



UNIVERSITY OF
CHICHESTER

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ANNUAL REPORT AND FINANCIAL STATEMENTS

For the year ended 31st July 2023

Registered Company No 4740553
A company limited by guarantee without share capital Registered in England
Approved by the Board of Governors 21 November 2023.

CELEBRATING OVER
180 YEARS
OF HIGHER
EDUCATION



Our Engineering and Digital Technology Park, Bognor Regis campus.

The University of Chichester

Annual Report and Financial Statements

for the year ended 31 July 2023

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The University of Chichester

Strategic report for the year ended 31 July 2023

OUR HISTORY

The University of Chichester has 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 following a campaign supported by leading feminists 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. This 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. 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.

The University's Articles of Association state that 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, including degree apprentices; the first cohort of Engineering degree apprentices graduated in September 2022. 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 accommodated the School of Nursing and Allied Health from September 2021.

As presented elsewhere in this report, this year saw the achievement of two specific strategic goals for the University. Firstly, the highest Ofsted grading of 'Outstanding' for our Education department's provision in all judgment areas of both primary and secondary provision, with the final outcome confirmed in June 2023. Secondly, the overall rating of 'Gold' in the OfS Teaching Excellence Framework 2023, the provisional overall rating being communicated in August and the final rating being confirmed in September 2023.

The University is an exempt charity under the terms of the Charities Act 2011 and regulated by the Office for Students. As such, the University has due regard to the Charities Commission's public benefit guidance when exercising any powers or duties to which the guidance is relevant. The public benefit statement is referenced on P3.

Strategic Plan

The Strategic Plan (2018-25) offers an ambitious framework to secure the future of the University through a period of considerable challenge. 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.

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.

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Public Benefit Statement

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. 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 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. 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, maintaining the quality of learning and minimising our impact on the environment. We are the only University in West Sussex and this enhances our connection within the region and we recognise the civic responsibilities that this brings. Our commitment to place underpins our focus on regional regeneration.

This report includes examples of public benefit and value for money throughout and the University is proud of these achievements, in particular the work we have done to provide a bridging course into higher education for refugees, one of the most marginalised groups in British society.

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; and
- 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; Sustainability; 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.

During 2022/23 the specific focus has been: delivering further growth in applications; maintaining overall student satisfaction; securing an Ofsted 'Outstanding' for our teacher-training provision; creating a new Institute of Applied Sciences; improving graduate prospects; and, maintaining operating surplus and positive cash flow in the face of inflationary challenges and a continuing rise in energy costs. All these targets have been achieved.

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Strategic report for the year ended 31 July 2023

Strategic Key Performance Indicators (KPIs)

The University is now in the second half of its 7-year strategic plan 'Open for Change: 2018 – 25' which sets 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 progress achieved to date. 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 adjusted EBITDA financial forecasts.

As presented elsewhere in this report, of particular highlight this year is the achievement of two specific strategic goals for the University. Firstly, the highest Ofsted grading of 'Outstanding' for our Education department's provision in all judgment areas of both primary and secondary provision and, secondly, the overall rating of 'Gold' in the OfS Teaching Excellence Framework 2023.

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 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. 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 a 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, we consistently prioritise actions and initiatives to ensure robust student retention and achieve the lowest possible dropout rates.

The success of this approach was strongly endorsed in September 2023 by the University's Teaching Excellence Framework (TEF 2023) overall rating of 'Gold' (the highest possible). This followed consideration of the submission(s) (provider and student) that we sent to the Office for Students (OfS) in January 2023. As well as affirming the clear evidence of outstanding quality of our student experience and student outcomes which aptly meet(s) the needs of our students, the feedback that we received on our submission also acknowledged that our strong institutional performance is drawn from a 'relational emphasis' and a 'joint learning community' identity. Our relational, in-person mode of delivery, which is so important to our educational philosophy, is enhanced by learning technology. We continue to explore and affirm the learning and teaching options presented by new technologies. Although, for us, 'education is not an app', we do believe that new technologies/digital literacy can enhance staff and student learning relationships. This belief informs ongoing work with our students – begun in the 2022-23 academic year – as to how they can effectively and appropriately deploy their knowledge in the context of an increasingly Artificial Intelligence (AI) infused world. How to assess students in the era of Chat GPT and the wider consideration about how building students' AI literacy might integrate into existing curriculum frameworks and assessment strategies is also part of this continuing institution-wide focus. We recognise that our students are, generally, aware of these shifts and that is important for us – as a university – to continue to guide them on how they can use AI tools appropriately in their learning and assessment; this will be a focus for the forthcoming 2023-4 academic year.

The University consistently exceeds rigorous national quality requirements for UK higher education. For example, in the 2022-23 academic year, colleagues in the University's Education team's (including Physical Education) achieved a double (Primary and Secondary) Ofsted 'Outstanding' grading judgement for our Qualified Teaching Status (QTS) provision. This provision has been graded as 'Outstanding' in all judgment areas (quality, leadership and management) at both Primary and Secondary levels across all our BA and PGCE provision. Ofsted Inspectors described our courses as 'exceptional' and identified multiple areas of strength set out in detail in the final report.

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The National Student Survey (NSS) captures the opinions of final year students and a combination of their scores and comments guides decision making regarding how the University can improve the student experience. The NSS has become generally accepted as a measure of the quality of the student experience. This year, in the newly designed National Student Survey (NSS 2023), some of the results relating to learning and teaching, and the student experience more broadly, were as follows:

Benchmark rankings (out of 15 higher-education institutions [HEIs], including Chichester, with which we compare our performance, selected due to reasons such as shared geographical location excluding large research-intensive institutions, shared applicant pool and similar academic portfolio*):

Teaching on my Course – 2nd
Academic Support – 2nd
Learning Opportunities – 5th
Mental Wellbeing Services – 5th
Learning Resources – 6th
Freedom of Expression – 6th

Sector rankings (out of 129 HEIs):

Learning Resources – 23rd
Academic Support – 26th
Teaching on my Course – 37th
Freedom of Expression – 46th
Mental Wellbeing Services – 48th
Learning Opportunities – 58th

* The 15 HEIs with which we compare our performance are: Bath Spa University, Bournemouth University, University of Brighton, Canterbury Christ Church University, The University of Chichester, Edge Hill University, University of Gloucestershire, The University of Kent, University of Lincoln, The University of Northampton, Oxford Brookes University, University of Portsmouth, Solent University, University of Winchester, University of Worcester

Even more impressively, our second cohort of Law graduates were the most satisfied across the UK according to this survey.

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 who are currently studying understand that the students' views and feedback (i.e. the 'student voice') are taken seriously and acted upon.

The University places high importance on working in partnership with students to help shape decisions that impact on their education and overall experience. For example, student representation on Programme Boards ensures engagement and agency in relation to the specific curriculum and context within which studying takes place. 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 Education Committee and other ad-hoc working groups. Students' Union representation is also typical at a project team level, including in relation to the TEF submission and where student related capital expenditure is proposed by the University. The University also provides multiple ways for our students to submit feedback (including online module evaluation), which are backed up by University procedures to follow up on any issues raised.

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 based on 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 undergraduate students based on family income. Reduced fees, through fee 'waivers', are offered to some continuing students on the same basis. 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. The University's support fund was maintained in 2022-23 and all attending Care Leavers received bursaries.

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During the 2022/23 academic year, 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. The University has 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 Masterclasses and Taster Sessions.

The University has a strong and positive working relationship with the Students' Union. The Students' Union funding for 2022/23 was increased from £322k to £330k in line with student number growth. 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 provides sports and fitness facilities for all students and supports the Students' Union to run a broad range of clubs and societies, all of which helps students to feel part of the wider University community.

The University aims to provide students with a broad range of communication channels to ensure they can 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 with various forms of holistic support which respects their individuality; for example, 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 (SIZ) which is available seven days a week, during semester time, and which complements the wider support provided by our Accommodation and overnight Security Teams. All first-year students, who meet the accommodation guarantee criteria, are offered a room in University owned and managed accommodation which includes dedicated pastoral care and support.

During the 2022-23 academic year the University continued to adapt its range of support for students. Specialist services, including support for mental health, general health and special needs, have evolved to align with changing student and sector requirements, and the University will further develop its successful use of student interns to increase its proactive and accessible mentoring and other support opportunities provided to enhance the student journey. The new National Student Survey (NSS 2023) question that assesses our approach to mental health support communication and promotion resulted in above sector performance.

The University's effort to develop and shape the employability of its graduates, ensuring they have the relevant skills required to achieve their career aspirations, is starting to make a positive impact. The latest sector-wide Graduate Outcomes survey data was received at the end of May 2023 for the cohorts graduating during the 21/22 academic year. This year has seen a significant improvement with 76% of these graduates in high-skilled work 15 months after graduating. This is an 11.6% increase compared to last year and moves us to 78th (out of 155 institutions) from a position of 129th in the sector. This result has surpassed our internal KPI target.

We continue to extend the range of employers and other opportunity provider partnerships who can provide 'real world' experiences to our students. These opportunities include supporting students and graduates to access Erasmus+ and the Turing Scheme for international work and study opportunities.

Alumni and the Community

The past year has seen the development and recent launch of a new Alumni Portal in September 2023. This allows the University to inform our former students of news and events and provides an opportunity for those who are willing to help the University. This includes the ability for alumni to donate their expertise, provide a mentoring link or work opportunity. This has been received well from our former students, with good engagement across the platform so far. For example, fundraising for the Chapel roof is now underway, with donations being received from the community of former students. One former student has offered a piece of valuable artwork of his own creation, with a view to auctioning this to raise funds for the Chapel.

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In another positive development, work is underway to develop a 'heritage garden' at the Bognor Regis site. This work has been made possible by the generous legacy donation from one of our alumni, David Hood. David, who studied at the Bognor Regis campus, wanted to provide a gift to the University which would help to improve the campus environment. The University has elected to install a low-maintenance, sustainable garden for students to enjoy, as well as refurbishing the serpentine wall which was originally designed to support fruit trees. These will be replanted, and the whole area significantly improved.

The Careers & Employability Team is strengthening their relationship more broadly with our alumni. A new initiative, supported by the Institute of Applied Sciences, saw the launch of a new podcast in January 2023. "The Next Rung", which includes in each episode current students interviewing alumni, showcases the journey some alumni have taken in their professional life since completing their studies.

In terms of community engagement, the University and SU are working closely with Chichester District Council to ensure that councilors and residents are aware of the need for more Evening and Night-Time Economy (ENTE) so that Chichester continues to be seen as an attractive study destination. Encouragingly, the Council set aside funds for exciting events during October/November, for the younger generation of Chichester residents, following the arrival of the University and Chichester College students.

The University seeks to keep our local communities updated – with all our neighboring properties receiving a copy of the University Annual Review document. Community engagement sessions were also held to inform local residents of plans around our Cornerstone project (see p21 for further information on this project). These were well received, with good engagement and helpful suggestions. Finally, when the UCSU ran their Summer Ball this summer, they ensured local residents were not disrupted by unexpected noise by writing to thousands of local households informing them of the event.

The Careers & Employability Team continue to develop a robust network of local employers and charities. With our newly implemented careers software platform, we offer a dedicated Jobs Board to alumni advertising relevant jobs and volunteering opportunities. To complement, we also host regular networking events with charitable organisations to engage directly with our students/graduates to nurture relationships and build networks during and after students' studies. For example, the University of Chichester is the home of the British Inspiration Trust (BRIT) which exists to support young adults and students' mental health, fitness and overall wellbeing throughout the UK. This partnership has facilitated meetings with key stakeholders, some of which have led to new work placement opportunities for students.

The Careers & Employability Team is represented on the Chichester Chamber of Commerce Board of Directors, allowing us to host on-campus events with the involvement of our students and the Chamber. One which was particularly well received was a networking event run as part of our third-year Fine Art degree show. During the event, the University hosted a Chichester Chamber meeting, which included a preview of the students' exhibitions. This event encouraged students to engage with local employers in a professional way, whilst promoting the University's offer at our Bognor Regis Campus. Thanks to this strong link with the Chamber, we are planning more events this coming academic year with the local community playing an active role which will continue to expose students to a range of businesses, improving their employability once they graduate.

Student Numbers

The total student body, including undergraduate and postgraduates, expressed as full time equivalent (FTE), has remained above 5,000 for the second year in the institution's history. The institution now has c.5,300 FTE students, which is another new record for the University.

The number of applications for the 2022 entry cycle exceeded 9,000, which sets a new record over the previous decade. This is encouraging and demonstrates the growing profile of Chichester amongst the target audience of undergraduate students. Unfortunately, the number of entrants fell back on the record 2021 entry year. This was caused predominantly through the lack of availability of accommodation both within University managed stock and the wider Chichester and Bognor Regis areas.

In addition, new undergraduate courses such as Law, Criminology, Sociology, Physiotherapy and Nursing have increased numbers of both applications and enrolments. Numbers, mainly part-time, have also been boosted through the continued growth of Degree Apprenticeships.

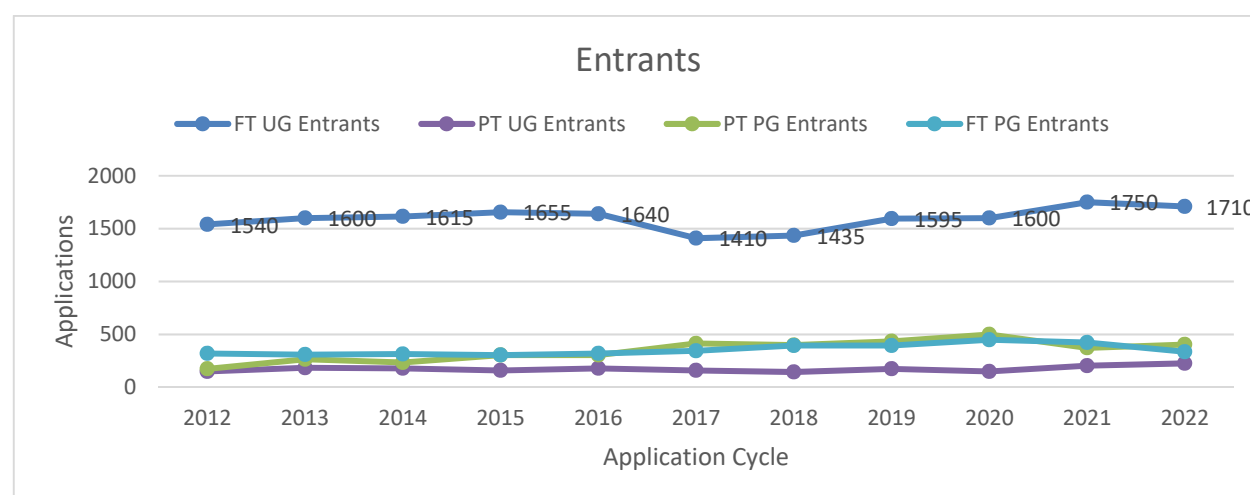
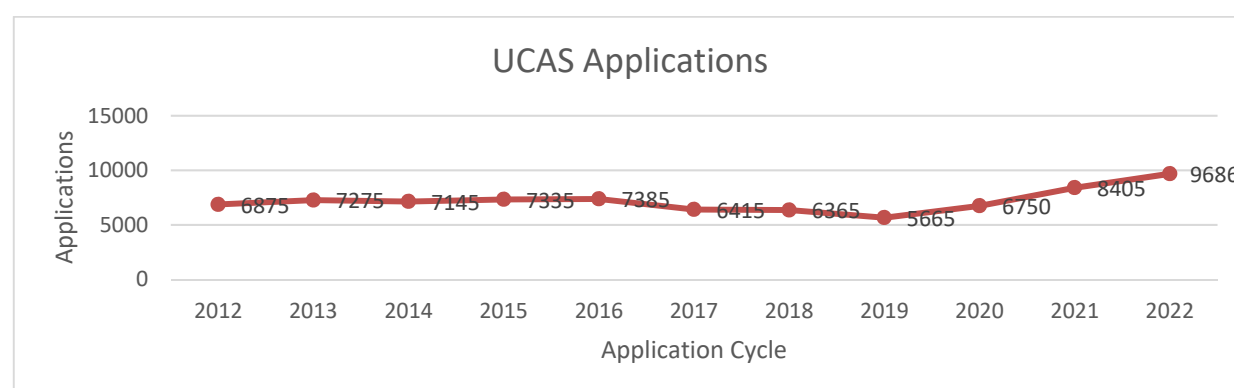
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The FTE derived from postgraduate students has remained broadly similar to the intake of 2021, although it is hoped that the new international recruitment partnership should see these numbers begin to grow again.

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

The following charts show the student FTE for the University, as a whole, for recent years, along with the undergraduate and postgraduate split and the entrants application cycle.



Overall, these demonstrate growth over the long term, with increasing level of interest and applications from a wide pool of students. The advancement of the Cornerstone accommodation project is now crucial. Cornerstone plans for a higher quantity and quality of rooms for our student body, which will allow us to achieve further growth in student numbers.

Research and Enterprise

Research and enterprise are key components 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.

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In line with the target in the Strategic Plan, the University submission to the Research Excellence Framework (REF) 2021 exercise 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. In line with the increase in number of UoAs submitted, approximately 80% more FTE members of staff were submitted, with 93 in 2021 compared with 52 in 2014.

The outcome of the REF 2021 exercise was announced in May 2022 and rated 82% of the University's research as internationally renowned with 10% classified as 'world-leading'. The more mature UoAs, i.e., those also submitted in 2014, achieved notably stronger results with 91% rated as internationally renowned and over 15% as world leading.

Subject specific highlights included:

- 27.0% of English (UoA 27) overall was world leading, with 45.5% of outputs achieving that rating. 94.0% of that UoA was rated as internationally renowned or higher.
- 22.0% of History (UoA 28) overall was world leading, with 15.0% of outputs and 50.0% of impact achieving that rating. 97.0% of that UoA was rated as internationally renowned or higher.
- 20.0% of Sport, Exercise, Leisure and Tourism (UoA 24) overall was world leading, with 16.7% of outputs and 33.3% of impact achieving that rating. All of that UoA was rated as internationally renowned or higher.

The increase to the overall size of our submission by staff (78.5% FTE), was very close to the average in our competitor group. The increase to the overall size of our submission by UoA (100%) was the second highest in the group. It is therefore likely that the University of Chichester could gain considerable increases in future mainstream QR allocations with even modest improvements in the proportion of its submission receiving 4* or 3* results at the next research assessment.

The University's REF funding allocation for 2022/23 was £986.2k with a further £279k of Higher Education Innovation Fund (HEIF) money. These amounts were £902k and £291.1k respectively for 2021/22. In 2022/23, the University received a quality-related research grant top up of £71.9k, additional HEIF Commercialisation income of £17.4k and additional non-recurrent grant income in of £120k.

The funding for 2023/24 is in the process of being announced, with £939.6k of QR funding, together with £50k of Enhancing Research Culture (ERC) funding and Policy Support Fund (PSF), £20k Participatory Research Funding (PRF) and £32k for Research Capital Investment Fund (RCIF) money.

Income from externally funded research and innovation activities continued to rebound from the decrease of the COVID period. Research and Innovation income for 2022/23 was £2.22m, which was in line with the University's KPI for such income (£2.2m) and £1.613m of new funding was contracted. For comparison for 2021/22, income was £1.6m with £1.8m of new contracts awarded.

The next REF will be in 2028 and the new rules for how that exercise will be conducted are beginning to emerge. On 15 June 2023 UKRI published some initial decisions about REF 2028. While much remains unclear, these decisions have given us clarity on the following:

- **The research 'outputs' submission** will now count for 50% of the overall submission weighting, down from 60% in REF 2021. The rules governing research output selection will also change, with the minimum of 1 and maximum of 5 per researcher being dropped, and greater flexibility being given to which researchers submit research outputs (and how many). However, there will still be a need for an average of 2.5 outputs per individual. The name of this submission component will also change to the broader 'Contribution to knowledge and understanding'.
- **The research 'impact' submission** will count for 25% of the overall submission weighting, remaining the same as it was in REF 2021. The name of this submission component will also change to the broader 'Impact and Engagement'.
- **The research 'environment' submission** will now count for 25% of the overall submission weighting, up from 15% in REF 2021. The name of this submission component will also change to the broader 'People, Culture and Environment'.

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Staff selection processes will also change, but it is not yet entirely clear how. UKRI say that, rather than using a staff census on a particular date, REF will gauge the Unit of Assessment size from HESA data over a period of two years, using 'an average FTE of eligible staff' from the start of the 2025-26 academic year to the end of the 2026-27 academic year.

Research Themes

The 2022-23 academic year also saw significant developments in the University's research environment, as we build into the new REF cycle – in which, as stated above, environmental factors will be especially important.

The University has developed three distinct yet overlapping research themes to give a sense of identity, coherence and mission to our research culture:

- *Health and Wellbeing*
- *Culture and Community*
- *Smarter Solutions*

These themes are inclusive and multi-disciplinary by their nature, reflecting the wealth of different approaches our researchers take in contributing to knowledge and making meaningful change in the world. They were also designed to reflect the full range of the UN's Sustainable Development Goals and link up with our Sustainability Strategy.

Research Centres

The University's 2022 Research Entities Policy encourages the development of research centres and (smaller) groups/labs as foci for academic activity around specific topics. Such entities are useful for creating support networks for academics, encouraging interdisciplinary working, and establishing a 'brand' in an increasingly competitive Higher Education landscape. They reflect the kind of critical mass that can foster the production of excellent research, enhance research culture, generate impact and attract external funding and postgraduate students. They will also be a key driving force behind the University's future REF submissions.

Our current drive to consolidate and grow the University's provision of research entities has resulted in the creation of new research centres:

- Centre for Future Technologies – to focus on AI, machine learning, the 'Internet of Things', electromagnetics and applied sciences. Initially, it will provide a research home for nine academic researchers and two PhD researchers, working in the areas of Mathematical Sciences (UoA 10), Computer Science and Informatics (UoA 11) and Engineering (UoA 12).
- Interdisciplinary Centre for Movement and Embodied Research (MOVER) – to focus on research related to embodiment and movement-based experience, and providing a research home (initially) for six academic researchers and eight PhD researchers. It will look to exploit and strengthen affiliations with the Lila Dance Company, and will be able to underpin a variety of REF submissions in the interdisciplinary area of Music, Drama, Dance and Performing Arts (UoA 33).
- Centre for Education Research, Innovation and Equity – to provide a broad and inclusive research environment for 11 academic researchers in Education, focussing particularly on (1) equality and wellbeing, (2) Special Education Needs, and (3) curriculum and pedagogy.
- Centre of Excellence for Childhood, Inclusion and Society (CECIS) – to provide a welcoming and inclusive meeting point for at least 11 researchers across the areas of social work and social care (UoA 20), childhood, education (UoA 23), and qualitative methodologies.

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- Centre for Health and Applied Sport and Exercise Research (CHASER) – to provide a wide-ranging and interdisciplinary research culture for the areas of Sport and Exercise Sciences (UoA 24); Public Health, Health Services and Primary Care (UoA 2); Allied Health Professions, Dentistry, Nursing and Pharmacy (UoA 3) and Education (UoA 23). This centre will be constituted of seven research groups, covering (1) children, teachers and practice in PE, sport and physical activity (14 researchers); (2) diversity and equality in sport (eight researchers); (3) enhancing sport performance (31 researchers); (4) health and wellbeing (35 researchers); integrated caring science (ten researchers); (5) nutritional strategies for performance and health (ten researchers); and (6) occupational performance (16 researchers)
- Centre for Creative Industries Research, which will provide an interdisciplinary home for academic researchers in the creative industries, broadly conceived (UoA 33) – including, where appropriate, performance-based researchers in the Conservatoire.
- Centre for Cultural History – to provide an interdisciplinary research centre for roughly fifteen academic researchers in the area of cultural history (UoA 28), broadly conceived, including literary history (UoA 27), sports history (UoA 24) and music history (UoA 33).
- Chichester Centre for Critical and Creative Writing – to provide an interdisciplinary research centre for literary critics and creative writers (UoA 27) in and around the University, for at least 11 researchers.

Below is a list of the University's five existing research centres, with any proposed changes:

- People and Wellbeing in the Everyday (POWER) Centre – this centre, based in Psychology, will now include an additional Self-Efficacy, Performance and Agency (SPA) Research Lab.
- The Occupational Performance Research Group is one of the University's most successful research entities to date, and will continue its activities as a constituent part of the new Centre for Health and Applied Sport and Exercise Research
- Centre for Workforce Development
- Iris Murdoch Research Centre
- The Chichester Centre for Fairy Tales, Fantasy and Speculative Fiction
- Centre for Sustainable Business

The eight new centres will more than double the University's provision, fostering a research culture in which every academic and postgraduate researcher can enjoy the benefits they bring. We recognise that research will best flourish in a supportive environment alongside colleagues with complementary interests. Galvanising the use of research centres and groups will help to facilitate this.

Research and Innovation Funding (RIF)

The University has developed its internal RIF provisions in several ways, all of them designed to catalyse excellent research at the University. There are two components to RIF:

- **Research and Facilitation Fund (RFF)** – supporting research activity and impact projects)
- **Networking and Dissemination Fund (NDF)** – supporting conference presentations and CPD attendance)

The most important recent development here is that we have increased the number of funding rounds we offer per academic year in order to be as responsive as possible to the ever-developing needs of our researchers. Opportunities for securing external collaboration or funding are often short-lived. Providing a more agile internal funding mechanism ensures we can support researchers at key moments so that bigger things can happen further down the line. While there was just one funding call in the 2019-20 academic year (and none in the 2020-21), 2021-22 saw us put out two calls. This has risen to three in 2022-23. It may increase further in future years.

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We have also developed the processes through which we allocate RIF to focus our support on the creation of REF-relevant outcomes. One aspect of this is that we have developed application forms that require researchers to identify external funding opportunities and use RIF for pump priming. Another is that we are using RIF allocations and feedback to encourage quality over quantity in research output production, both because REF output requirements are relatively modest (2.5 per researcher), and QR funding disproportionately rewards the strongest (4*) research. Finally, we are increasingly awarding funds, where relevant, on the condition that researchers work with the Research Office to plan for impact narratives and evaluation as effectively and early as possible. Our strongest impact case studies in REF 2021 all benefitted from this kind of strategic collaboration and hands-on writing support.

The Research Office has undertaken a comprehensive review of RIF allocations over the 2021/22 academic year (+ Q1 of the 2022/23 academic year), providing further insight into how this funding has been used so far, and what outcomes it has led to. This feedback, based on 42 separate reports, demonstrates the central importance of this funding provision in catalysing research activity. Our overall spend across these projects was £75k.

South Coast Doctoral Training Partnership

The 2022/23 academic year saw the University collaborate successfully on a significant Economic and Social Research Council (ESRC) bid with the South Coast Doctoral Training Partnership (DTP), as a new partner university. The University will initially join the DTP in just one subject pathway: Sport. However, once the five-year DTP cycle is underway, we may be able to expand this so that other academic areas with a social science focus (e.g., Psychology, Criminology, Business, Education, Economic and Social History) can join the DTP as a subject pathway over the coming funding cycle, subject to the development of their critical mass, research funding record, partnerships and (eventually) REF outcomes. Bids to add subject pathways will be made to the ESRC directly once the DTP is established. Membership of the DTP could therefore underpin a range of the University's future REF submissions, both in the area of Sport and at an institutional level, with the potential for developing submissions in other social science areas in coming years. It is likely to act as a powerful boost to our research environment submission in REF 2028.

Beyond financial benefits, joining the South Coast DTP will open the door to a wide range of benefits (and potential benefits) to the University's research profile. Given that the ESRC has expressed a preference for DTPs to find new and innovative ways of sharing resources and expertise as widely as possible, it is also likely that DTP membership for the University will provide opportunities for doctoral students and other stakeholders outside the DTP (i.e., not in possession of studentships).

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. Its findings indicate 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.

The more recent report also indicates that the University provided a total of 1,228 jobs in Chichester and generated a further 576 jobs in the Arun area where the Bognor Regis campus is located. The opening of the Engineering and Digital Technology Park building on that campus in 2018 and the launch of Creative Industries, Engineering and Computing programmes has contributed directly to regional regeneration. 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.

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The University received support from the Higher Education Innovation Fund (HEIF) during 2022-23. This has been used to stimulate graduate enterprise. 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. 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.

The University has continued to provide specialist consultancy services and continuing professional development (CPD) training to local companies. It is also continuing its Knowledge Transfer Partnership (KTP) with a local company (Fargro) looking at applications of machine learning in the horticultural sector. 2022-23 also saw the University conclude its Hot House project that provided specialist advice to almost 1,000 local businesses, helping individuals to start and grow their businesses, and developing the leadership credentials of current and future managers.

The University has expanded its STEM capability, over recent years, through its landmark Engineering and Digital Technology Park, which maps to government priorities in Engineering, Creative Industries and Digital Skills, including Data Analytics. This provision is underpinned by engagement with local companies and the Engineering provision was among the first to receive 5-year accreditation from the IET under the Engineering Council's new Accreditation of Higher Education Programmes (AHEP) 4 standard. 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 of Chichester (Multi) Academy Trust was established on 3 July 2013 in order to sponsor academy schools. The Trust consists of fourteen primary schools and one secondary school and is in a phase of steady growth.

The University 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 appears in the Research England annual KEF dashboard, which is now in its 3rd year and is based on data submitted by all HEIs. The University exceeded its benchmark targets for local growth and regeneration, continuing professional development and graduate start-ups quite notably. It exceeded the benchmark for public and community engagement, working with business, research partnerships and working with the public and third sector.

Financial environment

Financial pressures remain for the sector including the government announcement that home undergraduate tuition fees will be held at the current amount of £9,250 until 2025, the expected increase in employer contributions for the Teachers' Pension Scheme from April 2024, and the continued wider economic impact of high inflation, utility costs and staff cost inflation.

Consolidated Statement of Comprehensive Income and Expenditure

2022/23 is showing a small surplus of £38k for the year compared to the deficit of £0.8m reported in 2021/22. Income is up £2.2m (3%) and expenditure is up £1.4m (2%) on prior year. The positive movement in the year-end pension adjustment has contributed towards the overall surplus position.

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The University's consolidated results for the years ended 31 July 2023 and 31 July 2022 are summarised in the following table:

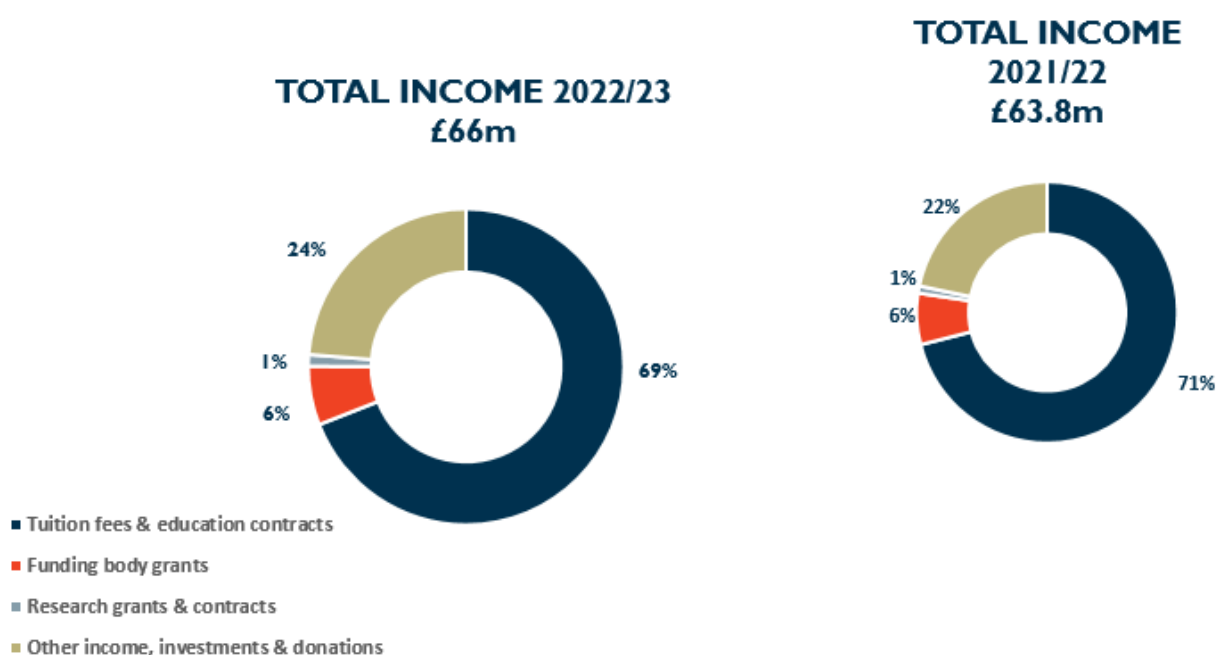
| | 31 July 2023 | 31 July 2022 |
|--|---------------|---------------|
| | £000 | £000 |
| Total income | 65,959 | 63,787 |
| Total expenditure | <u>65,916</u> | <u>64,539</u> |
| <i>Surplus / (Deficit) for the year before other gains and losses</i> | 43 | (752) |
| (Loss) on disposal of fixed assets | (5) | (41) |
| <i>Surplus / (Deficit) for the year before gains on pension scheme</i> | 38 | (793) |

Reconciliation of Surplus / (deficit) to EBITDA

| | 31 July 2023 | 31 July 2022 |
|--|---------------------|---------------------|
| Surplus / (Deficit) before other gains and losses | 43 | (752) |
| + Interest and other finance charges | 2,386 | 2,316 |
| + Depreciation | 4,870 | 4,442 |
| Subtotal | 7,299 | 6,006 |
| - Deferred capital grants (note 18) | 1,134 | 1,134 |
| + FRS102 pension charges | 991 | 3,859 |
| Adjusted earnings before interest, tax, depreciation and amortisation | <u>7,156</u> | <u>8,731</u> |

Income

The consolidated total income increased by 3.4% to £66.0m, compared with £63.8m in 2021/22.



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Tuition fee income increased by £0.2m (1%) as we continue to see further growth in our overall student FTE. Included in tuition fees is £0.5m relating to University registered students studying as part of collaborative arrangements with other education providers. The associated payments to these partners of £0.5m are within other operating expenditure. Collaborative income and payments to partners are lower than in 2021/22 as we concluded contracts with two partners.

Funding body grants reduced by £0.1m (2%) as we no longer receive Department of Education grant funding following the decision to withdraw from Early Years Teacher Training due to decreasing numbers. From 2024, the University will be accrediting Early Years Teacher Training for the University of Sussex.

Research income from grants and contracts increased by £0.3m (48%). We secured higher Research UK industry, commerce and public corporations' income (£0.3m in 2022/23 compared to £0.1m in 2021/22).

Other income of £15.1m is £1.4m higher than 2021/22. Income from residences, catering and conferences is £1.0m higher, resulting from improved accommodation occupancy and higher conference income. We have taken further short-term accommodation lease options to help secure rooms for our new students. The accommodation income for short-term leased rooms is offset by rental costs within other operating expenditure. Other grant income has increased by £0.3m as we secured income from Health Education England. Following a fire at the Tech Park in November 2022, we received insurance income to the value of £0.3m to cover costs associated with replacing equipment and moving the teaching provision to alternative venues. The costs associated with the insurance claim are shown within other operating expenditure and the insurance claim is ongoing. Our collaborative partnership income reduced by £0.4m after we chose to terminate one of our contracts.

Higher interest rates throughout the year have resulted in a £0.5m increase in investment income.

Expenditure

Total expenditure increased by £1.4m (2%) to £65.9m, of which £1.8m relates to other operating expenses and £0.4m depreciation charges. The increase in other operating expenses is predominantly due to higher utility cost and property costs associated with short-term student accommodation leases, but also includes the costs associated with the Tech Park fire insurance claim.

Staff costs of £37.4m reduced by £0.9m (2%) from 2021/22 as a result of the lower year-end FRS102 pension adjustment driven by higher discount rates. Excluding FRS102 pension adjustments, staff costs are £36.4m (55% of total expenditure). This is £1.9m higher than 2021/22 with the following factors impacting staff costs:

- Average staff numbers increased by 18 to 683, of which 10 were in academic areas
- Higher staff cost inflation
- Higher established staff and Associate Lecturer costs to support higher student numbers
- Restructuring costs of £0.5m, up £0.1m from 2021/22
- A voluntary severance scheme was made available to staff during Spring and Summer 2023
- An additional interim pay award from February 2023

The table below shows actuarial pension scheme adjustments which are included within University staff costs expenditure. Pension adjustments are outside of the direct control of the University, but they impact the financial deficit.

| | 2022/23 £000 | 2021/22 £000 |
|---|-----------------|-----------------|
| LGPS Pension Costs | 1,091 | 3,616 |
| USS Pension Credits | (100) | 243 |
| Total non-cash pension adjustments | 991 | 3,859 |

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Depreciation increased by £0.4m (10%) to £4.9m as a result of two large projects completing; the second phase of the Allied Health building and the Sports Dome floor.

Interest and other finance costs increased by £0.1m (3%) to £2.4m. This consists of loan interest payments of £1.2m which are £0.3m higher than the prior year driven by higher interest rates, but a lower net charge on LGPS pension scheme. LGPS actuarial pension scheme interest costs have fallen by £0.3m to £36k.

In December 2022 the University consolidated and reduced its term loan debt, repaying £5.1m in 2022/23. Finance lease interest of £1.2m reflects the head lease on the Stockbridge halls of residence which was taken over by the University in 2018-19.

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

Consolidated Balance Sheet

The University's consolidated net assets have increased by £1.2m to £66.8m. Net current assets are £3.5m lower than in 2021/22 as a result of lower cash balances (see Cash Flow and Treasury Management commentary). The University has creditors with amounts falling due after more than one year of £66.4m, a reduction of £6.0m as a direct result of the reduced term loan debt.

The University has made the final repayment of £0.2m to the OfS of the Revolving Green Fund loan.

Pension provisions have reduced from £1.1m to £0.9m, the movement includes a reduction to both the USS and LGPS provision. The dilapidations provision associated with our finance leased properties increased by £0.3m.

Cash Flow and Treasury Management

The year-end cash balance of £16.2m is £4.2m lower than 2021/22. The University manages cash flow and treasury management to enable it to fulfil future requirements, as well as those occurring in the current year and used its improved 2021/22 year-end cash balance to reduce its term loan debt. £23.9m of existing term loan was repaid and a new £20m loan taken. The University also increased its borrowing provision through a new £10m revolving credit facility. Through the bank refinance project, the University successfully secured full security release over our land and buildings.

The University is reporting a £38k surplus in 2022/23 (2021-22 deficit of £0.8m). Net cash flow from operating activities is £6.8m. The adjustment for non-cash items is showing smaller increases in debtors, creditors and pension provision than in 2021/22. Higher interest rates have increased investment income and interest payable.

The University received £0.2m of capital receipts. The higher amount seen in 2021/22 was a result of successfully securing an OfS capital bid in support of the Allied Health project.

Capital Projects

Capital expenditure for the year was £3.5m, of which £0.4m was external funds for the Sports Dome floor, Allied Health equipment and a donation funding a heritage garden. In October 2022, the University took the decision to complete the early buy out of the Tech Park lease equipment at a capital cost of £1.2m.

There is currently £1.6m of work-in-progress in the balance sheet relating to the planning application costs associated with new student accommodation buildings at Bishop Otter and Bognor campuses. The University is working on a new build and refurbishment accommodation plan, Project Cornerstone.

Going Concern

The Board of Governors approved the University's 5-year financial plan for 2023/24 through to 2027/28 in July 2023 as part of their annual review, and they were satisfied that the University has sufficient resources to continue operating during this period.

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The University continues to be agile in its response to challenging external factors. The sector continues to face financial pressures with home undergraduate tuition fees fixed at £9,250 until 2025, and rising costs including utilities, interest rates, inflation and staff costs. The University continues to monitor and assess the potential impact of these financial pressures through financial reviews, forecast and covenant testing, all of which act as early indicators of possible issues.

Illustrative stress-testing scenarios have been prepared and shared with Audit Committee who gave assurance to the Board 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 financial covenants has been quantified over a period through to July 2025. Stress testing scenarios have also been performed against the University budget adjusted for Project Cornerstone on the basis of a March 2024 financial close.

Latest intelligence for the start of the 2023/24 academic year indicates that we have fallen short of our planned intake target. This does not impact the going concern assessment as we are well within the tolerance of our stress testing. Management will continue to monitor student intake and retention and undertake mitigating actions.

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.

Compliance

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.

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.

The OfS published their 2022-2025 strategy in March 2022 with strategic objective four highlighting that "all students, from all backgrounds, receive value for money. The strategic outcome is "higher education delivers value for money for students, graduates, taxpayers and employers, especially in the form of positive student outcomes."

- 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. The University's Procurement Working Group meets routinely to ensure procurement processes are met.
- In the Graduate Outcomes data release for the 2020/21 cohort, 78% of graduates were in employment, compared to 74% for 2019/20. 9% were combining work with further study (previously 10%) and a further 5% (previously 6%) were undertaking further study only. Of the respondents in employments, 76% (previously 58%) were in highly skilled occupations. The University continues its work to improve the employability outcomes for all its students (as referenced on p7).

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The University seeks to reassure students that the tuition fees and student accommodation rent they pay to the University is used effectively and efficiently and we are committed to providing clear financial information and ensuring a strong focus on value for money. The University continues to deliver a high-quality student experience – which includes teaching, learning and outcomes for our students – and consistently exceeds rigorous national quality requirements for UK higher education (as referenced on p4).

Staff

Our staff are instrumental in delivering the University mission and vision and Chichester maintains a strong reputation for valuing its people and ensuring a demonstrably supportive and friendly community in which to work. To deliver an excellent student experience, we must also ensure the same for our staff whose dedication, commitment and expertise are fundamental to the University's People Strategy: '*Working together – Supporting each other*'. This ensures staff are at the heart of our plans and sets out how the University supports their skills and aspirations to help deliver our strategic ambitions whilst also ensuring the best lived experience. The Strategy supports a culture and environment of professional and personal development, that enables our staff community to continuously improve and build on their strengths to support priorities.

The University's culture is one that embraces the principles of inclusivity for all and where employees are fully engaged and positive about their role in the University. A pulse survey on the subject of Communications was held in early 2023 which saw over 281 responses and comments. This has led to a number of positive changes to improve information flow and increase staff engagement, whilst also identifying areas for further work.

The University uses a Probationary process and an annual Performance Review and Development Plan (PRDP) to monitor and support staff performance, development and personal and professional aspirations. The PRDP process and format will be redesigned and moved to an online format over the coming year to make it more intuitive and accessible. Information from the PRDP action plans, along with the Staff Survey results, is used to inform the annual professional development programme. All staff leavers are offered exit meetings both in person and online to proactively identify any staffing issues, or any positive actions that can be taken to improve the work environment.

We have an impressive professional development programme providing numerous opportunities for all staff. On a limited budget and maximising internal resource, at all times, we offer over 150 training and development opportunities throughout the year, from individual sessions to structured courses, delivered in person and virtually. An academic promotions process supports the promotion of Professors and Readers for staff employed in teaching and research roles.

We must continue to ensure that we attract, develop and retain teams of talented staff to deliver future success. We enable and encourage staff to undertake apprenticeship opportunities, and currently have 15 (2022:11) employees on apprenticeship schemes, including 5 on Degree Apprenticeships. We also value and continually seek to strengthen our links with the Armed Forces through the Defence Employer Recognition Scheme, providing support for Reservists throughout their employment with the University. The University advises and attends the West Sussex Armed Forces Committee which seeks to support both serving and retired Service personnel and their families in the area. We have liaised closely with the Naval Families Federation as well as the Royal Artillery on Thorney Island to promote access to our Bridging Course which provides non-traditional access to Higher Education. It is hoped that this will be of interest to Service spouses, in particular. Armed forces veterans are encouraged to apply for positions at the University and recruiting panels ensure military skills and qualifications are fully recognised when shortlisting and interviewing.

The University is fully committed to a policy of recruitment and promotion on the basis of ability without discrimination. We actively pursue the employment of people with disability whenever a suitable vacancy arises and the continued employment and retraining of staff should they become disabled whilst employed by the University. We positively promote the recruitment of staff from diverse backgrounds and highlight that we embrace all forms of diversity and aspire to be a fully inclusive and representative employer. We ensure anonymisation of candidate data on job applications. This has delivered an increase in the ethnic diversity of candidates selected for interview.

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The University has an Equality Plan, supported by Equality, Diversity and Inclusivity (EDI) policies and a programme of initiatives to promote EDI and ensure it is part of workplace culture. An annual report addresses statutory responsibilities under the Equality Act 2010 and Public Sector duties, along with Gender Equality reporting. We continue to be a Mindful Employer and Disability Confident Employer and can offer flexible working arrangements including remote working where this fits the requirements of the role, along with family friendly policies and procedures. The University has also become an institutional partner of the Women's Higher Education Network (WHEN). Membership aims to support both personal growth and professional development at an individual level, but also to be part of an organisation that seeks to make a difference and positive change to the experience of women within Higher Education.

Employee wellbeing supports employee engagement, promoting a healthier, more fulfilled and sustainable working environment and all staff have access to our Employee Assistance Programme where they can receive support, advice and counselling. Targeted coaching, and face to face counselling, is also available.

To ensure staff involvement in the governance of the University, staff representatives are elected by their colleagues to serve as members of the Board of Governors, the Academic Board and associated committees.

Information flow is key to keeping staff informed of upcoming developments, new policies and operational and strategic changes. A matrix of all staff emails, online newsletters and promoted news stories on the University website helps to achieve this. The Vice-Chancellor also holds regular open forum events on both campuses for all staff, with Department heads and managers offering similar events in their own areas.

The University recognises UCU and UNISON and works very closely with their representatives, using the employee relations framework to engage and encourage staff to respond positively to changes that enhance organisational effectiveness and provide quality services. The Joint Consultative Group, involving senior managers, academic and professional services staff unions, meets throughout the year to consider changes in legislation, government and OfS requirements, national and local agreements and the general employment market. Sub-groups of the Joint Consultative Group address particular areas including any organisational change proposals, as agreed with the Vice-Chancellor.

Facility-time is paid time-off during working hours for trade union representatives to carry out trade union duties. All public-sector organisations that employ more than 49 full-time employees are required to submit data relating to the use of facility time in their organisation.

The University's figures are:

Relevant Union Officials

| Number of employees who were relevant union officials during the relevant period | Full-time equivalent employee number |
|--|--------------------------------------|
| 7 | 5.95 |

Percentage of time spent on facility time

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

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Percentage of pay bill spent on facility time

| | |
|--|--------|
| Total cost of facility time | £33.2K |
| Total pay bill | £35.9m |
| 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 | 46.25% |
|---|--------|

The University is committed to fair pay and believes that its open and fair approach engenders a loyal and engaged workforce, which shares the University's vision and values. Decisions on remuneration always consider equality, diversity and inclusion to ensure 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 deciding the level of remuneration awarded to the Vice-Chancellor and VCG members 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 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/> and all staff members undergo Prevent training.

Effective Use of the Estate

The University's Estates team has delivered some great results and continues to make significant improvements to enhance the quality of the University's campuses in accordance with the requirements of the Estates Plan 2021-2026. The University is progressively creating more resilient campuses through necessary investment in the core infrastructure including safety, compliance and maintenance aspects as well as new build and refurbishment projects to continue to enhance and improve both the staff and student experience. The team was also required to manage a remedial works programme at the Tech Park at Bognor Regis following two successive business interruption events in late 2022.

Good progress is being made in enabling and realising our Environmental and Sustainability goals to reduce energy consumption by upgrading aged heating and lighting systems and in doing so have helped further reduce our carbon footprint emissions by 62% since 2007-8. The University continues to improve the efficiency of its space utilisation across both campuses.

Various projects have been undertaken this year including the installation of a Moot Room for the growing law programme, a new Dance treatment room, significant stonework restoration to listed buildings, new changing and entrance facilities for the Tudor Hale Sports Centre as well as roofing works to some of our residential halls and academic buildings.

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Student Accommodation and Project Cornerstone

Our strategic plan has a strong emphasis on student number growth and the University has delivered consistently on that objective since 2018 albeit now showing signs of plateauing given the shortage of student accommodation in both Chichester and Bognor Regis. Recent years have seen the launch of many exciting new programmes including STEM subjects, law, criminology, physiotherapy and nursing which, coupled with strong growth in many of our core academic portfolio subjects, means the University has once again matched for 2022-23 its largest student intake and increased its total student number body.

Without sufficient investment capital of its own, such increases in demand for our academic programmes have inevitably put pressure on both the availability and quality of student accommodation for our students. This needs to be addressed in an increasingly competitive HE environment and so the University has been actively increasing bed numbers over the past couple of years through short-term lease arrangements at the same time as exploring how its older housing stock can be refurbished alongside the delivery of new additional beds on each campus. As other institutions have done, the University has undertaken a public procurement process with the strategic intent to deliver an off-balance sheet design, build, finance, operate (DBFO) transaction under a long-term concession arrangement with a private sector partner. Following a thorough competitive dialogue process, the University has now appointed an experienced DBFO consortium as its preferred bidder and seeks to reach financial close on the transaction next year.

The Board set in place from the outset a clear governance structure to enable the team, supported by experienced independent governors and professional advisors, to deliver 'Project Cornerstone' and successfully establish a partnership through which the University and its student experience can continue to prosper and flourish.

Environmental Sustainability

Universities are almost uniquely placed to act as beacons of best practice when it comes to sustainability. We believe that the University of Chichester has already made very good progress towards our goals but as we advance into the next five years we aim to be an exemplar of best practice for the West Sussex region and beyond.

The new [Sustainability Strategy](#) was endorsed and launched in Spring 2023. Following the 17 UN Sustainability goals, this comprehensive strategic document lists both the overarching high-level objectives and the practical steps the University and the community of staff and students will take to achieve these. The strategic document was produced following consultation and surveys conducted with both students and staff. The Sustainability, Environmental and Energy Management (SEEM) group then helped to oversee the design and delivery of the finished plan.

Whilst there is much more detail contained within the Sustainability Strategy appendices on actions and timescales, there are nine overarching commitments (see table below) that the University wishes to support. These are recognised as being of strategic importance for the community of students and staff.

The University of Chichester

Strategic report for the year ended 31 July 2023

Sustainability aims – nine key commitments from the Sustainability Strategy

| Theme | Aim | Timescale |
|---|---|---|
| 1. Carbon net-zero | The University of Chichester to be net-zero by 2045. A route map for this ambitious goal will be developed over the next five years of this strategy. | 2045 with incremental steps every five years with each new sustainability strategy. |
| 2. Reduce carbon dioxide emissions and energy use | Reduce our CO ₂ emitted for every m ² of GIA by 20% by 2028. | Reduction of 10% by 2024 and 20% by 2028. |
| 3. Declare a climate emergency | Declare a climate emergency with the sustainability strategy forming the action plan. | 2023 |
| 4. Respond to the 17 UN sustainable development goals | Agree a plan for all 17 goals with greater focus on five core areas of importance. | 2023 |
| 5. Ensure we build and refurbish to high sustainability standards | All new buildings constructed comply with BREEAM 'excellent' standard or equivalent. Any refurbished buildings are to comply with BREEAM 'very good'. | 2023 – 2028 (ongoing) |
| 6. Reduce waste and increase recycling | Significantly reduce waste production and increase recycling across residential and teaching estate | Operational waste reduced by 15% by September 2028. |
| 7. Increase awareness of sustainability issues | Embed sustainability teaching materials into the curriculum and provide training materials for all staff to access. | 2024 for staff training and 2028 for all programmes to include material. |
| 8. Ensure research themes consider sustainability | Ensure when planning research projects that themes align with UN sustainability goals. | 2023 – 2028 (ongoing) |
| 9. Ensure we minimise barriers for both students and staff to study or work at Chichester | Reduce barriers for entry to students and ensure we can support them to succeed. Similarly for staff, ensure we are attracting and supporting a diverse range of staff and educate them on sustainable issues. | 2023 – 2028 (ongoing) |

A number of documents underpin this Sustainability Strategy and can be found on the University website: <https://www.chi.ac.uk/about-us/sustainability/action-plans-and-policies/>. These include the following:

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

The transformation of the global economy needed to achieve net-zero emissions by 2050 is universal and significant – the next decade will be decisive, and also rich in opportunity. The University aims to achieve net-zero by 2045, five years ahead of this schedule. However, to achieve this we will need a detailed plan and roadmap for our energy usage, heating systems and energy production.

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Our collective efforts in reducing the amount of carbon in our atmosphere will reduce the odds of catastrophic impacts due to climate change. The whole of the University has a part to play and we are actively engaging with staff and students to enlist their support to meet our environmental objectives.

The University recognises the vital importance it must attach to tackling climate change, it is also be recognised that sustainability initiatives are far broader than focusing purely on the reduction of energy and carbon dioxide (CO₂). Alongside many other topics, waste production, consumption and biodiversity of the campuses are all recognised by staff and students as being vitally important.

The University has initially set aside £0.5m each financial year for investment in improving our estate and achieving these plans. This amount will increase in the years to come and additional funding will be sought from government in terms of SALIX funding and other sources of grants.

Streamlined Energy and Carbon Reporting (SECR)

As a minimum, the University is required to report our UK energy use relating to gas, electricity and transport and associated greenhouse gas emissions. All energy consumed by the University is in the United Kingdom. The University has chosen to use tonnes of CO₂e per total floor area as its intensity ratio (energy performance indicator) to normalise our energy and carbon figures. This is the recommended ratio for the sector and is also used for both Higher Education Statistics Agency data set and Display Energy Certificates.

The annual period covered for the purposes of the Streamlined Energy and Carbon Reporting, is the year ending 31 July 2022. Data is taken from the 2021/22 HESA Estates Management Record return. The 2022/23 data collection begins in October with submission due 3rd April 2024.

Total Emission Scope Summary

| Emission Type | Total Volume (kWh) | Calculated Emissions (Tonnes of CO ₂ e) |
|--------------------|--------------------|--|
| Scope 1 (direct) | 7,337,521 | 1361.9 |
| Scope 2 (indirect) | 3,821,379 | 890.9 |
| Scope 3 (indirect) | 13,695 | 3.4 |
| Total | 11,172,595 | 2256.2 |

Scope 1 (Direct)

Emissions from activities owned or controlled by the University that release emissions into the atmosphere, for example from combustion in owned or controlled boilers, furnaces, vehicles; emissions from chemical production in owned or controlled process equipment. See table overleaf.

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Strategic report for the year ended 31 July 2023

| Energy Type | Definition | Total Volume (kWh) | Calculated Emissions (Tonnes of CO ₂ e) |
|--------------|--|--------------------|--|
| Gas | Emissions from Combustion Gas | 7,064,290 | 1298.9 |
| Liquid fuels | Emissions from combustion of fuel for stationery machinery & engines | 231,826 | 62.1 |
| Transport | Emissions from combustion of fuel for transport purposes | 41,405 | 0.9 |
| Total | | 7,337,521 | 1361.9 |

Scope 2 (Indirect)

Emissions released into the atmosphere associated with consumption of purchased electricity, heat, steam and cooling. These are indirect emissions that are a consequence of the University's activities, but which occur at sources not owned or controlled by the group.

| Energy Type | Definition | Total Volume (kWh) | Calculated Emissions (Tonnes of CO ₂ e) |
|-------------|--------------------------------------|--------------------|--|
| Electricity | Emissions from purchased electricity | 3,821,379 | 890.9 |
| Total | | 3,821,379 | 890.9 |

Scope 3 (Indirect)

Emissions that are a consequence of the University's actions, which occur at sources not owned or controlled by the University and which are not classed as Scope 2 emissions. Examples include business travel by means not owned or controlled by the university (e.g. grey fleet and rental cars).

| Energy Type | Definition | Total Volume (kWh) | Calculated Emissions (Tonnes of CO ₂ e) |
|-----------------------|--|--------------------|--|
| Employee Owned Cars | Emissions from business travel in employee-owned vehicles where the company is responsible for purchasing the fuel (mandatory) | 13,695 | 3.41 |
| Other Travel Business | Travel for business purposed in assets not owned or directly operated by a business | - | 0 |
| Total | | 13,695 | 3.41 |

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Out of Scope

All fuels with bio genic content (such as the burning of biomass) should have the 'outside of scopes' emissions reported to ensure a complete picture of the University's emissions is created. However, these are not required to be included in the University's emissions total.

| Out of Scope | | |
|--------------|--------------------|--|
| Energy Type | Total Volume (kWh) | Calculated Emissions (Tonnes of CO ₂ e) |
| Bio-mass | 168,448 | 59.5 |

Intensity Ratio

| Intensity Measurement | Total Floor Area (m ²) | Intensity Ratio (TCO ₂ e/Area m ²) |
|---|------------------------------------|---|
| Tonnes CO ₂ e per Total Floor Area | 53,826 | 0.04 |

Year on Year Comparison

| | Year 3 2022/21 | Year 2 2020/21 | Year 1 2019/20* |
|--------------------------------------|----------------|----------------|-----------------|
| Total Emissions (TCO ₂ e) | 2256.2 | 2245.7 | 2113.3 |
| Total Energy (kWhs) | 11,172,595 | 11,031,764 | 10,716,739 |
| Intensity Ratio | 0.04 | 0.04 | 0.04 |

*Year 1 values stated are based on actual data, where estimated values were included in the 2019/20 Annual Report.

Quantification and reporting methodology

The University has taken guidance from the UK Government Environmental Reporting Guidelines (2019), the GHG Reporting Protocol – Corporate Standard, and from the UK Government GHG Conversion Factors for Company Reporting document for calculating emissions. Energy usage information (gas, electricity and liquid fuels) has been obtained directly from the University's energy suppliers and Estates Management Reporting (EMR) document. For supplies there were no 12-month energy usage available, flat profile estimation techniques were used to complete the annual consumption. Transport mileage data was obtained from expense claims submitted for our grey fleet. For travel by staff for business purposes in their own vehicles, we only hold mileage data. Therefore, we have applied the conversion factor for an average vehicle with an unknown fuel type to calculate the emissions from employee owned vehicles. As the fuel type is unknown we have used an average of petrol and diesel conversion factors to calculate the outside scopes. The short-term hire cars are both petrol and diesel vehicles. We hold information of the quantity of fuel consumed, however we are not able to breakdown which transactions are petrol and which are diesel, therefore we have used a 50/50 split between petrol and diesel when applying the conversion factors. CO₂e emissions were calculated using the appropriate emission factors from the UK Government GHG conversion information and are retained within the University's Data file for reference where required.

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Delivery of the University's Sustainability & Energy Efficiency Action Plan

Over the past 12 months, the University has delivered the following sustainability and energy efficiency measures and continues with initiatives all contributing towards meeting our 2045 net zero target.

- Education. The University is raising awareness amongst students and staff to be prepared for the complex challenges they face and a workplace where sustainability will be a shared responsibility regardless of one's role;
- The University has set goal of a 5% reduction in energy consumption this year, requiring all staff, students and those that use the University to meet and beat;
- University of Chichester's Student Union ran a Green week, with several events to engage students with sustainability and environmental awareness taking place throughout the week;
- The University is actively recruiting to expand the Environmental and Sustainability team;
- The University has been named as a leader in Sustainability according to U-Switch Green Universities Report 2023. Only a handful of UK Universities to achieve Platinum Tier status and ranked 6th in the country
- All students and staff will be able to access carbon literacy training by 2025;
- Over £500,000 set aside for green initiatives in 2023/24;
- Gold Hedgehog Friendly Campus accreditation since February 2023;
- Introduction of wildflower planting;
- Continued replacement of inefficient fluorescent lighting systems with energy efficient LED alternatives.

Monitoring of progress and key performance indicators (KPIs)

Key to the success of the strategy is to ensure that appropriate monitoring points are set to measure progress against our objectives. The University aims to communicate this progress through both our website and internal newsletters. To achieve this, SEEM will produce an annual report and summary, focusing on the five key areas. This will be published on our website.

The frequency of SEEM meetings will increase to four per year, with an area of special focus reviewed at each meeting.

Progress toward the strategic KPIs and sustainability objectives will be:

- monitored by SEEM which will produce an annual report on progress.
- reviewed and approved annually by VCG and the Board of Governors.

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 (the "Accountability Principle"), including privacy by design and by default. Some of the principal areas of work of the DP Office include:

- 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;

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- assisting with, or reviewing, the drafting of privacy notices, consent forms, policies and data sharing agreements; and
- 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 (periodically reviewed re-approved by the VCG). These high-level documents are supplemented by more specific privacy information, as appropriate, at a departmental level throughout the University. The drafting and accessibility of these documents ensure we meet the transparency requirements of data protection legislation.

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 periodic DP bulletins 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 assurance that this area of risk is being well managed.

The UK has an EU adequacy decision in place, based on current UK legislation, until 27 June 2025, which ensures 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 for the time being.

A revised Data Protection and Digital Information (No.2) Bill is currently progressing through the parliamentary process (currently at the 1st reading stage). If enacted, this Bill will make changes to the UK GDPR, Data Protection Act 2018 and the Privacy and Electronic Communications Regulations (PECR). The previous Data Protection and Digital Information Bill was withdrawn.

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 and 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.
- Oversight: We use the register as a focal point for VCG and Board reviews.
- Tolerance: We review our institutional tolerance for risk taking in the context of our Strategic Plan and benchmark against our current position.
- Informed decisions: We use the register to inform our budget and strategic decision-making.
- Risk reduction: We identify, plan and track actions for if risks rise out of tolerance.
- Assurance: Our audit and compliance functions use the register to inform assurance planning and test how effectively risks are managed.

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.

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- 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 student experience is also prioritised within the 'must haves' for the University's student accommodation project, Project Cornerstone.

- 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 more overseas students via its new partnership with Malvern International Plc. 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 draws on the expertise of its finance department, particularly in its ability to undertake strategic planning and budgeting, management accounting, oversight of procurement 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 nor is it able to support our strategic aims. The Board oversees the Estates Plan 2018 - 2025 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 his 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 University.

- 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 on occasion by simulation exercises.

- 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, external advisors, Board review, and regular audits.

- The University might not adequately support its research function, such that its performance in metrics such as the REF 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.

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- 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 University has now removed the Covid-19 risk from its Register following review in the 2022-23 Risk Management Cycle. Covid-19 no longer poses an immediate threat of disruption, and the University has adapted and responded comprehensively to the risk. Covid-19 and its effect on the community and student experience will continue to be monitored internally.

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

Section 172 Statement

The University of Chichester is incorporated as a private company limited by guarantee, which has been granted exempt charity status. Further detail can be found within the corporate governance section on p34.

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.

Members of the Board have had regards to the matters set out in section 172 (a to f) when discharging their duties. The following are some of the key decisions taken by either the Board or its committees during the year and the consideration given to students and stakeholders:

In November 2022 the Board approved a new bank loan facility which reduced and consolidated the University's term loan debt, increased the available revolving credit facility and gave full security release over University land and buildings.

In March 2023, the Board approved the Sustainability Strategy for 2023/2028, as outlined on p22. The Strategy aims to respond to all of the 17 UN Sustainable Development Goals (SDGs). There were also nine key commitments which include reducing the University's energy use and CO2 emissions by 20% over the next three years, alongside declaring a 'Climate Emergency'. The Sustainability Strategy itself, and the associated operational plans, would form the basis of the action plans to respond to this climate emergency. The Board also approved the appointment of the preferred bidder for Project Cornerstone.

In July 2023, the Board approved the University's budget for 2023/24, following scrutiny by the Finance and Resources Committee.

Throughout 2022/23, the Board received regular updates regarding the ongoing Project Cornerstone, to develop a viable accommodation plan for the University to support growth in student numbers and regular updates regarding progress against the University's strategic plan, focusing on the achievements outlined within the Strategic Report.

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Strategic report for the year ended 31 July 2023

Looking forward

The University continues to monitor and assess the potential impact of the sector financial pressures including capped tuition fees for Home Undergraduates, utility prices, high inflation and cost of living through financial reviews, forecasts, stress-test modelling and covenant checks which will act as early indicators of possible issues. Quarterly forecasts are shared with the Board and our bank and risks and opportunities are presented to management throughout the year. We will continue to focus on controlling costs, reviewing departmental financial contributions and achieving a sustainable level of surplus. The fundamental financial position of the University remains strong and provides a good basis for the achievement of the final stages of our current Strategic Plan.

A key priority over the next academic year is to explore further opportunities for growth, underpinned by our reputational successes with the TEF 'Gold' and our top 40 ranking in the 'Guardian' League Table for the fourth year running. Our 2022-23 student intake was the largest in the University's history and we will continue to pursue growth in home and international student numbers through the launch of new programmes in Biomedical Sciences and additional investment in our international recruitment team.

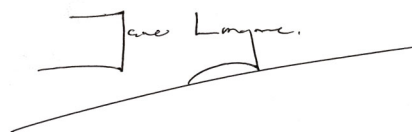
The development of a Community Diagnostic Centre on the Bognor Campus in partnership with NHS Sussex is closely aligned with the Government's drive to improve higher skills and encourage lifelong learning. An investment of £14.9m in the Community Diagnostic Centre has been approved by NHS England; the first phase will be completed in early 2024 and the second phase is planned to open in March 2025.

Our current Strategic Plan was launched in 2018 and we are proud of the fact that we have made such strong progress, delivering a positive staff and student experience, embedding equality, diversity and inclusion across all of our activity, increasing the size and diversity of our student population, improving our estate with the construction of the cutting-edge Tech Park and expanding our portfolio into the area of Health with the development of the School of Nursing and Allied Health. We are making an increasingly important contribution to the economic prosperity of our region, not least through our highly skilled and talented graduates – whether teachers, engineers, actors, social workers, nurses, sport scientists, psychologists, animators or lawyers. The profile and reputation of the University has risen steadily over the past five years, although we have further work to do in building our research and innovation capacity. As the major elements of the current strategy have now been delivered, we will start preparing for our next Strategic Plan in 2024, for final approval by the Board in July 2025.

Signed on behalf of the Board



Dr Tim Fooks
Chair of Governors
21 November 2023



Professor Jane Longmore
Vice-Chancellor
21 November 2023

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 seventeen). 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 (currently five 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
- Mr Alec Parry, 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 2022/23 financial year and the 2023/2024 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>. During the year management liability and Governors', Directors' and Officer' liability insurance was in place through the University insurers UMAL which provides for Governor and management indemnity provision.

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 | N/A | Church Independent Governor |
| Mrs Yvonne Thomas-Chester | N/A | Chair of Audit Committee Independent Governor |
| Ms Celica Douglas | N/A | Independent Governor |
| Dr Timothy Fooks | N/A | Church Independent Governor Chair of Governors Chair of Nominations & Effectiveness Committee |
| Revd Rachel Hawes | N/A | Church Independent Governor |
| Ms Gemma Hopwood | to 30 June 2023 | President of the Students' Union |
| Professor Margaret House OBE | N/A | Independent Governor |
| Canon Dr Daniel Inman | N/A | Church Independent Governor |
| Mr Benjamin Jones | N/A from 21 March 2023 | Independent Governor Chair of the Finance and Resources Committee |
| Mrs Karen Lloyd | from 1 January 2022 | Elected Non-Teaching Staff Governor |
| Professor Jane Longmore | N/A | Vice-Chancellor Chair of Academic Board Chair of Honorary Awards Committee |
| Mr Ian MacTavish | N/A to 21 March 2023 from 21 March 2023 | Co-opted Governor Chair of the Finance and Resources Committee Senior Independent Governor |
| Mr Richard Martin | to 31 December 2022 | Independent Governor Deputy Chair of Governors |
| Mr Sarkis Mazmanian | from 21 March 2023 | Independent Governor |
| Mr Antony (Michael) Olliff | N/A | Co-opted Independent Governor |
| Miss Isabelle Page | from 1 July 2023 | President of the Students' Union |
| Professor Antonina Pereira | N/A | Elected Teaching Staff Governor |
| Mrs Catherine Stone | N/A from 21 March 2023 | Co-opted Independent Governor Chair of Remuneration Committee Deputy Chair of Governors |
| Mr John Thompson | N/A | 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 |
| Chief Marketing & Communications Officer | Mr Mark Barlow |
| Chief Human Resources Officer | Mr Alec Parry |
| University Secretary | Mrs Sophie Freshville |
| University Solicitor | Mr Peter Aldred to 31 May 2023 |
| Registered Office | University of Chichester Bishop Otter Campus College Lane West Sussex PO19 6PE |
| Second Campus Address | University of Chichester Bognor Regis Campus Upper Bognor Road Bognor Regis West Sussex PO21 1HR |
| Banker | HSBC 94 East Street Chichester West Sussex PO19 1HD |
| External Auditor | BDO LLP Arcadia House Maritime Walk, Ocean Village Southampton Hampshire 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 private company limited by guarantee (Company Number 4740553), which was incorporated on 22 April 2003. On 1 August 2003, the Company took over the activities formally undertaken by a registered charitable trust, with the consequences 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.

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. The University is committed to upholding the Public Interest Governance Principles, as defined by the Office for Students Regulatory Framework.

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 2022 to 31 July 2023 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, 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.

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Corporate governance and internal controls statement

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.
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 was 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 University commenced an external effectiveness review, completed by KCG (internal auditor) during 2020/21. All the recommendations in the report have been considered and appropriate actions completed. The Board will undertake its next routine external effectiveness review in 2023/24, with the assistance of an independent HE governance consultant.

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The Chair of Governors met with members of the Board in the year 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.

In 2022/23, the Board appointed a new Deputy Chair of the Board, and also a Senior Independent Governor.

Effectiveness of Governance Arrangements

The University has assessed through self-declaration and further checks, and satisfied itself that governors, and members of the Vice-Chancellor's Group, can be considered 'Fit and Proper' persons, as defined by the OfS. The process by which this is carried out was reviewed by the Audit Committee this year.

Through its annual report to the Board, Audit Committee has provided assurance regarding the rigour and review of the process by which statutory data returns are formally monitored and submitted to relevant regulatory bodies by the University to safeguard timely and accurate outputs.

The Board has maintained oversight of and assurance regarding the adequacy and effectiveness of the University's compliance with the OfS' ongoing conditions of registration and in turn the OfS Terms and Conditions of Funding.

The Board has taken reasonable steps to ensure that funds from OfS and other public funding bodies are used only for the purposes for which they have been given and in accordance with the terms and conditions of those funding bodies. This is achieved through ensuring that appropriate financial and management controls are in place to safeguard public funds and University assets, as set out in the Statement of Internal Control, p40.

Composition of the Board of Governors

The University's Board of Governors consists of at least sixteen and a maximum of twenty-five members (currently seventeen) 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 Deputy-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 University Secretary (who acts as Clerk to the Governors and 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 Secretary 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 strategy day event to consider broader strategic discussions and introduced an annual governance effectiveness session in 2018/19, which takes place annually in January. 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 is an annual away day and a joint meeting with the Academic Board, each year for the Board to challenge and oversee strategic developments for the University.

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Corporate governance and internal controls statement

In 2022-23 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 development of a Centre for Lifelong Learning and Community Diagnostic Centre, as well as the continuing development of an accommodation strategy, known as Project Cornerstone. Further detail regarding key strategic decisions taken by the Board this year are highlighted in our Section 172 Statement on p29. 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 Students 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 32 and 33 of this report is a complete list of those who have served during the 2022/23 financial year and the 2023/24 year until the date of formal approval of the financial statements by the Board of Governors.

Governance arrangements for the ongoing development of the University's student accommodation were audited by the University's internal auditors (KCG) in August 2023. It was their opinion that the University's governance controls and processes for Project Cornerstone provide substantial assurance that associated risks material to the University's objectives are adequately managed and controlled. The audit made no priority one or priority two recommendations.

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 (SU) President sits on the Board and represents the student body. The SU President also sits on the Nominations and Effectiveness Committee. The Students' Union Vice-President is also invited to attend Board sessions.
- 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 p5.

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 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.

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- 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 p18.

Community and the Environment

The University takes its responsibilities regarding environmental sustainability seriously, as detailed on p21. Further information regarding community engagement has been detailed under the section Regional Regeneration on p12.

The Board discusses its commitment to regional regeneration and community engagement, through regular reporting on the relevant KPIs within the Strategic Report 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 2022-23, 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 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 2022/23 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 2022/23 they were carried out by KCG. Following a tender process for new internal auditors in 2019, KCG were appointed to deliver internal audit services from 1 August 2019 to 31 July 2022, with an option to extend the contract thereafter. The University agreed to extend the contract of KCG from 1 August 2022 to 31 July 2025. The Audit Committee agreed the programme of reviews for 2022/23 and 2023/24 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 17 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 was approved by the Board of Governors on 16 November 2021.

Governors' Finance and Resources Committee

The Governors' Finance and Resources Committee met 4 times during 2022-23. 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.

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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. The Committee is supported by regular meetings between the Chair of the Committee 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. This process highlights gaps and enables the Chair and University Secretary to plan how to address any issues that arise. 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.

One new Governor was recruited in 2022/23. During the year, and up to the date of the approval of the financial statements, the governing body comprised 7 male and 10 female members and included two members who identified as belonging to ethnically diverse backgrounds.

The Committee is also responsible for coordinating the ongoing assessment of the Board's effectiveness, arranging independent input into governance effectiveness reviews, and ensuring Board members receive appropriate training and development to discharge their duties. The Chair meets with each member of the Board annually to discuss the effectiveness of the Board and to provide feedback on individual performance. New governors receive an induction handbook and are invited to meet the Chair of the Board, the University Secretary, the Vice-Chancellor and members of the Vice-Chancellor's Group and key senior managers such as the Director of Finance. This year Governors have received a refresher training session on Prevent awareness. In 2023-24 Governors will commence undertaking mandatory training in the General Data Protection Regulation and Unconscious Bias. Other training and development opportunities are made available, usually through the AdvanceHE development programme, invitations to sector briefings run by independent organisations, the University's own Professional Development programme and 'twilight' information-sharing sessions.

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 (2021) 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.

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Corporate governance and internal controls statement

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; and
- the procedures for the expulsion of students for academic reasons.

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 2022 to 31 July 2023, and the period up to the date of approval of the audited financial statements).

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; and
- 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, as detailed on pages 27 to 29. 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.

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Corporate governance and internal controls statement

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 coordinated by the Risk Management Group on behalf of the Vice-Chancellor's Group; the Group 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 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.

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 acknowledgement 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.

Scope of the Financial Statements

The Financial Statements comprise the consolidated results for the University and its subsidiary undertaking, Chichester Enterprises Limited. The principal activities of the company are the provision of bed and breakfast and conference facilities, the management of car parking, the provision of contract research and consultancy services and the organization of the graduation ceremony for the University. The company has entered into an agreement to donate all taxable profits to the University of Chichester.

Basis of Preparation

The Governors have adopted the going concern basis in preparing these accounts after assessing the principal risks.

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.

The University of Chichester

Corporate governance and internal controls statement

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 favorable terms for all transactions.

Corporate Governance and Risk Management

The University is committed to exhibiting best practice in all aspects of corporate governance. The information on pages 34 to 43 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 2022/23 and in their Internal Audit Annual Report the opinion was reported as: "Overall, for the year ended 31 July 2023 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 5 internal audit reports within 2022/23 and these were all concluded as providing satisfactory assurance.

Disclosure of Information to Auditors

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 external auditors for the purposes of their audit and to establish that the external auditors are aware of that information. None of the Governors is aware of any relevant audit information of which the external auditors are unaware. At the date of making this report each of the Governors confirm the following:

- So far as each Governor is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- They have taken all the steps that they ought to have taken as a Governor to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

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 16th November 2021. 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 was approved by the Board of Governors on 16th November 2021.

The University of Chichester

Corporate governance and internal controls statement

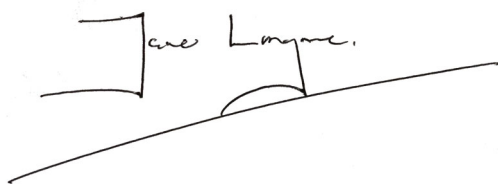
Conclusion

The Board of Governors recognises the current inflationary challenges and the impact these may have on the University, the health and safety of our community and the student experience in the 2023/24 academic year and beyond. 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 wishes to place on record its thanks to those Governors who completed their terms of office during the year.

A handwritten signature in black ink, appearing to read 'Tim Fooks', with a long horizontal line extending from the end of the signature.

Dr Tim Fooks
Chair of Governors
21 November 2023

A handwritten signature in black ink, appearing to read 'Jane Longmore', with a long horizontal line extending from the end of the signature.

Professor Jane Longmore
Vice-Chancellor
21 November 2023

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 accounting 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 2022/23, 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 2022 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; and
- 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 GOVERNORS OF THE UNIVERSITY OF CHICHESTER

Opinion on the financial statements

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 2023 and of the Group's and the University's income and expenditure, gains and losses, changes in reserves and of the Group'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 2023 which comprise the Consolidated and University Statement of Comprehensive Income and Expenditure, Consolidated and University Balance Sheet, Consolidated and University Statement of Changes in Reserves, 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 the 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 of Governors' 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 the 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 Board of Governors is responsible for the other information. The other information comprises the information included in the Annual Report and Financial Statements, other than the financial statements and our auditor's report thereon. 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.

Our responsibility is to read the other information 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 prepared for the purposes of company law, 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, which are included in the Annual Report 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 Strategic Report, Corporate Governance and Internal Controls Statement and Statement of Responsibilities of the Board of Governors 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"), Education and Skills Funding Agency ("ESFA"), the Department for Education and UK Research and Innovation (including 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 notes 1 - 3 to the accounts, has been materially misstated.
- The University's expenditure on access and participation activities for the financial year, as disclosed in note 9b to the accounts, has been materially misstated.

Responsibilities of the Board of Governors

As explained more fully in the Statement of the Responsibilities of the Board of Governors, the Board of Governors (who are also the directors of the University for the purposes of company law) 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 of Governors 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 of Governors are 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 of Governors 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.

The University of Chichester

Independent Auditor's Report

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

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:

Non-compliance with laws and regulations

Based on:

- Our understanding of the Group and University and the sector in which it operates;
- Discussion with management, those charged with governance and the Audit Committee;
- Obtaining and understanding of the Group's and University's policies and procedures regarding compliance with laws and regulations; and
- Direct representation from the Accountable Officer.

We considered the significant laws and regulations to be the Companies Act 2006, Financial Reporting Standard 102, the Statement of Recommended Practice: Accounting for Further Education and Higher Education (FEHE SORP 2019), the OfS' Accounts Direction (OfS 2019.41) and UK tax legislation.

The Group and the University is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be registration with the Office for Students and their ongoing conditions of registration.

Our procedures in respect of the above included:

- Review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation;
- Involvement of tax specialists in the audit; and
- Review of legal expenditure accounts to understand the nature of expenditure incurred.

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance and Audit Committee, regarding any known or suspected instances of fraud;
- Reviewing items included in the risk register as well as the results of the internal audit reports during the year;
- Obtaining an understanding of the Group's and University's policies and procedures relating to:
 - Detecting and responding to the risks of fraud; and
 - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements; and
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.

Based on our risk assessment, we considered the area's most susceptible to fraud to be posting inappropriate journals to manipulate financial results and management bias in accounting estimates.

The University of Chichester

Independent Auditor's Report

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, which met a 'defined risk' criteria, by agreeing to supporting documentation; and
- Assessing significant estimates made by management for bias and risk of fraud, including the application of cut-off and revenue recognition around revenue relating to courses in progress over the year end, and the assumptions in estimating the liability arising from the University's participation in the Local Government Pension Scheme.


We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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 at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Board of Governors, 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 of Governors 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 of Governors as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

3C4044E44657418...

24 November 2023

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

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 2023

| | | 2023 | | 2022 | |
|--|-------|-----------------------|---------------------|-----------------------|---------------------|
| | Notes | Consolidated £'000 | University £'000 | Consolidated £'000 | University £'000 |
| Income | | | | | |
| Tuition fees and education contracts | 1 | 45,544 | 45,544 | 45,309 | 45,309 |
| Funding body grants | 2 | 3,969 | 3,969 | 4,051 | 4,051 |
| Research grants and contracts | 3 | 820 | 583 | 554 | 412 |
| Other income | 4 | 15,073 | 14,772 | 13,647 | 13,340 |
| Investment income | 5 | 525 | 525 | 74 | 74 |
| Donations and endowments | 6 | 28 | 312 | 152 | 352 |
| Total income | | 65,959 | 65,705 | 63,787 | 63,538 |
| Expenditure | | | | | |
| Staff costs | 7 | 37,425 | 37,425 | 38,373 | 38,373 |
| Other operating expenses | 10 | 21,235 | 20,980 | 19,408 | 19,160 |
| Depreciation | 11 | 4,870 | 4,870 | 4,442 | 4,440 |
| Interest and other finance costs | 8 | 2,386 | 2,386 | 2,316 | 2,316 |
| Total expenditure | 9a | 65,916 | 65,661 | 64,539 | 64,289 |
| Surplus/(deficit) before other losses | | 43 | 44 | (752) | (751) |
| Loss on disposal of fixed assets | | (5) | (5) | (41) | (41) |
| Surplus/(deficit) for the year | | 38 | 39 | (793) | (792) |
| Other comprehensive income | | | | | |
| Actuarial gain in respect of pension schemes | 26 | 1,129 | 1,129 | 19,484 | 19,484 |
| Total comprehensive income for the year | | 1,167 | 1,168 | 18,691 | 18,692 |
| Represented by: | | | | | |
| Restricted comprehensive income for the year | | 2 | 2 | 136 | 136 |
| Unrestricted comprehensive income for the year | | 1,253 | 1,254 | 18,643 | 18,644 |
| Revaluation reserve comprehensive expense for the year | | (88) | (88) | (88) | (88) |
| Attributable to the University | | 1,167 | 1,168 | 18,691 | 18,692 |

All items of income and expenditure relate to continuing activities.

The accompanying notes and policies on pages 54 to 72 form part of these financial statements.

The University of Chichester

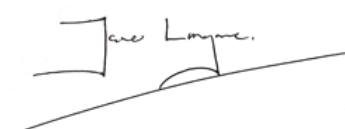
Consolidated and University balance sheet at 31 July 2023

| Company number 04740553 | Notes | 2023 | | 2022 | |
|---|-------|-----------------------|---------------------|-----------------------|---------------------|
| | | Consolidated £'000 | University £'000 | Consolidated £'000 | University £'000 |
| Non-current assets | | | | | |
| Fixed assets | 11 | 126,616 | 126,616 | 127,891 | 127,891 |
| Investments | 12 | - | - | - | - |
| | | <u>126,616</u> | <u>126,616</u> | <u>127,891</u> | <u>127,891</u> |
| Current assets | | | | | |
| Stock | | 11 | 11 | 12 | 12 |
| Trade and other receivables | 13 | 4,114 | 5,374 | 3,792 | 4,239 |
| Cash and cash equivalents | 20 | 16,150 | 14,855 | 20,362 | 19,846 |
| | | <u>20,275</u> | <u>20,240</u> | <u>24,166</u> | <u>24,097</u> |
| Creditors: amounts falling due within one year | 14 | (11,368) | (11,302) | (11,774) | (11,677) |
| Net current assets | | <u>8,907</u> | <u>8,938</u> | <u>12,392</u> | <u>12,420</u> |
| Total assets less current liabilities | | <u>135,523</u> | <u>135,554</u> | <u>140,283</u> | <u>140,311</u> |
| Creditors: amounts falling due after more than one year | 15 | (66,380) | (66,380) | (72,426) | (72,424) |
| Provisions | | | | | |
| Pension provisions | 17 | (929) | (929) | (1,079) | (1,079) |
| Other provisions | 17 | (1,421) | (1,421) | (1,153) | (1,153) |
| Total net assets | | <u>66,793</u> | <u>66,824</u> | <u>65,625</u> | <u>65,655</u> |
| Restricted reserves | | | | | |
| Income and expenditure reserve - restricted reserve | 19 | 156 | 156 | 154 | 154 |
| Unrestricted reserves | | | | | |
| Income and expenditure reserve - unrestricted | | 43,323 | 43,354 | 42,069 | 42,099 |
| Revaluation reserve | | 23,314 | 23,314 | 23,402 | 23,402 |
| | | <u>66,637</u> | <u>66,668</u> | <u>65,471</u> | <u>65,501</u> |
| Total reserves | | <u>66,793</u> | <u>66,824</u> | <u>65,625</u> | <u>65,655</u> |

The financial statements on pages 50 - 53 were approved by the Board of Governors and authorised for issue on 21st November 2023 and were signed on its behalf by:



Dr Tim Fooks
Chair of Governors



Professor Jane Longmore
Vice-Chancellor

The accompanying notes and policies on pages 54 to 72 form part of these financial statements.

The University of Chichester

Consolidated and University statement of changes in reserves for the year ended 31 July 2023

| Consolidated | Income and expenditure account | | Revaluation reserve | Total |
|--|--------------------------------|-----------------------|---------------------|---------------|
| | Restricted £'000 | Unrestricted £'000 | £'000 | £'000 |
| Balance at 1 August 2021 | 18 | 23,426 | 23,490 | 46,934 |
| (Deficit) from the income and expenditure statement | 136 | (929) | - | (793) |
| Pension scheme actuarial gain | - | 19,484 | - | 19,484 |
| Transfers between revaluation and income and expenditure reserve | - | 88 | (88) | - |
| Total comprehensive income for the year | 136 | 18,643 | (88) | 18,691 |
| Balance at 1 August 2022 | 154 | 42,069 | 23,402 | 65,625 |
| Surplus from the income and expenditure statement | 2 | 36 | - | 38 |
| Pension scheme actuarial gain | - | 1,129 | - | 1,129 |
| Transfers between revaluation and income and expenditure reserve | - | 88 | (88) | - |
| Total comprehensive income for the year | 2 | 1,253 | (88) | 1,167 |
| Balance at 31 July 2023 | 156 | 43,323 | 23,314 | 66,793 |

| University | Income and expenditure account | | Revaluation reserve | Total |
|--|--------------------------------|-----------------------|---------------------|---------------|
| | Restricted £'000 | Unrestricted £'000 | £'000 | £'000 |
| Balance at 1 August 2021 | 18 | 23,455 | 23,490 | 46,963 |
| (Deficit) from the income and expenditure statement | 136 | (928) | - | (792) |
| Pension scheme actuarial gain | - | 19,484 | - | 19,484 |
| Transfers between revaluation and income and expenditure reserve | - | 88 | (88) | - |
| Total comprehensive income for the year | 136 | 18,644 | (88) | 18,692 |
| Balance at 1 August 2022 | 154 | 42,099 | 23,402 | 65,655 |
| Surplus from the income and expenditure statement | 2 | 37 | - | 39 |
| Pension scheme actuarial gain | - | 1,129 | - | 1,129 |
| Transfers between revaluation and income and expenditure reserve | - | 88 | (88) | - |
| Total comprehensive income for the year | 2 | 1,254 | (88) | 1,168 |
| Balance at 31 July 2023 | 156 | 43,354 | 23,314 | 66,824 |

The transfer between the revaluation and income and expenditure reserves represents the difference between the historical cost depreciation charge and the actual depreciation charge for the year calculated on the revalued amount.

The University of Chichester

Consolidated statement of cash flows for the year ended 31 July 2023

| | Notes | 2023 £'000 | 2022 £'000 |
|---|-------|----------------|----------------|
| Cash flow from operating activities | | | |
| Surplus/(deficit) for the year before tax | | 38 | (793) |
| Adjustments for non-cash items | | | |
| Depreciation | 11 | 4,870 | 4,442 |
| Decrease/(increase) in stock | | 1 | (1) |
| (Increase) in debtors | 13 | (298) | (374) |
| Increase in creditors | 14 | 247 | 1,879 |
| Increase in pension provision | 17 | 979 | 4,104 |
| Increase in other provisions | 17 | 268 | 177 |
| Adjustments for investing or financing | | | |
| Investment income | 5 | (525) | (74) |
| Interest payable | 8 | 2,350 | 2,027 |
| Loss on the disposal of fixed assets | | 5 | 41 |
| Capital grant income | 18 | (1,134) | (1,134) |
| Net cash generated from operating activities | | 6,801 | 10,294 |
| Cash flows from investing activities | | | |
| Proceeds from sale of fixed assets | | - | 3 |
| Capital grants receipts | | 228 | 2,596 |
| Investment income | | 501 | 69 |
| Payments made to acquire fixed assets | | (3,705) | (4,473) |
| Net cash (used in) investing activities | | (2,976) | (1,805) |
| Cash flows from financing activities | | | |
| Interest paid | | (1,257) | (816) |
| Interest element of finance lease | | (1,156) | (1,167) |
| New unsecured loans | | 20,000 | - |
| Repayments of bank loans | | (25,132) | (1,850) |
| Repayments of other loans | | (188) | (188) |
| Capital element of finance lease | | (304) | (278) |
| Net cash (used in) financing activities | | (8,037) | (4,299) |
| (Decrease)/increase in cash and cash equivalents in the year | | (4,212) | 4,190 |
| Cash and cash equivalents at beginning of the year | 20 | 20,362 | 16,172 |
| Cash and cash equivalents at end of the year | 20 | 16,150 | 20,362 |

The University of Chichester

Statement of accounting policies for the year ended 31 July 2023

The University of Chichester is a company limited by guarantee incorporated in England & Wales under the Companies Act 2006. The Company is an exempt charity established in England and Wales for the purpose of the Charities Act 2011. The registered office address is: Bishop Otter Campus, College Lane, Chichester, West Sussex, PO19 6PE.

1 Basis of preparation

These financial statements have been prepared in accordance with the accounting policies set out below, 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(b) and the 2019 FE HE SORP 3.3, and has not included a separate statement of its own cash flows.

2 Basis of consolidation

The consolidated financial statements include the University and its subsidiary, Chichester Enterprises Limited, for the financial year to 31 July 2023. Inter-group transactions are eliminated on consolidation.

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 Going Concern

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.

4 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.

Capital grants

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 2023

5 Accounting for retirement benefits

The two principal 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. Each fund is valued every three years by professionally qualified independent actuaries.

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.

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.

6 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.

7 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.

8 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.

9 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.

10 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 2023

10 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, 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.

11 Investments

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

12 Stock

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

13 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 three months.

14 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 probable 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 2023

15 Financial instruments

Financial assets

Basic financial assets include trade and other receivables, cash and cash equivalents, and investments in commercial paper (i.e. deposits and bonds). These assets are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest rate method. Financial assets are assessed for indicators of impairment at each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in the statement of comprehensive income.

Financial liabilities

Basic financial liabilities include trade and other payables, bank loans, and intra-group loans. These liabilities are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost using the effective interest rate method.

16 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.

17 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 subsidiary is liable to Corporation Tax in the same way as any other commercial organisation.

18 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.

The revaluation reserve was created to recognise unrealised gains on the revaluation of land and buildings. An annual transfer between the revaluation and income and expenditure reserves represents the difference between the historical cost depreciation charge and the actual depreciation charge for the year calculated on the revalued amount.

The University of Chichester

Statement of accounting policies (continued) for the year ended 31 July 2023

19 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 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 2022. 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.

Dilapidations

The dilapidations provision is costs that the University estimates need to be incurred upon vacating leased properties based on the condition of the properties at the year end. Uncertainty exists regarding both the timing and amounts of the provisions. The amount represents the best estimate of the management.

The University of Chichester

Notes to the financial statements for the year ended 31 July 2023

| | 2023 | | 2022 | |
|--|-----------------------|---------------------|-----------------------|---------------------|
| | Consolidated £'000 | University £'000 | Consolidated £'000 | University £'000 |
| 1 Tuition fees and education contracts | | | | |
| Full-time home and EU students | 39,919 | 39,919 | 40,427 | 40,427 |
| Full-time international students | 3,512 | 3,512 | 2,582 | 2,582 |
| Part-time students | 670 | 670 | 770 | 770 |
| Apprenticeship students | 1,443 | 1,443 | 1,530 | 1,530 |
| | 45,544 | 45,544 | 45,309 | 45,309 |
| 2 Funding body grants | | | | |
| Recurrent grant | | | | |
| Office for Students | 1,711 | 1,711 | 1,666 | 1,666 |
| Research England | 1,178 | 1,178 | 1,174 | 1,174 |
| Department for Education | - | - | 98 | 98 |
| Release of capital grants (note 18) | 794 | 794 | 815 | 815 |
| Specific grants | | | | |
| Department for Education | 7 | 7 | 7 | 7 |
| Higher Education Innovation Fund | 279 | 279 | 291 | 291 |
| | 3,969 | 3,969 | 4,051 | 4,051 |
| 3 Research grants and contracts | | | | |
| Research councils | 40 | 40 | 5 | 5 |
| Research charities | 139 | 81 | 46 | 23 |
| Government (UK and overseas) | 339 | 339 | 388 | 378 |
| Industry and commerce | 262 | 88 | 108 | - |
| Other | 40 | 35 | 7 | 6 |
| | 820 | 583 | 554 | 412 |
| 4 Other income | | | | |
| Residences, catering and conferences | 9,230 | 8,820 | 8,276 | 7,917 |
| Release of capital grants (note 18) | 340 | 340 | 319 | 319 |
| Other income | 5,503 | 5,612 | 5,052 | 5,104 |
| | 15,073 | 14,772 | 13,647 | 13,340 |
| 5 Investment income | | | | |
| Other investment income | 525 | 525 | 74 | 74 |
| 6 Donations | | | | |
| Donations with restrictions (note 19) | 9 | 9 | 140 | 140 |
| Unrestricted donations | 19 | 303 | 12 | 212 |
| | 28 | 312 | 152 | 352 |
| 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 | 2,452 | 2,452 | 2,449 | 2,449 |
| Grant income from other bodies | 1,557 | 1,557 | 1,607 | 1,607 |
| Fee income for taught awards (exclusive of VAT) | 45,402 | 45,402 | 45,188 | 45,188 |
| Fee income for research awards (exclusive of VAT) | 142 | 142 | 121 | 121 |
| | 49,553 | 49,553 | 49,365 | 49,365 |

The University of Chichester

Notes to the financial statements for the year ended 31 July 2023

| | 2023 | | 2022 | |
|--|-----------------------|---------------------|-----------------------|---------------------|
| | Consolidated £'000 | University £'000 | Consolidated £'000 | University £'000 |
| 7 Staff costs | | | | |
| Salaries | 27,447 | 27,447 | 26,058 | 26,058 |
| Social security costs | 2,882 | 2,882 | 2,753 | 2,753 |
| Movement on pension provisions (see note 26) | 990 | 990 | 3,859 | 3,859 |
| Pension costs | 5,648 | 5,648 | 5,343 | 5,343 |
| | 36,967 | 36,967 | 38,013 | 38,013 |
| Restructuring costs | 458 | 458 | 360 | 360 |
| | 37,425 | 37,425 | 38,373 | 38,373 |

Restructuring costs related to payments to 29 people (2022 - 18).

| Emoluments of the Vice-Chancellor: | 2023 | 2022 |
|---|----------------|----------------|
| | £ | £ |
| Professor Jane Longmore | | |
| Basic salary | 195,175 | 185,000 |
| Pension contributions | 46,217 | 43,808 |
| | 241,392 | 228,808 |

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 7.8:1 (2022 - 8.4:1) 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 8.6:1 (2022 - 9.4:1) 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 17 October 2022 to determine the pay level for the Vice-Chancellor, taking into account the UCEA and CUC 2021 salary surveys, PRDP outcomes and the national pay negotiations. The Vice-Chancellor's total salary agreed from 1 August 2022 is £195,175. 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.

The number of staff with a basic salary of over £100,000 is shown below:

| | 2023 | 2022 |
|------------------------------|------------|------------|
| Higher paid employees | No. | No. |
| £105,000 to £109,999 | - | 2 |
| £110,000 to £114,999 | 2 | - |
| £115,000 to £119,999 | 1 | 1 |
| £145,000 to £149,999 | - | 1 |
| £150,000 to £154,999 | 1 | - |
| £185,000 to £189,999 | - | 1 |
| £195,000 to £199,999 | 1 | - |
| | 5 | 5 |

The University of Chichester

Notes to the financial statements for the year ended 31 July 2023

7 Staff costs continued

| | 2023 | 2022 |
|--|------------|------------|
| Average staff numbers by major category : | No. | No. |
| Academic | 336 | 326 |
| Administration, support and central services | 347 | 339 |
| | 683 | 665 |

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.

| | 2023 | 2022 |
|---|--------------|-------|
| | £'000 | £'000 |
| Key management personnel compensation | 1,259 | 1,203 |
| Average FTE of key management personnel | 8.0 | 8.0 |

Governors

The total emoluments of all governors in the year comprised salary costs of £346,256 (2022 - £316,243) and employer pension costs of £79,090 (2022 - £72,780). These emoluments are in respect of FTE 3 governors (2021 - FTE 3), 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 7 governors was £3,201 (2022 - £1,504 to 9 governors). This represents travel and subsistence expenses incurred in their official capacity.

| | 2023 | | 2022 | |
|---|-----------------------|---------------------|-----------------------|---------------------|
| | Consolidated £'000 | University £'000 | Consolidated £'000 | University £'000 |
| 8 Interest and other finance costs | | | | |
| Loan interest | 1,194 | 1,194 | 859 | 859 |
| Finance lease interest | 1,156 | 1,156 | 1,167 | 1,167 |
| Net charge on pension schemes (note 26) | 36 | 36 | 290 | 290 |
| | 2,386 | 2,386 | 2,316 | 2,316 |

9a Analysis of total expenditure by activity

| | | | | |
|--------------------------------------|---------------|---------------|---------------|---------------|
| Academic and related expenditure | 33,148 | 33,016 | 32,996 | 32,873 |
| Administration and central services | 12,520 | 12,581 | 14,657 | 14,698 |
| Premises | 9,129 | 12,111 | 7,408 | 9,623 |
| Residences, catering and conferences | 8,462 | 5,434 | 7,669 | 5,476 |
| Research grants and contracts | 1,332 | 1,212 | 578 | 464 |
| Other expenses | 1,325 | 1,307 | 1,231 | 1,155 |
| | 65,916 | 65,661 | 64,539 | 64,289 |

The University of Chichester

Notes to the financial statements for the year ended 31 July 2023

| | 2023 | | 2022 | |
|------------------------------------|--------------|--------------|--------------|--------------|
| | Consolidated | University | Consolidated | University |
| | £'000 | £'000 | £'000 | £'000 |
| 9b Access and participation | | | | |
| Access investment | 610 | 610 | 462 | 462 |
| Financial support | 492 | 492 | 556 | 556 |
| Disability support | 509 | 509 | 446 | 446 |
| Research and evaluation | 55 | 55 | 51 | 51 |
| | 1,666 | 1,666 | 1,515 | 1,515 |

£894k of these costs are included within staff costs (2022 - £759k), see note 7.

Actual spend in 2023 exceeded the Access and Participation Plan for 2023 by £191k (2022 - £71k). Access investment was above plan by £286k while financial support and disability support expenditure was £98k below plan. The disability support and financial hardship expenditure is led by individual student requirements. The bursary expenditure was lower than target as a result of fewer students meeting the eligibility criteria.

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>

| | 2023 | | 2022 | |
|---------------------------------------|---------------|---------------|---------------|---------------|
| | Consolidated | University | Consolidated | University |
| | £'000 | £'000 | £'000 | £'000 |
| 10 Other operating expenditure | | | | |
| Property related cost | 7,428 | 7,425 | 5,262 | 5,261 |
| Transport and travel | 688 | 668 | 561 | 552 |
| Equipment and materials | 3,267 | 3,152 | 3,216 | 3,105 |
| Operating lease rentals - equipment | 1,348 | 1,346 | 1,039 | 1,037 |
| Bursaries | 490 | 490 | 586 | 586 |
| Payments to partners | 480 | 480 | 1,477 | 1,477 |
| Catering contract | 1,025 | 1,025 | 882 | 882 |
| Agency services | 405 | 400 | 491 | 487 |
| Professional fees | 1,945 | 1,825 | 1,839 | 1,805 |
| Payments for placements | 383 | 383 | 535 | 535 |
| Advertising and publicity | 492 | 492 | 525 | 525 |
| Subscriptions | 509 | 508 | 544 | 543 |
| Other expenditure | 2,775 | 2,786 | 2,451 | 2,365 |
| | 21,235 | 20,980 | 19,408 | 19,160 |

Other operating expenses include fees payable to the auditor for:

| | | | | |
|---|----|----|----|----|
| Audit of the University's financial statements | 85 | 85 | 72 | 72 |
| Audit of the financial statements of subsidiaries | 4 | - | 3 | - |
| Audit related assurance services | 12 | 12 | 10 | 10 |
| Taxation compliance services | 10 | 10 | 9 | 9 |

The University of Chichester

Notes to the financial statements for the year ended 31 July 2023

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 2022 | 124,820 | 30,564 | 15,286 | 3,782 | 174,452 |
| Additions | 859 | | 2,436 | 305 | 3,600 |
| Transfers | 2,182 | | | (2,182) | - |
| Disposals | (852) | | (1,779) | | (2,631) |
| At 31 July 2023 | 127,009 | 30,564 | 15,943 | 1,905 | 175,421 |
| Depreciation | | | | | |
| At 1 August 2022 | 30,107 | 4,263 | 12,191 | - | 46,561 |
| Charge for the year | 2,938 | 854 | 1,078 | - | 4,870 |
| Disposals | (847) | | (1,779) | | (2,626) |
| At 31 July 2023 | 32,198 | 5,117 | 11,490 | - | 48,805 |
| Net book value | | | | | |
| At 31 July 2023 | 94,811 | 25,447 | 4,453 | 1,905 | 126,616 |
| At 31 July 2022 | 94,713 | 26,301 | 3,095 | 3,782 | 127,891 |
| University | | | | | |
| Cost and valuation | | | | | |
| At 1 August 2022 | 124,820 | 30,564 | 15,155 | 3,782 | 174,321 |
| Additions | 859 | - | 2,436 | 305 | 3,600 |
| Transfers | 2,182 | - | - | (2,182) | - |
| Disposals | (852) | - | (1,779) | - | (2,631) |
| At 31 July 2023 | 127,009 | 30,564 | 15,812 | 1,905 | 175,290 |
| Depreciation | | | | | |
| At 1 August 2022 | 30,107 | 4,263 | 12,060 | - | 46,430 |
| Charge for the year | 2,938 | 854 | 1,078 | - | 4,870 |
| Disposals | (847) | - | (1,779) | - | (2,626) |
| At 31 July 2023 | 32,198 | 5,117 | 11,359 | - | 48,674 |
| Net book value | | | | | |
| At 31 July 2023 | 94,811 | 25,447 | 4,453 | 1,905 | 126,616 |
| At 31 July 2022 | 94,713 | 26,301 | 3,095 | 3,782 | 127,891 |

Included within land and buildings is £22,085,300 relating to land (2022 - £22,085,300) and is not depreciated.

A full valuation of land using fair value was carried out at 31 July 2014 by G L 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 2023

| | 2023 | | 2022 | |
|--|--------------|------------|--------------|------------|
| | Consolidated | University | Consolidated | University |
| | £ | £ | £ | £ |

12 Non-Current Investments

| | | | | |
|------------------------------------|---|---|---|---|
| Investment in subsidiary companies | - | 2 | - | 2 |
|------------------------------------|---|---|---|---|

During the year ended 31 July 2023 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 registered office address of Chichester Enterprises Limited is: Bishop Otter Campus, College Lane, Chichester, West Sussex, PO19 6PE.

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

| | 2023 | 2022 |
|-----------------|-------|-------|
| | £'000 | £'000 |
| Net liabilities | (31) | (30) |
| Profit | 283 | 199 |

| | 2023 | | 2022 | |
|--|--------------|------------|--------------|------------|
| | Consolidated | University | Consolidated | University |
| | £'000 | £'000 | £'000 | £'000 |

13 Trade and other receivables

Amounts falling due within one year:

| | | | | |
|---|--------------|--------------|--------------|--------------|
| Trade receivables | 978 | 875 | 819 | 581 |
| Prepayments and accrued income | 2,974 | 2,919 | 2,799 | 2,735 |
| Amounts due from subsidiary companies | - | 1,418 | - | 749 |
| Amounts due from University of Chichester (Multi) Academy Trust | 149 | 149 | 168 | 168 |
| Other receivables | 13 | 13 | 6 | 6 |
| | 4,114 | 5,374 | 3,792 | 4,239 |

| | 2023 | | 2022 | |
|--|--------------|------------|--------------|------------|
| | Consolidated | University | Consolidated | University |
| | £'000 | £'000 | £'000 | £'000 |

14 Creditors : amounts falling due within one year

| | | | | |
|---|---------------|---------------|---------------|---------------|
| Unsecured bank loans (note 16) | 1,600 | 1,600 | - | - |
| Secured bank loans (note 16) | - | - | 1,859 | 1,859 |
| Obligations under finance leases (note 16) | 331 | 331 | 304 | 304 |
| Trade payables | 918 | 910 | 1,371 | 1,370 |
| Social security and other taxation payable | 762 | 762 | 819 | 819 |
| Accruals and deferred income | 5,317 | 5,260 | 4,674 | 4,580 |
| Deferred income - government capital grants | 1,039 | 1,039 | 1,104 | 1,104 |
| Other creditors | 1,401 | 1,400 | 1,455 | 1,453 |
| Amounts owed to OfS | - | - | 188 | 188 |
| | 11,368 | 11,302 | 11,774 | 11,677 |

| | 2023 | | 2022 | |
|--|--------------|------------|--------------|------------|
| | Consolidated | University | Consolidated | University |
| | £'000 | £'000 | £'000 | £'000 |

15 Creditors : amounts falling due after more than one year

| | | | | |
|---|---------------|---------------|---------------|---------------|
| Unsecured bank loans (note 16) | 17,200 | 17,200 | - | - |
| Secured bank loans (note 16) | - | - | 22,072 | 22,072 |
| Obligations under finance lease (note 16) | 28,261 | 28,261 | 28,594 | 28,592 |
| Deferred income - government capital grants | 20,919 | 20,919 | 21,760 | 21,760 |
| | 66,380 | 66,380 | 72,426 | 72,424 |

The University of Chichester

Notes to the financial statements for the year ended 31 July 2023

| | 2023 | | 2022 | |
|--|-----------------------|---------------------|-----------------------|---------------------|
| | Consolidated £'000 | University £'000 | Consolidated £'000 | University £'000 |
| 16 Maturity of debt | | | | |
| Secured and unsecured loans are repayable as follows: | | | | |
| Due within one year | 1,600 | 1,600 | 1,859 | 1,859 |
| Due between one and two years | 1,600 | 1,600 | 12,169 | 12,169 |
| Due between two and five years | 15,600 | 15,600 | 3,083 | 3,083 |
| Due in five years or more | - | - | 6,821 | 6,821 |
| | 18,800 | 18,800 | 23,932 | 23,932 |

As at 31 July 2023 the University had the following loan arrangements in place:

- 1) HSBC unsecured loan - variable rate of interest (SONIA + 1.75%) repayable by December 2027 totalling £18,800,000 (2022 - £nil).
- 2) HSBC unsecured revolving credit facility - variable rate of interest (SONIA + 1.85%) terminating December 2027 totalling £10,000,000. At year end £nil was drawn (2022- £nil).

During the year secured loans totalling £23,932,000 were all repaid.

Finance leases are repayable as follows:

| | | | | |
|--------------------------------|---------------|---------------|---------------|---------------|
| Due within one year | 331 | 331 | 304 | 304 |
| Due between one and two years | 359 | 359 | 331 | 331 |
| Due between two and five years | 1,258 | 1,258 | 1,166 | 1,166 |
| Due in five years or more | 26,644 | 26,644 | 27,095 | 27,095 |
| | 28,592 | 28,592 | 28,896 | 28,896 |

17 Provisions for liabilities

| Consolidated and University | Obligation to fund deficit on USS Pension £'000 | Pension enhancement on termination £'000 | Dilapidations £'000 | Total Provisions £'000 |
|---|--|---|------------------------|------------------------------|
| At 1 August 2022 | 462 | 617 | 1,153 | 2,232 |
| Utilised in year | - | (47) | (56) | (103) |
| (Decrease)/increase in year | (85) | (18) | 324 | 221 |
| At 31 July 2023 | 377 | 552 | 1,421 | 2,350 |
| | | | 2023 | 2022 |
| | | | £'000 | £'000 |
| Increase during the year recognised in Comprehensive Income | | | 1,247 | 4,281 |
| (Decrease) during the year recognised in Other Comprehensive Income | | | (1,129) | (19,484) |
| Increase/(decrease) in provisions during the year | | | 118 | (15,203) |

The University of Chichester

Notes to the financial statements for the year ended 31 July 2023

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.

The major assumptions used to calculate the obligation are:

| | 2023 | 2022 |
|---------------|-------|-------|
| Discount rate | 5.52% | 3.31% |
| Salary growth | 2.15% | 1.82% |

The University has 9 staff in the USS pension scheme, therefore it is deemed immaterial to the University's financial position. No further disclosures are included.

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:

| | 2023 | 2022 |
|---------------|-------|-------|
| Discount rate | 5.00% | 3.30% |
| Inflation | 2.80% | 2.90% |

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 | 12,872 | 9,653 | 22,525 |
| Equipment | 131 | 208 | 339 |
| At 1 August 2022 | 13,003 | 9,861 | 22,864 |
| Cash receivable | | | |
| Buildings | - | 61 | 61 |
| Equipment | 167 | - | 167 |
| | 167 | 61 | 228 |
| Released to income and expenditure account | | | |
| Buildings | 554 | 22 | 576 |
| Equipment | 240 | 318 | 558 |
| | 794 | 340 | 1,134 |
| Buildings | 12,318 | 9,692 | 22,010 |
| Equipment | 58 | (110) | (52) |
| At 31 July 2023 | 12,376 | 9,582 | 21,958 |

The University of Chichester

Notes to the financial statements for the year ended 31 July 2023

19 Restricted Reserves

Consolidated and University

| | 2023 £'000 | 2022 £'000 |
|---|---------------|---------------|
| Donations | | |
| At 1 August | 154 | 18 |
| New donations | 9 | 140 |
| Expenditure | (7) | (4) |
| Total restricted comprehensive income for the year | 2 | 136 |
| At 31 July | 156 | 154 |
| Analysis of other restricted funds / donations by type of purpose: | | |
| Prize funds | 5 | 1 |
| General | 151 | 153 |
| | 156 | 154 |

20 Cash and cash equivalents

| | At 1 August 2022 £'000 | Cash Flows £'000 | At 31 July 2023 £'000 |
|---------------------------|------------------------------|------------------------|-----------------------------|
| Consolidated | | | |
| Cash and cash equivalents | 20,362 | (4,212) | 16,150 |
| | 20,362 | (4,212) | 16,150 |
| University | | | |
| Cash and cash equivalents | 19,846 | (4,991) | 14,855 |
| | 19,846 | (4,991) | 14,855 |

21 Reconciliation of net debt

| | 2023 £'000 | 2022 £'000 |
|---|----------------|----------------|
| Consolidated and University | | |
| Net debt 1 August | 32,466 | 38,784 |
| Movement in cash and cash equivalents | 4,212 | (4,190) |
| Repayment of secured loans | (23,932) | (1,850) |
| Repayment of finance leases | (304) | (278) |
| New unsecured loans | 20,000 | - |
| Repayment of unsecured loans | (1,200) | - |
| Net debt 31 July | 31,242 | 32,466 |
| Change in net debt | (1,224) | (6,318) |
| Analysis of net debt: | | |
| Cash and cash equivalents | 16,150 | 20,362 |
| Borrowings: amounts falling due within one year | | |
| Secured and unsecured loans | 1,600 | 1,859 |
| Obligations under finance leases | 331 | 304 |
| | 1,931 | 2,163 |
| Borrowings: amounts falling due after more than one year | | |
| Secured and unsecured loans | 17,200 | 22,072 |
| Obligations under finance leases | 28,261 | 28,594 |
| | 45,461 | 50,666 |
| Net debt | 31,242 | 32,466 |

The University of Chichester

Notes to the financial statements for the year ended 31 July 2023

22 Financial instruments

| | 2023 | | 2022 | |
|--|-----------------------|---------------------|-----------------------|---------------------|
| | Consolidated £'000 | University £'000 | Consolidated £'000 | University £'000 |
| Financial assets | | | | |
| Financial assets measured at amortised cost | <u>18,304</u> | <u>18,315</u> | <u>22,301</u> | <u>22,244</u> |
| Financial liabilities | | | | |
| Financial liabilities measured at amortised cost | <u>53,068</u> | <u>53,047</u> | <u>58,946</u> | <u>58,932</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 2023.

| | 2023 | | 2022 | |
|-----------------------------------|-----------------------|---------------------|-----------------------|---------------------|
| | Consolidated £'000 | University £'000 | Consolidated £'000 | University £'000 |
| Commitments contracted for | 1,079 | 1,079 | 657 | 657 |
| Authorised but not contracted for | 2,095 | 2,095 | 3,125 | 3,125 |
| | <u>3,174</u> | <u>3,174</u> | <u>3,782</u> | <u>3,782</u> |

24 Lease obligations

At 31 July 2023 the University had minimum lease payments under non-cancellable operating leases as follows:

| | 2023 | | 2022 | |
|--|--------------------------------|-----------------------|----------------|---------------|
| | Land and Buildings £'000 | Other leases £'000 | Total £'000 | £'000 |
| Future minimum lease payments due: | | | | |
| Not later than 1 year | 873 | 102 | 975 | 1,724 |
| Later than 1 year and not later than 5 years | 2,473 | 412 | 2,885 | 2,668 |
| Later than 5 years | 6,207 | 103 | 6,310 | 6,803 |
| Total lease payments due | <u>9,553</u> | <u>617</u> | <u>10,170</u> | <u>11,195</u> |

25 Events after the reporting period

There were no events after the reporting period.

The University of Chichester

Notes to the financial statements for the year ended 31 July 2023

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 | 2023 | | 2022 | |
|---|---------|----------------|---------|-----------------|
| | £'000 | £'000 | £'000 | £'000 |
| Employer's contributions paid | | 5,649 | | 5,343 |
| FRS 102 (28) charge: | | | | |
| LGPS - past and current service cost | 3,231 | | 5,546 | |
| LGPS - employer contributions | (2,140) | | (1,930) | |
| USS - closing provision movement | (66) | | 255 | |
| USS - employer deficit contributions | (35) | 990 | (12) | 3,859 |
| Total pension cost for year within staff costs | | 6,639 | | 9,202 |
| FRS 102 (28) charge: | | | | |
| LGPS - net interest on defined liability | | - | | 276 |
| USS - interest cost | | 16 | | 2 |
| Enhanced pensions - interest cost | | 20 | | 12 |
| Net charge on pension schemes within other finance costs (note 8) | | 36 | | 290 |
| Total pension cost for year recognised in Comprehensive Income | | 6,675 | | 9,492 |
| FRS 102 (28) credit: | | | | |
| LGPS - actuarial gain | | (1,091) | | (19,399) |
| Enhanced pensions - actuarial gain | | (38) | | (85) |
| Total pension gain for year recognised in Other Comprehensive Income | | (1,129) | | (19,484) |

Teachers' Pension Scheme

The University is a member of the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff.

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every four years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2020. The valuation report was published by the Department for Education on 26 October 2023. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 28.6% of pensionable pay (including a 0.08% administration levy)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £262,000 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £222,200 million, giving a notional past service deficit of £39,800 million

The University of Chichester

Notes to the financial statements for the year ended 31 July 2023

26 Pension schemes (continued)

Teachers' Pension Scheme (continued)

The next valuation result is due to be implemented from 1 April 2024.

The employer's pension costs paid to TPS in the year to 31 July 2023 amounted to £3,385k (2022: 3,246k).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website. Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme.

The University has accounted for its contributions to the scheme as if it were a defined contribution scheme. The University has set out above the information available on the scheme.

Contributions amounting to £366K were payable to the scheme at 31 July 2023 (31 July 2022: £355K) and are included within creditors.

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 2022 to 31 March 2022 was 19.6% of pensionable salaries. For the period 1 April 2023 to 31 July 2023 the rate was 18.6%.

The major assumptions used by the actuary were:

| | 2023 | 2022 |
|-------------------|------|------|
| | % | % |
| Salary increases | 4.5 | 3.2 |
| Pension increases | 3.0 | 2.7 |
| Discount rate | 5.1 | 3.5 |

Life expectancy is based on the Fund's VitaCurves with improvements in line with the CMI 2022 model, with a 25% weighting of 2022 data, a 0% weighting of 2021 (and 2020) data, standard smoothing (Sk7), initial adjustment of 0.25% and a long term rate of improvement of 1.5% p.a. for both males and females. Based on these assumptions, the average future life expectancies at age 65 for

| | Male 31 July 2023 | Male 31 July 2022 | Female 31 July 2023 | Female 31 July 2022 |
|--------------------|----------------------|----------------------|------------------------|------------------------|
| Current pensioners | 22.1 years | 21.9 years | 24.7 years | 24.2 years |
| Future pensioners | 21.9 years | 22.8 years | 25.1 years | 25.9 years |

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

| | Value at 31 July 2023 £'000 | Proportion | Value at 31 July 2022 £'000 | Proportion |
|-------------------------------------|-----------------------------------|-------------|-----------------------------------|-------------|
| Equities | 44,732 | 53% | 42,581 | 46% |
| Bonds | 26,165 | 31% | 32,398 | 35% |
| Property | 11,816 | 14% | 14,811 | 16% |
| Cash | 1,688 | 2% | 2,777 | 3% |
| Total market value of assets | 84,401 | 100% | 92,567 | 100% |

The following amounts, at 31 July 2023, were measured in accordance with the requirements of FRS 102:

Analysis of the amount shown in the balance sheet

| | 2023 £'000 | 2022 £'000 |
|--|---------------|---------------|
| University of Chichester – Estimated asset share | 84,401 | 92,567 |
| University of Chichester – Present value of funded liabilities | (84,401) | (92,567) |
| University of Chichester – Net pension deficit | - | - |

The University of Chichester

Notes to the financial statements for the year ended 31 July 2023

26 Pension schemes (continued)

| Local Government Pension Scheme (continued) | 2023 £'000 | 2022 £'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 | 3,223 | 5,546 |
| Past service cost | 8 | - |
| | <u>3,231</u> | <u>5,546</u> |

Amounts included in interest and other finance costs

| | | |
|---------------------|---|-----|
| Net interest charge | - | 276 |
|---------------------|---|-----|

Costs recognised in the Statement of Comprehensive Income

| | | |
|--|--------------|--------------|
| | <u>3,231</u> | <u>5,822</u> |
|--|--------------|--------------|

Amounts recognised in Other Comprehensive Income

| | | |
|---|----------|--------|
| Return on pension plan assets | (4,001) | 1,164 |
| Experience (loss) arising on defined benefit obligations | (15,448) | (260) |
| Changes in assumptions underlying the present value of plan liabilities | 20,540 | 18,495 |

Gain recognised in Other Comprehensive Income

| | | |
|--|--------------|---------------|
| | <u>1,091</u> | <u>19,399</u> |
|--|--------------|---------------|

Movement in net defined benefit liability during the year

| | | |
|---------------------------------------|---------|----------|
| Deficit in scheme at 1 August 2022 | - | (15,507) |
| Movement in year: | | |
| Current service cost | (3,223) | (5,546) |
| Past service cost | (8) | - |
| Employer contributions | 2,140 | 1,930 |
| Net interest on the defined liability | - | (276) |
| Actuarial gain | 1,091 | 19,399 |

Net defined benefit liability at 31 July 2023

| | | |
|--|----------|----------|
| | <u>-</u> | <u>-</u> |
|--|----------|----------|

Asset and Liability Reconciliation

Changes in the present value of defined benefit obligations

| | | |
|--|----------|----------|
| Defined benefit obligations at start of period | 92,567 | 104,244 |
| Current service cost | 3,223 | 5,546 |
| Past service cost | 8 | - |
| Interest cost | 2,464 | 1,705 |
| Contributions by Scheme participants | 748 | 667 |
| Experience gains and losses on defined benefit obligations | 6,505 | 260 |
| Changes in demographic assumptions | (4,526) | (431) |
| Changes in financial assumptions | (15,214) | (18,064) |
| Estimated benefits paid | (1,374) | (1,360) |

Defined benefit obligations at end of period

| | | |
|--|---------------|---------------|
| | <u>84,401</u> | <u>92,567</u> |
|--|---------------|---------------|

Reconciliation of Assets

| | | |
|--|----------|---------|
| Fair value of plan assets at start of period | 92,567 | 88,737 |
| Interest on plan assets | 3,264 | 1,429 |
| Return on plan assets | (12,944) | 1,164 |
| Employer contributions | 2,140 | 1,930 |
| Contributions by Scheme participants | 748 | 667 |
| Estimated benefits paid | (1,374) | (1,360) |

Assets at end of period

| | | |
|--|---------------|---------------|
| | <u>84,401</u> | <u>92,567</u> |
|--|---------------|---------------|

The University of Chichester

Notes to the financial statements for the year ended 31 July 2023

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 £1,066,404 (2022 - £952,599) which were recharged to the Trust. As at 31 July 2023, the University was owed £148,637 (2022 - £167,844), consisting of an interest free loan balance of £nil, repaid in year, (2022 - £63,418) and a trade debtor balance of £148,637 (2022 - £104,427).

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. The University has taken advantage of the exemption within FRS 102 Section 33 'Related Party Disclosures' and has not disclosed transactions with other wholly owned group entities.

| 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 |
|--|------------------------------------|---|-------------------------------------|---|---|
| Ms I Page as President of University of Chichester Students' Union | | | | | |
| Income and expenditure activities: | | | | | |
| 2023 | 24 | 28 | 322 | 1 | 4 |
| 2022 | 33 | 45 | 310 | - | 8 |
| Payroll cost recharges: | | | | | |
| 2023 | 276 | - | - | - | - |
| 2022 | 264 | - | - | - | - |

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

| | 2023 | | 2022 | |
|--|-----------------------|---------------------|-----------------------|---------------------|
| | Consolidated £'000 | University £'000 | Consolidated £'000 | University £'000 |
| Balance at 1 August | 48 | 48 | 76 | 76 |
| Grants received | 259 | 259 | 768 | 768 |
| Prior year grants refunded | (9) | (9) | (57) | (57) |
| Disbursed to students | (241) | (241) | (720) | (720) |
| Administration costs | (7) | (7) | (19) | (19) |
| Adjustment of overstated opening balance | (19) | (19) | - | - |
| Balance unspent at 31 July | 31 | 31 | 48 | 48 |

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

The University of Chichester

LIST OF ABBREVIATIONS

| | |
|----------------------|--|
| BOC | Bishop Otter Campus |
| BRC | Bognor Regis Campus |
| CPD | Continuing Professional Development |
| CUC | Committee of University Chairs |
| DBFO | Design, Build, Finance, Operate |
| DPIA | Data Protection Impact Assessment |
| DPO | Data Protection Officer |
| DTZ | DTZ Investors UK Ltd |
| DVC (SE) | Deputy Vice-Chancellor (Student Experience) |
| DVC | Deputy Vice-Chancellor |
| EBITDA | Earnings Before Interest, Taxes, Depreciation and |
| Amortization EDI | Equality, Diversity and Inclusivity |
| EEA | European Economic Zone |
| FRS | Financial Reporting Standard |
| FTE | Full Time Equivalent |
| GDPR | General Data Protection Regulation |
| HE SORP | Higher Education Statement of Recommended Practice |
| HEI | Higher Education Institution |
| HEIF | Higher Education Innovation Funding |
| JNCHES | Joint Negotiating Committee for Higher Education Staff |
| KEF | Knowledge Exchange Framework |
| KPI | Key Performance Indicator |
| KTP | Knowledge Transfer Partnership |
| LED | Light Emitting Diode |
| LGPS | Local Government Pension Scheme |
| NHS | National Health Service |
| NSS | National Student Survey |
| OfS | Office for Students |
| PECR | Privacy and Electronic Communications Regulations |
| PLC | Public Limited Company |
| PRDP | Personal Review and Development Plan |
| REF | Research Excellence Framework |
| SEEM | Sustainability, Environment and Energy |
| Management Group SI2 | Support and Information Zone |
| SME | Small and Medium-sized Enterprises |
| STEAM | Science, Technology, Engineering, Art and |
| Mathematics STEM | Science, Technology, Engineering and |
| Mathematics | |
| SU | Students' Union |
| UCEA | Universities and Colleges Employers Association |
| UCU | University and College Union |
| UoA | Unit of Assessment |
| USS | Universities Superannuation Scheme |
| VCG | Vice-Chancellor's Group |
| VFM | Value for Money |



The Chapel of Ascension,
Chichester campus.



REGISTERED OFFICE

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

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Bishop Otter campus,
Chichester.



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