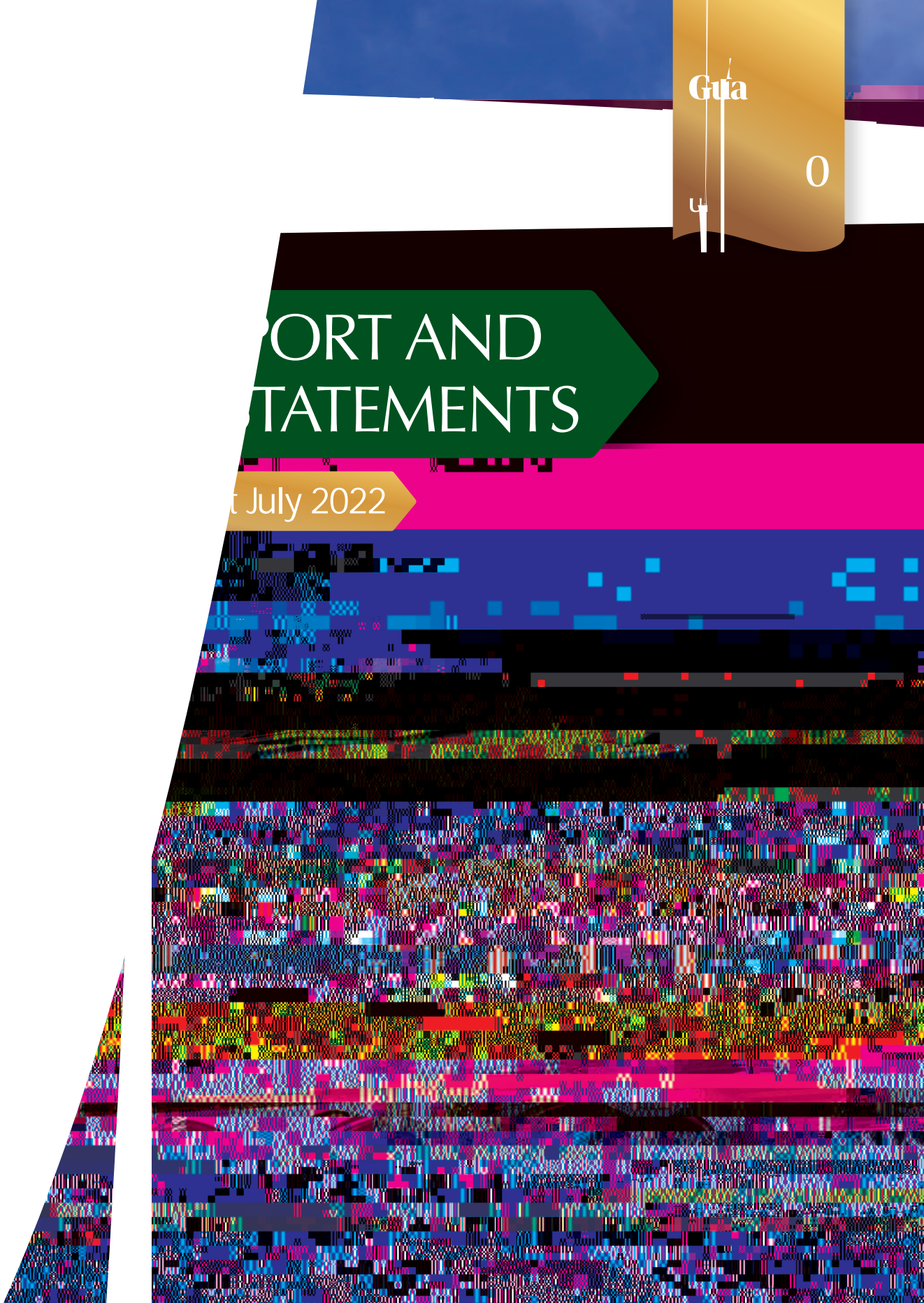
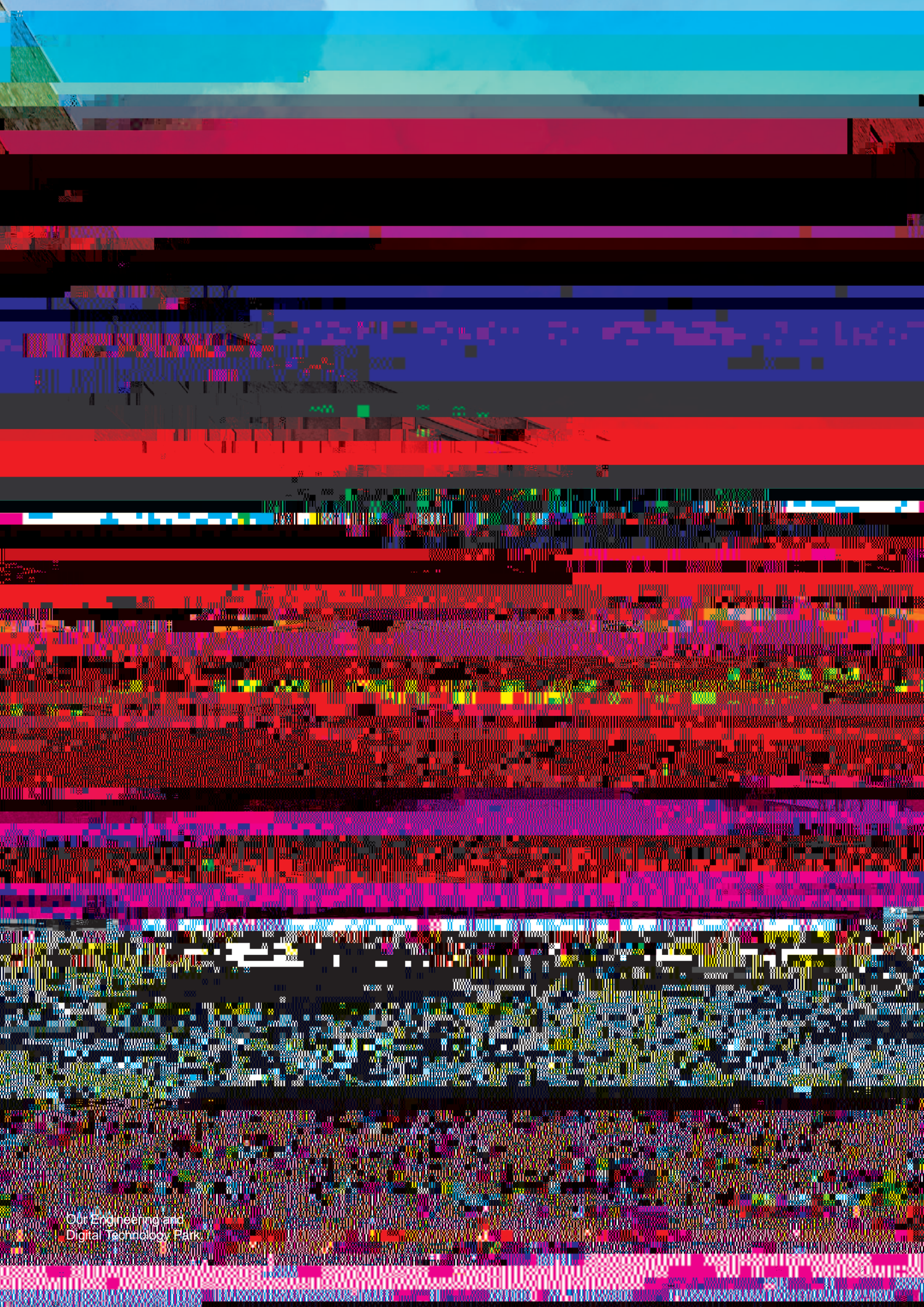


REPORT AND STATEMENTS

July 2022





Our Engineering and
Digital Technology Park

The University of Chichester

Annual Report and Financial Statements

for the year ended 31 July 2022

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The University of Chichester

Strategic report for the year ended 31 July 2022

Key Strategic Themes:

- x We will strengthen the distinctiveness of the Chichester student experience as high-quality, personalised, accessible and aspirational;
- x We will increase the size and diversity of our student body;
- x We will provide an excellent staff experience based on the core values of the University community;
- x We will achieve disciplinary and cross-disciplinary excellence in research and innovation;
- x We will increase external academic engagement, meeting regional needs and securing national and international recognition;
- x We will build on our heritage in teacher education;
- x 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;
- x 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 de

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

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 rang

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

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 Univ

The University of Chichester

Strategic report for the year ended 31 July 2022

Subject specific highlights include:

- x 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.

x

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Strategic report for the year ended 31 July 2022

The University of Chichester
Strategic report for the

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.

Tuition fee income increased by £1.8m (4%) as we continue

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Strategic report for the year ended 31 July 2022

Expenditure

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 re

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	
--	--

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Strategic report for the year ended 31 July 2022

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Strategic report for the year ended 31 July 2022

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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

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Strategic report for the year ended 31 July

- x 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.
- x 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:

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

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 0.0603 Tm .0001 T gd-0023 Tw [(Mrs So)5.mrw [(Lyna0 10.02]TJ 1

The University of Chichester

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 genet2 93.36 c64 Tw [(mpl)6.3(o77ion Act)5er Educat6mplo7 2oe o

The University of Chichester
Corporate governance and internal controls statement

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:

- x 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.
- x 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.
- x 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:

- x 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.
- x 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.
- x 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

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.

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;

-

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 provi-3.1(a of Chite limith)5.f Chidults for the U

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 from an undergraduate tuition fee cap for a further two years and unprecedented levels of inflation. The University continues to review the impact of these

The University of Chichester

Statement of responsibilities of the Board of Governors

The University of Chichester
Independent Auditor's report

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

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:

- x 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
- x 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:

- x adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- x the financial statements are not in agreement with the accounting records and returns; or
- x certain disclosures of Board of Governors members' remuneration specified by law are not made; or
- x 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:

- x Funds from whatever source administered by the University for specific purposes have been properly administered

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

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

The University of Chichester

Consolidated and University statement of comprehensive income and expenditure for the year ended 31 July 2022

	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

The University of Chichester

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

The University of Chichester

Consolidated and University balance sheet at 31 July 2022

Company number 04740553	Notes	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Non-current assets					
Fixed assets	11	127,891	127,892	127,913	127,911
Investments	12	-	-	-	-
		127,891	127,892	127,913	127,911
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
		24,166	24,097	19,596	19,512
Creditors: amounts falling due within one year	14	(11,774)	(11,677)	(9,775)	(9,660)
Net current assets		12,392	12,420	9,821	9,852
Total assets less current liabilities		140,283	140,312	137,734	137,763
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		65,625	65,656	46,934	46,963
Restricted reserves					
Income and expenditure reserve - restricted reserve	19	154	154	18	18
Unrestricted reserves					

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

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

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.

The University of Chichester

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

The University of Chichester

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

	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

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

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,

	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

	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

Our current plan can be found on the University website here:

	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 e yO70014 T rtr720014 T

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	<u>124,820</u>	<u>30,564</u>	<u>15,286</u>	<u>3,782</u>	<u>174,452</u>
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	<u>30,107</u>	<u>4,263</u>	<u>12,191</u>	<u>-</u>	<u>46,561</u>
Net book value					
At 31 July 2022	<u>94,713</u>	<u>26,301</u>	<u>3,095</u>	<u>3,782</u>	<u>127,891</u>
At 31 July 2021	<u>96,049</u>	<u>27,156</u>	<u>2,467</u>	<u>2,241</u>	<u>127,913</u>
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	<u>124,820</u>	<u>30,564</u>	<u>15,155</u>	<u>3,782</u>	<u>174,321</u>
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	<u>30,107</u>	<u>4,263</u>	<u>12,060</u>	<u>-</u>	<u>46,430</u>
Net book value					
At 31 July 2022	<u>94,713</u>	<u>26,301</u>	<u>3,095</u>	<u>3,782</u>	<u>127,891</u>
At 31 July 2021	<u>96,049</u>	<u>27,156</u>	<u>2,465</u>	<u>2,241</u>	<u>127,911</u>

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

	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	22,072	22,072	23,931	23,931
	23,932	23,932	25,782	25,782

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

The University of Chichester

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

22 Financial instruments

	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Financial assets				
Financial assets measured at amortised cost	22,301	22,244	17,699	17,626
Financial liabilities				
Financial liabilities measured at amortised cost	58,946	58,932	60,374	60,363

23 Capital and other commitments

Provision has not been made for the following capital commitments at 31 July 2022.

	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
	3,782	3,782	1,676	1,676

24 Lease obligations

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

	Land and Buildings £'000	Other leases £'000	Total £'000	2021 £'000
Future minimum lease payments due:				
Not later than 1 year	689	1,035	1,724	1,766

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	£'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 ad 7.4(-)13g45n.6(a)-76es 2 ofmn(a).2(i)-8.8()7.66.5(c)-4.4(s)-53.6(e)7.8((of)-13.2(T)-1r.5(e)7.7((s)-53.6(e)7.45n.6(ar.5(e)7.n)-7

The University of Chichester

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

26 Pension schemes (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

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
Costs recognised in the Statement of Comprehensive Income	5,822	4,768
Amounts recognised in Other Comprehensive Income		
	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
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
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)
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)
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

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.

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

Governor

	£'000	£'000	£'000	£'000	£'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	-	-	-	-

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29 Amounts disbursed as agent

Department for Education training bursaries

	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

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