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# Annual Report

and Financial Statements

**2014**  
**15**

**Belfast Metropolitan College  
Annual Report and Accounts  
For the year ended 31 July 2015**

*The Accounting Officer authorised these  
financial statements for issue*

*on*

*26 NOVEMBER 2015*

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*on*

*December 2015*

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**Foreword by**  
Chair of Governing Body

## FOREWORD BY CHAIR OF GOVERNING BODY



I am immensely proud and honoured to have been recently appointed Chair of Belfast Metropolitan College, having previously served as a governor for the past four years, which included leading the revitalisation of the work of Belfast Met's Charitable Trust. But first let me formally pay tribute to my predecessor Richard O'Rawe for his commitment and leadership of Belfast Met over the past five years, and to Dr Ian Walters for serving as our Interim Chair over the last six months, in

addition to his many years of service as both Vice-Chair of the Governing Body and Chairman of the Audit & Risk Committee.

As I reflect over the past twelve months, I am again reminded of the significant journey travelled to date in the evolution of Belfast Met. 2014/15 represented a year of immense change and progress for the College but it has not been without its challenges, particularly in the current economic climate and the very challenging budgetary environment. We achieved so much last year through the continued engagement with our learners, employers, communities and key stakeholders. As ever, this Annual Report captures only a small proportion of the powerful stories, successes and experiences that take place at the College.

I am extremely proud of the achievements we have made at Belfast Met; it is so heartening to be part of such a wide-reaching, relevant and dynamic organisation. I believe that our achievements over the past year provide the solid foundations to build a sustainable and successful future. Of course, at the heart of this transformation is the total dedication and commitment of our staff to the success of our learners in realising their potential, developing their self-esteem and securing jobs.

Our business is about helping our students achieve their goals, aligned to the needs of growing a prosperous economy, and I am very proud that their achievements and talents have once again been acknowledged with the amazing successes in national and international competitions. Additionally, the talent of our staff has also been recognised including our Head of Finance Gillian Mayhew, receiving the CIPFA Finance Professional of the Year Award for her leadership and financial management, and the tremendous achievement of our Principal and Chief Executive Marie-Thérèse McGivern, who was awarded the UK Institute of Directors Public Sector Director of the Year Award.

I also wish to pay tribute to my colleagues on the Governing Body of Belfast Met. They have continued to give generously of their time and talents to help chart and oversee the corporate leadership of the College, often through incredibly challenging times. However, August 2015 has witnessed a month of significant change, and in welcoming six newly appointed governors who have embraced their new roles with enthusiasm and vigour, it would be remiss of me not to acknowledge the huge debt owed for the years of invaluable service provided by our retiring governors.

Looking forward, 2016 will see the end of our current three year Corporate Plan and I want to pay tribute to the Principal, College Executive Team and staff for the successful implementation of that plan. As we move into the 2015/16 year with the launch of our new curriculum strategy "Creating Higher Expectations", we will continue to build on the considerable achievements in recent years maximising the new opportunities that will be presented. Our priority will be to maintain momentum as we develop our new 2016-19 Corporate Plan in what is likely to be an ever-challenging budgetary environment.

The College places considerable value on its partnership with employers, and the integral role it plays in supporting economic development in the City of Belfast and across Northern Ireland. The College has developed significant strategic relationships with employers across the broad Belfast metropolitan area and beyond, alongside an extensive range of Invest NI Foreign Direct Investment (FDI) companies, and I look forward to building and strengthening these relationships over the coming years.



Our focus on broadening and deepening our engagement with a wider range of businesses through our Academy approach has paid dividends, and continues to deliver successful outcomes. Each Academy programme is designed in close collaboration with employers, and is proving highly effective in supporting companies acquire job-ready candidates with very specific (often high level) skills, for Foreign Direct Investment (FDI), indigenous growth and job creation.

We will of course continue to innovate and refine our offering to meet the economic needs of our region and create courses that will not only provide transferrable skills to our learners, but change how organisations nurture talent to support their business growth. We will continue to strengthen and build on the successes of our award winning Academy training model, innovative support services for businesses, and through the delivery of a high quality and diverse youth training and apprenticeship suite of programmes.

Belfast Met plays a central role in delivering against the Department for Employment & Learning's skills agenda. It sits at the critical juncture of education and training on the one hand, and employment on the other. It was founded on, and remains defined by its relationship with industry. In 2016, the College will reach a significant milestone in its history as it celebrates its 110th anniversary, and I look forward to the exciting programme of events planned recognising our heritage, our outstanding alumni, and the College's impact on the economic and social success of individuals, businesses and communities in Belfast, Northern Ireland, and beyond.

The College is not just a collection of buildings, but a family with a profound and unique reach, often into hard to access parts of our community. It has a spirit that shines through its members, and makes people proud to be 'made at the Met'. I look forward to celebrating these connections and working with our College alumni ambassadors to enhance the reputation and achievements of this great institution with the launch of the Belfast Met Alumni in 2016.

Belfast Met is forging ahead and breaking new ground in its journey towards being recognised as a great college. The last twelve months have helped enormously and I am truly humbled by what we have achieved through the incredible support, talent and dedication of our staff. In the coming year, the College will continue to be at the forefront of developments in the sector. Along with my fellow governors, I look forward to working with our Principal and Chief Executive, her senior executive team and staff, in leading the College on that transformational journey.

We are on a mission to make Belfast Met a great college, one that truly changes lives; our learners and business community deserve no less! I would therefore ask for your continued support to meet head on the many challenges that lie ahead, lending your energies and creativity, as we chart a new ambitious corporate strategy in the relentless push to realise our goal of moving the College 'from Good to Great'.



Frank Bryan  
Chair of the Governing Body

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**Principal and Chief Executive**  
Message

## PRINCIPAL AND CHIEF EXECUTIVE MESSAGE



This year has been a period of significant change, transformation, progress and celebration and it has not been without its challenges. The past year has also given me many reasons to feel proud. Having accomplished so much, I wanted to take this opportunity to highlight a number of key milestones and to reflect on a selection of College developments and achievements.

### Time of Change

Looking back over 2014-15, it was a challenging year for the College. We continue to operate within a challenging public sector finance environment with strong competition for decreasing resources.

It is a time of change and I appreciate that it can be unsettling for all of us. I recognise this and throughout this transitional period I am proud that the College has remained resilient and responsive to the many requirements that govern our business and to the needs of our learners.

### Building Blocks

At the start of last year the College set out its visionary, challenging and radical agenda for how things might be different and better in the future. The College was at a turning point and took stock of what really counted in its business and subsequently pinpointed seven 'action areas' to focus on during 2014-15.

Significant progress has been made in relation to these projects and we have achieved much, but our journey is not over yet and there is more work to be done to futureproof our college to ensure our vision of moving Belfast Met from being a good college to a great college becomes a reality.

### Quality Curriculum

Significant progress was made in relation to the quality of the curriculum and the College's improved position was recognised with a good grade in the Education and Training Inspectorate (ETI) follow up inspection of seven of its further education and work based learning areas, a 'confident' grade in our Whole College Quality Improvement Plan and a good grade for the College's continuing professional development provision.

In addition, the College conducted a comprehensive and robust review of its curriculum provision and developed a new curriculum strategy 'Creating Higher Expectations'. This strategy sets out Belfast Met's collective ambition to be a 'Great' college and our continued focus to be one of Belfast's key anchor institutions in shaping and developing a city-wide approach to skills and employability.

### Award Winning College

Our talented staff and students have once again excelled, receiving local and national awards, providing us with many reasons to celebrate their outstanding achievements. These awards highlight the new educational standards that position the College as an exemplar to further education across the UK and Ireland.



The essence of our business is transforming lives and as we continue to place our learners at the centre of everything that we do, it is with much pride that I reflect on their overwhelming achievements over the past year. Some noteworthy student successes included the JP McManus Award, BEST, Future Students of Business Awards, Music Skills NI, Royal Television Society NI Student Television Awards, Northern Ireland Hairdressers Association Open Hairdressing Championships, Tesco Homegrown Student Chef of the Year and Cook South Africa.

Belfast Met learners were also finalists in the Department for Employment & Learning (DEL) Apprentice of the Year and VQ Awards as well as obtaining significant successes at the WorldSkills 2014 National Competition with one gold, two silver and five bronze awards. Belfast Met's Prince's Trust Team 22 scooped the Northern Ireland outright winner of the Prince's Trust Community Impact Award.

Our reputation is also built on the success of our students and the hard work and dedication of teaching and support staff. These awards represent a mere snapshot of the energy and talent which features in abundance at Belfast Met.

### **Connecting Education with the World of Work**

This is an important time for Belfast Met as we continue to forge ahead in delivering a vocationally and academically relevant curriculum. One of Belfast Met's main strengths is its ability to react quickly to shifting industry requirements and train, retrain and upskill people for a competitive dynamic work environment.

The quality of the College's employer engagements has helped the College to develop award winning approaches. Our relevance and importance to the economic wellbeing of Belfast has been validated through awards such as the prestigious UK TES 2015 Award for Employer Engagement and highly commended in the Irish News Workplace and Employment Career Inspiration Award. Both awards recognised the innovative work that the College was engaged in with Deloitte in relation to its Data Analytics Academy.

### **Going forward**

It's going to be a big year for Belfast Met and one in which many of the changes that were planned towards the end of 2014/2015 begin to take effect. It will be one of transitioning into our reshaped curriculum and new structure. It will be challenging in that we expect to be simultaneously managing people leaving under Voluntary Exit Scheme (VES), adapting to a budget cut of £2.6 million.

We will also be engaged in reshaping our curriculum and delivery structure while all the time ensuring that everything runs seamlessly for our students as well as our industry and community partners and funders.

There are rewarding times ahead but there are challenges too. The further education sector is increasingly competitive and fast moving and as a College we have continued to demonstrate how we can respond to changing economic conditions. With the budgetary challenges that we face it is important that we take every opportunity to underline the importance Belfast Met plays to the economic wellbeing of Belfast and Northern Ireland.

The common denominator in all our successes is our people. We have achieved so much and this was recognised through our Investors in People (IIP) reaccreditation earlier this year. The skills of our people and our ability to develop innovative and relevant education and training programmes remain critical to our success to achieving our business objectives. Our challenge is to draw on all that we have learned and created and continue to shape new opportunities for growth and innovations.

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. 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

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# Our Journey

## OUR JOURNEY

### Where we are

Belfast Met has undergone significant change over recent years and it is important to take the opportunity to highlight a number of key milestones reached in 2014-15, give consideration to where the College currently is and where it is going.

### Good to Great Team

Over the past year the College has invested considerable resources and time in the creation of a Good to Great team whose role was to develop a framework to support and drive forward improvements across seven key action areas:

- Building recognition and reputation;
- Creating excellent teaching and learning;
- Making accountability real;
- Creating leadership everywhere;
- Engage employers and innovate;
- Creating a relevant curriculum;
- Taking technology seriously.

During 2014/15 seven teams were established and each of these teams are at various stages of development; for some they are new projects, for others they integrate and build on existing programmes of work and now form the core of the College's Quality Improvement Plan. The College is operating in a challenging environment and to secure the future of the organisation we have had to evolve and ensure we are equipped to deliver our vision and that has started with the Good to Great project.

### Performance Management

Over the course of the past year the College has rolled out its Management Information Systems (MIS) project in the form of Qlikview and the initial phase of the project focused on curriculum reporting only.

Qlikview has brought a whole new level of analysis, insight and value to existing curriculum data sources and is having a good impact on our ability to manage performance. Phase 1 set out to make curriculum performance accessible and this is now complete. Phase two which started in 2014-15 is focusing on bringing other data sources and management information sources from across the college such as HR and Finance and this performance data will be refined and developed during the 2015-16 period.

### Changing Curriculum

One of the key Good to Great projects in 2014-15 focussed on 'Creating a Relevant Curriculum', a curriculum which is completely in tune with changing economic and skills demand. In setting out the Good to Great process, the provision of a relevant and high quality curriculum was identified as a foundation stone in getting to 'Great'.

The Good to Great project looked at our whole curriculum offer and matched it against a number of criteria including value for money, quality and priority skill focus. This work served as a framework for reshaping our offer to ensure a better fit with the current and projected skills needs of both the city of Belfast and the wider economy.

Following on from this curriculum review, the College developed its new curriculum strategy, 'Creating Higher Expectations' which sets out the actions that the College will take over the next three years to amplify and enhance its impact on economic and social success for individuals, businesses and communities in Northern Ireland. This strategy will be rolled out later in autumn 2015.

At the same time as redefining our curriculum strategy we had to consider the future structure of the organisation and over the next year this will change from our current three faculty set-up to one based on five large schools. This will see curriculum areas consolidated into relevant clusters.

#### **Innovative Partnerships - Award Winning Academy Model**

This year has seen a marked increase in College collaborations with companies in key priority growth areas for our academy training model. This skills solution has been referred to by key economic and employer stakeholders as a 'game changer'. This award winning training programme not only delivers a boost to employment, it also improves the regional skills base and enhances the reputation of Belfast Met in accessing cutting edge business capability.

This approach has already galvanised significant interest from Government bodies tasked with job creation. The College has already started collaborating with other Further Education (FE) Colleges on specific Academies and during the 2015-16 period will work to explore the potential for mainstreaming this approach across other programmes.

#### **Deserved Recognition**

The College received many external awards but it is most proud of the feedback that it receives from students, staff, community and employers about the difference it is making in the lives of the young people and communities it supports. A selection of these external validations from 2014-15 are detailed below:

##### *Learner survey May 2015*

The College has enjoyed high levels of overall satisfaction rates from its learners across the past three academic years (2012/13, 2013/14 and 2014/15) with all key indicators above 90%.

The May 2015 Learner Survey indicates that:

- 97.9% of students feel welcome at Belfast Met;
- 93.2% enjoy being on their course and 92.7% feel that Belfast Met is an excellent place to study;
- 96.4% of learners feel safe and secure which is up from 92.1% in the November 2012 Learner Survey; and
- 90.4% would recommend their course to a friend or family member.



## *Stakeholder Engagement Survey*

Belfast Met commissioned Ipsos MORI to update baseline measures of Stakeholder awareness, satisfaction, engagement and perceived quality of offer as an integral part of its Stakeholder Engagement Strategy. Findings from the 2015 survey indicate that:

Belfast Met continues to be very well regarded by its wider stakeholder group with over four out of five of our stakeholders having a favourable opinion of the contribution we make;

Over half of stakeholders interviewed state their opinion of Belfast Met has improved in the past two years; and,

Apprenticeships, training and vocational qualifications are considered most important in terms of Belfast Met's offer (95%; 91%; 89% respectively).

### *IIP*

The College underwent IIP assessment in January 2015 and was delighted to receive full validation. The IIP reaccreditation acknowledged Belfast Met's continued investment in people development and building skills and capabilities to enable the College to fulfil the priorities and needs of its learners and stakeholders. During 2015/16 period the College will implement its IIP Action Plan.

### **Where we are going**

The College is very mindful of the challenging public sector finance environment that we will continue to operate in and responding to these changing economic conditions will be key focus for the 2015-16 period.

Adding to our need to refocus following a reduction to our budget is the fact that many of further education's foundation policies and strategies are being quite radically reviewed such as the Review of Apprenticeships and Youth Training. There is a changing context for education and training driven by external factors. The DEL vision for FE 2025 will require our curriculum to be more focused on how education and training can contribute to the re-building and re-balancing of the economy. This means moving towards a curriculum designed by and for industry. This will transform further education, training and employability programmes and undoubtedly have an impact on Belfast Met and the College has factored these developments into its curriculum and employer engagement planning processes for the 2015-16 period.

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 which will be further enhanced by the planned developments for our Excellence Hub. This Centre which will be based at our Millfield campus will bring together and harness curriculum development, teaching excellence and quality assurance to ensure teaching staff are equipped with leading practice.

The College is setting out visionary, challenging and radical agendas for how things might be different and better in the future and Good to Great is taking us this transformational journey. 2014/15 was a year of building foundations and as we move in to 2015/16 we will build on these solid foundations. These are big challenges but the College is confident with its Corporate Plan and continued support and dedication of staff, learners and its partner organisations these can be met.

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# Our Strategic Priorities

## OUR STRATEGIC PRIORITIES

The priorities for the College are set out in 'Leading the City to Work', the College's three year Corporate Plan. This plan sets the strategic direction of the College for 2013-14, 2014-15 and the year ahead.

### Our Mission & 4 Point Plan

The College's mission is to deliver outstanding education and skills, while transforming lives and contributing to the economic success of Belfast and Northern Ireland.

Our 4 Point Plan sets out what this means in practice and how we will seek to achieve it. The four priorities fall into the following areas:

- 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 2015-16 period is to deliver the targets identified in our 4 Point Plan. Delivering on the 4 Point Plan requires the continuous enhancement of our people, services and assets. Each of the strategic priorities in the 4 Point Plan is supported by a number of corporate objectives against which progress is proactively monitored through our established performance management process.

A detailed breakdown of the College corporate outcomes and targets is detailed below.

Strategic Priority	Corporate Outcomes	Target for 2014/15	Actual for 2014/15	Target for 2015/16
1. Put the learner at the centre of everything we do	Successful learners into employment or further study	70%	Data available Q2 2015/16	75%
	Success in all substantive qualifications	73%	74.6%	76%
	Training and education provision in priority skills areas	26%	19.46%	28%
	Provide a safe, secure, supportive learning environment for all	85%	85%	87%
2. Deliver the highest quality possible in all we do	At least nine out of 10 learners recommend Belfast Met to others	90%	90%	90%
	Stakeholder (employer and opinion former) satisfaction levels	83%	83%	85%
	Every teacher provides 'Good or better' teaching and learning experiences	90%	92%	100%
	External quality benchmarks and national / international staff and student awards	15	16	20
3. Achieve the highest possible positive impact on the economic and social well-being of Belfast and Northern Ireland	Number of people aged 26-45 engaged in vocational and accredited learning	6,000	6,479	7,000
	Income from training contracts	£3.137m	£3.1m	£3.3m
	Schools Partnership contracts and income	£0.37m	£0.40m	£0.68m
	Income from alternative sources	£3.851m	£3.907m	£3.7m
4. Strive to be an excellent organisation, growing sustainably, innovating and investing in learning	Staff who are proud to work for Belfast Met	70%	78%	72%
	External quality benchmarks and national / international staff and student awards	6	6	10
	Achieve financial breakeven by maximizing the use of public funds and securing income from alternative sources	Breakeven	Surplus of £0.4m	Breakeven

The table above provides an update on 2014-15 year end progress against our 15 corporate outcomes. Our Key Performance Indicators (KPIs) have been assessed against the following 4 level colour system to give an 'at a glance indication' of progress:

-  On Track / Achieved / Completed
-  Slippages / Areas Being Monitored
-  Significantly behind Schedule / Low level Monitoring
-  Not Yet Started / Reports or Data Not Yet Available

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**Our** Customers



## OUR CUSTOMERS

### CURRICULUM OVERVIEW

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.

Belfast Metropolitan College developed a curriculum strategy (Skills Matter 2011-2015) which was aligned to the Programme for Government and identified the key areas of focus to ensure Belfast Met's economic relevance. This framework allowed the College to drive quality and change and to attain a 'Good' grade in its first general inspection in 2013.

In reviewing what we achieved and setting out to create a strategy for the next three years, the College is developing its new Creating Higher Expectations curriculum strategy which sets out Belfast Met's collective ambition to be a 'Great' college. This strategy which will be rolled out in autumn 2015 sets out the College's plans to be one of Belfast's key anchor institutions and the central role Belfast Met will play in contributing to the skills agenda.

The College sits at the critical junction of education on the one hand and employment on the other. It was founded on, and remains defined by its relationship with industry. Going forward for the 2015-16 period, the College is focused on strengthening this connection – bringing businesses, communities and education together, matching people and jobs and so driving success.

The following section provides an overview of curriculum developments and performance for the 2014-15 period.

### CURRICULUM DEVELOPMENTS 2014 - 15

The following areas were identified and over the past year, key developments were as follows:

Strategic Priority Area	Key Developments
Mobile, Cloud and Creative Digital Technologies	<ul style="list-style-type: none"> <li>The College has continued to provide education and training solutions to global companies including Deloitte, Whitehat Security and PricewaterhouseCoopers (PwC).</li> <li>The College represents the FE sector on the Information and Communications Technology (ICT) Sectoral Partnership which is defining the Higher Level Apprenticeships (HLA) for ICT</li> <li>The College was recognised for its Data Analytics training programme developed with Deloitte and The Department for Employment and Learning (DEL) Assured Skills Programme team through winning the TES FE Award for Employer Engagement.</li> <li>The College continues to successfully deliver the Public/Private ICT Apprenticeship Programme</li> </ul>
Leadership and Management	<ul style="list-style-type: none"> <li>The College continues to lead the development of HLA programmes in partnership with South Regional College (SRC) with a further Accountancy cohort in September 2015 and plans to launch its HLA Digital Marketing programme November 2015.</li> <li>The College continues to widen its access to Leadership and Management programmes as a key priority skills area by offering blended learning programmes from Level 3 through to Level 6.</li> <li>The College is taking the lead on a 2 year Erasmus + Strategic Partnership project with partners from Ireland, Hungary, Poland and Lithuania. This project is about Promoting Accreditation of Learning (PAL) involving the designing a new tool kit of teaching and learning methodologies and the recognition of informal peer to peer learning.</li> </ul>

Leadership and Management (cont'd)	<ul style="list-style-type: none"> <li>The College is working in partnership with DEL under the Assured Skills initiative to plan and deliver training specifically designed to meet client's business requirements.</li> </ul>
Manufacturing Engineering, Composites and Advance Materials	<ul style="list-style-type: none"> <li>Within NI, Aerospace has been identified as an area with potential for high value added growth and recent industry views indicate the sector requires up to 4,000 additional employees. In support of these objectives and in response to identified industry needs Belfast Met and Bombardier Aerospace developed and delivered the Belfast Met Bombardier Aerospace Summer School for High Flyers.</li> <li>Manufacturing Skills for Industry is a sector employability programme that harnesses the collective talents of Government, Industry and Education to assist the long term unemployed and economically inactive into employment and/or further education. The College has successfully bid to deliver a 26 week programme that is an employer designed training initiative that blends work experience with relevant manufacturing and essential skills qualifications. It replicates industry practice with participants attending for 36 hours per week starting at 8:00am</li> <li>Belfast Met has developed a 3 year strategic provision partnership with Siemens in the area of Offshore Renewables and secured additional funding to support renewables development and the delivery of Level 3 Wind Turbine Maintenance programmes to existing and new workforce.</li> <li>The College has partnered with Queen's University Belfast (QUB) to offer two new Foundation Degree programmes in Aeronautical Engineering and Civil engineering</li> <li>Delivery of Innovation Vouchers project, customised training programmes and Knowledge Transfer Partnerships (KTPs) completed for range of engineering and manufacturing companies</li> </ul>
Service Industry Skills	<ul style="list-style-type: none"> <li>Belfast Met's work in Hospitality continues to be recognised by the biggest names in the industry; the College is moving into the third year of an upskilling programme for all chefs of the Hastings Hotel group;</li> <li>Belfast Met professional cookery and bakery students continue to win prestigious national and international competitions e.g. Knorr all-Ireland student chef, Cook South Africa and the Janus awards for Hospitality. Prizes included placements in top London restaurants and a week placement in Johannesburg.</li> <li>The College's Chef Apprenticeship scheme has been developed further with the award winning James Street South restaurant with their intention of recruiting 16 apprentice chefs, double the previous number</li> <li>The Hospitality Academy in Belfast Met was established with the support of Diageo to run an innovative 16 week Level 2 programme for potential employees in the hospitality sector.</li> <li>The Service Industry students take full advantage of the Belfast Met Trust Awards to enhance their career prospects with 95% of the most recent awards being given to this area.</li> <li>New Foundation Degrees in Hospitality, Events Management, and Travel &amp; Tourism are being developed to accurately meet the industry's demands in these areas.</li> </ul>
Health Sciences	<ul style="list-style-type: none"> <li>The school continues to develop the Academy approach in Sport. This year along with the already successful Football and Rugby Academies, a Boxing Academy is being launched in September 2015.</li> <li>Strong employer relationships with the Health &amp; Care Sectors continues thus aiding the ability to continue placement opportunity for all students requiring such; those who are already employed are able to be assessed in their own settings</li> <li>Connected Health/ Care continues to be high on strategic planning for the health sector and the Head of School attended the European Connected Health Conference this year along with two other colleagues. The team in the school endeavours to avail of any opportunities in developing programmes or adaptation to existing provision as appropriate linking with this agenda.</li> </ul>

## CURRICULUM PERFORMANCE

### Further Education Student Numbers

		2012-13 Final Lift	2013-14 Final Lift	2014-2015 Final Lift
		Enrols	Enrols	Enrols
FE Level 1 & Below Provision	Full-time	196	157	195
	Part-time	7,857	7,001	6,987
	Total	8,053	7,158	7,182
FE Level 2 Provision	Full-time	757	705	611
	Part-time	8,099	6,495	6,895
	Total	8,856	7,200	7,506
FE Level 3 Provision	Full-time	2,671	2,622	2,848
	Part-time	3,889	3,226	3,280
	Total	6,560	5,848	6,128
Total FE Levels 0-3 (Ex Essential Skills)	Full-time	3,624	3,484	3,654
	Part-time	19,845	16,722	17,162
	Total	23,469	20,206	20,816

The College has seen an increase in the number of full-time further education students in the past year, in comparison to the 2013/14 academic year of 4.88%. This increase has been achieved despite continued competition from the retention of Year 13 learners within the post primary school sector. The increase is attributed to a more targeted and robust marketing and admission process along with detailed course specific pre- entry advice and guidance which is provided to applicants for each course.

Part-time further education has increased overall following the College implementing additional marketing and engagement strategies; however the College is cognisant of the fact that the current economic climate makes it increasingly difficult to secure part-time further education learners.

The table below provides further breakdown of subsets of the College's further education provision.

		2012 - 2013 Final Lift	2013 - 2014 Final Lift	2014 - 2015 Final Lift
		Enrols	Enrols	Enrols
FE Priority Skills Provision	Full-time	840	814	916
	Part-time	3,624	2,843	3,861
	<b>Total</b>	<b>4,464</b>	<b>3,657</b>	<b>4,777</b>
FE Accredited Provision	Full-time	3,624	3,484	3,654
	Part-time	15,860	13,336	13,810
	<b>Total</b>	<b>19,484</b>	<b>16,820</b>	<b>17,464</b>
FE Non-Accredited Provision	Full-time	0	0	0
	Part-time	3,985	3,386	3,352
	<b>Total</b>	<b>3,985</b>	<b>3,386</b>	<b>3,352</b>
FE Vocational Provision	Full-time	3,145	3,049	3,182
	Part-time	13,574	11,362	11,887
	<b>Total</b>	<b>16,719</b>	<b>14,411</b>	<b>15,069</b>

The College increased enrolment (as a % of overall provision) on Priority Skills courses by 30% in the last academic year which has been achieved mainly through full-time learning and particularly in the curriculum areas of Computing and Digital Technologies.

Other points worth noting in relation to this provision are that the College has retained a 98.2% accredited provision, despite an increase in numbers in part-time further education. It has also increased the amount of vocational education delivered at the College.

## Higher Education

		2012 - 2013 Final Lift	2013 - 2014 Final Lift	2014 - 2015 Final Lift
		Enrols	Enrols	Enrols
Total HE in FE Provision	Full-time	1,433	1,406	1,470
	Part-time	1,303	1,501	1,441
	Total	2,736	2,907	2,911

During this academic period, the College increased its full-time Higher Education (HE) enrolments. The College had reviewed 2013/14 admission process and incorporated the identified improvement for 2014/15 which resulted in a more targeted recruitment process.

During this academic period, the College increased its full-time Higher Education enrolments. The College had reviewed and adapted its admission process for 2013/14 which resulted in a more targeted recruitment process.

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.

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. The College has converted a significant number of Higher education qualifications to Foundation Degrees and by 2016 and will continue to examine the relevance of the Higher Education offer.

The new Apprenticeship Strategy sets out a fresh focus for Higher Level Apprenticeships. The College will pilot for a second year the Higher Level Apprenticeship programmes in Accountancy. This is supported by additional Higher Level Apprenticeship programmes launched in Aeronautical Engineering and Software Engineering, Infrastructure, Digital Marketing and a potential Hospitality apprenticeship.



## Essential Skills

	2012-2013 Final Lift	2013-2014 Final Lift	2013-2014 Final Lift
Cohort	Enrols	Enrols	Enrols
16-19 yr old	2,446	2,478	2,453
>19 yr old	2,354	2,592	2,586
Total	4,800	5,070	5,039

The College continues to be the largest provider of Essential Skills in Northern Ireland, providing Essential Skills Literacy, Numeracy and ICT learning and qualifications, from Entry Level 1 to Level 2, to 5,039 learners.

Essential Skills provision is extensive with course delivery taking place across 7 College main sites, over 50 community venues, in local secondary schools and on employer premises. Organising and delivering Essential Skills on this scale involves significant collaboration and negotiation with over 50 external stakeholders and organisations, including local businesses and major employers, Belfast City Council, trade unions, schools, community organisations and the voluntary and statutory sector bodies.

It is worth noting that the College continues to exceed its target in the provision of Essential Skills to adult learners, being the largest provider of post 19 Essential Skills in Northern Ireland.

The reintroduction of the DEL Learner Access and Engagement contract played a significant role in this with 585 learner enrolments across 40 organisations engaging with the 'hardest to reach' adult learners and long term unemployed. The College exceeded its recruitment target for the LAE contract and was the largest provider of Essential Skills and ICT to adults under the DEL LAE contract.

During 2014-15, the College identified 3 key priorities for its Essential Skills provision:

1. To achieve an improved ETI re-inspection grade (February 2015) and support the development of excellence in teaching and learning
2. To increase success rates across all 3 Essential Skills and ICT in particular
3. To build on the College's unique strengths in two innovative delivery models, namely:
  - Fast Track Intensive Essential Skills Programme
  - Bespoke Post 16 programmes for secondary Schools (Year 13 learners who have failed General Certificate of Secondary Education (GCSE) and experience significant challenges with literacy, numeracy and ICT learning.)

## ETI Re-inspection

The Centre for Essential Skills developed and implemented an extensive and bespoke programme of staff development with over 55 staff taking part in a wide range of professional development and reflective practitioner activities from August 2014 to June 2015.

The School for Community Education and Life Skills collaborated with other colleges, external trainers, DEL, ETI and the Organisational Development team in Belfast Met to provide and embed bespoke pedagogic development activities. Four Course leaders undertook a Peer Pedagogic Mentorship Programme and implemented a brand new Peer Pedagogic Mentorship initiative with their colleagues to support excellence in teaching and learning, the first of its kind in the College. A one-to-one mentorship 'Staff Assist' Programme was also introduced within the School to support new and part-time staff in teaching and learning development and standards.

These pedagogic developments were well received by staff and contributed to a positive ETI re-inspection in February 2015 which resulted in a much improved Grade 3 in Teaching and Learning, Grade 3 in Standards and Outcomes and Grade 2 in Leadership and Management. The Education and Training Inspectorate reported positively on distance travelled since the previous inspection in 2013 and on the significant strengths and the areas for continued development.

## Innovative Delivery models

Over the past year, the College piloted an Essential Skills 'Fast Track' programme. This one week intensive series of programmes were developed and piloted as part of the August 2014 College Admissions and Enrolments process.

This initiative was highlighted as good practice by ETI for delivering outstanding success rates and removing barriers to full-time further education and training opportunities for applicants with a grade D in GCSE Maths, English and ICT. The new 'Fast Track' course model enabled learners to achieve a Level 2 Essential Skills qualification in one week and progress to full-time further education and training.

75 students successfully undertook 'Fast Track' programmes with 100% success rates. 'Fast Track' will be extended across all vocational Schools in August 2015 to further increase learner recruitment, retention and success.

## Essential Skill Success Rates

Overall Essential Skills success rates increased in 2014-15 for a further successive year and of particular note is the increased success rates in ICT from 65% in 2013/14 to 72% in 2014/15.

## School Partnership Provision (The Entitlement Framework)

Belfast Met has developed strong partnerships with post primary schools through the Entitlement Framework's Area Learning Community network and this network has proven to be an effective medium for developing links with the post primary sector generally. As a member of four consortia (North, South, East and West Belfast) who meet regularly, the College is able to promote courses and opportunities both through the Entitlement Framework (EF) and within mainstream FE.

The Area Learning Community network, drawing members from the newly formed Education Authority ensures that all post primary education providers are kept informed about developments and Department of Education policy impacting the post primary sector. Statistics are communicated regularly and this has a business critical impact on the College's ability to be able to appropriately target and recruit onto its courses.

The College in collaboration with the Education Boards this year delivered a Science, Technology, Engineering and Mathematics (STEM) in Action Event designed to promote STEM subjects amongst young females. This event hosted in the College's Titanic Quarter (TQ) campus saw 98 female students in year 13 from 14 post primary schools across Greater Belfast witness, first-hand, the state-of-the-art facilities of TQ and participate in STEM workshops that will help influence their decision making for their choice of careers on leaving school.

The table below details the Colleges performance in relation to the total number of School Partnership participants from 2011-2015:

School Partnership Programme	2011/12	2012/13	2013/2014	2014/2015
<b>Total</b>	<b>1,346</b>	<b>934</b>	<b>964</b>	<b>654</b>

As the Department of Education has moved from a full funding model for post primary schools in the EF to a model where, in 2014/15 the contribution effectively represented 40% of the 2011/12 amount, the reduction in the number of schools collaborating (and subsequent student numbers) is evident. If taken in isolation this could be construed as less than positive, however there is significant evidence to indicate that those schools who have opted to continue working with the College on a collaborative basis have not only benefitted from a quality and diverse curriculum delivered by Belfast Met staff, but that those students participating on the EF programmes are better equipped with qualifications required in today's changing economic climate and that a high number of these school leavers choose Belfast Met as their progression route from post primary school.

Belfast Met has delivered fantastic results to schools in the post 16 provision in areas such as Health and Social Care, Creative I Media and Hospitality (all areas of priority skill growth) and schools such as St Louise's, Hazelwood, Wellington College, Hunter House College, Friends School to name but a few have continued to endorse the Belfast Met EF curriculum through their continued participation in spite of the reduction in funding available to them.

## Youth Training and Apprenticeships

The table below provides an overview of trainee and apprenticeship numbers for the period 2012-2015:

Training	2012/13	2013/14	2014/2015
<b>Total</b>	<b>980</b>	<b>744</b>	<b>786</b>

The College has continued to deliver high quality and diverse youth training and apprenticeship programmes to school leavers and in the 14/15 year increased the number of starts on Training for Success and ApprenticeshipsNI by 25% on the previous year. Performance data provided for the ETI in January 2015 for ApprenticeshipsNI indicates that for Level 2 and Level 3 Programmes retention, performance and progression data range between very good and outstanding.

The College has two high performing apprenticeship programmes that are delivered in partnership with other Training Organisations and involving two priority skill areas; Financial Services and Food and Drink – Bakery. The models developed for the delivery and quality assurance of these Programmes are both creative and likely to be replicated as the new Apprenticeship brand is launched in the future.

The College also continues to deliver outstanding results in the Information Technology (IT) Public/Private Apprenticeship Programme and this Programme, now in its 3<sup>rd</sup> year, is synonymous with the best training available in the Sector for those new to the Programming environment.

This year has also seen the roll out of the first group of apprentice chefs with the City's leading restaurateur – Niall Mc Kenna of James St South. With an initial small group of 8 apprentices from disadvantaged backgrounds, the College has retained and successfully completed 7 of the 8 in the Level 2 Professional Cookery apprenticeship programme. In the 15/16 year James St South are endeavouring to recruit an additional 16 apprentices across a range of hospitality disciplines.

The first Higher Level Pilot in which the College has engaged (Accountancy) has been particularly successful and all 12 apprentices have been retained by their employers, completed their first year successfully and have now progressed to their second year. This augurs well for the development of Higher Level Apprenticeships in the College and in the 2015/16 year there are plans for the introduction of a further 4-5 new pilots in Aeronautical Engineering, Software Engineering, Infrastructure, Digital Marketing and a potential Hospitality apprenticeship.

The Training for Success Programme has continued, in the same way as its Programme Led Apprenticeship predecessor, to present the College with challenges particularly in relation to the retention of participants who, with low levels of prior achievement from school, are both difficult to motivate and to retain. The College has continued to adopt various strategies to promote higher levels of retention and achievement for this group and there is an upward trend that is resulting in improved performance overall for this provision.

The Youth Training Review indicates substantive changes to the training landscape in Northern Ireland in the period post 2016. The College is well equipped to continue to develop creative and innovative ways in which to deliver high quality alternatives to full-time education through work based learning and will be involved in the delivery of 3 pilot programmes in Hairdressing, Engineering and Health and Social Care under the new Traineeships Pilot in 2015/16.

## 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.

During 2014/15, the College has continued to work closely with a wide range of public and private sector partners to provide an extensive range of vocational and educational training programmes. Belfast Met has continued to inform and influence government decision making at various levels, both through the formal public consultation process and in wider political/stakeholder engagement. During the 2014/2015 academic year, the College prepared and submitted a range of policy responses; each of which clearly articulated the corporate position and set out recommendations for change. Areas covered over the course of the year included:

- Apprenticeship Review Phase 1 and 2
- Review of Youth Training
- Strategy Framework to tackle Economic Inactivity
- Review of Higher Education Funding
- Committee Enquiry into Post-Special Education Need Provision in Education, Employment and Training for those with Learning Disabilities

The College also strengthened contact with each of the main NI Executive Departments most notably at Ministerial level, NI Assembly Committees, individual political and local government representatives.

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 and a network of strong advocates and alliances with other Government Departments and key business support agencies such as Invest NI, Strategic Investment Board, Belfast City Council, Institute of Directors (IOD), CBI, Northern Ireland Chamber of Commerce, Sector Skills and Awarding bodies.

The College had developed strategic relationships with key employers in the city such as Bombardier, Deloitte, PwC and an extensive range of InvestNI FDI companies through the delivery of its academy training model. The College continued to strengthen its relationships with key schools and training partners through its delivery of the Entitlement Framework and ApprenticeshipsNI / Training for Success programmes.

Belfast Met 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 an earlier section of this report. Working in partnership with others, Belfast Met has supported diversity and social inclusion through widening access to provision to those with barriers to learning.

Over the past year, Belfast Met hosted the prestigious RC2020 Annual Conference at its e3 campus entitled "Vocational Education and Training, Leading Cities to Work". The RC2020 brings together North America's most influential vocational and technical colleges to champion for innovation and change and the College plays a key role within this group and over the past year has strengthened its relationships with key international colleges.



The College is also a member of the 157 Group which represents 29 of the most influential UK colleges in the Further Education sector; its members are strategic leaders committed to leading on policy development and improving the quality and reputation of further education. As a member of the 157 Group, the College will utilise this Group to play a greater role in policy making as well as providing support for the deployment of its Stakeholder Engagement Strategy.

## ECONOMIC ENGAGEMENT

The College places significant value on its partnerships with employers and the integral role it plays in supporting economic development in the City of Belfast and across Northern Ireland.

The College is absolutely tuned into the needs of businesses and its approach is one of giving employers the opportunity to shape the education and skills solutions on offer. This is evident across both new and traditional sectors of the economy and covers areas as diverse as cloud computing, data analytics, wind turbine and marine welding, connected care and financial services.

The College has a dedicated team which works out of e3 to support business development and a number of specialist technical advisers working across key growth sectors including ICT, Renewables, Life Sciences, Tourism and Hospitality. This team works on a number of business programmes to support Small and Medium-Sized Enterprises (SMEs), including the Innovateus Programme, DEL Assured Skills, Innovation Vouchers, and Apprenticeship NI.

During 2014/15 the College continued to grow its offer to employers within Belfast and beyond. Over the last year, there have been many successes:

- Our relevance and importance to the economic wellbeing of Belfast has been validated through awards such as the prestigious UK TES 2015 Award for Employer Engagement and highly commended in the Irish News Workplace and Employment Career Inspiration Award. Both awards recognised the innovative work that the College was engaged in with Deloitte in relation to its Data Analytics Academy;
- Belfast Met's employer engagement approach is an innovative one and many of its programmes are based on the academy style of learning. Each programme is designed in close collaboration with employers and is proving highly effective in supporting companies acquire job ready candidates with very specific ( often high level) skills, for both Foreign Direct Investment (FDI) and indigenous growth and job creation;
- During 2014/15, the College delivered 13 customised academy programmes including the Global Sales Academy in partnership with DEL and InvestNI and for leading employers such as PwC, Deloitte, AMS, Whitehat Security, Revel and Fintru. The programme was primarily focused on recent graduates who were unemployed or underemployed, to work in the professional services sector, but has more recently evolved to support development of more technical skills working with Not in Education, Employment or Training (NEETs) trainees in relation to its Welding, Tourism and Hospitality Academies;



- The College announced a £3 million partnership and signing of a SLA between Belfast Met, North West Regional College, Northern Ireland Prison Service to provide prisoners in Maghaberry, Hydebank Wood College and Magillan with new learning and skill opportunities. This initiative builds on the College's ambition to deliver its commitment to social inclusion by providing students with relevant and engaging programmes both in custody and upon release and demonstrating how education and skills acquisition can provide positive opportunities for rehabilitation and reintegration;
- Other key highlights include the delivery of the Generate Renewable Industry Supply Chain Programme on behalf of two local Councils and winning the Belfast City Council contract to deliver the Super Connected Cities project;
- Over the past year the College continued to deliver its suite of business support services including Innovation Vouchers, Knowledge Transfer Programmes and bespoke technical mentoring through the Innovateus programme;
- Delivery of a series of STEM summer camps for budding astronauts, pilots and app geniuses. These camps boosted skills for young people as well as supporting the College's vision to encourage industry relevant learning. There was a great uptake of girls attending the College's first female-focussed IT summer camp-Belfast IT girls, where they got to create apps, design a website and much more. In partnership with Bombardier, the College held a series of interactive workshops for 16-24 year olds who had their sights set on the enterprising possibilities of aerospace. The summer camps proved to be a great opportunity to learn about the diverse, creative and innovative world of STEM subjects and the College will build on this pioneering work in the coming year.

## EQUALITY, DIVERSITY AND INCLUSION IN SERVICE DELIVERY AND EMPLOYMENT

Belfast Met celebrates the diversity of its students and staff and works hard to ensure an environment where everyone is treated with dignity and respect. The following sections provide an overview on how the College strives to deliver equality, diversity and inclusion in its service delivery and employment.

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) Our Centre for Inclusive Learning and Development 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.
- b) 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.
- c) The College's online access guide through Disabled Go was reviewed by the Company this year and information updated as required. A link to the DisabledGo website is available through the Belfast Met site which is also promoted through our literature. Further collaboration is planned between the College and DisabledGo to promote the website in 2015/16.
- d) 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.
- e) Our Student Support Handbook sets out the support available to students at the start of the year. 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.
- f) A separate graduation is held biannually for the supported learning students in recognition of their achievements.
- g) The Centre for Supported Learning also organised a very successful Disability Awareness event at the College's Millfield Campus in conjunction with key stakeholders in June 2015.
- h) A new College website will be introduced in the autumn of 2015; the website will aim for the achievement of recognised standards in relation to content. The website has also been successfully tested on modern screen reading software to ensure that content is accessible to visually impaired users.

## 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 has streamlined its actions into an Equality Action Plan which has been incorporated into College business plans. A series of identified actions are monitored throughout the year and progress reported internally through the business performance management process and ultimately to the Equality Commission from the Governing Body by the 31 August each year.

## Equality and Good Relations

The College recognises its responsibility to provide a positive and inspiring experience in terms of equality of opportunity. 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 2014/15, this has been achieved in a number of ways such as:-

- The College continues to host its Homeless Awareness Panel to raise awareness of the inequalities faced by those who find themselves in this position. This is an inspiring event which brings together people from the voluntary sector and statutory bodies as well as those who are or have been homeless.
- The College has built upon its very successful 'Say No to Bullying' T-shirt campaign during Anti-bullying week. This event is led by the Health and Social Care students and supported by students across the College with the help of the Student's Union.
- This year we hosted two events to celebrate Chinese New Year; one for learners at the College for and an event in the Ulster Hall organised by one of our lecturing staff Alan Lui and attended by over 200 members of the public.
- The students also celebrated St Patrick's Day with a cultural mix of food, dance and music organised by our Events students.
- A widening participation programme runs in the College which helps to attract the groups identified in the Equality Commissions Key Inequalities in Education into education. Two events are run in February each year and community and section 75 representative groups are invited into the College to learn more about our courses and the support systems in place.

- When we surveyed our students 97.9% said that they felt welcome at Belfast Met across all sites and 96.4% said that they felt safe and secure at College. We continue to promote a safe, welcoming and inclusive environment for all our students and have developed various support mechanisms internally and externally to ensure that this continues to happen.
- We know that students cannot achieve if they have personal issues to address and need professional support. Consequently Our Student Support has secured the support of services from external organisations on campus. In addition to organisations such as PIPs (suicide support), Simon Community (homelessness support), the College is also working with Bryson Intercultural to provide support, advice and assistance to asylum seekers and refugees.
- We continue to refine our admissions processes so that they are inclusive and supportive. Reviews identified that additional supports were required for those with little or no English who were enrolling on English related courses (ESOL). During the year staff from across the organisation worked together to develop a more supportive and streamlined process for ESOL students. We have established a dedicated assessment and enrolment centre for these students and enlisted the support of Bryson Intercultural to provide onsite support during the process.
- With the assistance of transgender support organisations, we have developed a Policy Statement, procedures and guidance for staff to provide support to students who have changed their gender or are in that change process. We have also provided a single point of contact for students to assist them during the enrolment process.
- The College has worked closely with communities through various networking groups. Groups such as the Springvale Multi-Agency Group, established and facilitated by Belfast Met, draws together community and public sector bodies. The purpose of the group is to work together to improve the educational and economic opportunities for people in the Springfield Road area.
- The College has also been working closely with Belfast City Council and community organisations in the North of the City as we prepare to move into another interface area on the old Girdwood Army Barracks, Clifton Park Avenue 2015/16 academic year. We will continue to work with communities in this area to ensure that our courses are accessible to everyone and everyone feels safe and welcome at this site.
- A community e-zine has been developed to provide community leaders with more information about educational and employment opportunities. The purpose of the e-zine is to equip community leaders with more knowledge so they can encourage those with little or no qualifications into education and employment. The e-zine highlights alternative paths into employment rather than through the more traditional GCSE, A Level routes e.g. Apprenticeships, Assured Skills, Football Academy and provides some success stories about the achievements of students and their educational journey.
- Information brochures highlighting alternative pathways into education and training were also developed and delivered to households in Belfast.
- A community outreach project was taken forward during the year using the new Freeview television channel 8 (NVTV) community channel. Under the guidance of College staff, students created and delivered two magazine style programmes for Channel 8. Student presenters developed the content, interviewed other students and some staff about their courses and achievements, while media students assisted with the production.

## Equality, Diversity and Inclusion in Employment

Under the Fair Employment and Treatment Order (Amendment) Regulations (NI) 2003 and Fair Employment(Monitoring) Regulations (Northern Ireland) 1989 employers must monitor its workforce composition and employment practices, including the community background of the 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 Fair Employment 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 most recent return was submitted to the Equality Commission in 2014, covering the period 2010 to 2013 and the College continues to see improvements with regard to under representation in applicant rates. It has been agreed with the Equality Commission that the College will keep the situation under review and if necessary, affirmative action measures will be undertaken to address any under representation.

The College continuously reviews its policies and procedures to ensure that they do not breach other anti-discrimination legislation e.g. age, gender 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.

The College's Equality Action Plan (developed to implement our obligations under our Equality Scheme and Disability Action Plan) continues to be incorporated into local Business Plans and reported on through the College's Business Planning Process.

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. Specific training has been delivered on Equality Screening to senior management which reinforced the duties under Section 75 and the mechanism for ensuring that we promote equality of opportunity and good relations in our decision making. In 2014/15 College staff attended a variety of Equality and Safeguarding related training including Section 75 equality obligations, safeguarding training, autism awareness, dyslexia in the classroom, transgender awareness, equality in recruitment and selection practices, widening participation and training on the implications of recruiting people with criminal convictions onto courses and into employment (NIACRO training).

During 2014-15, the College piloted its corporate compliance e-learning module with staff. This module has now incorporated an equality and safeguarding element which will be rolled out in the 2015-16 period.

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## 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 Governing Body is responsible for securing the effective management of the College, determining its strategic direction, appointing its senior staff and ensuring that the College acts as a responsible employer. 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.

### 2014/15 Governing Body Members

During the 2014/15 academic period, Mr Richard O’Rawe retired from his position as Chair of the Governing Body. Dr Ian Walters was subsequently appointed as temporary Chair. The Department for Employment and Learning appointed Mr Frank Bryan as Chair of the Governing Body, with effect from 26 October 2015.

During the academic year, Patricia Haren, Lindsey Smith, Ivor Johnston, Joseph Eagleson and Professor Ken O’Neill retired from the Governing Body. In addition, the College in collaboration with the Department for Employment and Learning appointed new governors as well as re-appointing existing governors whose first terms of office had come to an end. These appointments took effect from the 1 August 2015. The College welcomes its six newly appointed governors and would like to place on record its appreciation of the commitment and invaluable service provided by its retiring governors.

The members who served on the Governing Body for the 2014/15 academic year were:

Name	Appointed /Reappointed	End of Tenure/ Reappointment	Status of Appointment *	Standing Committees**
Mr Richard O’Rawe	01/09/2010	29/05/2015	BIP	Chair
Mr Frank Bryan	01/08/2011	25/10/2015	BIP	ARC, CQEC
	26/10/2015	25/10/2019	BIP	Chair
Mr Joseph Eagleson	01/08/2007	28/04/2015	BIP	RC
Mrs Patricia Haren	01/08/2007	31/07/2015	BIP	CQEC, ARC
Mr Ivor Johnston	01/08/2007	31/07/2015	BIP	ARC
Miss Wendy Langham	01/08/2011	31/07/2019	BIP	RC,
Mr John McGrillen	01/08/2011	31/07/2019	BIP	ARC,
Professor Ken O’Neill	01/08/2007	31/07/2015	BIP	ARC, CQEC
Ms Lindsey Smith	01/08/2011	31/07/2015	BIP	RC, CQEC
Dr Ian Walters	01/08/2007	01/07/2015	BIP	ARC
	02/07/2015	25/10/2015	BIP	Temporary Chair
Mr Sam Hagen	27/11/2008	26/11/2016	Co-opted	RC
Mr David Taylor	03/12/2008	02/12/2016	Co-opted	RC
Very Rev Dr Norman Hamilton	16/05/2012	15/05/2016	BELB nominee	ARC
Mr Ciaran O’Grady	03/04/2012	02/04/2016	BELB nominee	CQEC
Miss Eimhear Macfarlane	04/11/2014	30/09/2015	Student elected	
Mr Kevin McKeaveney	10/06/2013	09/06/2017	Staff elected	CQEC
Mr Michael McCamley	10/06/2013	09/06/2017	Staff elected	RC
Ms Marie-Thérèse McGivern	01/11/2009	N/A	Ex officio P&CE	
<b>* Status of appointment</b>		<b>** Standing Committees</b>		
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		

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# Finance and Operating Review

## FINANCE AND OPERATING REVIEW

### NATURE, OBJECTIVES AND STRATEGIES

The members present their report and the audited financial statements for the year ended 31 July 2015.

#### Legal Status

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

Colleges have been granted charitable status by the UK HM Revenue and Customs.

#### Mission Statement and Strategic Plan

Details of the College's mission statement and corporate plan 2013-16, "Leading the City to Work" are included in the Annual Report in "Our Strategic Priorities".

#### Financial Objectives

The College's financial objectives flow from the fourth overarching strategic aim set out in the College 3 year Corporate Plan 2013–16 "Leading the City to Work" which is to strive to be an excellent organisation, growing sustainably, innovating and investing.

Associated objectives are that the College will:

1. Maximise income and use it to deliver an excellent curriculum as efficiently as possible
2. Meet financial targets agreed through the Curriculum Development Plan (CDP) process, achieving financial breakeven by maximising the use of public funds and securing income from alternative sources; and
3. Aim to operate within resource budgets allocated by the Department for Employment and Learning

The financial objectives are concerned with ensuring the College continues to be financially viable. Against a backdrop of reductions in funding, the College recognises the need to pursue alternative sources of funding and to reshape provision where necessary. It must also have a budgetary control framework that enables resources to be managed and prioritised effectively within the financial constraints that impact all organisations.

The College has presented a budget for 2015/16 with a planned historic cost deficit of £0.1m. The financial plan will support the delivery of the final year of the current Corporate Plan. The finance objectives for the next three years will be concerned with financing and resourcing the new College corporate plan, whilst responding to changes in the external financial and funding climate.



## FINANCIAL POSITION

### Financial Result

The College generated an historic cost surplus of £0.7m for 2014/15 (2013/14 surplus of £2.2m). This was after accounting two non-recurrent items namely:

- the profit on sale of the Brunswick Street campus of £7k and the realisation of the associated revaluation gains of £2.0m
- Voluntary severance expenditure of £5.4m, and related DEL funding of £3.2m

The underlying financial result before these two non-recurrent items is a surplus of £0.9m.

The College's total income for the year was £60.6m, an increase of £2.7m from 2013/14. Expenditure was above 2013/14 levels at £61.3m compared to £60.4m in the prior year. Within expenditure, staff costs have increased by £0.6m compared to the prior year. This reflects the cost of contractual increments and posts within the structure being filled and in place for the whole year, as well as the impact of increases in National Insurance Contributions (NIC) and pension costs. Premises expenditure is £0.2m lower than 2013/14, direct teaching costs £0.2m lower and direct support £0.2m lower than the prior year. In addition, £5.4m of voluntary exit expenditure was incurred in the year and this is partly matched by £3.2m funding from DEL.

The application of the interim valuation on land and buildings at 31 July 2015 did not result in any impairments in the college. In SEV Limited there was an impairment of £325k which was offset by the release of deferred capital grant.

The College reports an historic surplus of £0.7m. The original budget in the College Development Plan (CDP) for the year had forecast a historic surplus outturn of £1.1m. The favourable variance has arisen due to additional DEL programme income and an underspend on recurrent staff costs and other operating expenditure.

The College has significant reliance on DEL for its principal funding source, largely from recurrent grants. In 2014/15, DEL provided 58% of the College's total income through allocated recurrent grant (2013/14 57%).

### 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 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 main objectives and activities of Belfast Metropolitan College Trust are to promote and facilitate charitable projects including activity which will advance the education and training of Belfast Metropolitan College students and graduates, to provide funding to students for enhancement activities not funded by statutory funds and to attract charitable donations from former students and business to support student enhancement activity.

SEV Limited has achieved a surplus of £8k for the year ending 31 July 2015 (2013/14 surplus £25k). The Trust reported a net decrease in funds of £9k for the year ending 31 July 2015 (2013/14 decrease of £7k).

## Reserves

The College has accumulated reserves of £57.2m (Group), £55.4m (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 reported general reserve position represents 8.7% of College income for the year which is within the target range of 5-10% recommended by the Department for Employment and Learning.

The College has cash balances of £10.8m at the year-end which represents 62 days of College operations which is in excess of the target of 20-40 days. Cash reserves have been built up due to the sale proceeds from the disposal of College Square East and Brunswick Street campuses. A plan to reduce cash reserves has been agreed with DEL, including using £2.2m to fund an element of the 2014/15 voluntary exit scheme and £1.6m on a capital project to replace IT networks at Millfield and Castlereagh campuses.

## 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 has a treasury policy the objectives of which are:

- to optimise returns to the College taking into account the College's working capital and cash flow requirements
- to protect the capital value of College's funds taking due regard for the related risks, specifically security and liquidity risk
- to ensure the College has proper financial controls in place to safeguard its assets and
- to ensure that processes are in place to secure value for money.

## Cash Flows

The College experienced an operating cash inflow of £2.2m during the year compared to an inflow of £1.7m in the prior year. The overall cash balance as at 31 July 2015 is £10.8m, which is an increase of £0.7m on last year, mainly representing the £2m sale proceeds for the disposal of the Brunswick Street campus and repayment of £2m loan. The operating cash flow for the College for the year was stable as reflected in the movement of net funds in the Cash Flow Statement.

## Liquidity

The cash balance of £10.8m represents a Key Performance Indicator of 66 days, which is above the DEL target of 20-40 days. Taking account of the proceeds from sale of buildings the adjusted balance is £5.3m, and represents 32 days cash requirement which is in line with the DEL target.

The Current Ratio KPI for the sector is in the range of 1.5 – 2.5 and for 2014/15 the College current ratio was 1.6 (2013/14 1.4).

## Debts Written Off

The College wrote off debts during the year totalling £39,907. No one debt is deemed material and all write offs were completed in line with College Policy.

### 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 2014 to 31 July 2015, the College paid 95% of its invoices within 30 days (2013/14 91%). The College incurred no interest charges in respect of late payment for this period.

The Northern Ireland Executive is committed to paying suppliers as quickly as possible, within 10 working days. During the accounting period 1 August 2014 to 31 July 2015, the College paid 84% of its invoices within 10 days (2013/14 77%)

### 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 by way of an interim valuation as at 31 July 2015, carried out by LPS. This has resulted in a net downward revaluation of £15.6m on land and buildings.

### 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.

### 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 2015 consists of freehold land valued at £10.8m and buildings valued at £21.8m. The estate includes campuses at:

Campus	Net Book Value
Titanic Quarter – building under a PFI agreement	£40.5m
Millfield – building under a PFI agreement	£26.6m
Castlereagh	£6.9m
e3	£12.2m
Tower Street	£2.2m
Whiterock	Rented
Springvale Road	£12.2m
Parkmore	£0.1m
Riddell	£0.1m

The College also operates a number of 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 model is ongoing.

## Financial

The consolidated net assets at 31 July 2015 were £57.2m (2013/14 £71.5m). This includes £12.9m pension liability (2013/14 £17.7m), and a debtor of £1.2m on PFI prepayments (2013/14 £1.3m).

## People

The College employs 836 staff (expressed as full-time equivalents), of whom 430 are teaching staff. Staff absenteeism for the period 1 August 2014 to 31 July 2015 was 4.74%, which equates to an average per FTE of 11.9 days.

## Reputation

The College has a good reputation locally and nationally and the College recognises that 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 recent years and this continued during the year ended 31 July 2015.

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 and Compliance 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 and Compliance 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.

## Post Balance Sheet Events

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

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## 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 2014/15.

### 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

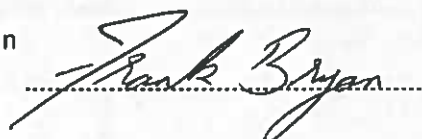
Internal Auditors: KPMG  
Stokes House  
College Square East  
Belfast, BT1 6DH

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

Frank Bryan  
Chairman



Date 26 November 2015

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# 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 Principal/Director and Senior Management Team**

The Principal/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 Principal/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 (including salary) and pension entitlements (Audited)

Senior Management	2014/15				2013/14			
	Salary £'000	Benefits in kind £'000	Pension benefits £'000	Total £'000	Salary £'000	Benefits in kind £'000	Pension benefits £'000	Total £'000
<b>M T McGivern<sup>1</sup></b> Director	120-125	-	25-30	150-155	115-120	-	(5-10)	110-115
<b>J Edwards<sup>2</sup></b> Assistant Chief Executive/ Director of Curriculum	25-30	-	5-10	25-30	80-85	-	20-25	105-110
<b>E Hartin<sup>3</sup></b> Chief Operating Officer	80-85	-	20-25	105-110	75-80	-	15-20	95-100
<b>D Duffy<sup>4</sup></b> Director of Development and Learner Services	85-90	-	15-20	105-110	80-85	-	15-20	100-105
<b>G Magee<sup>5</sup></b> Interim Director of Transition	5-10	-	0-5	5-10	N/A	-	N/A	N/A
<b>P O'Connor<sup>6</sup></b> Acting Director of Curriculum	5-10	-	-	5-10	N/A	-	N/A	N/A

1 MT McGivern (Director) was appointed on 1 Nov 2009

2 J Edwards (Deputy Director) was appointed on 1 Sep 2011, and left on 30 Nov 2014

3 E Hartin (Deputy Director) was appointed on 23 Feb 2011

4 D Duffy (Deputy Director) was appointed on 22 Aug 2011

5 G Magee (Deputy Director) was appointed on 1 Jul 2015

6 P O'Connor (Deputy Director) was appointed on 1 Dec 2014, died in service 21 Dec 2014

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

	2014/15	2013/14
	£'000	£'000
Band of highest paid Director's total remuneration	120-125	115-120
Median total remuneration	34.9	34.3
Ratio	3.5	3.5

### 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 (Audited)

Senior Management	Accrued pension at pension age as at 31/7/15 and related lump sum	Real increase in pension and related lump sum at pension age	CETV at 31/7/15	CETV at 31/7/14	Real increase in CETV
	£'000	£'000	£'000	£'000	£'000
<b>M T McGivern</b> Director	80-85	0-2.5	1,355	1,281	74
<b>J Edwards</b> Deputy Director	0-5 Lump sum of 5-10	0-2.5	29	28	1
<b>E Hartin</b> Deputy Director	5-10	0-2.5	62	47	15
<b>D Duffy</b> Deputy Director	5-10	0-2.5	63	45	18
<b>G Magee</b> Deputy Director	10-15	0-2.5	113	110	3

### 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). To comply with auto enrolment legislation the college joined the National Employment Savings Trust (NEST). Where an employee has previously opted out of NILGOSC or NITPS the college still has a duty to enrol them in a qualifying pension scheme if certain earnings criteria are met. NEST was set up by Government to assist with this requirement. The College's contributions to NEST are made on a defined contribution basis at 1%.



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**

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.

#### **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 2015**

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 Chair, 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.

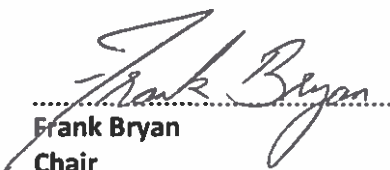
The Governing Body is also required to prepare an Annual Report which describes what it is trying to do and how it is going about it, including the legal and administrative status of the College.

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 26 November 2015 and signed on its behalf by:

  
Frank Bryan  
Chair

## **BELFAST METROPOLITAN COLLEGE GOVERNANCE STATEMENT**

**For the year ended 31 July 2015**

### **Introduction**

This is the Governance Statement for Belfast Metropolitan College (Belfast Met) which sets out the governance structures, risk management and internal control procedures that operated within Belfast Met during the 2014-15 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 Belfast Metropolitan College. In October 2010, the office of National Statistics reclassified further education colleges from Non-Profit Institutions Serving Households to Central Government, which 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 (DEL) 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.

### **Membership of the Governing Body**

In the main, the College's Governing Body comprises persons appointed by the Department for Employment and Learning (DEL) under Article 10 and paragraph 2 of schedule 3 of the "Order", following a public competition. The Chair is appointed by the Minister, again following a public competition. DEL is largely responsible for recruiting governors with the final decision resting with the Minister.

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

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

The Belfast Metropolitan College 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). The Governing Body also has governors sitting on the Board of Belfast Metropolitan College Trust as Trustees and the Board of Springvale Educational Village Ltd as Directors. The Trust and Springvale Education Village are both separate legal entities and wholly owned companies of Belfast Met.

As the need arises the Governing Body also makes use of specific project boards and a personnel panel. Each permanent committee has its own terms of reference and business cycle.

#### Attendance at the Belfast Met College Governing Body

Attendance\* during the year at the Governing Body and the permanent committees was as follows:

	Governing Body	A&R Committee	CQE Committee	RES Committee
Mr Richard O'Rawe (Chair)**	6/6 i.e. 6 meetings attended out of a possible 6 meetings which the governor was eligible to attend during the year.			
Mr Frank Bryan	7/8	3/4	2/4	
Mr Joseph Eagleson **	5/5			3/3
Mrs Patricia Haren	6/8	3/4	4/4	
Mr Ivor Johnston	3/8	2/4		
Miss Wendy Langham	7/8			4/4
Mr John McGrillen	6/8	1/2		
Professor Ken O'Neill	8/8	3/4	4/4	
Ms Lindsey Smith	4/8		4/4	3/4
Dr Ian Walters (vice Chair and interim Chair)**	7/8	4/4		
Mr Sam Hagen	7/8			3/4
Mr David Taylor	7/8			4/4
Very Rev Dr Norman Hamilton	7/8	0/4		
Mr Ciaran O'Grady	6/8		3/4	
Miss Eimhear Macfarlane	0/8			
Mr Kevin McKeaveney	7/7		2/2	
Mr Michael McCamley	6/7			2/2
Ms Marie-Thérèse McGivern, P&CE	8/8	4/4		
Mr Justin Edwards, ACE, DC	3/3		2/2	
Mr Paul Kane, Interim DC	4/5		2/2	
Mr Damian Duffy, DDLs	8/8		4/4	4/4
Mrs Elaine Hartin, COO	8/8	4/4		4/4
Mrs Gillian Mayhew HoF		4/4		
Mrs Gillian Magee, HCD	8/8	4/4	3/4	
Mr Chris Andrews, DEL or deputy		4/4		
Mrs Suzanne Walsh/Mr Denver Lynn or deputy NIAO		4/4		
Mr David Gray or deputy, RSM McClure Watters		4/4		
Mr Arthur O'Brien, KPMG or deputy		4/4		

\* Other attendees included Tier 3 and 4 officers where significant items pertaining to their business area was discussed. All meetings were quorate.

\*\* Two members of the Governing Body, Chair Richard O'Rawe and fellow governor Joe Eagleson resigned in year.



### **Resignation of Governors**

During the 2014/15 academic period, Mr Richard O’Rawe retired from his position as Chair of the Governing Body. Dr Ian Walters was subsequently appointed as temporary Chair. The Department for Employment and Learning appointed Mr Frank Bryan as Chair of the Governing Body, with effect from 26 October 2015.

During the academic year, Patricia Haren, Lindsey Smith, Ivor Johnston, Joseph Eagleson and Professor Ken O’Neill retired from the Governing Body. In addition, the College in collaboration with the Department for Employment and Learning appointed new governors as well as re-appointing existing governors whose first terms of office had come to an end. These appointments took effect from the 1 August 2015. The College welcomes its six newly appointed governors and would like to place on record its appreciation of the commitment and invaluable service provided by its retiring governors.

### **Information presented to the Governing Body**

Information presented to the Board is normally prepared by the appropriate business area and reviewed by the Executive team, and in the case of governance issues prepared by the Secretary and cleared by the Chair. This ensures a high quality of reliable and up to date information is presented to the Board. During the year the Board moved from a paper based system to “paperless” a fully electronic dissemination and viewing of documentation, which will lead to cost savings and efficiencies. The Board is content with the quality and reliability of the information presented in 2014/15 and has commented favorably on the continuing improvements made in presentation and ease of use.

### **Role of the Chair, the P&CE and the Governing Body**

The role of the Chair of the Governing Body is separate from the role of the College Principal and Chief Executive (P&CE), with the Governing Body over which the Chair presides, being responsible for the ongoing strategic direction of the College, and the P&CE responsible for its operational management. The Chair provides leadership, strategic support, and direction.

The main business of the Belfast Met Governing Body, in line with its Articles of Government, 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 were quorate. Belfast Met operates within a strong framework of regulation and guidance; it complies with all mandatory requirements and also aims to comply with established best practice.

### **The College’s Management Structure**

The College management structure is based on principles of good organizational design and an established 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 was strengthened in year by the addition of a fixed term Director position. The new Directorate led by the Interim Director of Transition will inter alia oversee significant organizational change and will be responsible for the portfolios of: Human Resources (Voluntary Exit and Restructuring), Staff Development, Strategic Planning, Knowledge and Information Management, Quality Assurance and Compliance, and Communications. This structure enables a compact Executive Team to exercise strategic and operational oversight on the College by means of clear lines of accountability.

During 2014-15, Belfast Met carried out a root and branch review of its curriculum to ensure that it is future proofed. In parallel the College was asked by the Department for Employment and



Learning to model a provision based on a reduction in core grant. The final allocation for 2015-16 saw a 7.6% reduction in core grant.

Recommendations from the curriculum review and the impact of the reduction in core grant resulted in a revised operating structure. In February 2015, Governing Body approved the curriculum review and the revised operating model.

By September 2016, Belfast Met will transition from a 9 school to a 5 school model which focuses on core curriculum delivery:

- School of Science, Engineering and Construction
- School of Creative and Digital Industries
- School of Health, Communities and Social Care
- Belfast Academy
- Belfast Business School

The composition of the 5 schools has been based on alignment to economic priorities and economic groupings. The 5 schools will be joined by a new Centre for Teaching and Organisational Excellence.

#### **Board performance and effectiveness**

During the year the Board continued to commit to improving board performance and effectiveness by:

- Receiving reports from the Board Development Co-ordinator (a member of the Board);
- Approving a Board Development Plan;
- Preparing for the succession of several members and the induction of new members;
- Attending a range of internal and external training events, workshops and planning days; and
- Regularly evaluating the effectiveness of the meetings of the Governing Body and its Committees.

All board members are given induction training provided by both DEL and Belfast Met, the former focuses on issues including accountability, corporate governance, and the challenge function while the latter focuses on College specific matters including the structure, vision, values and objectives of the organisation, and Belfast Met strategies including those relating to the curriculum, estates, IT, stakeholder engagement and HR.

The Governing Body has an annual strategy workshop which involves a review of the organisation's performance against objectives and targets, a strategic forward look and in depth presentations and discussions on specific topics.

#### **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 and Risk 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 and Risk Committee met 4 times during the 2014/15 year to discuss reports from the External and Internal Auditors and the relevant management responses. It reviewed the College's annual financial statements to ensure compliance with legislation and accounting standards.

The key issues discussed at the Audit & Risk Committee during the year 2014/15 were as follows:

- Internal Audit planning;

- Internal Audit reports including reviews of core finances, financial planning and budgeting, procurement, data protection and MIS, curriculum planning, student finance, corporate governance and risk management, and the monitoring and attainment of corporate objectives.
- NIAO matters including NIAO strategy (encompassing the identified significant risks concerning regularity, and funding in the current economic climate), audit planning, Report To Those Charged with Governance (RTTCWG), and year end accounts ;
- Risk management and opportunity;
- Follow up on outstanding recommendations from all sources;
- A&R Committee annual report;
- Single Tender Action notifications;
- Fraud, losses, and special payments ;
- DFP and DEL and other third party correspondence including DEL circulars and DAO letters;
- A&R Committee meeting evaluation.

Internal audit opinions are graded as follows in line with DAO DFP 07/13

#### **Substantial**

There was a robust system of risk management, control and governance which should assure that objectives are fully achieved.

#### **Satisfactory**

Overall there is an adequate and effective system of governance, risk management and control. While there is some residual risk identified this should not significantly impact on the achievement of objectives. Some improvements are required to enhance the adequacy / and or effectiveness of governance, risk management and control.

#### **Limited**

There is an inadequate and /or ineffective system of governance, risk management and control in place. Therefore there is significant risk that the system will fail to meet its objectives. Prompt action is required to improve the adequacy and/or effectiveness of governance, risk management and control.

#### **Unacceptable**

The system of governance, risk management and control has failed or there is a real or substantial risk that the system will fail to meet its objectives. Urgent action is required to improve the adequacy and /or effectiveness of governance, risk management and control.

The Internal Audit annual report 14/15 provided a "Substantial" assurance overall in relation to the adequacy of the systems of control within the College, and eight individual reviews resulted in a "Substantial" assurance.

In addition to governors, auditors and DEL representatives four Executive officers namely the Chief Operating Officer, the Head of Corporate Development, the Head of Finance and the Centre Manager for Strategic Planning are always in attendance.

#### **Audit Committee: Item of special significance – Belfast Met College Titanic Quarter PPP Project**

The NI Assembly Public Accounts Committee met in June and September 2014 to receive evidence on the "Belfast Met College Titanic Quarter PPP Project" element of its inquiry into the future impact of borrowing and private finance commitments. The inquiry was based on a report produced earlier in the year by the Northern Ireland Audit Office (NIAO). The Committee took evidence from representatives of DEL and Belfast Met. The PAC published a report on the hearing on 10 December

2014. All recommendations relating to the College were accepted and are in the process of being implemented. Updates in relation to this are provided to our parent Department and the NIAO on a regular basis.

Following each meeting the Chair of the Audit & Risk Committee gives a verbal update on audit and risk matters to the full Governing Body as well as circulating the draft minutes of the meeting. The Governing Body also take assurance from the annual report provided by the Audit & Risk committee.

### **Corporate Governance and Register of Interests**

Belfast Met in the year 2014/15 was in compliance with the following key pieces of guidance and best practice:

- Managing Public Money (NI);
- DEL and DFP guidance including the FE Code of Governance;
- Nolan Principles; and
- Good Governance Standards for Public Services.

In the year 2014/15 an Internal Audit Review of corporate governance and risk management resulted in a "substantial" assurance.

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. The Register is available for public inspection by contacting the Secretary, c/o the Directorate, Belfast Metropolitan College, Titanic Quarter Campus, Level 2, 7 Queen's Road, Belfast BT3 9DT. There is an agreed Code of Conduct which incorporates the Principles of Public Life.

### **The Executive Team**

The Executive Team consists of:

- Principal & Chief Executive
- Director of Curriculum
- Chief Operating Officer
- Director of Development and Learner Services
- Director of Transition (role appointed on 1 July 2015)

The Head of Corporate Development was 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.

### **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 risk management function was audited by the Internal Auditors during 2014/15. The auditors awarded a substantial assurance to the College.

A Corporate Risk Register is created as part of the College's annual planning process. It is also informed by the College Corporate Plan leading the "City to Work 2013-16", a review of the risk performance for the previous academic year and the parent Department's latest quarterly health check for the FE Sector.

During 2014/15 the College sought to improve the presentation of risk information to the Audit & Risk Committee by grouping its risks as follows:

Category One	Funding, Legal & Related Issues
Category Two	Economic, Social & Political Issues
Category Three	Infrastructure Issues
Category Four	Operational Issues
Category Five	Reputational Issues

At the beginning of 2014/15 the following twelve risks were identified (by category):

**Category One - Funding, Legal & Related Issues:**

- Failure to recruit planned learner numbers;
- Failure to achieve planned learner retention rates;
- Failure to achieve learner achievement targets;
- Failure to be compliant with all relevant legislation, directives and good practice; and
- Failure to ensure financial viability within increasingly uncertain economic and political pressures.

**Category Two - Economic, Social & Political Issues:**

- Failure to respond to the evolving skills needs of the economy today and tomorrow;
- Failure to engage with the traditionally hard to reach and transform their lives through our curriculum offer; and
- Failure to respond to changing policy and educational landscape e.g. HLAs and Foundation Degrees.

**Category Three - Infrastructure Issues:**

- Failure to provide suitable accommodation and infrastructure to enhance learning environment across all of our Estate.

**Category Four - Operational Issues:**

- Failure to create and maintain an internal framework which delivers top quality, high performance and real accountability; and
- Failure to build and develop a forward looking, innovative, enthusiastic and flexible workforce.

**Category Five - Reputational Issues:**

- Failure to maintain the College's reputation.

During the year the following three risks were added to the Corporate Risk Register (by category):

**Category One - Funding, Legal & Related Issues:**

- Failure to achieve success targets.

**Category Three - Infrastructure Issues:**

- Unavailability of key IT systems.

**Category Four - Operational Issues:**

- Failure to ensure that the teaching staff are continually developed thereby ensuring that the quality of curriculum delivery to students is always improving.

The Corporate risk register is reviewed quarterly by the Directors. The risk register is also scrutinized by the Audit and Risk Committee at its quarterly meeting who then provide on-going assurance to the College Governing Body. The Committee focuses attention on the most serious risks and challenges senior managers on the evidence supporting this assessment and appropriateness of mitigating controls.

At the close of 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.

No risks materialized during 2014/15.

Each business unit i.e. curriculum school and support department creates and maintains an operational risk register for its own area. The operational risk registers are fed into the College planning process to ensure alignment with high level business objectives.

The owners of the operational risks report quarterly to Corporate Development in relation to their risk performance. During 2014/15, the College compared and analyzed operational risk registers over the current and previous academic year and identified necessary improvement actions. These actions are now being taken forward.

Performance in this area is also assessed by means of the regular performance sessions conducted by Senior Management. Any actions arising from the performance reviews are monitored to ensure timely completion.

**Information Risk**

The College has complied with the requirements of the relevant legislation during 2014/15 i.e. Freedom of Information Act and Data Protection Act. No incidents were reported during the period.

Towards the end of the year, the College's internal auditors raised a recommendation in their Data Protection and Records Management internal audit about the absence of a Data Breach incident response plan to support the Data Protection Policy. A response plan has now been put in place.

**Fraud Reporting**

The college has a Fraud Policy and Fraud Response Plan. 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 2014/15 the College reported 8 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.

The college also participates in the National Fraud Initiative.



### Whistleblowing

The College has arrangements in place to deal with whistleblowing. During 2014/15 one complaint was received by the College. In line with the College's policy, the complaint was investigated and the parent Department notified of the outcome.

### 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.

The College Internal Auditors (KPMG) gave the College an overall assurance rating of Substantial for 2014/15. They examined the following areas and provided the following individual assurances:

Review Area	Assurance Rating
Core Financial Review	Substantial assurance
Financial Planning and Budgeting	Substantial assurance
Procurement	Substantial assurance
Data Protection & Management of Information	Substantial assurance
Curriculum Planning	Substantial assurance
Student Finance	Substantial assurance
Corporate Governance & Risk Management	Substantial assurance
Monitoring & Attainment of Corporate Objectives	Substantial assurance

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

There was a FAST one day visit to the College in January 2015. No written report was produced and informal feedback only was provided. FAST were happy with the response of the College to several minor actions identified.

FAST also carried out the Additional Support Fund audit 2014/15 for the parent Department. There were no actions outstanding and the audit provided a clean bill of health.

### Education and Training Inspectorate (ETI)

In April 2013, ETI carried out an inspection of the College's further education and work-based learning provision. In March 2014, the Inspectorate carried out an interim follow up visit in relation to those curriculum areas which had been awarded a Satisfactory (Grade 4) or Inadequate (Grade 5) performance level and reported satisfactory progress against the ETI approved action plans. ETI revisited the College in January 2015 to undertake its final review of these areas. All areas were reported as Good or better in the published report and improved by at least one inspection performance level; some areas improved by 2 levels. Overall, ETI reported the College's work based learning provision as now Good (Grade 3).

Curriculum Area	Original Performance Level (Grade)	New Performance Level (Grade)
Applied Science	Satisfactory (4)	Good (3)
A 'Levels	Satisfactory (4)	Good (3)
Essential Skills	Satisfactory (4)	Good (3)
Performing Engineering Operations	Satisfactory (4)	Good (3)
Electro-technical Services	Satisfactory (4)	Very Good (2)
Wood Occupations	Satisfactory (4)	Very Good (2)
Transportation Operations and Maintenance	Inadequate (5)	Good (3)

ETI also undertook two scrutiny visits in 2014/15 to review the College's European Social Fund and Collaborative and Innovation Fund provision. Both areas received a significant number of areas of strength and only several areas for improvement.

In January 2015, ETI published the results of its scrutiny inspection of the self-evaluation and quality improvement planning processes in Belfast Met. The outcome was that the ETI continues to have confidence in the self-evaluation and quality improvement planning processes in the College. The ETI identified seven main strengths, four areas for improvement and two key priorities for development which the College is now addressing. ETI also recognized that its rating of the College's strategic commitment to quality improvement has shifted from confident to highly confident due to investment in Good to Great projects and their outputs.

In March 2015, ETI carried out an inspection of the College's arrangements in relation to continuing professional development (CPD) for academic staff. This was part of an evaluation exercise across all six FE Colleges in relation to CPD. The overall assessment of Belfast Met's CPD arrangements was rated as good with some areas rated as very good. ETI identified main strengths and some focused areas for improvement which the College will address in the 2015/16 academic year.

#### **Investment in People (IIP)**

The College underwent a formal IIP post accreditation review during 2014/15. The outcome of the review was that the College continues to be accredited as an IIP organization. The review identified a number of areas of strength as well as some insights into areas where more attention and effort could be focused.

An action plan has been developed to address relevant areas and this will be rolled out during 2015/16. At the end of 2015/16 a further IIP assessment will be completed.

#### **Monitoring of Audit Recommendations**

In addition to the scrutiny of individual audit reports by managers and members of the Audit and Risk Committee, the Centre Manager for Strategic Planning 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 scrutinized by the Audit and Risk Committee.

The College's internal auditors have not identified any new priority one recommendations during the past three academic years. A single historic priority one recommendation noted in the previous annual governance statement has now been completed. This related to data encryption.

This leaves 6 outstanding audit recommendations, all priority 3 and in the process of being implemented.

### 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 substantial rating in relation to the systems of internal control;
- The Corporate Risk Register and improvements made to risk management processes during the year; and
- 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 2014 to July 2015 which should be disclosed in this statement.

#### Outstanding Audit Recommendation

The College has now completed the historic priority one recommendation raised by Internal Audit and referenced in last years' annual governance statement.



.....  
Marie-Thérèse McGivern  
Chief Executive and Accounting Officer  
26 November 2015

## **BELFAST METROPOLITAN COLLEGE**

### **THE CERTIFICATE 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 2015 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, Balance Sheet, Cash Flow Statement, 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 audit, certify and report on the financial statements in accordance with the Further Education (Northern Ireland) Order 1997 as amended by the Audit and Accountability Institutions of Further Education (Public Sector Audit) Order (Northern Ireland) 2008. I 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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my certificate.

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

#### **Opinion on regularity**

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

#### **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 2015 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 issued thereunder.

### Opinion on other matters

In my opinion:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with Department for Employment and Learning directions made under the Further Education (Northern Ireland) Order 1997 as amended by the Audit and Accountability Institutions of Further Education (Public Sector Audit) Order (Northern Ireland) 2008; and
- the information given in the 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

I have no observations to make on these financial statements.



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

30 November 2015



**BELFAST METROPOLITAN COLLEGE  
CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31 JULY 2015**

	Notes	2015	2014
		£'000	£'000
<b>INCOME</b>			
Department for Employment and Learning grants	2	46,462	43,740
Education contracts	3	3,484	3,920
Tuition fees and charges	4	8,264	7,632
Other grant income	5	508	872
Other operating income	6	1,722	1,352
Endowment and investment income	7	168	393
<b>Total income</b>		<b>60,608</b>	<b>57,909</b>
<b>EXPENDITURE</b>			
Staff costs	8	34,707	34,123
Other operating expenses	10	21,767	21,775
Interest payable	11	5	63
Depreciation and impairment	14	4,777	4,483
<b>Total expenditure before exceptional items</b>		<b>61,256</b>	<b>60,444</b>
<b>(Deficit) on continuing operations after depreciation of assets at valuation and before tax and before exceptional items</b>		<b>(648)</b>	<b>(2,535)</b>
<b>Exceptional Items</b>			
Exceptional costs - staff	8	5,423	0
Exceptional income - staff		(3,203)	0
<b>(Deficit) on continuing operations after depreciation of assets at valuation and before tax</b>		<b>(2,868)</b>	<b>(2,535)</b>
Profit on disposal of assets		11	1,958
<b>(Deficit) on continuing operations after depreciation of assets at valuation and disposal of assets but before tax</b>		<b>(2,857)</b>	<b>(577)</b>
Taxation	12	0	0
<b>(Deficit) on continuing operations after depreciation of assets at valuation, disposal of assets and tax</b>		<b>(2,857)</b>	<b>(577)</b>
Surplus/(deficit) for the year transferred from accumulated income in endowment funds		0	0
<b>Surplus/(deficit) for the year retained within general reserves</b>	13	<b>(2,857)</b>	<b>(577)</b>

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 2015**

	Notes	2015	2014
		£'000	£'000
(Deficit) on continuing operations after depreciation of assets at valuation and tax		(2,857)	(577)
Difference between historical cost depreciation and the actual charge for the year calculated on the revalued amount	23	1,585	1,281
Realisation of property revaluation gains of previous years	23	<u>2,000</u>	<u>1,509</u>
<b>Historical cost surplus for the year</b>		<u>728</u>	<u>2,213</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 2015**

		2015	2014
	Notes	£'000	£'000
(Deficit) on continuing operations after depreciation of assets at valuation and tax	13	(2,857)	(577)
Unrealised (deficit)/surplus on revaluation of fixed assets	23	(15,609)	10,770
Appreciation of endowment asset investments	24	9	7
Actuarial gain/(loss) in respect of pension scheme	25	<u>5,339</u>	<u>(12,313)</u>
<b>Total recognised (losses)/gains since last report</b>		<b><u>(13,118)</u></b>	<b><u>(2,113)</u></b>
<b>Reconciliation</b>			
Opening reserves and endowments		39,701	41,814
Total recognised (losses)/gains for the year		<u>(13,118)</u>	<u>(2,113)</u>
<b>Closing reserves and endowments</b>		<b><u>26,583</u></b>	<b><u>39,701</u></b>

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

**BELFAST METROPOLITAN COLLEGE  
BALANCE SHEET AS AT 31 JULY 2015**

	Notes	Group 2015 £'000	College 2015 £'000	Group 2014 £'000	College 2014 £'000
<b>Fixed assets</b>					
Tangible assets	14	102,253	100,398	123,780	121,734
Investments	15	0	0	0	0
<b>Total fixed assets</b>		<b>102,253</b>	<b>100,398</b>	<b>123,780</b>	<b>121,734</b>
<b>Endowment assets</b>	22	268	0	277	0
<b>Current assets</b>					
Stocks		0	0	0	0
Debtors	16	8,476	8,924	5,931	6,328
Assets held for resale		0	0	0	0
Cash at bank and in hand		10,822	10,704	10,120	10,045
<b>Total current assets</b>		<b>19,298</b>	<b>19,628</b>	<b>16,051</b>	<b>16,373</b>
Less: Creditors – amounts falling due within one year	17	13,678	13,664	11,843	11,814
<b>Net current assets</b>		<b>5,620</b>	<b>5,964</b>	<b>4,208</b>	<b>4,559</b>
<b>Total assets less current liabilities</b>		<b>108,141</b>	<b>106,362</b>	<b>128,265</b>	<b>126,293</b>
Less: Creditors – amounts falling due after more than one year	18	37,997	37,997	39,063	39,063
Less: Provisions for liabilities	20	0	0	0	0
<b>Net assets excluding pension liability</b>		<b>70,144</b>	<b>68,365</b>	<b>89,202</b>	<b>87,230</b>
Net pension liability	25	(12,940)	(12,940)	(17,673)	(17,673)
<b>Net assets including pension liability</b>		<b>57,204</b>	<b>55,425</b>	<b>71,529</b>	<b>69,557</b>
<b>Deferred capital grants</b>	21	30,353	28,913	31,551	29,771
<b>Endowments</b>	22	268	0	277	0
<b>Reserves</b>					
Income and expenditure account excluding pension reserve	24	5,280	5,139	3,937	3,804
Pension reserve	25	(12,940)	(12,940)	(17,673)	(17,673)
Income and expenditure account including pension reserve	24	(7,660)	(7,801)	(13,736)	(13,869)
Revaluation reserve	23	34,243	34,313	53,437	53,655
<b>Total reserves</b>		<b>26,583</b>	<b>26,512</b>	<b>39,701</b>	<b>39,786</b>
<b>Total</b>		<b>57,204</b>	<b>55,425</b>	<b>71,529</b>	<b>69,557</b>

The financial statements on pages 47 to 102 were approved by the Governing Body of Belfast Metropolitan College on 26 November 2015 and were signed on its behalf on that date by:

Frank Bryan  
Chair of Governing Body  
Belfast Metropolitan College



Marie-Therese McGivern  
Accounting Officer  
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 2015**

	Notes	2015 £'000	2014 £'000
<b>Cash inflow from operating activities</b>	26	2,232	1,719
Returns on investments and servicing of finance	27	39	(20)
Taxation	12	0	0
Capital expenditure and financial investment	28	2,011	3,567
Management of liquid resources	29	9	9
Financing	30	<u>(3,589)</u>	<u>(1,359)</u>
<b>Increase/(decrease) in cash in the year</b>		<u>702</u>	<u>3,916</u>
<b>Reconciliation of net cash flow to movement in net funds/(debt)</b>			
Increase in cash in the period		702	3,916
Movements in endowments		(9)	(9)
Cash outflow from decrease in debt		2,000	0
Cash outflow from repayment of finance leases		1,589	1,359
Movement in net funds in the period		<u>4,282</u>	<u>5,266</u>
Additions to lease creditor for PFI		(79)	(94)
Net funds at 1 August		<u>(32,176)</u>	<u>(37,348)</u>
<b>Net funds at 31 July</b>		<u>(27,973)</u>	<u>(32,176)</u>

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



## 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 cash flow, liquidity and borrowings are described in the Financial Statements and accompanying notes.

The College had £2m of loans outstanding with Southern Regional College on terms negotiated in 2012. The College repaid the entire loan on 30th August 2014.

The College's forecasts and financial projections indicate that it will be able to operate within its existing facility and covenants 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 balances are eliminated on consolidation. All Financial Statements are made up to 31 July 2015.

### 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 its 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 college has fully adopted FRS17 "Retirement Benefits" during the year. The impact of this standard has been reflected throughout the financial statements. Prior year comparatives have been restated where appropriate.

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.

To comply with auto enrolment legislation, the college has also joined the National Employment Savings Trust (NEST). Contributions by the college are made on a defined contribution basis.

## 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 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.

### Private Finance Initiative

At the 31st July 2015 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 partially exempt in respect of VAT, so that it can only recover a minor element of VAT charged on its inputs. Irrecoverable VAT on inputs is included in the costs of such inputs and added to the cost of tangible fixed assets as appropriate, where the inputs themselves are tangible fixed assets by nature.

### 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

	2015 £'000	2014 £'000
Recurrent grant	35,427	33,255
Release of deferred capital grants	1,638	1,846
Release of deferred capital grants in relation to property impairments	0	0
Additional Support funds	465	357
Discrete Support Funds	504	534
Education Maintenance Allowance administration	43	45
Learner access and engagement	185	150
Essential skills	0	0
Care to Learn	40	37
Private Finance Initiative (PFI)	6,508	6,491
Innovation Fund	279	335
Other	1,373	690
<b>Total</b>	<b>46,462</b>	<b>43,740</b>

The College was a member of a consortium to deliver the DEL Innovation Fund in Northern Ireland in 2014/15 and the income received was as follows:

	2015 £'000	2014 £'000
Innovation Fund Income	279	335
Net Income	279	335



## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 3. EDUCATION CONTRACTS

	2015 £'000	2014 £'000
VEP School Link Course	404	645
Jobskills and Training for Success	3,080	3,275
<b>Total</b>	<b>3,484</b>	<b>3,920</b>

### 4. TUITION FEES AND CHARGES

	2015 £'000	2014 £'000
Home and other European Union	3,698	3,333
Non-European Union	47	58
Higher Education (HE) income	4,519	4,241
<b>Total</b>	<b>8,264</b>	<b>7,632</b>

#### Tuition fees funded by bursaries

Included within the above amounts are tuition fees funded by bursaries of £70,068 (2013/14: £54,792).

### 5. OTHER GRANT INCOME

	2015 £'000	2014 £'000
European funds	162	351
Other funds	346	521
<b>Total</b>	<b>508</b>	<b>872</b>

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 6. OTHER OPERATING INCOME

	2015	2014
	£'000	£'000
Catering and residence operations	497	465
Other income generating activities	754	718
Other income	471	169
	<hr/>	<hr/>
<b>Total</b>	<b>1,722</b>	<b>1,352</b>
	<hr/> <hr/>	<hr/> <hr/>

### 7. INVESTMENT INCOME

	2015	2014
	£'000	£'000
Income from endowments	0	0
Pension finance income (note 25)	124	350
Other investment income	14	22
Other interest receivable	30	21
	<hr/>	<hr/>
<b>Total</b>	<b>168</b>	<b>393</b>
	<hr/> <hr/>	<hr/> <hr/>

## 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:

	2015 No.	2014 No.
Teaching	430	431
Support	145	132
Administration	223	223
Premises	38	41
<b>Total</b>	<b>836</b>	<b>827</b>

#### Staff costs for the above persons

	2015 £'000	2014 £'000
Teaching	18,496	18,211
Support	4,372	4,056
Administration	9,286	9,746
Premises	1,823	1,702
FRS 17 Adjustment	730	408
	<b>34,707</b>	<b>34,123</b>
Exceptional staff costs - VES	5,423	0
<b>Total</b>	<b>40,130</b>	<b>34,123</b>

Wages and salaries	28,324	28,376
Social security costs	1,767	1,744
Other pension costs - including FRS 17 adjustments of £730k, (2014: £408k)	4,616	4,003
	<b>34,707</b>	<b>34,123</b>
Exceptional staff costs - VES	5,423	0
<b>Total</b>	<b>40,130</b>	<b>34,123</b>

During the year the college participated in the NI Civil Service wide voluntary exit scheme. At 31 August 2015 60 academic staff (including 15 Part time lecturers) and 14 support staff availed of the exit scheme at a cost of £2.2m. An accrual has been made for a further £3.2m for 35 academic staff and 33 support staff who will also avail of the voluntary exit scheme in 2015/16.

## 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	
	2015 No.	2014 No.	2015 No.	2014 No.
£60,001 to £70,000	0	0	12	6
£70,001 to £80,000	0	0	3	3
£80,001 to £90,000	0	1	0	0
£90,001 to £100,000	2	2	0	0
£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>3</u>	<u>4</u>	<u>15</u>	<u>9</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.

	2015 No.	2014 No.
The number of senior post-holders including the Principal / Director was:	3	4
	<u>3</u>	<u>4</u>

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

	2015 £'000	2014 £'000
Salaries	289	360
Benefits in kind	0	0
Pension contributions	44	49
	<u>333</u>	<u>409</u>
<b>Total emoluments</b>	<b>333</b>	<b>409</b>

## 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:

	2015 £'000	2014 £'000
Salaries	121	119
Benefits in kind	0	0
	<u>121</u>	<u>119</u>
Pension contributions	18	16
	<u>18</u>	<u>16</u>
<b>Total</b>	<b><u>139</u></b>	<b><u>135</u></b>

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

	2015 £'000	2014 £'000
Compensation paid to the former post-holder	0	0
Estimated value of other benefits, including provisions for pension benefits	0	0
	<u>0</u>	<u>0</u>
<b>Total</b>	<b><u>0</u></b>	<b><u>0</u></b>

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

	2015	2014
	£'000	£'000
Direct Teaching	1,067	1,245
Direct Support	4,314	4,520
Administration	2,913	2,536
Consultancy Fees	15	10
Premises	3,938	4,146
Planned maintenance	911	592
Unitary payments under PFI contract - operating costs	4,903	4,908
Interest element of PFI contract	3,706	3,818
	<u>21,767</u>	<u>21,775</u>
<b>Total</b>	<b>21,767</b>	<b>21,775</b>

<b>Other operating expenses include:</b>	2015	2014
	£'000	£'000
<b>Auditors' remuneration:</b>		
Financial statements audit (includes £21,000 in respect of the College, 2013/14 £21,000)	27	27
Internal audit (includes £25,814 in respect of the College 2013/14 £21,305)	26	21
Other services provided by the financial statements auditors	0	0
Other services provided by the internal auditors	41	2
Losses on disposal of tangible fixed assets (where not material)	0	0
Hire of plant and machinery - operating leases	226	191
Hire of other assets - operating leases	0	0

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 11. INTEREST PAYABLE

	2015 £'000	2014 £'000
On bank loans, overdrafts and other loans:		
Repayable within five years, not by instalments	5	63
Repayable within five years, by instalments	0	0
Repayable wholly or partly in more than five years	0	0
	<u>5</u>	<u>63</u>
Pension finance costs	<u>0</u>	<u>0</u>
<b>Total</b>	<u><u>5</u></u>	<u><u>63</u></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 2014/15.

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

	2015 £'000	2014 £'000
The (deficit) on continuing operations for the year is made up as follows:		
College's (deficit) for the year	(2,856)	(594)
Retained by subsidiary undertakings	<u>(1)</u>	<u>17</u>
	<u><u>(2,857)</u></u>	<u><u>(577)</u></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
<b>Cost or valuation</b>							
At 1 August 2014	44,173	84,068	1,670	4,211	88	266	134,476
Additions	76	78	483	162	59	0	858
Impairment	(371)	0	0	0	0	0	(371)
Surplus/(deficit) on revaluation	(9,190)	(16,026)	0	0	0	0	(25,216)
Disposals	(2,000)	0	0	0	0	(33)	(2,033)
<b>At 31 July 2015</b>	<b>32,688</b>	<b>68,120</b>	<b>2,153</b>	<b>4,373</b>	<b>147</b>	<b>233</b>	<b>107,714</b>
<b>Depreciation</b>							
At 1 August 2014	1,732	4,452	795	3,544	18	155	10,696
Charge for the year	991	2,478	316	605	23	38	4,451
Impairment	(45)	0	0	0	0	0	(45)
Revaluation	(2,678)	(6,930)	0	0	0	0	(9,608)
Elimination in respect of disposals	0	0	0	0	0	(33)	(33)
<b>At 31 July 2015</b>	<b>0</b>	<b>0</b>	<b>1,111</b>	<b>4,149</b>	<b>41</b>	<b>160</b>	<b>5,461</b>
<b>Net book value at 31 July 2015</b>	<b>32,688</b>	<b>68,120</b>	<b>1,042</b>	<b>224</b>	<b>106</b>	<b>73</b>	<b>102,253</b>
Net book value at 31 July 2014	42,441	79,616	875	667	70	111	123,780

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
<b>Cost or valuation</b>							
At 1 August 2014	42,097	84,068	1,522	4,211	88	266	132,252
Additions	76	78	483	162	59	0	858
Impairment	0	0	0	0	0	0	0
Surplus/(deficit) on revaluation	(9,340)	(16,026)	0	0	0	0	(25,366)
Disposals	(2,000)	0	0	0	0	(33)	(2,033)
<b>At 31 July 2015</b>	<b>30,833</b>	<b>68,120</b>	<b>2,005</b>	<b>4,373</b>	<b>147</b>	<b>233</b>	<b>105,711</b>
<b>Depreciation</b>							
At 1 August 2014	1,702	4,452	647	3,544	18	155	10,518
Charge for the year	977	2,478	316	605	23	38	4,437
Impairment	0	0	0	0	0	0	0
Revaluation	(2,679)	(6,930)	0	0	0	0	(9,609)
Elimination in respect of disposals	0	0	0	0	0	(33)	(33)
<b>At 31 July 2015</b>	<b>0</b>	<b>0</b>	<b>963</b>	<b>4,149</b>	<b>41</b>	<b>160</b>	<b>5,313</b>
<b>Net book value at 31 July 2015</b>	<b>30,833</b>	<b>68,120</b>	<b>1,042</b>	<b>224</b>	<b>106</b>	<b>73</b>	<b>100,398</b>
Net book value at 31 July 2014	40,395	79,616	875	667	70	111	121,734

## 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 valuations as at 31 July 2013 and 31 July 2014. An interim revaluation has been carried out by Land and Property Service on 3 September 2015 providing the valuation as at 31 July 2015. These revaluations have been incorporated into the financial statements and the resulting revaluation adjustments have been taken to the revaluation reserve.

	2015 £'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>0</u>

The net book value of tangible fixed assets includes an amount of £68,120k (2013/14: £79,616k) in respect of assets held under PFI contract.

	2015 £'000	2014 £'000
The depreciation charge for the year is analysed as follows:		
Owned assets	1,973	2,215
Assets held under PFI contract, finance lease and hire purchase arrangements	2,478	2,268

### 15. INVESTMENTS

Springvale Educational Village Ltd and Belfast Metropolitan Trust are companies registered by guarantee without share capital.



NOTES TO THE FINANCIAL STATEMENTS (continued)

16. DEBTORS

	Group 2015 £'000	College 2015 £'000	Group 2014 £'000	College 2014 £'000
Amounts falling due within one year:				
Trade debtors	2,146	2,117	3,242	3,199
Amounts owed by subsidiary	0	505	0	479
Prepayments and accrued income	1,078	1,050	873	834
Amounts due from the Department	4,011	4,011	472	472
Advance payments in respect of PFI Contracts	<u>1,241</u>	<u>1,241</u>	<u>1,344</u>	<u>1,344</u>
<b>Total</b>	<b><u>8,476</u></b>	<b><u>8,924</u></b>	<b><u>5,931</u></b>	<b><u>6,328</u></b>

16a. PFI ADVANCE PAYMENTS

	Group 2015 £'000	College 2015 £'000	Group 2014 £'000	College 2014 £'000
Advance payments of the PFI contract	<u>1,241</u>	<u>1,241</u>	<u>1,344</u>	<u>1,344</u>
<b>Total</b>	<b><u>1,241</u></b>	<b><u>1,241</u></b>	<b><u>1,344</u></b>	<b><u>1,344</u></b>

Repayable as follows:

In one year or less	103	103	103	103
In more than one year	1,138	1,138	1,241	1,241

16b. DEBTORS – INTRA-GOVERNMENT BALANCES

	Group 2015 £'000	College 2015 £'000	Group 2014 £'000	College 2014 £'000
Amounts falling due within one year:				
Balances with central government bodies	4,356	4,356	1,406	1,406
Balances with local authorities	<u>39</u>	<u>39</u>	<u>63</u>	<u>63</u>
Subtotal: intra-government balances	4,395	4,395	1,469	1,469
Balances with bodies external to government	<u>4,081</u>	<u>4,529</u>	<u>4,462</u>	<u>4,859</u>
<b>Total</b>	<b><u>8,476</u></b>	<b><u>8,924</u></b>	<b><u>5,931</u></b>	<b><u>6,328</u></b>

NOTES TO THE FINANCIAL STATEMENTS (continued)

17. CREDITORS: AMOUNTS FALLING DUE IN LESS THAN ONE YEAR

	Group 2015 £'000	College 2015 £'000	Group 2014 £'000	College 2014 £'000
Payments received in advance	1,629	1,629	2,069	2,069
Trade creditors	210	210	55	55
Loans and Overdrafts	0	0	2,000	2,000
Other Creditors	12	12	64	64
PFI lease creditor	1,067	1,067	1,510	1,510
Taxation and social security	1,073	1,067	1,038	1,034
Accruals	8,464	8,456	3,408	3,383
Amounts owed to the Department	1,223	1,223	1,699	1,699
<b>Total</b>	<b>13,678</b>	<b>13,664</b>	<b>11,843</b>	<b>11,814</b>

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.

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.

17b. CREDITORS: AMOUNTS FALLING DUE IN LESS THAN ONE YEAR – INTRA GOVERNMENT BALANCES

	Group 2015 £'000	College 2015 £'000	Group 2014 £'000	College 2014 £'000
Balances with central government bodies	2,672	2,665	4,764	4,764
Subtotal: intra-government balances	2,672	2,665	4,764	4,764
Balances with bodies external to government	11,006	10,999	7,079	7,050
<b>Total creditors less than one year</b>	<b>13,678</b>	<b>13,664</b>	<b>11,843</b>	<b>11,814</b>

NOTES TO THE FINANCIAL STATEMENTS (continued)

18. CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR

	Group 2015 £'000	College 2015 £'000	Group 2014 £'000	College 2014 £'000
Other Loans	0	0	0	0
PFI lease creditor	<u>37,997</u>	<u>37,997</u>	<u>39,063</u>	<u>39,063</u>
<b>Total</b>	<b><u>37,997</u></b>	<b><u>37,997</u></b>	<b><u>39,063</u></b>	<b><u>39,063</u></b>

18b. CREDITORS: AMOUNTS FALLING AFTER ONE YEAR – INTRA GOVERNMENT BALANCES

	Group 2015 £'000	College 2015 £'000	Group 2014 £'000	College 2014 £'000
Balances with central government bodies	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal: intra-government balances	0	0	0	0
Balances with bodies external to government	<u>37,997</u>	<u>37,997</u>	<u>39,063</u>	<u>39,063</u>
<b>Total creditors less than one year</b>	<b><u>37,997</u></b>	<b><u>37,997</u></b>	<b><u>39,063</u></b>	<b><u>39,063</u></b>

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 19. BORROWINGS

#### (a) Bank loans and overdrafts

Bank loans and overdrafts are repayable as follows:

	Group 2015 £'000	College 2015 £'000	Group 2014 £'000	College 2014 £'000
In one year or less	0	0	2,000	2,000
Between one and two years	0	0	0	0
Between two and five years	0	0	0	0
In five years or more	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>2,000</b>	<b>2,000</b>

The College entered into an agreement with Southern Regional College to borrow £2m to fund working capital. This loan was repaid in full on 29 August 2014.

#### (b) PFI Lease Creditor

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

	Group 2015 £'000	College 2015 £'000	Group 2014 £'000	College 2014 £'000
<b>PFI Lease</b>				
In one year or less	1,067	1,067	1,510	1,510
Between two and five years	7,386	7,386	6,776	6,776
In five years or more	30,610	30,610	32,287	32,287
<b>Total</b>	<b>39,063</b>	<b>39,063</b>	<b>40,573</b>	<b>40,573</b>

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 2014	0	0	0	0
Expenditure in the period	0	0	0	0
Transferred from income and expenditure account	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>At 31 July 2015</b>	<b><u>0</u></b>	<b><u>0</u></b>	<b><u>0</u></b>	<b><u>0</u></b>

21. DEFERRED CAPITAL GRANTS

	DEL grants £'000	Group and College Other grants £'000	Total £'000
At 1 August 2014			
Land and buildings	23,482	6,372	29,854
Other assets	1,697	0	1,697
Cash received			
Land and buildings	76	0	76
Other assets	704	0	704
Released to income and expenditure account			
Land and buildings	(561)	(107)	(668)
Other assets	(970)	0	(970)
Grant release re impairment of land and buildings	<u>0</u>	<u>(340)</u>	<u>(340)</u>
<b>Total</b>	<b><u>24,428</u></b>	<b><u>5,925</u></b>	<b><u>30,353</u></b>
At 31 July 2015			
Land and buildings	22,997	5,925	28,922
Other assets	<u>1,431</u>	<u>0</u>	<u>1,431</u>
<b>Total</b>	<b><u>24,428</u></b>	<b><u>5,925</u></b>	<b><u>30,353</u></b>

NOTES TO THE FINANCIAL STATEMENTS (continued)

22. ENDOWMENTS

	Unrestricted Permanent £'000	Restricted Permanent £'000	Total Permanent £'000	Restricted expendable £'000	Total £'000
At 1 August 2014	269	0	269	8	277
Net additions/(disposals)	0	0	0	0	0
Appreciation of endowment asset investments	15	0	15	0	15
Income for year	2	0	2	0	2
Expenditure for year	(25)	0	(25)	(1)	(26)
<b>At 31 July 2015</b>	<b>261</b>	<b>0</b>	<b>261</b>	<b>7</b>	<b>268</b>
	Unrestricted Permanent £'000	Restricted Permanent £'000	Total Permanent £'000	Restricted expendable £'000	Total £'000
At 1 August 2013	276	0	276	9	285
Net additions/(disposals)	0	0	0	0	0
Appreciation of endowment asset investments	11	0	11	0	11
Income for year	3	0	3	0	3
Expenditure for year	(21)	0	(21)	(1)	(22)
<b>At 31 July 2014</b>	<b>269</b>	<b>0</b>	<b>269</b>	<b>8</b>	<b>277</b>

The treatment of endowments in the financial statements has been adjusted to reflect the operating result of the Trust in the endowment balance. This has resulted in a reduction to prior year opening balance of £4k.



## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 23. REVALUATION RESERVE

	Group 2015 £'000	College 2015 £'000	Group 2014 £'000	College 2014 £'000
At 1 August	53,437	53,655	45,457	45,675
Revaluations in the period (note 14)	(15,609)	(15,757)	10,770	10,770
Transfer from revaluation reserve to general reserve in respect of:				
Disposals	(2,000)	(2,000)	(1,509)	(1,509)
Impairment	0	0	0	0
Depreciation on revalued assets	(1,585)	(1,585)	(1,281)	(1,281)
<b>At 31 July</b>	<b><u>34,243</u></b>	<b><u>34,313</u></b>	<b><u>53,437</u></b>	<b><u>53,655</u></b>

### 24. MOVEMENT ON GENERAL RESERVE

	Group 2015 £'000	College 2015 £'000	Group 2014 £'000	College 2014 £'000
<b>Income and expenditure account reserve</b>				
At 1 August	(13,736)	(13,869)	(3,643)	(3,752)
(Deficit) retained for the year	(2,857)	(2,856)	(577)	(594)
Transfer from revaluation reserve	3,585	3,585	2,790	2,790
Transfer due to endowment asset investments	9	0	7	0
Actuarial loss/gain in respect of pension scheme	5,339	5,339	(12,313)	(12,313)
<b>At 31 July</b>	<b><u>(7,660)</u></b>	<b><u>(7,801)</u></b>	<b><u>(13,736)</u></b>	<b><u>(13,869)</u></b>
Balance represented by:				
Pension reserve	(12,940)	(12,940)	(17,673)	(17,673)
Income and expenditure account reserve excluding pension reserve	5,280	5,139	3,937	3,804
<b>At 31 July</b>	<b><u>(7,660)</u></b>	<b><u>(7,801)</u></b>	<b><u>(13,736)</u></b>	<b><u>(13,869)</u></b>

Of the group operating deficit for the year of £1,012k an operating deficit of £1,011k 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	2015 £'000	2014 £'000
NITPS: Contributions paid	2,407	2,176
NILGOSC: Contributions paid	1,465	1,407
NILGOSC: FRS 17 charge	730	408
NEST: Contributions paid	14	12
Charge to the Income and Expenditure Account (staff costs)	<u>4,616</u>	<u>4,003</u>
Enhanced pension charge to Income and Expenditure Account (staff costs)	<u>106</u>	<u>0</u>
<b>Total pension cost for year</b>	<b><u>4,722</u></b>	<b><u>4,003</u></b>

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest formal actuarial valuations of the NITPS was 31 March 2008 and NILGOSC was 31 March 2013.

#### NITPS

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

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

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

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:-

**Salary \***                      **2014/15**  
\* contributions are based on full-time equivalent (FTE) pay levels

Below £15,000	6.4%
£15,000 to £25,999	7.2%
£26,000 to £31,999	8.3%
£32,000 to £39,999	9.5%
£40,000 to £44,999	9.9%
£45,000 to £74,999	11.0%
£75,000 to £99,999	11.6%
£100,000 and above	12.4%

## NOTES TO THE FINANCIAL STATEMENTS (continued)

The employer contribution rate increased to 17.7% from 1 April 2015.

On 1st April 2015 the salary bands applicable to member contributions for the NITPS changed. The method of determining which salary band a member falls into also changed. The appropriate contribution rates to be applied are now based on a members' annual salary rate (actual earnings) as opposed to their full-time equivalent (FTE) salary.

Salary	2015/16
Up to £25,999	7.4%
£26,000 to £34,999	8.6%
£35,000 to £41,499	9.6%
£41,500 to £54,999	10.2%
£55,000 to £74,999	11.3%
£75,000 and above	11.7%

### 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

### 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

### FRS 17

The following information is based upon a full actuarial valuation of the fund at 31 March 2013 updated to 31 July 2014 by a qualified actuary.

#### Principal actuarial assumptions

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

	At 31 July 2015	At 31 July 2014
	%	%
Rate of increase in salaries	3.6	4.2
Rate of increase for pensions in payment/inflation	2.1	2.7
Discount rate for scheme liabilities	3.6	4.0
Inflation assumption (CPI)	2.1	2.7
Commutation of pensions to lump sums	75.0	75.0

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

	At 31 July 2015	At 31 July 2014
<i>Retiring today</i>		
Males	22.2	22.0
Females	24.7	24.5
<i>Retiring in 20 years</i>		
Males	24.4	24.2
Females	27.0	27.7

## NOTES TO THE FINANCIAL STATEMENTS (continued)

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 2015	Value at 31 July 2015 £'000	Long-term rate of return expected at 31 July 2014	Value at 31 July 2014 £'000
Equities		38,123	6.6%	33,333
Bonds		5,865	3.3%	5,405
Property		6,277	4.7%	5,406
Cash		1,184	3.6%	901
<b>Total market value of assets</b>		<b>51,449</b>		<b>45,045</b>
Present value of scheme liabilities		(64,389)		(62,718)
<b>Deficit in the scheme</b>		<b>(12,940)</b>		<b>(17,673)</b>

### Amounts recognised in the balance sheet

	2015 £'000	2014 £'000
Present value of funded obligations	(64,211)	(62,530)
Fair value of plan assets	51,449	45,045
	(12,762)	(17,485)
Present value of unfunded obligations	(178)	(188)
Unrecognised past service cost	0	0
<b>Net liability</b>	<b>(12,940)</b>	<b>(17,673)</b>

### Analysis of the amount charged to income and expenditure account:

	2015 £'000	2014 £'000
Employer service cost (net of employee contributions)	2,219	1,814
Curtailments	106	0
Past service cost	0	0
<b>Total operating charge</b>	<b>2,325</b>	<b>1,814</b>

The adoption of FRS102 in the next accounting period removes the requirement to recognise an expected return on assets item in the profit and loss charge. As the expected return on assets is based on the assumption at the start of the accounting period, assumptions for the expected return on assets are not required at 31 July 2015.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**Analysis of pension finance income/(costs):**

	2015 £'000	2014 £'000
Expected return on pension scheme assets	2,672	2,919
Interest on pension liabilities	<u>(2,548)</u>	<u>(2,569)</u>
<b>Pension finance income/(costs)</b>	<b><u>124</u></b>	<b><u>350</u></b>

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

	2015 £'000	2014 £'000
Actuarial (losses)/gains on pension scheme assets	2,447	(8,816)
Actuarial (losses)/gains on scheme liabilities	<u>2,892</u>	<u>(3,497)</u>
<b>Actuarial (loss)/gain recognised in STRGL</b>	<b><u>5,339</u></b>	<b><u>(12,313)</u></b>

**Movement in surplus/(deficit) during year**

	2015 £'000	2014 £'000
Surplus/(deficit) in scheme at 1 August	(17,673)	(5,313)
Movement in the year:		
Employer Service Cost (net of employee contributions)	(2,219)	(1,814)
Employer Contributions	1,595	1,417
Past service cost	0	0
Curtailments and settlements	(106)	0
Net interest/return on assets	124	350
Actuarial gain or loss	<u>5,339</u>	<u>(12,313)</u>
<b>Deficit in scheme at 31 July</b>	<b><u>(12,940)</u></b>	<b><u>(17,673)</u></b>

NOTES TO THE FINANCIAL STATEMENTS (continued)

Asset and liability reconciliation:

	2015 £'000	2014 £'000
<b>Reconciliation of liabilities</b>		
<b>Liabilities at start of period</b>	62,718	55,128
Service cost	2,219	1,814
Interest cost	2,548	2,569
Employee contributions	472	454
Experience gains and losses on scheme liabilities	0	0
Actuarial (gain)/loss	(2,892)	3,497
Benefits paid	(782)	(733)
Unfunded benefits paid	0	(11)
Curtailments and settlements	106	0
<b>Liabilities at end of period</b>	<b>64,389</b>	<b>62,718</b>
<b>Reconciliation of assets</b>		
<b>Assets at start of period</b>	45,045	49,815
Expected return on assets	2,672	2,919
Actuarial (loss)/gain	2,447	(8,816)
Employer contributions	1,595	1,406
Employee contributions	472	454
Benefits paid	(782)	(733)
<b>Assets at end of period</b>	<b>51,449</b>	<b>45,045</b>

The estimated value of employer contributions for the year ended 31 July 2016 is £1,536,000.

History of experience gains and losses

	2015	2014	2013	2012	2011
Difference between the expected and actual return on assets					
Amount £'000	2,447	(8,816)	6,215	(1,465)	7,631
Experience gains and losses on scheme liabilities					
Amount £'000	312	(2,932)	(11)	(365)	4,872
Total amount recognised in STRGL					
Amount £'000	5,339	(12,313)	4,885	(6,615)	12,460

National Employment Savings Trust (NEST)

To comply with auto enrolment legislation the college joined the National Employment Savings Trust (NEST). Where an employee has previously opted out of NILGOSC or NITPS the college still has a duty to enrol them in a qualifying pension scheme if certain earnings criteria are met. NEST was set up by Government to assist with this requirement. The College's contributions to NEST are made on a defined contribution basis at 1%.



## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 26. RECONCILIATION OF CONSOLIDATED OPERATING SURPLUS/(DEFICIT) TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2015 £'000	2014 £'000
(Deficit) on continuing operations after depreciation of assets	(2,857)	(577)
Depreciation and impairment	4,777	4,483
Deferred capital grants released to income (note 21)	(1,978)	(1,846)
Interest payable (note 11)	5	63
Interest receivable (note 7)	(44)	(43)
Profit on disposal of tangible fixed assets	(11)	(1,958)
FRS 17 Pension cost less contributions payable (note 25)	730	397
FRS 17 Pension finance income (note 25)	(124)	(350)
(Increase)/Decrease in debtors	(2,545)	(281)
Increase/(Decrease) in creditors	4,279	1,831
Increase / (decrease) in provisions	0	0
	<u>2,232</u>	<u>1,719</u>
<b>Net cash inflow from operating activities</b>	<b>2,232</b>	<b>1,719</b>

### 27. RETURNS ON INVESTMENTS AND SERVICING OF FINANCE

	2015 £'000	2014 £'000
Income from endowments	0	0
Other interest received	44	43
Interest paid	(5)	(63)
Interest element of finance lease rental payment	0	0
	<u>39</u>	<u>(20)</u>
<b>Net cash inflow from returns on investment and servicing of finance</b>	<b>39</b>	<b>(20)</b>

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 28. CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT

	2015 £'000	2014 £'000
Purchase of tangible fixed assets	(780)	(583)
Payments to acquire endowment assets	0	0
Sales of tangible fixed assets	2,011	3,478
Receipt from sale of endowment assets	0	0
Deferred capital grants received	780	672
Endowments received	<u>0</u>	<u>0</u>
<b>Net cash inflow/(outflow) from capital expenditure and financial investment</b>	<b><u>2,011</u></b>	<b><u>3,567</u></b>

### 29. MANAGEMENT OF LIQUID RESOURCES

	2015 £'000	2014 £'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	<u>9</u>	<u>9</u>
<b>Net cash inflow/(outflow) from management of liquid resources</b>	<b><u>9</u></b>	<b><u>9</u></b>

### 30. FINANCING

	2015 £'000	2014 £'000
Debt due beyond a year:		
New unsecured loans	0	0
Repayment of amounts borrowed	(2,000)	0
Capital element of PFI lease rental payments	<u>(1,589)</u>	<u>(1,359)</u>
<b>Net cash (outflow)/inflow from financing</b>	<b><u>(3,589)</u></b>	<b><u>(1,359)</u></b>

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**31. ANALYSIS OF CHANGES IN NET FUNDS**

	<b>At 1 August 2014 £'000</b>	<b>Cash £'000</b>	<b>Other £'000</b>	<b>At 31 July 2015 £'000</b>
Cash in hand and at bank	10,120	702	0	10,822
Endowment asset investments (note 22)	277	0	(9)	268
Overdrafts	0	0	0	0
	<u>10,397</u>	<u>702</u>	<u>(9)</u>	<u>11,090</u>
Debt due within 1 year	(2,000)	2,000	0	0
Debt due after 1 year	0	0	0	0
Finance leases	(40,573)	1,589	(79)	(39,063)
Current asset investments	0	0	0	0
	<u>(32,176)</u>	<u>4,291</u>	<u>(88)</u>	<u>(27,973)</u>
<b>Total</b>	<b><u>(32,176)</u></b>	<b><u>4,291</u></b>	<b><u>(88)</u></b>	<b><u>(27,973)</u></b>

**32. CASHFLOW RELATING TO EXCEPTIONAL ITEMS**

	<b>2015 £'000</b>	<b>2014 £'000</b>
Provision as at 1 August	0	0
Income and expenditure account charge	0	0
Operating cash outflow	<u>0</u>	<u>0</u>
<b>Provision as at 31 July</b>	<b><u>0</u></b>	<b><u>0</u></b>

**33. MAJOR NON CASH TRANSACTIONS**

During the year the college made no provisions.

## 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	
	2015	2014
	£'000	£'000
Commitments contracted for at 31 July	0	0
Authorised but not contracted at 31 July	0	0

### 36. FINANCIAL COMMITMENTS

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

	Group and College	
	2015	2014
	£'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	0	0
<b>Total</b>	<b>0</b>	<b>0</b>
Other		
Expiring within one year	0	0
Expiring within two and five years inclusive	133	133
Expiring in over five years	0	0
<b>Total</b>	<b>133</b>	<b>133</b>

### 37. CONTINGENT LIABILITY

The college had no contingent liabilities as at 31st July 2015.

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.

Governors	Company	Role	Transactions	Transactions	Amount	Amount
			2015	2014	outstanding	outstanding
			£'000	£'000	at 31 July	at 31 July
					2015	2014
					£'000	£'000
Very Rev Dr Norman Hamilton	Belfast Education and Library Board	Nominated to Belfast Met GB by Belfast and Education Library Board	58	98	-	4
Dr Ian Walters	NI Open College Network	Director	39	-	-	-
Wendy Langham	Landmark East	Employee of East Belfast Partnership which owns Landmark East	33	33	-	-
John McGrillen	Belfast City Council	Director of Development (until 30 June 2015)	34	39	-	-
Richard O'Rawe	Association of Colleges NI Ltd	Trustee (until 29 May 2015)	88	72	-	6
<b>Senior Managers</b>						
Marie-Therese McGivern	Strategic Investment Board	Non Executive Director	16	-	-	-
	Bombardier PLC	Non Executive Director	151	170	-	-
Damian Duffy	Centre for Competitiveness	Board member	1	-	-	-
Gillian Magee	RC2020	Executive Director	3	2	-	-

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

	2015 £'000	2014 £'000
DEL Grants	710	742
	<u>710</u>	<u>742</u>
Disbursed to students	(674)	(604)
	<u>36</u>	<u>138</u>
<b>Balance unspent at 31 July</b>	<b>36</b>	<b>138</b>

### 40. LOSSES AND SPECIAL PAYMENTS

In the period 1 August 2014 to 31 July 2015 bad debts totalling £39,907 (13/14: £68,359) were written off, which were mainly student fees. In addition, following a fraud investigation conducted by the College, there was an estimated loss to the College of approximately £30,000. Finally the college made one fruitless payment of £1,200 during the year.



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**Elaine Hartin**  
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