



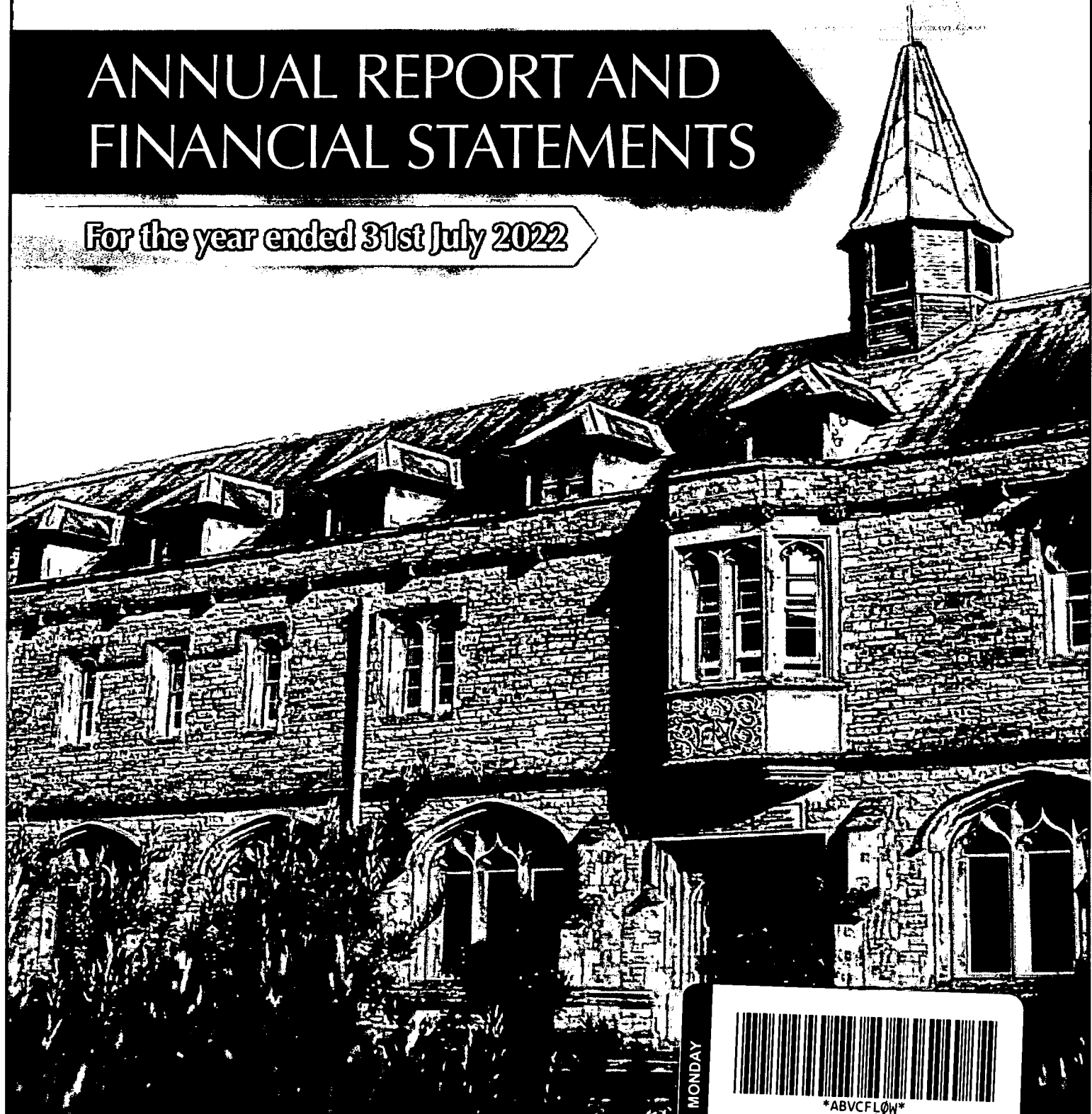
UNIVERSITY OF
CHICHESTER

The
Guardian
University Guide 2023

TOP 40
UK UNIVERSITY

ANNUAL REPORT AND FINANCIAL STATEMENTS

For the year ended 31st July 2022



Registered Company No 4740553

A company limited by guarantee without share capital Registered in England
Approved by the Board of Governors 7 December 2022.

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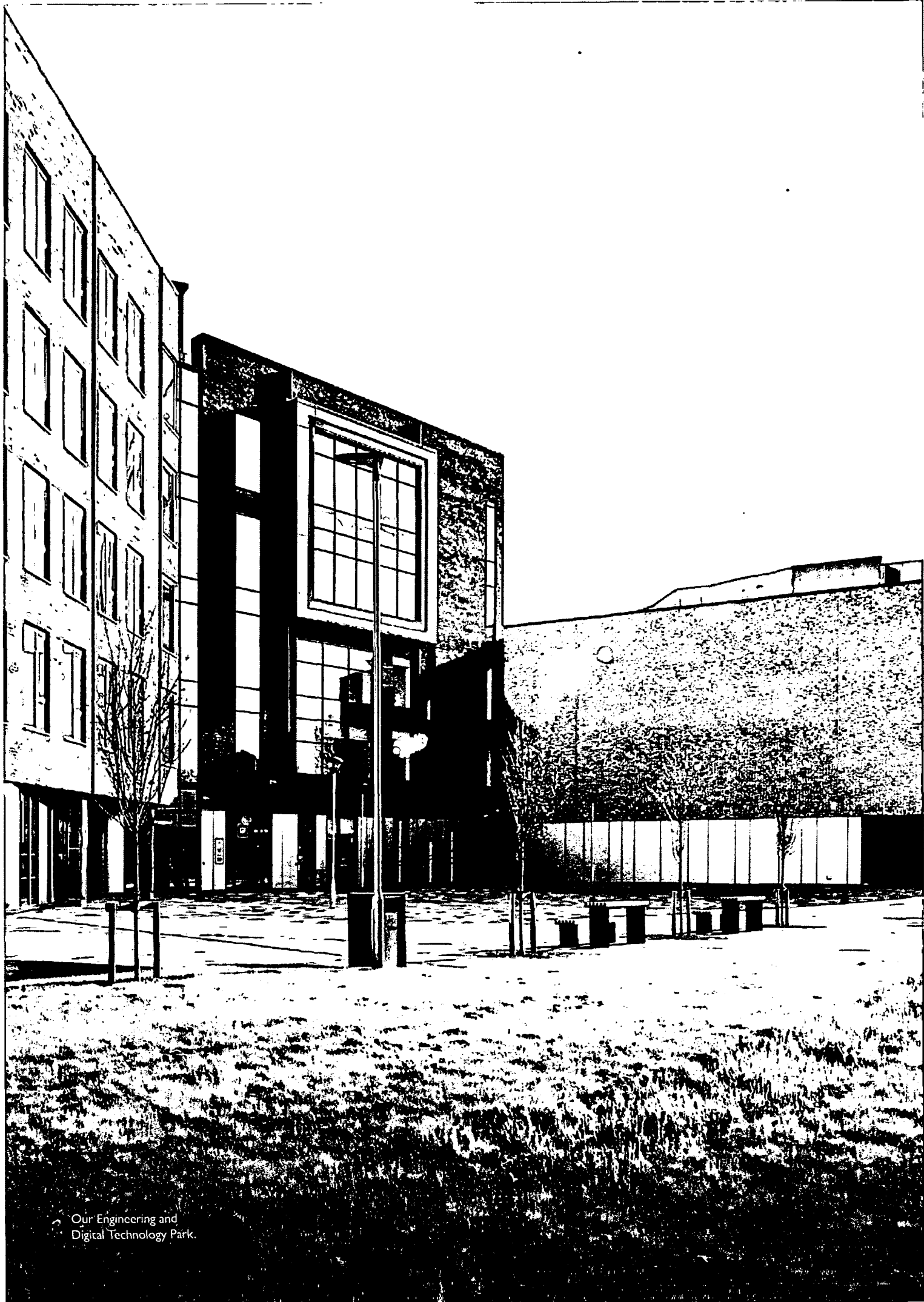
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Our Engineering and
Digital Technology Park.

The University of Chichester
Annual Report and Financial Statements
for the year ended 31 July 2022

| CONTENTS | PAGES |
|-------------------------------------------------------------------------------|--------------|
| About the University/Strategic Report | 2 |
| Directors, Governors, Senior Management Team and Advisers | 25 |
| Corporate governance and internal controls statement | 28 |
| Statement of the responsibilities of the Board of Governors | 37 |
| Independent Auditor's report | 39 |
| Consolidated and University statement of comprehensive income and expenditure | 43 |
| Consolidated and University statement of changes in reserves | 44 |
| Consolidated and University balance sheet | 45 |
| Consolidated statement of cash flows | 46 |
| Statement of accounting policies | 47 |
| Notes to the financial statements | 51 |
| List of Abbreviations | 65 |

The University of Chichester

Strategic report for the year ended 31 July 2022

OUR HISTORY

The University of Chichester is a modern University with a proud history stretching back over 180 years. The Bishop Otter College was established by the Bishop of Chichester in 1839 as a men's teacher training college and admitted its first students in 1840. It moved to the current site in Chichester in 1850, and these original buildings form the historic core of the campus in Chichester still known as the Bishop Otter campus. In 1873, the College changed to training women teachers as a result of a campaign supported by 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. It was located in a crescent of three beautiful Regency houses that still form the heart of the Bognor Regis campus today.

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

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

The University has made significant investment in both campuses over the past five years. In September 2018, the new building dedicated to STEM subjects welcomed Engineering, Design and Creative and Digital Technology students, 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. During 2022/23 the University will also host a Community Diagnostic Centre on the Bognor Regis campus for the newly-configured NHS Sussex.

As the global pandemic began to recede, a further challenge emerged with the onset of the war in Ukraine. This has disrupted international supply chains and led to a surge in utility costs, leading to the worst cost-of-living crisis in a century.

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.

The University of Chichester

Strategic report for the year ended 31 July 2022

Key Strategic Themes:

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

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

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

The University has established a dashboard of 12 high-level key performance indicators to target and monitor progress in the achievement of its strategic themes and to identify areas where it will focus its future efforts. The Board of Governors receives a progress update at every meeting via the institutional KPI dashboard, as well as monthly financial reports and the Human Resources Annual Report. The Academic Board receives an annual progress update on the Learning, Teaching and Student Experience; Research and Innovation; and Academic Engagement Sub-Strategies. The annual personal review and development (PRDP) process ensures that each employee's priorities and key targets are aligned to the strategic themes, providing an effective mechanism for cascading accountability throughout the institution. The July 2022 staff survey indicated widespread, positive engagement with the University's Strategic Plan.

During 2021/22 the specific focus has been: delivering further growth in undergraduate applications; maintaining overall student satisfaction; improving graduate prospects; and, improving our operating surplus and positive cash flow, to support our investment in new facilities and programmes, such as our growing provision in health and social care. The KPI dashboard records particular success in delivering a strong, EBITDA performance for the year.

The University also continued to develop its research profile during 2020/21 and achieved a doubling of the units of assessment submitted to the Research Excellence Framework, 2022.

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. 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.

Strategic Key Performance Indicators (KPIs)

The University is at the mid-point 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 EBITDA financial forecasts.

The University of Chichester

Strategic report for the year ended 31 July 2022

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 in clear evidence throughout both the Covid-19 pandemic, where the University performed well, as evidenced in the annual National Student Survey (NSS) outcomes, as well as from the outset of the 2021-22 academic year, where we were delighted to return to the full expression of our normal 'in-person'/'face-to-face' teaching delivery approach for all campus-based provision. This 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. Specifically, we believe that technology has great potential for learning if utilised in careful and caring ways; such careful and caring utilisation is something to which we are committed. This was foregrounded and accelerated throughout the pandemic, a period of time from which we emerged having learnt a great deal in terms of pedagogy. We also continue to recognise and affirm the need to demonstrate and enable the development of the digital skills to support our graduates to engage with, and thrive in the midst of, life opportunities, including 'graduate-level employment' opportunities.

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. The 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. In the National Student Survey 2022 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] 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*):

The Teaching on my Course – 1st
Academic Support – 1st
Learning Community – 1st
Learning Opportunities – 1st
Learning Resources – 2nd
Assessment and Feedback – 4th

Sector rankings (out of 128 HEIs):
Learning Community – 6th
Academic Support – 20th
Learning Resources – 23rd
The Teaching on my Course – 28th
Assessment and Feedback – 38th
Learning Opportunities – 44th

* 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

The University of Chichester

Strategic report for the year ended 31 July 2022

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 are taken seriously and acted upon.

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

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 2021-22 and all attending Care Leavers received bursaries.

During 2021-22 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 virtual/online Masterclasses and Taster Sessions.

The University places high importance on working in partnership with students to help shape decisions that impact on their education and overall experience. Student representation on Programme Boards ensures 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 Learning, Teaching and Student Experience Committee and other ad-hoc working groups. Students' Union representation is also typical at a project team level, including 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.

The University has a strong and positive working relationship with the Students' Union. The University funding of the Students' Union was reviewed for 2021-22, with the decision being made to increase SU grant in line with planned student growth numbers. This University funding recognises the contribution the Students' Union makes to various aspects of the student experience, including student arrivals/welcome, Open Days and the many ways in which the students act as proud and effective ambassadors of the University.

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

Students are provided 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.

The University of Chichester

Strategic report for the year ended 31 July 2022

The University provides a student community environment that extends beyond the teaching timetable. For our students their experience extends '24/7' and the University has tailored its support to recognise the broader and changing needs of students. 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 2021-22 academic year the University has increased and adapted its range of support for students, which included additional targeted mentoring support as well as administration for mental health and wellbeing services in order to improve accessibility. Specialist services, including support for mental health, general health and special needs, have been enhanced; examples of this include employing student interns to work with the Mental Health team, and setting up peer mentoring schemes aligned to mental health. In addition, work to meet the needs of students with autism is proving to be very successful, with plans to further increase this specialist support in 2022-23. The University provides sports and fitness facilities for all students and supports the Students' Union to run a broad range of clubs and societies. The students feel the benefits of being part of the University community.

The University remains firmly focused on developing and shaping the employability of its graduates to ensure they have the relevant skills required to achieve their career aspirations. A key aspect of this is providing students with opportunities to practice these skills and to gain experience in real workplace environments. In relation to our institutional approach to student placements, a renewed and co-ordinated process has been implemented in order to maximise opportunities, leverage economies of scale and to broaden the industries open to students. This work has resulted in increased numbers of students accessing placement opportunities and closer working partnerships between academic teams and the central Careers & Employability Service.

This work is firmly underpinned by our ongoing efforts to extend the range of employers and other opportunity provider partnerships who can provide 'real world' experiences to our students. These opportunities extend to supporting students and graduates to access Erasmus+ and the Turing Scheme for international work and study opportunities. The development of students' employability skills continues to be a focus for the University. With our focused institutional efforts, alongside our evolving academic portfolio, we continue to target growing industry sectors, whilst supporting the broad skills development needed for graduates entering the contemporary job market.

Alumni and the Community

We are pleased to report that University staff and students continue to make valuable contributions within our regional community through volunteering, fundraising for local charities and involvement with local schools and colleges. In the past year, this has included successful campaigns for both good causes and fundraising for the people of Ukraine and several other charities.

In the last academic year, we have also worked hard to promote the work of the University to both the local community and our own alumni associations. Alumni from a range of countries have continued to keep us updated on their own careers and progress after graduation. Most recently, we have added Baroness Hale, a former Supreme Court judge, as an Honorary Graduate of the University.

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

For the first time, the University secured access to the 'Ingenuity – Impact Through Enterprise' programme for its students and alumni. This national programme helps to create start-ups that deliver sustainable social and environmental impact across the UK. We were very pleased with the level of engagement on this programme and are very proud that one of our team of students, led by a senior lecturer, progressed to the national finals in the 'Improve Health Challenge'. Their proposal focused on the development of a unique student-led social enterprise company, working with various funding partners on health and wellbeing issues within the local community.

The University of Chichester

Strategic report for the year ended 31 July 2022

Although funding was not secured via this route, the learning and framework developed remains relevant and this initiative will continue to be pursued to provide students with a vehicle, across academic areas, to gain real enterprise opportunities whilst making a key difference to our local community.

More broadly, the University has become an affiliate partner of the community interest company 'Shaping Portsmouth' which is focused on creating scalable economies by bringing together key stakeholders in the City of Portsmouth and its surrounding areas. Although this partnership is very new, each collaboration leads to different opportunities for our students and ultimately improves our graduate outcomes, whilst raising the University's external profile. Most immediate is increasing our access to employers and stimulating more degree apprenticeship opportunities. Longer term, there are opportunities to work together to improve tourism across the Portsmouth, Chichester and Bognor Regis areas, promoting our Bridging Course to residents of five new residential homes for the homeless and even to some of the prisons to assist with training and rehabilitation. Finally, the University has been able to secure contracts for use of our Tech Park facilities from a wide range of organisations, including major companies such as Apple.

Student Numbers

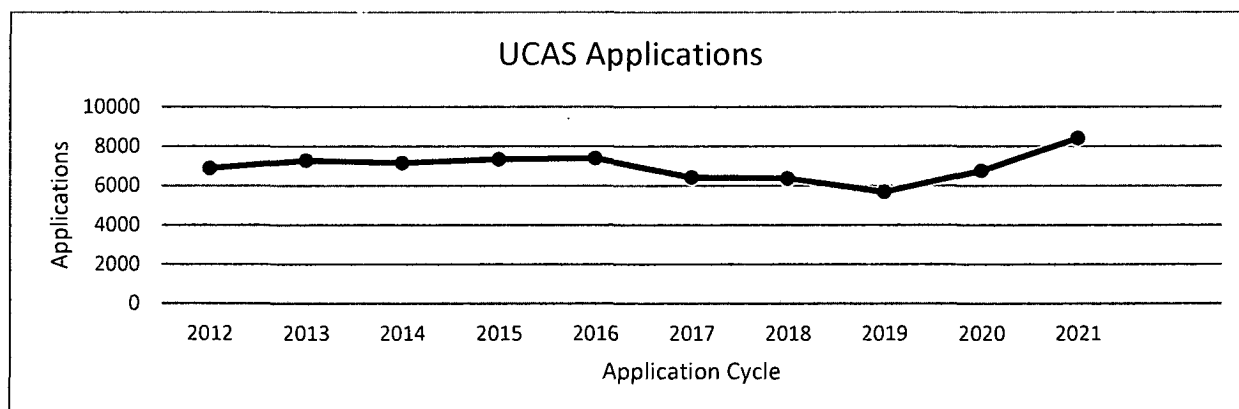
The total student body, including undergraduate and postgraduates, expressed as full time equivalent (FTE), has risen above 5,000 for the first time in the institution's history.

New course developments in recent years in Law, Psychology, Physiotherapy and Nursing have increased numbers going forwards as additional cohorts are recruited. Engineering and Creative and Digital Technologies continue to grow numbers based on the Bognor Regis campus. The first cohort of Law students completed in 2021/22 with high levels of satisfaction in the NSS. Numbers, mainly part-time, have also been boosted through the growth of Degree Apprenticeships.

The FTE derived from postgraduate students has levelled off after a period of growth although the recent successes within international recruitment should see these numbers begin to grow again. As a proportion of the student body, the growth in Undergraduate numbers has caused the FTE derived from Postgraduates to drop back marginally to an expected 13% in 2021/22.

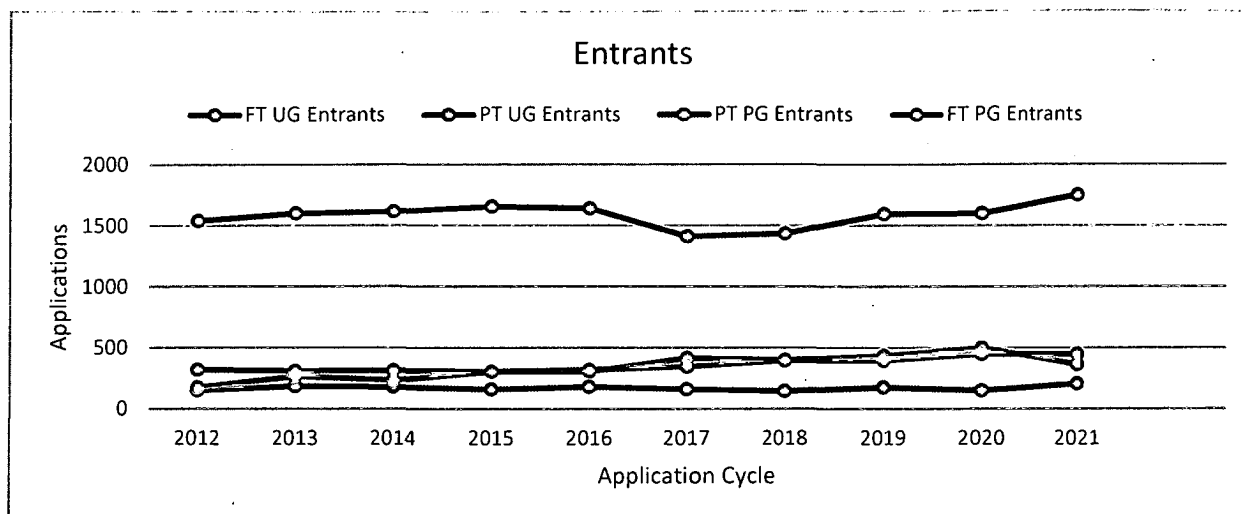
Chichester has differentiated itself in an increasingly competitive environment with a focus on teaching quality and on student satisfaction. Many of our students come from low-income households and non-traditional backgrounds and our strong NSS results demonstrate our success in this area.

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.



The University of Chichester

Strategic report for the year ended 31 July 2022



Research

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

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 announced in May 2022 rated 82% of our 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.

Headlines from the REF 2021 outcomes, based on the University submission weighted by staff FTE in each Unit of Assessment, include:

- 11.6% of the University's entire submission has been classed as 'world leading' (i.e., 4*)
- 13.1% of the 'Impact' component of the University's entire submission has been classed as 'world leading'
- 13.0% of research outputs in the University's entire submission have been classed as 'world leading'
- 85.2% of the University's entire submission is internationally renowned (i.e., 2*) or higher
- 87.0% of the University's research outputs are internationally renowned or higher
- 84.2% of the 'Impact' component of the University's entire submission is internationally renowned or higher
- 79.1% of the 'Research Environment' component of the University's entire submission is internationally renowned or higher.

The University of Chichester

Strategic report for the year ended 31 July 2022

Subject specific highlights include:

- 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.

As a result of its performance in REF 2014, the University has seen its HEFCE (now Research England) research funding increase in each of the past 4 years. The total QR and HEIF income allocation for 2022/23 will be £50k up from £1.2m in 2021/22.

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

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

Regional Regeneration

As the only University based in West Sussex, Chichester emphasises its economic, social and cultural significance to the region. It is an accessible, growing University making strong connections with the communities in which it operates. An economic impact report was commissioned in July 2021 to identify the contribution of the University to the wider regional community. 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 new 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 2018/19 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.

The University received support from the Higher Education Innovation Fund (HEIF) during 2021-22. 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 University has continued to provide specialist consultancy services and continuing professional development (CPD) training to local companies. It also secured a full Knowledge Transfer Partnership (KTP) with a local company (Fargro) looking at applications of machine learning in the horticultural sector.

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

The University of Chichester

Strategic report for the year ended 31 July 2022

These connections are wide ranging, providing specialist advice to almost 1,000 local businesses; helping individuals to start and grow their businesses; developing the leadership credentials of current and future managers; undertaking leading edge research to protect individuals in challenging and physical jobs; opening sports facilities to local clubs; delivering numerous public dance, theatre and musical performances every year; offering courses promoting the health and wellbeing of children and adults; and supporting the provision of teachers in 600 schools across the region.

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

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

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

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

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

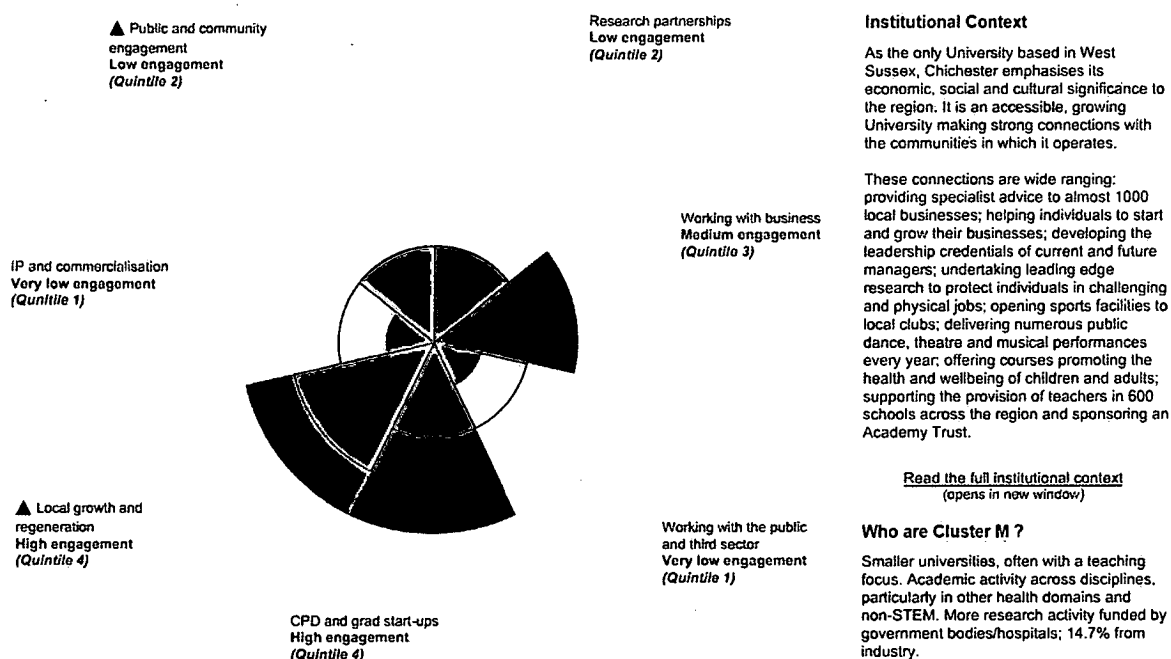
The University also has strong links to local and regional cultural institutions such as the Chichester Festival Theatre, the Cathedral and numerous other smaller museums and galleries. Our Performing Arts students and staff are at the heart of this cultural milieu and regularly deliver public performances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

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

The University of Chichester

Strategic report for the year ended 31 July 2022

Each segment below shows the relative strength of the selected provider for each KEF perspective, compared against the average for the cluster they are a member of (as denoted by black quintile line). Tap or hover over a segment to show the links to the dashboard for each perspective. Segments are displayed using quintiles; for example, a segment that reaches the outer edge of the chart shows that the selected provider has very high engagement (quintile 5) for that perspective.



Further information can be found at www.kef.ac.uk/dashboard

Financial environment

2021/22 saw the highest student population in the institution's history which has risen above 5,000 and includes the first intake into our new Nursing programmes. Post pandemic, 2021/22 was a full year with students on campus and a positive return for the conference season.

Financial pressures remain for the sector including the government announcement that home undergraduate tuition fees will be held at £9,250 for a further two years and the wider economic impact of unprecedented levels of high inflation and utility costs.

Consolidated Statement of Comprehensive Income and Expenditure

2021/22 is showing a deficit of £0.8m for the year compared to the surplus of £0.8m reported in 2020/21. The prior year included £0.8m of surplus on disposal of fixed assets as the University completed its property disposal programme. In 2021/22 we are reporting higher staff costs to support the higher number of students, and an increase in operating expenses. Operating expenditure, in particular campus running costs, were reduced in prior years during Covid lockdown periods. The movement in the pension adjustments have contributed towards the year-end deficit position.

The University's consolidated results for the years ended 31 July 2022 and 31 July 2021 are summarised in the following table:

| | 31 July 2022 | 31 July 2021 |
|-----------------------------------------------------------------|---------------|---------------|
| | £000 | £000 |
| Total income | 63,787 | 59,828 |
| Total expenditure | <u>64,539</u> | <u>59,762</u> |
| (Deficit) / Surplus for the year before other gains and losses | (752) | 66 |
| (Loss) / Surplus on disposal of fixed assets | (41) | 775 |
| (Deficit) / Surplus for the year before gains on pension scheme | (792) | 841 |

The University of Chichester

Strategic report for the year ended 31 July 2022

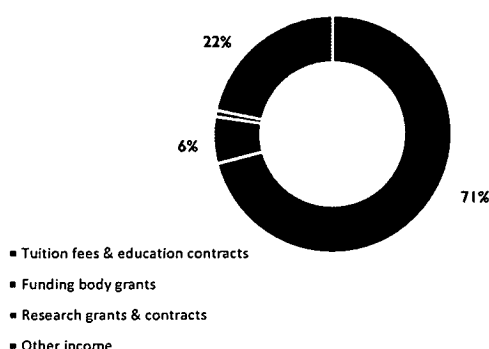
Reconciliation of (Deficit / Surplus to EBITDA)

| | 31 July 2022 | 31 July 2021 |
|---------------------------------------------------|---------------------|---------------------|
| (Deficit) / Surplus before other gains and losses | (752) | 66 |
| + Finance charges | 2,315 | 2,398 |
| + Depreciation | 4,442 | 4,381 |
| + Asset impairment | | 429 |
| - Deferred capital grants | 1,134 | 1,005 |
| + FRS102 staff charges | 3,859 | 2,683 |
| EBITDA | <u>8,730</u> | <u>8,952</u> |

Income

The University's total income increased by 7% to £63.8m, compared with £59.8m in 2020/21.

TOTAL INCOME 2021/22 £63.8m



Tuition fee income increased by £1.8m (4%) as we continue to see further growth in undergraduate students FTE. Included in tuition fees is £1.7m relating to University registered students studying as part of collaborative arrangements with other education providers. The costs payable to these partners of £1.5m are within other operating expenditure.

Funding body grants reduced by £0.4m (9%), back to similar pre-Covid levels. 2020/21 reported additional OfS hardship grant funding to support students through Covid.

Research income from grants and contracts increased by £0.2m (44%). We secured higher government research income (UK and Overseas) but lower Industry and Commerce income as we completed some larger projects.

Income from **residences, catering and conferences** was £2m higher than 2020/21 being the first full year without the Covid impact on summer conferences and accommodation refunds. To secure rooms for our increased student intake, we took additional short-term accommodation lease options which have associated rental costs.

The University of Chichester

Strategic report for the year ended 31 July 2022

Expenditure

Total expenditure increased by £4.8m (8%) to £64.5m, of which £4.3m relates to staff costs. Other operating expenses increased by £0.5m which is predominantly due to higher property costs for short-term student accommodation leases and higher utility costs.

Staff costs of £34.5m (excluding FRS102 pension adjustments) account for 53% of total expenditure, the same percentage as in 20/21. Total staff costs for the year increased by £4.3m (13%). Factors increasing staff costs include:

- Average staff numbers increased by 34, of which 18 were in academic areas
- Higher established staff and Associate Lecturer costs to support higher student numbers
- Restructuring costs of £0.4m, up £0.1m from 2020/21
- A voluntary severance scheme was made available to staff during Spring 2022
- An increase in actuarial pension scheme adjustments of £1.2m (see table below)

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

| | 2021/22 £000 | 2020/21 £000 |
|-------------------------------------------|-----------------|-----------------|
| LGPS Pension Costs | 3,616 | 2,686 |
| USS Pension Credits | 243 | (3) |
| Total non-cash pension adjustments | 3,859 | 2,683 |

Depreciation increased by £0.1m (1%) to £4.4m. The prior year depreciation of £4.4m included a one-off impairment charge of £0.5m. Excluding the 2020/21 impairment charge, depreciation has increased by £0.4m. The newly refurbished Allied Health building phase one was completed and phase two is well underway.

Interest and other finance costs reduced by £0.1m (3%) to £2.3m. This consists of loan interest payments of £0.9m which are £0.1m lower than the prior year. When LIBOR ceased on 31st December 2021, we switched our variable loan rate to base rate. 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. Actuarial pension scheme interest costs of £0.3m (to LGPS) are £0.1m higher than 2020/21.

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

Consolidated Balance Sheet

The University's consolidated net assets have increased by £18.7m to £65.6m.

The University has creditors with amounts falling due after more than one year of £72.4m (2021: £73.4m). The reduction relates to the scheduled loan repayments and finance lease obligations and release of deferred capital grants. We also made a repayment of £0.2m against the OfS Revolving Green Fund loan.

Pension provisions have reduced from £16.5m to £1.1m, the movement includes a reduction of £15.5m in the West Sussex County Council LGPS provision at 31 July 2022 offset by an increase in the USS provision of £0.2m. Other provisions increased by £0.2m to £1.2m due to dilapidations associated with our finance leased properties.

The University of Chichester

Strategic report for the year ended 31 July 2022

Cash Flow and Treasury Management

Net cash flow from operating activities of £10.3m shows an increase of £0.8m over 2020/21. The reduction of surplus of £1.6m is offset by an increase in creditors of £2.1m which includes an increase in grants and fees received in advance (£1m) and an increase in accrued expenditure at year end of £0.5m. The increase in the pension provision of £1.2m is a non-cash movement based on actuarial valuations.

The University has secured a new consolidated bank loan and debt facility. The previous HSBC loans and RCF were due for renewal in October and November 2023, and we have taken the opportunity to consolidate our debt with one banking partner, reducing our term loan balance to £20m and increasing our debt provision through a larger RCF of £10m. Through this process we have obtained full security release over our land and buildings.

Capital Projects

Fixed asset additions amounted to £4.5m during the year. Capital expenditure for the year included the Allied Health building refurbishment, a project for which we secured £1.2m of Local Enterprise Partnership grant funding for phase one and a further £1.2m OfS capital grant funding for phase two. A number of small capital projects were deferred to 2022/23 as a result of delays in the supply of goods and materials. There is currently £1.1m of WIP on the balance sheet relating to the initial planning application costs associated with a new student accommodation building at Bognor campus. The University is progressing its student accommodation growth and refurbishment plans through Project Cornerstone and is currently in the dialogue phase with potential providers.

Going Concern

The Board of Governors approved the University's financial plan for 2022/23 in July 2022 as part of their annual review, and they were satisfied that the University has sufficient resources to continue operating for the foreseeable future.

The University has proved its resilience over the past couple of years and has risen to the challenges of change and uncertainty, showing its ability to quickly respond and take mitigating action. The HE-sector continues to face financial pressures with Home undergraduate tuition fees fixed at £9,250 until 2025 and rising cost pressures including utilities and cost of living. The University continues to monitor and assess the potential impact of these financial pressures through financial reviews, forecast and covenant testing which act as early indicators of possible issues.

Illustrative stress-testing scenarios have been prepared and shared with the Board as part of a broader assessment of the University's ability to continue as a going concern. The extent to which the University student intake would need to fall before impacting its financial covenants has been quantified. Latest intelligence for the start of the 2022/23 academic year indicates that we have achieved our highest intake ever, but have fallen short of our planned target. This does not impact the going concern assessment as we are well within the tolerance of our stress testing.

This supports the management basis for preparing the financial statements under going concern. Management will continue to monitor student intake, retention and applications for September 2023.

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.

The University of Chichester

Strategic report for the year ended 31 July 2022

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. A newly created role of Procurement Officer was appointed during 2021/22.
- In the Graduate Outcomes data release for the 2019/20 cohort, 74% of graduates were in employment, 10% were combining work with further study and a further 6% were undertaking further study only. Of the respondents in employment, 58% were in highly skilled occupations. The University continues its work to improve the employability outcomes for all its students.

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

All of our staff, irrespective of their role, are instrumental in delivering our University mission and vision and Chichester has a proudly held reputation for valuing its people and ensuring a demonstrably supportive and friendly community. In order to deliver an excellent student experience, we must also ensure the same for our staff whose dedication, commitment and broad range of skills are fundamental to the University's People Strategy: *'Working together – Supporting each other'*. This places our staff at the heart of our plans and clearly sets out how the University supports the talent and aspirations of all to deliver the University's strategic ambitions whilst also ensuring the best lived experience. The Strategy supports a culture and environment that encourages staff to develop, flourish and contribute to our community; to continuously improve and build on current strengths to support priorities.

The University is committed to ensuring a culture in which staff, students and visitors understand and embrace the principles of inclusivity and where employees are fully engaged and positive about their role in the University. Crucial to the University's success is a healthy employee relations climate and employee engagement remains high. Our 2022 professional development and staff engagement survey generated a 5% increase in responses, with 157 staff contributing and offering over 230 comments and observations. The survey identified that 90% of respondents are proud to work for the University; 94% are engaged with their work; and 93.5% understand how their role contributes to the success of the University. Staff engagement will be further informed by a series of targeted and more refined surveys throughout the forthcoming academic year.

The University of Chichester

Strategic report for the year ended 31 July 2022

The University uses its Probationary process and annual Performance Review and Development Plan (PRDP) to monitor and support staff performance, development needs and aspirations. Information from the PRDP action plans, along with the Staff Survey results, is used to inform the annual staff development programme. All staff leavers are offered exit meetings both in person and online to pro-actively identify any staffing issues, which may have impacted on their staff morale, and any positive actions that can be taken to improve the work environment.

We have an impressive and varied professional development programme that runs throughout the year providing numerous opportunities for staff to advance their professional and personal needs and aspirations. On a relatively small budget and maximising internal resource at all times, we offer over 150 training and development opportunities, from individual sessions to structured courses, delivered both in person and virtually. Our managers take the lead in developing the potential of staff whilst helping them adapt to new challenges and to translate the University's vision into actions. An academic promotions process supports the promotion of Professors and Readers for staff employed in teaching and research roles.

We must continue to attract, develop and retain teams of talented staff to deliver future success. We enable and encourage Degree Apprenticeship opportunities, combining work and study and currently have 11 members of staff undertaking this scheme. We also value and seek to strengthen our links with the Armed Forces through their Employer Recognition Scheme, providing support for Reservists throughout their employment with the University. Armed forces veterans are encouraged to apply for positions at the University and recruiting panels ensure military skills and qualifications are recognised when shortlisting and interviewing.

The University is fully committed to a policy of recruitment and promotion on the basis of ability without discrimination. Management actively pursues both the employment of people with disability whenever a suitable vacancy arises and the continued employment and retraining of employees who become disabled whilst employed by the University. We positively promote the recruitment of staff from diverse backgrounds, highlighting in staff recruitment campaigns that we embrace all forms of diversity and aspire to be a fully inclusive and representative employer and anonymisation of candidate data on job applications has seen a corresponding increase in ethnically diverse candidates selected for interview.

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, Disability Confident Employer and a Stonewall Diversity Champion and can offer flexible working arrangements including remote working where this fits the requirements of the role, along with family friendly policies and procedures. Employee wellbeing supports effective employee engagement, promoting a healthier, more fulfilled and sustainable working environment and every member of staff has access to our Employee Assistance Programme where they can receive support, advice and counselling. Targeted coaching, and 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 senior leadership thinking. 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 and works closely with UCU and UNISON representatives and the employee relations framework encourages 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.

The University of Chichester

Strategic report for the year ended 31 July 2022

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 | 6.2 |

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time

| | |
|---------------------------------------------------------------------------------------------------------------------------------------------|--------|
| Provide the total cost of facility time | £30.2k |
| Provide the total pay bill | £33.3m |
| Provide the percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) x 100 | 0.01% |

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 | 3.9% |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|

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 of Chichester

Strategic report for the year ended 31 July 2022

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

One of the University's key objectives is the continuation in providing and improving the quality of the estate, through a planned 5-year programme of new build and refurbishment projects to improve and enhance both the staff and student experience. Major projects undertaken in the year include the final phase of the refurbishment of the School of Nursing and Allied Health incorporating the latest simulation and immersive tech facilities as well as a substantial investment of £1.2m to replace the 2,400sq metre floor within the Sports Dome with a world class sprung sports floor for the Institute of Sport, Nursing and Allied Health. We have also made significant investment in the relocation of the Acting for Film department to our Bognor Regis campus, whilst a number of infrastructure improvements have been made to enhance both campuses for students and staff alike including a brand-new hub to embrace a flexible social and work space for all of our staff at BOC.

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. The past four years have seen the launch of many exciting new programmes including STEM subjects, law, criminology, physiotherapy and nursing. Coupled with strong growth in many of our core academic portfolio subjects, the University has delivered for 2021/22 its largest student intake and total student number body in its history.

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 higher education environment and so the University has been actively increasing bed numbers 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-campus. As other institutions have done, the University has recently commenced 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 with a (yet to be identified) private sector partner. Following a competitive dialogue process, the University plans to be able to identify its preferred bidder during 2022/23 and to close the transaction the following year, such that the first new beds can be ready for occupation in academic year 2025/26.

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

Environmental Sustainability

Our Strategic Plan states that "we will develop attractive and environmentally sustainable campuses." Since changing our waste contractor in November, our focus this past year has been to engage students and staff in reducing waste and increasing recycling. We have also maintained our lower quartile position, within the HE-sector, for carbon intensity per m² of internal area. Our environmental policy identifies our vision and commitment for making the University a more sustainable place to study and work.

A new strategy for Environmental Sustainability is targeted to be delivered in 2023. The current Environmental & Sustainable Development Plan 2017-2022 describes our priorities and targets.

The University of Chichester

Strategic report for the year ended 31 July 2022

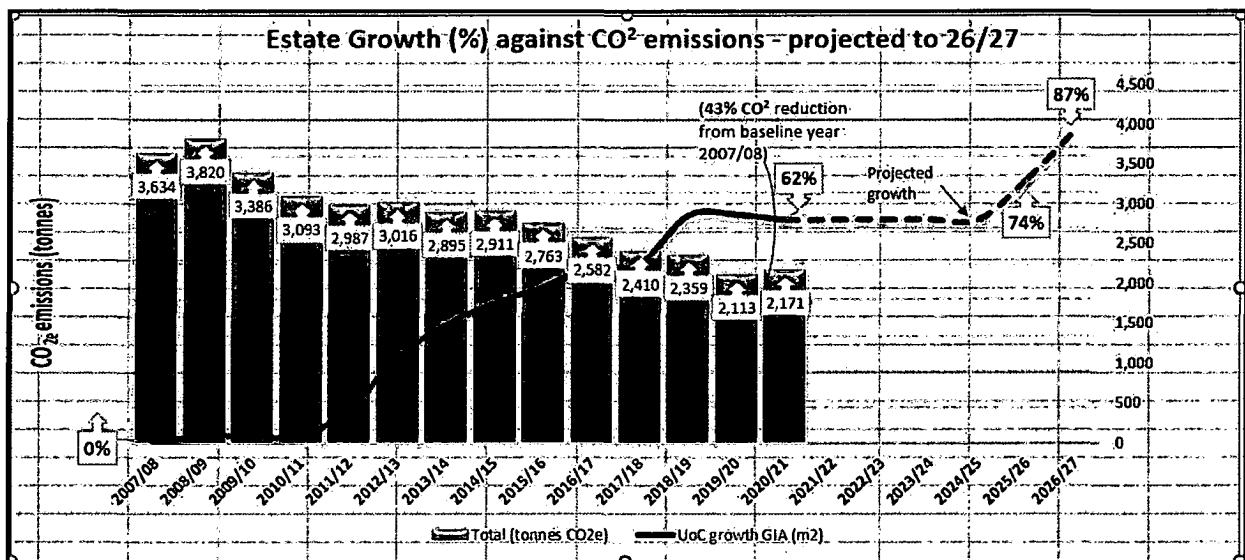
A number of documents under-pin this plan and can be found on the University website: <https://www.chi.ac.uk/about-us/policies-and-statements/sustainability-and-environment/sustainability-and-environmental-policies-and-plans>. These include the following;

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

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. 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. An example of this included the first ever sustainability prioritisation survey sent out this year to both staff and students. This asked them to prioritise which sustainability initiatives they would like to see the University focus on. The results of this survey will help to shape the next sustainability strategy which will include changes in the way we work and study and to continue to look for all the changes we can make on campus that will enable us to live and work more sustainably.

The University has had considerable success in achieving carbon reduction from the baseline position through to the year 2020/21, being the latest available information for this report.

The University has invested over £2.6M in energy efficiency projects across the University's expanding estate - which has a 62% increase of gross internal area (GIA) since 2007-08. Potential future developments planned are expected to increase size further to 87% by 2025/26, along with a significant increase of students living on campus. This increase in estate size and student numbers will have a continued proportional impact on energy usage and operating costs which highlights the need to continue to reduce our carbon emissions if we are to achieve our 2050 target of net zero. We will adopt a wider range of energy efficient technologies and seek opportunities for sustainable power generation.



To date, carbon emissions have reduced by 1,463 tonnes to 2,171 tonnes of CO₂ annually, this represents a reduction of 40.3% since the baseline position in 2007/08. This is against the backdrop of the University estate growing (as measured by Gross Internal Area, "GIA") by 62% in the same period.

The University of Chichester

Strategic report for the year ended 31 July 2022

Cumulative carbon savings since the Implementation of the Carbon Management Plan is 10,729 tonnes. In large part, this has been achieved from the investment made through a number of rounds of the Revolving Green Fund. Implemented projects from this scheme included LED lighting and controls, photovoltaic cells, efficient boilers and building management systems, resulting in a reduction of approximately 500 tonnes CO² annually.

Total energy consumption for the year 2020/21 (across all fuel types) amounted to 11.3 million kWh, up from 10.7 million kWh in the previous year. This increase can be attributed to the way the University operated during Covid 19 with students and staff returning to campus. Energy consumption figures are calculated using invoiced meter readings for gas and electricity. Other fuels are calculated by quantities used over the year converted into kWh.

The most relevant ratio for energy emissions relative to the University's core activity is notional energy emissions (kg CO²) per full time equivalent (FTE) student. For 2020/21 this amounted to 483kg CO² per FTE student, a reduction of 24kg (4.7%) CO² from the previous year.

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

Compliance with Data Protection Legislation

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

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

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

Accessible via the University website is a suite of up-to-date documentation, including a high-level Privacy Standard and supporting Privacy Notices (regularly reviewed and periodically re-approved by the VCG). These high-level documents are supplemented by more specific privacy information, as appropriate, at a departmental level throughout the organisation. 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.

The University of Chichester

Strategic report for the year ended 31 July 2022

Notwithstanding the above, the Department for Digital, Culture, Media & Sport (DCMS) has recently published a response to its consultation "Data: a new direction", launched last year as part of the UK's National Data Strategy. This consultation contained proposals designed to build upon the UK's current data protection regime. More information can be found here: <https://www.gov.uk/government/consultations/data-a-new-direction/outcome/data-a-new-direction-government-response-to-consultation>. Draft legislation is expected to be published by the DCMS in the near future in the form of a Data Reform Bill that will amend the UK GDPR, the Data Protection Act 2018 and the Privacy and Electronic Communications Regulations (PECR) 2003. Organisations will be able to lobby for changes while the Bill is debated before Parliament.

Risk and Sustainability

Our risk management policy and processes allow us to identify, measure, manage and monitor strategic and operational risks across the University. It provides the VCG 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.

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

The current principal critical risks are identified as follows:

- The University's offering to the market might not match what our target audiences (students, staff and visitors) are seeking from us. To mitigate this risk, the University keeps its portfolio under constant review, balancing programme content against known market preferences.
- The University might lose the distinctive quality of its student experience, a key element of the Chichester offer. To guard against this, the University prioritises the student experience with DVC leadership and consideration across all decision-making, particularly as we seek to grow. A link governor provides Board oversight and input. We ensure that the student voice is present at decision making bodies across the institution, in particular via the SU President, who sits on our Board of Governors, and through operational engagement on a wide range of matters. We also make sure that the results of student experience surveys, the Teaching Excellence Framework and other measures and feedback are discussed at VCG and provided to Heads of Departments for action within academic and professional services departments. The student experience is also prioritised within the 'must haves' for the University's student accommodation project, Project Cornerstone.

The University of Chichester

Strategic report for the year ended 31 July 2022

- 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. The team takes an active approach to brand management and articulation online and offline. Ongoing risks are captured and managed via the University's Marketing Strategy, which is overseen by VCG and Board.
- The University might fail to achieve its planned student intake, undermining the student experience and the University's financial sustainability. In mitigation of this risk, the University has improved the available management information and developed its Recruitment Strategy in collaboration with its departments. It has addressed gaps in its portfolio and undertaken targeted recruitment activity, including via its newly- launched University of Chichester International College. The key current inhibitor of student recruitment is the University's capacity to house its first-year students, which the University is addressing in the medium-term through Project Cornerstone, and in the short-term by taking on tactical short-term leases. 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 has strengthened the expertise of its finance department, particularly in its ability to undertake strategic planning and budgeting, management accounting and continual monitoring of the University's cash position. VCG and Board oversee financial reporting and management, and a link governor guides operational delivery. The University has appointed a procurement officer, who will provide substantial support to its procurement processes and help drive value for money in purchasing.
- The University might fail to invest in its estate such that it fails to meet the needs of our students and staff or is not able to support our strategic aims. The Board oversees the implementation of the Estates Plan and the significant strategic investments made 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. An annual report on Human Resources is provided to the Board of Governors.
- More than ever, the University is reliant on its information infrastructure and technological capabilities. A failure of, or attack on, our key IT systems could severely harm the University's operations. This risk is managed proactively by our Information & Learning Technologies team, working to defined and benchmarked resilience and recovery targets. Cyber threats in particular have been reviewed at management level and at Board, supported by simulation exercises. Insurance cover is under review. As the regulatory and legislative framework in which we operate becomes more complex, the University might inadvertently fail to comply with applicable regulatory, legislative or quality standards, harming its reputation and potentially leading to consequences for recruitment, its university status, or to legal penalties. This risk is mitigated by the University's compliance, quality and legal functions, supported by regulatory relationships, Board review, and regular audits.
- The University might not adequately support its research function, such that its performance in metrics such as the Research Excellence Framework (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. Our recent REF submission was deemed a positive basis to underpin further research and innovation activity in the medium-term.

The University of Chichester

Strategic report for the year ended 31 July

- The University might fail in its mission to provide all students with the opportunity to advance to the best of their potential. The outcomes our graduates achieve support their lifelong success, and our impact on our local and national communities, and our continued recruitment. The University addresses this risk within its student support team, led by its DVC(SE), and supported by the Board in the form of a link governor. Graduate outcomes are prioritised in departmental planning and reviewed at VCG and Board.
- The long-term impact of the Covid-19 pandemic remains uncertain, and there is potential for further disruption. The University has adapted and responded comprehensively to the pandemic, and its Covid-19 Outbreak Control Group (COCG), will continue to manage any continuing risks to the health and safety of its community and to the student experience.

Our risk management processes are overseen by our Chief Operating Officer, supported by the University's Legal 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 and which has been granted exempt charity status. Further detail can be found within the corporate governance section on p28.

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.

Looking forward

The HE-sector continues to face financial pressures, including rising utility prices and other increases in the cost of living as a consequence of the current war in Ukraine. Home Undergraduate tuition fees remain frozen until at least 2025. The University continues to monitor and assess the potential impact of these financial pressures through financial reviews, forecasts, stress-test modelling and covenant checks which will act as early indicators of possible issues.

Financial sustainability will continue to be a key priority over the next academic year, with a particular focus on expanding online capacity in support of further student number growth, including both home and international market. Our performance in this regard will be affected by:

- a focus on student experience, retention and outcomes, to include reducing attainment gaps;
- detailed management of staff costs;
- strong control over capital expenditure and asset management;
- the diversification of income streams; and
- continued focus on increasing our student accommodation offering

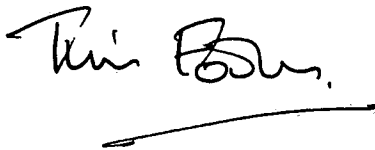
Our 2022/23 student intake is the largest in the University's history ensuring that our student accommodation is full. We are pursuing exciting new opportunities including the development of a Community Diagnostic Centre in partnership with NHS Sussex and preparation for the launch of a Lifelong Learning Centre to align with the Government's drive to improve higher skills within the existing workforce. Project Cornerstone will allow us to continue to grow face-to-face provision from 2025; in the meantime, we will focus on expanding home and international numbers through imaginative online provision, building on the pedagogic innovations introduced during the pandemic.

The University of Chichester

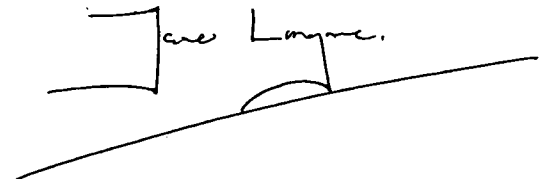
Strategic report for the year ended 31 July

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

Signed on behalf of the Board



Dr Tim Fooks
Chair of Governors
7 December 2022



Professor Jane Longmore
Vice-Chancellor
7 December 2022

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

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

- Professor Jane Longmore, Vice-Chancellor
- Professor Simeon Keates, Deputy Vice-Chancellor
- Dr Mark Mason, Deputy Vice-Chancellor (Student Experience)
- Mr James Granger, Chief Operating Officer
- 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 2021-22 financial year and the 2022-2023 year until the date of formal approval of the financial statements by the Board of Governors. Start and leave dates are captured in the middle column with the significant governor roles shown on the right. More details of individual governors including a photo and short biography can be found on the University website: <https://www.chi.ac.uk/about-us/who-we-are/board-governors>

The University of Chichester

Directors, Governors, Senior Management Team and Advisers

BOARD OF GOVERNORS

| GOVERNOR | DATE OF APPOINTMENT/ RESIGNATION | CATEGORY |
|-------------------------------|-----------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------|
| Rt Revd Bishop Ruth Bushyager | all year | Church Independent Governor |
| Mr Andy Carpenter | to 31 December 2021 | Elected Non-Teaching Staff Governor |
| Mrs Yvonne Thomas-Chester | all year | Chair of Audit Committee Independent Governor |
| Ms Celica Douglas | from 5 July 2022 | Independent Governor |
| Dr Tim Fooks | from 1 st February 2022 | Church Independent Governor Chair of Governors Chair of Nominations & Effectiveness Committee |
| Mrs Liz Gray | to 31 st March 2022 | Co-opted Independent Governor Chair of Remuneration Committee |
| Revd Rachel Hawes | all year | Church Independent Governor |
| Ms Gemma Hopwood | all year | President of the Students' Union |
| Professor Margaret House OBE | all year | Independent Governor |
| Canon Dr Daniel Inman | all year | Church Independent Governor |
| Mr Ben Jones | from 1 st January 2022 | Independent Governor |
| Professor Mike Lauder | to 31 December 2021 | Elected Teaching Staff Governor |
| Mrs Karen Lloyd | from 1 st January 2022 | Elected Non-Teaching Staff Governor |
| Professor Jane Longmore | all year | Vice-Chancellor Chair of Academic Board Chair of Honorary Awards Committee |
| Mr Ian MacTavish | all year | Co-opted Governor |
| Mr Richard Martin | all year 1 st August 2021 to 31 st January 2022 | Independent Governor Interim Chair of Governors |
| Mr Michael Olliff | all year | Co-opted Independent Governor |
| Professor Antonina Pereira | from 1 st January 2022 | Elected Teaching Staff Governor |
| Mr Sohail Raja | to 24 January 2022 | Independent Governor |
| Mrs Catherine Stone | all year | Co-opted Independent Governor Chair of Remuneration Committee |
| Mr John Thompson | from 5 July 2022 | 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 and Communications Officer | Mr Mark Barlow |
| Chief Human Resources Officer | Mrs Elisabeth Whitaker until 31 May 2022 Mr Alec Parry from 1 June 2022 |
| University Secretary | Mrs Sophie Freshville from 16 May 2022 |
| University Secretary (secondment) | Mrs Hannah Lynch from 30 April 2021 to 15 May 2022 |
| University Solicitor | Mr Peter Aldred |
| Principal Address | University of Chichester Bishop Otter Campus College Lane Chichester West Sussex PO19 6PE |
| Second Campus Address | University of Chichester Bognor Regis Campus Upper Bognor Road Bognor Regis West Sussex PO21 1HR |
| Clearing Bank | 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 company limited by guarantee and members of the Board of Governors are legally Directors of the Company. The directors of the University's subsidiary company, Chichester Enterprises Limited, are ultimately accountable to the Board of Governors of the University and therefore the following provisions for Corporate Governance apply to both the University and its subsidiary.

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

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

This Corporate Governance Statement and associated statements including the Statement of Internal Control was effective for the period 1 August 2021 to 31 July 2022 and up to the date of the approval of the financial statements.

Principles of University Governance

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

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

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

The University of Chichester

Corporate governance and internal controls statement

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

Governors' Code of Conduct

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

The CUC Higher Education Code of Governance and Governance Effectiveness Review

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

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

The Board appointed a new independent Chair of Governors, who commenced in post on 1 February 2022. The Chair of Governors met with members of the Board in 2022 to gain their views on the University and the operation of the Board and its Committees as well as opportunities for enhancement and sharing best practice.

The University of Chichester

Corporate governance and internal controls statement

Composition of the Board of Governors

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

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

The 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 away 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.

In 2021-22 the Board has received and discussed presentations from the Vice-Chancellor's Group related to delivering a substantial growth in applications through the ongoing student recruitment strategy, including the emerging health agenda and business case for nursing as well as the development of an accommodation strategy, known as Project Cornerstone. Alongside the University's commitment to the public good, due regard to all relevant stakeholders – students, employees, suppliers and the wider community is considered during all decisions made.

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

In addition to being directors of the University Company, members of the Board of Governors are also the trustees of the exempt charity. The list of directors/trustees on pages 26 and 27 of this report is a complete list of those who have served during the 2021/22 financial year and the 2022/23 year until the date of formal approval of the financial statements by the Board of Governors.

The University of Chichester

Corporate governance and internal controls statement

Engagement with Customers, Suppliers and Others

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

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

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

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.
- 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 p15.

Community and the Environment

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

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

Governors' Audit Committee

The Governors' Audit Committee met 4 times in 2021/22, 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.

The University of Chichester

Corporate governance and internal controls statement

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 2021/22 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 2021/22 they were carried out by KCG, following a tender process for new internal auditors in 2019 for KCG to deliver internal audit services from 1 August 2019 to 31st July 2022, with an option to extend the contract thereafter. The Audit Committee agreed the programme of reviews for 2021/22 with KCG. The University agreed to extend the contract of KCG from 1 August 2022 to 31st July 2025.

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

Governors' Finance and Resources Committee

The Governors' Strategy & Resources Committee was retitled the Governors' Finance & Resources Committee in July 2019. The Committee met 5 times during 2021/22. It received reports concerning finance, estates, health, safety and sustainability, IT, employment and human resource issues, with the exception of the employment and salaries of those who form the 'Designated Staff' in the Articles of Association. The designated staff are the Vice-Chancellor, the Deputy Vice-Chancellor, Deputy Vice-Chancellor (Student Experience), the University Secretary and the Principal Chaplain. The Board of Governors determines the total emoluments of these designated staff on the advice of the Governors' Remuneration Committee.

The Finance and Resources Committee reviews the annual financial statements together with the accounting policies, and recommends the annual budget and financial forecasts to the Board for approval. It also receives reports on the progress of major capital projects at each meeting. The Board receives the minutes of the Governors' Finance and Resources Committee together with the financial monitoring reports reviewed by the Committee. The Committee is supported by regular meetings between the Finance Link Governor and the University's Finance team.

Nominations and Effectiveness Committee

The Nominations and Effectiveness Committee is responsible for recommending the appointment and renewal of terms of office of individual governors to the Board. In performing these duties, the Committee identifies the skills required on the Board and assesses the expertise of governors so that any gaps can be addressed with each recruitment cycle. The Board recognises the need to ensure that the membership of the Board is reflective of, and relates to, the multiple strands of contemporary society. Governor appointments are therefore advertised widely to ensure that vacancies are filled with the highest calibre of person. Three new Governors were recruited in 2021/22 including the new Independent Chair of Governors, who commenced in post on 1 February 2022 following a thorough recruitment process.

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 University of Chichester

Corporate governance and internal controls statement

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.

Academic Board

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

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

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

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 2021 to 31 July 2022, 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;

The University of Chichester

Corporate governance and internal controls statement

- clearly defined requirements for the approval and control of expenditure, with significant investment decisions being subjected to detailed appraisal and review;
- a professional internal audit service (currently from KCG), with responsibilities to cover the entire internal control systems of the institution.

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

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

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

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

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

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

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

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

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

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

The University of Chichester

Corporate governance and internal controls statement

Objectives and Activities

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

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

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

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

Scope of the Financial Statements

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

Basis of Preparation

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

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

Payment of Creditors

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

The corporate governance information on pages 28-36 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 2021/22 and in their Internal Audit Annual Report the opinion was reported as: "Overall, for the year ended 31 July 2022 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."

The University of Chichester

Corporate governance and internal controls statement

KCG carried out 8 internal audit reports within 2021/22 and these were all concluded as providing substantial or satisfactory assurance.

Going concern and Sustainability Reporting

The Board of Governors considers the guidance to directors provided by the Financial Reporting Council when assessing the going concern of the University and is preparing a report to the OfS providing assurance of the institutional sustainability of the University. This will be submitted in December 2022.

The HE-sector continues to face financial pressures including an undergraduate tuition fee cap for a further two years and unprecedented levels of inflation. The University continues to review the impact of these financial pressures and to implement mitigating actions, including new programmes, international student recruitment, collaborative partnerships and robust cost controls and efficiencies.

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

The Board of Governors approved the University's financial plan for 2022/23 in July 2022, as part of their normal annual review. They were satisfied that the University had sufficient resources to continue operating for the foreseeable future. The Governors will continue to review plans with the Vice-Chancellor's Group, including financial reviews, forecast, and covenant checks which act as early indicators of potential issues providing sufficient time to address any potential breaches in advance and to give comfort that the associated financial risks are suitably mitigated.

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

Awareness of Relevant External Audit Information

Each Governor has taken all the steps that he or she ought to have taken to make themselves aware of any information needed by the University's 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.

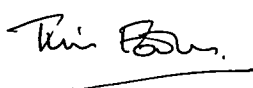
Appointment of Auditors

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

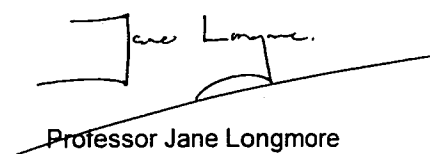
Conclusion

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 2022/23 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.



Dr Tim Fooks
Chair of Governors
7 December 2022



Professor Jane Longmore
Vice-Chancellor
7 December 2022

The University of Chichester

Statement of responsibilities of the Board of Governors

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

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

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

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

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

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

Members of the Board have a broader role to ensure the University complies with current legislative requirements. For 2021/22, this included:

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

The University of Chichester

Statement of responsibilities of the Board of Governors

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

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

- suitable accounting policies, selected and applied consistently;
- judgements and estimates that are reasonable and prudent; and
- applicable accounting standards, subject to disclosure and explanation in the financial statements of any material departures therefrom.

The Board of Governors has taken reasonable steps to:

- fulfil its responsibilities under the Articles and to ensure that funds provided by the OfS, UK Research and Innovation (including Research England), Education and Skills Funding Agency and the Department for Education are used only for the purposes for which they have been granted and have been applied in accordance with the relevant terms and conditions with issued by the OfS (or relevant party) and any other conditions which the OfS may from time to time prescribe;
- ensure that appropriate financial and management controls are in place to safeguard public and other funds;
- safeguard the assets of the University and prevent and detect fraud and other irregularities;
- secure the economical, efficient and effective management of the University's resources and expenditure.

The University of Chichester

Independent Auditor's report

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

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 2022 and of the Group's and the University's income and expenditure, gains and losses, changes in reserves and of the Group's and the University's cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of the University of Chichester ("the University") and its subsidiaries (the "Group") for the year ended 31 July 2022 which comprise the Consolidated and University Statement of Comprehensive Income and Expenditure, Consolidated and University Statement of Changes in Reserves, Consolidated and University Balance Sheet, Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

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

Independence

We are independent of the Group and 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 of Governors with respect to going concern are described in the relevant sections of this report.

Other information

The Board of Governors are 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.

The University of Chichester

Independent Auditor's report

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.

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 the 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 of Governors members' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Opinion on other matters required by the Office for Students ("OfS") and 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 has been disclosed in note 9b to the accounts, has been materially misstated.

The University of Chichester

Independent Auditor's report

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. Mis-statements 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:

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

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

The University of Chichester


Independent Auditor's report

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.

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

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 members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

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

Date: 9 December 2022

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 2022

| | | 2022 | | 2021 | |
|--------------------------------------------------------|-------|-----------------------|---------------------|-----------------------|---------------------|
| | Notes | Consolidated £'000 | University £'000 | Consolidated £'000 | University £'000 |
| Income | | | | | |
| Tuition fees and education contracts | 1 | 45,309 | 45,309 | 43,527 | 43,527 |
| Funding body grants | 2 | 4,051 | 4,051 | 4,441 | 4,441 |
| Research grants and contracts | 3 | 554 | 412 | 385 | 28 |
| Other income | 4 | 13,647 | 13,340 | 11,483 | 11,774 |
| Investment income | 5 | 74 | 74 | 1 | 1 |
| Donations | 6 | 152 | 352 | (9) | (9) |
| Total income | | 63,787 | 63,538 | 59,828 | 59,762 |
| Expenditure | | | | | |
| Staff costs | 7 | 38,373 | 38,373 | 34,066 | 34,066 |
| Other operating expenses | 10 | 19,408 | 19,160 | 18,917 | 18,849 |
| Depreciation | 11 | 4,442 | 4,440 | 4,381 | 4,379 |
| Interest and other finance costs | 8 | 2,316 | 2,316 | 2,398 | 2,398 |
| Total expenditure | 9a | 64,539 | 64,289 | 59,762 | 59,692 |
| (Deficit)/surplus before other (losses)/gains | | (752) | (751) | 66 | 70 |
| (Loss)/surplus on disposal of fixed assets | | (41) | (41) | 775 | 775 |
| (Deficit)/surplus for the year | | (793) | (792) | 841 | 845 |
| Actuarial gain in respect of pension schemes | 26 | 19,484 | 19,484 | 2,988 | 2,988 |
| Total comprehensive income for the year | | 18,691 | 18,692 | 3,829 | 3,833 |
| Represented by: | | | | | |
| Restricted comprehensive income/(expense) for the year | | 136 | 136 | (68) | (68) |
| Unrestricted comprehensive income for the year | | 18,643 | 18,644 | 3,985 | 3,989 |
| Revaluation reserve comprehensive expense for the year | | (88) | (88) | (88) | (88) |
| Attributable to the University | | 18,691 | 18,692 | 3,829 | 3,833 |

All items of income and expenditure relate to continuing activities.

The University of Chichester

Consolidated and University statement of changes in reserves for the year ended 31 July 2022

| Consolidated | Income and expenditure account | | Revaluation reserve | Total |
|------------------------------------------------------------------|--------------------------------|---------------------|---------------------|---------------|
| | <i>Restricted</i> | <i>Unrestricted</i> | | |
| | £'000 | £'000 | £'000 | £'000 |
| Balance at 1 August 2020 | 86 | 19,441 | 23,578 | 43,105 |
| Surplus from the income and expenditure statement | (47) | 888 | - | 841 |
| Pension scheme actuarial gain | - | 2,988 | - | 2,988 |
| Transfers between revaluation and income and expenditure reserve | - | 88 | (88) | - |
| Release of restricted funds spent in year | (21) | 21 | - | - |
| Total comprehensive income for the year | (68) | 3,985 | (88) | 3,829 |
| Balance at 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 31 July 2022 | 154 | 42,069 | 23,402 | 65,625 |

| University | Income and expenditure account | | Revaluation reserve | Total |
|------------------------------------------------------------------|--------------------------------|---------------------|---------------------|---------------|
| | <i>Restricted</i> | <i>Unrestricted</i> | | |
| | £'000 | £'000 | £'000 | £'000 |
| Balance at 1 August 2020 | 86 | 19,466 | 23,578 | 43,130 |
| Surplus from the income and expenditure statement | (47) | 892 | - | 845 |
| Pension scheme actuarial gain | - | 2,988 | - | 2,988 |
| Transfers between revaluation and income and expenditure reserve | - | 88 | (88) | - |
| Release of restricted funds spent in year | (21) | 21 | - | - |
| Total comprehensive income for the year | (68) | 3,989 | (88) | 3,833 |
| Balance at 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 31 July 2022 | 154 | 42,099 | 23,402 | 65,655 |

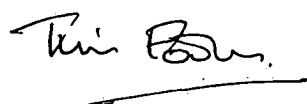
The transfer between the revaluation and income and expenditure reserves represents the difference between the historical cost depreciation charge and the actual depreciation charge for the year calculated on the revalued amount.

The University of Chichester

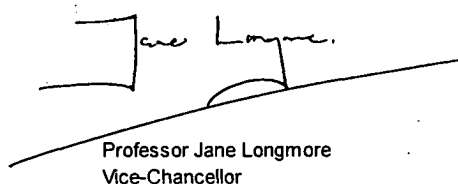
Consolidated and University balance sheet at 31 July 2022

| Company number 04740553 | Notes | 2022 | | 2021 | |
|---------------------------------------------------------|-------|-----------------------|---------------------|-----------------------|---------------------|
| | | Consolidated £'000 | University £'000 | Consolidated £'000 | University £'000 |
| Non-current assets | | | | | |
| Fixed assets | 11 | 127,891 | 127,892 | 127,913 | 127,911 |
| Investments | 12 | - | - | - | - |
| | | <u>127,891</u> | <u>127,892</u> | <u>127,913</u> | <u>127,911</u> |
| Current assets | | | | | |
| Stock | | 12 | 12 | 11 | 11 |
| Trade and other receivables | 13 | 3,792 | 4,239 | 3,413 | 4,668 |
| Cash and cash equivalents | 20 | 20,362 | 19,846 | 16,172 | 14,833 |
| | | <u>24,166</u> | <u>24,097</u> | <u>19,596</u> | <u>19,512</u> |
| Creditors: amounts falling due within one year | 14 | (11,774) | (11,677) | (9,775) | (9,660) |
| Net current assets | | <u>12,392</u> | <u>12,420</u> | <u>9,821</u> | <u>9,852</u> |
| Total assets less current liabilities | | <u>140,283</u> | <u>140,312</u> | <u>137,734</u> | <u>137,763</u> |
| Creditors: amounts falling due after more than one year | 15 | (72,426) | (72,424) | (73,365) | (73,365) |
| Provisions | | | | | |
| Pension provisions | 17 | (1,079) | (1,079) | (16,459) | (16,459) |
| Other provisions | 17 | (1,153) | (1,153) | (976) | (976) |
| Total net assets | | <u>65,625</u> | <u>65,656</u> | <u>46,934</u> | <u>46,963</u> |
| Restricted reserves | | | | | |
| Income and expenditure reserve - restricted reserve | 19 | 154 | 154 | 18 | 18 |
| Unrestricted reserves | | | | | |
| Income and expenditure reserve - unrestricted | | 42,069 | 42,099 | 23,426 | 23,455 |
| Revaluation reserve | | 23,402 | 23,402 | 23,490 | 23,490 |
| | | <u>65,471</u> | <u>65,501</u> | <u>46,916</u> | <u>46,945</u> |
| Total reserves | | <u>65,625</u> | <u>65,655</u> | <u>46,934</u> | <u>46,963</u> |

The financial statements on pages 44 - 47 were approved by the Board of Governors and authorised for issue on 22nd November 2022 and were signed on its behalf on 7th December 2022 by:



Dr Tim Fooks
Chair of Governors



Professor Jane Longmore
Vice-Chancellor

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

The University of Chichester

Consolidated statement of cash flows for the year ended 31 July 2022

| | Notes | 2022 £'000 | 2021 £'000 |
|----------------------------------------------------------|-------|----------------|----------------|
| Cash flow from operating activities | | | |
| (Deficit)/Surplus for the year before tax | | (793) | 841 |
| Adjustments for non-cash items | | | |
| Depreciation and impairment | 11 | 4,442 | 4,810 |
| (Increase)/decrease in stock | | (1) | 1 |
| (Increase)/decrease in debtors | 13 | (374) | 476 |
| Increase/(decrease) in creditors | 14 | 1,879 | (280) |
| Increase in pension provision | 17 | 4,104 | 2,885 |
| Increase in other provisions | 17 | 177 | 410 |
| Adjustments for investing or financing | | | |
| Investment income | 5 | (74) | (1) |
| Interest payable | 8 | 2,027 | 2,150 |
| Loss/(surplus) on the disposal of fixed assets | | 41 | (775) |
| Capital grant income | 18 | (1,134) | (1,005) |
| Net cash generated from operating activities | | 10,294 | 9,512 |
| Cash flows from investing activities | | | |
| Proceeds from sale of fixed assets | | 3 | 1,401 |
| Capital grants receipts | | 2,596 | 543 |
| Investment income | | 69 | 1 |
| Payments made to acquire fixed assets | | (4,473) | (1,706) |
| Net cash (used in)/from investing activities | | (1,805) | 239 |
| Cash flows from financing activities | | | |
| Interest paid | | (816) | (975) |
| Interest element of finance lease | | (1,167) | (1,177) |
| Repayments of bank loans | | (1,850) | (1,688) |
| Repayments of other loans | | (188) | (188) |
| Capital element of finance lease | | (278) | (255) |
| Net cash used in financing activities | | (4,299) | (4,283) |
| Increase in cash and cash equivalents in the year | | 4,190 | 5,468 |
| Cash and cash equivalents at beginning of the year | 20 | 16,172 | 10,704 |
| Cash and cash equivalents at end of the year | 20 | 20,362 | 16,172 |

The University of Chichester

Statement of accounting policies for the year ended 31 July 2022

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

1 Basis of preparation

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

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

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

2 Basis of consolidation

The consolidated financial statements include the University and all its subsidiaries for the financial year to 31 July 2022.

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

3 Income recognition

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

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

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

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

Grant funding

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

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

Donations

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

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

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

The University of Chichester

Statement of accounting policies (continued) for the year ended 31 July 2022

4 Accounting for retirement benefits

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

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

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

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

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

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

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

5 Employment benefits

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

6 Finance leases

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

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

7 Operating leases

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

8 Foreign currency

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

9 Fixed assets

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

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

The University of Chichester

Statement of accounting policies (continued) for the year ended 31 July 2022

9 Fixed assets (continued)

Land and buildings

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

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

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

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

| | |
|----------------|----------|
| New builds | 50 years |
| Refurbishments | 20 years |

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

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

Equipment

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

All other equipment is recognised as expenditure.

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

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

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

Borrowing costs

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

10 Investments

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

11 Stock

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

12 Cash and cash equivalents

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

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

13 Provisions

Provisions are recognised in the financial statements when:

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

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

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

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

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

The University of Chichester

Statement of accounting policies (continued) for the year ended 31 July 2022

14 Financial liabilities

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

15 Enhanced pensions

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

16 Taxation

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

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

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

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

17 Reserves

Reserves are classified as restricted or unrestricted.

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

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

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

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

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

Other key sources of estimation uncertainty:

Tangible fixed assets

Tangible fixed assets 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.

The University of Chichester

Notes to the financial statements for the year ended 31 July 2022

| | 2022 | | 2021 | |
|-----------------------------------------------|-----------------------|---------------------|-----------------------|---------------------|
| | Consolidated £'000 | University £'000 | Consolidated £'000 | University £'000 |
| 1 Tuition fees and education contracts | | | | |
| Full-time home and EU students | 40,427 | 40,427 | 39,169 | 39,169 |
| Full-time international students | 2,582 | 2,582 | 2,427 | 2,427 |
| Part-time students | 770 | 770 | 784 | 784 |
| Apprenticeship students | 1,530 | 1,530 | 1,147 | 1,147 |
| | 45,309 | 45,309 | 43,527 | 43,527 |
| 2 Funding body grants | | | | |
| Recurrent grant | | | | |
| Office for Students | 1,666 | 1,666 | 1,760 | 1,760 |
| Research England | 1,174 | 1,174 | 1,106 | 1,106 |
| Department of Education | 98 | 98 | 98 | 98 |
| Release of capital grants (note 18) | 815 | 815 | 749 | 749 |
| Specific grants | | | | |
| Office for Students | - | - | 390 | 390 |
| Department of Education | 7 | 7 | 35 | 35 |
| Higher Education Innovation Fund | 291 | 291 | 303 | 303 |
| | 4,051 | 4,051 | 4,441 | 4,441 |
| 3 Research grants and contracts | | | | |
| Research councils | 5 | 5 | 2 | 2 |
| Research charities | 46 | 23 | 3 | 3 |
| Government (UK and overseas) | 388 | 378 | 16 | 16 |
| Industry and commerce | 108 | - | 352 | - |
| Other | 7 | 6 | 12 | 7 |
| | 554 | 412 | 385 | 28 |
| 4 Other income | | | | |
| Residences, catering and conferences | 8,276 | 7,917 | 6,204 | 5,991 |
| Release of capital grants (note 18) | 319 | 319 | 256 | 256 |
| Other income | 5,052 | 5,104 | 5,023 | 5,527 |
| | 13,647 | 13,340 | 11,483 | 11,774 |
| 5 Investment income | | | | |
| Other investment income | 74 | 74 | 1 | 1 |
| 6 Donations | | | | |
| Donations with restrictions (note 19) | 140 | 140 | (27) | (27) |
| Unrestricted donations | 12 | 212 | 18 | 18 |
| | 152 | 352 | (9) | (9) |

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 | 2,449 | 2,449 | 2,855 | 2,855 |
| Grant income from other bodies | 1,607 | 1,607 | 1,608 | 1,608 |
| Fee income for taught awards (exclusive of VAT) | 45,188 | 45,188 | 43,400 | 43,400 |
| Fee income for research awards (exclusive of VAT) | 121 | 121 | 102 | 102 |
| Fee income from non-qualifying courses (exclusive of VAT) | - | - | 25 | 25 |
| | 49,365 | 49,365 | 47,990 | 47,990 |

The University of Chichester

Notes to the financial statements for the year ended 31 July 2022

| | 2022 | | 2021 | |
|---------------------------------|-----------------------|---------------------|-----------------------|---------------------|
| | Consolidated £'000 | University £'000 | Consolidated £'000 | University £'000 |
| 7 Staff costs | | | | |
| Salaries | 26,058 | 26,058 | 23,747 | 23,747 |
| Social security costs | 2,753 | 2,753 | 2,475 | 2,475 |
| Pension costs | 5,343 | 5,343 | 4,946 | 4,946 |
| Compensation for loss of office | 360 | 360 | 215 | 215 |
| | 34,514 | 34,514 | 31,383 | 31,383 |
| FRS102 pension adjustments | 3,859 | 3,859 | 2,683 | 2,683 |
| | 38,373 | 38,373 | 34,066 | 34,066 |

Compensation for loss of office related to payments to 18 people (2021 - 22).

| | 2022 | 2021 |
|-------------------------------------------|----------------|----------------|
| | £ | £ |
| Emoluments of the Vice-Chancellor: | | |
| Professor Jane Longmore | | |
| Basic salary | 185,000 | 174,241 |
| Honorarium | - | 2,000 |
| Pension contributions | 43,808 | 41,260 |
| | 228,808 | 217,501 |

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 8.4:1 (2021 - 7.7:1) 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 9.4:1 (2021 - 8.5:1) 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 11 October 2021 to determine the pay level for the Vice-Chancellor, taking into account the UCEA and CUC 2020 salary surveys, PRDP outcomes and the national pay negotiations. The Vice-Chancellor's total salary agreed from 1 August 2021 is £185,000, the first increase since 2019. 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.

| | 2022 | 2021 |
|------------------------------|----------|----------|
| | No. | No. |
| Higher paid employees | | |
| £100,000 to £104,999 | - | 2 |
| £105,000 to £109,999 | 2 | - |
| £110,000 to £114,999 | - | 1 |
| £115,000 to £119,999 | 1 | - |
| £120,000 to £124,999 | - | 1 |
| £140,000 to £149,999 | 1 | - |
| £170,000 to £174,999 | - | 1 |
| £185,000 to £189,999 | 1 | - |
| | 5 | 5 |

The University of Chichester

Notes to the financial statements for the year ended 31 July 2022

7 Staff costs continued

| | 2022 No. | 2021 No. |
|--------------------------------------------------|-------------|-------------|
| Average staff numbers by major category : | | |
| Academic | 326 | 308 |
| Administration, support and central services | 339 | 323 |
| | 665 | 631 |

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.

| | 2022 £'000 | 2021 £'000 |
|-----------------------------------------|---------------|---------------|
| Key management personnel compensation | 1,203 | 1,112 |
| Average FTE of key management personnel | 8.0 | 7.8 |

Governors

The total emoluments of all governors in the year comprised salary costs of £316,243 (2021 - £296,494) and employer pension costs of £72,780 (2021 - £68,234). 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 9 governors was £1,504 (2021 - £332 to 2 governors). This represents travel and subsistence expenses incurred in their official capacity.

| | 2022 | | 2021 | |
|-------------------------------------------|-----------------------|---------------------|-----------------------|---------------------|
| | Consolidated £'000 | University £'000 | Consolidated £'000 | University £'000 |
| 8 Interest and other finance costs | | | | |
| Loan interest | 859 | 859 | 973 | 973 |
| Finance lease interest | 1,167 | 1,167 | 1,177 | 1,177 |
| Net charge on pension schemes (note 26) | 290 | 290 | 248 | 248 |
| | 2,316 | 2,316 | 2,398 | 2,398 |

9a Analysis of total expenditure by activity

| | | | | |
|--------------------------------------|---------------|---------------|---------------|---------------|
| Academic and related expenditure | 32,996 | 32,873 | 31,644 | 31,891 |
| Administration and central services | 14,657 | 14,698 | 12,530 | 12,579 |
| Premises | 7,408 | 9,623 | 7,408 | 9,456 |
| Residences, catering and conferences | 7,669 | 5,476 | 6,508 | 4,419 |
| Research grants and contracts | 578 | 464 | 410 | 22 |
| Other expenses | 1,231 | 1,155 | 1,262 | 1,325 |
| | 64,539 | 64,289 | 59,762 | 59,692 |

The University of Chichester

Notes to the financial statements for the year ended 31 July 2022

| | 2022 | | 2021 | |
|------------------------------------|-----------------------|---------------------|-----------------------|---------------------|
| | Consolidated £'000 | University £'000 | Consolidated £'000 | University £'000 |
| 9b Access and participation | | | | |
| Access investment | 320 | 320 | 316 | 316 |
| Financial support | 562 | 562 | 558 | 558 |
| Disability support | 509 | 509 | 410 | 410 |
| Research and evaluation | 52 | 52 | 51 | 51 |
| | 1,443 | 1,443 | 1,335 | 1,335 |

£758,997 of these costs are included within staff costs (2021 - £671,402), see note 7.

Actual spend in 2022 exceeded the Access and Participation Plan for 2022 (shown above) by £71,225. Disability support expenditure was £63,850 below plan. This expenditure is led by individual student requirements.

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>

| | 2022 | | 2021 | |
|---------------------------------------|-----------------------|---------------------|-----------------------|---------------------|
| | Consolidated £'000 | University £'000 | Consolidated £'000 | University £'000 |
| 10 Other operating expenditure | | | | |
| Property related cost | 5,262 | 5,261 | 4,179 | 4,175 |
| Impairment of property value | - | - | 429 | 429 |
| Transport and travel | 561 | 552 | 444 | 439 |
| Equipment and materials | 3,216 | 3,105 | 2,838 | 2,823 |
| Operating lease rentals - equipment | 1,039 | 1,037 | 1,017 | 1,017 |
| Bursaries | 586 | 586 | 682 | 682 |
| Payments to partners | 1,477 | 1,477 | 2,525 | 2,525 |
| Catering contract | 882 | 882 | 625 | 625 |
| Agency services | 491 | 487 | 573 | 573 |
| Professional fees | 1,839 | 1,805 | 1,271 | 1,227 |
| Payments for placements | 535 | 535 | 530 | 530 |
| Advertising and publicity | 525 | 525 | 509 | 509 |
| Subscriptions | 544 | 543 | 458 | 456 |
| Other expenditure | 2,451 | 2,365 | 2,837 | 2,839 |
| | 19,408 | 19,160 | 18,917 | 18,849 |

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

| | | | | |
|-------------------------------------|----|----|----|----|
| Auditing these financial statements | 90 | 86 | 71 | 64 |
| Other audit services | 14 | 14 | 13 | 13 |
| Taxation services | 10 | 7 | 8 | 6 |

The total consolidated statutory audit fee for the 2022 financial statements, net of VAT, was £75,000 (2021: £59,415).

The University of Chichester

Notes to the financial statements for the year ended 31 July 2022

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 2021 | 123,320 | 30,564 | 14,433 | 2,241 | 170,558 |
| Additions | 461 | - | 1,355 | 2,647 | 4,463 |
| Transfers | 1,083 | - | - | (1,083) | - |
| Disposals | (44) | - | (502) | (23) | (569) |
| At 31 July 2022 | 124,820 | 30,564 | 15,286 | 3,782 | 174,452 |
| Depreciation | | | | | |
| At 1 August 2021 | 27,271 | 3,408 | 11,966 | - | 42,645 |
| Charge for the year | 2,860 | 855 | 727 | - | 4,442 |
| Disposals | (24) | - | (502) | - | (526) |
| At 31 July 2022 | 30,107 | 4,263 | 12,191 | - | 46,561 |
| Net book value | | | | | |
| At 31 July 2022 | 94,713 | 26,301 | 3,095 | 3,782 | 127,891 |
| At 31 July 2021 | 96,049 | 27,156 | 2,467 | 2,241 | 127,913 |
| University | | | | | |
| Cost and valuation | | | | | |
| At 1 August 2021 | 123,320 | 30,564 | 14,302 | 2,241 | 170,427 |
| Additions | 461 | - | 1,355 | 2,647 | 4,463 |
| Transfers | 1,083 | - | - | (1,083) | - |
| Disposals | (44) | - | (502) | (23) | (569) |
| At 31 July 2022 | 124,820 | 30,564 | 15,155 | 3,782 | 174,321 |
| Depreciation | | | | | |
| At 1 August 2021 | 27,271 | 3,408 | 11,837 | - | 42,516 |
| Charge for the year | 2,860 | 855 | 725 | - | 4,440 |
| Disposals | (24) | - | (502) | - | (526) |
| At 31 July 2022 | 30,107 | 4,263 | 12,060 | - | 46,430 |
| Net book value | | | | | |
| At 31 July 2022 | 94,713 | 26,301 | 3,095 | 3,782 | 127,891 |
| At 31 July 2021 | 96,049 | 27,156 | 2,465 | 2,241 | 127,911 |

Included within land and buildings is £22,085,300 relating to land (2021 - £22,085,300).

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 2022

| | 2022 | | 2021 | |
|------------------------------------|--------------|------------|--------------|------------|
| | Consolidated | University | Consolidated | University |
| | £ | £ | £ | £ |
| 12 Non-Current Investments | | | | |
| Investment in subsidiary companies | - | 2 | - | 2 |

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

The net liabilities and profit/(loss) for Chichester Enterprises Limited were as follows:

| | 2022 | 2021 |
|-----------------|-------|-------|
| | £'000 | £'000 |
| Net liabilities | (30) | (28) |
| Profit/(loss) | 199 | (2) |

| | 2022 | | 2021 | |
|-----------------------------------------------------------------|--------------|--------------|--------------|--------------|
| | Consolidated | University | Consolidated | University |
| | £'000 | £'000 | £'000 | £'000 |
| 13 Trade and other receivables | | | | |
| Amounts falling due within one year: | | | | |
| Trade receivables | 819 | 581 | 891 | 790 |
| Prepayments and accrued income | 2,799 | 2,735 | 2,384 | 2,282 |
| Amounts due from subsidiary companies | - | 749 | - | 1,458 |
| Amounts due from University of Chichester (Multi) Academy Trust | 168 | 168 | 135 | 135 |
| Net investment in finance lease | 6 | 6 | 3 | 3 |
| | <u>3,792</u> | <u>4,239</u> | <u>3,413</u> | <u>4,668</u> |

| | 2022 | | 2021 | |
|-----------------------------------------------------------|---------------|---------------|--------------|--------------|
| | Consolidated | University | Consolidated | University |
| | £'000 | £'000 | £'000 | £'000 |
| 14 Creditors : amounts falling due within one year | | | | |
| Secured bank loans (note 16) | 1,859 | 1,859 | 1,851 | 1,851 |
| Obligations under finance leases (note 16) | 304 | 304 | 279 | 279 |
| Trade payables | 1,371 | 1,370 | 1,291 | 1,291 |
| Social security and other taxation payable | 819 | 819 | 624 | 624 |
| Accruals and deferred income | 4,674 | 4,580 | 3,111 | 2,997 |
| Deferred income - government capital grants | 1,104 | 1,104 | 1,052 | 1,052 |
| Other creditors | 1,455 | 1,453 | 1,380 | 1,379 |
| Amounts owed to OfS | 188 | 188 | 187 | 187 |
| | <u>11,774</u> | <u>11,677</u> | <u>9,775</u> | <u>9,660</u> |

15 Creditors : amounts falling due after more than one year

| | | | | |
|---------------------------------------------|---------------|---------------|---------------|---------------|
| Secured bank loans (note 16) | 22,072 | 22,072 | 23,931 | 23,931 |
| Obligations under finance lease (note 16) | 28,594 | 28,592 | 28,896 | 28,896 |
| Deferred income - government capital grants | 21,760 | 21,760 | 20,350 | 20,350 |
| Amounts owed to OfS | - | - | 188 | 188 |
| | <u>72,426</u> | <u>72,424</u> | <u>73,365</u> | <u>73,365</u> |

The University of Chichester

Notes to the financial statements for the year ended 31 July 2022

| | 2022 | | 2021 | |
|-----------------------------------------------------|-----------------------|---------------------|-----------------------|---------------------|
| | Consolidated £'000 | University £'000 | Consolidated £'000 | University £'000 |
| 16 Maturity of debt | | | | |
| Secured bank loans are repayable as follows: | | | | |
| Due within one year - payable by instalment | 1,859 | 1,859 | 1,851 | 1,851 |
| Due between one and two years | 12,168 | 12,168 | 1,859 | 1,859 |
| Due between two and five years | 3,083 | 3,083 | 5,633 | 5,633 |
| Due in five years or more | 6,821 | 6,821 | 16,439 | 16,439 |
| Due after more than one year | <u>22,072</u> | <u>22,072</u> | <u>23,931</u> | <u>23,931</u> |
| | <u>23,932</u> | <u>23,932</u> | <u>25,782</u> | <u>25,782</u> |

As at 31 July 2022 the University had the following loan arrangements in place:

- 1) AIB loan - fixed rate of interest of 5.53 per cent per annum repayable by June 2031 totalling £1,765,370 (2021 - £1,912,992).
- 2) AIB loan - fixed rate of interest of 4.95 per cent repayable by September 2031 totalling £1,569,364 (2021 - £1,739,025).
- 3) AIB loan - variable rate of interest (Central Bank Base Rate + 2.51%) repayable by January 2035 totalling £8,575,796 (2021 - £9,249,528).
- 4) HSBC loan - variable rate of interest (Central Bank Base Rate + 2.5%) repayable by October 2023 totalling £12,020,000 (2021 - £12,880,000).
- 5) HSBC revolving credit facility - variable rate of interest (Central Bank Base Rate +3%) terminating November 2023 totalling £2,500,000. At year end £nil was drawn (2021- £nil).
- 6) The above loans are secured against assets in both companies.

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

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

As at 31 July 2022, the group is not exposed to risks arising from interest rate benchmark reform as LIBOR is replaced with alternative benchmark interest rates.

Finance leases are repayable as follows:

| | | | | |
|--------------------------------|---------------|---------------|---------------|---------------|
| Due within one year | 304 | 304 | 279 | 279 |
| Due between one and two years | 331 | 331 | 304 | 304 |
| Due between two and five years | 1,166 | 1,166 | 1,078 | 1,078 |
| Due in five years or more | 27,095 | 27,095 | 27,514 | 27,514 |
| Due after more than one year | <u>28,592</u> | <u>28,592</u> | <u>28,896</u> | <u>28,896</u> |
| | <u>28,896</u> | <u>28,896</u> | <u>29,175</u> | <u>29,175</u> |

17 Provisions for liabilities

| Consolidated and University | Obligation to fund deficit on USS Pension £'000 | Pension enhancement on termination £'000 | Defined Benefit Obligations (Note 26) £'000 | Dilapidations £'000 | Total Provisions £'000 |
|-------------------------------------------------------------------|----------------------------------------------------------|---------------------------------------------------|------------------------------------------------------|------------------------|------------------------------|
| At 1 August 2021 | 217 | 735 | 15,507 | 976 | 17,435 |
| Utilised in year | - | (45) | - | - | (45) |
| Additions in year | 245 | (73) | (15,507) | 177 | (15,158) |
| At 31 July 2022 | <u>462</u> | <u>617</u> | <u>-</u> | <u>1,153</u> | <u>2,232</u> |
| | | | | 2022 £'000 | 2021 £'000 |
| Increase during the year recognised in Comprehensive Income | | | | 4,281 | 3,295 |
| Decrease during the year recognised in Other Comprehensive Income | | | | (19,484) | (2,988) |
| (Decrease)/Increase in provisions during the year | | | | <u>(15,203)</u> | <u>307</u> |

The University of Chichester

Notes to the financial statements for the year ended 31 July 2022

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.

A new deficit recovery plan was put in place as part of the 2020 valuation, which requires payment of 6.2% of salaries over the period 1 April 2022 until 31 March 2024 at which point the rate will increase to 6.3%. The 2022 deficit recovery liability reflects this plan.

The major assumptions used to calculate the obligation are:

| | 2022 | 2021 |
|---------------|-------|-------|
| Discount rate | 1.08% | 0.87% |
| Salary growth | 1.82% | 1.00% |

Pension enhancement

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

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

| | 2022 | 2021 |
|---------------|-------|-------|
| Discount rate | 3.30% | 1.60% |
| Inflation | 2.90% | 2.60% |

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 | 12,175 | 8,680 | 20,855 |
| Equipment | 351 | 196 | 547 |
| At 1 August 2021 | 12,526 | 8,876 | 21,402 |
| Cash receivable | | | |
| Buildings | 1,216 | 1,279 | 2,495 |
| Equipment | 76 | 25 | 101 |
| | 1,292 | 1,304 | 2,596 |
| Released to income and expenditure account | | | |
| Buildings | 519 | 306 | 825 |
| Equipment | 296 | 13 | 309 |
| | 815 | 319 | 1,134 |
| Buildings | 12,872 | 9,653 | 22,525 |
| Equipment | 131 | 208 | 339 |
| At 31 July 2022 | 13,003 | 9,861 | 22,864 |

The University of Chichester

Notes to the financial statements for the year ended 31 July 2022

19 Restricted Reserves

Consolidated and University

| | 2022 £'000 | 2021 £'000 |
|---------------------------------------------------------------------------|---------------|---------------|
| Donations | | |
| At 1 August | 18 | 86 |
| New donations | 140 | 1 |
| Repayment of donation not utilised | - | (28) |
| Expenditure | (4) | (22) |
| Reclassification of prior year income and expenditure | - | (19) |
| Total restricted comprehensive income/(expense) for the year | 136 | (68) |
| At 31 July | 154 | 18 |
| Analysis of other restricted funds / donations by type of purpose: | | |
| Prize funds | 1 | 2 |
| General | 153 | 16 |
| | 154 | 18 |

20 Cash and cash equivalents

| | At 1 August 2021 £'000 | Cash Flows £'000 | At 31 July 2022 £'000 |
|---------------------------|------------------------------|------------------------|-----------------------------|
| Consolidated | | | |
| Cash and cash equivalents | 16,172 | 4,190 | 20,362 |
| | 16,172 | 4,190 | 20,362 |
| University | | | |
| Cash and cash equivalents | 14,833 | 5,013 | 19,846 |
| | 14,833 | 5,013 | 19,846 |

21 Reconciliation of net debt

| | 2022 £'000 | 2021 £'000 |
|-----------------------------------------------------------------|----------------|----------------|
| Consolidated and University | | |
| Net debt 1 August 2021 | 38,785 | 46,195 |
| Movement in cash and cash equivalents | (4,190) | (5,468) |
| Repayment of secured loans | (1,850) | (1,688) |
| Repayment of finance leases | (278) | (254) |
| Net debt 31 July 2022 | 32,466 | 38,785 |
| Change in net debt | (6,319) | (7,410) |
| Analysis of net debt: | | |
| Cash and cash equivalents | 20,362 | 16,172 |
| Borrowings: amounts falling due within one year | | |
| Secured loans | 1,859 | 1,851 |
| Obligations under finance leases | 304 | 279 |
| | 2,163 | 2,130 |
| Borrowings: amounts falling due after more than one year | | |
| Secured loans | 22,072 | 23,931 |
| Obligations under finance leases | 28,594 | 28,896 |
| | 50,666 | 52,827 |
| Net debt | 32,466 | 38,785 |

The University of Chichester

Notes to the financial statements for the year ended 31 July 2022

22 Financial instruments

| | 2022 | | 2021 | |
|--------------------------------------------------|-----------------------|---------------------|-----------------------|---------------------|
| | Consolidated £'000 | University £'000 | Consolidated £'000 | University £'000 |
| Financial assets | | | | |
| Financial assets measured at amortised cost | <u>22,301</u> | <u>22,244</u> | <u>17,699</u> | <u>17,626</u> |
| Financial liabilities | | | | |
| Financial liabilities measured at amortised cost | <u>58,946</u> | <u>58,932</u> | <u>60,374</u> | <u>60,363</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 2022.

| | 2022 | | 2021 | |
|-----------------------------------|-----------------------|---------------------|-----------------------|---------------------|
| | Consolidated £'000 | University £'000 | Consolidated £'000 | University £'000 |
| Commitments contracted for | 657 | 657 | 345 | 345 |
| Authorised but not contracted for | 3,125 | 3,125 | 1,331 | 1,331 |
| | <u>3,782</u> | <u>3,782</u> | <u>1,676</u> | <u>1,676</u> |

24 Lease obligations

At 31 July 2022 the University had minimum lease payments under non-cancellable operating leases as follows:

| | 2022 | | 2021 | |
|----------------------------------------------|--------------------------------|-----------------------|----------------|---------------|
| | Land and Buildings £'000 | Other leases £'000 | Total £'000 | £'000 |
| Future minimum lease payments due: | | | | |
| Not later than 1 year | 689 | 1,035 | 1,724 | 1,766 |
| Later than 1 year and not later than 5 years | 2,240 | 428 | 2,668 | 3,690 |
| Later than 5 years | 6,767 | 36 | 6,803 | 7,378 |
| Total lease payments due | <u>9,696</u> | <u>1,499</u> | <u>11,195</u> | <u>12,834</u> |

25 Events after the reporting period

On 30th November 2022 the University signed a new £30m bank facility (£20m loan / £10m RCF) with HSBC with the removal of all security. The new facility replaces the AIB and HSBC loans as set out in note 16 above.

The University of Chichester

Notes to the financial statements for the year ended 31 July 2022

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 | 2022 | | 2021 | |
|----------------------------------------------------------------------------------|---------|-----------------|---------|----------------|
| | £'000 | £'000 | £'000 | £'000 |
| Employer's contributions paid | | 5,343 | | 4,946 |
| FRS 102 (28) charge: | | | | |
| LGPS - past and current service cost | 5,546 | | 4,532 | |
| LGPS - employer contributions | (1,930) | | (1,846) | |
| USS - closing provision movement | 255 | | 8 | |
| USS - employer deficit contributions | (12) | 3,859 | (11) | 2,683 |
| Total pension cost for year within staff costs | | 9,202 | | 7,629 |
| FRS 102 (28) credit: | | | | |
| LGPS - net interest on defined liability | | 276 | | 236 |
| USS - interest cost | | 2 | | 2 |
| Enhanced pensions - interest cost | | 12 | | 10 |
| Net charge on pension schemes within other finance costs (note 8) | | 290 | | 248 |
| Total pension cost for year recognised in Comprehensive Income | | 9,492 | | 7,877 |
| FRS 102 (28) charge: | | | | |
| LGPS - actuarial gain | | (19,399) | | (2,984) |
| Enhanced pensions - actuarial gain | | (85) | | (4) |
| Total pension gain/loss for year recognised in Other Comprehensive Income | | (19,484) | | (2,988) |

Teachers' Pension Scheme

The University of Chichester 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 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% 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 £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI. assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The University of Chichester

Notes to the financial statements for the year ended 31 July 2022

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 2022 amounted to £112K (2020/21: £111K). 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 of Chichester has accounted for its contributions to the scheme as if it were a defined contribution scheme. The University of Chichester has set out above the information available on the scheme.

Contributions amounting to £10K were payable to the scheme at 31 July 2022 (31 July 2021: £9K) 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 2021 to 31 July 2022 was 19.6% of pensionable salaries.

The major assumptions used by the actuary were:

| | 2022 | 2021 |
|-------------------|------|------|
| | % | % |
| Salary increases | 3.2 | 3.3 |
| Pension increases | 2.7 | 2.8 |
| Discount rate | 3.5 | 1.6 |

Life expectancy is based on the Fund's VitaCurves with improvements in line with the CMI 2020 model, with 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 are summarised below:

| | Male 31 July 2022 | Male 31 July 2021 | Female 31 July 2022 | Female 31 July 2021 |
|--------------------|----------------------|----------------------|------------------------|------------------------|
| Current pensioners | 21.9 years | 22.1 years | 24.2 years | 24.4 years |
| Future pensioners | 22.8 years | 23.1 years | 25.9 years | 26.1 years |

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

| | Value at 31 July 2022 £'000 | Proportion | Value at 31 July 2021 £'000 | Proportion |
|-------------------------------------|-----------------------------------|-------------|-----------------------------------|-------------|
| Equities | 42,583 | 46% | 46,144 | 52% |
| Bonds | 32,399 | 35% | 31,945 | 36% |
| Property | 14,811 | 16% | 7,099 | 8% |
| Cash | 2,777 | 3% | 3,549 | 4% |
| Total market value of assets | 92,569 | 100% | 88,737 | 100% |

The following amounts, at 31 July 2022, were measured in accordance with the requirements of FRS 102:

Analysis of the amount shown in the balance sheet

| | 2022 £'000 | 2021 £'000 |
|------------------------------------------------------------------|---------------|-----------------|
| University of Chichester – Estimated asset share | 92,567 | 88,737 |
| University of Chichester – Present value of funded liabilities | (92,567) | (104,213) |
| University of Chichester – Present value of unfunded liabilities | - | (31) |
| University of Chichester – Net pension deficit (note 17) | - | (15,507) |

The University of Chichester

Notes to the financial statements for the year ended 31 July 2022

26 Pension schemes (continued)

| Local Government Pension Scheme (continued) | 2022 £'000 | 2021 £'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 | 5,546 | 4,532 |
| | 5,546 | 4,532 |
| Amounts included in interest and other finance costs | | |
| Net interest charge | 276 | 236 |
| | 276 | 236 |
| Costs recognised in the Statement of Comprehensive Income | 5,822 | 4,768 |
| Amounts recognised in Other Comprehensive Income | | |
| Return on pension plan assets | 1,164 | 13,238 |
| Experience (loss)/gain arising on defined benefit obligations | (260) | 1,197 |
| Changes in assumptions underlying the present value of plan liabilities | 18,495 | (11,451) |
| | 19,399 | 2,984 |
| Gain recognised in Other Comprehensive Income | 19,399 | 2,984 |
| Movement in net defined benefit liability during the year | | |
| Deficit in scheme at 1 August 2021 | (15,507) | (15,569) |
| Movement in year: | | |
| Current service cost | (5,546) | (4,532) |
| Past service cost | - | - |
| Employer contributions | 1,930 | 1,846 |
| Net interest on the defined liability | (276) | (236) |
| Actuarial gain | 19,399 | 2,984 |
| | - | (15,507) |
| Net defined benefit liability at 31 July 2022 | - | (15,507) |
| Asset and Liability Reconciliation | | |
| Changes in the present value of defined benefit obligations | | |
| Defined benefit obligations at start of period | 104,244 | 88,731 |
| Current service cost | 5,546 | 4,532 |
| Past service cost | - | - |
| Interest cost | 1,705 | 1,269 |
| Contributions by Scheme participants | 668 | 641 |
| Experience gains and losses on defined benefit obligations | 260 | (1,197) |
| Changes in demographic assumptions | (431) | 243 |
| Changes in financial assumptions | (18,064) | 11,208 |
| Estimated benefits paid | (1,360) | (1,183) |
| | 92,568 | 104,244 |
| Defined benefit obligations at end of period | 92,568 | 104,244 |
| Reconciliation of Assets | | |
| Fair value of plan assets at start of period | 88,737 | 73,162 |
| Interest on plan assets | 1,429 | 1,033 |
| Return on plan assets | 1,164 | 13,238 |
| Employer contributions | 1,930 | 1,846 |
| Contributions by Scheme participants | 668 | 641 |
| Estimated benefits paid | (1,360) | (1,183) |
| | 92,568 | 88,737 |
| Assets at end of period | 92,568 | 88,737 |

2023 Pension Increase order

The 2023 PI Order is used to set the level of pension increases, deferred revaluation and CARE revaluation with effect from 1 April 2023. This is expected to be significantly higher than the CPI assumption as at 31 July 2022. The PI Order is typically set with reference to the change in CPI inflation over the 12 months to the previous September (announced in October), so the 2023 PI Order is expected to be set with reference to the September 2022 CPI. The change in CPI over the 12 months to September 2022 was 10.1%.

The actual 2023 PI Order is not automatically set with reference to the September CPI. This is only known with certainty in March, once this has been approved by Parliament. It is possible that the actual PI Order will be lower than the change in CPI over the 12 months to September 2022. It is due to this uncertainty that the standard assumptions and approach as at 31 July 2022 make no allowance for a 2023 PI Order of the order of 10.1%. It is common practice for pensions disclosures to recognise experience as and when this materialises, and so recognition of the 2023 PI Order would ordinarily be made when this is known with certainty, i.e. when preparing pensions disclosures as at 31 July 2023.

The effect of recognising the 2023 PI order in the balance sheet as at 31 July 2022 would increase the value of the obligations by £3,756,000.

The University of Chichester

Notes to the financial statements for the year ended 31 July 2022

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 £952,599 (2021 - £761,859) which were recharged to the Trust. As at 31 July 2022, the University was owed £167,844 (2021 - £135,746), consisting of an interest free loan balance of £63,418 (2021 - £63,418) and a trade debtor balance of £104,427 (2021 - £72,328).

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

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

| Governor | Sales to related party £'000 | Purchases from related party £'000 | Grants to related party £'000 | Amounts owed by related party as at 31 July £'000 | Amounts owed to related party as at 31 July £'000 |
|-------------------------------------------------------------------------|------------------------------------|---------------------------------------------|-------------------------------------|---------------------------------------------------------------|---------------------------------------------------------------|
| Miss G Hopwood as President of University of Chichester Students' Union | | | | | |
| Income and expenditure activities: | | | | | |
| 2022 | 33 | 45 | 310 | - | 8 |
| 2021 | 23 | 37 | 400 | - | - |
| Payroll cost recharges: | | | | | |
| 2022 | 264 | - | - | - | - |
| 2021 | 236 | - | - | - | - |

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

| | 2022 | | 2021 | |
|-------------------------------------------|-----------------------|---------------------|-----------------------|---------------------|
| | Consolidated £'000 | University £'000 | Consolidated £'000 | University £'000 |
| Balance at 1 August | 76 | 76 | 43 | 43 |
| Grants received | 768 | 768 | 1,332 | 1,332 |
| Prior year grants refunded | (57) | (57) | - | - |
| Disbursed to students | (720) | (720) | (1,281) | (1,281) |
| Administration costs | (19) | (19) | (20) | (20) |
| Adjustment of understated opening balance | - | - | 2 | 2 |
| Balance unspent at 31 July | 48 | 48 | 76 | 76 |

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

The University of Chichester

LIST OF ABBREVIATIONS

| | |
|----------|-------------------------------------------------------------------|
| AIB | Allied Irish Bank |
| BOC | Bishop Otter Campus |
| BRC | Bognor Regis Campus |
| CARE | Career Average Re-valued Earnings |
| COCG | Covid-19 Outbreak Control Group |
| CPD | Continuing Professional Development |
| CPES | Channel Payment for Eco System Services Project |
| CtoC | Coast to Capital Local Enterprise Partnership |
| CUC | Committee of University Chairs |
| DBFO | Design, Build, Finance, Operate |
| DCMS | Department for Digital, Culture, Media and Sport |
| 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 Area |
| ERDF | European Regional Development Fund |
| EU | European Union |
| FRS | Financial Reporting Standard |
| FTE | Full Time Equivalent |
| GCC | Group Close Combat |
| GDPR | General Data Protection Regulation |
| GIA | Gross Internal Area |
| HE SORP | Higher Education Statement of Recommended Practice |
| HE | Higher Education |
| HEFCE | Higher Education Funding Council for England |
| HEI | Higher Education Institution |
| HEIF | Higher Education Innovation Funding |
| IT | Information Technology |
| JNCHES | Joint Negotiating Committee for Higher Education Staff |
| KEF | Knowledge Exchange Framework |
| KPI | Key Performance Indicator |
| KTP | Knowledge Transfer Partnership |
| kWh | Kilowatt |
| LED | Light Emitting Diode |
| LEP | Local Enterprise Partnership |
| LGPS | Local Government Pension Scheme |
| LIBOR | London Inter-bank Offered Rate |
| NATO | North Atlantic Treaty Organisation |
| NHS | National Health Service |
| NSS | National Student Survey |
| OFS | Office for Students |
| OFSTED | Office for Standards in Education, Children's Services and Skills |
| PECR | Privacy and Electronic Communications Regulations |
| PES | Physical Employment Standards |
| PLC | Public Limited Company |
| PRDP | Personal Review and Development Plan |
| RCF | Revolving Credit Facility |
| REF | Research Excellence Framework |
| SEEM | Sustainability, Environment and Energy Management Group |
| SIZ | 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 |
| TPS | Teachers' Pension Scheme |
| UCEA | Universities and Colleges Employers Association |
| UCU | University and College Union |
| UoA | Unit of Assessment |
| USS | Universities Superannuation Scheme |
| VAT | Value Added Tax |
| VCG | Vice-Chancellor's Group |
| VFM | Value for Money |

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