



Southern Regional College Annual Report and Accounts

For the year ended 31 July 2017

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for the year ended 31 July 2017

The Accounting Officer authorised these financial
statements for issue on 14th November 2017

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Education (Public Sector Audit) Order (Northern Ireland) 2008 by the
Department for the Economy on 8th December 2017

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2017**

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NATURE, OBJECTIVES AND STRATEGIES

The members of the Governing Body of the Southern Regional College present their report and the audited financial statements for the year ended 31 July 2017.

LEGAL STATUS

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

The Further Education sector is the main provider of professional and technical education and training in Northern Ireland and has a key role to play in raising the skill levels in the region. The Southern Regional College is well placed to provide learners, employers and the local community with a world class facility to satisfy all their educational needs and to realise its aim in establishing a reputation for outstanding quality in teaching, training and business support, not just within Northern Ireland but nationally and internationally.

VISION STATEMENT

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

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

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

MISSION STATEMENT

To transform lives through meaningful and enjoyable learning experiences.

COLLEGE VALUES

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

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

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

The College Core Values are:

Putting Learners First

We believe that:

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

Working together to achieve more

We believe that:

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

Striving for Excellence

We believe that:

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

STRATEGIC AIMS

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

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

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

The strategic aims of the College reflect the wider strategic role of the Further Education sector as set out in the new strategy for further education, 'Further Education Means Success'. In meeting the educational needs of the region and within the context of the College's vision and mission, the strategic aims for the planning period to which this report relates are set out below.

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

Provision of a relevant and meaningful curriculum portfolio	<ul style="list-style-type: none"> To place the College at the heart of lifelong learning within the region in order to strengthen economic and workforce development, to enhance social cohesion and to advance individuals' skills and learning.
Excellent learning experiences for all	<ul style="list-style-type: none"> To provide an excellent experience for all current and prospective learners supported through high quality and effective learner support services.
Flexible business solutions that improve competitiveness and productivity	<ul style="list-style-type: none"> To support local and regional economic development through the provision of flexible business services and training solutions aimed at improving the competitiveness and productivity of new and existing businesses
Committed people and organisation	<ul style="list-style-type: none"> To be a high performing College through the recruitment, development and deployment of a highly skilled and well motivated staff.
Effective governance and financial management	<ul style="list-style-type: none"> To provide effective corporate Governance and ensure that the College operates within a robust system of internal financial management and control.
Modern fit for purpose College estate	<ul style="list-style-type: none"> To provide a modern fit for purpose College estate for the southern region.
International links	<ul style="list-style-type: none"> To promote an outward and forward looking College through the development of international links supporting staff, students and knowledge exchange.

IMPLEMENTATION OF THE STRATEGIC PLAN

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

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

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

LEARNER RECRUITMENT AND PERFORMANCE – OVERVIEW

The demand and supply of skills solutions has never been more relevant for the future economic growth of Northern Ireland. The recent launch of the revised Skills Barometer, 'Skills in Demand' highlights the importance of skills and talent development as part of a new economic strategy that aims to attract new business to NI as well helping indigenous business innovate and grow. More specifically the transformational change required in increasing the skills levels of Northern Ireland's workforce is articulated further through the Department's draft Industrial Strategy, 'Economy 2030'. Skills development has been identified as a key element of the Strategy. It is in this context that the College's curriculum offer will continue to be aligned to Programme for Government targets.

Our annual enrolment targets are agreed with DfE through a bilateral Funded Learning Unit (FLU) planning process. These targets continue to focus on increasing the number of people who achieve level 2 essential skills qualifications in literacy and numeracy, qualifications at level 2 and above, increasing participation in priority skill areas, and ensuring that provision leads to qualifications that are on the regulated qualifications framework. The College's curriculum portfolio provides learners with the opportunity to undertake a wide range of professional, technical and academic qualifications ranging from entry level to degree level.

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

Despite these changes our curriculum offer is targeted on the current and future needs of the local and regional economy and we believe the outreach to employers across the region is unsurpassed in any other area in Northern Ireland. The College is one of the largest skills training providers in Northern Ireland with professional and technical training provided in more than 25 areas to over 1,200 trainees and apprentices delivered in skills training centres in Armagh, Newry and Portadown.

The College's performance over the course of the 2016-17 academic year can best be viewed in the context of the level of participation in the main areas of our core business, namely:

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

This section of the Strategic Report provides information on delivery, provision and enrolments. Readers should note that the FLU and enrolment numbers presented for 2016-17 are those at 1 August 2017 and are not final validated figures. Numbers for 2015-16 comparisons are final audited figures and therefore may differ slightly, in some instances, from those reported in the 2015-16 Annual Report.

The total College enrolment (including training and cost recovery provision) for the academic year 2016-17 was 26,884, compared to an enrolment of 26,754 in 2015-16. In light of the challenging financial position the College took a strategic decision to prioritise resources to ensure that all school leavers were provided with the opportunity to undertake a programme of full time study. In order to manage within available resources there was a planned reduction in the offer of part time courses including evening provision, community outreach and adult essential skills.

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

The total part-time enrolment was similar to that recorded in 2015-16. The total essential skill provision was similar to that in 2015-16 reflecting the overall decrease in adult essential provision from that recorded in 2013-14, **Figure 2**. The drop in hobby and leisure provision, **Figure 3** and the increase in accredited provision, **Figure 4** reflects the college's prioritisation of resources to support economically relevant courses.

Community based enrolments decreased by over 550 enrolments from 2015-16 reflecting the move away from hobby and leisure provision and the increased focus on courses aimed at those economically inactive or with little or no educational achievement, **Figure 5**.

The demand for adult access programme courses (both full time and part time) fell slightly with 377 enrolments in 2016-17 compared to 403 enrolled in 2015-16. Adult access courses continue to provide an appropriate programme of study for adult returners offering clear progression pathways to higher education.

College Enrolment

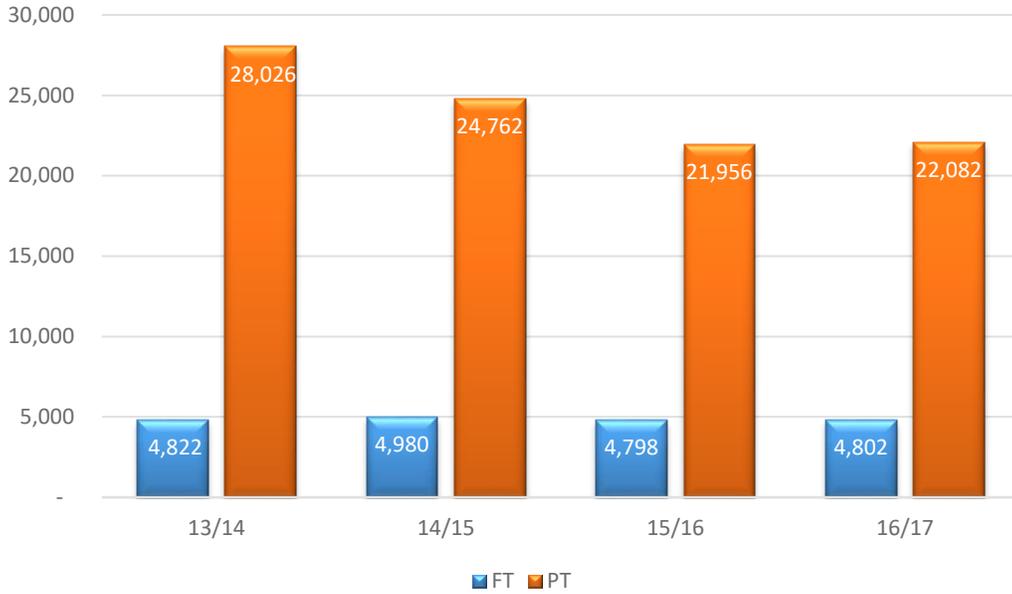


Figure 1

Essential Skills (FLU)

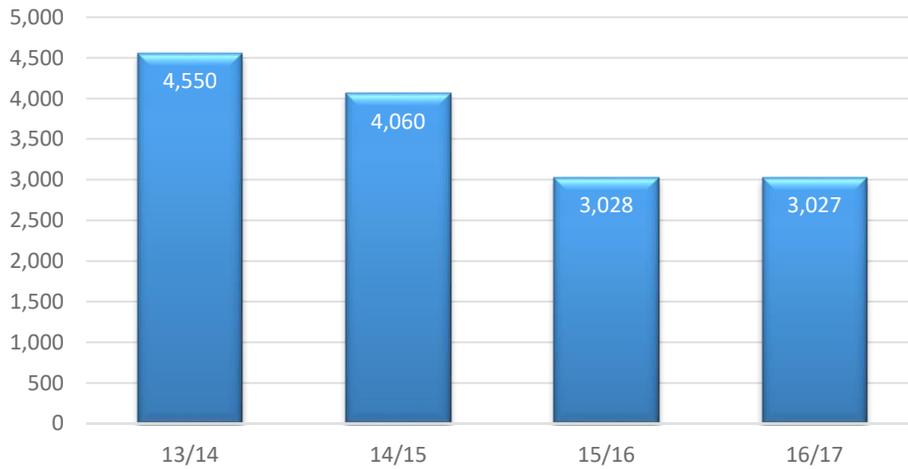


Figure 2

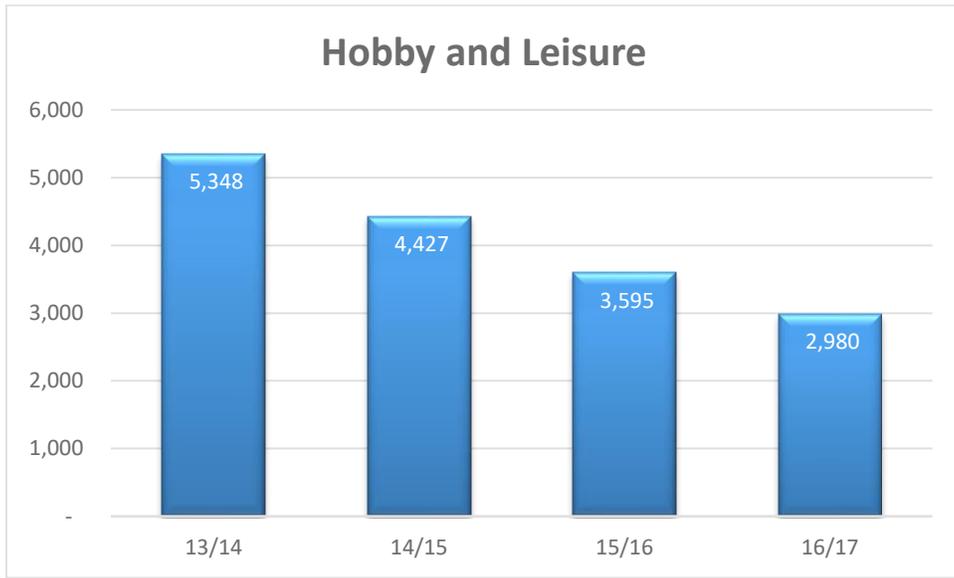


Figure 3

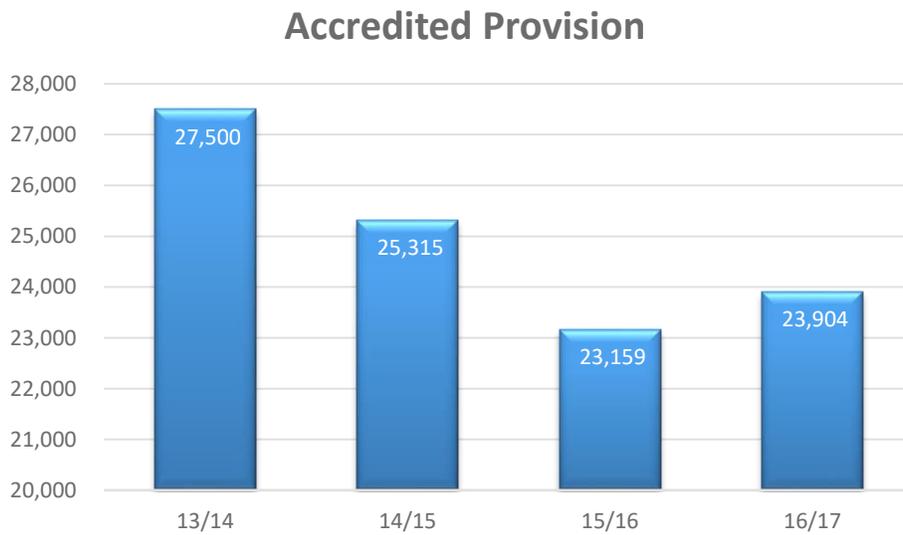


Figure 4

Community Provision

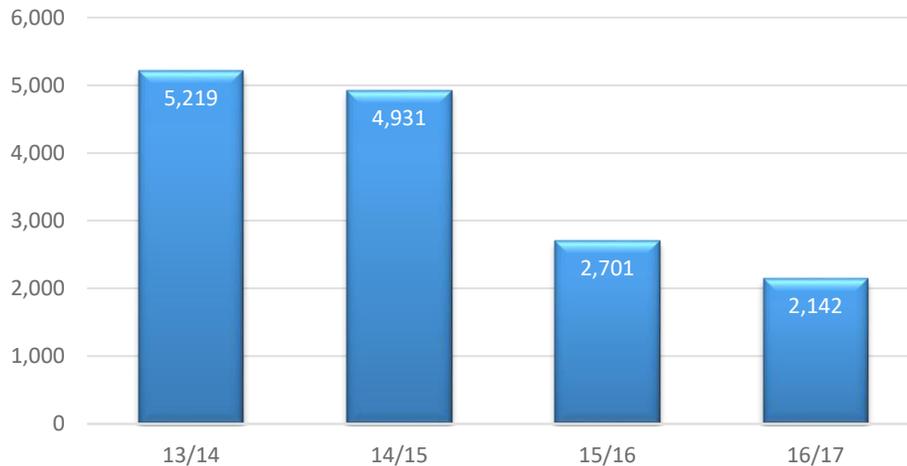


Figure 5

FUNDED LEARNING UNIT (FLU) TARGETS

The recurrent budget allocation to the College for 2016-17 to support the delivery of Essential Skills, Further and Higher Education was £25.47m. The resource allocated for the seven year period 2010-17 is summarised in **Table 1**.

Academic Year	Resource Allocation (FLU)	Funding (£)	Shift (£)
		£	£
2010-11	7,966	27,084,400	
2011-12	7,721	26,096,041	(988,359)
2012-13	7,685	26,129,000	32,959
2013-14	7,831	26,625,174	496,174
2014-15	7,770	26,416,525	(208,649)
2015-16	7,501	25,502,972	(913,553)
2016-17	7,493	25,476,735	(26,237)
2017-18*	7,345	25,470,860	(5,875)

Indicative funding allocation

Table 1

The actual FLU delivery target agreed with DfE for 2016-17 was 7,493. The College delivered a total of 7,271 FLU thus under delivering by 222 FLU.

The level of delivery for the period 2011-17 is shown in **Figure 6**.

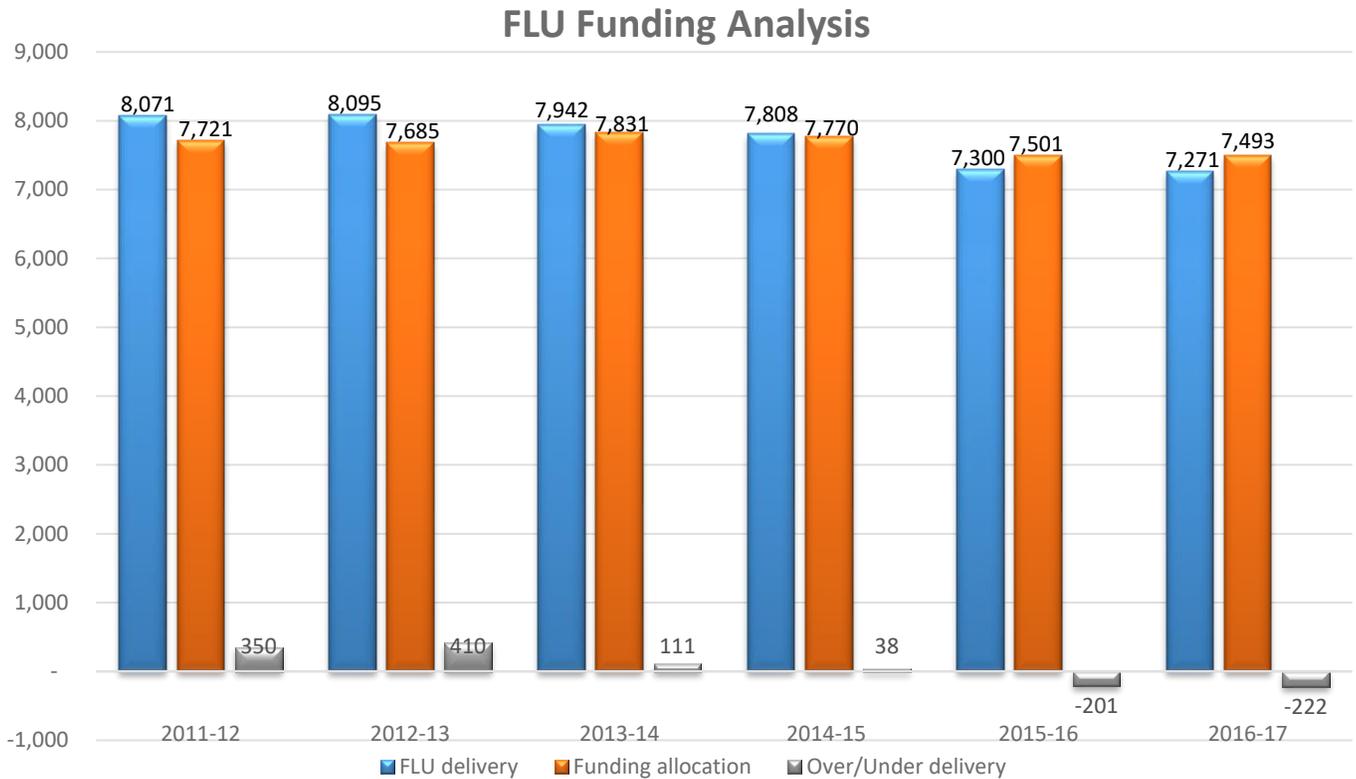


Figure 6

The most significant reason for the under delivery relates to the under recruitment across full time further education courses and the impact of student withdrawal in year. The agreed target for full time further education learners reflected the declining number of school leavers at 16 years of age yet the extent of the under recruitment was higher than planned. **Figures 7a** and **7b** provides a summary of the FLU and enrolment performance for Essential Skills and Further and Higher Education against the agreed targets for 2016-17 compared to that for 2015-16.

The College exceeded its part time further education and essential skills enrolment and FLU targets, **Figures 7a** and **7b**.

The FLU target agreed with DfE for 2016-17 reflects the reduction in the levels of funding over recent years. The indicative level of funding provided for 2017-18 is over £1.6m less than that provided to support delivery in 2010-11, a 5.9% reduction in funding. It is anticipated that the pressures on public sector funding will continue to drive down the level of delivery across the further education sector. The College’s Governing Body remains concerned that the continued pressures on resources over the next few years will result in a further reduction in the provision offered across campuses including that served through the community outreach programme.

FLU Performance 2015-16



FLU Performance 2016-17

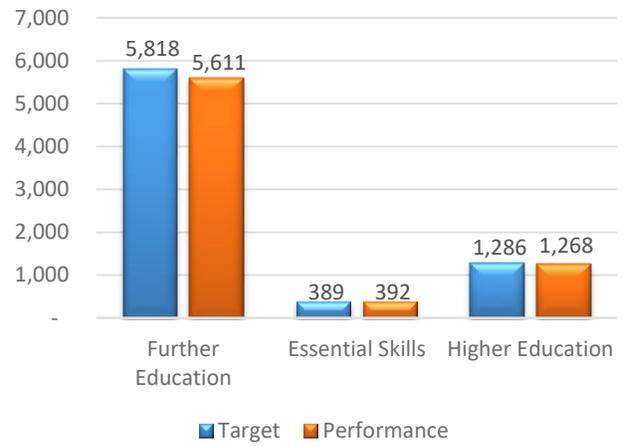
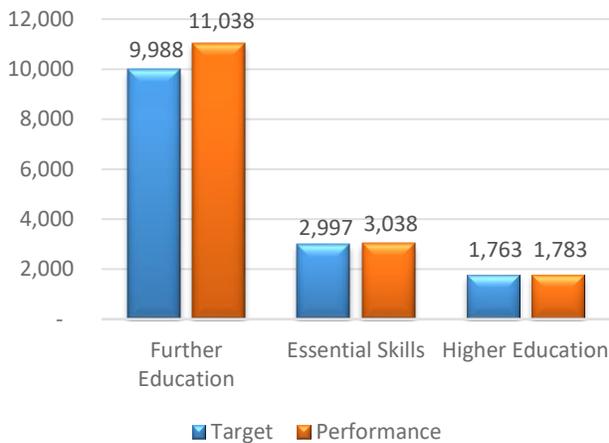


Figure 7a

Enrolment 2015-16



Enrolment 2016-17

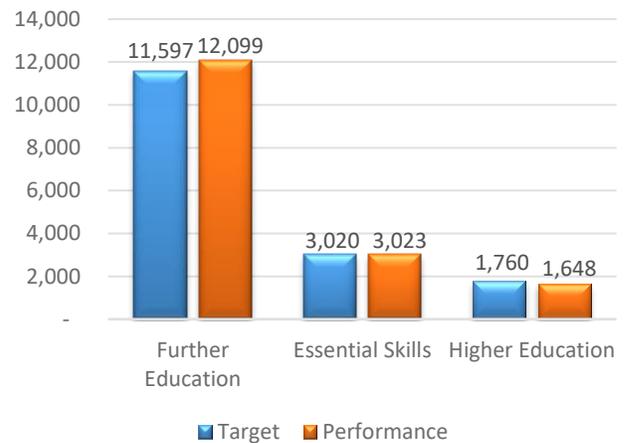


Figure 7b

The following section provides a more detailed analysis of enrolments contributing to the overall FLU and work based learning contracted position for 2016-17.

FULL TIME STUDY (INCLUDING TRAINING)

The total number enrolled in full-time study defined within the areas of Further Education, Higher Education, Training and Apprenticeships remained similar to that recorded in 2015-16 see **Figure 8**.

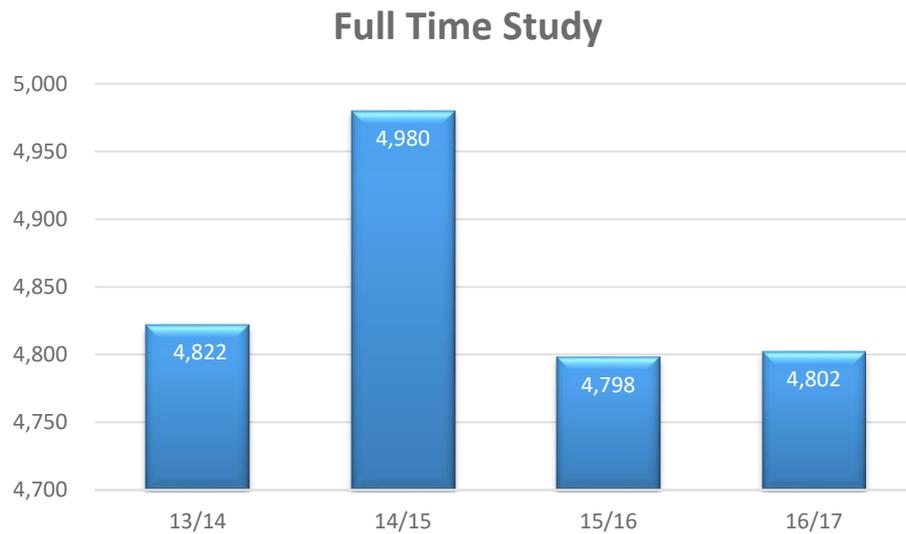


Figure 8

WORK BASED LEARNING (TRAINING AND APPRENTICESHIPS)

The total numbers enrolled on Work Based Learning was similar to that in the previous year. The total figure includes the traineeship pilots in construction skills, motor vehicle, butchery and engineering, see **Figure 9**.

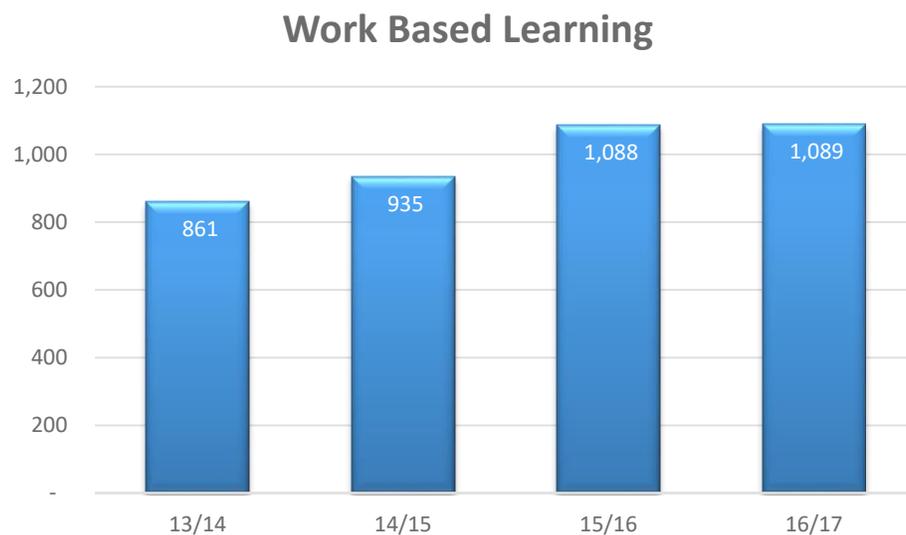


Figure 9

FURTHER EDUCATION

The total number of full time Further Education students increased by 37 from 2015-16, see **Figure 10**. The small increase should be viewed in the context of pilot traineeships piloted in 2015-16 returning to delivery under FLU based funding in 2016-17. Whilst the College anticipated a drop in the total number of new entrants as a result of the declining school leaver population, the uptake for full time further education at Level 3 was less than planned.

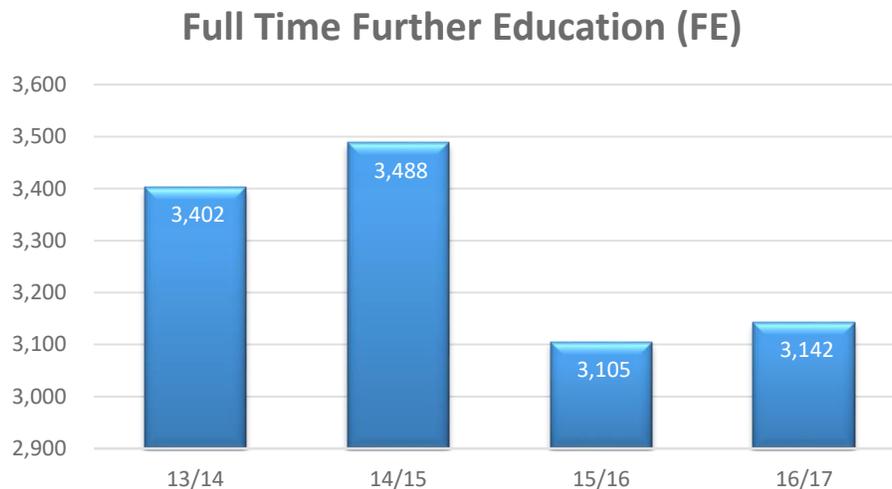


Figure 10

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

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

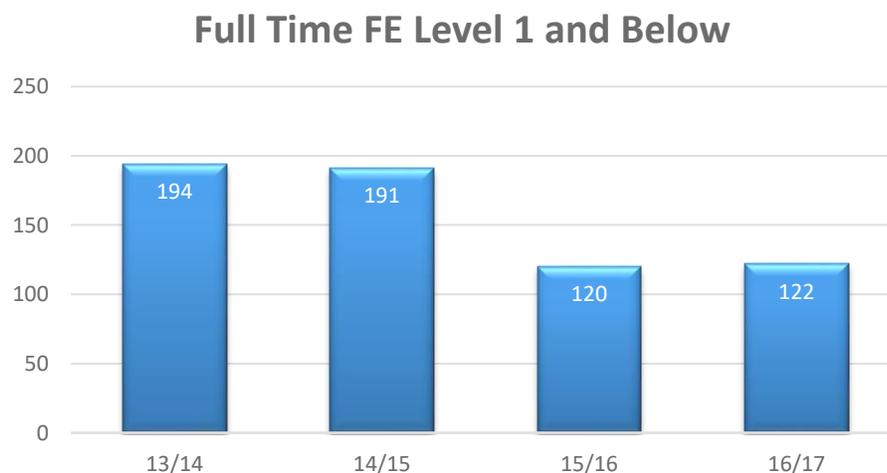


Figure 11

The number of young people undertaking full time programmes at Level 2 increased by 63 compared to 2015-16, **Figure 12**. The most significant decrease in full time further education was experienced at Level 3, **Figure 13** in areas including hospitality management, sports studies and culinary arts.

Full Time FE Level 2 Enrolments

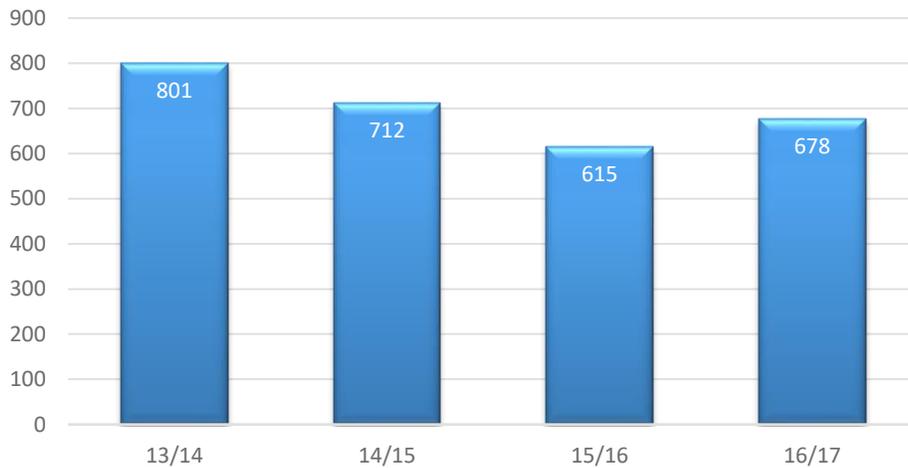


Figure 12

Full Time FE Level 3 Enrolments

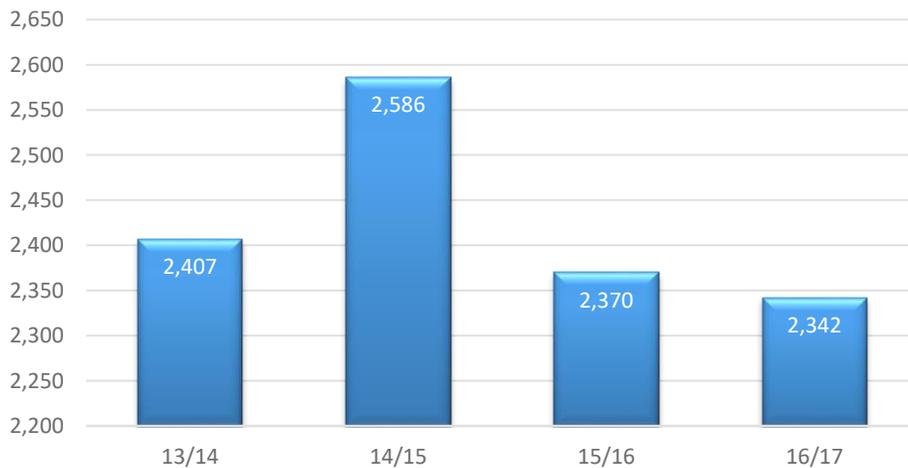


Figure 13

PART TIME FURTHER EDUCATION

The total FLU funded evening enrolment (Further Education) increased slightly to 2,719 compared to 2,549 in 2015-16. The decrease in evening enrolments experienced since 2014-15 should be viewed in the context of planned decrease in hobby and leisure provision that was previously funded through FLU, **Figure 14**.

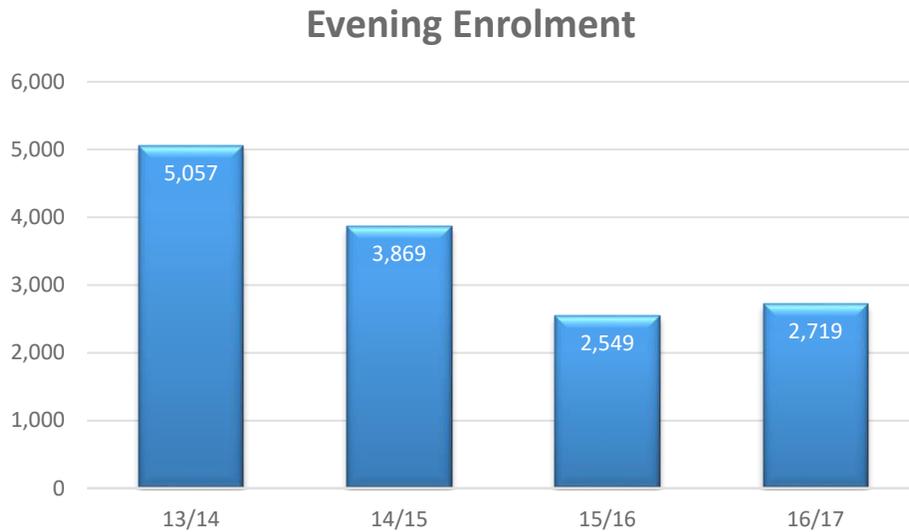


Figure 14

The removal of DfE support through FLU funding for hobby and leisure type courses resulted in a continued decrease in part time enrolments, **Figure 15**. Despite the removal of the FLU funding subsidy the College continues to offer a range of hobby and leisure programmes within a competitive fees structure resulting in nearly 3,000 enrolments. The reduction in hobby and leisure provision was particularly evident across the community outreach programme.

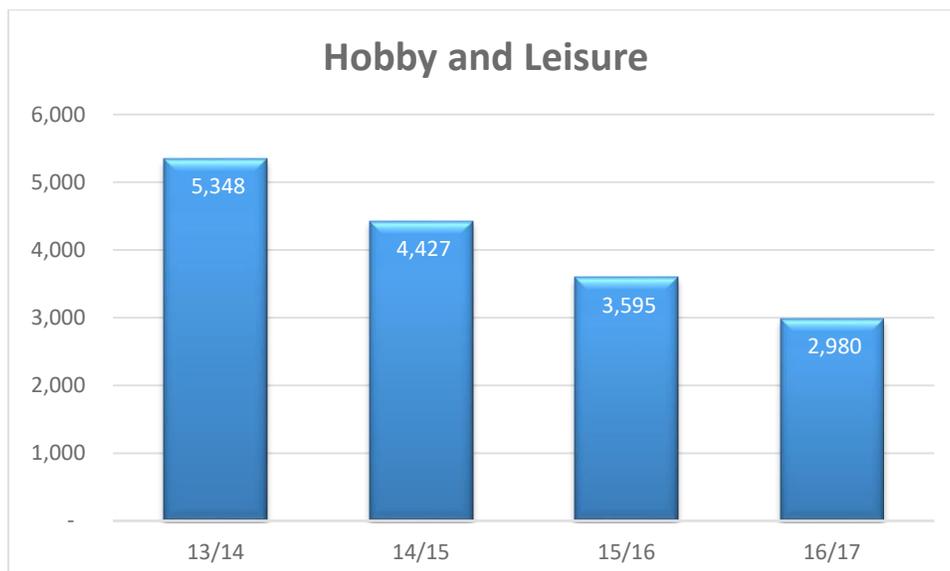


Figure 15

There was an 8% increase in the total part time accredited evening provision (excluding essential skills). This was most notable across Level 2 provision, **Figure 16**.

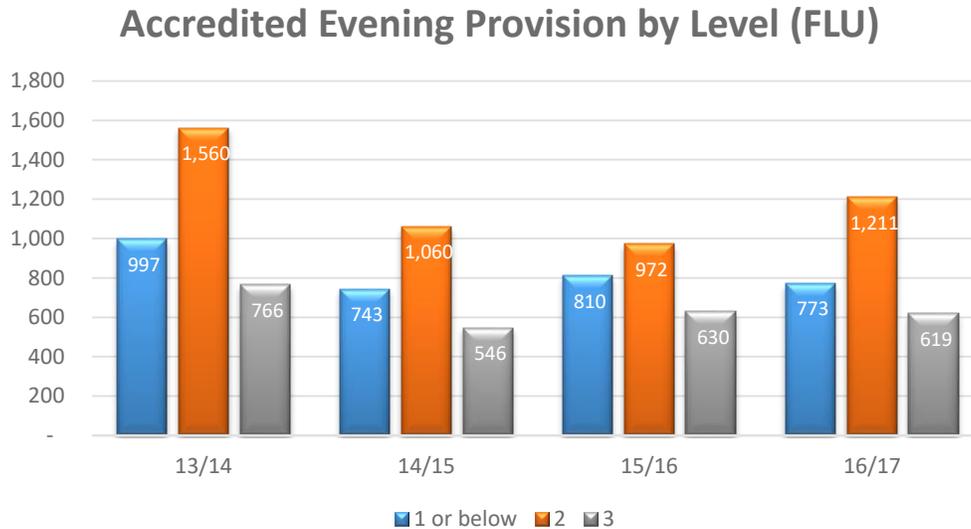


Figure 16

EXTERNALLY ACCREDITED PROVISION

Externally accredited provision accounted for 99.4% of the total FLU provision with over 11,250 enrolments, with non-accredited special educational needs accounting for the remaining 0.6% of FLU provision. Full time Further Education accounted for 79.5% and part time 19.9% of total externally regulated FLU funded provision. The College delivered 4,462 externally regulated full time FLU against a target of 4,660 FLU. The College delivered 1,118 externally regulated part time FLU against a target of 1,117 FLU.

VOCATIONAL PROVISION

Vocational provision accounted for 93.2% of the total FLU delivery compared to a target of 90%. The College delivered 4,182 vocational full time FLU against a target of 4,189 FLU. The College delivered 1,049 vocational part time FLU against a target of 1,047 FLU.

ESSENTIAL SKILLS

The College enrolled a total of 3,023 learners against a target enrolment of 3,020, **Figure 17**. The reduction in funding provided to support Essential Skills has resulted in a planned reduction in enrolments across the three Essential Skills areas over recent years.

Essential Skills (FLU)

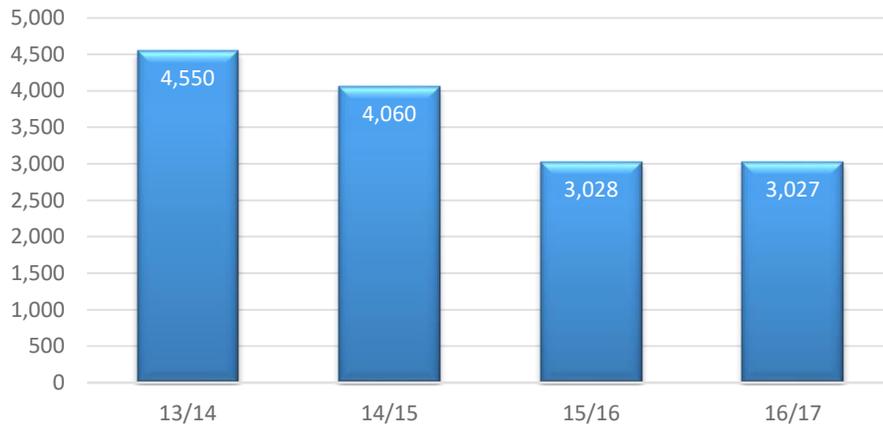


Figure 17

The enrolment profile across the three Essential Skills areas of numeracy, literacy and ICT was similar to that experienced in 2015-16, **Figure 18**. ICT remains the most popular of the three Essential Skills.

Essential Skills by Subject

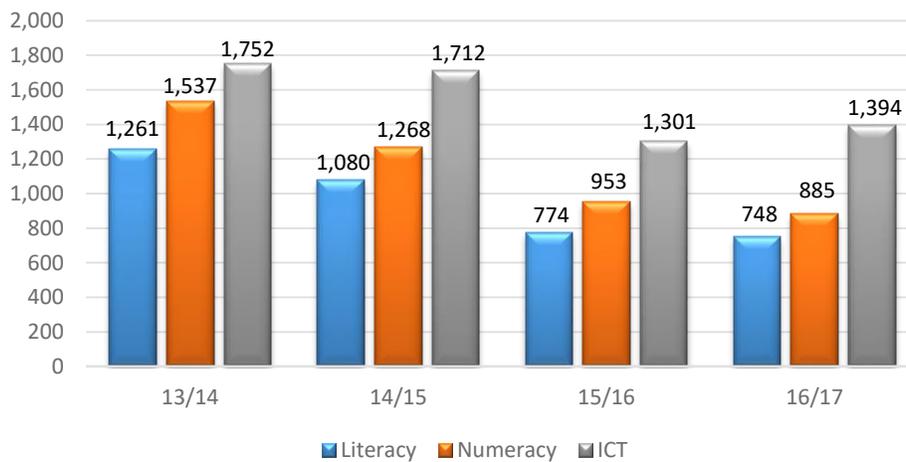


Figure 18

PRIORITY SKILLS

There was an increase in the total enrolment across Priority Skills areas at level 2 and above, **Figure 19**. IT and computing accounted for over 61.4% of full time provision (53% in 2015-16) and 36.9% of part time provision (24% in 2015-16). Part time delivery in engineering and construction accounted for 17.8% of full time provision (18.6 % in 2015-16) and 34.5% of part time provision (32% in 2015-16).

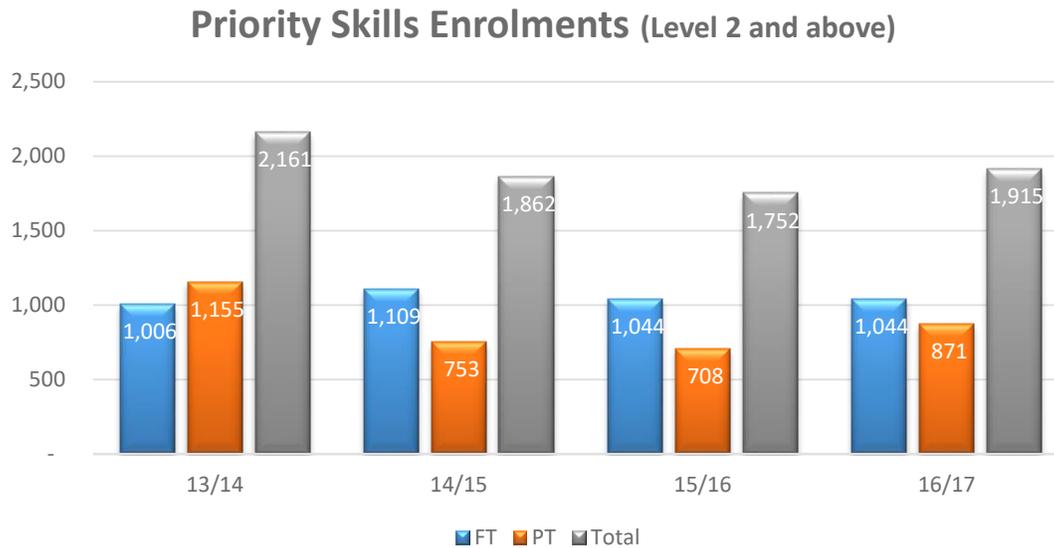


Figure 19

HIGHER EDUCATION

The College’s portfolio of university validated courses aims to provide students with the opportunity to further their education by developing higher level skills as well as improving their career prospects. With over 1,700 Higher Education enrolments annually this is an increasingly important area of work. Many students are finding that choosing to study locally can significantly help reduce the costs of Higher Education study and the demand for part time study continues to increase. The Foundation Degree remains the primary intermediary higher level qualification for full time provision. However, the Edexcel Higher National award remains popular for re-skilling through part time modes of study.

The College is committed to replacing Higher National awards with Foundation Degrees where this is deemed appropriate and relevant to the needs of the local economy. The College offers a number of Foundation Degree, Associate Bachelor Degree and Honours Degree courses validated by the Ulster University, Queen’s University Belfast and John Moore’s University Liverpool.

DfE has set a cap on the total number of student enrolments for full time Higher Education (MaSN). The College was allocated a total Maximum Student Number (MaSN) of 565 places in 2016-17. The College recruited a total of 578 full time students with a further 73 enrolments on higher level apprenticeship programmes in applied science, digital marketing, mechatronics and accounting. The total full-time number decreased to 565 by 31st October 2016 as a result of students opting to take up places in local Universities during the early part of the first semester. The total part time Higher Education enrolment (FLU funded and Cost Recovery) decreased by 200 enrolments from that recorded in 2015-16 with the decrease most noticeable in areas including accounting and leadership in childcare and development, **Figure 20**.

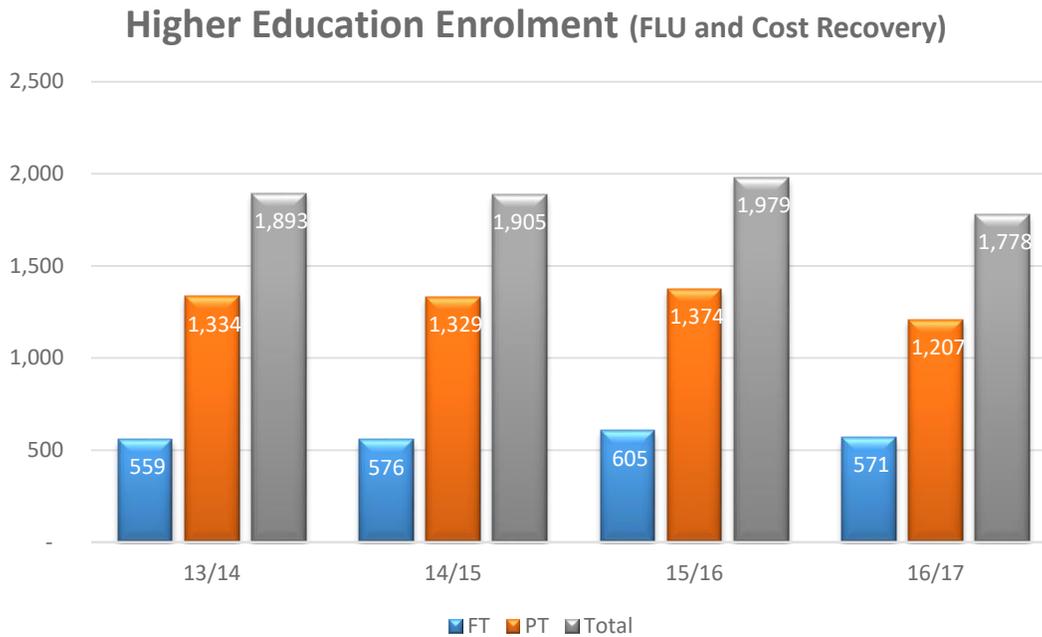


Figure 20

SKILLS TRAINING - TRAINING FOR SUCCESS AND APPRENTICESHIP TRAINING

Table 2 highlights the number of new starts for Training for Success (TfS) and Apprenticeship NI (AppNI) contracts in 2016-17. The total number of Trainees and Apprentices (new and existing) in 2016-17 was 1,183 compared to 1,113 in 2015-16. This figure includes pilot programmes across the Higher Level Apprenticeships, Apprenticeships and Traineeships.

The drop in new entrants to training and apprenticeships is partly explained by the decision to re-introduce hairdressing under further education and a drop in the number of apprentices in food processing. The number of new entrants in trowel and wood occupations also remains a concern. The number of new entrants in plumbing and electrotechnical occupations remains strong.

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

Table 2

The College obtained approval from DfE to continue delivery of Training for Success and Apprenticeship NI programmes. These contracts will run initially for a two year period to July 2019 with the expectation that the new system of Youth Training and Apprenticeships will operate from this point. Within the renewed TfS and AppNI contracts from September 2017, the College has secured frameworks in a range of new subject areas in tandem with its curriculum strategy. This will see a concentrated effort over the next two years across the College to develop Apprenticeships in subject areas beyond the areas currently supported.

SCHOOLS' PARTNERSHIP PROGRAMMES (SPP)

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

In spite of the successes of the partnership, the number of enrolments continues to decrease, **Figure 21**. The removal of 'earmarked' funding to schools by the Department of Education combined with increased pressures on school budgets has resulted in schools withdrawing from existing provision. However the uncertainty over EF funding, the growth of school to school collaboration and a lack of commitment from some schools has led us to make strategic decisions on 'what', 'where' and 'how' our curriculum is delivered. Having to prioritise limited resources to support future provision has meant removing some of our curriculum offer to schools. Without the assurance of continued funding to support such collaboration, the College anticipates a continued decline in the level of engagement at both key stage 4 and post GCSE across all area learning communities.

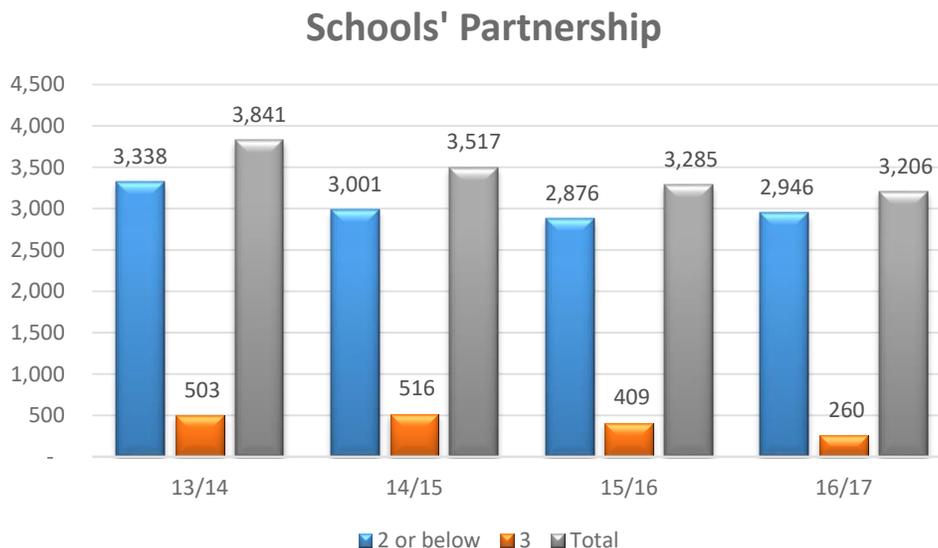


Figure 21

COMMUNITY ENGAGEMENT

The College continued to prioritise its community engagement during 2016-17 on areas of social deprivation and disadvantage and in particular, on the five Neighbourhood Renewal Areas (NRA) within our region. A re-prioritisation of resources has resulted in some changes to the College’s community outreach provision, **Figure 22**. This has resulted in a refined curriculum offer including essential skills and level 2 qualifications aimed at encouraging further progression to the College’s main campuses.

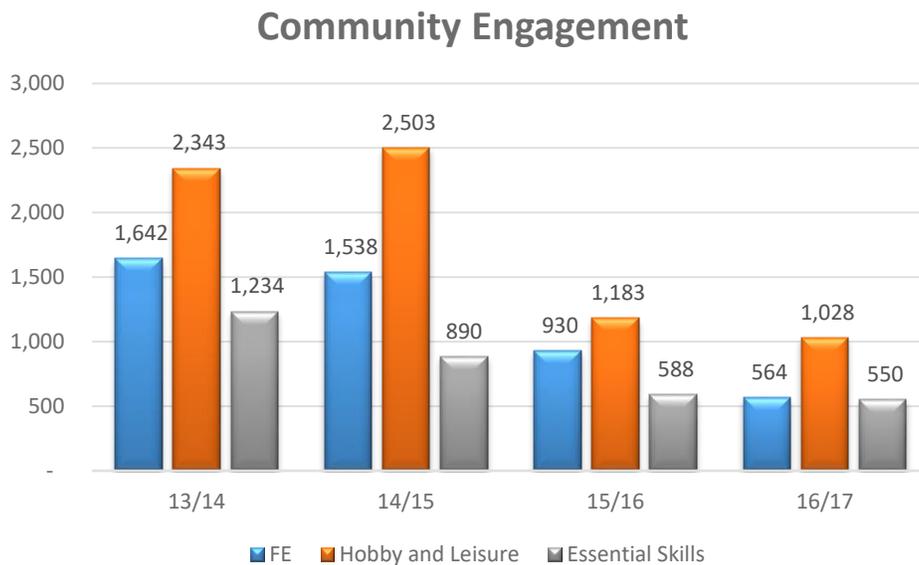


Figure 22

The College continues to be a leading player in the delivery of the regional Neighbourhood Renewal strategy and has been instrumental in the development of targeted projects to tackle social deprivation by providing innovative tailored training opportunities to meet the needs of marginalised groups and disadvantaged individuals. In 2016-17 six projects funded by the Department for Communities (DfC) were delivered to residents living within the five NRAs in Armagh, Brownlow, Lurgan, Newry and Portadown.

A total of 332 residents completed training through the NRA projects with 238 (72%) residents achieving a qualification and 24 (7%) residents obtaining employment as a direct result of their participation on the programme. In addition, 524 of our Schools’ Partnership pupils living in NRAs received mentoring support to help them with their studies.

The College has secured further DfC funding of £266,516 and Newry, Mourne and Down Council funding of £10,000 to continue delivery of targeted projects aimed at tackling the perennial challenges of low levels of participation and achievement in education and employment programmes that tackle unemployment economic activity through to March 2018. These projects include:

- **Three Training and Employment Opportunities Programmes (TOPs) (Craigavon, Newry & Armagh).** TOPs consists of three strands:
 - i. mentoring to pupils from local schools engaged in our SPP;
 - ii. additional targeted mentoring to young people progressing from SPP to full time Further Education and Training courses; and
 - iii. accredited training programmes to adults.
- **Oceans 17:** provides accredited training in Essential Skills as well as basic offshore safety induction and emergency training (BOSIET) enabling participants to secure employment in the emerging offshore oil and gas industry.
- **Enterprise Programme:** delivers bespoke entrepreneurial and self-employed business management training leading to the BTEC Level 2 Award in Enterprise Skills.
- **GROW:** provides accredited training for NRA residents to work towards the BTEC Level 2 Certificate in Horticultural Management. Personal development and employability training will also be provided.

In addition to the Neighbourhood Renewal projects, the College also delivered a number of other projects aimed at improving social inclusion through education and training:

- **Prince's Countryside Fund (PCF):** Further funding of £49,960 was secured for the Agriculture Sustaining Startup Enterprise Training (ASSET) for the 2016-17 year to deliver a BTEC level 2 Award in Business and Enterprise as well as practical agricultural training to 24 young farmers.

The continued fiscal pressures and uncertainty over Neighbourhood Renewal funding post April 2018 is likely to lead the College to further reducing the level of engagement across the community at all levels.

2. STRATEGIC AIM: AN EXCELLENT LEARNING EXPERIENCE FOR ALL

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

QUALITY AND PEDAGOGY

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

The College continues to have 'Organisation, Learning and Growth' at the centre of our business planning process and places significant importance in the development of our staff. The use of the Investors in People framework is a significant driver of the strategic and operational direction of Continuous Professional Development (CPD) within the College. The College began preparations for assessment against the Sixth Generation Investors in People framework which will take place during the 2017-18 academic year. The relevance and impact of CPD is regularly reviewed with regard to the developing needs of staff, learners, and industry partners to provide a "relevant and meaningful curriculum portfolio". During 2016-17 staff had the opportunity to undertake professional development in a number of areas including:

- Teaching Thinking Certificate – 98 lecturers;
- Our team of 7 'Teaching Thinking Champions' have been accredited to deliver the Teaching Thinking Programme;
- Postgraduate Certificate in Further Education – 13 lecturers;
- Industry placements;
- Lecturers into Industry aligned to curriculum developments including project based learning;
- International best practice study visits;
- Project Based Learning including visits to Preston College and the Basque Country;
- Technology Enhanced Learning – support for 17 staff completing the e tutoring programme, 32 completed training on Turnitin software and a further 48 lecturers completed modules on the Postgraduate Certificate in Digital Learning;
- IOSH Leading Safely course was completed by the senior management team and 5 members of the Governing Body.
- IOSH Managing Safely course was completed by 47 members of our wider management team; and
- 50 staff completed a range of development opportunities covering suicide awareness and prevention, autism awareness and safeguarding training.

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

Staff involved in the delivery of the higher apprenticeship in Applied Industrial Science have spearheaded the development of a blended learning solution. This blended learning model aims to provide learners with a more flexible and responsive mode of learning making use of technology including synchronous and asynchronous fora and virtual classrooms. The College plans to introduce blended learning solutions across a number of other higher level courses in Mechatronics, Computing, Construction management and Health & Social Care. An ILT pedagogic framework was introduced during 2015-16 to enhance the digital capability of lecturing staff involved in developing blended learning solutions. Ulster University's level 7 Postgraduate Certificate is being used to support those lecturers involved in developing new blended learning solutions.

As part of the College's commitment to widening participation, the College's curriculum and student service teams further embedded elements of the Inclusive Curriculum Strategy to meet the diverse needs of those learners who experience barriers to learning. The review of SLDD provision during 2015-16 led to an expansion of our offer in Newry for students with moderate learning difficulties.

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

The College continues to be innovative and proactive in seeking the views of students. The CDP online survey was used to seek the views of 13,862 part time and full time students across all areas of the student life cycle including induction, teaching and learning, pastoral care and student services. The College had a 78% participation rate which was one of the highest of 101 Colleges (480,986 learners) participating in the survey across the United Kingdom. Responses from students include:

- Higher Education - 95% agree that "Tutors encourage high standards of work"
- Further Education - 91% agree that " My lecturers use different ways to help me learn"
- Work based training - 95% agree that " Teaching on my course is good"

The College's reputation as a leading college in international skills competitions was further enhanced following the selection of six of our students for the UK skills squad for selection to the World Skills competition in Abu Dhabi in October 2017. The College hosted the NI CITB SkillBuild competition in March 2017. The College won an unprecedented number of top wards including the David Cooper Cup for the most successful college over the lifetime of the SkillBuild competition in Northern Ireland. Entering international skills competitions enables the College to benchmark the employability skills of its students and apprentices with those from around the world, ensuring more young people are being equipped with the right skills to help our local businesses better compete globally.

During 2016-17 the College further embedded the Project Based Learning (PBL) initiative across a number of full-time further education courses as part of a three year plan. Project based learning is defined as “a teaching method in which students gain knowledge and skills by working for an extended period of time to investigate and respond to a complex business related problem, project or challenge”. During the period 2015-17 PBL materials were developed for Level 3 programmes in the follow areas; Computing, Engineering, Multimedia, Media, Sport Studies, Science, Art and Design and Business and Finance. The college has invested in the development of a dedicated PBL space in the West Campus in Newry and this initiative will be used to test and trial a number of PBL delivery strategies in advance of the development of our build projects.

During 2016-17, College processes were subject to a number of surveys, reviews and scrutiny inspections carried out by external bodies including the Education and Training Inspectorate (ETI), DfE FAST audit team, DfE evaluation of the Traineeship and Apprenticeship pilot programmes. The outcomes reflect the College’s culture of innovation in teaching and learning excellence driven by high expectations across the six academic schools, support services and programme management.

In January 2017, the Education and Training Inspectorate (ETI) carried out a ‘scrutiny inspection’ to assess the effectiveness of self-evaluation and quality improvement planning within Southern Regional College. The outcome of this scrutiny inspection was that ETI continued to have a ‘high degree of confidence in Southern Regional College’s self-evaluation and quality improvement planning processes’.

STUDENT SERVICES

CARE GUIDANCE AND SUPPORT

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

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

The College also retained the ‘Louder Than Words’ Charter mark in June 2017 from Action on Hearing Loss as part of our ongoing sensory engagement work.

CAREERS EDUCATION INFORMATION, ADVICE AND GUIDANCE

The Careers team support learners through a range of activities such as Induction, Central Registration, Higher Education applications (UCAS), Pre-Entry Advice and Guidance (PEAS) interviews and HE presentations. These activities enable students to develop their knowledge, understanding, skills and

experience of the extensive range of career opportunities. It allows students to manage their career development, making informed choices, with successful transition into education, training and employment.

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

The Careers Service successfully completed the comprehensive reassessment and achievement for the Matrix Quality Award for Information Advice and Guidance through an annual continuous improvement check conducted in May 2017. This standard demonstrates that the Careers team deliver a quality information, advice and guidance service to users in planning their career. Following this reassessment, the College plans to progress its application for the Matrix Quality Award for the entire Student Services function. Application for assessment for the Matrix Quality Award for Student Services has been made and the College will undergo assessment in October 2017.

Through engagement with a range of external stakeholders, including the Disability Employment Service, the Careers Service has been able to assist students moving into supported employment and also transfer to supported programmes which catered for students' individual abilities. This work assisted students in overcoming barriers to progression and transition. During 2016-17 the Careers Team has tracked the destination of full-time and part-time Level 3 and Higher Education level learners who left Southern Regional College in June 2016. This is the first formal survey undertaken with findings indicating a range of leaver destinations, including progression into employment or additional learning.

The College carried out its own destination survey of full-time and part-time Level 3 and Higher Education level learners who left Southern Regional College in June 2016. This is the first such survey undertaken with findings indicating a range of leaver destinations, including progression into employment or additional learning. In total 1,576 students were contacted with a response rate of 1,204 students (76.4%).

- 64% of FE students completing Level 3 courses progressed to Higher Education
- 23% of FE students completing Level 3 courses entered full or part time employment;
- 44% of students completing a higher education course progressed to further HE study
- 33% students completing a higher education course entered full or part time employment.

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

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

The most popular destinations for students progressing to higher education were SRC, Ulster University and Queen's University Belfast.

LEARNING RESOURCES

The Learning Resource Centres (LRC) support teaching and learning across all subject areas in the College by providing a quality service that meets the information needs of staff and students, whether these are print-based, electronic or audio-visual. Services include:

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

LRC staff ensure that all users can easily access learning resources both electronic and non-electronic by providing 24/7 access to resources through the College's Virtual Learning Environment. LRC staff have established and continue to sustain national and international links with strategic information resources which facilitate research and learning techniques. The use of e-books continues to evolve with the College again ranked highly as one of the top 3 users of e-books in the Further and Higher Education Sector in the United Kingdom.

The continued development of electronic resources, particularly e-books and the purchase of additional online database enhances embedded learning and contributes to the college's ILT strategy commitment of providing co-ordinated management of Learning Resources. The Learning Resource Centres continue to extend the provision of e-resources available to service users. New resources include the EBSCO collection for Further Education which contains over 4,000 e-book resources available over a wide range of subject areas to include; Computers, Cooking, Education, Games, Law, Performing Arts, Religion, and Social Science. An additional new e-resource available to support teaching and learning is Passport. This is an International award-winning global market research database providing strategic analysis on industries, countries, and consumers and companies.

STUDENT ACTIVITIES

In 2016-17 the Student Activities team continued to meet the needs of all students, delivering 220 activities with 13,205 students engaging in a wide and varied activities programme. The Student Activities Co-ordinator has contributed significantly to the success of this area by continuing to engage with external stakeholders such as the Policing and Community Safety Partnership, the Southern Health and Social Care Trust, Education Authority Youth Service and community groups to share expertise and resources as well as securing funding for a number of student events. Partnerships with the new ABC Council have been strengthened through engagement in enterprise and employability initiatives.

The delivery of the 'Health Clinic' programme has been enhanced throughout 2016-17 through a better working relationship and funding arrangement between SRC, Southern Health and Social Care Trust (SHSCT) and the Public Health Agency (PHA). This has enabled the team to increase the usage of clinic services to 172 students across all SRC Campuses.

The Student Activities team has worked closely with the student body to develop the student voice. This has resulted in the implementation of a Class Rep portal, better mechanisms for HE student engagement through a HE forum, as well as development of relationships with the larger learner voice practitioner network across the UK as a whole. The Student Activities team has also delivered an enhanced programme as part of Global Entrepreneurship Week and the Rural Youth Enterprise organisation to support students in ideation, business start-up and competitions.

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

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

LEARNING SUPPORT

Learning Support staff provided a wide range of learning, pastoral and technical support and assistance to students with learning difficulties and/or disabilities. A total of 384 FE, 305 Discrete and 23 HE students were provided with additional support during the year. The College received in excess of £570k from the DfE Additional Support Fund (23% of the overall FE Sector allocation), an additional £340k of discrete provision funding was received for enrolments on full time and part time discrete courses. Learning Support invested in upgraded technologies to support new curriculum areas such as Games Development as well as other assistive technologies including reader/scanner pens. A team of 70 Learning Support Assistants and Mentors provided support to over 700 students across all sites ranging from entry level to higher education courses.

Student survey returns for 2016-17 reported that 92% of students felt that the quality of additional learning support in the college was good or better and 93% felt that they received good advice on learning support availability.

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

- The introduction of a new learning support portal in March 2017 has meant that students can refer directly to learning support as part of their online course application. This portal will develop further over the coming months to produce an online process for students to self-refer at any stage during the academic year;
- Learning Support worked in collaboration with Estates, Marketing, Student Services and HR to achieve the Action on Hearing Loss Charter Mark re-accreditation. Action on Hearing Loss' prestigious Louder than Words™ charter informs customers, students and staff of our commitment to providing the best possible practice. It demonstrates to the public that SRC takes the needs of customers and employees seriously;

- Learning Support engaged closely with Inspire Students (a College partner in the provision of health and wellbeing support) during their rebrand process and with the College Marketing and Safeguarding Teams to ensure that students were aware of referral process. A total of 59 students received face to face counselling during the 2016-17 academic year; and
- Learning Support has established effective partnerships with a number of new external agencies during 2016-17 including Adult Learning Disability Team, Day Time Opportunities Forum and Trust Autism Services to create a more responsive and supportive transitioning service for young people joining the College.

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

MARKETING, COMMUNICATIONS AND STUDENT RECRUITMENT

During 2016-17, the Marketing, Communications and Student Recruitment team (MCR) carried out a review of the SRC brand, the outcome of which was a refreshed brand for the College launched in June 2017. The new brand is currently being applied and adopted and will be fully rolled out over the next 18 months.

The team launched the first 'SRC Mobile Shop' which opened in September 2016. The shop stocks SRC branded merchandise, both clothing and non-clothing items, and the sale of these items is helping to raise awareness of the College brand across the region.

The MCR team have successfully piloted a new mobile web application for SRC stakeholders which was launched May 2017. The 'app' provides students with information on the College, timetabling and attendance tracker. The app will be fully rolled out in the new academic year.

The MCR team used a range of media and tools to promote the education and training opportunities available at the College during the 2016-17 academic year. The use of social media continues to grow massively with 11,400 active followers on the College's Facebook page, representing a 29% increase from 2015-16 and an average organic reach per month of 3,323. We have also expanded our reach on Twitter with 2,513 followers now on the site. To further consolidate the growth in this market the MCR team have developed a digital marketing strategy for the College and have introduced new channels of communication including Instagram and Snapchat.

A number of high profile events were hosted throughout the year. These included the Higher Education Graduation, the Schools' Partnership awards, Student Recognition awards and numerous other celebratory events to mark the achievements of students and staff. The Marketing Team promoted the College's curriculum offer at 88 events over the course of the year including schools careers talks, information evenings and at Information Days. The team also undertook a review of the College Open Days and developed and implemented an action plan that led to a number of changes to the format of Open Days across all campuses.

The MCR team have worked throughout the year with the curriculum management team to promote apprenticeships opportunities offered by the College in conjunction with leading employers. The MCR team was instrumental in leading on the 'Big Apprenticeship Event' campaign in conjunction with a number of employers and our Business Support and Innovation section to highlight new and emerging job opportunities across a number of sector.

CAMPUS SERVICES

The Campus Services team continued to work on the development of streamlined and efficient key business processes including Admissions and Enrolment processes in collaboration with IT developers and the MIS team. A restructuring of Campus Services team was completed for Front Line Services (FLS), Admissions & Enrolment Services (AES) and Customer Information Services (CIS) incorporating the newly formed Call Centre.

An Admissions/Enrolment Review was conducted seeking feedback on Admissions, Enrolments, Key dates and Events and Communications. Recommendations from the review led to a number of service improvements and the introduction of a number of new and enhanced 'e' processes, including:

- A reduction in the number of Pre Enrolment Advice Sessions (PEAS) for potential students; staff were also encouraged to progress existing students internally rather than attending PEAS;
- The introduction of a new PEAS portal for lecturing staff in February 2017 which enabled lecturers to progress course applications and make course offers electronically;
- The provision of training to Curriculum Management Team (CMT), Campus Services (CS) / Training for Success (TfS) and lecturing staff on admissions policy and processes during February and April 2017;
- Trialling of the Telephone Call Centre which was in full operation for an 8 week period during August and September 2016 with planning advanced for the re-establishment of the centre in August 2017;
- Further enhancements being made to the online application portal in line with curriculum needs. The online application system can now retain scanned copies of exam certs, birth certs, school reports etc. alongside individual application forms. This is currently being trialled with a view to moving to a paperless solution in the near future;
- The launch of an online portal to facilitate Hardship Fund applications now established majority of applications via online portal;
- Further development of EMA portal to automate student absence reporting which was introduced in September 2016;
- A review of Essential Skills data capture and management processes;
- Automation of all School Partnership Programme (SPP) enrolments uploaded to the college's information system;

- The development of an online bus pass application process. This involved collaboration with the Education Authority and will be deployed from September 2017; and
- The launch of a new Course Enquiry portal in January 2017.

INFORMATION LEARNING TECHNOLOGY

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

There was a focus on knowledge and skills and a comprehensive ILT pedagogic framework has been progressed in partnership with Ulster University. This development programme is now well embedded and is currently being used to support the development of Foundation degrees and Higher Level Apprenticeship blended delivery models.

The College has committed to the migration of a number of services (Microsoft Office and SharePoint 2013) to a cloud environment through the implementation of the Microsoft Office 365 solution. Microsoft Lync remains a significant element of this overall programme of work. In addition mobile device access has been significantly enhanced by the implementation of further Wi-Fi coverage and the JISC Eduroam service. The decant operation in Killylea Road, Armagh has been used to test and trial a number of ILT design features including use of Wi-Fi for primary connectivity to college networks and mobile interactive screens. These will help inform the future ILT plans for deployment of technology in new college campus buildings in Banbridge, Armagh and Craigavon.

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

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

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

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

BUSINESS ENGAGEMENT

The Business Support and Innovation Centre (formerly known as i3) is the main contributor to the College's Employer Engagement strategy. It aims to help companies of all sizes to innovate, compete and grow through the provision of a unique mix of technical and business know-how, skills development and research and development services. One of the Centre's key objectives is to increase employer-college engagement to underpin, develop and strengthen innovative and flexible approaches to meeting current and future skills needs. The Business Support staff work with companies from across Northern

Ireland, particularly in the southern region, as well as servicing business clients in the Republic of Ireland. The Business Support and Innovation Centre has contributed to the strengthening of the College's position as a primary provider of business support and knowledge transfer activity to local and regional business and industry.

KNOWLEDGE TRANSFER ACTIVITY

In 2016-17 the Business Support and Innovation Centre continued to secure and deliver a range of knowledge transfer programmes with employers in NI and ROI.

The key programmes delivered during 2016-17 include:

- **IntertradeIreland's Fusion programme & Knowledge Transfer Partnerships:** The College's engagement with IntertradeIreland's FUSION programme continued in 2016-17. The team also secured its first Knowledge Transfer Programme in over 7 years at SRC. 6 Fusion projects were secured in year with 5 projects ongoing resulting in 11 projects in delivery across the academic year. The majority of the projects focused on Food Technology, Engineering and IT specialisms with these subject areas mirroring the staff specialism that is current within the team presently. Companies included Printsmart, Wright Group Brokers, O'Donnell Engineering, MMM Family Bakery, Adams & Butler, Teeling Whiskey, Sunshine Juices and 3R Mobility.
- **Innovation Voucher Scheme:** 22 companies were supported via Innovation Vouchers during the 2016-17 year. Companies included Mourne Seafood, Broderick Engineering, Vets Extra, Smart Little Lunch, Moon and Spoon, Milestone, Cardona, Hills Mixtape, Oh So Lean and Cloud 9. Projects focused mainly on New Product Development (NPD) projects in the food and engineering areas. Topics included NPD for oven bag ready meals; components design for a truck mounted fork lift; NPD for a range of gluten free products; NPD for a mobile bicycle stand; NPD for gourmet pet foods; NPD for Protein bars; NPD for plough components; NPD for a mobility chair; NPD for a portable sun lounger and the development of a nutrient flow control device for an agri drinker.
- **InnovateUs:** 78 new projects were secured with 70 projects completed during the year. The programme has served as an introductory engagement programme for many clients who are new to the knowledge transfer services of the College. The majority of delivery was to the micro business sector. Clients supported under this programme included 3 R Mobility, A27 Engineering, Brilliant Trails, BullHouse Brewery, Clanrye Lighting, Craftstone 2000, Maha Ireland, Nettronics, Applebox Media, Healthcare Analytics, Kompact Engineering, Cunningham Butchers, Dreamcatchers, Fish City, Heavenly Cup Cakes, Kennedy Fitzgerald Architects, Lean Supper Club, Living Languages and Nugelato.

TRAINING AND UPSKILLING PROGRAMMES

In 2016-17, the Business Support team continued to coordinate the DfE's flagship upskilling programme for employers 'Skills Focus'. This funding mechanism enabled engagement with business clients who would not otherwise be in a position to avail of the skills development programmes at the College. The

Business Support Team also secured and managed a Data Analytics academy via the DfE Assured Skills Programme.

Some examples of training provision to industry in 2016-17 include:

- **Skills Focus:** 98 training projects were delivered in 2016-17 to 122 companies including Interface Flor, Step Up Nursery, Ann's Homecare, Around Noon, Best Property Services, Brass Monkey, C&P Construction NI, Childsplay, Corriewood, Deluxe Group, Emmersons Supermarket, Gabriel Gilmore Stonemasonry, Homecare Support Services, Maloccas, McWall Drawing and Design, O'Callaghan Planning, Peninsula Care Services, Sintons on the Bridge, Slieve Donard Hotel, Uluru and William Edgar. Examples of accredited provision delivered through this programme in 2016-17 included; NVQ Level 2 Health and Social Care; Level 3 Diploma Heritage Skills; CIEH Level 2 and Level 3 Food Safety; Manual Handling Train the Trainer; OCN Level 2 Social Media; Level 3 Diploma in Children's Care, Learning and Development; ILM Level 3 Leadership & Management; Level 4 Revit; Solid Works and Level 3 Electrical Installation.
- **Full Cost Recovery:** The Business Support team secured 52 full cost recovery training contracts. Clients included Norbrook, Moy Park, Appletree Dental, CUBIS, Newry, Mourne and Down council, ABP, Glen Dimplex, Mindwise, Carepoint and Shopfit NI. The majority of this provision was bespoke and the main areas of training delivered included Health and Safety topics, Microsoft Office as well as construction and engineering related skills development.
- **Assured Skills:** In partnership with DfE, the College successfully delivered a Data Analytics Academy to 13 candidates. The Academy commenced in January 2017 and ran for a period of 11 weeks full time at the SRC Portadown Campus. A number of the participants secured work after the lifetime of the programme. The College plans to embed the programme in its general campus provision in 2017-18.
- **Apprenticeships And Higher Level Apprenticeships (HLAs):** The Business Support Team continued to work with employers to secure new apprenticeships as well as working internally to develop new programmes in response to employer feedback. Work on Higher Level Apprenticeships continued with 44 new entrants and 30 existing apprentices undertaking HLA programmes in 2016-17. Development work continued during the year to ensure the launch of the Computing and Infrastructure Higher Level Apprenticeship in 2017-18. Work also continued to expand the Level 3 provision. Examples include the development of a new Specialist Joinery Level 3 programme commencing in 2017-18 academic year with 6 employers offering new apprenticeship opportunities in this area.

EXTERNAL ENGAGEMENTS

During the 2016-17 academic year, the Business Support team organised a number of employer networking events to help raise awareness of the services on offer at SRC. Some examples are detailed below:

- Higher Level Apprenticeship Accountancy Event, Newry Campus - August 2016
- New Product Development Masterclass for Engineering firms, Newry Campus - September 2016

- Digital Transformation workshop with Queens University and local industry, Greenbank – January 2017
- Information Session with Fusion consultants, Greenshoots – February 2017
- Employer Malls - Armagh, Portadown and Newry Campus - March 2017
- Big Apprenticeship Event, Newry West - April 2017
- Adventurous Activity Employer Meeting, Greenshoots - April 2017
- Practical Cyber Security for Small Businesses, Newry & Portadown Campus - May 2017
- R&D Tax Credits & Grants Info Sessions for SME's, CIDO Innovation Centre - June 2017
- Higher Level Apprenticeship Employer Information Session, Portadown Campus - June 2017
- First Derivatives Careers Event, Newry West – June 2017
- Information Session with Invest NI team, Newry – June 2017

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

- Financial Symposium, The Personal Finance Society, Belfast, November 2016
- The Newry Business Conference, Newry Chamber of Commerce, Newry, November 2016
- Numerous events in support of Global Enterprise Week, November 2016
- Meet the Funders, ACBC Council, Craigavon, November 2016
- Agri Food Conference, ACBC Council, Craigavon, December 2016
- Research and Innovation Conference, Innovate Ireland, February 2017
- Female Entrepreneur Conference, Women in Business, Limavady, March 2017
- Cross Border Tourism Conference, NMDDC & Louth County Council, Carlingford, April 2017
- Balmoral Show, Royal Ulster Agricultural Society, Lisburn, May 2017
- Digital DNA Conference, Digital DNA, Belfast, June 2017
- ABCB Council Business Awards, Civic Centre, Craigavon, June 2017

The team also continued to build and maintain strong links with relevant agencies and stakeholders throughout the year including Invest NI, InterTradelreland, local Councils, Enterprise Agencies, DfE Employer Skills Branch, local Chambers of Commerce, Queen's University, Ulster University, Camden BRI, ABCB Agri-Food Forum, Royal Society of Ulster Architects (RSUA) and the CITB.

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

Table 3 * excluding Apprenticeship and associated income

4. STRATEGIC AIM: COMMITTED PEOPLE AND ORGANISATION

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

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

The College also supported individual requests for professional development including supporting staff through teacher training (PGCE FE), professional and higher level course as well as job related training. This included the first tranche of lecturing staff successfully completing the newly established Post Graduate Certificate in Digital Learning. The College also provides a bespoke introductory teaching and learning development programme for part-time lecturers which includes new and innovative pedagogic strategies that can be applied in the classroom environment. Other activities included:

- The introduction of accredited Teaching Thinking Champions and the delivery of Teaching Thinking Certificate training to 98 lecturers and part-time lecturers;
- Delivery of a range of training courses and programs including ICT/ILT, blended learning, project based learning training and business process mapping; and
- Accredited Institute of Safety and Health (IOSH) training in the leadership and management of health and safety

Following the successful Investors in People (IIP) re-accreditation the College is now developing its strategy and plans to continue its people and organisation development journey using the new IIP framework (Gen6).

The College Human Resources and Development department continues to support the wider staff complement in managing and supporting staff in accordance with the College's staff absence management policy. The staff attendance rate for 2016-17 was 97.5% against a target of 96.0%.

5. STRATEGIC AIM: EFFECTIVE GOVERNANCE AND STRATEGIC MANAGEMENT

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

During 2016-17 the Executive Team led by the Chief Executive monitored and reviewed financial performance on an ongoing basis through detailed monthly operational reports and adjusted the operating strategy and budget as required throughout the academic year. The Finance and General Purposes Committee of the Governing Body received regular financial reports detailing actual and budgeted figures together with variance analysis and commentary. In addition the Finance and General Purposes Committee received other reports on governance and financial management matters including procurement activity, business cases, updates on policies and progress against delivery targets. In addition the Governing Body received a full update on the College's financial position and progress against delivery targets at each meeting throughout the academic year.

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

Risk management processes continued to operate and formal risk management principles are well embedded into existing management structures. All functional area risk registers were reviewed with relevant managers and the Corporate Risk Register was reviewed and updated against an agreed annual schedule and presented at each Audit Committee meeting.

6. STRATEGIC AIM: MODERN FIT FOR PURPOSE COLLEGE ESTATE

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

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

During the course of 2016-17 the Estates Project Board and the Capital Projects Steering Group met on a regular basis to provide governance with significant progress being made in the delivery of the projects including:

- Successful and comprehensive staff engagement to inform the developed design proposals;
- Project Board approval of the RIBA Stage 3 Developed Designs for all three new build campuses;

- Full planning permission for both the Armagh (February 2017) and Banbridge (April 2017) projects was obtained;
- Pre-Tender Estimates (PTE's) were approved in line with the Outline Business Case approval limits;
- The Outline Business Case was revised and updated approvals obtained;
- The Pre-Qualification Questionnaire (PQQ) procurement process for both Armagh and Banbridge was completed;
- The capital funding necessary to progress the Armagh project was allocated and the procurement process to appoint a main contractor has moved to the tender stage;
- Banbridge tender documents are ready to be issued subject to capital funding allocations being approved;
- Extensive community consultation was carried out as part of the planning pre application process in respect of the Craigavon campus project;
- A detailed full planning application submission has been prepared for Craigavon and is ready to be submitted to the Planning Authority; and
- Refurbishments and preparations were completed at a former high school at Killylea Road in Armagh to facilitate a temporary decant from the main College Hill / Lonsdale Road campus and the subsequent demolition and construction of the new campus building.

The College's programme of refurbishment and enhancements across campuses was scaled back in comparison to previous years and was largely restricted to sites that are not identified within the outline business case for new build projects. This included the commencement of refurbishment of the Graduate Restaurant facility at the Newry East Campus, replacement of kitchen floor covering at the Newry East and West campuses, Newry and removal of disused mobile classrooms from campuses in Newry and Kilkeel.

7. STRATEGIC AIM: INTERNATIONAL LINKS

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

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

The College strategy is to ensure that all students benefit from exciting learning experiences that will not only enable them to achieve relevant professional and technical qualifications but also avail of opportunities to grow personally and socially so they can survive and thrive in the new global society.

During 2016-17 the External Funding and International Affairs Team (EFIAT) facilitated 221 students and 51 staff on mobility placements to Spain, Germany, Switzerland, Finland, Italy and Malta.

The College continues to be the largest provider of VET Erasmus mobility placements in the further education sector and is one of only six colleges across the UK to hold the prestigious VET Mobility Charter.

In addition, the College hosted 22 students and staff from across Europe:

- 4 students and 4 staff from Santander in Spain;
- 3 students from Lausanne, Switzerland;
- 4 staff from the Netherlands.
- 6 staff from Finland
- 1 student from Italy

In 2016-17 the EFIAT secured EU funding of €367,020 under ERASMUS+ VET which will enable a further 170 FE students and 41 staff to undertake meaningful mobility placements across Europe in the 2017-18 academic year. The team also secured €15,643 under ERASMUS+ programme for higher education mobilities in order to support 12 staff engaging in activities that help attune curricula to labour market needs and to take part in European and international cooperation for the exchange of good practice. The College expanded its international remit with the addition of an International Credit Mobility Project, partnering with Messiah College in Pennsylvania and a partnership project with Switzerland which enabled students and staff member to undertake mobilities to Switzerland and the USA.

FINANCIAL OBJECTIVES

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

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

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

The financial objectives are concerned with ensuring the College continues to be financially viable and sustainable and that it operates high standards of corporate governance in the conduct of its business. The financial climate remains challenging across the public sector with continued constraints on funding. The College financial plan for 2017-18 has been developed taking account of the current situation regarding funding allocations with the aim of supporting delivery of the College's strategic aims as well as a wide range of more detailed objectives that have been developed around a number of themes, including curriculum planning, economic engagement, community engagement, school partnership, additional learning needs, information and learning technology and a range of corporate support functions.

PERFORMANCE INDICATORS

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

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

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

FINANCIAL POSITION

FINANCIAL RESULTS

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

In previous years the results of the Southern Regional College incorporated the activities of, a subsidiary company, Greenshoots–Newry Limited, and presented the consolidated position of the College. As at 31 July 2016 Greenshoots–Newry Limited transferred its assets to Southern Regional College and ceased trading.

The financial position for the year ended 31 July 2017 showed an operating deficit for the year of £6.32m compared to the surplus for 2015-16 of £0.4m.

Overall income decreased on the previous year by £1.31m with expenditure in 2016-17 increased by £1.44m. Although the overall financial position included the amount associated with the Voluntary

Exit Scheme in 2016-17 and 2015-16, these are excluded from the income and expenditure figures and are accounted for as an exceptional item. The College in agreement with the Department made a repayment of £4.00m in 2016-17 as part of a managed process to reduce the College's cash balance, this has been accounted for as an exceptional item. Overall the financial performance shows an improved position against the College Development Plan and reflects a number of revisions to income and expenditure lines effected through the quarterly monitoring process.

The College's Land and Buildings were revalued at 31 July 2017 by Land and Property Services. This resulted in an increase in value for the estate of £1.53m. As a consequence of the new build project progressing the properties at Lonsdale Street and 83 Lisanally Lane have been impaired to reflect their remaining life, this impairment reduced the value of these buildings by £6.98m. The total net book value of Land and Buildings, excluding assets under construction at 31 July 2017 was £43.05m, with assets under construction totalling £2.82m.

The College has significant reliance on the Department for the Economy (DfE) as its principal funding source, largely from recurrent grants. In 2016-17 64.4% of the College's total income was provided through allocated recurrent grant.

RESERVES

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

The College, with the agreement of the Department, has committed £8m of reserves to the delivery of the new build estates projects. In this regard College reserves will form a crucial element of the funding stream that will enable the delivery of the estates strategy and help contribute towards the level of investment that is required in the Southern Regional College infrastructure. In addition, an amount of £4.0m was repaid to the Department to maintain cash balances at an agreed level.

The College has total net assets of £51.80m and cash, cash equivalents and investments of £13.18m as at 31 July 2017. The College is holding a higher than normal level of reserves but this is committed to supporting investment in the estates projects. Consequently the level of reserves is expected to reduce significantly in line with the delivery programme for the new build projects.

TREASURY POLICIES AND OBJECTIVES

TREASURY MANAGEMENT

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

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

- All investments are held with major financial institutions operating in the UK banking sector which are regulated by the Financial Conduct Authority and Prudential Regulation Authority. At the balance sheet date the College had the following investments:-
 - Santander - £6.60m
 - Danske Bank - £3.05m
 - Ulster Bank - £1.58m
- All bank accounts operated by the College are approved by the Finance and General Purposes Committee;
- All College cash and deposits received are lodged and held in the approved bank accounts;
- The Assistant Director of Finance is responsible for arranging and operating a group bank account structure and ensuring all balances held earn investment interest;
- The Assistant Director of Finance maximises investment income by undertaking cash flow forecasts and placing the maximum amount of cash balances on deposit whilst maintaining a prudent balance to meet creditors and other short term liabilities;
- Investments are placed with the College's bankers or other approved Investment Bank for periods recommended by the Assistant Director of Finance (but no longer than one year) in conjunction with the Chief Executive following approval from the Chair of the Finance and General Purposes Committee and Vice Chair of the Governing Body; and
- Before making recommendations the Assistant Director of Finance carries out an appropriate exercise which will seek to minimise risk and optimise return.

CASH FLOWS AND LIQUIDITY

Cash outflow was £1.27m (2015-16 £1.57m inflow). The most significant factor impacting on this was the repayment of £4m to the Department.

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

CURRENT AND FUTURE DEVELOPMENT AND PERFORMANCE

The College development plan for the three year period 2016–19 sets out the strategic priorities for Southern Regional College together with the actions that will be taken to support the achievement of

the underpinning business objectives. The plan sets out the main areas of work to be undertaken over the next three years in supporting economic development, enhancing social cohesion and advancing the individual skills and learning of the local community. Progress against each of the strategic objectives was set out previously.

The strategic plan for the next three years is predicated on the basis of an appropriate level of recurrent grant funding being received from the Department for the Economy. The continuing uncertainty with regard to funding has potential implications for current and future developments and on our ability to deliver against the College Development Plan. The College will closely monitor developments in this regard and will review and revise plans and priorities as necessary.

This section of the Annual Report provides a synopsis of some of the key developments planned by the College over the next three years as well as information on performance against targets in 2016-17.

STUDENT NUMBERS

A summary of performance in respect of student enrolment and Funding Learning Unit (FLU) targets for 2016-17 is shown in **Table 4**.

2016-17		Targets		Performance	
		Enrols	FLU	Enrols	FLU
Further Education	Full Time	3,240	4,660	3,011	4,462
	Part Time	8,357	1,158	9,088	1,149
	Total	11,597	5,818	12,099	5,611
Essential Skills	<20	1,750	238	1,944	256
	>20	1,270	151	1,079	136
	Total	3,020	389	3,023	392
Higher Education	Full Time	565	881	548	868
	Part Time	1,195	405	1,100	399
	Total	1,760	1,286	1,648	1,268

Table 4

The FLU delivery target set by DfE for 2016-17 was 7,493 compared to a target of 7,501 in 2015-16. This target was reflective of the budget position and an expectation the College could not continue to deliver to the same level as in previous years. The College exceeded its targets for essential skills, fell short of targets for part time further education and higher education, however the most significant element of under delivery related to full time further education. The level of delivery for the period 2009-16 is shown in **Table 5**.

FLU Delivery	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
Actual delivery	8,372	8,071	8,095	7,942	7,808	7,300	7,271
FLU budget allocation	7,966	7,721	7,685	7,831	7,770	7,501	7,493
Over /(Under) delivery	406	350	410	111	38	-201	-222
Over /(under) delivery as % of resource allocation	5.2%	4.5%	5.3%	1.4%	0.5%	-2.7%	-2.9%
£ block grant	£27,084,400	£26,096,041	£26,129,000	£26,624,174	£26,416,525	£25,503,400	£25,476,735
Over /(Under) delivery (£)	£1,380,400	£1,190,000	£1,394,000	£377,400	£129,200	-£686,800	-£754,800

Table 5

STUDENT RETENTION AND ACHIEVEMENT 2016-17

A summary of the College’s performance for the 2016-17 academic year is shown in **Table 6**.

Overall retention rates for Further and Higher Education courses either met or exceeded target with the exception of full time further education (88.0%). Student withdrawal on full time level 2 courses was recorded at 19% of the total student intake.

Retention and success rates on Essential Skills provision were below target recorded at 84.3% and 60.2% respectively.

The overall success rates across all areas of course provision exceeded target with the exception of Essential Skills.

Further and Higher Education							
	Targets 2016-17				Performance 2016-17		
	Mode	Ret.	Ach.	Success	Ret.	Ach.	Success
Higher Education	Full-time	95.0%	91.0%	86.5%	96.0%	95.9%	92.1%
	Part time	92.0%	90.0%	82.8%	94.1%	93.2%	86.2%
Further Education	Full-time	90.0%	88.0%	79.2%	88.0%	97.6%	85.9%
	Part time	90.0%	88.0%	79.2%	93.1%	89.5%	83.3%
Essential Skills	Part time	85.0%	77.0%	65.5%	84.3%	72.1%	60.2%

Table 6 (Source NICIS)

SCHOOLS' PARTNERSHIP PROGRAMME

The total enrolment for the SPP (excluding essential skills project) dropped slightly to 3,206 compared to 3,285 in 2015-16. The performance across all areas and all levels of the SPP was excellent with retention figures in excess of 98% and an overall achievement rate of 96.1%, see **Table 7**.

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

Table 7

**excludes the essential skills sector project enrolments*

STUDENT ACHIEVEMENTS

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

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

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

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

During the 2016-17 academic year:

- **Armondas Tamulis** has been selected to represent Team UK in Wall and Floor Tiling at the WorldSkills Finals in Abu Dhabi;

- A Level student, **Maciej Mareh Zych** was selected to attend an intensive two week placement at the United Space School in Houston, USA;
- Former student, **Gary Doyle**, received a Gold Medal from City & Guilds for Outstanding Achievements at NVQ Level 3 in Domestic Plumbing and Heating;
- SRC music student, **Geordie McKinney**, won 1st place in the Sound Design Category at the Music Skills NI Competition;
- **Kieran Magee** from Mayobridge, was crowned Apprentice of the Year at the Federation of Master Builders Awards. **Armondas Tamulis** and **Jordan Jeffers** were Highly Commended;
- **Jordan Jeffers** represented the UK in Painting and Decorating at EuroSkills in Gothenburg and was Highly Commended;
- SRC students won an outstanding six gold, three silver and three bronze awards at the SkillBuild Regional Finals;
Gold: **Thomas Fegan, Tommy Helliwell, Richard Shannon, Conor McClland, Nathan Dodds, Sean McLoughlin**
Silver: **Jordan Hughes, Shane Murray, Daniel McBurney**
Bronze: **Michael Hughes, Jacob Reid, Cathal Murphy;**
- **Conor Larkin**, Level 3 Diploma in Professional Cookery student, was a finalist in the KNORR Student Chef of the Year 2017 competition;
- Plumbing and heating apprentice, **Gary Knight**, won the HIP UK Heating Apprentice NI Regional Heat and was a finalist in the final held in Cheltenham;
- **Ryan Finnegan** won the All-Ireland Rotary Chef of the Year Award and was a finalist at the UK Final held in Lincoln - he studies the Level 2 Diploma in Professional Cookery;
- SRC's Volleyball team defeated reigning champions Campbell College to win the NI Schools Volleyball Final. The winning team included **Craig Taylor, Ross McMorris, Mark McKitterick, Ryan Upton, Joao Silva, Chris Hamilton, Mathieu Outhwaite, Ashley Hall, Jonathan Nicholson** and **Jordan Dillon;**
- **Anita Rush** won the Northern Ireland College Chef of the Year 2017 and **Kieran Cleverley** was awarded runner up for Northern Ireland Food Service Student of the Year 2017;
- SRC students scooped four prizes at the BEST Awards, organised by Colleges NI and linked to the development of Science, Technology, Engineering and Maths. The winners were **Joel Davidson, James Shilliday, Samantha Hyde, Ronan McGibbon, Paul Lyons, Joseph Murnion** and **Ryan Wilson;**
- Over 500 students from local high schools celebrated their success at awards ceremonies for students participating on the School Partnership Programme (SPP) at Southern Regional College;
- **Clodagh McComiskey**, a Foundation Degree in Sport, Exercise and Fitness student at the Newry Campus, won the Champion of Ireland U22 54kg boxing title at the Irish Amateur Boxing Championships;

- **James Gracey** was crowned winner of the Premier Young Butcher 2017 competition, beating other elite butcher apprentices in the final;
- **Katie Hendron** and **Kludie Vesela**, both students on the Level 3 Foundation Diploma in Art and Design course in Lurgan, were named amongst the 10 semi-finalists in the Young Designer of the Year competition run by The Wedding Journal magazine;
- **Andrej Zak**, **Emma McAlerney** and **Tiegan Parke** got through to the UK final in London of the Nestlé Professional Toque d’Or competition;
- At the Institute of Meat Awards, **Martin Naan**, was awarded the Best Independent Retail Meat Apprentice Award and **Kyle Fisher** was presented with the Best Full-Time Professional Butchery Student Award;
- Level 3 Extended Diploma in Business students **Timothy Burke**, **Christopher Dougan** and **Enya Meehan** won Future Students of Business Awards in the competition which promotes entrepreneurship in the six regional FE colleges in NI;
- **Jordan Dillon** was presented with a British Education Award as he has shown exemplary commitment to sport and fitness;
- **Justin Mahon** was presented with a bronze medal in Body Repair and **Lauren McMahan** was awarded a silver medal in Media Make-Up at the UK WorldSkills competition held in Birmingham;
- **Katherine Donnelly** achieved 3rd place in the ‘Junior Day Style’ category, 3rd place in the ‘Creative Colour’ category and also 3rd place overall in the Northern Ireland Hairdressing Championships;
- At the UK Regional WorldSkills heats in Wales, **Lauren McMahan** won gold in Media Make Up and **Niamh Leonard** won bronze in the Beauty Therapy Body competition. **Stephanie Gallagher** won a silver medal and **Naoimhellen McParland** took home a bronze medal, both in the Beauty Therapy Hands and Face category;
- **Kathryn Grant** and **Paige Donaldson** both won silver in the Level 2 Beauty Therapy category heats and **Nadine Lewis** took Bronze in the Level 3 Beauty category at the UK Regional WorldSkills Heats held in Birmingham;
- Level 3 Foundation Diploma in Art and Design student **Sean Og O’Neill**, won first prize in the Ink Tonal Study section at the Inter-College Drawing and Painting Competition;
- At the Irish Hairdressers Mirror Mirror Mannequin Competition, Level 3 Hairdressing students **Shannon McKeever** and **Shannon Woods** achieved 2nd and 3rd place respectively.

CURRICULUM DEVELOPMENTS

The Southern Regional College is a main provider of professional and technical education and training and plays a primary role in raising the skill levels across the region it serves. The College has a strong reputation within Northern Ireland for curriculum innovation and delivery. The College provides a

range of courses spanning essential skills, professional, technical and academic programs from entry-level through to level six and also hobby and leisure provision. The removal of FLU subsidy to support hobby and leisure provision has led to a reduction in this area of work however, the college continues to offer such provision as part of its social inclusion agenda. Despite the continuing financial challenges ahead, the College will prioritise resources to deliver the following:

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

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

- Project Based Learning will be further embedded across all professional and technical programmes of study thus improving the connectivity between our curriculum and business and industry.
- The College will continue to strengthen business engagement through the work of our Business Support Unit by further developing the range of services and interventions for local SMEs and micro businesses with a view to improving business productivity, growth and competitiveness in the regional and Northern Ireland economy;
- The College will continue to prioritise resources to ensure that all school leavers (post GCSE) have the opportunity to undertake a full time programme of education or training;
- The College will continue to prioritise resources to support science, technology, engineering and mathematics and creative design as part of the wider curriculum offer;
- New and flexible delivery strategies will be developed for Essential Skills with the aim of enabling adults to improve their overall quality of life, their personal development and employment opportunities;
- The development of dedicated Higher Education Centres remains a priority and will be further explored in the context of the future estates developments in Craigavon and Newry;
- Community engagements promoting community cohesion and enhancing social inclusion through relevant education and training and strengthening partnership arrangements with schools based on longer term commitments across the four Area Learning Communities will remain as a priority over the next three years for the College; and
- The physical environment through which curriculum and training is delivered will be greatly enhanced through the provision of new campus facilities planned for Armagh, Banbridge and Craigavon.

FUTURE DEVELOPMENTS

The College recognises the challenging nature of the prevailing economic environment and takes this into account when projecting its future student intake and budget planning. The College relies heavily on recurrent grant and contracts from the Department for the Economy and continues to diversify the range of income generating activities and cost recovery activity. The current uncertainties including those linked to BREXIT, constraints on public sector funding, the absence of a devolved administration and the potential for future budget reductions will place significant pressure on the College's capacity to maintain its regional presence and the current curriculum offer.

Work based training and apprenticeship delivery represents another important source of income. A new system of youth training at level 2 and apprenticeships at level 3, including the associated funding mechanisms, is being progressed and the College will continue to work closely with the Department for the Economy to support its successful implementation.

The implementation of the Estates Strategy remains a major priority and indeed a challenge for the College moving forward over the coming years. Good progress continues to be made including the appointment of the integrated consultant design team and a dedicated Projects Director, the Project Board approved the RIBA Stage 3 Developed Designs for all three new build campuses and full planning permission was obtained for both the Armagh (February 2017) and Banbridge (April 2017) projects. In addition the Pre-Qualification Questionnaire (PQQ) procurement process for both Armagh and Banbridge was completed, refurbishments and preparations were completed at a former high school at Killylea Road in Armagh to facilitate a temporary decant from the main College Hill / Lonsdale Road campus and capital funding necessary to progress the Armagh project was allocated by the Department for the Economy to enable the procurement process to proceed to appointment of a main contractor.

It is anticipated that during 2017-18 contractors will be appointed for the Armagh new build and subsequently for the Banbridge project and that planning permission will be progressed in respect of the Craigavon project. The College is also progressing a business case for its future estates plans for the development and consolidation of campuses in Newry City.

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

There is a need to secure funding arrangements, in the longer term, for the Entitlement Framework and to ensure commitment so that partnerships with schools in the Area Learning Communities are underpinned by appropriate resources.

The College is committed to working with the Department for the Economy and other colleges in implementing the programme of work set out as part of the new strategy, 'Further Education Means

Success'. The College will continue to improve the efficiency and effectiveness of business processes and to maximise the opportunities through collaboration and use of shared services.

PAYMENT PERFORMANCE

The Late Payment of Commercial Debts (Interest) Act 1988, which came into force on 1 November 1998, requires the College, in the absence of agreement to the contrary, to make payments to suppliers within 30 days of either the provision of goods or services or the date on which the invoice was received. The target set by the Treasury for payment to suppliers within 30 days is 95%. During the accounting period 1 August 2016 to 31 July 2017, the College paid 94% (98%, 2015-16) of its invoices within 30 days. The College incurred no interest charges in respect of late payment for this period.

The Northern Ireland Executive is committed to paying suppliers as quickly as possible, within 10 working days. During the accounting period 1 August 2016 to 31 July 2017, the College paid 73% (69%, 2015-16) of its invoices within 10 days.

POST BALANCE SHEET EVENTS

In the period between the end of the reporting year (31 July 2017) and the date when the financial statements are authorised for issue (XX November 2017) there were no post balance sheet events.

GOING CONCERN

The Southern Regional College is satisfied that the organization is a going concern on the basis that there is no reason to believe that the Department's future sponsorship and future Assembly approval will not be forthcoming to meet the College's liabilities as they fall due. It has been considered appropriate to adopt a going concern basis for the preparation of the financial statements.

RESOURCES

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

ESTATE

The College estate includes the following campus buildings and land:

Campus	Net Book Value at 31 July 2017
	£000
Armagh College Hill and Lonsdale Campus	1,132
Armagh, Station Rd Complex	300
Armagh, Lisanally Campus	1,740
Banbridge Campus	3,168
Banbridge Factory Site	250
Lurgan Campus	4,679
Newry East Campus	9,504
Newry West Campus	8,418
Newry Corry Square Campus	125
Newry Model Campus	1,075
Newry Greenbank Campus	3,305
Kilkeel Campus	649
Portadown Campus	8,704

Table 8

FINANCIAL

The consolidated net assets at 31 July 2017 were £51.8m (including £6.94m pension liability). There was no long term debt at 31 July 2017.

PEOPLE

The average number of people employed by the College during 2016-17 was 887 (equating to 620.25 FTE staff of whom 318 FTE were teaching staff). The College undertakes active management of sickness absence through a number of established processes including sickness absence monitoring, review meetings and occupational health referrals. Sickness absence for the College was recorded at 2.50% or 7.63 days per FTE (based on FTE and work pattern analysis) for 2016-17 compared to 3.64% or 9.69 days per FTE in 2015-16.

Southern Regional College has participated in the Voluntary Exit Scheme (VES) that was approved for colleges of Further and Higher Education in Northern Ireland. This resulted in 6 staff (6 FTE) leaving the College during 2016-17 and this is reflected in the FTE figures. A further 3 members of staff are due to leave under VES in 2017-18.

REPUTATION

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

PRINCIPAL RISKS AND UNCERTAINTIES

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

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

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

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

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

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

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

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

Table 9

STAKEHOLDER RELATIONSHIPS

The College has a number of important stakeholders including:

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

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

The College considers good communication with its staff to be very important and regular meetings are held at campus level. The College uses electronic communication, web conferencing, its intranet, Microsoft Lync and Virtual Learning Environment as the main tools for communicating with all staff. A College electronic newsletter, 'SRCZine', is published monthly and informs staff and students on all College issues including student success stories and activities taking place across all campuses. The Chief Executive updates staff regularly on key developments and initiatives through the use of video blogs. In addition, the College operates a senior management core briefing process through which teams are informed by managers on key developments and performance matters. The College has a Students' Union including campus based student councils through which student issues are raised and addressed with College management. The College also encourages staff and student involvement through membership of the Governing Body.

EQUAL OPPORTUNITIES AND EMPLOYMENT OF DISABLED PERSONS

By virtue of Section 75 of the Northern Ireland Act 1998 the Southern Regional College in carrying out all its functions, powers and duties as required having due regard to the need to promote equality of opportunity between:

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

Without prejudice to its obligations above, the College has, in carrying out its functions, had regard to the desirability of promoting good relations between persons of different religious belief, political

opinion or racial group. The College has included the promotion of good relations as part of the corporate planning process.

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

DISABILITY STATEMENT

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

The College's disability action plan outlines measures to promote positive attitudes towards disabled people and to encourage the participation of disabled people in College life. Specific activities in 2016-17 included:

- the Southern Regional College Website has been designed to meet Level AA of the Web Content Accessibility Guidelines;
- provision of Pre Enrolment Advice Support for students with a disability;
- initial pre-entry assessments by the College's Team of Learning Support Coordinators (LSC) are carried out following disclosure by the student prior to commencing their course to ensure that support measures are in place in advance of a learner beginning his/her programme of study;
- an Individual Support Plan, outlining human and technical support was drawn up for each student by the LSC and forwarded to course coordinators following individual needs assessment and receipt of documentary evidence;
- continuous review of the College's estate and engagement with students, staff and external agencies to identify and resolve any issues of accessibility;
- publication of an accessibility guide for potential users of our buildings;
- access by the Learning Support Team to a range of assistive technology that is deployed to learners as required;
- publication of the College Admissions Policy for all students on the College website and in all prospectuses;

- use of the DfE Additional Support Funding to provide direct learning support;
- counselling and welfare services were promoted across a range of College communication mediums; and
- engagement with a range of stakeholders to ensure anticipatory and accessibility requirements are fully addressed in the design of the new build projects.

The College continues to hold the following charter marks:

- RNIB Model of Excellence Charter Mark, recognising the College as a Model of Excellence in relation to how the College supports blind and partially sighted people; and
- Action on Hearing Loss (RNID) Louder than Words Charter mark which was awarded in Recognition of the College's commitment to working with people with hearing loss.

DISCLOSURE OF INFORMATION TO AUDITORS

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

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

PERSONAL DATA RELATED INCIDENTS

No personal data related incidents occurred during the year.

CHARITABLE AND TAXATION STATUS

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

CHARITABLE/POLITICAL DONATIONS

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

PROFESSIONAL ADVISERS	
External Auditors	Northern Ireland Audit Office, 106 University Street, Belfast, BT7 1EU
Internal Auditors	KPMG, 17 College Square East, Belfast, BT1 6DH
Bankers	Bank of Ireland, 4-8 High Street, Belfast, BT1 2BA Danske Bank, 58 Hill Street, Newry, BT34 1BD Ulster Bank, Lisburn Business Centre, 18 Bow Street, Lisburn, BT28 1YZ Santander UK plc, 301 St Vincent Street, Glasgow, G2 5HN
Solicitors	Carson McDowell, Murray House, Murray Street, Belfast, BT1 6DN J Blair Employment Solicitors, 106 Malone Avenue, Belfast, BT9 6ES

Table 10

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

Governing Body Membership for 2016-17 Year					
Name	Date of Appointment	Term of Office	Date Resigned	Status of Appointment	Committees served
Scott Alexander	01/08/2015	31/07/2019		Member	Staffing
				Member	Gov Body
Plunkett Campbell (1)	03/04/2016	02/04/2017		Member	Education
				Member	Gov Body
Teresa Campbell	20/02/2017	19/02/2020		Chair	Finance
				Member (co-optee)	Gov Body
Arder Carson	20/02/2017	19/02/2020		Chair	Staffing
				Member (co-optee)	Audit
				Member (co-optee)	Gov Body
Brian Doran	28/01/2008			Accounting Officer & Chief Executive	Education
					Finance
					Staffing
					Gov Body
Katie Goodliffe	06/10/2016	30/09/2017	20/02/2017	Student Member	Education
				Student Member	Gov Body
Gordon Gough	01/08/2015	31/07/2019		Chair	Education
				Member	Gov Body
Aidan McCormick	01/08/2015	31/07/2019		Member	Audit
				Member	Education
				Member	Gov Body
John Nugent	01/08/2015	31/07/2019		Chair	Audit
				Member	Staffing
				Member	Gov Body
Gregory O'Hare	01/08/2015	31/07/2019		Member	Audit
				Member	Education
				Member	Gov Body
Tom Redmond	01/10/2015	30/09/2019		Member	Finance
				Member	Gov Body
Andrew Saunders	01/08/2015	31/07/2019		Chair	Gov Body
				Member	Education
				Member	Audit
Jordon Smith	01/10/2015	30/09/2016		Student Member	Gov Body
				Student Member	Education
Eileen Stewart	22/08/2016	21/06/2020		Member	Gov Body
				Member	Staffing
Kieran Swail	16/11/2015	15/11/2019		Staff Member	Finance
				Member	Gov Body
Judith Thompson	01/08/2015	31/07/2019		Member	Finance
				Member	Gov Body
Matthew Turner	16/11/2015	15/11/2019		Staff Member	Education
				Member	Gov Body
				Member	Audit

SOUTHERN REGIONAL COLLEGE
 STRATEGIC REPORT (Continued)
 FOR THE YEAR ENDED 31 JULY 2017

Name	Date of Appointment	Term of Office	Date Resigned	Status of Appointment	Committees served
Kenneth Twyble (1)	03/04/2016	02/04/2017		Member Member	Finance Gov Body
Nicola Wilson	01/08/2016	31/07/2020		Vice Chair Member	Gov Body Audit

Table 11

Notes:

- (1) Represents those Governors who came to the end of their term on the date indicated above.
- (2) Katie Goodliffe resigned from her position on 20 February 2017.

For and on behalf of the members of the Governing Body



Mr Andrew Saunders (Chairman)

Date 14/11/17

REMUNERATION POLICY

MEMBERS OF THE GOVERNING BODY

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

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

The remuneration of Governing Body members (excluding staff members who did not receive any remuneration during 2015/16) was first introduced by the Department from 1st January 2016. There are no arrangements in place for the payment of a bonus. No member of the Governing Body, including the Chairperson, receives pension contribution from the College or the Department. The college also reimburses Governing Body members for any incidental expenses incurred for carrying out their duties relevant to the organisation.

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

Name	Salary 2016-17 £'000	Benefits in kind 2016-17 £'000	Pension Benefits 2016-17 £'000	Total 2016-17 £'000	Salary 2015-16 £'000	Benefits in kind 2015-16 £'000	Pension Benefits 2015-16 £'000	Total 2015-16 £'000
Scott Alexander Member	0-5	0	0	0-5	0-5	0	0	0-5
Plunkett Campbell Member	0-5	0	0	0-5	0-5	0	0	0-5
Teresa Campbell Member	0-5	0	0	0-5	0-5	0	0	0-5
Arder Carson Member	0-5	0	0	0-5	0-5	0	0	0-5
Katie Goodliffe Member	0.5	0	0	0.5	N/A	N/A	N/A	N/A
Sinead Challinor Member	N/A	N/A	N/A	N/A	0-5	0	0	0-5
Gordon Gough Member	0-5	0	0	0-5	0-5	0	0	0-5
Aidan McCormick Member	0-5	0	0	0-5	0-5	0	0	0-5
Sylvia McRoberts Member	N/A	N/A	N/A	N/A	0-5	0	0	0-5
John Nugent Member	0-5	0	0	0-5	0-5	0	0	0-5
Gregory O'Hare Member	0-5	0	0	0-5	0-5	0	0	0-5
Thomas Redmond Member	0-5	0	0	0-5	0-5	0	0	0-5

SOUTHERN REGIONAL COLLEGE
REMUNERATION REPORT

Name	Salary 2016-17	Benefits in kind 2016-17	Pension Benefits 2016-17	Total 2016-17	Salary 2015-16	Benefits in kind 2015-16	Pension Benefits 2015-16	Total 2015-16
Andrew Saunders Chairman	15-20	0	0	15-20	10-15	0	0	10-15
Jordon Smith Member (Student)	0-5	0	0	0-5	0-5	0	0	0-5
Eileen Stewart Member	0-5	0	0	0-5	N/A	N/A	N/A	N/A
Judith Thompson Member	0-5	0	0	0-5	0-5	0	0	0-5
Kenneth Twyble Member	0-5	0	0	0-5	0-5	0	0	0-5
Nicola Wilson Member	0-5	0	0	0-5	0-5	0	0	0-5
Eileen Wright OBE Member	N/A	N/A	N/A	N/A	0-5	0	0	0-5

Table 12

THE CHIEF EXECUTIVE AND SECOND TIER OFFICERS (SENIOR STAFF)

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

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

MINIMUM PAY LEVELS

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

PROGRESSION

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

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

SOUTHERN REGIONAL COLLEGE
REMUNERATION REPORT

PERFORMANCE PAY

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

TOTAL REWARD PACKAGE

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

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

EMPLOYMENT CONTRACTS

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

SALARY AND PENSION ENTITLEMENTS (AUDITED)

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

Name	Salary 2016-17 £'000	Benefits in kind 2016-17 £'000	Pension Benefits 2016-17 £'000	Total 2016-17 £'000	Salary 2015-16 £'000	Benefits in kind 2015-16 £'000	Pension Benefits 2015-16 £'000	Total 2015-16 £'000
Brian Doran Chief Executive	110-115	0	30-35	140-145	110-115	£0	20-25	130-135
Jim O'Hagan Director	80-85	0	20-25	100-105	80-85	£0	15-20	100-105
Gerard Devlin Director	80-85	0	10-15	95-100	80-85	0	25-30	110-115
John Quinn Director Left 31/3/2016	N/A	N/A	N/A	N/A	55-60 (80-85 full year equiv.)	0	10-15	65-70
Raymond Sloan Director – from 01/04/2016	75-80	0	90-95	170-175	25-30 (75-80 full year equiv.)	0	10-15	35-40
Keith Kilpatrick Director – from 01/06/2017	10-15 (75-80 full year equiv.)	0	15-20	25-30	N/A	N/A	N/A	N/A

Table 13

SOUTHERN REGIONAL COLLEGE
REMUNERATION REPORT

	2016-17	2015-16
	£'000	£'000
Band of highest paid directors total remuneration	110-115	110-115
Median total remuneration	26,980	25,408
Ratio*	4.1	4.4

Table 14

- Brian Doran was appointed Chief Executive on 1 January 2008. Prior to this, he was Deputy Director from 01/08/07 until 31/12/07. Pre-merger Mr Doran held the position of Acting Director for Newry and Kilkeel Institute.
- Jim O'Hagan was appointed Director of Finance and Corporate Services on 16 April 2009.
- Gerard Devlin was appointed Director of Curriculum on 16 September 2011 and is due to retire on 02nd September 2017.
- Keith Kilpatrick was appointed Director of Curriculum on 01 June 2017.
- Raymond Sloan was appointed Director of Client Services on 01 April 2016.

SALARY

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

BENEFITS IN KIND

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

PENSION ENTITLEMENTS (AUDITED)

Name	Accrued pension at pension age as at 31/7/17 and related lump sum	Real increase in pension and related lump sum at pension age	Value of CETV at 31/07/17	Value of CETV at 31/07/16	Real increase in CETV during year
	£'000	£'000	£'000	£'000	£'000
Brian Doran (Chief Executive)	40-45 plus lump sum of 130-135	1.5-2 plus lump sum of 5-6	925	863	62
Jim O'Hagan (Director)	10-15 plus lump sum of £0	1.5-2 plus lump sum of £0	151	128	22
Gerard Devlin (Director)	25-30 plus lump sum of 85-90	1.0-2 plus lump sum of 3-4	659	621	38
Raymond Sloan (Director)	25-30 plus lump sum of 45-50	4-5 plus lump sum of 6-7	389	321	58
Keith Kilpatrick (Director)	5-10 plus lump sum of £0	1.0-2 plus lump sum of £0	94	N/A	14

Table 15

PENSION ARRANGEMENTS

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

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

The assets of the NILGOSC scheme are measured using closing market values. NILGOSC liabilities are measured using the projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability. The increase in the present value of the liabilities of the scheme expected to arise from employee service in the period is charged to the operating deficit. The expected return on the scheme's assets and the increase during the period in the present value of the scheme's liabilities, arising from the passage of time, are included in pension finance costs. Actuarial gains and losses are recognised in the statement of total recognised gains and losses.

ENHANCED PENSIONS

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

CASH EQUIVALENT TRANSFER VALUES

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

SOUTHERN REGIONAL COLLEGE
REMUNERATION REPORT

additional pension liabilities being assumed. CETV's are calculated in accordance with The Occupational Pension Schemes (Transfer Values)(Amendment) Regulations and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance tax which may be due when pension benefits are taken.

REAL INCREASE IN CETV

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

SOUTHERN REGIONAL COLLEGE
STATEMENT OF THE RESPONSIBILITIES OF THE GOVERNING BODY
FOR THE YEAR ENDED 31 JULY 2017

GOVERNING BODY STATEMENT OF RESPONSIBILITIES

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

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

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

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

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

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

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

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

Approved by order of the Governing Body members 14 November 2017 and signed on its behalf by:



Mr Andrew Saunders (Chairman)

14/11/17

Date

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL

INTRODUCTION

This Statement of Corporate Governance and Internal Control sets out the governance structures, risk management system and the internal control procedures that operated within the Southern Regional College during the financial year ended 31 July 2017 and up to the date of approval of the Annual Report and Accounts.

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

GOVERNANCE FRAMEWORK

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

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

CORPORATE GOVERNANCE AND REGISTER OF INTERESTS

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

- Managing Public Money (Northern Ireland);
- Department for the Economy and Department of Finance guidance including the Guide for Governors of Further Education Colleges;
- The Nolan Principles; and
- Good Governance Standards and codes of practice for public services.

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

GOVERNING BODY

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

The role of the Chairman of the Governing Body is separate and distinct from the role of the Chief Executive who is the designated Accounting Officer of the College. The Governing Body is responsible for the ongoing strategic direction of the College whilst the Chief Executive and the Executive Team are responsible for the operational management of the College. The Governing Body approves all major developments and receives regular reports on the activities of the College. The Governing Body met seven times during the 2016-17 year and is supported by a number of committees, including the Staffing Committee, Finance and General Purposes Committee, Education Committee and the Audit Committee. All of these committees are formally constituted with terms of reference and comprise mainly members of the Governing Body.

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

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

AUDIT COMMITTEE

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

The Committee met four times during the 2016-17 year to discuss reports from the External and Internal Auditors and the relevant responses. The College's Internal Auditors and External Auditors were represented at all Audit Committee meetings. The Committee also receives and considers any reports from the Department for the Economy (previously the Department for Employment and Learning) and reviews the annual financial statements to ensure compliance with legislation and accounting standards. Whilst Executive Officers and other officials attend meetings of the Audit

Committee as necessary, they are not members of the Committee. The Committee can meet with both the internal and external auditors on their own for independent discussions

FINANCE AND GENERAL PURPOSES COMMITTEE

The Finance and General Purposes Committee has oversight of all matters relating to the finance and accounts of the College and the receipt of its income and expenditure. The main business of the Finance and General Purposes Committee is to monitor, determine and advise the Governing Body on the College's solvency, recommend for approval the annual estimate of income and expenditure, and monitor performance in relation to the approved budget. During 2016-17 the Committee also considered updates on the Estates projects, reports on Health and Safety, business cases for approval, and a number of policies including the fees policy and the annual schedule of fees. The Committee also considers other matters as the Governing Body may from time to time remit to it. The Committee met six times during the 2016-17 year.

STAFFING COMMITTEE

The Staffing Committee is responsible for dealing with issues in relation to the recruitment, appointment, promotion and grading of all staff, other than senior management. Over the course of the year the work of the Committee also included receiving the annual key performance indicator report, monitoring the delivery of the Employee Development plan, approving a new plan for the following year and receiving an update on Investors In People (IIP). The Committee met three times during 2016-17.

EDUCATION COMMITTEE

The Education Committee is responsible for overseeing the curricular provision of the College, especially the nature, quality and performance of the provision and the extent to which it meets the needs of the community the College seeks to serve. In particular it considers the impact of strategic proposals, the broader educational environment and current and topical issues that have the potential to impact on educational, vocational and curricular provision. The Committee met four times during the 2016-17 year.

GOVERNING BODY PERFORMANCE AND EFFECTIVENESS

It is a requirement of the Department for the Economy to assess the performance of each member of the Governing Body on an annual basis and this process is ongoing for the 2016-17 financial year. In addition each Committee of the Governing Body undertakes an annual process of self-evaluation and a review of performance and effectiveness, including the quality of information received and presents a report to the Governing Body for consideration.

A schedule of membership and attendance at Governing Body and Committee meetings for the 2016-17 year is shown in the table below. In total there were twenty three meetings of the Governing Body and its various sub committees during 2016-17. Average attendance recorded at

SOUTHERN REGIONAL COLLEGE
 STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL (Continued)
 FOR THE YEAR ENDED 31 JULY 2017

Governing Body meetings during 2016-17, excluding staff and student representatives was 87.1% (72.3% for 2015-16).

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

Table 16

In conclusion the Governing Body and Committees of the Southern Regional College met regularly and conducted business effectively during 2016-17.

CHIEF EXECUTIVE AND ACCOUNTING OFFICER AND THE SENIOR MANAGEMENT TEAM

The Chief Executive exercises considerable influence upon the development of strategy, the identification and planning of new developments and the shaping of the College ethos. The Chief Executive is supported in this role by an Executive Team comprising the Director of Curriculum, the Director of Client Services and the Director of Finance and Corporate Services all of whom contribute in various ways to these aspects of the work, but the ultimate responsibility for what is done rests with the Chief Executive and Accounting Officer. In addition to the Executive Team there is a Senior Management Team (SMT) which comprises the Chief Executive, the three Executive Directors and nine Assistant Directors. The Executive Team and the Senior Management Team meet on a regular basis to discuss, review and progress a range of strategic and operational matters.

The Chief Executive is the designated Accounting Officer of the College and has responsibility for maintaining a sound system of internal control and risk management that supports the College's aims and objectives set by the Governing Body, whilst safeguarding the public funds and College assets for which he is personally responsible, in accordance with the responsibilities assigned to him in Managing Public Money Northern Ireland. In his capacity as Accounting Officer he can be summoned to appear before the Public Accounts Committee of the Northern Ireland Assembly.

RISK MANAGEMENT AND THE SYSTEM OF INTERNAL CONTROL

There is an ongoing process for identifying the principal risks to the achievement of policies, aims and objectives; to evaluate the nature and extent of those risks; and to manage them efficiently, effectively and economically. This process has been in place and has operated for the year ended 31 July 2017.

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

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

SOUTHERN REGIONAL COLLEGE
 STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL (Continued)
 FOR THE YEAR ENDED 31 JULY 2017

The key risks monitored and managed through the Corporate Risk Register during 2016-17 included:

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

The most significant emerging risks relate to longer term financial sustainability in the context of wider public sector finances and political uncertainty and maintaining progress in respect of the delivery of the new build Estates Projects.

Internal Audit is a key element that contributes to the effectiveness of risk management, control and governance processes within the College. In line with Public Sector Internal Audit Standards (PSIAS) a three year Internal Audit Strategy is in place and flowing from this the Internal Audit Operational Plan for 2016-17 saw the completion of a programme of work that provided positive assurance in nine areas. A summary of the internal audit work and the assurance ratings for each is included below:

Internal Audit Operational Plan and Assurance Ratings 2016-17	
Area Reviewed:	Assurance Rating
Core Financial Review – Fixed Asset Accounting.	Satisfactory
Core Financial Review – Payments to Creditors.	Satisfactory
Corporate Governance and Risk Management	Satisfactory
Quality Assurance Mechanisms over Teaching and Learning	Satisfactory
Procurement	Satisfactory
Management of Third Party Contracts	Satisfactory
Student Fees: Management and Collection	Satisfactory
Health and Safety	Satisfactory

Table 17

SOUTHERN REGIONAL COLLEGE
 STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL (Continued)
 FOR THE YEAR ENDED 31 JULY 2017

Follow-up reviews conducted during 2016-17 indicated continued good progress with regard to implementing outstanding recommendations. The status of Internal Audit recommendations is set out in the table below and shows that all recommendations have been addressed.

Progress in Respect of Internal Audit Recommendations 2016-17				
	Priority 1	Priority 2	Priority 3	Total
Recommendations brought forward from prior year reviews	-	-	2	2
Prior year recommendations addressed / superseded as at 15 September 2017	-	-	(2)	(2)
Total prior year issues requiring further attention	-	-	-	-
New recommendations raised in 2016-17 as at 15 September 2017	-	3	4	7
Current year issues which have already been addressed	-	3	4	7
Recommendation carried forward to be addressed as at 15 September 2017	-	-	-	-

Table 18

Based on the work performed during 2016-17 Internal Audit has provided a satisfactory assurance over the internal control environment at Southern Regional College as at the year end.

ASSURANCE STATEMENTS

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

INFORMATION ASSURANCE

Effective information security is a key priority for the College and it recognises that appropriate principles of information security must be applied to the information it holds. A framework has been established including policies and procedures which identify key roles and responsibilities and the monitoring and reporting processes to be followed. Processes and controls over information are regularly reviewed to ensure compliance with best practice. There were no incidents reported during 2016-17 where access to personal data did not comply with Data Protection requirements.

FRAUD REPORTING

The College has a detailed Anti-Fraud Policy and Fraud Response Plan which is revised and updated on a regular basis. The Anti-Fraud Policy and Fraud Response Plan sets out the definition of fraud, details the responsibilities regarding the prevention of fraud and highlights the procedures to be followed in

SOUTHERN REGIONAL COLLEGE
STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL (Continued)
FOR THE YEAR ENDED 31 JULY 2017

the event of a fraud being detected or suspected. The Anti-Fraud Policy is included as mandatory training for all staff.

The College reports all suspected or detected frauds to the Department for the Economy in line with Appendix C (Section 3) of the 'Management Statement and Financial Memorandum issued to Further Education Colleges'. During 2016-17 the College had two instances of suspected or detected fraud.

WHISTLEBLOWING

The College has a Whistleblowing Policy which is revised and updated on a regular basis. The Policy provides individuals with a process to facilitate the reporting of concerns and suspected wrongdoing within the College and highlights the protection afforded to those who disclose concerns under the Public Interest Disclosure (NI) Order 1998. The Whistleblowing Policy is included as mandatory training for all staff. During 2016-17 the College had one incident reported under the Whistleblowing Policy. The matter was investigated but no evidence was found to support the allegation made and a report was provided to the Audit Committee.

SIGNIFICANT GOVERNANCE ISSUES

The review of the effectiveness of the systems and processes that comprise the governance framework demonstrates that governance arrangements within Southern Regional College are operating effectively. There are no significant internal control or non-compliance issues to report in respect of the 2016-17 financial year.



Accounting Officer

14/11/17

Date

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 Southern Regional College for the year ended 31 July 2017 under the Further Education (Northern Ireland) Order 1997 as amended by the Audit and Accountability Institutions of Further Education (Public Sector Audit) Order (Northern Ireland) 2008. The financial statements comprise: the Statement of Comprehensive Income and Expenditure, Statement of Changes in Reserves, Balance Sheet, Statement of Cash Flows and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

In my opinion the financial statements:

- give a true and fair view of the state of the Southern Regional College's affairs as at 31 July 2017 and of its deficit for the year then ended;
- have been properly prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102); and
- have been prepared in accordance with the Further Education (Northern Ireland) Order 1997 as amended by the Audit and Accountability Institutions of Further Education (Public Sector Audit) Order (Northern Ireland) 2008 and the Department for the Economy directions issued thereunder.

Opinion on regularity

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.

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

Basis for opinion

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

Conclusions relating to going concern

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

- the use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Governing Body has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Southern Regional College's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information in the annual report and accounts

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

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

Opinion on other matters

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

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

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

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

Responsibilities of the Governing Body

As explained more fully in the Statement of Responsibilities of the Governing Body, the Governing Body is responsible for the preparation of the financial statements and being satisfied that they give a true and fair view, and for such internal control as the Governing Body determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Governing Body is responsible for assessing the Southern Regional College's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting.

Auditor's responsibilities for the audit of the financial statements

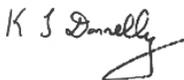
My responsibility is to audit, certify and report on the financial statements in accordance with the Further Education (Northern Ireland) Order 1997 as amended by the Audit and Accountability Institutions of Further Education (Public Sector Audit) Order (Northern Ireland) 2008.

This requires me 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.

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.

Report

I have no observations to make on these financial statements.



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

SOUTHERN REGIONAL COLLEGE
 STATEMENT OF COMPREHENSIVE INCOME AND EXPENDITURE
 FOR THE YEAR ENDED 31 JULY 2017

	Notes	2017 £'000	2016 £'000
INCOME			
Department for the Economy income	1	29,930	29,451
Education contracts	2	4,989	6,063
Tuition fees and charges	3	2,750	2,576
Other grant income	4	614	1,136
Other operating income	5	1,194	1,531
Investment income	6	105	138
Total income		39,582	40,895
EXPENDITURE			
Staff costs	7	(24,991)	(23,993)
Other operating expenses	9	(13,271)	(12,966)
Depreciation	12	(3,399)	(3,384)
Interest and other finance costs	10	(244)	(125)
Total expenditure		(41,905)	(40,468)
Surplus/(deficit) before exceptional items		(2,323)	427
Exceptional DfE repayment	1	(4,000)	-
Exceptional DfE grant – voluntary exit scheme	1	369	538
Exceptional staff costs - fundamental restructuring	7	(369)	(538)
Total exceptional items		(4,000)	0
Surplus/(deficit) before other gains/losses and share of operating surplus/deficit of joint ventures and associates		(6,323)	427
Surplus/(deficit) before tax		(6,323)	427
Taxation	11	-	(24)
Surplus/(deficit) for the year		(6,323)	403
Unrealised surplus/(deficit) on revaluation of land and buildings		(5,444)	2,616
Actuarial (loss)/gain in respect of pension scheme		4,984	(6,349)
Total comprehensive income/(expenditure) for the year		(6,783)	(3,330)
Represented by:			
Restricted comprehensive income/(expenditure) for the year		-	-
Unrestricted comprehensive income/(expenditure) for the year		(6,783)	(3,330)
		(6,783)	(3,330)

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

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

SOUTHERN REGIONAL COLLEGE
STATEMENT OF CHANGES IN RESERVES
FOR THE YEAR ENDED 31 JULY 2017

COLLEGE

	Income and expenditure account				Revaluation Reserve	Total
	Unrestricted (excluding Pension) £'000	Pension Reserve £'000	Unrestricted (including Pension) £'000	Restricted £'000	£'000	£'000
Balance at 1 August 2015	18,788	(4,139)	14,649	405	46,859	61,913
Surplus/(deficit) from Statement of Comprehensive Income/(Expenditure)	875	(472)	403	-	-	403
Other comprehensive income/(expenditure)	-	(6,349)	(6,349)	-	2,616	(3,733)
Transfers between revaluation and income and expenditure account	2,158	-	2,158	-	(2,158)	-
Release of restricted funds spent in year	-	-	-	-	-	-
Balance at 1 August 2016	21,821	(10,960)	10,861	405	47,317	58,583
Surplus/(deficit) from Statement of Comprehensive Income/(Expenditure)	(5,362)	(961)	(6,323)	-	-	(6,323)
Other comprehensive income/(expenditure)	-	4,984	4,984	-	(5,444)	(460)
Transfers between revaluation and income and expenditure account	2,299	-	2,299	-	(2,299)	-
Release of restricted funds spent in year	-	-	-	-	-	-
Total comprehensive income/(expenditure) for the year	(3,063)	4,023	960	-	(7,743)	(6,783)
Balance at 31 July 2017	18,758	(6,937)	11,821	405	39,574	51,800

SOUTHERN REGIONAL COLLEGE
BALANCE SHEET
AS AT 31 JULY 2017

	Notes	College 2017 £'000	Group 2016 £'000	College 2016 £'000
Non-current assets				
Tangible fixed assets	12	48,081	54,234	54,234
Other receivables falling due after more than one year	13	78		
Current assets				
Trade and other receivables	14	2,718	2,825	2,825
Investments		11,224	14,836	14,836
Cash and cash equivalents		1,959	3,227	3,146
Total current assets		15,901	20,888	20,807
Less: Creditors - amounts falling due within one year	15	(3,636)	(3,388)	(3,450)
Net current assets		12,265	17,500	17,357
Total assets less current liabilities		60,424	71,734	71,591
Less: Creditors - amounts falling after more than one year	16	(1,687)	(2,191)	(2,191)
Provisions:				
Pension provisions	17	(6,937)	(10,960)	(10,960)
Net assets including pension liability		51,800	58,583	58,440
Restricted reserves				
Income and expenditure account – restricted reserve	18	405	405	405
Unrestricted reserves				
Income and expenditure account – unrestricted reserves (excluding pension reserve)		18,758	21,821	21,678
Pension reserve		(6,937)	(10,960)	(10,960)
Income and expenditure account – unrestricted reserves (including pension reserve)		11,821	10,861	10,718
Revaluation reserve		39,574	47,317	47,317
Total reserves		51,800	58,583	58,440

The financial statements on pages 79-109 were approved by the Governing Body of Southern Regional College on 14 November 2017 and were signed on its behalf on that date by:



Mr A Saunders
Chair of Governing Body



Mr B Doran
Accounting Officer

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

SOUTHERN REGIONAL COLLEGE
CONSOLIDATED CASH FLOW STATEMENT
FOR YEAR ENDED 31 JULY 2017

	Notes	2017 £'000	2016 £'000
Cash (outflow)/inflow from operating activities			
(Deficit)/surplus for the year		(6,323)	403
Adjustment for non-cash items			
Depreciation	12	3,399	3,384
(Increase) in debtors more than one year	13	(78)	-
Decrease/(increase) in debtors less than one year	14	107	2,419
Increase/(decrease) in creditors less than one year	15	248	(1,962)
(Decrease)/increase in creditors more than one year	16	(504)	393
Pension cost less contributions payable	20	717	347
Pension interest cost	20	244	125
Adjustment for investing or financing activities			
Investment income	6	(105)	(138)
Net cash (outflow)/inflow from operating activities		(2,295)	4,971
Cash flows from investing activities			
Disposal of non-current asset investments		-	-
Investment income	6	105	138
Decrease/(Increase) in investments		3,612	(2,034)
Payments made to acquire fixed assets	12	(2,690)	(1,502)
		1,027	(3,398)
Cash inflows from financing activities			
Interest paid		-	-
(Decrease)/increase cash and cash equivalents in the year		(1,268)	1,573
Net funds at 1 August		3,227	1,654
Net funds at 31 July		1,959	3,227

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

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

STATEMENT OF ACCOUNTING POLICIES

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

BASIS OF PREPARATION

These financial statements have been prepared on the going concern basis in accordance with the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education 2015 and in accordance with Financial Reporting Standards (FRS 102). The College and Group is a public benefit entity and has therefore applied the relevant public benefit entity requirements for FRS 102. The financial statements are prepared in accordance with the historical cost convention except that certain freehold properties are shown at their revalued amount. They also conform to the Accounts Direction issued by the Department for the Economy (DfE).

TRANSITION TO THE 2015 FE HE SORP

The year ended the 31 July 2016 was the first year that the accounts have been prepared under the 2015 SORP and FRS 102. Some of the FRS 102 recognition, management, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the College has amended certain accounting policies to comply with FRS 102 and the 2015 FE HE SORP.

BASIS OF ACCOUNTING

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

GOING CONCERN

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

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

The College is satisfied that the organisation is a going concern on the basis that there is no reason to believe that the Department's future sponsorship and future assembly approval will not be forthcoming to meet the College's liabilities as they fall due. It has accordingly been considered appropriate to adopt the going concern basis for the preparation of these financial statements.

BASIS OF CONSOLIDATION

At 31 July 2016 Greenshoots-Newry Limited ceased trading and all assets transferred to the College. Consolidated financial statements were made up to 31 July 2016.

RECOGNITION OF INCOME

GOVERNMENT GRANTS [ACCRUALS MODEL]

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

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

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

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

CAPITAL GRANTS (NON LAND GRANTS) [ACCRUALS MODEL]

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

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

CAPITAL GRANTS (LAND) [PERFORMANCE MODEL]

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

DONATIONS AND ENDOWMENTS

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

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

PENSION SCHEME

The two principal pension schemes for the College's staff are the Northern Ireland Teacher's Pension Scheme (NITPS) and the Northern Ireland Local Government Officers' Superannuation Committee (NILGOSC) defined benefit schemes, which are externally funded and contracted out of the State Earnings-Related Pension Scheme until 31st March 2016.

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 until 31st March 2016. The Funds are valued every three years by actuaries using the projected unit method, the rates of contribution payable being determined by the trustees on the advice of the actuaries. Pension costs are assessed on the basis of the latest actuarial valuations of the schemes and are accounted for on the basis of charging the cost of providing pensions over the period during which the College benefits from the employees' services. Variations from regular cost are spread over the expected average remaining working lifetime of members of the schemes after making allowances for future withdrawals.

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

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

TANGIBLE FIXED ASSETS

LAND AND BUILDINGS

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

ASSETS UNDER CONSTRUCTION

Assets under construction were accounted for at cost based on the value of architects' certificate and other direct costs, incurred to 31 July 2017. They are not depreciated until they are brought into use.

ASSETS OTHER THAN LAND AND BUILDINGS

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

These assets are depreciated as follows:

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

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

LEASED ASSETS

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

Leasing agreements which transfer to the College's substantial ownership of an asset are treated as if the asset had been purchased outright and are capitalised at their fair value at the inception of the lease and depreciated over the shorter of the lease term or the useful economic lives of equivalently

owned assets. The capital element outstanding is shown as obligations under finance leases. The finance charges are allocated over the period of the lease in proportion to the capital element outstanding.

INVESTMENT PROPERTY

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

FOREIGN CURRENCY TRANSLATION

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

TAXATION

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

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

INVESTMENTS

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

CASH AND CASH EQUIVALENTS

Cash includes cash in hand, deposits payable on demand and overdrafts. Deposits are repayable on demand if they are in practice available within 24 hours without penalty.

Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash with insignificant risk of change in value. Investments would only be included in this total where the period of deposit is less than three months.

PROVISIONS

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

AGENCY ARRANGEMENTS

The College acts as an agent in the collection and payment of Hardship Funds. Related payments received from DfE and subsequent disbursements to students are excluded from the Statement of Comprehensive Income and Expenditure and are shown separately in Note 27. The College administers the Hardship Fund applications and payments through a Student Hardship Committee in line with the recommendations from DfE.

The College acts as an agent in the collection and payment of Care to Learn Grants. Related payments received from DfE and subsequent disbursements to students are excluded from the Statement of Comprehensive Income and are shown separately in Note 27. The College administers the payments in line with the recommendations from DfE.

SOUTHERN REGIONAL COLLEGE
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 JULY 2017

1. DEPARTMENT FOR THE ECONOMY INCOME

	2017	2016
	£'000	£'000
Grant in aid received from DfE		
Recurrent grant	25,477	25,503
Release of unrestricted capital grants	648	433
Additional support funds	543	553
Employer support programme – skills focus	270	215
Employer support programme - other	204	146
Students with learning difficulties and/or disabilities (SLDD)	340	376
Higher level apprenticeships	-	131
Youth training programme	-	509
Additional grant – inescapable pension pressures	317	525
Other	522	487
Total grant in aid received from DfE excluding exceptional item	<u>28,321</u>	<u>28,878</u>
Non-grant in aid received from DfE		
Education maintenance allowance administration (EMA)	35	36
Higher level apprenticeships	344	7
Youth training programme	969	55
Other non-grant in aid	261	475
Total non-grant in aid received from DfE	<u>1,609</u>	<u>573</u>
Total grant received from DfE excluding exceptional items	<u>29,930</u>	<u>29,451</u>
Exceptional repayment	(4,000)	-
Exceptional grant – voluntary exit scheme (VES)	369	538
Total DfE income	<u><u>26,299</u></u>	<u><u>29,989</u></u>

The funding for pilot higher level apprenticeships and the youth training programme was reclassified as non-grant in aid in April 2016, the total funding received was as follows;

	2017	2016
	£'000	£'000
Higher level apprenticeships	344	138
Youth training programme	969	564
	<u>1,313</u>	<u>702</u>

SOUTHERN REGIONAL COLLEGE
 NOTES TO THE FINANCIAL STATEMENTS (Continued)
 FOR THE YEAR ENDED 31 JULY 2017

1. DEPARTMENT FOR THE ECONOMY INCOME (continued)

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

	2017	2016
	£'000	£'000
Essential Skills Income	10	-
Payments to College Partners	(3)	-
Amounts due to College Partners	<u>7</u>	<u>-</u>

The College was the lead partner in the FE Professional Learning Community Project. The income shown above includes that earned by the College in its capacity as provider and lead partner. All income claimed and payable partners has been excluded from these accounts. Income claimed in the year under this project was as follows;

	2017	2016
	£'000	£'000
Payments to South Eastern Regional College	<u>-</u>	<u>33</u>

2. EDUCATION CONTRACTS

	2017	2016
	£'000	£'000
Entitlement framework	1,279	1,403
Training for success	3,710	4,659
Steps to work	-	1
Total	<u>4,989</u>	<u>6,063</u>

3. TUITION FEES AND CHARGES

	2017	2016
	£'000	£'000
Higher education (HE)	1,748	1,591
Home and other European Union	1,002	984
Non-European Union	-	1
Total	<u>2,750</u>	<u>2,576</u>

Tuition fees funded by bursaries

Included within the above amounts are amounts which fund bursaries of £54k (2016: £34k)

SOUTHERN REGIONAL COLLEGE
 NOTES TO THE FINANCIAL STATEMENTS (Continued)
 FOR THE YEAR ENDED 31 JULY 2017

4. OTHER GRANT INCOME

	2017	2016
	£'000	£'000
European funds	263	330
Other funds	351	806
Total	614	1,136

5. OTHER OPERATING INCOME

	2017	2016
	£'000	£'000
Catering and residence operations	711	979
Other income generating activities	413	477
Other income	70	75
Total	1,194	1,531

6. INVESTMENT INCOME

	2017	2016
	£'000	£'000
Other interest receivable	105	138
Total	105	138

7. STAFF COSTS

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

	2017	2016
	No.	No.
Governing body	-	-
Teaching	318	320
Support	119	125
Administration	161	152
Premises	23	23
Total	621	620

SOUTHERN REGIONAL COLLEGE
 NOTES TO THE FINANCIAL STATEMENTS (Continued)
 FOR THE YEAR ENDED 31 JULY 2017

7. STAFF COSTS (continued)

	2017	2016
	£'000	£'000
Governing body	54	28
Teaching	14,644	14,343
Support	2,991	3,089
Administration	5,852	5,535
Premises	733	651
FRS 102 pension adjustment (note 20)	717	347
	<hr/> 24,991	<hr/> 23,993
Exceptional staff costs - VES	369	538
	<hr/>	<hr/>
Total	<u>25,360</u>	<u>24,531</u>
	2017	2016
	£'000	£'000
Wages and salaries	19,291	19,129
Social security costs	1,682	1,273
Other pension costs (including FRS 102 adjustments)	4,018	3,591
	<hr/> 24,991	<hr/> 23,993
Exceptional staff costs - VES	266	282
Exceptional staff costs – VES pension enhancement	103	256
	<hr/>	<hr/>
Total	<u>25,360</u>	<u>24,531</u>

7. STAFF COSTS (continued)

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

	Senior post-holders		Other staff	
	2017	2016	2017	2016
	No.	No.	No.	No.
£60,001 to £70,000	-	1	6	9
£70,001 to £80,000	-	-	8	6
£80,001 to £90,000	-	-	-	-
£90,001 to £100,000	3	2	-	-
£100,001 to £110,000	-	-	-	-
£110,001 to £120,000	-	-	-	-
£120,001 to £130,000	1	1	-	-
Total	4	4	14	15

8. KEY MANAGEMENT PERSONNEL

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the College and are represented by the college Governing Body and Executive Team which comprises the Chief Executive and three Directors.

	2017 No.	2016 No.
The number of senior post-holders including the Chief Executive was:	<u>4</u>	<u>4</u>

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

	2017 £'000	2016 £'000
Salaries	351	356
Benefits in kind	-	-
Pension contributions	<u>63</u>	<u>64</u>
Total emoluments	<u>414</u>	<u>420</u>

8. KEY MANAGEMENT PERSONNEL (continued)

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

	2017	2016
	£'000	£'000
Salaries	110	111
Benefits in kind	-	-
	<u>110</u>	<u>111</u>
Pension contributions	<u>19</u>	<u>19</u>
Total	<u>129</u>	<u>130</u>

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

9. OTHER OPERATING EXPENSES

	2017	2016
	£'000	£'000
Direct teaching	1,399	1,599
Direct support	3,612	3,340
Administration	2,719	2,672
Consultancy Fees	-	-
Premises	<u>5,541</u>	<u>5,355</u>
Total	<u>13,271</u>	<u>12,966</u>

Other operating expenses include:	2017	2016
	£'000	£'000
Auditors' remuneration:		
Financial statements audit (includes £22k in respect of the college – 2015-16 £20k)	22	24
Internal audit	24	25
Other services provided by the financial statements auditors	1	5
Other services provided by the internal auditors	-	2
Hire of plant and equipment assets – operating leases	171	163
Hire of other assets – operating leases	145	106

SOUTHERN REGIONAL COLLEGE
 NOTES TO THE FINANCIAL STATEMENTS (Continued)
 FOR THE YEAR ENDED 31 JULY 2017

10. INTEREST AND OTHER FINANCE COSTS

	Note	2017 £'000	2016 £'000
Net charge on pension scheme	20	244	125
Total		244	125

11. TAXATION

The corporation tax payable was in respect of the transfer of the assets of Greenshoots-Newry Limited to the College. The members do not believe the College was liable for any corporation tax arising out of its activities during this period.

	2017 £'000	2016 £'000
Tax Payable	-	24

SOUTHERN REGIONAL COLLEGE
 NOTES TO THE FINANCIAL STATEMENTS (Continued)
 FOR THE YEAR ENDED 31 JULY 2017

12. TANGIBLE FIXED ASSETS

COLLEGE	Freehold land & buildings £'000	Assets under construction £'000	Plant & equipment £'000	Computer £'000	Fixtures & fittings £'000	Motor vehicles £'000	Total £'000
Cost or valuation							
At 1 August 2016	53,537	1,738	3,575	1,323	1,963	196	62,332
Additions	-	1,080	462	436	610	102	2,690
Disposals	-	-	(768)	(99)	(784)	(15)	(1,666)
Surplus on revaluation	1,534	-	-	-	-	-	1,534
Impairment at Armagh	(6,978)	-	-	-	-	-	(6,978)
Eliminate Depreciation on revaluation	(5,044)	-	-	-	-	-	(5,044)
At 31 July 2017	43,049	2,818	3,269	1,660	1,789	283	52,868
Depreciation							
At 1 August 2016	2,348	-	2,847	1,016	1,725	162	8,098
Charge for the year	2,495	-	307	252	118	26	3,198
Elimination in respect of disposals	-	-	(768)	(99)	(784)	(15)	(1,666)
Impairment at Armagh	201	-	-	-	-	-	201
Eliminate Depreciation on revaluation	(5,044)	-	-	-	-	-	(5,044)
At 31 July 2017	-	-	2,386	1,169	1,059	173	4,787
Net book value at 31 July 2017	43,049	2,818	883	491	730	110	48,081
Net book value at 31 July 2016	51,189	1,738	728	307	238	34	54,234

Land and buildings were subject to a full revaluation at 31 July 2017, the majority of the estate was valued on a depreciated replacement cost basis. The valuations were performed independently by the Land and Property Service, in accordance with Department specifications. The properties at Lonsdale Street Armagh and 83 Lisanally Lane have been impaired to reflect their expected remaining life. The revaluations and impairments have been incorporated into the financial statements and the resulting revaluation adjustments have been taken to the revaluation reserve.

12. TANGIBLE FIXED ASSETS (continued)

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

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

	2017	2016
	£'000	£'000
Cost	11,075	9,995
Aggregate depreciation based on cost	(4,783)	(4,387)
	<u>6,292</u>	<u>5,608</u>

The depreciation charge for the year is analysed as follows:

	2017	2016
	£'000	£'000
Owned assets	3,399	3,384

13. OTHER RECEIVABLES FALLING DUE AFTER MORE THAN ONE YEAR

	College	Group	College
	2017	2016	2016
	£'000	£'000	£'000
Receivables falling due after more than one year	<u>78</u>	<u>-</u>	<u>-</u>

14. TRADE AND OTHER RECEIVABLES FALLING DUE WITHIN ONE YEAR

	College	Group	College
	2017	2016	2016
	£'000	£'000	£'000
Trade receivables	344	267	267
Prepayments and accrued income:	<u>2,374</u>	<u>2,558</u>	<u>2,558</u>
Total debtors	<u>2,718</u>	<u>2,825</u>	<u>2,825</u>

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

	College	Group	College
	2017	2016	2016
	£'000	£'000	£'000
DfE income	<u>1,101</u>	<u>1,533</u>	<u>1,533</u>

15. CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR

	College	Group	College
	2017	2016	2016
	£'000	£'000	£'000
Trade payables	1,086	919	919
Taxation and social security	45	38	38
Deferred income and payments received in advance	922	1,124	1,124
Accruals	1,583	1,307	1,369
	<u>1,583</u>	<u>1,307</u>	<u>1,369</u>
Total	<u>3,636</u>	<u>3,388</u>	<u>3,450</u>

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

	College	Group	College
	2017	2016	2016
	£'000	£'000	£'000
DfE grant income	38	205	205
Capital grant income	345	426	426
Other grant income	406	326	326
Other income	133	167	167
	<u>133</u>	<u>167</u>	<u>167</u>
Total	<u>922</u>	<u>1,124</u>	<u>1,124</u>

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

	College	Group	College
	2017	2016	2016
	£'000	£'000	£'000
Capital grant income	1,687	2,191	2,191
	<u>1,687</u>	<u>2,191</u>	<u>2,191</u>
Total	<u>1,687</u>	<u>2,191</u>	<u>2,191</u>

SOUTHERN REGIONAL COLLEGE
 NOTES TO THE FINANCIAL STATEMENTS (Continued)
 FOR THE YEAR ENDED 31 JULY 2017

17. PROVISIONS FOR LIABILITIES AND CHARGES

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

	Group and College			Total £'000
	Pensions £'000	Litigation £'000	Other £'000	
At 1 August 2015	4,139	-	-	4,139
Expenditure in the period	472	-	-	472
Transferred to statement of comprehensive income	6,349	-	-	6,349
At 31 July 2016	10,960	-	-	10,960

18. RESTRICTED RESERVE

	Group and College			2016 Total £'000
	Unspent Capital Grants £'000	Donations £'000	2017 Total £'000	
At 1 August	405	-	405	405
New grants	-	-	-	-
Total comprehensive income for the year	-	-	-	-
At 31 July	405	-	405	405

19. CASH AND CASH EQUIVALENTS

	At 1 August 2016 £'000	Cash flows £'000	At 31 July 2017 £'000
Cash and cash equivalents	3,227	(1,268)	1,959

20. PENSIONS AND SIMILAR OBLIGATIONS

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

Total pension cost for the year

	2017	2016
	£'000	£'000
NITPS: contributions paid	2,101	2,103
NILGOSC: Contributions paid	1,200	1,141
NILGOSC: FRS 102 (28) adjustments	<u>717</u>	<u>347</u>
NILGOSC: charge to the Statement of Comprehensive Income and Expenditure (staff costs)	<u>1,917</u>	<u>1,488</u>
	4,018	3,591
Enhanced pension charge to the Statement of Comprehensive Income and Expenditure (staff costs)	<u>103</u>	<u>256</u>
Total pension cost for year	<u>4,121</u>	<u>3,847</u>

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest formal actuarial valuation of the NITPS was 31 March 2012 and NILGOSC was 31 March 2016.

NITPS

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

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

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

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

20. PENSIONS AND SIMILAR OBLIGATIONS (continued)

Salary	
Up to £25,999	7.4%
£26,000 to £34,999	8.6%
£35,000 to £41,499	9.6%
£41,500 to £54,999	10.2%
£55,000 to £74,999	11.3%
£75,000 and above	11.7%

Table 19

From 1st April 2017 the bands changed to those below.

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

Table 20

NILGOSC

NILGOSC is a defined benefit statutory scheme, administered in accordance with the Local Government Pension Scheme Regulations (Northern Ireland) 2002, as amended. It was contracted out of the state pension scheme until 31 March 2016.

The following information is based upon a full actuarial valuation of the fund at 31 March 2016 updated to 31 July 2017 by a qualified actuary.

Principal actuarial assumptions

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

	At 31 July 2017	At 31 July 2016
Rate of increase of salaries	3.5%	3.3%
Rate of increase for pensions	2.0%	1.8%
Discount rate for scheme liabilities	2.6%	2.4%
Inflation assumption (CPI)	2.0%	1.8%

20. PENSIONS AND SIMILAR OBLIGATIONS (continued)

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

	At 31 July 2017	At 31 July 2016
<i>Retiring today</i>		
Males	23.2	22.3
Females	25.8	24.8
<i>Retiring in 20 years</i>		
Males	25.4	24.5
Females	28.1	27.2

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

	Value at 31 July 2017 £'000	Value at 31 July 2016 £'000
Equities	31,071	27,782
Bonds	4,648	4,547
Property	4,146	4,740
Cash	2,010	1,464
	<hr/>	<hr/>
Fair value of assets	41,875	38,533
	<hr/> <hr/>	<hr/> <hr/>

Amounts recognised in the balance sheet

	2017 £'000	2016 £'000
Scheme assets	41,875	38,533
Scheme liabilities	(48,812)	(49,493)
	<hr/>	<hr/>
Deficit in the scheme (net pension liability recorded within pension provision)	(6,937)	(10,960)
	<hr/> <hr/>	<hr/> <hr/>

Analysis of amounts charged to staff costs

	2017 £'000	2016 £'000
Employer service cost (net of employee contributions)	1,977	1,511
	<hr/>	<hr/>
Total operating charge	1,977	1,511
	<hr/> <hr/>	<hr/> <hr/>

20. PENSIONS AND SIMILAR OBLIGATIONS (continued)

Analysis of pension finance costs

	2017	2016
	£'000	£'000
Expected return on pension scheme assets	939	1,212
Interest cost	<u>(1,183)</u>	<u>(1,337)</u>
Net charge to interest payable	<u>(244)</u>	<u>(125)</u>

Analysis of other comprehensive income for pensions

	2017	2016
	£'000	£'000
Actuarial gains on pension scheme assets	1,272	2,953
Actuarial (losses)/gains on the scheme liabilities	<u>3,712</u>	<u>(9,302)</u>
Total of other comprehensive income	<u>4,984</u>	<u>(6,349)</u>

Movement in (deficit) during the year

	2017	2016
	£'000	£'000
Deficit in scheme at 1 August	(10,960)	(4,139)
Employer service cost (net of employee contributions)	(1,977)	(1,511)
Employer contributions	1,512	1,340
Curtailment	(252)	(176)
Net interest on assets	(244)	(125)
Actuarial (loss)/gain recognised in other comprehensive income	<u>4,984</u>	<u>(6,349)</u>
Deficit in scheme at 31 July	<u>(6,937)</u>	<u>(10,960)</u>

Reconciliation of liabilities

	2017	2016
	£'000	£'000
Liabilities at start of period	49,493	37,104
Service cost	1,977	1,511
Interest cost	1,183	1,337
Employee contributions	380	369
Actuarial loss/(gain)	(3,712)	9,302
Benefits paid	(761)	(306)
Curtailments	<u>252</u>	<u>176</u>
Liabilities at end of period	<u>48,812</u>	<u>49,493</u>

20. PENSIONS AND SIMILAR OBLIGATIONS (continued)

Reconciliation of assets

	2017	2016
	£'000	£'000
Assets at start of period	38,533	32,965
Expected return on assets	939	1,212
Actuarial (loss)/gain	1,272	2,953
Employer contributions	1,512	1,340
Employee contributions	380	369
Benefits paid	(761)	(306)
	<hr/>	<hr/>
Assets at end of period	<u>41,875</u>	<u>38,533</u>

The estimated value of employer contributions for the year ended 31 July 2018 is £1,241k.

History of experience gains and losses

	2017	2016	2015	2014	2013
Experience gains/(losses) on assets					
Amount £'000	N/A	N/A	1,556	(783)	3,252
% of assets	N/A	N/A	6.4%	-2.8%	12.3%
Experience (losses)/gains on liabilities*					
Amount £'000	N/A	N/A	128	(3,201)	-
% of liabilities	N/A	N/A	0.3%	-9.0%	0.0%

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

21. POST BALANCE SHEET EVENTS

There are no post balance sheet events.

22. SUBSIDIARY UNDERTAKINGS

The assets of the subsidiary company wholly-owned by the College transferred to the College at 31 July 2016.

23. CAPITAL COMMITMENTS

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

	Group and College	
	2017	2016
	£'000	£'000
Commitments contracted for at 31 July	1,688	1,784
Authorised but not contracted at 31 July	34,493	-
	<hr/>	<hr/>
Total	<u>36,181</u>	<u>1,784</u>

24. FINANCIAL COMMITMENTS

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

	Group and College	
	2017	2016
	£'000	£'000
Land and Buildings		
Expiring within 12 months	20	20
Expiring within two and five years inclusive	291	86
	<hr/>	<hr/>
Total	311	106
	<hr/>	<hr/>

	Group and College	
	2017	2016
	£'000	£'000
Other		
Expiring within 12 months	9	1
Expiring within two and five years inclusive	160	159
	<hr/>	<hr/>
Total	169	160
	<hr/>	<hr/>

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

	Group and College	
	2017	2016
	£'000	£'000
Income		
Expiring within two and five years inclusive	77	30
Expiring in over five	-	56
	<hr/>	<hr/>
Total	77	86
	<hr/>	<hr/>

25. CONTINGENT LIABILITY

There are no contingent liabilities.

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.

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

Governor / Senior Manager of Southern Regional College	Related Organisation	Transactions 2017 £'000	Transactions 2016 £'000	Amount outstanding at 31 July 2017 £'000	Amount outstanding at 31 July 2016 £'000
B Doran ** J O’Hagan ** J Quinn ** G Devlin** T Redmond*	Greenshoots-Newry Ltd	n/a	14	n/a	1
N Wilson* K Twyble* K Swail *	Armagh City, Banbridge and Craigavon Borough Council	117	4	-	-
P Campbell	Stranmillis University College	27	n/a	-	-
B Doran ** A Saunders*	Colleges NI	168	108	-	-

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

Table 21

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

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

Related Organisation	Transactions	Transactions	Amount	Amount
	2017 £'000	2016 £'000	outstanding at 31 July 2017 £'000	outstanding at 31 July 2016 £'000
B Doran ** J O'Hagan ** J Quinn ** G Devlin ** T Redmond*	n/a	34	n/a	-
A Saunders*	19	27	13	4
A Carson*	26	32	3	16
S McRoberts*	Lisanally Special School	n/a	14	n/a
	City of Armagh High School	n/a	42	n/a
	Newtownhamilton High School	n/a	17	n/a
S McRoberts* N Wilson* K Twyble* K Swail *	3	107	-	-
K Twyble*	1	-	-	-
R Sloan **	20	24	-	-
T Campbell*	St Catherine's College	36	44	-
	PKF FPM Accountants	1	1	-
B Doran ** A Saunders*	6	14	6	5

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

Table 22

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

27. AGENCY ARRANGEMENTS

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

	2017	2016
	£'000	£'000
DfE student hardship grant	476	513
Disbursed to students	<u>(468)</u>	<u>(380)</u>
Balance unspent at 31 July	<u>8</u>	<u>133</u>

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

	2017	2016
	£'000	£'000
DfE care to learn grant	14	34
Disbursed to students' childcare providers	<u>(17)</u>	<u>(34)</u>
Balance at 31 July	<u>(3)</u>	<u>-</u>

28. LOSSES AND SPECIAL PAYMENTS

There were 2 instances of losses or suspected losses in the year with a cumulative value not exceeding £3,000. All instances of losses or suspected losses have been formally reported.

There were 12 claims totalling £1,200 abandoned for the year related to bad debt written off.

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.

	Notes	2017 £'000	2016 £'000
INCOME			
DfE income (non grant in aid items)	1	1,609	573
Education contracts	2	4,989	6,063
Tuition fees and charges	3	2,750	2,576
Other grant income	4	614	1,136
Other operating income	5	1,194	1,531
Investment income	6	105	138
Total incoming resources		11,261	12,017
EXPENDITURE			
Staff costs	7	(24,991)	(23,993)
Fundamental restructuring costs	7	(369)	(538)
Other operating expenses	9	(13,271)	(12,966)
Depreciation	12	(3,399)	(3,384)
Interest and other finance costs	10	(244)	(125)
Total resources expended		(42,274)	(41,006)
Deficit before tax		(31,013)	(28,989)
Taxation	11	-	(24)
Deficit for the year		(31,013)	(29,013)
Unrealised surplus/(deficit) on revaluation of land and buildings		(5,444)	2,616
Actuarial (loss)/gain in respect of pension scheme		4,984	(6,349)
Amount transferred to reserves		(31,473)	(32,746)
Analysis of reserves prepared under FReM			
		2017 £'000	2016 £'000
Balance at 1 August		58,583	61,913
Grant in aid received in year excluding exceptional item		28,321	28,878
Grant in aid received in year exceptional item		(3,631)	538
Amount transferred to reserves		(31,473)	(32,746)
Balance at 31 July		51,800	58,583