lecturers and 10 Part Time Lecturers trained in Teaching Thinking programme.
- 65 staff attended workshops on Essential Skills.
- 5 lecturers attended student coaching and motivation workshop.
- 6 staff were awarded Senior Fellowship of Advance HE.
- 9 staff attended ETI Associate Assessor Inspector training.
- 82 staff attended on classroom strategies (differentiation, lesson planning training and opening and closing a lesson).
- 51 staff attended sessions on preparing for inspection.
- 95 staff attended sessions on working remotely, e-educator and TEL tools.
- 17 staff attended standardisation training.
- 21 staff attended assessor/verifier training.

In response to the unprecedented impact of the Covid-19 pandemic the pedagogy of learning and teaching led the use of digital technology to access and engage meaningfully with all students online. With the forced College closure curriculum could not be delivered in a traditional face to face manner.

The Quality and Pedagogy Unit formed internal working groups, led by five members of staff who had previously achieved the Ulster University Level 7 in Digital Learning. Staff involved in the delivery of the Higher Apprenticeship in Applied Industrial Science, Mechatronic Engineering and Digital Marketing have spearheaded the development of a blended learning solution. Seventeen lecturing staff and curriculum area managers volunteered to share and reflect on their experience of curriculum delivery during Covid-19. These curriculum influencers were drawn from an eclectic and passionate staff

grouping across the four Faculties. Thus, the idea for a staff 'e-Educator' programme was conceived by staff, for staff. Five modules of training have been designed on MOODLE for staff training on the following key areas:

1. Exploring models and basic tools for online teaching and learning.
2. Planning for online learning (to include Schemes of Work and Student Study Guides utilising synchronous and asynchronous methodologies).
3. Core e-tutoring skills through the review of staff best practice shared with colleagues.
4. Effective use of VLE and 0365.
5. Maintaining and supporting student online engagement.

In November 2019, the Education and Training Inspectorate (ETI) carried out an Interim Review of Work Based Learning programmes in Construction Trades, Engineering, Transport Operations and Maintenance, and Essential Skills. Progress was reported by ETI. The College is confident that the deliberative actions brought about through a robust Recovery action Plan have led to significant improvements within this provision, and all staff will continue to work proactively to fully address the remaining areas for improvement.

During March 2020 ETI conducted an evaluation of six Tier 1 curriculum areas: business and administration; finance and law; construction, planning and the built environment; engineering and manufacturing technologies; health, public services and care; hospitality and tourism and science and technology. The provision for preparedness for life and work was also evaluated.

This evaluation resulted in several affirmative statements such as: -

- Nearly all the learning and teaching observed was good or better; notably, almost half of the lessons were very good or outstanding
- Across the majority of the professional and technical areas evaluated a broad range of well-designed and flexible full-time and part-time programmes are offered at Level 3
- The College has established effective links and partnerships with a whole range of employers, industry bodies and other key stakeholders across most of the professional and technical areas evaluated including a good range of industry training
- Most of the students have good opportunities to develop their employability, enterprise and work-ready skills through 98 live project-based learning activities in place
- The self-evaluation and quality improvement planning process is well-embedded across the College and is aligned well to other key strategic management processes. Key performance data to underpin the self-evaluation process at whole-college and course team level
- The care and welfare provision is highly effective. The College has also received the Matrix for its CEIAG provision. A high priority is placed on pre-entry advice and guidance to ensure that the students are enrolled on the most appropriate programme of study for them
- Outcomes on the Entitlement Framework programmes of Level 3, over the past three years, are high and in line with expectations (98% retention and 93% achievement)

ETI identified examples of effective practice in 4 areas:

1. Construction, Planning and the Built Environment: the development links with industry to support curriculum development.
2. Engineering and Manufacturing Technologies: well targeted investment in industry-standard equipment in order to provide an industrialised curriculum offer.
3. Health, Public Services and Care: supporting positive mental health through project-based learning in health and social care.
4. Preparedness for Life and Work: supporting work experience placements and the development of employability skills through Erasmus+ programme.

STUDENT SERVICES

CARE GUIDANCE AND SUPPORT

The College is committed to providing a safe and supportive environment where students feel safe and receive effective pastoral and safeguarding care, guidance and support. We share the belief that safeguarding is everybody's responsibility and foster this culture across the College. All staff are responsible for safeguarding students. There are, however, key staff within the College with specific responsibility and skills to provide interventions and ensure the safeguarding policy and process are followed. During the 2019-2020 a new sector Safeguarding policy was approved, an Adult Safeguarding Champion assigned and a significant role out of training to 18 Safeguarding staff as well as the Designated Safeguarding Lead (DSL). The Safeguarding team dealt with 50 Cause for Concerns during 2019-2020 of which 7 were processed and support provided during the Covid-19 lockdown (April – August).

Following a continuous improvement check in October 2019 the College has retained the Matrix Quality Award for Student Services. The Matrix Quality Standard is the unique quality standard for organisations to assess and measure their advice and support services, which ultimately supports students in their choice of career, learning, work and life goals. It is of note that SRC was the first College in NI to receive this prestigious award highlighting the outstanding provision and its' impact across the College ensuring that our students are fully supported to achieve to their optimum ability.

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 and 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 2019-20 academic year, the Careers Facebook page has been a major communication channel to

students particularly during the Covid-19 pandemic, keeping students updated with important careers information.

During the 2019-20 academic year the Team have further embedded the Unifrog learner destination software as a one-stop-shop careers tool for students. The Unifrog platform is now a key resource used to support the role of the Personal Tutor and this will be further developed during the next academic year. In September 2019, through a bulk upload of 5292 students took place enabling students to use this platform. Feedback from students and course tutors during class visits is very positive on the Unifrog system including on the resources available for assisting students to research their HE options and write their Personal Statement. Students can record and evidence their key activities and 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. During lockdown from the end of March 2020 the Careers team continued to work remotely dealing with enquiries from students and potential students applying for entry in September 2020. 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. Feedback from a recent ETI Inspection on the advice provided by SRC Careers Service stated:

“Proactive forward-thinking careers advice has been developed. Students are constantly talking about next steps.”

Through engagement with a range of external stakeholders, including the Department for the Economy, Education Authority Transition Officers and Area Learning Communities, the careers team support individuals in their transition to Further Education. There is ongoing engagement with Disability Action on 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 2019-20 academic year, the Careers Team tracked the destination of full-time and part-time Level 3 and Higher Education learners who left Southern Regional College in June 2019. Findings indicated a range of leaver destinations, including progression into employment or additional learning. In total, 2,471 students were contacted with a response rate of 2,395 students (97%). Table 8 shows the breakdown of tracked destinations for 2,395 FE and HE students who left SRC in June 2019.

TRACKED DESTINATION	Number	
Total Number of SRC Students Tracked	2,471	100.0%
Total Number of SRC Students Responses	2,395	96.9%
Progressed to HE Externally	488	20.4%
Progressed Internally to HE	184	7.7%
Progressed Internally to FE (Tfs)	98	4.1%
Other SRC Courses	215	9.0%
Entered Employment	1,227	51.2%
Seeking Employment	36	1.5%
Gap Year	82	3.4%
Repeating Year	65	2.7%

Table 8

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

1. Nursing;
2. Business;
3. Foundation Degree in Computing 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 new resources including FT (Financial Times) online which offers up-date global information on areas including Business, Scientific, Political and Financial Markets. During the current Covid-19 Pandemic, many additional resources have been made available to support learners during remote working. Some Learning Resource suppliers including Gale FE and JISC made available additional resources including Databases, Journals and e-Books. Additional e-resources which are now available to students and staff include a range of JSTOR e-books and the JISC Virtual Library is also available which is a discovery tool providing access to range of on-line resources. An additional 168 e-books are now available through the e-Books for FE collection.

There are a number of online databases available to support our Higher Education students including 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. Other resources available to support HE Learners include GALE FE News, Business and Reference and Emerald a resource focusing on business.

In 2019-20, 3,754 students completed Central Registration across all sites. This year students complete an interactive 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 to Heritage Cirqa which is the latest version of the system which has resulted in an improved interface and has enhanced efficiency.

STUDENT ACTIVITIES

Throughout 2019-20 the Student Engagement Team continued to meet the needs of all students, by delivering 402 activities with 14,878 students engaging in a wide and varied activities programme. The Student Engagement 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 Engagement Officers continued to roll out the tutorial and seminar programme that included the launch of a new suite of tutorials "Sexual Health and Consent" that aims to educate students about these topics in order to help create educational and social environments which are happier, safer and more inclusive. Students have engaged in a range of tutorial sessions delivered by external organisations such as Action Mental Health's BodyTalk workshop in Lurgan and Newry, while HSENI have facilitated Health and Safety workshops to TFS and AppNI students.

This year the Student Engagement Team have continued to have a high level of success with extra-curricular 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 Engagement Team. The College's Gaelic football and volleyball teams continue to be highly prolific in their respective disciplines. The Student

Engagement team has worked closely with the LEAP programme in delivering a series of sporting activities for students with disabilities. Due to Covid-19 a number of events were moved to online whilst others had to be cancelled, this included the extremely popular annual formal due to take place in March 2020.

The Student Engagement Co-ordinator worked closely with the Learning Support Manager in implementing the Health and Wellbeing Hub Action Plan for 2019-20. This has led to the development of a suite of online resources including internal services and signposting to external providers. The Student Engagement Co-ordinator and the Learning Support Manager continue to develop and promote the Health and Wellbeing Hub Action Plan for 2020-21.

The Student Engagement 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 continue to promote 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 female students to access free of charge.

The Student Council AGM was due to convene in April 2020, however due to the pandemic the format was significantly altered to allow for it to proceed via Microsoft teams in June 2020. In April 2020, NUS-USI were due to hold their annual conference, this was successfully moved to Skype and was attended by the SRC HE officer and Events officer. Key policies and campaigns for the incoming academic year were debated and voted on. This year also saw the development in the SRCSU Constitution to allow for Campus Presidents to be elected simultaneously with the Student Governor.

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 the College to raise standards in training to world-class levels. As well as building on a student’s technical skill set, they are given the opportunity to develop their professional and personal skills. This begins with local inter-campus based competitions leading to selection for regional and national competitions. The College’s local inter-campus competitions have been extended to students from the Schools’ Partnership Programme thus reinforcing the aim of achieving excellence in all areas of skills training.

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

During the 2019-20 academic year:

- SRC had its best performance ever at this year's WorldSkills UK Live final championing Northern Ireland's overall success with a haul of seven top-winning medals. Gold medals were won by Shelby Jones in Beauty Therapy and Dylan Calvert in Floor and Wall Tiling. Silver medallists were Shannon Fearon in Beauty Therapy, Kirsty Frazer in Beauty Therapy Practitioner and Dylan Gillanders in Floor and Wall Tiling. Two bronze medals were won by Stephen Megaw and Aaron Gillespie for Culinary Arts and Floor and Wall Tiling respectively.
- Higher Level Apprentice Graduate, Jill Saunders, was awarded a British Education Award (BEA). She was one of seventy finalists from across England, Northern Ireland, Scotland and Wales who attended the prestigious event.
- Former Professional Cookery and Culinary Arts student, Alex Greene, scored a double win at this year's infamous hit TV series, 'The Great British Menu', when he prepared both the starter and dessert at the banquet.
- Plumbing student, Ethan Whyte, was crowned winner at the regional heat of the 'HIP Northern Ireland Apprentice of the Year' competition.
- Five Hairdressing and Beauty Students were winners at the 'Association of Hairdressers and Therapists' competition in Edinburgh. Fiona Hagan was second in Body Painting; Liene Lestare and Shanon Fearon were second in Team Bridal; Gabija Jokubauskaite was second in Ladies Evening Style; and Liene Lestare third in Ladies Evening Style.
- The Newry campus boys football team won the 'Electric Ireland HE GAA Corn Comhairle Ardoideachais' final held in Mallow, County Cork. The boys beat the team from Mary Immaculate College, Thurles.
- Student Shantelle Ritchie, was crowned champion at the 'Inter College Boxing Tournament' hosted at Galway University.
- Three SRC students took part in the 'Whimsical Fall' competition at the Beauty Show at the RDS in Dublin. Mykenzie Cartmill was crowned the winner.
- HND in Computing student, James Wilson, was awarded silver for the 'BTEC IT and Computing Student of the Year' at the BTEC Awards 2020. At the same awards, HND in Business student, Ashley Rice, was awarded bronze for the 'Business and Enterprise Student of the Year'.
- Zara Malcolmson achieved the second-best set of results in Ireland in the 'Accounting Technicians Ireland' first year exams.
- The Newry Campus Futsal team were runners up in the 'IFA National Futsal Tournament'.
- Leap Unit student, Rachael Dickson, was the voiceover for the CBeebies hit series "Pablo" which tells the story of an autistic boy who has amazing adventures with his animal friends.
- Art and Design student, Alanna Sloss, was awarded a Special Merit in the 'Texaco Children's Art Competition'. Her artwork, entitled 'Emily', was featured as part of an exhibition at the Ulster Museum, Belfast.

- Portadown student, Zak Kitson, featured on the ITV programme “Island to Highlands” with James Martin and Paul Rankin featuring his Wasabi farm.
- SRC Level 3 Advanced Professional Cookery students, Steven Megaw and Emillie Moffett competed at the Nestle Toque D’or heats in London.
- Students from the Banbridge Campus worked in collaboration with ‘Mindwise New Vision and Young Engagement Service’, Banbridge, to develop an advertising campaign for mental health awareness.
- HND Graphic Design students produced a series of illustrations which were displayed at Craigavon Industrial Development Organisation’s Innovation Centre in Portadown.

LEARNING SUPPORT

The Learning Support Team consists of 7 Learning Support Co-ordinators, 60 Learning Support Assistants, Mentors and Note takers and provides a wide range of support interventions to students with learning difficulties and/or disabilities. During 2019-20 the College recruited a Learning Support Co-ordinator to work with TFS / AppNI students across all campuses.

The College received a total Additional Support Fund allocation of £740,423 from the Department for the Economy to support students with learning difficulties and disability during the 2019-20 academic year. A total number of 720 Further Education mainstream, TFS/APPNI and discrete students received additional learning support during this period. Learning Support also provided additional support for 43 HE students. The department also processed 690 examination access applications for students during 2019-20.

In 2019-20 a total of 81 students received counselling support from Inspire, this was an 2.5% increase from the previous year. The total number of face to face counselling sessions arranged was 385 with an additional 42 structured telephone and video counselling sessions. A total of 49 students attended on-site counselling for 98 sessions in Armagh and Newry campuses. The gender breakdown was 61% female, 37% male and 2% non-binary.

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

- the provision of classroom-based learning support to TFS/AppNI students in the Construction and Engineering trade areas;
- during the period of College closure due to Covid-19 the Learning Support Team developed processes to ensure that students who had made a referral for Learning Support for September 2020 were contacted and the completion of initial needs assessments continued remotely where appropriate during this period. A total of 1,621 online referrals were made for learning support;
- planning and reviewing activities for the Health and Wellbeing HUB, this included the introduction of awareness sessions on addiction to include gambling and energy drinks;

- investing significantly on software, laptops and assistive technology to support independent learning;
- working alongside colleagues to support the development of the Learning support section of the new Learner Management System. This work will be ongoing throughout 2020-21;
- publishing a sector wide policy for Safeguarding in February 2020;
- introducing an extensive Safeguarding training plan for all officers and the Designated Lead Officer through Volunteer Now during 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 a transition working group meeting during 2020-21. 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 Procedure;
- working with the sector to develop a sector wide policy for Learning Support for implementation in 2020-21;
- during the year the Assistant Director Student Services and Marketing became a member of the of PLIG (Protect Life implementation group), which aims to reduce suicide and self-harm over the next five years and looks at the importance of everyone working together on prevention;
- 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 2019-20, the Marketing, Communications and Student Recruitment Team (MCR) completed the implementation of a new course and application section on the College website. This included linking to live course information along with a much-improved search facility which allows potential learners to choose courses by level, campus and subject. These advancements also allow the learner to apply online, in real time, reducing the need for paper-based applications. This creates a much simpler process for learners.

The team also carried out a review of the process for provision of course information which is used on the website and through our printed publications. New procedures were implemented which have improved the accuracy of information provided by the curriculum teams to Marketing. This ensures that potential learners have all the required information they need to make fully informed decisions.

The MCR Team have fully embraced the use of digital media for both advertising and organic promotion of the College, its students, staff and programmes. The team continue to adapt to the new challenges presented by social media and continually review the effectiveness of our online profile.

Social Media Type	2018-19 followers	2019-20 followers
Facebook	16,275	17,982
Twitter	3,214	3,369
Instagram	1,071	1,411
LinkedIn	1,936	2,318

Table 9

In November 2019, the College through the MCR team, won the inaugural WorldSkills UK Diversity and Inclusion Heroes Award – Social Media Campaign of the Year 2019, at the WorldSkills UK Live event in Birmingham. The award was for a targeted social media campaign which focused on diversity in the workforce and particularly ‘Women into Construction’.

The College have hosted a wide range of events this year, including the Higher Education Graduation, College Open Days, The Big Apprenticeship Events and Year of the Nurse Conference. The MCR Team continued to promote the College’s curriculum offer at 111 events over the course of the year including schools’ careers talks, careers conventions and at various information days. 52 press releases were submitted to a range of local printed press including local, regional and national titles. Unfortunately, due to Covid-19 a number of events were cancelled including the Student Recognition Day and the College’s annual HE Graduation was postponed until Autumn/Winter 2020.

The Covid-19 pandemic resulted in a significant number of additional communications with both students and staff. To ensure the SRC student body were kept updated on developments we created a specific section on the website which has been continually updated, designed a range of posters and digital screens. The MCR Team engaged significantly with both students and potential students online via the College website, social media and through email and texts. The MCR Team also sent additional printed postcards to applicants over the summer to keep them updated and produced a number of key communications for staff including the staff workplace guide, classroom management guide and DfE Framework document.

The MCR team continue to provide high quality graphic design and video production support to academic faculties and other functional areas within the College. During 2019-20 over 300 fliers/posters, 53 publications, and 123 online graphics were developed. The MCR Team also filmed, produced and edited 29 videos for promotional purposes, which were used across a range of platforms.

Stakeholder Engagement Plan

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 strengthening relationships with a number of external stakeholders.

A New Build Benefits Realisation report was completed during this academic year which highlighted the increase in reputational awareness for the projects in progress as well as conducting questionnaires with students and staff at the existing campuses to gain their satisfaction levels of current facilities. The information obtained in these surveys will be compared with a similar survey conducted with the same cohort of students and staff when they move to the new campuses.

Key PR activities, developments and events this year included:

Armagh Campus

- Wayfinder guide developed;
- GO Awards Finalist PR;
- BREEAM PR;
- Promotional flier produced and distributed by Royal Mail to local catchment area;
- Internal and external photographs and video footage of the new campus was captured for promotional purposes.

Banbridge Campus

- Topping Out Milestone;
- Production of promotional flier for new campus to be distributed by Royal Mail to the local catchment area in August 2020.

Craigavon Campus

Engagement with AB English and History degree students to conduct historical research for the Portadown and Lurgan Campuses, which will feed into a future 'Looking Back, Looking Forward' event for the new Craigavon Campus.

The New Builds section of the College website continues to be updated with information to inform key stakeholders on the progress of the builds.

CAMPUS SERVICES

The Campus Services Team have overseen the implementation of a new Learner Management System (EBS Central Admissions). The new application system was launched in November 2019 for the submission of HE applications and FE applications in March 2020. The curriculum team were also supported with the new lecturer admissions and enrolment portal (on track hub). 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 2019 dealing successfully with course enquiries and processing enrolments.

The Campus Services Team made improvements to ongoing projects in collaboration with other the sections within the College and with the Education Authority (EA). The standard of customer service has greatly improved through continued development and enhancements to the initiatives listed below:

- 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 admissions training on the new learner management system to the Curriculum Management Team (CMT), Campus Services (CS), Training for Success (TfS) and lecturing staff guidance was also provided on revised admissions policy and processes between February and June 2020.

WIDENING PARTICIPATION

As part of the College's Widening Access Participation Plan (WAPP) 2019-20, bursaries were awarded to 160 HE students amounting to £39k support. Whilst the planned Outreach programmes had to be cancelled due to Covid-19, increased use of digital marketing and communications were employed to raise awareness of higher opportunities. This included the use of social media, with over 80 posts between April and August 2020 relating to HE Study and Higher-Level Apprenticeship options at SRC. In addition to this, a flyer pertaining to HE Courses of study was sent out to over 98,000 homes. Additionally, Marketing staff made 26 School visits to the post primary schools in the catchment with 820 students in attendance.

INFORMATION LEARNING TECHNOLOGY

SRC is committed to developing ILT Services and utilising new technologies to support and enhance curriculum delivery and business support services. During 2019-20, we invested some £2.2m. 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 is now being used to process applications and enrolments;
- the College has continued to develop its use of the 'Moodle' 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. Following lock down Microsoft TEAMS has been adopted as a primary communication platform between both staff and students.
- in response to Covid-19 lockdown the College deployed a number of devices to both staff and students and enabled services to support remote working;

- mobile device access has continued to be enhanced by the implementation of further Wi-Fi coverage and the JISC Eduroam service across all campuses;
- the College has continued to extend the use of interactive panels across its campuses including equipping its new campuses in Armagh and Banbridge and will seek to include them in future ILT plans for new the College Campus building in 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;
- 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 now delivers an OCN Level 5 Certificate in Digital Technologies for Learning qualification as the preferred method. Fifteen staff have completed the qualification and a further Twenty will be 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.

The business engagement targets for 2019-20 were set through the College Development Planning process and agreed with DfE. The Business Support centre’s targets and outcomes for 2019-20 are captured in Table 10.

A target was set at the beginning of the year to engage with **1,030** businesses to deliver direct support to help them innovate, compete and grow and to support the placement and recruitment of Apprentices (including Higher Apprentices). In 2019-20, the College exceeded its overall business engagement target with engagement with **1,145** companies.

2019-20 Business Support Targets and Outcomes

Measure	Target 2019-20	Actual
Innovation and upskilling support to businesses	380	446
Engagement with businesses through TfS placement and apprenticeship	650	699
Total Engagement	1,030	1,145
Upskilling of local employees	1,500	1,570

Table 10

The 2019-20 year proved a very challenging year for all due to the impact of Covid-19 and the associated lockdown period. In essence, all face-to-face delivery to businesses ceased on 20 March 2020 and a lot of businesses were forced to reach out to various providers for relevant support for their business to ensure survival. The Business Support team acted swiftly to adapt to home working and to reassure clients that the centre was still open, albeit virtually, and that the College was committed to providing support to clients where possible. The Team took calls from concerned employers about HLAs as well

as calls seeking assistance to move services and operations to digital platforms. Staff members were able to assist clients in both these areas.

During the lockdown period of March to August 2020, there were various challenges with remote working in trying to complete some elements of training delivery as well as practical one-to-one delivery in the innovation projects including practical delivery and access to software and resources on campus. Therefore, some projects were unable to complete in 2019-20 and have been moved into the 2020-21 year where possible. Targets have mainly been achieved, despite Covid-19, but it is expected that we may see the implications of Covid-19 in the incoming academic year. There will be a greater need to provide online and blended programmes to industry.

There were 5 live events planned for the March to July 2020 period which had to be cancelled due to the Covid-19 restrictions. These events typically enable the team to reach out to new business clients, thereby setting up a pipeline of work for the new academic year. The Team quickly came up with the solution to run a series of topical webinars in order to remain visible in the business community and to reach out to new clients. There were 5 webinars delivered in this period, using Microsoft Teams, with 94 attendees. These webinars helped us to achieve our events and engagement targets for the year. The webinar themes were:

- Podcasting and New Technologies
- Supporting Your Business with 3D Design
- Selling Online with Effective E-Commerce
- How Food Businesses are Adapting to Covid-19
- Creating Virtual Rooms for Virtual Experiences

Further webinars have been delivered in August 2020 with more planned for the new Autumn term in 2020.

Prior to lockdown the Team delivered 5 live events, 3 of which were in partnership with our councils and chambers during global entrepreneurship week in November 2019. These events included:

- Ready, Get Set, Innovate
- Attracting, Retaining and Developing Talented Staff – NMD Council
- Attracting, Retaining and Developing Talented Staff – ABC Council
- Designing New Products and Protecting Your Ideas
- NI Chamber Annual Conference and Exhibition
- NI Manufacturing Expo

Partnership working is key to our success and the T value the College's position as a key strategic partner of both councils in our region.

The Business Support Centre is also tasked with planning and coordinating the Big Apprenticeship Events for the College. 2020 was an extremely successful year with over 500 attendees at each event in Newry and Craigavon. ABC and NMD Councils provided sponsorship and helped to promote the

events to young people, parents, schools and careers providers. The events took place in early February 2020 as part of the inaugural NI Apprenticeship Week. Prior to the Covid-19 outbreak, the team had secured over 200 vacancies for HLA places. Those numbers have dropped significantly due to Covid-19 and its effects on the economy, but the team continues to engage with employers to strive for as many vacancies as possible for September 2020.

KNOWLEDGE TRANSFER ACTIVITY

During 2019-20, 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 2019-20 include:

- **Intertradelreland's Fusion Programme and Knowledge Transfer Partnerships:** The College's engagement with Intertradelreland's FUSION programme continued in 2019-20 with fourteen businesses engaged for projects at various stages of delivery. The majority of the projects focused on the Engineering and Food Technology specialisms. In 2019-20, our engineering innovation specialist, was awarded a Fusion project exemplar for his work on a project with a concrete company based in Cavan. This is the third project exemplar award for SRC in the last five years. The Team also secured and commenced delivery of a KTP project in the area of Digital Construction;
- **Innovation Voucher Scheme:** 21 companies were supported via Innovation Vouchers during the 2019-20 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. Due to Covid-19, a number of these projects have not closed down by July 2020 but will continue into the early part of 2020-21;
- **InnovateUs:** 63 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:** this programme, funded by InterTradeIreland through Interreg VA, is a new innovation programme. The programme supports 12-month graduate projects (similar to Fusion). In 2019-20, SRC engaged with 4 businesses under this fund, supporting projects in food product development and design engineering;
- **Digital Transformation Programme:** funded by ABC Council, this programme offers a range of specialist mentoring, workshops and clustering initiatives to digital businesses. This fund draws to a close in September 2020 and the College provided mentoring support to 14 businesses this year.

TRAINING AND UPSKILLING PROGRAMMES

In 2019-20, 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. As the lockdown began, the Head of Business Engagement along with sectoral colleagues, liaised with DfE to amend the criteria on the Skills Focus programme to effectively support businesses during the Covid-19 pandemic. DfE relaxed criteria on employer contributions to funding, rendering the programme 100% funded for businesses with, 250 employees from April 2020 to March 2021.

Some examples of training provision to industry in 2019-20 include:

- **Skills Focus:** Over 150 businesses were engaged for Skills Focus. Examples of some new accredited provision delivered through this programme in 2019-20 included: 'City and Guilds Level 4 Certificate in Principles of Leadership and Management for Adult Social Care' with healthy demand in Leadership and Management, Customer Service, Health and Social Care and Digital Skills;
- **Full Cost Recovery:** The Business Support Team engaged with 30 businesses for full cost recovery training contracts. Projects included Continuous professional development in the Care sector, Health and Safety and Electrical programmes. There were no FCR projects delivered since March 2020 due to the impact of Covid-19 on businesses and the reallocation of training budgets.

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.

Work on Higher Level Apprenticeships continued with an increase in the employer base seeking high level apprentices by 30%. A total of 59 employers engaged and 93 new job roles were created. These were in the areas of:

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

Engagement with employers commenced in-year to develop a new HLA for a January 2020 start in Digital Marketing, Advertising and Communications.

The new HLA Digital Marketing, Advertising and Communication commenced with 4 new HLAs taking the new job roles created to 97. These apprentices infilled with a part time Higher Education offer and this was the first of the new Open University qualifications to commence in the College.

The HLA curriculum portfolio continued to expand throughout the academic year with further opportunities for September 2020 in:

- Digital Construction;
- Hospitality Management;
- Childcare Learning and Development;
- Health and Social Care Services.

Following a very successful Big Apprenticeship event, the Business Support team had secured in the region of 220 potential HLA job offers accompanied by 290 HLA applications, however due to Covid-19, the job offers reduced significantly to 105 as of the end of academic year.

A significant piece of work commenced in conjunction with MJM to investigate the possibility of another new HLA – Technical Design and Manufacture to address a growing requirement within the Manufacturing Industry. This new qualification proposal would address the skills deficit in the ability to understand and interpret from the design stage right through to technical drawing / specifications and the effective use of equipment to programme the machines for new designs etc CAD – Technical Design, CAM – Technical Process and CNC – Technical Manufacturing. Whilst significant momentum was generated and an agreed a set of potential units was detailed, the Business Support team were only at the stage of bringing the initial idea to market to establish employer appetite. Whilst Covid-19 has halted any further development with MJM, conversations are ongoing with Manufacturing NI who felt there was value in the course.

Work was also 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 an employer Engineering Forum to negotiate a common set of units with the aim of delivery commencing in September 2020.

Further to the growth experienced across the Higher-Level Apprenticeship provision, the Training for Success (TFS) and Apprenticeship provision in the College is also continuing to experience a steady growth. The Training and Apprenticeship team currently works with 290 employers across the TFS programme and 270 employers across the Apprenticeship programme, taking the total employer base involved in the Work Based Learning provision to 619 employers. Performance against target for Training and Apprenticeship has seen the over delivery of TFS and APPNI by 114 enrolments based on the year end position July 2020.

There will continue to be a concentrated effort over the next year to introduce the new Traineeships and develop specialist Apprenticeships opportunities particularly at Level 3 to facilitate progression through to the Higher-Level Apprenticeship opportunities in line with the curriculum strategy.

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, faculty reviews and the self-evaluation process. A series of mandatory and optional development activities were planned for the designated Employee Development days set out in the academic calendar.

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 especially in light of the Covid-19 pandemic, driving the need to cancel in-person classes and move to online-only delivery and home working.

The College supported numerous individual requests for professional development including supporting staff through teacher training (PGCFE), professional and higher-level courses as well as specific job-related training. The College 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:

- academic staff attended approximately 1,153 sessions on pedagogic activities in teaching and classroom strategies, preparation for inspection, digital learning, use of virtual learning environment;
- support staff attended 425 development activities in Sharepoint, mental health, learning disability awareness, admissions and PEAS, autism awareness, and safeguarding;
- staff had 329 opportunities for upskilling within various disciplines, for example, construction and built environment, collaboration in building management modelling, fabrication and welding, internet of things, digital media design, barbering, digital marketing and speciality coffee training;
- managers attended 122 sessions in coaching, leadership and management, business continuity training and recruitment and selection;
- staff attended 139 training sessions on various health and safety activities including first aid training, risk assessment training, CSR, manual handling and safe use of ladders.

The College launched a pilot Personal Development programme which enabled staff to avail of recreational courses up to Level 3 at no charge. The College received 31 applications for a variety of activities including yoga, crafts, cooking, massage, creative writing and languages.

The College was awarded the Investors in People (IIP) Silver Award and Health and Wellbeing Good Practice award in 2018. In December 2019, the Investors in People survey was redeployed. The aim was to evaluate progress and comparators with the survey results from 2018. Results showed that staff perceptions and organisational culture planning remained relatively stable between 2018 and 2019 and the key priorities identified within the Investors in People Action Plan were still considered very relevant. In June 2019, the College met with the IIP assessor as part of the College's two-year review and there was an acknowledgement of the extraordinary effort by staff across the College in response to the Covid-19 pandemic.

The Human Resources and Development (HRD) 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 2019-20 was 97.6% against a target of 96.5%.

Providing support to staff was particularly important when faced with the challenge of dealing with the Covid-19 pandemic. The department provided clear guidance to staff and managers throughout this period on procedures to follow should someone exhibit symptoms of the virus; the need to self-isolate as appropriate; procedures for staff who were shielding or considered vulnerable or extremely vulnerable. The department took the following actions to ensure the safe return of staff to work:

- The development and communication of an online programme which provided advice and guidance to staff on their responsibilities to ensure safe working practices were implemented and adhered upon returning to work. It was mandatory for all staff to complete the programme before returning to campus and the HRD department implemented measures to monitor completion of this programme.
- The development of a health declaration which all staff were requested to complete in full and submit to their line manager for approval. Based on the information provided by staff, if the form was rejected, staff were not granted permission to attend the campus and managers were instructed to engage further with staff on this matter.
- Development of a workplace guide; FAQs; classroom management guidance and other related documents provided all members of staff with information on how the College planned to return to business safely during the on-going Covid-19 crisis.
- All Covid-19 training and information resources were communicated and held centrally on the staff intranet where they were easily accessible and updated on a regular basis in line with government guidance.

In addition, the Human Resources and Development department worked remotely and continued to manage key processes such as recruitment and selection of staff; payroll; staff induction; appraisal; employee relations; staff recognition and equality.

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 2019-20 included: -

- The Learning Support Policy was revised in August 2019 and published for all staff. The Learning Support Manager is part of a Learning Support sector group which is currently working on a sector wide Learning Support Policy;
- the online referral process was further developed in line with the new LMS application process;

- further development of the Health and Well Being Strategy focusing on Mental Health to provide a framework for promotion of health and wellbeing to all full-time and part-time students;
- Assistant Director Student Services and Marketing became a member of the PLIG (Protect Life implementation group), which aims to reduce suicide and self-harm over the next five years and looks at the importance of everyone working together on prevention;
- provision of face to face and onsite counselling for all students; Investment in software and assistive technology to support independent learning; and
- provision of classroom-based support for TFS/AppNI students during identified Essential Skills and theory-based classes.

The Sector Disability Action Plan outlines measures to promote positive attitudes towards disabled people and to encourage the participation of disabled people in College life. Specific activities in 2019-20 included:

- 94% of current staff undertook equality, SENDO and Safeguarding on-line mandatory training;
- a new on-line disability awareness programme was developed and rolled out to staff. 80% of staff have completed this;
- the College raised awareness of specific barriers faced by people with a disability by linking with National Awareness campaigns such as World First Aiders Day (September 2019); World Mental Health Day (October 2019); Alcohol Awareness Week (November 2019); International Day of Persons with Disabilities (December 2019); Cervical Cancer Prevention Week (January 2020); Eating Disorder Week (February 2020); and No smoking day (March 2020);
- the College renewed its contract with Access Able (formerly Disabled Go) in January 2020 to promote the usage of disability access guides across all campuses. The College continued to promote the Access Able website to potential applicants during as part of the recruitment and selection process of staff. There was an 8% increase in user numbers of the website from 2018 to 2019;
- 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 by developing and communicating resources to support employees and managers in looking after their emotional health and wellbeing at work. In the wake of the Covid-19 pandemic, the College provided information and advice to staff on a regular basis on working from home and looking after their mental health including development of an on-line programme on staff resilience on returning to campus;
- the College's Careers Service has formed an alliance with Disability Action who will support our students into supported employment on completion of their course through the job match programme. The College worked with Mencap to provide a placement in summer 2019.

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 2019-20, the Executive Team led by the Chief Executive monitored and reviewed financial performance on an ongoing basis throughout the academic year by reviewing detailed monthly operational reports resulting in adjustments to the operating strategy and budget allocations.

The Finance and General Purposes Committee 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 in 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.

The Covid-19 emergency and the closure of College campuses led to a set of unprecedented challenges for the wider management team. In line with the business continuity planning process the Chief Executive led weekly senior management team meetings to ensure that as far as possible the full range of business functions including delivery continued during the lockdown period. This engagement was used to inform the Chairman and Governing Body on Covid-19 emergency response plans culminating in additional online Governing Body meetings.

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 estate's strategy is the delivery of three new build projects in Armagh, Banbridge and Craigavon.

During the course of 2019-20, the Estates Project Board and the Capital Projects Steering Group met on a regular basis to provide strategic governance and oversight with significant progress being made in the delivery of the projects including:

- completion and handover of the Armagh on the 23 March 2020;
- procurement of IT Infrastructure, Loose Fixtures and Fittings and Schools Equipment in advance of handover / operation;
- deferment of delivery of equipment and furniture to Armagh following lockdown on 23 March 2020;
- resumption planning in April 2020 to ensure successful completion of Banbridge Campus in advance of start of the new academic year;
- participation in a Judicial Review in January 2020 against Council's decision to award planning approval for the College's new Craigavon campus building;
- funding allocation confirmed for Craigavon campus and completion of PQQ process. The invitation to tender will be progressed following the outcome of the Judicial Review.

The College's refurbishment and enhancements programme continues across the estate, albeit on a limited basis during the past year. The successful handover and fit out of the 2 new campuses in Armagh and Banbridge have placed additional pressure on the Estates Department. This will continue into the 2020-21 year with familiarisation of new systems such as access control and BMS and while dealing with the inevitable teething problems associated with new buildings. In addition to the already busy year, the response to Covid-19 has become the priority during the past number of months.

Some of the projects carried out during the past year are:

- Covid-19 preparation across all campuses;
- Covid-19 specific risk assessment workshops with all faculties and support functions;
- stocking of hygiene products for all campuses across the estate for the 2020-21 year;
- fit out of the Armagh and Banbridge campuses;
- decanting and moving out of existing campuses in preparation for leases expiring;
- upgrading of the fire alarm panel at Newry West campus;

- upgrading of the intruder alarm in Lurgan campus;
- improvements made to welding booths in Greenbank campus;
- gas workshop upgrades in Greenbank Campus, to facilitate running gas installation courses. The project is ongoing and due for completion by the end of September 2020;
- condition surveys across the campuses are ongoing and due for completion by the end of September 2020;
- surveys to establish the potential structural issue with the brickwork in the Newry East campus;
- removal of asbestos in the ducts at the Newry West Campus in preparation for pipework replacement;
- participation in the sector wide procurement of a new maintenance and consultant framework. It is anticipated that the contract for maintenance will be let in April 2021, which will bring to a welcome end the Colleges' reliance on Property Services Division for the maintenance of the buildings.

Some of the planned works for the 2019-20 year were not completed, this is primarily due to the timeframes required to carry out works through the Property Services Division framework but can also be partially attributed to the Covid-19 pandemic lockdown between March 2020 and August 2020.

The Outline Business Case for the purchase of the Newry Sports Centre and subsequent consolidation of the Model Campus onto Patrick Street has been reviewed by the Department, ETI and Economists. A version expected to be the final version was submitted after comments from Economists to the Department on 19 August 2020. It is anticipated that approval will be granted in October 2020 with funding made available for the purchase and demolition of the Sports Centre in the current 2020-21 financial year.

ESTATE

The College estate includes the following campus buildings and land:

Campus	Net Book Value at 31 July 2020
	£000
Armagh, Lonsdale Campus	28,201
Armagh, Station Rd Complex	500
Armagh, Lisanally Campus	840
Banbridge Campus	13,082
Banbridge Factory Site	396
Lurgan Campus	1,902
Newry East Campus	10,087
Newry West Campus	9,155
Newry Corry Square Campus	150
Newry Model Campus	1,065
Newry Greenbank Campus	3,678
Kilkeel Campus	604
Portadown Campus	3,570
Total	73,230

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 2019-20, the EFIAT facilitated 46 outward mobilities – with 30 students and 16 staff availing of placements in Spain, Portugal, the Netherlands and Czech Republic. Unfortunately, due to Covid-19, 94 student and 17 staff mobility placements had to be postponed to 2021.

In addition, the team hosted the Network of Networks (NoN) annual meeting at SRC with 26 colleagues from other European colleges participating in this 3-day event. The Network of Networks is an alliance of regional and national groupings of colleges in five countries - Finland, Holland, Spain, Scotland and Northern Ireland

The College continues to be one of the largest providers of VET Erasmus mobility placements in the Further Education sector in Northern Ireland and was the first College 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 2020, this work was recognised by the Association of Colleges (AoC) when SRC was highly commended in the AoC Beacon International Awards ceremony in 2020.

During 2019-20 the College continued as a partner in the two-year KA2 project worth €186,000 (£169k equivalent) 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 and Consulting Co), Estonia;
- Vantaa College, Helsinki.

This project has now been extended to December 2020 and to date all targets and outputs have been exceeded through the development of a Level 1 and 2 Cyber-security qualifications.

In 2019-20 Southern Regional College, the EFIAT secured EU funding of €616,030 (£560k equivalent) for a new Erasmus+ KA1 VET project entitled RISE (Recognition for Internationalisation for Students across Europe) which will enable a further 218 VET FE students and 70 staff to undertake mobility placements across Europe in 2020-22. Working with partners in Germany, Italy, Malta, Finland, Portugal and Spain, the project will enable VET students 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 €40,364 (£37k equivalent) funding under the Erasmus+ Higher Education programme to enable 25 staff and 5 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, in 2019 the team secured funding to leave the new KA2 strategic partnership project on 'Promoting Mental Well Being' with a value of €197,043 (£179k equivalent). This project commenced in September 2019 with partners. Project outcomes are to develop

- 1) Transitioning to HE course with associated materials including short-films (case studies)
- 2) Train the Trainers course and associated materials
- 3) On-line resilience tool kit for students starting college/university

SRC is the lead partner, other partners are;

- Glasgow Kelvin College
- Suomen Diakoniaopisto
- DKIT (Ireland)
- Kettle of Fish CIC

During 2019-2020 the team also submitted-

- KA2 project (Bridges Building Resources in Digitalisation to Gain Employment Skills). Led by SRC with partners from ROI, Finland, Spain and Latvia, which will provide a range of online programmes for disadvantaged older learners *including* those from migrant, asylum seeker and refugee communities. Impact: to enable them to become more connected, less isolated and able to participate more fully in society which is increasingly becoming digitalised. Project Value: €293,450 (£267k equivalent)
- The team also supported the submission of 2 further bids for the sector. Two bids funded by the UK Government under the Prosperity the Global Skills for Prosperity Programme (S4P). These 2 bids are to develop programmes of work in Egypt and Kenya. The impact will be to tackle youth unemployment by improving the equity, quality, relevance, and cost effectiveness of Higher Education and technical and vocational education and training. EFIAT led the Kenya Bid with NW College for the sector.

In addition, during 2019-2020 the team completed the final report for the KA2 *Learning for Living Project* and received excellent feedback from both assessors and international partners.

Project Outputs

- A Level 2 Social Inclusion and Diversity training programme,
- Promoted a project website to host all the project outputs, training materials and short films, <https://learningforlivingtogether.conform.it/en/>
- The project resources were also disseminated on a further two EU platforms including EPAL (European Platform Adult Learning in Europe)
- <https://bit.ly/SRC-LearningforLivingProject>

The EFIA continues to promote excellence, innovation and successful collaboration in an increasingly European and global context.

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 2019 and in accordance with Financial Reporting Standards (FRS102).

The financial position for the year ended 31 July 2020 showed an operating deficit for the year of £5.69m compared to the deficit for 2018-19 of £2.09m.

Overall income increased on the previous year by £2.04m with expenditure in 2019-20 increased by £5.66m. The 2018-19 overall financial position included the amount associated with the Voluntary Exit Scheme, these are excluded from the income and expenditure figures and are accounted for as an exceptional item. Although a number of staff left through VES in 2019-20, the related income and expenditure was accounted for in 2018-19. The College did not have a Voluntary Exit Scheme in 2019-20.

The College has significant reliance on the Department for the Economy (DfE) as its principal funding source, largely from recurrent grants. In 2019-20, 63.8% of the College's total income was provided through allocated recurrent grant.

An interim valuation was undertaken by Land and Property Services (LPS) to the College's Land and Buildings to provide valuations at 31 July 2020, increasing the value of the estate by £2.59m. The new buildings at Armagh and Banbridge have transferred from assets under construction to buildings at 31 July 2020 and been valued accordingly. This has resulted in an impairment below cost of £5.42m. The properties at Portadown and Lurgan have been impaired to reflect the remaining life, as a consequence of the new build project at Craigavon. The total net book value of freehold Land and Buildings, excluding assets under construction at 31 July 2020 was £73.23m, with assets under construction totalling £3.01m.

LPS have advised that the outbreak of the novel Coronavirus (COVID-19), declared by the World Health Organisation as a "Global Pandemic" on 11th March 2020, has impacted global financial markets. As a consequence, LPS have reported that as at the valuation date, they consider that they can attach less weight to previous market evidence for comparison purposes, to inform opinions of value. The valuation of the college estate is reported on the basis of 'material valuation uncertainty' as per VPS 3 and VPGA 10 of the RICS Global Standards. Consequently,

less certainty – and a higher degree of caution – should be attached to them than would normally be the case.

The actuary valuation of the NILGOSC pension scheme at 31 July 2020 increased the overall liability in the balance sheet from 31 July 2019 by £21.32m. The pension's deficit on the Statement of Financial Position is measured as the assets held by the Fund less the value of the promised benefits to be paid to members (the defined benefit obligation, or 'liability'). Both pension assets and liabilities are those relating to the College's membership. The value of pension assets and liabilities can change significantly over an accounting period resulting in a highly volatile net asset position. There were a number of factors affecting the scheme which had an impact.

On the asset side, investment returns over the 2019-20 year have been volatile, with negative returns on almost all asset classes during March 2020 followed by positive returns over the quarter to 30 June 2020. UK equities have performed poorly over the year (returning around -15% to -20%), but the returns on both highly rated corporate and government bonds have returned positively (up to +15% in the case of UK fixed interest gilts and AA rated corporate bonds).

On the liability side, the main factor impacting liability values is the assumptions used at the reporting date. The key assumptions made are the rate of future inflation (impacting how benefits will increase in the future), and the amount by which future payments are 'discounted' to calculate a value in today's terms at the reporting date (the 'discount rate'). The discount rate must be set equal to the yield on high quality corporate bonds of the same term and currency as the future cashflows.

A lower assumption for CPI inflation results in lower expected future payments to beneficiaries and a lower liability. Conversely, a lower discount rate results in a higher value being placed on future payments in today's terms. The opposite applies in both cases.

Liabilities are sensitive to both the CPI and discount rate assumptions to a similar degree, so if both assumptions move in the same direction (such as an increase in both discount rate and CPI inflation by 0.1% p.a.) the overall impact on the balance sheet can be small. If the assumptions move in different directions the impact can be significant. It is the change in the 'real' discount rate (the difference between the discount rate and the CPI inflation assumptions) that is most important. The discount rate, used by the College's actuaries (Aon), has reduced by 0.8%, whilst the CPI inflation assumption has increased by 0.10%. This has resulted in the significant deterioration in the pension liability reported at 31 July 2020.

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 £18.10m at 31 July 2020 (£41.69m at July 2019). The net assets were reduced by £22.32m as a consequence of the valuation of the NILGOSC pension scheme at 31 July 2020.

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 £2.54m (2018-19 £1.24m inflow). The College does not have any borrowings, long-term loans or financing.

CURRENT AND FUTURE DEVELOPMENT

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 and steps being taken to resume delivery during the Covid-19 emergency.

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 well 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 buildings in Armagh and Banbridge which are now ready for use from September 2020.
- 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 focus on blended learning for this type of provision has now greater significance given the Covid-19 challenges;
- the development of dedicated Higher Education Centres remains a priority and will be further explored in the context of the future estate's 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, Digital Construction, Digital Marketing and Mechatronics;

- the College has ambitions to increase the range of full honours degree courses over the next five years. Partnerships are being explored with a number of Universities and stakeholders in a number of areas in order to establish Level 6 provision.
- in support of DfE strategic objectives the College continues to work 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 has been greatly enhanced through the provision of new campus facilities in Armagh and Banbridge. A new campus is also planned for Craigavon together with an extension of the East Campus building in Newry.

OTHER DEVELOPMENTS

The College recognises the challenging nature of the prevailing economic environment (further impacted by Covid-19) and has taken this into account when projecting its future student intake and budget plans. The College relies heavily on recurrent grant and contracts from the Department for the Economy and continues to diversify the range of income generating activities and cost recovery activity. The current uncertainties including those linked to the EU Exit process, constraints on public sector funding, and the potential for future budget reductions continue to impact on the College's capacity to maintain its regional presence and the current curriculum offer.

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 continues to evolve. 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 2021. **Note:** The implementation of the new traineeship has been postponed from September 2020 until September 2021 owing to Covid-19 impact.

The new builds in Armagh and Banbridge are now ready for use and are being prepared for 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 was initially expected to be concluded in November 2019, however a Judicial Review against the local Council's decision to grant planning approval for the new campus took place in January 2020. The project has been delayed until the outcome of the Judicial Review is known. This project is now scheduled for completion in advance of the 2023-24 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. It is anticipated that the site will be acquired and demolished prior to March 2021 with the design and build phases following with project completion in 2024.

The College conducted a public consultation process to review the future use of the Kilkeel Campus. The Department for the Economy was notified of the Governing Body's recommendation to seek closure of the campus and consider other venues for the continued delivery of adult education.

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 2020-21 academic year. This launch has also been impacted by Covid-19.

The College aims to continue the development of its Higher Education provision including new Higher-Level Apprenticeships in response to local industry needs. The College will further seek to develop HE provision in the Automotive and Health and Social Care sectors with appropriate HE/University partners. Further development work in other sectors will be progressed to widen the portfolio of economically relevant Higher-Level qualifications offered across College campuses. The College will work with the Department for the Economy as it carries out its review of Higher Education in Further Education in the year ahead. This review exercise is critical to the future delivery of high-level skills and qualifications within the College.

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 the College undertakes 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 2019 to 31 July 2020, the College paid 95% (92%, 2018-19) 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 2019 to 31 July 2020, the College paid 72% (70%, 2018-19) of its invoices within 10 days.

POST BALANCE SHEET EVENTS

In the period between the end of the reporting year (31 July 2020) and the date when the financial statements are authorised for issue (16 February 2021) bids were received for the purchase of two surplus sites, Station Road, Armagh and Scarva Road, Banbridge. Disposal of the site at Scarva Road Banbridge was completed in October 2020 with the proceeds of £395k, equivalent to the valuation received at July 2020. The surplus site at Station Road Armagh was under offer at the time the accounts were signed. There were no further 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 2020 were £18.10m (including £32.41m pension liability). There was no long-term debt at 31 July 2020.

PEOPLE

The average number of people employed by the College during 2019–20 was 892 (equating to 587 FTE staff of whom 299 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 2.36% or 6.17 days per FTE (based on FTE and work pattern analysis) for 2019-20 compared to 2.99% or 8.6 days per FTE in 2018-19.

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 16 staff (16 FTE) leaving the College during 2019-20, no staff taking up the VES opportunity remained at 31st July 2020, 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

During 2019-20 there were two potential data breaches which were reported to the ICO. However, the Information Commissioner determined the cases did not meet the threshold for enforcement measures.

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 (until 31 July 2020) RSM Northern Ireland (UK) Limited, Number One, Lanyon Quay, Belfast, BT1 3LG (from 1 August 2020)
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 Clever Fulton Rankin, 50 Bedford Street, Belfast, BT2 7FW

Table 13

SOUTHERN REGIONAL COLLEGE
 STRATEGIC REPORT (Continued)
 FOR THE YEAR ENDED 31 JULY 2020

The members who served the Governing Body during the year are outlined in Table 14, there were no resignations in the year.

NAME	DATE OF APPOINTMENT	TERM OF OFFICE	STATUS OF APPOINTMENT	COMMITTEES SERVED
Scott Alexander	01/08/2015	31/07/2023	Chair Member	Staffing Governing Body
Hollie Burton	01/10/2019	30/09/2020	Student Member Student Member	Education Governing Body
Teresa Campbell	20/02/2013	19/02/2021	Chair Member (co-optee)	Finance Governing Body
Arder Carson	20/02/2013	19/02/2021	Member (co-optee)	Governing Body
Brian Doran	28/01/2008		Accounting Officer & Chief Executive	Governing Body Education Finance Staffing
Gordon Gough	01/08/2011	31/01/2021	Chair Member Member	Education Staffing Governing Body
Aidan McCormick	01/08/2015	31/07/2023	Member Member Member	Governing Body Audit Education
John Nugent	01/08/2015	31/07/2023	Chair Member Vice Chair	Audit Staffing Governing Body
Gregory O'Hare	01/08/2015	31/07/2023	Member Member Member	Governing Body Audit Education
Tom Redmond	01/10/2015	30/09/2023	Member Member	Governing Body Finance
Andrew Saunders	01/08/2011	31/01/2021	Chair Member	Governing Body Education
Eileen Stewart	22/08/2016	21/06/2024	Member Member Member	Governing Body Staffing Audit

SOUTHERN REGIONAL COLLEGE
 STRATEGIC REPORT (Continued)
 FOR THE YEAR ENDED 31 JULY 2020

Kieran Swail	16/11/2015	15/11/2023	Staff Member Staff Member	Governing Body Finance
Judith Thompson	01/08/2015	31/07/2023	Member Member	Finance Governing Body
Tanya Troughton	01/10/2018	30/09/2019	Student Member Student Member	Governing Body Education
Matthew Turner	16/11/2015	15/11/2023	Staff Member Staff Member Staff Member	Governing Body Education Audit
Nicola Wilson	01/08/2012	30/04/2021	Member Member	Governing Body Education

Table 14

For and on behalf of the members of the Governing Body



Mr Andrew Saunders (Chairman)

16 February 2021

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	Benefits	Pension	Total	Salary	Benefits	Pension	Total
	2019-20	in kind	Benefits	Total	2018-19	in kind	Benefits	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Scott Alexander Member	0-5	0	0	0-5	0-5	0	0	0-5
Hollie Burton Member (Student)	0-5	0	0	0-5	n/a	n/a	n/a	n/a
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	20-25	0	0	20-25
Eileen Stewart Member	0-5	0	0	0-5	0-5	0	0	0-5

SOUTHERN REGIONAL COLLEGE
 REMUNERATION REPORT (Continued)
 FOR THE YEAR ENDED 31 JULY 2020

Name	Salary 2019-20	Benefits in kind 2019-20	Pension Benefits 2019-20	Total 2019-20	Salary 2018-19	Benefits in kind 2018-19	Pension Benefits 2018-19	Total 2018-19
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
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
Tanya Troughton Member (Student)	0-5	0	0	0-5	0-5	0	0	0-5
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)	n/a	n/a	n/a	n/a	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.

TOTAL REWARD PACKAGE

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

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

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 2019-20	Benefits in kind 2019-20	Pension Benefits 2019-20	Total 2019-20	Salary 2018-19	Benefits in kind 2018-19	Pension Benefits 2018-19	Total 2018-19
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Brian Doran Chief Executive	125-130	0	10-15	135-145	110-115	0	10-15	120-130
Raymond Sloan Director	90-95	0	50-55	140-150	80-85	0	30-35	110-120
Keith Kilpatrick Director	90-95	0	30-35	120-130	80-85	0	25-30	105-115
Terry McGonigal Director	85-90	0	20-25	105-115	75-80	0	15-20	90-100

Table 16

2019-20 salaries for senior management include payment of pay awards backdated to September 2015.

SOUTHERN REGIONAL COLLEGE
 REMUNERATION REPORT (Continued)
 FOR THE YEAR ENDED 31 JULY 2020

	2019-20	2018-19
	£'000	£'000
Band of highest paid directors' total remuneration	125-130	110-115
Median total remuneration	29,636	30,065
Ratio*	3.8	3.7

Table 17

- 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 31/7/20 and related lump sum	Real increase/(decrease) in pension and related lump sum at pension age	Value of CETV at 31/07/20	Value of CETV at 31/07/19	Real increase in CETV during year
	£'000	£'000	£'000	£'000	£'000
Brian Doran (Chief Executive)	45-50 plus lump sum of 145-150	0-2.5 plus lump sum of 2.5-5	1,148	1,098	50
Raymond Sloan (Director)	30-35 plus lump sum of 45-50	0-2.5 plus lump sum of 0-2.5	578	515	45
Keith Kilpatrick (Director)	10-15 plus lump sum of £0	0-2.5 plus lump sum of £0	202	163	28
Terry McGonigal (Director)	0-5 plus lump sum of £0	£0 plus lump sum of £0	54	30	24

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 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

SOUTHERN REGIONAL COLLEGE
REMUNERATION REPORT (Continued)
FOR THE YEAR ENDED 31 JULY 2020

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 16 February 2021 and signed on its behalf by:



Mr Andrew Saunders (Chairman)

Date 16 February 2021

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 2020 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. Following the closure of college campuses in March 2020 Governing Body and committee meetings took place remotely through Microsoft Teams. A number of meetings during the period March – July focused on the Covid-19 emergency and arrangements for continued services to students. The Governing Body met nine times during the 2019-20 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 2019-20 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 2019-20 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 2019-20 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 2019-20.

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 2019-20 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 2019-20 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 2019-20 year is shown in the table below. In total, there were twenty-four meetings of the

SOUTHERN REGIONAL COLLEGE
 STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL (Continued)
 FOR THE YEAR ENDED 31 JULY 2020

Governing Body and its sub committees during 2019-20. Average Member attendance recorded at Governing Body meetings during 2019-20, excluding staff and student representatives was 87% (86% for 2018-19).

	Governing Body	Audit Committee	Education Committee	Staffing Committee	Finance and General Purposes Committee
No. of meetings held:	9	4	4	3	4
Scott Alexander	8	-	-	3	-
Hollie Burton (Student Rep. From October 2019)	4/5	-	4	-	-
Teresa Campbell	6	-	-	-	4
Arder Carson	4	-	-	-	-
Brian Doran (Chief Executive)	9	4	4	3	4
Gordon Gough	8	-	4	3	-
Aidan McCormick	8	4	3	-	-
John Nugent	9	4	-	2	-
Gregory O'Hare	8	3	3	-	-
Tom Redmond	8	-	-	-	4
Andrew Saunders (Chair)	9	3	4	3	4
Eileen Stewart	9	4	-	3	-
Kieran Swail (Support Staff Representative)	7/8	-	-	-	4
Judith Thompson	5	-	-	-	3
Tanya Troughton (Student Rep. from October 2018)	0/1	-	-	-	-
Matthew Turner (Teaching Staff Rep.)	8/8	4	4	-	-
Nicola Wilson	7	-	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 2019-20 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 2020

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 2019-20 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 2019-20	
Area Reviewed:	Assurance Rating:
Banbridge Campus New Build	Satisfactory
SharePoint (advisory) Audit	Satisfactory
HR – Absence Management	Satisfactory
Procurement & Use of Business Cases	Satisfactory
Fraud, Whistleblowing & Bribery	Satisfactory
Curriculum Planning Timetabling	Satisfactory
Sector Wide Review	Satisfactory

Table 20

Follow-up reviews conducted during 2019-20 indicated continued good progress with regard to implementing outstanding recommendations. There were no priority 1 recommendations.

Based on the work performed during 2019-20 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 2019-20 where access to personal data did not comply with Data Protection requirements. During 2019-20 there were two potential data breaches which were reported to the ICO. However, the Information Commissioner determined the cases did not meet the threshold for enforcement measures

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 2019-20 there were two reports of suspected Fraud. In both instances the Investigating Officers concluded that there was no evidence that any Fraud occurred.

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. During 2019-20 the College received one report under the Whistleblowing Policy, which under the direction of the Department, was investigated under the Fraud Policy as it alleged the potential misuse of public funds. The Investigating Officer concluded that there was no evidence of wrongdoing.

EVENTS AFTER BALANCE SHEET DATE

In the period between the end of the reporting year (31 July 2020) and the date when the financial statements are authorised for issue (16 February 2021) bids were received for the purchase of two surplus sites, Station Road, Armagh and Scarva Road, Banbridge. Disposal of the site at Scarva Road Banbridge was completed in October 2020 with the proceeds of £395k, equivalent to the valuation received at July 2020. The surplus site at Station Road Armagh was under offer at the time the accounts were signed. There were no further 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 2019-20 financial year.



Accounting Officer

16 February 2021

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 2020 under the Further Education (Northern Ireland) Order 1997 as amended by the Audit and Accountability Institutions of Further Education (Public Sector Audit) Order (Northern Ireland) 2008. The financial statements comprise: the Statement of Comprehensive Income and Expenditure, Statement of Changes in Reserves, Statement of Financial Position, Statement of Cash Flows and the related notes including significant accounting policies. 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 Southern Regional College's affairs as at 31 July 2020 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 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.

Conclusions relating to going concern

I have nothing to report in respect of the following matters in relation to which the ISAs (UK) require me to report to you where:

- Southern Regional College's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or

- Southern Regional College has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about Southern Regional College's ability to continue to adopt the going concern basis.

Other Information

The Accounting Officer and Governing Body are 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 parts of the Remuneration Report described in the report as having been audited and my audit certificate and report 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, Remuneration Report, Statement of the Responsibilities of the Accounting Officer and the Governing Body and Statement of Corporate Governance and Internal Control for the financial year for which the financial statements are prepared is consistent with the financial statements.

Responsibilities of the Accounting Officer and the Governing Body

As explained more fully in the Statement of the Responsibilities of the Accounting Officer and the Governing Body, the Governing Body are 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 examine, certify and report on the financial statements in accordance with the Further Education (Northern Ireland) Order 1997 as amended by the Audit and Accountability Institutions of Further Education (Public Sector Audit) Order (Northern Ireland) 2008.

My objectives are to obtain 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.

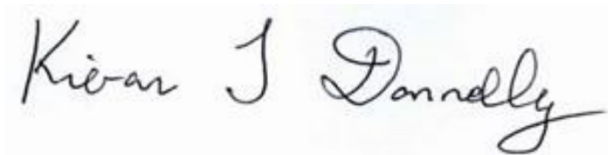
Matters on which I report by exception

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 the Department of Finance's guidance.

Report

I have no observations to make on these financial statements.



KJ Donnelly

Comptroller and Auditor General

Northern Ireland Audit Office

106 University Street

Belfast

BT7 1EU

23 February 2021

SOUTHERN REGIONAL COLLEGE
 STATEMENT OF COMPREHENSIVE INCOME AND EXPENDITURE
 FOR THE YEAR ENDED 31 JULY 2020

	Notes	2020 £'000	2019 £'000
INCOME			
Department for the Economy income	1	32,226	30,730
Education contracts	2	6,344	5,291
Tuition fees and charges	3	2,297	2,595
Other grant income	4	376	615
Other operating income	5	1,154	1,114
Investment income	6	-	9
Total income		42,397	40,354
EXPENDITURE			
Staff costs	7	(26,717)	(27,082)
Other operating expenses	9	(12,077)	(11,879)
Depreciation and impairment	12	(8,939)	(3,398)
Interest and other finance costs	10	(200)	(77)
Total expenditure		(47,933)	(42,436)
Deficit before exceptional items		(5,536)	(2,082)
Exceptional DfE grant – voluntary exit scheme	1	-	886
Exceptional staff costs - fundamental restructuring	7	(1)	(891)
Exceptional staff costs - provision for annual leave on overtime	7	(158)	-
Total exceptional items		(159)	(5)
Deficit before other losses		(5,695)	(2,087)
Deficit before tax		(5,695)	(2,087)
Taxation	11	-	-
Deficit for the year		(5,695)	(2,087)
Unrealised surplus/(deficit) on revaluation of land and buildings		2,593	(5,272)
Actuarial loss in respect of pension scheme		(20,491)	(4,611)
Total comprehensive expenditure for the year		(23,593)	(11,970)
Represented by:			
Restricted comprehensive expenditure for the year		-	-
Unrestricted comprehensive expenditure for the year		(23,593)	(11,970)
		(23,593)	(11,970)

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 2020

	Income and expenditure account				Revaluation Reserve	Total
	Unrestricted (excluding Pension)	Pension Reserve	Unrestricted (including Pension)	Restricted		
	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 August 2018	18,755	(3,461)	15,294	405	37,965	53,664
Deficit from Statement of Comprehensive Income & Expenditure	(66)	(2,021)	(2,087)	-	-	(2,087)
Other comprehensive 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	-	-	-	-	-	-
Balance at 1 August 2019	20,678	(10,093)	10,585	405	30,704	41,694
Deficit from Statement of Comprehensive Income & Expenditure	(3,869)	(1,826)	(5,695)	-	-	(5,695)
Other comprehensive income/(expenditure)	-	(20,491)	(20,491)	-	2,593	(17,898)
Transfers between revaluation and income and expenditure account	2,103	-	2,103	-	(2,103)	-
Release of restricted funds spent in year	-	-	-	-	-	-
Total comprehensive (expenditure)/income for the year	(1,766)	(22,317)	(24,083)	-	490	(23,593)
Balance at 31 July 2020	18,912	(32,410)	(13,498)	405	31,194	18,101

SOUTHERN REGIONAL COLLEGE
STATEMENT OF FINANCIAL POSITION
AS AT 31 JULY 2020

	Notes	2020 £'000	2019 £'000
Non-current assets			
Tangible fixed assets	12	79,685	67,380
Intangible fixed assets	13	445	370
Other receivables falling due after more than one year	14	-	20
Total non-current assets		80,130	67,770
Current assets			
Trade and other receivables	15	1,962	2,724
Investments		-	-
Short term deposits		-	-
Cash and cash equivalents	20	5,280	2,741
Total current assets		7,242	5,465
Less: Creditors - amounts falling due within one year	16	(7,215)	(7,098)
Net current assets/(liabilities)		27	(1,633)
Total assets less current liabilities			
Less: Creditors - amounts falling after more than one year	17	(29,488)	(14,350)
Provisions			
Provisions for liabilities and charges	18	(32,568)	(10,093)
Net assets including pension liability		18,101	41,694
Restricted reserves			
Income and expenditure account – restricted reserve	19	405	405
Unrestricted reserves			
Income and expenditure account – unrestricted reserves (excluding pension reserve)		18,912	20,678
Pension reserve		(32,410)	(10,093)
Income and expenditure account – unrestricted reserves (including pension reserve)		(13,498)	10,585
Revaluation reserve		31,194	30,704
Total reserves		18,101	41,694

The financial statements on pages 81-111 were approved by the Governing Body of Southern Regional College on 16 February 2021 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
CASH FLOW STATEMENT
FOR YEAR ENDED 31 JULY 2020

	Notes	2020 £'000	2019 £'000
Cash outflow from operating activities			
Deficit for the year		(5,695)	(2,087)
Adjustment for non-cash items			
Depreciation & impairment	12	8,939	3,398
Decrease in debtors more than one year	14	20	18
(Increase)/Decrease in debtors less than one year	15	762	(869)
Increase in creditors less than one year	16	117	3,691
Increase in creditors more than one year	17	15,063	12,517
Increase in creditors more than one year - intangible asset	13	75	203
Intangible asset	13	(75)	(203)
Increase in Provisions	18	158	-
Pension cost less contributions payable	21	1,626	1,944
Pension interest cost	21	200	77
Adjustment for investing or financing activities			
Investment income	6	-	(9)
Net cash inflow from operating activities		21,190	18,680
Cash flows from investing activities			
Investment income	6	-	9
Decrease in short term deposits		-	6,228
Payments made to acquire tangible fixed assets	12	(18,651)	(23,675)
Net cash outflow from investing activities		(18,651)	(17,438)
Increase in cash and cash equivalents in the year		2,539	1,242
Net funds at 1 August		2,741	1,499
Net funds at 31 July		5,280	2,741

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

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

STATEMENT OF ACCOUNTING POLICIES

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

BASIS OF PREPARATION

These financial statements have been prepared on the going concern basis in accordance with the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education 2019 and in accordance with Financial Reporting Standards (FRS 102). The College 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

SOUTHERN REGIONAL COLLEGE
STATEMENT OF ACCOUNTING POLICIES (Continued)
FOR THE YEAR ENDED 31 JULY 2020

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 2020. 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.

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.

SOUTHERN REGIONAL COLLEGE
STATEMENT OF ACCOUNTING POLICIES (Continued)
FOR THE YEAR ENDED 31 JULY 2020

The College acts as an agent in the collection and payment of Care to Learn Grants. Related payments received from DfE and subsequent disbursements to students are excluded from the Statement of Comprehensive Income and are shown separately in Note 28. The College administers the payments in line with the recommendations from DfE.

SOUTHERN REGIONAL COLLEGE
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 JULY 2020

1. DEPARTMENT FOR THE ECONOMY INCOME

	2020	2019
	£'000	£'000
Grant in aid received from DfE		
Recurrent grant	27,029	29,258
Release of unrestricted capital grants	4,374	413
Minor works	-	238
Total grant in aid received from DfE excluding exceptional item	<u>31,403</u>	<u>29,909</u>
Non-grant in aid received from DfE		
Education maintenance allowance administration (EMA)	15	29
Higher level apprenticeships	532	387
Youth training programme	-	9
Other non-grant in aid	276	396
Total non-grant in aid received from DfE	<u>823</u>	<u>821</u>
Total grant received from DfE excluding exceptional items	<u>32,226</u>	<u>30,730</u>
Exceptional grant – voluntary exit scheme (VES)	-	886
Total DfE income	<u>32,226</u>	<u>31,616</u>

2. EDUCATION CONTRACTS

	2020	2019
	£'000	£'000
Entitlement framework	955	1,082
Training for success	<u>5,389</u>	<u>4,209</u>
Total	<u>6,344</u>	<u>5,291</u>

SOUTHERN REGIONAL COLLEGE
 NOTES TO THE FINANCIAL STATEMENTS (Continued)
 FOR THE YEAR ENDED 31 JULY 2020

3. TUITION FEES AND CHARGES

	2020	2019
	£'000	£'000
Higher education (HE)	1,400	1,601
Home and other European Union	890	986
Non-European Union	7	8
Total	<u>2,297</u>	<u>2,595</u>

The HE fees above include amounts to fund bursaries payable to eligible HE students of £39k (2019: £39k)

4. OTHER GRANT INCOME

	2020	2019
	£'000	£'000
European funds	95	275
Other funds	281	340
Total	<u>376</u>	<u>615</u>

5. OTHER OPERATING INCOME

	2020	2019
	£'000	£'000
Catering and residence operations	640	511
Other income generating activities	381	499
Other income	133	104
Total	<u>1,154</u>	<u>1,114</u>

6. INVESTMENT INCOME

	2020	2019
	£'000	£'000
Other interest receivable	-	9
Total	<u>-</u>	<u>9</u>

SOUTHERN REGIONAL COLLEGE
 NOTES TO THE FINANCIAL STATEMENTS (Continued)
 FOR THE YEAR ENDED 31 JULY 2020

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:

	2020	2019
	No.	No.
Governing body	-	-
Teaching	299	305
Support	107	116
Administration	157	160
Premises	24	24
Total	587	605

	2020	2019
	£'000	£'000
Governing body	53	56
Teaching	14,668	14,475
Support	3,222	3,298
Administration	6,251	6,451
Premises	897	858
FRS 102 pension adjustment (note 21)	1,626	1,944
	<u>26,717</u>	<u>27,082</u>
Exceptional staff costs – VES	1	891
Exceptional staff costs - provision for annual leave on overtime	158	-
Total	26,876	27,973

7. STAFF COSTS (continued)

	Senior post-holders		Other staff	
	2020 No.	2019 No.	2020 No.	2019 No.
£50,001 to £60,000	-	-	1	-
£60,001 to £70,000	-	-	3	4
£70,001 to £80,000	-	-	6	6
£80,001 to £90,000	-	-	-	-
£90,001 to £100,000	-	3	-	-
£100,001 to £110,000	2	-	-	-
£110,001 to £120,000	1	-	-	-
£120,001 to £130,000	-	-	-	-
£130,001 to £140,000	-	1	-	-
£140,001 to £150,000	-	-	-	-
£150,001 to £160,000	1	-	-	-
Total	4	4	10	10

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.

	2020	2019
	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:

	2020	2019
	£'000	£'000
Salaries	397	351
Benefits in kind	-	-
Pension contributions	<u>90</u>	<u>69</u>
Total emoluments	<u>487</u>	<u>420</u>

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

	2020	2019
	£'000	£'000
Salaries	125	110
Benefits in kind	<u>-</u>	<u>-</u>
	125	110
Pension contributions	<u>31</u>	<u>22</u>
Total	<u>156</u>	<u>132</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.

2019-20 salaries for senior management include payment of pay awards backdated to September 2015.

9. OTHER OPERATING EXPENSES

	2020	2019
	£'000	£'000
Direct teaching	1,164	1,321
Direct support	3,396	3,446
Administration	2,151	2,168
Premises	5,366	4,944
Total	<u>12,077</u>	<u>11,879</u>

Other operating expenses include:

	2020	2019
	£'000	£'000
Auditors' remuneration:		
Financial statements audit (includes £23k in respect of the college – 2018-19 £24k)	23	24
Internal audit	16	17
Other services provided by the financial statement's auditors (National Fraud Initiative exercise)	-	1
Other services provided by the internal auditors	-	-
Hire of plant and equipment assets – operating leases	143	165
Hire of other assets – operating leases	259	259

10. INTEREST AND OTHER FINANCE COSTS

	Note	2020	2019
		£'000	£'000
Net charge on pension scheme	21	200	77
Total		<u>200</u>	<u>77</u>

11. TAXATION

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

	2020	2019
	£'000	£'000
Tax Payable	<u>-</u>	<u>-</u>

12. TANGIBLE FIXED ASSETS

	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 2019	38,353	30,727	5,136	2,579	1,829	203	78,827
Additions	-	16,836	519	1,055	241	-	18,651
Transfer from AUC	44,552	(44,552)	-	-	-	-	-
Surplus on revaluation	2,593	-	-	-	-	-	2,593
Impairment	(5,418)	-	-	-	-	-	(5,418)
Elimination depreciation on revaluation	(6,850)	-	-	-	-	-	(6,850)
At 31 July 2020	73,230	3,011	5,655	3,634	2,070	203	87,803
Depreciation							
At 1 August 2019	4,554	-	3,442	1,679	1,611	161	11,447
Charge for the year	2,296	-	512	471	216	26	3,521
Impairment	-	-	-	-	-	-	-
Elimination depreciation on revaluation	(6,850)	-	-	-	-	-	(6,850)
At 31 July 2020	-	-	3,954	2,150	1,827	187	8,118
Net book value at 31 July 2020	73,230	3,011	1,701	1,484	243	16	79,685
Net book value at 31 July 2019	33,799	30,727	1,694	900	218	42	67,380

Revaluation

Land and buildings were subject to an interim valuation at 31 July 2020, the majority of the estate was valued on a depreciated replacement cost basis. The valuations were undertaken having regard to UK GAAP, and more specifically the Statement of Recommended Practice: Accounting for Further and Higher Education (SORP) 2019 (effective from January 2019) for Further and Higher Education sectors and Financial Reporting standard (FRS) 102 issued by the Financial Reporting Standards. The valuations were also carried out in accordance with HM Treasury guidance, International Valuation Standards and the requirements of Royal Institution of Chartered Surveyors (RICS) Professional Standards.

LPS have advised that the outbreak of the novel Coronavirus (COVID-19), declared by the World Health Organisation as a "Global Pandemic" on 11th March 2020, has impacted global financial markets. As a consequence, LPS have reported that as at the valuation date, they consider that they can attach less weight to previous market evidence for comparison purposes, to inform opinions of value. The valuation of the college estate is reported on the basis of 'material valuation uncertainty' as per VPS 3 and VPGA 10 of the RICS Global Standards. Consequently, less certainty – and a higher degree of caution – should be attached to them than would normally be the case.

12. TANGIBLE FIXED ASSETS (continued)

The revaluations have been incorporated into the financial statements and the resulting revaluation adjustments have been taken to the revaluation reserve.

The new buildings at Armagh and Banbridge came into use from August 2020, the cost of bringing each new building into use, including the cost of the Project Director seconded from Strategic Investment Board (SIB), was transferred from assets under construction to buildings. The new buildings have been valued by Land and Property Services and this has resulted in an impairment below cost, the impairment charge has been recognised in the statement of consolidated expenditure. The properties at Lurgan and Portadown have been impaired to reflect the expected remaining life. The impairments of the new buildings have been incorporated into the financial statements and the resulting adjustments have been taken to the statement of consolidated income.

There are four surplus assets have been valued as follows:— premises at 81 Lisanally Lane, Armagh valued at £90k, premises at Corry Square, Newry valued at £150k, premises at Scarva Road, Banbridge valued at £396k , and premises at Station Road, Armagh valued at £500k. Sale of the site at Scarva Road Banbridge was completed in October 2020 with proceeds of £396k equivalent to the valuation at 31 July 2020.

The premises at Station Road, Armagh are currently under offer having received a bid of £375k for the purchase of the site. Department for the Economy has approved the use of the proceeds from the sale of the sites to fund capital investment in 2020-21.

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

	2020	2019
	£'000	£'000
Cost (including assets under construction)	55,958	39,122
Aggregate depreciation based on cost	<u>(10,911)</u>	<u>(5,301)</u>
Net book value based on cost	<u>45,047</u>	<u>33,821</u>

The depreciation charge for the year is analysed as follows:

	2020	2019
	£'000	£'000
Owned assets	<u>(3,521)</u>	<u>(3,398)</u>

Jointly Controlled Asset

The net book value of computers includes the fully depreciated computer hardware that is a jointly owned and controlled asset amongst the six colleges of the Northern Ireland Further Education Sector. The hardware is used to support the sector's Management Information Systems and Information Technology services and is operated centrally on behalf of the sector.

13. INTANGIBLE FIXED ASSETS

	Computer Asset £'000	Asset Under Construction £'000	Total £'000
Cost or valuation			
At 1 August 2019	-	370	370
Additions	-	75	75
At 31 July 2020	<u>-</u>	<u>445</u>	<u>445</u>
Amortisation			
At 1 August 2019	-	-	-
Charge for the year	-	-	-
At 31 July 2020	<u>-</u>	<u>-</u>	<u>-</u>
Net book value at 31 July 2020	<u>-</u>	<u>445</u>	<u>445</u>
Net book value as at 31 July 2019	<u>-</u>	<u>370</u>	<u>370</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 £75k. Although the asset has been in use for the August 2020 enrolments the implementation is expected to be complete for March 21.

14. OTHER RECEIVABLES FALLING DUE AFTER MORE THAN ONE YEAR

	2020 £'000	2019 £'000
Receivables falling due after more than one year	<u>-</u>	<u>20</u>

15. TRADE AND OTHER RECEIVABLES FALLING DUE WITHIN ONE YEAR

	2020 £'000	2019 £'000
Trade receivables	175	234
Prepayments and accrued income:	1,787	2,490
Total debtors	<u>1,962</u>	<u>2,724</u>

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

	2020 £'000	2019 £'000
DfE income	<u>496</u>	<u>1,308</u>

16. CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£'000	£'000
Trade payables	3,457	3,829
Taxation and social security	43	-
Deferred income and payments received in advance	1,865	765
Accruals	1,850	2,504
Total	<u>7,215</u>	<u>7,098</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;

	2020	2019
	£'000	£'000
DfE grant income	228	154
Capital grant income	1,102	387
Other grant income	535	74
Other income	-	150
Total	<u>1,865</u>	<u>765</u>

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

	2020	2019
	£'000	£'000
Capital grant income	29,488	14,350
Total	<u>29,488</u>	<u>14,350</u>

18. PROVISIONS FOR LIABILITIES AND CHARGES

	Pensions	Litigation	Other	Total
	£'000	£'000	£'000	£'000
At 1 August 2019	10,093	-	-	10,093
Additions in the period	-	-	158	158
Expenditure in the period	1,826	-	-	1,826
Transferred to statement of comprehensive income	20,491	-	-	20,491
At 31 July 2020	32,410	-	158	32,568
	Pensions	Litigation	Other	Total
	£'000	£'000	£'000	£'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

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

The PSNI has appealed the CoA judgment to the Supreme Court, however due to delays in relation to the COVID-19 situation, it is expected that this will not be heard until 2021. The Supreme Court judgement may result in a decision which either reduces the period of liability or confirms the full period back to 1998.

The £158k provision has been estimated by the College and covers the period from 1998 to 31 July 2020, following the Department of Finance approach outlined for Departmental Annual Reports and Accounts (FD (DoF) 08/20).

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

1. The appeal to the Supreme Court (as detail above);
2. Lack of accessible data for years previous to 2008/09, requiring estimations to be applied;
3. Future negotiations with Trade Unions;
4. Obtaining legal advice on specific application of the ruling for the NI Further Education sector;
5. A reliable estimate for the pension element is not yet available so this has not been factored into the provision;
6. The provision is gross (inclusive of Employee National Insurance and PAYE) and also includes an uplift of 13.8% for Employer National Insurance Contributions (NI); and
7. Taxation issues are under discussion with HMRC, by the wider NI public sector.

The estimated provision of £158k outlined above is based on the application of DoF methodology, which may be subject to change following the outcome of the Supreme Court appeal.

19. RESTRICTED RESERVE

	Unspent Capital Grants £'000	Donations £'000	2020 Total £'000	2019 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 2019 £'000	Cash flows £'000	At 31 July 2020 £'000
Cash and cash equivalents	<u>2,741</u>	<u>2,539</u>	<u>5,280</u>

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

	2020 £'000	2019 £'000
NITPS: contributions paid	2,876	2,374
NILGOSC: Contributions paid	1,454	1,442
NILGOSC: FRS 102 (28) adjustments	<u>1,626</u>	<u>1,944</u>
NILGOSC: charge to the Statement of Comprehensive Income and Expenditure (staff costs)	<u>3,080</u>	<u>3,386</u>
		5,760
Enhanced pension charge to the Statement of Comprehensive Income and Expenditure (staff costs)	<u>-</u>	<u>-</u>
Total pension cost for year	<u>5,956</u>	<u>5,760</u>

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.

21. PENSIONS AND SIMILAR OBLIGATIONS (continued)

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.

The employer contribution rates was 17.7% until 31st March 2019. 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 2019 to 31st March 2020:-

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 21

From 1st April 2020, the bands changed to those below.

Salary	
Up to £28,169	7.4%
£28,169 to £37,919	8.6%
£37,919 to £44,961	9.6%
£44,961 to £59,588	10.2%
£58,588 to £81,255	11.3%
£81,255 and above	11.7%

Table 22

21. PENSIONS AND SIMILAR OBLIGATIONS (continued)

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 2019 updated to 31 July 2020 by a qualified actuary.

Principal actuarial assumptions

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

	At 31 July 2020	At 31 July 2019
Rate of increase of salaries	3.8%	3.7%
Rate of increase for pensions	2.3%	2.2%
Discount rate for scheme liabilities	1.4%	2.2%
Inflation assumption (CPI)	2.3%	2.2%

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 2020	At 31 July 2019
<i>Retiring today</i>		
Males	21.8	22.3
Females	25.0	24.6
<i>Retiring in 20 years</i>		
Males	23.2	24.0
Females	26.4	26.4

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

	Value at 31 July 2020 £'000	Value at 31 July 2019 £'000
Equities	20,512	20,757
Bonds	18,590	21,118
Property	4,467	5,576
Cash	4,468	4,182
Fair value of assets	<u>48,037</u>	<u>51,633</u>

21. PENSIONS AND SIMILAR OBLIGATIONS (continued)

Amounts recognised in the statement of financial position

	2020	2019
	£'000	£'000
Scheme assets	48,037	51,633
Scheme liabilities	(80,447)	(61,726)
Deficit in the scheme (net pension liability recorded within pension provision)	(32,410)	(10,093)

Analysis of amounts charged to staff costs

	2020	2019
	£'000	£'000
Employer service cost (net of employee contributions)	3,130	2,212
Total operating charge	3,130	2,212

Analysis of pension finance costs

	2020	2019
	£'000	£'000
Expected return on pension scheme assets	1,153	1,348
Interest cost	(1,353)	(1,425)
Net charge to interest payable	(200)	(77)

Analysis of other comprehensive income/(expenditure) for pensions

	2020	2019
	£'000	£'000
Actuarial (losses)/gains on pension scheme assets	(5,813)	1,626
Actuarial (losses) on the scheme liabilities	(14,678)	(6,237)
Total of other comprehensive income	(20,491)	(4,611)

Movement in deficit during the year

	2020	2019
	£'000	£'000
Deficit in scheme at 1 August	(10,093)	(3,461)
Employer service cost (net of employee contributions)	(3,130)	(2,212)
Employer contributions	1,504	1,438
Curtailment	-	-
Past service cost	-	(1,170)
Net interest on assets	(200)	(77)
Actuarial (loss)/gain recognised in other comprehensive income	(20,491)	(4,611)
Deficit in scheme at 31 July	(32,410)	(10,093)

21. PENSIONS AND SIMILAR OBLIGATIONS (continued)

Reconciliation of liabilities

	2020	2019
	£'000	£'000
Liabilities at start of period	61,726	51,057
Service cost	3,130	2,212
Interest cost	1,353	1,425
Employee contributions	439	430
Actuarial loss/(gain)	14,678	6,237
Benefits paid	(879)	(805)
Past service cost	-	1,170
Liabilities at end of period	80,447	61,726

Reconciliation of assets

	2020	2019
	£'000	£'000
Assets at start of period	51,633	47,596
Expected return on assets	1,153	1,348
Actuarial (loss)/gain	(5,813)	1,626
Employer contributions	1,504	1,438
Employee contributions	439	430
Benefits paid	(879)	(805)
Assets at end of period	48,037	51,633

The estimated value of employer contributions for the year ended 31 July 2021 is £2,899k.

McCloud Judgement

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. Any change in the allowance in 2019-20 has been treated as an experience item through the Statement of Comprehensive Income and Expenditure.

21. PENSIONS AND SIMILAR OBLIGATIONS (continued)

Guaranteed Minimum Pension Indexation and Equalisation

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. Any increase in liability for 2019-20 has been charged to the Statement of Comprehensive Income and Expenditure.

22. POST BALANCE SHEET EVENTS

In the period between the end of the reporting year (31 July 2020) and the date when the financial statements are authorised for issue (23 February 2021) bids were received for the purchase of two surplus sites, Station Road, Armagh and Scarva Road, Banbridge. Disposal of the site at Scarva Road Banbridge was completed in October 2020 with the proceeds of £395k, equivalent to the valuation received at July 2020. The surplus site at Station Road Armagh was under offer at the time the accounts were signed. There were no further 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

	2020	2019
	£'000	£'000
Commitments contracted for at 31 July	2,242	14,739
Authorised but not contracted at 31 July	100	6,245
Total	<u>2,342</u>	<u>20,984</u>

25. FINANCIAL COMMITMENTS

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

	2020	2019
	£'000	£'000
Land and Buildings		
Expiring within 12 months	37	259
Expiring within two and five years inclusive	-	-
Total	<u>37</u>	<u>259</u>

	2020	2019
	£'000	£'000
Other		
Expiring within 12 months	143	164
Expiring within two and five years inclusive	-	-
Total	<u>143</u>	<u>164</u>

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

	2020	2019
	£'000	£'000
Income		
Expiring within two and five years inclusive	69	77
Expiring in over five	-	-
Total	<u>69</u>	<u>77</u>

26. CONTINGENT LIABILITY

There are no contingent liabilities.

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

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

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

Governor / Senior Manager of Southern Regional College	Related Organisation	Transactions 2020 £'000	Transactions 2019 £'000	Amount outstanding at 31 July 2020 £'000	Amount outstanding at 31 July 2019 £'000
N Wilson* M Turner** F Bradley** T Rice**	Armagh City, Banbridge and Craigavon Borough Council	1	7	-	-
C Byrne** T Rice**	Newry Chamber of Commerce & Trade	3	3	-	-
A McCormick*	Education Authority	10	69	-	20
M Turner**	Pearson UK	233	275	1	1
B Doran** M Turner**	CCEA	37	50	-	-
K N McCready*	City & Guilds	202	-	7	-

**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
	2020 £'000	2019 £'000	outstanding at 31 July 2020 £'000	outstanding at 31 July 2019 £'000
B Doran** M Turner**	-	5	-	-
J Nugent* G O'Hare*	-	1	-	-
N Wilson* M Turner** F Bradley** T Rice**	10	6	-	-
C Byrne** T Rice**	-	1	-	-
A McCormick*	70	253	3	6
T Campbell*	-	31	-	-
B Doran**	2	-	-	-

**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.

	2020 £'000	2019 £'000
DfE student hardship grant	405	422
Disbursed to students	(236)	(327)
Balance unspent at 31 July	169	95

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.

	2020	2019
	£'000	£'000
DfE care to learn grant	28	56
Disbursed to students' childcare providers	(28)	(54)
Balance at 31 July	<u>-</u>	<u>2</u>

29. LOSSES AND SPECIAL PAYMENTS

There were 1 special payment greater than £1k during the financial year totalling £5k.

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	2020 £'000	2019 £'000
INCOME			
DfE income (non-grant in aid items)	1	823	821
Education contracts	2	6,344	5,291
Tuition fees and charges	3	2,297	2,595
Other grant income	4	376	615
Other operating income	5	1,154	1,114
Investment income	6	-	9
Total incoming resources		10,994	10,445
EXPENDITURE			
Staff costs	7	(26,717)	(27,082)
Fundamental restructuring costs	7	(1)	(891)
Exceptional item – provision for annual leave on overtime	7	(158)	-
Other operating expenses	9	(12,077)	(11,879)
Depreciation	12	(8,939)	(3,398)
Interest and other finance costs	10	(200)	(77)
Total resources expended		(48,092)	(43,327)
Deficit before tax		(37,098)	(32,882)
Taxation	11	-	-
Deficit for the year		(37,098)	(32,882)
Unrealised surplus/(deficit) on revaluation of land and buildings		2,593	(5,272)
Actuarial (loss)/gain in respect of pension scheme		(20,491)	(4,611)
Amount transferred to reserves		(54,996)	(42,765)
Analysis of reserves prepared under FReM			
		2020 £'000	2019 £'000
Balance at 1 August		41,694	53,664
Grant in aid received in year excluding exceptional item		31,403	29,909
Grant in aid received in year exceptional item		-	886
Amount transferred to reserves		(54,996)	(42,765)
Balance at 31 July		18,101	41,694

