



**SOUTH EASTERN REGIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 JULY 2021**



**South Eastern Regional College
Annual Report and Accounts
for the year ended 31 July 2021**

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

8 December 2021

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This publication is also available at www.serc.ac.uk.

**SOUTH EASTERN REGIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS**

YEAR ENDED 31 JULY 2021

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SOUTH EASTERN REGIONAL COLLEGE STRATEGIC REPORT 2020/21

The members present their report and the audited financial statements for the year ended 31 July 2021.

PURPOSE OF FURTHER EDUCATION IN NORTHERN IRELAND

OUR VISION

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

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

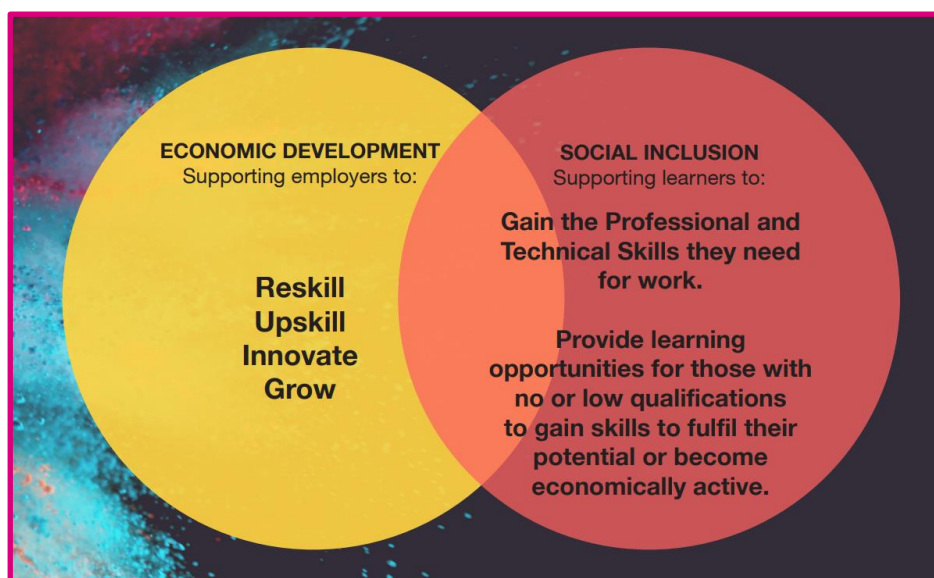
The sector seeks to provide the range of professional and technical skills necessary to help learners achieve their potential, to **get a job, keep a job, or get a better job** and in doing so support employers to innovate and grow, to compete locally, nationally, and internationally:

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

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

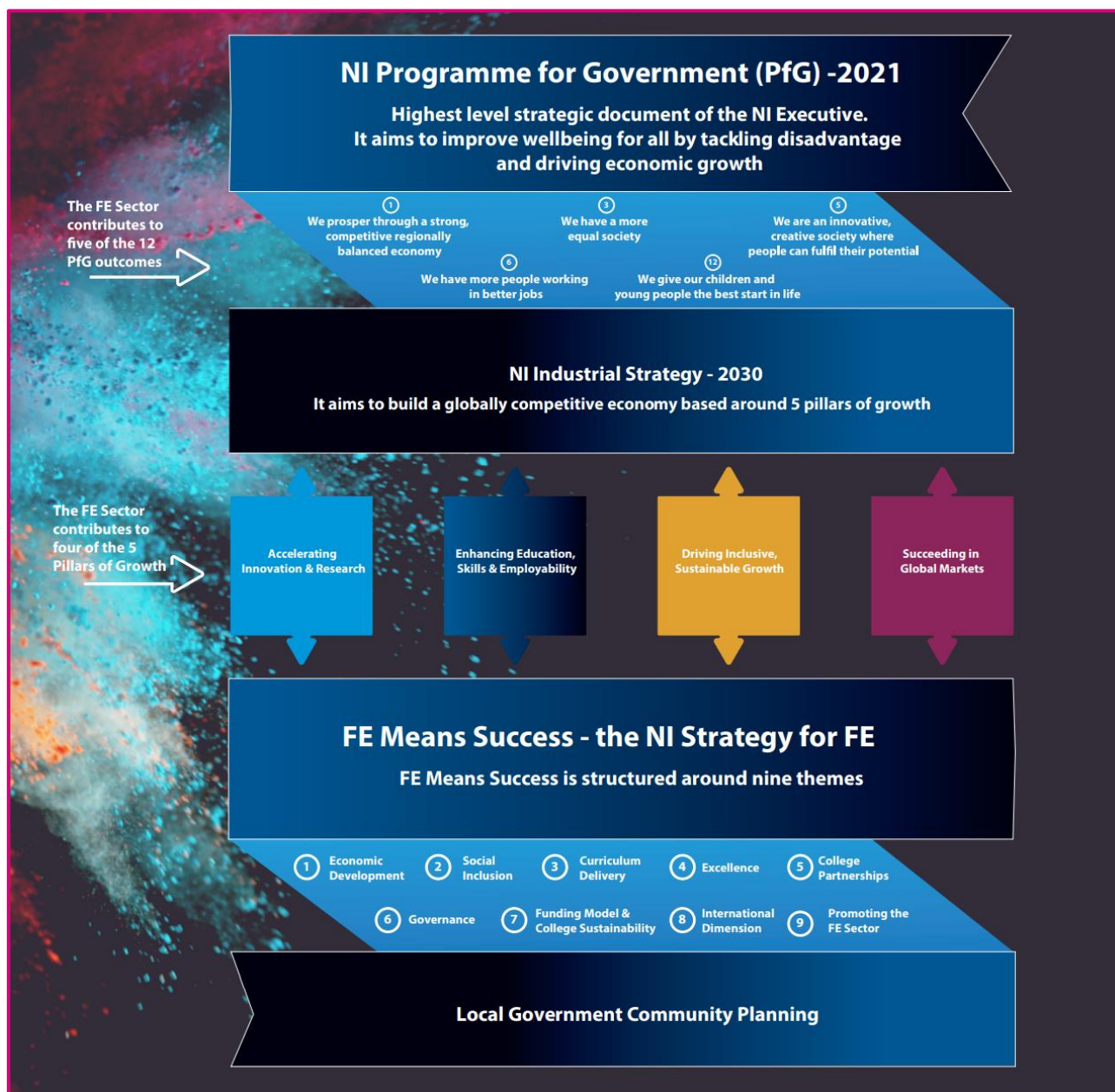
OUR MISSION

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



STRATEGIC CONTEXT, POLICY LINKAGES & ALIGNMENTS

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



The **Programme for Government** (PfG) is the highest-level strategic document of the Northern Ireland Executive. It sets out the economic and social priorities for Northern Ireland to 2021. It aims to improve wellbeing for all by tackling disadvantage and driving economic growth.

A key feature of the Programme for Government is its dependence on collaborative working between organisations and groups whether in the public, voluntary or private sectors. It is a programme in which individuals and communities play an active part with a focus on improving the lives of the people of Northern Ireland.

FE Colleges contribute to five of the Programme for Government's 12 outcomes:

1. We prosper through a strong, competitive, regionally balanced economy (Outcome 1).
2. We have a more equal society (Outcome 3).
3. We are an innovative, creative society where people can fulfil their potential (Outcome 5).
4. We have more people working in better jobs (Outcome 6).
5. We give our children and young people the best start in life (Outcome 12).

The **Northern Ireland Industrial Strategy** underpins the Programme for Government. FE colleges play a key role in the delivery of Pillars 1, 2, 3 and 4:

- Pillar 1: Accelerating innovation and research.
- Pillar 2: Enhancing education, skills, and employability.
- Pillar 3: Driving inclusive, sustainable growth.
- Pillar 4: Succeeding in global markets.

The **Northern Ireland Strategy for Further Education: Further Education Means Success** is structured around three aims and nine themes:

Aims

1. To provide a world class, economically relevant professional and technical education system.
2. To create a globally competitive economy through supporting employers to upskill and become more innovative.
3. To overcome educational disadvantage and support social and economic inclusion

Themes

- Theme 1: Economic development
- Theme 2: Social Inclusion
- Theme 4: Curriculum delivery
- Theme 5: College partnerships
- Theme 6: Governance
- Theme 7: Funding model and college sustainability
- Theme 8: International dimension
- Theme 9: Promoting the Further Education Sector

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

ABOUT SERC

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

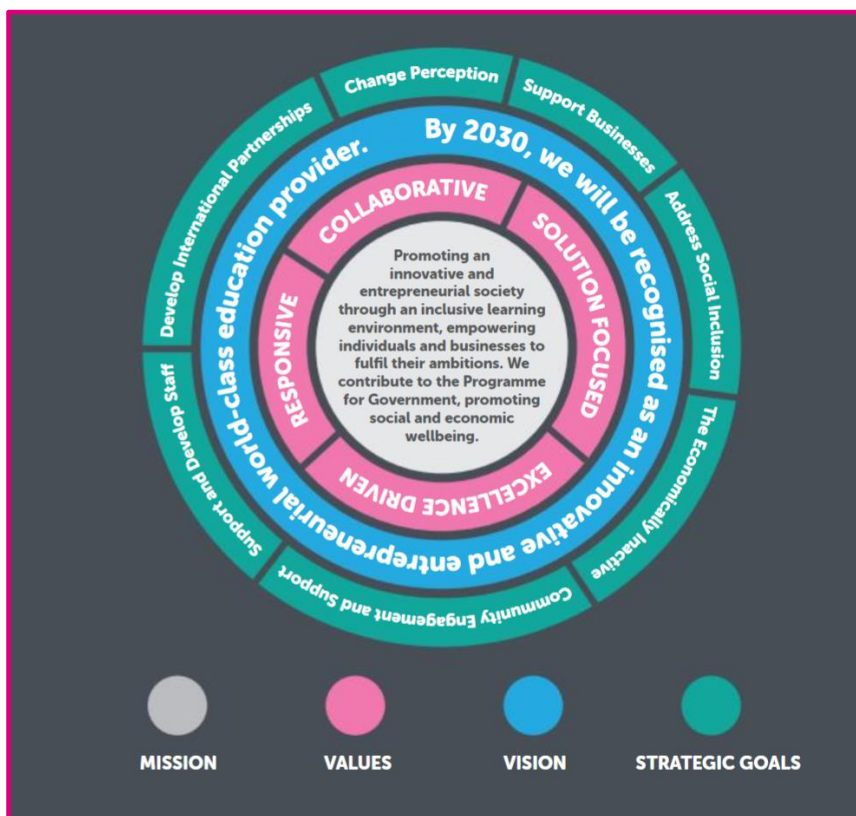
Our Vision

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

Our Mission & Values

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

Our values, vision and strategic goals are:

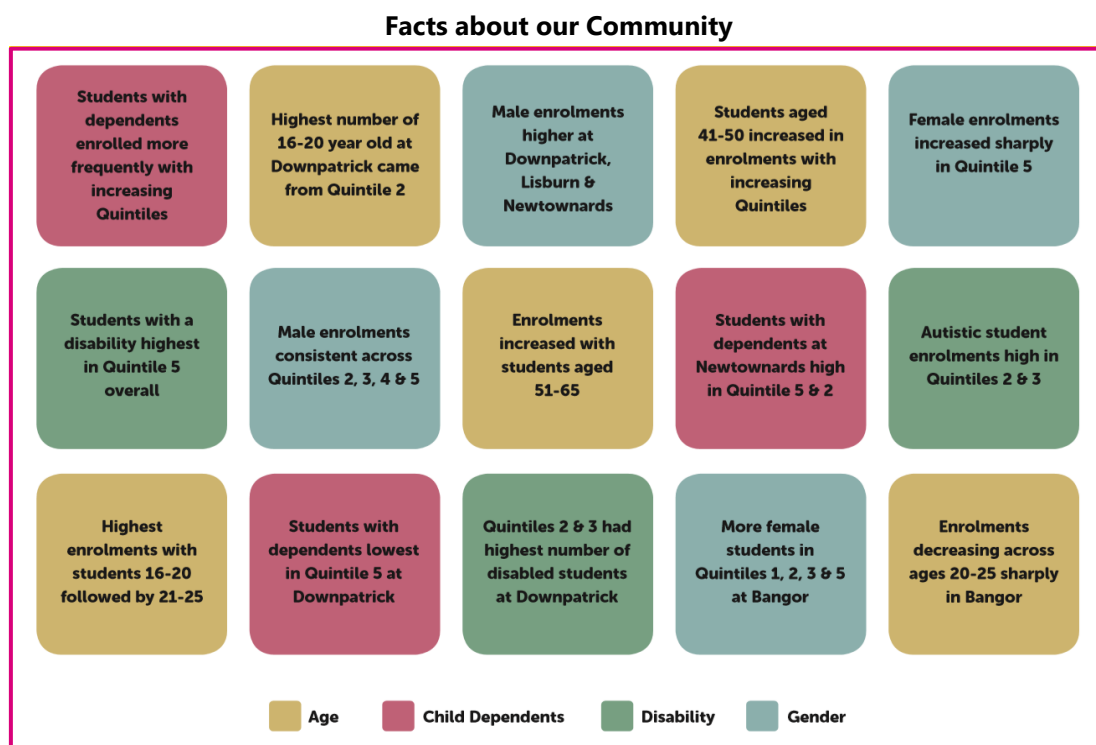


Understanding our Community

SERC has campuses located in the south eastern area of Northern Ireland in Bangor, Downpatrick, Holywood, Lisburn, Ballynahinch, Newtownards and Newcastle, plus a Professional Skills Centre (PSC) at Nutts Corner, County Antrim.

We draw students from across Northern Ireland and engage with businesses, both North and South of the border.

To improve our economy, we seek to enable individuals to fulfil their potential, by improving their capabilities. In order to do this successfully and maximise the impact of our provision we seek to fully understand the community we service and deliver a curriculum that provides opportunities for “learning that is likely to matter to the lives learners are likely to live” (Perkins, D, 2016). The following diagram provides an overview of key issues within our community:



COLLEGE DEVELOPMENT PLAN

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

In 2020/21, the CDP was set in the context of the **Response** phase to COVID-19 (based on the UK Government’s short-to-medium term approach to existing COVID-19: *Response, Recovery, Renew*). As such, it focused upon ensuring the skills ‘infrastructure’ was maintained and that students were not disadvantaged, in conjunction with maintaining delivery.

The following guiding principles, reflecting the challenges of the pandemic, set the direction for the 2020/21 plan:

1. Immediate short-term challenges, for example staff upskilling for delivery of high-quality remote learning across all curriculum areas. This may have limited the scale of delivery and our ability to achieve similar levels of value for money as we rapidly transitioned to remote delivery across the sector.
2. Social distancing being the *new normal*, with delivery being structured to reflect this requirement. Classes required to be balanced across the college week to optimise opportunities for students to enjoy face to face learning in a safe environment, in line with the agreed set of principles and guidelines developed through the work of the Departmental Advisory and Oversight Group on the safe resumption of onsite delivery.
3. The FE Sector delivering the planned curriculum to the maximum number of students achievable in the current circumstances whilst adopting a range of approaches including face to face.
4. Level one and Level two programmes mostly taking place through on-campus delivery. However, all full-time Level two programmes including some online delivery to prepare students for progression.
5. Level three and Higher Education programmes being blended for year 1 and year 2.
6. High quality and accessible on-line delivery continuing to be used during the phased return of on-site provision to deliver teaching and learning, provide student pastoral support, provide support to businesses, and upskilling programmes for individuals who wish to retrain or upskill.
7. Working with local employers to provide apprenticeship and placement opportunities, whilst ensuring the safety of staff and students.
8. Between 1st April 2020 and 31st March 2021, engaging with businesses to:
 - Support employers through the provision of fully funded, tailored solutions through the Skills Focus Programme to increase the skills levels of the workforce; and
 - Facilitating small businesses in acquiring the skills to innovate, by delivering up to three InnovateUs upskilling projects per business, through which they work on developing new products, services, or processes.
9. Recognition that every student not having the same access to broadband and IT facilities to support remote learning from home, thus exploring appropriate strategies to ensure that these students are not disadvantaged.
10. Supporting the most disadvantaged in communities across NI by ensuring access to learning opportunities that lead to sustainable career pathways.
11. Curriculum Hub Action Plans, where required, being reviewed, and revised in agreement with DfE, to ensure that actions were reflective of the most pertinent needs of the economy in each curricular area.

Meeting the Challenge of the Pandemic

SERC is an entrepreneurial and innovative College whose ethos is in being 'solution focused', 'excellence driven', 'responsive' and 'collaborative'.

The pandemic has put these values to the test.

In response, the College developed several key tools that have enabled it to respond in an agile way, throughout 2020/21, to the emerging pandemic:



- A flexible digital strategy that develops and integrates digital platforms and tools.
- A comprehensive continuous professional development approach for all staff.
- An innovative approach using SERC's Project Based Learning Model for learning and assessment.
- A focus on skills, enterprise, and entrepreneurial development for learners.
- The formation of international strategic partnerships with like-minded organisations.

The information provided in the following pages explores, in greater detail, some of the key tools adopted by the College to meet the challenge of the pandemic:

'Online & Working Collaboratively' not 'Remotely'



The College has sought to keep students as engaged as possible, with both their peers and tutors. This is in recognition that if this is achieved, they will not only continue learning and improve their skills to gain their qualification, but also improve their mental health. Working online in project teams using Project Based Learning

(PBL) has been a key element in achieving this goal. The use of PBL also encourages the development of the students' transversal skills, which is particularly important during restrictions.

Large parts of the media, schools and politicians have referred to '*remote*' learning rather than '*online and working collaboratively*'. The College has recognised that this subtle difference and approach must be overcome as the word '*remote*' can have a negative connotation and add to the feeling of isolation that students are experiencing. The College has recognised that providing online computer-based training or working through one PowerPoint after another will have little or no impact on students and result in significant retention issues.

Approach

The College has been developing a Project Based Learning (PBL) model over the last six years, which has a number of key principles. The use of meaningful industry-based projects is one principle, as well as working together in student project teams to solve the challenges posed by the projects.

The work carried out in teams outside of the normal scheduled class ensures that the students are talking to each other, working together, and creating further structure in their week.

Student teams have used a variety of electronic tools to facilitate online collaborative learning, the most popular of these is Microsoft Teams. MS Teams enables the student groups to work in breakout rooms both asynchronously and synchronously. MS Teams also integrates MS Class Notebook which has been adopted by many courses as an electronic portfolio. This enables students and tutors to submit and review evidence of their learning and skills and most importantly is available to students and staff anywhere and on any device.

The College recognises that students from disadvantaged backgrounds may not have the same access through online learning as other students. The College has **loaned over 850 PCs** to students for home use and provides access to College IT facilities for those students who have no internet access at home.

Results

The College has reviewed the quality of the project based learning several times during the year and the feedback from the tutors and students was extremely positive. This is further reinforced by the high levels of attendance at synchronous classes. In-depth research with significant numbers of students looking at engagement has indicated that the majority enjoy the project-based learning and working in groups.

Support for Staff during the Pandemic and the range of approaches used

The College has a culture of excellence and solution-focused approaches, and this has been evident since the move to online teaching and working in March 2020. High quality teaching and learning experiences for our students have been underpinned by support for teaching staff through training, classroom support and an overarching digital strategy. College Corporate staff also required training and support to enable the transition to online working practices.

Approach

The Learning Academy used an adaptive and flexible approach, to ensure that all colleagues had the support and resources required to adjust more easily to the new working 'norms'. This included **daily live workshops** hosted on Microsoft Teams on a wide range of topics, a **dedicated Teams site** for all staff to create a **sense of community**, additional resources created and shared through the Learning Academy homepage, and also mentored support for individuals, course teams and departments to assist with specific queries. In addition, the Learning Academy provided a **service desk**, where staff could request support via phone call, online meeting, or email to assist them with questions and challenges.

Academic staff development days were hosted online in August 2020, in collaboration with Forth Valley College, with 364 academic staff attending. Similarly, in January Corporate staff development was run in conjunction with Forth Valley College with over 350 staff attending across the two Colleges.

Results

Feedback from staff noted the positive impact that the training and support provided had during the transition to online working and teaching.

Over 150 workshops have taken place since March 2020, with over 850 colleagues attending a range of workshops.

Over 919 staff are using the learning @ SERC staff portal, and to date there have been 160 service desk requests for support. In addition, a personalised learning platform (Digital Skills Kit) hosted on Moodle, has been developed and piloted to enhance confidence and competence in a wide range of digital skills.

Protecting the College Community on Campus

Unprecedented, unique, exceptional, and extraordinary are but a few of the adjectives that come to mind when considering the impact the pandemic had on the Further Education sector in the Spring of 2020.

With one eye on the successful completion of the 2019/20 academic year the College Management Team were also looking forward towards a key recruitment phase and the resumption of (at least some) face-to-face delivery in September 2020. The considerable challenge facing them was to transform the College estate into a low risk “safe” environment for learning and teaching to resume.

Approach

The approach adopted was to mobilise the College’s considerable existing physical and human resources. An open, friendly, and collegial framework was quickly established with several departments working long hours (including weekends) over the summer months to deliver a reconfigured estate.



Collaboration took many guises – our Creative Developers worked with our Estates and Health & Safety departments to produce 4000+ wall and floor signs helping direct staff and students around new one-way systems. The Creative Developers also worked with the Head of Health & Safety to produce videos and online training modules to educate staff and students on the new COVID-19 related provisions. All students and staff had to complete these activities before returning to campus.

Our Finance team worked in a highly competitive environment to secure thousands of PPE items such as facemasks, hand sanitiser and disinfectant wipes. They also liaised closely with our Manufacturing team to secure highly sought-after Perspex/Polycarbonate for separating screens. This Manufacturing team managed to produce 3,500+ screens in a 6–8-week period. Our IT infrastructure team also worked closely with Timetabling/Estates/Health & Safety teams to reconfigure 250+ general IT rooms across 7 campuses. Our technical staff also reconfigured a large number of workshops and laboratories to comply with social distancing regulations.

Results

The College had a phased reopening for staff in early August with positive feedback recorded by staff. Students started to filter back in mid-August with classes commencing successfully in September 2020.

As virus cases started to increase in geographical areas the College began tracking staff and students in terms of confirmed cases and close contacts. Analysis of these statistics suggest that there has been little/no evidence of community transmission on College grounds. Given the numbers off staff and students on site were relatively high compared to similar schools in our geographical area this is a remarkable achievement which reflects positively on the transformation of the College estate.

Safeguarding the Health & Wellbeing of Staff in a Virtual Environment during Working Online

SERC considers employee health and wellbeing to be a critical key driver for excellent organisational performance and this has been a substantial part of the human resource provision for the past five years. The sudden move to online working, set amongst the restrictions of lockdown and with many staff undertaking home schooling for their children, created an immediate need to support staff. Health and Wellbeing services were required to ensure staff were engaged and their health and wellbeing was not negatively impacted by the new working environment.

Approach

College Management encouraged an adaptive and flexible approach to working following the move to online working to support staff with added pressures such as home schooling, caring responsibilities and shielding.

Human Resources supported this approach ensuring that all managers and staff had access to the support services and resources they required to look after their own and their teams' health and wellbeing.

The Mind Yourself newsletter moved from a monthly to weekly programme, with articles to inform staff how to nurture their health and wellbeing while working online. Support and advice were also issued to line managers to help them support their staff during this unprecedented time. The weekly articles in the newsletter and the staff intranet included a wide and vast range of areas such as dealing with domestic violence, promoting good mental health, tips, advice, and activities for children during lockdown, how to cope during a pandemic and updated information provided by external health providers promoting services available.

The College worked quickly with external wellbeing agencies such as our Occupational Health provider, who provided virtual appointments and reviews, pastoral care visits moved online, Inspire Wellbeing services were offered online, and we ensured this information was quickly disseminated to staff along with reassurance that the Colleges Mental Health First Aiders were still accessible online. The Mind Yourself App was developed and launched to staff within 6 weeks of moving to online working. The App is a centralised resource for staff to access support and information relating to health and wellbeing including financial wellbeing, mental health wellbeing, physical activities, policies to promote work life balance and general information to enable staff to look after their own health and wellbeing.

Results

New and exciting initiatives were launched, and the support offered was varied such as virtual delivery of the 'Feel Good' Fitness programmes via MS Teams, live and pre-recorded physical activity sessions ranging from Yoga, Tai chi, Stretch and Tone, Personal resilience sessions and coping with stress webinars.

SERC also delivered supportive training for managers on how to cope with employee mental health, employee financial support with will writing and budgeting, wellness programs, several stepping challenges for individuals and promotion of the virtual recipe site with cooking demonstrations undertaken by staff from the hospitality department.



Adapting the Internationalisation Model using Online Delivery

The College has been successfully delivering international projects for more than 13 years in collaboration with its strong network of international partners. However, the pandemic threatened the continuation of these projects as they are delivered in-person.



The College had to seek alternative delivery methods for its projects and student exchanges to maintain strong relationships and facilitate an increase in the demand for The International English Language Testing System (IELTS). Partner availability of technological devices, software platforms and global timeframes created significant challenges to online project delivery. Social distancing and other safety measures resulted in the need to significantly reduce IELTS candidate numbers whilst considering increased demand. The College responded to these challenges by developing a portfolio of digital Continuous Professional Development (CPD) teacher training courses, virtual student exchanges and project delivery, increasing the number of IELTS tests and moving to Computer Delivered IELTS (CDIELTS) examinations.

Approach

In Spring 2020 SERC commenced work on developing a digital CPD portfolio working with the College's English Language (EL) team to create an agile EL programme that is tailor-made to staff and student needs incorporating a flexible curriculum combining General English, Academic English, and digital pedagogical approaches.

The EL programme was piloted with a group of students from Atika College, Japan using a combination of "live" classes and specially adapted offline resources. The success of the pilot programme led to the delivery of a bespoke EL programme for 15 students and 15 teachers from Lahore Garrison University, Pakistan. SERC delivered a 10-week EL programme to 14 tutors from Tajik State University of Law, Business and Politics incorporating Academic English and pedagogical models to support their delivery of classes in English.

SERC also adapted its Project Based Learning (PBL) model for online delivery and has worked with British Council to share its expertise with 80 Vocational Training Colleges in Hong Kong and businesses from the creative industries in Ghana, India, Malaysia, and South Africa. The CPD PBL courses are delivered "live" facilitating group work, continuous feedback, and improved learning.

Further enhancement of the online portfolio has seen the development and implementation of an online CPD course focussing on effective teaching and learning pedagogy including the PBL approach to curriculum delivery. SERC is working with charity "Fields of Life" to support the development of a Vocational Training Institute in Gulu, Uganda and the upskilling of 19 teaching and managerial staff for the College. SERC is also providing online consultancy services to support the Department for Higher Education and Training, South Africa in the development of a TVET Quality Assurance Model. The impact of COVID-19 and related social distancing restrictions resulted in SERC being able to offer the IELTS tests to fewer people even though demand remained high. Moving to CD IELTS enabled SERC to operate within the health guidelines whilst increasing capacity and frequency of testing. CD IELTS is not only efficient but also safe and has resulted in an additional 142 candidates being facilitated.

Results

The results of these online interventions have led to the further strengthening of SERC's international partnerships, underpinning its commitment to deliver quality programmes in direct response to partner need and clearly demonstrating its ability to overcome the challenges highlighted by the pandemic.

Educational Outcomes, Performance Indicators and Performance Measures

The Outcome Based approach to delivering services, advocated by the Programme for Government, is adopted by SERC in the College Development Plan. This approach has been applied to the setting of the non-COVID related key priorities for 2020/21, based on the needs of the population and aligning to our strategic context.

We have developed three defined report cards that set out baseline information about the population. This baseline information includes the current population position, where data is available, which enables the College to establish actions that contribute to population change alongside activity by other Government Departments and organisations. The three report cards are:

Report Card 1: Qualifications

Report Card 2: Employers / Businesses

Report Card 3: Social Inclusion

These report cards set out how our performance is to be measured to ensure that our actions are relevant to the needs of the community we serve. The report cards, which are detailed in the following sections, explore our performance under three headings:

How much did we do?

How well did we do it?

Is anyone better off?

Report Card 1: Qualifications



Programme for Government Outcomes to which we contribute:

- We prosper through a strong, competitive regionally balanced economy
- We have more people working in better jobs

Programme for Government Indicators to which we contribute:

- Economic Inactivity
- The proportion of the workforce in employment qualified to level 1 and above, level 2 and above, level 3 and above, and level 4 and above.
- Employment rate by Council area

Industrial Strategy Pillar to which we contribute:

Enhancing education, skills and employability (Pillar 2)

Our proposals for 2020/21 were:

Area of Planned Activity	Planned Activity
Further Education (Levels 0 - 3) <i>Excluding Essential Skills</i>	Number of Enrolments: 12,894 Number of individual students: 8,944
Higher Education (Levels 4 – 6) Full Time	Number of Enrolments: 512 Number of individual students: 486
Higher Education (Levels 4 – 6) Part Time	Number of Enrolments: 884 Number of individual students: 857
Training for Success (Levels 0 – 3)	Number of Enrolments: 1,959 Number of individual students: 633
Apprenticeships (Levels 2 – 3)	Number of Enrolments: 1,764 Number of apprentices registered for training: 864 Progress Rate to final year of study: 83%
Higher Level Apprenticeships (Levels 4 – 5)	Number of Enrolments: 180
Essential Skills	Number of Enrolments: 2,803 Number of individual students: 1,867
Priority Sector Areas and / or STEM (PSSA):	Number of Enrolments: 7,763 Number of individual students: 7,456

How much did we do?

Area	2020/21 Activity	Achievement against Target
Further Education (Levels 0 - 3) <i>Excluding Essential Skills</i>	Number of Enrolments: 10,880 Number of individual students: 7,377	Not Achieved 2,014 enrolments below target (15%) 1,567 individual students below target (17.5%)
Higher Education (Levels 4 – 6) Full Time	Number of Enrolments: 466 Number of individual students: 466	Not Achieved 46 enrolments below target (9.8%) 20 individual students below target (4.1%)
Higher Education (Levels 4 – 6) Part Time	Number of Enrolments: 934 Number of individual students: 899	Achieved 50 enrolments above target (5.6%) 42 individual students above target (4.9%)
Training for Success (Levels 0 – 3)	Number of Enrolments: 2,259 Number of individual students: 574	Partially Achieved 300 enrolments above target (15.3%) 59 individual students below target (9.3%)
Apprenticeships (Levels 2 – 3)	Number of Enrolments: 2,588 Number of apprentices registered for training: 1,019 Progress Rate to final year of study: 87%	Achieved 824 enrolments above target (47%) 155 apprentices above target (17.9%) Progress rate to final year of study 4% above target.
Higher Level Apprenticeships (Levels 4 – 5)	Number of Enrolments: 217	Achieved 37 enrolments above target (20.5%)
Essential Skills	Number of Enrolments: 2,504 Number of individual students: 1,632	Not Achieved 299 enrolments under target (10.6%) 235 students under target (12.5%)
Priority Sector Areas and / or STEM (PSSA):	Number of Enrolments: 11,901 Number of individual students: 7,618	Achieved 4,138 enrolments above target (53%) 162 individual students above target (2.1%)

How well did we do it?

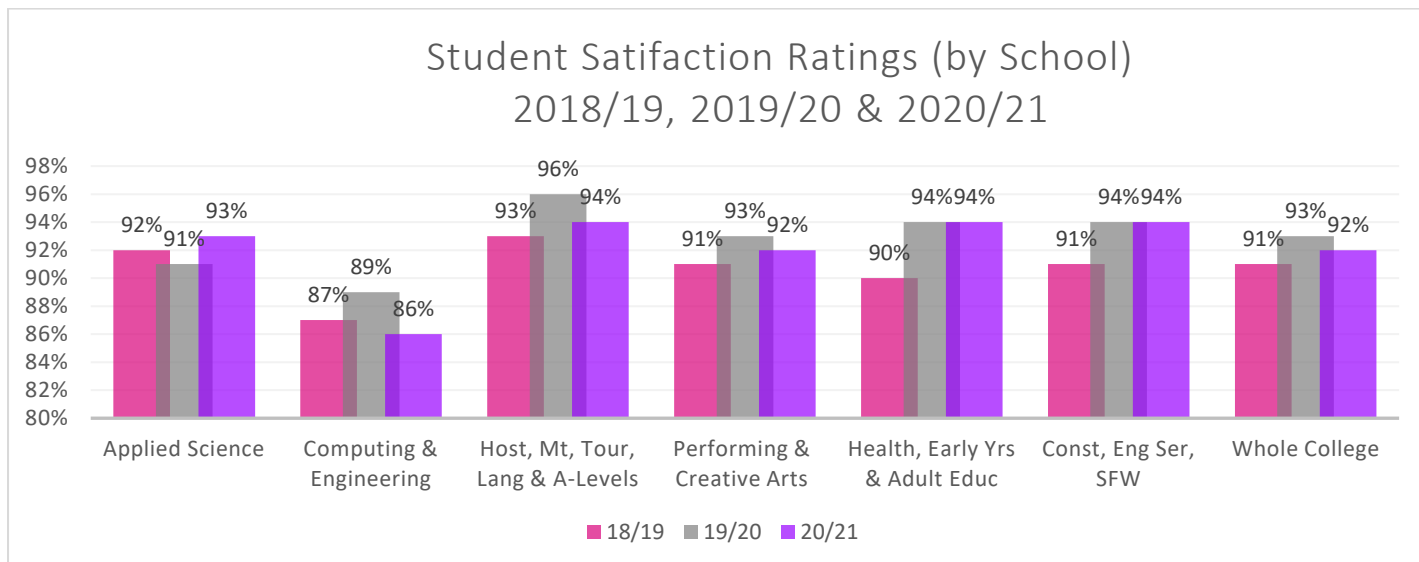
SERC measures how well did we do it by three performance measures:

In 2020/21 our students achieved 12,049 FE qualifications and 988 HE qualifications, with the following performance indicator results:

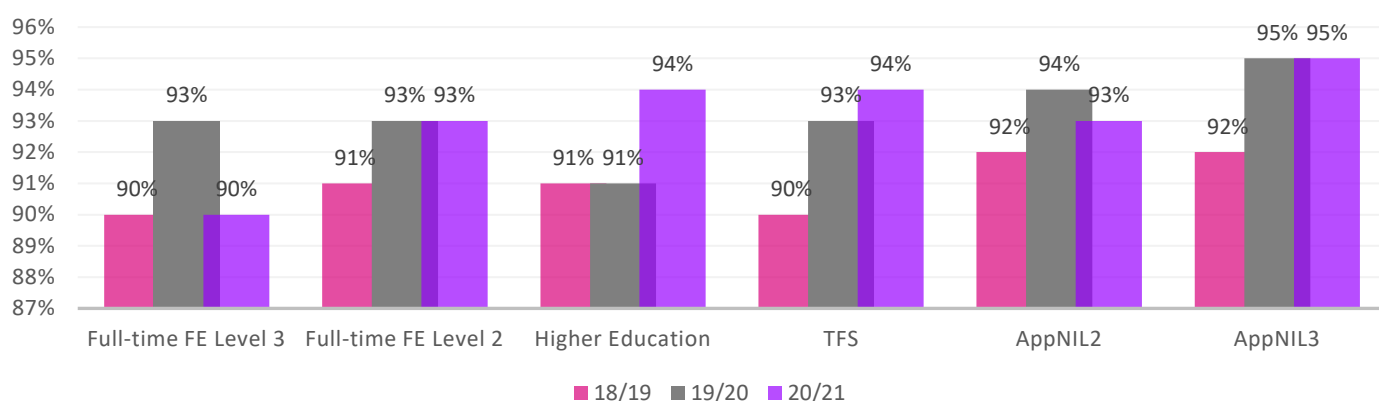
Performance Indicator	2020/21	2019/20
Retention Rate: The proportion of the number of enrolments who complete their final year of study to the number of final year enrolments.	91.1%	93.4%
Achievement Rate: The percentage of the number of enrolments who completed their final year of study and achieve their qualifications to the number of enrolments who completed their final year of study.	92.7%	91.3%
Success Rate: The proportion of the number of enrolments who complete their final year of study and achieve their qualification to the number of final year enrolments.	84.5%	85.3%

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

SERC participates in the Department’s **Big 14 Survey**, consisting of 14 questions covering areas common to all Colleges. Student satisfaction has remained very high over the past three years, both at individual School level and by student type:



Student Satisfaction Ratings (by student type) 2018/19, 2019/20, 2020/21



In 2020/21, 104 of our HE students responded to the National Student Survey (NSS).

The NSS is a UK-wide survey undertaken by final year higher education students to give feedback on their course. The survey is managed by the Office for Students, on behalf of the four UK funding and regulatory bodies. The results of the overall satisfaction question show that SERC is currently the leading College (non-University) for provision of HE courses, with a 79.81% satisfaction rate - a performance 6.15% above the benchmark. All SERC scores were categorised as 'not significantly different from the benchmark' or 'significantly above the benchmark'.



Is anyone better off?

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

The Graduate Outcomes Survey, commissioned by HESA, details the following outcomes for our students:

- Full Time Employment: 47.38%
- Employment and Further Study: 17.54%
- Part Time Employment: 16.23%
- Other, including travel, care, retirement: 6.81%
- Full-Time Study: 6.81%

What do we propose to do in 2021/22?

Area of Planned Activity	Planned Activity for 2021/22
Further Education (Levels 0 - 3) <i>Excluding Essential Skills</i>	Number of Enrolments: 6,833 Number of individual students: 6,328
Higher Education (Levels 4 – 6) Full Time	Number of Enrolments: 509 Number of individual students: 509
Higher Education (Levels 4 – 6) Part Time	Number of Enrolments: 514 Number of individual students: 495
Training for Success (Levels 0 – 3)	Number of Enrolments: 387 Number of individual students: 182
Skills for Life and Work (Levels 0 -2)	Number of Enrolments: 106 Number of individual students: 106
Traineeships (Level 2)	Number of Enrolments: 170 Number of individual students: 170
Apprenticeships (Levels 2 – 3)	Number of Enrolments: 2,290 Number of apprentices registered for training: 991
Higher Level Apprenticeships (Levels 4 – 5)	Number of Enrolments: 131
Essential Skills	Number of Enrolments: 2,578 Number of individual students: 1,575
Priority Sector Areas and / or STEM (PSSA):	Number of Enrolments: 11,311 Number of individual students: 10,016 Target of final year students enrolled in one or more PSSA subjects: 2,353

Report Card 2: Businesses



Programme for Government Outcomes to which we contribute:

We prosper through a strong, competitive, regionally balanced economy. We are an innovative, creative society where people can fulfil their potential

Programme for Government Indicators to which we contribute:

Rate of Innovation Activity (% of companies engaging in innovation activity)

Industrial Strategy Pillars to which we contribute:

Driving inclusive, sustainable growth (Pillar 3)

Succeeding in global markets (Pillar 4)

Our proposals for 2020/21 were:

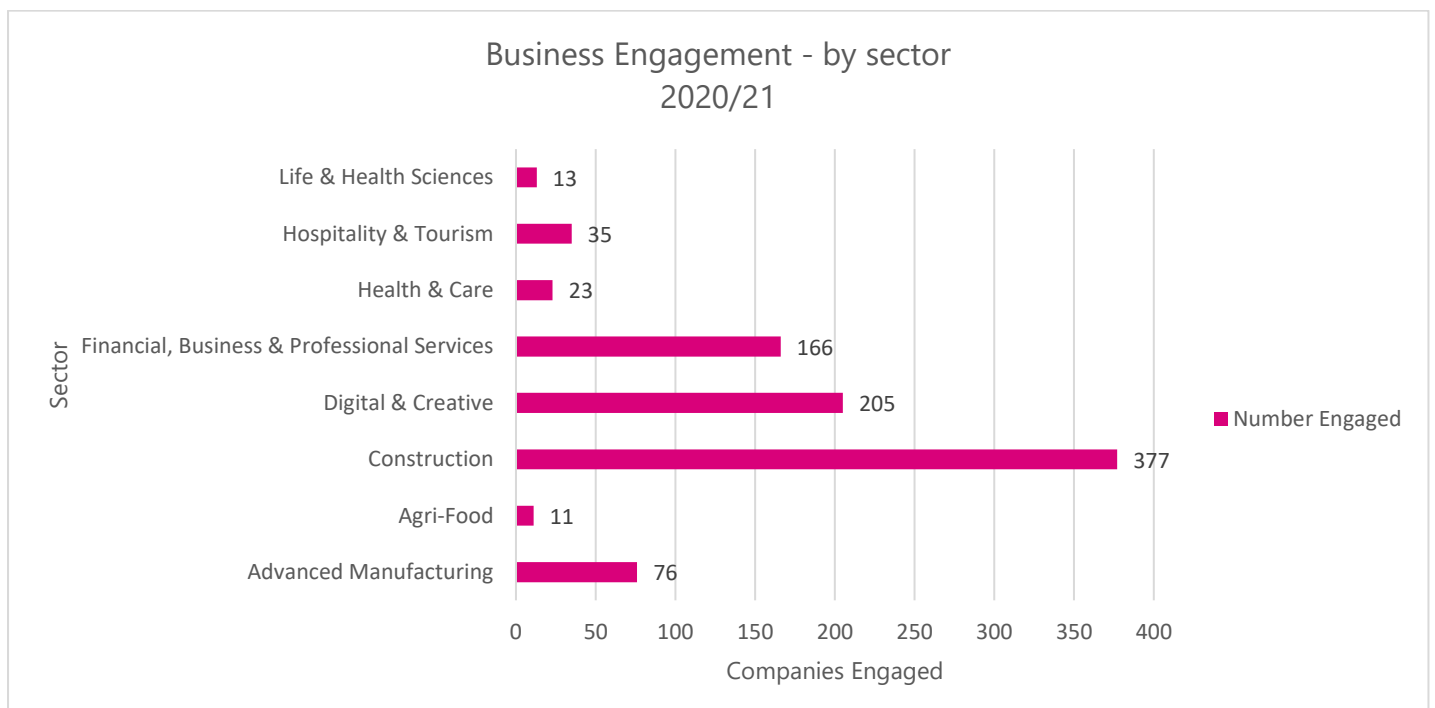
Area of Planned Activity	Planned Activity
InnovateUs	Number of Projects: 115
Skills Focus (Level 2+)	Number of Enrolments: 600
Assured Skills (Levels 0 – 8)	Delivery of 1 Assured Skills Academy
Fusion Projects	To deliver 6 fusion projects
Innovation Voucher Scheme	To deliver 10 innovation voucher schemes

How much did we do?

SERC engaged with 906 unique businesses in 2020/21, across a wide geographical area:

Government District	2020/21
Antrim and Newtownabbey	47
Ards and North Down	153
Armagh City, Banbridge and Craigavon	93
Belfast	137
Causeway Coast and Glens	20
Derry City and Strabane	10
Fermanagh and Omagh	12
Lisburn and Castlereagh	138
Mid and East Antrim	65
Mid Ulster	23
Newry, Mourne and Down	143
Total within Northern Ireland	841
Engagements outside of Northern Ireland	65
Total	906

SERC’s business engagement also spanned a wide range of sectors:



We achieved the following in 2020/21:

Area of Planned Activity	Planned Activity	2020/21 Results
InnovateUs	Number of Projects: 115	200 projects completed. 227 projects commenced.
Skills Focus (Level 2+)	Number of Enrolments: 600	857 enrolments
Assured Skills (Levels 0 – 8)	Delivery of 1 Assured Skills Academy	0 – Postponed due to COVID-19
Fusion Projects / Innovation Boost (rebranded)	To deliver 6 fusion projects	1 project
Innovation Voucher Scheme	To deliver 10 innovation voucher schemes	7 innovation voucher schemes

The following information delves into our results against planned activity in 2020/21:

InnovateUs

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

We commenced 227 InnovateUs projects in 2020/21:

Priority Skills Area	2020/21
Financial, Business & Professional Services	20
Digital & Creative	163
Advanced Manufacturing	20
Construction	20
Hospitality & Tourism	4
Total	227

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

Of the 227 projects, **200 were completed in 2020/21**, against a target of 115. The projects completed were high value projects with longer hours (i.e., 60 hours rather than 30 hours), which resulted in funding of £663k being secured.

Skills Focus

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

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

The College has worked with SMEs, by identifying the skills needs of SMEs' existing workforce and developing and delivering a tailored training solution to meet that need. This has resulted in 857 enrolments in 2020/21.

Assured Skills

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

The College had one planned academy for 2020/21, a multiskilling academy for EOS IT Solutions, however due to the pandemic this has been postponed and was not achieved in 2020/21.

Fusion / Innovation Boost

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

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

In 2019/20 we worked on **3 projects** and delivered **1 project**. The projects focussed on product development and advanced manufacturing. The College did not achieve its planned activity for 2020/21, which was the result of Intertrade Ireland reporting a downturn in the overall number of projects being secured as a result of COVID-19 and the outworking of Brexit.

Innovation Voucher Scheme

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

Typical projects include:

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

In 2020/21, 7 innovation vouchers were awarded to SERC, against a target of 10 innovation vouchers. The reduction against planned activity was the result of a reduction in number of applications being converted to vouchers by the Invest NI panel.

How well did we do it?

The College closely monitors 'how well did we do it' through a number of measures, including the InnovateUs Delivery and Evaluation report.

In 2020/21, the results of the InnovateUs evaluation report provides a clear indication of how well we have performed within this report card:

- **100%** of businesses engaged believed felt the programme provided '**very good**' or '**excellent**' **value for money**.
- **100%** of participants were '**satisfied**' or '**very satisfied**' with the **delivery** of their project.
- **95%** of businesses engaged noted that **greater innovation** had been **achieved** within their business as a result of their project.
- **100%** of the businesses engaged indicated that they felt they had an '**excellent**' or '**very good**' **relationship with the College** as a result of participation on the InnovateUs programme.
- **100%** of businesses engaged said they **would use** the services of the College again

Is anyone better off?

Through our work with businesses, and specifically our targeted work under InnovateUs and Skills Intervention, businesses and people are better off and have reported the following:

- Average **increase** in **sales** of **17%**.
- Average **cost saving** of **20%**.
- **61 new jobs** were created.
- **415 jobs** were **safeguarded**.
- **1.5%** of businesses were able to **export** as a result.
- **67%** of the businesses felt they would be in a **position to scale up**.
- **1.5%** of the small business participants reported **increased sales** in other export markets such as Great Britain, America, and Europe.
- **24%** of businesses developed into new market areas.

What do we propose to do in 2021/22?

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



Everyone Matters

Programme for Government Outcomes to which we contribute:

- We have a more equal society.
- We have more people working in better jobs
- We give our children and young people the best start in life

Programme for Government Indicators to which we contribute:

- Gap between % non-FSME school leavers and % FSME school leavers
- Employment rate by Council area
- Employment rate of 16-64 year olds by deprivation quintile
- Economic inactivity rate excluding students
- % care leavers who, aged 19, were in education, training or employment

Industrial Strategy Pillars to which we contribute:

Enhancing education, skills and employability (Pillar 2)

Driving inclusive, sustainable growth (Pillar 3)

Our proposals for 2020/21 focused upon the following planned activity:

Area of Planned Activity	Planned Activity for 20/21
Enrolments within Quintile 1 and 2	Number of Enrolments: 5,000
Enrolments declaring a disability / long term health problem	Number of Full Time Enrolments: 250 Number of Part Time Enrolments: 100
Enrolments on Entry Level and Level 1 Programmes (including Essential Skills)	Number of Enrolments: 4,000
Enrolments on Targeted Programmes e.g., College Connect, Prince’s Trust, Restart, Access	Number of College Connect Enrolments: 70 Number of Restart Enrolments: 60 Number of Access Enrolments: 240
Enrolments on ESOL Programmes	Number of Enrolments: 600
Overall number of individuals supported by above measures.	Number of enrolments: 9,720

How much did we do?

We achieved the following in 2020/21:

Area of Planned Activity	Actual Activity in 2020/21	Actual Activity compared to Target
Enrolments within Quintile 1 and 2	Number of Enrolments: 6,605	Achieved 1,605 over target (32%)
Enrolments declaring a disability / long term health problem	Number of Full Time Enrolments: 384 Number of Part Time Enrolments: 583	Achieved 134 over target 483 over target
Enrolments on Entry Level and Level 1 Programmes (including Essential Skills)	Number of Enrolments: 3,720	Not Achieved 280 under target (7%) Enrolments were impacted by the COVID-19 pandemic.
Enrolments on Targeted Programmes e.g., College Connect, Prince's Trust, Restart, Access	Number of College Connect Enrolments: 138 Number of Restart Connect Enrolments: 92 Number of Access Enrolments: 313	Achieved College Connect: 68 over target Restart: 32 over target Access: 73 over target
Enrolments on ESOL Programmes	Number of Enrolments: 293	Not Achieved 307 under target (51%) ESOL enrolments set up as a full year enrolment rather than two short courses, which has reduced overall enrolment number. Further, impact of lockdown and accessing online classes has been challenging for this student group.
Overall number of individuals supported by above measures.	Number of enrolments: 11,323	Achieved 1,603 over target.

How well did we do it?

In 2019/20, the ETI Evaluation of Curriculum Planning at Level 3 commended SERC's wellbeing framework with the notable positive remarks in relation to care and welfare provision, holistic support services, and addressing barriers to learning.

This commended activity continued throughout 2020/21:

Community Engagement

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

Prominent areas of community engagement in 2020/21 included:

- **Community Co-ordination Hubs:** our continuing participation on Ards & North Down Covid Recovery group included work on a Food Education Programme. The 'Eat Well for Less' project involves producing a series of videos demonstrating how you can create wholesome food at a low cost.
- **Promoting** and highlighting **educational pathways** and the **support available** to return to education at SERC with organisations including Radius Housing, Redburn Loughview Interagency, Glen Ward Inter-Agency, Clanrye and Sally Gardens.
- **Horticulture Therapy Project** - we secured funding from the Ulster Garden Villages Fund to design, implement and maintain the garden at SERC Holywood Campus. Engagement activity focuses on socially disadvantaged groups from the local area, with emphasis on the mental and physical benefits gardening can bring.
- **Engagement work** to promote **Access** and **Restart** courses has included webinars with local community, voluntary and statutory organisations, online engagement, and community open days.
- Working with Lisburn & Castlereagh City Council to **address digital exclusion** in the council area, with recipients of the project having the opportunity to receive support getting connected and be shown how to use some popular apps or email. This project was delivered in partnership with Department for the Communities, SERC, Libraries NI and EANI.

Establishing Newcastle Campus as a Community Education Hub

This initiative has sought to increase the number of adults returning to education within the Newcastle area, by establishing Newcastle Campus as a Community Education hub.

In recent years, the College has adopted new approaches to delivering adult education and established partnerships with external agencies to improve engagement with adults, particularly from hard-to-reach deprived communities. The focus for this initiative has been on **Newcastle**, as it represents an area of high economic inactivity in Northern Ireland, including parts that fall within quintile 1 for education and deprivation. The area also has a high rate of lone parent unemployed households.

In 2015 the number of adults returning to education at SERC's Newcastle Campus was minimal. SERC has worked with the Murlough Community Group, St Vincent De Paul charity, Apex Housing, local primary schools, and political representatives to identify barriers faced by local adults in returning to education.

The College has implemented the following projects to establish the Newcastle Campus as a Community Education Hub:

- Students regenerated the campus garden through environmental science focused education which brought the campus into the heart of local community.
- Supported economically inactive adults by providing free part-time courses.
- Established links with the local Benefits Office to ensure students were financially supported as they returned to education.
- Partnerships with Sure Start, Home Start and the Citizens Advice Bureau which enabled members of the local community to visit the campus and engage with return to education opportunities.
- The development of partnerships with local primary schools to promote learning opportunities to parents of young children, thereby positively reinforcing the value of learning in the eyes of children as they witness their parents' study.

By 2020, provision had expanded to over 50 adults returning to education at the Newcastle campus. Ten of the eleven adults who returned to study at the Newcastle campus in 2016 are now studying at university in areas such as architecture, land planning, child psychology, social work, and nursing.

Little SERC

SERC secured financial assistance from the Coastal Communities Fund, organised through the Department of Agriculture, Environment and Rural Affairs (DAERA), to support a creche for up to 26 children whilst parents are studying on the College's Restart Education and Access courses for adults looking to gain qualifications.

The crèche opened in the 2020/21 year and is a positive addition to SERC's efforts to reduce, and eliminate, barriers to education.



Wellbeing Framework

The College's established structure of support services for students was very active in 2020/21:

- The **Learning Support Unit** manages the provision of support, help and guidance for students with physical disabilities, learning difficulties and medical conditions. This service is primarily funded through the Department for the Economy's Additional Support Fund and during the year 2020/21 students have accessed:
 - Physical resources: specialist computers and software, orthopaedic chairs, smart pens, audio note takers.
 - Specialist human support: Learning Support Assistants, College Lecturing staff and specialist support for a range of conditions that include Dyslexia and Autistic Spectrum Disorders. British Sign Language Interpreters were also available. These services were provided face to face and on an on-line basis to facilitate support and learning during the periods of Covid-19 lockdown.
 - Administrative adjustments, such as specific individual College access arrangements for those taking examinations and other assessments and individual support plans for those who experience specific conditions or illnesses such as epilepsy.

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

This support continued, and in some instances was enhanced, during the periods of lockdown and a range of online learning and teaching platforms were utilised to assist students. One-to-one sessions assisted many students to complete their assessments, as well as helping them to overcome the stresses of lockdown by allowing them to maintain social contact with other learners and staff. The Learning Support Unit continued to work in conjunction with the SERC Extra team to ensure that those requiring support were identified and supported in a timely manner.

Many learners (> 1,000), who did not have access to suitable IT equipment, were provided with SERC computer equipment during the year 2020/21 so that they could work effectively online from home. Addressing digital poverty in this way has assisted in further reducing barriers to education for these learners.

Additional training was provided to Learning Support staff, as well as guidance on working safely when online, particularly in relation to ensuring that safeguarding arrangements remained robust throughout the year. Training was also provided to assist the learning support assistants to develop their skills in being able to coach students.

As part of the Quality Management processes, within the Learning Support Unit, a range of student performance monitoring structures are in place to identify and address issues of student under performance, often the first indication of a student disability or learning difficulty to College staff. These arrangements included:

- Ongoing individual student tutorial support through which issues and concerns can be identified and highlighted.
- Regular case conferences which enable the support teams to liaise directly with the teaching staff to identify and put in place actions to address specific student difficulties in a holistic manner.
- Teaching staff having access to specific knowledge and experience of strategies and approaches identified by the Learning Support Team.

- The **Pastoral Care, Welfare and Safeguarding** processes within the College focus on promoting the personal and social development of the individual students and trainees through a range of initiatives including:
 - All students have access to an externally procured student counselling and wellbeing support service. This service offers a 24/7 Helpline as well as weekly drop-in (on-line since March 2020) individual support sessions for all learners within the College.
 - The Youth Health Advice Service, provided by the South Eastern Health and Social Care Trust, continued to provide ongoing online support for students facing health related challenges.
 - Through the Students' Union and class activities, many of which were online during 2020/21, the College provides a range of opportunities for students to engage in extra-curricular activities including, volunteering and charity fundraising activities which are all aimed at helping students engage fully with their community and develop their skills and abilities. Whilst it is recognised that some aspects of these activities were difficult to maintain during the COVID-19 pandemic, in their traditional form, other online engagement activities were developed during 2020/21, including an online student support hub. Such activities were aimed at supporting the resilience and wellbeing of SERC in line with the College's Wellbeing and Resilience Framework.

The College has an imbedded Cause for Concern referral system, allowing staff to record and forward a concern about the wellbeing of any student to the Pastoral Care team. This system allows the College to quickly implement a range of interventions, including engagement with the statutory bodies to ensure that all the College’s responsibilities regarding the Safeguarding of Children and Adults at Risk of Harm are addressed. The Pastoral Care team responded to 318 causes for concern (non-COVID related) during 2020/21, which is a decrease of 35 from 2019/20. The top three issues raised as causes for concern were:

Issue	% of Referrals
Mental Health	42%
Family Issues	16%
Motivation	15%

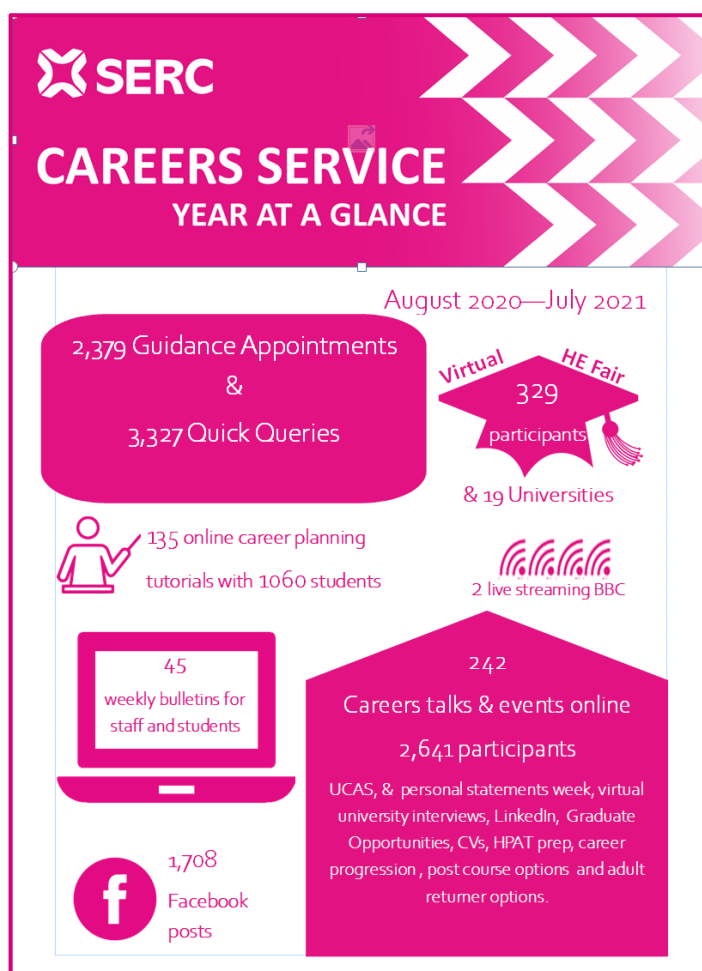
In 2020/21, the Pastoral Care team were also charged with the responsibility for guiding and advising staff and students regarding COVID-19 concerns. A total of 941 COVID-19 related concerns were raised, which the team managed in a timely and effective manner and ensured compliance with the College’s reporting responsibilities to the Public Health Agency.

- The college has held the Matrix Standard for its **careers** education, information, advice, and guidance (CEIAG) provision since 2009. In June 2021, the careers department successfully completed its three yearly reaccreditation assessments, demonstrating the high-quality careers provision at SERC.

The infographic provides a summary of the careers service activities during 2020-21, which were delivered remotely in response to social distancing guidelines and lockdown restrictions.

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

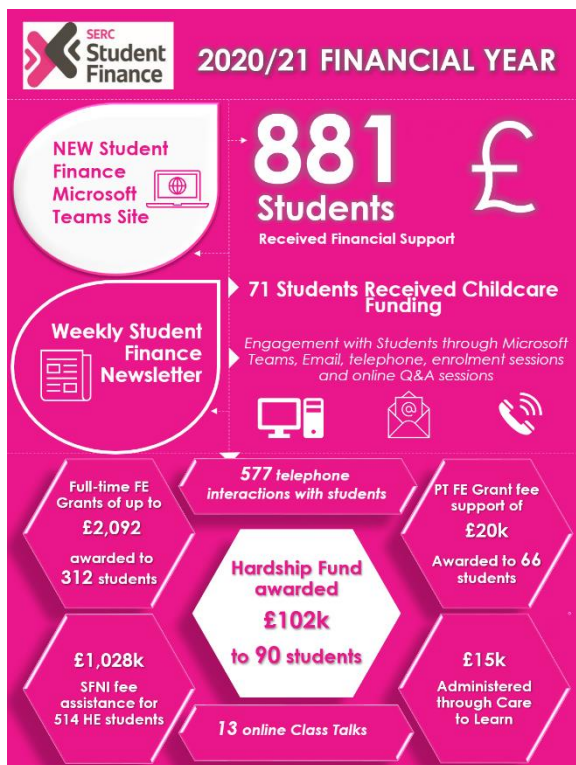
The careers team used digital solutions to engage with current students at the College, keeping them informed of career opportunities and encouraging them to seek advice on their progression options.



The team also engaged with school leavers, and their parents, helping them to explore their career options at key transition points, along with adult returners who were facing redundancy, furlough, and uncertainty about the future, as a result of the pandemic.

The provision of CEIAG is extensive and well-embedded throughout our curriculum, effectively supporting the students to make informed career progression choices through the provision of high quality, impartial CEIAG.

- The **Student Finance** team in 2020/21 supported 881 students to receive financial support to assist them during their studies.



This support, from multiple sources, has assisted the students with tuition fees, travel, maintenance, books & materials, and childcare costs.

Throughout 2020/21, the Student Finance team engaged with students through enrolment sessions, freshers' fayres, enterprise fayres, as well as undertaking 13 class talks. To ensure students continued to be engaged throughout online learning, a new MS Teams site was established, gaining 100 members, that posted updates on topics relating to student finance.

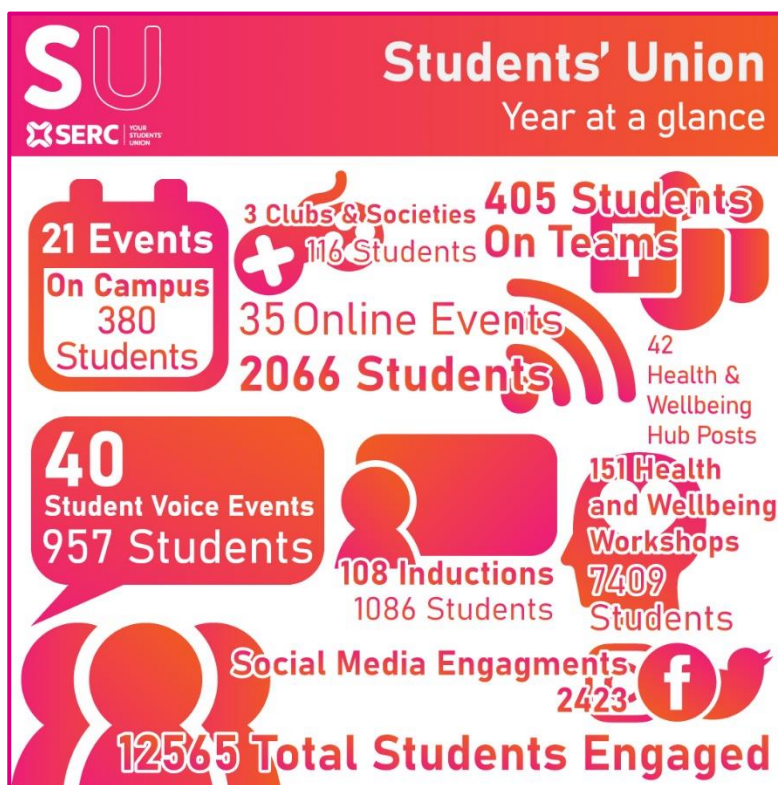
The Student Finance team were particularly cognisant of challenges caused by the pandemic and sought to offer advice on sources of income and support that was tailored to personal situations.

- The **Students' Union** (SERCSU) has delivered a student engagement programme that promotes the welfare and inclusivity of the diverse student body at SERC.

SERCSU has endeavoured; through its services, activities, and events, to inspire a sense of belonging within the student body, enhance their career potential and enrich their educational journey.

Throughout 2020/21 a total of 609 activities were delivered both on campus and online. This resulted in 12,565 student engagements through health, wellbeing and resilience activities, student democracy events, clubs and societies and a range of volunteering and social action projects.

In recognition of the impact of the pandemic, the Union increased its activities in regard to resilience and wellbeing throughout 2020/21. A total of 151 activities were delivered with 7,409 students engaged, which is an 84% increase in student engagement on health initiatives from the 2019/20 year.



Is anyone better off?

The measure of anyone being better off can be demonstrated by achievement of their courses. In 2020/21 the following results were attained:

	2020/21
% of SLDD students who achieved their course	80.02%
% of students from quintile 1 who achieved their course	75.60%
% of students from quintile 2 who achieved their course	79.83%

What do we propose to do in 2021/22?

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

FINANCIAL OBJECTIVES

The College's financial objectives and achievement in year to 31 July 2021 were:

RATIO	TARGET	20/21 RESULT
Final Outturn to Final Resource Consumption Budget Variance	0%	+2.83%
Total Staff Costs as % of Total Income (including Grant in Aid)	65%	66%
Cash Balance as % of Total Prior Year Income (including Grant in Aid)	10%	8.6%
Debtor Days	45 days	40 days
Payment Performance - % of supplier invoices paid within 30 days	90%	92.49%

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

The ratio for **Total Staff Costs as a % of Total Income** compares the total cost of staffing within the College against the total income. The target of 65% displays the causal relationship between the total staff costs and total income.

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

The **Debtor Days** ratio measures how quickly cash is being collected from trade debtors (non-government department debt). The target of 45 days reflects the phasing of tuition fee payments from Student Loans Company.

The **Payment Performance** ratio measures the percentage of invoices paid within 30 days. This ratio monitors our statutory requirement under The Late Payment of Commercial Debts (Interest) Act 1998.

Financial Performance Monitoring

During 2020/21, the College monitored performance against its budget and against prior year position via the production of a full set of College Resource Accounts on a monthly basis. These College Resource Accounts include a Resource Budget Report (an Income and Expenditure Account), Income Analysis, Expenditure Analysis, a Statement of Financial Position, Debtors and Creditors analysis, a Cash-flow forecast and a Full Year Financial Forecast.

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

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

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

FINANCIAL RESULTS & POSITION

Financial Results

The College generated a deficit, as recorded in the Statement of Comprehensive Income & Expenditure, in the year of £4,890k (2019/20 deficit of £5,338k).

The College is a Non-Departmental Public Body (NDPB) of the Department for the Economy (DfE). The financial performance target, as set by the parent Department, is to deliver an actual Resource Requirement in line with its approved Resource Budget Allocation. The Resource Requirement is arrived at by quantifying the College's total resource expenditure less income received outside of Grant in Aid. The College's approved Resource Allocation (and therefore financial target) for its 2020/21 financial year totalled £40,977k. SERC's full year Resource Requirement result, £39,815k, constitutes an underspend of £1,162k (2.83% variance) against this resource allocation target. The underspend will be factored into the College's financial plans for the period August 2021 to March 2022 to ensure SERC meets its Departmental year financial targets (31 March).

Statement of Comprehensive Income and Expenditure

The result in 2020/21 is stated after accounting for a pension charge of £4,298k (Pension Charge £3,817k and Net Interest £481k), as determined by the College's actuaries. The pension charge allows, insofar as practical, for the Department for Communities November 2020 consultation on the calculation of McCloud costs.

The result is also stated after accounting for the adjustment of the provision, relating to holiday pay resulting from the Court of Appeal judgement (17 June 2019) in the case PSNI v Agnew. The provision was reduced by £178k, as a result of updated information as at 31 July 2021 (note 25).

Non-Departmental Public Body (NDPB) Financial Performance

The College's financial performance target, as set out by the Department for the Economy, is to deliver an actual Resource Requirement in line with its approved Resource Budget Allocation over the Department year, i.e., from 1 April to 31 March. The Resource Requirement is arrived at by quantifying the College's total resource expenditure less income received outside of Grant in Aid.

The result in 2020/21 is therefore translated into Resource Requirement as follows:

	£'000
Income	
Total incoming resources (excluding Grant-In-Aid funding) (Note 29)	12,430
Expenditure	
Staff costs (excluding Pension Charge & Interest)	(33,874)
Other operating expenses	(18,284)
Profit on disposal of non-current assets	3
Exceptional costs (other than Holiday Pay provision)	(90)
Total expenditure	(52,245)
RESOURCE REQUIREMENT	(39,815)
GRANT-IN-AID FUNDING (Note 29)	44,262
Non-Resource Expenditure	
Depreciation & Amortisation	(5,194)
Pension cost	(3,840)
Net interest on pension scheme	(481)
Exceptional Cost: Holiday Pay Provision (Annually managed expenditure (AME) resource)	178
Deficit as recorded in Statement of Comprehensive Income and Expenditure	(4,890)

The College was initially allocated a Resource Budget of £37,641k for its 2020/21 financial year. This was adjusted in year, with the updated Resource Budget Allocation (and therefore financial target) totalling £40,977k.

SERC's full year Resource Requirement result of £39,815k constitutes an underspend of £1,162k (2.83% variance) against this resource allocation target.

There are a number of individual variances within the overall performance that are important to note:

1. Total Income (excluding Grant-in-aid) of £12,430k is £550k above budget due to higher than budgeted income from DfE (non-grant-in-aid) for the following programmes: Higher-Level Apprenticeships (HLA), Training for Success, and Skills Intervention Programme. This was offset by lower than budgeted student fees and commercial income, largely the result of the significant and prolonged reduction in activity due to the Coronavirus pandemic.
2. The College accounts also show reduced Resource Expenditure when compared to original budget. A major contributing factor was a significant underspend in COVID-19 related expenditure, largely caused by the longer than expected period of "lockdown" in the second half of the College's financial year, with expenditure on many items being less than anticipated.

The underspend will be factored into the College's financial plans for the period August 2021 to March 2022 to ensure SERC meets its Departmental year financial targets (31 March).

The College has significant reliance on the Department for the Economy (DfE) for its principal funding source, largely from recurrent grants. In 2020/21, DfE provided some 78.07% of the College's total income through allocated recurrent grant (grant-in-aid) (2019/20: 72.1%).

Net Assets and Reserves

Net assets at 31 July 2021 were £56,619k (31 July 2020: £51,138k). This includes a £30,569k pension liability (2019/20 £35,352k) and a £612k provision relating to holiday pay (2019/20: £790k).

The College has accumulated income and expenditure reserve of £5,155k (2019/20: £3,592k) (excluding the Pension Reserve Deficit of £30,569k [2019/20 £35,352k]) and cash balances of £4,377k (2019/20: £3,420k) as at 31 July 2021.

Treasury policies and objectives

Treasury Management is the management of the College's cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities and the pursuit of optimum performance consistent with those risks.

The Further Education Order 1997 gives the College power to invest its funds. The College has a formal Treasury Management Policy which has been approved by the Finance & General Purposes Committee and the Governing Body. This policy is designed to ensure that appropriate controls are in place to regulate cash funds.

The purpose of the policy is to provide for the College cash funds to ensure all investments are held with major UK financial institutions and the requirement for any borrowings to be fully evaluated and approval sought from the Finance & General Purposes Committee and the Department for the Economy.

Cash Flows & Liquidity

The College had a net cash inflow of £957k during the year as a result of cash inflows from operating activities of £6,085k and cash outflows from investing and financing activities of £1,994k and £3,134k from investments and capital (2019/20: an outflow of £575k).

With a cash balance of £4,377k (2019/20: £3,420k), the College's liquidity is within the Department's target for College cash reserves, as detailed in the Management Statement and Financial Memorandum.

Estate

The College's estate consists of land with a net book value of £7,970k as at 31 July 2021 (31 July 2020: £7,970k) and buildings with a net book value of £144,543k as at 31 July 2021 (31 July 2020: £146,962k).

OUR SUCCESS

SERC's success has been recognised in 2020/21:

Pearson Teaching Award Winner

Stefanie Campbell, Deputy Head of the Learning Academy, won a Gold Award as Digital Innovator of the Year in the Pearson National Teaching Awards. Stefanie was recognised in the UK-wide competition for her outstanding commitment to changing the lives of the learners and staff on all SERC campuses.

Silver Teaching Award for Paul Mercer



Selected from thousands of nominations, Paul Mercer, Deputy Head of School, Hospitality and Catering, was honoured as one of the UK's Pearson National Teaching Silver Award winners.

Paul was recognised in the competition for FE Lecturer of the Year for his outstanding commitment to changing the lives of the young people he works with every day.

Emma Finney Shortlisted for Chartered Manager of the Year

Business Services Innovation Advisor Emma Finney has been shortlisted as Chartered Manager of the Year 2021. The Chartered Manager of the Year award recognises and celebrates the outstanding achievements and contributions Chartered Managers bring to their workplace and their own personal development. It is a UK-wide competition and Emma is on a shortlist of three.

Green Gown Award Win

SERC gained a Green Gown Award, named winners in the Enterprise category, which recognises the important role social enterprise, social media and sustainable enterprise can play in ensuring that education leavers can rise to the 21st century's economic, environmental, and social challenges.

SERC Awarded Silver Cyber Security Status

The College was recognised for showing excellence in cyber security education with a Silver Cyber Security Status Award from the CyberFirst Schools Initiative.

The initiative is run by the National Cyber Security Centre (NCSC) – a part of GCHQ.



New Year Honours

Claire Henderson, Head of Quality Excellence & Development, was awarded an MBE in the New Year Honours list.

Hospitality and Catering Team Win TES Award

A team from hospitality and catering won a Times Education Supplement (TES) FE Award 2021. The team scooped the WorldSkills Hero category award at an online ceremony in recognition of their commitment to giving students the opportunity to raise their technical standards and improve their soft skillset.

SERC Student Production Wins Royal Television Society NI Award

A Northern Ireland Film and Television School student won at the Royal Television Society NI Student Awards. "She Cries at Night" is a short movie written and directed by Stephen Parker and won in the Best Scripted category. It's the second year in a row that Stephen has won the Best Scripted award.

SERC Student Engagement Team wins WorldSkills UK Diversity and Inclusion Heroes Award

SERC were honoured for its work in supporting the wellbeing of its students, ensuring an inclusive learning environment across its campuses in Northern Ireland.

The College was awarded the WorldSkills UK Diversity and Inclusion Heroes Award for Network of the Year in the large employer category.



SERC Graduate Secures International Film Festival Place with Beach Baby

Matthew Killen, a SERC graduate, secured a place with his film Beach Baby at the Dublin-based 11th International Underground Cinema Film Festival. Matthew made a version of the film whilst studying for an HND in Creative Media Production at the Northern Ireland Film and Television School and developed the concept after graduating.

SERC Alumni at the Olympics

Four SERC Alumni competed in the Tokyo Olympics and Paralympics: swimmers Barry McClements and Bethany Firth competed for Ireland and for Great Britain respectively in the Paralympics, with Kevin Seaward in the Ireland marathon team and Rhys McClenaghan in the Ireland gymnastics team.



Conal is Runner Up in SPARKS Apprentice of the Year Competition

Conal McCrissican, an electrical installation apprentice, was runner up in the UK-wide Sparks Apprentice of the Year Competition.

Conal was tasked with completing a one-day practical assessment at SERC's Downpatrick Campus, in the presence of an independent external judge, as fellow competitors did likewise in their respective colleges.

Hannah's Star Management Potential Recognised

HNC International Tourism Management Student Hannah Louise Stewart won the 2021 "Student Management Potential" award from the Institute of Hospitality NI.

SERC's Rebecca Part of NI Football History

Northern Ireland women made history in 2021, when, for the first time, the Green and White Army's women's team qualified for a major tournament and will be competing in the European Championships next year. The successful team features student Rebecca McKenna.

SERC Business Student Scoops Innovation Award

SERC student Kenny Galloway won £5,000 through Lisburn & Castlereagh City Council's Mayor's Innovation Fund, which will help him develop his digital platform designed to change careers education for young people.

Kenny was named winner of the Youth Entrepreneurship Award.



DEVELOPMENTS

SERC is constantly developing to ensure it maintains its existing reputation as a trusted and respected part of our local community by delivering an industry focused curriculum.

The latest developments in the College are discussed below:

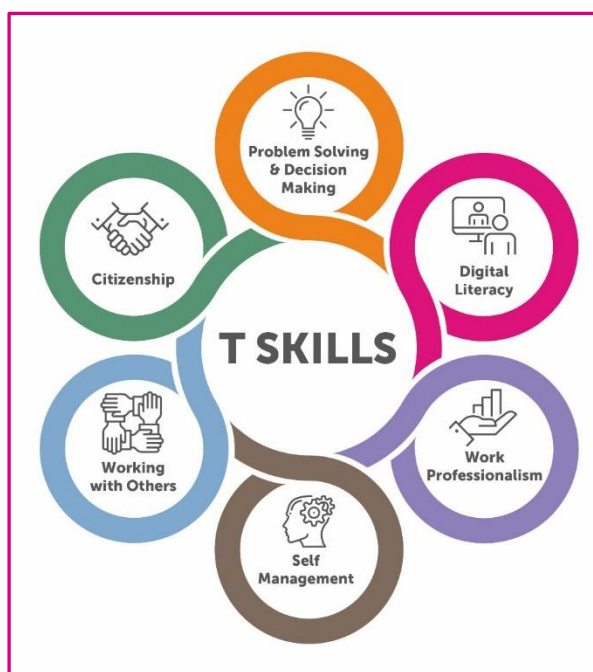
Qualifications

Ongoing curriculum development and enhancement is key to SERC's responsiveness to the needs of industry. Project Based Learning (PBL) continues to be embedded across all curriculum areas in association with the development of Transversal skills.

A growing body of research shows a gap between the skills learnt at school and those needed for life and work in the 21st Century. The Northern Ireland Skills Barometer (2019) highlights a lack of non-technical, 'soft' or 'transversal' skills, such as communication, teamwork and problem-solving, amongst graduates. Businesses need graduates with these skills to help drive growth and innovation.

Transversal Skills, or "T Skills", are those typically considered as not specifically related to a job, task, academic discipline, or area of knowledge, but as skills that can be used in a wide variety of situations and work settings. These skills are increasingly in high demand for learners to successfully adapt to changes and to lead meaningful and productive lives." (UNESCO 2014)

SERC is leading the development of a 'Blue Print' for the sector to develop and assess 'T Skills' across the curriculum.



SERC Cares for Young Carers

In April 2020, SERC became the first of the NI Colleges to be awarded the Quality Standard in Carer Support (QSCS) by the Carers Federation.

The standard recognises the College's work in developing policies and procedures for student carers. As well as increasing awareness through staff training.

The College has actively identified young students who act as carers, which facilitated access to additional support and the monitoring of student progress. One initiative was the introduction of a Young Carer Card, which identifies the student as a carer. Student Alexis Rooney, Level 3 Health and Social Care student, positively commented on the initiative:

"...it saves a lot of time explaining when I must step out of a class to take a call relating to my mother's care, arrive in late or need to rush home early. My course and my education are important, but I have other priorities and responsibilities that I need to deal with first. I have found the card particularly useful if there is a new tutor as it means they instantly know I am a Young Carer and some flexibility is required."

The College will continue to develop this important initiative throughout 2021/22.

Pastoral Care and Wellbeing Framework

The College adopts a culture that promotes wellbeing and provides a range of support services through the Pastoral Care Team, Learner Support Team, Student Finance Team, Careers Team and Training Office team.

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

Activities, events, and workshops are organised to help all students develop strategies to build resilience. The programme of activities and support is known as the Wellbeing Framework. Wherever possible SERC will work with a range of external providers to assist in providing services such as the Youth Health Advice Clinic supported by the South Eastern Health and Social Care Trust and provided on each campus.

A 24/7 Counselling Service is also available to both students and staff. Information on all support services is communicated to students during induction and promoted on the College Intranet, via email, posters, and Tutor groups. Careers staff visit Tutor groups to advise on progression pathways.

Staff Wellbeing

In SERC we highly value our staff and ensuring their wellbeing is critical and of fundamental importance to the College. Through our 'Mind Yourself' strategy our award-winning HR team lead on developing and offering a wide range of wellbeing initiatives, support, and tools. This has been of paramount importance during the ongoing Covid-19 pandemic with increased investment and delivery of new wellbeing initiatives for staff to support changes in their working arrangements and environment.

The Health Cash Plan, funded for all staff, contributes to the cost of everyday medical expenses such as dental, optical, physiotherapy, chiropody and provides efficient access to specialist consultations and treatment. Our staff also have the opportunity to access free medical check or to self-refer for consultations with our Occupational Health provider.

The College's dedicated Health and Wellbeing Champions, available at each of the main campuses and remotely for those staff working from home, actively promote and assist in engaging staff with wellbeing initiatives. In addition, our nine fully trained Mental Health First Aiders provide confidential mental health support to all, staff, and students. As a College commitment, under the Mental Health Charter (ECNI), and a key element of our Health and Well Being Strategy, the College has invested significantly in raising Mental Health Awareness and in offering a wide range of support to staff struggling with mental ill health, particularly due to remote working and concerns relating to the Covid 19 pandemic.

A wide range of support services, events and initiatives aimed at supporting the wellbeing of our staff are provided throughout the academic year, these have adapted to reflect the new remote working arrangements of staff to ensure support is accessible and available to all. Further support is provided via the Mind Yourself APP and Inspire Hub as part of our Employee Assistance provision, as well as 24hour access to confidential counselling, awareness workshops on a variety of health-related topics and workshops aimed at improving financial wellbeing.

Widening Participation

The College values diversity within the student population and is committed to widening participation and avoiding unfair discrimination on any grounds. SERC recognises that success depends on the ability to attract a wide range of students from a range of educational backgrounds.

In relation to Higher Education (HE), SERC seeks to ensure that all students can participate in higher education regardless of financial circumstances. The College will use additional fee income to financially support those within the lowest income groups. All higher education students at SERC in 2020/21 who were in receipt of the maximum maintenance grant from Student Finance NI or student support grant were eligible for a bursary of 10% of the tuition fee. The bursary amounts totalled £28,618.

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

	TARGET	20/21 RESULT
Enrolments from MDM Quintile 1.	9% or 142 enrolments	148 enrolments
Enrolments from adult returners.	40% or 600 enrolments	918 enrolments
Enrolments from students with a disability.	9% or 130 enrolments	119 enrolments
Enrolments from students who have a Care Experience.	12 enrolments	19 enrolments
Young male students in MDM Quintile 1.	21 Young Males	10 Young Males

The following targets have been agreed for the 2021/22 year:

	TARGET
Enrolments from MDM Quintile 1	137
Enrolments from adult returners	633
Enrolments from students with a disability	105
Enrolments from students who have a Care Experience	12
Young male students in MDM Quintile 1	27

The College has a long and successful record of implementing outreach activity to widen participation, raise aspirations and encourage students from under-represented groups to apply to further and higher education. Pre-access courses and community based promotional events will seek to attract the key target groups.

STAKEHOLDER RELATIONSHIPS & REPUTATION

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

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

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

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

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

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

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

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

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

The latest results for this survey (13 reportable questions) are very encouraging for SERC:



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

The infographic features a pink header with the text 'Staff Survey'. A dark teal speech bubble contains the text 'Strongly Agreed and Agreed with the statements'. The main content is divided into four sections, each with an illustration and a statistic. The first section shows a man with a lightbulb and the text 'The College is a good place to work 92% Staff Agree'. The second section shows a group of people jumping and the text 'Feel motivated to be at work 74% Staff Agree'. The third section shows a woman with a red heart and the text 'Happy to go extra mile at work when required 91% Staff Agree'. The fourth section shows two men shaking hands and the text 'I am proud to work for SERC 92% Staff Agree'. The SERC logo is located in the bottom left corner of the infographic.

Staff Survey

Strongly Agreed and Agreed with the statements

The College is a good place to work **92% Staff Agree**

Feel motivated to be at work **74% Staff Agree**

Happy to go extra mile at work when required **91% Staff Agree**

I am proud to work for SERC **92% Staff Agree**

SERC

EQUALITY OF OPPORTUNITY AND EMPLOYMENT OF DISABLED PERSONS

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

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

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

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

DISABILITY STATEMENT

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

A policy of equal opportunity and seeks to ensure that disabled staff and students have equitable access, as far as is reasonably possible, to the full range of facilities, and services provided by the College;

- Creating an environment where those with disabilities are comfortable to disclose details of their disability and are provided with suitable opportunities to disclose at various stages throughout their time at the College;
- Providing access to the appropriate reasonable adjustments to enable the effects of disabilities to be minimised while participating in College life;
- Preventing occurrences of unlawful direct discrimination, indirect discrimination, harassment, and victimisation;
- Treating all staff and students with dignity and respect and will seek to provide a positive and safe working and learning environment.

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

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

It commits the College to:

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

Specific action measures within the plan are monitored on an annual basis as part of the Annual Equality Progress Report. Progress for the reporting year 2020/21 can be viewed at www.serc.ac.uk/public-information/equality.

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

The College has 15 Designated Safeguarding Officers looking after the needs of its learners, whether they be designated as Children or Vulnerable Adults. Safeguarding Officers are based at all the main Campuses. In addition, two members of the Governing Body are classified as Designated Officers and overview aspects of the Safeguarding and Pastoral Care systems, through regular reporting to the Governing Body.

OTHER INFORMATION AND DISCLOSURES

Payment Performance

The Late Payment of Commercial Debts (Interest) Act 1998, which came into force on 1 November 1998, requires colleges, in the absence of agreement to the contrary, to make payments to suppliers within 30 days of either the provision of goods or services or the date on which the invoice was received. The target set by the Treasury for payment to suppliers within 30 days is 95%.

During the accounting period 1 August 2020 to 31 July 2021, the College paid 92.49% of its invoices within 30 days (2019/20: 91.4%). The average payment days was 14.89 days. The College incurred no interest charges in respect of late payment for this period.

The Northern Ireland Executive is committed to paying suppliers as quickly as possible, within 10 working days. During the accounting year 1 August 2020 to 31 July 2021, the college paid 43.5% of its invoices within 10 days (2019/20: 46.4%).

Principal Risks and Uncertainties

The College has developed and embedded a system of internal control, including financial, operational and risk management which is designed to protect the College's assets and reputation. For details on SERC's principal risks and uncertainties refer to the Governance Statement (pages 68 - 70).

People

The College employs 690 people (expressed as full-time equivalents and excluding members of the Governing Body), of whom 338 are teaching staff (Note 8).

In the year August 2020 to July 2021 the sickness absence rate for staff was 2.63% (2019/20 – 3.11%), equivalent to 1.18 days per employee.

Personal data related incidents

The College reported one data breach to the Information Commissioner's Office (ICO) during the year ended 31 July 2021. The breach regarded inaccurate data, which had the potential to create financial disadvantage. Process improvements were introduced by the College to prevent any reoccurrence. The ICO decided that no further action was necessary since "*significant damage or detriment to the data subject would seem unlikely to occur following the breach*".

Going Concern

The College is satisfied that the organisation is a going concern on the basis that there is no reason to believe that the department's future sponsorship and future Assembly approval will not be forthcoming to meet the College's liabilities as they fall due. The College has considered the impact of the ongoing COVID-19 pandemic however, as noted, the College has the continued support of the sponsoring department (DfE) and through moving curriculum delivery and other operations online, where possible, has been able to continue normal operations throughout the period of restrictions.

It has accordingly been considered appropriate to adopt a going concern basis for the preparation of these financial statements.

Events after the end of the reporting date

There are no events after the reporting date to report.

Disclosure of Information to Auditors

These financial statements are subject to audit by statute by the Comptroller and Auditor General for Northern Ireland.

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

Legal Status

The current arrangements for further education in Northern Ireland were established by The Further Education (Northern Ireland) Order 1997 with colleges being self-governing incorporated bodies with effect from 1 April 1998. Based on this legislation, the Office for National Statistics, in 2010, reclassified colleges as part of Central Government. This has resulted in colleges being determined as Non-Departmental Public Bodies.

Charitable and Taxation Status

The College has charitable status for taxation purposes from the UK HM Revenue and Customs.

Charitable/Political Donations

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

Members

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

Name	Date of Appointment	Term of Office	Date of Resignation	Status of appointment	Committees Served	GB Attendance
Mr Gareth Hetherington (Temporary Chair)	1 May 2013 1 May 2017 (Special Extension) 1 July 2019 (Second Term)	4 years 3 years +9 months	-	Independent Member – Business Category	Education, Finance and General Purposes (ex-officio member)	9 / 9
Mr Neil Bodger	1 August 2011 1 August 2015 (Second Term) 1 August 2019 (Special Extension)	4 years 4 years 1 year + 6 months	31 March 2021 (Term Expired)	Independent Member – Business Category	Education, Finance and General Purposes	7 / 7
Mr Andrew Corbett	11 April 2016 11 April 2020 (Second Term)	4 years 4 years	-	Staff Governor	Education, Finance and General Purposes	9 / 9
Ms Majella Corrigan	1 April 2021	4 years	-	Independent Member – Business Category	Education, Finance and General Purposes	2 / 2
Mrs Karen Fraser	1 August 2014 (with special extension) 1 July 2019 (Second Term)	4 years 4 years	-	Independent Member – Business Category	Audit and Risk, Education	9 / 9
Mr Mark Huddleston	10 December 2020	4 years	-	Independent Member – Business Category	Audit and Risk, Education	5 / 5
Mrs Barbara Larkin	1 August 2013 1 August 2017 (Second Term)	4 years	31 July 2021 (Term Expired)	Co-opted	Finance and General Purposes	9 / 9

Name	Date of Appointment	Term of Office	Date of Resignation	Status of appointment	Committees Served	GB Attendance
Mr James Lee	11 April 2020	4 years	-	Staff Governor	Audit and Risk, Education	9 / 9
Mr John Mackell	1 February 2016 1 February 2020 (Second Term)	4 years 4 years	-	Independent Member – Business Category	Audit and Risk, Education	8 / 9
Dr Daniel McConnell	10 December 2020	4 years	-	Independent Member – Business Category	Education, Finance and General Purposes	5 / 5
Mr Alan McCrum	10 December 2020	4 years	-	Independent Member – Business Category	Education, Finance and General Purposes	5 / 5
Mrs Deborah O'Hare	10 December 2020	4 years	-	Independent Member – Business Category	Audit and Risk Education	3 / 5
Mr Steve Pollard	17 December 2014 19 December 2018 (Second Term)	4 years 4 years	-	Co-opted	Audit and Risk, Education	9 / 9
Mrs Heather Reid	1 August 2011 1 August 2015 Second Term 1 August 2019 (Special Extension)	4 years 4 years 1 year + 6 months	31 March 2021 (Term Expired)	Independent Member – Business Category	Education, Finance and General Purposes	7 / 7
Ms Mollie Richardson	1 October 2020	1 year	-	Student Governor (2020/21)	Audit and Risk, Education	8 / 8
Mr Dillon Stanley	1 October 2019	1 year	31 August 2020	Student Governor (2019/20)	Audit and Risk, Education	1 / 1
Mr Darren Stewart	10 December 2020	4 years	-	Independent Member – Business Category	Audit and Risk, Education	5 / 5

Name	Date of Appointment	Term of Office	Date of Resignation	Status of appointment	Committees Served	GB Attendance
Mr Ken Webb	1 July 2008	On-going	-	Principal and Chief Executive	Education, Finance and General Purposes	9 / 9
Mr Derek Wilson	10 December 2020	4 years	-	Independent Member – Business Category	Education, Finance and General Purposes	5 / 5
Professor Alan Woodside	19 January 2015 20 January 2019 (Special Extension) 1 July 2019 (Second Term)	4 years 5 months 4 years	-	Independent Member – Business Category	Education, Finance and General Purposes	9 / 9

Professional Advisers

Internal Auditors	RSM Northern Ireland (UK) Limited Number One Lanyon Quay Belfast BT1 3LG
Bankers	Danske Bank Donegall Square West Belfast BT1 6JS

External Auditor

External Auditor	Comptroller and Auditor General Northern Ireland Audit Office 1 Bradford Court Upper Galwally BELFAST BT8 6RB
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For and on behalf of the members of the Governing Body:



Mr Ken Webb
Accounting Officer

22 November 2021

SOUTH EASTERN REGIONAL COLLEGE REMUNERATION REPORT

Remuneration Policy

Members of the Governing Body

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

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

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

Name	2020/21				2019/20			
	Re-muneration	Benefits in kind	Pension Benefits	Total	Re-muneration	Benefits in kind	Pension Benefits	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Mr Gareth Hetherington (Temporary Chair)	15 - 20	-	-	15 - 20	15 - 20	-	-	15 - 20
Mr Neil Bodger	0 - 5	-	-	0 - 5	5 - 10	-	-	5 - 10
Mr Andrew Corbett	0 - 5	-	-	0 - 5	0 - 5	-	-	0 - 5
Ms Majella Corrigan	0 - 5	-	-	0 - 5	-	-	-	-
Mrs Karen Fraser	0 - 5	-	-	0 - 5	0 - 5	-	-	0 - 5
Ms Christine Goodwin	-	-	-	-	0 - 5	-	-	0 - 5
Mr Mark Huddleston	0 - 5	-	-	0 - 5	-	-	-	-

Name	2020/21				2019/20			
	Re-muneration	Benefits in kind	Pension Benefits	Re-muneration	Re-muneration	Benefits in kind	Pension Benefits	Re-muneration
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Mrs Carolyn King	-	-	-	-	0 – 5	-	-	0 – 5
Mrs Barbara Larkin	0 – 5	-	-	0 – 5	0 – 5	-	-	0 – 5
Mr James Lee	0 – 5	-	-	0 – 5	0 – 5	-	-	0 – 5
Mr Daniel McConnell	0 – 5	-	-	0 – 5	-	-	-	-
Mr Alan McCrum	0 – 5	-	-	0 – 5	-	-	-	-
Mr John Mackell	0 – 5	-	-	0 – 5	0 – 5	-	-	0 – 5
Ms Deborah O'Hare	0 – 5	-	-	0 – 5	-	-	-	-
Mr Steve Pollard	0 – 5	-	-	0 – 5	0 – 5	-	-	0 – 5
Mrs Heather Reid	0 – 5	-	-	0 – 5	5 – 10	-	-	5 – 10
Ms Mollie Richardson (Student Governor – 20/21)	0 – 5	-	-	0 – 5	-	-	-	-
Mr Dillon Stanley (Student Governor – 19/20)	0 – 5	-	-	0 – 5	0 – 5	-	-	0 – 5
Mr Darren Stewart	0 – 5	-	-	0 – 5	-	-	-	-
Mr Derek Wilson	0 – 5	-	-	0 – 5	-	-	-	-
Prof Alan Woodside	0 – 5	-	-	0 – 5	0 – 5	-	-	0 – 5

The Principal/Director and Deputy Directors

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

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

Minimum Pay Levels

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

Progression

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

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

Performance Pay

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

Total Reward Package

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

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

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

Service Contracts

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

Salary and pension entitlements

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

Remuneration (including salary) and pension entitlements (Audited)

Name	2020/21				2019/20			
	Salary	Benefits in kind	Pension Benefits**	Total	Salary*	Benefits in kind	Pension Benefits	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Mr Ken Webb Director (Appointed 1 July 2008)	115-120	-	20-25	140-145	125-130	-	70-75	200-205
Dr Michael Malone Deputy Director (Appointed 1 June 2009)	95-100	-	25-30	125-130	105-110	-	75-80	185-190
Mrs Heather McKee Deputy Director (Appointed 1 Jan 2017)	85-90	-	30-35	120-125	85-90	-	15-20	105-110

* Includes backdated pay award from September 2015 to September 2018

**The value of pension benefits accrued during the year is calculated as (the real increase in pension multiplied by 20) plus (the real increase in any lump sum) less (the contributions made by the individual). The real increases exclude increases due to inflation or any increase or decrease due to a transfer of pension rights.

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the median remuneration of the organisation's workforce. Total remuneration includes salary, non-consolidated performance-related pay, and benefits-in-kind. It does not include severance payments, employer pension contributions and the cash equivalent transfer value of pensions.

The banded remuneration (excluding back dated pay award) of the highest-paid director South Eastern Regional College in the financial year 2020/21 was £115-120k (2019/20: £110-115k). This was 3.77 times (2019/20: 3.36 times) the median remuneration of the workforce (based on annualised, full-time equivalent remuneration at reporting date), which was £31,150 (2019/20: £33,460):

	2020/21 £	2019/20 £
Band of highest paid directors' total remuneration ('000)	115-120	110-115
Median total remuneration (£)	31,150	33,460
Ratio	3.77	3.36

Remuneration ranged from £15-£20k to £115-£120k.

Salary

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

Benefits in kind

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

Pension Entitlements (Audited)

Officials	Accrued pension at pension age as at 31/7/21 and related lump sum £'000	Real increase in pension and related lump sum at pension age £'000	CETV at 31/7/21 £'000	CETV at 31/7/20 £'000	Real increase in CETV £'000
Mr Ken Webb Director	50-55 Plus, lump sum of 0*	1.5-2 Plus, lump sum of 0*	847	845**	2
Dr Michael Malone Deputy Director	45-50 Plus, lump sum of 145-150	1.5-2 Plus, lump sum of 4.5-5	1,149	1,117	32
Mrs Heather McKee Deputy Director	5-10 Plus, lump sum of 0*	2-2.5 Plus, lump sum of 0*	89	60	29

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

** Restated – NITPS corrected CETV as at 31 July 2020.

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 are externally funded and contracted out of the State Earnings-Related Pension Scheme (SERPS).

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 surplus. The expected return on the scheme's assets and the increase during the period in the present value of the scheme's liabilities, arising from the passage of time, are included in pension finance costs. Actuarial gains and losses are recognised in Other Comprehensive Income section of the Statement of Comprehensive Income and Expenditure.

Enhanced Pensions

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

Cash Equivalent Transfer Values

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

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

Real Increase in CETV

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

SOUTH EASTERN REGIONAL COLLEGE

STATEMENT OF THE RESPONSIBILITIES OF THE ACCOUNTING OFFICER & GOVERNING BODY

FOR THE YEAR ENDED 31 JULY 2021

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

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

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

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

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

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

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

SOUTH EASTERN REGIONAL COLLEGE STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL FOR THE YEAR ENDED 31 JULY 2021

Introduction

This Statement of Corporate Governance and Internal Control for South Eastern Regional College sets out the governance structures, risk management and internal control procedures that operated within SERC during the 2020/21 financial year and up to the date of approval of the Annual Report and Financial Statements.

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

Scope of Responsibility

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

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

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

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

Governing Body

The Governing Body is established in accordance with the Further Education (Northern Ireland) Order 1997 which provides the statutory basis for further education in Northern Ireland. The Governing Body is subject to an Instrument and Articles of Government, a Management Statement/Financial Memorandum, the Audit Code and other regulatory requirements. In terms of governance, all other documents are subordinate to the Order and subject to its provisions.

The Governing Body of a college is a body corporate appointed by the Minister to act on behalf of the Department to ensure the efficient and effective management of the college and to ensure it secures the provision of suitable and efficient education to its students in line with statutory obligations in respect of further education. The purpose of corporate governance in further education is to ensure that the systems by which colleges are directed and controlled are operating effectively. The Governing Body has responsibility for setting the strategic direction of the College and for maintaining strategic oversight. It should ensure the demarcation of responsibilities between the Governing Body and the College's management team and provide and exercise both a support and challenge function in respect of the Principal and the executive team. Individual Governing Body members should bring independence, objectivity, impartiality and expertise to both the decision making and challenge processes within the college. There should be an appropriate balance of skills, experience and knowledge to enable the Governing Body to discharge its duties effectively.

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

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

Governing Body Member	Meetings Attended	Out of a Possible
Mr Gareth Hetherington (Temporary Chair)	9	9
Mr Neil Bodger	7	7
Mr Andrew Corbett	9	9
Ms Majella Corrigan	2	2
Mrs Karen Fraser	9	9
Mr Mark Huddleston	5	5
Mrs Barbara Larkin	9	9
Mr James Lee	9	9
Mr John Mackell	8	9
Dr Daniel McConnell	5	5
Mr Alan McCrum	5	5
Mrs Deborah O'Hare	3	5
Mr Steve Pollard	9	9
Mrs Heather Reid	7	7
Ms Mollie Richardson	8	8
Mr Dillon Stanley	1	1
Mr Darren Stewart	5	5
Mr Ken Webb	9	9
Mr Derek Wilson	5	5
Professor Alan Woodside	9	9
<i>In attendance</i>		
Director of Curriculum & Information Services	1	1
Director of Strategic Planning, Quality and Support	2	2
Chief Finance Officer	7	7
Chief Human Resources Officer	8	8
Chief Training & Contracts Officer	1	1
Chief Officer Quality, Excellence & Development	1	1
Head of Quality, Excellence & Development	1	1
Head of Learning Academy	2	2
Boardroom Apprentice 2020/21	5	5

Members of SERC staff are invited to attend where significant items pertaining to their business area are to be discussed by the Governing Body.

Information presented to the Governing Body, and all sub-committees, is drafted by the appropriate department and proceeds through the necessary internal clearance procedures before being presented as formal agendas, papers and reports to the Governing Body. This ensures a high quality of reliable and up-to-date information is presented for the Governing Body's consideration. The Governing Body is satisfied with the quality and reliability of the information presented during 2020/21.

In order to fulfil its role, the Governing Body met 9 times during 2020/21. There are three established Committees: the Finance and General Purposes Committee; the Audit & Risk Committee; and the Education Committee. All of the committees are formally constituted with terms of reference and comprise mainly lay members of the Governing Body.

A minimum of 6 members of the Governing Body must be present for the meeting to be deemed quorate. All Governing Body meetings during the 2020/21 financial year were fully quorate. Full minutes of Governing Body meetings are available from the Secretary to the Governing Body.

Governing Body Conflicts of Interest

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

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

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

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

Governing Body Performance and Effectiveness

In 2020/21 the Governing Body completed the Department's assessment exercise (as per FE Circular FE 06/12) that focuses on three stands: a member's assessment; a Chair assessment; and a Governing Body self-assessment. The strand that focuses upon the Governing Body is administered by the Department through completion of a questionnaire that covers five main themes: Personal Performance, Governing Body Performance, Governing Body Procedures and Composition, Governing Body Committees, and Training and Induction.

The results, issued by the Department, provide the Governing Body with an opportunity to reflect on how it operates, as well as providing a benchmark against levels of performance in the NI FE sector.

For four themes, the views expressed were more positive than in 2019/20. Views were most positive for GB Committees and Training & Induction, and least positive for GB Procedures & Composition. This compares to most positive GB Performance and least positive GB Procedures & Composition in 2019/20. Views expressed on GB Performance dipped insignificantly from prior year (0.7%); compared to 2019/20 perception remained at 100% for seven out of the eight statements with overall perception being above or equal to the sector average for all eight statements. Overall, perception was above that across the sector for all five themes.

Audit & Risk Committee

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

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

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

Audit & Risk Committee Member	Meetings Attended	Out of a Possible
Mr John Mackell (Chair)	5	5
Mr Steve Pollard (Vice Chair until September 2020)	5	5
Mrs Karen Fraser (Vice Chair from September 2020)	5	5
Mr Mark Huddleston (Appointed 10 December 2020)	3	3
Mr James Lee	5	5
Mrs Deborah O'Hare (Appointed 10 December 2020)	2	3
Ms Mollie Richardson	4	4
Mr Darren Stewart (Appointed 10 December 2020)	3	3
<i>In attendance:</i>		
Principal & Chief Executive	5	5
Temporary Chair of the Governing Body	4	5
Director of Curriculum and Information Services	5	5
Director of Strategic Planning, Quality and Support	1	1
Chief Finance Officer	5	5
Chief Technology Officer	5	5
Chief HR Officer	1	1
Northern Ireland Audit Office Representative	4	4

<i>In attendance (con'td)</i>	Meetings Attended	Out of a Possible
External Audit Representative	4	4
Internal Audit Representative	5	5
Department for the Economy Representative	5	5
Boardroom Apprentice 2020/21	2	2

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

The Articles and Terms of Reference for the Audit & Risk Committee state that the Committee should meet at least 4 times a year, and more frequently as circumstances require. During the 2020/21 financial year there were 5 Audit & Risk Committee Meetings held. A quorum for any meeting of the Audit & Risk Committee is 3 members. All Committee meetings during the 2020/21 financial year were fully quorate.

The key issues discussed at the Audit & Risk Committee meetings during the 2020/21 financial year were as follows:

- Risk Management Reporting & Risk Horizon Scanning
- Annual Report & Financial Statements (including Governance Statement)
- Internal Audit and External Audit reports
- External Audit Strategy 2020/21
- Fraud Updates including a review of the National Fraud Initiative
- IT Resilience
- Gift and Hospitality Register annual review
- Procurement Fraud Risks
- Finance Policies

The Audit & Risk Committee is content with the quality and reliability of the information presented during 2020/21.

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

Finance and General Purposes Committee

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

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

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

Members of the Finance and General Purposes Committee are drawn from the Governing Body.

Attendance during the year at the Finance and General Purposes Committee meetings was as follows:

F&GP Committee Member	Meetings Attended	Out of a Possible
Mrs Barbara Larkin	5	5
Mr Gareth Hetherington (Ex-Officio)	5	5
Mr Neil Bodger (Term ended 31 March 2021)	2	4
Mr Andrew Corbett	5	5
Ms Majella Corrigan (Appointed 1 April 2021)	1	1
Dr Daniel McConnell (Appointed 10 December 2020)	2	3
Mr Alan McCrum (Appointed 10 December 2020)	3	3
Mrs Heather Reid (Term ended 31 March 2021)	4	4
Mr Ken Webb	5	5
Mr Derek Wilson (Appointed 10 December 2020)	3	3
Professor Alan Woodside	4	5
<i>In attendance:</i>		
Chief Finance Officer	5	5
Chief Human Resources Officer	5	5
Head of Health & Safety	1	1
Head of Learning Academy	1	1
Boardroom Apprentice 2020/21	1	1

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

The Articles and Terms of Reference for the F&GP Committee state that the Committee should meet at least 4 times a year, and more frequently as circumstances require. During the 2020/21 financial year there were 5 F&GP Committee Meetings held. A quorum for any meeting of the F&GP Committee is 3 members. All Committee meetings during the 2020/21 financial year were fully quorate.

The key issues discussed at the F&GP Committee meetings during the 2020/21 financial year were as follows:

- Financial Performance
- Capital Expenditure
- Debt Updates
- Health & Safety Update
- Resource Allocation and Resource Budget 2020/21
- Financial Policies
- Applications and Enrolments
- Estates Strategy and Update Report
- Indicative Resource Allocation 2021/22
- HR Priorities Plan and Status Updates
- Staff Absenteeism
- Staff Utilisation
- Equality Annual Progress Report
- Pay Award
- Impact of COVID-19

The F&GP Committee is content with the quality and reliability of the information presented during 2020/21. The Finance and General Purposes Committee presents a report to each meeting of the Governing Body.

Education Committee

The Education Committee is responsible for overseeing College curricular provision, especially the nature, quality and performance of the provision and the extent to which it meets the needs of the community that the College seeks to serve. The main functions of the Education Committee are:

- College Development Plan – to ensure the delivery of the College’s strategy through input to the preparation and implementation of the CDP.
- Quality – to drive the improvement of quality and raising of standards in all College activities.
- Curriculum Plan/Prospectus – to ensure that overall course provision is responsible to the needs of the wider community which the College seeks to serve, taking into account the curriculum offer of other providers, and developing partnerships where possible.
- Business Services – To ensure the College is developing relationships with businesses, with a focus on securing industry projects, international projects and maximising the potential of SERC student companies.
- Strategy – to assist in the development of the College’s Strategy, which aims to establish the purpose, strategy and values of the College.

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

Education Committee Member	Meetings Attended	Out of a Possible
Mrs Heather Reid (Chair until 31 March 2021)	4	4
Mr Steve Pollard (Chair from 25 May 2021)	3	5
Mr Gareth Hetherington (Ex-Officio)	5	5
Mr Neil Bodger	3	4
Mr Andrew Corbett	5	5
Ms Majella Corrigan (Appointed 1 April 2021)	1	1
Mrs Karen Fraser	5	5
Mr Mark Huddleston (Appointed 10 December 2020)	3	3
Mr James Lee	5	5
Mr John Mackell	5	5
Dr Daniel McConnell (Appointed 10 December 2020)	3	3
Mr Alan McCrum (Appointed 10 December 2020)	3	3
Mrs Deborah O’Hare (Appointed 10 December 2020)	3	3
Ms Mollie Richardson	4	4
Mr Darren Stewart (Appointed 10 December 2020)	3	3
Mr Ken Webb	5	5
Mr Derek Wilson (Appointed 10 December 2020)	3	3
Professor Alan Woodside	4	5
<i>In attendance:</i>		
Director of Curriculum and Information Services	5	5
Director of Strategic Planning, Quality and Support	5	5
Chief Training & Contracts Officer	1	1

<i>In attendance (con'td)</i>	Meetings Attended	Out of a Possible
Head of Quality, Excellence & Development	3	3
Chief Officer Quality, Excellence & Development	2	2
Commercial Contracts Manager	1	1
Head of School for Construction, Engineering Services & Skills for Work	1	1
Deputy Head of School for Construction, Engineering Services & Skills for Work	1	1
Deputy Heads of Enterprise and Entrepreneurship	1	1
Boardroom Apprentice 2020/21	3	3

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

The Articles and Terms of Reference for the Education Committee state that the Committee should meet at least 4 times a year, and more frequently as circumstances require. During the 2020/21 financial year there were 5 Education Committee Meetings held. A quorum for any meeting of the Education Committee is 3 members. All Committee meetings during the 2020/21 financial year were fully quorate.

The key issues discussed at the Education Committee meetings during the 2020/21 financial year were as follows:

- Applications and Enrolments
- College response to COVID-19
- Awarding Body requirements in response to COVID-19
- Safeguarding, Care and Welfare
- Careers Advisory
- College Development Plan – 2020/21
- Whole College Self Evaluation Report and Quality Improvement Plan
- Community Engagement
- HE Curriculum and Quality Assessment
- Entrepreneurship and Employability
- TFS and Apprenticeship
- International activity and impact of COVID-19
- Learning Support
- Higher Education Achievements and Growth
- Social Inclusion

The Education Committee is content with the quality and reliability of the information presented during 2020/21.

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

College Management Team

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

- Principal and Chief Executive
- Directors
- Chief Finance Officer
- Chief Human Resources Officer
- Chief Training & Contracts Officer
- Head of Quality, Excellence and Development
- Chief Officer – Quality, Excellent and Development (*formerly known as Head of International, Quality, Excellence and Development*)

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

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

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

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

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

Following the closure of all SERC Campuses and the move of all other operations online where possible on 24 March 2020, the College Management Team, in its guise as the Critical Incident Response Team, continued to meet routinely online throughout the closure period to manage the College response to the pandemic. In late June 2020 the Critical Incident Response Team agreed that the operational management of the pandemic impact would be part of the normal business of the College Management Team from August 2020 onwards. Focus at that point would shift to a “return to campus” or recovery phase. The terms CMT/CIRT would become interchangeable at that time.

The recovery phase was introduced in three distinct steps:

- Pre-reopening Phase: 22 June to 9 August – very limited staff and student access
- Preparation Phase: 10 August to 6 September – larger scale staff and student access where necessary
- Commencement of academic year: 7 September onwards

With the commencement of the academic year, SERC introduced a blended delivery model and a flexible “working from home” approach to target an overall “on site” population density of approximately 50% of 2019/20 levels. This approach was over-ridden by several government interventions beginning in October 2020 in response to further waves of the pandemic. Late May saw the College move to Stage 4 of Northern Ireland’s “*Pathway out of Restrictions*” and return to its model of 50% population density as previously introduced in September 2020. Throughout the year the CMT continued to meet routinely online to manage the College’s operations in the context of the public health interventions and severely restricted on site access during the ongoing pandemic.

Compliance with the Corporate Governance Code

During 2020/21, the College complied with the principles and supporting provisions set out in the Corporate Governance Code.

Risk Management

The College places significant emphasis on risk management. Risk management is viewed by the College as an essential element of the College’s corporate governance framework and is closely linked with the College Development Plan and monitoring process.

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

Risk management within the College is a dynamic process designed to identify and prioritise the risks to the achievement of College policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The College’s capacity to manage risk is established through the risk and control framework and the experience of senior management in the risk management process. The College Management Team, together with the Governing Body, provide leadership to the risk management environment.

The College has an embedded Risk Management Policy which has been enforced to ensure that the College’s objectives and risks have been identified and that a control strategy for each of the significant risks has been determined. Risk ownership is allocated to the appropriate staff and the College has set out its attitude to risk to the achievement of the College objectives.

The College has ensured that staff are trained and equipped to manage risk in a way appropriate to their level of authority and duties, and guidance on the College's risk management process is available to all staff on the intranet.

Risk and Control Framework

The Governing Body has instructed that procedures are in place for verifying that aspects of risk management and internal control are regularly reviewed and reported on.

There has been a full risk and control assessment before reporting on the year ending 31 July 2021 with budget holders throughout the College assessing their own departments and submitting a Departmental Statement of Internal Control to the Accounting Officer.

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

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

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

College Risks Identified in 2020/21

The College risks identified for the Risk Register as at September 2021 were:

Risk Classification	Risk Identified	Risk Categorisation
Enrolments	Maintaining current levels of Higher Education provision	Red Zone
Financial Education	COVID-19 Pandemic	Red Zone
Education Financial	Managing the qualification adaptations for the 2020/21 academic year	Red Zone
Financial Education	TFS - Transition from Supplier Relief provision to new operational requirements.	Red Zone
Financial	Risk to achieving Value for Money and maintaining the learning environment	Amber Zone
Financial	Managing the financial viability of the College	Amber Zone
Financial Education	Managing the impact of industrial action	Amber Zone
Staffing	Managing the College's Sickness Absence	Amber Zone
ILT	Delivering the NI Further Education Sector Systems Technology & Services Project	Amber Zone
Financial Education	Cyber Threats	Amber Zone

All risks identified throughout 2020/21 have been appropriately managed within the Risk and Control Framework.

Fraud Reporting

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

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

There was one reported case of suspected fraud during the year ended 31 July 2021, reported through the Whistleblowing Policy. The case investigation identified irregularity other than fraud.

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

Whistleblowing

The College has a detailed Whistleblowing Policy which is reviewed annually. 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 2020/21 the College had one incident reported under the Whistleblowing Policy. The incident was investigated with the outcome that irregularity was found, other than fraud.

Education and Training Inspectorate (ETI)

In March 2021, the Education and Training Inspectorate (ETI) carried out a scrutiny of the Quality Improvement Plan (QIP) and associated documentation resulting from the self-evaluation and quality improvement planning processes in the South Eastern Regional College. The purpose of this scrutiny was to evaluate the effectiveness of the quality improvement planning and to take account of the context of the Covid-19 Public Health Pandemic.

On the basis of all of the information provided, ETI reported that there was sufficient evidence that the College is planning effectively for quality improvement, continuity in learning and recovery.

Internal Audit

The College has an internal audit service, the work of which concentrates on areas of key activities determined by an analysis of the areas of greatest risk and in accordance with the annual internal audit plan. The internal audit plan was endorsed and approved by the Audit & Risk Committee and the Governing Body.

The internal audit service reports to the Accounting Officer and to the Audit & Risk Committee on a regular basis and has direct access to the Governing Body and to the Chairperson of the Audit & Risk Committee.

Internal audit opinions are graded as follows, in line with DAO (DoF) 07/16 Internal Audit Opinions and Prioritisation of Recommendations:

Assurance Rating	Definition
Satisfactory	Overall there is a satisfactory system of governance, risk management and control. While there may be some residual risk identified, this should not significantly impact on the achievement of system objectives.
Limited	There are significant weaknesses within the governance, risk management and control framework, which, if not addressed, could lead to the system objectives not being achieved.
Unacceptable	The system of governance, risk management and control has failed or there is a real and substantial risk that the system will fail to meet its objectives.

Recommendations are prioritised to reflect organisational priorities in order to enable management to more easily identify significant issues at an organisational level. The priority levels are defined as:

Priority	Definition
1	Failure to implement the recommendation is likely to result in a major failure of a key organisational objective, significant damage to the reputation of the organisation or the misuse of public funds.
2	Failure to implement the recommendation could result in the failure of an important organisational objective or could have some impact on a key organisational objective.
3	Failure to implement the recommendation could lead to an increased risk exposure.

The Head of Internal Audit issues an Assurance Statement to the Accounting Officer which provides an independent and objective opinion on the overall adequacy and effectiveness of the College’s risk management, control and governance processes. The Assurance Statement, provided by the Head of Internal Audit, is a key element of the framework of assurance that the Accounting Officer needs to inform this Governance Statement.

On the basis of the audit work performed during the 2020/21 financial year, the Head of Internal Audit has provided an overall assurance of satisfactory.

A summary of the ratings from the assurance reviews completed during 2020/21 is provided below:

Area reviewed	Assurance Rating
Business Continuity and Disaster Recovery	Satisfactory
Cyber Security Review	Satisfactory
Health and Safety (COVID-19)	Satisfactory
Human Resources – Staff Support	Satisfactory
Student Safeguarding, Care and Welfare	Satisfactory

There were no Priority 1 issues reported in the 2020/21 Internal Audit Reviews. The reviews provided sixteen recommendations, thirteen of which have since been implemented. One of the remaining three recommendations is considered “ongoing” with the other two “not yet due” – all recommendations will be implemented in 2021/22.

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

Pay Remits

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

The College withholds progression increments until DoF approval is received.

Information Assurance

Effective information security is a key priority for the College and it recognises that stringent principles of information security must be applied to all information it holds.

In 2020/21 the College continued its development of Policies and Standard Operating Procedures surrounding information assurance and records management in relation to the Data Protection Act 2018 and the principles set out in the General Data Protection Regulation (GDPR). The Policies and Procedures were supplemented by updated online training for all staff.

The College reported one data breach to the Information Commissioner's Office (ICO) during the 2020/21 year. The breach regarded inaccurate data which had the potential to create financial disadvantage. Process improvements were introduced by the College to prevent any reoccurrence. The ICO decided that no further action was necessary since *"significant damage or detriment to the data subject would seem unlikely to occur following the breach"*.

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

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

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



Mr Ken Webb
Accounting Officer

22 November 2021

SOUTH EASTERN REGIONAL COLLEGE

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

Opinion on financial statements

I certify that I have audited the financial statements of the South Eastern Regional College for the year ended 31 July 2021 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: Statement of Comprehensive Income and Expenditure, the Statement of Changes in Reserves, the Statement of Financial Position, the 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. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom accounting standards including FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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

In my opinion the financial statements:

- give a true and fair view of the state of the South Eastern Regional College's affairs as at 31 July 2021 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 opinions

I conducted my audit in accordance with International Standards on Auditing (ISAs) (UK), applicable law 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 South Eastern Regional College in accordance with the ethical requirements of the Financial Reporting Council's Revised Ethical Standard 2019, and have fulfilled our other ethical responsibilities in accordance with these requirements. I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my opinions.

SOUTH EASTERN REGIONAL COLLEGE

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

Conclusions relating to going concern

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

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

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

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

Other Information

The other information comprises the information included in the annual report other than the financial statements, the parts of the Remuneration Report described in that report as having been audited and my audit certificate and report thereon. The Accounting Officer and Governing Body are responsible for the other information reported in the annual report. My opinion on financial statements does not cover the other information and except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon.

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Opinion on other matters

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

SOUTH EASTERN REGIONAL COLLEGE

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

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.

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
- certain disclosures of remuneration specified by the Government Financial Report Manual are not made; or
- I have not received all of the information and explanations I require for my audit; or
- the Statement of Corporate Governance and Internal Control does not reflect compliance with the Department of Finance's guidance.

Responsibilities of the Accounting Officer and Governing Body

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

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

My procedures included:

- obtaining an understanding of the legal and regulatory framework applicable to the South Eastern Regional College through discussion with management and application of extensive public sector accountability knowledge. The key laws and regulations I considered included Health and Safety Legislation, the Companies Act 2006, the Fair Employment (Northern Ireland) Act 1989 and relevant tax laws;
- making enquires of management and those charged with governance on South Eastern Regional College's compliance with laws and regulations;
- making enquiries of internal audit, management and those charged with governance as to susceptibility to irregularity and fraud, their assessment of the risk of material misstatement due to fraud and irregularity, and their knowledge of actual, suspected and alleged fraud and irregularity;
- completing risk assessment procedures to assess the susceptibility of South Eastern Regional College's financial statements to material misstatement, including how fraud might occur. This included, but was not limited to, an engagement director led engagement team discussion on fraud to identify particular areas, transaction streams and business practices that may be susceptible to material misstatement due to fraud. As part of this discussion, I identified potential for fraud in the following areas: revenue recognition, expenditure recognition, posting of unusual journals and unreasonable management estimates;
- engagement director oversight to ensure the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with the applicable legal and regulatory framework throughout the audit;
- designing audit procedures to address specific laws and regulations which the engagement team considered to have a direct material effect on the financial statements in terms of misstatement and irregularity, including fraud. These audit procedures included, but were not limited to, reading board and committee minutes, and agreeing financial statement disclosures to underlying supporting documentation and approvals as appropriate and queries of management and those charged with governance; and

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

Auditor's responsibilities for the audit of the financial statements (cont'd)

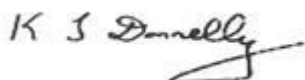
- addressing the risk of fraud as a result of management override of controls by:
 - performing analytical procedures to identify unusual or unexpected relationships or movements;
 - testing journal entries to identify potential anomalies, and inappropriate or unauthorised adjustments;
 - assessing whether judgements and other assumptions made in determining accounting estimates were indicative of potential bias; and
 - investigating significant or unusual transactions made outside of the normal course of business.

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

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

Report

I have no observations to make on these financial statements.



K J Donnelly
Comptroller and Auditor General
Northern Ireland Audit Office
1 Bradford Court
Galwally
BELFAST
BT8 6RB

24 November 2021

SOUTH EASTERN REGIONAL COLLEGE
STATEMENT OF COMPREHENSIVE INCOME AND EXPENDITURE
FOR THE YEAR ENDED 31 JULY 2021

		2021	2020
	Note	£'000	£'000
INCOME			
Department for the Economy income	1	46,209	39,884
Education contracts	2	7,529	7,657
Tuition fees and charges	3	1,826	2,246
Other grant income	4	449	548
Other operating income	5	679	804
Investment income	6	-	-
Donations and endowments	7	-	-
Total Income		56,692	51,139
EXPENDITURE			
Staff costs	8	37,714	33,115
Other operating expenses	10	18,284	16,897
Depreciation	13	5,174	5,373
Amortisation	14	20	-
Profit on disposal of non-current assets		(3)	-
Interest and other finance costs	11	481	267
Total expenditure before exceptional items		61,670	55,652
Deficit before exceptional items		(4,978)	(4,513)
EXCEPTIONAL ITEMS			
Exceptional costs (staff)	8	(92)	825
Exceptional costs (non-staff)	10	4	-
Deficit before other gains/losses		(4,890)	(5,338)
(Loss) / gain on investment		-	-
Deficit before tax		(4,890)	(5,338)
Taxation	12	-	-
Deficit for the year		(4,890)	(5,338)
Unrealised surplus on revaluation of land and buildings	13	1,289	3,270
Cumulative increase in market value of investments	20	1	-
Actuarial gain/(loss) in respect of pension scheme	22	9,081	(19,520)
Total comprehensive surplus/(deficit) for the year		5,481	(21,588)
Represented by:			
Endowment comprehensive income for the year		-	-
Restricted comprehensive income for the year		1	-
Unrestricted comprehensive income/(expenditure) for the year		5,480	(21,588)
		5,481	(21,588)

All amounts above relate to the continuing operations of the College.

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

**SOUTH EASTERN REGIONAL COLLEGE
STATEMENT OF CHANGES IN RESERVES
FOR THE YEAR ENDED 31 JULY 2021**

	Income and Expenditure Account						Total Reserves
	Endowment Permanent Restricted	Endowment Temporary Restricted	Restricted Reserve	Pension Reserve	Unrestricted Reserve	Revaluation Reserve	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 August 2019	4	1	-	(13,445)	4,389	81,777	72,726
(Deficit) from income and expenditure statement	-	-	-	(2,387)	(2,951)	-	(5,338)
Other comprehensive (deficit)/income	-	-	-	(19,520)	-	3,270	(16,250)
Transfers between revaluation reserve and income and expenditure account	-	-	-	-	2,154	(2,154)	-
Cumulative increase in market value of investments	-	-	-	-	-	-	-
Balance at 31 July 2020 and 1 August 2020	4	1	-	(35,352)	3,592	82,893	51,138
(Deficit) from income and expenditure statement	-	-	-	(4,298)	(592)	-	(4,890)
Other comprehensive (deficit)/income	-	-	-	9,081	-	1,289	10,370
Transfers between revaluation reserve and income and expenditure account	-	-	-	-	2,155	(2,155)	-
Cumulative increase in endowment (temporary restricted)	-	1	-	-	-	-	1
Total comprehensive (deficit)/income for the year	-	1	-	4,783	1,563	(866)	5,481
Balance as at 31 July 2021	4	2	-	(30,569)	5,155	82,027	56,619

**SOUTH EASTERN REGIONAL COLLEGE
STATEMENT OF FINANCIAL POSITION
AS AT 31 JULY 2021**

		2021	2020
	Note	£'000	£'000
Non-Current Assets			
Property, Plant & Equipment	13	156,399	158,297
Intangible assets	14	408	417
Investments	16	3	3
Total non-current assets		<u>156,810</u>	<u>158,717</u>
Current assets			
Trade and other receivables	17	3,328	1,569
Cash and cash equivalents	21	4,377	3,420
Total current assets		7,705	4,989
Current liabilities			
Creditors - amounts falling due within one year	18	(6,352)	(4,268)
PPP finance lease creditor - amounts falling due within one year	15	(1,391)	(1,320)
Provisions	25	(612)	(790)
Net current liabilities		<u>(650)</u>	<u>(1,389)</u>
Total assets less current liabilities		156,160	157,328
Non-current liabilities			
Creditors – amounts falling due after more than one year	19	(39,554)	(40,029)
PPP finance leases – amounts falling due after more than one year	15	(29,418)	(30,809)
Pension liability	22	(30,569)	(35,352)
Net assets including pension liability		<u>56,619</u>	<u>51,138</u>

SOUTH EASTERN REGIONAL COLLEGE
STATEMENT OF FINANCIAL POSITION (continued)
AS AT 31 JULY 2021

		2021	2020
	Note	£'000	£'000
Restricted Reserves			
Income and expenditure account - endowment	20	6	5
Unrestricted Reserves			
Income and expenditure account – unrestricted reserve		5,155	3,592
Income and expenditure account – pension reserve	22	(30,569)	(35,352)
Revaluation reserve		82,027	82,893
Total reserves		<u>56,619</u>	<u>51,138</u>

The financial statements on pages 79 to 113 were approved by the Governing Body of South Eastern Regional College on 22 November 2021:



Mr Gareth Hetherington
Chair of Governing Body (Temporary)
South Eastern Regional College



Mr Ken Webb
Accounting Officer
South Eastern Regional College

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

**SOUTH EASTERN REGIONAL COLLEGE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 JULY 2021**

	Note	2021 £'000	2020 £'000
Cash outflow from operating activities			
Deficit for the year		(4,890)	(5,338)
Adjustment for non-cash items			
Depreciation	13	5,174	5,373
Amortisation	14	20	-
Deferred capital grants released to income	1	(2,334)	(2,354)
Profit on disposal of non-current assets	13	(3)	-
Interest and investment income receivable	6/7	-	-
NILGOSC FRS 102 (28) Pension Adjustment	22	4,298	2,387
(Increase)/Decrease in trade and other receivables	17	(1,759)	519
Increase in creditors	18/19	3,943	250
Decrease/(Increase) in provision	25	(178)	790
Adjustment for investing or financing activities (Service Concession Interest)	10	1,814	1,884
Net cash inflow from operating activities		6,085	3,511
Cash flows from investing activities			
Cumulative increase in endowment income	20	1	-
Proceeds on disposal of non-current assets	13	3	-
Payments made to acquire fixed assets (including intangible)	13/14	(1,998)	(948)
Cash (outflow) from investing activities		(1,994)	(948)
Cash flows from financing activities			
Interest element of finance lease and service concession payments	10	(1,814)	(1,884)
Capital payment of service concession payments	15	(1,320)	(1,254)
Cash (outflow) from financing activities		(3,134)	(3,138)
Increase/(Decrease) in cash and cash equivalents in the years		957	(575)
Net funds at 1 August		3,420	3,995
Net funds at 31 July		4,377	3,420

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

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

SOUTH EASTERN REGIONAL COLLEGE

STATEMENT OF ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 JULY 2021

Statement of Accounting Policies

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

Basis of Preparation

These financial statements have been prepared on the going concern basis in accordance with the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education 2019 and in accordance with Financial Reporting Standard (FRS 102). The College is a public benefit entity and has therefore applied the relevant public benefit entity requirements of FRS 102.

The financial statements are prepared in accordance with the historical cost convention except that certain freehold properties are shown at their revalued amounts.

They also conform to the Accounts Direction issued by the Department for the Economy (DfE).

Basis of accounting

The financial statements are prepared in accordance with the historical cost convention modified by the revaluation of certain fixed assets and in accordance with applicable United Kingdom accounting standards.

Critical accounting judgements and estimates

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the College's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are:

Pension Liability

The critical judgements of the pension liability schemes are included in the accounting policy note (page 86).

The key actuarial assumptions used in the valuation of the NILGOSC pension scheme, including discount rates, salary and pension increases, and mortality rates are reported in note 22.

Property, Plant and Equipment

Land and buildings (including those inherited from the Education and Library Board) are stated in the statement of financial position at valuation on the basis of depreciated replacement cost, including irrecoverable VAT, as the open market value for existing use is not readily obtainable.

Freehold buildings are depreciated over their expected useful economic life to the College as advised by the Land & Property Services (LPS).

All other depreciation is calculated based on assumptions of asset useful economic lives and expected residual value.

A change in depreciable life is treated as a change in accounting estimate.

SOUTH EASTERN REGIONAL COLLEGE
STATEMENT OF ACCOUNTING POLICIES (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2021

Going concern

The activities of the College, together with factors likely to affect its future development and performance are set out in the Strategic Report. The financial position of the College, its cashflow, liquidity and borrowings are described in the financial statements and accompanying notes.

The College is satisfied that the organisation is a going concern on the basis that there is no reason to believe that the department's future sponsorship and future Assembly approval will not be forthcoming to meet the College's liabilities as they fall due. This assessment takes into consideration the impact of the ongoing COVID-19 pandemic, as described on page 47. It has accordingly been considered appropriate to adopt a going concern basis for the preparation of these financial statements.

Government Grants (Accruals Model)

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

Tuition Fees

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

Non-Government Grants

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

Interest

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

Capital Grants (Non Land Grants) (Accruals Model)

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

Other Capital Grants

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

Capital Grants (Land Grants)

Capital government grants for land are accounted for in accordance with the performance model.

**SOUTH EASTERN REGIONAL COLLEGE
STATEMENT OF ACCOUNTING POLICIES (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2021**

Donations and Endowments

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

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

Pension Scheme

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

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

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

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

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

**SOUTH EASTERN REGIONAL COLLEGE
STATEMENT OF ACCOUNTING POLICIES (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2021**

Property, Plant & Equipment

▪ **Land and buildings**

Land and buildings (including those inherited from the Education and Library Board) are stated in the statement of financial position at valuation on the basis of depreciated replacement cost, including irrecoverable VAT, as the open market value for existing use is not readily obtainable. The associated credit is included in the revaluation reserve. The difference between depreciation charged on the historic cost of assets and the actual charge for the year calculated on the revalued amount is released to the income and expenditure account reserve on an annual basis. Land and buildings acquired since the last valuation are included in the statement of financial position at cost. Freehold land is not depreciated. Freehold buildings are depreciated over their expected useful economic life to the College as advised by the LPS. The depreciation charge on buildings is based on the opening value as valued by LPS. Where land and buildings are acquired with the aid of specific grants, these are accounted for in accordance with the revenue recognition policies above.

▪ **Assets other than land and buildings**

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

These assets are depreciated over their useful economic lives as follows:

Fixed Asset	Depreciation
Computers	33 $\frac{1}{3}$ % per annum on a straight line basis
Fixtures and fittings	15% per annum on a straight line basis
Motor vehicles	25% per annum on a straight line basis
Plant and equipment	20% per annum on a straight line basis

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

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

**SOUTH EASTERN REGIONAL COLLEGE
STATEMENT OF ACCOUNTING POLICIES (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2021**

Public Private Partnerships

Where it is concluded that the College has an asset of the property and therefore a liability to pay for it, these are recorded on the statement of financial position. The initial amount recorded for each is the fair value of the property or if lower the present value of the minimum lease payments determined at the inception of the lease. Subsequently, the asset is depreciated over its useful economic life.

Payments are allocated between service costs, finance charges and financial liability repayments to reduce the financial liability to nil over the life of the arrangement.

The College recognises the property when it comes into use, unless it bears significant construction risk, in this case the property is recognised as it is constructed.

Leased Assets

Costs in respect of operating leases are charged on a straight-line basis over the lease term.

Leasing agreements which transfer to the College substantially all the benefits and risks of ownership of an asset are treated as if the asset had been purchased outright and are capitalised at their fair value at the inception of the lease and depreciated over the shorter of the lease term or the useful economic lives of equivalently owned assets. The capital element outstanding is shown as obligations under finance leases. The finance charges are allocated over the period of the lease in proportion to the capital element outstanding.

Intangible Assets

Intangible assets, greater than £3,000 per individual item, are capitalised at cost in the accounts. Software integral to an item of hardware is dealt with as Property, Plant & Equipment.

Amortisation is charged on a systematic basis over the useful economic life of the intangible asset. The useful economic life is limited to the period of any contractual or legal rights (including any renewal periods where the cost of renewal is not significant). Where the intangible asset has perpetual rights, the asset is amortised over the estimated useful economic life. The following amortisation rates are used in the year ended 31 July 2021:

Intangible Asset	Amortisation
Sector Learner Management System	Contractual License Period – 66 months from May 2021
Software	36 months

Investments

Fixed asset investments are measured at their fair value with changes in fair value recognised in the statement of income and expenditure.

Foreign Currency Translation

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

**SOUTH EASTERN REGIONAL COLLEGE
STATEMENT OF ACCOUNTING POLICIES (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2021**

Taxation

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

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

Liquid Resources

Liquid resources include sums on short-term deposits with recognised banks and building societies.

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 and the Care to Learn Scheme.

Hardship Fund payments and Care to Learn received from DfE and subsequent disbursements to students and child minding facilities are excluded from the Income and Expenditure account and are shown separately in Note 28.

In 2020/21 the College also acted as agent, for the Department of the Economy, for the disruption payment made under The COVID-19 Study Disruption Payment Scheme Regulations (Northern Ireland) 2021. Income and expenditure related to this scheme are also excluded from the Income and Expenditure account and are shown separately in Note 28.

**SOUTH EASTERN REGIONAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021**

1. DEPARTMENT FOR THE ECONOMY INCOME

	2021	2020
	£'000	£'000
Grant in Aid Received from DfE		
Recurrent grant	41,928	36,859
Release of deferred capital grants	2,334	2,354
Other	-	-
Grant in Aid Received from DfE	44,262	39,213
Non-Grant in Aid Received from DfE		
Educational Maintenance Allowance Administration	17	10
Higher Level Apprenticeships	799	384
Skills Intervention Programme	865	-
CRM Maintenance & Support	74	-
Challenge Fund	124	-
Entry to Management	-	36
Other	68	241
Non-Grant in Aid Received from DfE	1,947	671
Total DfE Income	46,209	39,884

2. EDUCATION CONTRACTS

	2021	2020
	£'000	£'000
Entitlement Framework	698	675
Training for Success	6,763	6,784
Steps to Success	68	198
	7,529	7,657

**SOUTH EASTERN REGIONAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2021**

3. TUITION FEES AND CHARGES

	2021	2020
	£'000	£'000
Higher Education (HE) income	1,485	1,699
Home and other European Union	312	524
Non-European Union	29	23
	<u>1,826</u>	<u>2,246</u>

Tuition fees funded by bursaries

Included within the above amounts are tuition fees funded by bursaries of £29k (2020: £33k)

4. OTHER GRANT INCOME

	2021	2020
	£'000	£'000
European funds	77	211
Other funds	372	337
	<u>449</u>	<u>548</u>

5. OTHER OPERATING INCOME

	2021	2020
	£'000	£'000
Catering and residence operations	75	186
Other income generating activities	497	550
Other income	107	68
	<u>679</u>	<u>804</u>

6. INVESTMENT INCOME

	2021	2020
	£'000	£'000
Other interest receivable	<u>-</u>	<u>-</u>

7. DONATIONS AND ENDOWMENTS

	2021	2020
	£'000	£'000
New endowments	<u>-</u>	<u>-</u>

SOUTH EASTERN REGIONAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2021

8. STAFF COSTS

The average number of persons (including senior post-holders) employed by the College (or in the case of Governors those appointed to the College) during the year, expressed as full-time equivalents (except Governing body where it is expressed as number of persons who served during the year) was:

	2021	2020
	Number	Number
Governing Body	19	14
Teaching	338	325
Support	185	181
Administration	155	151
Premises	12	14
Total	<u>709</u>	<u>685</u>

	2021	2020
	£'000	£'000
Staff costs for the above persons		
Governing Body	68	55
Teaching	19,366	17,393
Support	7,220	7,039
Administration	6,765	6,064
Premises	455	444
Pension Cost	3,840	2,120
	<u>37,714</u>	<u>33,115</u>
Exceptional staff costs - Redundancy	86	35
Exceptional staff costs – Holiday Pay provision (note 25)	(178)	790
Total	<u>37,622</u>	<u>33,940</u>

Wages and salaries	25,969	23,522
Social Security costs	2,408	2,256
Apprenticeship Levy	109	100
Other pension costs (including Pension adjustments of £3,817k (2020: £2,120k))	9,228	7,237
	<u>37,714</u>	<u>33,115</u>
Exceptional staff costs - Redundancy	86	35
Exceptional staff costs – Holiday Pay provision (note 25)	(178)	790
Total	<u>37,622</u>	<u>33,940</u>

**SOUTH EASTERN REGIONAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2021**

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

	Senior Post Holders		Other Staff	
	2021	2020	2021	2020
	Number	Number	Number	Number
£60,001 to £70,000	-	-	24	23
£70,001 to £80,000	-	-	10	10
£80,001 to £90,000	-	-	2	2
£90,001 to £100,000	-	-	3	3
£100,001 to £110,000	1	-	-	-
£110,001 to £120,000	-	1	-	-
£120,001 to £130,000	1	-	-	-
£130,001 to £140,000	-	1	-	-
£140,001 to £150,000	1	-	-	-
£150,001 to £160,000	-	1	-	-
	3	3	39	38

9. KEY MANAGEMENT PERSONNEL

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

	2021	2020
	Number	Number
The number of senior post-holders including the Chief Executive/Principal was:	3	3
Governors	19	14

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

	2021	2020
	£'000	£'000
Governing Body Remuneration	68	55
Salaries	302	321
Benefits in kind	-	-
Pension contributions	76	81
Total emoluments	446	457

**SOUTH EASTERN REGIONAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2021**

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

	2021	2020
	£'000	£'000
Salaries	117	125
Benefits in kind	<u>-</u>	<u>-</u>
	117	125
Pension contributions	<u>29</u>	<u>31</u>
Total	<u>146</u>	<u>156</u>

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

**SOUTH EASTERN REGIONAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2021**

10. OTHER OPERATING EXPENSES

	2021	2020
	£'000	£'000
Direct teaching	595	566
Direct support	3,771	3,642
Administration	1,171	1,468
Consultancy Fees	-	-
Premises	4,098	3,321
COVID-19 Related Expenditure	615	268
Staying Connected – Digital Hardship Payments	367	-
Unitary payments – PPP operating cost	5,853	5,748
Unitary payments – PPP finance lease interest	1,814	1,884
	18,284	16,897
Exceptional costs – Special payment (note 27)	4	-
Total	18,288	16,897

Other operating expenses include:

	2021	2020
	£'000	£'000
Auditors' remuneration:		
Financial statements audit	24	24
Internal audit	19	16
Other services provided by the financial statements auditors - NFI	1	-
Other services provided by the internal auditors	1	3
Hire of other assets – operating leases	37	36
Hire of other assets – premises	68	75

11. INTEREST AND OTHER FINANCE COSTS

	2021	2020
	£'000	£'000
Net charge on pension scheme	481	267

12. TAXATION

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

**SOUTH EASTERN REGIONAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2021**

13. PROPERTY, PLANT & EQUIPMENT

	Freehold land £'000	Buildings £'000	PFI £'000	Plant and equipment £'000	Computers £'000	Fixtures and fittings £'000	Motor vehicles £'000	Total £'000
Cost or valuation								
At 1 August 2020	7,970	51,179	95,783	5,510	1,598	4,412	373	166,825
Additions	-	73	189	1,323	425	(23)	-	1,987
Disposals	-	-	-	(70)	-	-	(19)	(89)
Revaluation	-	461	864	-	-	-	-	1,325
At 31 July 2021	7,970	51,713	96,836	6,763	2,023	4,389	354	170,048
Accumulated Depreciation								
At 1 August 2020	-	-	-	4,630	1,391	2,209	298	8,528
Charge for the year	-	1,637	2,333	407	215	546	36	5,174
Disposals	-	-	-	(70)	-	-	(19)	(89)
Depreciation on Revaluation	-	15	21	-	-	-	-	36
At 31 July 2021	-	1,652	2,354	4,967	1,606	2,755	315	13,649
Net book value at 31 July 2021	7,970	50,061	94,482	1,796	417	1,634	39	156,399
Net book value at 31 July 2020	7,970	51,179	95,783	880	207	2,203	75	158,297

**SOUTH EASTERN REGIONAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2021**

Surplus on Revaluation

Land and buildings were last subject to a full revaluation at 31 July 2020 on a depreciated replacement cost basis. The valuations were performed independently by the Land and Property Services. The valuations were undertaken having regard to UK GAAP, and more specifically the Statement of Recommended Practice: accounting for further and higher education (SORP) 2019 (effective from 1st January 2019) for the Higher and Further Education sectors and Financial Reporting Standard (FRS) 102 issued by the Financial Reporting Council (FRC). The valuations were also carried out in accordance with HM Treasury guidance, International Valuation Standards and the requirements of the Royal Institution of Chartered Surveyors (RICS) Professional Standards.

Subsequently, that revaluation has been updated using indices supplied by Land and Property Services to provide valuations as at 31 July 2021.

At 31 July 2020, LPS reported that due to the COVID-19 pandemic they consider that they can attach less weight to previous market evidence for comparison purposes, to inform opinions of value. As such, 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.

LPS has noted, at 31 July 2021, given that the COVID-19 pandemic was declared a global situation by the World Health Organisation on 11th March 2020 they have now had a year to monitor the effects that the outbreak has had on the property market. The pandemic and the measures taken to tackle COVID-19 continue to affect economies and real estate markets globally. As at the valuation date, LPS continue to be faced with an unprecedented set of circumstances caused by COVID-19 and an absence of relevant/sufficient market evidence on which to base their judgements. As such, they have based their indices on this reduced basket of evidence which have shown that transactions are taking place this year at levels similar to those previous to March 2020.

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

Jointly Controlled Asset

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

Depreciation Charge

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

	2021	2020
	£'000	£'000
Charge for the year on owned assets	2,841	2,987
Charge for the year on PPP assets	2,333	2,386
Charge in the Income & Expenditure Account	5,174	5,373

**SOUTH EASTERN REGIONAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2021**

14. INTANGIBLE ASSETS

	Asset Under Construction	Learner Management System (NI FE Sector)	Other Software	Total
	£'000	£'000	£'000	£'000
Cost or valuation				
At 1 August 2020	417	-	-	417
Additions		7	4	11
Transfer	(417)	417	-	-
Disposals		-	-	-
At 31 July 2021	-	424	4	428
Amortisation				
At 1 August 2020	-	-	-	-
Charge for the year	-	20	-	20
Disposals	-	-	-	-
At 31 July 2021	-	20	-	20
Net book value at 31 July 2021	-	404	4	408
Net book value at 31 July 2020	417	-	-	417

The net book value of the Learner Management System is a jointly owned and controlled asset amongst the six colleges of the Northern Ireland Further Education Sector. The asset value is SERC's share of the total net book value (one sixth). The intangible asset is funded in full through a capital grant from the Department for the Economy.

15. SERVICE CONCESSION ARRANGEMENTS

The College has two on-statement of financial position arrangements where service delivery has commenced.

Movement in service concession arrangement assets

The asset value of the service concession included in the statement of financial position as at 31 July 2021 is £94,482k (2020: £95,783k). The decrease of £1,301k is the net of additions, depreciation, and revaluation.

Movement in service concession liabilities

The total liabilities relating to the service concession included in the statement of financial position as at 31 July 2021 was £30,809k (2020: £32,129k). The sum of £1,320k was repaid during the year.

Future Commitments

The following table analyses the College's future commitments in relation to service concession arrangements:

	Payable in 1 year	Payable 2–5 years	Payable 6–10 years	Payable 11–15 years	Total
	£'000	£'000	£'000	£'000	£'000
Liability repayments	1,391	6,341	10,032	13,045	30,809
Finance charge	1,739	6,131	5,445	2,290	15,605
Service charge (excl. inflationary increases)	5,916	23,711	29,753	29,895	89,275
	9,046	36,183	45,230	45,230	135,689

SOUTH EASTERN REGIONAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2021

16. INVESTMENTS

	Other fixed asset investment £'000	Total £'000
At 1 August 2020	3	3
Additions	-	-
Disposals	-	-
Impairment	-	-
At 31 July 2021	3	3

17. TRADE AND OTHER RECEIVABLES

	2021 £'000	2020 £'000
Amounts falling due within one year:		
Trade receivables	1,075	728
Prepayments and accrued income	2,253	841
Total receivables	3,328	1,569

18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £'000	2020 £'000
Payments received in advance	207	21
Trade payables	446	497
Taxation and social security	2	24
Accruals and deferred income	5,632	3,638
Other payables	65	88
Total creditors falling due within one year	6,352	4,268

Deferred Income

Included within accruals and deferred income are the following items of income which have been deferred until specific performance related conditions have been met:

	2021 £'000	2020 £'000
Grant income	2,321	2,053
Total	2,321	2,053

**SOUTH EASTERN REGIONAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2021**

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

	2021	2020
	£'000	£'000
Deferred income	39,554	40,029
Total creditors falling due after more than one year	39,554	40,029

20. ENDOWMENT RESERVES

	Restricted permanent £'000	Unrestricted permanent £'000	Expendable endowments £'000	2021 Total £'000	2020 Total £'000
At 1 August					
Capital	5	-	-	5	4
Accumulated Income	-	-	-	-	1
	5	-	-	5	5
New endowments					
Income for year	-	-	-	-	-
Expenditure for year	-	-	-	-	-
Cumulative increase in endowment reserves	1	-	-	1	-
As at 31 July	6	-	-	6	5

21. CASH AND CASH EQUIVALENTS

	At 1 Aug 2020 £'000	Cash flows £'000	At 31 July 2021 £'000
Cash and Cash Equivalents	<u>3,420</u>	<u>957</u>	<u>4,377</u>

**SOUTH EASTERN REGIONAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2021**

22. PENSION PROVISIONS

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

Total pension cost for the year

	2021	2020
	£'000	£'000
NITPS: contributions paid	3,547	3,393
NILGOSC: contributions paid	1,864	1,724
NILGOSC: FRS 102 (28) adjustments	4,298	2,387
NILGOSC: charge to the Statement of Comprehensive Income (Staff Costs / Interest Paid)	6,162	4,111
Enhanced pension charge to the Statement of Comprehensive Income (staff costs)	0	0
Total pension cost for the year	9,709	7,504

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

NITPS

The NITPS is an unfunded contributory, voluntary membership scheme administered by the Department of Education.

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

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

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

The employer contribution rates payable in the year ended 31 July 2021 were:

Period	Contribution Rate
From 1 April 2019	25.1%

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

SOUTH EASTERN REGIONAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2021

The bands applicable to member contributions for the NITPS from 1 April 2020 are:

Actual annual pensionable earnings	Member Contribution Rate
Up to £28,168.99	7.4%
£28,169 to £37,918.99	8.6%
£37,919 to £44,960.99	9.6%
£44,961 to £59,587.99	10.2%
£59,588 to £81,254.99	11.3%
£81,255 and above	11.7%

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

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

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

NILGOSC

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

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

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

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

**SOUTH EASTERN REGIONAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2021**

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

The Committee, Northern Ireland Local Government Officers' Superannuation Committee, is responsible for the governance of the Fund.

The following information is based upon a full actuarial valuation of the fund at 31 March 2019.

Principal actuarial assumptions

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

	2021	2020
Discount Rate	1.7%	1.4%
CPI Inflation	2.6%	2.3%
Pension Increases	2.6%	2.3%
Pension Accounts Revaluation Rate	2.6%	2.3%
Salary Increases	4.1%	3.8%

The mortality assumptions are based on the recent actual mortality experience of members within the Fund and allow for expected future mortality improvements. Sample life expectancies at age 65 resulting from these mortality assumptions are as follows:

	2021	2020
<u>Males</u>		
Member aged 65 at 31 July 2021	21.9	21.8
Member aged 45 at 31 July 2021	23.3	23.2
<u>Females</u>		
Member aged 65 at 31 July 2021	25.1	25.0
Member aged 45 at 31 July 2021	26.5	26.4

The assets allocated to the College in the Fund are notional and are assumed to be invested in line with the investments of the Fund, for the purposes of calculating the return over the accounting period. The Fund holds a significant proportion of its assets in liquid investments. As a consequence, there will be no significant restriction on realising assets if a large payment is required to be paid from the Fund in relation to an employer's liabilities. The assets are invested in a diversified spread of investments.

SOUTH EASTERN REGIONAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2021

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

	Value at 31 July 2021 £'000	Value at 31 July 2020 £'000
Equities	25,883	21,201
Bonds	23,966	19,215
Property	5,332	4,617
Cash	2,876	2,582
Other	1,857	2,035
Fair value of assets	59,914	49,650
Present value of liabilities	(90,483)	(85,002)
Deficit in the scheme	(30,569)	(35,352)
Amounts recognised in the statement of financial position:	2021	2020
	£'000	£'000
Present value of funded liabilities	(90,456)	(84,974)
Fair value of employer assets	59,914	49,650
	(30,542)	(35,324)
Present value of unfunded liabilities	(27)	(28)
Net liability	(30,569)	(35,352)

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

	2021 £'000	2020 £'000
Amounts included in staff costs:		
Employer service cost (net of employer contributions)	3,817	2,120
Past service cost	-	-
Curtailment Cost	-	-
Total	3,817	2,120
Net Interest Cost	481	267
Net charge to Statement of Comprehensive Income	4,298	2,387

Analysis of Other Comprehensive Income for Pensions

Asset gains/(losses) arising during the year	8,062	(3,078)
Liability gains/(losses) arising during the year	1,019	(16,442)
Total amount recognised in Statement of Changes in Reserves	9,081	(19,520)

**SOUTH EASTERN REGIONAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2021**

	2021	2020
	£'000	£'000
Movement in deficit during the year		
As at 1 August as stated	(35,352)	(13,445)
Employer Service Cost	(5,683)	(3,848)
Past Service Cost	-	-
Employer contributions	1,864	1,726
Curtailment cost	-	-
Contributions in respect of unfunded benefits	2	2
Losses on curtailments and settlements	-	-
Net Interest Cost	(481)	(267)
Actuarial Gains/(Losses) on liabilities	1,019	(16,442)
Remeasurement Gains/(Losses) on assets	8,062	(3,078)
Deficit in scheme at 31 July	<u>(30,569)</u>	<u>(35,352)</u>

Reconciliation of Defined Benefit Obligation

	2021	2020
	£'000	£'000
Liabilities at 1 August	85,002	63,723
Current service cost	5,683	3,848
Past service cost	-	-
Interest cost	1,187	1,398
Employee contributions	617	554
Actuarial (gains)/ losses	(1,019)	16,442
Curtailment cost	-	-
Unfunded Net benefits paid	(2)	(2)
Net benefits paid	(985)	(961)
Losses on curtailments and settlements	-	-
Liabilities at 31 July	<u>90,483</u>	<u>85,002</u>

**SOUTH EASTERN REGIONAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2021**

Reconciliation of Fair Value of Employer Assets

	2021	2020
	£'000	£'000
Assets at 1 August	49,650	50,278
Interest income on assets	706	1,131
Remeasurement gains/(losses) on assets	8,062	(3,078)
Employer contributions	1,864	1,726
Employer contributions in respect of unfunded benefits	2	2
Employee contributions	617	554
Unfunded benefits paid	(2)	(2)
Net benefits paid	(985)	(961)
Assets at 31 July	59,914	49,650

The estimated value of employer contributions for the year ended 31 July 2022 is £1,941k

History of actuarial gains/(losses) recognised in OCI

	2021	2020	2019	2018	2017
	£'000	£'000	£'000	£'000	£'000
Total Actuarial gains/(losses) recognised in OCI	9,081	(19,520)	(4,740)	4,389	5,023
Present value of liabilities	90,483	85,002	63,723	52,574	50,273

23. EVENTS AFTER THE END OF THE REPORTING DATE

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

24. FINANCIAL COMMITMENTS

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

	2021	2020
	£'000	£'000
Land and buildings		
Expiring within one year	31	43
Expiring within two and five years inclusive	-	-
Expiring in over five years	-	-
	31	43
Plant and Equipment		
Expiring within one year	31	31
Expiring within two and five years inclusive	41	71
Expiring in over five year	-	-
	72	102
Total	103	145

**SOUTH EASTERN REGIONAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2021**

25. PROVISIONS

	2021	2020
	£'000	£'000
At 1 August	790	-
Addition in the year	-	790
Amounts charged against provision during year	-	-
Unused amounts reversed during year	(178)	-
At 31 July	612	790

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

The PSNI has appealed the CoA judgment to the Supreme Court. The case is currently paused to facilitate mediation. 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 £612k provision has been estimated by the College and covers the period from 1998 to 31 July 2020, following the Department of Finance approach outlined for Departmental Annual Reports and Accounts (FD (DoF) 08/20). The reduction from prior year reflects an updated holiday pay divisor for the calculation, based on recent legal advice.

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) £61k (2019/20: £95k); and
7. Taxation issues are under discussion with HMRC, by the wider NI public sector.

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

**SOUTH EASTERN REGIONAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2021**

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

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

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

Related Organisation	Governor (G) / Director (D)	Position in Related Organisation	2021 Trans Paid £'000	2020 Trans Paid £'000	Outstanding at 31 July 2021 £'000	Outstanding at 31 July 2020 £'000
Belfast Metropolitan College*	Andrew Corbett (G)	Close Relative – Lecturer	40	-	-	-
CCEA*	Barbara Larkin (G)	Chief Invigilator	4	-	-	-
	Deborah O'Hare (G)	Board Member				
Chartered Institute of Public Finance & Accountancy*	Gareth Hetherington (G)	Member				
	Ken Webb (D)	Member	1	-	-	-
	Daniel McConnell (G)	Member				
Chartered Management Institute	Ken Webb (D)	Fellow				
	Claire Henderson (CMT)	Member	63	31	-	-
Construction Industry Training Board	Michael Malone (D)	Standards Committee Member	44	23	3	-
ETC Awards Ltd	Michael Malone (D)	Director	9	-	-	-
Institute of Directors*	Mark Huddleston (G)	Member				
	Daniel McConnell (G)	Member	1	-	-	-
	Heather McKee (D)	Member				
National Trust	Karen Fraser (G)	Volunteer	1	-	-	-
Pearson	Heather Miller (CMT)	Quality Reviewer	255	347	1	1
QAA	Heather Miller (CMT)	Reviewer	6	-	-	-

**SOUTH EASTERN REGIONAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2021**

Transactions where goods or services are provided to the College by the related organisation (cont'd):

Related Organisation	Governor (G) / Director (D)	Position in Related Organisation	2021 Trans Paid £'000	2020 Trans Paid £'000	Outstanding at 31 July 2021 £'000	Outstanding at 31 July 2020 £'000
Queens University Belfast	Karen Fraser (G)	Senior Educational Developer	-	10	-	-
South West College	Prof Alan Woodside (G)	Part Time Lecturer	5	-	1	-
Stranmillis University College	Majella Corrigan (G)	Governor	23	26	-	-
	Heather Miller (CMT)	Governor				
Ulster University	Gareth Hetherington (G)	Director, Ulster University Economic Policy Centre	122	39	-	-
	Steve Pollard (G)	Senior Lecturer				
	Prof Alan Woodside	Emeritus Professor / Part Time Lecturer				

**SOUTH EASTERN REGIONAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2021**

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

Related Organisation	Governor (G) / Director (D)	Position in Related Organisation	2021 Trans Paid £'000	2020 Trans Paid £'000	Outstanding at 31 July 2021 £'000	Outstanding at 31 July 2020 £'000
AQE	Heather Reid (G)	Consultant	-	4	-	-
Belfast Metropolitan College*	Andrew Corbett (G)	Close Relative – Lecturer	8	-	-	-
Construction Industry Training Board	Michael Malone (D)	Standards Committee Member	1	2	-	-
Department for the Economy*	Gareth Hetherington (G)	Close Relative – Director of Finance	52,249	-	778	-
Department of Agriculture, Environment and Rural Development*	Gareth Hetherington (G)	Close Relative – Audit & Risk Committee Member	36	-	19	-
Education Authority	Heather Reid (G)	Chair of Independent Tribunals & Admissions, Curriculum and Expulsions	101	45	9	32
Queens University Belfast	Karen Fraser (G)	Senior Educational Developer	-	3	-	-
South West College	Alan Woodside (G)	Part Time Lecturer	77	-	-	-
The Wallace High School*	Deborah O'Hare (G)	Principal	1	-	-	-
Ulster University	Gareth Hetherington (G)	Director, Ulster University Economic Policy Centre				
	Steve Pollard (G) Prof Alan Woodside	Senior Lecturer Emeritus Professor / Part Time Lecturer	258	260	43	51

All transactions are related to general operations.

* Related Party in 2020/21 only

**SOUTH EASTERN REGIONAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2021**

27. LOSSES AND SPECIAL PAYMENTS

	2021	2020
	£'000	£'000
Bad Debt Write Off less than £1k (39 cases)	12	6
Special Payment (1 case)	4	
	16	6

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

The special payment refers to the interest element of a compromise settlement.

28. AMOUNTS DISBURSED AS AGENT

	2021	2020
	£'000	£'000
<u>Hardship Fund</u>		
Balance at 1 August	85	26
DfE Allocation	82	162
	167	188
Disbursed to students	(102)	(103)
Balance unspent at 31 July (recognised in payables)	65	85

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

	2021	2020
	£'000	£'000
<u>Care to Learn</u>		
DfE Allocation	15	8
Disbursements	(15)	(8)
Balance unspent at 31 July	-	-

The Care to Learn Scheme funds are available solely for the purposes of paying Childcare under the DfE Care to Learn Scheme; the College acts only as paying agent. The grants and related disbursements are therefore excluded from the Income and Expenditure Account.

**SOUTH EASTERN REGIONAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2021**

	2021	2020
	£'000	£'000
<u>The COVID-19 Study Disruption Payment Scheme</u>		
DfE Allocation	318	-
Disbursements	(318)	-
Balance unspent at 31 July	-	-

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

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

The grant and related disbursements are therefore excluded from the Income and Expenditure Account.

SOUTH EASTERN REGIONAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2021

29. ADDITIONAL DISCLOSURES TO COMPLY WITH FINANCIAL REPORTING MANUAL

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

	<u>Notes</u>	2021 £'000	2020 £'000
INCOME			
Department for the Economy income (non-grant in aid)	1	1,947	671
Education contracts	2	7,529	7,657
Tuition fees and charges	3	1,826	2,246
Other grant income	4	449	548
Other operating income	5	679	804
Total incoming recourses		12,430	11,926
EXPENDITURE			
Staff costs	8	37,714	33,115
Other operating expenses	10	18,284	16,897
Depreciation	13	5,174	5,373
Amortisation	14	20	267
Profit on disposal of non-current assets	13	(3)	
Interest and other finance costs	11	481	
Exceptional costs (staff)	8	(92)	
Exceptional costs (non-staff)	10	4	825
Total resources expended		61,582	56,477
Net deficit for the year		(49,152)	(44,551)
Unrealised surplus on revaluation of land and buildings	13	1,289	3,270
Actuarial gain/(loss) in respect of pension scheme	22	9,081	(19,520)
Amount transferred to reserve		(38,782)	(60,801)
Analysis of reserves prepared under FReM			
Balance as at 1 August		51,138	72,726
Grant-in-aid received in year	1	44,262	39,213
Cumulative increase in endowment reserve	20	1	-
Net operating cost for year		(38,782)	(60,801)
Balance as at 31 July		56,619	51,138

Date of authorisation for issue

The Accounting Officer authorised the issue of these financial statements on 24 November 2021.