



UNIVERSITY OF
CHICHESTER

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ANNUAL REPORT AND FINANCIAL STATEMENTS

For the year ended 31st July 2021

Registered Company No 4740553

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Approved by the Board of Governors 16th November 2021

CELEBRATING OVER
180 YEARS
OF HIGHER
EDUCATION


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The University of Chichester

Annual Report and Financial Statements

for the year ended 31 July 2021

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The University of Chichester

About the University of Chichester

OUR HISTORY

The University of Chichester is a modern University with a proud history stretching back over 180 years. The Bishop Otter College was established by the Bishop of Chichester in 1839 as a men's teacher training college and admitted its first students in 1840. It moved to the current site in Chichester in 1850, and these original buildings form the historic core of the campus in Chichester still known as the Bishop Otter campus. In 1873, the College changed to training women teachers as a result of a campaign supported by Louisa Hubbard, Florence Nightingale and Elizabeth Garrett Anderson. It became co-educational in 1957.

The Bognor Regis College of Education was set up in 1946 as an emergency training college for men and women to meet the shortage of teachers after the Second World War. It was located in a crescent of three beautiful Regency houses that still form the heart of the Bognor Regis campus today.

In 1977, the two colleges merged to form the West Sussex Institute of Higher Education. The Institute changed its name to Chichester Institute of Higher Education in 1995 in recognition of the primary campus location. There was another name change in 1999 to University College Chichester with the granting of taught degree awarding powers. The designation 'University of Chichester' was approved by the Privy Council in October 2005 and the journey to full university status was completed with the award of Research Degree Awarding Powers in September 2014.

From the University's Articles of Association, the object of the University of Chichester is "the establishment, conduct and development of a University for the advancement of the higher and further education of men and women". The advancement of education is the principal charitable aim of the University under the 2011 Charities Act.

The University has made significant investment in both campuses over the past five years. In September 2018, the new building dedicated to STEM subjects welcomed Engineering, Design and Creative and Digital Technology students; the first cohort of Engineering students graduated in August 2021. The University has also responded to the growing health needs of West Sussex by launching new degrees in Physiotherapy (2020) and Nursing (2021). A newly-refurbished building on the Chichester campus accommodates the School of Nursing and Allied Health from September 2021.

Over the past two years the University community has had to respond to the challenges of a global pandemic, providing as much face-to-face teaching as possible and managing the financial impact of government restrictions. The institutional focus on a high-quality student experience was maintained throughout these challenges; this was reflected in the rise in the rankings for overall student satisfaction from 51st to 25th in the UK National Student Survey 2021 and a further rise in the *Guardian* League Table 2022 from 29th to 21st place.

Strategic Plan

The Strategic Plan (2018-25) offers an ambitious framework to secure the future of the University at a time of considerable challenge for the sector. It has a strong emphasis on growth, externality and sustainability, with each of its eight key strategic themes delivering an outcome which is vital to the University's capacity to thrive in the future.

Our Mission:

To provide outstanding education, advance knowledge and benefit the world.

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Our Vision:

To achieve national and international recognition for the excellence of our teaching, research and innovation. We will secure full acknowledgment as an outstanding university with a strong externally-facing focus. As the only university based in West Sussex, we recognise the economic, social and cultural importance of 'place' and the need to meet both local and global challenges.

Key Strategic Themes:

- We will strengthen the distinctiveness of the Chichester student experience as high-quality, personalised, accessible and aspirational;
- We will increase the size and diversity of our student body;
- We will provide an excellent staff experience based on the core values of the University community;
- We will achieve disciplinary and cross-disciplinary excellence in research and innovation;
- We will increase external academic engagement, meeting regional needs and securing national and international recognition;
- We will build on our heritage in teacher education;
- We will contribute to the development of a strong economic ecosystem in West Sussex through imaginative business partnerships, enterprise education and support for graduate start-ups;
- We will develop attractive and environmentally sustainable campuses.

For further details on each of these strategic goals, please download our [University Strategy](#).

The Strategic Plan is underpinned by detailed sub-strategies for Learning, Teaching and Student Experience; Research and Innovation; Academic Engagement; Recruitment; Estates; Human Resources and Organisational Development; and Finance.

The University has established a dashboard of 12 high-level key performance indicators to target and monitor progress in the achievement of its strategic themes and to identify areas where it will focus its future efforts. The Board of Governors receives a progress update at every meeting via the institutional KPI dashboard, as well as monthly financial reports and the Human Resources Annual Report. The Academic Board receives an annual progress update on the Learning, Teaching and Student Experience; Research and Innovation; and Academic Engagement Sub-Strategies. The annual personal review and development (PRDP) process ensures that each employee's priorities and key targets are aligned to the strategic themes, providing an effective mechanism for cascading accountability throughout the institution. The recent staff survey indicated widespread engagement with the University's Strategic Plan.

During 2020/21 the specific focus has been: delivering a 25% growth in undergraduate applications; establishing an 'embedded college' to drive international recruitment; maintaining overall student satisfaction during the pandemic; improving graduate prospects; and, improving our operating surplus and positive cash flow to support our investment in new facilities and programmes. The KPI dashboard records particular success in delivering a strong surplus in spite of the financial losses occasioned by the pandemic. Our Access and Participation Plan 2020-25, as approved by the Office for Students (OfS), specifically targets our ongoing challenges in relation to the equality of access gap between BAME 18 year-olds and their peers and the attainment gap between all BAME students and their peers.

The University is committed to ensuring it meets its responsibilities under the Charity Commission's guidance on public benefit across its activities. This is evident in our firm commitment to the student experience, ensuring we are attractive to the full range of students who can benefit from our programmes, the quality of learning and the focus on regional regeneration. This report includes examples of public benefit and value for money throughout and the University is proud of these achievements.

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Strategic Key Performance Indicators (KPIs)

The University is approaching the mid-point of its 7-year strategic plan 'Open for Change: 2018 – 25' which set out a journey for the University towards an institution focused on stability, growth and delivery of performance. During the year, the Board reviewed the core strategic themes within the plan, and also agreed the re-calibration of certain strategic KPIs to reflect the strategic intent, progress achieved to date, HE sector changes in some measurement criteria and the introduction of two new KPIs. Given the uncertainties arising from the Covid-19 pandemic, certain KPIs have been amended to reflect relative (vs. sector and/or *benchmark) as well as absolute targets. The Board receives an update against the KPI dashboard at each meeting through the year, as well as routine updates on key information such as student applications, conversions and EBITDA financial forecasts.

Performance against the strategic KPIs for the year 2020-21 is as follows:

Strategic Theme	Key Performance Indicator	Result	Comments
Student	NSS Overall Satisfaction	80.8%	Risen to become a Top 25 institution for student satisfaction across all UK universities and first place within benchmark group
Student	Graduate Outcomes	77.0%	An improved performance in highly skilled employment for full-time UK UGs as compared to DLHE, albeit with a slight drop in our ranking compared to prior year
Student	Student Retention	5.3%	The in-year withdrawal rate for full-time undergraduate new entrants in 2020/21 increased slightly but remains below the figure two years ago
Student	Access/Diversity: UK Students	2.4%	Lower performance in 2020/21 and pending OfS agreement to revised Access and Participation Plan targets agreed by the governing body based on locality benchmarks
Student	Access/Diversity: International Students	5.3%	Improved performance year-on-year for which the newly established University of Chichester International College (UCIC) international pathway programme is anticipated to deliver further improvement in future years
Student	Total Student Body	4,910 FTE	2020/21 performance exceeding target driven by new portfolio development
Staff	Staff Turnover	6.9%	Continuing improved performance following the organisational changes made in 2018 and 2019
Staff	Staff Engagement	95.9%	A new KPI, and a strong performance indicating colleagues are highly engaged with their work through the staff survey
Community	Research/Third Stream Income	£1.3m	Performance down on target and the prior year. The University's focus has been on a substantively enhanced REF 2021 submission. 4 th in benchmark group (normalised for size) based on QR. HEIF and UKRI research income
Student	Education Student Numbers	623 FTE	Improved performance against last year against the backdrop of a challenging political climate for teacher training
Community	Economic Impact	£92.1m (based on 2019/20 data)	A new KPI, the Gross Value Added by the University to the West Sussex regional economy, setting a baseline against which to monitor improving impact in the coming years
Sustainability	EBITDA (Earnings before Interest, Tax, Depreciation & Amortisation – please see p12 for a reconciliation between EBITDA and Surplus)	£9.0m	A strong financial outturn ahead of both the prior year and budget, following improved tuition fee income and profit on asset disposals helping to mitigate the costs of the pandemic including lost summer conference income and accommodation fee rebates

* Our Benchmark group, comprising 15 institutions, is selected on a number of, often overlapping, criteria; institutions we share the most applications with, institutions within the region excluding the research intensives, similar size of institution and/or city, similar subject portfolios.

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Learning, Teaching and the Student Experience

The University's Learning, Teaching and Student Experience Strategy (2018-2025) is designed to help staff achieve, collectively, the first strategic objective of Open for Change: 'We will strengthen the distinctiveness of the Chichester student experience as high-quality, personalised, accessible and aspirational.' In achieving this objective, our intention is that the University gains a strongly differentiated position in the highly competitive (and challenging) higher-education landscape. Our approach to learning, teaching and the student experience emphasises relationality and community and we aim for every student to have an outstanding learning experience (and experience of associated University services and support). Regarding this aim we recognise that we are all singular learners with specific hopes, aspirations, goals and needs. Therefore, we work in close partnership with our students – including with the University of Chichester Students' Union – to identify and develop the best ways to listen to and have dialogue with them, be proactive and responsive to their feedback and ensure that the learning and teaching that takes place reflects excellent practice. People matter to us and we understand studying at higher education level as something that is undertaken with others. This means that our staff and students work with each other to sustain and strengthen an inclusive, supportive/caring and authentic learning community to which all feel that they belong, that they can contribute to shaping and changing and that is built upon positive relationships. Closely related to this, and in terms of student retention, we consistently achieve one of the lowest dropout rates in British higher education.

This success of this approach has been in strong evidence throughout the Covid-19 pandemic where the University has performed well according to, for example, the National Student Survey (NSS) 2021 outcomes. For us, an important component of this success was the opportunity presented by the pandemic to continue to explore and affirm the learning and teaching options presented by new (including digital) technologies. Although, for us, 'education is not an app', we do believe that new technologies/digital literacy can enhance staff and student learning relationships. Specifically, we believe that technology has great potential for learning if utilised in careful and caring ways; such careful and caring utilisation is something to which we are committed and which was foregrounded throughout the pandemic. We also continue to recognise and affirm the need to demonstrate and enable the development of the digital skills to support our graduates to engage with, and thrive in the midst of, life opportunities.

The University continues to deliver high quality teaching, learning and outcomes for our students and consistently exceeds rigorous national quality requirements for UK higher education. In the National Student Survey (NSS) 2021 some of the results relating to learning and teaching were as follows:

Benchmark rankings: (out of 15)

- The Teaching on my course – 1st
- Academic Support – 1st
- Learning Community – 1st
- Assessment and Feedback – 1st
- Learning Resources – 2nd
- Learning Opportunities – 2nd

Sector rankings: (out of 156)

- Learning Community – 12th
- Academic Support – 13th
- Learning Resources – 17th
- The Teaching on my course – 17th
- Assessment and Feedback – 21st
- Learning Opportunities – 30th

We believe that a higher education learning experience should be open and accessible to everyone who has the ability and desire to benefit from it. Accordingly, access to the University is on the basis of academic ability and not the ability to pay fees. Under the terms of its Access Agreement with the Office for Students (OfS), the University offers bursaries to all new students based on family income. Reduced fees, through fee 'waivers' are offered to some continuing students on the same basis.

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The amount put aside for these bursaries and fee reductions is not capped – every student who meets the criteria as detailed on the University's website will receive the benefit to which they are entitled. In addition, all students who identified as BAME and commenced their programme of study in 2019 were allocated a bursary for each year of study over a three-year period. The hardship fund was maintained in 2020-21 and all attending Care Leavers received bursaries.

During 2020/21, the University has supported the recruitment of students from deprived and under-represented groups in the region through information and guidance provided to parents and students, bursaries and the establishment of progression agreements with a range of local sixth forms and further education colleges. During the pandemic, the University continued to invest in raising the profile and benefits of higher education through its outreach activity with schools across South East England and London via virtual/online Masterclasses and Taster Sessions.

The University places high importance on working in partnership with students to help shape decisions that impact on their education and overall experience. Student representation on Programme Boards ensures firm engagement with their curriculum. The Student Forum brings members of senior University management together with the Executive of the Students' Union and other student representatives and meets three times a year to allow free discussion of student-led issues. The Vice-Chancellor has a monthly meeting with sabbatical officers with an open agenda. A sabbatical officer from the Students' Union sits ex-officio on the Board of Governors of the University and they are encouraged to engage in the Board's discussions. Representatives of the Students' Union are members of the Academic Board. Representatives from the Students' Union also sit on a range of committees and working groups including the Learning, Teaching and Student Experience Committee and other ad hoc project teams. Students' Union representation is also typical at a project level where student related capital expenditure is proposed by the University. The University also provides multiple ways for our students to submit feedback, which are backed up by University procedures to follow up on any issues raised.

The University has a strong and positive working relationship with the Students' Union. The University funding of the Students' Union was reviewed for 2020/21. This University funding recognises the contribution the Students' Union makes to various aspects of the student experience, including student arrivals/welcome, Open Days and the many ways in which the students act as proud and effective ambassadors of the University.

The University aims to provide students with a broad range of communication channels to ensure they are able to access support and information as it is needed. Student email and social media communications are tailored to fit student needs, and the use of University wide announcements are used sparingly and appropriately, with regular reviews in place to ensure this.

Students are provided complete wraparound support which respects their individuality, and they are carefully guided through processes such as enrolment and registration to ensure they settle well into University life. Students benefit from extended and flexible access to our Support & Information Zone which is available seven days a week during semester time which complements the wider support provided by our Accommodation and overnight Security Teams.

The joined-up nature of our overall support provision ensures students benefit from a consistent and accessible service that reflects the supportive and caring nature of our University which extends to our success in the National Student Survey (NSS).

The NSS captures the opinions of final year students and a combination of their scores and comments can guide decisions on how the University can improve the student experience. The NSS has become generally accepted as a measure of the quality of the student experience. In the NSS 2021, 80.78% of students 'Agree' for Overall Satisfaction.

The University conducts a detailed subject by subject analysis of the NSS scores and of the individual comments made by students completing the survey. This analysis forms the basis of an action plan to address students' concerns and is used to inform future academic delivery and capital developments. These are then reported back to the students so that those currently in years 1 and 2 understand that the students' views and feedback are taken seriously and acted upon.

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The University provides a student community environment that extends beyond the teaching timetable. For our students their experience extends 24/7 and the University has tailored its support to recognise the wider and changing needs of students. All first-year students are offered a guaranteed place in University-run student accommodation which includes dedicated pastoral care and support.

During 2020/21, the University has increased and adapted its range of support for students which included additional targeted mentoring support and administration for mental health and wellbeing services to improve overall access. Specialist services, including support for mental health, general health and special needs, has been maintained. The University provides sports and fitness facilities for all students and supports the Students' Union to run a broad range of clubs and societies. The students feel the benefits of being part of the University community.

The University remains firmly focused on developing and shaping the employability of its graduates to ensure they have the relevant skills required by local businesses and the wider community. A key aspect of this is providing students opportunities to practice these skills and gain experience in real workplace environments. Led by the Careers & Employability Team, an institutional review of our approach to student placement opportunities was completed. This review resulted in a number of changes to their management and administration and also ensures that defined and measurable learning outcomes are agreed for each opportunity. Working collaboratively with academic teams, we are now in the process of rolling this out to academic departments with the objective of ensuring a uniform approach as far as practicable.

This work is underpinned by our renewed and coordinated efforts to engage employers and other opportunity providers to maximise real world experiences. These opportunities extend to supporting students and graduates to access Erasmus+ and the Turing Scheme for international work and study opportunities, and we are pleased to already see some students participating.

To ensure the necessary student support is accessible and to leverage the synergies between our various support teams, students will now be able to access dedicated support from our Degree Apprenticeship and Study Abroad Teams from the central location of our Careers Centre. This will improve student access to these services, whilst complementing the broader work of the Careers & Employability Team. Support for students is further enhanced by the recent renovation of the west wing of our BOC Learning Resource Centre to introduce central access to our wider Student Support & Wellbeing Teams. The amalgamation of these service points provides improved accessibility, whilst blurring the boundaries between wellbeing and student employability.

The impact of Covid-19 on the graduate job market is acute and is reflected in our 2018/19 Graduate Outcomes result. Although our institutional performance did reduce slightly, it is expected that this reduction will extend across the sector and that our overall positioning will remain broadly similar once sector data is available for analysis. As the economy and job market emerges from the impact of Covid-19 and our academic portfolio continues to evolve and broaden to target growing industry sectors, our renewed focus and efforts to equip our graduates to succeed in their chosen profession will continue to benefit this key metric.

Alumni and the Community

The additional contributions made by our University staff and students to our regional community continues through volunteering, fundraising for local charities and involvement with local schools and colleges. The Careers & Employability Team promote a wide variety of volunteering opportunities to students and graduates and encourage them to engage their communities to gain valuable employability skills and experience. Despite the pandemic, these opportunities remain available and those taking them up are making an important contribution to those more vulnerable in our community. The Students' Union continues to raise funds for selected local charities each year and provides a number of volunteering activities itself, whilst a number of our staff undertake governance roles for local schools and charities.

For the first time in 2020/21, the University secured access to the 'Ingenuity – Impact Through Enterprise' programme for its students and alumni. This national programme helps to create start-ups that deliver sustainable social and environmental impact across the UK. We were very pleased with the level on engagement on this programme and are very proud that one our team of students, led by a senior lecturer, progressed to the national finals in the 'Improve Health Challenge'.

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Their proposal focused on the development of a unique student-led social enterprise company, working with various funding partners on health and wellbeing issues within the local community. Although funding was not secured via this route, the learning and framework developed remains relevant and this initiative will continue to be pursued to provide students a vehicle, across academic areas, to gain real enterprise opportunities whilst making a key difference to our local community.

More broadly, the University has become an affiliate partner of the community interest company, 'Shaping Portsmouth', which is focused on creating scalable economies by bringing together key stakeholders in the City of Portsmouth and its surrounding areas. Although this partnership is very new, our impressive result in the *Guardian* League Table puts us in a strong position to contribute to a variety of external collaborations, with each collaboration leading to different opportunities for our students and ultimately our graduate outcomes, whilst raising the University's external profile. Most immediate is increasing our access to employers and stimulating more degree apprenticeship opportunities. Longer term, there are opportunities to work together to improve tourism across the Portsmouth, Chichester and Bognor Regis areas, promoting our Bridging Course to residents of five new residential homes for the homeless, and promoting our Tech Park facilities and services to their sister company, Portsmouth Creates.

Student Numbers

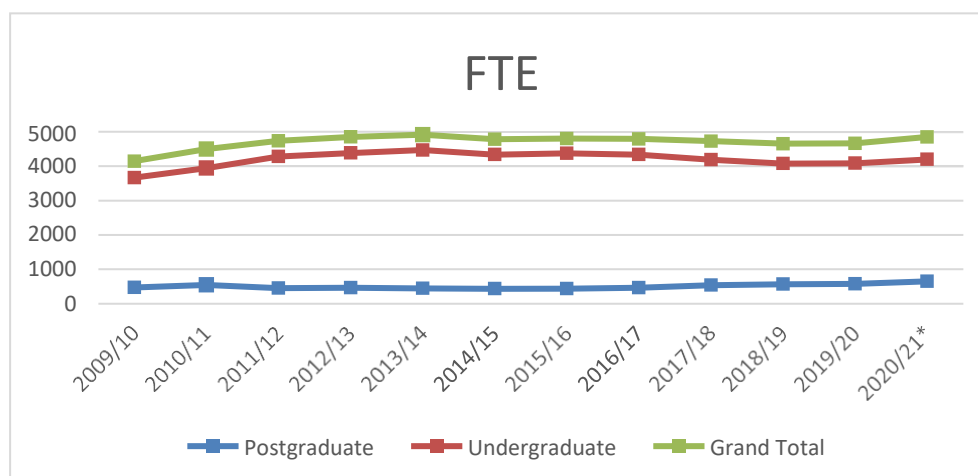
The total student body, including undergraduate and postgraduates, expressed as full time equivalent (FTE) has remained just below 5,000 for a number of years.

New course developments in Psychology, Physiotherapy and Nursing have increased numbers going forwards as additional cohorts are recruited. Engineering and Creative and Digital Technologies continue to grow numbers based on the Bognor Regis campus, with the first cohort of Engineering students graduating in 2020/21. Numbers, mainly part-time, have also been boosted through the growth of Degree Apprenticeships.

Since 2015/16, the proportion of FTE derived from postgraduates has been increasing from around 9% to an expected 13% in 2020/21. This was initially caused by a decline in undergraduate numbers (which has now been reversed) but is now attributable to growth in postgraduate numbers, predominately delivered through academic partnerships and increasingly through our on-site numbers.

Chichester has differentiated itself in an increasingly competitive environment with a focus on teaching quality and on student satisfaction. Many of our students come from low-income households and non-traditional backgrounds and our retention levels and strong NSS results demonstrate our success in this area.

The following chart shows the student FTE for the University as a whole for recent years along with the undergraduate and postgraduate split.



* 2020/21 numbers based on draft HESA return. All other years are signed-off HESA submissions.

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Research

Research is a key component of any Higher Education Institution (HEI) and the University of Chichester is no exception. The University is committed to academic research and continues to invest significantly in the professional development of the academic community and in projects to promote research activity. The University actively promotes the principle to students that all of our researchers teach and all of our teacher's research.

The outcome of the Research Excellence Framework (REF) exercise announced in December 2014 rated 90% of our research as internationally renowned with 15% classified as 'world-leading'. This improved research performance in turn led to a significant increase in HEFCE (now Research England) research funding which continues until the outcome of the REF 2021 period is made available in the second half of 2022.

Headlines from the REF 2014, based on the University submission weighted by staff FTE in each Unit of Assessment, include:

- 14.9% of the University's entire submission has been classed as 'world leading' (i.e. 4*)
- Nearly one third (30.9%) of the 'Impact' component of the University's entire submission has been classed as 'world leading'
- 12.9% of research outputs in the University's entire submission have been classed as 'world leading'
- 89.7% of the University's entire submission is internationally renowned
- 87.2% of the University's research outputs are internationally renowned
- 93.0% of the 'Impact' component of the University's entire submission is internationally renowned
- 94.8% of the 'Research Environment component of the University's entire submission is internationally renowned.

As a result of its performance in REF 2014, the University has seen its HEFCE (now Research England) research funding increase in each of the past 4 years.

In line with the target in the Strategic Plan, the University submission to REF 2021 doubled in size from 5 Units of Assessment (UoAs) in 2014 to 10 UoAs, including new submissions in Engineering; Business and Management Studies; Social Work and Social Policy; Education; and Theology and Religious Studies. These were in addition to Psychology; Sport and Exercise Sciences, Leisure and Tourism; English Language and Literature; History; and, Music, Drama, Dance, Performing Arts, Film and Screen Studies.

Income from externally-funded research reduced slightly on previous years as the principal focus of activity across the institution, as indeed nationally, was on completion of the REF return. The published research is available through the University of Chichester Institutional Repository, which is an open access hub that showcases the excellent research output of the University's departments, making it available to the public and to the research community worldwide in a searchable, browsable database.

The University also offers a Research and Innovation Fund to support and develop grassroots research activity across all subject areas with a particular focus on Early Career Researchers and PhD students.

Regional Regeneration

As the only University based in West Sussex, Chichester emphasises its economic, social and cultural significance to the region. It is an accessible, growing University making strong connections with the communities in which it operates. An economic impact report was commissioned in July 2021 to identify the contribution of the University to the wider regional community. Initial findings suggest that the University of Chichester is 'a significant player in the local economy' generating a total of £165.7m of output in West Sussex in the academic and financial year 2019/20. This already exceeds the output prediction in the 2015 DTZ Economic Impact Survey.

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The new report also indicates that the University provided a total of 1228 jobs in Chichester and generated a further 576 jobs in the Arun area where the Bognor Regis campus is located. The opening of the Creative and Digital Technology building on this campus in 2018/19 contributed directly to regional regeneration when the first cohort of Engineering students graduated in August 2021. In addition, the opening of the School of Nursing and Allied Health on the Bishop Otter campus in 2021 will contribute to the post-Covid-19 recovery of the region by offering routes into highly skilled employment in the health sector and addressing critical skills shortages across the region.

The University received support from the Higher Education Innovation Fund (HEIF) during 2020-21. This has been used to stimulate graduate enterprise; the number of graduate start-ups increased from 26 in 2019 to 39 in 2020. Links with regional employers have been strengthened through the University's degree apprenticeship programmes: Rolls-Royce Motor Cars Limited and South West Trains are among the larger companies who have supported degree apprentices in engineering; in addition, public sector links are evident in the successful procurement exercises with several local authorities for Social Work degree apprenticeships.

We are committed to playing our full part in being a regional centre for economic development working in conjunction with the Coast to Capital Local Enterprise Partnership (CtoC), tier 1 and tier 2 local authorities, local and national businesses from SMEs to global companies – and working in line with the Government's industrial strategy so as to play our full part in contributing to the national economy.

These connections are wide ranging, providing specialist advice to almost 1000 local businesses; helping individuals to start and grow their businesses; developing the leadership credentials of current and future managers; undertaking leading edge research to protect individuals in challenging and physical jobs; opening sports facilities to local clubs; delivering numerous public dance, theatre and musical performances every year; offering courses promoting the health and wellbeing of children and adults; and supporting the provision of teachers in 600 schools across the region.

The University of Chichester (Multi) Academy Trust was established in 2012/13 in order to sponsor academy schools. The University is taking a key role in improving standards and raising aspirations within these schools. The Trust consists of fourteen primary schools and one secondary school and is in a phase of steady growth. The University can now evidence the added value it has brought to its member schools both through the creation of the Trust and from the services provided by staff in the University's Department of Education. In the most recent OFSTED assessment, the Trust was proud to receive positive recognition of the rapid improvement made in one of the academy schools. The Trust has also been regarded as a regional exemplar by the Department of Education for its skillful handling of the complexities of the re-opening of schools during the Covid-19 crisis.

The economic profile of the region is largely dependent on SMEs and the University has worked to provide support that is accessible at this level, for example, pioneering the provision of degree apprenticeships to small businesses. It is recognised as the 'go-to' institution for Business Start-up and Support programmes and is currently leading a £11m, three-year support contract funded by ERDF on behalf of the Coast to Capital (CtoC) Local Enterprise Partnership. Other partners in the project are Sussex Innovation Centre, Eastbourne and District Enterprise Agency, Brighton and Hove City Council, WSX Enterprise, Princes Trust, and YTKO Ltd. Support will consist of grants, training programmes, consultancy and facilitated peer-to-peer learning.

The University has expanded its STEM capability through the development of the £35m landmark Engineering and Digital Technology Park, receiving an £8m Local Growth Fund Grant and mapping to government priorities in Engineering, Creative Digital Technologies and Digital Skills, including Data Analytics. This development has further strengthened the University's relationship with the region and its contribution to the development of a strong economic ecosystem.

The University's research centres make significant contributions to national and international communities with many specialisms including the Institute of Sport's Occupational Performance Research Group, which undertook the research into Physical Employment Standards (PES) for Ground Close Combat (GCC) roles on behalf of the Ministry of Defence. This contributed to the decision to open all GCC roles in the UK Armed Forces to women for the first time, and informed NATO best practice for PES.

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Maintaining its regional focus, the University, through the Centre for Research in Sustainable Business, has been the lead partner on the Channel Payment for Ecosystem Services (CPES) project. CPES is a project managed within the Interreg VA France (Channel) England programme. It has a €4 million budget, co-financed by the European Regional Development Fund (€2.8 million), and runs for a 45-month period (2017-2021). Fourteen partners are working with the agricultural sector towards a common goal: to improve water quality by implementing sustainable payments for ecosystem services (PES) schemes in six pilot catchments in Southern England and Northern France. Partners include; Southern Water, Portsmouth Water, Eau de Paris, University of Rennes, the Environment Agency and South Downs National Park.

The University also has strong links to local and regional cultural institutions such as the Chichester Festival Theatre, the Cathedral and numerous other smaller museums and galleries. Our Performing Arts students and staff are at the heart of this cultural milieu and regularly deliver public performances and lectures that are well received. We are also looking to embrace innovative opportunities for cross-disciplinary working through the creation of a STEAM campus – bringing Art into the STEM provision in Bognor Regis.

The University appeared in the Research England KEF dashboard this year, which is based on data submitted by all HEIs. The University exceeded its benchmark targets for working with business, and public and community engagement. It met the benchmark for local growth and regeneration, and research partnerships.

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Strategic report for the year ended 31 July 2021

Financial environment

2020/21 has been the second financial year affected by the ongoing Covid-19 pandemic. Against the backdrop of student accommodation refunds, Covid-19 test centre costs, additional hardship funding to support students and another year of lost conference income, the University has seen a positive outcome in the financial statements. The start of the 2020/21 academic year saw a higher number of students than in 2019/20 and 100% occupancy in our University managed halls of residences. Our future key worker course students were allowed to return to campus after the Christmas break, with the majority of our students back on campus after Easter. During these unprecedented times we continued to deliver high quality teaching to our student community and secured top 25 for student satisfaction and climbed 8 places to 21st in the Guardian University Guide 2022.

Financial performance

The Financial Statements and supporting notes for this financial period comply with the Statement of Recommended Practice: Accounting for Further and Higher Education (HE SORP), which applies the principles of Financial Reporting Standard 102 to the Higher Education sector alongside the relevant Companies Act, Charities Act and the requirements of the OfS Accounts Direction.

Consolidated Statement of Comprehensive Income and Expenditure

The University's consolidated results for the years ended 31 July 2021 and 31 July 2020 are summarised in the following table:

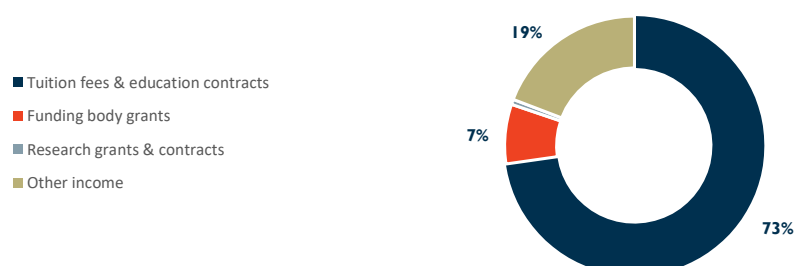
	31 July 2021 £000	31 July 2020 £000
Total income	59,828	54,878
Total expenditure	<u>59,762</u>	<u>56,732</u>
<i>Surplus / (Deficit) for the year before other gains and losses</i>	66	(1,854)
Surplus on disposal of fixed assets	775	619
<i>Surplus / (deficit) for the year</i>	841	(1,235)

Reconciliation of Surplus to EBITDA		20/21
	Surplus	66
+	Finance charges	2,398
+	Depreciation	4,381
+	Asset Impairment	429
-	Deferred capital grants	-1,005
+	FRS102 staff charges	<u>2,683</u>
	EBITDA	<u><u>8,952</u></u>

Income

The University's total income increased by 9% to £59,828k, compared with £54,878k in 2019/20.

TOTAL INCOME 2020/21 £59.8m



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Tuition fee income increased by £3,762k (9.5%) as we continue to see further growth in undergraduate student FTE and higher postgraduate FTE than in 2019/20. Included in tuition fees is £2.7m (19/20: £3.0m) relating to University registered students studying as part of collaborative arrangements with other education providers. The costs payable to these partners of £2.5m are within other operating expenditure (see below).

Funding body grants increased by £487k (12.3%), of which £322k relates to additional OfS hardship grant funding to support students through the ongoing pandemic. The corresponding expenditure is within other operating expenses. In addition, we received a higher research grant allocation (£142k) compared to 2019/20.

Research income from grants and contracts reduced by £916k (70%) from 2019/20 to £385k. The reduction has largely been seen in the Industry and Commerce income where a long-term, large value project has completed. Covid-19 continues to have an impact on research and academic projects which have been delayed.

Income from **residences, catering and conferences** was £382k higher than 2019/20. In the prior year there was a sector wide student accommodation fee waiver for the final semester. For 2020/21, future key worker students were allowed to return to campus after Christmas despite the government lockdown, and agreements for student accommodation refunds were localised with each University. Student refunds for 2020/21 were c£0.7m vs c£1.2m in 2019/20. Catering and conference income were both impacted again in 2021 due to the ongoing pandemic.

The University received £1,185k of “one-off” **Other income** in the form of a legal settlement and Covid-19 Business Interruption insurance claims. The University made a final claim of £2.7k in August 2020 against the Coronavirus Job Retention Scheme.

Expenditure

Total expenditure increased by £3,030k (5%) to £59,762k from £56,732k in 2019/20. £322k is directly related to the additional student hardship funding.

Staff costs of £31,383k (excluding FRS102 pension adjustments) account for 52.5% of total expenditure (£30,999k, 54.6% in 2019/20). Including FRS102 pension adjustments (see below), staff costs account for 57% of total costs (2019/20: 58.7%). Total staff costs for the year increased by £772k (2.3%). There was no national pay award in 2020/21, but other factors increased staff costs:

- Average staff numbers increased by 18, of which 13 were in academic areas
- Higher established staff and Associate Lecturer costs to support higher student numbers
- Restructuring costs of £215k, down £278k from 2019/20. A voluntary severance scheme was made available to staff during April
- An increase in actuarial pension scheme adjustments of £388k

The table below shows actuarial pension scheme adjustments, which are shown within staff costs as expenditure. The pension adjustments are outside direct control of the University and have an impact of reducing the overall surplus.

	2020/21 £000	2019/20 £000
LGPS Pension Costs	2,686	2,503
USS Pension Credits	(3)	(208)
Total non-cash pension adjustments	2,683	2,295

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Other operating expenditure increased by £2,408k (14.6%) to £18,917k. This includes payments to partners of £2.5m (19/20: £2.8m) relating to the costs of teaching University registered students included in tuition fee income. Other factors influencing cost increases include:

- OfS funded additional student hardship support
- Higher costs associated with additional rental agreements to support higher student numbers, offset by additional student accommodation income
- Higher maintenance costs and associated, unexpected asbestos removal costs
- Higher overseas agents commission, linked to higher student numbers
- Additional financial support to the Students Union
- Higher payments for student placements, some of which were deferred from 2019/20 due to the pandemic
- Increased dilapidations provision for leased properties, based on latest conditions survey
- Higher loan interest payments than in 2019/20 when we received a loan repayment holiday from our banks due to Covid-19
- Similar to 2019/20, the national lockdown at the start of 2021 had a favourable impact on operating expenditure including travel, utility, staff training / development and catering costs

Depreciation reduced by £295k (6.3%) to £4,381k primarily from lower equipment depreciation costs as items become fully depreciated. There was also an asset impairment c£400k for the Sports Dome following receipt of the claim to replace the flooring.

Interest and other finance costs increased by £145k (6.4%) to £2,398k. This consists of loan interest payments of £973k which are £85k higher than in prior year when we received a 6-month loan repayment holiday from our banks due to Covid-19. Finance lease interest of £1,177k reflects the head lease on the Stockbridge halls of residence which was taken over by the University in 2018/19. Actuarial pension scheme interest costs of £248k are £70k higher than 2019/20 with the biggest increase linked to LGPS.

The University made no political or charitable donations in the year.

The surplus for the year of £841k is a favourable movement of £2,076k compared to the 2019/20 deficit of £1,235k. This includes £775k of surplus on disposal of assets (£619k in 2019/20) as the University completed its property disposal programme. Total income increased by 9% largely through higher tuition fee income and other income, while total expenditure only increased by 5.3%. Lost accommodation and conference income due to Covid-19 was once again mitigated via reduced expenditure.

Consolidated Balance Sheet

The University's consolidated net assets have increased by £3,830k to £46.9m.

Fixed assets have decreased by £3,334k, reflecting the University's policy of annual depreciation charge of assets over their useful life of £4.4m and an asset impairment of £429k relating to the Sports Dome floor, for which we received a claim settlement of £935k. The work to replace the flooring is expected to take place in summer 2022. Fixed assets additions of £2.1m include the first phase of investment in a building refurbishment for Allied Health. Disposals of £1.1m include the final properties in the asset disposal programme.

The University has creditors with amounts falling due after more than one year of £73.4m (2020: liabilities of £76.1m). The reduction relates to the scheduled loan repayments and finance lease obligations and release of deferred capital grants. We also made a repayment of £187k against the OfS Revolving Green Fund loan.

Pension provisions have reduced by £102k to £16.5m, of which £15.5m relates to the West Sussex County Council LGPS valuation as at 31 July 2021. The last triennial valuation of this fund was as at 31 March 2019. Other provisions increased by £409k to £975k mainly due to dilapidations associated with our finance leased properties.

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Cash Flow and Treasury Management

Net cash flow from operating activities of £9,512k shows an increase of £2,766k over the £6,746k reported in 2020. This is a result of the £2.1m rise in surplus due to improved revenues as discussed above, receipt of the Sports Dome claim and Business Interruption insurance claim and improved cashflow management including a decrease in debtors of £476k.

Capital Projects

Fixed asset additions amounted to £2,102k during the year. Capital expenditure for the year included the first phase of building re-development to support new Allied Health programmes, a project for which we secured £1.2m of Local Enterprise Partnership grant funding. A number of small capital projects were deferred to 2021/22 as a result of delays due to the ongoing pandemic.

There is currently £1.1m of WIP on the balances sheet for a Tech Park accommodation project. Plans to ignite this project to deliver future student accommodation to meet the University growing demand have commenced.

Going Concern

The Board of Governors approved the University's financial plan for 2021/22 in July 2021 as part of their annual review, and they were satisfied that the University has sufficient resources to continue operating for the foreseeable future.

The University has proved its resilience over the past couple of years and has risen to the challenges of change and uncertainty, showing its ability to quickly respond and take mitigating action.

Illustrative stress-testing scenarios have been prepared as part of a broader assessment of the University's ability to continue as a going concern. The extent to which the University student intake would need to fall before impacting its finances has been quantified. Latest intelligence for the start of the 21/22 academic year indicates that the University is in line with budgeted intake and total student FTE is higher than plan. This supports the management basis for preparing the financial statements under going concern. Management will continue to monitor student intake and retention alongside applications for 2022 where the University will seek to capitalise its increased Guardian league table ranking.

Based on the above assessment, the Board has a reasonable expectation that the University has adequate resources to continue in operation for a period of at least 12 months from the date of signing the financial statements. The going concern basis has therefore been adopted in the preparation of these financial statements.

Value for Money

The University strives to use its funds and resources to achieve best value across all of its activities. The stakeholders of the University are a broad community, who go beyond the Board of Governors, the funders, staff and students, into the regional economy.

Like most universities that receive public funding, the University of Chichester is a charity, and raises income from a wide range of sources and has a duty to demonstrate its value for money and public benefit.

The Audit Committee is responsible for considering VFM issues and reporting to the Board of Governors. The Audit Committee considers reports on a wide range of aspects of the University's activities in arriving at its conclusions.

In October 2019 the Office for Students (OfS) published their value for money strategy 2019-2021. The strategy set out how the OfS will ensure higher education providers deliver value for money for both student and taxpayers.

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- Students receive value for money when they experience the full benefits of higher education – both during their studies and afterwards – in exchange for the effort, time and money they invest.
- The recent Guardian University Guide 2022 saw us ranked 21st in the sector, an increase of 8 places. This well-respected guide is constructed from nine metrics covering the lifecycle of the student from entry scores through to graduate employability. Strong all-round performance, particularly in continuation rates, student:staff ratios and student satisfaction, saw the University improve further.
- Taxpayers receive value for money when higher education providers use public money and student fees efficiently and effectively to deliver graduates, from all backgrounds, who contribute to society and the economy.
- In the second Graduate Outcomes (predominantly conducted during the pandemic) data release, 74% of graduates were in employment, 10% were combining work with further study and a further 6% were undertaking further study only. Of the respondents in employment, 59% were in highly skilled occupations.

One of the identified priorities in the OfS value for money strategy was promoting transparency around fees and funding. The University seeks to reassure students that the tuition fees and student accommodation rent they pay to the University is used effectively and efficiently.

We are committed to providing clear financial information and ensuring a strong focus on value for money. Although not mandatory, we have adopted good practice and now publish data and graphical information on funding sources and expenditure activity on our website annually.

Staff

The University values its staff and strives to create a supportive and friendly community. The dedication, commitment and skills of all staff working at the University are fundamental to the University's success and critical to delivering an excellent experience for our students. The University's People Strategy: '*Working together – Supporting each other*', sets out how the University will support the talent and aspirations of staff to realise the University's strategic ambitions. The Strategy supports a culture within which staff can continue to develop, flourish and contribute to our community and build on current strengths to support priorities. All of our staff, irrespective of their role, are instrumental in achieving our University mission and vision. *Working together – Supporting each other*, places our staff at the heart of our plans, aligned with the University's key strategic themes and objectives.

The University is committed to achieving the most appropriate culture and environment in which staff, students and visitors understand and embrace the principles of inclusivity and where employees are engaged and feel positive about their role in the University. Crucial to the University's success is a healthy employee relations climate and employee engagement is high. Our 2021 professional development and staff engagement survey indicates that 91.8 per cent of staff are proud to work for the University; 95.9 per cent are engaged with their work; and 97.5 per cent understand how their role contributes to the success of the University.

A wealth of opportunities is offered for staff in the professional development programme, providing support for individuals' aspirations and internal promotion routes and to enhance the student experience. Our managers play a vital role in realising the potential of staff alongside helping staff to adapt to new challenges and ways of working and to translate the University's vision into actions.

An academic promotions process supports the promotion of Professors and Readers for staff employed in teaching and research roles.

The University is committed to a policy of recruitment and promotion on the basis of ability and aptitude without discrimination of any kind. Management actively pursues both the employment of people with disability whenever a suitable vacancy arises and the continued employment and retraining of employees who become disabled whilst employed by the University. We positively promote the recruitment of staff from Black, Asian and Minority Ethnic backgrounds, indicating in staff recruitment campaigns that we embrace all forms of diversity and aspire to be a fully inclusive and representative employer.

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To support the inclusivity agenda, the University has in place an Equality Plan and produces an annual report that addresses statutory responsibilities under the Equality Act 2010 and Public Sector duties, along with Gender Equality reporting. We are a Mindful Employer, Disability Confident Employer and a Stonewall Diversity Champion. We offer a variety of different working patterns and flexible working arrangements including remote working where this fits the requirements of the role, along with family friendly policies and procedures. Employee wellbeing (including work-life balance and manageable levels of pressure) supports effective employee engagement, promoting a healthier, more fulfilled and sustainable working environment.

The employee relations framework encourages staff to respond positively to changes that enhance organisational effectiveness and provide quality services. In line with this approach, the University recognises appropriate trade unions, UCU and UNISON, and has an established Joint Consultative Group, involving senior managers, academic and professional services staff unions, that meets on a regular basis and takes into consideration changes in legislation, government and OfS requirements, national and local agreements and the general employment market. Sub-Groups of the Joint Consultative Group are formed to address particular areas, as agreed with the Vice-Chancellor.

Our future success will be dependent on our ability to continue to attract, develop and retain teams of talented staff. We encourage Apprenticeship opportunities for new and existing staff, combining work and study, and continue to progress our links with the Armed Forces through their Employer Recognition Scheme, providing support for Reservists throughout their employment with the University.

Facility Time Publication Requirements

Relevant Union Officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
7	5.6

Percentage of time spent on facility time

Percentage of time	Number of Employees
0%	-
1-50%	7
51-99%	-
100%	-

Percentage of pay bill spent on facility time

Provide the total cost of facility time	£27,467
Provide the total pay bill	£30,999,000
Provide the percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) x 100	0.09%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as: (total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) x 100	0.0%
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To promote involvement in the governance of the University, staff representatives are elected by their colleagues to serve as members of the Board of Governors and the Academic Board and its committees. All staff have access to the minutes of the Board of Governors, except where these are considered to be of a confidential nature.

The flow of information to staff is maintained using all staff emails, an online newsletter and news stories on the University website. The Vice-Chancellor also holds regular open forum events on both campuses for all staff. The University recognises that the staff are the most important resource in an academic institution and are key to the quality of the students' experience and to the reputation of the University amongst its peers.

The University is committed to fair pay and believes that this fair approach to its staff represents value for money through a loyal and engaged workforce, which shares the University's vision and values. Decisions on remuneration must consider matters of equality, diversity and inclusion with a view to ensuring that there are no biases pertaining to gender or other protected characteristics. The University undertakes an annual gender pay gap analysis, using the data to identify and remedy any gaps. The University participates in the JNCHES (Joint Negotiating Committee for Higher Education Staff) pay negotiations in determining salary levels and annual pay awards. Job evaluation is used to ensure equal pay for work of equal value using Higher Education Role Analysis.

The processes and oversight arrangements involved in making remuneration decisions and the level of remuneration awarded to the Vice-Chancellor is managed through the Remuneration Committee, established by the Governing Body to make recommendations to the Board on total emoluments and conditions of service, in line with agreed Terms of Reference and Guiding Principles on Determining Senior Pay. The University does not provide accommodation for the Vice-Chancellor or senior post holders.

The University uses its Probationary process and annual Performance Review and Development Process (PRDP) to monitor its staff and capture their view of how well the University is working for them. Information from the PRDP action plans is used to inform the annual staff development programme where development needs are highlighted. Staff leavers are offered exit meetings both in person and online to pro-actively identify any staffing issues, which may have impacted on their staff morale, and any positive actions that can be taken to improve the work environment.

The University has a policy on modern slavery and human trafficking. We are committed to ensuring that there is no modern slavery or human trafficking in our supply chains or in any part of our business.

The University is committed to support the Government's Prevent Agenda. The University's Prevent Statement to meet the requirements of the Prevent Agenda can be found on the University website: <http://www.chi.ac.uk/>

Effective Use of the Estate

The University is committed to providing a good quality and fit for purpose estate for all its staff and students. Continued improvement of the estate remains a key corporate objective for the University and in the last year investment has been made in a number of areas, most notably a £1.7m investment in the creation of a School of Nursing and Allied Health, relocation of the Business School to the Bishop Otter Campus, infrastructure investment in University House and the refurbishment of a number of spaces on campus, all designed to enhance the student and staff experience.

Environmental Sustainability

Our Strategic Plan states that "we will develop attractive and environmentally sustainable campuses." Our focus during the past year has been to engage students and staff in increasing biodiversity. We have also maintained our top quartile position, within the HE sector, for carbon reduction. Our environmental policy identifies our vision and commitment for making the University a more sustainable place to study and work.

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Our Environmental and Sustainable Development Strategy was first approved by our Governors in 2010. The current Environmental & Sustainable Development Plan 2017-2022 describes our priorities and targets.

A number of documents under-pin this plan and can be found on the University website: <https://www.chi.ac.uk/about-us/policies-and-statements/sustainability-and-environment/sustainability-and-environmental-policies-and-plans>. These include the following;

- Environmental Policy
- Carbon Management Plan
- Sustainable Food Charter
- Biodiversity Action Plan
- Waste Management Information & Guidelines
- Sustainable Travel Plan

Emissions and Energy Consumption

The University has had considerable success in achieving carbon reduction from the baseline position set in 2007/08 through to the year 2019/20, being the latest available information for this report.

To date, carbon emissions have reduced by 1,521 tonnes to 2,113 tonnes of CO₂ annually, this represents a reduction of 41% since the baseline position in 2007/08. This is in the backdrop of the university estate growing (as measured by Gross Internal Area, "GIA") by 64% in the same period.

In large part, this has been achieved from the investment made through a number of rounds of the Revolving Green Fund. Implemented projects from this scheme included LED lighting and controls, photovoltaic cells, efficient boilers and building management systems, resulting in a reduction of approximately 500 tonnes CO₂ annually.

The impact of Covid-19 has directly impacted the University's energy usage due to the national restrictions resulting in fewer personnel on site, and only selected buildings being opened for key staff; the data for the year 2020/21 will be published at a later date.

Total energy consumption for the year 2019/20 (across all fuel types) amounted to 10.7 million kWh, down from 11.6 million kWh in the previous year. Energy consumption figures are calculated using invoiced meter readings for gas and electricity. Other fuels are calculated by quantities used over the year converted into kWh.

The most relevant ratio for energy emissions relative to the University's core activity is notional energy emissions (kg CO₂) per full time equivalent (FTE) student. For 2019/20 this amounted to 507kg CO₂ per FTE student, a reduction of 42kg (7.6%) CO₂ from the previous year.

In order to maintain momentum on this important agenda, the University has established a Sustainability, Environment and Energy Management Advisory Group ("SEEM"). This group will focus on our continued efforts in this area, developing future strategies and projects and ensuring our future targets are met and we continue to provide Environmentally Sustainable campuses.

Compliance with Data Protection Legislation

The pervasiveness of data protection legislation and the scale of activity needed to ensure compliance means that this area of risk requires on-going, proactive management. The University's Statutory Data Protection Officer (DPO) is responsible for leading on compliance with data protection legislation, and disseminating good practice, and is supported by the Assistant Data Protection Officer.

The DPO maintains a high-level risk register, which covers all key elements of compliance. This is underpinned by a number of documented processes which, importantly, enable the University to evidence compliance, including privacy by design and by default. Some of the principal areas of work of the DP Office include:

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- maintaining a record of processing activities, including retention periods;
- facilitating a process for recording data breaches and producing associated reporting/logs;
- managing the completion and sign-off of all data protection impact assessments (DPIAs);
- conducting annual DP audits (of a sample group of departments) on a rolling basis;
- maintaining records relating to the exercise of data subjects' rights and third-party requests for data;
- assisting with, or reviewing, the drafting of privacy notices, consent forms, policies and agreements;
- proactively managing the requirement for staff to complete on-line data protection training every two years.

Accessible via the University website is a suite of up-to-date documentation, including a high-level Privacy Standard and supporting Privacy Notices (regularly reviewed and re-approved by the Vice-Chancellor's Group (VCG)), which meet the transparency requirements of data protection legislation. These high-level documents are supplemented by more specific privacy information, as appropriate, at a departmental level throughout the organisation.

The DP office has a well-established Staffnet presence with easy to navigate advice, guidance, templates and links to assist staff. In addition, the DP Office produces a monthly DP bulletin and also operates a dedicated DP mailbox, which is monitored on a daily basis. The DPO reports annually to the VCG on the status of the risk register, data breaches, exercise of data subjects' rights and training statistics, which provide high level of assurance that this area of risk is being well managed.

The much-awaited EU Commission decision 28 June 2021 confirmed that adequacy decisions for the UK had been approved thus ensuring that data can safely flow to the UK from the EU (and EEA). This decision also means the UK does not need any new arrangements for transfers from the UK to the EEA. The adequacy decision remains in place until 27 June 2025.

Risk and Sustainability

Our risk management policy allows us to identify, measure, manage and monitor strategic and operational risks across the University. It provides the Vice-Chancellor's Group (VCG) and the Board of Governors (the Board) with the required oversight of risk to enable informed decision-making.

VCG is responsible for identifying and managing those risks which it deems critical to the University's continued success. These risks are captured within the University's Critical Risk Register and are reviewed no less than annually. This active management of risk supports:

Accountability:

We assign ownership and management responsibility for risks and associated mitigating actions.

Tolerance:

We review our institutional tolerance for risk taking in the context of our Strategic Plan and benchmark against our current position.

Risk reduction:

We identify, plan and track actions for if risks rise out of tolerance.

Oversight:

We use the register as a focal point for VCG and Board reviews.

Informed decisions:

We use the register to inform our budget and strategic decision-making.

Assurance:

Our audit and compliance functions use the register to inform assurance planning and test how effectively risks are managed.

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As such, the Critical Risk Register is a fundamental corollary to the University's Strategic Plan and Key Performance Indicators.

The current principal critical risks are identified as follows:

- The University's offering to the market might not match what our target audiences (students, staff and visitors) are seeking from us. To mitigate this risk, the University keeps its portfolio under constant review, balancing programme content against known market preferences.
- The University might lose the distinctive quality of its student experience, a key element of the Chichester offer. To guard against this, the University prioritises the student experience with DVC leadership and consideration across all decision-making, particularly as we seek to grow. A link governor provides Board oversight and input. We ensure that the student voice is present at decision making bodies across the institution, in particular via the SU President, who sits on our Board of Governors, and through operational engagement on a wide range of matters. We also make sure that the results of student experience surveys, the Teaching Excellence Framework and other measures and feedback are discussed at VCG and provided to Heads of Departments for action within academic and professional services departments.
- The University might not maintain and strengthen its reputation, such that it finds it difficult to recruit, compete, or attract partners or investment. This risk is the major focus of our marketing staff, under the management of our Chief Marketing & Communications Officer and supported by a link governor. The team takes an active approach to brand management and articulation, and the new brand is now in place across the University. Ongoing risks are captured and managed via the University's Marketing Strategy, which is overseen by VCG and Board.
- The University might fail to achieve its planned student intake, undermining the student experience and the University's financial sustainability. In mitigation of this risk, the University has improved the available management information and developed its Recruitment Strategy in collaboration with its departments. It has addressed gaps in its portfolio and undertaken targeted recruitment activity, including via its newly-launched University of Chichester International College. The ongoing position is closely monitored by VCG and by Board.
- The University might fail to effectively forecast and manage its financial position such that it cannot support its growth ambitions. Management information might be insufficient to support robust decision making. In mitigation of this risk, the University is strengthening the expertise of its finance department, particularly in its ability to undertake strategic planning and budgeting, management accounting and continual monitoring of the University's cash position. VCG and Board oversight of financial reporting and management has also been expanded, and a link governor guides operational delivery.
- The University might fail to invest in its estate such that it fails to meet the needs of our students and staff or is not able to support our strategic aims. The Board has this year approved a new Estates Plan enabling the University to make significant strategic investments via the Capital Programme. A link governor is in place to support delivery of the Plan.
- The University might fail to recruit, retain or configure its staffing to meet its business needs. Management of this risk is the focus of our Chief Human Resources Officer and her team, who work to ensure effective support and management of our staffing levels and processes, and provide an avenue for staff information, training and feedback. A link governor is in place to support delivery across the board.
- More than ever, the University is reliant on its information infrastructure and technological capabilities. A failure of, or attack on, our key IT systems could severely harm the University's operations. This risk is managed proactively by our Information & Learning Technologies team, working to defined and benchmarked resilience and recovery targets. Cyber threats in particular have been reviewed at management level and at Board, supported by simulation exercises.

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- As the regulatory and legislative framework in which we operate becomes more complex, the University might inadvertently fail to comply with applicable regulatory, legislative or quality standards, harming its reputation and potentially leading to consequences for recruitment, its university status, or to legal penalties. This risk is mitigated by the University's compliance, quality and legal functions, supported by regulatory relationships, Board review, and regular audits.
- The University might not adequately support its research function, such that its performance in metrics such as the Research Excellence Framework weakens, leading to a poorer staff and student experience and difficulty attracting new staff and research partnerships, innovation and commercialisation opportunities, or research funding. The University's cross-institutional leads for research and innovation, working with its DVC, continue to drive engagement in research and innovation with a flexible, supportive environment. This year we have made a robust and substantive submission to the REF, which will underpin further research and innovation activity in the medium-term.
- The University might fail in its mission to provide all students with the opportunity to advance to the best of their potential. The outcomes our graduates achieve support their lifelong success, and our impact on our local and national communities, and our continued recruitment. The University addresses this risk within its student support team, led by its DVC(SE), and supported by the Board in the form of a link governor. Graduate outcomes are prioritised in departmental planning and reviewed at VCG and Board.
- The long-term impact of the Covid-19 pandemic is still uncertain, and there is potential for further disruption as restrictions ease. The University has adapted and responded comprehensively to the pandemic, with the response now managed by the Covid-19 Outbreak Control Group (COCG), which will continue to manage the continuing risks to the health and safety of its community and to the student experience. The University's response was audited in May 2021 with encouraging results.

Our risk management processes are overseen by our Chief Operating Officer, supported by the University's Legal team, and reporting to the Vice-Chancellor and to the Board.

Section 172 Statement

The University of Chichester is incorporated as a private company limited by guarantee and which has been granted exempt charity status. Further detail can be found within the corporate governance section on p27.

That said, the Board notes its requirement, under the Companies Act 2006, Section 172 to report on how its Governors (Directors) have had due regard for their duties under Section 172 to promote the success of the company. Notably that a director of a company must act in the way he/she considers, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to —

- a. the likely consequences of any decision in the long term,
- b. the interests of the company's employees,
- c. the need to foster the company's business relationships with suppliers, customers and others,
- d. the impact of the company's operations on the community and the environment,
- e. the desirability of the company maintaining a reputation for high standards of business conduct, and
- f. the need to act fairly as between members of the company.

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Looking forward

The HE sector continues to face financial pressures including increased pension contributions, National Insurance increases and uncertainty around Home Undergraduate tuition fees pending the Government Autumn spending review. The University continues to monitor and assess the potential impact of these financial pressures through financial reviews, forecasts, stress-test modelling and covenant checks which will act as early indicators of possible issues.


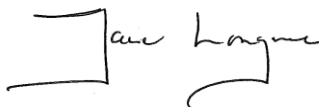
Financial sustainability will continue to be a key priority over the next academic year, with a particular focus on expanding capacity on our campuses in support of our student numbers. Our performance in this regard will be affected by:

- continued student number growth, including both home and international markets, supported by increased international recruitment via the International College and ongoing portfolio expansion and review;
- a focus on student experience, retention and outcomes, to include reducing attainment gaps;
- detailed management of staff costs, including pension liabilities;
- strong control over capital expenditure and asset management;
- the diversification of income streams; and
- a review and proposal to increase our student accommodation offering

Our 2021/22 student acceptances continue to be strong, on-site student accommodation is full and demand is high. We have exciting new opportunities including the launch of our new Allied Health programmes, a new University of Chichester International College partnership and a student accommodation expansion project.

We will continue to focus on achieving a sustainable level of surplus and operating cash flow. The fundamental financial position of the University remains strong and provides a good basis for upcoming investments and the achievement of our Strategic Plan.

Signed on behalf of the Board

	
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Richard Martin
Interim Chair of Governors
16 November 2021

Professor Jane Longmore
Vice-Chancellor
16 November 2021

The University of Chichester

Directors, Governors, Senior Management Team and Advisers

GOVERNORS, SENIOR MANAGEMENT TEAM AND ADVISERS

The Governing body of the University is the Board of Governors, which is comprised of between sixteen and twenty-five members (currently sixteen). Under the University's Articles of Association, the Board must consist of:

- The Vice-Chancellor;
- Independent Governors, the number of which must not be less than half the total number of governors;
- Three nominated Governors (one student, normally the President of the Students' Union, one from the teaching staff, and one from the non-teaching staff.)

The remainder are co-opted Governors.

At least half the Independent Governors are recommended by the Bishop Otter Trust (four members), one of whom is the Bishop of Chichester or his nominee. The Governing body has a broad range of appointees including those with experience as senior executives from legal, financial and commercial backgrounds as well as individuals in leadership roles in Further and Higher Education.

The University Executive is known as the Vice-Chancellor's Group (VCG) and is comprised of:

- Professor Jane Longmore, Vice-Chancellor
- Professor Simeon Keates, Deputy Vice-Chancellor
- Dr Mark Mason, Deputy Vice-Chancellor (Student Experience)
- Mr James Granger, Chief Operating Officer
- Mrs Elisabeth Whitaker, Chief Human Resources Officer
- Mr Mark Barlow, Chief Marketing and Communications Officer

The Vice-Chancellor's Group is supported by key senior managers who lead functional departments across the University.

The following governors have served during the 2020-21 financial year and the 2021-2022 year until the date of formal approval of the financial statements by the Board of Governors. Start and leave dates are captured in the middle column with the significant governor roles shown on the right. More details of individual governors including a photo and short biography can be found on the University website:

<https://www.chi.ac.uk/about-us/who-we-are/board-governors>

The University of Chichester

Directors, Governors, Senior Management Team and Advisers

BOARD OF GOVERNORS

GOVERNOR	DATE OF APPOINTMENT/ RESIGNATION	CATEGORY
Rt Revd Bishop Ruth Bushyager	From 01 October 2020	Church Independent Governor
Mr Andy Carpenter	all year	Staff elected Governor
Mrs Yvonne Thomas-Chester	all year	Chair of Audit Committee Independent Governor
Mrs Nicky Curtis	to 31 December 2020	
Mr Moyinjesu Ekundayo	to 30 June 2021	President of the Students' Union
Mrs Liz Gray	all year	Co-opted Independent Governor Chair of Remuneration Committee
Revd Rachel Hawes	all year	Church Independent Governor
Ms Gemma Hopwood	from 1 July 2021	President of the Students' Union
Professor Margaret House OBE	from 1 April 2021	Independent Governor
Canon Dr Daniel Inman	all year	Church Independent Governor
Professor Mike Lauder	all year	Staff elected Governor
Professor Jane Longmore	all year	Vice-Chancellor Chair of Academic Board Chair of Honorary Awards Committee
Mr Ian MacTavish	all year	Co-opted Governor
Mr Richard Martin	all year from 19 January 2021	Independent Governor Chair of Finance & Resources Committee Interim Chair of Governors Chair of Nominations & Effectiveness Committee
Mr Michael Olliff	all year	Co-opted Independent Governor
Mr Sohail Raja	all year	Independent Governor
Ms Marie Ryan	to 06 July 2021	
Ms Annika Small OBE	to 19 January 2021	Chair of Governors
Mrs Catherine Stone	from 12 May 2021	Co-opted Independent Governor

The University of Chichester

Directors, Governors, Senior Management Team and Advisers

SENIOR MANAGEMENT TEAM AND ADVISORS

Vice-Chancellor	Professor Jane Longmore
Deputy Vice-Chancellor	Professor Simeon Keates
Deputy Vice-Chancellor (Student Experience)	Dr Mark Mason
Chief Operating Officer	Mr James Granger from 28 September 2020
Chief Marketing and Communications Officer	Mr Mark Barlow
Chief Human Resources Officer	Mrs Elisabeth Whitaker
University Secretary	Mrs Sophie Freshville to 30 April 2021
University Secretary (secondment)	Mrs Hannah Lynch from 30 April 2021
University Solicitor	Mr Peter Aldred
Principal Address	University of Chichester Bishop Otter Campus College Lane Chichester West Sussex PO19 6PE
Second Campus Address	Bognor Regis Campus University of Chichester Upper Bognor Road Bognor Regis West Sussex PO21 1HR
Clearing Bank	HSBC 94 East Street Chichester PO19 1HD
External Auditor	BDO LLP Arcadia House Maritime Walk Ocean Village Southampton SO14 3TL
Internal Auditor	KCG Audit Limited 7 Bell Yard Street London WC2A 2JR

The University of Chichester

Corporate governance and internal controls statement

CORPORATE GOVERNANCE & INTERNAL CONTROLS STATEMENT

Constitution

The University is a company limited by guarantee and members of the Board of Governors are legally Directors of the Company. The directors of the University's subsidiary company, Chichester Enterprises Limited, are ultimately accountable to the Board of Governors of the University and therefore the following provisions for Corporate Governance apply to both the University and its subsidiary.

The University endeavors to conduct its business in accordance with the seven principles identified by the Committee on Standards in Public Life, and with guidance provided by the Committee of University Chairs (CUC), including the Higher Education Code of Governance published December 2014 and revised in 2018 and further reissued in 2020.

Under the terms of the Charities Act 2011, the University is subject to the regulatory powers of the Charity Commission although, before using them, the Commission must consult the OfS in its role of principal regulator of higher education institutions that are exempt charities.

This Corporate Governance Statement and associated statements including the Statement of Internal Control was effective for the period 1 August 2020 to 31 July 2021 and up to the date of the approval of the financial statements.

Principles of University Governance

The Board of Governors has adopted the following Statement of Primary Responsibilities and these are actively reviewed by the Board on an annual basis. Amendments were approved by the Board in July 2020:

The Board of Governors has adopted the following Statement of Primary Responsibilities:

1. To approve the mission and strategic vision of the University, the long-term academic and business plans and key performance indicators and to ensure that these meet the interests of students, staff, governors, the local and regional communities and others who have an interest in the success of the institution.
2. To delegate authority to the Vice-Chancellor, as Chief Executive, for the academic, corporate, financial, estates and personnel management of the University. The Board is also responsible for the establishment and regular review of all policies, procedures and limits within such management functions as shall be undertaken by and under the authority of the Vice-Chancellor.
3. To ensure the establishment and monitoring of systems of control and accountability, including financial and operational controls and risk assessment, and procedures for handling internal grievances and for managing conflicts of interest.
4. To ensure processes are in place to monitor and evaluate the performance and effectiveness of the University of Chichester against the plans and approved key performance indicators, which will be, where possible and appropriate, benchmarked against other comparable institutions.
5. To establish processes to monitor and evaluate the performance and effectiveness of the governing body.
6. To conduct its business in accordance with the Office for Students public interest governance principles, best practice in higher education corporate governance and with the principles of public life drawn up by the Committee on Standards in Public Life.
7. To ensure that there are arrangements in place for effective academic governance and the quality and standards of educational programmes.

The University of Chichester

Corporate governance and internal controls statement

8. To safeguard the good name and values of the University of Chichester.
9. To appoint the Vice-Chancellor as Chief Executive, and to put in place suitable arrangements for monitoring his/her performance.
10. To appoint a Secretary to the Board of Governors and to ensure that, if the person appointed has managerial responsibilities in the University, there is an appropriate separation in the lines of accountability.
11. To appoint a Principal Chaplain in accordance with the University's status as a Denominational institution of the Church of England under section 66 (4) (a) of the Further and Higher Education Act 1992.
12. To employ all staff in the institution and to be responsible for establishing the human resources strategy.
13. To be responsible for the financial and business affairs of the institution, to ensure that proper books of account are kept, to approve the annual budget and financial statements, and to manage the University's assets, property and estate.
14. To ensure that systems are in place for meeting all the institution's legal obligations, including those arising from contracts and other legal commitments made in the name of the University.
15. To make such provision as it thinks fit for the general welfare of students, in consultation with the University's Academic Board.
16. To appoint such Trustees as it may think fit for any property, legacy, endowment, bequest or gift in support of the work and welfare of the University of Chichester.
17. To ensure that the constitution of the University of Chichester is followed at all times and that appropriate advice is available to enable this to happen.

Governors' Code of Conduct

To reinforce the importance of the Public Interest Governance Principles and the way in which Governors are expected to perform their role, the Board adopted a Code of Conduct in June 2010, which has been revised in 2020. All Governors are expected to comply with this Code.

The CUC Higher Education Code of Governance and Governance Effectiveness Review

The Board has adopted and implemented the CUC Higher Education Code of Governance published December 2014 and revised in 2018 and further reissued in 2020. A continuous internal review process has been established to ensure the Governors and the University adhere to and refer back to the code with a progressive and forward-looking approach. The University has reviewed its Articles of Association to ensure they are in line with current practice in HE and fully align with the code.

The Board of Governors reviewed its effectiveness during 2019 using effectiveness tools developed by Advance HE. A report of the governance effectiveness review was published on the University website in January 2020. All the recommendations in the report have been considered and appropriate actions completed during 2019/20. The University commenced an external effectiveness review, completed by KCG during 2020/21. Recommendations, which have already been implemented, included the revision of the Articles of Association, to allow for a smaller, more effective Board of Governors.

The Interim Chair of Governors met with members of the Board in 2020/21 to gain their views on the University and the operation of the Board and its Committees as well as opportunities for enhancement and sharing best practice.

The University of Chichester

Corporate governance and internal controls statement

Composition of the Board of Governors

The University's Board of Governors consists of at least sixteen and a maximum of twenty-five members and comprises lay persons and staff and students appointed according to the Articles of Association, the majority of whom are non-executive and independent. The membership includes the Vice-Chancellor as an ex officio member. No lay members of the Board are remunerated for the work they undertake for the University, although expenses may be paid for attendance at Board meetings.

The Chair and Vice-Chair of the Board of Governors and the chairs of the sub-committees of the Board may only be appointed from within the non-executive members.

The Clerk to the Governors (who is also Company Secretary) is appointed under the Articles of Association to act as Secretary to the Board and its Committees. All Governors have access to the advice and services of the Clerk to the Governors and can seek independent advice should they wish to do so.

The Board normally meets three times a year, with additional meetings if appropriate. The Board also holds an annual away day event to consider broader strategic discussions and introduced an annual governance effectiveness session in 2018/19. There is also a joint, formal meeting of the Board of Governors and the Academic Board. In undertaking its duties, the Board receives the advice and recommendations of its Committees, including the Finance and Resources Committee, Audit Committee, Nominations and Effectiveness Committee, and Remuneration Committee. Decisions and recommendations of these Committees are formally reported to the Board as provided within the Articles of Association, the terms of reference of the Committees and the Financial Regulations of the University.

The Board is the strategic decision-making body of the University. The Board reviews and approves the University's Strategic Plan, as detailed on p2. The Board receives an update to each meeting outlining the University's progress against its key performance indicators. In addition, there are two separate Away Days for the Board each year to challenge and oversee strategic developments for the University.

In 2020-21 the Board has received and discussed presentations from the Vice-Chancellor's Group related to delivering a substantial growth in applications through the ongoing student recruitment strategy, including the emerging health agenda and business case for nursing as well as the development of an accommodation strategy. Alongside the University's commitment to the public good, due regard to all relevant stakeholders – students, employees, suppliers and the wider community is considered during all decisions made.

All members of the Board of Governors, co-opted members of its Committees and senior officers who are members or officers of the Vice-Chancellor's Group, have responsibility for significant areas of the University's business, or who hold senior positions in Finance are required to maintain entries on a Register of Interests and are assessed to be 'fit and proper' persons, as defined by the Office for Student Regulatory Framework. In addition, members may not be present at any discussion in which they have a direct or indirect financial interest.

In addition to being directors of the University Company, members of the Board of Governors are also the trustees of the exempt charity. The list of directors/trustees on pages 25 and 26 of this report is a complete list of those who have served during the 2020/21 financial year and the 2021/22 year until the date of formal approval of the financial statements by the Board of Governors.

Engagement with Employees

The Board demonstrates its engagement with the University's employees in a number of ways:

- Two staff governors sit on the Board and represent the academic and professional services areas of the University at all Board meetings. A staff governor is also a member of the Nominations and Effectiveness Committee of the Board.

The University of Chichester

Corporate governance and internal controls statement

- The Board operates a link governor scheme, whereby directors are linked with different areas of the University – finance; estates; learning and teaching; students' union. These, and other strategic links, allow governors to directly discuss issues and areas of interest with employees.
- The Board receives regular updates from the Chief Human Resources Officer, via the Finance & Resources Committee, regarding pertinent staff issues. The Human Resources Annual Report allows the Board to understand issues regarding recruitment, training, staff turnover, staff demographics, gender pay gap reporting and remuneration. The Inclusivity Annual Report provides the Board with a review of activities undertaken by the University to promote inclusivity and diversity across its staff body.

More about the University's staff engagement can be found on p16.

Engagement with Customers, Suppliers and Others

In the context of Higher Education, the University's customers are its students. The Board demonstrates its engagement with its students in a number of ways:

- The Students' Union President sits on the Board and represents the student body. The Students' Union Vice-President is also invited to attend Board sessions and sits on the Nominations and Effectiveness Committee.
- The Board receives regular summaries from the Academic Board, of which the SU President is also a member. The sub-committees of the Academic Board, include a number of student representatives within their membership.
- Governors are invited to attend a range of student-led activities, such as end of year art shows, dance and theatre performances, sports matches, and the annual carol concerts.

The Board receives updates regarding performance in the National Student Survey (NSS) – a key indication of student satisfaction. More about the University's student engagement can be found on p4.

Community and the Environment

The University takes its responsibilities regarding environmental sustainability seriously, as detailed on p18. Further information regarding community engagement has been detailed under the section Regional Regeneration on p9.

The Board discusses its commitment to regional regeneration and community engagement, through regular reporting on the relevant KPIs within the Strategic Plan as outlined on p2. The Board, via the Finance & Resources Committee, discusses annual reports on Environmental Sustainability, Carbon Management and Emissions reporting, and Health and Safety.

Governors' Audit Committee

The Governors' Audit Committee met 4 times in 2020/21, in accordance with its terms of reference.

On behalf of the Board, the Governors' Audit Committee considers reports, recommendations and reviews on the effectiveness of the University's arrangements for value for money, risk management, internal control and governance.

Where improvements are identified, the Committee monitors the implementation of agreed actions. The Committee presents an Annual Report to the Board of Governors, including an opinion on the adequacy of the University's processes for securing value-for-money, for the management of risk, for promoting good governance, for ensuring adequate internal controls are in operation and in accordance with the Office for Students (OfS)'s requirements on data assurance.

The University of Chichester

Corporate governance and internal controls statement

The Governors' Audit Committee also considers other reports and updates from OfS as they affect the University's business and monitors adherence to the regulatory requirements.

The Governors' Audit Committee understands its specific reporting responsibilities on data quality, and during 2020/21 has received reports on data quality matters and actions being taken for the continual improvement of systems and processes for the recording and reporting of the required returns.

Internal audit services are contracted out. In 2020/21 they were carried out by KCG, following a tender process for new internal auditors in 2019 for KCG to deliver internal audit services from 1 August 2019 to 31st July 2022, with an option to extend the contract thereafter. The Audit Committee agreed the programme of reviews for 2020/21 with KCG.

A resolution, to appoint BDO LLP as our external auditor for the forthcoming year, was proposed and approved at the meeting of the Board of Governors on 17th November 2020. Between September and October 2021, the University undertook a tendering process for the appointment of external auditors for the next 5 years, in accordance with the requirements of the OfS. BDO LLP were the successful applicant and the appointment would be recommended to the Board of Governors for approval on 16th November 2021.

Governors' Finance and Resources Committee

The Governors' Strategy & Resources Committee was retitled the Governors' Finance & Resources Committee in July 2019. The Committee met 5 times during 2020/21. It received reports concerning finance, estates, health, safety and sustainability, IT, employment and human resource issues, with the exception of the employment and salaries of those who form the 'Designated Staff' in the Articles of Association. The designated staff are the Vice-Chancellor, the Deputy Vice-Chancellor, Deputy Vice-Chancellor (Student Experience), the University Secretary and the Principal Chaplain. The Board of Governors determines the total emoluments of these designated staff on the advice of the Governors' Remuneration Committee.

The Finance and Resources Committee reviews the annual financial statements together with the accounting policies, and recommends the annual budget and financial forecasts to the Board for approval. It also receives reports on the progress of major capital projects at each meeting. The Board receives the minutes of the Governors' Finance and Resources Committee together with the financial monitoring reports reviewed by the Committee. A sub-group of the Committee, the Finance Working Group, was established in 2018/19 to aid Governor understanding of the University's financial position. Members regularly reported in 2019 to the Finance & Resources Committee, and Board of Governors to provide assurance. With the changes to the membership of the Board in 2020, the Finance Working Group was replaced by regular meetings between the Finance Link Governor and the University's Finance team.

Nominations and Effectiveness Committee

The Nominations and Effectiveness Committee is responsible for recommending the appointment and renewal of terms of office of individual governors to the Board. In performing these duties, the Committee identifies the skills required on the Board and assesses the expertise of governors so that any gaps can be addressed with each recruitment cycle. The Board recognises the need to ensure that the membership of the Board is reflective of, and relates to, the multiple strands of contemporary society. Governor appointments are therefore advertised widely to ensure that vacancies are filled with the highest calibre of person. Three new Governors were recruited in 2020/21 including the nominee of the Bishop of Chichester in accordance with the Articles of Association. Following the Chair of Governors stepping down in January 2021, the Vice Chair of Governors served as Interim Chair. The Nominations and Effectiveness Committee met twice in 2020/21 with one meeting focused on the recruitment of a new Chair of Governors.

The University of Chichester

Corporate governance and internal controls statement

Remuneration Committee

The Remuneration Committee is chaired by an Independent Governor and makes recommendations to the Board on the total emoluments and conditions of service for all designated role holders as specified in the Articles of Association. The Remuneration Committee also considers and approves the arrangements for individual performance review for the designated posts. The Committee considers comparative information on salaries and other emoluments and conditions in the sector from the

Universities and Colleges Employers' Association (UCEA) and the Committee of University Chairs (CUC). The Remuneration Committee has adopted the CUC HE Remuneration Code of Governance (2018) and its terms of reference are reviewed annually to ensure it continues to meet compliance requirements.

Responsibilities of the Vice-Chancellor

The Vice-Chancellor is the Chief Executive of the University and has responsibility to the Board of Governors for the organisation, direction and management of the institution, under the Terms and Conditions of Funding for Higher Education Institutions issued by the Office for Students.

The Vice-Chancellor is the Accountable Officer, who can be summoned to appear before the Public Accounts Committee and is held accountable for the quality of data included in returns to the OfS, and other agencies.

The Vice-Chancellor is supported by the University Executive (Vice-Chancellor's Group), which meets weekly. Ultimate responsibility for executive management rests with the Vice-Chancellor.

Academic Board

The Academic Board is chaired by the Vice-Chancellor, and comprises twenty-four members, half of whom are individuals with primarily executive and managerial responsibilities with the remainder being elected non-executive staff or students.

The Academic Board is the senior committee of the University and the responsibilities of the Academic Board are set out in the Articles of Association as follows:

- issues relating to research, scholarship, teaching and courses at the University, including criteria for the admission of students;
- the appointment and removal of internal and external examiners;
- policies and procedures for the assessment and examination of students;
- the content of the curriculum;
- academic standards and the validation and review of courses;
- procedures for the award of qualifications and honorary academic titles;
- the procedures for the expulsion of students for academic reasons;
- advice relating to development of academic activities and resources required.

Statement of Internal Control

The Board of Governors is responsible for maintaining a sound system of internal control, which supports the achievement of policies, aims and objectives, whilst safeguarding the public and other funds and assets for which it is responsible. The Statement of Internal control relates to the period covered by the financial statements (1 August 2020 to 31 July 2021, and the period up to the date of approval of the audited financial statements).

The University of Chichester

Corporate governance and internal controls statement

The key elements of this system of internal financial control designed to discharge the responsibilities set out above are:

- clear definition of the responsibilities and delegated authority of heads of academic and administrative groups;
- a medium and short-term planning process, supplemented by detailed annual income and expenditure and capital budgets;
- regular reviews of performance and quarterly reviews of financial performance and updates of forecasts for the current financial year;
- comprehensive Financial Regulations, reviewed annually;
- clearly defined requirements for the approval and control of expenditure, with significant investment decisions being subjected to detailed appraisal and review;
- a professional internal audit service (currently from KCG), with responsibilities to cover the entire internal control systems of the institution.

The system of internal control is supplemented by a process to identify the principal risks, including governance, operational management, quality, reputational, compliance and financial risks, to the achievement of the University's policies, aims and objectives; to evaluate the nature and extent of those risks; and to manage them efficiently, effectively and economically. The University has a Risk Management Policy and a Critical Risk Register. This process is designed to manage rather than eliminate the risk of failure to achieve these objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness.

The Governors' Audit Committee receives regular reports and recommendations for improvement from KCG who conduct internal audit services for the University. This includes an annual opinion on the adequacy and the effectiveness of internal controls and risk management across the University, in accordance with OfS's Terms and Conditions of Funding.

As the governing body, the Board of Governors has responsibility for the University's risk management process. For this purpose, the Governors' Audit Committee oversees and provides assurance on the operation of the framework.

The Board of Governors is committed to the continuous development of a comprehensive process for identifying, evaluating and managing the University's significant risks. The risk management process is co-ordinated by the Risk Management Group on behalf of the Vice-Chancellor's Group; the Group ensures that Academic and Professional Service departments review their risk registers and compiles the Critical Risk Register for the University.

Each risk identified on the risk registers has a nominated 'owner' who is responsible for ensuring that adequate controls are in place and/or mitigating action taken, and for regularly reviewing changes to probability or impact.

Risk management is also embedded within the corporate planning and decision-making processes of the University, with all significant projects and associated business cases expected to demonstrate that risks and appropriate controls or mitigating actions have been recognised. If approved, the implementation of the mitigating action is then embedded into the normal risk management processes of the University. The process of identifying and managing risks is an ongoing process throughout the financial year.

The University of Chichester

Corporate governance and internal controls statement

The Board of Governors receives assurance on the effectiveness of the internal control systems through the minutes of the Governors' Audit Committee, which are presented by the Chair of the Committee to the meetings of the Board.

Assurance also arises from the work of the internal auditors and the senior managers within the organisation who have responsibility for the development and maintenance of the internal control framework, and through comments made by the external auditors in their management letter and other reports.

The University of Chichester is an exempt charity regulated by the OfS on behalf of the Charity Commission for England and Wales. The members of the Board of Governors, who include the Vice-Chancellor and staff and student members, are trustees of the charity. As such, the Board of Governors has due regard to the guidance published by the Charity Commission concerning the demonstration of the public benefit provided by the University. This section details how the University has met the requirements of the Charity Commission in this respect.

The University's governors, who are directors of the University company, are not paid for their time (with the exception of staff governors who receive remuneration for their substantive employment but not for their role as governors) but receive reasonable expenses paid in line with the University's published expenses policy.

The University of Chichester

Corporate governance and internal controls statement

Objectives and Activities

The principal objectives of the University are concerned with the provision of higher education and research. To support these objectives, the University undertakes other activities, including the provision of accommodation, catering and conference services.

The University's mission is to provide outstanding education, advance knowledge and benefit the world.

The University's vision is to achieve national and international recognition for the excellence of our teaching, research and innovation. We will secure full acknowledgment as an outstanding university with a strong externally facing focus. As the only university based in West Sussex, we recognise the economic, social and cultural importance of 'place' and the need to meet both local and global challenges.

The University of Chichester was incorporated on 22 April 2003 as a private company, limited by guarantee (Company Number 4740553). On 1 August 2003, the Company took over the activities formerly undertaken by a registered charitable trust, with the consequence that all assets, liabilities and activities of the registered charitable trust were transferred to the private limited company. All activities are continuing under the Articles of Association of the company. The Company has been granted exempt charity status by the Privy Council.

Scope of the Financial Statements

The Financial Statements comprise the consolidated results for the University and its subsidiary undertaking, Chichester Enterprises Limited. The principal business activity of Chichester Enterprises Limited is the provision of conference and catering services and the provision of consultancy services. Chichester Enterprises Limited transfers the whole of any taxable profits to the University.

Basis of Preparation

The Governors have adopted the going concern basis in preparing these accounts after assessing the principal risks and having considered the ongoing impact of Covid-19. The University is delivering primarily face-to-face teaching with some large lectures continuing to be delivered online. Students continue to live and study on campus. The Governors have considered the impact of the pandemic over the next 12 months and the longer term, whilst recognising the situation evolves daily making scenario planning difficult, and has assessed a number of impacts on income, cash and bank covenants.

Recognising the Government's clear intent for higher education to carry on through the pandemic, the Governors believe that the University is well placed to manage its financing and other business risks satisfactorily. The HE sector continues to face financial pressures including increases in pension and National Insurance contributions and undergraduate tuition fee uncertainty pending the Government Autumn spending review. The University continues to review the impact of these financial pressures and to implement mitigating actions, including new programmes and partnerships, robust cost controls and efficiencies.

The Governors have a reasonable expectation that the University will have adequate resources to continue in operation for at least 12 months from the signing date of these consolidated financial statements. They therefore consider it appropriate to adopt the going concern basis of accounting in preparing the financial statements.

Payment of Creditors

The University endeavours to abide by payment terms agreed with suppliers. The University is flexible in its procurement strategy to facilitate the most favourable terms for all transactions.

The University of Chichester

Corporate governance and internal controls statement

Corporate Governance and Risk Management

The University is committed to exhibiting best practice in all aspects of corporate governance. It endeavors to conduct its business in accordance with the principles identified by the Committee on Standards in Public Life and with the Committee of University Chairs' Guide for Members of Higher Education Governing Bodies in the UK. The University is committed to upholding the Public Interest Governance Principles, as defined by the Office for Students Regulatory Framework.

The corporate governance information on pages 27-38 details the work that has been ongoing throughout the year, which reflects the risk-based approach in assessing control systems. Governors regularly review the Critical Risk Register, which captures the major risks to which the University is exposed. These risk reviews cover business, operational, compliance, quality and reputation issues in addition to financial risks. The Board of Governors believes that its processes for identifying, evaluating and managing the University's risks during the year are adequate. KCG provided the internal audit service to the University in 2020/21 and in their Internal Audit Annual Report the opinion was reported as: "Overall, for the year ended 31 July 2021 and at the time of reporting, we provide satisfactory assurance that the University maintained adequately designed and effective arrangements for risk management, control and governance, and for economy, efficiency and effectiveness."

KCG carried out 7 internal audit reports within 2020/21 and these were all concluded as providing substantial or satisfactory assurance.

Going concern and Sustainability Reporting

The Board of Governors considers the guidance to directors provided by the Financial Reporting Council when assessing the going concern of the University and is preparing a report to the OfS providing assurance of the institutional sustainability of the University. This will be submitted in December 2021.

The Board of Governors approved the University's financial plan for 2021/22 in July 2021, as part of their normal annual review. They were satisfied that the University had sufficient resources to continue operating for the foreseeable future.

The University has proved its resilience over the past couple of years and has risen to the challenges of change and uncertainty, showing its ability to quickly respond and take mitigating action to ensure we continue to deliver to our students.

With regard to the financial year ending 31st July 2022, the most significant areas that are likely to affect the University are the outcome of the Comprehensive Spending Review and Augar Review. While the University does not anticipate further major disruption due to the Covid-19 pandemic, risks could include reduced student numbers, and the temporary closure of the University's campus accommodation thereby impacting conference and international programmes. The risk around student numbers has been mitigated by the University's historic bias towards domestic students for whom there has been continuing strong performance in applications and accepted places for 2021/22. The University has also, through the pandemic, successfully grown its international student intake and early signs for applications for 2022/23 are encouraging and we expect overall student numbers to be further strengthened with continued growth in the new Nursing and Allied Health programmes from September 2021. The Governors consider the risk of a prolonged period of closure is now much reduced, and they believe the University is able to sustain itself financially.

The Governors will continue to review plans with the Vice-Chancellor's Group, but even in the event that the downside scenarios materialise, there are sufficient financial reviews, forecast, and covenant checks performed to act as early indicators of potential issues providing sufficient time to address any potential breaches in advance and to give comfort that the associated financial risks are suitably mitigated.

As such, the Board remains satisfied that the University can continue operating for the foreseeable future and these accounts have accordingly been prepared on a going concern basis.

The University of Chichester

Corporate governance and internal controls statement

Awareness of Relevant Audit Information

Each Governor has taken all the steps that he or she ought to have taken to make themselves aware of any information needed by the University's auditors for the purposes of their audit and to establish that the auditors are aware of that information. None of the Governors is aware of any relevant audit information of which the auditors are unaware.

Appointment of Auditors

A resolution, to appoint BDO LLP as our external auditor for the forthcoming year, was proposed and approved at the meeting of the Board of Governors on 17th November 2020. In September – October 2021 the University undertook a tendering process for the appointment of external auditors for the next 5 years in accordance with the requirements of the OfS. BDO LLP were the successful applicant and the appointment would be recommended to the Board of Governors for approval on 16th November 2021.

Conclusion

During 2020/21 the specific focus has been: delivering further growth in applications; maintaining overall student satisfaction during the pandemic; improving graduate prospects; and improving our operating surplus and positive cashflow to support our investment in new facilities and programmes.

Chichester has maintained its focus on teaching quality and on student satisfaction throughout the pandemic, continuing to offer as much face-to-face teaching as possible and offering high levels of student support. Our positive results in the National Student Survey 2021 and our high retention levels indicate the effectiveness of this approach. We ended the year with a double graduation ceremony in August, celebrating the achievements of the cohorts of both 2020 and 2021.

The University's financial performance in 2020/21 exceeded the financial targets for the year despite the challenges presented by the coronavirus pandemic; we are posting both operational and financial surpluses, allowing us to continue to invest in improved facilities for students.

We continue to look ahead with a pro-active approach to student recruitment through a return to on-site open days. The University has grown by almost 10% between 2019/20 and 2020/21. The opening of the School of Nursing and Allied Health on the Bishop Otter campus in September is contributing to the post-Covid-19 recovery of the region by offering routes into highly skilled employment in the health sector. Further expansion is already planned in 2021/22.


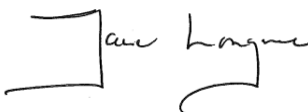
We have maintained our top 50 ranking in the Times & Sunday Times 2022 Good University Guide and have had further success in the Guardian University Guide 2022, rising from 29th to 21st in this UK-wide League Table. These are further indications of our University's outstanding quality and excellent teaching that helps our students thrive within a supportive community of learning, and reflects our ongoing success against our overall strategic aims.

The UK and global economy and the HE sector will continue to face considerable challenges associated with the ongoing impact of the coronavirus pandemic and potential changes in government policy. The sector will need to be flexible in adapting to these changes and The University of Chichester is well placed to respond to these challenges and face them with great resilience, a sense of community and the support of its students and staff.

The Board of Governors recognises the challenges and the impact these may have on the University and is actively supporting the University to successfully meet these challenges. We remain vigilant of the continuing risks presented by the coronavirus pandemic, the health and safety of our community and the student experience in the 2021/22 academic year and beyond. The Board wishes to place on record its thanks to those Governors who completed their terms of office during the year.

The University of Chichester

Corporate governance and internal controls statement

	
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Richard Martin
Interim Chair of Governors

16 November 2021

Professor Jane Longmore
Vice-Chancellor

16 November 2021

The University of Chichester

Statement of responsibilities of the Board of Governors

The members of the Board, who are also the directors of the University of Chichester for the purposes of company law, are responsible for preparing the Strategic Report, Governors' Report and Financial Statements in accordance with the Companies Act 2006 and the Charities Act 2011, and for being satisfied that the financial statements give a true and fair view. The members of the Board are also responsible for preparing the financial statements in accordance with the latest United Kingdom Accounting Standards, Financial Reporting Standard 102 (FRS102), as applied to the University based on the Higher Education Statement of Recommended Practice (HE SORP).

Company law requires members of the Board to prepare financial statements for each financial year, which gives a true and fair view of the affairs of the University and of the surplus of income over expenditure of the University for that period. In preparing the Financial Statements, the members of the Board are required to:

- select suitable accounting policies and 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 financial statements on the going concern basis, unless it is inappropriate to assume that the University will continue in operation.

The members of the Board are also required to give a report in the Financial Statements, which includes the legal and administrative status of the University. The members of the Board are responsible for the keeping of adequate accounting records, which disclose with reasonable accuracy at any time, the financial position of the University and which enables them to ensure that the financial statements are prepared in accordance with the Companies Act 2006, its Articles of Association, the Accounts Direction issued by the Office for Students (OfS) and the F&HE SORP, as well as reflecting best practice in public sector corporate governance. They are also responsible for taking steps that are reasonably open to them in order to safeguard the assets of the University and to prevent and detect fraud and other irregularities.

Members of the Board must ensure that there are appropriate financial and management controls in place in order to safeguard public and other funds and to ensure they are used properly. In addition, members of the Board are responsible for securing economical, efficient and effective management of the University's resources and expenditure, so that the benefits that should be derived from the application of public funds by the Office for Students (OfS) are not put at risk. Members of the Board confirm that, so far as they are aware, there is no relevant audit information of which the University's auditors are unaware. They have taken all the steps that they ought to have taken as members of the Board in order to make themselves aware of any relevant audit information and to establish that the University's auditors are aware of that information.

Financial statements are published on the University's website, in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the financial information published on the University's website is the responsibility of the members of the Board. The Board members' responsibility also extends to the ongoing integrity of the published financial statements.

Members of the Board have a broader role to ensure the University complies with current legislative requirements. For 2020/21, this included:

- Monitoring and training for General Data Protection Regulation (GDPR) following implementation in May 2018.
- Publication of a statement under the Modern Slavery Act 2015 and continued actions to include in the 2021 statement.
- Continued compliance with the PREVENT Agenda including updated actions and sign off by the OfS of the University Statement.

The University of Chichester

Statement of responsibilities of the Board of Governors

In the coming year there will be continued focus on all these three areas.

The Board of Governors is satisfied that the University is financially sustainable and has adequate resources to continue its operations for the foreseeable future. For this reason, a 'going concern' basis has been adopted in the preparation of the financial statements, which reflect:

- suitable accounting policies, selected and applied consistently;
 - judgements and estimates that are reasonable and prudent; and
 - applicable accounting standards, subject to disclosure and explanation in the financial statements of any material departures therefrom.
-
- The Board of Governors has taken reasonable steps to:
 - fulfil its responsibilities under the Articles and to ensure that funds provided by the OfS, UK Research and Innovation (including Research England), Education and Skills Funding Agency and the Department for Education are used only for the purposes for which they have been granted and have been applied in accordance with the relevant terms and conditions with issued by the OfS (or relevant party) and any other conditions which the OfS may from time to time prescribe;
 - ensure that appropriate financial and management controls are in place to safeguard public and other funds;
 - safeguard the assets of the University and prevent and detect fraud and other irregularities;
 - secure the economical, efficient and effective management of the University's resources and expenditure.

The University of Chichester

Independent Auditor's report

INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF THE UNIVERSITY OF CHICHESTER

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the University's affairs as at 31 July 2021 and of the Group's and the University's income and expenditure, gains and losses, changes in reserves and of the Group's and University's cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of the University of Chichester ("the University") and its subsidiaries (the 'Group') for the year ended 31 July 2021 which comprise the Consolidated and University Statement of Comprehensive Income and Expenditure, Consolidated and University Statement of Changes in Reserves, Consolidated and University Balance Sheet, Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) "ISAs (UK)" and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group and University in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the board members' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

Our responsibilities and the responsibilities of the board members with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. The board is responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information including the Strategic Report, Corporate Governance and Internal Controls Statement and Statement of the Responsibilities of the Board of Governors and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

The University of Chichester

Independent Auditor's report

Other Companies Act 2006 reporting

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

- the information given in the Strategic Report, Corporate Governance and Internal Controls Statement and Statement of Responsibilities of the Board of Governors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report, Corporate Governance and Internal Controls Statement and Statement of Responsibilities of the Board of Governors have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Group and the University and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report, Corporate Governance and Internal Controls Statement and Statement of Responsibilities of the Board of Governors.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of board members' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Opinion on other matters required by the Office for Students ("OfS") and Research England

In our opinion, in all material respects:

- Funds from whatever source administered by the University for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation.
- Funds provided by the OfS, UK Research and Innovation (including Research England), the Education and Skills Funding Agency and the Department for Education have been applied in accordance with the relevant terms and conditions.
- The requirements of the OfS's Accounts Direction (OfS 2019.41) have been met.
- We have nothing to report in respect of the following matters in relation to which the OfS requires us to report to you if, in our opinion:
 - The University's grant and fee income, as disclosed in the note to the accounts, has been materially misstated.
 - The University's expenditure on access and participation activities for the financial year has been materially misstated.

Responsibilities of the board

As explained more fully in Statement of Responsibilities of the Board of Governors set out on pages 39-40, the board are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the board members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the board is responsible for assessing the Group and the University's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the board either intend to liquidate the Group or the University or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Extent to which the audit was capable of detecting irregularities, including fraud

The University of Chichester

Independent Auditor's report

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud, including direct representation from the Accountable Officer
- Reviewing minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with HMRC, Research England and OfS to identify any actual or potential frauds or any potential weaknesses in internal control which could result in fraud susceptibility
- Reviewing items included in the fraud register as well as the results of internal audit's investigation into these matters
- Challenging assumptions made by management in their significant accounting estimates
- In addressing the risk of fraud, including the management override of controls and improper income recognition, we tested the appropriateness of certain manual journals, reviewed the application of judgements associated with accounting estimates for the indication of potential bias and tested the application of cut-off and revenue recognition.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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

In addition, we also report to you whether income from funding bodies, grants and income for specific purposes and from other restricted funds administered by the University have been properly applied only for the purposes for which they were received and whether income has been applied in accordance with the Statutes and, where appropriate, with the Terms and Conditions of Funding with the OfS and Research England.

Use of our report

This report is made solely to the members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the University's board those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the University and the board members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:



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David I'Anson (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Southampton

Date: 26 November 2021

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

The University of Chichester

Consolidated and University statement of comprehensive income and expenditure for the year ended 31 July 2021

		2021		2020	
	Notes	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Income					
Tuition fees and education contracts	1	43,527	43,527	39,765	39,765
Funding body grants	2	4,441	4,441	3,954	3,954
Research grants and contracts	3	385	28	1,301	103
Other income	4	11,483	11,774	9,796	10,125
Investment income	5	1	1	9	9
Donations	6	(9)	(9)	53	679
Total income		59,828	59,762	54,878	54,635
Expenditure					
Staff costs	7	34,066	34,066	33,294	33,294
Other operating expenses	10	18,917	18,849	16,509	16,266
Depreciation	11	4,381	4,379	4,676	4,659
Interest and other finance costs	8	2,398	2,398	2,253	2,253
Total expenditure	9a	59,762	59,692	56,732	56,472
Surplus/(deficit) before other gains/(losses)		66	70	(1,854)	(1,837)
Surplus on disposal of fixed assets		775	775	619	619
Surplus/(deficit) for the year		841	845	(1,235)	(1,218)
Actuarial gain/(loss) in respect of pension schemes	26	2,988	2,988	(6,969)	(6,969)
Total comprehensive income for the year		3,829	3,833	(8,204)	(8,187)
Represented by:					
Restricted comprehensive income for the year		(68)	(68)	(2)	(2)
Unrestricted comprehensive income for the year		3,985	3,989	(8,114)	(8,097)
Revaluation reserve comprehensive income for the year		(88)	(88)	(88)	(88)
Attributable to the University		3,829	3,833	(8,204)	(8,187)

All items of income and expenditure relate to continuing activities.

The University of Chichester

Consolidated and University statement of changes in reserves for the year ended 31 July 2021

Consolidated	Income and expenditure account		Revaluation reserve	Total
	<i>Restricted</i> £'000	<i>Unrestricted</i> £'000	£'000	£'000
Balance at 1 August 2019	88	27,555	23,666	51,309
Deficit from the income and expenditure statement	3	(1,238)	-	(1,235)
Pension scheme actuarial loss	-	(6,969)	-	(6,969)
Transfers between revaluation and income and expenditure reserve	-	88	(88)	-
Release of restricted funds spent in year	(5)	5	-	-
Total comprehensive income for the year	(2)	(8,114)	(88)	(8,204)
Balance at 1 August 2020	86	19,441	23,578	43,105
Deficit from the income and expenditure statement	(47)	888	-	841
Pension scheme actuarial gain	-	2,988	-	2,988
Transfers between revaluation and income and expenditure reserve	-	88	(88)	-
Release of restricted funds spent in year	(21)	21	-	-
Total comprehensive income for the year	(68)	3,985	(88)	3,829
Balance at 31 July 2021	18	23,426	23,490	46,934

University	Income and expenditure account		Revaluation reserve	Total
	<i>Restricted</i> £'000	<i>Unrestricted</i> £'000	£'000	£'000
Balance at 1 August 2019	88	27,563	23,666	51,317
Deficit from the income and expenditure statement	3	(1,221)	-	(1,218)
Pension scheme actuarial loss	-	(6,969)	-	(6,969)
Transfers between revaluation and income and expenditure reserve	-	88	(88)	-
Release of restricted funds spent in year	(5)	5	-	-
Total comprehensive income for the year	(2)	(8,097)	(88)	(8,187)
Balance at 1 August 2020	86	19,466	23,578	43,130
Deficit from the income and expenditure statement	(47)	892	-	845
Pension scheme actuarial gain	-	2,988	-	2,988
Transfers between revaluation and income and expenditure reserve	-	88	(88)	-
Release of restricted funds spent in year	(21)	21	-	-
Total comprehensive income for the year	(68)	3,989	(88)	3,833
Balance at 31 July 2021	18	23,455	23,490	46,963

The University of Chichester

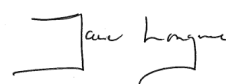
Consolidated and University balance sheet at 31 July 2021

Company number 04740553	Notes	2021		2020	
		Consolidated £'000	University £'000	Consolidated £'000	University £'000
Non-current assets					
Fixed assets	11	127,913	127,911	131,247	131,242
Investments	12	-	-	-	-
		<u>127,913</u>	<u>127,911</u>	<u>131,247</u>	<u>131,242</u>
Current assets					
Stock		11	11	12	12
Trade and other receivables	13	3,413	4,668	3,888	5,104
Cash and cash equivalents	20	16,172	14,833	10,704	9,479
		<u>19,596</u>	<u>19,512</u>	<u>14,604</u>	<u>14,595</u>
Creditors: amounts falling due within one year	14	(9,775)	(9,660)	(9,525)	(9,486)
		<u>9,821</u>	<u>9,852</u>	<u>5,079</u>	<u>5,109</u>
Net current assets		<u>9,821</u>	<u>9,852</u>	<u>5,079</u>	<u>5,109</u>
Total assets less current liabilities		<u>137,734</u>	<u>137,763</u>	<u>136,326</u>	<u>136,351</u>
Creditors: amounts falling due after more than one year	15	(73,365)	(73,365)	(76,093)	(76,093)
Provisions					
Pension provisions	17	(16,459)	(16,459)	(16,562)	(16,562)
Other provisions	17	(976)	(976)	(566)	(566)
		<u>46,934</u>	<u>46,963</u>	<u>43,105</u>	<u>43,130</u>
Total net assets		<u>46,934</u>	<u>46,963</u>	<u>43,105</u>	<u>43,130</u>
Restricted reserves					
Income and expenditure reserve - restricted reserve	19	18	18	86	86
Unrestricted reserves					
Income and expenditure reserve - unrestricted		23,426	23,455	19,441	19,466
Revaluation reserve		23,490	23,490	23,578	23,578
		<u>46,916</u>	<u>46,945</u>	<u>43,019</u>	<u>43,044</u>
Total reserves		<u>46,934</u>	<u>46,963</u>	<u>43,105</u>	<u>43,130</u>

The financial statements on pages 44 - 47 were approved by the Board of Governors and authorised for issue on 16 November 2021 and were signed on its behalf on that date by:



Mr R Martin
Interim Chair of Governors



Professor J Longmore
Vice-Chancellor

The notes on pages 48 - 66 form part of these financial statements.

The University of Chichester

Consolidated statement of cash flows for the year ended 31 July 2021

	Notes	2021 £'000	2020 £'000
Cash flow from operating activities			
Surplus/(deficit) for the year before tax		841	(1,235)
Adjustments for non-cash items			
Depreciation and impairment	11	4,810	4,676
Decrease/(increase) in stock		1	(2)
Decrease in debtors	13	476	107
(Decrease)/increase in creditors	14	(280)	261
Increase in pension provision	17	2,885	2,428
Increase in other provisions	17	410	125
Cash from operations		9,143	6,360
Investment income	5	(1)	(9)
Interest payable	8	2,150	2,075
Surplus on the disposal of fixed assets		(775)	(619)
Capital grant income	18	(1,005)	(1,061)
Net cash generated from operating activities		9,512	6,746
Cash flows from investing activities			
Proceeds from sale of fixed assets		1,401	2,601
Capital grants receipts		543	380
Investment income		1	9
Payments made to acquire fixed assets		(1,706)	(783)
Net cash from investing activities		239	2,207
Cash flows from financing activities			
Interest paid		(975)	(896)
Interest element of finance lease		(1,177)	(1,187)
Repayments of bank loans		(1,688)	(1,069)
Repayments of other loans		(188)	(188)
Capital element of finance lease		(255)	(317)
Net cash used in financing activities		(4,283)	(3,657)
Increase in cash and cash equivalents in the year		5,468	5,296
Cash and cash equivalents at beginning of the year	20	10,704	5,408
Cash and cash equivalents at end of the year	20	16,172	10,704

The University of Chichester

Statement of accounting policies for the year ended 31 July 2021

The University of Chichester is a company limited by guarantee incorporated in England & Wales under the Companies Act 2006. Registered address: Bishop Otter Campus, College Lane, Chichester, West Sussex, PO19 6PE.

1 Basis of preparation

These financial statements have been prepared in accordance with the Statement of Recommended Practice : Accounting for Further and Higher Education 2019 (2019 FE HE SORP) and in accordance with Financial Reporting Standards (FRS) 102. The University is a public benefit entity and therefore has applied the relevant public benefit requirement of FRS 102. The financial statements are prepared in accordance with the historical cost convention (modified by the revaluation of certain fixed assets at transition as deemed cost).

The University has taken advantage of the exemptions provided in FRS 102 1.12 and the 2019 FE HE SORP 3.3, and has not included a separate statement of its own cash flows. These cash flows are included within the Consolidated Statement of Cash Flows, and the University balance sheet discloses cash at both the current and preceding reporting dates.

The Governors have adopted the going concern basis in preparing these accounts after assessing the principal risks. Illustrative stress-testing scenarios have been prepared to determine the extent to which a significant downside could impact its finances and covenants. The Governors believe that the University is well placed to manage its financing and other business risks satisfactorily and have a reasonable expectation that the University will have adequate resources to continue in operation for at least 12 months from the signing date of these consolidated financial statements. They therefore consider it appropriate to adopt the going concern basis of accounting in preparing these financial statements.

2 Basis of consolidation

The consolidated financial statements include the University and all its subsidiaries for the financial year to 31 July 2021.

The consolidated financial statements do not include the income and expenditure of the Students' Union as the University does not exert control or dominant influence over policy decisions.

3 Income recognition

Income from the sale of goods or services is credited to the Consolidated Statement of Comprehensive Income and Expenditure when the goods or services are supplied to the external customers or the terms of the contract have been satisfied.

Fee income is stated gross of any expenditure which is not a discount and credited to the Consolidated Statement of Income and Comprehensive Expenditure over the period in which students are studying. Where the amount of the tuition fee is reduced, by a discount for prompt payment, income receivable is shown net of the discount. Bursaries and scholarships are accounted for gross as expenditure and not deducted from income.

Investment income is credited to the statement of income and expenditure on a receivable basis.

Funds the University receives and disburses as paying agent on behalf of a funding body are excluded from the income and expenditure of the University where the University is exposed to minimal risk or enjoys minimal economic benefit related to the transaction.

Grant funding

Government revenue grants including funding council block grant and research grants are recognised in income over the periods in which the University recognises the related costs for which the grant is intended to compensate. Where part of a government grant is deferred it is recognised as deferred income within creditors and allocated between creditors due within one year and due after more than one year as appropriate.

Grants (including research grants) from non government sources are recognised in income when the University is entitled to the income and performance related conditions have been met. Income received in advance of performance related conditions being met is recognised as deferred income within creditors on the balance sheet and released to income as the conditions are met.

Donations

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

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

Government capital grants are recognised in income over the expected useful life of the asset. Other capital grants are recognised in income when the University is entitled to the funds subject to any performance related conditions being met.

The University of Chichester

Statement of accounting policies (continued) for the year ended 31 July 2021

4 Accounting for retirement benefits

The two principle pension schemes for the University's staff are the Teachers' Pension Scheme (TPS) and the Local Government Pension Scheme (LGPS). These are defined benefit plans, which are externally funded and until April 2016 were contracted out of the State Second Pension.

The TPS is an unfunded scheme. Contributions to the TPS are calculated so as to spread the cost of pensions over employees' working lives with the University 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 valuations using a prospective benefit method. The TPS is a multi-employer scheme and the University is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution plan and the contributions recognised as an expense in the income statement in the periods during which services are rendered by employees.

The LGPS is a funded scheme. The assets of the LGPS are measured using closing fair values. LGPS liabilities are measured using the projected unit credit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Consolidated Statement of Comprehensive Income and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

In addition to the above schemes, staff who had previously been members of the Universities Superannuation Scheme (USS) with a previous employer, on joining the University are able to continue their membership of USS.

The USS is a multi-employer scheme and the University is unable to identify its share of the underlying assets and liabilities due to the mutual nature of the scheme and therefore this scheme is accounted for as a defined contribution retirement benefit scheme.

A liability is recorded within provisions for any contractual commitment to fund past deficits within the USS scheme.

5 Employment benefits

Short term employment benefits such as salaries and compensated absences are recognised as an expense in the year in which the employees render service to the University. Any unused benefits are accrued and measured as the additional amount the University expects to pay as a result of the unused entitlement.

6 Finance leases

Leases in which the University assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. Leased assets acquired by way of finance lease and the corresponding lease liabilities are initially recognised at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease.

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

7 Operating leases

Costs in respect of operating leases are charged on a straight-line basis over the lease term. Any lease premiums or incentives are spread over the minimum lease term.

8 Foreign currency

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the Consolidated Statement of Comprehensive Income.

9 Fixed assets

Fixed assets are stated at cost or deemed cost less accumulated depreciation and accumulated impairment losses. Certain items of fixed assets that had been revalued to fair value on or prior to the date of transition to the 2014 FE HE SORP, are measured on the basis of deemed cost, being the revalued amount at the date of that revaluation.

Where parts of a fixed asset have different useful lives, they are accounted for as separate items of fixed assets.

The University of Chichester

Statement of accounting policies (continued) for the year ended 31 July 2021

9 Fixed assets (continued)

Land and buildings

On adoption of FRS102, the University followed the transitional provision to revalue land to its fair value and use that fair value as its deemed cost at that date, and retain the book value of buildings, which were revalued in 1995, as deemed cost but not to adopt a policy of revaluations of land and buildings in the future.

Costs incurred in relation to land and buildings after initial purchase or construction, and prior to valuation, are capitalised to the extent that they increase the expected future benefits to the University.

Freehold land is not depreciated as it is considered to have an indefinite useful life.

Freehold buildings are depreciated on a straight line basis over their expected useful lives as follows:

New builds	50 years
Refurbishments	20 years

Leasehold land and buildings are depreciated over the term of the lease.

No depreciation is charged on assets in the course of construction.

Equipment

Equipment, including computers and software, costing more than £10,000 per individual item or collectively more than £10,000 if functionally interdependent or part of a larger asset, including set up costs in a building, is capitalised.

All other equipment is recognised as expenditure.

Capitalised equipment is stated at cost and depreciated over its expected useful life as follows:

Major components of a new building	up to 20 years
Furniture, computers and general equipment	4 years
Specific musical instruments	10 years
Steinway pianos	20 years
Motor vehicles	5 years

Depreciation methods, useful lives and residual values are reviewed at the date of preparation of each Statement of Financial Position.

Borrowing costs

Borrowing costs are recognised as expenditure in the period in which they are incurred.

10 Investments

Investments in subsidiaries are accounted for at cost less impairment in the individual financial statements.

11 Stock

Stock is valued at the lower of cost and estimated selling price less costs to complete and sell.

12 Cash and cash equivalents

Cash includes cash in hand, deposits repayable on demand and overdrafts.

Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash with insignificant risk of change in value and are accessible within 90 days.

13 Provisions

Provisions are recognised in the financial statements when:

- (a) the University has a present obligation (legal or constructive) as a result of a past event;
- (b) it is probable that an outflow of economic benefits will be required to settle the obligation; and
- (c) a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

A contingent liability arises from a past event that gives the University a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the University. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably.

A contingent asset arises where an event has taken place that gives the University a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the University.

Contingent assets and liabilities are not recognised in the Statement of Financial Position but are disclosed in the notes.

The University of Chichester

Statement of accounting policies (continued) for the year ended 31 July 2021

14 Financial liabilities

Financial liabilities are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form. All loans, investments and short term deposits held by the Group are classified as basic financial instruments in accordance with FRS 102. These instruments are initially recorded at the transaction price less any transaction costs (historical cost). FRS 102 requires that basic financial instruments are subsequently measured at amortised cost.

15 Enhanced pensions

The cost of any enhanced ongoing pension to a former member of staff is paid by the University. An estimate of the expected future cost of any enhancement to the ongoing pension of a former member of staff is charged full to the University's income and expenditure account in the year that the member of staff retires. In subsequent years an additional charge is made in line with the latest estimates.

16 Taxation

The University is an exempt charity within the meaning of Part 3 of the Charities Act 2011.

It is therefore a charity within the meaning of Part 1 of schedule 6 to the Finance Act 2010 and accordingly, the University is potentially exempt from taxation in respect of income or capital gains received within categories covered by section 478-488 of the Corporation Tax Act 2010 (CTA 2010) or section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied to exclusively charitable purposes.

The University receives no similar exemption in respect of Value Added Tax. Irrecoverable VAT on inputs is included in the costs of such inputs. Any irrecoverable VAT allocated to fixed assets is included in their cost.

The University's subsidiaries are liable to Corporation Tax in the same way as any other commercial organisation.

17 Reserves

Reserves are classified as restricted or unrestricted.

Restricted reserves include balances where the donor has designated a specific purpose and therefore the University is restricted in the use of these funds.

18 Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, management have made the following judgements:

Determine whether leases entered into by the University either as a lessor or a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.

Determine whether there are indicators of impairment of the group's tangible assets, including goodwill. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash generating unit, the viability and expected future performance of that unit.

Other key sources of estimation uncertainty:

Tangible fixed assets

Tangible fixed assets, other than investment properties, are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

Local Government Pension Scheme

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost / income for pensions include pension increases, salary increases and the discount rate. Any changes in these assumptions, which are disclosed in note 26, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 July 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

The University of Chichester

Notes to the financial statements for the year ended 31 July 2021

	2021		2020	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
1 Tuition fees and education contracts				
Full-time home and EU students	39,169	39,169	36,163	36,163
Full-time international students	2,427	2,427	1,806	1,806
Part-time students	784	784	888	888
Apprenticeship students	1,147	1,147	908	908
	43,527	43,527	39,765	39,765
2 Funding body grants				
Recurrent grant				
Office for Students	1,760	1,760	1,756	1,756
Research England	1,106	1,106	963	963
Department of Education	98	98	126	126
Release of capital grants (note 18)	749	749	809	809
Specific grants				
Office for Students	390	390	-	-
Department of Education	35	35	23	23
Higher Education Innovation Fund	303	303	277	277
	4,441	4,441	3,954	3,954
3 Research grants and contracts				
Research councils	2	2	6	6
Research charities	3	3	16	5
Government (UK and overseas)	16	16	37	8
Industry and commerce	352	-	1,133	1
Other	12	7	109	83
	385	28	1,301	103
4 Other income				
Residences, catering and conferences	6,204	5,991	5,822	5,443
Release of capital grants (note 18)	256	256	252	252
Other income	5,023	5,527	3,722	4,430
	11,483	11,774	9,796	10,125
Other income includes £935,000 for a legal settlement and a £250,000 COVID-19 business interruption insurance claim (2020 - £nil).				
5 Investment income				
Other investment income	1	1	9	9
6 Donations				
Donations with restrictions (note 19)	(27)	(27)	33	33
Unrestricted donations	18	18	20	646
	(9)	(9)	53	679

Note The source of grant and fee income included in notes 1 to 3 is as follows:

Grant and fee income

Grant income from the OfS	2,855	2,855	2,555	2,555
Grant income from other bodies	1,608	1,608	1,897	1,897
Fee income for taught awards (exclusive of VAT)	43,400	43,400	39,549	39,549
Fee income for research awards (exclusive of VAT)	102	102	94	94
Fee income from non-qualifying courses (exclusive of VAT)	25	25	122	122
	47,990	47,990	44,217	44,217

The University of Chichester

Notes to the financial statements for the year ended 31 July 2021

	2021		2020	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
7 Staff costs				
Salaries	23,747	23,747	23,341	23,341
Social security costs	2,475	2,475	2,397	2,397
Pension costs	4,946	4,946	4,768	4,768
Compensation for loss of office	215	215	493	493
	31,383	31,383	30,999	30,999
FRS102 pension adjustments	2,683	2,683	2,295	2,295
	34,066	34,066	33,294	33,294

The University received £2,733 from the Coronavirus Job Retention Scheme towards the costs of 12 staff who were put on furlough (2020 - £239,414 and 120 staff). Compensation for loss of office related to payments to 22 people (2020 - 30).

Emoluments of the Vice-Chancellor:	2021	2020
	£	£
Professor Jane Longmore		
Basic salary	174,241	174,241
Honorarium	2,000	-
Pension contributions	41,260	40,215
	217,501	214,456

The Vice-Chancellor does not receive payment of dividends, performance-related pay, payments in lieu of pension contributions, any other taxable or non-taxable benefits or any other remuneration. No accommodation is provided to the Vice-Chancellor.

The head of the provider's basic salary is 7.7:1 (2020 - 7.8:1) times the median pay of staff, where the median pay is calculated on a full-time equivalent basis for the salaries paid by the provider to its staff.

The head of the provider's total remuneration is 8.5:1 (2020 - 8.6:1) times the median total remuneration of staff, where the median total remuneration is calculated on a full-time equivalent basis for the total remuneration paid by the provider to its staff.

In accordance with the Accounts Direction issued by the OfS, the calculation of the pay ratios above is based on all employees that are included in real-time reporting (RTI) to HMRC.

Justification of Vice-Chancellor emoluments

The Governing Body has an established Remuneration Committee. Members of the Governors' Remuneration Committee include the Chair of the Governing Body, the Chair of the Finance and Resources Committee, and at least two other independent or co-opted members. The Committee co-opts additional members with knowledge of the salaries, terms and conditions of service of senior staff in Higher Education, for example the Chief Human Resources Officer. Decisions on remuneration must consider matters of equality, diversity and inclusion with a view to ensuring that there are no biases pertaining to gender or other protected characteristics. The Committee will carry out an annual review of senior staff salaries and conditions ensuring that there is a fair, appropriate and justifiable level of remuneration; procedural fairness; and transparency and accountability. The University's PRDP (Performance, Review, Development, Plan) process will be utilised to ensure a robust and consistent process for setting objectives and assessing an individual's contribution. Key objectives are shared with the Governors' Remuneration Committee for information purposes.

In determining appropriate salaries for senior staff, reference will be made to data drawn from the Universities and Colleges Employers Association Senior Staff Remuneration Survey and the Committee of University Chairs' Vice-Chancellor Survey. A comparator analysis of senior salary distributions is undertaken. While the Universities and Colleges Employers Association has no role in setting senior pay in HE institutions, national pay negotiations will be taken into consideration when determining remuneration for senior post holders. The Governors' Remuneration Committee met on 16 October 2020 to determine the pay level for the Vice-Chancellor, taking into account the UCEA and CUC 2020 salary surveys, PRDP outcomes and the national pay negotiations. The Vice-Chancellor's total salary agreed from 1 August 2020 is £174,241, the same level as in 2019. No pay increase was awarded in 2020. In line with the CUC Remuneration Code regarding guidance on pay multiples, the Vice-Chancellor's salary is compared with the median pay of all staff within the University.

	2021	2020
Higher paid employees	No.	No.
£100,000 to £104,999	2	1
£110,000 to £114,999	1	-
£120,000 to £124,999	1	-
£170,000 to £174,999	1	1
	5	2

The University of Chichester

Notes to the financial statements for the year ended 31 July 2021

7 Staff costs continued

	2021	2020
Average staff numbers by major category :	No.	No.
Academic	308	295
Administration, support and central services	323	318
	631	613

Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the University and are represented by the Vice-Chancellor's Group and staff governors. Total compensation shown below consists of salary and benefits including employer's pension and national insurance costs. These amounts are included in staff costs.

	2021	2020
	£'000	£'000
Key management personnel compensation	1,112	1,163
Average FTE of key management personnel	7.8	8.6

Governors

The total emoluments of all governors in the year comprised salary costs of £296,494 (2020 - £319,463) and employer pension costs of £68,234 (2020 - £72,460). These emoluments are in respect of FTE 3 governors (2020 - FTE 3.42), consisting of the Vice-Chancellor and the staff governors in their capacity as members of staff. No other governors received remuneration.

The total expenses paid to or on behalf of 2 governors was £332 (2020 - £2,314 to 2 governors). This represents travel and subsistence expenses incurred in their official capacity.

Access and participation costs included within staff costs

	2021	2020
	£'000	£'000
Access investment	294	1,455
Financial support	-	102
Disability support (excluding expenditure included in the two categories above)	326	347
Research and evaluation	51	14
	671	1,918

8 Interest and other finance costs

Loan interest	973	973	888	888
Finance lease interest	1,177	1,177	1,187	1,187
Net charge on pension schemes (note 26)	248	248	178	178
	<u>2,398</u>	<u>2,398</u>	<u>2,253</u>	<u>2,253</u>

9a Analysis of total expenditure by activity

Academic and related expenditure	31,644	31,891	30,033	30,484
Administration and central services	12,530	12,579	11,807	11,837
Premises	7,408	9,456	6,571	8,575
Residences, catering and conferences	6,508	4,419	6,011	3,993
Research grants and contracts	410	22	1,213	466
Other expenses	1,262	1,325	1,097	1,117
	<u>59,762</u>	<u>59,692</u>	<u>56,732</u>	<u>56,472</u>

The University of Chichester

Notes to the financial statements for the year ended 31 July 2021

	2021			
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
9b Access and participation				
Access Investment	316	316	2,055	2,055
Financial Support	558	558	151	151
Disability Support	410	410	382	382
Research and Evaluation	51	51	14	14
	1,335	1,335	2,602	2,602

£0.671m of these costs are included within staff costs (2020; £1.918m), see note 7.

Actual spend in 2021 exceeded the Access and Participation Plan for 2021 (shown above) by £417,080. Disability Support was underspent by £50,532 due to Covid impacting on the number of students on campus and therefore the amount of support required.

The University of Chichester has published an Access and Participation Plan (APP) with the Office for Students (OFS) that defines our commitment to widening participation and lists our progress objectives in supporting key under-represented groups in higher education. We aim to improve access, provide equal opportunities and enable progress through higher education.

Our current plan can be found on the University website here: <https://www.chi.ac.uk/about-us/mission-and-vision/access-agreements>

	2021			
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
10 Other operating expenditure				
Property related cost	4,179	4,175	3,444	3,436
Impairment of property value	429	429	-	-
Transport and travel	444	439	575	524
Equipment and materials	2,838	2,823	2,341	2,284
Operating lease rentals - equipment	1,017	1,017	1,022	1,022
Bursaries	682	682	797	797
Payments to partners	2,525	2,525	2,830	2,830
Catering contract	625	625	501	501
Agency services	573	573	390	390
Professional fees	1,271	1,227	1,228	1,137
Payments for placements	530	530	359	359
Advertising and publicity	509	509	581	581
Subscriptions	458	456	416	415
Other expenditure	2,837	2,839	2,025	1,990
	18,917	18,849	16,509	16,266

Other operating expenses include external auditors' remuneration (including irrecoverable VAT) in respect of:

Auditing these financial statements	71	64	65	60
Other audit services	13	13	11	11
Other services	-	-	-	-
Taxation services	8	6	9	7

The total consolidated statutory audit fee for the 2021 financial statements, net of VAT, was £59,415 (2020: £55,495).

The University of Chichester

Notes to the financial statements for the year ended 31 July 2021

11 Fixed Assets

	Freehold Land and Buildings £'000	Leasehold Land and Buildings £'000	Fixtures, Fittings and Equipment £'000	Assets in the Course of Construction £'000	Total £'000
Consolidated					
Cost or valuation					
At 1 August 2020	123,892	30,564	13,930	1,192	169,578
Additions	196	-	807	1,099	2,102
Transfers	34	-	(4)	(30)	-
Disposals	(802)	-	(300)	(20)	(1,122)
At 31 July 2021	123,320	30,564	14,433	2,241	170,558
Depreciation					
At 1 August 2020	24,225	2,512	11,594	-	38,331
Charge for the year	2,815	896	670	-	4,381
Impairment	429	-	-	-	429
Disposals	(198)	-	(298)	-	(496)
At 31 July 2021	27,271	3,408	11,966	-	42,645
Net book value					
At 31 July 2021	96,049	27,156	2,467	2,241	127,913
At 31 July 2020	99,667	28,052	2,336	1,192	131,247
University					
Cost and valuation					
At 1 August 2020	123,892	30,564	13,799	1,192	169,447
Additions	196	-	807	1,099	2,102
Transfers	34	-	(4)	(30)	-
Disposals	(802)	-	(300)	(20)	(1,122)
At 31 July 2021	123,320	30,564	14,302	2,241	170,427
Depreciation					
At 1 August 2020	24,225	2,512	11,468	-	38,205
Charge for the year	2,815	896	668	-	4,379
Impairment	429	-	-	-	429
Disposals	(198)	-	(298)	-	(496)
At 31 July 2021	27,271	3,408	11,837	-	42,516
Net book value					
At 31 July 2021	96,049	27,156	2,465	2,241	127,911
At 31 July 2020	99,667	28,052	2,331	1,192	131,242

Included within land and buildings is £22,085,300 relating to land (2020 - £22,420,300).

A full valuation of land using fair value was carried out at 31 July 2014 by GL Hearn Limited.

A full valuation of buildings using the depreciated replacement cost value was carried out at 31 July 1995 by Grimley.

There were no fixed asset impairments in the year.

The University of Chichester

Notes to the financial statements for the year ended 31 July 2021

	2021		2020	
	Consolidated	University	Consolidated	University
	£	£	£	£
12 Non-Current Investments				
Investment in subsidiary companies	-	2	-	2

During the year ended 31 July 2004 the University acquired 100% of the issued ordinary £1 shares of Chichester Enterprises Limited, a company incorporated in England and Wales. The principal activities of the company are the provision of contract research, consultancy services, bed and breakfast and conference facilities, the management of car parking and the organisation of the graduation ceremony for the University of Chichester.

The net liabilities and profit for Chichester Enterprises Limited were as follows:

	2021	2020
	£'000	£'000
Net liabilities	(28)	(27)
(Loss)/profit	(2)	609

	2021		2020	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
13 Trade and other receivables				
Amounts falling due within one year:				
Trade receivables	891	790	1,102	985
Prepayments and accrued income	2,384	2,282	2,315	2,161
Other debtors	-	-	175	175
Amounts due from subsidiary companies	-	1,458	-	1,487
Amounts due from University of Chichester (Multi) Academy Trust	135	135	230	230
Net investment in finance lease	3	3	3	3
	3,413	4,668	3,825	5,041
Amounts falling due after more than one year:				
Amounts due from University of Chichester (Multi) Academy Trust	-	-	63	63
	3,413	4,668	3,888	5,104

	2021		2020	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
14 Creditors : amounts falling due within one year				
Secured bank loans (note 16)	1,851	1,851	1,843	1,843
Obligations under finance leases (note 16)	279	279	254	254
Trade payables	1,291	1,291	1,048	1,044
Social security and other taxation payable	624	624	598	598
Accruals and deferred income	3,111	2,997	3,148	3,116
Deferred income - government capital grants	1,052	1,052	948	948
Other creditors	1,380	1,379	1,498	1,495
Amounts owed to OfS	187	187	188	188
	9,775	9,660	9,525	9,486

15 Creditors : amounts falling due after more than one year

Secured bank loans (note 16)	23,931	23,931	25,627	25,627
Obligations under finance lease (note 16)	28,896	28,896	29,175	29,175
Deferred income - government capital grants	20,350	20,350	20,916	20,916
Amounts owed to OfS	188	188	375	375
	73,365	73,365	76,093	76,093

The University of Chichester

Notes to the financial statements for the year ended 31 July 2021

	2021		2020	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
16 Maturity of debt				
Secured bank loans are repayable as follows:				
Due within one year - payable by instalment	1,851	1,851	1,843	1,843
Due between one and two years	1,859	1,859	1,851	1,851
Due between two and five years	5,633	5,633	5,605	5,605
Due in five years or more	16,439	16,439	18,171	18,171
Due after more than one year	23,931	23,931	25,627	25,627
	25,782	25,782	27,470	27,470

As at 31 July 2021 the University had the following loan arrangements in place:

- 1) AIB loan - fixed rate of interest of 5.53 per cent per annum repayable by June 2031 totalling £1,912,992 (2020 - £2,052,726).
- 2) AIB loan - fixed rate of interest of 4.95 per cent repayable by September 2031 totalling £1,739,025 (2020 - £1,908,686).
- 3) AIB loan - variable rate of interest (LIBOR + 2.51%) repayable by January 2035 totalling £9,249,528 (2020 - £9,769,054).
- 4) HSBC loan - variable rate of interest (LIBOR + 2.5%) repayable by October 2023 totalling £12,880,000 (2020 - £13,740,000).
- 5) HSBC revolving credit facility - variable rate of interest (LIBOR + 3%) terminating November 2023 totalling £2,500,000. At year end £nil was drawn (2020- £nil).
- 6) The above loans are secured against assets in both companies.

Securities held by HSBC Corporate Trustee Company (UK) Ltd. acting as trustee for the Company's banks, HSBC Bank UK plc and AIB Group (UK) plc are as follows:

- 1) charges of all the Company's right, title and interest from time to time in and to each of the following:
 - a) by way of first legal mortgage all land comprising campuses at Chichester and Bognor Regis; and
 - b) by way of first fixed charge:
 - (i) all such land (to the extent not effectively charged by (a) above);
 - (ii) all related rights in respect of the charged property; and
- 2) all its right, title and interest from time to time in and to the insurances and all benefits accruing under the insurances, subject to a provision for reassignment on redemption.

Finance leases are repayable as follows:

Due within one year	279	279	254	254
Due between one and two years	304	304	279	279
Due between two and five years	1,078	1,078	994	994
Due in five years or more	27,514	27,514	27,902	27,902
Due after more than one year	28,896	28,896	29,175	29,175
	29,175	29,175	29,429	29,429

17 Provisions for liabilities

Consolidated and University	Obligation to fund deficit on USS Pension £'000	Pension enhancement on termination £'000	Defined Benefit Obligations (Note 26) £'000	Dilapidations £'000	Total Provisions £'000
At 1 August 2020	218	775	15,569	566	17,128
Utilised in year	-	(46)	-	-	(46)
Additions in year	(1)	6	(62)	410	353
At 31 July 2021	217	735	15,507	976	17,435
				2021	2020
				£'000	£'000
Increase during the year recognised in Comprehensive Income				3,295	2,553
(Decrease)/increase during the year recognised in Other Comprehensive Income				(2,988)	6,969
Increase in provisions during the year				307	9,522

The University of Chichester

Notes to the financial statements for the year ended 31 July 2021

17 Provisions for liabilities (continued)

USS deficit

The obligation to fund the past deficit on the Universities Superannuation Scheme (USS) arises from the contractual obligation with the pension scheme for total payments relating to benefits arising from past performance. Management have assessed future employees within the USS scheme and salary payment over the period of the contracted obligation in assessing the value of this provision.

Following the completion of the 2018 actuarial valuation, a new deficit recovery plan has been agreed. This new plan requires deficit payments of 2% of salaries from 1 October 2019 to 30 September 2021 and then payments of 6% of salaries from 1 October 2021 to 31 March 2028.

The major assumptions used to calculate the obligation are:

	2021	2020
Discount rate	0.87%	0.73%
Salary growth	1.00%	1.00%

Pension enhancement

The enhanced pension provision relates to the cost of staff who have already left the University's employ. This provision has been recalculated in accordance with guidance issued by the funding bodies.

The assumptions for calculating the provision for pension enhancements on termination under FRS 102, are as follows:

	2021	2020
Discount rate	1.60%	1.30%
Inflation	2.60%	2.20%

Dilapidations

Provisions for dilapidations are recognised on a lease by lease basis and are based on the best estimate of the likely committed cash outflow.

18 Deferred capital grants

Consolidated and University	Funding body grants £'000	Other grants £'000	Total £'000
Buildings	12,594	8,932	21,526
Equipment	263	75	338
At 1 August 2020	12,857	9,007	21,864
Cash receivable			
Buildings	96	-	96
Equipment	322	125	447
	418	125	543
Released to income and expenditure account			
Buildings	515	252	767
Equipment	234	4	238
	749	256	1,005
Buildings	12,175	8,680	20,855
Equipment	351	196	547
At 31 July 2021	12,526	8,876	21,402

The University of Chichester

Notes to the financial statements for the year ended 31 July 2021

19 Restricted Reserves

Consolidated and University	2021	2020
	£'000	£'000
Donations		
At 1 August 2020	86	88
New donations	1	33
Repayment of donation not utilised	(28)	-
Expenditure	(22)	(35)
Reclassification of prior year income and expenditure	(19)	-
Total restricted comprehensive income for the year	(68)	(2)
At 31 July 2021	18	86
Analysis of other restricted funds / donations by type of purpose:		
Prize funds	2	8
General	16	78
	18	86

20 Cash and cash equivalents

	At 1 August 2020	Cash Flows	At 31 July 2021
	£'000	£'000	£'000
Consolidated			
Cash and cash equivalents	10,704	5,468	16,172
	10,704	5,468	16,172
University			
Cash and cash equivalents	9,479	5,354	14,833
	9,479	5,354	14,833

21 Reconciliation of net debt

Consolidated and University	2021	2020
	£'000	£'000
Net debt 1 August 2020	46,195	52,878
Movement in cash and cash equivalents	(5,468)	(5,296)
Repayment of secured loans	(1,688)	(1,070)
Repayment of finance leases	(254)	(317)
Net debt 31 July 2021	38,785	46,195
Change in net debt	(7,410)	(6,683)
Analysis of net debt:		
Cash and cash equivalents	16,172	10,704
Borrowings: amounts falling due within one year		
Secured loans	1,851	1,843
Obligations under finance leases	279	254
	2,130	2,097
Borrowings: amounts falling due after more than one year		
Secured loans	23,931	25,627
Obligations under finance leases	28,896	29,175
	52,827	54,802
Net debt	38,785	46,195

The University of Chichester

Notes to the financial statements for the year ended 31 July 2021

22 Financial instruments

	2021		2020	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Financial assets				
Financial assets measured at amortised cost	<u>17,699</u>	<u>17,626</u>	<u>12,882</u>	<u>12,881</u>
Financial liabilities				
Financial liabilities measured at amortised cost	<u>60,374</u>	<u>60,363</u>	<u>61,281</u>	<u>61,259</u>

Financial assets measured at amortised cost comprise cash, trade debtors, other debtors, amounts owed by associated undertakings and accrued income.

Financial liabilities measured at amortised cost comprise bank loans, finance leases, trade creditors, other creditors and accruals.

23 Capital and other commitments

Provision has not been made for the following capital commitments at 31 July 2021.

	2021		2020	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Commitments contracted for	345	345	242	242
Authorised but not contracted for	1,331	1,331	445	445
	<u>1,676</u>	<u>1,676</u>	<u>687</u>	<u>687</u>

24 Lease obligations

At 31 July 2021 the University had minimum lease payments under non-cancellable operating leases as follows:

	2021		2020	
	Land and Buildings £'000	Other leases £'000	Total £'000	£'000
Future minimum lease payments due:				
Not later than 1 year	714	1,052	1,766	1,647
Later than 1 year and not later than 5 years	2,240	1,450	3,690	4,705
Later than 5 years	7,327	51	7,378	7,968
Total lease payments due	<u>10,281</u>	<u>2,553</u>	<u>12,834</u>	<u>14,320</u>

25 Events after the reporting period

There are no events after the reporting period.

The University of Chichester

Notes to the financial statements for the year ended 31 July 2021

26 Pension schemes

The University's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by West Sussex County Council. Both are multi-employer defined-benefit plans.

In addition to the above schemes, staff who had previously been members of the Universities Superannuation Scheme (USS) with a previous employer, on joining the University are able to continue their membership of USS.

Total pension cost for the year	2021	2020
	£'000	£'000
Employer's contributions paid	4,946	4,768
FRS 102 (28) charge:		
LGPS - past and current service cost	4,532	4,526
LGPS - employer contributions	(1,846)	(2,023)
USS - closing provision movement	8	(199)
USS - employer deficit contributions	(11)	(9)
Total pension cost for year within staff costs	7,629	7,063
FRS 102 (28) charge:		
LGPS - net interest on defined liability	236	157
USS - interest cost	2	6
Enhanced pensions - interest cost	10	15
Net charge on pension schemes within other finance costs (note 8)	248	178
Total pension cost for year recognised in Comprehensive Income	7,877	7,241
FRS 102 (28) charge:		
LGPS - actuarial (gain)/loss	(2,984)	6,897
Enhanced pensions - actuarial (gain)/loss	(4)	72
Total pension (gain)/loss for year recognised in Other Comprehensive Income	(2,988)	6,969

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS or scheme) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2010 (as amended), and the Teachers' Pension Scheme Regulations 2014 (as amended). These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – contributions from members, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Acts.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

Under the definitions set out in FRS 102 (28.11), the TPS is a multi-employer pension plan. The University is unable to identify its share of the underlying assets and liabilities of the plan. Accordingly, the University has taken advantage of the exemption in FRS 102 and has accounted for its contributions to the scheme as if it were a defined-contribution plan.

The latest actuarial review of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education in April 2019. The valuation reported total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218 billion, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £198 billion giving a notional past service deficit of £22 billion.

As a result of the valuation, new employer contribution rates were set at 23.68% of pensionable pay from September 2019 onwards.

The University of Chichester

Notes to the financial statements for the year ended 31 July 2021

26 Pension schemes (continued)

Teachers' Pension Scheme (continued)

The arrangements for a reformed Teachers' Pension Scheme, in line with the recommendations made by Lord Hutton, in particular the introduction of a Career Average Revalued Earnings (CARE) scheme, were implemented from 1 April 2015.

In December 2018, the Court of Appeal held that transitional protection provisions contained in the reformed judicial and firefighter pension schemes, introduced as part of public service pension reforms in 2015, gave rise to direct age discrimination and were therefore unlawful. The Supreme Court, in a decision made in June 2019, have rejected the Government's application for permission to appeal the Court of Appeal's ruling. The case will now be referred to an Employment Tribunal for a decision regarding the remedy which will need to be offered to those members of the two schemes who were subjects of the age discrimination.

HM Treasury are clear that the ruling has implications for the other public service schemes, including the Teachers' Pension Scheme. Those implications are currently being considered and any impact on scheme costs is expected to be looked at within the next scheme valuation, which is currently scheduled to be based on April 2020 data and implemented in April 2023.

Local Government Pension Scheme

The Local Government Pension Scheme (LGPS) is a funded defined-benefit plan, with the assets held in separate funds administered by West Sussex County Council.

The employers' contribution rate for the University's administrative and manual staff for the period 1 August 2020 to 31 July 2021 was 19.6% of pensionable salaries.

The major assumptions used by the actuary were:

	2021	2020
	%	%
Salary increases	3.3	2.6
Pension increases	2.8	2.1
Discount rate	1.6	1.4

Life expectancy is based on the Fund's VitaCurves with improvements in line with the CMI 2020 model, with a 0% weighting of 2020 data, standard smoothing (SK7), initial adjustment of 0.5% and a long term rate of improvement of 1.5% p.a.. Based on these assumptions, the average future life expectancies at age 65 are summarised below:

	Male 31 July 2021	Male 31 July 2020	Female 31 July 2021	Female 31 July 2020
Current pensioners	22.1 years	22.2 years	24.4 years	24.2 years
Future pensioners	23.1 years	23.3 years	26.1 years	25.9 years

The University's share of assets in the fund were:

	Value at 31 July 2021 £'000	Proportion	Value at 31 July 2020 £'000	Proportion
Equities	46,144	52%	38,045	52%
Bonds	31,945	36%	26,338	36%
Property	7,099	8%	5,121	7%
Cash	3,549	4%	3,658	5%
Total market value of assets	88,737	100%	73,162	100%

The following amounts, at 31 July 2021, were measured in accordance with the requirements of FRS 102:

Analysis of the amount shown in the balance sheet

	2021 £'000	2020 £'000
University of Chichester – Estimated asset share	88,737	73,162
University of Chichester – Present value of funded liabilities	(104,213)	(88,672)
University of Chichester – Present value of unfunded liabilities	(31)	(59)
University of Chichester – Net pension deficit (note 17)	(15,507)	(15,569)

The University of Chichester

Notes to the financial statements for the year ended 31 July 2021

26 Pension schemes (continued)

Local Government Pension Scheme (continued)

2021
£'000

2020
£'000

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

Amounts included in staff costs

Current service cost	4,532	4,513
Past service cost	-	13
	4,532	4,526

Amounts included in interest and other finance costs

Net interest charge	236	157
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Costs recognised in the Statement of Comprehensive Income

	4,768	4,683
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Amounts recognised in Other Comprehensive Income

Return on pension plan assets	13,238	2,751
Experience gain arising on defined benefit obligations	1,197	838
Changes in assumptions underlying the present value of plan liabilities	(11,451)	(10,486)

Gain/(loss) recognised in Other Comprehensive Income

	2,984	(6,897)
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Movement in net defined benefit liability during the year

Deficit in scheme at 1 August 2020	(15,569)	(6,012)
Movement in year:		
Current service cost	(4,532)	(4,513)
Past service cost	-	(13)
Employer contributions	1,846	2,023
Net interest on the defined liability	(236)	(157)
Actuarial gain or loss	2,984	(6,897)
Net defined benefit liability at 31 July 2021	(15,507)	(15,569)

Asset and Liability Reconciliation

Changes in the present value of defined benefit obligations

Defined benefit obligations at start of period	88,731	73,473
Current service cost	4,532	4,513
Past service cost	-	13
Interest cost	1,269	1,598
Contributions by Scheme participants	641	700
Experience gains and losses on defined benefit obligations	(1,197)	(838)
Changes in demographic assumptions	243	3,044
Changes in financial assumptions	11,208	7,442
Estimated benefits paid	(1,183)	(1,214)

Defined benefit obligations at end of period

	104,244	88,731
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Reconciliation of Assets

Fair value of plan assets at start of period	73,162	67,461
Interest on plan assets	1,033	1,441
Return on plan assets	13,238	2,751
Employer contributions	1,846	2,009
Contributions by Scheme participants	641	700
Estimated benefits paid	(1,183)	(1,200)

Assets at end of period

	88,737	73,162
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The University of Chichester

Notes to the financial statements for the year ended 31 July 2021

27 Related party disclosures

All governors of the University are directors of the Company.

Due to the nature of the University'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.

The University is the sponsor to the University of Chichester (Multi) Academy Trust, a company limited by guarantee, which was formed in July 2013. Professor Jane Longmore, Vice Chancellor, is Chair of the Board of Directors and a member of the Trust. James Martin, Head of Primary Partnership is a director of the Trust. In the year the University paid on behalf of the Trust costs totalling £761,859 (2020 - £699,902) which were recharged to the Trust. As at 31 July 2021, the University was owed £135,746 (2020 - £293,892), consisting of an interest free loan balance of £63,418 (2020 - £221,418) and a trade debtor balance of £72,328 (2020 - £72,474).

There were no transactions directly with any member of the Board of Governors.

Transactions are disclosed below where members of the Board of Governors disclose a significant interest in a body (other than with the Trust detailed above) with whom the University undertakes transactions which are considered material to the University's financial statements and/or the other party.

Governor	Sales to related party £'000	Purchases from related party £'000	Grants to related party £'000	Amounts owed by related party as at 31 July £'000	Amounts owed to related party as at 31 July £'000
Miss G Hopwood as President of University of Chichester Students' Union					
Income and expenditure activities:					
2021	23	37	400	-	-
2020	31	7	307	-	-
Payroll cost recharges:					
2021	236	-	-	-	-
2020	248	-	-	-	-

28 Members

The University of Chichester is a company limited by guarantee and therefore does not have share capital. The liability of members is limited to £1 each.

29 Amounts disbursed as agent

Department for Education training bursaries

	2021		2020	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Balance at 1 August 2020	43	43	75	75
Grants received	1,332	1,332	1,179	1,179
Grants refunded	-	-	(176)	(176)
Disbursed to students	(1,281)	(1,281)	(1,045)	(1,045)
Administration costs	(20)	(20)	(23)	(23)
Adjustment of understated opening balance	2	2	33	33
Balance unspent at 31 July 2021	76	76	43	43

The University holds training bursaries in its capacity as paying agent for the Department of Education. The grants and related disbursements are therefore excluded from the Statement of Comprehensive Income.

The University of Chichester

Notes to the financial statements for the year ended 31 July 2021

30 Catering contract

	2021		2020	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Cash sales	-	-	637	637
Cost of sales	-	-	(357)	(357)
Income, as recognised in the University's financial statements	-	-	280	280

The University receives a guaranteed return from the operation of its catering facilities by an external company. The University declares output VAT on the standard rated element of the cash sales and includes the above figures in its VAT return. Due to Covid restrictions this contract did not operate in 2021.

NSS

National Student Survey 2021

TOP 25
FOR STUDENT
SATISFACTION



REGISTERED OFFICE

Bishop Otter Campus,
College Lane,
Chichester,
West Sussex
PO19 6PE

Cover photo: Our
Engineering and Digital
Technology Park, opened in
October 2018.



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