



# **Annual Report and Financial Statements Year ended 31 July 2022**

**BATH  
SPA  
UNIVERSITY**



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# 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

*J Glasspool*



**Professor Sue Rigby**  
Vice-Chancellor

*Sue Rigby*

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

This year has seen Bath Spa University emerge from the restrictions imposed by COVID-19 as a confident and successful entity, with forward momentum and a laser focus on strategic delivery.

Our new and revised portfolio of undergraduate degrees, teaching qualifications, master's degrees and short courses are popular, with applications for undergraduate study up 38% in two years. Each qualification or course is designed to be highly professional, with significant levels of innovation and creativity at their core. Each is available with a year in industry, and is orientated towards future skills needs. This, in turn, enhances the employability of graduates, which will become clear in our graduate outcomes data.

As a result of increased applications, we are able to grow the University at a sustainable pace, whilst focusing on the student experience through digital and physical innovation. Our new digital ecosystem will give students and their teachers early data on engagement, and our enhanced student support function will ensure that students who begin to struggle are helped back on track. A brief spike in withdrawals during the pandemic has now returned to pre-pandemic levels and we expect this to fall further as the impact of our enhancements gains impact.

At the same time, we are investing in our physical estate, reconfiguring our Locksbrook campus to provide space for design students, as well as those in art, photography and graphic design. Our new architecture degree will be located at Locksbrook, providing the basis for a creative campus close to the city centre.

Careful husbanding of resources and the sale of Green Park House has allowed us to reduce our levels of debt to below sector average, to invest in digital and physical infrastructure and to begin to plan our next building at Locksbrook. Close partnership working with the Council and the West of England Combined Authority means that we can leverage this planning as part of a wider set of ambitions for the development of Bath and of the region.

Our staff have been pivotal to our success over the last year, showing great commitment to students and to their research during such difficult times. Our Research Excellence Framework result was our best ever, with improvements in research power, dramatic increases in 4\* outputs and impressive case studies. Staff have published successful novels, presented well-reviewed art works, won BAFTAs, created influential technological and digital innovations and been demonstrably impactful on national policy. We are particularly proud of the work of The Studio, which has been recognised with multiple awards as an innovation centre transforming the use of creative technologies.

We were successful in gaining a Gold Mark Accreditation in our Social Enterprise Mark, with an outstanding designation. This confirms our ongoing conviction that doing things well, having social impact and working sustainably are the key to our success, not peripheral to it.

Our refreshed *Strategy 2030* highlights our ambitions around creativity, partnerships, students and the core enablers in which we must invest in order to thrive. It shows our determination to be successful, as an entity and as a collection of students and staff, each of whom is special and important.

# STRATEGIC REPORT





# BATH SPA SUCCESSES

## Dr Penny Hay recognised by the National Teaching Fellowship Scheme

Dr Hay was among 55 academics in the UK to be awarded a National Teaching Fellowship by Advance HE.

Penny, who is Reader in Creative Teaching and Learning and Senior Lecturer in Arts Education in the School of Education, and Research Fellow in the Centre for Cultural and Creative Industries (CCCI), received the award for her work in higher education.

The National Teaching Fellowship Scheme (NTFS) celebrates and recognises individuals who have made an outstanding impact on student outcomes and the teaching profession in higher education. The scheme began in 2000, and 2021 sees the scheme surpass 1,000 awardees.



## Bath Spa University joins Mental Health Charter Programme

Bath Spa University has proudly joined a new Mental Health Charter Programme developed by Student Minds, a national charity supporting students' mental health.

The Charter aims to make mental health and wellbeing an industry-wide priority, by sharing good practice, enabling cultural change and supporting the work of universities to improve the mental health and wellbeing of their staff and student communities.

"We are very proud to be a part of this initiative," said Vice-Chancellor, Professor Sue Rigby. "The mental health and wellbeing of our staff and students is incredibly important, now more than ever.

"By taking part in this charter it will ensure we are evaluating our policies and procedures, sharing best practice and prioritising good mental health. This is a real, joined-up commitment to creating an environment to share best practice and a culture that prioritises mental health for the entire university community."

## Bath Spa University signs the Care Leaver Covenant

Bath Spa University became a signatory to the Care Leaver Covenant (CLC). The CLC is part of the government's 'Keep on caring' strategy to support people aged 16-25 leaving care to become independent.

In signing the CLC, the University made a promise to provide support and opportunity for care leavers by considering our activity in three areas:

- Student: the full student lifecycle, from outreach, application and course support, right through to graduation
- Employment: the way in which we respond creatively to diversify our workforce, support care-leaver employees and care-leaver students to progress into higher-level study or employment
- Community: our relationships and engagement with local communities; the civic university role.





## Two BAFTAs for show produced by film and media lecturer

*In My Skin*, a BBC Three show produced by Bath Spa University lecturer Sophie Francis, won two awards at the 2022 BAFTA TV Awards.

Sophie, a Senior Lecturer in film and media courses at the University and producer for Channel 5 and the BBC, worked on the first and second series of the Wales-based coming-of-age drama series.

The show scooped the award for Best Drama at the ceremony in London. Kayleigh Llewellyn also won the BAFTA for Best Writer: Drama category, meaning the show won both the awards it was nominated for, beating tough competition from other contenders; *Vigil* (BBC One), *Unforgotten* (ITV) and *Manhunt: The Night Stalker* (ITV).

The BAFTA wins follow in the success of the second series of the show which also won two Royal Television Society Programme awards for Drama Series, and Actor (Female), for the lead role played by rising star Gabrielle Creevy.



## BA Film and TV graduate turned lockdown to her advantage

BA (Hons) Film, TV and Digital Production graduate Tabi Clarke didn't let COVID-19 get in the way of anything.

Since March 2020 she continued to work at Pinewood Studios on a new Marvel film and says that she was able to turn the lockdowns to her advantage, leading her to a role as a COVID Production Assistant for Disney on a new Marvel film.

## MA Creative Writing grad wins a Bridport Prize award

MA Creative Writing graduate Fiona Williams won the Peggy Chapman Andrews First Novel Award for the Bridport Prize.

The Bridport Prize helps raise funds for The Bridport Arts Centre charity. It launched almost 50 years ago with the aim of funding the newly opened arts centre. The writing competition today has a prize fund of more than £20,000 and reaches over 100 countries from Australia to Yemen.

Fiona is a freelance science writer working for the pharmaceutical and health industries. She is also a copyeditor for the journal *Transnational Literature* produced by TRACE.

Fiona began writing her first novel, *The House of Broken Bricks*, while completing an MA in Creative Writing at Bath Spa University, and the manuscript was shortlisted for the University's Janklow and Nesbit Prize in 2020.

## Student stories fly high in global travel writing competition

Students of the MA Nature and Travel Writing course celebrated after being recognised in the 2022 New Travel Writer of the Year competition.

The competition, run by Bradt Guides in conjunction with the Edward Stanford Travel Writing Awards, invites writers to submit a short, original work based on a true story from the author's personal experience. This year's theme was "It was Strangely Quiet".

Jane Adams was short-listed for her piece "Waiting For Wilma", which recounts a morning in the Florida Keys preparing for the arrival of Hurricane Wilma.

Entries from three more students were praised by the judges:

- "Fireworks at Midnight" by Rachel Henson (Highly Commended)
- "The Bones Beneath" by Jennifer Thompson (Highly Commended)
- "Saint Peter's Valley" by Matthew Walsh (Commended)



## England international footballer Tyrone Mings awarded an honorary doctorate

Bath Spa University awarded an Honorary Doctorate of Education to Tyrone Mings. The ceremony took place at the University's Newton Park campus on Wednesday 24 November 2021 and was attended by academic leaders of the University, students and members of the local community, including representatives of Bath City's football team, board and foundation, along with members of Mr Mings' family.

Tyrone Mings is a brilliant defender and captain of Premier League side Aston Villa, and represents England on the international football stage. He was born and raised in Bath and is a highly respected and inspirational figure in the local community.





# Dr Sarah Flavel appointed President of the Society for Asian and Comparative Philosophy

Reader in Asian and Comparative Philosophy, Dr Sarah Flavel was appointed to serve as the new President of the SACP (Society for Asian and Comparative Philosophy).

The SACP was established in 1967 as a non-profit organisation aimed at developing the disciplines of Asian and comparative philosophy in the international academic arena, and bringing together Asian and Western philosophers and other scholars for a mutually beneficial exchange of ideas. It is now the largest and most well-known professional organisation for scholars in the fields of Asian and world philosophy.

The SACP oversees a host of activities including scholarships and awards for early career researchers, partnerships with the largest global meetings of philosophers and Asian scholars (for example at the World Congress of Philosophy and the American Academy of Religion), international conferences, and affiliated journal and book series publications.



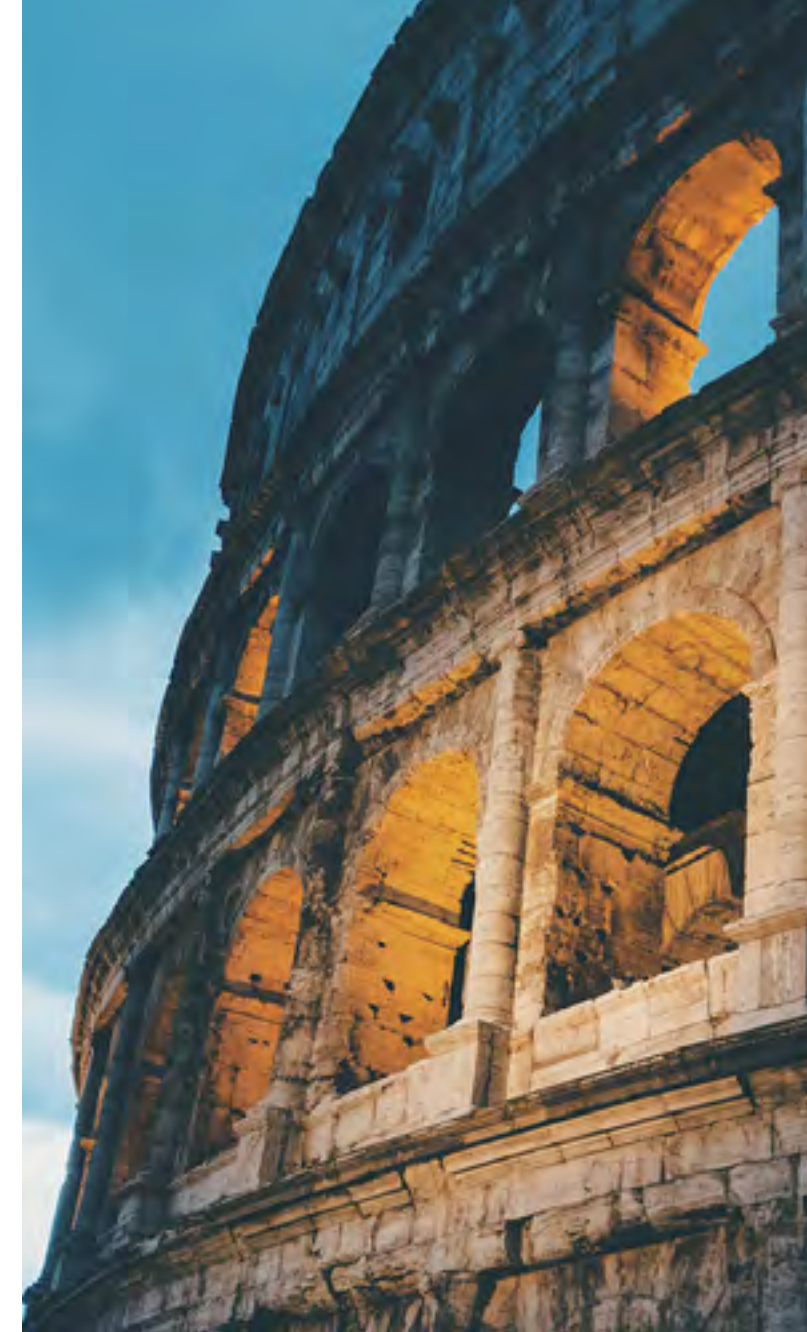
## When in Rome – PhD student recreates music that hasn't been heard in millennia

Composer and Bath Spa PhD student Maryann Tedstone brought the music of ancient Rome's streets back to life by carefully piecing together artefacts and historical records covering fashion, architecture and more.

"We've all grown up learning about the Romans and watching movies about them," she said. "Isn't it bizarre that we have no idea how Roman music actually sounded? What did it sound like to walk down the street, with a street festival in full swing?"

While there have been a number of musicians over the years who have created music and labelled it as Roman, Tedstone discovered that there was no thoroughly researched and evidence-based recreation of authentic Roman music. So, in 2017 she was accepted as the world's first PhD researcher in ancient Roman music.

She recruited Grammy-winning recording engineer and producer Trevor Gibson of Circle Studios to work with her to create an album with authentic music. No synthetic sounds were used in the recording or mixing of the album – instead, she used recreations of instruments seen in artworks and artefacts.



## Bath Spa University becomes a certified social enterprise

The University is a certified member of Social Enterprise UK (SEUK) – the leading global authority and largest network of social enterprises in the UK. SEUK is a strategic partner to several government departments and has led public policy on social enterprise for 15 years.

Social enterprises are businesses that put the interests of people and the planet before profits. They're an increasingly important part of the UK economy, contributing £60 billion and employing two million people. To become a certified social enterprise, organisations must satisfy several key criteria including

demonstrating operational transparency, evidence of a social mission and reinvesting profits towards a social purpose.

As a social enterprise, we put people, communities and the environment at the heart of our work. Our purpose is to challenge our students and staff to realise their talent and thrive, for their own benefit and for the wider good. By doing this we will think and make the world better. This starts with our students and staff but extends to our local, regional and global community through our teaching and learning, research and partnerships.



Bath Spa achieved Silver Accreditation for being a Hedgehog Friendly Campus, reflecting our growing commitment to becoming a more sustainable and environmentally friendly campus.

The Hedgehog Friendly Campus Team at Bath Spa University continue their work to raise awareness of the decline of hedgehogs and the challenges they face, as well as helping to create safe spaces on campus for them to thrive.

Hedgehogs are listed as vulnerable under the International Union for Conservation of Nature (IUCN) Red List, and their numbers have declined by up to 50% since 2000. This significant decline is due to the multiple challenges they are facing today: litter, roads, disconnected habitats, environmental poisons and a lack of access to water and food.



## Bath Spa gets Silver Accreditation from British Hedgehog Preservation Society

## Film graduates' work gets a 'Fighting Chance' at Royal Television Society Student Awards

A crew of recent Bath Spa University graduates had their short film documentary 'Fighting Chance' short-listed in the prestigious Royal Television Society (West) Student Awards.

BA (Hons) Film, Television and Digital Production graduates Bethany Andrews and Haydn Feltham, and BA (Hons) Film and Screen Studies graduate Oli Batten made their documentary in their final semester at the University. The 10-minute film – one of just four shortlisted in the 'Factual' category – follows the lives of two young people who have been helped by the Empire Fighting Chance organisation in Bristol.

Empire Fighting Chance aims to challenge the impact of deprivation by inspiring young people through a combination of non-contact boxing and intensive personal support.

The three said that creating the documentary was "an incredible journey," from learning to adapt to the curve balls that COVID-19 restrictions threw at them, to meeting and being inspired by the young people at Empire Fighting Chance gym.

## Vice-Chancellor honoured as Royal Society of Edinburgh Fellow

Bath Spa University's Vice-Chancellor Professor Sue Rigby was named as one of The Royal Society of Edinburgh's (RSE) intake of Fellows for 2022.

Sue – who is Honorary Professor at the University of Edinburgh – is one of only 80 individuals from the arts, business, public service, civil society and academia to be recognised this year. She joined the RSE's current Fellowship of around 1,700 Fellows, who are deemed to be some of the greatest thinkers, researchers and practitioners working in or with Scotland today.

Sue became Vice-Chancellor of Bath Spa University in January 2018 and is a palaeontologist by background. After academic posts at the universities of Cambridge, Leicester and Edinburgh she moved into senior management, first as Assistant Principal, then Vice Principal at the University of Edinburgh, and Deputy Vice-Chancellor for Student Development at the University of Lincoln.



## Academics warn against climate change "politics of paralysis and self-destruction"

During COP26, academics from across the globe warned against "the politics of paralysis and self-destruction" that have hindered effective change in climate policy over the past 20 years, in an essay volume.

Sian Sullivan, Professor of Environment and Culture at Bath Spa, co-edited the volume with the University of Exeter Business School's Professor Steffen Boehm.

In the volume, leading and emerging scholars and climate activists from around the world took a critical look at what has gone wrong, and what needs to be done to create more decisive action to combat climate change.

Composed of twenty-eight essays – a combination of new and republished texts – the work looks at seven main themes, which include governance and finance.





# Bath Spa and Komedia raise funds for Ukraine

Students and staff from Bath Spa University's BA (Hons) Commercial Music course raised funds for the Disasters Emergency Committee's (DEC) Ukraine Humanitarian Appeal by hosting a concert at Komedia Bath. The department had only one week to organise the event, which raised a total of £2,847.

Komedia kindly helped organise the event and offered to host the concert at their venue. Additionally, 30 willing volunteers from the course contacted fellow Commercial Music student Olivia Carey to help plan the event.

Olivia left Belarus eight years ago and was motivated to find a way to help those in need after receiving messages from friends in Ukraine and Belarus explaining their situations. She contacted Chris Blanden and Jim Dickinson, Commercial Music staff members, then teamed up with other students to successfully plan the fundraising concert in just a few days.

Generous local and national businesses also offered their assistance by sponsoring a raffle and donating prizes. Louis Juckes, a first-year student on the course, had the task of finding bands to play on the main stage at the venue as well as the electric bar. They managed to secure The John Martyn Project, Pentire, Tangled Oaks, Dempsey, Connor McLeod and Gracie Grinter.



# Scholarship to help refugees and asylum seekers

# New partnership with Ukrainian university to support post-war recovery

Bath Spa University has twinned with the higher education establishment, Academician Stepan Demianchuk International University of Economics and Humanities (IUEH), as part of a scheme to help the western Ukrainian university continue to survive, and thrive, beyond the current conflict the country is facing.

David Newman, University Secretary, said: "Bath Spa University stands in solidarity with Ukraine and we are delighted to partner with IUEH in this way, to provide support, and to strengthen ties of friendship and cooperation through the development of academic, cultural and personal exchange."

This initiative is part of a wider UK-Ukraine university twinning scheme, launched by the Cormack Consultancy Group (CCG) and Universities UK International (UUKi), which sees UK universities signing a memorandum of understanding with their Ukrainian counterparts for a minimum of five years.

Proposed support from Bath Spa University includes sharing learning resources, developing a mentoring scheme and collaborating across disciplines that are studied or researched in both institutions. When possible, the two universities look forward to facilitating staff and student exchanges.

The University launched a new annual 'Sanctuary Scholarship' to students from refugee and asylum-seeking communities, starting in the 2022-23 academic year.

Applications were welcomed from individuals seeking asylum in the UK, refugees, and people in the UK under the Homes for Ukraine Scheme and the Ukraine Family Scheme.

The new scholarship will be offered to a student every year and will include a full tuition fee waiver for the duration of their undergraduate study. An annual bursary of £2,000 will also be awarded as a contribution towards study costs.



# FOCUS ON ► Partnerships

Our partnership work is integral to everything we do and it will help make our vision of being a creatively professional university, as outlined in *Strategy 2030*, a reality.

## Strategy

We exert a strong regional and national influence through our strategic initiatives and use our creativity to engineer and deliver new solutions to complex social and economic problems. For example, the Vice-Chancellor, working with the West of England Combined Authority, has created the UK's first regional cultural plan.

Our partnership with the unitary authority of Bath and North East Somerset (B&NES) on the relocation of the world-famous Fashion Museum's collection from the Assembly Rooms in Bath to a new Fashion Archive and Study Centre is at the heart of a plan to transform the Locksbrook area of the city into a creative quarter, with sustainable fashion and the circular economy at its heart. It is a ground-breaking initiative to tackle a complex, international challenge.

## Business

Our relationships with businesses and employers continue to develop apace, driven by projects like Innovation Science Technology Arts Research Training (ISTART). Co-created with Bath College, the University of Bath, B&NES, and more than 70 local, regional and international businesses, including Microsoft, it offers the latest skills across many disciplines and levels.

For example, courses in Sustainability, Digital and Health run from Level 2 (GCSE or equivalent) right up to Level 7 (MA or equivalent) will equip people both in and out of work with new or updated skills.

Thanks to our partnership with a wealth of collaborators, including Tech Spark, the National Institute of Coding and Bath Digital Festival, and with funding from the Department for Education, we have run successful 'boot camp' (short, intensive) creative digital courses for over 400 adults in the last six months. We have £1m in further bids for 2023, which will allow us to re-skill over 1,000 learners.

## International

On the international stage, the Global Academy of Liberal Arts (GALA), established by the University, also has a creative professional purpose. It partners with prestigious universities in North America, Africa, Australia, Asia and Europe that share our vision for social and environmental change.

In the last six months, GALA has supported two creative computing students to visit the University of Adelaide for a month-long virtual-reality placement, a photography undergraduate to spend a week researching in the design collections at the University of Parma, and a group of heritage and arts management MA students to visit Los Angeles as part of a heritage field-trip co-organised with Claremont Graduate University.

## Local

The same creative logic applies to our long-standing and new cultural partnerships, where we constantly seek to enable and add social value. For example, our work with Youth Connect South West, a charity that works with young people in B&NES, has involved students in engaging the local community. A Business and Management student created and secured funding for a community lunch club, whilst a Creative Writing student developed and led a six week poetry workshop resulting in one of the participants presenting their work at a spoken word event.

## Connectivity

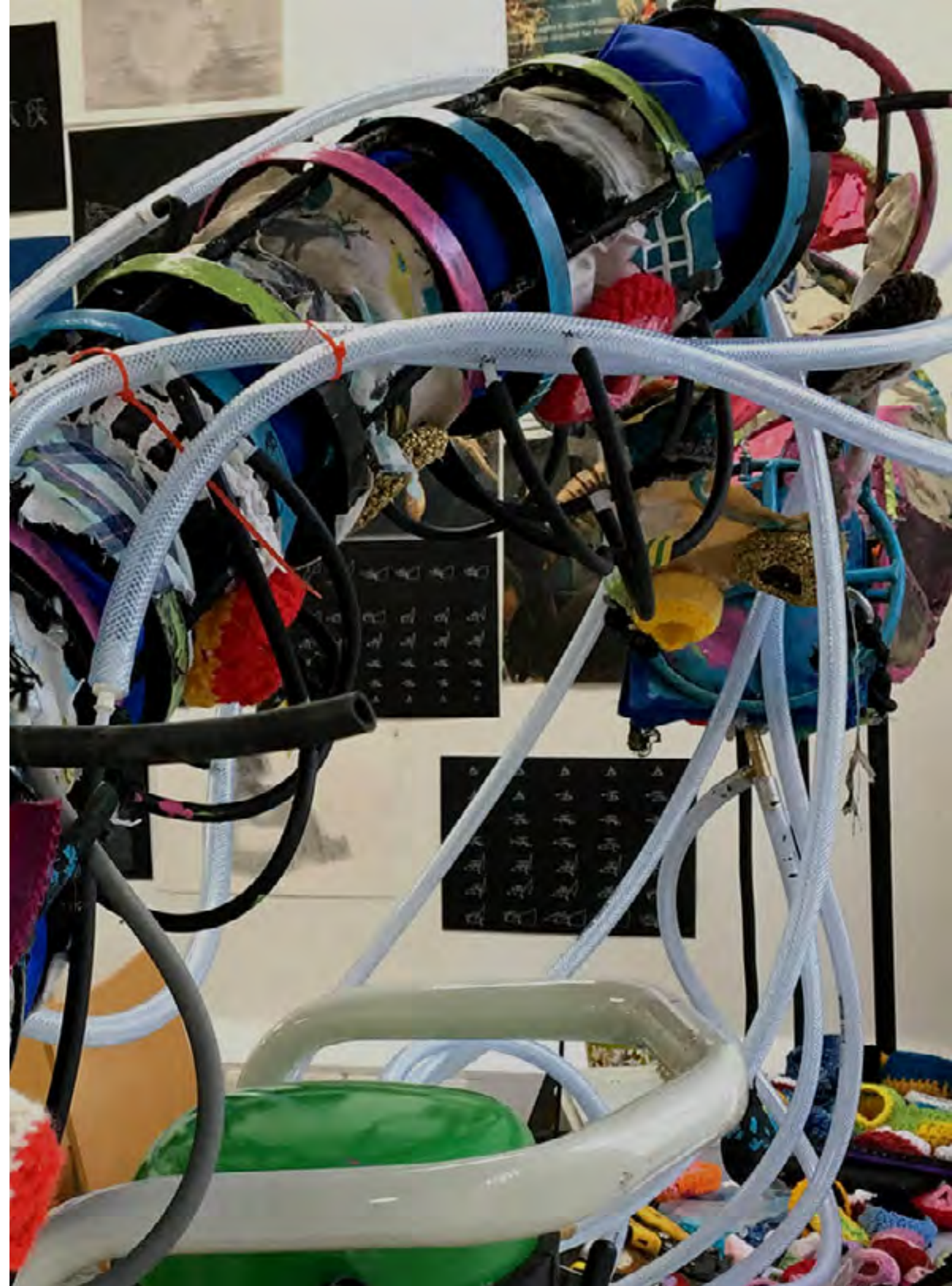
Common to all these partnerships is our ambition to forge logical and intuitive creative connections.

For example, the prestigious My World research project applies immersive and virtual technology in our incubation space, The Studio, winner of the 2022 SPARKies Community Award which recognises excellence in the tech sector in the South West. The Studio has 50 residents, and hosts six creative businesses that licence desk space in the building on a 'pay what you can' basis – an initiative to support local business post pandemic. The Studio was also a driver for ISTART, the Creative Quarter, and a £200,000 Higher Education Innovation Fund grant to establish our first knowledge exchange programmes.

## Social Enterprise, Inclusion, Employability

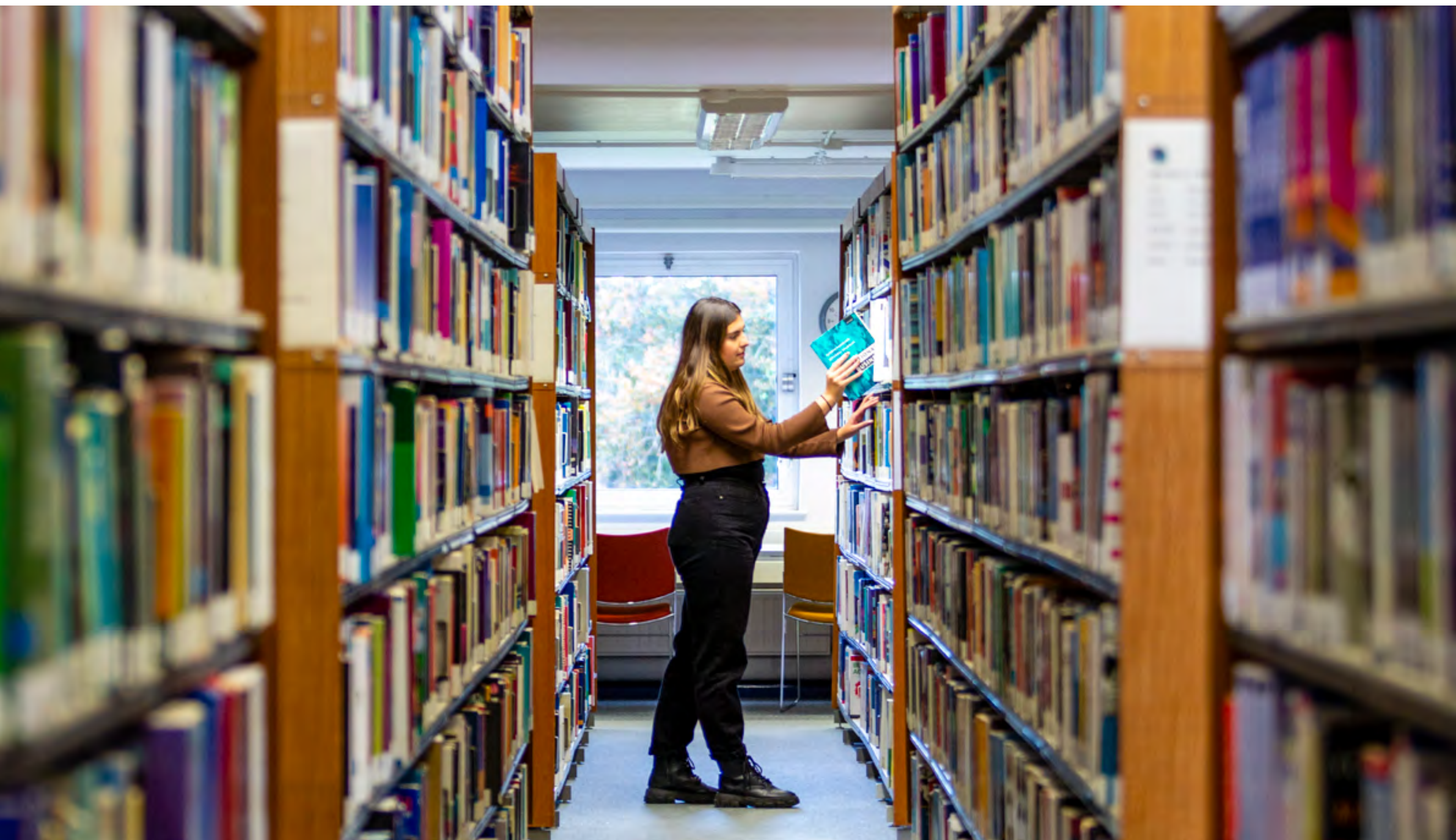
We strive to make a sustainable social impact and, this year, our initiatives in this field were rewarded with Gold Mark 'Outstanding' status as a University for Social Enterprise. This prestigious accolade, held by only five universities in the UK, exemplifies how our creative professional approach distinguishes us from others. In 2023, we will develop this further by strengthening our work on local inclusion, and on student employability, where we have a new employability plan, working with employer partners in under-represented sectors.

Showcasing creativity  
at The Studio ►





# ACADEMIC EXCELLENCE





# KEY PRIORITIES IN 2021/22

Led by the Provost and Heads of School, the seven academic Schools drive the delivery of priorities in collaboration with Pro Vice-Chancellors. The key academic excellence priorities and outcomes for 2021-2022 are:

## Develop a suite of innovative new courses for 2023/4 and identify our portfolio direction to 2025

Working closely with colleagues from across the University, we revitalised our portfolio by introducing a suite of applied new curriculum courses, which generated 28% of Bath Spa University (BSU) undergraduate applications in January 2022. The restructure of academic schools in 2021 provided a catalyst for interdisciplinary innovation. An early example of this is the new architecture degree, which joins our expanding portfolio of computing courses within the School of Design, which attracted over 300 applications for September 2022.

We also developed new courses for 2023, including (BA (Hons) Sports Management, BA (Hons) Sports Production, BSc (Hons) Sport and Exercise Nutrition, BSc (Hons) Biomedical Science, and BA (Hons) Marketing.

## Diversify income by developing Bath Spa University London (BSUL), delivering TeachFirst London, and creating sustainable new partnerships

BSUL offers inclusive, career-enhancing programmes, tailored to meet the needs of diverse cohorts of learners who might be unable to access the more traditional University experience offered in Bath. Some 26% of BSUL students are Black, Asian and minority ethnic (BAME), 56% are from deprived areas and 60% are over the age of 30. Recruitment to BSUL is growing, with approximately 1,000 students enrolled. The first Academic Director for BSUL will join us in September 2022.

The School of Education increased Teach First student numbers from 90 to 650 in September 2021 and expanded into the London region. The School was awarded Initial Teacher Training (ITT) accreditation from the Department for Education (DfE) to continue running ITT from 2024/25 onwards.

## Improve student support by focussing on retention, online delivery, and satisfaction

The academic Schools supported the gradual return to on-campus teaching following the pandemic. Overall satisfaction at Bath Spa University rose from 71.7% to 75.3% (up 3.6%) in the 2022 *National Student Survey*, bringing us in line with the sector average. The University now scores above average in five sections: Academic Support, Assessment and Feedback, Organisation and Management, Student Voice, and the Students Union. Bath Spa climbed nine places from 105 to 96 (out of 130 ranked institutions) in the [Complete University Guide 2023](#) league tables.

The [Sunday Times Good University Guide 2023](#) university league tables were published in September. Overall, Bath Spa University climbed 26 places from 103 to 77 out of 132 ranked providers. This is the third year in a row that rankings in this table have improved and represents our University's best performance since the 2017 tables were published. In terms of overall ranking, Bath Spa was the sixth most improved university. In the "Modern Universities" table, Bath Spa ranks 27 out of 75.

The [Guardian University Guide 2023](#) league tables were published on 24/25 September 2022, and overall, Bath Spa University climbed 2 places from 91 to 89 out of 121 ranked providers. This represents the University's best performance since 2017.

## Increase external engagement and enhance our reputation for academic excellence through high-profile initiatives

- Staff in Biology submitted a successful project for the 2022 competition stage of the Quarry Life Award: '[Investigation of sand properties for sand lizard breeding](#)'. Students have been involved from the outset, carrying out fieldwork in Dorset.
- The Forensic Psychology course partnered with Avon and Somerset Police Major Crimes Investigative Team to help modernise department operations.
- The Criminology Department established links with two local prisons, HMP Erlestoke and HMP Bristol, for the Level 6 module 'Unlocking Criminology'.
- Bath Spa University hosted the International Council on Education for Teaching (ICET) 64th World Assembly 2022.

- Sparkfest 2022 produced over 200 live and digital events over seven weeks, culminating in sell-out performances at the egg, through our Theatre Royal Bath partnership, and exceptional dance pieces, music gigs and performances.
- The Bath Business School Business Network hosted events on [Embedding Diversity in Fashion](#) and the postgraduate [Diversity and Inclusion Forum](#).
- The School of Writing, Publishing and the Humanities hosted an MA Creative Writing Showcase, the Anthology launch for writers for young people in London, and workshops at Bath Festivals.
- Hannah Stapleton (MA in Creative Writing, 2019-20) won the Lucy Cavendish Prize for her novel *Blue Tears*. BA Creative Writing graduate Carl Anka who co-wrote Marcus Rashford's bestselling book *You Are a Champion*, worked with Marcus on his second book, *You Can Do It*, which will be published in July 2022. Kathryn O'Driscoll's first poetry collection, *Cliff Notes*, was published by Verve in February 2022. Four graduates of the MA Nature and Travel Writing featured in the Bradt New Travel Writer of the Year 2022 competition.
- Our graduates (Wibke Bruggeman, Helen Harvey, Helenka Stachera, and Lesley Parr) of the MA in Writing for Young People were longlisted for the Branford Boase award for the most promising new writers for children and young people; MA in Creative Writing graduate Luke Palmer was also shortlisted. Lesley Parr's novel, *The Valley of Lost Secrets*, was longlisted for the Yoto Carnegie Greenaway Award for outstanding writing for children. MA in Creative Writing graduate Zoe Sommerfield's new novel, *The March House*, was published by House of Zeus in March 2022.
- The Bath School of Art, Film and Media, and the School of Design welcomed more than 2,000 visitors to their joint annual degree show at Locksbrook campus





# STRATEGIC CONTEXT AND OUR VALUES

## Strategy refresh

During 2021/22, the University refreshed the *Strategy 2030* to reflect our learning during COVID-19, changes in higher education since 2019, and our successful post pandemic recovery and renewal work.

## Learnings from COVID-19, external changes in the higher education landscape and our recovery and renewal programme

When we signed off our *Strategy 2030* in 2019 we had no inkling of the disruption the sector would face through the COVID-19 pandemic, or the external changes that we would encounter. Although lessons have been learned from the challenges to our operating model, we have also had some outstanding successes during the last three years that have now been embedded in our refreshed *Strategy 2030*.

During the pandemic, our core business operated virtually for almost two years. Our recruitment model was disrupted by grade inflation in schools. Our financial stability was threatened by reductions in student numbers, due to lower recruitment and lower retention. Demand for support for students and for learning increased dramatically. Some staff and students found working from home stressful and opportunities were not fully understood.

What we learnt:

- We will have more blended working and learning than before and we will need to see our digital estate as on a par with our physical estate. The *Strategy* already covers the importance of our digital estate.
- We need to have diverse income streams so that we are less dependent on one type of student or one level of study. We have strengthened this in the revised *Strategy*. Financial stability is hard to maintain in a rapidly changing external environment and requires innovation, agility and an appetite for some risk. Overall, being larger and having diverse income strands mitigates financial risk. We have added an intention to grow for financial stability to the *Strategy*.
- Recruitment and retention will be a key element of work, just as it was before the pandemic.

In terms of higher education, the last three years have seen three key changes in the sector:

- Fees are fixed for at least the next three years. In reality, it may be longer than this, especially if there is a global recession. To ensure our future long-term sustainability, we need students from a broader demographic and geographical range. We need a wider suite of degrees to appeal to applicants, and a greater range of qualifications beyond a full-time, three-year degree. This has been amplified in the refreshed *Strategy 2030*.
- Inflation (currently around 10%) is a major threat. It will mean that fees are worth significantly less year on year, pay is unlikely to keep up with the cost of living, and all that we do becomes more expensive. Inevitably, we will need to do more with less, to be innovative in growing income, and to manage staff morale. *Strategy 2030* covers the need to husband resources. We have added a Staff Pledge within the *Strategy* acknowledging the strain on staff and our intention to mitigate this where possible.
- The Government intends to introduce short courses and the Lifelong Loan Entitlement (LLE), which is worth four years of degree-level study for every adult under 60 in England. Many people will use three years of this funding to study for a degree when they are 18, but it is available throughout a person's career to gain new skills. The design of these courses is still emerging, as is the means by which they will be assured. The University must prepare for LLE, and develop its short-course provision as a way to diversify our income streams. We refer to different learners in the *Strategy* and our partnerships section already enables this growth.

In response to some of these emerging threats and opportunities, we set up a Recovery and Renewal Programme in 2020, designed to diversify our income, renew our degree portfolio and workforce, focus on financial stability, and work to enhance the student experience. All of these strands have been delivered well, and we now need to learn from the following notable successes:

- We have three new educational partners who will deliver a significant amount of income over the next three to five years.
- We have students learning with us in major English conurbations, including London, Manchester, Leeds and Birmingham.
- Bath Spa University London (BSUL), our London campus, is thriving, with over 1,000 students.

- Our short course unit has been successful in bids for digital bootcamps (value over £2m), iSTART funding from the West of England Combined Authority (£1.94m) and funding as part of a consortium of five to deliver digital skills on behalf of a private funder, Nominet (£12m).
- Our applicant numbers have gone up as a result of our new portfolio of degrees, with a 43% increase in applicants over the last two years – 28% of these applicants are for degrees that do not yet have graduates. The importance of the right portfolio is highlighted in the refreshed *Strategy*.
- We are one of two national providers of Teach First and are thriving in a difficult teacher-training landscape. These are multi-million pound contracts and evidence of esteem. Teacher training is mentioned in the refreshed *Strategy*.
- We have introduced new teaching fellow roles and are developing career pathways so we can focus staff on aspects of an academic role and grow specific expertise as needed in research, knowledge exchange and teaching. A recognition of staff strain is added in our refreshed *Strategy*, in the 'Our Staff Pledge' section.
- We are nationally significant in the design of the LLE, and we play a key role locally in cultural strategy and practice, through our leadership of the West of England Cultural Strategy, the Bath Cultural Ambitions Board and the external success of our creative innovation space, The Studio. We have amplified the cultural aspects of our regional footprint in the refreshed *Strategy 2030*.
- Our student experience will be enhanced by significant investment in student wellbeing, registry redesigns to encourage retention, and the formation of a digital ecosystem to support students in their studies. This is in our Education Strategy and has a lighter footprint in *Strategy*.
- Our sale of Green Park House allowed us to reduce our debt, and provided an investment portfolio allowing us to be ambitious in how we reach our strategic goals.
- Our Research Excellence Framework (REF) results were excellent, and we are now keen to focus our research on areas where we can have international impact over the next decade. We have added this to the revised *Strategy*.

## Significant changes to *Strategy 2030*

Much of our learning from the last few years fits with our existing *Strategy*, but there are some areas of substantial change, in particular:

- Clarity around the focus of our research.
- We have added students to our definition of creativity, so that they stay central to our education strategy.
- We highlight how we will bring our identity and values to each partnership.
- We recognise that the future will put staff under strain and that we need to mitigate this, by adding a staff pledge.
- We will build on our success with curriculum development, partnerships and teacher training.
- We will prioritise growth for financial sustainability, while recognising that we need to retain our brand.
- We have changed our strapline from 'Creative enterprise at the heart of all we do' to 'Professionally creative', so that it extends to a wider range of disciplines and emphasises the applied nature of a lot of our portfolio and research.
- We have added, 'We are the creative heart of the West' to our context and ambition. This reflects our importance in the region and builds on success, but may need moderating in wider geographical contexts.
- We have changed 'Graduates who can change their lives and hence change the world', to 'Learners who....' so that we are including people taking short courses, teacher training opportunities and other qualifications.
- We have added a section about citizenship and engagement.



# FINANCIAL REVIEW

## University financial results

In the year under review the University made a deficit of (£4.4m) before profit on sale of Green Park and a surplus of £22.6m after profit on sale. The underlying position before £2.7m restructuring and £2.4m breakage fees on redemption of the loan associated with Green Park House was £0.7m surplus..

This compares to a deficit of (£1.4m) the previous year. The improvement is driven by the growth of BSU London and educational partnerships.

The University generated £8.7m in cash from operating activities, £1.3m down from the £10m cash generated the previous year due to the £2.7m of restructuring costs and early loan redemption fees offset by improvement in underlying performance.

### Income

The University increased its income net of partnership franchise payments by £8.0m as a result of:

- £2.2m - student fees at BSU London
- £2.1m - Teach First teacher training contract
- £1.7m - full occupancy of student accommodation post pandemic (£0.4m net of leaseback costs – see expenditure)
- £2.0m - existing and new educational partnerships
- £0.4m - new bootcamp short courses

Offset by:

- (£1.4m) - fewer students enrolled on Bath-based courses

### Expenditure

Staff costs increased by £3.5m before restructuring costs largely due to increased income generating activity – Teach First contract, partnerships and bootcamp/short course activity. The increase related to cost of living and agreed increments was £1.5m. Average staff FTE numbers increased year on year from 906 in 20/21 to 923 (due to the increased income generating activity). However c70FTE left towards the end of the year under the voluntary severance process implemented from January 2022 in order to support the change in the curriculum base. This restructuring cost was £2.7m.

Non-pay costs increased year on year by £3.1m (excluding Franchise payments) of which the notable rises were £1.4m relating to leaseback costs post sale of Green Park House (while agreed works concluded).

Depreciation decreased £0.8m to £4.2m due to the sale of Green Park House.

## Balance sheet

The University's balance sheet has improved significantly with the disposal of Green Park House in January 2022 with net assets increasing from £61.0m to £120.1m but also due to a £33.0m reduction in the FRS102 LGPS pension deficit from £53.7m to £20.4m. It should be noted that the decrease in the LGPS deficit is for actuarial accounting purposes and is not currently expected to impact on employer contributions.

The net proceeds from the sale of Green Park House sale were reinvested - £40m placed in managed funds with HSBC (see section on Value for Money) and purchased a £4.2m site to expand the footprint of our Locksbrook campus. Fixed assets (including Investments) have therefore reduced from £159.7m to £149.7m. Cash and short-term deposits have increased £3.2m to £31.1m largely due to retaining some of the Green Park House funds.

Borrowings have significantly reduced with the Santander loan being repaid in full (£26.6m) and the termination of the Lloyds Revolving Credit Facility (repayment in year of £5m drawn down funds). Gearing (expressed as the ratio of total debt to net assets) now stands at 15%, down from 87%.

The University's policy on treasury management is to place surplus cash with a number of highly rated counter-party banks. During the year interest rates on money market deposits remained very low (although significant developments since year end), and the University is in the process of identifying opportunities for securing higher interest rates on surplus cash deposits. It is also introducing more accurate cash flow forecasting to allow funds to be placed in a more timely way.

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 45 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 143 days, up from 115 days at 31 July 2021.

Working capital has seen a big change year on year with the impact of our educational partners having three intakes per year one of which being in June, 1 month before the year end. For these educational partnerships Bath Spa University collects the whole of the £9.25k UG fee but passes on a proportion of this to the educational partner depending on the contract terms.

As a result, debtors increased year on year by £28.9m from £6.6m to £35.6m. £18.6m of this increase related to fees due from the student loan company, £9.5m related to fees coming from students (£5m of which being less than 60 days) and £0.9m related to prepayments.

Also, creditors < 1yr increased £30.2m with £22.6m of that relating to deferred income (largely partnership tuition fees from Jan and June intakes), £7.7m relating to accruals (largely franchise payments with the new partners), £1.8m relating to other creditors and off-set by a reduction in interest payments due in the year due to the redemption of the loan associated with Green Park House.

## 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 re-invest back into the business as much of its income as it can to ensure that its infrastructure is supporting the delivery of 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 April 2022, Bath Spa University invested £40m of the proceeds of the sale of Green Park House with HSBC Private Banking. In order to meet the University's future capital requirements the investments are split into three portfolios, each with a differing time horizon and risk profile. The investment portfolios are globally diversified and aim to achieve a higher ESG (environmental, social and governance) score and lower carbon intensity than a comparative market portfolio. The portfolios are aligned with the University's Responsible Investment Policy (dated February 2022), which includes not investing into extractor fossil fuel companies.

Despite a difficult environment for investing in 2022, Bath Spa's discretionary portfolios performed well when compared with world equity and bond indices, with overall performance across the 3 portfolios +0.44% from mid-April to the end of July. Global equities (MSCI ACWI GBP) over the same period were +1.38% and global bonds (Barclays Global Aggregate Total Return) -3.54%. The ESG score of the weighted overall portfolio had a 14% uplift to a comparative market portfolio and 56% reduction in carbon intensity (as at 31 July 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 throughout the 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.

### 1. Political and economic uncertainty

The external environment continues to present challenges to the higher education sector. The principal issue is the currently very high rate of inflation while the undergraduate tuition fee remains fixed at £9,250. There have also been adverse impacts arising from supply chain issues, difficulties in recruiting specialist skills and a significant reduction in recruitment from EU countries arising from the increase in their tuition fee to the international rate. The University's debt is on a fixed interest rate, so the rise in market interest rates could be of benefit in respect of interest earned on cash balances.

### 2. Student recruitment, experience and progression:

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, and on graduate outcomes.

### 3. 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, and the impact of the cost-of-living crisis. 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 University's Centre for Educational Partnerships and enhanced governance arrangements.



# GOVERNANCE REPORT





# EXECUTIVE TEAM AND GOVERNORS LIST

## Governors as at 15 December 2022

Professor Sabbir Ahmed (Staff) (from December 2022)  
Dr Jacqueline Brasted (Independent)  
Emily Casey (Independent)  
Antony Durbacz (Independent (Chair of the Audit Committee) (from October 2022)  
Steve Egan CBE (Independent) (Chair of Finance and Infrastructure Committee)  
Marianne Evans (SU President)  
Francesca Fryer (Independent) (from January 2022)  
Jonathan Glasspool (Independent) (Chair) (previously the Interim Chair, and formally appointed in May 2022)  
Suzanne Harris (Staff)  
Sapphire Henriksen (Student) (from July 2022)  
Sue Lane (Independent) (Chair of Remuneration Committee)  
Joy Luxford (Independent) (Deputy Chair) (Chair of Financial Portfolio Committee)  
Vinita Nawathe (Independent)  
Stephen Riad (Independent) (from January 2022)  
Sanjay Shah (Independent) (from October 2022)  
Professor Susan Rigby (Vice-Chancellor and Chief Executive)  
Carole Stott (Independent) (from January 2022)  
Nick Sturge MBE (Independent)  
Dr Emma Wakelin (Independent)  
Alice Workman (Independent) (from January 2022)

## Others who served as Governors during 2021/22

Teresa Fisk (Independent) (to November 2021)  
Paul Fox OBE (Pro Vice-Chancellor Finance and Infrastructure) (to October 2022)  
Simon Lockren (Independent) (to July 2022)  
Professor Jermaine Ravalier (Staff) (to August 2022)  
Professor Neil Sammells (Deputy Vice-Chancellor) (to September 2022)  
Harry Watts (Student) (to June 2022)

## Senior Staff as at 15 December 2022

Professor Georgina Andrews (Provost) (from June 2022) (previously Vice-Provost)  
Dr Mark McGuinness (Pro Vice-Chancellor Academic Planning)  
David Newman (University Secretary)  
Professor Susan Rigby (Vice-Chancellor and Chief Executive)  
Professor Andy Salmon (Pro Vice-Chancellor External Affairs)  
Dr Rebecca Schaaf (Pro Vice-Chancellor Student Experience)  
Joanna Stocks (Chief Financial Officer) (from October 2022)  
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

## ACADEMIC SCHOOLS



### SCHOOL OF ART, FILM AND MEDIA

Head: Dr Dan Allen

### BATH BUSINESS SCHOOL

Heads:  
Dr Diana Reader and  
Polly Derbyshire

### SCHOOL OF DESIGN

Head:  
Dr Kristin Doern

### SCHOOL OF MUSIC AND PERFORMING ARTS

Head:  
Mark Langley

### SCHOOL OF WRITING, PUBLISHING AND THE HUMANITIES

Head:  
Dr Alison Hems

### SCHOOL OF EDUCATION

Head:  
Professor Kyriaki  
Anagnostopoulou

### SCHOOL OF SCIENCES

Head:  
Professor Sabbir Ahmed

## Professional Services divisions

Our Professional Services divisions cover a wide range of vital functions that support the University, from accommodation, communications, finance, human resources and marketing, to buildings and grounds maintenance, IT, legal services, security and sustainability. These teams work closely with academic staff to provide a comprehensive programme of support to staff and students. In partnership with the institution, they deliver changes, refinements and new initiatives arising from the implementation of our *Strategy* and from our response to circumstances such as COVID-19, Brexit and 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 strategic and school-based research centres. Our strategic research centres are: [The Centre for Environmental Humanities](#); [the Centre for Transcultural Creativity and Education](#); and the [Centre for Cultural and Creative Industries](#). They 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 award-winning Bath city- centre enterprise hub.
- Core partner in the [MyWorld creative hub](#), a £46m five-year programme which spans the Bristol and Bath region, with the vision for the west of England to fulfil its potential as a world player in creative media production and technology.
- Regional hub partner in the [National Centre for Academic and Cultural Exchange](#) (NCACE), facilitating and supporting knowledge exchange between higher education and the UK arts and culture sector.
- A three-year Arts and Humanities Research Council (AHRC) Impact Accelerator Award. This will enable us to embed our research impact culture internally, and build external collaboration and partnerships to underpin our public engagement and knowledge exchange strategies, as well as laying the groundwork for impact case studies for future research excellence exercises.
- A two-day a week secondment for Professor Bambo Soyinka to work as a programme director with AHRC to help shape narrative research in the UK with a vision of story as an essential skill for life, learning and work. This is a £2m grant to the University which will enable Bath Spa to manage a national fellowship scheme on behalf of the AHRC to embed research fellows into a range of professional and business settings so that the value of story is more widely recognized and activated.



# 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, 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 Committee of University Chairs Higher Education (HE) Code of Governance (CUC Code), the Committee of University Chairs HE Senior Staff Remuneration Code, and the Committee of University Chairs HE Audit Committees Code of Practice.

The University 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. Bath Spa University's last independent review of governance effectiveness took place in early 2022. The review was conducted by independent HE governance consultant Dawn Turpin, and overseen, on behalf of the Board of Governors, by a steering group chaired by the Chair of the Audit Committee and Senior Independent Governor, Jacqui Brasted. The main findings of the review were that the University's corporate governance arrangements are effective. The review found that there has been significant progression in governance maturity in a number of areas since the last Board effectiveness review in 2017/18. The recommendations identified in the review report provided an opportunity to strengthen those arrangements. The Board of Governors approved the final effectiveness review report at its meeting in April 2022.

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 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.

## Student Protection

The University has a [Student Protection Plan](#) in place, a review of which took place in 2021/22, and was signed off by the Board of Governors in April 2022. The Plan, published on the University's website, has been approved by the OfS and came into effect from September 2022.

## Degree Outcomes Statement

Each year the Academic Board considers an overview report of undergraduate degree outcomes for the previous academic year. The [statement](#) considered by the Academic Board at its meeting in November 2022 presented undergraduate degree outcomes for the academic year 2021/22, 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 also 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 OfS 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 in place an [Anti-Fraud, Bribery and Corruption Policy](#) approved by the Audit Committee, and made publicly available on the University website. The policy is scheduled for review in 2025.

## 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 on matters concerning UK immigrations 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 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 leads and manages the institution. The Vice-Chancellor is also the Accountable Officer (Higher Education and Research Act 2017) and reports to the Board of Governors.

The Vice-Chancellor is a member of the Board of Governors and Chair of the University's Academic Board. The Vice-Chancellor is responsible for ensuring that public funds are properly used and that 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 mission and strategy.

The Vice-Chancellor leads on institutional strategy and developments, and makes proposals to the Board of Governors about the educational character and mission of the University. The Board of Governors has ultimate responsibility for overseeing the effective management, governance and conduct of the University.

## Governance

The Instrument and Articles of Government require the University to have two separate bodies: the Board of Governors and the Academic Board. Each has 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 the 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 is responsible for the ongoing strategic direction of the University, approving major developments and receiving 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 Financial Portfolio Committee, a Remuneration Committee, an Audit Committee and a Nominations and Governance Committee. All 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 by making board agendas and minutes (redacted as appropriate) 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 open for public inspection via the University Secretary.

During 2021/22, 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 Financial Portfolio Committee is responsible to the Board of Governors for evaluating and recommending for approval the University's financial portfolio of investments, for investment of funds on a medium and long-term basis; recommending the approval a long-term financial portfolio investment policy, consistent with the University's risk appetite and cash-flow requirements; appointing and monitoring the performance of Investment Fund Managers; monitoring the management of the medium and long-term financial investment portfolio against established benchmarks, agreed objectives and targets and all associated risks; recommending a Responsible Investments Policy informed by Environmental, Social and Governance considerations, and monitoring its implementation and; appointing and liaising with specialist investment advisors as appropriate.

- The Remuneration Committee determines the grading, pay and terms and conditions of service for holders of senior posts, which include the Vice-Chancellor, the University Secretary, the Provost and the Chief Financial Officer, 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 Committee of University Chairs HE Code of Governance, including the Committee of University Chairs Higher Education (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 whistle-blowing. 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. In July 2022, as a result of a recommendation arising from the independent governance effectiveness review, the Board of Governors agreed to broaden the remit of the committee to encompass responsibility for effective governance operations. The revised terms of reference were agreed in the autumn term of 2022 and the committee is now called 'The Nominations and Governance Committee'.

## 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 2022, a total of £871.00 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.

## Statement of internal control for the period 1 August 2021 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 OfS regulatory framework for higher education in England, together 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 2022 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 formally at least five times a year 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 of Governors 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 at every meeting of Audit Committee and periodically by the Board of Governors.
- School/Department Risk Registers are regularly maintained with risks escalated to the University Risk Register where appropriate as part of an annual risk review process. 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 higher education 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. Both documents were last reviewed and revised in July 2022.
- 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 2021 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. An independent governance effectiveness review was conducted in early 2022 and the review determined that the University's corporate governance arrangements are effective.



- 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 (including compliance with the OfS ongoing conditions of registration. In particular, the University maintains a register setting out the sources of assurance in respect of the University's ongoing conditions of registration with the OfS. This register is periodically reviewed by the Audit Committee and the Board of Governors to ensure and monitor compliance.

In July 2022 the University commissioned an independent audit in respect of the internal control arrangements for the recruitment, registration and enrolment of students and the return of accurate data about students to the Student Loans Company. The audit report paid particular attention to the design and effectiveness of internal controls in respect of the University's arrangements with its educational partnerships. While some significant weaknesses were found, in response to the audit findings the University promptly established a comprehensive action plan to take forward all of the recommendations made by the independent auditor. The University has already made good progress against the action plan, including through the introduction of a new Admissions Policy, targeted investment of additional resources, and instigation of a new structure for the management oversight of educational partnerships. As acknowledged within the report of the independent auditor, a number of actions to improve internal controls in these areas were already in progress following internal review and through the operation of the University Risk Register.

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. 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.

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 2021/22, 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, 15 December 2022

*J Glasspool*

Jonathan Glasspool  
Chair

*Susan Rigby*

Susan Rigby  
Accounting Officer





# SUSTAINABILITY REPORT





Principles

Sustainability is one of the University’s unique selling points. Our **Sustainability Strategy** comprises seven themes (below) and is framed in response to the UN **Sustainable Development Goals** (SDGs). Each theme has a theme leader, who is a senior manager responsible for delivery.

Themes:

- 1. Education and research for sustainability
- 2. Campus management
  - a. Energy and carbon
  - b. Waste
  - c. Emissions and discharges
  - d. Water
  - e. Biodiversity
  - f. Construction and refurbishment
- 3. Transport
- 4. Procurement
- 5. Health and wellbeing
- 6. Sustainable financial management
- 7. Community engagement

Governance and Reporting

Strategy implementation is overseen by the Sustainability Steering Group (SSG), which comprises the theme leaders and, until now, was chaired by the Pro Vice Chancellor Finance and Infrastructure, Paul Fox. This responsibility has now moved to the Pro Vice-Chancellor External Affairs, Andy Salmon. The SSG meets three times annually.

We maintain an internal measure of progress towards our ultimate goals, in the form of a “maturity matrix” (Figure 2). This enables us to identify areas that require the most support, and to track progress overall.

Our two primary external measures of progress are the *Times Higher Education* Impact Ranking (Figure 1), which ranks worldwide universities according to their contribution to the UN SDGs, and the People and Planet University “Green League”, which ranks UK universities according to a wide range of sustainability criteria. Our most recent score has seen us drop to a 2:1 from our more typical 1st class position.

Our environmental impacts and energy consumption are strategically managed via our independently audited ISO14001 and ISO50001-certified environmental and energy management systems. These ensure that our governance, processes and procedures reflect international best practice and that we can demonstrate continual improvement.

Significant achievements in 2021/22 academic year

Sustainable Investment Policy

During the 2021-22 academic year, our **Responsible Investment Policy** was ratified, and a committee was formed to ensure it is applied to investment decisions. Together, the Policy and the Terms of Reference (ToR) of the Investment Committee include both negative screening measures, which prevent us from investing in the fossil fuel industry, and positive screening measures, which encourage investments in areas that have demonstrable positive social and environmental impact. This supports both our overall Sustainability Policy and our Fossil Fuel Pledge.

Social Enterprise Gold Mark certification

Thanks to the determined efforts of many at the University, most notably the recent partnership building by the External Affairs Team under Andy Salmon and the hard work of Hannah Whiting, we were awarded the **Social Enterprise Gold Mark**. The detailed report, which accompanied the award, characterised the University as a shining example of best practice as a social enterprise. The report outlined areas for improvement and strengthening. These have been incorporated into a re-draft of Theme 7 of the Sustainability Strategy, which is due for final review and incorporation in November.

Hedgehog Friendly Campus Silver Award

We were proud to have been awarded the Silver Hedgehog Friendly Award in 2022 and we’re currently working towards Gold, which we hope to achieve this year. We have employed students to operate this project through our “green communicators” programme, which we run in the sustainability team, giving students experience of working on sustainability topics throughout the year.

ISO14001 and 50001 recertification

We have been certified to the international standard for environmental management ISO14001 since 2010 and to the standard for energy management since 2020. We run these as an “integrated system”, which is audited against the standards each year. We have consistently demonstrated continual improvement since 2010 and have never received a major non-conformance to either standard.



Times HE Impact Ranking scores 2021

We have submitted data to the *Times Higher Education* Impact Ranking for four years (fourth year yet to be published). Our position across all of the 17 SDGs is indicated by the black dots in Figure 1. Overall rankings are based only on the participating University’s top four scoring SDGs, always including SDG17 “Partnerships for the Goals”, which is compulsory. However, as we want to track our progress against all 17 Goals, we use the total metrics to chart progress.

We rank in the top quartile of approximately 1,500 participating universities for seven of the 17 SDGs. We are in the bottom quartile for three SDGs: Clean Water, Clean Energy and Innovation.

Our total score in 2022 was 941 out of a possible 1,700 across all 17 SDGs. This compared to 757 in 2020 and 904 in 2021. This shows an overall continual improvement, although our points decreased slightly in some categories (Table 1).

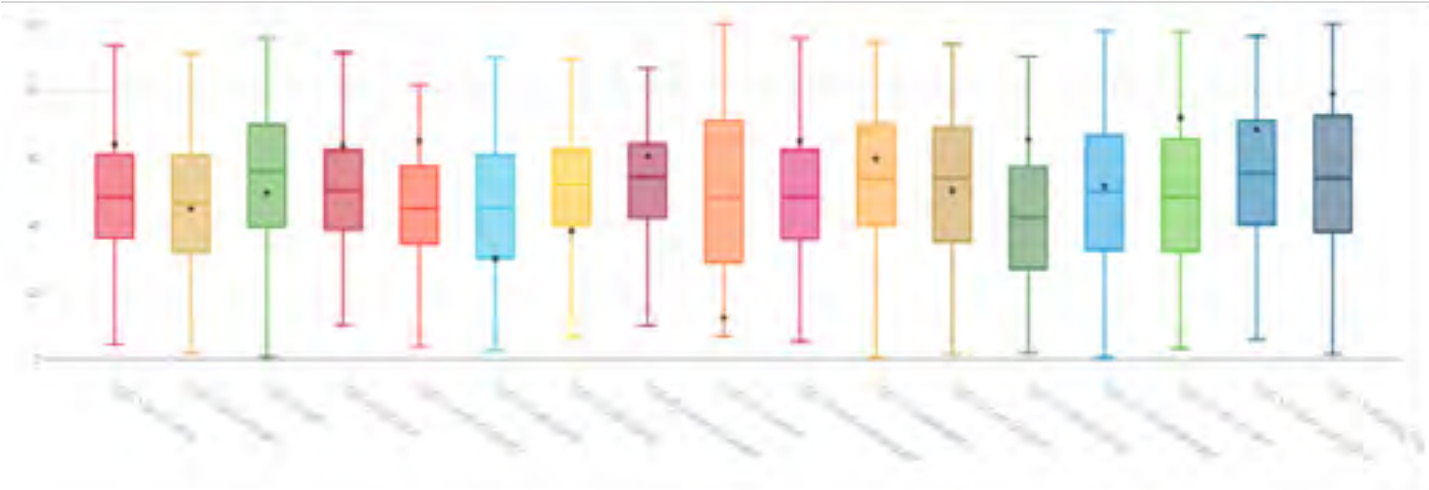


Figure 1. THE Impact Ranking results for SDGs 1-17 for 2020-21, published in 2022. Error bars show the lowest and highest scores. Central shaded bars show second and third quartiles. Central line in each bar shows the median score for each SDG. The black dots show Bath Spa University's score - top quartile for SDGs 1, 4, 5, 10, 13, 15 and 17 and in the bottom quartile for SDGs 6, 7, and 9.

Maturity Matrix

Our maturity matrix (Figure 2) enables us to see at a glance where we are doing well and where additional focus is required. A score of 100 represents our view of aspirational best practice.

Our position in the 2020-21 academic year is indicated by the solid blue line. Progress in the last academic year is given by the red dashed line. Progress scores are agreed annually at SSG but vary as progress is made throughout the year.

Sustainability Strategy Theme Status

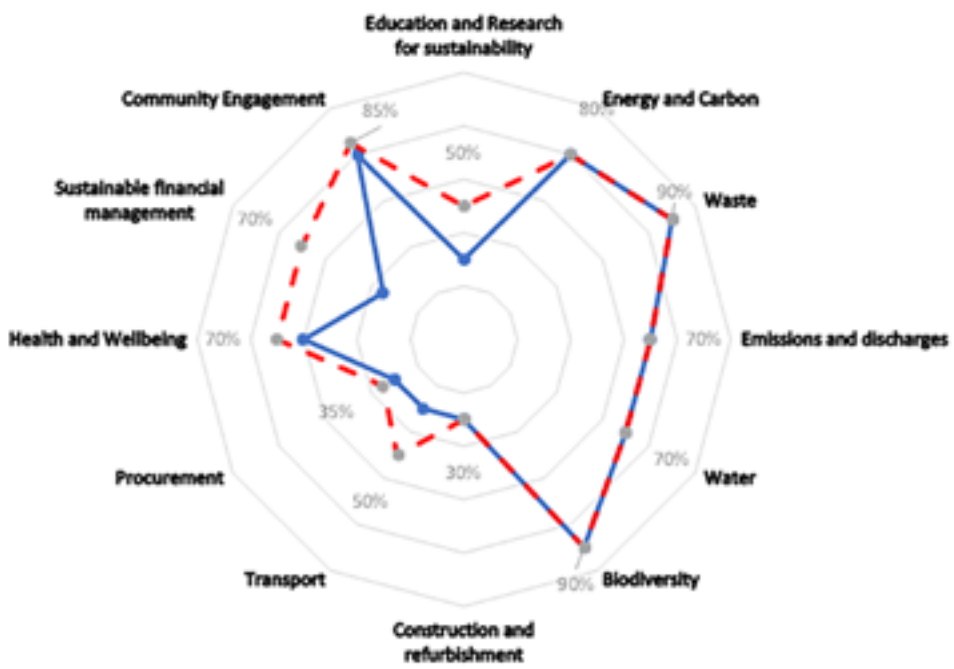


Figure 2. Bath Spa Sustainability Strategy Maturity Matrix showing 2020/21 position in blue solid line and 2021/22 progress in red dashed lines.



### Education and Research

A score of 100 in this theme would require that:

- Sustainability is a clear “graduate attribute”, or similar measure, and that is integrated across the entire curriculum
- Carbon literacy training is available to all staff and students and is part of the student induction process
- Our research strategy clearly aligns with the UN SDGs and we can demonstrate the degree to which our research supports the SDGs
- An improved score of 50% in this category reflects the inclusion of the SDGs in our Education Strategy and a review of our research output, which showed the extent to which our research output supports the SDGs

Work is underway on the other measures of success outlined above.

### Campus Management

#### Energy and Carbon

Reducing our energy consumption and carbon emissions has been a major focus since 2010. A score of 100 would be represented by achieving decarbonisation of our energy supply. This is the case for electricity. Work on decarbonising our heat supply is ongoing. Continuing this work will be essential if we are to meet our net zero 2030 ambitions cost-effectively. In the last two academic years, national guidance on ventilation rates to combat COVID-19 meant that we heated buildings with open windows and ventilation systems on. This meant a significant increase in the energy required to keep buildings at an acceptable temperature. Work to restore operations to pre-COVID-19 settings is ongoing and will likely take a month or so of the heating season to ensure everything is back on track. In the 2021/22 academic year, total electricity consumption increased by around 8% (Figure 3).

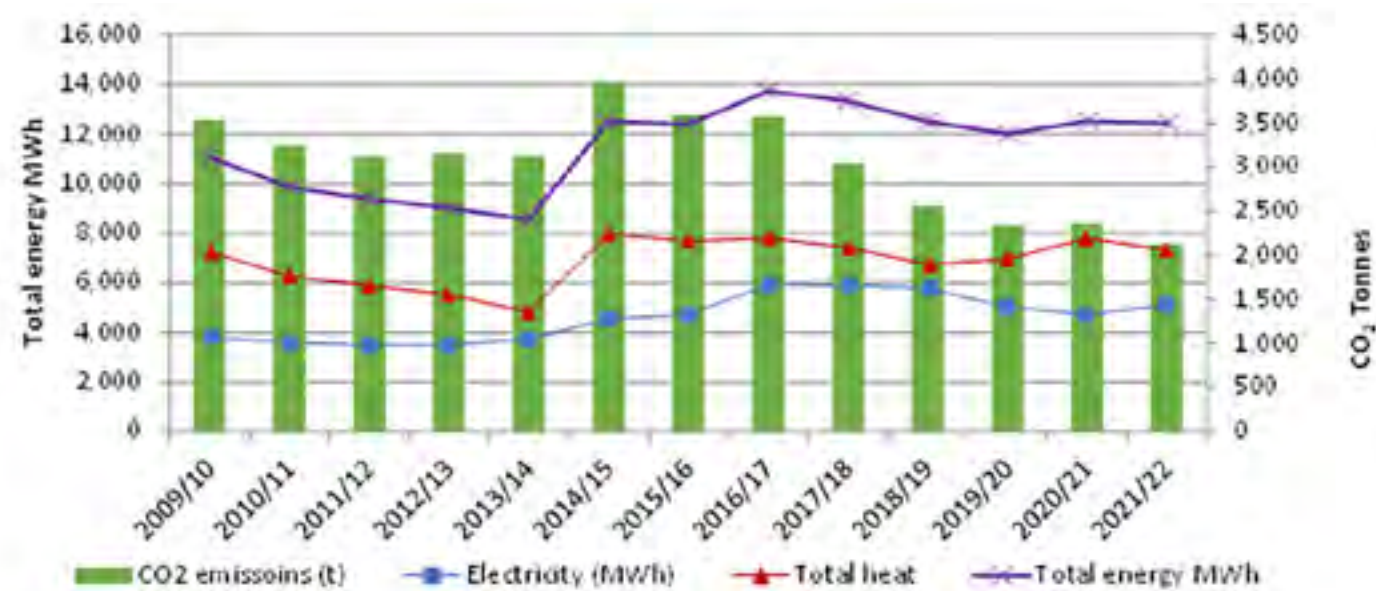


Figure 3. Total energy consumption, electricity, gas and carbon emissions by academic year. Total energy consumption, purple line with crosses; gas consumption, red line with triangles; electricity consumption, blue line with squares. Green bars represent total Scope 1 and 2 CO2 emissions

This was largely due to the deployment of electric heaters across the University to maintain temperature in several buildings, which had been largely unoccupied in the previous year. These have now been recalled. Total heat consumption (gas and biomass) decreased by around 6% in 2021/22, compared to the previous year. This was primarily due to the much warmer than usual winter period (1,835 degree days, compared with 2,202 the previous year).

Despite the difficulties in controlling energy consumption through the COVID-19 pandemic, Scope 1 and 2 carbon emissions reduced by 10% to 2,127 t CO2. This is largely due to a greater use of biomass and a further reduction in grid electricity embodied carbon. When normalised to the unusually mild winter, this looks more like a 2.2% decrease.

While the University estate has grown considerably since 2010 (Figure 4), we have continually improved efficiency, reducing our total energy consumption per m<sup>2</sup> by 44% and CO2/m<sup>2</sup> by around 69% (red and green lines Figure 4 respectively). This has been helped by a reduction in the embedded carbon of our electricity supply.

During the 2021/22 academic year, our focus has been on optimising plant operational efficiency at the Locksbrook Road campus. This has been successful, with a reduction of around 6% in both gas and electricity, compared with pre-COVID-19 levels. Further optimisation has been undertaken recently, which should provide additional savings this winter. There is more to be done and the work continues.

We also commissioned a feasibility study to identify potential efficiency and decarbonisation opportunities on our Newton Park district heating networks, including the possible future conversion to heat-pump technology. This highlighted several opportunities to reduce gas consumption and improve the efficiency of the system as a whole. Realising these potential savings will require a significant project, which we are currently scoping.

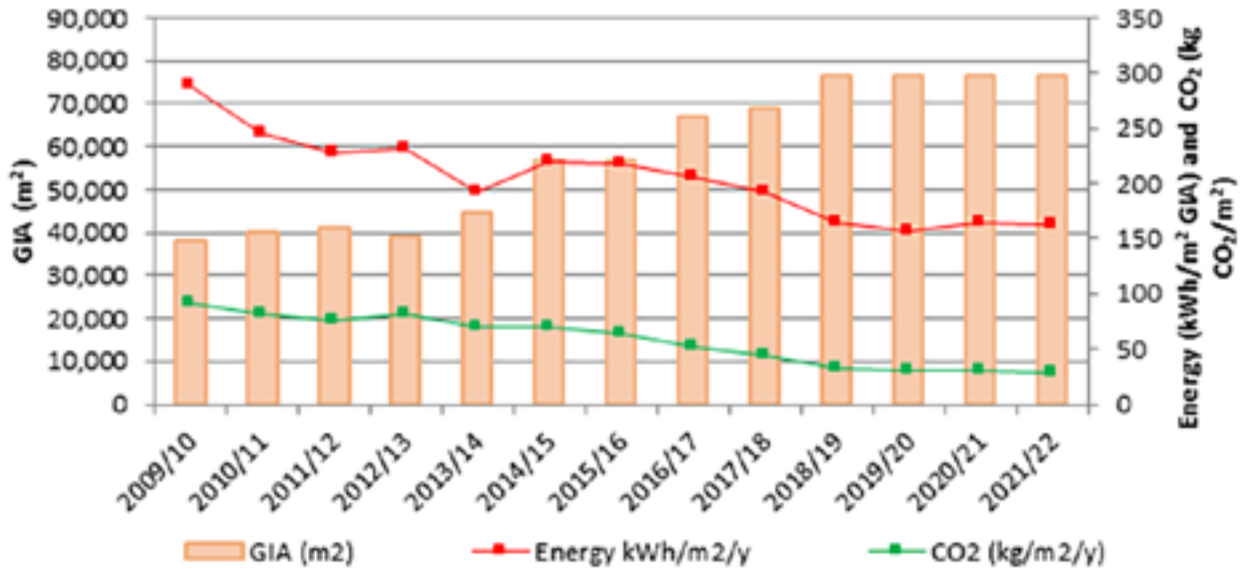


Figure 4. Annual energy and carbon intensity for the Bath Spa University Estate. Bars are floor area m<sup>2</sup>; red line with squares is total energy per m<sup>2</sup> and green line with triangles is CO2/m<sup>2</sup>. All three parameters remained stable during the 2020 pandemic shut-down period but energy and carbon intensity have both been further reduced subsequently.

#### Waste

We would score 100% if we recycled all recyclable materials and sent nothing to landfill. Landfill rates have been below 2% of our total waste for several years. Waste that is not recycled or landfilled is incinerated for energy recovery. This is considered the least-worst option available to us. Waste and recycling figures (Figure 4) have been significantly impacted by the COVID-19 pandemic, due to greatly decreased campus activity and residency.

Total waste has been significantly reduced both by the reduction in campus activity but also due to better data provision during 2022 from our new waste services supplier. Food waste is included in our overall recycling figures as it is used to generate green energy and agricultural fertiliser/soil conditioner. The reduction in food-waste recorded figures has reduced our recycling rate to 73% in 2021/22. This does not reflect a reduction in recycling of other materials, which remains good.



Figure 5. Total waste and % recycling 2013/14 to 2021/22. % recycling fell in 2021/22 due to an apparent reduction in food waste recovered for anaerobic digestion. This was due to a change of service provider who is now providing actual weights of food waste, rather than “assumed” weights per lift.



## Water

We have worked hard to eliminate leaks from our water mains infrastructure at the Newton Park campus over the last two years. We have reduced losses around 3M3/h to below 1M3/h. This will reduce annual water bills by c.£70k p.a. We have identified most of the remaining leakage and will address this with the replacement of the main connecting to Main House.

## Emissions and Discharges

We remain compliant with all emissions and discharges through our proactive maintenance approach of heating and cooling plants, and through vigilant spill prevention and control.

## Biodiversity

We continued to enhance and monitor biodiversity during the last year, including newt surveying, for great crested newt population recording, bird and bat box surveys, and hedgehog surveys carried out by students.

## Construction and refurbishment

A score of 100 would be achieved if we had a sustainable construction policy in place, which committed us to zero carbon construction, Passivhaus new builds and Enerphit standard major refurbishments. This policy would need to have been demonstrated by the successful completion of a Passivhaus development. Work is ongoing to achieve this.

## Transport

A score of 100 would require large-scale electrification of our commuting traffic, complete electrification of our fleet vehicles, a robust policy to manage and reduce business travel emissions and an offsetting programme to mitigate any remaining emissions. Work is ongoing to achieve all these aspirations.

A salary-sacrifice scheme for staff to lease electric vehicles has been awarded to a not-for-profit provider. It is our intention to roll this out after some market testing during the travel fortnight this November.

A new transport plan has been agreed during 2022 and a working group has been convened to develop a suite of measures to reduce daily commuting by car to the University. Further work is on going to develop a policy-led suite of measures to manage and reduce business travel.

Comparative figures for travel modes over the last three years are not helpful, due to the impact of the COVID-19 pandemic. A new baseline will be developed this year, beginning with travel surveys for staff and students, which are due to be carried out in November.

## Procurement

We will achieve a score of 100 when we have a certified sustainable procurement system in place and can demonstrate with confidence that we have significantly reduced the risk of modern slavery, exploitation and environmental degradation from our supply chains. This is a long-term aspiration. The sustainability and procurement teams are working together to develop a sustainable procurement system, which will be compliant with the new standard ISO20400. This includes risk analysis of our supply chains to identify high-risk areas for attention. This work is progressing and we intend to have an externally certified ISO20400 system in place by 2025.

## Wellbeing

We would score 100 if we thought we had in place all possible measures to ensure the health and wellbeing of all staff and students. The joint work of our HR department and the Student Wellbeing team over the last couple of years towards achieving certification to the University Mental Health Charter has taken us a long way there. Final certification will increase our score and this is expected during 2023.

Theme 8 of the Sustainability Strategy has been redrafted to reflect this “whole university approach”. The redraft is expected to be incorporated in the November SSG meeting.

## Sustainable Financial Management

We would Score 100 if we could demonstrate that all our investments and day-to-day banking was socially and environmentally positive.

During 2022, we made significant progress in this regard with the ratification of our responsible investment policy and associated Committee. Now we need to work on day-to-day banking.

## Community Engagement

We have made significant progress in this field, as demonstrated by our Social Enterprise Gold Mark. Our achievements and progress are too numerous to outline here but are highlighted throughout the accompanying report.

As a result of this significant change in focus, as set out in the University's *Strategy 2030*, theme 7 “community engagement” of the sustainability strategy has been redrafted. The new theme 7 will not only reflect this significant achievement but also the international partnership building work of GALA. The theme redraft is expected to be ratified by SSG in November.





# REMUNERATION COMMITTEE REPORT





Terms of reference and membership

The Remuneration Committee’s terms of reference were reviewed and approved by the board of governors in December 2022.

The Committee’s remit applies only to the holders of “senior posts”, defined as Vice-Chancellor, Provost, Deputy Vice-Chancellor, Pro-Vice-Chancellor Finance and Infrastructure (Chief Financial Officer) and the Secretary to the Board of Governors (a role undertaken by the University Secretary).

In 2021/22, the Committee met twice, in October 2021 and May 2022. Both meetings were quorate. The members, listed below, attended for the review period, with the University Secretary represented by L Barling, Governance Manager, as the Committee Secretary. The University Secretary was not present for discussions about his pay.

Remuneration Committee meetings are also attended by the University’s Human Resources (HR) Director who provides information and analysis.

The Vice-Chancellor was not present for discussions, including discussions about her pay, but is in attendance when requested by the Chair; this excludes meetings or agenda items where discussions and decisions with personal implications are made.

The Remuneration Committee comprises independent members from a range of backgrounds who provide an independent view on remuneration. Remuneration Committee members have the requisite skills, in line with the current Higher Education Senior Staff Remuneration Code. During 2021/22, the Committee’s members were as detailed in the table below:

CATEGORY OF MEMBERSHIP	NAME
The Chair of the Board of Governors	Mr J Glasspool (Chair of the Board)
Independent members of the Board	Ms S Lane (Committee Chair Dr J Brasted Ms J Luxford

\*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 2021/22.

Principles

Bath Spa University is aware of its responsibilities to demonstrate appropriate use of resources, whilst ensuring that we attract and retain the best possible staff to maintain our reputation, add to society and 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
- Transparency and accountability.

In setting/approving the remuneration of senior post holders of the University, multiple factors are considered 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 and the Board of Governors approved a Reward and Recognition Strategy in May and September 2022 respectively, which expands on how the University intends to implement these principles. This involved input and advice from an external reward specialist.

Work of the Committee

The Committee has been mindful of the challenges the University faces. They include the post-pandemic environment, and 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 of having multiple sites, the increasing number of educational partnerships, the ambitions of the University in the Strategic Plan 2022-25, and its international links.

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, as 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 marketplace for equivalent positions
- Affordability and reputation.

Given that the University is competing in increasingly competitive markets, the data the Committee used drew on a broad range of contextual and bench-marking information, including:

- 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 for:
  - Falmouth University
  - Goldsmiths
  - University of Winchester
  - University of Portsmouth
  - University of Buckingham
  - University for the Creative Arts
  - Coventry University

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 6.3 compared to 6.5 the previous year and 7.5 for total pay which was the same for the previous year.

In 2020/21, the committee conducted a self-assessment against the CUC HE Remuneration Code. As part of that review, they asked for confirmation from all senior post holders that they have not exceeded the maximum income derived from external activities of £15,000 per annum as per the consultancy policy for all staff. This was confirmed to the committee for the academic year 2021/22 at its meeting on 12 October 2022.

Following some discussion the previous year about involving staff and students in remuneration issues, the HR Director met with staff and student governors and reported their views back to the Remuneration Committee to inform their decision making.

During 2021/22, the Committee received reports on the performance of the holders of senior posts against their objectives. The Committee recognised the unpredictability of the external environment and the impact on the financial performance of the organisation. The Remuneration Committee complimented how effectively and relentlessly the leadership team had worked in unprecedented circumstances.

They discussed succession planning and, following the departure of the Deputy Vice-Chancellor and the Pro-Vice-Chancellor Finance and Infrastructure, recommended to the Board that the roles of Provost and Chief Financial Officer should be designated as senior post holders. These posts were appointed by the Board as such in July 2022 (Provost role) and September 2022 (Chief Financial Officer role).

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), ethnicity and disability pay gaps, 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 governors’ expenses.

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 2022, 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 2022 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 Board of Governors' 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 Board of Governors' 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 Board of Governors 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 Board of Governors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

Other information

The Board of Governors are responsible for the other information. The other information comprises the information included in the annual report set out on pages 1 to 48, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 Board of Governors for the financial statements set out on page 33, the Board of Governors 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 Board of Governors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Governors are responsible for assessing the group'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 Board of Governors 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](#)

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 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:
  - 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 Board of Governors, 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 Board of Governors 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 Board of Governors 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  
Birmingham Office  
5 December 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 financial position of the University has been significantly changed by the sale of one of its asset—Green Park House in January 2022. This resulted in the repayment of £27m of Santander debt, and a further net cash inflow of just under £50m. It is therefore considered highly unlikely that any plausible scenario could arise which would mean Bath Spa University being unable to meet its financial obligations within the period 12 months after the Balance Sheet signature date (end December 2023), including repayment of its other outstanding loans of c£16m.

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 2022. 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 £7,720 in 2021/22 which is reported as other expenses (Note 7). They also include the University's wholly owned subsidiary Bath Spa Venues Ltd that broke even in 2021/22.

Summix LRB Investments Ltd was acquired on 18 March 2022, Bath Spa University having paid £4,092,807 to acquire 100% of the equity in Summix LRB Developments Ltd (which owned land on Locksbrook Road opposite the University's Locksbrook Campus) and this acquisition was shown as an investment on the Bath Spa University balance sheet.

Following acquisition the land owned by Summix LRB Developments Ltd was gifted to Bath Spa University on 16 July 2022, this land has been recognised in the University's Fixed Assets at its full value of £4.171million at 31 July 2022.

The carrying value of the investment in Summix LRB Developments Ltd was been impaired in the University's financial statements following the transfer of land.

No other transactions recorded in the financial statements of Summix LRB Developments Ltd since the date of acquisition have been included in the consolidated financial statements as any such transactions would not be material to the group position.

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, the Avon Pension Fund and Aviva

- **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.

## 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:

Building improvements	10% per annum
Music equipment	20% per annum
Motor vehicles	25% per annum
Equipment, fixtures and fittings	25% per annum
Computer software and hardware	33 <sup>1</sup> / <sub>3</sub> % per annum

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 19, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 July 2022. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.



# FINANCIAL STATEMENTS

For the year ended 31 July 2022





Statement of Comprehensive Income and Expenditure

For the year ended 31 July 2022

		Consolidated		University	
	Note	2022	2021	2022	2021
		£'000	£'000	£'000	£'000
INCOME					
Funding Council grants	1	4,492	4,847	4,492	4,847
Tuition fees and education contracts	2	78,160	64,730	78,160	64,730
Research grants and contracts	3	1,663	1,535	1,663	1,535
Other income	4	14,178	9,233	14,149	9,232
Investment income	5	58	26	58	26
Gain on investments	5	106	-	106	-
Donations and endowments		135	83	4,306	83
Total income		98,792	80,454	102,934	80,453
EXPENDITURE					
Staff costs	6	52,177	48,747	51,692	48,248
Fundamental Restructuring Costs		2,743	-	2,743	-
Other operating expenses	7	39,305	25,025	39,750	25,505
Depreciation		4,159	4,973	4,159	4,973
Interest and other finance charges	8	4,770	3,149	4,770	3,149
Total expenditure	7	103,154	81,894	103,113	81,875
(Deficit) / surplus before other losses		(4,362)	(1,440)	(180)	(1,422)
Profit on disposal of fixed assets	9	26,967	7	26,967	7
Impairment		-	-	(4,171)	-
Surplus/(deficit) before tax		22,605	(1,433)	22,616	(1,415)
Taxation	10	-	-	-	-
(Deficit) / surplus for the year		22,605	(1,433)	22,616	(1,415)
Actuarial gain in respect of pension schemes		36,487	2,924	36,487	2,924
Total comprehensive income/(expenditure) for the year		59,092	1,491	59,103	1,509

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 2022

	Income and Expenditure Account £'000	Revaluation reserve £'000	Total £'000
Balance at 1 August 2020	36,105	23,385	59,490
(Deficit) from the income and expenditure statement	(1,433)	-	(1,433)
Actuarial Gain on Pension Fund	2,924	-	2,924
Transfers between revaluation and income and expenditure reserve	387	(387)	-
	1,878	(387)	1,491
Balance at 1 August 2021	37,983	22,998	60,981
Surplus from the income and expenditure statement	22,605	-	22,605
Actuarial Gain on Pension Fund	36,487	-	36,487
Transfers between revaluation and income and expenditure reserve	10,690	(10,690)	-
Total comprehensive income for the year	69,782	(10,690)	59,092
Balance at 31 July 2022	107,765	12,308	120,073

University Statement of Changes in Reserves

For the year ended 31 July 2022

	Income and Expenditure Account £'000	Revaluation reserve £'000	Total £'000
Balance at 1 August 2020	36,490	23,385	59,875
(Deficit) from the income and expenditure statement	(1,415)	-	(1,415)
Actuarial Gain on pension fund	2,924	-	2,924
Transfers between revaluation and income and expenditure reserve	387	(387)	-
Total comprehensive income for the year	1,896	(387)	1,509
Balance at 31 July 2021	38,386	22,998	61,384
Surplus from the income and expenditure statement	22,616	-	22,616
Actuarial Gain on pension fund	36,487	-	36,487
Transfers between revaluation and income and expenditure reserve	10,690	(10,690)	-
Total comprehensive income for the year	69,793	(10,690)	59,103
Balance at 31 July 2022	108,179	12,308	120,487



## Consolidated Balance Sheet

At 31 July 2022

		Consolidated		University	
		2022	2021	2022	2021
		£'000	£'000	£'000	£'000
<b>NON-CURRENT ASSETS</b>					
Fixed assets	11	109,643	159,763	109,643	159,763
Investments		40,106	-	40,156	50
		<u>149,749</u>	<u>159,763</u>	<u>149,799</u>	<u>159,813</u>
<b>CURRENT ASSETS</b>					
Stocks		48	51	48	51
Debtors	12	35,587	6,679	35,577	6,969
Short term Investments	13	8,259	16,398	8,259	16,398
Cash at bank and in hand		22,868	11,481	22,835	11,464
		<u>66,761</u>	<u>34,609</u>	<u>66,719</u>	<u>34,882</u>
<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	14	<u>(45,937)</u>	<u>(15,769)</u>	<u>(45,534)</u>	<u>(15,689)</u>
<b>NET CURRENT ASSETS</b>		<u>20,824</u>	<u>18,840</u>	<u>21,185</u>	<u>19,193</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>170,573</u>	<u>178,603</u>	<u>170,984</u>	<u>179,006</u>
<b>CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR</b>	16/17	<u>(29,067)</u>	<u>(62,690)</u>	<u>(29,067)</u>	<u>(62,690)</u>
<b>PROVISIONS</b>					
Pension provisions	19	(20,445)	(53,673)	(20,445)	(53,673)
Other provisions	18	(985)	(1,259)	(985)	(1,259)
		<u>120,076</u>	<u>60,981</u>	<u>120,487</u>	<u>61,384</u>
<b>TOTAL NET ASSETS</b>		<u>120,076</u>	<u>60,981</u>	<u>120,487</u>	<u>61,384</u>
Share Capital		2	-	2	-
<b>UNRESTRICTED RESERVES</b>					
Income and expenditure reserve		107,765	37,983	108,176	38,386
Revaluation reserve		12,309	22,998	12,309	22,998
		<u>120,074</u>	<u>60,981</u>	<u>120,485</u>	<u>61,384</u>
<b>TOTAL RESERVES</b>		<u>120,076</u>	<u>60,981</u>	<u>120,487</u>	<u>61,384</u>

The notes on pages 67 to 84 form part of these financial statements.

These financial statements were approved and authorised for issue by the Board of Governors on 15 December 2022 and signed its behalf by:

  
Jonathan Glasspool  
Chair

  
Susan Rigby  
Accounting Officer

## Consolidated Cash Flow Statement

For the year ended 31 July 2022

	Note	2022 £'000	2021 £'000
<b>Cash flow from operating activities</b>			
(Deficit) / surplus for the year		22,605	(1,433)
<b>Adjustment for non-cash items</b>			
Depreciation	11	4,159	4,973
Release of inherited liability grant	1	(240)	(240)
Release of capital grants	19	(335)	(461)
Decrease / (increase) in stock		3	9
Decrease / (increase) in debtors	13	(28,908)	790
(Decrease) in creditors	15	31,618	(304)
Decrease (increase) in provisions	18	(274)	(45)
Increase in pension fund liability	20	2,479	3,597
<b>Adjustment for investing or financing activities</b>			
Interest payable (finance charge FRS 102)	20	827	816
Interest receivable	5	(164)	(26)
Finance cost of enhanced pension provision	20	12	98
Interest payable	8	3,931	2,235
Profit on sale of fixed assets	9	(26,967)	(7)
<b>Net cash inflow from operating activities</b>		<u>8,746</u>	<u>10,002</u>
<b>Cash flows from investing activities</b>			
Interest received		164	26
Finance cost of enhanced pension provision		(12)	(98)
Interest paid		<b>(3,931)</b>	<b>(2,235)</b>
Purchase of tangible fixed assets		(3,091)	(1,271)
Purchase of Summix Ltd		(4,171)	-
Purchase of HSBC Equity Funds		(40,000)	9
Proceeds from sale of fixed assets		80,191	774
Capital grants received		128	774
		<u>29,279</u>	<u>(2,795)</u>
<b>Cash flows from financing activities</b>			
Decrease in short-term deposits		8,139	2,972
Repayment of bank loans		(34,745)	(3,094)
Repayment of Salix loans		(33)	(171)
		<u>(26,638)</u>	<u>(293)</u>
<b>Increase in cash in the year</b>		<u>11,386</u>	<u>6,914</u>
Cash and cash equivalents at beginning of the year	21	11,481	4,567
Cash and cash equivalents at end of the year	21	22,867	11,481



# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2022





## 1. Funding Council grants - consolidated and University

	OfS £'000	RE £'000	DfE £'000	2022 £'000	2021 £'000
Recurrent grant	1,724	1,460	-	3,184	3414
Hardship funds	492	-	-	492	486
Other grants	129	-	112	241	246
Inherited liability grant released in year	240	-	-	240	240
Deferred capital grants released in year:					
- Buildings	257	-	-	257	362
- Equipment	-	78	-	78	99
	<u>2,842</u>	<u>1,538</u>	<u>112</u>	<u>4,492</u>	<u>4,847</u>

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

	2022 £'000	2021 £'000
Full-time students	72,440	59,119
Full-time students charged overseas fees	3,566	3,248
Part-time fees	2,154	2,363
	<u>78,160</u>	<u>64,730</u>

	2022	2021
Tuition fees by award are as follows:		
Taught awards	77,306	63,918
Research awards	552	592
Non-qualifying courses	302	220
	<u>78,160</u>	<u>64,730</u>

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

	2022 £'000	2021 £'000
Research councils	942	1,130
Other grants and contracts	721	405
	<u>1,663</u>	<u>1,535</u>

## 4. Consolidated other income

	2022 £'000	2021 £'000
Residences, catering and conferences	8,807	6,584
Other income	5,342	2,649
	<u>14,149</u>	<u>9,233</u>

Residences, catering and conferences income includes £29,000 (2020/21 £1,000) related to the University's subsidiary company Bath Spa Venues Limited.

## 5. Consolidated and University investment income

	2022 £'000	2021 £'000
Income from short-term investments	164	26

## 6. Consolidated and University staff costs

	2022 £'000	2021 £'000
Wages and salaries	36,450	34,920
Social security costs	4,121	3,829
Other pension costs	11,121	9,998
	<u>51,692</u>	<u>48,747</u>

The University has included an accrual for holiday pay in 2021/22 totalling £545,000 (20/21: £634,000).

	2022	2021
Other pension costs comprise:		
Contributions to defined benefit scheme accounted for as a defined contribution scheme (TPS)	4,489	4,173
Current service cost of defined benefit scheme (LGPS)	6,601	5,806
Contributions to defined contribution scheme	31	19
	<u>11,121</u>	<u>9,998</u>

	2022 No.	2021 No.
Average staff numbers by major category (full-time equivalent):		
Academic staff	383	379
Hourly-paid lecturers	55	43
Technicians	51	46
Support staff – administration	331	332
Support staff – manual workers	103	106
	<u>923</u>	<u>906</u>

### Severance Payments

During the year the University ran a voluntary severance scheme and made payments totalling £2.743m (20/21: £16k) in compensation for loss of office to 88 employees (20/21: 7 employees).

The agreed parameters of the scheme were 2.25 x statutory redundancy. Heads of Department had to agree to all redundancies and where leave dates were agreed post 31 July but contract terms agreed those costs were accrued into the financial year ended 21/22.

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	1,512	1,171
Compensation for loss of office	190	-
	<u>-</u>	<u>-</u>
	1,702	1,171

The full time equivalent staff numbers were 10 (2020/21: 10)

Key management personnel are those persons having authority for planning, directing and controlling the activities of the University; during the year ended 31 July 2022 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 & Infrastructure), Vice Provost.

Emoluments of the Accounting Officer and Chief Executive

Information regarding the Vice-Chancellors is set out below.

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, and consider concerns about the escalation of pay in the sector, and also take cognisance of Bath Spa's relatively small size, but also take 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 £216,000 with an additional payment of £41,000 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:

	2022 £'000	2021 £'000
Remuneration	216	213
Pay in lieu of pension	41	40
	<u>-</u>	<u>-</u>
	257	253

Professor Susan Rigby's basic salary is 6.3 times the median pay of staff (20/21: 6.5 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 (20/21: 7.5 times), where the median total remuneration is calculated on a full-time equivalent basis for the total remuneration by the provider of its staff.

The University has carefully reviewed the financial data available in respect of agency salaries and considers it is both extremely difficult and not cost-effective to determine a robust annual salary for each worker engaged on an agency basis. For these reasons the University has decided not to include agency salaries in the pay ratio calculations.

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

	2022 No.	2021 No.
£125,000 - £129,999	1	1
£145,000 - £149,999	-	1
£150,000 - £154,999	<u>1</u>	<u>-</u>

7. Consolidated expenditure by activity

	Staff costs	Other operating expenses	Depreciation	Interest payable	2022 Total	2021 Total
	£'000	£'000	£'000	£'000	£'000	£'000
Academic departments	28,943	3,004	90	-	32,037	32,345
Academic services	5,762	5,168	412	-	11,342	10,045
Research grants and contracts	1,064	829	8	-	1,900	1,812
Residences, catering and conferences	537	1,477	679	-	2,692	3,960
General education expenditure	2,467	20,809	13	-	23,290	7,255
Premises	2,716	5,064	2,943	3,931	14,654	11,293
Administration	10,759	2,519	8	839	14,125	10,868
Staff and student services	2,151	842	7	-	2,999	3,727
Other expenses	36	38	-	-	74	90
	<u>54,434</u>	<u>39,750</u>	<u>4,159</u>	<u>4,770</u>	<u>103,113</u>	<u>81,395</u>

Staff costs includes £2.7m of restructuring costs.

Other operating expenses – residences, catering and conferences includes £10,000 (20/21 £10,000) related to the University's subsidiary company Bath Spa Venues Limited, and premises expenses includes a charge of £8,000 (20/21: other expenses £9,000) related to the University's subsidiary company Bath Spa U Limited.

	2022 £'000	2021 £'000
The depreciation charge has been funded by:		
Deferred capital grants	335	461
Revaluation reserve released	387	387
General income	3,437	4,125
	<u>4,159</u>	<u>4,973</u>
	£'000	£'000
Other operating expenses include:		
Auditors' remuneration		
- External audit	61	57
- Internal audit	30	30
- Other services	57	13
- Tax services	26	26
Hire of land and buildings (operating leases)	545	415
Hire of plant and machinery (operating leases)	15	17
Students' Union grant	<u>599</u>	<u>652</u>



8. Consolidated and University interest and other finance charges

	2022	2021
	£'000	£'000
Loan not wholly repayable within five years	911	2,235
Net interest on local government pension scheme (Note 19)	827	816
Finance cost of enhanced pension provision	12	98
Early redemption fee on settlement of Santander loan	2,647	-
Santander interest up to redemption	373	-
	4,770	3,149

9. Profit on sale

The University sold a major asset, Green Park House in January 2022 making a profit of £26,967,004 before the early redemption penalty on redeeming the loan.

	2022	2021
	£'000	£'000
Sale proceeds	81,969	9
Fees and other associated costs	(1,778)	-
Net book value disposed of	(53,224)	2
	26,697	7

10. 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.

11. Consolidated and University tangible fixed assets

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 2022, freehold land and buildings included £14,871,000 (20/21: £25,225,000) in respect of freehold land and is not depreciated.

Land and buildings with a net book value of £12,129,000 (20/21: £12,226,000) 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.

11. Consolidated and University tangible fixed assets (continued)

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, Bath Spa Venues Limited had no tangible fixed assets at 31 July 2022 or 2021. Summix Ltd which was acquired in year had no tangible fixed assets at 31 July 2022.

	Freehold land and buildings	Leasehold properties	Building improvements	Fixtures, equipment and vehicles	Assets in the course of construction	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation						
At 1 August 2021:						
Valuation	68,831	5,551	-	1,267	-	75,649
Cost	36,973	65,158	19,478	13,118	-	134,727
Additions at cost	4,641	-	416	1,523	681	7,262
Disposals at cost	(58,193)	-	-	-	-	(58,193)
At 31 July 2022:						
Valuation	10,638	5,551	-	1,267	-	17,456
Cost	41,614	65,158	19,578	14,641	681	141,989
	52,252	70,709	19,894	15,908	681	159,445

	Freehold land and buildings	Leasehold properties	Building improvements	Fixtures, equipment and vehicles	Assets in the course of construction	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Accumulated depreciation and impairment						
At 1 August 2021	7,094	15,901	14,169	13,449	-	50,613
Charge for year	702	1,435	1,265	756	-	4,158
Net book value disposed of	(5,153)	0	185	-	-	(4,969)
At 31 July 2022	2,643	17,336	15,619	14,205	-	49,802
Net book value at 31 July 2022	49,610	53,373	4,276	1,704	681	109,643
Net book value at 31 July 2021	98,710	54,808	5,309	936	-	159,763
Inherited	10,315	1,911	-	-	-	12,226
Financed by capital grant	-	1,188	932	601	-	2,721
Other	39,295	50,274	3,344	1,103	681	94,687
Net book value at 31 July 2022	49,610	53,373	4,276	1,704	681	109,644



## 12. Investments

	Consolidated		University	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
HSBC Long	10,016	-	10,016	-
HSBC Medium	20,053	-	20,053	-
HSBC Short	10,037	-	10,037	-
Investment in Subsidiary	-	-	50	50
	<u>40,106</u>	<u>-</u>	<u>40,156</u>	<u>50</u>

As at balance sheet date the university had also committed (but not paid over) £2.0m (USD 2.3m) investment in a managed fund with HSBC.

## 13. Debtors

	Consolidated		University	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Trade debtors	31,717	3,978	31,710	3,977
Other debtors	45	39	42	38
Amounts due from subsidiary undertakings	409	-	409	295
Prepayments and accrued income	3,416	2,662	3,416	2,659
	<u>35,587</u>	<u>6,679</u>	<u>35,577</u>	<u>6,969</u>

The increase in trade debtors year on year is due to the timing of June 2022 intake at Bath Spa London and the three main partnerships where the full tuition fee invoice is raised at time of enrolment and we have seen a big increase in students year on year compared to the June 2021 intakes.

No debtors were due after more than one year.

## 14. Short-term investments

	Consolidated		University	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Cash on deposit or money market	8,259	16,398	8,259	16,398
	<u>8,259</u>	<u>16,398</u>	<u>8,259</u>	<u>16,398</u>

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

	Consolidated		University	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Bank loans (Note 17)	1,633	3,185	1,633	3,185
Salix loans (Note 17)	14	52	14	52
Trade creditors	1,615	1,808	1,614	1,808
Taxation and social security	387	950	387	950
Amounts due to subsidiary undertakings	359	-	-	3
Other creditors	3,741	1,937	3,712	1,868
Accruals and deferred income	37,469	7,118	37,455	7,104
Inherited liability grant	240	240	240	240
Deferred capital grants	479	479	479	479
	<u>45,937</u>	<u>15,769</u>	<u>45,534</u>	<u>15,689</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.

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		University	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Donations	403	463	403	463
Research grants	1,234	2,577	1,234	2,577
	<u>1,637</u>	<u>3,040</u>	<u>1,637</u>	<u>3,040</u>

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

	Consolidated and University	
	2022 £'000	2021 £'000
Inherited liability grant	10,680	10,920
Deferred capital grants	1,950	2,157
Bank loans (Note 17)	16,366	49,559
Salix loans (Note 17)	21	54
Investment in subsidiary	50	-
	<u>29,067</u>	<u>62,690</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.



17. Borrowings

	Consolidated and University	
	2022	2021
	£'000	£'000
Bank loans and overdrafts are repayable as follows:		
In one year or less	1,633	3,185
Between one and two years	1,685	8,308
Between two and five years	5,372	10,654
In five years or more	9,307	30,597
	<u>17,998</u>	<u>52,744</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 was fixed at 3.990%. The loan was secured over the freehold of Green Park House which the University sold in January 2022 at the same time as redeeming the loan with Santander. There was a £2.4m charge (see note 8. Interest) for early redemption of the loan.

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 was charged at 0.95% above LIBOR. With the sale of Green Park House and the injection of cash related to that, this credit facility has been terminated and the legal charge on the University’s freehold property at Sion Hill has been released. The £4.2m cash deposit that was also held as security is still part of short term investments (see note.14) but is in a term access account.

	Consolidated and University	
	2022	2021
	£'000	£'000
The Salix loan is repayable as follows:		
In one year or less	14	52
Between one and two years	14	33
Between two and five years	7	21
	<u>36</u>	<u>106</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 5 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 5 years, commencing May 2020 and ending November 2024.

18. Provisions for liabilities and charges

	Provision for GPH penalties	Enhanced pension provision	Consolidated and University	
			Landlords’ guarantee provision	Total provisions
	£'000	£'000	£'000	£'000
At 1 August 2021	-	754	505	1,259
Charge to income and expenditure statement	50	59	(287)	(177)
Utilised in year	-	(68)	(29)	(97)
	<u>50</u>	<u>745</u>	<u>190</u>	<u>985</u>
At 31 July 2022				

An amount of £745,000 (20/21: £754,000) 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 £190,000 (20/21: £505,000). 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 2022 the University paid £29,000 (20/21: £377,000) in respect of unfilled places from a total of 611 study bedrooms.

19. Deferred capital grants

	Buildings	Consolidated and University	
		Equipment	Total
	£'000	£'000	£'000
At 1 August 2021	2,379	257	2,636
Received in year	128	-	128
Released to income and expenditure statement	(257)	(78)	(335)
	<u>2,250</u>	<u>179</u>	<u>2,429</u>
At 31 July 2022			

20. 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 £9,865,000 (20/21: £9,998,000).

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 level of contribution required by Bath Spa University 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:

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



20. Pension costs (continued)

For the year ended 31 July 2022 the employer contribution was 23.7% (20/21: 23.7%). The total pension cost for the period was £4,489,000 (20/21: £4,173,000).

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 2022 these amounted to £31,000 (2021: £19,000). From 1st August 2022 these employees transferred to Bath Spa University and are now in the LGPS pension scheme.

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 2022 was £5,204,000 (20/21: £3,240,000) of which employers' contributions totalled £4,211,000 (2020/21: £2,294,000) and employees' contributions totalled £993,000 (20/21: £946,000). The agreed contribution rates, excluding deficit recovery payments, for future years are 15.05% (20/21: 15.5%) 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 2022 by a qualified independent actuary. A full actuarial valuation was carried out in July 2022 and we expect to get results by mid November 2022.

	2022	2021
Rate of increase in salaries	4.2%	4.1%
Rate of increase in pensions in payment	2.8%	2.7%
Discount rate	3.5%	1.6%
Inflation assumption CPI	2.7%	2.6%

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

	2022	2021
Retiring today		
Males	23.1	23.3
Females	25.3	25.4
Retiring in 20 years		
Males	24.6	24.8
Females	27.3	27.4

The assets in the scheme were:

	2022	2021
	£'000	£'000
Equities	31,109	29,879
Government Bonds	7,457	6,787
Other Bonds	5,499	5,668
Property	5,499	4,408
Cash	226	1,259
Other	25,536	21,971
	75,326	69,972

20. Pension costs - Avon Pension Fund (LGPS) (continued)

The following amounts at 31 July 2022 were measured in accordance with the requirements of FRS102:

	2022	2021
	£'000	£'000
University estimated share of assets	75,326	69,972
Present value of scheme liabilities	(95,771)	(123,645)
Deficit in the scheme – net pension liability	(20,445)	(53,673)

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

	2022	2021
	£'000	£'000
Current service cost	6,601	5,806
Total operating charge	6,601	5,806

Analysis of amount that is charged to interest payable

	2022	2021
	£'000	£'000
Expected interest pension scheme assets	1,150	962
Interest on pension scheme liabilities	(1,977)	(1,778)
Net interest cost	(827)	(816)

Analysis of amount recognised in income and expenditure statement

	2022	2021
	£'000	£'000
Actual return less expected return on pension scheme assets	483	8,174
Change in financial and demographic assumptions underlying the scheme liabilities	36,051	(5,250)
Actuarial gain / (loss) recognised in the statement of comprehensive income and expenditure	36,534	2,924



## 20. Pension costs - Avon Pension Fund (LGPS) *(continued)*

### Movement in deficit during year

	2022 £'000	2021 £'000
Deficit in scheme at 1 August	(53,673)	(52,184)
Movement in year:		
Current service cost	(6,601)	(5,806)
Past service cost	-	-
Curtailments and settlements	-	-
Contributions	4,211	2,294
Net interest cost	(827)	(816)
Actuarial gain / (loss)	36,534	2,924
Administration expenses	(89)	(85)
Deficit on scheme at 31 July	(20,445)	(53,673)

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

	2022 £'000	2021 £'000
At beginning of the year	123,645	111,509
Current service cost	6,601	5,806
Past service cost	-	-
Interest cost	1,977	1,778
Contributions by scheme participants	993	946
Actuarial loss / (gain)	(36,051)	5,250
Curtailments	-	-
Benefits paid	(1,394)	(1,644)
At end of the year	95,771	123,645

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

	2022 £'000	2021 £'000
At beginning of the year	69,972	59,325
Expected interest on scheme assets	1,150	962
Actuarial gain / (loss)	483	8,174
Administration expenses	(89)	(85)
Contributions by employer	4,211	2,294
Contributions by scheme participants	993	946
Benefits paid	(1,394)	(1,644)
At end of the year	75,326	69,972

## 20. Pension costs - Avon Pension Fund (LGPS) *(continued)*

### History of experience gains and losses

	2022	2021	2020	2019	2018
<b>Difference between the expected and actual return on scheme assets:</b>					
Amount (£'000)	483	8,174	(2,721)	2,203	2,092
% of scheme assets	0.6%	11.7%	(4.6%)	3.7%	4.0%
<b>Experience gains and losses on scheme liabilities:</b>					
Amount (£'000)	7,752	2,226	(3,821)	-	-
% of scheme liabilities	8.1%	1.8%	(3.4%)	-	-
<b>Total amount recognised in the income and expenditure statement:</b>					
Amount (£'000)	36,537	2,924	(15,614)	(11,902)	7,242
% of the present value of scheme liabilities	38.1%	2.4%	(14.0%)	(12.9%)	10.2%

The projected contribution to the defined benefit scheme for the forthcoming year is £2,469,000 (2020/21: £2,651,000). The cumulative amount of actuarial losses recognised in the income and expenditure statement is £18,957,000 (20/21: £34,646,000).

### 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	Sensitivity 1 - +0.1% pa. discount rate	Sensitivity 2 - +0.1% pa. inflation	Sensitivity 3 - +0.1% pay growth	Sensitivity 4 - 1 year increase in life expectancy	Sensitivity 5 +1% /- 1% change in 2021/22 investment return	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Liabilities	95,771	93,820	97,762	95,919	97,988	95,771	95,771
Assets	(75,326)	(75,326)	(75,326)	(75,326)	(75,326)	(76,098)	(75,326)
Deficit	20,445	18,494	22,436	20,593	22,662	19,673	21,217
Projected service cost	3,704	3,583	3,830	3,704	3,805	3,704	3,704
Projected interest cost	672	621	742	678	750	645	699

## 21. Analysis of changes in net funds

	At 1 August 2021 £'000	Cash flows £'000	Other movements £'000	At 31 July 2022 £'000
Cash at bank and in hand	11,481	11,386	-	22,868
Short-term deposits	16,398	(8,139)	-	8,259
Net funds	27,879	3,247	-	31,126



22. Capital commitments

	Consolidated and University	
	2022	2021
	£'000	£'000
Contracted but not yet invoiced	1,680	450

23. Financial commitments

At 31 July 2022 the University had total rental payable under non-cancellable operating leases for land and buildings as follows:

	Consolidated and University	
	2022	2021
	£'000	£'000
Expiring within one year	562	221
Expiring from one to five years	-	167
Expiring after five years	1,007	1,170
	1,569	1,558

24. 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 £574,400 (20/21: £527,000) enabling it to provide essential services to University students, and a further £24,700 (2020:£125,000) to further support and maintain its activity during the pandemic.

25. Teacher Training bursaries

	2022	2021
	£'000	£'000
Funds received	1,523	2,857
Disbursed to students	(1,419)	(2,921)
Balance due (from) to DfE at 31 July	104	(64)

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. The figures decreased from 2020/21 due to change in the model of providing teacher training, moving more into the Teach First and SCITTS model of provision.

26. Governors’ expenses

	2022	2021
	£'000	£'000
Governors’ expenses	50	-

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.

27. Access and Participation Plan

	Consolidated and University	
	2022	2021
	£'000	£'000
Access investment	916	1,041
Financial support	1,037	1,078
Disability support	700	664
Research and evaluation	55	75
	2,708	2,858

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

	Consolidated and University	
	2022	2021
	£'000	£'000
Access investment	594	668
Financial support	-	-
Disability support	588	563
Research and evaluation	45	65
	1,227	1,297

Please see the [University’s Access and Participation Plan](#).





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