



# Annual Report and Financial Statements Year ended 31 July 2021

**BATH  
SPA  
UNIVERSITY**

## Contents

1	<b>Foreword</b>
3	<b>Strategic report</b>
5	<b>A Year in summary</b>
7	Community engagement
9	Focus On: Locksbrook Campus
11	<b>Academic excellence</b>
13	Strategic context and our values
15	Financial review
17	<b>Governance report</b>
19	Executive team and Governors list
20	Operating structure
21	Legal information
23	Corporate governance statement
29	<b>Remuneration committee report</b>
33	<b>Independent Auditor's report</b>
37	<b>Statement of Accounting Policies</b>
42	<b>Financial Statements</b>
43	Statement of comprehensive income and expenditure
44	Consolidated statement of changes in reserves
44	University statement of changes in reserves
45	Consolidated balance sheet
46	Consolidated cash flow statement
47	<b>Notes to the Financial Statements</b>

## Glossary

AHRC	Arts and Humanities Research Council	KEF	Knowledge Exchange Framework
BANES	Bath and North East Somerset (Council)	LGPS	Local Government Pension Scheme
BBS	Bath Business School	LLC	Limited Liability Company
BME	Black and Minority Ethnic	LLP	Limited Liability Partnership
BSU	Bath Spa University	MBA	Master of Business Administration
CASE	Council for Advancement and Support of Education	NSS	National Student Survey
CIC	Community Interest Company	NS-SEC	National Statistics Socio-Economic Classification
CPI	Consumer Price Index	OfS	Office for Students
CUC	Committee of University Chairs	OfSTED	Office for Standards in Education
DAC	Development Assistance Committee	PGCE	Post Graduate Certificate in Education
DLHE	Destination of Leavers from Higher Education	PLC	Public Limited Company
DfE	Department for Education	POLAR	Participation of Local Areas
EAU	External Affairs Unit	PVC	Pro-Vice-Chancellor
EIB	European Investment Bank	REF	Research Excellence Framework
EU	European Union	RSO	Research Support Office
FE	Further Education	SAVP	Statement of Asset Valuation Practice
FRS	Financial Reporting Standard	SLG	Senior Leadership Group
FTE	Full Time Equivalent	SORP	Statement of Recommended Practice
GCRF	Global Challenges Research Fund	TPS	Teachers' Pension Scheme
HE	Higher Education	UCAS	Universities and Colleges Admissions Service
HEFCE	Higher Education Funding Council for England	UCEA	Universities and Colleges Employers Association
HEIF	Higher Education Innovation Fund	UKRI	United Kingdom Research and Innovation
HESES	Higher Education Students Early Statistics Survey	US	United States (of America)
IOF	Institute of Fundraising	VAT	Value Added Tax
		WECA	West of England Combined Authority





**Jonathan Glasspool**  
Chair of the Board of Governors



**Professor Sue Rigby**  
Vice-Chancellor

## Foreword from the Chair of the Board of Governors, and the Vice-Chancellor

We have written a single introduction to this year’s Annual Report, because so much of the year has depended on close and effective working between the Executive and Board. In any crisis, coherent and agile leadership is vital and we have been able to steer the University through over a year of pandemic crisis by employing those attributes.

Our prime concern throughout the year has been the safety and wellbeing of students and staff. We have been able to pivot from in-person to distance learning effectively, but in doing so we understand the strains that have been placed on all concerned. The overall student experience has lacked a vital social dimension at times, and our staff have had to contend with working from home during school closures and, in some cases, through both illness and bereavement.

We owe our practical success this year to the brilliant contribution of our staff and students in making the best of what was possible. Our online degree shows, virtual creative writing volumes and late, great in-person events have demonstrated our creativity through crisis. We both want to take this opportunity to thank all of our community for all that they have done in the last year.

At the same time, there has been a toll. We have increased student support, especially for mental health and wellbeing, and we have joined the University Mental Health Charter process, run by Student Minds, to ensure that we make whole-University changes to support the mental health of students and staff. We have trained 65 Mental Health First Aiders, and will train more over the coming year. We have introduced virtual wellbeing events and asked line managers to focus on this aspect of their leadership.

All of this helps, but nothing can take away the challenges of the last 18 months except time and patience.

As we welcome new students in person, we are learning from the good points that emerged in the pandemic, especially around the value of online lecture presentations and the vital need for face-to-face and peer learning. We are focussing on helping our students to thrive, so that they can succeed, both during their time with us and after graduation. We are also ensuring that, especially for Freshers, we have clear guidance around behaviours, including a no-tolerance approach to sexual violence and harassment and a strong focus on inclusivity.

Our research and enterprise have been successful throughout the pandemic, and we welcomed our first grant for over £1m which will allow Bath Spa academics to set up disability networks across the South West. Our creative clusters have continued their marked success, and are working on the regeneration of high streets across the region by locating cultural activities in empty premises. We are delighted to have extended our reach in Teach First and with new partners across our academic provision, as well as being able to nurture our London Campus and see that work pay dividends. We are contributing to post-pandemic recovery with a whole series of regional and national digital bootcamps and through our continuing partnership with FE colleges.

As we emerge from the pandemic we know we are bruised by the experience, but also aware of how much we have learned, and how we can apply that learning at a personal and institutional level to improve our impact and reach. We are incredibly proud of the institution we lead, and passionate about its potential in the future.

# STRATEGIC REPORT



# A YEAR IN SUMMARY

**TOP 20**  
for Careers



**BUSINESS, MANAGEMENT AND MARKETING**

Guardian University League Table 2022

£1.44 MILLION  
research grants

**TOP 25**  
for Graduate Prospects (Outcomes)

**EDUCATION**



Guardian University League Table 2022

4000

students at Bath Spa University London

UP 21 PLACES IN THE NATIONAL STUDENT SURVEY 2021

£10 MILLION  
cash generated from operations

NINE UNITS  
of Assessment submitted to REF 2021 from Bath Spa

**12th**  
For value added




Guardian University League Table 2022

10%

Over 10% of new students entered onto a part of our new curriculum in 2020/21.

Gowns, masks and visors made and donated to the NHS using four of our campuses.



**TOP 25**  
for Student Satisfaction

**COMPUTER SCIENCE**



Guardian University League Table 2022

# COMMUNITY ENGAGEMENT

## Life in Lockdown

### Making gowns for the RUH

During lockdown, Bath Spa University, the University of Bath, and local volunteers all came together to make medical gowns to help protect staff at the Royal United Hospitals Bath (RUH).

Local sewists from Bath Spa University, and the Scrubs for the NHS Bath group, stitched together thousands of gowns in a matter of weeks using a pattern created by engineers from the University of Bath.

Following social distancing rules, a group of colleagues from Bath Spa University used sewing machines at our Sion Hill campus, which are normally used by fashion students. Our staff also worked with volunteers to print patterns for medical protective scrubs.

At the time, Kerry Curtis, Head of Bath School of Design said: *"It is an honour to be working collaboratively with the University of Bath to help protect the city's incredible key workers. We are very proud of our colleagues and community of helpers who have rallied together at this truly unique time. Together we can make a difference."*

**"...students did not let lockdown life stifle their determination and passion to create..."**



### See What I See

The School of Education teamed up with the Royal Fine Art Commission Trust (RFACT) to launch the 'See What I See' competition, to help children feel more connected to the outside world while confined to their homes during the coronavirus outbreak.

Three lucky winners from across the UK were crowned victors of the competition, which asked children aged five to 16 to reimagine the places and spaces around them during lockdown.

Professor Kyriaki Anagnostopoulou, Bath Spa's Head of the School of Education, and one of the judges, said: *"We were absolutely blown away by the number of entries we had to the competition. The quality of the entries are testament to the incredible talent and imagination that exists within our young people today and we are delighted they were able to use their free time to get creative and re-think the places and spaces around them."*

View the winning entries: [www.seewhatisee.me/gallery](http://www.seewhatisee.me/gallery)

### #BathSpaStillMakes

Exchanging campus studios for pop-up home working spaces was not how anyone had imagined their university experience turning out, but in true Bath Spa University fashion, art and design students did not let lockdown life stifle their determination and passion to create.

Using the hashtag **#BathSpaStillMakes**, students from across the University's School of Art and its School of Design came together to share their work on Instagram - and what a success it was in spreading the Bath Spa community spirit online, with 2,550 posts and counting.

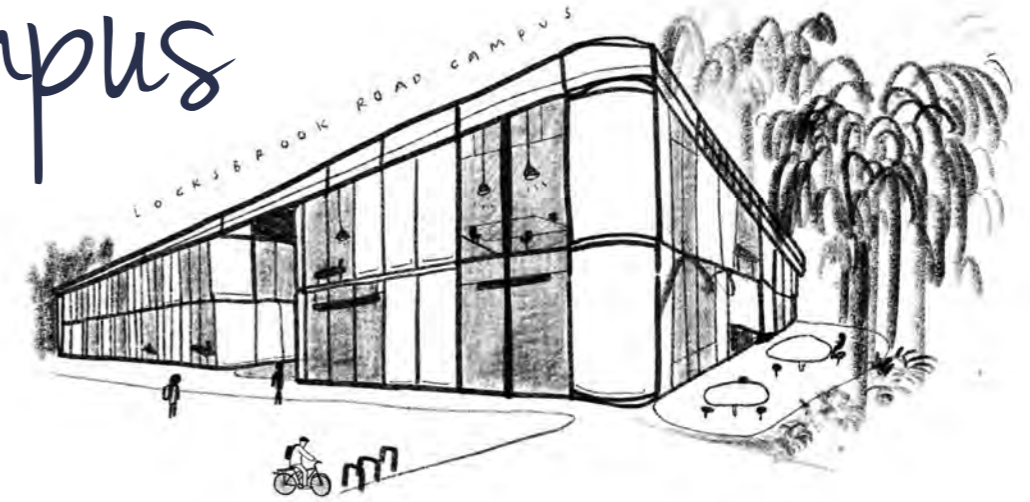
Kerry Curtis, former Head of the School of Design, said: *"Thinking back to last September, we looked forward to the new year with excitement, while being realistic about potential challenges that would inevitably come with the opening of our brand new state-of-the-art Locksbrook Campus. We created a presentation for newcomers which incorporated words like creative, supportive, resilient, resourceful, connected, collaborative. Who would have guessed how relevant this would become?"*

Now, through Instagram and the power of **#BathSpaStillMakes**, students and staff remain united with a gallery of incredible work and an everlasting documentation of how they continue to navigate through their new environment.



# FOCUS ON ► Locksbrook Campus

**Locksbrook Campus** Our state-of-the-art campus in the heart of Bath next to the River Avon. This old furniture factory has been lovingly restored and transformed into an innovative, open plan space, redesigned to meet 21st century environmental standards, with technical workshops surrounded by flexible studio spaces and large social areas.



Originally designed in 1976 by Sir Nicholas Grimshaw for Herman Miller, the American furniture manufacturers, the new Locksbrook Campus is a multimillion-pound campus that offers students enviable educational facilities designed to foster creativity and collaborative working. The building provides a state of the art, flexible space for the next generation of makers, rooted in a deep heritage of making but with novel, innovative and interdisciplinary curricula for the future.



Locksbrook Campus represents a consolidation of Art and Design provision, improving the student experience by reducing the need to travel between sites and improving the local environmental impact.

Its creation has led to an improvement in the University's links with the local community thereby enhancing civic engagement – members of the public are making use of the on-site gallery space, an open area for exhibiting work, and also its events and conferencing facilities. The campus adds considerably to the reputation of the University locally, regionally and nationally.



# ACADEMIC EXCELLENCE

## Schools overview

### Key priorities in 2020/21

Bath Spa University restructured its academic schools in 2021. The number of schools has been reduced from eight to seven and courses moved to allow for greater collaboration between different subject areas. Our new academic school structure will stimulate interdisciplinary innovation, bringing together subjects that will equip our students to succeed in the post pandemic era of innovation by developing applied, professional courses that meet labour market needs.

- The new schools are as follows:
- The Bath School of Art, Film and Media.
- The Bath School of Design.
- The School of Writing, Publishing and the Humanities.

The three 'new' schools sit alongside the existing schools of Sciences, Education, Business, and Music and Performing Arts.

Led by the Vice Provost and Heads of School, the seven academic Schools are responsible for driving the delivery of priorities in collaboration with PVCs. Key 'academic excellence' priorities and outcomes for 2020- 2021 are as follows:

**Boosting recruitment** by launching five new industry relevant courses in September 2021 including Fashion Photography, Games Development and Cyber Security. 18% of the September 2021 undergraduate cohort have enrolled on new courses (launched since 2019) underlining how vital curriculum development is to the University. The Schools also began working with Portfolio Planning, using market intelligence, to develop a further ten new courses for September 2022.

**Improving student support and satisfaction** through targeted School and Course level actions. The Covid-19 pandemic has had a significant impact on the student experience at Bath Spa University, as well as across the UK Higher Education sector, and this is reflected in the NSS results. However the gap in Overall Satisfaction between Bath Spa and the sector average has shrunk to 3.71 percentage points, down from 7.20 percentage points in 2019 (National Student Survey). Music and Fashion and Textiles saw the biggest improvements, despite being areas that would have been heavily affected by the Covid-19 limitations on access to specialist equipment.

**Improving financial sustainability** by launching our new Bath Spa University London Campus and forming new partnerships with the Global Banking School and Fairfield School of Business. 400 students were enrolled on Business and Health and Social Care courses at Bath Spa London in September 2021 extending our high quality delivery to a diverse range of new adult learners. A further 300 are enrolled mainly on business courses delivered by our new partners. Bath Spa is one of just two universities delivering Teach First programmes in Bath and in London. 702 Teach First students were enrolled on Bath Spa programmes in September 2021.

Existing partnerships, combined courses and masters provision have also been streamlined further as part of our recovery and renewal plan to rebalance our portfolio and workforce.

**Increasing external engagement and enhancing our reputation for academic excellence through high profile initiatives** such as:

- The Sparkfest festival hosted 175 live and digital events over seven weeks in 2021. These included original works and productions in music, dance and theatre which reached an audience of over 4000.
- Bath Spa University are working with Stone King solicitors, Citizens Advice Bath and Northeast to launch the Bath Law Clinic which will see top quality legal advice delivered to local residents while developing work experience opportunities for law students.
- Fashion students exhibited their work through the Graduate Fashion Week live stream and at the Blackout exhibition in Broad Street, Bath.
- 1,824 visitors attended the Undergraduate Degree Show hosted by the Bath Schools of Art and Design at our new Locksbrook Campus in June 2021.
- Art students transformed an abandoned shop in Milsom Street, Bath into a pop up gallery to exhibit their work.
- £1,435,851 new research grants were secured from funding bodies including the Arts and Humanities Research Council, British Academy, Education Endowment Foundation, and the Wellcome Trust.
- 221 staff were submitted in nine units of assessment to REF2021 (approx 50%). The submission included 22 impact case studies and 420 research outputs.

### External Successes

- Bath Spa University ranked 12th for the value added metric (a measure of actual student attainment versus expected attainment given entry tariffs and demographics) in the Guardian University League Table 2022.
- Bath Spa University is in the top 20 out of 121 for Business, Management and Marketing, the top 25 for Student Satisfaction for Computer Science, and the top 25 for Graduate Prospects (Outcomes) for Education in the Guardian University League table 2022.

### Key priorities for Schools in 2021/22

- Develop a suite of innovative new courses for 2023/4 and identify our portfolio direction to 2025 (including streamlining, updating, repositioning and consolidating existing provision).
- Diversification of income through the development of Bath Spa University London, the delivery of TeachFirst London, and the development of sustainable new partnerships.
- Improve student support by focussing on retention, online delivery, and satisfaction.





# STRATEGIC CONTEXT AND OUR VALUES

Our ambition, stated in **Strategy 2030**, is to have creative enterprise at the heart of all we do, so that we are:

- big enough to be bold, sure of our own capabilities,
- small enough to care, valuing and nurturing all our students and staff,
- relevant and impactful, changing the world by seeing it differently,
- one community, able to reach between disciplines to find the value of the new,
- passionate, compassionate, brave, inclusive, ethical, engaged and effective in all that we do.

## Renewal and Recovery after Pandemic - three year Plan

In response to the pressures created as a result of the Pandemic in 2020/21, a three year Renewal and Recovery Plan was formulated to ensure the organisation was responsive to the needs of its students, future facing and financially sustainable.

Our current CORE KPIs are:

- Student Recruitment
- Student Retention
- Student Satisfaction
- Financial Sustainability

Supporting these immediate KPIs are our Strategic Themes/Identifiers:

- Civic engagement
- People and Culture
- Sustainability and Climate emergency
- Geographic research
- Income generation
- Financial modelling and the Estates
- Our unique offer

## Our values

We are a distinctive learning organisation, applied and practice led. We are a community of colleagues, striving for excellence to ensure students thrive, therefore we value:

- Respect - respect is shown, not by necessarily agreeing with each other, but by listening to understand and respecting different views.
- Inclusivity - recognising a variety of different circumstances for different members of our communities.
- Collaboration- evidenced by our approach to the transition to a virtual university and the positive collaboration between teams to make the transition successful in such a short period of time.
- Sustainability - in particular the need to continually review our courses to ensure they have a sustainable future, the need to ensure a financially sustainable future in addition to the more obvious green agenda and our commitment to climate emergency.

### Environmental sustainability

The University declared a 'Climate Emergency' in February 2020 and is committed to supporting the UN Sustainable Development Goals. We seek to minimise our impacts on the environment alongside continually improving our environmental performance. We do this via a published Sustainability Strategy and Policy, oversight of which sits with a Steering Group chaired by a member of the senior leadership team, and all activities and environmental risks are managed through our ISO14001-compliant environmental management system. We are mid way through implementing our Carbon Reduction Management Plan which will ensure we reach carbon neutrality by 2030.

### Partnerships and Civic Engagement

Bath Spa University currently has seven cultural partnerships which are supported, financially, by the University and for which the University provides funding in exchange for non-financial value creation (e.g. marketing and promotional opportunities; student, academic, and research opportunities). As part of exchange relationships, these enhance the work of the University as well as the reputational status within the community.

### Knowledge Exchange

The University engages in a wide range of knowledge exchange activities on an annual basis, that is captured and returned as part of the HE Business and Community Interaction Survey (HE-BCI), and is measured to ascertain the university's eligibility for Higher Education Innovation Funding (HEIF).

### Digital Bootcamps

Working in partnership with the University of Bath, Bath College, and Bath and North East Somerset Council, the University has developed and is delivering a range of skills bootcamps, set up to give opportunities to build sector-specific and interview skills to local adults, with the aim of supporting them into local employment. These are run over a course of 12 weeks, and are currently focused around digital marketing, web development, and creative computing.

### Civic University Agreement

In collaboration with the University of Bath, Bath and North East Somerset Council, and the Royal United Hospitals Bath, along with other local organisations, Bath Spa University is working to create and develop a clear and targeted agreement to benefit all in the local area. This is underpinned by the University Partnerships Programme (UPP) Foundation Civic University Commission Report.



# FINANCIAL REVIEW

## University financial results

In the year under review, financial performance was impacted by COVID-19 pandemic, and as a result the University made a deficit of £1.4m, compared with a surplus of £0.2m in the previous year. Whilst there was a net cost saving year on year of £0.4m, this was less than the fall in income of £2.0m.

The University did nonetheless generate £10.0m cash from operating activities, up from £5.4m in the previous year which was adversely impacted by an increase in debtors and a reduction in creditors.

### Income

The University suffered a reduction in income of £2.0m as a result of a reduction in income from student fees, reduced research activity, and further reduced income from residences and commercial activity. These changes were primarily pandemic related. While the University received additional funds from OfS during the pandemic, these were fully utilised, as required, to support students in financial hardship and to provide necessary IT equipment in order to study.

Staff costs increased significantly as a result of staff FTE numbers increasing from 839 to 906. This was primarily due to the insourcing of partner activity in London and the security team in Bath. As a result of changes in the non-cash impacts of FRS102 adjustments for pension costs, reported pension costs increased by £1.1m to £10.0m. These changes were mainly offset by one-off reductions in non-pay costs, principally in respect of premises, together with reduced commercial activity as result of the impact of the pandemic.

### Balance sheet

The University's balance sheet remains strong, with net assets increasing marginally from £59.5m to £61.0 in the year under review, and in spite of further increase in the FRS102 LGPS pension deficit from £52.2m to £53.7m. It should be noted that the increase in the LGPS deficit is for accounting purposes and is not currently expected to impact on employer contributions.

The University consciously reduced investment in fixed assets in order to preserve its cash position, due to the uncertainty caused by the pandemic. Fixed asset additions were just £0.9m (down from £3.9m) and have been funded through cash held, and cash generated in year; cash and current asset investment balances are up from £23.9m to £27.9m as a result. The University has not needed to increase drawdown of any borrowings during the year.

An ongoing reduction in borrowing has led to a reduction in gearing (expressed as the ratio of total debt to net assets), and now stands at 87%, down from 94%.

The University's policy on treasury management was updated during the year, and now enables it to invest in a profile aligned with its longer term financial risks and commitments, whilst retaining the pursuit of optimum performance consistent with those risks. Surplus cash is placed with a number of highly-rated counterparty banks. During the year interest rates on money market deposits remained very low, and the University is in the process of identifying opportunities for securing higher interest rates on surplus cash deposits.

It is the University's policy to abide by terms of payment agreed with suppliers. Unless special terms apply, payment is made within 30 days of receipt of a valid invoice or after acceptance of the goods or services, whichever is the later.

The University has a minimum liquidity threshold of 60 days which balances necessary cash with investment requirements. Cash holdings during the year were sound, and at the year end the University held an equivalent of 124 days, up from 106 days at 31 July 2020.

On 6 January 2022, the University completed the sale of one of its property assets, known as Green Park House, for a sum in excess of £80m. The carrying amount of this asset at the balance sheet date was £53.2m, with an associated revaluation reserve balance of £10.7m. This event triggered the repayment of debt secured on Green Park House, and at the balance sheet date the sum outstanding was £28.2m, of which £1.6m was shown as a creditor due in less than one year. In addition to this sum, the University was required to pay an early settlement penalty amounting to £2.4m.

### Value for Money

The University aims to ensure a high standard of teaching and research by managing its resources effectively and efficiently. The University aims to invest as much of its income as it can to ensure that it is delivering the highest-quality teaching and research possible. Value for Money is embedded in everything the University does from teaching, to research, to investments and procurement processes. This approach helps to ensure that we deliver value for money to our students, the taxpayer and other stakeholders.

The Board of Governors is responsible for delivering value for money from public funds. It keeps under review its arrangements for managing all the resources under its control, taking into account guidance on good practice issued from time to time by the Office for Students (OfS), the National Audit Office, the Public Accounts Committee or other relevant bodies.

In academic year 21/22, the Audit Committee, with the challenge of the Internal Auditors, will be formalising the University's VfM approach with a view to agreeing it at an Audit Committee meeting in 2022.

### Risk Environment

The University operates an established approach to risk management underpinned by a framework, a policy, and associated guidance. The University Risk Register is updated regularly, has assigned University Leadership Team owners and applies its risk appetite through a comprehensive scoring matrix. Risks are formally reviewed several times a year by the Senior Leadership Group and by the Audit Committee, which has structured discussions and challenge on focused areas. The Board of Governors also regularly reviews the University Risk Register.

The key risks and uncertainties facing the University are summarised below and are reflected in fuller detail in the University Risk Register.

- **Political uncertainty**

The external policy environment continues to present challenges to the higher education sector, with the pending outcome of the Government's response to the Augar Review, quality benchmarks and admissions to tuition fee levels and other funding questions, student number controls, and minimum entry thresholds to the Lifelong Loan Entitlement, and much more besides.

- **Student Recruitment, Experience and Progression:**

As a teaching focussed University which derives the majority of its income from tuition fees, the ability to recruit and retain planned student numbers in an increasingly competitive market is fundamental to the University's success. The University's ability to provide an excellent student experience and enable students to succeed is central to its reputation and the risks of failure in these areas is that the University becomes less attractive in the student recruitment marketplace. The University is managing these risks by ensuring the continued

attractiveness of its portfolio through regular planning and review, including extension into new areas; by continuing and evolving the marketing approach of recent years; by the introduction of personalised applicant approach to utilise the University's strengths and provide distinctiveness in the market; and through embedded student engagement, provision of integrated support for students and an enhanced focus on improvements in retention and progression.

- **Financial Sustainability and Partnerships:**

To the extent that the risks in relation to the policy environment, recruitment and retention are not fully mitigated, there will be a risk to financial sustainability. The risk is enhanced as the rate of inflation rises, given largely fixed fee rates. The University is actively managing these risks by: careful management of the cost base (both staffing and its estate) to ensure value for money and to retain flexibility; prioritising levels of liquidity which would enable downturns to be managed; and diversification into new income streams through partnerships alongside renewal of its own curriculum offer. While they are an essential part of the financial strategy, partnerships themselves present risks which are managed through the creation of a new partnerships' unit and enhanced governance.

- **COVID-19**

As with the sector and the economy in general, new short and medium term risks to the University arose during 2020/21 from the current and potential future impacts from the COVID-19 pandemic and from the changed behaviours and government restrictions arising in response. This impacts on a number of risk areas, including the major strategic and financial ones above, and the key risk management tool of the risk register has been regularly updated against relevant risks to reflect relevant controls and mitigations.

# GOVERNANCE REPORT



# EXECUTIVE TEAM AND GOVERNORS LIST

## Governors as at 8 December 2021

Jonathan Glasspool (Independent) (Chair)  
 Joy Luxford (Independent) (Deputy Chair)  
 Professor Susan Rigby (Vice-Chancellor and Chief Executive)  
 Dr Jacqueline Brasted (Independent)  
 Emily Casey (from July 2021) (Independent)  
 Steve Egan CBE (from June 2021) (Independent)  
 Marianne Evans (from July 2021) (SU President)  
 Suzanne Harris (Staff)  
 Sue Lane (Independent)  
 Simon Lockren (Independent)  
 Vinita Nawathe (Independent)  
 Professor Jermaine Ravalier (staff)  
 Nick Sturge MBE (Independent)  
 Dr Emma Wakelin (from February 2021) (Independent)  
 Harry Watts (from July 2021) (Student)

## Others who served as Governors during 2020/21

Terence Jagger (to March 2021) (Independent)  
 Rosemary Heald (to November 2020) (Independent)  
 Professor Philip Martin (to November 2020) (Independent)  
 Susan McMillan (to June 2021) (staff governor)  
 Lauren Stone (to June 2021) (student governor)  
 Emily Casey (to June 2021) (former SU President)  
 Richard Clarke (to February 2021) (Independent)  
 Teresa Fisk (to November 2021) (Independent)

## Senior Staff as at 8 December 2021

Professor Susan Rigby (Vice-Chancellor and Chief Executive)  
 Professor Neil Sammells (Deputy Vice-Chancellor and Provost)  
 Professor Georgina Andrews (Vice Provost)  
 Paul Fox OBE (Pro Vice-Chancellor Finance and Infrastructure)  
 Dr Mark McGuinness (Pro Vice-Chancellor Academic Planning)  
 David Newman (University Secretary)  
 Professor Andy Salmon (Pro Vice-Chancellor External Affairs)  
 Dr Rebecca Schaaf (Pro Vice-Chancellor Student Experience)  
 Arlene Stone (Director of Human Resources)  
 Professor John Strachan (Pro Vice-Chancellor Research and Enterprise)

## Auditors

Grant Thornton UK LLP  
 Chartered Accountants  
 2 Glass Wharf  
 Temple Quay  
 Bristol  
 BS2 0EL

## Bankers

Lloyds Bank PLC  
 47 Milsom Street  
 Bath  
 BA1 1DN

## Solicitors

Veale Wasbrough Vizards  
 Narrow Quay House  
 Narrow Quay  
 Bristol  
 BS1 4QA

# OPERATING STRUCTURE

<b>ACADEMIC SCHOOLS</b>	<b>SCHOOL OF ART, FILM AND MEDIA</b>	<b>BATH BUSINESS SCHOOL</b>	<b>SCHOOL OF DESIGN</b>
	Head: Dr Dan Allen	Heads: Dr Diana Reader and Polly Derbyshire	Head: Dr Kristin Doern
<b>SCHOOL OF MUSIC AND PERFORMING ARTS</b>	<b>SCHOOL OF WRITING, PUBLISHING AND THE HUMANITIES</b>	<b>SCHOOL OF EDUCATION</b>	<b>SCHOOL OF SCIENCES</b>
Head: Mark Langley	Head: Dr Alison Hems	Head: Professor Kyriaki Anagnostopoulou	Head: Professor Rebecca McGuire-Snieckus

## Professional Services divisions

Our Professional Services divisions cover a wide range of vital professional, administrative and other functions that support the University, from finance, accommodation, marketing, communications and human resources to buildings and grounds maintenance, IT, legal services, sustainability and security. These teams work closely with academic staff to provide a comprehensive programme of support to the staff and student community. In partnership with the rest of the institution, they also deliver the changes, refinements and new initiatives arising from the implementation of our Strategy and from our response to circumstances such as those posed by COVID-19, Brexit and an assortment of financial, educational and legislative requirements. The Professional Services divisions are directed by the Vice-Chancellor.

## Strategic research centres

Research themes shape and inform the work of our researchers through both strategic and school based Research Centres. Our Strategic Research Centres are: **Centre for Environmental Humanities**; **Centre for Transcultural Creativity and Education**; and the **Centre for Cultural and Creative Industries**. Our three Strategic Research Centres lead and support interdisciplinary research across the University, and report to the University Research and Ethics Committee.

Strategic research projects led by the centres include:

- Collaborations with the local and regional economy through **The Studio** - our Bath City centre enterprise hub.
- Core partner in the **MyWorld creative hub**, a £46 million five year programme which spans the Bristol and Bath region, and will position the South West as an international trailblazer in screen-based media
- Core partner in the AHRC funded **Bristol+Bath. Creative Research+Development project** – a £6.8 million collaboration that aims to raise the bar for the region's creative industries.
- The **Paper Nations** creative writing incubator, funded through two major grants (£600K and £410K) from Arts Council England. The project commissions writers throughout the South West of England to create new work, nurtures local communities of support for writers, and creates multi-channel partnerships to showcase new writing internationally.
- Regional hub partner in the **National Centre for Academic and Cultural Exchange (NCACE)**, facilitating and supporting capacity Knowledge Exchange between higher education and the arts and culture sector across the UK.
- The School of Education has also been awarded a five year Wellcome Trust Research Development Award of £1.04M to set up a Disabled People's Research Network.

# LEGAL INFORMATION

## Legal status

Bath Spa University is a UK higher education corporation under the Education Reform Act 1988, and as such is also an exempt charity, regulated by the Office for Students (OfS). With origins in the nineteenth century, the institution was initially incorporated in England as Bath College of Higher Education and in 1999 adopted the name of Bath Spa University College. In March 2005, University status was gained, and the institution became Bath Spa University in August 2005.

## Delivery of charitable objectives

The charitable objects of the University are the advancement of education and research. The members of the Board of Governors, who include the Vice-Chancellor and staff and student members, are the trustees of the charity. As such, the Board of Governors has due regard to the Charity Commission's general guidance on public benefit. The charity's immediate beneficiaries are its students. The University has no linked charities attached to it. The University has a public interest duty to conduct its affairs in a transparent and responsible way, in accordance with the 'Nolan principles', and to meet the regulatory requirements of relevant statutory bodies.

## Regulatory and good practice context

The University adheres to the University's Instruments and Articles of Government and its Ordinances together with the following governance codes, principles and regulatory framework(s):

- **Committee of University Chairs (CUC) HE Code of Governance**
- **Committee of University Chairs (CUC) HE Senior Staff Remuneration Code**
- **Committee of University Chairs (CUC) HE Audit Committees Code of Practice**
- **Office for Students (OfS) Regulatory Framework for Higher Education in England**
- **Office for Students (OfS) Public Interest Governance Principles**
- **Committee on Standards in Public Life – 7 Principles of Public Life**

Throughout the year up until the date of this report, the University's governing body, the Board of Governors, is compliant with the CUC HE Code of Governance (CUC Code), the CUC HE Senior Staff Remuneration Code, and the revised CUC HE Audit Committees Code of Practice which was published in July 2020. The University periodically monitors its effectiveness and compliance with the CUC Code by conducting, at least every four years, reviews of the Board's effectiveness and the University's governance arrangements.

The recommendations are then considered by the Board and implemented accordingly.

The most recent assessment of compliance with the CUC Code was considered by the Board of Governors in April 2021. A further assessment of the University's compliance with the CUC Code, including broader good governance practice, is planned for the academic year 2021/22 as part of an external governance effectiveness review.

The University is transparent about its corporate governance arrangements and provides detailed information about those arrangements publicly on the **University website**. The Board of Governors itself is responsible for the maintenance and integrity of the corporate and financial information included on the University's website.

## Office for Students requirements

It is the responsibility of the governing body (Board of Governors) to ensure that the University continues to satisfy all of its regulatory accountabilities. As such, the University has developed a compliance and assurance framework which sets out those primary regulatory accountabilities and identifies who responsibility is delegated to and how assurance is given to the Board of Governors. This includes all of the conditions of registration set out in the OfS Regulatory Framework. As Accountable Officer the Vice-Chancellor, supported by the University Secretary, oversees compliance with the various legal and regulatory accountabilities with oversight from the Audit Committee. Executive leads are responsible for ensuring that those accountabilities are discharged and that appropriate assurance is provided through the University's governance structure. The compliance and assurance framework is maintained by the University Secretary's Office and used to inform agenda planning where appropriate.

## Access and Participation

The University has an **Access and Participation Plan** in place, as approved by the OfS, which is published on the University's website. A review of the Access and Participation Plan is planned for 2021/22.

## Student Protection

The University has a **Student Protection Plan** in place, as approved by the OfS, which is published on the University's website. A review of the Student Protection Plan is planned for 2021/22.

## Degree Outcomes Statement

Each year the Academic Board considers an overview report of undergraduate degree outcomes for the academic year previous. The **statement** considered by the Academic Board at its meeting in October 2021 presented undergraduate degree outcomes for the academic year 2020/21, comparing those outcomes with performance in each of the previous four academic years. It presents differential degree outcomes by student characteristics for the same period, highlighting both positive and negative differential attainment gaps. The University's Education Committee additionally oversees an updated action plan to continue to address differential attainment gaps. The Board of Governors approves the statement annually, most recently in December 2021.

## Transparency Return

The Office for Students requires all English higher education providers to publish their data in regards to admissions and registration. As a registered provider, Bath Spa University publishes this information **here**.

## Modern Slavery

The University's **Anti-slavery statement** is published on the University website and is reviewed and approved each year by the Board of Governors.

## Equal Pay

The Board of Governors is responsible for the framework for pay and conditions of staff. The Remuneration Committee reviews equality and diversity issues in relation to the remuneration of staff, whilst monitoring the gender pay gap, and makes recommendations to the Board of Governors as appropriate.

## Fraud reporting

The University has developed a new **Anti-Fraud, Bribery and Corruption Policy** and it was approved and made publicly available on the University website in June 2020.

## Immigration compliance

The Immigration Compliance function actively manages Bath Spa University's obligations to the UK Home Office for international students. It works to maintain Bath Spa University's Student Sponsor status with the UK Home Office while supporting international student recruitment. The team works closely with colleagues across the whole University, and provides guidance and expertise for both students and staff for all matters concerning UK immigration requirements, in particular:

- Student Engagement Management
- UK Visas and Immigration (UKVI) Student Visa Sponsor Guidance
- International student enrolments, record keeping and fulfilling the University's sponsorship duties

The Immigration Advice Service at Bath Spa University provides free, confidential, impartial and non-judgemental advice, acting in the best interests of those who use the service, prioritising their interests, subject to regulatory and legal requirements. This service is accessible to all Bath Spa University students, applicants and graduates (up to two years) and University staff subject to immigration control.

Our immigration advice is regulated by the Office of the Immigration Services Commissioner (OISC). Higher Education institutions are authorised under a Ministerial Order (Part V of the Immigration and Asylum Act, 1999) to provide immigration advice and services and should adhere to the OISC Code of Standards.

Our advisers are all trained in student immigration and related immigration categories. We are constantly updating our knowledge through relevant publications, internal and external training, specialist networks, and direct dialogue with the Home Office. We are members of the UK Council for International Student Affairs (UKCISA) and the Association of International Student Advisers (AISA). Advisers in the Immigration Advice Service are the only University staff legally allowed to give immigration advice. We are authorised to provide immigration advice to Bath Spa University students and staff only.

# CORPORATE GOVERNANCE STATEMENT

## Leadership

The Vice-Chancellor is the University's chief executive officer and has responsibility for the leadership and management of the institution. The Vice-Chancellor is also the Accountable Officer for purposes of the Higher Education and Research Act 2017.

The Vice-Chancellor is a member of the Board of Governors and Chair of the University Academic Board. The Vice-Chancellor is required to advise the Board of Governors on the discharge of its responsibilities under the Higher Education and Research Act 2017 and, jointly with the Board of Governors, must ensure that all of the Board's responsibilities are discharged effectively and appropriately.

The Vice-Chancellor has the general responsibility for ensuring that all public funds are properly used and that, in its activities, the University achieves value for money. The Vice-Chancellor is supported by the Executive Team and by a clear management structure that allows for the effective delivery of the University's strategy and its mission for education and research.

The Vice-Chancellor leads the development of institutional strategy and the identification and planning of new developments, with responsibility for making proposals to the Board of Governors about the educational character and mission of the University. Ultimate responsibility for ensuring the effective management and governance of the University and the conduct of its business rests with the Board of Governors.

## Governance

The Instrument and Articles of Government require the University to have two separate bodies: the Board of Governors and the Academic Board, each with clearly defined functions and responsibilities, to oversee and manage the University's activities.

### Board of Governors

The University's Board of Governors comprises independent governors, staff and student members, appointed under the Instrument and Articles of Government of the University. The majority of members are independent and non-executive. The roles of

Chair and Deputy Chair of the Board of Governors are separated from the role of the University's Vice-Chancellor and Chief Executive. The Board of Governors has also designated the role of Senior Independent Governor to the Chair of Audit Committee. Roles and responsibilities of specified Board and University Officers are set out within the University's Ordinances. The matters specifically referred to the Board of Governors for decisions are set out in the Instrument and Articles of Government of the University, by custom and as directed by the Office for Students. The Board of Governors holds to itself the responsibilities for the ongoing strategic direction of the University, approval of major developments and the receipt of regular reports from executive officers on day-to-day operations.

The Board of Governors meets at least five times a year and has a number of standing committees including a Finance and Infrastructure Committee, a Remuneration Committee, an Audit Committee and a Nominations Committee. All of these committees are formally constituted with terms of reference, and comprise independent members of the Board of Governors, one of whom is designated to chair meetings.

The University aims to be transparent about its governance arrangements through board agendas and board minutes (redacted as appropriate) being publicly available on the University's governance web pages along with annual reports to the Board such as Remuneration and the Annual Report and Financial Statements. The board's Register of Interests is also open for public inspection via the University Secretary.

During 2020/21, the following Board committees were in operation:

- The Finance and Infrastructure Committee recommends to the Board of Governors the University's annual income and expenditure budget and monitors performance in relation to the approved budgets and key financial indicators. Additionally, the committee has oversight of the University's IT and estates strategies. The Vice-Chancellor is a member of this committee.
- The Remuneration Committee determines the grading, pay and terms and conditions of service for holders of Senior Posts, which include the Vice-

Chancellor, Deputy Vice-Chancellor and Provost, Pro Vice-Chancellor Finance and Infrastructure, and the University Secretary, balancing the needs of the University in a competitive environment with the appropriate use of funds. Additionally, the committee reviews the framework for the pay and conditions of service for all other staff, the gender pay gap and equality and diversity - making recommendations to the Board of Governors where appropriate. The Vice-Chancellor is not a member of this committee. The Committee operates in accordance with the CUC HE Code of Governance, including the CUC HE Senior Staff Remuneration Code and in alignment with the model terms of reference for Remuneration Committees.

- The Audit Committee is constituted in line with guidance issued by the CUC HE Code of Governance and with the CUC HE Audit Committees Code of Practice. It considers detailed internal audit reports and recommendations for the improvement of the University's systems of internal control, together with management's response and implementation plans. It also receives and considers reports from the Office for Students as they affect the University's business, and monitors adherence with regulatory requirements. In addition, it receives reports on value for money, and reports relating to any instances of fraud and whistleblowing. Whilst senior University officers attend meetings of the Audit Committee as necessary, they are not members of the committee. The committee meets in private with the internal auditors, and the external auditors where required, without the presence of management for independent discussions at the start of each ordinary meeting. Both the external and internal auditors have independent access to the Committee, and vice versa.
- The Nominations Committee reviews the membership of the Board of Governors and considers skills, diversity and succession planning in addition to the process for nominations and appointments to the Board of Governors.

## Academic Board

The Academic Board is the academic authority of the University whose role is to oversee the scholarly activities of the University, and to be responsible for academic quality and standards and for the admission and regulation of students on behalf of the Board of Governors. Chaired by the Vice-Chancellor, its membership is drawn mainly from the academic staff of the University and also includes student representatives. The Academic Board provides assurance to the Board of Governors that academic governance is effective. Independent members of the Board of Governors are invited to attend and observe a meeting of the Academic Board as part of induction, with the purpose of experiencing the University's academic governance in operation.

### Register of Interests

The University maintains a register of interests of members of the Board of Governors, members of the Committees of the Board of Governors, including co-opted members, and senior officers of the University. The register is available for inspection on request to the University Secretary. During the year ended 31 July 2021, a total of £378.00 was reimbursed to, or paid on behalf of, members of the Board of Governors in respect of travel and other expenses. Members are not remunerated for their services to the Board of Governors.

### Statement of the primary responsibilities of the Board of Governors

The Board of Governors is the supreme governing body of the University and is responsible for the exercise of the University's powers. The following are the primary responsibilities of the Board of Governors as set out in the University's Ordinances:

- to approve the mission and strategic vision of the University, long-term academic and business plans and key performance indicators, and to ensure that these meet the interests of stakeholders;
- to ensure that processes are in place to monitor and evaluate the performance and effectiveness of the University against the plans and approved key performance indicators, which should be, where possible and appropriate, benchmarked against other comparable institutions;

- to appoint a Vice-Chancellor as chief executive, and to put in place suitable arrangements for the monitoring of his/her performance;
- to delegate (whilst retaining the ability to scrutinise such delegation) authority to the Vice-Chancellor, as Chief Executive, for the academic, corporate, financial, estate and human resources management of the University and to establish and keep under regular review the policies, procedures and limits within such management functions as shall be undertaken by and under the authority of the Vice-Chancellor;
- 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;
- to establish processes to monitor and evaluate the performance and effectiveness of the Board itself;
- 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;
- to safeguard the good name and values of the University;
- to appoint a Secretary and to ensure that, if the person appointed has managerial responsibilities in the University, there is an appropriate separation in the lines of accountability;
- to be the employing authority for all staff in the University and to be responsible for establishing a human resources strategy;
- to be the principal financial and business authority of the University, to ensure that proper books of account are kept, to approve the annual budget and financial statements, and to have overall;
- responsibility for the University's assets, property and estate;
- to be the University's legal authority and, as such, to ensure that systems are in place for meeting all the University's legal obligations, including health and safety, and those arising from contracts and other legal commitments made in the University's name;
- to receive assurance that adequate provision has been made for the general welfare of students;
- to act as a trustee for any property, legacy, endowment, bequest or gift in support of the work and welfare of the University; and
- to ensure that the University's constitution is followed at all times and that appropriate advice is available to enable this to happen.

### Statement of the responsibilities of the Board of Governors for the financial statements

In accordance with the University's Instrument and Articles of Government, the Board of Governors of Bath Spa University is responsible for the oversight of the conduct of the affairs of the University, and is required to present audited financial statements for each financial year.

The Board of Governors is responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the University and to enable it to ensure that the financial statements are prepared in accordance with the University's Instrument and Articles of Government, the Statement of Recommended Practice on Accounting in Higher Education Institutions, Office for Students' accounts direction, and other relevant accounting standards.

In addition, within the terms and conditions of funding for higher education institutions with the Office for Students, the Board of Governors, through its designated office holder, is required to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the University and of the surplus or deficit and cash flows for that year.

In causing the financial statements to be prepared, the Board of Governors has ensured that:

- Suitable accounting policies are selected and applied consistently.
- Judgements and estimates are made that are reasonable and prudent.
- Applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- Financial statements are prepared on the going concern basis unless it is inappropriate to presume that the University will continue in operation. The Board of Governors is satisfied that the University has adequate resources to continue in operation for the foreseeable future. For this reason the going concern basis continues to be adopted in the preparation of the financial statements.

The Board of Governors has taken reasonable steps to:

- Ensure that funds from the Office for Students are used only for the purposes for which they have been given and in accordance with the ongoing conditions of registration, including compliance with the OfS terms and conditions of funding for higher education institutions, and financial memoranda issued by other funding bodies.
- Ensure that there are appropriate financial and management controls in place to safeguard public funds and funds from other sources.

- Safeguard the assets of the University and to prevent and detect fraud.
- Secure the economical, efficient and effective management of the University's resources and expenditure.

### Disclosure of information to auditors

The Board members who held office at the date of approval of this report confirm that, so far as they are each aware, there is no relevant audit information of which the University's auditors are unaware; and each member has taken all the steps that he or she ought to have taken to be aware of any relevant audit information and to establish that the University's auditors are aware of that information.

### Statement of internal control for the period 1 August 2020 to the date of this report

1. As the governing body of Bath Spa University the Board of Governors has responsibility for maintaining a sound system of internal control that supports the fulfilment of the University's policies, aims and objectives, while safeguarding public funds and other funds and assets for which it is responsible, in accordance with the responsibilities assigned to the governing body in the University's Instrument and Articles of Government and the public interest governance principles set out in the regulatory framework for higher education in England, with the OfS, and financial memoranda issued by other funding bodies.
2. The system of internal control is designed to manage rather than eliminate the risk of failure, and to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. However, it is constantly monitored, and any weaknesses identified are dealt with promptly and proportionally. The system of internal control is based on an on-going process designed to identify the principal risks to the University's policies, aims and objectives, to evaluate the nature and extent of those risks, and to manage them efficiently, effectively and economically, including an evaluation of the likelihood and impact of risks becoming a reality. The review process covers business, operational and compliance risk as well as financial risk. This process has been in place for the year ended 31 July 2021 and up to the date of approval of the financial statements.
3. The Board of Governors has responsibility for reviewing the effectiveness of the system of internal control. The following processes have been established:
  - The Board of Governors meets regularly to consider the plans and strategic direction of the University.
  - The Board of Governors receives periodic

reports from the Audit Committee concerning internal control, and requires regular reports from managers on the steps they are taking to manage risks in their areas of responsibility, including progress reports on key projects.

- The Board discusses risk and related reports from its Committees, in particular the Audit Committee, and risk reviews include business, operational and compliance risk as well as financial risk. These discussions set the tone and influence the culture of risk management, determine the risk appetite of the University and set standards and expectations of staff conduct and probity in relation to risk management (information about the key strategic risks for the University are included in the 'Strategic report' section of this Annual Report).
- The Audit Committee receives regular reports from the Head of Internal Audit which include the Head of Internal Audit's independent opinion on the adequacy and effectiveness of the University's system of internal control, evidence to support achievement of value for money in respect of the systems reviewed, together with recommendations for improvement. Material issues are escalated to the Board of Governors.
- A regular programme of meetings of senior staff is held to identify and keep up to date the record of risks facing the University.
- A system of key performance and risk indicators is maintained and is regularly reviewed.
- A robust risk prioritisation methodology based on risk ranking is maintained and subject to regular review.
- The University manages risks through a University Risk Register, which is reviewed regularly throughout the year and is considered by the Board of Governors and the Audit Committee.
- School/Department Risk Registers are maintained with risks escalated to the University Risk Register where appropriate. Effective identification and management of risk is critical to the achievement of the University's long-term objectives and helps determine the University's longer term planning and strategy.
- The Board of Governors has adopted a risk management policy in line with governance best practice both inside and outside of the HE sector. The University's risk management policy and risk appetite statement is reviewed periodically by the University Executive team, the Audit Committee and the Board of Governors.
- Reports are received from budget holders and department heads on internal control activities.

- The External Audit function gives an independent opinion on the University's annual Financial Statements and the use of public funds. These statements summarise the University's financial performance during the year and its financial position as at the end of the financial year.
- For the period 1 August 2020 up to the date of this report, the University is compliant with the CUC Higher Education Code of Governance which is principally committed to identifying the key values and practices on which the effective governance of UK higher education providers is based.
- The University and its Board of Governors monitors the adequacy and effectiveness of arrangements for corporate governance, risk management and oversight of any statutory and other regulatory responsibilities (for registered providers, including compliance with the OfS's ongoing conditions of registration, any terms and conditions of funding as well as any other relevant regulatory responsibilities). In particular, the University maintains a register and associated compliance and assurance framework setting out its ongoing registration conditions with the OfS. This is periodically reviewed by the Audit Committee to ensure and monitor compliance.

On behalf of the Board of Governors, and after having considered reports, recommendations and reviews on the effectiveness of the University's arrangements for risk management, internal control and governance and for financial year 2020/21, the Audit Committee has expressed itself satisfied that the systems and controls are effective, including for public funding received from the OfS, UK Research and Innovation (UKRI, including Research England) and other funding public bodies.

Overall the University has a robust governance framework that gives the Board of Governors assurance that its governance arrangements are sound. The review of Governance and Internal Controls has not identified any actions other than those already reported, and being monitored, from internal and external reviews.

By Order of the Board of Governors, 8 December 2021



Jonathan Glasspool  
Chair



Susan Rigby  
Accounting Officer

Review of the effectiveness of the system of internal control is informed by the Internal Audit Service which operates to good governance standards and best practice from across different sectors, and which is regularly reviewed for effectiveness by the OfS Audit Service. The Internal Auditors submit regular reports which include their opinion on the adequacy and effectiveness of the University's system of internal control, with recommendations for improvement.

Review of the effectiveness of the system of internal control is also informed by the work of the executive managers within the University, who have responsibility for the development and maintenance of the internal control framework, and by comments made by the external auditors in their management letter and other reports.





# REMUNERATION COMMITTEE REPORT



The University’s Remuneration Committee comprises independent members from a range of backgrounds who are able to provide an independent view on remuneration matters.

The Committee determines the grading, pay and terms and conditions of service for holders of Senior Posts, which include the Vice-Chancellor, Deputy Vice-Chancellor and Provost, Pro Vice-Chancellor Finance and Infrastructure, and the University Secretary, balancing the needs of the University in a competitive environment with the appropriate use of funds. Additionally, the committee reviews the framework for the pay and conditions of service for all other staff, the gender pay gap and equality and diversity - making recommendations to the Board of Governors where appropriate.

In 2020/21, the Committee met virtually on two occasions, October 2020 and May 2021, both meetings were quorate. The members, as outlined below, were

in attendance for the review period with the University Secretary represented by R. di Corpo as the Committee Secretary. The University Secretary was not present for any discussions about his own pay.

The Remuneration Committee meetings were also attended by the University’s HR Director who provides information and analysis. The Vice-Chancellor was not present for any discussions, including discussions about her own pay but is in attendance when requested by the Chair; this of course excludes meetings or agenda items where discussions and decisions are made where there would be personal implications.

The Remuneration Committee comprises independent members from a range of backgrounds who are able to provide an independent view on remuneration matters. Remuneration Committee members have the requisite skills in line with the current Higher Education Senior Staff Remuneration Code. During 2020/21, the Committee’s membership was composed as follows:

CATEGORY OF MEMBERSHIP	NAME
The Chair of the Board of Governors	Mr J Glasspool (Chair of the Board) Mr T Jagger (former Chair - attended for the October 2020 meeting)
Independent members of the Board with expertise in leadership and/or senior remuneration in other sectors, appointed by the Board	Ms S Lane (Committee Chair) Ms R Heald and Prof P Martin attended the October 2020 meeting before retiring as governors. Dr J Brasted and Ms J Luxford joined the Committee as members with effect from the May 2021 meeting.

\*No member of University staff is a member of the Remuneration Committee. There was no conflict of interest for Remuneration Committee members at any meeting during 2020/21.

## Principles

Bath Spa University is aware of its responsibilities to demonstrate appropriate use of resources, whilst ensuring that we can attract and retain the best possible staff to maintain our reputation, add to society, improve the local economy and ensure our students have the best possible experience and outcome. Our staff are our greatest asset and appropriate remuneration and reward are an important part of our relationship.

The following three elements of fair and appropriate remuneration, from the Committee of University Chairs (CUC) code, shall govern the determination of remuneration for senior staff:

- a fair, appropriate and justifiable level of remuneration;
- procedural fairness; and
- transparency and accountability.

In setting/approving the remuneration of Senior Post Holders of the University, multiple factors are taken into consideration that have arisen through discussion and reference to the CUC HE Remuneration Code:

- The economic environment and the extent of pay restraint nationally.
- The role and ability to recruit into that role in the current local/ national/international market.
- The skills and experience the individual brings to the role and the wider University, including leadership skills.
- Role-based market rates/benchmark information.
- The performance in the previous 12 months measured through individual and team performance review related to the University’s strategic objectives. In particular, exceptional performance should be rewarded.

- The overall pay envelope.
- The requirement to reduce the Gender Pay Gap.

In doing all of the above, remuneration decisions will enable:

- The recruitment, motivation and retention of the highest quality staff.
- Exceptional performance to be recognised.
- Internal relativity.

The Committee will be working on a Remuneration Strategy during 2021/22 that will expand on how it intends to implement these principles and is intending to secure some external expertise to assist in developing this. This will be brought to the April 2022 Remuneration Committee meeting for discussion.

## Work of the Committee

The Committee has been mindful of the challenges the University operates within that include the pandemic, high levels of uncertainty and change. Members considered the turnover and size of the University, understanding that it is positioned as relatively small in the sector. The Committee also considered the challenges that are faced by having multiple sites, the ambitions of the University in the 2030 Strategy, and the associated Recovery and Renewal plan, and the links made internationally.

In addition to the above, the Committee examined and discussed a broad and comprehensive set of data identified below. In summary, the main considerations taken into account by the Committee in determining changes to the remuneration packages of the holders of Senior Posts were:

- The performance of the University, for example as set out in the regular reports to the Board on specified Key Performance Indicators.
- The individual contribution of post-holders aligned with the University's strategy and performance, and in relation to agreed personal objectives.
- The need for the University to maintain its competitive position in higher education and the wider market-place for equivalent positions.
- Affordability and reputation.

Given that the University is competing in increasingly competitive national and international markets, the data the Committee used to inform its deliberations therefore draws on a broad range of contextual and bench-marking information. The information analysed included the following:

- University and Colleges Employers Association (UCEA) Senior Staff Remuneration Survey data for: all institutions, all Post-92 institutions, all institutions with an income of £70m to £100m; Post-92 universities with an income of £70m to £100m, Million + group..

- Benchmark information from other universities including the CUC Vice-Chancellor Salary Survey data.

The Committee also received and noted information on:

- The national pay negotiations between UCEA and the five trade unions.
- The pay multiple of the remuneration of the Vice-Chancellor to the median earnings of the University workforce. This year the ratio for the basic pay of the Vice-Chancellor compared to medians was 6.5 compared to 5.9 the previous year and 7.5 for total pay compared to 6.9 last year. The change in the multiplier figures is a result of a decrease in the median salary for all staff, this is most likely due to the increased use of casual staff coming out of lockdown.

As there had recently been an independent review of the CUC HE Remuneration Code published, the Committee received a report noting the recommendations made by the review that were relevant to the University. One of the recommendations was to conduct a self-assessment against the Code. The Committee concluded that they were satisfied that the University was compliant with the CUC HE Remuneration Code and the other recommendations made in the review. They noted that an updated version of the **Consultancy Policy** (due to be revised in academic year 2021/22) included a statement on income derived from external activities for Senior Post Holders and that this Policy was now publicly available on the University website. The Committee also discussed how to engage staff and students in remuneration issues and the HR Director was commissioned to discuss with student and staff governors the approach of the Committee to decision making and to seek their views about how they might input in the future.

When the Vice-Chancellor was appointed her remuneration included eligibility to receive a bonus of up to £19,200 dependant on performance, this has always been disclosed, along with her salary on the website. For a variety of reasons, none of which are related to the performance of the Vice-Chancellor, the bonus has never been paid. The Committee discussed the request from the Vice-Chancellor that this element of her remuneration was removed and that it would align her with all the other Senior Post Holders. The Committee agreed to the request and acknowledged the Vice-Chancellor's leadership and team spirit, and her significant role in the renewal and recovery plan.

During 2020/21, the Committee received reports on the performance of the holders of Senior Posts against their objectives. The Committee acknowledged the significant challenges faced by the senior leadership team as a result of the global pandemic. They noted the personal impact on these individuals, many of whom often gave up their annual leave or still continued to contribute to work

during their leave. They recognised the unpredictability of the external environment and the impact on the financial performance of the organisation, so agreed that senior post holders would not receive a pay increase, along with the rest of staff. However, the Remuneration Committee were extremely complimentary about how effectively and relentlessly the leadership team had worked in unprecedented circumstances.

The Committee's discussions during this time period covered inter alia:

- The important governance role of the Committee in reaching remuneration decisions.
- Alignment between the remuneration packages of holders of Senior Posts with the performance of both the individuals and the University and in particular that performance related pay should only reward exceptional performance.
- How the Committee would be able to demonstrate that their decisions represented value for money.
- The potential for other roles outside the sector to also be used as benchmarks.

In addition to the above the Committee received papers about and discussed the gender pay gap (which covers all staff groups), staff diversity data and equality and diversity activities prior to a summary report going to the Board. They also reviewed the framework for pay and conditions of staff and received a report on the governor's expenses.

Further details concerning the remuneration of the Vice-Chancellor, and other senior post holders, can be found on page 51 in the notes to the Financial Statements.

*Sue Lane*

Sue Lane  
Chair of the Remuneration Committee



# INDEPENDENT AUDITOR'S REPORT TO THE GOVERNING BODY OF BATH SPA UNIVERSITY



## Opinion

We have audited the financial statements of Bath Spa University (the 'parent university') and its subsidiaries (the 'group') for the year ended 31 July 2021, which comprise the consolidated and University statement of comprehensive income and expenditure, the consolidated and University statement of changes in reserves, the consolidated and University balance sheets, the consolidated cash flows statement 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 FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent university's affairs as at 31 July 2021 and of the group's and the parent university's income and expenditure, gains and losses, changes in reserves and of the group's cash flows for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and the Statement of Recommended Practice: Accounting for Further and Higher Education published in October 2018.

## 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 are independent of the group 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the Governing body's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's and the parent university's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to

modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the group or the parent university to cease to continue as a going concern.

In our evaluation of the Governing body's conclusions, we considered the inherent risks associated with the group's and the parent university's business model including effects arising from macro-economic uncertainties such as Brexit and COVID-19, we assessed and challenged the reasonableness of estimates made by the Governing body and the related disclosures and analysed how those risks might affect the group's and the parent university's financial resources or ability to continue operations over the going concern period.

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's and the parent 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.

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

The responsibilities of the Governing body with respect to going concern are described in the 'Responsibilities of the Governing body for the financial statements' section of this report.

## Other information

The Governing body are responsible for the other information. The other information comprises the information included in the annual report, other than the auditor's report and financial statements 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.

In connection with our audit of the financial statements, 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.

## Opinion on other matters prescribed by the Office for Student's ('OfS') accounts direction (issued October 2019)

In our opinion, in all material respects:

- funds from whatever source administered by the parent university for specific purposes have been properly applied to those purposes and managed in accordance with the 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; and
- the requirements of the OfS's accounts direction (issued October 2019) have been met.

Matters on which we are required to report by exception.

We have nothing to report in respect of the following matters where the OfS accounts direction (issued October 2019) requires us to report to you where:

- the parent university's grant and fee income, as disclosed in the note to the accounts, has been materially misstated; or
- the parent university's expenditure on access and participation activities for the financial year, as disclosed in the note to the accounts, has been materially misstated.

## Responsibilities of Governing Body for the financial statements

As explained more fully in the Statement of responsibilities of the Governing body set out on page 23, the Governing body is responsible for the preparation of the financial statements and for being satisfied they give a true and fair view, and for such internal control as the Governing body 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 Governing body are responsible for assessing the group's and the parent university's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the Governing body either intend to liquidate the group or the parent university or to cease operations, or have no realistic alternative but to do so.

## Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes

our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## Explanation as to what extent the audit was considered 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. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the university and the sector in which it operates. We determined that the following laws and regulations were most significant: The Financial Reporting Standards applicable in the UK and the Republic of Ireland (FRS 102), the Companies Act (2006), the Office for Students (OfS) framework, Terms and Conditions of Funding and Accounts Direction (October 2019), relevant OfS regulatory notices and advices, the Higher Education Code of Governance and the Information Commissioner's Office (ICO)'s regulations.
- We understood how the university is complying with these legal and regulatory frameworks by making inquiries of management and those charged with governance. We enquired of management and those charged with governance whether there were any instances of non-compliance with laws and regulations, or whether they had any knowledge of actual or suspected fraud. We corroborated the results of our enquiries through our review of board minutes, through our legal and professional expenses review and through inquiries of solicitors who served during the period;

- We assessed the susceptibility of the university's financial statements to material misstatement, including how fraud might occur and the risk of material override of controls. Audit procedures performed by the engagement team included:
  - identifying and assessing the design effectiveness of certain controls management has in place to prevent and detect fraud
  - challenging assumptions and judgements made by management in its significant accounting policies
  - identifying and testing journal entries, with a focus on manual postings, journals that directly impacted on the surplus reported in the statement of financial activities and journal entries posted in the closing and accounts preparation period
  - identifying and testing related party transactions
  - inspecting the board and other committee minutes
  - assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the related financial statement item
  - carrying out a program of work to assess the regularity of university expenditure.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. However, detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as those irregularities that result from fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.
- Assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
  - understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation
  - knowledge of the Higher Education sector
  - understanding of the legal and regulatory requirements specific to the university including:
    - the provisions of the applicable legislation
    - guidance issued by the OfS and other relevant bodies.
- The team communications in respect of potential non-compliance with relevant laws and regulations, including the potential for fraud in revenue through manipulation of income and management override of controls; and
- In assessing the potential risks of material misstatement, we obtained an understanding of:
  - the university's operations, including the nature of its income and expenditure and its services and of its objectives and strategies to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement
  - the university's control environment, including: the policies and procedures implemented by the university to ensure compliance with the requirements of the financial reporting framework and relevant laws and regulations
  - the policies and procedures implemented by the university to ensure compliance with the requirements of the financial reporting framework and relevant laws and regulations
  - the adequacy of procedures for authorisation of transactions and review of management accounts
  - procedures to ensure that possible breaches of laws and regulations are appropriately resolved.

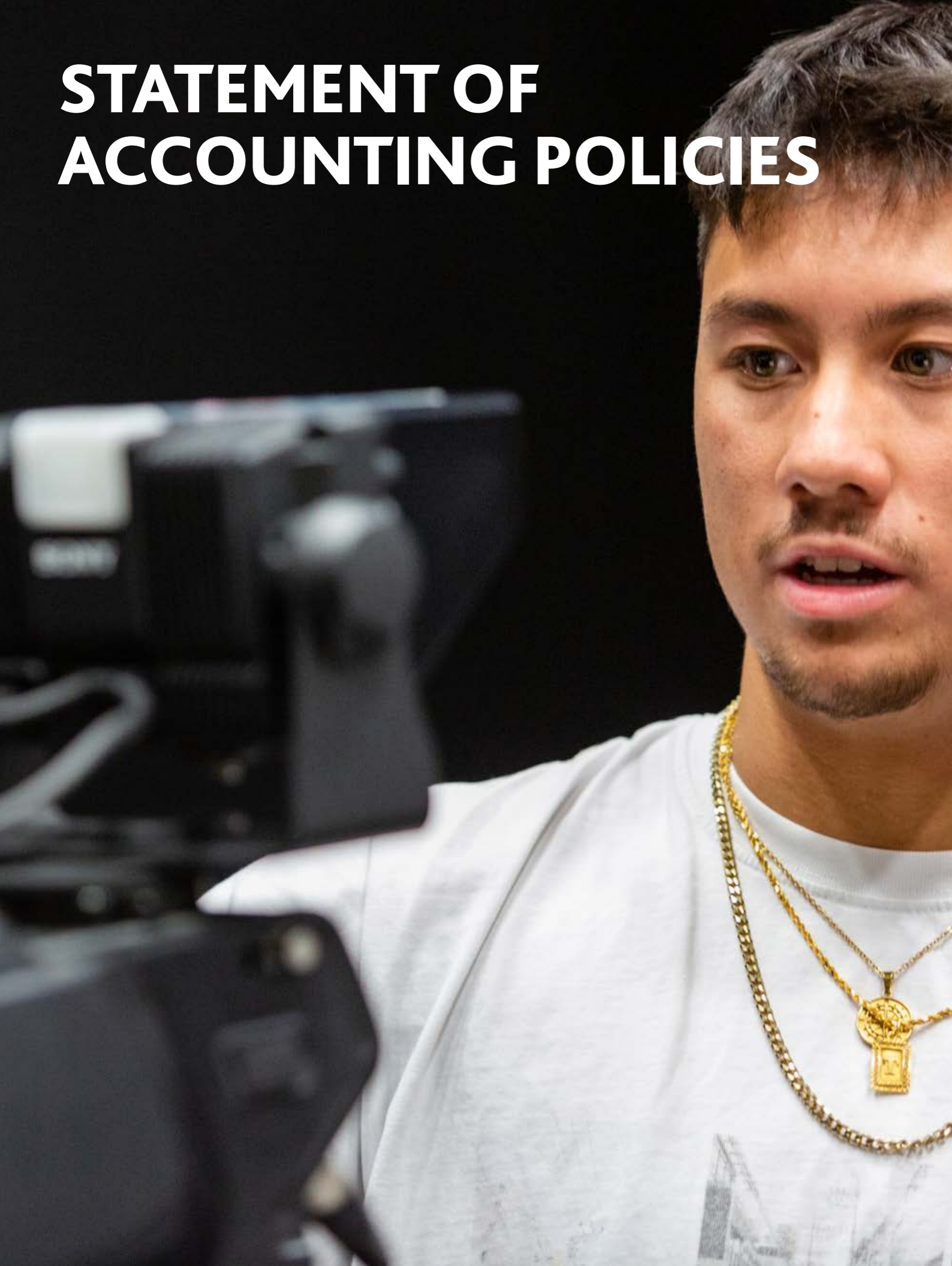
## Use of our report

This report is made solely to the university's Governing body, as a body, in accordance with paragraph 13 of the university's articles of government. Our audit work has been undertaken so that we might state to the university's Governing body those matters we are required to state to it 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 university's Governing body as a body, for our audit work, for this report, or for the opinions we have formed.

*Grant Thornton UK LLP*

Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants  
Gatwick Office  
7 January 2022

# STATEMENT OF ACCOUNTING POLICIES



## Basis of preparation

These financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education 2019 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 fixed assets and derivative financial instruments).

## Going concern

The activities of the University, together with the factors likely to affect its future development and performance are set out in the Operating and Financial Review. The financial position of the University, its cashflow, liquidity and borrowings are described in the Financial Statements and accompanying notes.

The University approved the 21/22 Budget and five year financial forecast on 30 July. A revised forecast was provided to the Board on 8 December taking into account autumn enrolment and the sale of Green Park House. The sale of Green Park House completed on 6 January 2022 for a sum in excess of £80m. Consequently the University has redeemed the Santander debt (£28.2m at 31 July 2021) with the balance being a significant increase in cash reserves.

Taking into account the above, the University has a reasonable expectation that it has adequate resources to continue in operational existence for the foreseeable future, and for this reason will continue to adopt the going concern basis in the preparation of its Financial Statements.

## Basis of consolidation

The consolidated financial statements include the University and all its subsidiaries for the financial year to 31 July 2021. The results of subsidiaries acquired or disposed of during the period are included in the consolidated statement of income and expenditure from the date of acquisition or up to the date of disposal. Intra-group transactions are eliminated on consolidation.

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

The financial statements include the University's wholly owned subsidiary Bath Spa U Limited which incurred a deficit of £9,000 in 2020/21 which is reported as other expenses (Note 7). The financial statements also include the University's wholly owned subsidiary Bath Spa Venues Limited that incurred a deficit of £9,000 in 2020/21.

Associated companies and joint ventures are accounted for using the equity method.

## 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 Comprehensive Income and 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

Grant funding including funding council block grant, research grants from government sources, grants (including research grants) from non-government sources are recognised as 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 and endowments

Non exchange transactions without performance related conditions are donations and endowments. Donations and endowments 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.

Investment income and appreciation of endowments is recorded in income in the year in which it arises and is categorised according to the terms other restriction applied to the individual endowment fund.

There are four main types of donations and endowments identified within reserves:

1. Restricted donations - the donor has specified that the donation must be used for a particular objective.
2. Unrestricted permanent endowments - the donor has specified that the fund is to be permanently invested to generate an income stream for the general benefit of the University.

3. Restricted expendable endowments - the donor has specified a particular objective other than the purchase or construction of tangible fixed assets, and the University has the power to use the capital.
4. Restricted permanent endowments - the donor has specified that the fund is to be permanently invested to generate an income stream to be applied to a particular objective.

## Capital grants

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

## Accounting for retirement benefits

Retirement benefits to employees of the University are provided by the Teachers' Pension Scheme and the Avon Pension Fund.

- **Teachers' Pension Scheme**

Employers' pension contributions to the Teachers' Pension Scheme are charged to the income and expenditure account in the year to which the salaries on which they are payable relate.

- **Avon Pension Fund**

Avon Pension Fund assets are measured using market value. Pension scheme liabilities are measured using a projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability. The increase in the present value of the liabilities of the University's defined benefit pension scheme expected to arise from employee service in the period is charged to operating surplus. The expected return of the scheme's assets and the increase during the period in the present value of the scheme's liabilities arising from the passage of time are included in other finance income/charges. Actuarial gains and losses are recognised in the statement of total recognised gains and losses. The pension scheme's deficit is recognised in full and presented on the face of the balance sheet.

- **Defined contribution scheme**

Employers' pension contributions to the defined contribution pension scheme are charged to the income and expenditure account in the year to which the salaries on which they are payable relate.

## 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.

## 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.

## Fixed assets

Fixed assets are stated at 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 2015 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.

## Land and buildings

Tangible fixed assets taken over from Avon County Council at 1 April 1989 are stated at a valuation adjusted for depreciation. The bases of valuation are explained in Note 11. Tangible fixed assets acquired since 1 April 1989 are stated at cost less accumulated depreciation.

The transitional rules set out in FRS 15 Tangible Fixed Assets were adopted as at 31 July 2000 and book values of property assets were frozen accordingly.

The transitional rules set out in FRS 102 were adopted as at 31 July 2016 and fair value has been used for deemed cost for properties measured at fair value.

Equipment costing less than £2,500 per individual item or group of related items is written off in the year of acquisition.

Depreciation is provided on cost or revalued amounts in equal annual instalments over the estimated lives of the assets. The rates of depreciation are as follows:

Freehold and leasehold buildings are amortised over their useful economic lives: the typical useful life is considered to be 48 years). The Newton Park estate is held on a 99 year lease that expires in 2044. Freehold land is not depreciated.

## Financial instruments

The provisions of both section 11 and 12 of FRS102 are applied in full. Basic financial instruments are held at amortised cost using the effective interest method or cost and are subject to an annual impairment review.

## Borrowing costs

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

## Investments

Non-current asset investments are held on the Balance Sheet at amortised cost less impairment. Investments in subsidiaries are carried at cost less impairment in the University's accounts.

Current asset investments are held at fair value with movements recognised in the Surplus or Deficit.

## Stock

Stock is held at the lower of cost and net realisable value, and is measured using an average cost formula.

## Cash and cash equivalents

Cash includes cash in hand, deposits repayable on demand and overdrafts. Deposits are repayable on demand if they are in practice available within 24 hours without penalty. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash with insignificant risk of change in value.

## Inherited liability grant

In January 2008 the University received £14.4m from HEFCE as buy-out of inherited liabilities at Corsham Court. This sum is being amortised on a straight line basis over the remaining 50 years of the Corsham Court lease and will mitigate associated expenditure under the lease covered by the buy-out agreement.

## Provisions, contingent liabilities and contingent assets

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 Balance Sheet, but are disclosed in the notes.

## Accounting for joint operations, jointly controlled assets and jointly controlled operations

The University accounts for its share of joint ventures using the equity method.

The University accounts for its share of transactions from joint operations and jointly controlled assets in the Consolidated Statement of Income and Expenditure.

## 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 Para 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.

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are more likely than not to be recovered. Deferred tax assets and liabilities are not discounted.

## Reserves

Reserves are classified as restricted or unrestricted. Restricted endowment reserves include balances which, through endowment to the University, are held as a permanently restricted fund which the University must hold in perpetuity.

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

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

- Determined 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.
- Determined whether there are indicators of impairment of the group's tangible assets. 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.

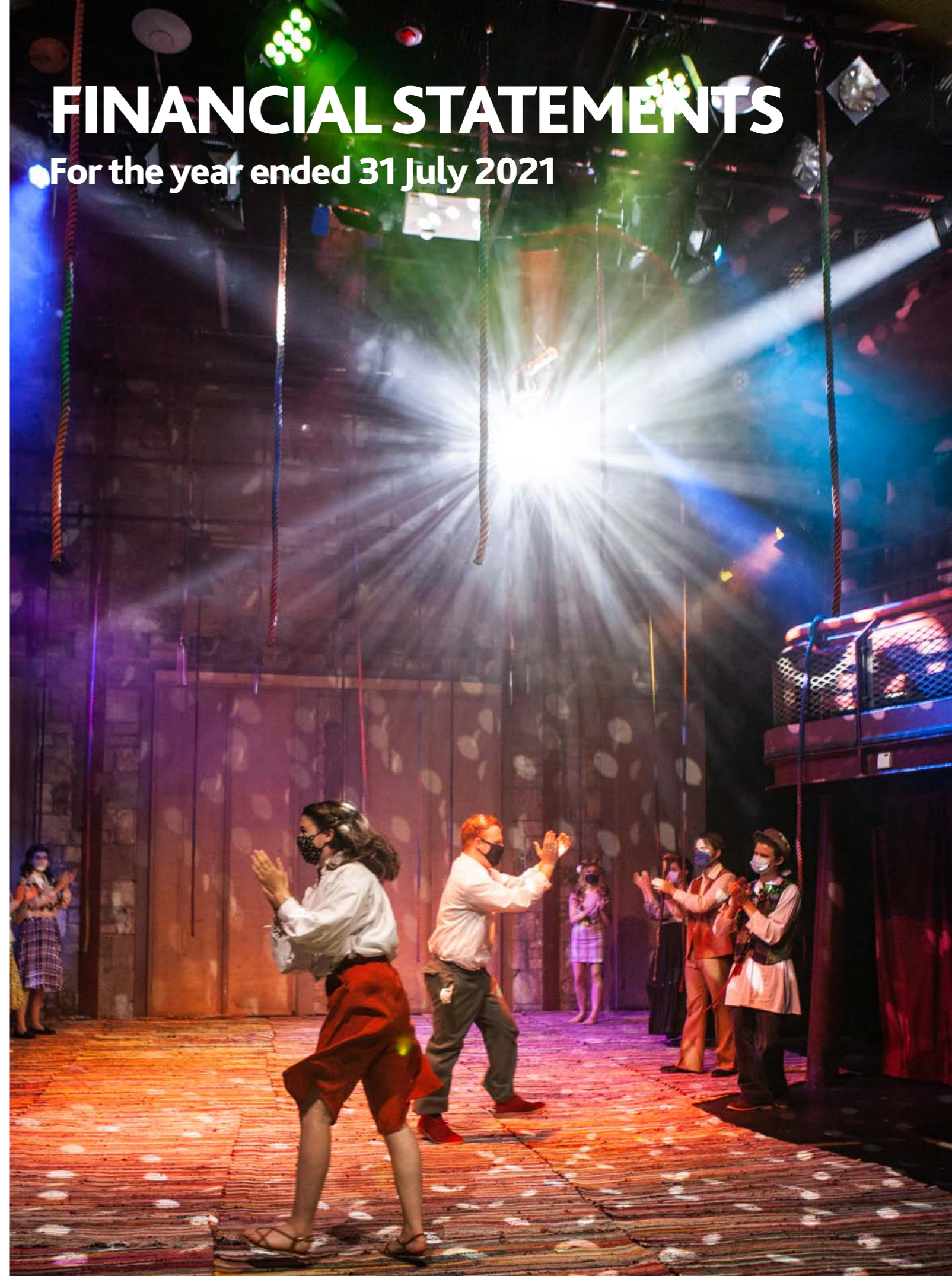
Other key source of estimation uncertainty:

- **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 the discount rate. Any changes in these assumptions, which are disclosed in note 17, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 July 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

# FINANCIAL STATEMENTS

For the year ended 31 July 2021



## Statement of Comprehensive Income and Expenditure

For the year ended 31 July 2021

	Note	Consolidated		University	
		2021	2020	2021	2020
		£'000	£'000	£'000	£'000
<b>INCOME</b>					
Funding Council grants	1	4,847	4,543	4,847	4,543
Tuition fees and education contracts	2	64,730	65,270	64,730	65,270
Research grants and contracts	3	1,535	2,059	1,535	2,059
Other income	4	9,233	10,274	9,232	10,248
Investment income	5	26	162	26	162
Donations and endowments		83	187	83	187
<b>Total income</b>		<b>80,454</b>	<b>82,495</b>	<b>80,453</b>	<b>82,469</b>
<b>EXPENDITURE</b>					
Staff costs	6	48,747	44,998	48,248	44,998
Other operating expenses	7	25,025	29,017	25,505	28,975
Depreciation		4,973	5,107	4,973	5,107
Interest and other finance charges	8	3,149	3,219	3,149	3,219
<b>Total expenditure</b>	<b>7</b>	<b>81,894</b>	<b>82,341</b>	<b>81,875</b>	<b>82,299</b>
<b>Surplus/(deficit) before other losses</b>		<b>(1,440)</b>	<b>154</b>	<b>(1,422)</b>	<b>(170)</b>
Profit on disposal of fixed assets		7	7	7	7
<b>Surplus/(deficit) before tax</b>		<b>(1,433)</b>	<b>161</b>	<b>(1,415)</b>	<b>177</b>
Taxation	9	-	-	-	-
<b>Surplus/(deficit) for the year</b>		<b>(1,433)</b>	<b>161</b>	<b>(1,415)</b>	<b>177</b>
Actuarial gain / (loss) / in respect of pension schemes	17	2,924	(15,614)	2,924	(15,614)
<b>Total comprehensive (expenditure) / income for the year</b>		<b>1,491</b>	<b>(15,453)</b>	<b>1,509</b>	<b>(15,437)</b>

All items of income and expenditure are represented by unrestricted income / (expenditure), and all relate to continuing activities.

## Consolidated Statement of Changes in Reserves

For the year ended 31 July 2021

	Income and Expenditure Account £'000	Revaluation reserve £'000	Total £'000
<b>Balance at 1 August 2019</b>	<b>51,172</b>	<b>23,771</b>	<b>74,943</b>
Surplus from the income and expenditure statement	161	-	161
Other comprehensive expenditure	(15,614)	-	(15,614)
Transfers between revaluation and income and expenditure reserve	386	(386)	-
	<b>(15,067)</b>	<b>(386)</b>	<b>(15,453)</b>
<b>Balance at 1 August 2020</b>	<b>36,105</b>	<b>23,385</b>	<b>59,490</b>
(Deficit) from the income and expenditure statement	(1,433)	-	(1,433)
Other comprehensive income	2,924	-	2,924
Transfers between revaluation and income and expenditure reserve	387	(387)	-
<b>Total comprehensive income for the year</b>	<b>1,878</b>	<b>(387)</b>	<b>1,491</b>
<b>Balance at 31 July 2021</b>	<b>37,983</b>	<b>22,998</b>	<b>60,981</b>

## University Statement of Changes in Reserves

For the year ended 31 July 2021

	Income and Expenditure Account £'000	Revaluation reserve £'000	Total £'000
<b>Balance at 1 August 2019</b>	<b>51,541</b>	<b>23,771</b>	<b>75,312</b>
Surplus from the income and expenditure statement	177	-	177
Other comprehensive expenditure	(15,614)	-	(15,614)
Transfers between revaluation and income and expenditure reserve	386	(386)	-
	<b>(15,051)</b>	<b>(386)</b>	<b>(15,437)</b>
<b>Balance at 1 August 2020</b>	<b>36,490</b>	<b>23,385</b>	<b>59,875</b>
(Deficit) from the income and expenditure statement	(1,415)	-	(1,415)
Other comprehensive income	2,924	-	2,924
Transfers between revaluation and income and expenditure reserve	387	(387)	-
<b>Total comprehensive income for the year</b>	<b>1,896</b>	<b>(387)</b>	<b>1,509</b>
<b>Balance at 31 July 2021</b>	<b>38,386</b>	<b>22,998</b>	<b>61,384</b>



## Consolidated Balance Sheet

At 31 July 2020

		Consolidated		University	
		2021 £'000	2020 £'000	2021 £'000	2020 £'000
<b>NON-CURRENT ASSETS</b>					
Fixed assets	10	159,763	163,801	159,763	163,801
Investments		-	-	50	50
		<u>159,763</u>	<u>163,801</u>	<u>159,813</u>	<u>163,851</u>
<b>CURRENT ASSETS</b>					
Stocks		51	60	51	60
Debtors	11	6,679	7,469	6,969	7,817
Investments		16,398	19,370	16,398	19,370
Cash at bank and in hand		11,481	4,567	11,464	4,540
		<u>34,609</u>	<u>31,466</u>	<u>34,882</u>	<u>31,787</u>
<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	12	<u>(15,769)</u>	<u>(16,326)</u>	<u>(15,689)</u>	<u>(16,312)</u>
<b>NET CURRENT ASSETS</b>		<u>18,840</u>	<u>15,140</u>	<u>19,193</u>	<u>15,475</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>178,603</u>	<u>178,941</u>	<u>179,006</u>	<u>179,326</u>
<b>CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR</b>	13	<u>(62,690)</u>	<u>(65,963)</u>	<u>(62,690)</u>	<u>(65,963)</u>
<b>PROVISIONS</b>					
Pension provisions	17	(53,673)	(52,184)	(53,673)	(52,184)
Other provisions	15	(1,259)	(1,304)	(1,259)	(1,304)
<b>TOTAL NET ASSETS</b>		<u>60,981</u>	<u>59,490</u>	<u>61,384</u>	<u>59,875</u>
<b>UNRESTRICTED RESERVES</b>					
Income and expenditure reserve		37,983	36,105	38,386	36,490
Revaluation reserve		22,998	23,385	22,998	23,385
		<u>60,981</u>	<u>59,490</u>	<u>61,384</u>	<u>59,875</u>
<b>TOTAL RESERVES</b>		<u>60,981</u>	<u>59,490</u>	<u>61,384</u>	<u>59,875</u>

The notes on pages 47 to 63 form part of these financial statements.

These financial statements were approved and authorised for issue by the Board of Governors on 8 December 2021 and signed on 7 January 2022 on its behalf by:

  
Jonathan Glasspool  
Chair

  
Susan Rigby  
Accounting Officer

## Consolidated Cash Flow Statement

For the year ended 31 July 2021

	Note	2021 £'000	2020 £'000
<b>Cash flow from operating activities</b>			
(Deficit) / surplus for the year		(1,433)	161
<b>Adjustment for non-cash items</b>			
Depreciation		4,973	5,107
Release of inherited liability grant		(240)	(240)
Release of capital grants		(461)	(538)
Decrease / (increase) in stock		9	(1)
Decrease / (increase) in debtors		790	(4,150)
(Decrease) in creditors		(304)	(868)
Decrease (increase) in provisions		(45)	196
Increase in pension fund liability		3,597	2,673
<b>Adjustment for investing or financing activities</b>			
Interest payable (finance charge FRS 102)		816	704
Interest receivable		(26)	(162)
Finance cost of enhanced pension provision		98	59
Interest payable		2,235	2,456
Profit on sale of fixed assets		(7)	(7)
<b>Net cash inflow from operating activities</b>		<u>10,002</u>	<u>5,390</u>
<b>Cash flows from investing activities</b>			
Interest received		26	162
Finance cost of enhanced pension provision		(98)	(59)
Interest paid		(2,235)	(2,456)
Purchase of tangible fixed assets		(1,271)	(5,369)
Proceeds from sale of fixed assets		9	7
Capital grants received		774	419
		<u>(2,795)</u>	<u>(7,296)</u>
<b>Cash flows from financing activities</b>			
Decrease in short-term deposits		2,972	6,762
Repayment of bank loans		(3,094)	(2,991)
Receipt of new Salix loans		-	71
Repayment of Salix loans		(171)	(281)
		<u>(293)</u>	<u>3,561</u>
<b>Increase in cash in the year</b>		<u>6,914</u>	<u>1,655</u>
Cash at beginning of the year	18	4,567	2,912
Cash at end of the year	18	11,481	4,567

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2021



## 1. Funding Council grants - consolidated and University

	OfS £'000	RE £'000	DfE £'000	2021 £'000	2020 £'000
Recurrent grant	2,179	1,235	-	3,414	3,470
Hardship funds	486	-	-	486	-
Other grants	103	-	143	246	295
Inherited liability grant released in year	240	-	-	240	240
Deferred capital grants released in year:					
- Buildings	337	25	-	362	345
- Equipment	46	53	-	99	193
	<u>3,391</u>	<u>1,313</u>	<u>143</u>	<u>4,847</u>	<u>4,543</u>

## 2. Tuition fees and educational contracts - consolidated and University

	2021 £'000	2020 £'000
Full-time students	59,119	59,095
Full-time students charged overseas fees	3,248	3,993
Part-time fees	2,363	2,182
	<u>64,730</u>	<u>65,270</u>

### Tuition fees by award are as follows:

	2021 £'000	2020 £'000
Taught awards	63,918	64,466
Research awards	592	567
Non-qualifying courses	220	237
	<u>64,730</u>	<u>65,270</u>

## 3. Research grants and contracts - consolidated and University

	2021 £'000	2020 £'000
Research councils	1,130	1,241
Other grants and contracts	405	818
	<u>1,535</u>	<u>2,059</u>

## 4. Consolidated other income

	2021 £'000	2020 £'000
Residences, catering and conferences	6,584	6,939
Other income	2,649	3,335
	<u>9,233</u>	<u>10,274</u>

Residences, catering and conferences includes £1,000 (2019 £133,000) related to the University's subsidiary company Bath Spa Venues Limited.

## 5. Consolidated and University investment income

	2021 £'000	2020 £'000
Income from short-term investments	26	162

## 6. Consolidated and University staff costs

	2021 £'000	2020 £'000
Wages and salaries	34,920	32,699
Social security costs	3,829	3,422
Other pension costs	9,998	8,877
	<u>48,747</u>	<u>44,998</u>

The University has included an accrual for holiday pay in 2021 totalling £634,000 (2020: £659,000).

	£'000	£'000
Other pension costs comprise:		
Contributions to defined benefit scheme accounted for as a defined contribution scheme (TPS)	4,173	4,031
Current service cost of defined benefit scheme (LGPS)	5,806	4,031
Contributions to defined contribution scheme	19	-
	<u>9,998</u>	<u>8,877</u>

	2021 No.	2020 No.
Average staff numbers by major category (full-time equivalent):		
Academic staff	379	364
Hourly-paid lecturers	43	33
Technicians	46	44
Support staff – administration	332	314
Support staff – manual workers	106	83
	<u>906</u>	<u>839</u>

### Severance Payments

During the year the University made payments totalling £16k (2020: £38k) in compensation for loss of office to seven employees (2020: four employees).

All severance payments, including compensation for loss of office, in respect of higher paid staff are approved by the University's Remuneration Committee. Payments for compensation for loss of office and redundancy for all other staff are approved by management in accordance with delegated authority.

## 6. Consolidated and University staff costs (continued)

### Key Management Personnel remuneration

	£'000	£'000
Remuneration	1,147	1,171
Compensation for loss of office	-	-
	<u>1,147</u>	<u>1,171</u>

The full time equivalent staff numbers were 10 (2020: 10.2)

Key management personnel are those persons having authority for planning, directing and controlling the activities of the University; during the year ended 31 July 2021 this included the Vice-Chancellor, Deputy Vice-Chancellor (Provost), Pro-Vice Chancellor (External Affairs), Pro Vice-Chancellor (Research and Enterprise), Director of Human Resources, University Secretary, Pro-Vice Chancellor (Student Experience), Pro-Vice Chancellor (Academic Planning), Pro-Vice Chancellor (Finance and Infrastructure), Vice Provost.

### Emoluments of the Accounting Officer and Chief Executive

Information regarding the Vice-Chancellor's remuneration is set out below and is also referenced in the Remuneration Committee Report on pages 30-32.

The remuneration of the Vice-Chancellor is agreed by the Remuneration Committee, entirely composed of lay members. In making their decision the Committee reviews data on Vice-Chancellor salaries from CUC and UCEA, and considers the differential between the VC's salary and the lowest and the average academic salary at the University. They also discuss the current levels of uncertainty and change in the Higher Education sector, consider concerns about the escalation of pay in the sector, and also take cognisance of the University's relatively small size, whilst taking into account the university's extensive change and development programme.

The annual report of the Remuneration Committee can be found at this web address: [www.bathspa.ac.uk/about-us/governance/board-of-governors/remuneration/](http://www.bathspa.ac.uk/about-us/governance/board-of-governors/remuneration/)

The current salary of the Vice-Chancellor is detailed on our website and for this financial year was a base pay of £213,000 with an additional payment of £40,000 which she has elected to receive as payment in lieu of pension.

The total emoluments of the Accounting Officer and Chief Executive, Professor Susan Rigby, was as follows:

	2021 £'000	2020 £'000
Remuneration	213	213
Pay in lieu of pension	40	40
	<u>253</u>	<u>253</u>

Professor Susan Rigby's basic salary is 6.5 times the median pay of staff (2020: 5.9 times), where the median pay is calculated on a full-time equivalent basis for the salaries paid by the provider to its staff. The total remuneration is 7.5 times the median total remuneration of staff (2020: 6.9 times), where the median total remuneration is calculated on a full-time equivalent basis for the total remuneration by the provider of its staff.

For the purposes of calculating the median pay of 'all other staff', this includes all employees who are required to be included in real-time reporting to HMRC. Employees that are not required to be included in real-time reporting to HMRC are excluded from the calculation of the remuneration of 'all other staff'

### Remuneration of higher paid staff excluding the Accounting Officer and Chief Executive:

	2021 No.	2020 No.
£100,000 - £104,999	-	1
£105,000 - £109,999	1	-
£125,000 - £129,999	1	1
£145,000 - £149,999	1	1
£150,000 - £154,999	-	1

## 7. Consolidated expenditure by activity

	Staff costs £'000	Other operating expenses £'000	Depreciation £'000	Interest payable £'000	2021 Total £'000	2020 Total £'000
Academic departments	25,395	6,854	96	-	32,345	32,777
Academic services	6,016	3,723	306	-	10,045	10,277
Research grants and contracts	1,105	706	1	-	1,812	2,393
Residences, catering and conferences	627	1,634	1,699	-	3,960	4,677
General education expenditure	2,227	5,015	13	-	7,255	6,904
Premises	3,001	3,720	2,836	2,235	11,792	12,817
Administration	8,246	1,694	14	914	10,868	9,264
Staff and student services	2,073	1,647	7	-	3,727	3,169
Other expenses	57	32	1	-	90	63
	<u>48,747</u>	<u>25,025</u>	<u>4,973</u>	<u>3,149</u>	<u>81,894</u>	<u>82,341</u>

Other operating expenses – residences, catering and conferences includes £10,000 (2020 £50,000) related to the University's subsidiary company Bath Spa Venues Limited, and premises expenses includes a charge of £9,000 (2020: other expenses £3,000) related to the University's subsidiary company Bath Spa U Limited.

	2021 £'000	2020 £'000
The depreciation charge has been funded by:		
Deferred capital grants	461	538
Revaluation reserve released	387	386
General income	4,125	4,183
	<u>4,973</u>	<u>5,107</u>

	£'000	£'000
Other operating expenses include:		
Auditors' remuneration		
- external audit	57	51
- other services	30	26
- tax services	26	10
Internal audit services	30	26
Hire of land and buildings (operating leases)	415	725
Hire of plant and machinery (operating leases)	17	19
Students' Union grant	652	527

## 8. Consolidated and University interest and other finance charges

	2021 £'000	2020 £'000
Loan not wholly repayable within five years	2,235	2,456
Net interest on local government pension scheme (Note 17)	816	704
Finance cost of enhanced pension provision	98	59
	<u>3,149</u>	<u>3,219</u>

## 9. Taxation

The University, having charitable status, is liable to UK Corporation Tax only on activities which are additional to its principal educational activities. The University's activities did not give rise to any significant taxable profit.

## 10. Consolidated and University tangible fixed assets

	Freehold land and buildings £'000	Leasehold properties £'000	Building improvements £'000	Fixtures, equipment and vehicles £'000	Total £'000
Cost or valuation					
At 1 August 2020:					
Valuation	68,831	5,551	-	1,267	75,649
Cost	36,973	65,158	19,142	13,204	134,477
Additions at cost	-	-	336	601	937
Disposals at cost	-	-	-	(687)	(687)
At 31 July 2021:					
Valuation	68,831	5,551	-	1,267	75,649
Cost	36,973	65,158	19,478	13,118	134,727
	<u>105,804</u>	<u>70,709</u>	<u>19,478</u>	<u>14,385</u>	<u>210,736</u>

	Freehold land and buildings £'000	Leasehold properties £'000	Building improvements £'000	Fixtures, equipment and vehicles £'000	Total £'000
Accumulated depreciation and impairment					
At 1 August 2020	5,420	14,425	12,966	12,966	46,325
Charge for year	1,674	1,476	1,203	1,203	4,973
Disposals	-	-	-	-	(685)
At 31 July 2020	<u>7,094</u>	<u>15,901</u>	<u>14,169</u>	<u>13,449</u>	<u>50,613</u>
<b>Net book value at 31 July 2020</b>	<b>98,710</b>	<b>54,808</b>	<b>5,309</b>	<b>936</b>	<b>159,763</b>
Net book value at 31 July 2019	100,384	56,284	6,176	957	163,801
Inherited	10,315	1,911	-	-	12,226
Financed by capital grant	-	1,188	932	601	2,721
Other	88,395	51,709	4,377	335	144,816
<b>Net book value at 31 July 2020</b>	<b>98,710</b>	<b>54,808</b>	<b>5,309</b>	<b>936</b>	<b>159,763</b>

The statement of asset valuation practice and guidance notes prepared by the Royal Institution of Chartered Surveyors provides that the normal basis of valuation for assets is open market value for existing user (SAVP1). However, SAVP1 is qualified to the extent that this may not be appropriate in respect of specialised properties which rarely, if ever, changes hands and for which there is no clear evidence of open market transactions involving comparable properties. In these cases the alternative basis of valuation provided by the guidance notes is that of depreciated replacement cost (DRC).

Land and buildings were revalued by Vigers – International Property Consultants at 31 March 1991. The property owned by the University at Sion Hill is considered by Vigers to be sufficiently general in its design to be comparable with other educational buildings in the area and has been valued at open market value for existing use. Those on the campus at Newton Park are considered to be most appropriately valued by the DRC basis described above and have therefore been valued accordingly.

The leasehold property at Corsham Court has been valued at £Nil. Vigers do not recommend placing a value on this property since the lease could be regarded as onerous. The costs associated with the lease will be met from releases from the inherited liability grant.

The University revalued certain land and building assets to fair value prior to the date of transition to the 2015 FE HE SORP; these are measured on the basis of deemed cost, being the revalued amount at the date of that revaluation. The assets were valued by qualified external valuers on a depreciated replacement cost basis.

At 31 July 2021, freehold land and buildings included £25,225,000 (2020: £25,225,000) in respect of freehold land and is not depreciated.

Land and buildings with a net book value of £12,226,000 (2020: £12,363,000) have been funded from Treasury sources. Should these particular properties be sold, the University would either have to surrender the proceeds to the Treasury or use them in accordance with the terms and conditions of funding for higher education institutions with the Office for Students.

### Equipment

Equipment taken over from Avon County Council at 31 March 1989 was brought into the account at 1 April 1990 at a value which reflects its replacement cost at the date of the original purchase less depreciation, representing usage since that date.

The University's subsidiaries, Bath Spa U Limited and Bath Spa Venues Limited had no tangible fixed assets at 31 July 2021 or 2020.

## 11. Debtors

	Consolidated		University	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Trade debtors	3,978	4,679	3,977	4,668
Other debtors	39	31	38	31
Amounts due from subsidiary undertakings	-	-	295	359
Prepayments and accrued income	2,662	2,759	2,659	2,759
	<u>6,679</u>	<u>7,469</u>	<u>6,969</u>	<u>7,817</u>

No debtors were due after more than one year. The amounts due from subsidiary undertakings are repayable on demand.

## 12. Creditors: amounts falling due within one year

	Consolidated		University	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Bank loans (Note 14)	3,185	3,094	3,185	3,094
Salix loans (Note 14)	52	171	52	171
Trade creditors	1,808	1,767	1,808	1,765
Taxation and social security	950	1,088	950	1,088
Amounts due to subsidiary undertakings	-	-	3	-
Other creditors	1,937	1,200	1,868	1,200
Accruals and deferred income	7,118	8,396	7,104	8,384
Inherited liability grant	240	240	240	240
Deferred capital grants	479	370	479	370
	<u>15,769</u>	<u>16,326</u>	<u>15,689</u>	<u>16,312</u>

The inherited liability grant above relates to the University's obligation to maintain and insure its property at Corsham Court in the period to 2066.

The amounts due from subsidiary undertakings are repayable on demand.

Included within accruals and deferred income are the following items of income which have been deferred until specific performance related conditions have been met:

	Consolidated and University	
	2021 £'000	2020 £'000
Donations	463	490
Research grants	2,577	2,157
	<u>3,040</u>	<u>2,647</u>

## 13. Creditors: amounts falling due after more than one year

	Consolidated and University	
	2021 £'000	2020 £'000
Inherited liability grant	10,920	11,160
Deferred capital grants	2,157	1,953
Bank loans (Note 14)	49,559	52,744
Salix loans (Note 14)	54	106
	<u>62,690</u>	<u>65,963</u>

The inherited liability grant above relates to the University's obligation to maintain and insure its property at Corsham Court in the period to 2066.

## 14. Borrowings

	Consolidated and University	
	2021 £'000	2020 £'000
Bank loans and overdrafts are repayable as follows:		
In one year or less	3,185	3,094
Between one and two years	8,308	3,185
Between two and five years	10,654	15,284
In five years or more	30,597	34,275
	<u>52,744</u>	<u>55,838</u>

In June 2013 the University drew down a £10m EIB loan, being part of a £30m loan facility with Lloyds Bank PLC. The EIB loan is repayable in quarterly instalments commencing June 2013 and ending May 2027. Interest is fixed at 3.268%.

In February 2014 the University drew down a £10m loan from Lloyds Bank PLC that is repayable in quarterly instalments commencing May 2014 and ending February 2034. Interest is fixed at 5.693%.

In August 2014 the University drew down a £10m loan from Lloyds Bank PLC that is repayable in quarterly instalments commencing November 2014 and ending February 2034. Interest is fixed at 4.765%.

In May 2016 the University drew down a £35m bridging loan from Santander UK plc that was converted to a fixed term loan in August 2016, repayable in quarterly instalments commencing November 2016 and ending December 2034. Interest is fixed at 3.990%. The loan is secured over the freehold property to which the loan relates.

In December 2017 the University agreed a revolving credit facility of up to £15m from Lloyds Bank PLC that is available until December 2022. Interest is charged at 0.95% above LIBOR. The facility is secured by a combination of a legal charge on the University's freehold property at Sion Hill, and a cash deposit in the sum of £4.2m.

	Consolidated and University	
	2021 £'000	2020 £'000
The Salix loan is repayable as follows:		
In one year or less	52	171
Between one and two years	33	52
Between two and five years	21	54
	<u>106</u>	<u>277</u>

The University received an interest free loan from Salix of £187,000 to part-fund the installation of energy saving heating controls in one of the University's residences. The loan is repayable in half-yearly instalments over five years, commencing May 2018 and ending November 2022.

The University received an interest free loan from Salix of £71,500 to part-fund the installation of solar panels on one of the University's residences. The loan is repayable in half-yearly instalments over five years, commencing May 2020 and ending November 2024.

## 15. Provisions for liabilities and charges

	Consolidated and University		
	Enhanced pension provision	Landlords' guarantee provision	Total provisions
	£'000	£'000	£'000
At 1 August 2020	729	575	1,304
Charge to income and expenditure statement	98	307	405
Utilised in year	(73)	(377)	(450)
At 31 July 2021	754	505	1,259

An amount of £754,000 (2020: £729,000) is included in provisions representing the extent to which the capital cost charged exceeds actual payments made. The provision will be released against the cost to Bath Spa University of enhanced pension entitlements over the estimated life expectancy of each relevant employee.

To ensure that there is sufficient residential accommodation for its first year students the University contracts with external providers. In return for guaranteed availability of places the University will pay a proportion of the rent for any unfilled places. The landlords' guarantee provision reflects the number of study bedrooms for which the University has a potential liability. The cost of such compensation is expected to be £505,000 (2020: £575,000). The Board of Governors consider that the provision will be paid during the forthcoming year and consequently have not discounted the provision to net present value. In the year ended 31 July 2021 the University paid £377,000 (2020: £104,000) in respect of unfilled places from a total of 611 study bedrooms.

## 16. Deferred capital grants

	Consolidated and University		
	Buildings	Equipment	Total
	£'000	£'000	£'000
At 1 August 2020	2,208	115	2,323
Received in year	533	241	774
Released to income and expenditure statement	(362)	(99)	(461)
At 31 July 2021	2,379	257	2,636

## 17. Pension costs

The University's employees belong to two principal pension schemes, the Teachers' Pension Scheme (TPS) and the Local Government Pension Scheme, Avon Pension Fund (LGPS). One of the University's subsidiaries, Bath Spa U Limited, makes contributions to a defined contribution scheme for its employees. The total pension costs for the period were £9,998,000 (2020: £8,877,000).

### Teachers' Pension Scheme (TPS)

The Teachers' Pension Scheme is an unfunded defined benefit scheme. Contributions on a pay as you go basis are credited to the exchequer under arrangements governed by the Superannuation Act 1972.

The pension's cost is assessed in accordance with the advice of the government actuary. The assumptions and other data that have the most significant effect on the determination of the contribution levels are as follows:

	31 March 2016
Latest actuarial valuation	Prospective benefits
Actuarial method	2.9% per annum
Investment returns per annum	4.2% per annum
Salary scale increases per annum	£196.1 billion
Market value of assets at date of last valuation	90%
Proportion of members' accrued benefits covered by the actuarial value of the assets	

For the year ended 31 July 2021 the employer contribution was 23.7% (2020: 16.5%, rising to 23.7% at 1 September 2019). The total pension cost for the period was £4,173,000 (2020: £4,031,000).

Under the definitions set out in FRS102, the TPS is a multi-employer pension scheme. The University is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the University has accounted for its contributions as if it were a defined contribution scheme.

### Defined Contribution Scheme (Aviva)

The University contributes to a defined contribution pension scheme for employees of its subsidiary Bath Spa U Limited. Contributions are charged to the income and expenditure account in the year to which they relate. For the year ended 31 July 2021 these amounted to £19,000 (2020: £Nil).

### Avon Pension Fund (LGPS)

The University participates in the Avon Pension Fund (LGPS) which is a funded defined benefit pension scheme with the assets held in separate trustee administered funds.

The total contribution made for the year ended 31 July 2021 was £3,240,000 (2020: £3,218,000) of which employers' contributions totalled £2,294,000 (2020: £2,341,000) and employees' contributions totalled £946,000 (2020: £877,000). The agreed contribution rates, excluding deficit recovery payments, for future years are 15.5% (2020: 15.3%) for employers, and salary-determined rates for employees ranging from 5.5-12.5%.

The following information under FRS 102 is based upon a full actuarial valuation of the Fund at 31 March 2019 updated to 31 July 2021 by a qualified independent actuary.

	2021	2020
Rate of increase in salaries	4.1%	3.8%
Rate of increase in pensions in payment	2.7%	2.4%
Discount rate	1.6%	1.6%
Inflation assumption CPI	2.6%	2.3%

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

	2021	2020
<i>Retiring today</i>		
Males	23.3	23.2
Females	25.4	25.3
<i>Retiring in 20 years</i>		
Males	24.8	24.7
Females	27.4	27.3

The assets in the scheme were:

	2021	2020
	£'000	£'000
Equities	29,879	26,221
Government Bonds	6,787	4,271
Other Bonds	5,668	1,602
Property	4,408	5,221
Cash	1,259	1,780
Other	21,971	20,230
	69,972	59,325

## 17. Pension costs - Avon Pension Fund (LGPS) (continued)

The following amounts at 31 July 2021 were measured in accordance with the requirements of FRS102:

	2021 £'000	2020 £'000
University estimated share of assets	69,972	59,325
Present value of scheme liabilities	(123,645)	(111,509)
Deficit in the scheme – net pension liability	(53,673)	(52,184)

### Analysis of amount charged to staff costs within income and expenditure statement

	2021 £'000	2020 £'000
Current service cost	5,806	4,846
Total operating charge	5,806	4,846

### Analysis of amount that is charged to interest payable

	2021 £'000	2020 £'000
Expected interest pension scheme assets	962	1,316
Interest on pension scheme liabilities	(1,778)	(2,020)
Net interest cost	(816)	(704)

### Analysis of amount recognised in income and expenditure statement

	2021 £'000	2020 £'000
Actual return less expected return on pension scheme assets	8,174	(2,721)
Change in financial and demographic assumptions underlying the scheme liabilities	(5,250)	(12,893)
Actuarial gain / (loss) recognised in the statement of comprehensive income and expenditure	2,924	(15,614)

### Movement in deficit during year

	2021 £'000	2020 £'000
Deficit in scheme at 1 August	(52,184)	(33,193)
Movement in year:		
Current service cost	(5,806)	(4,730)
Past service cost	-	(88)
Curtailments and settlements	-	(116)
Contributions	2,294	2,341
Net interest cost	(816)	(704)
Actuarial gain / (loss)	2,924	(15,614)
Administration expenses	(85)	(80)
Deficit on scheme at 31 July	(53,673)	(52,184)

### Analysis of the movement in the present value of the scheme liabilities

	2021 £'000	2020 £'000
At beginning of the year	111,509	92,004
Current service cost	5,806	4,730
Past service cost	-	88
Interest cost	1,778	2,020
Contributions by scheme participants	946	877
Actuarial loss	5,250	12,893
Curtailments	-	116
Benefits paid	(1,644)	(1,219)
At end of the year	123,645	111,509

### Analysis of the movement in the market value of the scheme assets

	2021 £'000	2020 £'000
At beginning of the year	59,325	58,811
Expected interest on scheme assets	962	1,316
Actuarial gain / (loss)	8,174	(2,721)
Administration expenses	(85)	(80)
Contributions by employer	2,294	2,341
Contributions by scheme participants	946	877
Benefits paid	(1,644)	(1,219)
At end of the year	69,972	59,325



## 17. Pension costs - Avon Pension Fund (LGPS) (continued)

History of experience gains and losses

	2021	2020	2019	2018	2017
<b>Difference between the expected and actual return on scheme assets:</b>					
Amount (£'000)	8,174	(2,721)	2,203	2,092	3,817
% of scheme assets	11.7%	(4.6%)	3.7%	4.0%	8.2%
<b>Experience gains and losses on scheme liabilities:</b>					
Amount (£'000)	2,226	(3,821)	-	-	(1,765)
% of scheme liabilities	1.8%	(3.4%)	-	-	(2.5%)
<b>Total amount recognised in the income and expenditure statement:</b>					
Amount (£'000)	2,924	(15,614)	(11,902)	7,242	(134)
% of the present value of scheme liabilities	2.4%	(14.0%)	(12.9%)	10.2%	(0.2%)

The projected contribution to the defined benefit scheme for the forthcoming year is £2,651,000 (2020: £2,141,000). The cumulative amount of actuarial losses recognised in the income and expenditure statement is £34,646,000 (2020: £37,570,000).

### Sensitivity analysis

Actuaries appointed by Avon Pension Fund have prepared the following sensitivity analysis that indicates the likely changes to pension liabilities, asset values, costs and returns on assets in the event of changes to key assumptions used by the actuary in determining the valuation of the fund at 31 July 2021

	Base £'000	Sensitivity 1 - +0.1% pa. discount rate £'000	Sensitivity 2 - +0.1% pa. inflation £'000	Sensitivity 3 - +0.1% pay growth £'000	Sensitivity 4 - 1 year increase in life expectancy £'000	Sensitivity 5 +1% /- 1% change in 2020/21 investment return	
						£'000	£'000
Liabilities	123,645	121,126	126,216	123,884	127,567	123,645	123,645
Assets	(69,972)	(69,972)	(69,972)	(69,972)	(69,972)	(70,680)	(69,264)
Deficit	53,673	51,154	56,244	53,912	57,595	52,965	54,381
Projected service cost	6,309	6,123	6,504	6,309	6,528	6,309	6,309
Projected interest cost	838	847	879	841	900	826	849

## 18. Analysis of changes in net funds

	At 1 August 2020 £'000	Cash flows £'000	Other movements £'000	At 31 July 2021 £'000
Cash at bank and in hand	4,567	6,914	-	11,481
Short-term deposits	19,370	(2,972)	-	16,398
Net funds	23,937	3,942	-	27,879

## 19. Capital commitments

	Consolidated and University	
	2021 £'000	2020 £'000
Contracted but not yet invoiced	450	-

## 20. Financial commitments

	Consolidated and University	
	2021 £'000	2020 £'000
Expiring within one year	221	-
Expiring from one to five years	167	295
Expiring after five years	1,170	1,361
	1,558	1,656

## 21. Related party transactions

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 possible that transactions will take place with organisations in which a member of the Board of Governors may have an interest. All transactions involving organisations in which a member of the Board of Governors may have an interest are conducted at arm's length and in accordance with the University's financial regulations and normal procurement procedures.

During the year the University provided a initial block grant to Bath Spa University's Student Union of £527,000 (2020: £527,000) enabling it to provide essential services to University students, and then subsequently provided a further £125,000 (2020: Nil) to further support and maintain its activity during the pandemic. In addition the University provided £5,000 (2020: Nil) to support careers and employability activities.

## 22. Teacher Training bursaries

	2021 £'000	2020 £'000
Funds received	2,857	2,933
Disbursed to students	(2,921)	(2,917)
Balance due (from) to DfE at 31 July	(64)	16

Teacher training bursaries are available solely for students; the University acts only as paying agent. The grants and related disbursements are therefore excluded from the statement of comprehensive income and expenditure.

## 23. Governors' expenses

	2021 £'000	2020 £'000
Governors' expenses	0	7

The governors, other than the Accounting Officer, did not receive any payment from the institution other than the reimbursement of travel and subsistence expenses incurred in the course of their duties.

## 24. Access and Participation Plan

	Consolidated and University	
	2021 £'000	2020 £'000
Access investment	1,041	957
Financial support	1,078	1,095
Disability support	664	574
Research and evaluation	75	58
	<u>2,858</u>	<u>2,684</u>

Included above are staff costs already accounted for in overall staff costs figures shown at note 6, as follows:

	Consolidated and University	
	2021 £'000	2020 £'000
Access investment	668	471
Financial support	-	-
Disability support	563	-
Research and evaluation	65	48
	<u>1,297</u>	<u>519</u>

The University's planned 2020-21 cycle of access activity was reconfigured from face-to-face delivery during periods of lockdown. This had a particular impact on school and college-based activities and campus-based visit days that were planned to be delivered by the university's Access and Participation and Higher Education Opportunities Teams. The core Access and Participation outreach programme was particularly affected, with school and college-based sessions postponed earlier in the academic year, and the five weeks of university visit days that usually take place over June and July each year were again unable to be delivered.

Campus-based activity, which is supported by the employment of student ambassadors and Access and Participation Student Advocates, is the most costly activity that is delivered through our access and outreach programmes. A programme of on-line and virtual activity was delivered wherever possible, but as in 2019-20, the COVID-19 pandemic had an impact on the projected access and outreach activity expenditure for this period.

The [University's Access and Participation Plan](#) can be found on the University's website.

## 25. Post Balance Sheet events

On 6 January 2022, the University completed the sale of one of its property assets, known as Green Park House, for a sum in excess of £80m. The carrying amount of this asset at the balance sheet date was £53.224m, with an associated revaluation reserve balance of £10.690m. This event triggered the repayment of debt secured on Green Park House, and at the balance sheet date the sum outstanding was £28.160m, of which £1.600m was shown as a creditor due in less than one year. In addition to this sum, the University was required to pay an early settlement penalty amounting to £2.429m.