



Annual Report

and Financial Statements

2012
13

**Belfast Metropolitan College
Annual Report and Accounts
For the year ended 31 July 2013**

*The Accounting Officer authorised these
financial statements for issue*

on

27th November 2013

*Laid before the Northern Ireland Assembly
under the Institutions of Further Education (Public Sector Audit) Order (Northern Ireland)
2008
by the Department for Employment and Learning*

on

13 December 2013

Annual Report Contents

CHIEF EXECUTIVE MESSAGE.....	4
OUR JOURNEY	8
OUR STRATEGIC DIRECTIONS.....	12
OUR CUSTOMERS.....	15
OUR PEOPLE	38
OUR GOVERNORS.....	47
FINANCE AND OPERATING REVIEW	52
OTHER DISCLOSURES	58
FINANCIAL STATEMENTS.....	60
- Further Education College Remuneration Report	
- Statement of the Responsibilities of the Governing Body	
- Governance Statement	
- Certificate and Report of the Comptroller and Auditor General to the Northern Ireland Assembly	
- Consolidated Income and Expenditure Account	
- Consolidated Statement of Historical Cost Surpluses and Deficits	
- Consolidated Statement of total Recognised Gains and Losses	
- Balance Sheets	
- Consolidated Cash Flow Statement	
- Notes to the Financial Statements	

Chief Executive Message

CHIEF EXECUTIVE MESSAGE



This last year has been one of transformation, progress and celebration. As a College we have settled into new ways of working; together we are working to forge a new future for our College community and together we are achieving recognition and results.

It was with tremendous pride and privilege that I attended President Obama's address in the Belfast Waterfront Hall accompanied by seven award-winning students. It was a defining moment for the College when in his speech, broadcast across the world; he singled out the work of the College in peace-building and offering life changing opportunities to young people. A resounding endorsement of the College, our *raison d'être* and something that will fill me with pride for many years to come.

By meeting the financial targets agreed with the Department and reporting a historic cost surplus of £167,000, the Department has indicated that the College will be taken out of Special Measures as this meets the final outstanding target set out in the College Improvement Plan. This means we are moving forward into a new chapter which is mapped out in the College's Corporate Plan for 2013–16; it heralds an enormous opportunity to work together with a clear sense of purpose to deliver our collective ambition to be a College of Excellence.

We continue to see the benefit of providing a dynamic curriculum that is responsive to the skills needs of the Northern Ireland economy, ensuring our learners have the practical experience and technical knowledge to make an impact in the workplace or go on to further study in their chosen vocation. Significant progress has been made over the past three years; our student success rates have improved by 27%, retention rates by 9% and the College's improved position was recognised with a 'Good' grade in the ETI inspection.

This year has seen a marked increase in College collaborations with companies in the STEM priority growth arena, with a range of programmes, training and events held at the College that is making a real difference to tomorrow's workforce. The School Partnerships Team held an informative STEM Matters careers event that brought together careers guidance, STEM teachers and 40 local companies seeking to recruit staff with STEM qualifications in a round table event to highlight the need for young people to consider the advantages of choosing STEM subjects from an early age. This early educative approach is mirrored in the CoderDojo sessions on Saturday mornings which introduce computer coding to 8–16 year olds in a fun and creative way with the support of College staff and volunteer industry mentors.

The Public / Private ICT Apprenticeship programme which was piloted by the Department for Employment and Learning at Belfast Met has enabled 32 participants to be recruited as apprentices, taking up various software development and IT infrastructure roles in local companies and government departments. Other new ICT partnership initiatives to come online this year have been the Data Analytics Training Academy with business advisory firm Deloitte and the Summer Code Camp in mobile app creation delivered in partnership with technology company Kainos. With more collaborative programmes planned for the coming year, the energy and commitment of the School of Electronic and Computing Technologies has been recognised by Prodigy Learning, who have conferred a Centre of Excellence status for their development and implementation of professional IT qualifications in the curriculum.

Our talented staff and students have once again excelled, receiving local and national awards across our curriculum areas, providing us with many reasons to celebrate their outstanding achievements. The Centre for Supported Learning, who this year celebrated 30 years of provision, received an Aontas Star Award for outstanding adult education work in partnership with the Northern Ireland Association for Mental Health. A team of four highly skilled and experienced Dyslexia teachers were named FE Team of the Year at the prestigious Pearson Teaching Awards and were lauded as an “outstanding example of how commitment, determination and a clear vision can make such huge difference to learners.”

Student success continued at the WorldSkills competitions, three representatives travelled to WorldSkills 2013 in Leipzig where Matthew Quinn won Bronze for Autobody Repair and Ken Wilson and Gary Greer took home Medals of Excellence for plastering and car painting respectively. Music students performing as ‘Lipstick Lizards’ won the regional live heat of the WorldSkills UK Popular Music Competition and have progressed to the finals.

Some other noteworthy student successes this year include the Beauty Therapy, Fashion Management and Software Engineering students who showcased innovative and life-changing projects to triumph at the BEST awards, Bakery student Katie Gardiner who won the Presidents Cup at the Alliance for Bakery student awards, Gordon Donaldson who was named Wedding Journal Young Fashion Designer of the year and NCTJ Journalism student Iain McDowell who won a BBC/NUJ bursary. Tribute must be also paid to the staff teams who guided the students through the preparation for these prestigious competitions.

To complement the successes and achievements, there have been a number of highlights, new events and celebrations for the College. For the first time, we ran three higher education graduation ceremonies in one day in the stunning Titanic Belfast, we held our inaugural and highly successful Apprenticeship and Training Awards at e3 to celebrate the achievement of our apprentices and the contribution local businesses make to skills training, and celebrated the exceptional achievements of students from across the College in the heart-warming Winter Celebration. e3 was the perfect venue for three unique and special events playing host to the US Consulate’s Presidential Election breakfast, the TEDx Igniting Innovation conference and our first ever Staff Excellence peer nominated awards.

We have delivered a £60 million capital investment programme which has provided the College with unrivalled facilities at Titanic Quarter campus and the e3 building on the Springvale campus. Feedback on the quality of the facilities and the opportunities that they provide to our learners, staff and wider stakeholders has been overwhelmingly positive and the specification and quality of these learning environments have been recognised with a number of accolades. This year e3 has received a Sustainable Town Planning Award for Urban Development and the Built Environment and was a finalist in the Sustainable Communities and Regeneration category at the RSPB / Royal Town Planning Institute Awards and in the Regeneration category at the Royal Institute of Chartered Surveyors Awards.

These awards highlight the new educational and environmental standards that position the College as an exemplar to further education across the UK and Ireland. None of this would have been achieved without the dedication of the College Estate and Facilities Management team who were shortlisted for the Estate Team of the Year in the Times Educational Supplement (TES) Further Education Awards. We will continue to build on this success and investment by improving our existing estate with exciting and innovative plans afoot for the Castlereagh and Springvale campuses as set out in the Estate Strategy that was published this year.

The transformation of the College is not just about bricks and mortar, in the last year, in addition to the Estate Strategy, we finalised our People Strategy and our IT Strategy that will ensure that the quality of service that we provide to our learners, to our staff and to our stakeholders is of the highest standard. We will use them to build upon our internal talent, improve our systems and infrastructure and ultimately drive our business performance towards excellence.

I would like to close by offering my most sincere gratitude for the tireless effort, energy and enthusiasm displayed by each and every staff member of the Belfast Met team. Together we have made great progress and are breaking new ground on our journey towards recognition as a College of Excellence. We look forward to working with all our learners, partner organisations and stakeholders to build a successful and prosperous future and to being a major contributor to the success of the city of Belfast and the region of Northern Ireland.



Marie-Thérèse McGivern
Principal and Chief Executive



Our Journey

OUR JOURNEY

Where we are

Since 2010, we have invested considerable time and resources in implementing the College Improvement Plan which has delivered extensive change and progress right across the College.

Making the changes laid out in the College Improvement Plan coupled by our employees collective ambitions to put the learner at the heart of the business has ensured that we are well on our journey towards recognition as a College of Excellence.

The College is now the sixth largest in the United Kingdom and we are recognised for our high quality and range of curriculum offer. Our achievements have been noteworthy and the benefits of re-engineering our curriculum and supporting processes are rippling throughout the College and the results speak volumes:

Curriculum

At the heart of this transformation is our total dedication and commitment to the success of our learners and in response to this we developed a dynamic new curriculum that mirrors the priority growth areas identified for Northern Ireland. During 2012/13, the College increased participation in key strategic skill areas which included a 157% increase in enrolments in Software Engineering.

- Over the last three years, our student success rates have improved by 27% and our retention rates by 9% over the same period
- The College receives many external awards but we are most proud of the recognition from our students. These include:
 - In November 2012 96% of a representative sample of all students said that they enjoy being on their course
 - 93% said that they would recommend their course to a friend or family member and
 - 94% said that in their opinion Belfast Metropolitan College is an excellent place to study
- ETI inspectors visited the College in January to review the College's approach to improving its FE provision: the feedback was largely positive with a 'confident' status achieved in relation to the Whole College Quality Improvement Plan;
- In April 2013, ETI inspectors returned to carry out a longitudinal inspection of Belfast Met's Further Education and Training Provision which included all training and education from Entry Level to Level 3. The College was awarded a Grade 3 equating to 'Good' in relation to the ETI grade descriptors.
- Belfast Met reaches out to learners from Northern Ireland's most deprived areas: almost half of Essential Skills learners, ⅓ of Further Education learners and ¼ of Higher Education learners come from areas of multiple deprivation.
- The College continues to be the largest single provider of Essential Skills in Northern Ireland delivering its ICT, Numeracy and Literacy courses to over 4,500 learners.

Learner Services

- In April 2013 the College retained its Matrix accreditation validating our approach to careers advice and progression planning for learners; the very positive feedback received from the Matrix evaluation and April ETI Inspection in relation to the Careers and Employability Service highlighted the holistic student centered approach to careers, the knowledge, skillset and strength of the careers team, the quality of the information and communications materials and the widening participation and outreach work which the team have embarked on in recent years.
- In 2011/12, the College completed a radical review of its admission and enrolment procedures. Inspectors also commended the College and this has had a positive impact with 86% of our students stating they had received information about the range of courses on offer. This was further reinforced with 98% of students in a 2012 student satisfaction survey stating they were well informed about their course of study. Following the re-engineering of this admissions and enrolment process, the process was independently audited by KPMG and key areas examined included the policies and procedures, guidance, the applications process, enrolment and quality assurance processes. In June 2013 it received a 'substantial' grade for its students admissions processes.

Belfast Met is now entering a new phase of development characterised by innovative and fast-changing curriculum programmes, better facilities and services, increased agility and customer responsiveness alongside strategic industry collaborations, which are clearly demonstrating the part that skills and learning can play in securing prosperity for the City of Belfast and region of Northern Ireland.

At the heart of this transformation is our total dedication and commitment to the success of our learners as well as the ongoing development of our business and corporate services. During the 2012/13 period, it is worth noting that:

- The deployment of the IT Strategy has already resulted in the implementation of a new managed print solution, new data centre services, the upgrade of our virtual learning environment as well as the commencement of the upgrade of the College's desktop operating system. Going forward, the successful implementation of the College IT Strategy will place Belfast Met at the forefront of IT and technology enhanced learning within the sector.
- Our people are key to driving us forward to achieve our ambitions. The College wants to ensure that every member of our College family is equipped with the skills and tools to excel and therefore to support this vision during 2012/13 the College created a four-year People Strategy and HR Operating Plan. The People Strategy is providing the focus to build upon our internal talent and to ultimately drive our business performance towards results excellence.
- The College aims to offer the best possible environment for gaining skills and knowledge. During 2011/12, the College developed a 10 year Estate Plan which will ensure that all our students, staff and stakeholders will have access to stimulating, highly functional and sustainable facilities. Our Estate portfolio has recently experienced significant improvements with the phase 1 refurbishment of the Castlereagh and Community Learning campuses as well as the development of the two new campuses: Titanic Quarter campus and e3 (Springvale campus). These campuses have set the benchmark for the remainder of our estate which in time will realize our ambition, to have a sector leading estate portfolio. The College also retained 4 ISO

accreditations (Quality Management, Environmental Management, Occupational Health and Safety Management and Energy Management)

- The improvement in financial management continues with the College meeting the financial targets agreed with the Department in the College Development Plan.
- The College continued to build on the ongoing investment and developments outlined in our Curriculum and Stakeholder Engagement Strategies
- An ongoing programme of internal audits took place in 2012-13: audits carried out received 'satisfactory' or above gradings

Where we are going

As we look to the future, the Northern Ireland economy increasingly demands a flexible and skilled workforce to fill all areas of growth and opportunity. In response, we have developed a dynamic new curriculum that mirrors the priority growth areas identified for Northern Ireland and supports the delivery of the Northern Ireland Economic Strategy.

The College has already built an excellent reputation with employers for offering relevant high quality learning. We will build on this by focusing on developing long-term mutually beneficial partnerships and becoming recognised as an expert in key and emerging growth areas.

Our focus for the future is to support the development of Belfast by providing education, training and skills development to enhance individual, community and economic prosperity. Over the next three years we will sustain and improve our responsiveness to learners, employers and communities.

We will remain focused on teaching and learning and engaging our students fully. The College will remain focused on improving the quality of our teaching and learning ensuring that all outcomes lead to increasing the ability of our learners to progress within education and training, into employment or better employment. Our responsiveness will include developing innovative ways to integrate technology seamlessly into the teaching and learning process.

We will continue to maintain and enhance the College's estate and IT infrastructure to support the College objectives of being 'best in class' as well as providing a people/ staffing profile which is aligned to a forward looking organisation.

We will also continue to operate as a highly effective and efficient organisation, continuously identifying where resources can be better utilised and where performance can be enhanced.



Our Strategic Directions

OUR STRATEGIC DIRECTIONS

College Draft Corporate Plan 2013-16

During the latter part of the 2012/13 academic year, the College commenced work on developing its Corporate Plan for 2013-2016.

Our Mission and 4 Point Plan

Going forward for the period 2013-2016, the College's Mission will be to deliver outstanding education and skills, while transforming lives and contributing to the economic success of Belfast and Northern Ireland.

As the economy and skills agenda has transformed in recent years, so too has Belfast Met. Our focus for the next three years is to deliver on our 4 Point Plan which combines to achieve our mission.

Principles and Values

Our approach to implementing the Mission and 4 Point Plan will be based on the following principles which we value and will apply to all that we do:

- Valuing our people
- Innovating for success
- Providing value for money and improving services
- Working in partnership
- Welcoming all

Our 4 Point Plan will:

1.

Put the learner at the centre of everything we do.

Belfast Met will work to ensure that every learner achieves their potential and has every opportunity to progress to employment, training or further education.

2.

Deliver the highest quality possible in all we do.

Belfast Met will guarantee the highest quality internationally validated programmes that respond to the needs of learners and businesses.

3.

Achieve the highest possible impact we can on the economic and social wellbeing of Greater Belfast and Northern Ireland.

Belfast Met will develop relevant high-quality programmes. We will work in partnership with our staff, learners, and the wider community to deliver programmes that will meet demand and fully play our part in achieving the outcomes of the Programme for Government 2011 -15.

4.

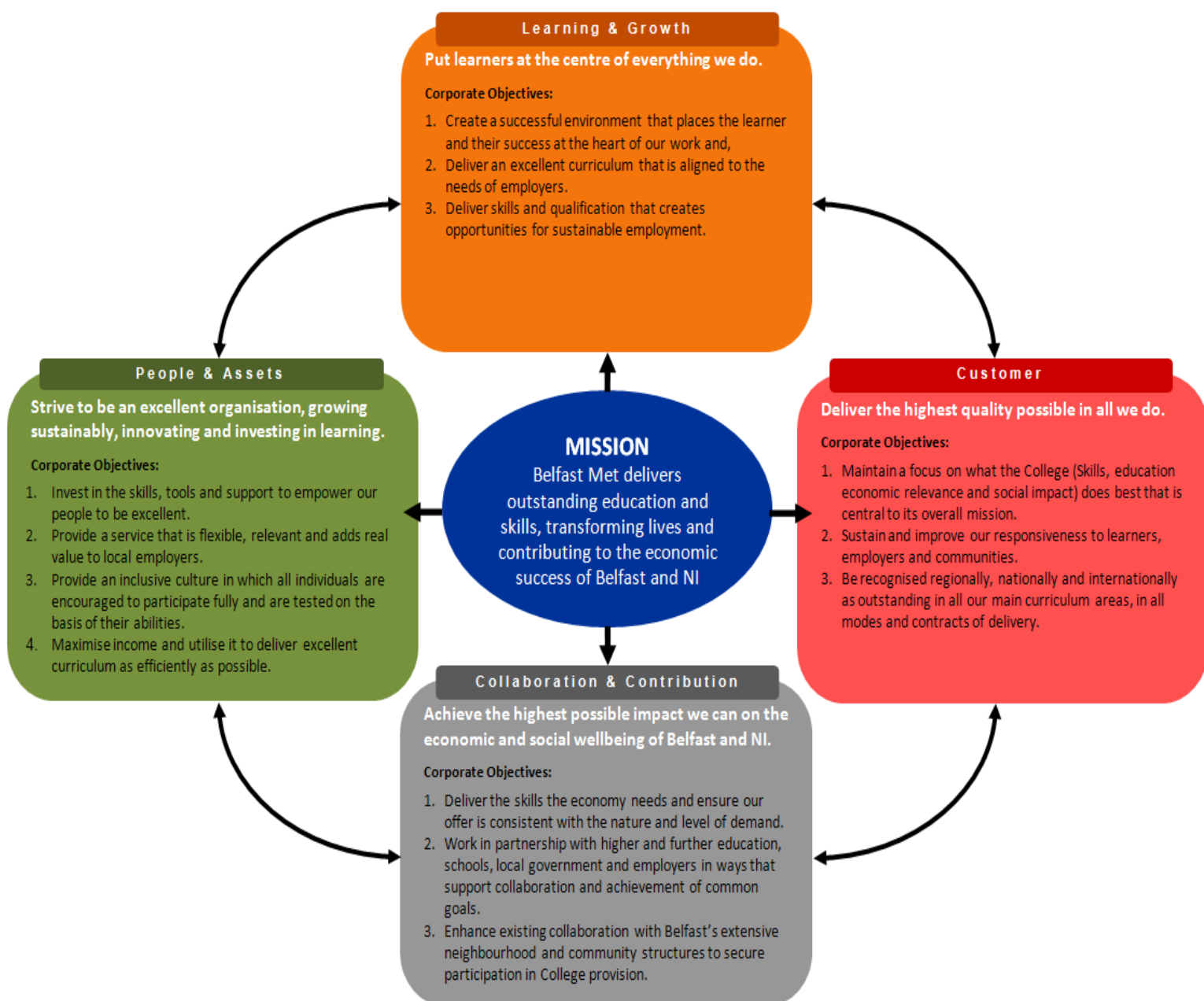
Strive to be an excellent organisation, growing sustainably, innovating and investing.

Belfast Met will support our staff and learners to grow and develop by embedding excellence into all that we do.

Our focus for the next three years will be to deliver the targets identified in our 4 Point Plan. Delivering on the 4 Point Plan will require the continuous enhancement of our people, services and assets. Each of the strategic priorities in the 4 Point Plan will be supported by a number of corporate objectives against which progress will be proactively monitored through our well established performance management process.

A detailed breakdown of the College corporate objectives is detailed below.

College 4 Point Plan





Our Customers

- Curriculum Overview
- Curriculum Performance
- Curriculum Development
- College Highlights and Student Successes
- Equality, Diversity and Inclusion in Service Delivery
- Economic Engagement
- Stakeholder Engagement



OUR CUSTOMERS

CURRICULUM OVERVIEW

Belfast Met aspires to be a College which has a significant impact on the people and communities that it serves; enriching their lives and being a major contributor to the success of the City of Belfast and the region of Northern Ireland. During the academic year 2012/2013, the College rolled out its Curriculum Strategy entitled 'Skills Matters'.

Belfast Met understands the importance of ensuring that the curriculum offer meets the needs of industry in order to provide the talent necessary to drive economic growth. Our innovative curriculum delivers industry relevant courses, equipping young people with the necessary skills, experience and education for work.

Our curriculum is the engine of our business and the College prides itself on the fact that our courses and qualifications lead to employment. The strategic objectives of the Curriculum Strategy require the College to focus on an offer that is economically relevant. The following areas were identified and over the past year, key improvements were as follows:

Strategic Priority Area	Key Developments
Mobile, Cloud and Creative Digital Technologies	<ul style="list-style-type: none"> The College is now the leading provider of education and training in Mobile and Cloud solutions. It has increased the number of software engineering participants by 154%. It was graded as 'Very Good', with 'Outstanding Leadership' by the Education and Training inspectorate in 2012/2013. New product development such as the establishment of an IT and Cloud Academy. The College has provided education and training solutions to global companies, including Deloitte, PwC and CSV Caremark.
Leadership and Management	<ul style="list-style-type: none"> The College continues to grow its capability in Marketing and Accounting, offering a newly developed Foundation Degree in the two areas. The College has established a new online service for Leadership and Management education, working with international leadership training provider LRI International.
Manufacturing Engineering, Composites and Advance Materials	<ul style="list-style-type: none"> The College has launched its Composites facility at e3 and has begun development of a Higher Education Apprenticeship route in Aeronautics. The College has developed its capability in advanced Marine Welding and continues to be the leading training provider of off-shore wind maintenances. Our capability in these areas has led us to become the leading education and training partner of the Energy Skills Alliance, working with local and global companies in upskilling for the Renewables and clean energy developments.
Service Industry Skills	<ul style="list-style-type: none"> The College continues to provide high quality education and training in the service skills industries. Our work in Hospitality has resulted in new skill development relationships with local providers, including a major hotel chain. Our Travel and Tourism provision continues to expand.

Health Sciences	<ul style="list-style-type: none"> The College received a Grade 2 /' Very Good' in the recent ETI inspection for the quality of provision within this area and continues to expand provision at all levels. Demand for places at the College exceeds supply in Child Care. College has increased demand for sport related courses, particularly our successful Football Academy. The College has recently developed a Rugby Academy, the first of its kind which will complement the Football Academy.
-----------------	--

CURRICULUM PERFORMANCE

Student Numbers

The College increased its student establishment by 2,375 enrolments during the year (this is based on the current position of 23,377 for 2011/12 versus 25,752 for the 2012/13 period). This figure will change to reflect the final FLU lift later in the year. The overall increase presents a varying picture of recruitment levels across the full spectrum of the education provision.

Although the College increased its full-time further education provision, it did not meet its targets in other areas of provision. Enrolment levels for the current 2012/13 period are detailed below with a further explanation outlined in the respective sections:

Level of Enrolment	2009-2010 Final	2010-2011 Final	2011-2012 Final	2012-2013 Current Position	% Change
Full -Time Further Education	3,527	3,171	3,252	3,643	+11.5%
Part -Time Further Education	25,361	18,829	17,267	19,371	+12.9%
Full- Time Higher Education	1,659	1,473	1,437	1,433	-0.5%
Part- Time Higher Education	2,053	1,448	1,421	1,305	-8%
Essential Skills	3,576	3,980	4,360	4,167	-3.9%

Further Education

The College has increased its full-time further education by 11.5% on the previous year and has exceeded its agreed target set by the Department. In order to achieve this target, the College re-engineered its recruitment and admissions process which has paid dividends.

The College believes that the investment in the College Estate, particularly the new Titanic campus and e3 building at the Springvale campus has also had a very positive impact in terms of recruiting further education students.

The College is a leader in developing courses that reflect current and future skill needs with employability and the learner placed at the centre of all that we do; this strong focus on employability and related links with industry has played a part in increasing recruitment of full-time further education learners.

The College is only one of two colleges to exceed its further education recruitment target in 2012-2013. The College anticipates sustained performance in the coming academic year in this area

In April 2013, the College was inspected by the Education and Training Inspectorate (ETI) for its further education and training provision. The College was awarded a Grade 3 equating to 'Good' in relation to the ETI grade descriptors.

Part-Time Further Education

The College has increased its part-time further education provision by 12.9% on the previous year, demonstrating a substantial growth across all levels of learning. The College believes that this substantial growth can be attributed to adjustments to the relevancy of the curriculum, brought about by the implementation of the Curriculum Strategy.

Higher Education

It is worth noting that the College has had a reduction in its MaSN during the 2012-2013 period, with a resultant decline of learners by 0.5% on the previous year. This places at risk some of the innovation that the College has developed in terms of cross-curricular assessment of project based learning at the e3 building at the Springvale campus.

However, the College did recruit to the required MaSN limit in higher education in 2012-13 and continues to sustain a high retention rate. The College did lose a number of learners early in the academic year, which the College believes may be in part due to changes in recruitment processes at local Universities. The College has reviewed its recruitment process for the coming academic year to avoid further repetition of this early loss.

The College continues to provide a broad range of higher education provision (the widest of all the regional colleges in Northern Ireland), meeting local and regional skill demands. The College has developed a number of Foundation Degrees and will continue its programme of converting Higher National Diplomas to Foundation Degrees.

It is also worth noting that applications for places in most of the curriculum offered on full-time higher education courses exceeds demand, in some cases by 400%.

The College has seen a decline in part time higher education provision and believes this is a result of economic circumstances for working professionals. Local companies, who would have historically supported the cost of learning in some part, have been less inclined to support staff fees, resulting in a reduction in application numbers. The College believes that the relevancy of the Foundation Degree curriculum offer and the new range of part time Higher Education courses will address some of these issues.

Essential Skills

At current values and at the time of writing this report, Essential Skills enrolment has decreased by 3.9%. This figure will change to reflect the final FLU lift later in the year.

It is worth noting that the College continues to exceed its target in the provision of Essential Skills to adult learners. This can be partly attributed to innovation in delivery methods, targeted marketing and communication campaigns and working directly with local communities to engage adults in Essential Skills courses.

Going forward the College recognises that it must improve its recruitment of younger learners, already within its Further Education provision and has introduced a new process to enable the College to capture these learners at enrolment and therefore direct them towards taking an essential skills course earlier in their time at the College.

School Partnership (Entitlement Framework Provision)

Our School Partnership Programme attracts school based learners aged 14-19 into vocational education and practical training. We have a collaborative working relationship with schools and successfully deliver a broad and economically viable curriculum to over 30 participating schools in Belfast.

The table below details the Colleges performance in relation to its School Partnership provision from 2009-2013:

School Partnership Programme	2009/10	2010/11	2011/12	2012/13
Total	1,432	1,712	1,346	934

The College has seen a decline in engagement from schools in regards to vocational enhancement provision. Proposed changes in the funding for entitlement are perceived as one of the primary reasons for this. The decrease in student numbers may also be attributed to the challenges that schools face in managing their own resources and are obliged to make maximum use of their own staff to deliver the Entitlement Framework provision.

Cognizant of this, the College has adapted its School Partnership curriculum developing applied and STEM related qualifications. This has been well received and feedback received to date indicates that schools are looking to Belfast Met for future collaboration. The College is leading the way in employer engagement and in the delivery of an economically relevant curriculum and the impact of this is evidenced in the development of a number of new contracts.

The College hopes that the implementation phase of the Entitlement Framework will see a consolidation of the School Partnership provision for those schools who are currently engaged with Belfast Met, and that the benefits of a shared approach to the delivery of an increasingly demanding curriculum may be experienced by many more schools in Belfast and beyond.

Training

The College is engaged in delivering an extensive range of vocational training, working side by side with employers to provide outstanding training and apprenticeships. We are committed to enhancing the skill base of young people in Northern Ireland through the provision of high quality vocational training across 14 occupational skill areas.

Belfast Met is at the forefront of delivering apprenticeship training in a number of priority skill areas including ICT, Financial Services, Tourism, Advanced Engineering including Renewables and Creative Industries.

The table below provides an overview of training performance for the period 2010-2013:

Training	2010/11	2011/12	2012/13
Total	860	952	980

It is worth noting that with the economic downturn and the issues faced by the Construction sector, the College has forged quality relationships with key employers in this sector and these relationships have enabled the College to keep apprenticeship opportunities 'alive' during a period of immense change.

In relation to the Programme Led Apprenticeship (PLAs), the College has improved the placement of its trainees from 34% to 82% in the last academic year. This demonstrates the confidence that employers have in working collaboratively with Belfast Met and the operational effectiveness of the placement process. The introduction of the Training for Success programme on the 20th June 2013 presents opportunities for a more flexible and tailored approach to delivering training programmes to school leavers.

In relation to the College apprenticeship and training programmes, it is worth noting:

- 2012/13 has been a challenging year for training programmes. The economic downturn has had a direct impact on sectors such as Construction and Building Services and it has been proving more difficult in providing quality work placements for learners, however towards the end of the academic year, there is evidence of signs of improvement with the Construction and Engineering companies seeking to work with the College.
- During 2012/13, the College has recently entered into a Public / Private ICT Apprenticeship pilot initiative that aims to address the skill shortages being experienced by the local ICT sector. As a result, the industry has started to explore and employ school leavers rather than rely on the traditional method of recruiting graduates from university. This scheme, involving government and a number of local ICT employers, has seen 32 individuals from Belfast Met recruited as apprentices in various software development and IT infrastructure roles in both the public and private sector. Key companies involved in the initial pilot included Citi, Fujitsu, Capita, Kainos, IT Assist and Eircom.
- Going forward, the creation and promotion of Higher Level Apprenticeships in Northern Ireland presents a real opportunity for the College to build its apprenticeship provision. The College is actively involved in working with the Sector Skills Councils to develop Higher Level Apprenticeships and with the DEL's focus on this area coupled with the current Apprenticeship Review demonstrates a shared commitment to drive the economy forward through skills development.

- In June, the College piloted its first Apprenticeship and Training Graduation. The event which was attended by over 200 learners, employers and key stakeholders at the e3 building at our Springvale campus was a tremendous success and will become an annual date in the College calendar of events and celebrations.
- The launch of the new Apprenticeship Programme on the 9th August 2013 represents an opportunity for the College to expand its apprenticeship offer into new and exciting vocational areas.

Student Achievements:

The table below provides an overview of student achievement for further and higher education for the period 2010 to 2012.

Student achievements	2011/2012	2012/2013
Further Education	81.8%	82.3%
Higher Education	93.8%	94.0%

Curriculum Developments in 2012/13

Over the past year, the College has continued to develop its curriculum in line with the economic and social needs of the surrounding community and beyond. The College is committed to high quality teaching and learning in all its courses and the following examples demonstrate the type of continuous improvement that is prevalent through all curriculum areas:

Faculty of Technologies and Academic Affairs

School of Engineering, Electrical Engineering & Construction

- Bombardier Aerospace recently decanted their training facility to Newtownabbey but have committed to engaging Belfast Met as their primary technical and craft training provider.
- Foundation Degree in Building Services & Renewable Technologies was successfully revalidated with University of Ulster in October 2012.
- Through the DEL Assured Skills Funds, the School has secured funding to upskill 7 lecturers in Hydraulic Technology in relation to the Renewable Sector; staff training has commenced and new hydraulic training facilities and equipment have been developed.
- Through the Heritage Lottery Fund, the School has been engaged in a project 'Sustaining Traditional Building Skills in NI' to develop the capacity of the construction industry labour force to engage in the conservation, maintenance and repair of NI pre-1919 building stock.
- During 2012/13, the School re-engaged with both PMST & ETT in a partnership agreement to deliver apprentice training to both the Plumbing & Electrical Sectors.

School of Electronic & Computing Technologies

- Awarded Centre of Excellence for delivery of IT certification exams.
- Awarded a Grade 2 in the ETI College Inspection.
- Engaged with over 250 young people aged 5-16 in the Coder Dojo initiative. The College has been instrumental in encouraging the set up of Coder Dojos across Northern Ireland. Currently the School is developing a LEGO innovation studio to work alongside Coder Dojo to encourage children into robotics and artificial intelligence.
- The School piloted the Public / Private ICT Apprenticeship pilot on behalf of the Department for Employment and Learning. This has seen 32 individuals recruited as apprentices and taking up various software development and IT infrastructure roles.
- Developed a Cloud Academy and Data Analytics Academy with DEL/INI which will commence delivery in September 2013.
- Secured 3 key student awards - Irish Printer "Print Student of the Year 2012", BEST Award for Software Engineering, NCTJ student won the 2012/13 Paul Robinson bursary.

School of Academic Studies

- DEL funded sign language tutor training project started in 2012/13 year and will complete in 2013/14 allowing students to progress to University of Ulster in September 2014 to start a PGCE course. This is the first opportunity in Northern Ireland to allow deaf tutors to obtain a teaching qualification in Sign Language.
- Level 5 OCR Diploma in Teaching Learners with Specific Learning Difficulties – dyslexia was reinstated in 2012/13. The delivery team were also awarded the prestigious Pearson Delivery FE Teaching Team of the Year Award.
- Due to an increased demand, 7 additional cohorts of one year A Level provision were put on in September 2012.
- Access Diploma In Computing, Business & Multimedia was successfully revalidated with University of Ulster in October 2012.
- DEL announced a free tuition for English course for Asylum seekers, significantly increasing College numbers in this area.

Faculty of Leadership, Science and Service Industries

School of Business, Management and Finance

- Foundation Degrees in Marketing and in Accounting successfully validated by University of Ulster for both full-time and part-time delivery.
- The School has successfully achieved 'Approved Partner' status with Accounting Technicians Ireland.
- The School received recognition from the International Association of Book-keepers (IAB) in the form of a Gold Centre Award and the IAB top Centre for Computerised Payroll courses. Phil White, course tutor, had the honour of attending a reception and presentation at The House of Commons to collect these awards.
- Introduction of ILM Level 3 Coaching Award for the part-time curriculum offer.
- ILM "Business Extra" Level 5 Award embedded in HND Business programme to enhance employability and differentiate Belfast Met HND graduates.
- UK Career Academy embedded in Level 3 Extended Diploma in Business to enhance employability and differentiate those students successful in the competition for Career Academy places.

School of Applied Science, Hair & Beauty

- Secured 4 key student awards including Regional winner of BEST Awards 2013, 1st place in the UK in the Denman UK Photographic Hairdressing competition and a student through to the WorldSkills UK final of the Intermediate hairdressing in Birmingham in November 2013.
- After a successful visit to **CERN** in November 2012 Belfast Met had a return visit and full house seminar with Steve Myers in May 2013. Subsequent further discussions have taken place with Colleges NI to continue this link and a Science lecturer from Belfast Met attended a Physics teachers' training programme at CERN in July 2013. It is planned to further develop links with CERN and QUB to increase curriculum relevance for the future.
- A proposal to develop 2 new Foundation degrees in Life Science and Chemical Science has been put forward internally for consideration and first delivery in September 2014. Discussions have taken place with employers and with QUB.
- Dental Nursing OSCE'S (Objective Simulated Clinical Examinations) took place at the TQ campus for the second year running. 160 candidates from all over Ireland and 40 examiners from the UK were present. The event was an outstanding success and provided a wonderful opportunity to showcase the facilities at Belfast Met.
- In December 2012, 30 dental nursing students from Marino College Dublin participated in a Dental Workshop in TQ organised by Dental Nursing staff at Belfast Met. The programme covered a range of aspects of the curriculum and contributed to the College's strategy to develop links with organisations in Southern Ireland.
- Staff projects – Hair and Beauty staff involved in Leonardo project as well as industrial placements through the College Industry Initiative.

School of Creative and Service Industries

- Belfast Met has successfully applied to be a founder College member of the National Skills Academy for Creative and Cultural skills. Going forward, this will assist the College in promoting apprenticeships, developing links with employers and collaborative arrangements with other specialist colleges as well as providing industry training solutions within this sector.
- Renewal of ABC Centre of Excellence for Bakery which will maintain the high quality of bakery training at Belfast Met.
- Increased participation and success in regional and UK competitions in a broad range of curriculum areas (music, dance, acting, cookery, bakery, fashion).
- Secured an upskilling chefs programme for a major hotel chain.
- Establishment of an Urban Tourism Academy at Belfast Met which will provide all travel and tourism training needs in conjunction with the Belfast Visitor Convention Bureau.

Faculty of Health, Care and Skills for Life

School of Health, Care, Sport and Leisure

- Major developments have been undertaken in Health & Social Care and Childcare in line with the regulatory bodies such as Northern Ireland Social Care Council (NISCC) and the Regulatory Quality and Improvements Agency (RQIA). As well as having had the opportunity to sit on related working groups with the above organisations, relationships have been strengthened with major employers, in particular the Belfast Trust and more recently the South Eastern Trust and which has led to a refreshing and innovation curriculum offer. A seat has also been secured on the Eastern Childcare partnership as well as the training subgroup.
- The School is now a leading provider of the Level 5 management awards in H&S Care and Childcare.
- At entry level, programmes have been developed such as Introduction to Working in the Health sector.
- Level 2 & 3 Diplomas are being delivered onsite for the Trusts.
- First Aid programmes have also been approved by Health & Safety executive and CIEH on QCF; this development is now leading to programmes being delivered to Sport & Leisure students which also increases employability potential of our learners.
- The College is now the largest provider of playwork training in NI.
- The School has secured QUB endorsement of the Foundation Degree in Sport & Leisure Studies
- Since 2011, there has been an increasing contextualization in the curriculum delivery with industry which has resulted in high rates of employment, e.g. 90% of 2011/12 students who undertook active IQ programmes.
- Sports Academies - Ongoing success of the Football Academy which is now in its 3rd year and the recent launch of the Rugby Academy for the 2013/14 period.

School of Community Education and Life Skills

- DEL Learner Access and Engagement Initiative (LAE) - The PwC evaluation report carried out on behalf of DEL indicated Belfast Met's LAE programme as one of the most successful initiatives in targeting hard to reach learners. The engagement in the project by Belfast Met and the School of Community Education and Life Skills, in partnership with its consortium partners led by Upper Springfield Development Trust (USDT), was reported as being particularly successful in its delivery of the essential skills as well as entry level ICT to 'educationally disadvantaged learners across Belfast. Approximately 1,400 learners were successfully engaged on accredited learning programmes delivered by Belfast Met and over 150 courses were organised and delivered in a range of community settings.
- Significantly, a large proportion of these adult learners attended classes on and visited Belfast Met main College sites to experience the wider student opportunities within Further Education

and avail of careers and progression advice which was deemed another successful indicator of the project's impact.

- Threshold NEETS Project – The College recently piloted the Threshold Neets project which was an initiative funded through the Department's Collaboration and Innovation Fund. The aim of the project is to re-engage 230 disadvantaged and hard to reach young people aged 16-24 and designated as NEET (not in Employment, Education or Training) from disadvantaged Belfast communities. The project which is managed by Belfast Met involves a collaborative partnership with 4 other partner organisations, Alternatives NI Ltd, GEMS NI Ltd, Ashton Community Trust and Upper Springfield Development Trust.
- Family Learning Programme Developments - The College is developing its family learning adult and community education programme beyond the current offer of accredited QCF courses; new programmes include 'transition workshops', 'understanding linguistic phonics', 'parents as co educators', 'story sacks', 'play work skills' and the development of a range of blended learning programmes.
- Essential Skills -The Essential Skills team has been involved in a new 2012- 2014 project in collaboration with DEL, UUJ Department of Teacher Education and the School for Academic Studies and Languages at Belfast Met. This innovative project will provide tailored and contextualized training programmes to approximately 25 deaf students who will complete Essential Skills literacy and numeracy qualifications that will assist their access to higher education and the teacher education programme at UUJ.
- The Essential Skills team has also developed a good reputation for delivering its highly successful programme of accelerated Essential Skills literacy to post 16 learners in local schools (Essential Skills Fast Track). These courses respond to the needs of post 16 school pupils who have not achieved the anticipated grade C at GCSE in these subjects. The pupils require an accelerated fast track course in order to gain a recognised Level 2 qualification and progress to further education and/or employment. The high reputation of this programme had led to its expansion within local schools and success rates are outstanding at 90-100%.
- Supported Learning - JISC My Town Project – During 2012/13, the Centre for Supported Learning in collaboration with another college secured JISC funding to pilot the use of video conferencing and Skype with students with learning difficulties.
- A pilot project in collaboration with Belfast Community Circus was developed to explore the use of circus skills as a medium to develop group and team work skills, self esteem and self confidence skills with a group of students with complex needs.
- The Centre for Supported Learning secured the prestigious AONTAS award for its work in the field of adult education in collaboration with NIAMH (NI Association for Mental Health)
- FRESH initiative successfully piloted with Level one learners on the Pathfinder supported learning programme.
- The College continues to deliver the HARTE initiative and Prince's Trust programmes enhancing its capacity to deliver a range of development and employability programmes.
- 2012 /13 saw the College host the second year of the highly successful Supported Learning graduation for over 300 learners, staff and parents as well as a successful Disability Awareness Day event for stakeholders and learners.

School of Academic Support

Training

Details of developments within the Training Programmes Unit have been previously outlined in the Training overview within the Curriculum Performance section on page 19. In addition to these achievements and developments, it's worth noting:

- Training provision has been extended to maximize opportunities for young people with curriculum developments in the areas of Sport & Leisure, Childcare, IT and Food Production.
- Partnerships with other ApprenticeshipsNI suppliers have increased the range of opportunities available for learners in a wide range of occupational areas including the priority skill areas of Food Manufacture, Engineering and Hospitality.
- Increase in the number of ApprenticeshipsNI opportunities to learners with 75% of Belfast Met learners employed as apprentices on work-based learning programmes.

School Partnership:

Details of developments within the School Partnership Unit have previously been outlined in the School Partnership overview within the Curriculum Performance section on page 18. In addition to this, it is worth noting:

- STEM Matters Schools Partnership event where the College brought local schools and employers together to promote careers and learning opportunities; over 100 STEM Teachers and Careers Advisers attended the event with over 35 employers participating in the event; plans are in place to replicate this event for the 2013/14 period.
- Revised CCEA Occupational Studies specifications has created an opportunity to improve the quality and marketability of vocational sampling with learners from local schools.
- Representation on local Area Learning Communities by Belfast Met staff has enabled the College to influence debate on how partnerships can work between local schools and FE for the benefit of learners.
- 2012/13 saw the College launch a re-engineered School Partnership provision entitled 'Future Proof Skills' at a Principals luncheon.

COLLEGE HIGHLIGHTS AND STUDENT SUCCESSES

2012/2013 was a year of triumphs and celebrations across Belfast Met. The College welcomed a number of high profile dignitaries and hosted a wealth of successful, innovative events, whilst our staff and students excelled at external award ceremonies, demonstrating passion and talent in abundance.

Our reputation is built on the success of our students and the hard work and dedication of our teaching and business support staff. We pride ourselves on the ongoing College developments and the achievements of our staff and students and a selection of these are highlighted below:

Calendar of Key Events and Celebrations 2012	
September	<ul style="list-style-type: none"> e3 Celebration Launch event / DEL Minister HP Ulster Business Roundtable event Student Union Fayre Support for Energy Skills Training Network September 2012 – May 2013
October	<ul style="list-style-type: none"> Participation in Brussels Open day's events – Eco-Innovation Hub Meeting
November	<ul style="list-style-type: none"> Higher Education Graduation Ceremony at Titanic Belfast NIAMH Graduation Celebration US Consulate POTUS Presidential Breakfast for 200 students, stakeholders, political and business leaders DEL Minister / US Trade Delegation Visit Open Day, widening participation and with a focus on care and homelessness
December	<ul style="list-style-type: none"> Inaugural TEDx 'Igniting Innovation' event 50th Anniversary Celebration of College Foundry at Millfield campus School Partnership Programme STEM Speed Networking event for 140 Careers Teachers and STEM Advisers – 2 events Learner Access and Engagement Stakeholder Breakfast Belfast Media Group Blackboard Awards Coder Dojo Prize Giving / DEL Minister

Calendar of Celebrations 2013	
January	<ul style="list-style-type: none"> Winter Celebration of Excellence event Multi Agency Planning event Part-time Information Day
February	<ul style="list-style-type: none"> Centre for Supported Learning Graduation ICT Apprenticeship Graduation / Minister for Finance and DEL Minister Chinese Economic Conference Chinese New Year celebration Cultural Celebration and Diversity event - St Patrick's Day Kurdistan Minister visit Launch of Belfast City Council Student Bursary Scheme Launch of BioScience Employer Support Programme
March	<ul style="list-style-type: none"> Building Civic Culture Debate / Let's Talk Political Debate e3 / Community Learning Centre / Housing Executive / Community Groups Luncheon East Belfast Youth Festival Cultural Share event (QUB) Full-Time Courses Information & Advice Day at Titanic Quarter

	<ul style="list-style-type: none"> • Saturday Open Day for Parents at Titanic Quarter campus
April	<ul style="list-style-type: none"> • Beyond The Wall Community Exhibition • InvestNI visit • DETI Minister visit to e3 at Springvale campus • DEL Committee Chair visit to Titanic Quarter and e3 at Springvale campus
May	<ul style="list-style-type: none"> • Community Relations Week • Curriculum visit by Martin Weale, Member of the Bank of England's Monetary Policy Committee, which was attended by staff and students from the School of Business, Management and Finance • e3 Creative Hub "Incubate, Accelerate & Grow" event • Met Connect event "Connecting to the Innovation Landscape" • School Partnership Programme Principal's Luncheon • Inaugural Staff Excellence Awards
June	<ul style="list-style-type: none"> • Inaugural Apprenticeship and Training Awards Ceremony • Disability Awareness Day • East Belfast Diversity Day • End of Year Fashion Show at Parliament Buildings • Football Academy Awards Ceremony • Part-Time Information Days – Castlereagh & Millfield • Secretary of State for Northern Ireland visit to e3
July / August	<ul style="list-style-type: none"> • Belfast Met Trust Scholarship Awards Ceremony • Innovateus Programme Relaunch • Kurdistan Minister / DEL Delegation visit • Launch of Kainos Code Camp in conjunction with Belfast Met, a mobile app development course for eighty 17-19 year olds. Officially opened by the Lord Mayor of Belfast • Launch of pop up HARTE restaurant as part of the World, Fire and Police Games • Full and part-time Information Event

Corporate, Staff and Student Successes

Corporate and Staff

Inspiring Leader 2013 by the Women's Leadership Network was awarded to The College's Principal and Chief Executive, Marie Thérèse McGivern

Royal Institute of Town Planning Award Winner for Urban Development 2013 – e3 building

Royal Institute of Chartered Surveyors 2013 Awards – Highly commended for e3 Building

TES – Shortlisted in the Estates Team of the Year category

Chartered Institute for Personnel Development (NI) "Managing Change Award" in 2013 – College awarded runner up with a Highly Commended status.

International Association of Bookkeepers (IAB) Awards 2013 – Belfast Met's Business Management and Finance Department was awarded the IAB Gold Centre Award for consistent high standards in running payroll courses. Phil White, Belfast Met Payroll Co-coordinator was also presented the top

Centre Award for computerized payroll courses in 2012 on behalf of Belfast Met at an Awards Ceremony held at the House of Commons in June 2013.

Pearson Teaching Awards – FE Team of the Year - Awarded to 4 Belfast Met staff for their work in Dyslexia.

Aontas All Ireland Award for Adult Education- Awarded to College in partnership with NIAMH.

Belfast Met becomes First HP Institute in Northern Ireland – HP, Prodigy Learning and Belfast Met joined together in launching the HP Institute programme –an academic partnership initiative which will provide students with business-ready IT skills.

Centre of Excellence by Prodigy – Prodigy Learning presented the School of Electronic & Computing Technologies with the status of Centre of Excellence for their development & implementation of professional IT qualifications in the curriculum.

Obama Praises Belfast Met – President Obama made his address which was broadcast live across the world from the Waterfront Hall which was packed with an audience that included the majority of the Northern Ireland Assembly Ministers including our own Dr. Stephen Farry.

Principal and Chief Executive Marie-Thérèse McGivern and Assistant Chief Executive Justin Edwards were very privileged and proud to attend with 7 Belfast Met students who were all recent award winners – Iain McDowell, Pearce Feeley, Marc Hughes, Paul Connolly, Lorne McKittrick, Jergus Baca and Kerry Smyth.

In his speech, President Obama singled out Belfast Metropolitan College for its work in peace building and offering opportunities to young people that are life changing.

Student Successes

WorldSkills 2013

- Matthew Duly, Daniel Thornton, Eoghan Johnson and Dean Ward won the regional live heat of the WorldSkills UK Popular Music competition as ‘Lipstik Lizards’ and have reached the final stage of the UK-wide competition.
- Matthew Quinn, autobody repair student, won a Bronze medal at WorldSkills Leipzig 2013 as part of Team UK.
- Ken Wilson and Gary Greer won Medals of Excellence for Plastering and Car Painting respectively at WorldSkills Leipzig 2013 as part of Team UK.

WorldSkills UK Intermediate Hairdressing Competition 2012 – Patrick McCartan, NVQ Level 3 Women’s Hairdressing student made it through to the finals of the WorldSkills UK Intermediate Hairdressing competition that took place at the NEC in Birmingham in November 2012.

NI Apprentice of the Year 2013 – Jason Ali, NVQ Level 3 Modern Apprentice Print Production, was one of six finalists in the annual NI Apprentice of the Year Awards.

City and Guilds – Joanna MacMahon, Level 3 Certificate in Creative Techniques (Textiles), received the Medal of Excellence from the Livery Company, part of the annual City & Guilds Prince Philip Medal ceremony. Joanna received her award from Her Royal Highness The Princess Royal and the Worshipful Company of Haberdashers at Buckingham Palace.

VQ Awards 2013 – Four Belfast Met learners were recognised amongst the ten finalists in the Northern Ireland VQ Learner of Year Awards 2013:

- Lucia Cerda, Crafts Creative Arts and Design Student
- Gerard Mulholland, Plumbing and Heating Specialist
- Chris Douglas, Gas Installation
- Joshua Maxwell, Hospitality and Catering

BEST Awards

- Emma Rankin, HND Beauty Therapy Student working on an innovative Life Science project with the SME CaraDerm, scooped the Cogent Life Science Prize for her kelp psoriasis and eczema treatment.
- Laurence Fay, 2nd year BSC Hons Fashion Management, won the Innovation Award sponsored by DETI for 'Buy Me', a social media platform which can change the way products are distributed and purchased.
- Josh McKeown, Pearce Feeley, Lorne McKittrick, Paul Connolly and Marc Hughes won the Software Award sponsored by M-hance for their 'Titanic Sandwich Bar app', a secure mobile, tablet and desktop based software application that enables the pre-ordering of customised sandwiches for cafes and coffee shops.

Prestigious Journalism Award – Iain McDowell, NCTJ 1 year Journalism Diploma student won The Paul Robinson bursary, the bursary is in its 4th year and is offered jointly by BBC Northern Ireland and the National Union of Journalists in memory of BBC NI Journalist Paul Robinson who died in 2009.

Alliance for Bakery Student and Trainee Awards 2013 – Katie Gardiner was winner of the Presidents cup at the annual awards ceremony and will go on to bake at the Bakery Industry Awards for 800 delegates. Rebecca Mann was placed second and Lawri Dowie highly commended, with both students awarded bursaries to visit Frankfurt, for a bread and confectionary course. Other prizes included:

- Hand carved Cake-1st Place- Katie Gardiner
- Novelty cake-3rd Place- Katie Gardiner
- Live Marzipan Modelling-4th Place Katie Gardiner
- Live Marzipan Modelling –Highly commended Shannon Boyle
- Founders Cup Team competition-Very highly commended
- Horton Trophy for bread-Very highly commended –Lawri Dowie
- Fancy Dress – 1st Place - Katie Gardiner and Lawri Dowie
- Lob the Cob (Female) – 1st Place - Rebecca Man
- Lob the Cob (Female) – 2nd Place – Lawri Dowie

Denman Awards – Sarah Mackie, VRQ Level 3 Hairdressing, won the Denman Student Photographic Competition 2013.

The Wedding Journal Young Fashion Designer of the Year 2012 – Gordon Donaldson, 2nd year BSC Hons Degree Fashion Management won The Wedding Journal Young Fashion Designer of the Year 2012 at the Wedding Journal Exhibition, Kings Hall in 2012. Elaine Small 3rd year BSC Hons Degree Fashion Management also was one of the three finalists chosen for the competition.

EQUALITY, DIVERSITY AND INCLUSION IN SERVICE DELIVERY

Disability statement

Under the Disability Discrimination Act (DDA) 1995 Belfast Metropolitan College (Belfast Met) as a public authority has a responsibility in carrying out its functions, to have due regard to the need to promote positive attitudes towards people with a disability and encourage the participation of people with a disability in public life.

Under an amendment to the Disability Discrimination Act, Belfast Metropolitan College is required to have a Disability Action Plan to promote positive attitudes towards people with a disability. This plan relates to all people with a disability who come in contact with our services including employees, customers, clients and service users as well as students. The second Disability Action Plan was agreed with the Equality Commission in 2013. The College also adheres to its obligations under the Special Education Needs and Disability Order 2005 (SENDO).

The College seeks to achieve its legal obligations as set out in the above legislation and in doing so the following has been achieved in this academic year. Additional information is also contained in the next two sections in relation to the College's work in equality and good relations:

- a) In conjunction with Colleges NI and Disabled Go, the College has provided an online access guide to its premises.
- b) The Centre for Inclusive Learning who provides support to students with additional learning needs, received a Pearson Teaching Award in recognition for excellence in teaching. A team of four highly skilled and experienced Dyslexia teachers were named FE Team of the Year at the prestigious Pearson Teaching Awards and were lauded as an "outstanding example of how commitment, determination and a clear vision can make such a huge difference to learners."
- c) The Centre for Inclusive Learning also provides specialist equipment and technologies to each student based on their disability. Each student is assessed and suitable technology identified. The Centre also identifies all reasonable adjustments required to support the student during their studies and examinations.
- d) Specialist training on a variety of disabilities is provided to all staff during the academic year in addition to general SENDO training designed to raise awareness of our legal obligations to students with a disability.
- e) Our Disability Action Plan identifies a series of actions for various staff in the College to meet our legal obligations under the amended Disability Discrimination Act 1995 as stated above.
- f) Our Student Support Handbook sets out the support available to students at the start of the Handbook as well as a referral form. The Handbook encourages students to disclose their disability, it makes it clear that the support is tailored to suit the individual and that their information will be kept confidential and only disclosed to those who need to know.
- g) An end of year celebration event was held in the College to promote the work of the Centre for Supported Learning and the great achievements of the students in that Centre during the academic year.
- h) A separate graduation is held annually for the supported learning students in recognition of their achievements.
- i) Positive imagery is used in our promotional materials including College prospectuses and publications of people with a disability to encourage greater participation of those with a disability and to demonstrate the inclusivity of the College.

Equality of Opportunity

Under section 75 of the Northern Ireland Act 1998 (section 75) the College in carrying out all its functions, powers and duties is required to have due regard to the need to promote equality of opportunity:

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

Additionally under the same section, the College also has a legal responsibility to promote good relations between persons of different religious beliefs, political opinions and racial groups.

In taking forward these legal obligations, the College developed a new Equality Scheme in 2011/2012 and during the last year has been working on systems and processes to rationalise the actions and embed them within College operating plans to enable a more strategic and inclusive approach through its corporate planning process.

The College is committed to the fulfilment of its Section 75 obligations in all parts of its organisation and submits an annual review of its progress in this regard to the Equality Commission. The College informs the Governors through the Resources Committee of its progress on an annual basis. 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 and good relations are implemented effectively and on time.

Good Relations

The College continues to raise awareness about its legal obligations to promote equality of opportunity and good relations and embed this into the curriculum. During 2012/13, this has been achieved in a number of ways such as:-

- Annual Culture Fest
- Chinese New Year
- St Patrick's Day
- Homeless Awareness event (to highlight inequalities suffered by those who are homeless or at risk of becoming homeless)
- Publication of an online diversity calendar
- Publication of Equality Scheme Information Leaflet

Some new events were hosted this year such as an Anti-bullying event and T-shirt campaign during anti-bullying week. Addressing this event was Judith Cochrane MLA (third from the right in picture) in addition to speakers from within the College.





During Community Relations Week, the College hosted a media panel event with journalists John Coulter, Lynda Bryans, Tim Brannigan and Brian Pelan speaking of their personal experiences of racism, sectarianism, mental wellbeing and identity which was hosted by Belfast Met lecturer Gerry Skelton.

One key successful event was a 'Let's Talk' type debate with MLAs and external guests in March 2013. Entitled 'Building a new social and economic culture beyond sectarianism' the event was hosted by Pamela Ballentine and Peter Osborne and attended by over 170 students and 30 staff. The guest panel was Minister Dr Stephen Farry MLA, Paul Frew MLA, Chris Hazzard MLA, John McCallister, Jacqueline Irwin and Joe Law. In addition to internal coverage the debate also received coverage in the Belfast Telegraph.



All events were hugely successful and the Belfast Met continues to develop new ways to profile taboo subjects in an educational context.

In taking forward its legal obligations under the Disability Discrimination Act 1995 (DDA) and SENDO, the College continues to review its services to ensure they are as accessible as possible. Reasonable adjustments have been put in place to accommodate specific needs and new requirements to comply with the DDA and SENDO have been incorporated into specifications for new buildings.

An additional duty under the DDA requires the College to promote positive attitudes towards people with a disability and encourage their participation in public life. In pursuance of this duty, the College developed a new Disability Action Plan (DAP) in conjunction with the other five regional colleges. This Action Plan issued for consultation in April has been forwarded to the Equality Commission for approval. Actions from the DAP have been agreed with managers and will be incorporated into business plans.

The College continued to make progress to meet the DAP measures and reports annually on this progress to the Equality Commission. Examples of action taken by the College include:

- Celebrating the success of our supported learning students through an annual Graduation ceremony in our Titanic Quarter campus. This is the second such event which is now a permanent feature within the College calendar. The event recognises the importance of treating all student achievements equally.
- Our full and part-time prospectus continue to use imagery which demonstrates the diversity of our students and to show positive images of students (including those with a disability) in a positive light as part of our drive to encourage participation of those with a disability into further and higher education.
- Development of a information booklet to advertise the work of the Supported Learning Unit;
- An end of year celebration during Disability Awareness Week to showcase the work of the Supported Learning Unit.
- The College Centre for Supported Learning also secured the prestigious AONTAS award in collaboration with NIAMH (NI Association for Mental Health) for its work in adult education.

ECONOMIC ENGAGEMENT

Despite the continuing economic challenges, the past year has underlined the importance of the work which the Business Development Team undertakes in enhancing our external engagement with businesses and other key stakeholders. Through proactive marketing and events such as the e3 Creative Hub and InnovateUs workshops, the Business Development Team has made significant progress in generating new opportunities for company development, with a rise in number of InvestNI innovation vouchers undertaken in the College, increased demand for Customised Training in Leadership and Management and Health and Social Care.

The ETI inspection underlined the very good work which was being done by the College to extend the range of connections with employers and to enhance the feedback into the further development of the curriculum. The College has established a number of mechanisms to reach out to the public, private and community sectors to better understand the evolving education and training needs of various stakeholders. Internally the College initiated a successful Good to Great Programme to develop a consistent approach to business development with a focus on having a forward pipeline of business opportunities.

Enterprise

The poster for the e3 Creative Hub event features the Belfast Met logo and the title 'e3 creative hub'. The main headline is 'Inspiring Innovation in the Creative World'. Below this, there is a paragraph of text: 'In today's market, product life cycles are shrinking, global trade is leading to growing competition and the internet has lowered barriers to entry in many industries. So the need for innovation is more vital than ever. How can you kick innovation into high gear at your small company? Hear from two entrepreneurs how they have managed to succeed in the creative sector and grow their fledgling companies into global success stories.' A yellow sticky note graphic contains the event details: '27th Feb 2013, 10am-12noon, Belfast Met, 43, Springfield Campus, 375 Springfield Rd, Belfast, BT2 7JZ (Refreshments on arrival)'. A section titled 'Who Should Attend?' states: 'This workshop would be particularly relevant to businesses and practitioners from within Digital/New Media, Gaming, Marketing, e3, Music, Film, TV, Radio and Publishing. Register today if you are a potential attendee, want to launch something new or refresh an existing concept. Limited places available.' The 'Speakers' section lists two individuals: 'Neil Harbison, Neil founded Simply Zesty, a global digital agency, in 2009 and sold it 3 years later to ITV. The company led him to seven bookshelves and now employs over 10 people, with offices in Dublin, London and Belfast. It helps brands such as Vodafone, Samsung and Sony with their social media strategies. Neil continues to grow the company across Europe, Asia and the USA working with large international brands on their digital and social media strategies. Neil is also an angel investor backing small Irish companies to help them create jobs and achieve the same success as Simply Zesty.' and 'Graham Robinson, In just over 5 years, Graham has covered the globe and provided unique visual experiences for hundreds of thousands of people. From the world's first 4k projection show, as part of Ireland's largest outdoor art event the Land of Saints, to co-authoring the first book on Quartz Composer for Pearson Education, Graham has remained at the forefront of visual technology. To allow other creatives to access the power of Quartz Composer™ he founded How QC in July 2012. The company creates unique digital and interactive content, high definition video and cutting edge 3D projection design for corporate events, online and entertainment sectors.' At the bottom, it says 'For further information or to register for this event contact: gharon@belfastmet.ac.uk' and 'Supported by: DCAL, e3, and other logos.'

Belfast Met has been successful this year in securing the tender for the delivery of the InvestNI Business Launchpad pilot programme for enterprise in FE. The College has also enjoyed considerable success in working with the DEL Assured Skills team to put in place bespoke training solutions for FDI companies. A number of new service areas have been developed around Cloud Computing, Big Data and Advanced ICT Apprenticeships, which ensure that Belfast Met continues to take the lead in the provision of ICT education and training solutions in Northern Ireland.

The number of company engagements this year has increased significantly from a total of 239 in 2011/2012 to 463 businesses through a range of business support programmes covering Employer Support, Innovation Vouchers, Assured Skills, Customised Training and our e3 Creative Hub.

The Connected Programme, funded by DEL, has resulted in a number of successes throughout the year. On the Composites strand the College delivered a variety of training courses to leading companies within the engineering and aerospace industries and through a partnership with Queens University, developed and delivered a module for two Master level courses in the College's e3 building, utilising the composite facilities. The Creativity and Innovation strand has taken forward the delivery of FRESH for Business, with workshops being delivered to a number of companies and social enterprises. In addition, the project has established relationships with Koning Willem College in the Netherlands, to assist them to establish their own creative thinking programme. Moving forward the College hopes to get involved in the evolving CONNECTED Health agenda. In terms of innovative collaborations with business, the College has worked with Deloitte to establish the Data Analytics Training Academy. This bespoke programme will give learners a unique opportunity to gain highly sought after skills in the exciting and cutting edge field of data analytics

which ensures that companies and organisations make the best business decisions. In a similar way the College has also collaborated with PwC in developing a new bespoke qualification for Trainee Developers who will help design and implement IT-enabled research programmes as part of PwC's global centre of excellence for research.

Employability

The quality of the College's employer engagements has helped us to develop award winning approaches to enhance the employability of our learners. Growing numbers of students now benefit from learning and placements that help them to prepare for the workplace post studies. The FRESH programme to enhance creativity, innovation and problem solving skills provides significant added value to our project based learning approach.

Work has been ongoing through the Careers and Employability Team to develop a more integrated service working to bring employers and learners together in innovative ways. The Code Camp over the summer period in e3 was an example of the types of engagement which works where young learners interested in software development participated in a two week programme with Kainos to gain an insight into the career opportunities in this sector.

The College was also successful in retaining the MATRIX accreditation in relation to services delivered in support of Careers Information Advice and Guidance.

Economic Development

Belfast Met has played an increasingly important role in supporting economic development both in terms of engaging directly with employers to address their business needs and increasingly in connecting with communities to offer innovative solutions for essential skills. The Business Development Team were closely involved in supporting the early stages of delivery of the Threshold Programme funded through the DEL Collaboration and Innovation Fund which is focused on employability solutions for NEETs.

The College has represented the FE Sector on the DFP Consultative Group for the next round of European Structural Funds and also has participated in the Northern Ireland European Forum taking the lead on the EU Lifelong Learning Theme.

The Business Development team has been working alongside the Training Unit in the College to kick start Skills Belfast which is a working group of the leading training organisations across the city that have come together to better understand and articulate the education and skills requirements across the city. The role of the further education sector in addressing the skills needs and engaging with local businesses and industry is central to the development of our local economy.



Belfast Met has been instrumental in developing relationships with stakeholders from the offshore wind sector in creating the Energy Skills Training Network, an industry led initiative to maximise the employment opportunities in existing offshore wind and marine industries, throughout the UK and Europe. To explore the opportunities within the offshore sector the Energy Skills Training Network has worked closely with Invest NI Technology Executives and DEL to formalise their approach through a scoping study for the establishment of a sector cluster.

The official opening of our new e3 building in September has provided the College with a unique conference and events venue and this year has seen the College host a number of key events which feed into our economic engagement agenda. The College has played host to delegations from InvestNI, UK Technology Strategy Board and various Assembly Committees. It is clear that the building provides a unique location on the peace line in Belfast which sets new standards for workforce development.

STAKEHOLDER ENGAGEMENT

One of the essential foundations for the successful delivery of Belfast Met's KPIs includes effective stakeholder engagement. The College's mission is to become a centre of learning excellence, committed to transforming lives and contributing to the social and economic wellbeing of Belfast and the wider region. In achieving this Belfast Met relies on meaningful engagement and productive partnerships with a wide range of stakeholders.

The College exists in a complex policy and operational environment. We recognise that the College must reach out and interact with a wide range of individuals, organisations and communities if it is to be really successful. With this in mind, the College has created a three year Stakeholder Engagement Strategy which is a blue print for the College's engagement with four priority segments: learners, employers, communities and key stakeholders. The Strategy document defines the role of staff and articulates the special role that Governors can play. In 2012/13, a stakeholder engagement group was also established to drive forward and centralize activities in this critical area of work as well as overseeing the implementation of the annual stakeholder engagement calendar.

Belfast Met has well established relationships with a vast array of stakeholders and has a very clear evidence base of the needs that the College must meet.

In relation to key stakeholders, the College has excellent relationships with its parent, the Department for Employment and Learning and continues to build strong relationships with other Government Departments, Assembly Committees and key business support agencies such as Invest NI, CBI, Northern Ireland Chamber of Commerce, Sector Skills and Awarding bodies.

During the past year and going forward, the College has and will continue to build on its renewed relationship with the Belfast City Council and seek to collaborate in more meaningful ways; this has been evidenced recently by the introduction of the Belfast City Council / Belfast Metropolitan College Senior Officers' Meetings and the launch of the BCC Bursary Programme delivered by the College.

Going forward, the College has ambitious plans over the next five years to enhance the quality of the curriculum and will be working alongside Belfast City Council and the various business support agencies to maximize potential employment opportunities in the key growth sectors of Creative Industries, Retail, Connected Health, Business and Financial Services. Belfast Met's new facilities at Titanic Quarter and in Springvale (its e3 economic development building) are important pieces in this jigsaw.

The College had developed strategic relationships with key employers in the city such as Bombardier, B9 Energy and Belfast Health and Social Services Trust as well as key schools and training partners through its delivery of the Entitlement Framework and ApprenticeshipsNI / Training for Success programmes.

The College continues to strengthen its relationships with voluntary and community groups through its community outreach programmes. A range of Good Relations events were held throughout the year which were referred to in earlier section of this report.

During 2012/13, the College hosted a range of DEL / DETI Assembly Committees and visits as well as ministerial visits to its campuses and attendance at key College events. The College also responded to key government strategies and consultations, some of which included EMA, Steps to Success, BELB Area Plan and the GCSE / GCE Review.



Our People

OUR PEOPLE

Our staff are Belfast Met's most valuable resource and at any time our most significant investment and our ongoing success depends on the outstanding performance of all our staff.

People Strategy

Belfast Met continually strives to be known as a first choice employer attracting first class staff to meet its quality of service and deliver outstanding learning for successful futures. We want to ensure that every member of the College is equipped with the skills and tools to excel. Hence we have created a 4 year People Strategy and Human Resources Plan which provides the focus to build upon our internal talent and to ultimately drive our business performance leading to results excellence.

The People Strategy is a challenging agenda for the College as a whole. Fundamentally, it is about enabling a modern and efficient College to flexibly deploy its people to deliver a service to its customers in an environment which is underpinned by an ethos of a high performance culture, continuous improvement and innovation. Ultimately, it is set within a context of a learner centric environment and in the prudent use of public funding to deliver outstanding learning for successful futures.

Over the next 4 years, the five people priorities which are strategically aligned to the core business will be:

- Develop our **Leadership Strengths** to a higher level
- Lead **Talent Development** throughout the College
- Build upon the **Organisational Capabilities** through our people
- Drive a High **Performance Culture** throughout the College
- Provide a **Fresh Deal** for our people

During 2012/13, the Department of Human Resources was restructured which resulted in the development of a new HR service delivery model which has adopted a more proactive strategic partner role within the College. During this academic period, year 1 of the People Strategy was successfully rolled out through the implementation of the HR Operating Plan.

The following sections provide background information and a summary overview of a range of HR related activities which were delivered as part of the roll out of the People Strategy including:

- Overview of Staffing Profile
- Leadership Development through Collective Ambition
- Training and Development
- Quality Management Standards and Business Improvement Awards
- European Partnerships
- Corporate Social Responsibility
- Health and Wellbeing
- Equality, Diversity and Inclusion in Employment
- Sustainability Initiatives

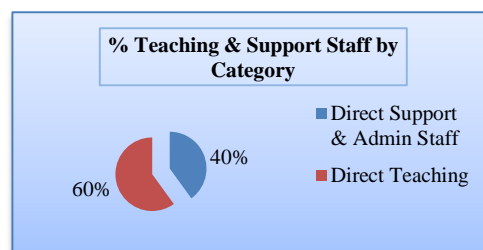
Staff Profile

During the 2012/2013, the College employed 830 full-time equivalent (FTE) staff.

The College staffing profile which is based on total staff numbers is broken down as follows:

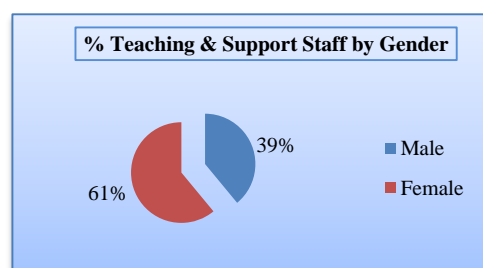
Teaching - Support Staff Ratio

Direct Teaching - 60%
Direct Support & Admin Staff - 40%



Teaching - Support Staff Ratio

Male - 39%
Female - 61%



The College recognises and values that our staff are our most important resource and are key to driving us forward to achieve our ambitions. Going forward, Belfast Met will continue to recruit and develop a staffing profile which is aligned to a forward looking College.

Leadership Development through Collective Ambition

The parameters for this initiative was supporting change management at leadership levels to assist with corporate and business re-alignment, building leadership infrastructure, facilitating leadership development activity and establishing impact of these components on the College's drive towards excellence.

The initiative facilitates dialogue activity between the Executive Team and College employees aimed at developing a shared language that identifies our challenges and collective action to address these challenges. This is vitally important as the College has moved from the single ambition of achieving financial stability to a developmental culture that Recognises Excellence, Delivers Excellence and Develops Excellence.

Recent achievements in 2012/13 included:

- An iTeam (innovation team) approach to challenges in the College, with accompanying terms of reference and Innovation Manifesto. This emanated from the successful internal leadership conference in October 2012.
- A successful inaugural Employee Excellence Awards event that acknowledged the efforts of 75 employees.

- Internal partnership activity with Corporate Development, Business Development, Curriculum units and Human Resources to ensure leadership development and its brand is embedded in key College activity
- Coordination of employee engagement and integrated approaches to employee development through the College’s People Panel.
- A pilot of using College Ambassadors – former employees who agreed to offer their services pro bono – as chairs of two key committees. One committee for Student Skills and the other for Employee Awards.
- The promotion of College leaders as exemplars in leadership. The College’s Principal and Chief Executive was nominated, and achieved, the award of “Inspiring Leader 2013” by the Women’s Leadership Network
- The College was nominated for a Chartered Institute for Personnel Development (NI) “Managing Change Award” in 2013 and achieved runner up with Highly Commended status. This external validation of the College’s progress through benchmarking with public and private sector bodies is very insightful.
- Sharing the Collective Ambition story at an international leadership conference, and with visiting leaders from Europe and Australia.

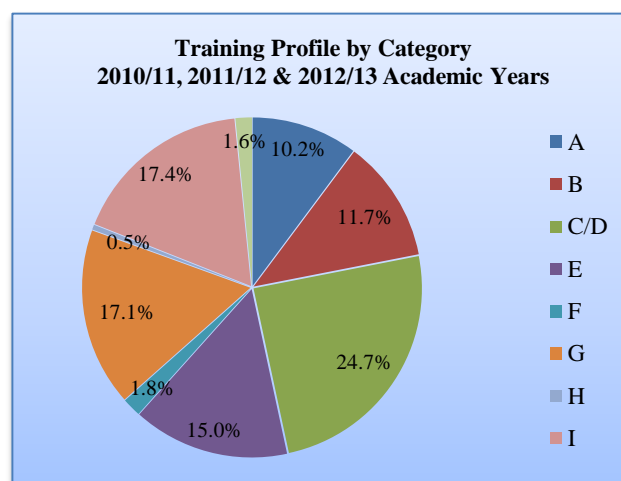
Going forward, the College will continue to cultivate an ethos of high quality leadership and management. The College aims to embed its leadership development activity further and an activity portfolio has been drafted for the period of 2013-16. This will focus on developing the infrastructure to sustain the embedding of this innovative initiative within the fabric of the College.

Training and Development Activities

The College continued to invest significantly in staff development activity in 2012/13 and secured further EU grants to support the delivery of a range of learning and development activities based on the College’s Workforce Development Plan.

During 2012/13, 4583 training days were undertaken and these activities were grouped under the following corporate development categories:

A	Management Development
B	Post- Entry Training
C/D	Curriculum Development & Delivery
E	Technology Enhanced Learning
F	Learning Support Needs
G	Specialist Support including Equality, Health and Safety and Student Services
H	Industrial & Commercial Secondments
I	Conferences & Study Visits
J	Appraisal



During 2012/13, the College continued to provide an array of support and development opportunities for staff allowing them to enhance their skills and realize their full potential. A sample of these professional development activities include:

(i) Internal Training Courses

A range of formal training courses are presented each year, related to identified needs where staff can avail of “off the job” training allowing time for skills development, team development, training in new systems and processes or learning and reflection away from the pressures of day to day activity. Ongoing development of new and effective formal training /learning interventions continues to be a priority with the introduction of “learning lunches”, round table discussions and the launch of the new VLE which will further develop our capacity for online learning which is a central component of the Curriculum Strategy.

(ii) Post – Entry Training

The College sponsors staff to undertake the PGCE (FE) programme at the University of Ulster. Sponsorship includes payment of course fees, “day release” examination fees and a book allowance. The College also sponsors staff to undertake professional programmes leading to qualifications such as ACCA, CIPFA and CIPD.

During 2012/13, a number of academic staff successfully achieved the second year of the PGCE (FE) programme at the University of Ulster with one member of staff being awarded the University of Ulster Biggar Award. This prize is presented to the student with the highest overall graduating mark on each course. In addition, a number of academic staff successfully completed the year one Certificate in Teaching Award and will progress to the PGCE FE year in 2013/14 academic period.

(iii) External training

The College facilitated staff participation in a broad range of external training events, seminars and conferences.

(iv) Career Development Opportunities (College Industry Initiative – CII)

The College provides opportunities for short-term secondments through the College Industry Initiative (CII). This is a new scheme designed to give staff experience in an area of Industry of their choice, improving their own skills and bringing new thinking and working practices back into education.

Going forward, the College will continue to invest in our staff providing excellent training and up to date staff development opportunities supporting our people to perform to the best of their ability

Staff Development Conference - Belfast Met's Got Talent

Titanic Quarter campus was the venue in February 2013 for the first staff training and development conference to include both academic and support staff. The ‘Belfast Met's Got Talent’ conference offered an opportunity for staff to share good practice on a cross college basis.

Over the 2-day period, over 45 different training events took place, including two keynote addresses by the BBC's David Meade and the 2011's runner up in the BBC's ‘The Apprentice’, Jim Eastwood. In addition to the conference, 21 local companies and college suppliers showcased their business and met with College staff over the two-day period.

Quality Management Standards and Business Improvement Awards

During 2012/13 the College maintained a number of highly regarded quality management standards, namely; Matrix, Customer 1st, ISO 9001, 14001, 16001 18001 and the EFQM Mark of Excellence award.

The College continues to maintain Investors in People standard. All of these standards have been instrumental in driving further improvements across the business.

Corporate Responsibility

Belfast Met recognises its social responsibility as an education and training provider to influence the economic life, social cohesion and wellbeing of the society in which it is established.

During 2012/13 the College engaged in a range of activities to benefit the environment, employees, communities and other stakeholders. Through its continued partnership with Business in the Community, the College committed to the Workplace 20:20 campaign. This campaign provides the College with an opportunity to demonstrate its commitment to the key areas of Wellbeing, Engagement and Diversity.

Health & Wellbeing

The College recognises that the health of the workforce, both physical and psychological is a major contributor to the success of the organisation and in enhancing organisational performance and better service delivery.

In supporting this, the College focused on working with Carecall to conduct an employee wellbeing and engagement survey as well as launching its new College Health and Wellbeing plan and rolling out a series of staff health and wellbeing events.

Going forward the College will continue to promote the positive aspects and ideas associated with health and wellbeing at work under four key themes of Mind, Lifestyle, Work and Family which will be underpinned by programme of events and initiatives for 2013/14.

European and International Partnerships

During 2012/13, Belfast Met remained committed to developing its International and European Partnerships which play a key role in supporting staff development, enhancing employability, benchmarking curriculum development against the highest international standards as well as enabling the College to play a greater role in economic development and inward investment programmes.

Staff and students were supported by the College in engaging in a range of projects and visits funded by the European Union Lifelong Learning (LLP) Programme including Leonardo, Grundtvig, Transversal and Comenius funding; the aim of these programmes was to share good practice whilst engaging in collaborative activities across a range of curriculum areas.

Comenius funding was secured across 2012-2014 for collaborative projects with an Austrian college in Salzburg in relation to the areas of Construction, Engineering and Sustainability.

The College continued its involvement with a range of Leonardo and Grundtvig projects with partners from Germany, Austria Hungary, Greece, Poland, Italy, Netherlands, Cyprus, Finland and the Republic of Ireland. The focus of the project is to assist the College in developing new innovative curriculum approaches, utilising e-technologies to enhance the student learning experience. New Leonardo staff placement visit funding was secured to continue this work up until 2014. This area of work was commended by ETI as part of the full College Inspection in April 2013. A number of managers also availed of Transversal funding in 2013 to review practice on assessment and employability focused study visits with participants attending from an extensive range of EU countries hosted by Norwegian, Greek and Estonian educational establishments.

The re-application for the Erasmus Charter this year, for the new round of Erasmus (Erasmus Plus, 2014-2020), required a commitment to a wider process across the College to enhance student and staff mobility across Europe. This will enable Belfast Met to support greater mobility for Higher Education staff and student in the next round of EU funded mobility programmes and exciting new possibilities such as the Erasmus for Young Entrepreneurs programme which, if successful, will herald new partnerships in Germany and France to support SME's in the Digital and Creative Industries.

The College is currently pursuing new partnerships in India, building on our membership of the AoC in India initiative and opening of the AoC India office in New Delhi. These include private sector partnerships and a partnership with the Bombay Chamber of Commerce and Industry in Mumbai focused on supporting SMEs. We are also developing new partnerships with the FE sector in South Africa funded through the British Council 'Skills for Employability' programme.

The College continued to nurture partnerships with education partners in US, Australia and China, and welcomed a delegation from Wuzhou University during this academic year. In 2012/13, Belfast Met welcomed a study group from the US 9/11 Foundation for the first time and going forward are focused on developing the Peace College model for summer 2014.

The College also hosted a high level government delegation from the Kurdish Regional Government, led by His Excellency Mosoud Barzani, President of the Kurdistan Region of Iraq and the Minister of Higher Education and Scientific Research, Dr Ali Saeed.

Given the pressures around international student recruitment that have seen significant reductions in numbers across the UK, Belfast Met will continue to development new markets for student recruitment, new products and new delivery models, particularly for in-country delivery with its first China in-country pilot planned for September 2014.

Over the past year, Belfast Met achieved the renewal of the Highly Trusted Sponsor Tier 4 Licence from the UK Border Agency which enables the College to offer courses to international students and accredited by the British Council for quality teaching of English Language and support of international students.

Priorities will continue to be focused on China, India and the Middle East alongside new targeted student recruitment drives for South East Asia (Vietnam, Indonesia, Malaysia).

In early 2014, the College will also have to re-apply for British Council accreditation for the teaching of English, which will require significant focus on our teaching and support activities for English language training.

Equality, Diversity and Inclusion in Employment

Under the Fair Employment and Treatment (Northern Ireland) Order 1998 (the FE Order) and the Fair Employment (monitoring) Regulations (Northern Ireland) 1999 (as amended) employers must monitor the community background of their employees, applicants for jobs, leavers, appointees, promotes and apprentices (where relevant). Monitoring reports are produced annually and submitted by the College to the Equality Commission. Every three years under Article 55 of the FE Order, the Governing Body must provide a comprehensive report of employment trends in the College, identifying any gaps and actions to address the imbalance. The Annual Return was submitted to the Equality Commission this year and affirmative action measures were agreed with the Equality Commission following the submission of the Article 55 report.

The College continuously reviews its policies and procedures to ensure that they do not breach other anti-discrimination legislation e.g. age, sexual orientation in employment. By virtue of Section 75 of the Northern Ireland Act 1998 (Section 75) the College in carrying out all its functions, powers and duties is required to have due regard to the need to promote equality of opportunity:

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

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

The College is committed to the fulfilment of its Section 75 obligations in all parts of its organisation and submits an annual review of its progress in this regard to the Equality Commission. The College informs the Governors through the Resources Committee of its progress on a regular basis. 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 and good relations are implemented effectively and on time.

During the 2011/2012 the College developed a new Equality Scheme and associated Equality Improvement Plan as required by the Equality Commission. This Scheme and Improvement Plan was approved by the Equality Commission in January 2012. Actions to implement both have been communicated and were disseminated to specific business units as part of their operational planning for 2012/13 period. Going forward, these actions will be incorporated into 2013/14 business planning process for all business units.

In recognising its obligations under the Disability Discrimination Act 1995, the College makes reasonable adjustments for staff to enable access to the workplace, facilities and opportunities. The College also has in place a Disability Action Plan to ensure compliance with the positive attitudes and participation aspects of this amended legislation. Actions in respect of staff, student and the Governing Body are included in this Plan.

Awareness training for staff on all equality legislation (including Section 75 and anti-discrimination) continued throughout the year with various Special Educational Needs training sessions delivered to relevant staff. In 2012/13 College staff attended a variety of Equality and Safeguarding related training including Section 75 Equality Obligations, Safeguarding Training, Autism and the Implications for FE, Meeting Educational Support Needs of Young People with Involvement in the Criminal Justice Process and NIACRO training.

The College is currently working with the University of Ulster on the delivery of a programme to enable deaf tutors to obtain a recognised teaching qualification.

Sustainability Initiatives at Belfast Met

The College EnviroMET team continued its work to embed a culture of responsible citizenship and sustainability within the College throughout 2012/13. The College secured a Highly Commended award in the Best Newcomer category in the 2012 UK Green Gown Awards as well as recognition in the Brighter Belfast Awards and Action Renewables NI Awards. The commitment to cross College sustainability activities also resulted in an improved ranking year on year in the annual Business in the Community's Arena Environmental Survey and the inclusion of a specific EnviroMET case-study in the Arena publication.

The Estate & Facilities Management team has also been successful in achieving recertification of its College wide ISO 14001 and ISO 50001 Environmental and Energy Management systems certification. Belfast Met was the first UK college to achieve all four kitemarks for ISO 9001, 14001, 18001 and 50001. e3 has also been shortlisted in the UK Green Gown Awards 2013 for its commitment to sustainability in the Construction and Refurbishment category. Further initiatives are planned for 2013/14 in areas such as waste, energy and water management including staff and student awareness campaigns.

The College continues to embed its Travel Plan which was launched in conjunction with the Department of Regional Development and Travelwise in February 2012. To date over 50 staff have availed of either the Translink discounted bus-fare Tax Smart and Cycle to Work schemes for staff as part of the Travel Plan. A student cycle scheme has also been launched. EnviroMET is also working with Sustrans as a partner in an Active Belfast sponsored project offering Group Bike Ride Leading Courses and Bike Maintenance sessions to encourage staff and students to cycle to College.

Staff and students participated in activities to promote National Climate Week, World Environment in March 2013 and National Cycle Week in June 2013. A College wide Sustainability exhibition was held in November 2012 and was attended by 580 staff and students. Exhibitors included Translink, Travelwise Sustrans and the College's bike suppliers to promote green travel as well as waste management teams from the City Council, Volunteer NI, staff from our own College sustainability courses and Business in the Community. Student work focusing on recycling and sustainability was also on display from Fashion, Hospitality and Applied Science centres.

EnviroMET has continued to support national campaigns such as "Reduce, Reuse, Recycle" and "Love Food: Hate Waste". New print processes and the use of e-payslips have been implemented to reduce paper consumption within the College as well as the increasing use of web and social media marketing to support the delivery of the College Corporate Communications and Marketing Plan.

Going forward, Belfast Met will continue to build on its vision to be recognised as the premier sustainable College in Northern Ireland.



Our Governors

OUR GOVERNORS

Belfast Metropolitan College Governing Body

Our governors are drawn from a wide range of backgrounds and bring extensive experience to the management of our business. The governors of Belfast Met are all unpaid volunteers and in addition to serving on the Governing Body and its sub committees (Audit and Risk, Curriculum, Quality and Engagement, and Resources) the governors give freely of their time in support of a whole range of College activities and initiatives.

During 2012/13, two new staff governors were appointed as well as two existing governors being co-opted for further four year tenures.



Richard O'Rawe, Chair of the Governing Body

Richard O'Rawe is Managing Director of Stellar Leadership Ltd, a company dedicated to leadership development for senior managers across private, public and third sector organisations. He has an MSc in Executive Leadership and has worked across Ireland, in Great Britain and overseas. He started his career in the public sector, working in housing. In 1988 he moved into the third sector with a remit for sub-regional development of enterprise and employment. Since 1994 he has held company director roles in the private sector. Other voluntary positions have included Chair of the Beat Initiative, Chair of the East Belfast Partnership and Chair of the arts organisation, Audiences Northern Ireland. Mr O'Rawe was appointed as Chair of the Governing Body in September 2010.

Ian Walters, Audit and Risk Committee (Chair)

Prior to his retirement in 2010 Ian Walters was, from 2002, the Chief Executive of Action Mental Health, responsible for strategic, operational and financial planning. Prior to this, he was the Chief Executive of the Training and Employment Agency, providing training services to industry. Dr Walters is a Fellow of the Institute of Mechanical Engineers, Fellow of the Chartered Management Institute and Fellow of the Royal Society of Arts and Manufactures.

Frank Bryan, Audit and Risk Committee, Curriculum, Quality and Engagement Committee

Frank Bryan is managing director of Bryan Powercom Ltd, which specializes in data and electrical installations, and Chief Executive of QUBIS, Queen's University's venture spin-out company. He has extensive business interests and is a non-executive director of the Institute of Directors' UK National Board. He is a Chartered Electrical Engineer. He is a member of the OFMDFM cross-sectoral advisory forum, and has been a member of the Review of Public Administration Working Group, the MATRIX – Northern Ireland Science and Industry Board, the Economic Development Forum, and the Northern Ireland Civic Forum.

Joe Eagleson, Resources Committee

Joe Eagleson was Chief Executive of Enterprise Ulster for 24 years, responsible for strategic direction, corporate governance and operational management. He is a civil engineer by profession. Mr Eagleson is the past Honorary Secretary of the Irish Rugby Football Union (Ulster Branch), has been involved in the Scouts' Association (auditor and treasurer) and has been Chair of the training advisory group for the Chief Executives' Forum. He is Chair of Lisburn Building Preservation Trust.

Sam Hagen, Resources Committee

Sam Hagen is an accountant by profession and has worked throughout his career in the central government sector within Northern Ireland. Mr Hagen is a Corporate Services Director in a Non Departmental Public Body. His experience in central government finance spans over twenty years and

extends into corporate governance and business process re-engineering. Mr Hagen was co-opted onto the Governing Body in 2008 and again in 2012.

Norman Hamilton

The Very Reverend Doctor Norman Hamilton has been the minister of Ballysillan Presbyterian Church in North Belfast for over 20 years. He is very well known for his involvement in the life of North Belfast and its community relations for which he was awarded an OBE in 2007. He was the Moderator of the Presbyterian Church in 2010. He has degrees from Trinity College, Dublin and Queen's University, Belfast and began his training for the Presbyterian Ministry at Union Theological College, Belfast.

Patricia Haren, Curriculum, Quality and Engagement Committee (Chair)

Patricia Haren, Director of the Women's Support Network since 2004, plays a strategic role as a leader within the Women's Sector advancing and supporting the work of over 62 women centres and groups. She has worked extensively within the community, further education and private sector, previously as Director of the Bytes Project, as manager of an RTO (Recognised Training Organisation), as part-time lecturer, and as a training consultant. She has an MSc in Executive Leadership, a BA (Honours) Administrative Management and a Diploma in the Management of Training and Development including CIPD accreditation.

Ivor Johnston, Audit & Risk Committee

Ivor Johnston, who lives in Belfast, is a senior financial manager who has spent his working life in public sector finance. His current post has involved establishing effective corporate governance arrangements, including managing audits and establishing financial and risk management controls. He was previously a governor at Castlereagh College.

Wendy Langham, Curriculum, Quality and Engagement Committee, Resources Committee

Wendy Langham is Programme Manager at the East Belfast Partnership. She has been involved in the strategic direction, planning and sustainability of the organisation. She has an extensive background in finance, operations and project management. She was awarded social entrepreneur of the year in 2010.

Michael McCamley, Staff Governor

Michael McCamley is a Publications and Campaigns Officer in the College's Centre for Corporate Communications and Marketing. He has been employed by Belfast Met for six years, and prior to that he had over five years' private sector experience in industry where he held a senior position in sales negotiation and business development. He is elected from the support staff constituency.

Kevin McKeaveney, Staff Governor

Kevin McKeaveney is a lecturer in Business, Management & Finance at Belfast Met. Previously he worked extensively in the local government and community sectors managing Peace programmes, community development and community relations initiatives. Kevin is currently the Chairperson of Bryansford Village Committee. He is elected from the teaching staff constituency.

John McGrillen, Audit and Risk Committee, Curriculum, Quality and Engagement Committee

John McGrillen is Director of Development in Belfast City Council. He has strategic responsibility for economic development, tourism, European affairs, community services, urban regeneration, and city venues and events. He previously worked as Chief Executive of Down District Council and, prior to that, Chief Executive of NI - CO, a consultancy company engaged in international development. He has been a board member of the Northern Ireland tourist Board.

Ciarán O'Grady, Audit and Risk Committee, Curriculum, Quality and Engagement Committee

Ciaran O'Grady was until recently Principal of Our Lady of Lourdes Primary School, Belfast having given 24 years service as Principal. He has also been an associate of the Regional Training Unit, delivered

leadership and management courses for principals and been an assessor in the Professional Qualification for Headship Programme. He has considerable experience in recruitment and selection, change management and partnership models in education and is deeply committed to the learner journey through the education system. Mr. O'Grady holds a number of postgraduate qualifications including a Masters degree in leadership and management.

Ken O'Neill, Audit and Risk Committee, Curriculum, Quality and Engagement Committee

Professor Ken O'Neill is Professor Emeritus of Entrepreneurship and Small Business Development at the University of Ulster. His roles have included President of the International Council for Small Business, President of the UK Institute for Small Business Affairs, Board member of the UK's CBI SME Council, UK Vice-President of the Institute of Business Advisors, member of the BBC Broadcasting Council for N Ireland and Chair of Young Enterprise (N.I.) Ltd. He is also on the Academic Advisory Council of the Chartered Management Institute and is Chair of Barnardo's Children in Grief Appeal. He was the first person to be awarded The Queen's Award for Enterprise Promotion – Lifetime Achievement Award (2005).

Lindsey Smith, Resources Committee, Curriculum, Quality and Engagement Committee

Lindsey Smith is a self-employed consultant providing leadership and management services. She is a qualified human resource professional and is currently a part-time lecturer in change management and organisational behaviour at the University of Ulster. She was previously the regional manager of the Identity and Passport Service.

David Taylor, Resources Committee (Chair),

David Taylor was formerly Financial Controller of Latens Systems. Prior to joining Latens Systems he worked as financial controller of Nambarrie Tea Company and then in a number of start up companies. He is a fellow of Chartered Accountants Ireland, a member of the Institute of Personnel Development and a graduate of Queen's University, Belfast. Mr Taylor was co-opted onto the Governing Body in December 2008 and again in 2012.

Jergus Baca

Jergus Baca is a student studying A levels in three subjects at Belfast Met. He is elected from the student body.

Principal and Chief Executive Marie-Thérèse McGivern

Marie-Thérèse McGivern began her career as a teacher in further education. In the 90's, she moved to develop policy for the youth service in N Ireland and in 1995 joined the Civil Service as a secondee to the Urban Regeneration Initiative, Making Belfast Work. In 1999 she joined the Belfast City Council as Director of Development. She has spoken all over the world on the issue of urban regeneration and held numerous advisory, visiting and honorary posts. In November 2009 she returned to further education and became Director and Chief Executive of Belfast Met, the biggest further education college in Northern Ireland.

2012/13 Governing Body Members

The members who served the Governing Body during the 2012/13 year were as follows:

Name	Date of appointment	Term of office	Status of appointment *	Committees**
Mr Richard O’Rawe	01/09/2010	31/08/2014	BIP	Chair
Mr Frank Bryan	01/08/2011	31/07/2015	BIP	ARC, CQEC
Mr Joseph Eagleson	01/08/2011	31/07/2015	BIP	RC
Mrs Patricia Haren	01/08/2011	31/07/2015	BIP	CQEC
Mr Ivor Johnston	01/08/2011	31/07/2015	BIP	ARC
Miss Wendy Langham	01/08/2011	31/07/2015	BIP	RC, CQEC
Mr John McGrillen	01/08/2011	31/07/2015	BIP	ARC
Professor Ken O’Neill	01/08/2011	31/07/2015	BIP	ARC, CQEC
Ms Lindsey Smith	01/08/2011	31/07/2015	BIP	RC, CQEC
Dr Ian Walters	01/08/2011	31/07/2015	BIP	ARC
Mr Sam Hagen	27/11/2012	26/11/2016	Co-opted	RC
Mr David Taylor	03/12/2012	02/12/2016	Co-opted	RC
Very Rev Dr Norman Hamilton	16/05/2012	15/05/2016	BELB nominee	
Mr Ciaran O’Grady	03/04/2012	02/04/2016	BELB nominee	ARC, CQEC
Mr Jergus Baca	17/10/2012	30/09/2013	Student elected	
Mr Kevin McKeaveney	10/06/2013	09/06/2017	Staff elected	
Mr Michael McCamley	10/06/2013	09/06/2017	Staff elected	
Ms Marie-Thérèse McGivern	01/11/2009	N/A	Ex officio P&CE	
* Status of appointment		** Committees		
BIP Business, Industry, Professional Category		ARC Audit and Risk Committee		
BELB Belfast Education and Library Board		CQE Curriculum, Quality and Engagement Committee		
		RC Resources Committee		

Finance and Operating Review

FINANCE AND OPERATING REVIEW

Financial Objectives

The College's financial objective is to achieve a sustainable financial position that facilitates a trading surplus. Associated KPIs are that the College will

1. Meet financial targets agreed through the CDP process
2. Manage funds within the limit of the College's borrowings
3. Increase the percentage of non flu income versus flu income.

Finance and Going Concern

The Governing Body is satisfied that the College is a going concern on the basis that it has a reasonable expectation that the College will continue in operation for the foreseeable future. The financial statements are therefore prepared on the going concern basis.

NDPB Status

In October 2010, the Office of National Statistics reclassified further education colleges from Non-Profit Institutions Serving Households to Central Government, that is from the private to the public 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 (and required to accord with the same budgeting and reporting disciplines as other Non Departmental Public Bodies). To date the Department of Finance and Personnel have confirmed that this position is in place at least until 31 March 2015. The College continues to work with the Department for Employment and Learning to determine the future impacts and implications of the change.

Financial Results

The College generated an operating deficit of £1m (2011/12 deficit of £2.5m), with a historic surplus of £0.2m (2011/12 deficit of £1m). This is in line with the targets set in our annual College Development Plan (CDP) with the Department.

Income

The College's total income for the year was £57.1m, a decrease of £6.1m from 2011/12, of which £1.3m relates to a decrease in income from Education Contracts. In 2011/12 £4.2m deferred grant was released to match impairments on TQ land following the full revaluation by Land and Property Services at 31 July 2012.

Expenditure

Expenditure was below 2011/12 levels at £58.1m compared to £64.8m in the prior year. Key movements within this include:

Staff Costs

- Staff costs have increased by £0.2m compared to the prior year. This reflects savings generated through the restructuring programme offset by the payment of contractual increments and the new structures being filled and in place for a significant part of the year.

Other Operating Expenses

- Premises expenditure is £1.9m lower than 2011/12. In the prior year there were significant equipment purchases for the e3 building which were matched by grant funding.

Depreciation

- In 2011/12 an impairment charge of £4.2m was incurred on TQ land following the full revaluation at the year end. The application of the LPS indices at 31st July 2013 did not result in a significant impairment for the current year hence an overall reduction in depreciation and impairment charge.

As a result of the explanations set out above the College reports a historic surplus outturn of £0.2m in line with the original budget in the College Development Plan for the year.

The College has significant reliance on DEL for its principal funding source, largely from recurrent grants. In 2012/13, DEL provided 77% of the College's total DEL income through allocated recurrent grant (2011/12 69%). This represented 24% of the total recurrent grant available to the sector.

Subsidiaries

Belfast Met operates two wholly owned subsidiary companies, Springvale Educational Village Ltd (SEV Ltd) and Belfast Metropolitan Trust. Both companies are limited by guarantee. Belfast Metropolitan Trust is also a registered charity.

SEV Ltd's income is generated mainly from letting income raised from the Community Learning Centre (formerly MCOC) situated on the College's Springvale campus. The company's objective is to widen access to education and training with a strong community ethos. The Belfast Metropolitan Trust receives income through charitable donations and fund raising to assist students by granting scholarships and sponsorship of events.

For the first year since its incorporation SEV Limited has achieved a surplus of £6k for the year ending 31 July 2013 (2011/12 deficit £0.1m). In 2011/12 the Directors of SEV Limited prepared a three year business plan which was approved by the Governing Body and aims to return the company to a sustainable financial position over the period of the plan.

The Trust reported a net increase in funds of £3k for the year ending 31 July 2013 (2011/12 reduction of £3k).

Reserves

The College has accumulated reserves of £74.8m (Group), £72.8 m (College) including FRS 17 pension reserves. Revaluation reserves have accumulated through revaluations on land and buildings inherited on incorporation at no cost from the Education and Library Boards.

The College has cash balances of £6.2m at the year end. Cash reserves need to be built up to facilitate repayment of the loan taken by the College to manage cashflow issues during 2012.

Treasury policies and objectives

Treasury management is the management of the College's cash flows, its banking, its 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 College experienced an operating cash inflow of £0.8m during the year compared to an inflow of £3.8m in the prior year. The overall cash balance as at 31 July 2013 is £6.2m, which is a decrease of £0.2m on last year.

Liquidity

The cash balance of £6.2m represents a Key Performance Indicator of 39.6 days, which is just above the DEL target of 25-35 days. The college is trying to increase its cash balance to facilitate repayment of the £2m loan from SRC and maintain adequate levels of working capital. Taking the repayment of the loan into account the adjusted balance is £4.2m, and 26 days which is in line with the DEL target. The first tranche of the loan (£1m) is due for repayment in August 2014 and balances held appear sufficient to meet this.

The Current Ratio KPI for the sector is in the range of 1.5 – 2.5 and for 2012/13 the College Current Ratio was 1.7 (2011/12 10.5, this was due to the £15m TQ payment included within Current Liabilities at the year end). This £15m was funded by DEL, and adjusting for this brought the current ratio to 1.5.

Debts Written Off

The College wrote off debts during the year totaling £21,008. No one debt is deemed material and all write offs were completed in line with College Policy and DEL permission was obtained where applicable.

Payment Performance

The Late Payment of Commercial Debts (Interest) Act 1998, which came into force on 1 November 1998, requires colleges, in the absence of agreement to the contrary, to make payments to suppliers within 30 days of either the provision of goods and 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 2012 to 31 July 2013, the College paid 74% of its invoices within 30 days (2011/12 60%). The College incurred no interest charges in respect of late payment for this period.

Land and Buildings

Land and buildings were subject to a full professional valuation by Land and Property Services (LPS) on 31 July 2012. That full valuation was updated using indices supplied by LPS to provide the valuations as at 31 July 2013. This has resulted in an impairment of £159k in relation to TQ leasehold land but a net upward revaluation of £2.3m on other land and buildings.

Development Projects

College Square East and Brunswick Street are still on the market for sale at 31st July 2013. The value of proceeds and timing of sale are not known, and the buildings are held in fixed assets at market value.

Resources

The College has various resources (estates, financial and people) at its disposal that it can deploy in pursuit of its objectives.

Estate

The College's consolidated estate as at 31 July 2013 consists of freehold land valued at £15m and buildings valued at £100.8m. The estate includes campuses at:

Campus	Net Book Value
Millfield – building under a PFI agreement	£36.4m
College Square East	£1.5m
Brunswick Street	£2m
Tower Street	£2.9m
Castlereagh	£10.7m
Whiterock	Rented
Springvale Road	£2.1m
Parkmore	£0.4m
Riddell	£0.2m
Titanic Quarter – building under a PFI agreement	£45.7m
E3 (including car park)	£13.9m

The College also operates from many outreach centres across Belfast and the wider area. The College's estates strategy seeks to consolidate activity on 4 main campuses, TQ, Millfield, Springvale and Castlereagh, supported by up to 6 satellite sites and work towards this is ongoing.

Financial

Net assets at 31 July 2013 were £74.8m (2011/12 £54.7m). This includes £5.3m pension liability (2011/12 £9.8m), and a debtor of £1.4m on PFI prepayments (2011/12 £1.5m).

People

The College employs 830 staff (expressed as full-time equivalents-the 830 includes 1 SEV employee), of whom 435 are teaching staff. Staff absenteeism for the period 1 August 2012 to 31 July 2013 was 3.5%, a total of 7680 days.

Reputation

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

Principal Risks and Uncertainties

The College's system of internal control, including financial, operational and risk management, which is designed to protect the College's assets and reputation has been undergoing continuous review and improvement over the past few years and this continued during the year ended 31 July 2013.

The College's Audit and Risk Committee, chaired by an independent non executive, is responsible for providing assurance to the Governing Body that effective risk management, governance and control arrangements are in place.

The College risk policy provides guidance on all key aspects of risk including risk appetite, the roles and responsibilities of the Governing Body, Audit and Risk Committee, Directorate, Managers, Staff and the Risk Manager. This document has been signed off at both Governing Body and Executive level. The strategy also includes a guide to assist managers with risk assessment, a RAG system for recording level of risk and a 4X4 numerical assessment system. The constituent parts of the risk register are also detailed i.e. summary, matrix (appetite) and additional information for individual risks.

The College has identified and responded to changes in the risk environment effectively during the year. At the corporate level, the Risk Manager meets quarterly with individual Directors to review the risks for which they are responsible. This review is holistic and includes the nature of the risk, the level of the risk, the risk factors, links with the College Development Plan and Key Performance Indicators, current controls and their effectiveness, progress made in relation to previous identified actions and any new actions arising.

The principal risk factors which affected the College during the year were associated with the continuing viability and sustainability of the College, necessitating the implementation of the College Improvement Plan which was finalised in October 2010, embedding the new structures while maintaining service levels, meeting enrolment targets and managing to remain adaptive to the changing economic environment, including the NDPB status which applied from April 2012.

Post Balance Sheet Events

No post balance sheet events have occurred that require changes to amounts or disclosures in the financial statements.

Other Disclosures

OTHER DISCLOSURES

Disclosure of Information to Auditors

These accounts are subject to 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

There were no personal data related incidents during the year 2012/13.

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

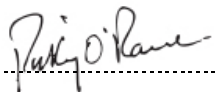
Internal Auditors: KPMG
Stokes House
College Square East
Belfast, BT1 6DH

Bankers: Bank of Ireland
4-8 High Street
Belfast, BT1 2BA

Solicitors: Carson McDowell
Murray House
4 Murray Street
Belfast, BT1 6DN

For and on behalf of the members of the Governing Body

Chairman



Date 27 November 2013

Financial Statements

Further Education College Remuneration Report
Statement of the Responsibilities of the Governing Body
Governance Statement
Certificate and report of the Comptroller and Auditor General to the Northern Ireland Assembly
Consolidated Income and Expenditure Account
Consolidated Statement of Historical Cost Surpluses and Deficits
Consolidated Statement of Total Recognised Gains and Losses
Balance Sheets
Consolidated Cash Flow Statement
Notes to the Financial Statements

FINANCIAL STATEMENTS

BELFAST METROPOLITAN COLLEGE REMUNERATION REPORT

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 posts of members of the governing body and the Chairperson carry no remuneration or payment of bonus.

No member of the governing body including the Chairperson receives pension contribution from the college or the Department. The college reimburses the Chairperson and members of the governing body for any incidental expenses incurred for carrying out their duties relevant to the organisation.

The Director and Senior Management Team

The Director and the Senior Management Team appointments are made in accordance with the college's recruitment policy. The policy requires appointments to be made on merit on the basis of fair and open competition.

The Director and Senior Management Team hold permanent appointments. The normal retiring age is 65, although staff may retire at any time after age 60 with no diminution of earned pension benefits. The policy relating to notice periods is contained in the college's Staff Handbook.

Minimum pay levels

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

Progression

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

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

Performance pay

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

Total reward package

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

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

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

Service contracts

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

Salary and pension entitlements

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

Remuneration

Senior Management	2012/13		2011/12	
	Salary £'000	Benefits in kind ³ £	Salary £'000	Benefits in kind £
M T McGivern Director	115-120	160.23	115-120	172.63
J Edwards Assistant Chief Executive/ Director of Curriculum	80-85	142.75	70-75 (80-85 FYE)	0
E Hartin Chief Operating Officer	80-85	162.35	80-85	147.14
D Duffy Director of Development and Learner Services	80-85	0	75-80 (80-85 FYE)	0
T Smyth¹ Deputy Director Curriculum Programmes	0	0	75-80	0
P Kane² Deputy Director (acting) Change Management	0	0	90-95	0

1 Trevor Smyth ceased employment on 31 August 2011. Salary costs in 11/12 included a redundancy payment of £72,852 paid August 2011.

2 Paul Kane was appointed Acting Deputy Director on 1 February 2010 and ceased employment on 31 October 2011. Salary costs in 11/12 included a redundancy payment of £70,457 paid October 2011.

3 Benefits in Kind are mileage payments over HMRC advisory rates

	2012/13 £'000	2011/12 £'000
Band of highest paid directors total remuneration	115-120	115-120
Median total remuneration	35,004	34,548
Ratio	3.39	3.44

Salary

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

Benefits in kind

The monetary value of benefits in kind covers any benefits provided by the employer and treated by HM Revenue and Customs as a taxable emolument.

Pension entitlements

Senior Management	Accrued pension at age 60 as at 31/7/13 and related lump sum	Real increase in pension and related lump sum at age 60	CETV at 31/7/13	CETV at 31/7/12	Real increase in CETV
	£'000	£'000	£'000	£'000	£'000
M T McGivern Director	75-80	-	1,217	1,139	42
J Edwards Deputy Director	0-5 Lump sum of 5-10	-	26	25	5
E Hartin Chief Operating Officer	0-5	-	32	18	6
D Duffy¹ Deputy Director	Not Eligible	Not Eligible	29	13	8

¹ Was not eligible for benefits at the 31/07/2013, as does not have the necessary 2 full years qualifying service post 1988).

Pension arrangements

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

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

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

Enhanced pensions (if applicable)

The actual cost of any enhanced ongoing pension to a former member of staff is paid by a 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 Skills and Funding Agency (or detail equivalent tool).

Cash Equivalent Transfer Values

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

**BELFAST METROPOLITAN COLLEGE
STATEMENT OF THE RESPONSIBILITIES OF THE GOVERNING BODY
FOR THE YEAR ENDED 31 JULY 2013**

The governing body of the College is required to present audited financial statements for each financial year.

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 Chairperson, 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 judgements 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 on 27 November 2013 and signed on its behalf by:



Name
Chair

**BELFAST METROPOLITAN COLLEGE
GOVERNANCE STATEMENT
for the year ended 31 July 2013**

Introduction

This is the first Governance Statement for Belfast Metropolitan College (BMC). It sets out the governance structures, risk management and internal control procedures that operated within BMC during the 2012-13 financial year and up to the date of approval of the Annual Report and Accounts. This Governance Statement has been prepared in accordance with guidance issued by the Department of Finance and Personnel (DFP) and is aimed at supporting better governance and driving more consistent, coherent and transparent reporting.

Scope of Responsibility

As Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the College's aims and objectives set by the Governing Body, whilst safeguarding the public funds and College assets for which I am personally responsible, in accordance with the responsibilities assigned to me in managing Public Money Northern Ireland.

My responsibilities as Chief Executive and Accounting Officer are set out in Managing Public Money (Northern Ireland) issued by DFP and the Financial Memorandum between DEL and the Regional Further Education Colleges; I am accountable to the Department's Accounting Officer and the Northern Ireland Assembly.

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

College Governance and Management Structure

The Further Education (Northern Ireland) Order 1997 established Further Education Corporations in Northern Ireland including the Belfast Institute and Castlereagh College. These institutions merged in August 2007 to become the Belfast Metropolitan College. In October 2013, the office of National Statistics reclassified further education colleges from Non-Profit Institutions Serving Households to Central Government, that is from the private to the public 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 and required to accord with the same budgeting and reporting disciplines as other Non Departmental Public Bodies. The Articles and Instruments established the Governance Framework. Further information on the Governance arrangements is provided below. The College management arrangements were recently restructured as part of a wider organisational restructuring after the publication of an Efficiency Review followed by a College Improvement Plan (CIP).

The Governing Body

Belfast Metropolitan College is an autonomous body established under the Further Education (Northern Ireland) Order 1997. Like most public bodies it operates within a strong framework of regulation. Not only does the College comply with all mandatory requirements but it also strives to operate that guidance which represents best practice.

The College's Governing Body comprises persons appointed by the Department under Article 10 and paragraph 2 of schedule 3 of the "Order" and, in the main, following public competition. The Chair is appointed by the Minister, again following a public competition.

The membership of the Governing Body is drawn from the following constituencies:

- Business, Industry, Professional (10 members) (BIP)
- Nominees of the Education and Library Board (2 members) (ELB)
- Co-optees (2 members) (COPT)
- Staff by election (2 members) (STAFF)
- Student Body by election (1 member) (STUDENT)
- Principal and Chief Executive Officer (ex officio)

The Governing Body is supported by three permanent committees comprising the Audit & Risk Committee (A&R), the Curriculum Quality and Engagement Committee (CQE), and the Resources Committee (RES). As the need arises the Governing Body also makes use of ad hoc committees e.g. the Stakeholder Engagement Committee.

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

Governing Body members and Category	Category	Governing Body	A&R Committee	CQE Committee	RES Committee
Mr Richard O’Rawe (Chair)	BIP	5/5 i.e. 5 meetings attended out of a possible 5			
Mr Frank Bryan	BIP	4/5	4/5	2/4	
Mr Joseph Eagleson	BIP	4/5			4/4
Mrs Patricia Haren	BIP	5/5		3/4	
Mr Ivor Johnston	BIP	3/5	2/5		
Miss Wendy Langham	BIP	4/5		4/4	4/4
Mr John McGrillen	BIP	5/5	3/5		
Professor Ken O’Neill	BIP	5/5	3/5	4/4	
Ms Lindsey Smith	BIP	3/5		3/4	3/4
Dr Ian Walters (vice Chair)	BIP	4/5	5/5		
Mr Sam Hagen	COPT	3/5			3/4
Mr David Taylor	COPT	4/5			4/4
Very Rev Dr Norman Hamilton	ELB	4/5			
Mr Ciaran O’Grady	ELB	5/5	4/5	3/4	
Mr Jergus Baca	STUDENT	2/4			
Mr Kevin McKeaveney	STAFF	1/1			
Mr Michael McCamley	STAFF	1/1			
Ms Marie-Thérèse McGivern, Principal and Chief Executive		5/5			
Belfast Met College Officials					
Mr Justin Edwards, Assistant Chief Executive & Director of Curriculum		4/5		4/4	
Mr Damian Duffy, Director of Development & Learner Services		3/5		4/4	
Mrs Elaine Hartin, Chief Operating Officer		5/5	5/5		5/5
Other Officials					
Mr Andy Cole, DEL or deputy			3/5		
Mrs Judith McAuley, DEL			1/1		
Miss Maria McAleer, DEL			1/1		
NIAO			5/5		
Internal Audit			5/5		

Other attendees included Tier 3 and 4 officers where significant items pertaining to their business area were discussed.

Information presented to the Board is normally prepared by the appropriate business area and approved by the Executive Team and in the case of governance issues, prepared by the Secretary and approved by the Chair. This ensures a high quality of reliable and up to date information is presented to the Board. The Board is content with the quality and reliability of the information presented in 2012/13 and has commented favourably on the improvements made in presentation and ease of use.

The role of the Chair of the Governing Body is separate from the role of the College Principal and Chief Executive, with the Governing Body over which the Chair presides, responsible for the ongoing strategic direction of the College, and the P&CE responsible for the operational management of the College. More specifically, according to its Articles of Government, the main business of the Governing Body is to determine the educational character of the college and to ensure its overall wellbeing and financial solvency and to those ends the Governing Body approves all major developments and receives regular reports on the activities of the College and its subsidiary companies. All meetings during the year were quorate.

The College's Management Structure

The College management structure is based on principles of good organisational design and established a tripartite structure comprising Directorates led by the Director of Curriculum, the Chief Operating Officer and the Director of Development and Learner Services, all reporting to the Principal and Chief Executive. This structure enables a compact Executive Team to exercise strategic and operational oversight on the College by means of clear lines of accountability. Each manager's job description includes a statement on the limits of their authority. If this limit is exceeded without proper authorisation, staff members are aware that they will be subject to disciplinary procedures. Further information on the operation of the Directors is available below.

Board performance and effectiveness

During the year the Board made a number of specific advances in its continuing commitment to improving board performance and effectiveness including:

- Appointing a Board Development Co-ordinator within the Governing Body
- Approving a Board Development Plan
- Visiting two Grade 1 Colleges in England
- Attending a range of internal and external training events, workshops and planning days
- Receiving mentoring in enhanced effectiveness
- Circulating a questionnaire to governors based on the DEL framework of competencies required in the FE Sector.
- Regularly evaluating the effectiveness of the meetings of the Governing Body and its subcommittees.

Governor, Lindsey Smith is the Board Development Co-ordinator and she reports to the Board on a regular basis; her next report in September 2013 will contain the results of the analysis of the returns from the aforementioned questionnaire.

Audit and Risk Committee

The Audit and Risk Committee operates as an advisory body to the College's Governing Body and the Accounting Officer. The Audit Committee is responsible for reviewing the effectiveness of the College's accounting procedures and systems of internal control. It also must satisfy itself that adequate arrangements are in place to promote economy, efficiency and effectiveness. The Audit Committee met 5 times during the 2012/13 year to discuss reports from the External and Internal Auditors and the relevant responses. It reviewed the College's annual financial statements to ensure

compliance with legislation and accounting standards. The P&CE regularly attends meetings by invitation, and three officers namely the Chief Operating Officer, the Head of Finance and the Head of Compliance are always in attendance.

The Chair of the Audit & Risk Committee is also the vice chair of the Governing Body, and his attendance together with other governors and officers is shown in the table above. All meetings were quorate.

The key issues discussed at the Audit & Risk Committee during the year 2012/13 were as follows:

- Provision of Internal Audit services : new auditors appointed;
- Internal Audit planning;
- Internal Audit reports including reviews of general financial controls, procurement, data integrity, and student admissions;
- NIAO matters including NIAO strategy, planning, Report To Those Charged With Governance (RTTCWG), year end accounts ;
- Risk management and opportunity;
- Follow up on outstanding audit recommendations from all sources;
- A&R Committee annual report;
- Single Tender Actions (STA) notifications;
- Fraud, losses, and special payments ;
- DFP, DEL and other third party correspondence including DEL circulars and DAO letters;
- A&R Committee meeting evaluation.

The Governing Body take assurance from the annual report provided by the Audit & Risk committee.

The Executive Team

The Executive Team consists of:

- Principal & Chief Executive
- Assistant Chief Executive & Director of Curriculum
- Chief Operating Officer
- Director of Development and Learner Services

The Head of Corporate Development is in attendance at the Executive Team meetings for the purpose of a challenge function given this individual's responsibility for monitoring college performance and quality. The Executive Team meets weekly to consider a pre-determined agenda. The purpose of the Executive Team is to provide strategic and operational leadership to the College for which it is directly accountable to the Governing Body.

Compliance with the Corporate Governance Best Practice

The College in the year 2012/13 were in compliance with the following key pieces of guidance and best practice:

- Managing Public Money (NI)
- DEL and DFP guidance
- Nolan Principles
- Good Governance Standards for public services

The Governing Body's Instrument of Government and the aforementioned best guidance requires the establishment and maintenance of a Register of Interests. The Register is compiled by the Secretary to the Governing Body from individual Governor and Officer Returns and circulated. At each meeting the Chair asks for any conflicts or potential conflicts of interest to be declared; where these have been declared these have been managed in accordance with best practice.

Risk Management

The College places significant emphasis on risk management as one of the key elements in ensuring good corporate governance. The introduction of improved business planning and performance monitoring across the College incorporates risk planning and monitoring at its heart.

The College received an overall satisfactory assurance opinion on the operation of its risk management function from its Internal Auditors in July 2012; however two of the eight elements received a limited assurance.

These were:

1. The adequacy and completeness of risk registers to ensure they are reviewed regularly and are periodically maintained by management and
2. Behavioral and cultural indicators to ensure all management and staff take responsibility for the management of risk, and that this is embedded in the risk management strategy.

Significant progress has been made in relation to these findings. A standardised operational risk register is now completed at the beginning of each academic year as part of the planning process. These registers are then monitored by line managers during the year to ensure that any necessary actions are taken.

The cycle of register creation and review is now incorporated into planning and performance management processes in both curriculum schools and support departments. This permits Directors to challenge business unit risk registers on a regular basis.

The College creates and maintains a Corporate Risk Register each year. The key risks the College faced during 2012/13 were:

- Risk of failure to recruit planned student numbers
- Risk of failure to retain and progress planned student numbers
- Risk of failure to deliver a customer led offer
- Risk of failure to secure appropriate resources to deliver the physical infrastructure or people with the cumulative skill, knowledge and experience required
- Risk of failure to be compliant with all legislation, directives and recommended good practice

- Risk of failure to provide adequate quality of service and failure to meet external assessor requirements
- Risk of failure to secure goodwill from local community stakeholders
- Risk of failure to sustain financial sustainability
- Risk of failure to influence changes in Government policy
- Risk of changes in macroeconomic environment and fiscal policy

The Corporate risk register is compiled annually as part of the high level business planning process to ensure that there is a strong alignment with business objectives. It is reviewed quarterly by the Directors.

It is also scrutinised by the Audit & Risk Committee at its quarterly meeting. The Governing Body receives assurances from the Chair of the Audit and Risk Committee at its quarterly meetings. Each year the Audit and Risk Committee submits a detailed report to the Governing Body on its activities including assurances on the satisfactory condition of the risk and internal control arrangements

Information Risk

The College has complied with the requirements of the relevant legislation during 2012/13 i.e. Freedom of Information Act and Data Protection Act. No incidents were reported to the Information Commissioner's office nor was there any failure to comply with Data Protection requirements.

Fraud Reporting

The college issued an updated Fraud Policy and Fraud Response Plan in August 2011. The policy sets out responsibilities regarding the prevention of fraud and the procedures to be followed where a fraud is detected or suspected. The Response Plan is designed to reinforce the College's robust stance on fraud and corruption by setting out the ways in which staff can also voice their concerns about suspected fraud or corruption. During 2012/13 the College reported 5 suspected or actual frauds to DEL and the college's Audit Committee. Investigations were carried out in all cases, and where appropriate processes and controls were tightened.

Whistleblowing

The College has arrangements in place to deal with whistleblowing. The number of incidents notified during 2012-13 was one and the investigation concluded that the allegations raised were unsubstantiated.

The Control Environment

The Chief Executive and Accounting Officer has responsibility for reviewing the effectiveness of the governance structures and the system of internal control. Her review is informed by the work of the **internal auditors** (KPMG), based on a pre-agreed risk based annual plan approved by the Governing Body.

KPMG gave the College an overall assurance rating of Satisfactory for 2012/13. They examined the following areas and provided the following individual assurances:

Review Area	Assurance Rating
General financial controls	Satisfactory assurance
Procurement	Satisfactory assurance
Student admissions	Substantial assurance
Data integrity	Satisfactory assurance
Retention and achievement	Substantial assurance

The work of DEL Financial Audit and Support Team (FAST)

The only FAST report received by the College in 2012/13 related to an inspection of DEL training programmes administered by the College on its Millfield and Castlereaugh sites. The date of inspection was from 10 October to 5 November 2012. The report was issued on 8 November and provided a satisfactory assurance. There were no recommendations.

FAST also noted that during the previous inspection (October 2011) the Inspectors noted a marked decline in the standard of the College’s administration of its training programmes and recommended that an action plan be drawn up to address the issues. The Inspectors noted on their return in November 2012 that they were content that these issues have been resolved.

The College had a general inspection in April 2013. The table below shows the performance levels published by ETI.

Table of performance levels Overall Effectiveness	Further Education and Work-Based Learning Provision	Further Education	Work-Based Learning
	Good	Good	Satisfactory
Contributory Performance Levels:	Further Education and Work-Based Learning Provision	Further Education	Work-Based Learning
Leadership and Management	Satisfactory	Good	Satisfactory
Quality of Provision for Learning	Good	Good	Satisfactory
Achievements and Standards	Good	Good	Satisfactory
Professional and Technical Areas (Further Education and Work-Based Learning)			
Computing , Information Technology and Digital Media		Very Good	
Essential Skills		Satisfactory	
Hospitality and Catering		Good	
Plumbing (Mechanical Engineering Services)		Good	
Students With Learning Difficulties and/or Disabilities		Very Good	
Transport Operations and Maintenance (Motor Vehicle)		Inadequate	
Wood Occupations		Satisfactory	
Professional and Technical Areas (Further Education)			
Advanced Level Provision		Satisfactory	
Applied Science		Satisfactory	
Art and Design		Good	
Childcare (Early Years)		Very Good	
Music		Very Good	
Sport and Leisure		Very Good	
Professional and Technical Areas (Work-based Learning)			
Electrotechnical Services(Electrical Installation)		Satisfactory	
Performing Engineering Operations		Satisfactory	

DEL carried out its FLU audit for 2012/13 and found that the overall assurance rating for the review of systems of controls in the College was satisfactory. There were no priority one recommendations; there were six priority two recommendations and six priority three recommendations.

The assurance rating achieved in respect of each key process is as follows:

Key Process	Assurance Rating 2012/13
Overarching IT controls	Satisfactory
Course set up	Substantial
Course cancellation	Satisfactory
Enrolment	Satisfactory
Attendance & Withdrawals	Satisfactory

In addition to the scrutiny of individual audit reports by managers and members of the Audit and Risk Committee, the compliance manager is responsible for compiling quarterly reports which track progress against all outstanding audit recommendations. These reports combine the above sources into one document and focus particular attention on priority one outstanding recommendations. The reports are reviewed by the Directors before being scrutinised by the Audit and Risk Committee.

The current outstanding priority audit one recommendations relate to control of assets and business continuity/disaster recovery.

Assurance Statements

The College provides a mid year and an annual assurance statement to the Department.

Review of effectiveness of the system of internal governance

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors and the executive managers within the College who have responsibility for the development and maintenance of the internal control framework, together with comments made by the external auditors in their management letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Governing Body and the Audit and Risk Committee, and a plan is in place to address weaknesses and ensure continuous improvement of the system in place.

My review of effectiveness of the system of internal control is informed by:

- A strong accountable management structure and processes,
- Receiving reports from the Chair of the Audit and Risk Committee concerning internal control, governance and risk
- Reports submitted by the College's Internal Auditors and DEL's Fast team identifying recommendations for improvement which College management have accepted and are addressing. The Internal Auditors have provided a satisfactory rating in relation to the systems of internal control
- The Corporate Risk Register and improvements made to risk management processes during the year
- Comments made by the Northern Ireland Audit Office in their Report to Those Charged with Governance.

Significant Internal Control Issues

I consider that no instances of significant internal control issues, or non compliance with the Financial Memorandum have arisen over the period from August 2012 to July 2013 which should be disclosed in this statement with the exception of the Pay Remit issue set out below.

Pay remits

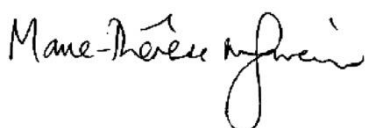
The college is required to comply each year with DFP guidance on the approval of pay remits. During the year it was identified that pay progression increments had been made to staff without receiving the required approval from DFP. Despite the payments being made in line with contractual obligations, the absence of DFP approval represents a breach of controls and has resulted in the payments being deemed irregular. The value of the payments in the current year that did not receive approval was £640k. Approval was also not received for 2009-10, 2010-11 and 2011-12. The value of payments deemed irregular in each of these years was £36k, £160k and £451k respectively. This issue affects all six Colleges in the FE Sector. The irregularity is as a result of a failure to submit business cases to DFP for approval in advance of payment.

An issue has also been identified in relation to compliance with the pay remit guidance going forward. Clarification is needed on how the approvals process should be followed in circumstances where the contractual obligation for payment of progression increments to staff falls due prior to the issuing of the annual pay remit guidance by DFP. This matter will be discussed with DEL and DFP to establish the correct process to be followed.

The NIAO is currently undertaking a value for money investigation into the Titanic Quarter Capital Project. A final report is expected before the end of 2013.

The College continues to work on a number of priority 1 recommendations raised by Internal and External Audit. These are:

- Business continuity and disaster recovery where Internal Audit gave a limited assurance in May 2010 with key issues outstanding being in relation to disaster recovery and business continuity planning. This is being addressed in the College IT strategy and the data centre project. This issue should be resolved by 31 December 2013.
- Safeguarding of assets in particular the need to maintain an asset inventory for low value, attractive items. This will be addressed with the implementation of new asset management software.



Marie-Thérèse McGivern
Chief Executive and Accounting Officer
27 November 2013

Belfast Metropolitan College

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

I certify that I have audited the financial statements of the Belfast Metropolitan College for the year ended 31 July 2013 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. These comprise the Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement, the Statement of Historical Surpluses and Deficits, Statement of Total Recognised Gains and Losses 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.

Respective responsibilities of the Governing Body and auditor

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 for being satisfied that they give a true and fair view.

My responsibility is to examine, certify and report on the financial statements in accordance with the Further Education (Northern Ireland) Order 1997 as amended by the Audit and Accountability Institutions of Further Education (Public Sector Audit) Order (Northern Ireland) 2008. I conducted my audit in accordance with International Standards on Auditing (UK and Ireland). Those standards require me and my staff to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Belfast Metropolitan College's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Belfast Metropolitan College; and the overall presentation of the financial statements. In addition I read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my certificate.

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

Qualified opinion on regularity arising from a failure to obtain Department of Finance and Personnel (DFP) approval in advance of contractual salary payments made to staff

During the year it was identified that pay progression increments had been made to staff without receiving the required approval from DFP. Despite the payments being made in line with contractual obligations, the absence of DFP approval represents a breach of controls and has resulted in the payments being deemed irregular by DFP. The value of the payments in the current year, and included within these financial statements, that did not receive approval was £640,321. Approval was also not received for payments made in 2009-10, 2010-11 and 2011-12. The value of payments deemed irregular in each of these years was £36,142, £160,156 and £450,834 respectively. This issue affects all six Colleges in the Further Education Sector in Northern Ireland. The irregularity is as a result of a failure to submit business cases to DFP for approval in advance of payment.

In my opinion, except for the irregular expenditure of £640,321 incurred where proper approval was not obtained, in all material respects the expenditure and income have been applied to the purposes intended by the Assembly and the financial transactions conform to the authorities which govern them.

Opinion on financial statements

In my opinion:

- the financial statements give a true and fair view, of the state of Belfast Metropolitan College's affairs as at 31 July 2013 and of its deficit, cash flows and total recognised gains and losses for the year then ended; and
- the financial statements have been properly 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 Employment and Learning directions made thereunder.

Opinion on other matters

In my opinion:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with the Department for Employment and Learning directions issued under by 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 Operating and Financial Review and the unaudited part of the Remuneration Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

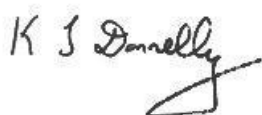
Matters on which I report by exception

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 Governance Statement does not reflect compliance with Department of Finance and Personnel's guidance.

Report

My detailed observations on the implementation of the College Improvement Plan are included in my report at pages 113 to 114.



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

29th November 2013

**BELFAST METROPOLITAN COLLEGE
CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 JULY 2013**

	Notes	2013	2012
		£'000	£'000
INCOME			
Department for Employment and Learning grants	2	43,889	48,997
Education contracts	3	3,770	4,983
Tuition fees and charges	4	7,358	7,151
Other grant income	5	612	788
Other operating income	6	1,358	1,017
Investment income	7	71	286
Total income		57,058	63,222
EXPENDITURE			
Staff costs	8	33,397	33,188
Other operating expenses	10	19,975	23,612
Interest payable	11	180	39
Depreciation and Impairment	14	4,529	7,995
Total expenditure before exceptional items		58,081	64,834
(Deficit) on continuing operations after depreciation of assets at valuation and before tax and before exceptional items		(1,023)	(1,612)
Exceptional Items			
Exceptional costs - staff	8	0	863
Exceptional costs - non staff		0	0
(Deficit) on continuing operations after depreciation of assets at valuation and before tax		(1,023)	(2,475)
Loss on disposal of assets		0	0
(Deficit) on continuing operations after depreciation of assets at valuation and disposal of assets but before tax		(1,023)	(2,475)
Taxation	12	0	0
(Deficit) on continuing operations after depreciation of assets at valuation and tax	13	(1,023)	(2,475)

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

**BELFAST METROPOLITAN COLLEGE
CONSOLIDATED STATEMENT OF HISTORICAL COST SURPLUSES AND DEFICITS
FOR THE YEAR ENDED 31 JULY 2013**

	Notes	2013	2012
		£'000	£'000
(Deficit) on continuing operations after depreciation of assets at valuation and tax		(1,023)	(2,475)
Difference between historical cost depreciation and the actual charge for the year calculated on the revalued amount			
	23	1,190	1,453
Realisation of property revaluation gains of previous years	23	<u>0</u>	<u>0</u>
Historical cost surplus/ (deficit) for the year		<u>167</u>	<u>(1,022)</u>

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

**BELFAST METROPOLITAN COLLEGE
CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 JULY 2013**

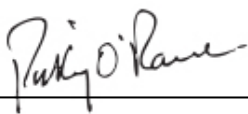
		2013	2012
	Notes	£'000	£'000
(Deficit) on continuing operations after depreciation of assets at valuation and tax	13	(1,023)	(2,475)
Unrealised surplus on revaluation of fixed assets	23	2,337	11,865
Actuarial gain/(loss) in respect of pension scheme	25	<u>4,885</u>	<u>(6,615)</u>
Total recognised gains/(losses) during the year		<u>6,199</u>	<u>2,775</u>
Reconciliation			
Opening reserves		35,615	32,840
Total recognised gains/(losses) for the year		<u>6,199</u>	<u>2,775</u>
Closing reserves		<u>41,814</u>	<u>35,615</u>

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

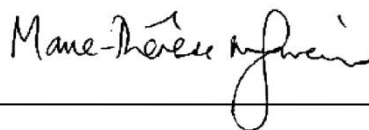
**BELFAST METROPOLITAN COLLEGE
BALANCE SHEET AS AT 31 JULY 2013**

	Notes	Group 2013 £'000	College 2013 £'000	Group 2012 £'000	College 2012 £'000
Fixed assets					
Tangible assets	14	118,331	116,270	118,969	116,664
Investments	15	0	0	0	0
Total fixed assets		118,331	116,270	118,969	116,664
Endowment assets	22	290	0	286	0
Current assets					
Stocks		0	0	0	0
Debtors	16	5,652	6,066	4,560	5,059
Assets held for resale		0	0	0	0
Cash at bank and in hand		6,204	6,132	6,426	6,285
Total current assets		11,856	12,198	10,986	11,344
Less: Creditors – amounts falling due within one year	17	7,768	7,732	21,895	21,869
Net current assets/ (liabilities)		4,088	4,466	(10,909)	(10,525)
Total assets less current liabilities		122,709	120,736	108,346	106,139
Less: Creditors – amounts falling due after more than one year	18	42,574	42,574	43,838	43,838
Less: Provisions for liabilities	20	0	0	0	0
Net Assets excluding pension liability		80,135	78,162	64,508	62,301
Net pension liability	25	(5,313)	(5,313)	(9,773)	(9,773)
Net Assets including pension liability		74,822	72,849	54,735	52,528
Deferred capital grants	21	32,725	30,930	18,840	16,949
Endowments		283	0	280	0
Reserves					
Income and expenditure account excluding pension reserve	24	1,670	1,556	1,078	973
Pension reserve	25	(5,313)	(5,313)	(9,773)	(9,773)
Income and expenditure account including pension reserve	24	(3,643)	(3,757)	(8,695)	(8,800)
Revaluation reserve	23	45,457	45,676	44,310	44,379
Total reserves		41,814	41,919	35,615	35,579
Total		74,822	72,849	54,735	52,528

The financial statements on pages 76 to 112 were approved by the Governing Body of Belfast Metropolitan College on 27 November 2013 and were signed on its behalf on that date by:



Richard O'Rawe
Chair of Governing Body
Belfast Metropolitan College



Marie-Thérèse McGivern
Principal
Belfast Metropolitan College

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

**BELFAST METROPOLITAN COLLEGE
CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 JULY 2013**

	Notes	2013 £'000	2012 £'000
Cash (outflow)/inflow from operating activities	26	837	3,867
Returns on investments and servicing of finance	27	71	53
Taxation	12	0	0
Capital expenditure and financial investment	28	15,023	(322)
Management of liquid resources	29	4	(1)
Financing	30	<u>(16,157)</u>	<u>940</u>
(Decrease)/Increase in cash in the year		<u>(222)</u>	<u>4,537</u>

Reconciliation of net cash flow to movement in net funds/(debt)

Increase/(Decrease) in cash in the period	(222)	4,537
Movements in endowments	4	(1)
Cash inflow from increase in debt	0	(2,000)
Cash outflow from repayment of finance leases	16,157	1,060
Movement in net funds in the period	<u>15,939</u>	<u>3,596</u>
Additions to lease creditor for PFI	(743)	(38,439)
Net funds at 1 August	<u>(52,540)</u>	<u>(17,697)</u>
Net funds at 31 July	<u>(37,344)</u>	<u>(52,540)</u>

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

**BELFAST METROPOLITAN COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2013**

1. ACCOUNTING POLICIES

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 2007 and in accordance with applicable Accounting Standards under the historical cost convention except that certain freehold properties are shown at their re-valued amounts. They also conform to the Accounts Direction issued by the Department for Employment and Learning (DEL).

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 Finance and Operating Review. The financial position of the College, its cashflow, liquidity and borrowings are described in the Financial Statements and accompanying Notes.

The college currently has £2m of loans outstanding with Southern Regional College on terms negotiated in 2012. £1m of the borrowing is due for repayment on 31 August 2014 and £1m is due for repayment on 31 October 2014, and in any event the entire loan shall be repaid by no later than 31 January 2015.

The College's forecasts and financial projections indicate that it will be able to operate within this facility for the foreseeable future.

Accordingly the College has a reasonable expectation that it has adequate resources to continue in operational existence for the foreseeable future, and for this reason will continue to adopt the going concern basis for the preparation of its Financial Statements.

Basis of consolidation

The consolidated Financial Statements include the College and its subsidiaries, Springvale Educational Village Limited (SEV Ltd) and Belfast Metropolitan College Trust Limited. Intra-group revenue and surpluses/deficits are eliminated fully on consolidation. All Financial Statements are made up to 31 July 2013.

Recognition of Income

The recurrent grant from DEL represents the funding allocations attributable to the current financial year and is credited direct to the income and expenditure account.

Non recurrent grants from DEL and other bodies received in respect of the acquisition of fixed assets are treated as deferred capital grants and amortised in line with depreciation over the life of the asset.

The PFI grant from DEL represents their contribution to the total unitary charge payments made under PFI contracts and is credited directly to the Income and Expenditure Account in the year to which it relates.

NOTES TO THE FINANCIAL STATEMENTS (continued)

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 grants, contracts 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.

Pension scheme

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

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

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

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

Changes in the defined benefit pension scheme asset or liability arising from factors other than cash contribution by the College are charged to the income & expenditure account or the statement of total recognised gains and losses, in accordance with FRS 17.

NOTES TO THE FINANCIAL STATEMENTS (continued)

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. Where land and buildings have been identified as surplus to the College's requirements they are valued at market value. The difference between depreciation charged on the historic cost of assets and the actual charge for the year calculated on the revalued amount is released to the income and expenditure account reserve on an annual basis. Land and buildings acquired since the last valuation are included in the balance sheet at cost. Freehold land is not depreciated. Freehold buildings are depreciated over their expected useful economic life to the College between 9 to 50 years. Where land and buildings are acquired with the aid of specific grants, they are capitalised and depreciated as above. The related grants are credited to a deferred capital grant account and are released to the income and expenditure account over the expected useful economic life of the related asset on a basis which is consistent with the depreciation policy.

· Assets under construction

Assets under construction are accounted for at cost, based on the value of architects' certificates and other direct costs, incurred to 31 July 2012. 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 income and expenditure account 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 over their useful economic lives as follows:

Computers - three years straight line

Motor Vehicles - four years straight line

Plant and Equipment - five years straight line

Fixtures and Fittings - five years straight line

Where these assets are acquired with the aid of specific grants the asset is capitalised and depreciated in accordance with the above policy, with the related grant being credited to a deferred capital grant account and released to the income and expenditure account over the expected useful economic life of the related asset.

NOTES TO THE FINANCIAL STATEMENTS (continued)

Private Finance Initiative

At the 31st July 2013 the College had two buildings under PFI contract. The fair value of each building, and accompanying fixtures and fittings, is recognised as an asset in the financial statements, together with corresponding finance lease obligations. Subsequently, the asset is depreciated over its useful economic life and the associated liability is reduced as payments for the properties are made. An imputed finance charge on the liability is recorded in subsequent years using a property-specific rate. The remainder of the PFI payments (i.e. the full payments, less the capital repayment and the imputed financing charge) are recorded as an operating cost. Other college obligations in relation to PFI contracts are accounted for in accordance with FRS 12 Provisions, Contingent Liabilities and Contingent Assets.

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

Leased Assets

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

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

Investments

Fixed asset investments are carried at historical cost less any provision for a permanent diminution in their value.

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 generally unable to recover input VAT it suffers on goods and services purchased.

Liquid resources

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

Provisions

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

Agency arrangements

The College acts as an agent in the collection and payment of Support Funds. Related payments received from DEL and subsequent disbursements to students are excluded from the Income and Expenditure account and are shown separately in Note 39.

NOTES TO THE FINANCIAL STATEMENTS (continued)

2. DEPARTMENT FOR EMPLOYMENT AND LEARNING GRANTS

	2013 £'000	2012 £'000
Recurrent grant	34,168	33,962
Release of deferred capital grants	1,949	524
Release of deferred capital grants in relation to property impairments	0	4,222
Additional Support funds	267	640
Discrete Support Funds	467	564
Education Maintenance Allowance administration	44	37
Learner access and engagement	11	288
Essential skills	0	0
Care to Learn	20	31
Private Finance Initiative (PFI)	6,465	6,332
Innovation Fund	257	230
Other	<u>241</u>	<u>2,167</u>
Total	<u>43,889</u>	<u>48,997</u>

The College was the lead partner in a consortium to deliver the DEL Innovation Fund in Northern Ireland in 2011/12 but was not the lead partner in 2012/13.

	2013 £'000	2012 £'000
Innovation Fund Income	257	230
Payments to non College partners	0	0
Payments to College partners	<u>0</u>	<u>(113)</u>
Net Income	<u>257</u>	<u>117</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. EDUCATION CONTRACTS

	2013	2012
	£'000	£'000
VEP School Link Course	494	675
Jobskills and Training for Success	3,276	4,308
Steps to Work	0	0
Training - other	<u>0</u>	<u>0</u>
Total	<u>3,770</u>	<u>4,983</u>

4. TUITION FEES AND CHARGES

	2013	2012
	£'000	£'000
Home and other European Union	3,064	2,787
Non-European Union	46	159
Higher Education (HE) income	<u>4,248</u>	<u>4,205</u>
Total	<u>7,358</u>	<u>7,151</u>

Tuition fees funded by bursaries

Included within the above amounts are tuition fees funded by bursaries of £57,571 (2012: £40,080).

5. OTHER GRANT INCOME

	2013	2012
	£'000	£'000
European funds	368	468
Other funds	<u>244</u>	<u>320</u>
Total	<u>612</u>	<u>788</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

6. OTHER OPERATING INCOME

	2013	2012
	£'000	£'000
Catering and residence operations	488	404
Other income generating activities	635	557
Other income	<u>235</u>	<u>56</u>
Total	<u>1,358</u>	<u>1,017</u>

7. INVESTMENT INCOME

	2013	2012
	£'000	£'000
Income from endowments	0	0
Pension finance income (note 25)	0	233
Other investment income	32	20
Other interest receivable	<u>39</u>	<u>33</u>
Total	<u>71</u>	<u>286</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

8. STAFF COSTS

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

	2013	2012
	No.	No.
Teaching	435	492
Support	150	56
Administration	209	288
Premises	36	38
	<u>830</u>	<u>874</u>
Total	<u>830</u>	<u>874</u>

Staff costs for the above persons

	2013	2012
	£'000	£'000
Teaching	18,281	20,240
Support	3,696	3,836
Administration	9,546	7,476
Premises	1,874	1,636
	<u>33,397</u>	<u>33,188</u>
Exceptional Staff Costs (Redundancy)	0	863
	<u>0</u>	<u>863</u>
Total	<u>33,397</u>	<u>34,051</u>

	2013	2012
	£'000	£'000
Wages and salaries	28,614	27,986
Social security costs	1,727	1,812
Other pension costs	3,056	3,390
	<u>33,397</u>	<u>33,188</u>
Exceptional staff costs (redundancy)	0	863
	<u>0</u>	<u>863</u>
Total	<u>33,397</u>	<u>34,051</u>

During 2011/12 the College implemented a restructure of the Support Departments. In total 45 staff availed of the enhanced voluntary redundancy scheme at a cost of £863k.

NOTES TO THE FINANCIAL STATEMENTS (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	
	2013 No.	2012 No.	2013 No.	2012 No.
£30,001 to £40,001	0	0	1	0
£40,001 to £50,001	0	0	1	0
£50,001 to £60,001	0	0	2	0
£60,001 to £70,000	0	0	15	4
£70,001 to £80,000	0	0	4	0
£80,001 to £90,000	3	3	0	0
£90,001 to £100,000	0	2	0	1
£100,001 to £110,000	0	0	0	0
£110,001 to £120,000	0	0	0	0
£120,001 to £130,000	0	0	0	0
£130,001 to £140,000	1	1	0	0
£140,001 to £150,000	0	0	0	0
£150,001 to £160,000	0	0	0	0
£160,000 to £170,000	0	0	0	0
	<u>4</u>	<u>6</u>	<u>23</u>	<u>5</u>

9. SENIOR POST HOLDERS EMOLUMENTS

Senior post-holders are defined as the Director / Principal/ Chief Executive and holders of the other senior posts whom the Governing Body has selected for the purposes of the articles of government of the College relating to the appointment and promotion of staff who are appointed by the Governing Body.

2013 No.	2012 No.
-------------	-------------

The number of senior post-holders including the Principal / Director was:

<u>4</u>	<u>6</u>
----------	----------

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

	2013 £'000	2012 £'000
Salaries	360	521
Benefits in kind	0	0
Pension contributions	50	51
Total emoluments	<u>410</u>	<u>572</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

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

	2013 £'000	2012 £'000
Salaries	119	119
Benefits in kind	<u>0</u>	<u>0</u>
	119	119
Pension contributions	<u>16</u>	<u>16</u>
Total	<u>135</u>	<u>135</u>

The pension contributions in respect of the Principal / Director 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 and are paid at the same rate as for other employees.

Compensation for loss of office to a former senior post-holder

	2013 £'000	2012 £'000
Compensation paid to the former post-holder	0	0
Estimated value of other benefits, including provisions for pension benefits	0	0
Total	<u>0</u>	<u>0</u>

The members of the College other than the Principal / Director and the staff members did not receive any payment from the College other than the reimbursement of travel and subsistence expenses incurred in the course of their duties.

NOTES TO THE FINANCIAL STATEMENTS (continued)

10. OTHER OPERATING EXPENSES

	2013	2012
	£'000	£'000
Direct Teaching	1,042	1,297
Direct Support	4,006	4,171
Administration	2,173	2,732
Consultancy Fees	7	30
Premises	3,658	5,558
Planned maintenance	272	232
Unitary payments under PFI contract - operating costs	4,671	4,419
Interest Payable		0
Interest element of PFI contract	4,146	5,173
Total	19,975	23,612
Other operating expenses include:	2013	2012
	£'000	£'000
Auditors' remuneration:		
Financial statements audit (includes £48,000 in respect of the College, 2011/12 £54,000)	48	60
Internal audit (includes £22,941 in respect of the College 2011/12 £26,533)	23	27
Other services provided by the financial statements auditors	0	0
Other services provided by the internal auditors	2	2
Losses on disposal of tangible fixed assets (where not material)	0	0
Hire of plant and machinery - operating leases	221	166
Hire of other assets - operating leases	0	0

NOTES TO THE FINANCIAL STATEMENTS (continued)

11. INTEREST PAYABLE

	2013 £'000	2012 £'000
On bank loans, overdrafts and other loans:		
Repayable within five years, not by instalments	61	39
Repayable within five years, by instalments	0	0
Repayable wholly or partly in more than five years	0	0
	<u>61</u>	<u>39</u>
Pension finance costs (note 25)	<u>119</u>	<u>0</u>
Total	<u>180</u>	<u>39</u>

12. TAXATION

The members do not believe the College was liable for any corporation tax arising out of its activities during this period. SEV Ltd had a liability of £nil in 2012/13.

13. (DEFICIT)/SURPLUS ON CONTINUING OPERATIONS FOR THE YEAR

	2013 £'000	2012 £'000
The (deficit) on continuing operations for the year is made up as follows:		
College's (deficit) for the year	(1,032)	(2,373)
Retained by subsidiary undertakings	<u>9</u>	<u>(102)</u>
	<u>(1,023)</u>	<u>(2,475)</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

14. TANGIBLE FIXED ASSETS

Group	Land and Buildings	PFI	Plant and Equipment	Computers	Fixtures and Fittings	Motor Vehicles	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation							
At 1 August 2012	43,077	72,356	1,463	4,320	22	153	121,391
Additions & transfer from AUC	579	743	102	17	9	104	1,554
Impairment	(238)	0	0	0	0	0	(238)
Surplus/(deficit) on revaluation	(712)	3,049	0	0	0	0	2,337
Disposals	0	0	0	0	0	(35)	(35)
At 31 July 2013	42,706	76,148	1,565	4,337	31	222	125,009
Depreciation							
At 1 August 2012	0	0	395	1,890	1	136	2,422
Charge for the year	842	2,184	272	971	5	17	4,291
Impairment	0	0	0	0	0	0	0
Revaluation	0	0	0	0	0	0	0
Elimination in respect of disposals	0	0	0	0	0	(35)	(35)
At 31 July 2013	842	2,184	667	2,861	6	118	6,678
Net book value at 31 July 2013	41,864	73,964	898	1,476	25	104	118,331
Net book value at 31 July 2012	43,077	72,356	1,068	2,430	21	17	118,969

NOTES TO THE FINANCIAL STATEMENTS (continued)

14. TANGIBLE FIXED ASSETS

College

	Land and Buildings	PFI	Plant and Equipment	Computers	Fixtures and Fittings	Motor Vehicles	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation							
At 1 August 2012	40,772	72,356	1,313	4,319	22	153	118,935
Additions & Transfer from AUC	579	743	102	17	9	104	1,554
Impairment	(159)	0	0	0	0	0	(159)
Surplus/(deficit) on revaluation	(562)	3,049	0	0	0	0	2,487
Disposals	0	0	0	0	0	(35)	(35)
At 31 July 2013	<u>40,630</u>	<u>76,148</u>	<u>1,415</u>	<u>4,336</u>	<u>31</u>	<u>222</u>	<u>122,782</u>
Depreciation							
At 1 August 2012	0	0	245	1,889	1	136	2,271
Charge for the year	827	2,184	272	971	5	17	4,276
Impairment	0	0	0	0	0	0	0
Revaluation	0	0	0	0	0	0	0
Elimination in respect of disposals	0	0	0	0	0	(35)	(35)
At 31 July 2013	<u>827</u>	<u>2,184</u>	<u>517</u>	<u>2,860</u>	<u>6</u>	<u>118</u>	<u>6,512</u>
Net book value at 31 July 2013	<u><u>39,803</u></u>	<u><u>73,964</u></u>	<u><u>898</u></u>	<u><u>1,476</u></u>	<u><u>25</u></u>	<u><u>104</u></u>	<u><u>116,270</u></u>
Net book value at 31 July 2012	<u>40,772</u>	<u>72,356</u>	<u>1,068</u>	<u>2,430</u>	<u>21</u>	<u>17</u>	<u>116,664</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

14. TANGIBLE FIXED ASSETS

Land and buildings were last subject to a full revaluation at 31 July 2012 on a depreciated replacement cost basis. The valuations were performed independently by the Land and Property Service in accordance with Department specifications. Subsequently that revaluation was updated using indices supplied by the Land and Property Service to provide a valuation as at 31 July 2013.

2013
£'000

If inherited land and buildings had not been revalued they would have been included at the following amounts:

Cost	0
Aggregate depreciation based on cost	<u>0</u>
Net book value based on cost	<u><u>0</u></u>

The net book value of tangible fixed assets includes an amount of £73,965k (2012: £72,356k) in respect of assets held under PFI contract.

2013
£'000

2012
£'000

The depreciation charge for the year is analysed as follows:

Owned assets	2,107	1,791
Assets held under PFI contract, finance lease and hire purchase arrangements	2,184	1,981

15. INVESTMENTS

Springvale Educational Village Ltd and Belfast Metropolitan Trust are companies registered by guarantee without share capital and are wholly consolidated into the BMC Group financial statements.

NOTES TO THE FINANCIAL STATEMENTS (continued)

16. DEBTORS

	Group 2013 £'000	College 2013 £'000	Group 2012 £'000	College 2012 £'000
Amounts falling due within one year:				
Trade debtors	2,796	2,772	1,870	1,813
Amounts owed by subsidiary	0	462	0	565
Prepayments and accrued income	762	738	393	384
Amounts due from the Department	646	646	746	746
Advance payments in respect of PFI Contracts	<u>1,448</u>	<u>1,448</u>	<u>1,551</u>	<u>1,551</u>
Total	<u>5,652</u>	<u>6,066</u>	<u>4,560</u>	<u>5,059</u>

16a. PFI ADVANCE PAYMENTS

	Group 2013 £'000	College 2013 £'000	Group 2012 £'000	College 2012 £'000
Advance payments of the PFI contract	<u>1,448</u>	<u>1,448</u>	<u>1,551</u>	<u>1,551</u>
Total	<u>1,448</u>	<u>1,448</u>	<u>1,551</u>	<u>1,551</u>

Repayable as follows:

In one year or less	103	103	103	103
In more than one year	1,345	1,345	1,448	1,448

NOTES TO THE FINANCIAL STATEMENTS (continued)**17. CREDITORS: AMOUNTS FALLING DUE IN LESS THAN ONE YEAR**

	Group 2013 £'000	College 2013 £'000	Group 2012 £'000	College 2012 £'000
Payments received in advance	2,032	2,032	1,003	1,001
Trade creditors	6	6	223	223
Other Creditors	62	62	264	264
PFI lease creditor	1,264	1,264	15,414	15,414
Taxation and social security	1,023	1,023	986	980
Accruals	2,090	2,054	3,014	2,996
Amounts owed to the Department	<u>1,291</u>	<u>1,291</u>	<u>991</u>	<u>991</u>
Total	<u>7,768</u>	<u>7,732</u>	<u>21,895</u>	<u>21,869</u>

In April 2009 the College signed a PPP contract with Ivywood College Ltd to design, build and maintain, for 25 years, a new College Building on the Titanic Quarter site. Capital repayments will be made over a 25 year period and will be funded by DEL. Belfast Metropolitan College had a commitment in the form of a bullet payment of £15m for the Titanic Quarter PFI building which was paid in September 2012. The Department for Employment and Learning provided the £15m funding for the bullet payment.

At the same time the College entered into the PFI agreement for the Titanic Quarter campus with Ivywood Colleges Limited the College also entered into a further agreement with a company connected to Ivywood Colleges Limited, Ivywood Car Parks Limited. Under this further agreement Ivywood Car Parks Limited constructed at its own cost (£5.3m), a sub basement car park underneath the TQ campus which it is entitled to operate as a car park for 40 years, after which it reverts to the College. The College is entitled to income of £10k per annum indexed at 5% per annum in respect of this arrangement. The income is recognised on a straight line basis over the 40 year period.

18. CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR

	Group 2013 £'000	College 2013 £'000	Group 2012 £'000	College 2012 £'000
Other Loans	2,000	2,000	2,000	2,000
PFI lease creditor	<u>40,574</u>	<u>40,574</u>	<u>41,838</u>	<u>41,838</u>
Total	<u>42,574</u>	<u>42,574</u>	<u>43,838</u>	<u>43,838</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

19. BORROWINGS

(a) Bank loans and overdrafts

Bank loans and overdrafts are repayable as follows:

	Group 2013 £'000	College 2013 £'000	Group 2012 £'000	College 2012 £'000
In one year or less	0	0	0	0
Between one and two years	2,000	2,000	0	0
Between two and five years	0	0	2,000	2,000
In five years or more	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	<u>2,000</u>	<u>2,000</u>	<u>2,000</u>	<u>2,000</u>

The College entered into an agreement with Southern Regional College to borrow £2m to fund working capital. £1m of the borrowing is due for repayment on 31 August 2014 and £1m is due for repayment on 31 October 2014, and in any event the entire loan shall be repaid by no later than 31 January 2015.

(b) PFI Lease Creditor

The net PFI lease obligations to which the college is committed are:

	Group 2013 £'000	College 2013 £'000	Group 2012 £'000	College 2012 £'000
PFI Lease				
In one year or less	1,264	1,264	15,414	15,414
Between two and five years	6,202	6,202	5,572	5,572
In five years or more	<u>34,372</u>	<u>34,372</u>	<u>36,266</u>	<u>36,266</u>
Total	<u>41,838</u>	<u>41,838</u>	<u>57,252</u>	<u>57,252</u>

PFI lease obligations are secured on the assets to which they relate.

NOTES TO THE FINANCIAL STATEMENTS (continued)

20. PROVISIONS FOR LIABILITIES AND CHARGES

	Restructuring £'000	Group and College Litigation £'000	Other £'000	Total £'000
At 1 August 2012	0	0	0	0
Expenditure in the period	0	0	0	0
Transferred from income and expenditure account	0	0	0	0
At 31 July 2013	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

21. DEFERRED CAPITAL GRANTS

	DEL grants £'000	Group and College Other grants £'000	Total £'000
At 1 August 2012			
Land and buildings	9,207	6,482	15,689
Other assets	3,151	0	3,151
Cash received			
Land and buildings	15,605	0	15,605
Other assets	229	0	229
Released to income and expenditure account			
Land and buildings	(628)	(16)	(644)
Other assets	(1,067)	0	(1,067)
Grant release re impairment of land and buildings	<u>(159)</u>	<u>(79)</u>	<u>(238)</u>
Total	<u>26,338</u>	<u>6,387</u>	<u>32,725</u>
At 31 July 2013			
Land and buildings	24,025	6,387	30,412
Other assets	<u>2,313</u>	<u>0</u>	<u>2,313</u>
Total	<u>26,338</u>	<u>6,387</u>	<u>32,725</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

22. ENDOWMENTS

31 July 2013

	Unrestricted Permanent £'000	Restricted Permanent £'000	Total Permanent £'000	Restricted expendable £'000	Total £'000
At 1 August 2012	276	0	276	10	286
Net additions/(disposals)	0	0	0	0	0
Appreciation of endowment asset investments	21	0	21	0	21
Income for year	2	0	2	0	2
Expenditure for year	(18)	0	(18)	(1)	(19)
At 31 July 2013	281	0	281	9	290

	Unrestricted Permanent £'000	Restricted Permanent £'000	Total Permanent £'000	Restricted expendable £'000	Total £'000
At 1 August 2011	276	0	276	11	287
Net additions/(disposals)	0	0	0	0	0
Appreciation of endowment asset investments	9	0	9	0	9
Income for year	4	0	4	0	4
Expenditure for year	(13)	0	(13)	(1)	(14)
At 31 July 2012	276	0	276	10	286

NOTES TO THE FINANCIAL STATEMENTS (continued)

23. REVALUATION RESERVE

	Group 2013 £'000	College 2013 £'000	Group 2012 £'000	College 2012 £'000
At 1 August	44,310	44,379	33,898	34,661
Revaluations in the period (note 14)	2,337	2,487	11,865	11,171
Transfer from revaluation reserve to general reserve in respect of:				
Disposals	0	0	0	0
Impairment	0	0	0	0
Depreciation on revalued assets	<u>(1,190)</u>	<u>(1,190)</u>	<u>(1,453)</u>	<u>(1,453)</u>
At 31 July	<u>45,457</u>	<u>45,676</u>	<u>44,310</u>	<u>44,379</u>

24. MOVEMENT ON GENERAL RESERVE

	Group 2013 £'000	College 2013 £'000	Group 2012 £'000	College 2012 £'000
Income and expenditure account reserve				
At 1 August	(8,695)	(8,800)	(1,058)	(1,265)
(Deficit) retained for the year	(1,023)	(1,032)	(2,475)	(2,373)
Transfer from revaluation reserve	1,190	1,190	1,453	1,453
Actuarial gain/(loss) in respect of pension scheme	4,885	4,885	(6,615)	(6,615)
	<u>(3,643)</u>	<u>(3,757)</u>	<u>(8,695)</u>	<u>(8,800)</u>
At 31 July	<u>(3,643)</u>	<u>(3,757)</u>	<u>(8,695)</u>	<u>(8,800)</u>
Balance represented by:				
Pension reserve	<u>(5,313)</u>	<u>(5,313)</u>	<u>(9,773)</u>	<u>(9,773)</u>
Income and expenditure account reserve excluding pension reserve	<u>1,670</u>	<u>1,556</u>	<u>1,078</u>	<u>973</u>
At 31 July	<u>(3,643)</u>	<u>(3,757)</u>	<u>(8,695)</u>	<u>(8,800)</u>

Of the group operating deficit for the year of £1,023k an operating deficit of £1,032k has been dealt with in the accounts of the holding company.

NOTES TO THE FINANCIAL STATEMENTS (continued)

25. 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	2013	2012
	£'000	£'000
NITPS: Contributions paid	2,191	2,193
NILGOSC: contributions paid	865	1,197
NILGOSC: FRS 17 charge	0	0
Charge to the Income and Expenditure Account (staff costs)	3,056	3,390
Enhanced pension charge to Income and Expenditure Account (staff costs)	0	0
Total pension cost for year	3,056	3,390

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuations of the NITPS was 31 March 2008 and NILGOSC was 31 March 2010.

NITPS

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)*.

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 Government Actuary's Department values the scheme every 5 years with an interim valuation in the intervening 2-year period using the projected accrued benefit method.

From 1 April 2012 the employers' contribution rate is 13.6% of the full-time salary or if part-time, the full-time equivalent salary, and the employees' contribution rate is banded in line with the full-time salary or if part-time, the full-time equivalent salary as follows:-

Below £15,000	6.4%
£15,000 to £25,999	7.0%
£26,000 to £31,999	7.3%
£32,000 to £39,999	7.6%
£40,000 to £74,999	8.0%
£75,000 to £111,999	8.4%
£112,000 and above	8.8%

FRS 17

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the NITPS is a multi-employer pension scheme. The College is unable to identify its share of the underlying assets and liabilities of the scheme.

Accordingly, the College has taken advantage of the exemption in FRS17 and has accounted for its contributions to the scheme as if it were a defined-contribution scheme. The College has set out above the information available on the scheme and the implications for the College in terms of the anticipated contribution rates.

NILGOSC

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

FRS 17

The following information is based upon a full actuarial valuation of the fund at 31 March 2010 updated to 31 July 2012 by a qualified actuary.

Principal actuarial assumptions

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

	At 31 July 2013	At 31 July 2012
	%	%
Pension Increase Rate	2.8	2.2
Salary Increase Rate	5.1	4.5
Expected Return on Assets	5.8	4.9
Discount rate for liabilities	4.6	4.1

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

	As at 31 July 2013	As at 31 July 2012
Retiring today		
Males	22.9	22.9
Females	25.7	25.7
Retiring in 20 years		
Males	24.9	24.9
Females	27.7	27.7

The College's share of the assets and liabilities in the scheme and the expected rates of return were:

	Long-term rate of return expected at 31 July 2013	Value at 31 July 2013 £'000	Long-term rate of return expected at 31 July 2012	Value at 31 July 2012 £'000
Equities	6.4%	37,860	5.5%	29,875
Bonds	4.0%	5,978	3.5%	5,320
Property	4.6%	3,985	3.7%	3,683
Cash	3.4%	1,992	2.8%	2,046
Total market value of assets		49,815		40,924
Present value of scheme liabilities		(55,128)		(50,697)
Surplus/(deficit) in the scheme		(5,313)		(9,773)

NOTES TO THE FINANCIAL STATEMENTS (continued)**Amounts recognised in the balance sheet**

	2013 £'000	2012 £'000
Present value of funded obligations	(54,935)	(50,513)
Fair value of plan assets	49,815	40,924
	(5,120)	(9,589)
Present value of unfunded obligations	(193)	(184)
Unrecognised past service cost	0	0
Net liability	(5,313)	(9,773)

Analysis of the amount charged to income and expenditure account:

	2013 £'000	2012 £'000
Employer service cost (net of employee contributions)	1,644	1,523
Past service cost	0	0
Total operating charge	1,644	1,523

Analysis of pension finance income / (costs):

	2013 £'000	2012 £'000
Expected return on pension scheme assets	2,021	2,524
Losses on curtailments and settlements	(41)	(24)
Interest on pension liabilities	(2,099)	(2,267)
Pension finance income / (costs)	(119)	233

Amount recognised in the statement of total recognised gains and losses (STRGL)

	2013 £'000	2012 £'000
Actuarial gains/losses on pension scheme assets	6,215	(1,465)
Actuarial gains/losses on scheme liabilities	(1,330)	(5,150)
Actuarial gain recognised in STRGL	4,885	(6,615)

Movement in surplus/(deficit) during year

	2013 £'000	2012 £'000
Surplus/(deficit) in scheme at 1 August	(9,773)	(3,258)
Movement in the year:		
Employer Service Cost (net of employee contributions)	(1,644)	(1,523)
Employer Contributions	1,338	1,390
Past service cost	0	0
Net interest/return on assets	(119)	233
Actuarial gain or loss	4,885	(6,615)
Surplus/(deficit) in scheme at 31 July	(5,313)	(9,773)

NOTES TO THE FINANCIAL STATEMENTS (continued)

Asset and Liability reconciliation:

	2013 £'000	2012 £'000
Reconciliation of present value of scheme liabilities		
Liabilities at start of period	50,697	42,842
Service cost	1,644	1,523
Interest cost	2,099	2,267
Employee contributions	430	454
Experience gains and losses on scheme liabilities	0	0
Actuarial (gain)/loss	1,330	5,150
Benefits paid	(1,072)	(1,539)
Past Service cost	0	0
Curtailments and settlements	0	0
	<u>55,128</u>	<u>50,697</u>
Liabilities at end of period	55,128	50,697

	2013 £'000	2012 £'000
Reconciliation of assets		
Assets at start of period	40,924	39,584
Expected return on assets	2,021	2,524
Actuarial gain/(loss)	6,215	(1,465)
Employer contributions	1,338	1,389
Employee contributions	430	454
Benefits paid	(1,113)	(1,562)
	<u>49,815</u>	<u>40,924</u>
Assets at end of period	49,815	40,924

The estimated value of employer contributions for the year ended 31 July 2013 is £1,361,000.

History of experience gains and losses

	2013	2012	2011	2010	2009
Difference between the expected and actual return on assets					
Amount £'000	6,215	(1,465)	7,631	2,938	(3,841)
Experience gains and losses on scheme liabilities					
Amount £'000	(11)	(365)	4,872	17	(3)
Total amount recognised in STRGL					
Amount £'000	4,885	(6,615)	12,460	(131)	(8,750)

NOTES TO THE FINANCIAL STATEMENTS (continued)**26. RECONCILIATION OF CONSOLIDATED OPERATING SURPLUS/(DEFICIT) TO NET CASH INFLOW FROM OPERATING ACTIVITIES**

	2013	2012
	£'000	£'000
(Deficit) on continuing operations after depreciation of assets at valuation	(1,023)	(2,475)
Depreciation and Impairment (note 14)	4,529	7,995
Deferred capital grants released to income (note 21)	(1,949)	(4,746)
Interest payable (note 11)	0	0
Interest receivable (note 7)	(71)	(53)
FRS 17 Pension cost less contributions payable (note 25)	425	(100)
(Increase)/Decrease in debtors	(1,096)	4,275
Increase/(Decrease) in creditors	22	(1,029)
Increase / (decrease) in provisions	0	0
	<u>0</u>	<u>0</u>
Net cash inflow from operating activities	<u>837</u>	<u>3,867</u>

27. RETURNS ON INVESTMENTS AND SERVICING OF FINANCE

	2013	2012
	£'000	£'000
Income from endowments	0	0
Other interest received	71	53
Interest paid	0	0
Interest element of finance lease rental payment	0	0
	<u>0</u>	<u>0</u>
Net cash inflow from returns on investment and servicing of finance	<u>71</u>	<u>53</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

28. CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT

	2013 £'000	2012 £'000
Purchase of tangible fixed assets	(811)	(8,427)
PFI Bullet payment	0	0
Sales of tangible fixed assets	0	0
Receipt from sale of endowment assets	0	0
Deferred capital grants received	15,834	8,105
Endowments received	0	0
	<u>15,023</u>	<u>(322)</u>
Net cash inflow/(outflow) from capital expenditure and financial investment	<u>15,023</u>	<u>(322)</u>

29. MANAGEMENT OF LIQUID RESOURCES

	2013 £'000	2012 £'000
Sale of investments	0	0
Withdrawals from deposits	0	0
Purchase of investments	0	0
Placing of deposits	0	0
Movement in endowment assets	4	(1)
	<u>4</u>	<u>(1)</u>
Net cash inflow/(outflow) from management of liquid resources	<u>4</u>	<u>(1)</u>

30. FINANCING

	2013 £'000	2012 £'000
Debt due beyond a year:		
New unsecured loans	0	2,000
Repayment of amounts borrowed	0	0
Capital element of PFI lease rental payments	(16,157)	(1,060)
	<u>(16,157)</u>	<u>(1,060)</u>
Net cash (outflow)/inflow from financing	<u>(16,157)</u>	<u>940</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

31. ANALYSIS OF CHANGES IN NET FUNDS

	At 1 August 2012	Cash flows	Other changes	At 31 July 2013
	£'000	£'000	£'000	£'000
Cash in hand, and at bank	6,426	(222)	0	6,204
Endowment asset investments (note15)	286	4	0	290
Overdrafts	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	6,712	(218)	0	6,494
Debt due within 1 year	0	0	0	0
Debt due after 1 year	(2,000)	0	0	(2,000)
Finance leases	(57,252)	16,157	(743)	(41,838)
Current asset investments	0	0	0	0
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total	<u>(52,540)</u>	<u>15,939</u>	<u>(743)</u>	<u>(37,344)</u>

32. CASHFLOW RELATING TO EXCEPTIONAL ITEMS

	2013	2012
	£'000	£'000
Provision as at 1 August	0	0
Income and expenditure account charge	0	0
Operating cash outflow	<u>0</u>	<u>0</u>
Provision as at 31 July	<u>0</u>	<u>0</u>

33. MAJOR NON CASH TRANSACTIONS

There were no provisions made during the period 1 August 2012 to 31 July 2013.

NOTES TO THE FINANCIAL STATEMENTS (continued)

34. POST BALANCE SHEET EVENTS

Details of post balance sheet events are given in the report of the Members of the Governing Body.

35. CAPITAL COMMITMENTS

	Group and College	
	2013	2012
	£'000	£'000
Commitments contracted for at 31 July	0	0
Authorised but not contracted at 31 July	0	0

NOTES TO THE FINANCIAL STATEMENTS (continued)

36. FINANCIAL COMMITMENTS

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

	Group and College	
	2013	2012
	£'000	£'000
Land and buildings		
Expiring within one year	0	0
Expiring within two and five years inclusive	0	0
Expiring in over five years	<u>0</u>	<u>0</u>
Total	<u>0</u>	<u>0</u>
Other		
Expiring within one year	0	0
Expiring within two and five years inclusive	501	20
Expiring in over five years	<u>0</u>	<u>0</u>
Total	<u>501</u>	<u>20</u>

37. CONTINGENT LIABILITY

The College had no contingent liabilities at 31 July 2013.

NOTES TO THE FINANCIAL STATEMENTS (continued)

38. 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 board of governors 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 board of governors 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.

Governor/ Senior Manager	Company	Transactions 2013	Transactions 2012	Amount outstanding at 31 July 2013	Amount outstanding at 31 July 2012
		£'000	£'000	£'000	£'000
Richard O'Rawe, Governor	Association of Colleges NI Ltd	2	107	2	0
John McGrillen, Governor	Belfast City Council	44	57	0	0
Wendy Langham, Governor	Landmark East	36	31	0	0

The College has transactions with its subsidiaries Springvale Educational Village (SEV) Ltd and Belfast Metropolitan Trust.

The College provides accountancy services to NIRAN Ltd which is owned and managed by the 6 Northern Ireland FE colleges and 4 HE institutions.

The College also has transactions with its sponsor Department, the Department for Employment and Learning.

NOTES TO THE FINANCIAL STATEMENTS (continued)

39. SUPPORT FUNDS

	2013 £'000	2012 £'000
DEL Grants	1037	913
	<hr/>	<hr/>
Disbursed to students	1037 (986)	913 (888)
	<hr/>	<hr/>
Balance unspent at 31 July	51	25
	<hr/> <hr/>	<hr/> <hr/>

40. LOSSES AND SPECIAL PAYMENTS

In the period 1 August 2012 to 31 July 2013 £21,008 of bad debts (mainly student fees) was written off. In addition a £49 fruitless payment was made and £100 cash and a mobile phone worth £125 were stolen.

Report of the Comptroller and Auditor General

Report on the College's financial challenges

Background

1. Belfast Metropolitan College (BMC) is primarily funded by the Department for Employment and Learning (the Department / DEL). In 2012-13 BMC had over 25,752 enrolments on full-time and part-time courses making it one of the largest colleges of Further and Higher Education in the UK. There are over 830 staff employed by BMC and its annual budget is some £58 million.
2. This is my sixth report in as many years, since the formation of BMC on 1 August 2007, and the fourth assessing the financial challenges at the College as they implement the College Improvement Plan (CIP). My previous reports were:

Year	Report
2007/08	Qualification arising from irregular expenditure incurred in respect of advisory fees on a public private partnership project.
2008/09	Qualification arising from irregular expenditure incurred and other areas of concern.
2009/10	Report on the College's financial challenges and irregular expenditure incurred.
2010/11	Report on the College's financial challenges.
2011/12	Report on the College's financial challenges.

Financial challenges

3. BMC has faced a number of challenges since its formation on 1 August 2007. Following a significant operating deficit in 2007/08, an Efficiency Review¹, required by the Department, was conducted to investigate the financial and governance arrangements at BMC.
4. Prior to the outcome of the Efficiency Review the Public Accounts Committee² raised concerns that the Department was unable to provide it with information about the College's financial position, given its significant financial problems, or a basic explanation on what had gone wrong at the College.
5. The Efficiency Review findings published in January 2010 contained 72 recommendations, and key issues identified included:
 - weaknesses in the performance of the senior management team;
 - a significant number of weaknesses in financial controls;
 - poor management information;
 - little synergy within strategic planning, between corporate planning, curriculum, estate and financial planning, and there was no comprehensive estates strategy; and
 - delays in implementing audit recommendations.

¹ An Efficiency Review is undertaken in accordance with Article 18 of the Further Education (Northern Ireland) Order 1997 – "The Department may arrange for the carrying out (whether as part of an inspection under Article 102 of the 1986 Order or otherwise) by any person of studies designed to improve economy, efficiency and effectiveness in the management or operation of an institution of further education".

² Report: 41/08/09R Public Accounts Committee – Review of Financial Management in the Further Education Sector in Northern Ireland and Governance Examination of Fermanagh FE College – Thirteenth Report, Session 2008-09, dated 18 June 2009.

6. Following the Efficiency Review, the College prepared, in October 2010, a comprehensive College Improvement Plan (CIP) covering the areas of Finance, Estates, Curriculum and Staffing. In line with this, the College conducted a number of significant exercises, across key functions, aimed at delivering the outcomes detailed in the CIP.
7. The CIP had originally forecast that BMC would make an operating surplus of £4.5 million in 2012/13. BMC made an operating deficit of £1 million during 2012-13 and a historic cost surplus of £167,000. The actual performance for 2012-13 is below the original CIP forecast. Reasons for this include a delay in finalising and agreeing the CIP which meant that the commencement of the restructuring programme was delayed from September 2010 to February 2011. There was also a change in how the College accounted for PFI.
8. Whilst the College has not reached the forecasted surplus as set out in the CIP, it has achieved breakeven on a historical cost basis which meets the normal budgeting requirements for an NDPB. The College has also achieved the projected level of cash balances in line with DEL recommended levels (£6.1 million as at 31 July 2013). As a result of meeting these elements of the CIP, the Department has removed the special measures and monthly scrutiny which were in place during the CIP. The college will now formally revert to the routine quarterly monitoring arrangements which are in place across the sector.

Conclusion

9. I note that the College has improved its financial position through the development and implementation of the College Improvement Plan.



K J Donnelly
Comptroller and Auditor General
29th November 2013



Elaine Hartin

Chief Operating Officer

Belfast Metropolitan College

Titanic Quarter Campus

7 Queen's Road

BELFAST

BT3 9DT

Tel: 028 9026 5168

Email: EHartin@belfastmet.ac.uk