



ANNUAL REPORT AND FINANCIAL STATEMENTS

2021/22

**AMBITION
DELIVERED
TODAY**



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VISION, MISSION AND VALUES

VISION

Teesside will be a leading university with an international reputation for academic excellence that provides an outstanding student and learning experience underpinned by research, enterprise and the professions.

MISSION

Teesside University generates and applies knowledge that contributes to the economic, social and cultural success of students, partners and the communities we serve. Through education enriched by research, innovation, and engagement with business and the professions, we transform lives and economies.

VALUES

THE UNIVERSITY HAS SEVEN CORE VALUES



Delivering
Excellence



Empowering
Individuals



Embracing
Diversity



Communicating
Openly



Fostering
Creativity



Committing to
Sustainability



Taking
Responsibility



Chair of the Board of Governors

FOREWORD

Looking back on the past 12 months, there have been some remarkable achievements as Teesside University builds upon its deserved reputation as a leading driver of innovation and enterprise.

As the Tees Valley continues its recovery from the coronavirus pandemic, the University's role as an anchor institution, galvanising economic activity, has never been more evident.

Our new developments on campus are testament to the way in which we are taking a strategic approach to the Tees Valley's success.

While our new health and medical facility, BIOS, and the Net Zero Industry Innovation Centre (NZIIC) represent considerable investment in the region, they are also evidence of how we are utilising Teesside University's strengths across its teaching, research and knowledge exchange portfolios to place the Tees Valley at the heart of revolutionary change across national industry.

BIOS will transform and modernise the learning experience for our students, delivering the training and research to enable the healthcare sector to respond to changing societal needs.

Meanwhile, positioning the Tees Valley at the heart of the green revolution, the NZIIC will tackle the significant challenges posed by the climate emergency, through research to identify clean and sustainable energy solutions.

Our graduates continue to deliver global impact. I am proud of the way in which Teesside University equips them with the necessary tools to succeed and thrive, whatever their background.

These achievements are central to Teesside University's mission and give us an ideal springboard to successfully implement the Teesside 2027: Ambition Delivered Today strategy and deliver on its objectives.

On behalf of the Board of Governors I would like to express my heartfelt thanks to all of Team Teesside who have contributed towards another successful year for Teesside University.

Paul Booth CBE

Chair of the Board of Governors

Our new developments on campus are testament to the way in which we are taking a strategic approach to the Tees Valley's success.



We remain committed to contributing to the success of the region through our work with business and stakeholders, to enhance productivity and deliver a positive impact for the communities we serve.

Vice-Chancellor & Chief Executive

INTRODUCTION

Despite the impact of the coronavirus pandemic, it is clear that Teesside University has continued to deliver with purpose and at pace. We look ahead with renewed optimism and our ambition remains undiminished.

The University continues to make significant progress in many areas. In the Research Excellence Framework (REF) 2021, the majority of our research was judged to be world-leading or internationally excellent.

We continue to deliver on our mission to transform lives and economies. I was delighted to see our commitment to supporting students recognised with the award for University of the Year for Social Inclusion in the *Times and Sunday Times Good University Guide 2022*.

Over the past academic year, we have delivered significant enhancements to the student experience, leading to major uplifts in the National Student Survey with higher scores and improved rankings in all areas compared to 2021.

We remain committed to contributing to the success of the region through our work with business and stakeholders, to enhance productivity and deliver a positive impact for the communities we serve. We are levelling-up opportunity, through supporting our graduates into fulfilling employment, with more of our students going into full time work than the national average.

We continue to grow our global footprint, strengthening international partnerships and building new opportunities for student mobility and transnational education. Our success in the International Student Barometer, in which the University was ranked number one globally for overall student satisfaction* is a compelling endorsement of our vibrant and diverse campus community.

Our award-winning Future Facing Learning Initiative continues to guarantee we lead the way in digital excellence, and our recognition this year as an Apple Distinguished School is evidence of our dedication to this approach.

Meanwhile, our transformative campus masterplan continues to deliver leading-edge facilities to meet the expectations and demands of a 21st century learning experience.

To date we have invested £275m in our campus, and work has commenced on a new £5m post graduate hub; the £13.1m Net Zero Industry Innovation Centre and BIOS, our £36.9m state-of-the-art health and medical facility.

These efforts ensure that, not only are we able to deliver a world class student and learning experience but also underlines our commitment to acting as a catalyst for economic regeneration in the Tees Valley and a magnet for global investment.

*Based on the views of 1295 students within a global survey response of 92,019 students. More info at: <https://www.tribalgroup.com/participants-in-the-2021-isb>

Professor Paul Croney OBE
Vice-Chancellor & Chief Executive

THE UNIVERSITY

Teesside University is a dynamic and modern institution dedicated to delivering opportunities and providing a high-quality higher education learning environment, offering excellent courses taught by committed and passionate staff.

The University takes a leading role in widening participation, delivering excellence in the teaching and student experience, applied research, working with industry and the professions and driving economic, cultural and community growth.

Teesside, as an educational institution, was established to level-up opportunity, and this holds true today. Joseph Constantine, a local shipping magnate, made a gift to the town to stimulate the establishment of a technical college, formally opened by the Prince of Wales in 1930, to support Middlesbrough's booming engineering and shipping industries.

By 1969, Constantine College had become Britain's 13th polytechnic and by 1970, the student population had grown to 3,000. In 1989, the Polytechnic left local authority control to become a self-governing independent higher education institution – receiving university status in 1992. Since then, the University has continued to flourish with continual expansion of student numbers and diversification of teaching programmes.

Today, Teesside is a leading university with an international reputation for academic excellence.





**Teesside University
International
Business School**





Bios health and life sciences facility

The University's £275m campus investment to date is transforming the student and learning experience.

Developed in partnership with students, The Buttery, a £5m post-graduate hub will provide a contemporary and innovative space exclusively for postgraduate students and researchers to study, collaborate and relax; offering individual and collaborative work spaces, a quiet zone and a computer lab, as well as a social lounge and refreshment facilities,

Work is also underway on BIOS, a £36.9m, health and life sciences facility which will further modernise the learning experience for our students, in disciplines such as anatomy, pharmacy, microbiology, chemistry, Earth sciences and food sciences. Through BIOS the University will continue to work in partnership to ensure that our learning and skills provision delivers the healthcare workforce of the future.

The Net Zero Industry Innovation Centre (NZIIC), due to open in Spring 2023, will also play a key role, positioning Teesside firmly at the heart of the UK's green industrial revolution.

The NZIIC brings together expert insight, resources and partnerships to grow net zero capabilities and opportunities, placing the region at the forefront of the clean energy agenda and helping to create hundreds more clean energy jobs.

Teesside remains an international university with a global network of partnerships which attract high calibre students and staff from across the world.

Our research, innovation and enterprise activity generates applied knowledge, helping the UK to build back better.

The University's ambition is global and through digitisation, international mobility and teaching excellence, Teesside University students and graduates continue to make a real difference, challenge the impossible and break through barriers.

Teesside University continues to demonstrate a commitment to transforming lives and economies and reinforces this through socially responsible actions, set out in the Teesside University Charter for Social Impact.

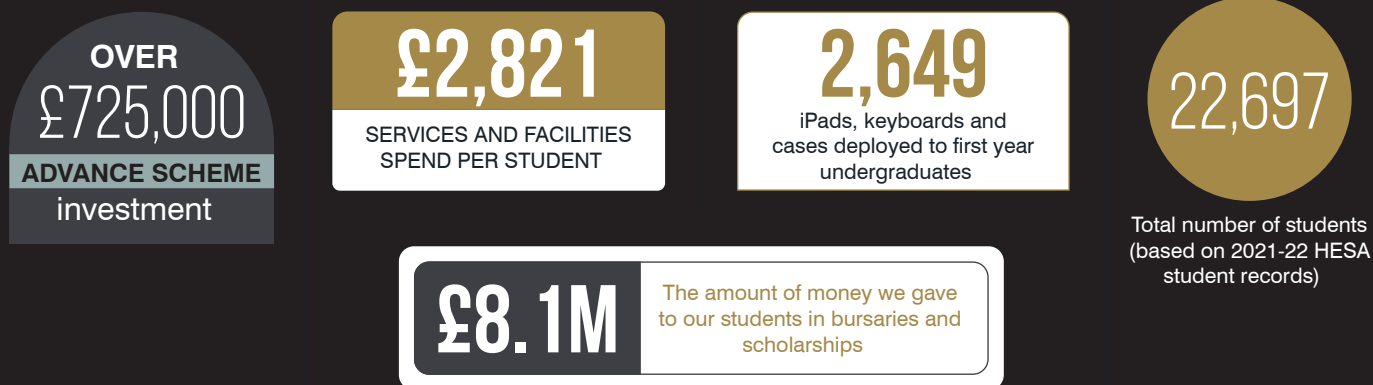
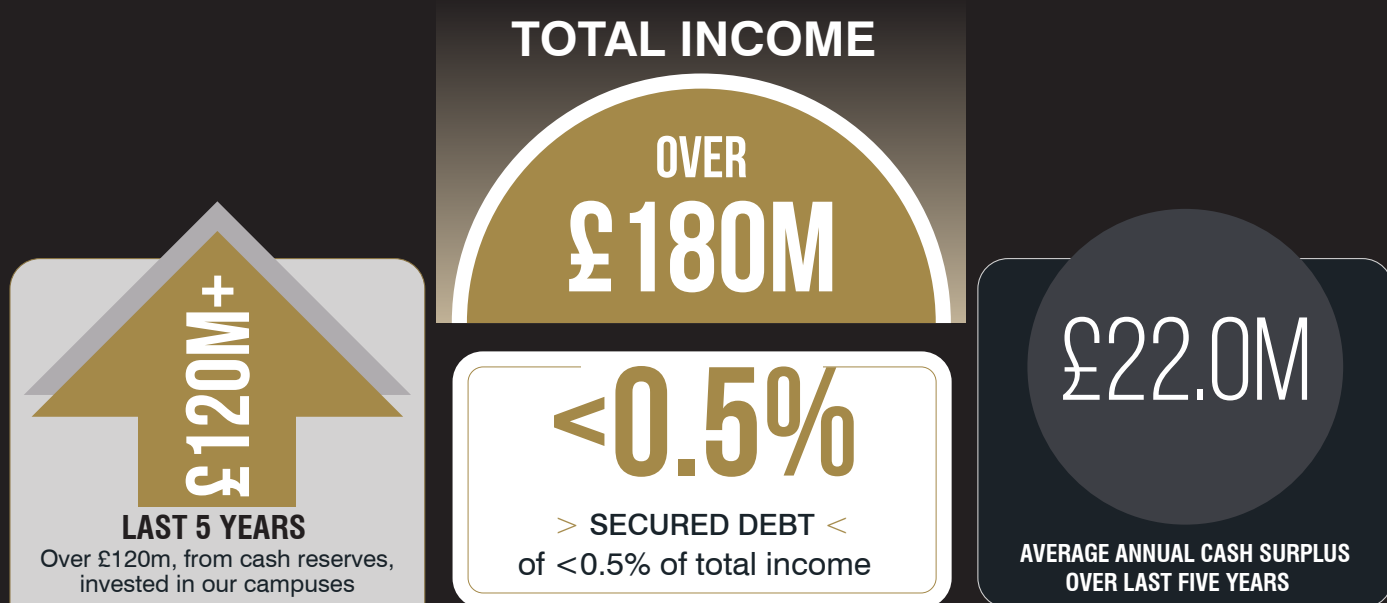
Net Zero Industry Innovation Centre



The Buttery post-graduate hub



Teesside University in Numbers



TEESSIDE 2027: Ambition Delivered Today

Following the implementation of a two-year interim strategy with transitory performance indicators, required to secure our position during the challenges of the pandemic, the University ended the period in a strong position to embark on the five year corporate strategy subsequently re-set to end 2027 (previously 2025).

Teesside 2027: Ambition delivered today is focused on making a real difference to the lives of people and the success of businesses and the economy, we challenge expectations and push the boundaries of what is possible. We approach challenges at pace and with purpose. We do not stand still. We are an ambitious and enterprising university for a focused and pragmatic global new generation. We provide real opportunities and support to realise potential on a campus fit for the future and around the world. From developing outstanding degree apprenticeships tailored to industry to addressing societal challenges on a global scale, our work is always relevant and purpose driven. We value education and research which is innovative, creative and supports the development of solutions to real world challenges.

Over the last year, the University has continued to deliver on its commitment to students, prioritising the learning experience and support facilities to assist students in re-adjusting to campus life. Support services across the institution have been enhanced, including an expanded health and wellbeing provision and increases in student hardship funding.

This support was recognised by our students in the National Student Survey 2022¹, with an increase in student satisfaction across all areas. Most notably, Teesside ranked 11th for Assessment and Feedback and 15th for Student Voice. Teesside University also ranked number one globally for international student satisfaction in the International Student Barometer².

Through robust financial planning and investment prioritisation, the University has continued to move forward with pace and with purpose.

Through the £275m investment on campus, the University has continued to enhance the learning environment, and deliver strategic projects that respond to regional skills needs and global policy drivers. Developments such as the £13.1m Net Zero Industry Innovation Centre and BIOS, the new £36.9m Medical and Life Sciences facility, underline the University's commitment to enhancing economic productivity and delivering solutions to environmental and societal challenges.

Teesside University's global strategy to increase student diversity on campus has experienced unprecedented success over the last year, with one in three TU students now international³. This enriches the student and learning experience for all, providing a core global dimension to student life and study at Teesside University.

Through remaining true to our mission of transforming lives and economies, the University has successfully overcome the challenges of the last year, as validated by national and global awards and accolades, and evidenced by improvements across sector rankings.

As the world adjusts to new challenges, we continue to support our students, staff and partners, embracing innovation to remain at the forefront of digital learning, tailoring our practices to the emerging needs of learners and industry.

We will build upon our growing reputation for research and engagement, to generate world-class research and knowledge exchange that makes a difference to individuals, organisations, and society.

We look to the future with ambition and determination, acting as a catalyst for positive change for our region, nation and beyond.

**AMBITION
DELIVERED
TODAY**

1 National Student Survey 2022

2 International Student Barometer 2021

3 HESA data 2021-22





Through robust financial planning and investment prioritisation, the University has continued to move forward with pace and with purpose.



STRATEGIC REVIEW

Learning, Teaching and Student Experience

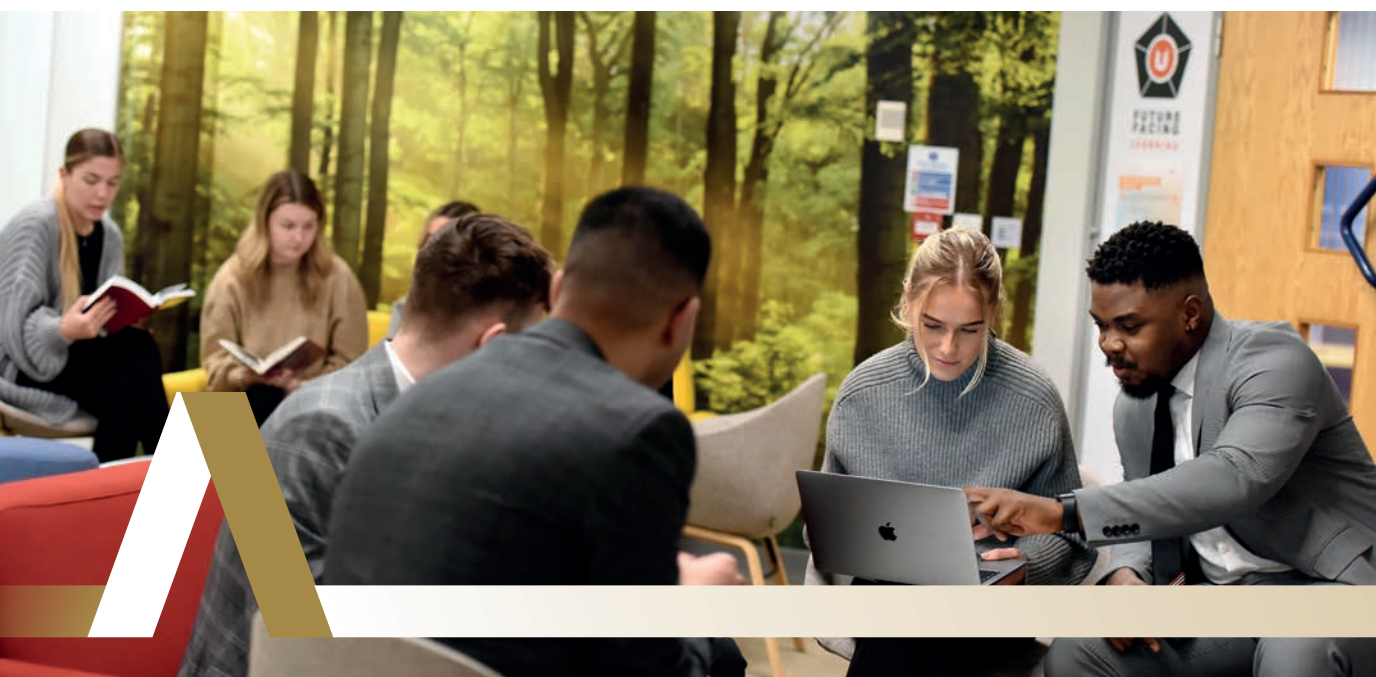
Following the release of the University's Corporate Strategy 2027: Ambition Delivered Today, the Learning and Teaching Strategic Plan, sets out Teesside University's ambition to be the University of the Fourth Industrial Revolution, delivering innovative and impactful provision through Education 4.0.

Over the next five years, the portfolio will achieve this through:

- > **Empowering** connectivity in educational design, drawing upon the knowledge and skills of partners to drive the evolution of Future Facing Learning.
- > **Embedding** a sector leading institutional approach to student wellbeing, ensuring that every student is enabled to meet their potential.
- > **Delivering** an outstanding personalised learning experience, underpinned by a data-driven approach to enhancing student performance.
- > **Designing** a high performing curriculum portfolio aligned with the emerging trends of the Fourth Industrial Revolution.
- > **Developing** a best-in-class workforce equipped with the capabilities to deliver cutting-edge Education 4.0 learning experiences.

At Teesside University, the student experience is central to the core mission, and is at the heart of decision-making. Our commitment to providing an outstanding student and learning experience is demonstrated by the many initiatives to enhance the student journey that have been implemented across the year, and is evidenced by improved student services, increased student engagement and satisfaction levels.

The University's award-winning Future Facing Learning approach is now fully embedded and underpinned by a cutting-edge digital framework that provides students with the skills, knowledge and expertise to succeed.





Education 4.0

TAs institutions across the sector increasingly commit to digital learning, the University remains committed to leading in this area. Our dedication to providing a future-facing model underpinned by digital excellence and experiential learning remains paramount in our design and provides students with the opportunity to learn through application.

Earlier this year, Teesside University engineering students had a tour of Siemens Gamesa's blade factory in Hull as part of an innovation challenge project being run in partnership with RWE's Sofia offshore wind farm. Students viewed the £186m facilities in Hull, including the factory expansion project and the production of 81-metre blades destined for installation at two offshore wind farms.

Students from the School of Arts & Creative Industries curated an exhibition at MIMA Art Gallery exploring the legacy of chemical production in the Tees Valley. The exhibition, part of the Innovations Gallery, displays contemporary works from Art & Design students exploring the chemical production legacy in the region and how more sustainable materials can be developed.

The experiential learning approach at Teesside encourages students to apply their knowledge and venture out of their comfort zones to challenge themselves. This approach has seen students apply for competitions and awards this year with great success. A group of Teesside University animation students won the student animation category for their film in the Royal Television Society North-East and Borders awards; and students from the University's International Business School won the Greggs Marketing Challenge, developing a successful campaign concept for the well-known bakery brand.

In recognition of the University's innovative approach to learning, Teesside University was announced as the 2022 EduFuturist University of the Year. This prestigious award celebrates the University's significant impact on students through our forward-thinking, innovative, strategic and engaging practices and follows a number of awards and accolades highlighting our commitment to digital teaching and learning.

Digital Advancements

Building on the University's coveted status as an Adobe Creative Campus, we have been awarded a prestigious Faculty Development Grant. Framed by the University's ongoing commitment to Future Facing Learning and cutting-edge digital assessment, the grant will aid the development of key projects designed to support creative assessment tasks and processes, exploring, and embedding Adobe Creative Cloud applications.

To support this initiative, the University has developed Adobe Labs in partnership with colleagues at Adobe, and additional training and development for staff and students across all Schools.

The University's partnerships with key digital players provides a range of opportunities for staff and students to enhance their skills in this area. A final-year student at Teesside University showcased her outstanding creative talents on a global platform achieving a bronze award at the prestigious Adobe World Championship – a record for the UK and Ireland at the Adobe Certified Professional World Championship, as it is the highest a British finalist has ever ranked. The student qualified for the national championship after successfully completing free online training delivered by Teesside University and its partner Prodigy Learning.

A new Digital Literacy Café webinar series was launched this year, delivered in partnership with the University of Texas and the University of North Carolina. The Adobe Digital Literacy Café focuses on engaged teaching and learning for all, particularly for students who might not have been as actively included in traditional approaches.

Staff Expertise and Engagement

Staff at the University continue to champion the Future-Facing Learning approach and engage with sector bodies to share their expertise, enhancing the University's reach and reputation. The Pro Vice-Chancellor (Learning & Teaching) recently hosted an exclusive roundtable event following the release of a Public First report highlighting the contribution of the University to the regional levelling-up agenda. Key decision-makers from across the Tees Valley convened to explore the role of education in driving social mobility.

Deans from the Teesside University International Business School and the School of Health & Life Sciences have also recently written for the PIE (Professionals in International Education) News and the Times Higher Education on the work of the University around digital and innovative learning; and the Academic Registrar participated in a Digital Café webinar hosted by University partner, Adobe.

Further coverage includes expert comment pieces discussing Education 4.0 in the context of the fourth industrial revolution; the influence of comics on modern audiences, which was shared globally through Yahoo News and MENAFN (Middle East North Africa Financial Network); and an article in The Times and The Australian, providing advice to keen runners.

High-level appointments by sector body, the Quality Assurance Association (QAA) included the Pro Vice-Chancellor (Learning & Teaching), who was confirmed as Chair of the Criminology Subject Benchmark Group, and the Dean of the School of Health & Life Sciences as Chair for the Anthropology Review. Involvement at this level promotes the University's commitment to providing a high-quality learning experience through subject expertise.

Further accolades include an award shortlist for the Director of Student & Library Services in recognition of her work to raise the profile of Information Literacy through national conversations; and a global Catalyst Award for the Digital Transformation Team in Student Learning & Academic Registry for providing innovative training and development opportunities.

Student Support

The University continues to deliver on its commitment to students through enhanced support services, facilities and engagement opportunities for all students. Actions taken under the University's Access and Participation Plan are also improving prospects for young adults across the Tees Valley and beyond.

A new Student Success Programme (SSP) now offers targeted interventions for students in need of additional support, with over 380 students contacted to date. The programme aims to reduce student disengagement and enhance outcomes. Evaluation data showed improved attendance at lectures for students engaging with the programme.

The 'Your voice matters' campaign has recorded an uplift in student engagement since the introduction of monthly themes. The initiative engages with students to embed their recommendations into university decision-making.

As the cost-of-living crisis continues, the University has expanded its services to support students facing financial challenges. A new resource, Blackbullion allows Teesside students to take advantage of free online advice to help them make informed financial decisions, providing digital education and tips on starting university, managing debt, budgeting skills, and savings.

Key facility developments to enhance the on-campus learning experience for students have now commenced with the construction of a new £36.9m state-of-the-art science and medical facility; and a £5m hub for postgraduate students, providing an innovative space for postgraduate students and researchers to study, collaborate and socialise on campus.

Responding to student feedback gathered during the first semester this year, the School of Arts & Creative Industries hosted MIMA Creative Week in February. The event, delivered in partnership with Adobe, offered a range of activities for students including specialist media workshops, an art social event, career preparation discussions and subject-specific talks.

Student Success

Despite the many challenges facing young people today, Teesside University students continue to show strength of character, diligence and dedication to their studies. Their positive outlook makes them stand out as proud members of Team Teesside and will prepare them well for the challenges beyond graduation.

A fashion student successfully qualified as a finalist in a major design challenge after completing free online training offered by the University and partner Prodigy Learning. The Adobe Certified Associate UK & Ireland Championship attracts thousands of students every year but only 20 are shortlisted to compete in a final design challenge. The Adobe and Microsoft training is delivered by the University in partnership with Prodigy Learning to enhance digital skills and improve employability. Upon successful completion of the training, which tests skills in the specified application, participants receive certification which demonstrates their expertise and can opt to be entered into the championship.

A Teesside University student has recently been recognised by a professional institution for efforts undertaken during an engineering degree. The Northeast Local Section of the Institute of Measurement and Control (InstMC) promotes the future of automation, measurement and control, facilitating the sharing of expertise and supporting the advancement of engineers and technologists at all levels through career development and training.

An international student from the School of Arts & Creative Industries, has created a photographic guide to the local area called In and Around Tees Valley. The student had observed that many international students have limited knowledge of the significance of local landmarks and monuments and applied this to her work through the development of a portfolio of pictures representing the Tees Valley. The brochure has been shared across current and prospective international students.

A Teesside University fashion design student has been selected to take part in a top training programme which could launch her career in fashion. The student was selected earlier this year for the Yoox Net-A-Porter group Modern Artisan paid training scheme, which brings together eight artisans, to embark on a collaborative ten-month programme which focuses on responsible design and sustainable luxury textile craftsmanship. The resulting womenswear capsule collection will debut to customers in late Summer 2022 with profits from the sale of the collection going to The Prince's Foundation to support the charity in developing and delivering training programmes that will help preserve traditional textile skills.

A talented graphic design student will leave a lasting legacy at Teesside, through her artwork, which is now featured in the stairwells of the University's £21.4m award-winning Cornell Quarter student accommodation, one of the latest developments in the University's campus masterplan, which has seen an investment of £275m to date.

A celebration of art, culture and technology through the launch of the 'Black Art. Black Stories. Black Voices.' showcase took place at the end of November last year. The event, hosted by Yahoo, featured eight leading Black artists transforming their physical artwork into crypto art, and included a Computer Animation student from the University.

Two Teesside University graduates from the region, who became friends whilst studying, have set up a mental health group for men and co-written a journal about the group, which they will launch to a wider student audience in the future. Friends, who met whilst studying for doctorates in clinical psychology at the University are also leading a bid to raise money for motor neurone disease.

Earlier this year, it was a privilege for the University to host the first Graduation event since 2019. Celebrations recognising the achievements of over 3,000 students took place in April and July to mark the success of our 2020, 2021 and 2022 graduates.

TU Sport

Over the last twelve months, the University has made significant progress in developing a competitive sports offer. University partners, Middlesbrough and Stockton Town football clubs, Grangetown Netball Club and alumni, including English footballer Beth Mead, support the University's ambitions around football and netball.

New models to enhance the TU Sport offer, including the Future Champions programme to support local athletes in regional and national squads; and the Football Performance Pathway, which supports student athletes to progress into semi-professional and professional systems; help students to follow their sporting aspirations.

Performance sport at the University continues to celebrate success, with a 16-year-old local pupil from the Future Champions programme selected to represent GB in trampolining; and a chiropractic student selected to represent the nation as part of the men's tumbling team, both at the World Age Group Gymnastics Championships in Azerbaijan.

A Teesside University student has overcome significant challenges following a sports injury to win a silver medal in the Women's U/63kg weight category at the British University Championships and will now compete on behalf of the University in Europe. The rest of the University's squad also celebrated with a bronze medal in the weight category of U/81kg; a silver medal in the Men's U/90kg weight category for second KYU's and below; and a seventh-place ranking for a first-time competitor.

Alumni

A range of new activities and events have been introduced this year to connect with Teesside University alumni networks across the world, inspiring current students and enhancing the reputation of the University.

Alumni members celebrate success across a range of disciplines, including a best seller list appearance for a Teesside University graduate with his first published book; a new single for a Music Technology alum; and recognition in the Queen's Award prize for an innovative cycling product for a Teesside University Visualisation graduate.

A past student became a YouTube phenomenon after creating a channel dedicated to the many beautiful locations the North York Moors and North Yorkshire Coastline, boasting over 1 million views; and an emerging playwright, director and filmmaker, who graduated from the University in 2014, challenged perceptions on being a working-class writer from the north, through a radio drama broadcast on BBC Radio 4.

Company owners who have used their graduate success from Teesside to drive their careers have also been celebrating this year. The founder of a company specialising in providing fire and gas detection equipment marked its tenth anniversary after a period of substantial growth; the local owner and Director of another company has grown the business and now provides products for well-known sports clubs.

A Teesside University graduate who set up his own company, Project Escape, through the University's Launchpad start-up hub is now expanding following its success; and a graduate entrepreneur has launched a new employment site that has been dubbed the 'Uber' of the job-seeking world.



Key successes in 2021/22

- > Achieved Apple Distinguished School Status
- > Launch of new MyTU app developed in partnership with students
- > Overall student satisfaction has increased to 77.1% (NSS)
- > Increased student satisfaction ranking to 54th out of 130 universities (NSS)
- > Ranked 11th for Assessment and Feedback (NSS)
- > Launch of 'Your Voice Matters' in partnership with Teesside University Students' Union
- > Creation of new TU Student Success Programme (SSP)
- > Launched new suite of teacher training courses

Research and Innovation

The University's Corporate Strategy 2027: Ambition Delivered Today, positions Teesside University as a leading University with an international reputation for academic excellence that provides an outstanding student and learning experience underpinned by research, enterprise and the professions.

In support of this vision, the refreshed research strategy aims to revitalise research leadership, create collegial cultures, and engage local and global partners. Through delivery of these aspirations, we will improve our research quality, ensure our sustainability and expand the impact of our work.

Our research strategy, launched in 2020, is designed to work together with our innovation strategy which aims to grow research and knowledge exchange income, create staff that can bridge industry and academia, and position Teesside as an industry engaged university with a reputation for high quality applied research that makes a difference to individuals, organisations and society.

Over the next five years, the portfolio will achieve this through:

- > **Growing** our research capacity by investing in staff, facilities, and equipment.
- > **Partnering** with stakeholders and communities to ensure our research meets local and global needs.
- > **Fostering** a responsible and inclusive research culture that ensures the highest academic standards.
- > **Creating** a vibrant research environment by providing time, space, and resource for ideas, interdisciplinarity and networking.
- > **Ensuring** the sustainability of our research through increased research council, charitable and commercial income generation.

Regional, national and global recovery from the Covid-19 pandemic has exacerbated the need for impactful and collaborative research. As the world adjusts to a new normal, there are emerging challenges and changing priorities that must be addressed. The government has made it clear that the research and innovation functions of higher education providers should align with national strategies in order to access appropriate funding streams. At Teesside University, our role as a lead institution for research and development and innovation in the Tees Valley region means that we are well-positioned to respond to this need. Our work over the last twelve months is testament to the difference the University can make in transforming lives and economies.

Building upon the University culture of creativity and collaboration, the research community has developed into a vibrant and collegial group, supported centrally through a range of activities and services, including new funded studentships, and a research sabbatical scheme. This refreshed approach has helped the University to secure enough award income to deliver its annual target for research income for the first time in many years and secure a significant improvement in the Research Excellence Framework 2021 exercise.

Impactful Research

Local, national and global developments continue to drive the University's research, with regeneration and social impact at the centre of this approach. From shaping the regional response to the pandemic, to advising on community reintegration policy for offenders abroad, the University's influence through research continues to make a significant contribution across communities.

The refreshed Research and Innovation Strategies commit to enhancing the University's reputation for research through collaboration, commercialisation and connectivity. Identifying opportunities to engage in impactful research whilst supporting University researchers to maximise the potential of their research has been a key priority over the last year, drawing positive outcomes across a range of research specialisms.

The world's most complex and urgent challenges can only be tackled through coordinated international action. Recognising this, University staff are involved in global research efforts across areas ranging from digital health and social care to women's empowerment, with many supported through major funders and foundations. In 2021, a Teesside University Professor received a prestigious International Fellowship award from the Leverhulme Trust, allowing him to undertake a 5-month project with colleagues at the world-renowned Centre on Hate, Bias and Extremism at Ontario Tech University, Canada. The aim of this project was to improve understanding of how grassroots anti-fascists from across the spectrum have responded to far-right hate.



Regional and National Contribution

At Teesside University, our research reflects local challenges, including the increasing cost of living and a growing energy crisis, which continue to negatively impact the region. Over the last year we have been working with local partners and communities to develop solution-focussed studies that benefit our community. In-depth research carried out by the University, examining the growing problem of in-work poverty and the impact it has on people's health, has identified a clear link between in-work poverty and obesity, particularly among single parents. Further research conducted by Teesside University academics, in collaboration with Tees, Esk and Wear Valleys NHS Foundation Trust, the Centre for Translational Research in Public Health and Equally Well UK, marks a significant first step in identifying the impact that food insecurity can have on adults with severe mental illness. The outcome of this study will recommend how services can improve access to healthy, affordable food across the country.

The long-awaited publication of the government's Levelling Up White paper earlier this year presents a significant opportunity for the Tees Valley and the University in terms of driving research and policymaking. Acting as a collective voice for the Tees Valley through University research and policy engagement highlights regional challenges and identifies solutions which can be replicated to level up other areas across the country. Joint research from the University's Policy Think Tank and the Joseph Rowntree Foundation also looked at the financial implications for the region in comparison with previous funding from the European Union.

The University is leading on an ambitious £11m four-year project, Growing Teesside's Hydrogen Economy and Catalysing a Just Transition to Net Zero ('Collaborations in Research') in collaboration with Durham University. The project is funded with £4.8m from the Research England Development (RED) Fund, part of UK Research and Innovation, as well as funding from Teesside University, Durham University and industrial partners. Researchers from both universities will harness their complementary strengths in delivering this project.

Teesside University researchers have also been involved in a South Tees Arts Project which aims to improve the well-being of young people in deprived areas by increasing their access to the arts. The initiative has been shortlisted in the HSJ Partnership Awards 2022 under the category of Most Impactful Project Addressing Health Inequalities, recognising outstanding contribution to healthcare.

Teesside University joins a range of prestigious partners from industry, academia and the public sector, including Filtronic, the UK Space Industry and fellow researchers from across the region's universities, to help deliver on the government's ambition of capturing 10% of the global space market (estimated to be £490bn by 2030). The North East Space Leadership Group will initiate a new long-term strategy to support the development of the region's capabilities within the UK and global space industry.

The University's National Horizons Centre continues to pave the way for innovation and training in Biosciences and Healthcare. Through industry collaboration, we are able to make vital progress in discovering diseases earlier, developing novel treatments and delivering life-saving medicines quicker, safer and more affordably. Key successes for bids based at the NHC include large awards as part of a Horizon Europe consortium (£531,000) and the Academy of Medical Sciences (£100,000). Funding has also been secured from NHSX for a translational healthcare project and other funders such as The Royal Society, The Rosetrees Trust and Defence Science and Technology Laboratory. The THYME 2 project (partnership between Teesside, York and Hull Universities) continued to grow, securing £500,000 over thirteen projects. Industry-focussed PhD studentships have been secured with funding from AstraZeneca, the Northern BioAccelerator Partnership (Fujifilm, CPI), the Industrial Biotechnology Innovation Centre and Harts Biologicals. The Centre has also secured funding for the first spin out company via the Northern Accelerator.

Climate Change and Sustainability

Building on Teesside's 20 years of experience in research into environmental and sustainable engineering technologies, a new project has attracted funding to enable start-up company Stuff4Life to develop ways of recycling plastic polymers in collaboration with Teesside University.

Another innovative research project at Teesside University could play a major role in the fight against climate change by utilising an artificial soil to capture carbon dioxide. In support of our commitment to delivering research that aligns with regional and national priorities, the University is also working with e, an award-winning data science company based in the University's Launchpad, to decrease the harmful CO2 emissions arising from ports worldwide through new and improved analytical methods along with innovative prediction and prevention technology. The solutions resonate strongly with the UK government's Maritime 2050 strategy, the aim of which is to position the UK as a global leader in the maritime sector and a champion of clean maritime growth.

Research Excellence

The University is committed to supporting research-active staff to engage in collaborative and impactful research and has introduced a range of initiatives and interventions to develop a vibrant and collegial research community. Eleven fully funded PhD studentships have been established; a new seminar series for PGR students has commenced; a Research Sabbatical Scheme has been launched to release staff to undertake high quality research, with six confirmed to date; and a successful bid for an impact acceleration account (IAA) from the Arts and Humanities Research Council (AHRC) will support the development of impact and engagement activities with non-academic partners. It is the first IAA to be awarded to the University.

EU funding has also been secured, including a bid led by an academic in the School of Health & Life Sciences, which formed part of a successful consortium bid to the Horizon Europe Marie Skłodowska-Curie Doctoral Networks programme. Spanning thirteen leading universities, three research centres and eleven non-academic partners (ranging from SMEs to a large drug discovery company), the consortium – TClock4AD (Targeting Circadian Clock Dysfunction in Alzheimer's Disease) – will train fifteen early-stage researchers in novel approaches to the treatment of neurodegenerative diseases, including Alzheimer's disease.

A revised PhD recruitment process will align to external drivers, such as the Doctoral Training Alliance initiatives and OfS and Research England projects to improve access and participation for Black, Asian and Minority Ethnic (BAME) students in postgraduate research. One of these key initiatives is a new regional project funded by the OfS and aimed at supporting BAME students and staff. The £2.5m collaboration between the five north-east universities will work to tackle inequalities in Higher Education by building community and inclusion through a range of events, training and workshops. The project will strengthen the pathway for prospective and current students of colour across the north-east into academic employment focussed on four key areas: mental health, development, mentoring and admissions.

The University has also been successful in securing a large research grant of £284,000 from the AHRC to support collaborative research with partners in Germany; and a large Community Renewal Fund project with funding across the project partners of £722,000. The AHRC has also provided MIMA a substantial grant of £730,000 from its Capability for Collections Fund.

The results of establishing a robust structure to underpin research and scholarly activity is evidenced by the University's recently published REF 2021 outcomes showing that the University has made significant progress across all areas, including:

- > Increasing the FTE submitted to the previous REF from 87.2 (in 2014) to 240.1 (in 2021).
- > Improving the quality of research as measured by grade point average (GPA) from 2.58 to 2.76.
- > Increasing the proportion of work assessed as 3* and 4* (internationally excellent and world leading) from 58% in 2014 to 63% in 2021, and growing the proportion of 4* quality from 9% to 16%.
- > Having over 70% of the University's research impact assessed as internationally excellent or world leading.
- > Increasing the GPA measuring the quality of outputs (research papers/monographs etc.) from 2.6 in 2014 to 2.7 in 2021.
- > Increasing the research environment GPA from 2.2 in 2014 to 2.5 in 2021.

The University's reputation for excellence in research has also been recognised through successful funding awards, including from the Alan Turing Institute, the national institute for data science and artificial intelligence, enabling Teesside University to organise scientific outreach events to promote the use of AI. An award of £100,000 from the Academy of Medical Sciences is funding pioneering brain cancer research, which aims to advance diagnosis and treatments and could provide insight into other neurodegenerative diseases such as Alzheimer's.

Teesside University Academics have also secured commentary and thought leadership pieces in a range of specialist publications, and awards such as first prize in The British Association for the Study of Community Dentistry and Borrow Foundation Early Career Researcher Awards for a study into the impact of lockdown on oral health. The European Commission's HR Excellence in Research Award was retained by the University following a two-year self-assessment process; substantial positive feedback was received regarding the University's submission.

Key successes in 2021/22

- > Over 70% of the University's research impact, assessed as internationally excellent or world leading as part of REF 2021
- > The University almost doubled the volume of its 'world-leading' research, as well as significantly increasing the number of research active staff (REF2021)
- > The University successfully retained the European Commission's HR Excellence in Research Award
- > The University is a member of business and education partner collaboration to help deliver the government's ambition of capturing 10% of the global space market
- > Construction has commenced on the NetZero Industry Innovation Centre – a facility at the forefront of the green revolution.
- > The University is part of a new £2.5m collaboration between the five north-east universities which will work to tackle inequalities in access to Higher Education
- > Two successful research funding bids from the School of Arts & Creative Industries generated over £500,000 from the AHRC and the German Research Foundation (DFG)

Innovation

This year saw the launch of the University's Innovation Strategy that sits alongside the Research Strategy to deliver on the University's priorities for these areas. The University's Research and Innovation Strategies complement regional strengths in energy generation, bioscience and digital innovation and will contribute to the development of an innovative ecosystem.

Work as a member of the Northern Accelerator Group continues, with the University committed to supporting a Venture fund worth £1m over five years.

The new University Innovation Strategy, positions Teesside as an industry engaged university with a reputation for high quality applied research and is founded on five key drivers:

- > **Culture:** Create a positive and responsible research culture that supports and rewards a broad set of research and innovation outcomes and creates a generation of values-led researchers.
- > **Collaboration:** Grow commercial, academic, and international networks and strategic partnerships to develop reputation generating income and impact.
- > **Connectivity:** Strengthen and deepen relationships with external stakeholders.
- > **Commercialisation:** Translate our research and innovations for the economic, cultural and social benefit of users and develop the commercial skills of staff.
- > **Capacity:** Grow the numbers of research and innovation staff capacity and leadership capability to develop researchers that span the boundaries of academia and industry.

In support of the University's innovation agenda, we continue to work with regional, national and international partners to address global priorities and invest in the development of key strategic assets to generate results. Construction of the University's new Net Zero Industry Innovation Centre (NZIIC) is now underway. The new build demonstrates the University's commitment to support the drive for clean energy and the delivery of Net Zero ambitions for the region. A new Director has been appointed with a strong industry background and recognised expertise in carbon capture and hydrogen. Additional appointments will be made to support the centre at Professor and Associate Professor level, who will bring a wealth of knowledge and expertise in engineering, transitions and business. The build is estimated for completion in Spring 2023.

The University's growing reputation for its work around the Net Zero agenda has secured a new collaborative partnership with the Department for Science and Innovation in South Africa. The collaboration will harness expertise to explore opportunities to position our respective regions at the forefront of the green industrial revolution.

£270,000 The innovative work of Teesside University experts across many subject areas continues to be recognised across the world, including the recent 2020 Best Paper Award by the American Society of Mechanical Engineers (ASME). In recognition of the award, the author was invited by ASME to speak at the 2021 International Design and Engineering Technical Conferences.



Enterprise and Knowledge Exchange

Following the release of the University's Corporate Strategy 2027: Ambition Delivered Today, the Enterprise and Knowledge Exchange Strategic Plan sets out Teesside University's ambition to be an internationally recognised and engaged University delivering enterprise, innovation and impact.

Over the next five years, the portfolio will achieve this through:

- > **Acting as a catalyst** for business productivity and growth, engaging nationally and globally in sectors aligned to our academic strengths.
- > **Playing a leading role** in the regeneration of the local economy, enhanced and supported by widespread public engagement.
- > **Strengthening** employability through enterprise and business engagement.
- > **Driving** the development of our region's entrepreneurial ecosystem through a step-change in graduate start-up and scale-ups.
- > **Building** staff capacity and capability, ensuring a high-performing business engaged culture.

As an anchor institution, the University remains committed to supporting the Tees Valley as the region recovers from the impact of the pandemic to become stronger than ever. The University will continue to lead the region as a driver for positive change, a catalyst for economic growth and a magnet for global investment.

Despite the challenges of the last twelve months, the University has continued to inspire students to become the leaders of tomorrow, supporting them to seize opportunities to engage with employers, to broaden their horizons through volunteering, placements, and study abroad options.

The portfolio has been re-titled Enterprise and Knowledge Exchange (EKE), reflecting the prioritisation of this agenda through the development of effective and sustainable partnerships to enhance collaborative working and enterprise activity.



Commercialisation

The financial challenges facing the sector over the last few years have necessitated a diversification of income, across non-fee generated streams. TU Innovation and Enterprise Limited has been established to increase income through intellectual property (IP), spin-out and start-up opportunities, alongside leading on wider business engagement and commercial partnerships.

A key workstream under the commercialisation arm of EKE is the development of a Teesside University campus in London. A site for the campus has been identified and developments continue to progress.

Knowledge Exchange

Increasing the University's knowledge exchange activity is a key priority in driving forward the innovation agenda, and developing robust partnerships is the foundation for this. Renowned for its partnership work in the Tees Valley and beyond, the University continues to leverage high-impact collaborations to deliver results.

An existing Knowledge Transfer Partnership (KTP) with local recycling firm, Scott Bros has made a major breakthrough in its quest to produce a commercial cementitious product engineered from recycled clay. The new discovery has the potential to make a major contribution to reducing the carbon footprint of the building industry.

Key progress is being made on a KTP between The Algorithm People and Teesside University, who are working together to create a solution for dynamic vehicle-to-vehicle optimisation, which has the potential to transform final-mile deliveries and eliminate back-to-base reloading.

A new initiative with long-term strategic partner Thirteen Housing, has successfully created a 3D virtual reality model of an energy efficient home. The 'Towards a Greener Tees Valley' initiative has already brought more than £700,000 of funding into the region to help develop green projects, and to better understand some of the challenges that the green agenda poses, especially for social housing.

A new partnership between the University and Industrial Technology Systems Limited; a specialist automation systems engineering company based in Middlesbrough, will work collaboratively to address the challenges of Industry 4.0 and automation. This partnership will harness key university vehicles, including the Industrial Digitalisation Centre, the National Horizons Centre and the Tees Valley Hydrogen Innovation Project to generate forward-thinking and innovative global business solutions

In recognition of Teesside University's commitment to its partners and customers, the University has been re-accredited with the Customer First Accreditation for the seventh time in a row. The audit recognised institutional strengths across partnerships; the benefits of an in-house CRM System during the pandemic; and the approach to management of strategic priorities including the Law Clinic and Launchpad.



Skills Agenda

The University continues to work with local and national partners to address skills shortages across the region and beyond. This year, the University hosted the 2022 CyberFirst Girls Competition, with 7,000 girls from hundreds of schools completing a series of cyber challenges as part of the national competition.

Ahead of this year's International Women in Engineering Day, the University also hosted a Women's Engineering Society (WES) Event, which showcased the work being carried out by women in university engineering departments across the north-east.

Aligned to University priorities to help plug regional skills gaps and contribute to national energy priorities, the University is working with international law firm, Stephenson Harwood, global consultancy HKA and Wilton Universal Group to launch the first UK Renewable Academy. Based in Teesside, the UK Renewable Academy will offer UK professionals insight and training into all aspects of this industry; and will play a fundamental role in opening access to the renewable energy sector and, specifically, offshore wind and hydrogen.

The University has recently been confirmed as one of just 22 higher education institutions to receive a share of £2m of OfS funding to develop a wide range of short courses which will provide more flexible learning opportunities for students. Teesside's successful bid will allow it to develop courses in digital innovation, net zero and sustainable engineering and healthcare. The courses will be delivered with a range of partners, including the North East England Chamber of Commerce, Siemens, Northumbrian Water, North Tees and Hartlepool NHS Foundation Trust, Sofia Offshore Windfarm and PD Ports.

The University's apprenticeship provision continues to grow, with over 1,500 apprentices now on Teesside University programmes. In order to support current cohorts and further growth in this area, the University has established a central Apprenticeships Unit, headed up by a Director of Higher and Degree Apprenticeships who leads on this strategic priority.

Regional Contribution

As the region attempts to overcome the impact of the pandemic, against a backdrop of significant increases in the cost of living, the contribution of the University to regional priorities is more important than ever. Acting as a lead partner on national initiatives, such as levelling-up and brokering strategic alliances that will benefit the region whilst making a national contribution to key agendas such as renewable energy, are a principal focus in the regeneration of the Tees Valley.

The University continues to support regional initiatives, including the Tees Valley Freeport development, through the Teesworks Skills Academy. Since its launch in 2020, the Academy – a partnership between further education colleges, the Learning Curve Group, and Teesside University – has worked with more than 80 companies across the region, training over 500 people and securing employment for 350.

The University, in partnership with the Tees Valley Combined Authority (TVCA) are working to develop a new Hydrogen Transport Hub at Teesside International Airport, which will form an innovation campus focused on clean energy research and development for cars, buses, trains, lorries, boats and planes. The refuelling station will serve hydrogen-powered vehicles based in the Tees Valley under a £2.5m trial, announced as the first of its kind by government.

Following the recent achievement of the Small Business Charter Award, which recognises business schools that deliver expert support to small businesses and local economies, the Teesside University International Business School is now part of a major national management training programme. The Help to Grow Management Programme aims to help talented business leaders innovate and grow their business, driving our economic recovery from the pandemic.

A new programme to support future generations of female students in the region has been launched this year. The Professor Jane Turner Legacy Programme, established in memory of the late Professor Jane Turner, who was a passionate advocate for young women in the region, will award an annual Scholarship of £3,000 to an exceptional female undergraduate student from the Tees Valley, applying to the Teesside University International Business School.

MIMA is playing a key role in helping the town achieve its cultural and creative ambitions as part of a £5m programme to improve wellbeing, access to arts and culture, attract visitors, and support the town's economy. Access to the world-class Middlesbrough Collection at MIMA is being enhanced for visitors and researchers through new spaces and displays. The gallery will also develop its community and learning spaces and create a new pavilion for children and families in its urban garden.

This year the University has also hosted the first Business Exchange meeting of 2022 featuring Helena Langdon, the former head of Digital and Communities at Innocent, providing some insight into customer retention and branding to an audience of regional businesses; and the Tees Valley Business Summit that welcomed more than 90 organisations from across the region.

Digital

The burgeoning growth of the tech sector across the region offers the potential for Teesside University to forge new relationships, building upon the University's strong expertise and reputation for working with firms in this area. Recent developments for the University include a new strategic partnership with IT solutions provider razorblue, which aims to work across a broad range of areas including student recruitment, joint research, and the development of academic and training programmes.

Following the recent publication of the TVCA 10-year Digital Strategy, the University is exploring opportunities for collaboration with TVCA and other key digital partners.

In support of this growing sector, the University's flagship DigitalCity again sponsored the annual Tees Tech Awards, showcasing the achievements of the local digital sector. The 2021 Tees Tech Awards attracted 114 entries and nominations – a 35% increase on the previous year; and celebrated two Teesside University staff members who were finalists for the Tech Ambassador of the Year, with the Director of DigitalCity awarded first place.

Student Futures

This year has been a challenging time for graduating cohorts seeking employment in a post-Covid market. The University has continued to work with students to maximise their prospects through enhanced provision of placement opportunities, training, and skills development, and worked closely with our business network to identify sponsorship, internship, and permanent employment opportunities.

This focus on industry engagement for the benefit of our students is the cornerstone of our student futures strategy and continues to generate results, including our expanding scholarships portfolio, sponsored by local businesses and alumni:

- > The Dean Benson Scholarship (CEO, Visualsoft)
- > The Franc Roddam Scholarship (Director, *Quadrophenia, Auf Wiedersehen, Pet*)
- > The Beth Mead Scholarship (Beth Mead, Footballer England)
- > The George Friend Scholarship (George Friend, Footballer)
- > The Paul Rodgers Scholarship (Paul Rodgers, Singer, songwriter)
- > The Creative Assembly Legacy Scholarship offers mentorship and financial support to two students during their studies.

A new partnership will see the University of Law (ULaw) provide specialist training opportunities to Teesside University law graduates. The two institutions will collaborate to offer expert training to shape the next generation of qualified legal professionals. As part of the agreement, Teesside University graduates will be able to access a tailored support package provided by ULaw that will assist them in transitioning to the next stage of solicitor qualification.

An optimisation strategy is also in place to support the graduating cohort, with more than 75 internships confirmed this summer. A Graduate Space platform has also been developed to provide self-help guidance, including careers advice and guidance on a 24/7 basis.

Enterprise

Increasing the options available for students upon graduation, the University has invested in the expansion of the enterprise offer. The newly refurbished Launchpad has now reopened in full, offering:

- > A growing number of clients taking up co-working space, in the new Assembly Hall space, with membership now at 48 desks, users include Reach plc, Rolls Royce, MT Connected and Decerna, creating opportunities to connect businesses with our graduate start up founders. Twelve graduate businesses are in new starter offices, from artificial intelligence to wellbeing they benefit from high quality space and support.
- > Six video games studios are being supported in the new "PowerUp" Games Accelerator wing accessing 12 seat studios, PCs, software and industry mentoring.

Our new micro factory spaces are supporting a diverse range of social impact businesses including Furbdit addressing digital poverty through recycling IT kit and Seams Studio making clothing for life as an antidote to fast fashion. A new role, sponsored by university partner Thirteen Housing, will support the growth of enterprise activity in the community and secure the active engagement of Teesside University students. The Social Enterprise Activator role will help to deliver innovative social enterprises which will help to make a difference within their communities.

Key successes in 2021/22

- > Secured new funding for projects addressing a national skills shortage in AI and data sciences
- > Member of global group to launch the first UK Renewable Academy
- > Over 75 internships confirmed for Summer 2022
- > Customer First Accreditation retained, for the seventh time in a row
- > Over 1,500 apprentices now studying at Teesside University

Teesside
International
Airport

Departures



International

Following the release of the University's Corporate Strategy 2027: Ambition Delivered Today, the International Strategic Plan, sets out Teesside University's ambition to be a global institution that provides an excellent international experience through partnerships and networks across the world.

Over the next five years, the portfolio will achieve this through:

- > **Diversifying** and enriching the University by recruiting students and staff from across the world.
- > **Developing** mutually beneficial strategic transnational education partnerships.
- > **Encouraging** our students to become global citizens by creating international opportunities throughout their University experience.
- > **Supporting** and enhancing all aspects of student life, maintaining consistently high levels of international student satisfaction and achievement.
- > **Facilitating** international research and knowledge exchange.

Whilst the UK recovers from the pandemic, some locations across the world continue to be significantly impacted through travel restrictions and economic decline, presenting a range of challenges for partnership activity and students enrolled on campus. Students from China have been largely unable to return to the UK, however, continued growth in students from new markets has generated a vibrant global community on campus.





TU Global

Unprecedented market forces have seen another year of substantial applications from international students to the UK, reflected in the University's 2021/22 international student numbers of circa 5,700, exceeding the target for the year by 38%.

2022/23 is forecast to be another busy year for admissions at the University, with sustained high levels of interest from Africa and South Asia. A range of key process enhancements have been implemented, which will allow the University to be proactive in terms of selection, securing higher quality applicants at an earlier stage in the process.

Prior investment in the University's regional offices has proved fruitful this year with each making a significant contribution to the increase in recruitment for the 2021/22 academic year, overcoming local challenges around travel and other restrictions to support students applying to and enrolling at Teesside.

Global Mobility

The global mobility agenda, a key delivery mechanism of the University's Future-Facing Learning approach, continues to progress at pace, with a new portfolio of activity for students this year, and a refreshed Summer Abroad offer for partners after two years of travel restrictions.

The University was awarded £34,000 from the national Turing Scheme funding initiative to support 25 students to engage in global mobility experiences in India, China, Malaysia, the US and Czech Republic.

Work to expand the University's global mobility offer continued throughout the year, with opportunities offered with partners overseas in development across Schools. Virtual mobility experiences offered during the pandemic are being continued due to their success and popularity amongst students, including a virtual exchange programme with a partner in Finland, and an online internship initiative offering students the opportunity to work with the government, NGOs and charities in Fiji.

The School of Arts & Creative Industries has mobility plans with Prague City University for Graphic Design and Fine Arts; has recently signed a partnership agreement with Atlas Skilltech and is exploring mobility opportunities in India.

Engagement

The implementation of a robust Communications and Engagement Plan has seen a significant increase in staff showcasing the work of Teesside University through sector engagement and contributions to national and global agendas.

The Pro Vice-Chancellor (International) and Director of International Development secured invitations to key roundtable events this year to discuss the challenges ahead for international recruitment, including diversification of markets; the impact of the pandemic on recruitment from key markets; the increase in global competition; the future of mobility, and cross-cutting research opportunities.

Colleagues from across the University have been featured at a range of events throughout the year, highlighting the University's strengths in partnerships, and student satisfaction and performance, including keynote speakers and panel members at the BUTEX (British Universities Transnational Exchange) 16th International Conference and the NAFFSA: Association of International Educators 2022 Conference. A Social Sciences & Psychology event, SIUK Poland welcomed Teesside University staff showcasing the University's world-class learning environment; and a webinar hosted by education consultancy, BridgeU, highlighted the University's Social Inclusion accolade to demonstrate how the University supports its students around this agenda.

A Teesside University academic was also a featured speaker at a recent Women in STEM event, hosted by British Council Malaysia. The event was delivered in collaboration with Malaysian Biotechnology Information Centre (MABIC) and Science Media Centre Malaysia (SMC), entitled "Celebrate the Difference: Women in STEM Webinar 2022".

As a pioneer of global education, the University supports international efforts to address universal challenges and priorities. Through our international research collaboration and partnerships, and our global community across the world, we play an active role in responding to global issues.

The University has been saddened by ongoing situations across the world that threaten the freedom of individuals and our thoughts remain with all of those affected by economic, social and political unrest. As a member of the Council for At-Risk Academics (CARA), the University continues to engage with its global networks to facilitate the swift implementation of initiatives to support those affected.

The University is working with students and staff affected by crises through the provision of support and counselling. In addition to our Sanctuary Scholarship offer, the University is also seeking to become a University of Sanctuary, to support refugees to access education.

Student Support and Satisfaction

We will continue to support our students through their learning journey, embedding internationalisation across the University, promoting global mobility and projects, and the integration of an increasingly diverse student body.

The University was delighted to welcome those international students able to travel back to campus last year, hosting a range of events to promote integration and engagement. A new induction event for all students, Teesside Calling, was introduced in September to mark the start of the academic year with activities, and entertainment.

An informal welcome event for international students was held as well as a series of virtual sessions for those students unable to travel to campus to support them through the enrolment and induction process, with pre-departure webinars; online induction events; and sessions for students required to quarantine on arrival.

The University celebrated its biggest ever international student celebration event, welcoming 1,500 guests, delivered in partnership with Teesside University Student's Union. The celebration received very positive feedback and was an excellent representation of the diversity of the campus with more international students attending than ever before.

Teesside University continues to support students to achieve their potential through new initiatives to help increase confidence, share experiences and develop personal skills and attributes, including the School of Art & Creative Industries World Storytelling Day – a special international celebration of creative storytelling with participation from alumni, partners, staff and students; and the International Business Schools Know My Country series showcasing and celebrating the many nationalities and cultures in the School. Students and staff were invited to discuss the culture, traditions, food and geography of their home countries.

Scholarships

The Teesside University Scholarship portfolio supports students to study at the University, who may not have this opportunity otherwise; developing their personal and professional skills to become ambassadors for the University in the future. The Vice-Chancellor's Scholarships are the most prestigious of these, awarded to outstanding students in their field with significant potential. An evaluation of student outcomes¹ for the participants of the scholarship conducted last year was extremely positive, showing 12 out of 13 graduating students from the September 2020 intake awarded with strong degree classifications. This followed strong results reported the previous year.

A former Vice-Chancellor's Scholar, from China, recently won the "best children Short Film Award" of the 16th Cyprus International Film Festival. The film was selected from over 1,000 entries and explores how to protect; pay attention to; and listen to children. The film also won the "best public service short film award" of the 3rd Hong Kong International Youth Film Festival and the "best plot Short Film Award" of the 5th Prague International Film Festival.

In recognition of the increasing scholarship portfolio at the University, recipients were honoured at a lunch event hosted by the Vice-Chancellor to celebrate their achievements earlier this year. Invited students represented a range of global scholarships, including the British Council Women in STEM, British Council GREAT, Chevening, Sanctuary, Office for Students and the Teesside University Vice-Chancellor's Scholarship.

International Student Barometer

Providing an outstanding student experience to all of our students is at the heart of everything we do at Teesside University and in recognition of this commitment, the University has recently been voted as number one in the UK and globally for international student satisfaction².

It is particularly rewarding to attain good results around areas such as student support, IT and learning technology, which have been increasingly important during the pandemic. Over 96% of students were happy with our international student life support team and counselling services; and 97% were satisfied with accessing online learning materials. Maintaining this position against a backdrop of increasing student numbers is a significant achievement.

These results consolidate the University's first place UK ranking for the sixth consecutive year, demonstrating the positive impact the Teesside University student experience has on its students, supporting them to grow in confidence and resilience. This year, two of the University's international students were invited to speak at a sector-wide event delivered by international education specialist i-Graduate, considering the student perspective in the development of government and institutional policy and strategy.

In Southeast Asia, two Teesside University graduates were finalists in the British Council's Study UK Alumni Awards 2022. The shortlisted candidates were recognised as leaders in their fields who had used their experience of studying at a UK university to make a positive contribution to their communities, industries and countries.

And for the first time in the University's history, three international students have been elected to serve as Officers representing the student body at Teesside University Student's Union, following a record election turnout this year.



Transnational Education

Whilst the pace of transnational education (TNE) developments has inevitably slowed following restrictions around travel, the international portfolio has continued to engage effectively with global partners, applying innovative methods to enhance partnerships and the Teesside University student experience across the world.

This creative partnership working has been underpinned by digitally-enabled learning – a key strength of the University and one that positioned us well to respond to the pandemic. The School of Health & Life Sciences launched an occupational therapy virtual placement with an online learning week based at ZWAH Switzerland; and delivered a virtual symposium with Universiti Teknologi MARA in Malaysia, attended by over 250 health professionals and academics.

Other partner events included a Food Science and Technology for the Future event attended by 40 aspiring food scientists and technologists from Universitas Prasetiya Mulya, one of the leading private universities in Indonesia; and a Philippines Study World online webinar, which welcomed more than 90 participants from universities in the Philippines to discuss different aspects of Cybersecurity.

Despite restrictions, many of our TNE partners have been able to progress with planned cohorts, including business courses at the Management Development Institute of Singapore (MDIS) in Tashkent, a third intake for the School of Art and Creative Industries from Vishwaniketan, India; and Computer Science courses at First City University (FCU), Malaysia. Additional support has been offered to partners in locations experiencing challenges returning to business-as-usual operations, including Sri Lanka and China.

The University and its partners were pleased to recommence international graduation events this year, with FCU the first partner to host an event celebrating the graduation of their first Teesside University cohort. Amity University in Singapore also celebrated their first graduation ceremony for Teesside University students, with the Pro Vice-Chancellor (International) a distinguished guest who provided a formal address to the graduands, guests and staff.

The MDIS Graduation event took place earlier this year, with the Vice-Chancellor and the Pro Vice-Chancellors for International and Learning & Teaching in attendance. The prestigious event was promoted globally, and a list of graduates was published in the national press in Singapore.

Partnership Working

The University continued to support international partners and students across the world throughout a challenging year. As travel restrictions were lifted earlier this year for most of our partner countries, staff from the University have been able to start reconnecting with networks across the world.

The International Business School worked proactively during lockdown with partner Sanjay Ghodawat University (SGU) in India to develop the Disaster Management Recovery programme, for which SGU has now received British Council funding to promote this across key markets. It is one of only three universities in India to have received such a grant from the British Council.

A new partnership with RV University in India will see students from both institutions benefit from the exchange of scholarly ideas and expertise as well as developmental programmes. It enables student exchange programmes and advance entry from one institution to the other where students are appropriately qualified.

Quality Provision

The University has signed up to the new Quality Assurance Agency (QAA) kitemark scheme, which will be regarded globally as an indicator of robust quality assurance processes and will enhance our global reputation, particularly when developing TNE partnerships.

The University's partnership with British Applied College, a partnership developed during the pandemic, has been identified as a good practice case study by the QAA. The study will focus on the response to the impact of Covid19 on the planned partnership approval processes held in 2020 as part of the United Arab Emirates review outputs. As Teesside University's first partner based in the Gulf this is a very positive step and one which offers significant opportunity in the years ahead.

The BSc (Hons) Healthcare Management (Top-up) TNE degree delivered at MDIS on behalf of the School of Health & Life Sciences has been successfully accredited by The Chartered Management Institute (CMI). The course is dual accredited by CMI, allowing students to become affiliate members and receive an additional professional qualification – a CMI Level 5 Certificate in Management and Leadership – upon successful completion of their programme. Students and staff at MDIS will be able to access the learning resources on the CMI portal and the students also use the CMI connections to improve and increase their employability prospects.

1 Internal evaluation, Legal & Governance Services, 2021

2 Based on the views of 1295 students within a global survey response of 92,019 students.

More info at: <https://www.tribalgroup.com/participants-in-the-2021-1sb>

3 178 colleges considered. Find out more at tees.ac.uk/source

Key successes in 2021/22

- > Ranked number one in the UK and globally for international student satisfaction.
- > 3rd place ranking in the UK in the Animation Career Review International Animation School Rankings³
- > Celebrated inaugural graduation ceremonies with First City University and Amity University
- > Successful growth of scholarships portfolio to offer ten different awards for prospective students

Resources and Business Management

The 2022 Resources and Business Management Plans and Activities have been effectively and efficiently delivered during the year by the Services within the Chief Operating Officer Portfolio and all Portfolio KPIs have been achieved.

The strategic aims of the Resources and Business Management (RBM) Strategy 2027 are to:

- > **ensure** the financial resilience, sustainability and investment capability of the University
- > **deliver and sustain** a future facing workforce
- > **grow** student numbers and revenue and enhance the Teesside University brand
- > **continue to transform** the University campus, ensuring it is high quality, smart and sustainable
- > **continue to drive** the University Business Change and Improvement programme (BCIP) including delivery of best in class Strategic and Professional Services
- > **deliver excellent** University and Group Governance and Compliance
- > **ensure** IT and Digital activities are at the heart of University development, innovation and change.



To ensure University resilience, investment and growth, drive strategic transformation and change, support academic excellence, and maximise the student experience.





2021/22 Resources and Business Management key performance indicators performance

The RBM Strategy is delivered by our professional services (including Department of Apprenticeships, Business Change & Improvement Programme, Campus Services, Finance, Human Resources, IT & Digital Services, Legal & Governance Services, Student Recruitment & Marketing and TU Online), who continue to keep the University safe and sustainable, secure investment and growth, drive service excellence and support academic excellence and the student and graduate experience. Working in collaboration with University colleagues to operationalise the delivery of our plans to enable a safe and effective return to campus and face to face teaching and staff agile and hybrid working.

Our overall position continues to be extremely strong with 100% of the target key performance indicators (KPIs) set out in the RBM strategy achieved.

KPI	Target	Actual	RAG Rating
Total student enrolments (FTE)	17,709	18,376	●
Minimum Cash Surplus of 8% (EBITDA/Turnover)	8%	14.9%	●
Cash Balance minimum of £35m at year end*	£35m	£85.3m	●
Minimum Annual Surplus (as % of turnover) of 5%**	5%	5.4%	●
Pay: Income Ratio	56.2%	50.6%	●
Student: Staff Ratio	17.4	17.1	●
Services and Facilities Spend (per student)	£2,716	£2,821	●
Maintain Investors in People	Maintain Gold status	Maintained Gold status	●
Overall Staff Satisfaction	75%	76.2%	●

* includes £0.5m held on deposit under the loan set off arrangement with Lloyds.

** excludes measurement adjustments for defined pension schemes and holiday pay

Apprenticeships

The policy context remains strong around apprenticeships with all major political parties continuing to communicate positive support in this key area. Growth and expansion of apprenticeships to support the national agenda remains a key University strategic priority.

This year a major review of apprenticeships has been undertaken and a new Director of Apprenticeships appointed. This has enabled the University to implement a new operating model delivering transformation across the following critical pathways: system & processes; quality; teaching and learning; partnerships and development; marketing and communications; and staff training and development. This new operating model will enable us to innovate, expand our provision and ensure that our apprenticeships remain of the highest quality that deliver positive outcomes for employers and apprentices.

Teesside University is now one of the largest providers of Higher and Degree Apprenticeships in the country, delivering 23 different apprenticeship pathways, including eight new programmes and the launch of the UK's first master's level apprenticeship in Curating (securing partnerships with the National Trust and The Tate).

As a result of these efforts there has been a significant increase in apprenticeship starts and income:

- > Delivered an increase on 2021/22 apprenticeship start targets
 - 752 fte new apprentice starts with the total number of apprentices on programmes at 1,303 fte.
 - Welcomed 519 fte new apprentices across 14 different apprenticeship pathways in the School of Health and Life Sciences (becoming essential partner of NHS and private Health Care providers).
 - Welcomed 113 fte new trainees onto the Police Constable Degree Apprenticeship Programme with Cleveland Police.
 - delivered apprenticeships to 176 employers across the region (including on-boarding of 105 new employers).
- > Apprenticeship income in 2021/22 is £8.0m (2020/21: £5.7m), a 40% increase on the previous year and 20% above the 2021/22 target.

We continue to help shape the national policy landscape, as well as commissioning an academic review of Apprenticeship Delivery (in partnership with Advance HE), staff from the University have taken part in a ministerial roundtable on apprenticeship reform and delivered 18 external events and workshops as part of National Apprenticeship Week.

Business Change & Improvement Programme

The Department of Business Change, Improvement and Projects has continued to support the achievement of the University's Corporate Strategy by driving forward delivery of the University's BCIP Programme – a suite of projects which aims to deliver a step change in strategic activities and performance, resulting in improvements across the University linked to structure, infrastructure, culture and processes.

BCIP Programme Themes:

- > Transforming our Operations: implementing and embedding the Teesside University Operating Model - analysing structures, systems and processes to look at how the University can be best organised to deliver our Corporate Strategy.
- > Transforming our Student Learning Experience: delivering Academic Excellence - continuing to improve metrics and modernising the academic delivery model.
- > Transforming our Service Delivery: delivering Service Excellence – ensuring services are best in class, delivering an excellent provision to students, staff and stakeholders.
- > Transforming our Campus: delivering a step change in the quality of the campus environment.
- > Transforming our Digital Offering: digitally empowering and upskilling staff and students.
- > Transforming our People, Organisational Development and Communications: supporting people through change and ensuring communications and engagement are effective.

Our ambitious programme continues to be realised through a coordinated and holistic approach and is supported by a culture of continuous improvement.

Developments and achievements during the year include:

- > Driving forward delivery of 40 strategic change projects, utilising the BCIP Project Management Framework (PMF).
- > Continuing roll out of key University systems to enhance the student experience and support the management and resolution of student enquiries including: the Enquiry Management System (EMS); and MyBookings, our appointment booking system.
- > Undertaking a number of process and system reviews resulting in improvements to ways of working, including: a review of the higher and degree apprenticeships operating model; school administration systems and processes; school reception operations and offer; our part time offer to students and enrolment processes.
- > Delivering projects focused on enhancing our students' support experience through the development of the University's Student Life concept and offer.
- > Supporting University Schools to drive forward their strategic priorities, including developing new state of the art facilities; reviewing and refining operating models; and the delivery of projects linked to increasing social and economic impact.
- > Establishing BCIPs Continuous Improvement offer and leading in the coordination of operational activities to positively impact on effective working and performance across the University.

Campus Services

Our commitment to providing an outstanding student experience through an innovative learning environment and state of the art facilities continues with the transformation of our campus.

This year, we have remained dedicated to our Campus Masterplan vision and continue to enhance our campus and communities, including:

- > Completion of 80 minor capital projects, including the conclusion of a five-year refurbishment programme for all general-purpose teaching rooms.
- > major refurbishment and repurposing of Darlington Campus
- > Commencement of Phase 2 Campus Masterplan projects, circa £110m over the next three years, including:
 - development of a new postgraduate facility
 - Net Zero Industry Innovation Centre research facility
 - BIOS medical facility
 - development of Digital Life facility to enhance Digital Offer.

The University was named National Client of the year at the Construction Excellence awards for its outstanding collaborative work on the Cornell Quarter student residential accommodation.

We remain committed to environmental sustainability and have:

- > continued to reduce carbon emissions with further implementation of the University's Decarbonisation plan.
- > maintained zero waste to landfill.
- > continued to review energy procurement to generate efficiency savings in challenging market conditions.

Focussed on delivering an outstanding student experience we have:

- > successfully implemented individual student timetables including 15,287 planned activities across all Schools.
- > continued to develop our emergency response app Safezone currently used by circa 7,000 students and University staff.
- > successfully introduced new international food offers, providing food and beverages to staff and students with circa 275,000 transactions during the year.

Finance

The Financial Strategy is a key driver in the delivery of Teesside 2027 and the Resources and Business Management Strategy. A range of increasing cost pressures emerged during the financial year particularly general inflationary pressure and energy prices and for 2022/23 will also include pay pressures.

Despite the challenges, University financial performance remains excellent with all financial KPIs exceeded in 2021/22. This performance ensures the financial foundations of the University remain robust and resilient as we look ahead to what is anticipated to be another challenging financial year in 2022/23.

This position, particularly the strong University cash surplus position and I&E margin, will again enable strong revenue and capital investment to be deployed to support our corporate strategy.

The University financial planning processes enable scenarios to be rapidly and robustly stress tested as they emerge. The 2022/23 Budget and three-year forecast continue to deliver the objectives of the University Financial Strategy (financial resilience, sustainability and investment) and enables management of downside scenarios whilst maximising financial flexibility. The ability of the University to rapidly flex its finances and operations will continue to be important in being able to respond effectively to the student recruitment market and inflationary cost pressures.

Key achievements during 2021/22 include:

- > Full review of the credit control processes for the recovery of academic and non-academic debt. Investment in system development enabled automation of the new credit control processes, including reminder letters and the calculation of the bad debt provision which both went live in November 2021. This system development was essential to support the significant growth in fee paying international students versus the full time home undergraduate students whose fees are paid to the University via the Student Loan Company.
- > Investment in debtor reporting through the University's Qlik view reporting system providing the ability to analyse data relating to debtors, which has supported a full review of the Bad Debt Policy and given us a full year of data to support trend analysis in 2022/23.
- > Investment in the monthly management accounts reporting process to enable Group consolidated reporting from the Finance system.
- > Implementation of multi-year budgets from 2022/23 within the Finance system.
- > Tuition Fee Planner developed within the University Planning Tool for the 2022/23 - 3 year forecast for student numbers, tuition fees and student related expenditure.
- > Full review of the asset management system and processes in respect of IT equipment with ITDS across the University's Schools and Services enabling ITDS to reclaim and redeploy desk top devices released by the investment of laptops to support hybrid working during the pandemic and providing more accurate forecasting of Technical Refresh for Business Planning.
- > Applicant Booking system self-service launched in September 2022, enabling applicants to access and book appointments 24 hours a day.

During the year Finance have continued to support colleagues in Academic Registry, Communications & Development, Schools and Student Recruitment & Marketing in the development of system initiatives to maintain and enhance the continuity of service throughout the applicant and student journey.



Human Resources

The University's aim is to deliver and sustain a future facing workforce. Examples of some of the projects and developments delivered during 2021/22 are detailed below.

> Enhanced Recruitment and Selection

Following a major review of the University's approach to recruitment and selection, a range of developments have been implemented to provide a more effective response to an increasingly challenging employment market. Key changes have included: streamlining all processes, more bespoke campaigns using an internal agency approach, creative use of social media, values-based selection, the implementation of new key performance indicators for this area, and comprehensive on-line guidance for recruiting managers.

> HR Digital

Increased use of technology to support all staff has included delivery of a new fully automated sickness absence system with more accurate reporting, email alerts for managers to ensure they follow due process and the opportunity for staff to access their full sickness absence record on-line. On-line total reward statements for all staff are now available and a new on-line staff benefits platform has been introduced with over 900 staff now registered. Work on a fully on-line PDPR scheme is scheduled for 2022/23.

> Supporting Our People

Continuing the institution's commitment to supporting all its employees, the University launched a new Employee Assistance Programme providing 24/7 counselling support and advice and guidance on financial planning, bereavement and other challenges facing staff in their everyday lives. Key equality, diversity and inclusion achievements have included retention of our Disability Confident Leader status, the introduction of Reasonable Adjustment Passports, a university-wide TU Proud campaign which contributed to the Stonewall Silver Employer Award and a relaunch of the University's staff focus groups and EDI Executive Champions. The University also achieved the Better Health at Work Award (Maintaining Excellence) recognising its commitment to staff health and wellbeing and particularly its work on mental health initiatives.

> HR Strategic Projects

Eight new Strategic HR Projects have also been developed to support the University's corporate objectives and enhance the University's position as an employer of choice as follows:

- **Academic Excellence** – to maximise the effectiveness of the academic workforce through the creation of a new academic workload model.
- **TU London** – to deliver the staffing elements of the new London campus.
- **New Target Operating Models** – to establish clear and effective target operating models for the University's income generating units. (Phase 1 complete)
- **Evaluation of Hybrid Working** – to create a future proofed hybrid-working model for the University. (Phase 1 complete)
- **Recruitment and Retention** – to enhance the University's position as an employer to support effective recruitment and retention.
- **Growing our Own** – to deliver home grown talent to support the future facing workforce.
- **Employee Engagement and Communication** – to fully embed the Team Teesside approach through effective employee engagement.
- **Delivering an Agile Workforce** – to create maximum agility within the University's workforce.

Building on the success to date, these projects together with ongoing enhancements to the people provision will be the primary focus for 2022/23.

Trade unions

The University recognises UCU and UNISON as trade unions for collective bargaining purposes.

In accordance with the Trade Union (Facility Time Publication Requirements) Regulations 2017 the Facility Time report for both UCU and UNISON for 2021/22 at Teesside University was as follows:

- > trade union representatives: 23 (2020/21: 22)

- > FTE trade union representatives: 21.12 (2020/21: 20.12)

- > overall facility time (as % FTE of working time): 3.17 FTE (2020/21 3.14 FTE)
 - 0% of working hours: 1 representative (2020/21: 1)
 - 1% - 50% of working hours: 20 representatives (2020/21: 19)
 - 51% - 99% of working hours: 0 representatives (2020/21: 0)
 - 100% of working hours: 2 representatives (2020/21: 2)

- > percentage of total pay spent on facility time: 0.17% (2020/21: 0.16%)

- > percentage of total paid facility time hours spent on paid Teesside University activities: 2.94% (2020/21: 2.97%).

Information Technology & Digital Services

Information Technology & Digital Services (ITDS) continues to effectively support the expanding IT and digital infrastructure of the University, offering support and advice to students and staff across the institution, and facilitating the delivery of the corporate strategy.

Information systems

Major development projects include:

- > MyTU redevelopment and launch including a new mobile app, with over 7 million page hits
- > Development and launch of Student Info Hubs as part of a cross-organisational project
- > MyBookings self-service launching in September 2022, enabling students to access and book appointments 24 hours a day
- > Launch of a series of management information reports and system enhancements supporting University Assurance activities for hardware and software asset management
- > Update and support of rollover activity for the next academic year on key operational systems, including SITS, Blackboard Ultra, Accommodation, Academic Work loading and CRM systems.

Infrastructure Services

Key highlights include:

- > Implementation technology upgrades to the Campus and Commercial Firewalls to provide additional cyber security protection, the University's Wi Fi service to improve resilience and performance and completed first phase of the corporate data centre upgrade
- > Upgraded over 38,000 network access ports across 10 buildings
- > Network updates to 11 buildings and 22 comms rooms
- > Improved security for the University's systems and users:
 - Roll out of Multi-Factor Authentication to around 7,000 users
 - Continuous cyber monitoring with over 700 detections, identifying and dealing with 48 security incidents
 - Undertaking annual penetration testing and phishing exercises to improve the security of systems and users.

Client Services

Key highlights include:

- > Resolved over 41,000 incidents and service requests
- > Handled over 17,000 phone calls
- > Customer Satisfaction rating average of 4.6 out of 5.0
- > Planned and deployed student iPads to 4,000 students
- > Supported the integration of Study Group staff and students into TU life
- > Rollout of MyDigitalLife, providing training and development activities for students and staff, including 15 workshops delivered over 104 sessions, 86 student digital welcome sessions delivered, and over 320 students sitting Adobe and Microsoft certification exams.

Service excellence

Key highlights include:

- > Achieved Cyber Essentials Plus accreditation in support of HDA delivery
- > Achieved Full Re-accreditation of ISO 20000: 2018
- > Provided over 500 product quotes for ITDS customers
- > Successfully delivered over £400k of savings from reclamation and redeployment of devices released by hybrid working.



Legal & Governance Services

Legal & Governance Services (LGS) has supported the University's strategic vision, mission and corporate aims in a further unprecedented year by not only adapting and maintaining all of its service levels, but by the achievement of key University priorities.

In 2021/22, LGS has fully embedded revised processes and service levels to adapt to hybrid working in the delivery of its functions which has helped create efficiencies and resilience in business capability.

LGS has remained highly responsive to the changing legal and regulatory requirements faced by the University throughout 2021/22 which has again seen changes in UKVI rules and Office for Students (OfS) expectations.

Key achievements for 2021/22 include:

- > Implementation of the independent governance review findings as part of the modernising governance agenda.
- > Embedding monitoring requirements on revised OfS Conditions of Registration B1, B2, B4 and B5.
- > Managing and coordinating recruitment and selection processes pertaining to the Board of Governors, including oversight of election of a new Chair.
- > Facilitating the move to a new electronic board packs platform, Board Effects.
- > Successful UKVI HEAT Audit conducted by UKVI on the University's Student Sponsor Licence
- > Professional support and legal advice to Schools and Services, including contractual documentation for the setup of key strategic vehicles.
- > Processed and reviewed 509 commercial contracts in addition to providing comprehensive advice and support on general legal matters.
- > Implementation of mandatory PREVENT training and Policy.
- > Enhancements to the Information Asset Register to aid identification of all University information assets (not just personal data) in all formats.
- > Production of the OSCAR Report for academic year 2020/21 which provides data and trends on University complaints, appeals and student misconduct issues.
- > Strengthened procedures and processes on the management of student discipline and criminal convictions declarations.
- > Mapping of Office for Students statement of expectations for preventing and addressing harassment and sexual misconduct affecting students in higher education.
- > Operational lead on consumer protection compliance, including communications and consent mechanisms for students to deal with ongoing changes.
- > 431 Information requests handled under FOI and Data Protection Legislation
- > 32 Detailed Data Protection Impact Assessments undertaken.



Student Recruitment & Marketing

The Student Recruitment environment continued to be challenging throughout 2021/22. The Department entered into a new strategic partnership with UCAS to review our undergraduate portfolio in light of the highly competitive market conditions. As schools and colleges opened up following the pandemic, a key priority was to re-engage with our core markets and ensure the University's offer was accessible.

Some of the highlights of this academic year include:

- > Launch of the Student Recruitment Strategy 2022-27
- > Over 500 engagement events with prospective students
- > Over 18,000 individual interactions
- > Almost 7,500 prospectuses distributed
- > Three residential events delivered on campus
- > Care leavers practitioner conference delivered
- > Significant increase in social media engagement across all platforms
- > A dozen media campaigns delivering impact and awareness of TU products
- > Continued use of the applicant portal, receiving almost 100,000 uploaded documents
- > Increase in average tariff points across our undergraduate recruitment.

The next year will continue to present challenges across our markets, but we are prepared for this and will continue to provide engagement opportunities across the region and beyond.

Our market insight and intelligence work will continue to support delivery of our Student Recruitment Strategy, growing core opportunity markets and supporting the diversification of university income streams.

We are looking forward to continuing our work with sector partners to ensure the academic offer remains appealing to our broad target audiences.

TU Online Limited

TU Online Limited (TUOL) was established to focus upon the delivery of 100% online courses and to deliver an outstanding online learning student experience.

Over the next three years TUOL will complete this by:

- > **Optimising** online pedagogy and student experience. TUOL continuously reviews and assesses improvements to online course delivery and looks to integrate enhancements
- > **Supporting** student progression and success. Courses delivered by TUOL are engaging and we actively support students in their aims and desired outcomes
- > **Innovating** delivering and contributing to the wider University KPIs of innovative education
- > **Developing** a wider 100% online course portfolio, offering students choice and the ability to progress within subject areas and disciplines
- > **Reflecting** University Communities and Services ensuring the experience of studying at Teesside University is reflected in the online environment representing University communities and giving online students access to University services

TUOL was established prior to the pandemic to support Teesside University's Corporate Strategy, continues to achieve success, currently delivering 100% online courses for over 2,000 students. TUOL aims to enrich the student experience and to realise Teesside University's ambitions for online learning. Helping students - for whom scheduled and time-tabled on campus courses are prohibitive - to access courses created by Teesside University and do so in a dynamic virtual learning environment. Delivering courses which adhere to quality standards and expected outcomes.

TUOL's team of qualified and experienced online course tutors facilitate the student journey utilising synchronous online sessions, continuous feedback cycles with students and peer to peer learning, to offer guidance and ensure online courses are engaging and reflective of the student's own learning requirements. The continued growth and demand for online learning; from vocational career switchers and enhancers - to students wishing to learn about subjects which interest them personally, reflects the continued growth of TUOL. This momentum is expected to continue through a heightened focus upon online course portfolio expansion and the introduction of further choice for students wishing to study 100% online such as accreditation, short courses, and increased digital formats for learning.

Key highlights from the year include:

- > Significant growth in online student numbers with over 2,400 online students (2020/21:2,031)
- > TUOL innovations and support contributed to the award of "University of Year 2022" for Teesside University awarded by Edufuturists, which celebrate the very best people, Schools, Colleges and Universities who are leading the way as innovative educators.
- > Continued expansion of TUOL staffing and growth within online course provision delivery

Financial Highlights and Chief Operating Officer overview

During the year, Teesside University has again achieved 100% of its financial KPIs and delivered improvements on key controllable financial metrics. The University has also delivered against the objectives of its financial strategy ensuring the financial position of the University remains robust and resilient.

2021/22 financial strategy performance

> Financial stability and resilience

- maintaining strong net cash balances – £85.3m (2020/21: £71.3m) with minimal borrowing (0.3% of turnover)
- cash at 200+ days expenditure
- levels of investment that are contingent upon student recruitment performance.

> Financial sustainability

- targeted growth in student numbers achieved ensuring a strong cash surplus position returning EBITDA of 14.9% during the year (2020/21: 15.6%)
- delivering investment in growth and continuing to enhance the student experience
- delivering cost efficiencies during the year through the Business Change & Improvement Programme.

> Investment capability

- investment to support Teesside 2027 strategic priorities across key strategies:
 - Learning, Teaching and Student Experience
 - Enterprise and Knowledge Exchange
 - Research and Innovation
 - International
 - Resources and Business Management
- continued campus investment
- continued academic growth investment
- enhanced infrastructure and student experience and digital investment.

The 2021/22 financial results for the University are very strong across the board continuing the strong financial track record and trajectory of the University despite the general inflationary costs pressures, rising energy costs and the impairment of a University building during the year.

The 2021/22 programme of investment included over £15.8m (2020/21: £6.9m) of capital investment during the year, as well as continued targeted investment to support student recruitment, curriculum development, international growth and research. This was complemented by the continued identification and delivery of efficiencies across both the pay and non-pay cost base.

In support of the Teesside Corporate Strategy, the Board of Governors approved an Estates Strategy and Campus Masterplan (2017-26), which determines the major projects the University will develop and implement as well as associated prioritisation, timelines and financing which is reviewed annually in business planning.



2021/22 financial performance against 2020/21

The University's consolidated financial performance for 2021/22 can be summarised as follows and continues the strong trajectory of recent years:

- > total income of £180.3m (2020/21: £159.4m)

- > £2.4m surplus after tax (excluding the £5.1m impairment charge) (2020/21: £2.1m)

- > cash generated from operating activities: £22.2m (2020/21: £39.1m)

- > investment in capital expenditure: £15.8m (2020/21: £6.9m)

- > net assets before FRS 102 pension provisions of £229.8m (2020/21: £220.0m)

- > after FRS 102 provisions of £222.6m (2020/21: £105.9m).

The table below is a summary of the key financial statistics excluding measurement adjustments for defined benefit pension schemes and holiday pay.

Five-year summary of income and expenditure

(excluding measurement adjustments for defined benefit pension schemes and holiday pay)

	2021/22 £'000	2020/21 £'000	2019/20 £'000	2018/19 £'000	2017/18 £'000
Tuition fees and education contracts	139,466	125,062	116,187	110,749	108,155
Funding grants	16,964	17,067	16,420	15,448	15,108
Research grants and contracts	4,448	3,617	3,383	3,244	2,445
Other income	18,389	13,185	14,053	15,061	14,971
Investment income	465	108	275	395	318
Donations and endowments	521	332	232	157	182
TOTAL INCOME	180,253	159,371	150,550	145,054	141,179
TOTAL EXPENDITURE	(183,469)	(157,402)	(147,259)	(141,762)	(132,502)
Add: measurement adjustments	13,025	10,800	9,201	9,272	4,337
TOTAL EXPENDITURE EXCLUDING IMPACT OF MEASUREMENT ADJUSTMENTS	(170,444)	(146,602)	(138,058)	(132,490)	(128,165)
SURPLUS BEFORE OTHER GAINS EXCLUDING IMPACT OF MEASUREMENT ADJUSTMENTS	9,809	12,769	12,492	12,564	13,014
Net Margin	5.4%	8.0%	8.3%	8.7%	9.2%

Income

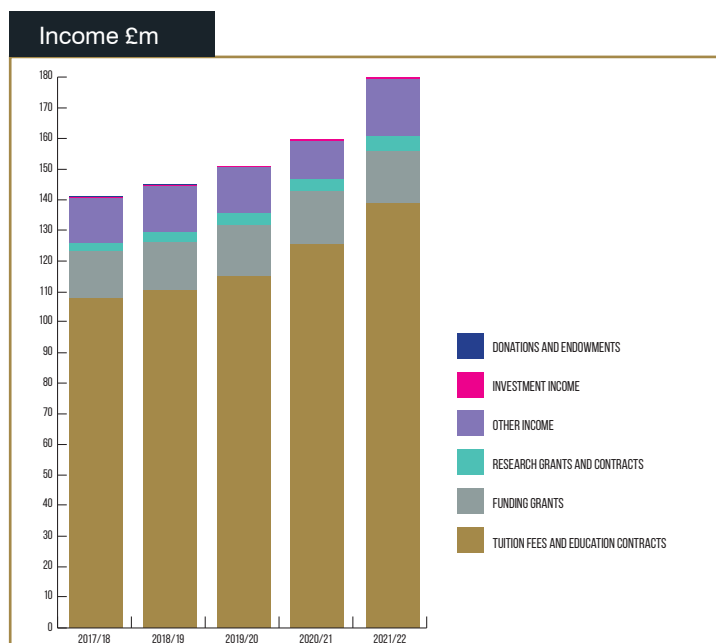
Total income in the year was £180.3m representing an increase of 13.1% (£20.9m) over the previous year (2020/21: £159.4m). The main movement is:

- > tuition fee income and education contracts increased by £14.4m (2020/21: £8.9m). This was predominantly due to fee income from full-time home and EU students decreasing by £6.3m and international students increasing by £20.4m.

Income from tuition fees and education contracts accounts for 77.4% (2020/21: 78.5%) of total income and is illustrated in the chart.

The increase in other income of £5.2m is mainly due to increases in residences, catering and conferences income (£2.9m), other revenue grant (£1.3m) and other income (£1.3m) offset by a small decrease in other capital grants (£0.3m).

The increases are a reflection of a return to normal operations following the disruption caused by Covid-19 in 2020/21.



Expenditure

Total expenditure was £183.5m, an increase of £26.1m over the previous year (2020/21: £157.4m).

The main movements year-on-year are:

- > staff costs have increased by £8.4m in 2021/22 to £102.3m (2020/21: £93.9m). This is due to an increase in the average FTE numbers of 125 to 1,946 of which 98 were academic and research posts and an increase in other pension costs of £3.5m which relates predominantly to the FRS 102 calculation in respect of the Teesside Pension Fund
- > other operating expenses have increased by £13.5m in 2021/22 to £60.1m (2020/21: £46.5m). This is due to increased expenditure on utilities, travel costs following the lifting of Covid-19 restrictions, international agents' commission, scholarships and bursaries for international students and increased expenditure on professional and consultancy fees. The increases relating to international students are directly correlated to increases in international students' fee income and the increase in professional and consultancy fees is directly correlated to the increase in revenue grants.
- > impairment costs of £5.1m in 2021/22 (2020/21: £nil) relate to one building which has been vacated and requires refurbishment and improvement works to bring the building back into use. An independent valuation was received based on the residual method for determining the value of the property and the impairment has been recognised to reflect the independent valuation.

Result

The net margin of 5.4% (excluding measurement adjustments) compares favourably to 2020/21 if the impairment of £5.1m is excluded. The restated net margin (excluding measurement adjustments and impairment) is 8.3%. This represents a very strong financial performance for the year, despite increasing cost pressures particularly general inflationary pressure and energy prices. Robust management of the cost base and continued financial focus and discipline across all University budgets continues to be exercised in order to achieve the Teesside 2027 Corporate Strategy, including delivering the Campus Masterplan.

Balance sheet

Total assets less current liabilities of the group increased this year by £12.3m to £266.7m. The main areas of change were:

- > decrease in fixed assets of £3.7m due predominantly to the impairment charge of £5.1m
- > increase in trade and other receivables of £10.2m of which £4.9m relates to trade receivables and £5.3m relates to an increase in prepayments and accrued income
- > increase in cash and cash held on term deposits of £14.0m
- > increase in Creditors: amounts falling due within one year of £9.6m of which £7.1m relates to the increase in payments received on account, £3.2m relates to the increase in accruals and deferred income and £1.4m relates to the reduction in trade payables.

The group's total reserves for the year have increased by £116.7m which is due to the actuarial gain in respect of pension schemes (£119.4m) and the £2.7m loss for the year after tax.

Capital programme

The University continues to invest in its estate:

- > refurbishment and repurposing of The Buttery for a new facility for PG students (£2.0m) – completion due December 2022

- > development of the Net Zero Innovation Centre (NZIIC) which will be a national facility for technological research, development, demonstration, and transfer, working directly with industry, and facilitating the transition of the Tees Valley and UK's engineering industries to more sustainable, low carbon processes and products (£2.8m) – completion due April 2023

- > repurposing of the Darlington Campus to become a facility for the School of Health and Social Sciences (£0.9m)

- > initial development of the BIOS building which will offer high-quality, leading-edge laboratories for the sciences and clinical subjects including anatomy, pharmacy, microbiology, chemistry, Earth sciences and food sciences (£1.6m) – completion due September 2023

- > a range of ongoing enabling projects identified in the Campus Masterplan which contribute to the enhancement of the student experience.

These developments were funded by existing cash reserves, capital grants (NZIIC) and no further borrowings were taken out during the year.

Cash flow

During the year performance was strong with £22.2m (2020/21 £39.1m) generated from operating activities. Debtors increased by £9.9m due to increases in trade receivables and prepayments. Creditors increased by £6.8m mainly due to payments received on account relating to student tuition fees for the 2022/23 academic year. There was also an additional £2.8m excess of pension costs over contributions paid. There was an increase in short-term deposits of £39.0m and a decrease of £25.0m in cash balances reflecting the improved interest rates on offer for term deposits compared to the prior year. Fixed asset expenditure during the year of £13.1m was funded through existing cash balances, capital grants and the cash surplus generated in the year.

Treasury management

Treasury management is the management of the University's cash flows, its banking and money market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks. The University has a Treasury Management Policy in place. Surplus cash is placed with a number of highly rated counter-party banks.

Secured borrowings remain minimal and the current Campus Masterplan programme is developed on the basis that it is funded through University cash resources as supplemented by planned projected annual cash surpluses.

The University retains the option of securing debt to facilitate estates development in the future.

Teesside 2027

This is a very positive outturn for the 2021/22 financial year, particularly considering the continued and increasing cost pressures faced by the University. This performance ensures the financial foundations of the University remain robust and resilient as we look ahead to what is anticipated to be a challenging financial year 2022/23.

The University remains focused on maintaining its resilience, sustainability and effectiveness which will be achieved by remaining in full control of our finances with a continued proactive approach ensuring financial flexibility and agility and remaining financially resilient with a continued drive to maximise student recruitment including flexing of the academic delivery model and intake points and the provision of significant investment and even greater focus on continuing student numbers to minimise attrition.

Through the University's Campus Masterplan the University will continue to transform the University campus, ensuring it is high quality, smart and sustainable. Progress on implementation has been rapid and the significant progress made in the implementation of our masterplan is clear to see with a number of strategic developments already delivered. These developments are producing a step change in the quality of the University campus and are focused on providing the very best facilities and an outstanding student and learning experience for our students. The University will continue to work in partnership with both students and staff to ensure Teesside University has a campus to rival any in the sector, ensuring it is high quality smart and sustainable.

The University remains confident that it can respond to the challenges ahead, realise its ambitions and maintain its long-term financial sustainability.

Five-year summary of key statistics

	2021/22 £'000	2020/21 £'000	2019/20 £'000	2018/19 £'000	2017/18 £'000
Tuition fees and education contracts	139,466	125,062	116,187	110,749	108,155
Funding grants	16,964	17,067	16,420	15,448	15,108
Research grants and contracts	4,448	3,617	3,383	3,244	2,445
Other income	18,389	13,185	14,053	15,061	14,971
Investment income	465	108	275	395	318
Donations and endowments	521	332	232	157	182
TOTAL INCOME	180,253	159,371	150,550	145,054	141,179
TOTAL EXPENDITURE	(183,469)	(157,402)	(147,259)	(141,762)	(132,502)
(LOSS)/SURPLUS BEFORE OTHER GAINS	(3,216)	1,969	3,291	3,292	8,677
NET CASH INFLOW FROM OPERATING ACTIVITIES	22,184	39,058	25,640	17,426	19,110
INCREASE/(DECREASE) IN CASH AND BANK DEPOSITS IN THE YEAR	13,962	31,629	(3,634)	(8,402)	4,009
Non-current assets	209,945	212,603	220,586	204,214	175,978
Net current assets	56,771	41,816	22,380	28,165	35,372
Creditors due after more than one year	(32,375)	(30,005)	(30,546)	(31,086)	(22,306)
Provisions (excluding pension liability)	(3,661)	(4,440)	(4,750)	(4,672)	(4,602)
NET ASSETS BEFORE PENSION LIABILITY	230,680	219,974	207,670	196,621	184,442
PENSION LIABILITY	(8,061)	(114,100)	(126,286)	(70,598)	(41,791)
NET ASSETS AFTER PENSION LIABILITY	222,619	105,874	81,384	126,023	142,651

Teesside University Statement on Sustainability

Delivering ambition today, shaping our future

Teesside University is focussed on making a real difference to the lives of people and the success of businesses and the economy. An agile and dynamic university we move at pace to develop solutions that shape the future.

Our values

Through our core values of delivering excellence, empowering individuals, fostering creativity, embracing diversity, communicating openly, committing to sustainability and taking responsibility, we level up opportunity. Team Teesside and the communities we serve are at the heart of everything we do.

Our commitment to corporate sustainability

The University operates as a responsible and ethical business and takes steps to embed sustainability throughout economic, environmental and social operations. These actions are set out in the Charter for Social Impact and delivered through a number of supporting strategies.

The Sustainable Futures Strategy sets out a commitment to reducing the University's environmental impact. Significant progress has been achieved against the 2005 baseline data, including a 35% reduction in CO2 emissions and a reduction in water usage of 190,000m3. The University has maintained Ecocampus Gold and Zero Waste to Landfill status and also ranks 7th in the UK in the Green Metric World University Ranking on Sustainability.

The Campus Masterplan continues to deliver a smart, sustainable, and future-facing campus, incorporating social value into all capital development projects and undertaking sustainable procurement practices and prioritising local spend where possible.

We ensure that social impact is delivered as part of our core business, through applied research, partnerships, teaching and learning, addressing the societal challenges we face on a local, regional, national global scale.

Through the Future Facing Learning model, Teesside graduates become socially and ethically engaged citizens. Work is underway to firmly embed sustainability as core to the curriculum, an approach pioneered by Teesside University International Business School.

The Research and Knowledge Exchange Strategy is focused on research that makes a difference to individuals, organisations, and society, supporting recovery, regeneration, and renewal in the region and beyond. We deliver this through strategic initiatives to develop sustainable energy solutions, support advancement in clinical practice and enhance productivity and address social inequities.

Teesside University is committed to upholding corporate sustainability. We are proud of our achievements to date but strive to deliver more, to align ambitions to the United Nations Sustainable Development Goals and further reduce our environmental impact.



GOVERNANCE

Public Benefit Statement

Teesside University is fully committed to delivering its mission, to transform lives and economies, and continues to be a catalyst for positive change.

The University makes a significant contribution to the economic prosperity of the region as an economic engine and magnet for global investment. As a major employer, we support an estimated 3,000 full time equivalent jobs each year, of which over 2,000 are based in the Tees Valley.

Our most recent economic impact analysis demonstrated an annual contribution of £148m GVA to the region. This impact continues to grow, and this can be attributed to ongoing jobs creation in spin-off and start-up companies.

Further economic benefit is delivered through supporting the local business network to remain resilient. A range of business support programmes are available, including Help to Grow, which delivers upskilling opportunities, and Power Up, our Indie Games Accelerator.

The combined human capital impact, which includes the increased earning potential of Teesside's graduates and the value of training and support delivered by the University, is estimated at £1.3 billion*.

The public benefit of the University goes beyond the economic contribution. Teesside University is an anchor institution embedded within the fabric of the region, an educator, a knowledge creator, a convenor and a facilitator. The University's mission to transform lives and economies underpins a broad spectrum of activity that seeks to create the future workforce, galvanise economic prosperity, support social mobility and deliver positive cultural, civic and social impact.

During the academic year 2021/22, the University was named University of the Year for Social Inclusion by the Times and Sunday Times Good University Guide, in recognition of the significant impact the University has in welcoming students from diverse backgrounds. Teesside University continues to prioritise the accessibility of higher education and offer a broad portfolio of flexible learning options. The University seeks to broaden ambitions and raise aspirations, running outreach activity with schools and colleges and community engagement initiatives, such as the Summer and Winter University programmes.

Through the Teesside Transformation Fund, we have expanded financial support available to our students, including the Professor Jane Turner Legacy Scholarship which supports young women in the region applying to the Teesside University Business School and adding seven new scholarships to the portfolio.

Partnership with the local community remains vital, with a focus on instilling a sense of civic pride and community cohesion. This year we launched the Teesside University Community Hub, providing a gateway for community and voluntary sector organisations to work in co-creation with the University. We deliver a broad cultural programme through MIMA as well as projects such as the South Tees Arts project which aims to improve well-being in young people.

The University continues to shape local and national policy that address regional priorities, playing a key role in the UK2070 Commission's Teesside Taskforce.

Our robust partnerships with key regional stakeholders, including the Tees Valley Combined Authority and the Teesside University College Partnership network will continue to facilitate a cohesive approach to addressing shared challenges, and seizing opportunities that will benefit the communities we serve.

* <https://tees.ac.uk/docs/docrepo/about/Economic%20Impact%20Report%202020-21.pdf>

Board of Governors

Members of the Board of Governors of the University are the Trustees of the University.

Independent members

Mr Dean Benson

Mr Paul Booth ^{CBE}
(appointed Acting Chairman 1 September 2021)

Ms Ada Burns (Treasurer)

Ms Yasmin Khan

Ms Sue Kiddle

Mr Alastair MacColl (Chairman and Pro-Chancellor)
(resigned 31 August 2021)

Ms Fiona Macleod

Mr Tony Parkinson (appointed 25 March 2022)

Mr Michael Poole ^{JP DL} (resigned 31 August 2021)

Mr Richard Rollison (appointed 25 March 2022)

Mr Dermot Russell

Mr Steve Tonks

Ms Claire Vaughan

Mr Godfrey Worsdale ^{OBE}

Vice-Chancellor & Chief Executive

Professor Paul Croney ^{OBE}

Staff and student representatives

Mr Femi Abolade (appointed 1 July 2022)

Dr Safwan Akram

Mr Suhail Aslam

Mr Madhu Bethina (resigned 30 June 2022)

Ms Harriet Dryden (resigned 30 June 2022)

Professor Chrisina Jayne (appointed 15 July 2022)

Ms Rosie Jones (resigned 15 July 2022)

Mr Nigil Thathron (appointed 1 July 2022)

Co-opted members

Mr James Cross

Dr Nick Johnson

Professor Philip Jones

Mr Alfredo Ramos

Secretary to the Board of Governors

Mrs Helen Cutting

Responsibilities of the Board of Governors

Statement of primary responsibilities

The Board of Governors is Teesside University's governing body. The Board's responsibilities are set out in the Statement of Primary Responsibilities. This statement identifies the Board of Governors' principal responsibilities under Article 3.1 of the University's Articles of Government as including:

- the determination of the educational character and mission of the University, and for oversight of its activities
- the effective and efficient use of resources, the solvency of the University and the Corporation, and safeguarding of their assets
- the review and final approval of annual estimates of income and expenditure
- the appointment, grading, suspension, dismissal and determination of the pay and conditions of service of all holders of senior posts, and the assignment of duties and appraisal of the Vice-Chancellor and the Clerk to the Board of Governors
- setting a framework for the pay and conditions of service of all staff (other than those specified above)
- the consideration of the amendment or revocation of these Articles of Government (in accordance with the provisions of Article 16).

It also identifies the Board of Governors' principal responsibilities in complying with the CUC Higher Education Code of Governance (2020 Revision), which during the financial year were as follows:

- 1.1 To set and agree the mission, strategic vision and values of the institution with the Executive.
- 1.2 To agree long term academic and business plans and key performance indicators and ensure that these meet the interests of stakeholders, especially staff, students and alumni.
- 1.3 To ensure that processes are in place to monitor and evaluate the performance and effectiveness of the institution against the strategy plans and approved key performance indicators, which should be, where possible and appropriate, benchmarked against other comparable institutions.
- 1.4 To delegate authority to the head of the institution, as Chief Executive, for the academic, corporate, financial, estate and human resource 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 head of the institution.
- 1.5 To ensure the establishment and monitoring of systems of control and accountability, including financial and operational controls, risk assessment, value for money arrangements and procedures for handling internal grievances and for managing conflicts of interest.
- 1.6 To establish processes to monitor and evaluate the performance and effectiveness of the governing body itself.
- 1.7 To conduct its business in accordance with best practice in higher education corporate governance and with the principles of public life drawn up by the Committee on Standards in Public Life.
- 1.8 To safeguard the good name and values of the institution.
- 1.9 To appoint the head of the institution as Chief Executive, and to put in place suitable arrangements for monitoring their performance.
- 1.10 To appoint a Secretary to the governing body and to ensure that, if the person appointed has managerial responsibilities in the institution, there is an appropriate separation in the lines of accountability.
- 1.11 To be the employing authority for all staff in the institution and to be accountable for ensuring that an appropriate human resources strategy is established.
- 1.12 To be the principal financial and business authority of the institution, to ensure that proper books of account are kept, to approve the annual budget and financial statements, and to have overall accountability for the institution's assets, property and estate.
- 1.13 To be the institution's legal authority and, as such, to ensure systems are in place for meeting all the institution's legal obligations, including those arising from contracts and other legal commitments made in the institution's name. This includes accountability for health, safety and security and for equality, diversity and inclusion.
- 1.14 To receive assurance that adequate provision has been made for the general welfare of students.
- 1.15 To act as trustee for any property, legacy, endowment, bequest or gift in support of the work and welfare of the institution.
- 1.16 To ensure that the institution's constitution is always followed, and that appropriate advice is available to enable this to happen.
- 1.17 To promote a culture which supports inclusivity and diversity across the institution.
- 1.18 To maintain and protect the principles of academic freedom and freedom of speech legislation.
- 1.19 To ensure that all students and staff have opportunities to engage with the governance and management of the institution.

Governors should apply informed and independent judgement to ensure the successful development of the University. Board decisions should reflect the breadth of the experience of the Members, and must be characterised by openness, objectivity and rigour, thereby establishing confidence in the strategic direction of the University and in the effective implementation of the agreed Mission.

Statement of corporate governance and internal control for the year ended 31 July 2022

Corporate governance statement

Teesside University was established as a higher education corporation under the provisions of the Education Reform Act 1988 and granted University title and associated powers in the Further and Higher Education Act 1992. The University is also an exempt charity under schedule 3 of the Charities Act 2011, with the Office for Students as its principal regulator.

The University's objects, powers and framework of governance are set out in the Instrument and Articles of Government.

The University is committed to exhibiting best practice in all aspects of corporate governance. It has adopted the Committee of University Chairs (CUC) Higher Education Code of Governance, published in September 2020, and has complied with the six primary elements of that code throughout the year apart from element 2.9 relating to compliance with the Higher Education Senior Staff Remuneration Code (June 2018). The Code requires that the Remuneration Committee, when considering the remuneration of the Vice-Chancellor, must be chaired by a lay governor who is not Chair of the Board. The University's Remuneration Committee is comprised of the Chair and Deputy Chair of the Board of Governors and the Chairs of the Resources and People and Organisational Development Committees, all of whom regularly act in the capacity of leading a committee or Board and would not be unduly influenced by the Chair of the Board in reaching a decision on remuneration of the Vice-Chancellor. The Committee's decision-making is informed by key benchmarking and performance data. The Remuneration Committee considers the remuneration of all senior staff within its remit. Remuneration Committee members are therefore of the view that the Chair of the Board should continue to chair Remuneration Committee as has been existing practice without issue or cause for concern.

However, it should be noted that with effect from 1 August 2022, the Chair of Remuneration Committee is the Deputy Chair of the Board of Governors meaning there will not be a need to 'explain' this provision in future annual reports.

The Governing Body aims to conduct its business in accordance with the principles identified in the Committee on Standards in Public Life (selflessness, integrity, objectivity, accountability, openness, honesty and leadership).

Summary of the University's structure of corporate governance

The following processes for governance have been in place throughout the year ended 31 July 2022 and up to the date of approval of the financial statements.

The University's Board of Governors comprises up to 18 lay persons appointed under the University's Instrument and Articles of Government, five representatives of staff and students, and the University's Chief Executive, the Vice-Chancellor. The role of Chair of the Board of Governors is separated from the role of the University's Chief Executive, the Vice-Chancellor, providing a clear division of responsibility. The constitution of the governing body ensures that no individual or group dominates the decision-making processes and that it can exercise its responsibilities free from management. Board members are Trustees of the University as an exempt charity.

The Board of Governors usually meets six times a year, and has several committees, including a Resources Committee, a Nomination and Governance Committee, a Remuneration Committee, an Audit Committee and a People and Organisational Development Committee. All of these committees are formally constituted with terms of reference and comprise mainly lay members of the Board of Governors.

The Audit Committee meets at least three times a year. The Committee provides assurances to the Board on the adequacy of the University's risk management, compliance with its Prevent Duty, compliance with the conditions of its Student and Skilled Worker Sponsor Licences, value for money, and data quality and assurance arrangements. It is responsible for meeting with the external auditors to discuss audit findings, and with the internal auditors to consider 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. The Committee also receives and considers reports from the Regulator as they affect the University's business, and

monitors adherence with the regulatory requirements. It reviews the University's annual financial statements in the context of the approved accounting policies. While senior executives attend meetings of the Audit Committee, they are not members of the Committee and the Committee meets with the external auditors and the internal auditors on its own for independent discussions at the end of every Audit Committee meeting. Annually, the Committee provides an opinion on the adequacy of the arrangements in place within its oversight which informs the Statement of Internal Control.

The People and Organisational Development Committee determines the framework within which senior executives manage the University's employees. It also provides oversight and input to wider issues of organisational development including the University's Business Change Improvement and Projects framework as appropriate to the remit of the Committee.

The Nomination and Governance Committee considers nominations for vacancies on the Board. It also provides oversight of the wider governance framework of the University.

The Remuneration Committee determines the remuneration of the three holders of senior posts.

The Resources Committee inter alia recommends to the Board of Governors the University's annual revenue and capital budgets and the five-year forecasts and monitors performance in relation to the approved budgets.

In addition, an Academic Board, constituted in accordance with the Articles of Government, provides oversight of all academic matters and reports to the Board of Governors ensuring that the Board can discharge its responsibility to have assurance on the academic quality and standards of teaching at the University.

The Board of Governors follows the principles of the CUC Higher Education Code of Governance (September 2020) in reviewing its own effectiveness.

Remuneration of the Vice-Chancellor & Chief Executive

(extracted from the annual report of Remuneration Committee to the Board of Governors for the year ended 31 July 2022)

Note: Remuneration Committee presents its report to the Board of Governors for the academic year ended 31 July 2022 and any significant issues up to and including the meeting of Remuneration Committee held 5 September 2022. In the reporting period, the Committee met on 27 August 2021 and considers the pay and performance of the Senior Post Holders. The Vice-Chancellor is not a member of this Committee.

University Operating Context

Based in the Tees Valley but with international reach and founded with a mission to transform lives and economies, Teesside University is a dynamic and modern institution dedicated to delivering opportunities and providing a high-quality higher education learning environment. At the forefront of levelling-up, with substantial investment in widening participation, the University aims to deliver an excellent teaching and learning experience for all of its students, making significant strides in its research quality and impact and working with industry and the professions to drive economic, cultural and community growth.

For the second year running, delivery of 'usual' business continued to see the impact of COVID-19 as the country emerged from the pandemic. While operations started to return to 'normal' with in-person teaching resuming across all programmes, some of our students were still experiencing challenges due to travel restrictions and emerging economic factors. It was in anticipation of these challenges that the University implemented a second year of its Recovery Plan as an interim strategy and delayed the launch of its new five-year strategy Teesside 2027: Ambition Delivered Today. Significant progress was made with all transitional performance indicators either met or significantly progressed.

During the past academic year, the Vice-Chancellor led a University that:

- > had a turnover in excess of £180m
- > invested over £275m in its campuses to date
- > has over 21,000 students
- > employs more than 2,500 staff
- > achieved 100% of financial KPIs
- > commenced work on the following key campus projects:
 - BIOS, a £36.9m health and life sciences facility
 - £13.1m Net Zero Industry Innovation Centre (NZIIC), opening Spring 2023
 - the Buttery, a £5m postgraduate hub developed in partnership with students
- > was recognised by its students in the National Student Survey 2021 with overall student satisfaction increasing to 77.1%, ranking 54th out of 130 universities
- > ranked 11th for Assessment & Feedback and 15th for Student Voice (NSS)
- > ranked number one in the UK and globally for international student satisfaction in the International Student Barometer 2021¹
- > achieved Apple Distinguished School Status
- > launched the 'Your Voice Matters' campaign in partnership with Teesside University Students' Union

- > launched a new suite of teacher training courses
- > made significant progress in its research quality and impact with the outcomes of the Research Excellence Framework (REF) 2021, notably:
 - increasing the FTE submitted from 87.2 (in 2014) to 240.1 (in 2021)
 - improving the quality of research as measured by grade point average (GPA) from 2.58 to 2.76
 - increasing the proportion of work assessed as 3* and 4* (internationally excellent and world leading) from 58% in 2014 to 63% in 2021, and growing the proportion of 4* quality from 9% to 16%
 - having over 70% of the University's research impact assessed as internationally excellent or world leading
- > was successful in securing a research grant of £284,000 from the AHRC to support collaborative research with partners in Germany; a large Community Renewal Fund project with funding across the project partners of £722,000; and a substantial grant from AHRC for MIMA of £730,000 from the Capability for Collections Fund
- > successfully retained the European Commission's HR Excellence in Research Award
- > is a member of a business and education partner collaboration to help deliver the government's ambition of capturing 10% of the global space market
- > is part of a new £2.5m collaboration between the five north-east universities to tackle inequalities in access to Higher Education
- > secured new funding for projects addressing a national skills shortage in AI and data sciences
- > is a Member of a global group to launch the first UK Renewables Academy
- > had over 75 internships confirmed for Summer 2022
- > retained its Customer First Accreditation for the seventh time in a row
- > has recruited over 1,500 apprentices
- > achieved 3rd place ranking in the UK in the Animation Career Review International Animation School Rankings²
- > celebrated inaugural graduation ceremonies with First City University and Amity University

(further highlighted in the University's annual report and financial statements for the year ended 31 July 2022).

Remuneration (Pay)

Principles of Remuneration (Pay) – when determining the level of remuneration for Senior Post Holders, in addition to the principles in the Higher Education Senior Staff Remuneration Code, there are four further elements that are taken into consideration:

- a) the level of National Pay Award for all staff at Grade 9 and below. The Remuneration Committee has determined that any pay award for the Senior Post Holders will be the same as the National Pay Award for all staff, unless there are exceptional circumstances to warrant otherwise
- b) comparison with sector pay to ensure retention - as a member of the University Alliance group, the University benchmarks senior management salaries against the median to upper quartile for equivalent staff base pay in the Alliance group of universities submitted to the UCEA Senior Staff Remuneration Survey, unless there is good reason to do otherwise (market forces or non-comparable portfolios, for example)
- c) maintenance of internal relativities i.e. significant permanent change to responsibilities.

1 Based on the views of 1295 students within a global survey response of 92,019 students. More info at: <https://www.tribalgroup.com/participants-in-the-2021-isb>

2 178 colleges considered. Find out more at tees.ac.uk/source

Remuneration (Performance)

Approach – when undertaking a review of performance of the Senior Post Holders, the Remuneration Committee gives consideration to the Higher Education Senior Staff Remuneration Code, the University’s Senior Management Annual Salary Review and Performance Payment Scheme (the “Scheme”) and receives the individual performance assessments and review of objectives for each Senior Post Holder. In accordance with the Scheme, Remuneration Committee has the option to award a one-off performance payment to recognise individual performance where the relevant thresholds of the Scheme are met.

During the annual performance review, an individual is awarded a level of assessment based on the extent to which they have achieved their agreed annual objectives and any additional exceptional contribution they may have made over the performance year. Where a performance payment is considered, this only applies to senior staff assessed in the highest two categories as follows:

- > Exceptional Contribution to the University (A) – may attract a performance payment of 10-15% of base salary
- > Exceeded Expectations (B) – may attract a performance payment of 5-10% of base salary.

Vice-Chancellor & Chief Executive

Year ended 31 July 2022:

Applying the above principles of remuneration and approach, at its meeting on 27 August 2021 Remuneration Committee undertook a comparison of the Vice-Chancellor’s base salary as against equivalent staff base salaries in the Alliance group of universities submitted to the UCEA Senior Staff Remuneration Survey, noting that the Vice-Chancellor’s base salary was currently in line with the lower quartile. While the pay award for senior staff will generally be the same as the National Pay Award for all staff, where there are exceptional circumstances to warrant otherwise a different pay award can be applied. Acknowledging the University’s policy to pay base salaries between the median and upper quartile of the equivalent staff group for the Alliance group of universities in the UCEA Senior Staff Remuneration Survey, Remuneration Committee determined to make a pay award to increase the Vice-Chancellor’s base salary to £255,390 with effect from 1 August 2021 to align it to the median quartile.

At its meeting on 5 September 2022, the Remuneration Committee acknowledged another strong performance for the University during the second year of a Recovery Plan in 2021/22 implemented as a result of the pandemic. The transitory performance indicators set in that plan were either achieved or had made significant progress by 31 July 2022, ensuring the University was well-positioned to embark on its new five-year corporate strategy “Ambition Delivered Today” from August 2022. The Committee recognised the outstanding leadership of the Vice-Chancellor across both years of the interim strategy, acknowledging the challenges faced, and the opportunities afforded, during that period. Remuneration Committee determined that an exceptional contribution to the University had been delivered by the Vice-Chancellor & Chief Executive and proposed a performance payment of 15% of basic salary for the year ended 31 July 2022 in recognition, however the Vice-Chancellor has again waived acceptance of it.

As can be seen from the table below, while the Vice-Chancellor’s total remuneration package has increased from last year, it is however still slightly below the total remuneration package for 2018/19 (prior to the pandemic).

The breakdown of emoluments of the Vice-Chancellor for the year ended 31 July 2022 are as follows:

	2021/22 £	2020/21 £	2019/20 [^] £	2018/19 £
Salary	255,390	233,547	233,547	229,417
Performance Related Pay	–	–	–	34,413
Pay in lieu of pension contributions*	52,958	48,597	40,498	–
Private Healthcare**	3,791	3,417	3,273	3,182
Subtotal	312,139	285,561	277,318	267,012
Pension Costs	–	–	7,759	45,833
Total	312,139	285,561	285,077	312,845

*Pay in lieu of pension contributions are at no additional cost to the University.

**Private Healthcare is a benefit available to the University Executive Team.

[^] These comparative figures have been restated due to an overstatement of pay in lieu of pension contributions.

Pay Multiples – year ended 31 July 2022

The median salary across all staffing groups is £34,304 per annum (2021: £33,797 per annum). The Vice-Chancellor’s basic salary is 7.4 times (2021: 6.9 times) greater than the median pay of staff, where the median is calculated on a full-time equivalent basis for the salaries paid by the University to its staff. The Vice-Chancellor’s total remuneration is 7.7 times (2021 restated: 7.2 times) the median total remuneration of staff.

Internal control

The Board of Governors has responsibility for maintaining a sound system of internal control that supports the achievement of policies, aims and objectives, whilst safeguarding the public 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 Office for Students (OfS) Conditions of Registration, the Terms and Conditions of Funding with the OfS and the Terms and Conditions of Research England grant with Research England (RE).

The system of internal control is designed to manage, rather than eliminate, the risk of failure to achieve policies, aims and objectives through corruption, fraud, bribery and other irregularities. It can therefore only provide reasonable, but not absolute, assurance against material misstatement or loss.

The system of internal control is based on a continuous process designed to identify the principal risks to the achievement of policies, aims and objectives; to evaluate the nature and extent of those risks; and to manage them efficiently, effectively and economically. This process, which accords with the OfS guidance, has been in place for the year ended 31 July 2022 and up to the date of approval of the financial statements.

The University’s internal control system is supported by a number of policies that have been approved by the Board of Governors. These include a Risk Management Policy, an Anti-Bribery and Corruption Policy, a Counter Fraud Policy, a Criminal Finances Act Policy, a Anti-Money Laundering Policy, a Modern Slavery Policy, comprehensive Financial Regulations which detail financial controls and procedures and a Scheme of Delegation which identifies where authority rests within the University for significant decisions made in the name of or on behalf of the University.

The Board of Governors has responsibility for reviewing the effectiveness of the system of Internal Control, for updating the University’s risk management framework, and for ensuring that there is a sound approach to confirm that this framework is adopted and embedded consistently and effectively across each activity within the University.

The following key processes form part of the Board's strategy to maintaining a sound system of internal control:

- a Risk Management Framework and Risk Management Policy is in place to articulate the arrangements and activities in place to ensure that the University's strategic and operational risks are identified, mitigated and where judged appropriate, tolerated taking into consideration the University's risk appetite
- The Strategic Risk Register is aligned to the University's strategic objectives
- The Risk Management Framework and Policy underpins a number of KPIs within the corporate strategy and assists in ensuring that the University understands its key risks, the controls in place which mitigate the impact of such risks should they materialise and the planned controls to be implemented to provide further mitigation where required
- The Risk Management Framework and Risk Management Policy is reviewed at least annually. This forms the basis of detailed risk identification and management
- There is a risk scoring process set out within the Risk Management Framework which includes likelihood and impact assessment, guidance and definitions are available to support the scoring of risks
- The University uses the target risk score for strategic risks as a proxy for risk appetite. The University accepts that there may be instances where it temporarily needs to operate outside of the University's risk appetite and tolerance levels in times of uncertainty and monitors and reports on those risks to Audit Committee and Board of Governors
- the University Executive Team oversees risk management across the University
- responsibility for monitoring each strategic risk is assigned to a senior officer of the University with the Chief Operating Officer and the Director of Finance having day-to-day responsibility for risk management within the University
- the strategic and operational risk registers are regularly updated and include mitigating and planned actions to eliminate or mitigate the impact and likelihood of all key risks identified
- major risks included in the School and Service operational risk registers are considered by the University Executive Team for escalation to the strategic risk register
- information on risks and risk management are reported at each meeting of the Audit Committee and Board highlighting any deviations from the agreed level of risk appetite for each strategic risk and tracking the status of mitigating actions
- the Audit Committee approves the Internal Auditors' Annual Plan and receives regular reports from the Internal Auditors, which include recommendations for improvement
- the Audit Committee receives regular reports on the University's Assurance Framework ('3 Lines of Defence' model) and Risk and Assurance activities
- the Board of Governors receives regular reports from the Chair of the Audit Committee concerning internal control and it requires regular reports from senior managers on the steps they are taking to manage risk in their areas of responsibility, including progress reports on key projects
- the Board of Governors' review of the effectiveness of the system of internal control is informed by the Internal Auditors who operate a firm-wide internal audit methodology which is aligned to the Institute of Internal Auditors International Standards for the Professional Practice of Internal Auditing. The most recent Internal Audit annual opinion concluded that the University's arrangements for governance, risk management, internal control, and value for money arrangements were 'generally satisfactory with some improvements required'.

Principal risks

The key strategic risks currently facing the University and the mitigation in place are summarised in the table below.

Strategic Risk	Issue	Mitigation
Inability to achieve student recruitment, enrolment retention and progression targets	<p>There are a number of factors including changing demographics, increasing competition from both traditional providers and new entrants, low unemployment rate/labour market, cost of living crisis and Brexit which make student recruitment more challenging.</p> <p>The ongoing policy changes and further market deregulation and competition will continue to present significant challenge to Home/EU and International recruitment for at least the next three years and will be exacerbated by the long-term impact of Covid.</p> <p>Student retention and progression is reliant on a combination of initiatives developed by the University and the students' engagement with those initiatives and also a responsibility on the student to engage with their studies.</p>	<p>Executive oversight, monitoring and responsibility for the application cycle, the Recruitment and Marketing Strategy and operating model for home and international students.</p> <p>Monthly monitoring and reporting of student numbers and withdrawals.</p> <p>Continual review of relevant processes and bursary and scholarship offers.</p> <p>Continued development of on-line, part-time and higher degree apprenticeship courses.</p> <p>Continued targeted expansion of the University's recruitment footprint (geographic and subject specific) to meet Strategic KPI targets.</p> <p>Learner Analytics used across the University to support targeted intervention for students at risk of disengagement.</p> <p>Retention data analysis embedded within requirements for Continuous Monitoring and Enhancement.</p>
Failure to deliver a high-quality learning experience resulting in a significant negative impact on the University's reputation, regulatory metrics and league table position	<p>It is imperative that the University delivers a high-quality learning experience as failure to do so could negatively impact on the University's reputation, regulatory metrics and league table position.</p> <p>University league tables are a critical part of a student's decision making process. League tables are compiled over a number of years of data so to improve on a position can take time. The University's Regulator, the OfS, has established a regulatory regime, with a strong focus on accountability, value for money and the student interest.</p>	<p>Effective Planning and Performance Model monitoring progress against Strategic and Operational KPIs and Regulator Key Metrics with RAG ratings to inform action plans and decision making.</p> <p>Monitor and respond to TEF and NSS agenda.</p> <p>Monitoring of student engagement and action taken to support re-engagement of students with their courses in a timely manner where required through My Attendance and StREAM Learner Analytics.</p> <p>Student Charter which addresses any concerns raised in the NSS which also provides clarity to staff on the University's expectations.</p> <p>Opportunities for placements and internships maintained through strategic partnerships.</p> <p>Graduate employment areas aligned with growth areas identified by the LEP/ Combined Authority in the Local Industrial Strategy.</p> <p>Continuous review and enhancement of the Student Life Building and associated 'one-stop-shop' processes.</p>
Failure to provide a high-quality campus and learning environment, that delivers to student expectations and demonstrates VFM, will negatively impact on the University's reputation, recruitment and retention	<p>The University is operating in an increasingly competitive environment and must address the challenges of the various demands made by and expectations of students including the use and availability of IT and equipment, the physical campus environment, flexibility of learning opportunities, support and availability of academic staff, a diverse student population and expectations related to the skills required for current and future working life.</p> <p>Students are incurring significant levels of debt and the sector Regulator, the Office for Students, expects Universities to deliver VFM to the students, as customers.</p>	<p>Transparent information displayed on the University website to students on how the University delivers VFM for students through the VFM Strategy.</p> <p>Regular review of the Masterplan to ensure it remains relevant and continues to maximise the student experience.</p> <p>24/7 access to campus, underpinned by an appropriate security presence.</p> <p>Regular fora held with students to discuss and address concerns and suggestions for improvement, including safety.</p> <p>Catering offer is regularly reviewed and refreshed with interaction with students on social media to obtain feedback.</p> <p>Broad range of University accommodation offered to provide students with choice to match their budgets.</p>
Failure to deliver strategic transformation, including the recruitment and retention of staff to ensure that it is effective for the delivery of the Corporate Strategy	<p>In order to remain financially viable and operate effectively and efficiently, the University needs to take the necessary action to ensure that its workforce is effectively deployed, appropriately skilled, well-led and supported to deliver high quality services to all of its stakeholders.</p> <p>The workforce needs to modernise to meet growing and intensifying student expectations, improve efficiency and provide enhanced value for money.</p> <p>This applies to all staff and we will see changes in education, training and employment of staff to deliver the flexible, multi skilled workforce that the University will need in the future. We need to develop new ways of working, including adapting to changes as a result of Covid-19.</p>	<p>Strategic HR Framework in place and all strategic HR projects in train with some complete including the Agile and Hybrid Working Strategy.</p> <p>Themed Staff Pulse Surveys are used as an Employee Engagement Tool.</p> <p>Regular review of School and Services staffing structures and Workforce Plans.</p> <p>Online systems to support staff recruitment and absence management.</p>

Strategic Risk	Issue	Mitigation
<p>Failure to maintain financial resilience, sustainability and investment capability in the context of the increasingly competitive student recruitment market, the full time under graduate (FTUG) home tuition fee freeze up to and including 2024/25 and managing cost and income diversification pressures</p>	<p>Factors such as:</p> <ul style="list-style-type: none"> the uncertainty of international and home FTUG new entrant recruitment due to travel, cost of living crisis, labour rates, mobility, and a shift towards high-tariff Universities recruiting significantly more undergraduate students. the current supply chain uncertainty and general inflationary pressures due to a wide range of factors, including the war in Ukraine, rising commodity prices, supply-chain disruptions, expansionary economic policies and the tightening of labour markets. <p>all negatively impact the financial sustainability of the University.</p>	<p>Robust financial strategy that delivers financial resilience, sustainability and investment capability.</p> <p>Effective Planning and Performance Model in place to ensure delivery of Teesside 2027 and the Resources and Business Management Strategy with costs and resources being robustly managed.</p> <p>Multi-variate stress testing is applied to budgets and financial forecasts to assess the potential impact of risk factors to ensure appropriate financial delivery of sustainability and margins, metrics and targets to deliver the key objectives of the financial strategy:</p> <ul style="list-style-type: none"> Financial Stability and Resilience Financial Sustainability Investment Capability <p>Estates Strategy and Masterplan in place, operational and on track with strong governance arrangements in place.</p> <p>Continued scenario and contingency planning to ensure that the University can respond to further potential pressures relating to pay, non-pay and energy costs.</p> <p>Flexing and recalibration of budgets via re-forecasts to reflect student recruitment position on the 3 year forecasts.</p>
<p>Failure to implement and operate effective controls to provide assurance of cyber and information security, resulting in the inability to avoid a major data breach or significant disruption to university hardware and software systems</p>	<p>Any serious systemic failure or breach of the University's IT infrastructure or data would result in an adverse student experience and could have significant financial and reputational consequences for the University.</p>	<p>Robust processes and controls over all data (student, staff and financial) and underpinning systems with assurance provided by internal and external audit coverage.</p> <p>Implementation of proactive vulnerability management and associated patching of all IT systems.</p> <p>Security information and event management (SIEM) system and next generation antivirus software deployed.</p> <p>Mandatory IT Security and Data Protection training for all staff with robust follow up.</p> <p>Cyber Essential Accreditation and ISO 20000 Accreditation (International IT Service Management) awarded.</p> <p>Effective Threat and Vulnerability Strategy developed in consultation with the Penetration Test Supplier</p> <p>Regular review, updating and continuous development of the range of tools, disaster recovery plans, resilience and capacity in place.</p>
<p>Failure to implement mental health and wellbeing strategies for students and staff and failure to ensure that students, staff and visitors are able to work in a healthy and safe environment in line with employment legislation and government and sector guidelines</p>	<p>This risk relates to three critical areas of University activities:</p> <ul style="list-style-type: none"> a major business disruption event occurring such as a significant fire, flood or an act of terrorism. the University's responsibilities in respect of its Prevent duty and safeguarding responsibilities. failure to have appropriate support mechanisms and strategies in place to address mental health and wellbeing issues amongst students and staff. 	<p>Robust Major Incident and Business Continuity plans assured during the COVID-19 pandemic.</p> <p>Compliance with Prevent responsibilities through robust and appropriate policies, processes and oversight.</p> <p>Safeguarding Policy in place with identified and appropriately trained safeguarding leads.</p> <p>Mental health policies and procedures including a Student Mental Health, Wellbeing and Resilience Strategy.</p> <p>Participation in the Building Mentally Healthy Universities joint university project with MIND.</p> <p>Learning & Teaching & Student Experience & Campus Operations Group oversee and drive forward the principles agreed in relations to the Learning and Teaching Delivery model and all student support and experience activities.</p> <p>Introduction of a new Employee Assistance Programme which provides 24 hour support for counselling and guidance on a range of issues that may affect both their home and working lives including financial planning support.</p>

Statement of Board of Governors' responsibilities in respect of the Annual Report and the Financial Statements

The Board of Governors is responsible for preparing the Annual Report and the financial statements in accordance with the requirements of the Office for Students' Terms and Conditions of Funding for Higher Education Institutions and Research England's Terms and Conditions of Research England grant and applicable law and regulations.

The Board is required to prepare Group and parent University financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland. The Terms and Conditions of Funding further require the financial statements to be prepared in accordance with the 2019 Statement of Recommended Practice – Accounting for Further and Higher Education, in accordance with the requirements of the Accounts Direction issued by the Office for Students. The Board of Governors is required to prepare financial statements which give a true and fair view of the state of affairs of the Group and parent University and of their income and expenditure, gains and losses and changes in reserves for that period.

In preparing each of the Group and parent University financial statements, the Board of Governors is required to:

- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- assess the Group and parent University's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Group or the parent University or to cease operations, or have no realistic alternative but to do so.

The Board of Governors is responsible for keeping proper accounts and proper records in relation to the accounts. The Board of Governors is responsible for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

The Board of Governors has taken reasonable steps to:

- ensure funds from whatever source administered by the Group or the University for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation;
- ensure funds provided by the Office for Students, 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 terms and conditions attached to them;
- ensure that there are appropriate financial and management controls in place to safeguard public funds and funds from other sources; and
- secure the economical, efficient and effective management of the University's resources and expenditure.

The Governing Body is responsible for the maintenance and integrity of the corporate and financial information included on the University's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Paul Booth CBE
Chair

Professor Paul Croney OBE
Vice-Chancellor & Chief Executive



Independent Auditor's report to the Board of Governors of Teesside University

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Teesside University ('the University') for the year ended 31 July 2022 which comprise the Consolidated and University statement of comprehensive income and expenditure, Consolidated and University statement of changes in reserves, Consolidated and University statement of financial position, Consolidated statement of cash flows and related notes, including the statement of accounting policies.

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the University's affairs as at 31 July 2022, and of the Group's and of the University's income and expenditure, gains and losses and changes in reserves, and of the Group's cash flows, for the year then ended; and
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ('ISAs (UK)') and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Group in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The Board of Governors has prepared the financial statements on the going concern basis as it does not intend to liquidate the Group or the University or to cease their operations, and as it has concluded that the Group and the University's financial position means that this is realistic. It has also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ('the going concern period').

In our evaluation of the Board of Governors's conclusions, we considered the inherent risks to the Group's business model and analysed how those risks might affect the Group and University's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the Board of Governors's use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the Board of Governors's assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Group or the University's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Group or the University will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ('fraud risks') we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud.

Our risk assessment procedures included:

- Enquiring of Board of Governors, the audit committee, internal audit and inspection of policy documentation as to the University's high-level policies and procedures to prevent and detect fraud, including the internal audit function, and the University's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board of Governors, Audit Committee and Resources Committee minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular:

- the risk that management may be in a position to make inappropriate accounting entries; and
- the risk that tuition fee income is overstated through recording revenue when recognition conditions are not met or recording it in the wrong period.

We did not identify any additional fraud risks.

We performed procedures including:

- Identifying journal entries and other adjustments to test for all full scope components based on risk criteria and comparing the identified entries to supporting documentation. These included those posted by senior finance management, those posted to unusual accounts and those having unusual revenue or cash combinations.

Identifying and responding to risks of material misstatement related to compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, and through discussion with the Board of Governors and other management (as required by auditing standards), and from inspection of the University's regulatory and legal correspondence and discussed with the Board of Governors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the University is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related higher education legislation), taxation legislation and pensions legislations and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the University is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: compliance with OfS regulatory requirements, health and safety, data protection laws, anti-bribery, employment law and certain aspects of company legislation, recognising the financial nature of the University's activities and its legal form. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Board of Governors and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Other information

The Board of Governors is responsible for the other information, which comprises the Strategic Review and the Statement of Corporate Governance and Internal Control. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work, we have not identified material misstatements in the other information.

Board of Governors' responsibilities

As explained more fully in its statement set out on page 57, the Board of Governors is responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and parent University's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless it either intends to liquidate the Group or the parent University or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

We are required to report on the following matters by the Accounts Direction dated 25 October 2019 issued by the Office for Students ('the Accounts Direction').

In our opinion, in all material respects:

- funds from whatever source administered by the Group or the University for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation;
- funds provided by the Office for Students, 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 financial statements meet the requirements of the Accounts Direction dated 25 October 2019 issued by the Office for Students.

Matters on which we are required to report by exception

We are required by the Accounts Direction to report to you where the University has an access and participation plan that has been approved by the Office for Students' director of fair access and participation and the results of our audit work indicate that the Group's and the University's expenditure on access and participation activities for the financial year disclosed in note 10 has been materially misstated.

We are also required by the Accounts Direction to report to you where the results of our audit work indicate that the Group's and the University's grant and fee income, as disclosed in note 7 to the financial statements has been materially misstated.

We have nothing to report in these respects.

THE PURPOSE OF OUR AUDIT WORK AND TO WHOM WE OWE OUR RESPONSIBILITIES

This report is made solely to the Board of Governors in accordance with paragraph 13(2) of the University's Articles of Government and section 124B of the Education Reform Act 1988. Our audit work has been undertaken so that we might state to the Board of Governors those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the University and the Board of Governors for our audit work, for this report, or for the opinions we have formed.

Rashpal Khangura (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

Sovereign Square, Sovereign Street, Leeds

6 December 2022

FINANCIAL STATEMENTS

Statement of accounting policies

Accounting convention

The Group and parent University financial statements have been prepared in accordance with United Kingdom Accounting Standards, including Financial Reporting Standard 102 (FRS 102) and the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education (2019 edition). They have also been prepared in accordance with the Accounts Direction issued by the Office for Students (OfS), the Terms and Conditions issued by the Office for Students and the Terms and Conditions of Research England Grant.

The University is a public benefit entity and therefore has applied the relevant public benefit requirement of the applicable UK laws and accounting standards.

Basis of preparation

The consolidated and University financial statements have been prepared under the historical cost convention (modified by the revaluation of certain non-current assets).

Going concern

The Group and parent University's activities, together with the factors likely to affect its future development, performance and position, are set out in the Strategic Review which forms part of the Annual Report. The Annual Report also describes the financial position of the University, its cash flows, liquidity position and borrowing facilities. The financial statements have been prepared on a going concern basis which the Board of Governors consider to be appropriate.

The Board of Governors were presented with the 2022/23 budget and financial forecasts 2022-2025 in July 2022 which included a three year cash flow forecast and balance sheet forecast. After reviewing and approving these forecasts the Board of Governors is of the opinion that, taking account of severe but plausible downsides, the Group and parent University will have sufficient funds to meet their liabilities as they fall due over the period of 12 months from the date of approval of the financial statements (the going concern assessment period).

The Board and its Committees have received regular updates on the challenges caused by the pandemic and the cost of living crisis, and the University's response including scenario planning and stress testing of income and expenditure and the underlying assumptions to ensure that there was sufficient governance and oversight of the University's financial position.

Scenarios were produced to stress test the University's financial resilience to ensure that it had the ability to handle pessimistic scenarios whilst delivering the Financial KPIs. These indicated that the University could absorb these downside scenarios whilst retaining an in-year cash surplus and without having to resort to any borrowings.

Consequently, the Board of Governors is confident that the Group and parent University will have sufficient funds to continue to meet their liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Basis of consolidation

The consolidated financial statements include the University, all its trading subsidiaries and the Friends of the University of Teesside Trust for the financial year to 31 July 2022. Intra-group transactions are eliminated on consolidation.

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

The University has taken advantage of the exemption under 1.12(b) of FRS 102 from preparing a statement of cash flows for the University, on the basis that it is a qualifying entity and the consolidated statement of cash flows, included in these financial statements, includes the University's cash flows.

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 Consolidated Statement of Comprehensive Income and Expenditure on a receivable basis.

Grant funding

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

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

Donations 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 as either restricted or unrestricted income according to the terms of the restriction applied to the individual endowment fund.

There are two types of donations and endowments identified within reserves.

- 1 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.
- 2 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.
- 3 Restricted donations – the donor has specified that the donation must be used for 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.

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 UK Corporation Tax in respect of income or capital gains received within categories covered by sections 478-488 of the Corporation Tax Act 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 (VAT). 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 UK subsidiaries are liable to corporation tax in the same way as any other commercial organisation.

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.

Foreign currency

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the surplus or deficit. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency, at foreign exchange rates ruling at the dates the fair value was determined.

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated, at foreign exchange rates ruling at the balance sheet date. The revenues and expenses of foreign operations are translated at the rates ruling at the balance sheet date where this rate approximates to the foreign exchange rates ruling at the dates of the transactions.

Exchange differences arising from this translation of foreign operations are reported as an item of Other Comprehensive Income or Expenditure.

Exceptional Items

Exceptional items are defined as those items, that in management's judgement are material items which derive from events or transactions that do not fall within the ordinary activities of the Group, are not expected to recur and which individually, or, if of a similar type, in aggregate should be disclosed separately by virtue of their size and incidence.

Fixed assets

Fixed assets are stated at valuation or cost less accumulated depreciation and accumulated impairment losses.

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

Land and buildings

On adoption of the 2015 FE HE SORP the University followed the transitional provision and opted to revalue its land to fair value on the date of transition. Land is, therefore, measured on the basis of deemed cost, being the revalued amount at the date of transition to FRS 102 (1 August 2014).

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

Freehold land is not depreciated as it is considered to have an indefinite useful life. Freehold buildings are depreciated on a straight-line basis over their expected useful lives of between 15 and 70 years.

Major components are treated as separable assets and depreciated over their expected economic lives, or the lives of the structure to which they relate if shorter.

The useful lives are as follows:

Structure	15 years - 70 years
Mechanical	25 years - 35 years
Fixed equipment and furnishings	10 years - 20 years

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

Equipment

Equipment costing greater than £1,500 each with an estimated life of more than one year is capitalised. All laptops and computers are also capitalised.

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

Computer equipment	5 years
Other equipment and software	up to 25 years
Motor vehicles	up to 10 years

Impairment

A review for potential indicators of impairment is carried out at each reporting date. If events or changes in circumstances indicate that the carrying amount of the property, plant and equipment may not be recoverable, a calculation of the impact is completed and arising impairment values charged against the asset and to the SOCIE.

Heritage assets

Works of art and other valuable artefacts, acquired since August 2007, have been capitalised and recognised at the cost or value of the acquisition, where such a cost or valuation is reasonably obtainable.

Heritage assets are not depreciated as their long economic life and high residual value mean that any depreciation would not be material.

Investment properties

Investment properties are land and buildings held for rental income or capital appreciation rather than for use in delivering services.

Investment properties are measured initially at cost and subsequently at fair value with movements recognised in the surplus or deficit.

Properties are not depreciated but are revalued or reviewed annually according to market conditions as at 31 July each year.

Investments

Unlisted non-current asset investments are held on the Balance Sheet at amortised cost less impairment. Listed non-current asset investments are held at fair value.

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 stated at the lower of cost and estimated selling price less costs to complete and sell.

Borrowing costs

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

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and deposits with an original maturity of three months or less.

Intra-group transactions

Gains or losses on any intra-group transactions are eliminated in full. Amounts in relation to debts and claims between undertakings included in the consolidation are also eliminated.

Provisions

Provisions are recognised in the financial statements when: a) the University has a present obligation (legal or constructive) as a result of a past event; b) it is probable that a transfer 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 risk of change in value.

Accounting for retirement benefits

The three principal pension schemes for the University's staff are the Teachers' Pension Scheme (TPS), the Teesside Pension Fund (TPF) and the Universities' Superannuation Scheme (USS). All schemes are defined benefit schemes, but the TPS and USS are both multi-employer schemes and it is not possible to identify the assets and liabilities of these schemes attributable to each institution. Therefore, these schemes are accounted for as defined contribution retirement benefit schemes. Contributions to these schemes are included as expenditure within the Consolidated Statement of Comprehensive Income and Expenditure in the period in which they are payable and no liability for future payments of benefits is recognised in the Balance Sheet.

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

Defined benefit retirement plan

Defined benefit retirement plans are post-employment benefit plans other than defined contribution retirement plans. Under defined benefit retirement plans, the University's obligation is to provide the agreed benefits to current and former employees, and actuarial risk (that benefits will cost more or less than expected) and investment risk (that returns on assets set aside to fund the benefits will differ from expectations) are borne, in substance, by the University. The University recognises the liability for its obligations under defined benefit retirement plans net of scheme assets. This net defined benefit liability is measured as the estimated amount of benefit that employees have earned in return for their service in the current and prior periods, discounted to determine its present value, less the fair value (at bid price) of plan assets. The calculation is determined by a qualified actuary using the projected unit credit method. Where the calculation results in a net asset, recognition of the asset is limited to the extent to which the University is able to recover the surplus either through reduced contributions in the future or through refunds from the plan.

Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the group pays fixed contributions into a separate entity and

has no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the Consolidated Statement of Comprehensive Income and Expenditure in the periods during which services are rendered by employees.

Financial instruments

The University has chosen to apply the provisions of sections 11 and 12 of FRS 102 in full. Financial assets and financial liabilities are recognised in the University's balance sheet when the University becomes a party to the contractual provisions of the instrument. A financial asset and a financial liability are offset only when there is a legally enforceable right to set off the recognised amounts and an intention either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

The University's financial assets and liabilities all meet the criteria for basic financial instruments prescribed within FRS 102 Section 11.8. All financial assets and liabilities are initially recognised at the transaction price plus any additional directly attributable transaction costs. They are subsequently measured as follows.

Investments

Investments within the scope of section 11 of FRS 102 (therefore excluding investments in subsidiaries, associates and joint ventures) are recognised initially at fair value which is normally the transaction price (but excludes any transaction costs, where the investment is subsequently measured at fair value through the statement of comprehensive income). Subsequently, they are measured at fair value if the investment is publicly traded or their fair value can otherwise be measured reliably with the changes in fair value recognised in the statement of comprehensive income. All other investments are measured at cost less impairment.

Short-term debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the statement of comprehensive income in other operating expenses.

Loan notes

Loan notes which are basic financial instruments are initially recorded at the transaction price, net of transaction costs. Subsequently, they are measured at amortised cost using the effective interest method.

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.

Significant estimates and judgements

The preparation of the consolidated financial statements requires management to make judgements, estimates and assumptions in the application of these accounting policies that affect reported amounts of assets, liabilities, income and expenditure.

Estimates and judgements are periodically evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results. Details of the Group's significant accounting judgements and estimates are described below.

Estimates for the accounting for employee benefits

FRS 102 requires that certain assumptions are made in order to determine the amount to be recorded for retirement benefit obligations and pension plan assets for certain of the University's defined benefit plans. These are mainly actuarial assumptions such as discount rate, mortality rates and expected inflation rates. Differences arising from actual experience or future changes in assumptions will be reflected in future years. The key assumptions made for 2022 are documented in note 28.

Valuation of investment property

The University holds one investment property. The valuation of the University's investment property is undertaken on an annual basis. Due to the nature of valuations there is an element of subjectivity and judgement involved in this valuation.

Recoverability of debtors

The provision for doubtful debts is based on our estimate of the expected recoverability of those debts in line with our provision for bad and doubtful debts procedure. A provision is made for any amounts that are not considered to be recoverable. This provision is based on knowledge of the customer, the time that this amount has been outstanding and the level of uncertainty as to whether the customer has sufficient funds to pay these amounts.

Consolidated and University statement of comprehensive income and expenditure

Year Ended 31 July 2022

	Notes	Year ended 31 July 2022		Year ended 31 July 2021	
		Consolidated £000	University £000	Consolidated £000	University £000
Income					
Tuition fees and education contracts	1	139,466	139,004	125,062	124,874
Funding grants	2	16,964	16,964	17,067	17,067
Research grants and contracts	3	4,448	4,443	3,617	3,609
Other income	4	18,389	18,837	13,185	13,439
Investment income	5	465	457	108	102
Donations and endowments	6	521	521	332	332
Total income		180,253	180,226	159,371	159,423
Expenditure					
Staff costs	8	102,274	101,726	93,907	93,509
Other operating expenses		60,053	60,436	46,544	46,983
Depreciation	12	13,945	13,945	15,020	15,020
Impairment	12	5,088	5,088	–	–
Interest and other finance costs	9	2,109	2,109	1,931	1,931
Total expenditure	10	183,469	183,304	157,402	157,443
(Loss)/surplus before other gains		(3,216)	(3,078)	1,969	1,980
Gain on revaluation of investment property	14	560	560	100	100
(Loss)/surplus before tax		(2,656)	(2,518)	2,069	2,080
Taxation	11	(3)	–	2	–
(Loss)/surplus for the year after tax		(2,659)	(2,518)	2,071	2,080
(Impairment)/appreciation on endowment asset investments		(14)	(14)	33	33
Actuarial gain in respect of pension schemes	28	119,418	119,418	22,386	22,386
Total comprehensive income for the year		116,745	116,886	24,490	24,499
Represented by					
Endowment comprehensive (expenditure)/income for the year		(13)	(13)	34	34
Unrestricted comprehensive income for the year		116,500	116,641	24,456	24,465
Restricted comprehensive income for the year		258	258	–	–
		116,745	116,886	24,490	24,499

All items of income and expenditure relate to continuing activities.

Consolidated and University statement of changes in reserves

Year Ended 31 July 2022

Consolidated

	Income and expenditure reserve			Revaluation reserve	Total
	Endowment £000	Restricted £000	Unrestricted £000	£000	£000
Balance at 1 August 2020	288	–	62,256	18,840	81,384
Surplus from the income and expenditure statement	1	–	2,070	–	2,071
Other comprehensive income	33	–	22,386	–	22,419
Transfers between revaluation and income and expenditure reserve	–	–	1,004	(1,004)	–
Total comprehensive income/ (expenditure) for the year	34	–	25,460	(1,004)	24,490
Balance at 31 July 2021	322	–	87,716	17,836	105,874
Balance at 1 August 2021	322	–	87,716	17,836	105,874
Surplus/(deficit) from the income and expenditure statement	1	258	(2,918)	–	(2,659)
Other comprehensive (expenditure)/income	(14)	–	119,418	–	119,404
Transfers between revaluation and income and expenditure reserve	–	–	1,372	(1,372)	–
Total comprehensive (expenditure)/ income for the year	(13)	258	117,872	(1,372)	116,745
Balance at 31 July 2022	309	258	205,588	16,464	222,619

Consolidated and University statement of changes in reserves (continued)

Year Ended 31 July 2022

University

	Income and expenditure reserve			Revaluation reserve	Total
	Endowment £000	Restricted £000	Unrestricted £000	£000	£000
Balance at 1 August 2020	288	–	61,454	18,840	80,582
Surplus from the income and expenditure statement	1	–	2,079	–	2,080
Other comprehensive income	33	–	22,386	–	22,419
Transfers between revaluation and income and expenditure reserve	–	–	1,004	(1,004)	–
Total comprehensive income/ (expenditure) for the year	34	–	25,469	(1,004)	24,499
Balance at 31 July 2021	322	–	86,923	17,836	105,081
Balance at 1 August 2021	322	–	86,923	17,836	105,081
Surplus/(deficit) from the income and expenditure statement	1	258	(2,777)	–	(2,518)
Other comprehensive (expenditure)/income	(14)	–	119,418	–	119,404
Transfers between revaluation and income and expenditure reserve	–	–	1,372	(1,372)	–
Total comprehensive (expenditure)/ income for the year	(13)	258	118,013	(1,372)	116,886
Balance at 31 July 2022	309	258	204,936	16,464	221,967

Consolidated and University Statement of Financial Position

As at 31 July 2022

	Notes	As at 31 July 2022		As at 31 July 2021	
		Consolidated £000	University £000	Consolidated £000	University £000
Non-current assets					
Fixed assets	12	205,871	206,116	209,593	209,838
Heritage assets	13	677	677	653	653
Investment properties	14	3,160	3,160	2,100	2,100
Non-current investments	15	237	266	257	286
		209,945	210,219	212,603	212,877
Current assets					
Stock		67	63	66	63
Trade and other receivables	16	38,940	39,598	28,764	29,868
Current investments	17	75,000	75,000	36,027	36,027
Cash and cash equivalents		10,257	9,365	35,268	34,343
		124,264	124,026	100,125	100,301
Less: Creditors – amounts falling due within one year	18	(67,493)	(68,181)	(58,309)	(59,552)
Net current assets		56,771	55,845	41,816	40,749
Total assets less current liabilities		266,716	266,064	254,419	253,626
Creditors – amounts falling due after more than one year	19	(32,375)	(32,375)	(30,005)	(30,005)
Provisions for liabilities	21	(11,722)	(11,722)	(118,540)	(118,540)
Total net assets		222,619	221,967	105,874	105,081
Restricted reserves					
Income and expenditure reserve – endowment reserves	22	309	309	322	322
Income and expenditure reserve – restricted reserves	23	258	258	–	–
Unrestricted reserves					
Income and expenditure reserve – unrestricted		205,588	204,936	87,716	86,923
Revaluation reserve		16,464	16,464	17,836	17,836
Total reserves		222,619	221,967	105,874	105,081

The financial statements were approved by the Board of Governors on 25 November 2022 and were signed on its behalf on that date by:

Paul Booth CBE
Chair

Professor Paul Croney OBE
Vice-Chancellor & Chief Executive

Consolidated statement of cash flows

Year ended 31 July 2022

	Notes	Year ended 31 July 2022 £000	Year ended 31 July 2021 £000
Cash flow from operating activities			
(Deficit)/surplus for the year after taxation		(2,659)	2,071
Adjustment for non-cash items			
Depreciation	12	13,945	15,020
Impairment	12	5,088	–
Revaluation of investment property	14	(560)	(100)
Loss on sale of fixed assets		4	78
Increase in stock		(1)	(2)
Increase in debtors		(9,918)	(4,748)
Increase in creditors		6,751	20,065
Decrease in pension provision		(504)	(373)
Excess of pension costs over contributions paid		13,104	10,263
Receipt of donated heritage assets		–	(24)
Adjustment for investing or financing activities			
Investment income	5	(461)	(104)
Interest payable	9	6	4
Endowment income	5	(4)	(4)
Capital grant income		(2,607)	(3,088)
Net cash inflow from operating activities		22,184	39,058
Cash flows from investing activities			
Capital grant receipts		4,645	1,551
Disposal of non-current asset investments		44	31
Increase in deposits		(38,973)	(16,027)
Investment income		203	102
Payments made to acquire fixed assets		(13,051)	(8,844)
Payments made to acquire heritage assets		(24)	(15)
New non-current asset investments		(38)	(26)
		(47,194)	(23,228)
Cash flows from financing activities			
Interest paid		(5)	(5)
Endowment cash received		4	4
Repayments of amounts borrowed		–	(227)
		(1)	(228)
(Decrease)/increase in cash and cash equivalents in the year		(25,011)	15,602
Cash and cash equivalents at beginning of the year		35,268	19,666
Cash and cash equivalents at end of the year		10,257	35,268

Notes to the financial statements

1 Tuition fees and education contracts

	Year ended 31 July 2022		Year ended 31 July 2021	
	Consolidated £000	University £000	Consolidated £000	University £000
Full-time home and EU students	81,277	81,277	87,613	87,613
International students	44,453	44,453	24,030	24,030
Part-time students	9,711	9,711	9,432	9,432
Education contracts	4,025	3,563	3,987	3,799
	139,466	139,004	125,062	124,874

2 Funding grants

	Year ended 31 July 2022		Year ended 31 July 2021	
	Consolidated and University £000		Consolidated and University £000	
Recurrent grant received from Regulator	12,909		11,810	
Specific grants				
Higher Education Innovation Fund	1,228		1,276	
National Collaborative Outreach Programme	375		340	
Connecting Capability Fund	494		549	
Hardship Funds	28		943	
Capital Grants	1,396		1,602	
Other	534		547	
	16,964		17,067	

3 Research grants and contracts

	Year ended 31 July 2022		Year ended 31 July 2021	
	Consolidated £000	University £000	Consolidated and University £000	
Research Councils	634	634	402	402
UK-based charities	293	293	160	160
UK central government	1,443	1,441	1,072	1,072
UK Health Service	832	832	588	588
European Commission	678	678	878	878
Other grants and contracts	568	565	517	509
	4,448	4,443	3,617	3,609

4 Other income

	Year ended 31 July 2022		Year ended 31 July 2021	
	Consolidated £000	University £000	Consolidated £000	University £000
Residences, catering and conferences	5,893	5,797	2,974	2,957
Other revenue grants	6,486	6,486	5,186	5,186
Other capital grants	1,189	1,189	1,465	1,465
Other income	4,821	5,365	3,560	3,831
	18,389	18,837	13,185	13,439

5 Investment income

	Year ended 31 July 2022		Year ended 31 July 2021	
	Consolidated £000	University £000	Consolidated £000	University £000
Investment income on endowments	4	4	4	4
Other investment income	461	453	104	98
	465	457	108	102

6 Donations and endowments

	Year ended 31 July 2022 Consolidated and University £000	Year ended 31 July 2021 Consolidated and University £000
Donations	521	332

7 Details of grant and fee income

	Year ended 31 July 2022		Year ended 31 July 2021	
	Consolidated £000	University £000	Consolidated £000	University £000
Grant income from the OfS	12,655	12,655	12,909	12,909
Grant income from other bodies	15,960	15,886	14,052	14,052
Fee income for taught awards	137,375	136,891	123,020	122,888
Fee income for research awards	1,521	1,521	1,222	1,222
Fee income from non-qualifying courses	570	592	820	764
	168,081	167,545	152,023	151,835

8 Staff costs

	Year ended 31 July 2022		Year ended 31 July 2021	
	Consolidated £000	University £000	Consolidated £000	University £000
Salaries	70,895	70,413	66,399	66,036
Social security costs	7,778	7,756	7,003	6,989
Movement on USS Provision	479	479	(67)	(67)
Movement on enhanced pensions provision	(679)	(679)	11	11
Other pension costs (note 28)	23,588	23,544	20,096	20,075
Restructuring costs	213	213	465	465
	102,274	101,726	93,907	93,509

Compensation for loss of office

The number of staff who received compensation for loss of office which totalled £213,000 was 16 (year ended 31 July 2021: £465,000 and 41 staff).

Emoluments of the Vice-Chancellor & Chief Executive

	Year ended 31 July 2022	Year ended 31 July 2021
	Consolidated and University £	Consolidated and University £
Salary	255,390	233,547
Pay in lieu of pension contributions	52,958	48,597
Private healthcare	3,791	3,417
	312,139	285,561

The Vice-Chancellor was a member of the Teachers' Pension Scheme until 30 September 2019. The University's pension contributions to the Teachers' Pension Scheme on behalf of the Vice-Chancellor were paid at the same rates as for other academic staff. The Remuneration Committee approved a monthly payment in lieu of pension contributions from 1 October 2019 at no additional cost to the University.

The University's policy on senior pay is to align all senior management salaries to the median to upper quartile, as reported for the Alliance group of universities in the UCEA Senior Staff Remuneration Survey. The Vice-Chancellor received a pay award in 2021/22 to align his salary with the median quartile of Vice-Chancellor's salaries in the Alliance group of universities, as set out in this policy.

The median salary across all staffing groups is £34,304 per annum (2021: £33,797 per annum). The Vice-Chancellor's basic salary is 7.4 times (2021: 6.9 times) greater than the median pay of staff, where the median is calculated on a full-time equivalent basis for the salaries paid by the University to its staff. The Vice-Chancellor's total remuneration is 7.7 times (2021: 7.2 times) the median total remuneration of staff.

Basic annual salary of higher-paid staff excluding employer's pension contributions

	Year ended 31 July 2022 Consolidated and University number	Year ended 31 July 2021 Consolidated and University number
£100,000 - £104,999	3	3
£105,000 - £109,999	2	–
£110,000 - £114,999	8	4
£115,000 - £119,999	–	1
£120,000 - £124,999	3	–
£125,000 - £129,999	–	1
£135,000 - £139,999	2	2
£145,000 - £149,999	1	–
£160,000 - £164,999	–	1
£180,000 - £184,999	1	–
£230,000 - £234,999	–	1
£255,000 - £259,999	1	–

Average staff numbers by major category (full-time equivalents)

	Year ended 31 July 2022		Year ended 31 July 2021	
	Consolidated number	University number	Consolidated number	University number
Academic and research	982	982	884	884
Administrative and technical	748	733	721	710
Other	216	213	216	212
	1,946	1,928	1,821	1,806

Access and Participation

Access and Participation staff costs included in overall staff costs comprise:

	Year ended 31 July 2022 Consolidated and University £000	Year ended 31 July 2021 Consolidated and University £000
Access and investment	1,862	1,858
Financial support	–	–
Disability support (excluding expenditure in the two categories above)	498	465
Research and evaluation	41	43
	2,401	2,366

Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the University. Staff costs include compensation paid to key management personnel. The University defines its key management personnel as those employees who are or have been members of the University Executive Team during the year.

	Year ended 31 July 2022 Consolidated and University £000	Year ended 31 July 2021 Consolidated and University £000
Key management personnel compensation	1,688	1,567

9 Interest and other finance costs

	Year ended 31 July 2022 Consolidated and University £000	Year ended 31 July 2021 Consolidated and University £000
Loan interest	6	4
Net charge on pension schemes	2,103	1,927
	2,109	1,931

10 Analysis of total expenditure by activity

	Year ended 31 July 2022 Consolidated University £000 £000		Year ended 31 July 2021 Consolidated University £000 £000	
Academic departments	76,479	76,479	67,359	67,359
Academic services	36,157	36,084	31,221	31,363
Research grants and contracts	4,713	4,713	3,861	3,861
Residences, catering and conferences	9,627*	9,558*	3,544	3,474
Premises	18,661	18,661	16,137	16,137
Administration	19,433	19,433	19,900	19,900
Other	18,399	18,376	15,380	15,349
	183,469	183,304	157,402	157,443

Other operating expenses include

External auditor's remuneration in respect of audit services**	124	98	123	98
External auditor's remuneration in respect of non-audit services**	18	12	74	68

The External auditor's remuneration in respect of non-audit services was also considered by Audit Committee with due consideration for any relevant threats and safeguards.

* including impairment charge of £5,088,000 (2020/21 –£nil)

** including VAT

Access and Participation

	Year ended 31 July 2022 Consolidated and University £000		Year ended 31 July 2021 Consolidated and University £000	
Access and investment	2,821		2,717	
Financial support	624		646	
Disability support	504		502	
Research and evaluation	41		44	
	3,990		3,909	

The University's Access and Participation Plan 2020/21 to 2024/25 is available at: <https://www.tees.ac.uk/docs/DocRepo/Schools%20and%20colleges/TeessideUniversity%20Access%20and%20Participation%20Plan%202020-21.pdf>

(1) £2,401,000 (2021: £2,366,000) of these costs are already included in the overall staff costs figure included in the financial statements, see note 8.

11 Taxation

Group and University

As an exempt charity, the University is potentially exempt from corporation tax on income and gains falling within section 287 of CTA 2009 and sections 471 and 478-488 of CTA 2010 or section 256 of TCGA 1992 to the extent that they are applied for charitable purposes.

	Year ended 31 July 2022		Year ended 31 July 2021	
	Consolidated £000	University £000	Consolidated £000	University £000
Current tax				
UK Corporation tax of 19% on surplus for the year	-	-	-	-
Deferred tax charge/(credit)	3	-	(2)	-
Factors affecting the tax charge				
(Loss)/surplus before taxation	(2,656)	(2,518)	2,069	2,080
Surplus multiplied by the standard rate of corporation tax in the UK of 19% (2020: 19%)	-	-	393	395
Tax on surplus falling within charitable exemption	-	-	(393)	(395)
Current tax charge	-	-	-	-

12 Fixed assets

	Freehold land £000	Freehold buildings £000	Assets in the course of construction £000	Vehicles £000	Equipment and furniture £000	Total £000
Consolidated						
Cost						
At 1 August 2021	14,842	262,372	1,555	203	49,969	328,941
Additions in year	-	3,739	7,039	-	5,037	15,815
Transfers in year	(500)	12	(26)	-	14	(500)
Written off in year	-	-	-	-	(962)	(962)
At 31 July 2022	14,342	266,123	8,568	203	54,058	343,294
Consisting of:						
Valuation as at:						
31 July 1997	-	43,362	-	-	-	43,362
31 July 1998	-	1,999	-	-	-	1,999
31 July 2014	13,330	-	-	-	-	13,330
31 July 2020	250	-	-	-	-	250
Cost	762	220,762	8,568	203	54,058	284,353
	14,342	266,123	8,568	203	54,058	343,294
Depreciation						
At 1 August 2021	-	85,623	-	176	33,549	119,348
Charge for the year	-	8,835	-	7	5,103	13,945
Written off in year	-	-	-	-	(958)	(958)
Impairment	-	5,088	-	-	-	5,088
At 31 July 2022	-	99,546	-	183	37,694	137,423
Net Book Value						
At 31 July 2022	14,342	166,577	8,568	20	16,364	205,871
At 31 July 2021	14,842	176,749	1,555	27	16,420	209,593

12 Fixed assets (continued)

	Freehold land	Freehold buildings	Assets in the course of construction	Vehicles	Equipment and furniture	Total
University	£000	£000	£000	£000	£000	£000
Cost						
At 1 August 2021	14,842	262,735	1,555	203	48,614	327,949
Additions in year	–	3,739	7,039	–	5,037	15,815
Transfers in year	(500)	12	(26)	–	14	(500)
Written off in year	–	–	–	–	(962)	(962)
At 31 July 2022	14,342	266,486	8,568	203	52,703	342,302
Consisting of:						
Valuation as at:						
31 July 1997	–	43,362	–	–	–	43,362
31 July 1998	–	1,999	–	–	–	1,999
31 July 2014	13,330	–	–	–	–	13,330
31 July 2020	250	–	–	–	–	250
Cost	762	221,125	8,568	203	52,703	283,361
	14,342	266,486	8,568	203	52,703	342,302
Depreciation						
At 1 August 2021	–	85,623	–	176	32,312	118,111
Charge for the year	–	8,835	–	7	5,103	13,945
Written off in year	–	–	–	–	(958)	(958)
Impairment	–	5,088	–	–	–	5,088
At 31 July 2022	–	99,546	–	183	36,457	136,186
Net Book Value						
At 31 July 2022	14,342	166,940	8,568	20	16,246	206,116
At 31 July 2021	14,842	177,112	1,555	27	16,302	209,838

Impairment

An impairment loss has been recognised against a University building which has been vacated in readiness for refurbishment and improvement works to be undertaken to bring the building back into use. An independent valuation was received based on the residual method for determining the value of the property and the impairment has been recognised to reflect the independent valuation.

Asset revaluations

On adoption of FRS 102 the University revalued its land to its fair value as at 1 August 2014. The valuation was undertaken by BNP Paribas Real Estate Advisory & Property Management UK Limited.

If the freehold land and buildings had not been revalued they would have been included at the following amounts:

	31 July 2022		31 July 2021	
	Consolidated £000	University £000	Consolidated £000	University £000
Cost	251,001	251,305	247,250	247,554
Accumulated depreciation and impairment	(85,061)	(85,061)	(72,510)	(72,510)
	165,940	166,244	174,740	175,044

13 Heritage assets

Consolidated and University	£000
Cost at 1 August 2021	653
Additions in year	24
Cost at 31 July 2022	677

Heritage assets comprise works of art acquired by MIMA.

14 Investment properties

Consolidated and University	£000
Valuation as at 1 August 2021	2,100
Transfer in year	500
Surplus on revaluation	560
Valuation as at 31 July 2022	3,160

In assessing the value of the property as at 31 July 2022, various factors were considered that could affect the value reported in the accounts including the purpose of the property, the level of occupancy, economic factors and the climate of the property market in general.

The method of valuation for this property was the investment method which involves the capitalisation of the rent by a suitable yield to arrive at the capital value.

15 Non-current investments

	Other Fixed Asset Investments		
	Cost £000	Valuation £000	Total £000
Consolidated			
At 1 August 2021	30	227	257
Additions in year	–	38	38
Disposals in year	–	(50)	(50)
Appreciation	–	(8)	(8)
At 31 July 2022	30	207	237

	Other Fixed Asset Investments		Subsidiary companies £000	Total £000
	Cost £000	Valuation £000		
University				
At 1 August 2021	30	227	29	286
Additions in year	–	38	–	38
Disposals in year	–	(50)	–	(50)
Appreciation	–	(8)	–	(8)
At 31 July 2022	30	207	29	266

The University's subsidiary companies and its percentage shareholding in each are as follows:

Subsidiary company	Nature of business	Shareholding
University of Teesside Enterprises Limited (Registered in England and Wales)	Commercial activities, enterprise, trading and liaison with industry and commerce.	Limited by guarantee
Teesnap Limited (Registered in England and Wales)	To provide and promote educational and training services relating to nursing, midwifery and associated professions allied to medicine, dental hygiene, dental therapy and to provide management services related to the aforementioned.	100% Ordinary Shares (Issued share capital – £100)
Teesside (Beijing) Education Consulting Co Ltd (Wholly foreign-owned enterprise of the People's Republic of China)	Provision of consultation services and foreign communication and exchange in relation to education.	100% registered capital (Registered capital RMB 300,000)
TU Online Limited (Registered in England and Wales)	Delivery of the University's online learning course content	100% Ordinary Shares (Issued share capital – £1)
TU Enterprise & Innovation Limited (Registered in England and Wales)	Commercial activities, enterprise, trading and liaison with industry and commerce.	100% Ordinary Shares (Issued share capital – £100)

15 Non-current investments (continued)

The University also consolidates The Friends of the University of Teesside Trust, an independent trust which may provide funds for the assistance and benefit for educational purposes of the University and for other charitable purposes which are connected with and acceptable to the University. The current status of this trust is dormant.

Other fixed asset investments at cost consist of:

Consolidated and University £000

At 31 July 2022 and 31 July 2021

CVCP Properties plc	30
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The University is a shareholder in CVCP Properties plc together with other university members of Universities UK. CVCP Properties plc's principal asset is Universities UK's headquarters, Woburn House. The total issued ordinary share capital of CVCP Properties plc is £4.25m.

Other fixed asset investments at valuation comprise:

	31 July 2022 Consolidated and University £000	31 July 2021 Consolidated and University £000
Equities and bonds	177	197
Cash held within investment portfolio	30	30
	207	227

All other investments are carried at their fair value. Investments in equities and bonds are all traded in quoted public markets, primarily the London Stock Exchange. The basis of fair value for quoted investments is equivalent to the market value, using the bid price. Asset sales and purchases are recognised at the date of trade at cost (that is their transaction value).

Details of the investments in which the group and the University hold 20% or more of the nominal value of any class of share capital are as follows:

Name of company	Holding	Proportion of voting rights and shares held	Nature of business
Hot Coatings Limited	Ordinary shares	24%	Research and development of novel flexible, thermally and electrically resistant coatings
Anasyst Limited	Ordinary shares	22%	Design and development of microfluidic devices for sophisticated fluid operations in miniaturised format
Dynamic Motion Detection Limited	Ordinary shares	24%	Development of exergaming technology, using a gaming system to incorporate force and resistance into game play, for health and sports training benefits

Whilst the above are considered associates, on the grounds of materiality these have been accounted for as investments.

16 Trade and other receivables

	31 July 2022		31 July 2021	
	Consolidated £000	University £000	Consolidated £000	University £000
Amounts falling due within one year				
Trade receivables	18,148	17,266	13,233	12,496
Amounts due from subsidiary companies	–	1,676	–	1,887
Prepayments and accrued income	18,767	18,596	13,472	13,326
	36,915	37,538	26,705	27,709
Amounts falling due after more than one year				
Trade receivables	2,025	2,025	2,059	2,059
Amounts due from subsidiary companies	–	35	–	100
	2,025	2,060	2,059	2,159
	38,940	39,598	28,764	29,868

17 Current investments

	31 July 2022 Consolidated and University £000	31 July 2021 Consolidated and University £000
Short-term deposits	75,000	36,027

Deposits are held with banks operating in the London market and licensed by the Financial Services Authority with more than three months maturity at date of placement. The interest rates for these deposits are fixed for the duration of the deposit at the time of placement.

At 31 July 2022 the weighted average interest rate of these fixed rate deposits was 1.36% (2021: 0.34%) and the remaining weighted average period for which the interest rate is fixed on these deposits was 110 days. The fair value of these deposits was not materially different from the book value.

18 Creditors – amounts falling due within one year

	31 July 2022		31 July 2021	
	Consolidated £000	University £000	Consolidated £000	University £000
Payments received on account	42,683	42,276	35,545	35,122
Trade payables	4,967	4,964	6,414	6,390
Social security and other taxation payable	2,736	2,724	2,453	2,444
Accruals and deferred income	17,107	16,985	13,897	13,653
Amounts due to subsidiary companies	–	1,232	–	1,943
	67,493	68,181	58,309	59,552

19 Creditors – amounts falling due after more than one year

	31 July 2022 Consolidated and University £000	31 July 2021 Consolidated and University £000
Deferred income – government capital grants	32,375	30,005

20 Analysis of secured loans

The University has a formal set-off arrangement with Lloyds Bank in respect of a loan facility. At 31 July 2022 the amount of the loan outstanding was £541,644 (31 July 2021: £1,083,318) with the equivalent amount being held on deposit by the bank. The interest rate charged on the loan is 0.25% above Bank of England Base Rate.

21 Provisions for liabilities

	Defined benefit obligations	Enhanced pensions	Obligation to fund deficit on USS pension	Total
Consolidated and University	£000	£000	£000	£000
At 1 August 2021	113,676	4,440	424	118,540
Utilised in year	–	(383)	(22)	(405)
(Credited)/charged to the Statement of Comprehensive Income and Expenditure	(106,521)	(396)	504	(106,413)
At 31 July 2022	7,155	3,661	906	11,722

Defined benefit obligations

Defined benefit obligations relate to the liabilities under the University's membership of the Local Government Pension Scheme. Further details are given in note 28.

Enhanced pensions

The enhanced pension provision relates to the cost of staff who have already left the University's employment. This provision is recalculated each year end. The principal assumptions for this calculation are:

	31 July 2022	31 July 2021
Price inflation	2.55%	2.55%
Discount rate	3.50%	1.70%

The provision at 31 July 2022 includes an allowance for the known CPI indices that are anticipated to be used to set the 2023 pension increase order. This has been allowed for as experience in the OCI this year.

Obligation to fund deficit on USS pension

The obligation to fund the past deficit on the Universities Superannuation Scheme (USS) arises from the contractual obligation with the USS to fund deficit payments in accordance with the deficit recovery plan. In calculating this provision, management have estimated future staff levels within the USS for the duration of the contractual obligation and salary inflation.

22 Income and expenditure reserve – endowment reserves

Restricted net assets relating to endowments are as follows:

Consolidated and University	Restricted Expendable £000	Restricted Permanent £000	2022 Total £000	2021 Total £000
At 1 August 2021				
Capital	41	157	198	166
Accumulated income	–	124	124	122
	41	281	322	288
Investment and other income	1	3	4	4
Expenditure	(1)	(2)	(3)	(3)
Increase/(decrease) in market value of investments	–	(14)	(14)	33
Total endowment comprehensive (expenditure)/income for the year	–	(13)	(13)	34
At 31 July 2022	41	268	309	322
Represented by				
Capital	41	143	184	198
Accumulated income	–	125	125	124
	41	268	309	322
Analysis by type of purpose:				
Lectureships	11	–	11	11
Prize funds	11	2	13	13
Scholarships and bursaries	19	32	51	51
Research support	–	234	234	247
	41	268	309	322
Analysis by asset:	31 July 2022 £000	31 July 2021 £000		
Non-current investments	207	227		
Cash and cash equivalents	102	95		
	309	322		

23 Restricted reserves – donations

Consolidated and University	£000
At 1 August 2021	–
Capital	424
Expenditure	(166)
At 31 July 2022	258

These restricted reserves relate to donations unutilised in the year.

24 Capital and other commitments

	31 July 2022 Consolidated and University £000	31 July 2021 Consolidated and University £000
Provision has not been made for the following capital commitments at 31 July:		
Commitments contracted for	12,714	352

25 Lease obligations

Total rentals payable under operating leases

Consolidated and University	Land and buildings £000	31 July 2022 Plant and machinery £000	Total £000	Land and buildings £000	31 July 2021 Plant and machinery £000	Total £000
Payable during the year	–	127	127	–	137	137
Future minimum lease payments due:						
Not later than one year	–	113	113	–	101	101
Later than one year and not later than five years	–	23	23	–	86	86
Total lease payments due	–	136	136	–	187	187

26 Related party transactions

Due to the nature of the University's operations and the composition of the Board of Governors (being primarily drawn from local public and private sector organisations), it is inevitable that transactions will take place with organisations in which a member of the Board may have an interest. Members of the Board of Governors are required to declare any outside interests. 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 usual procurement procedures.

The University has taken advantage of the exemptions under section 33 of FRS 102 for '100%' or 'wholly owned' subsidiaries not to disclose inter-group transactions.

These financial statements reflect the following transactions with related parties, which were undertaken on an arm's length basis and under normal commercial terms:

Name	Nature of Interest	2021/22		2020/21	
		Income/ (expense) £000	Amount due (from)/to £000	Income/ (expense) £000	Amount due (from)/to £000
Newcastle University	Close family member is a member of the Board of Governors	183 (82)	(98) 1	239 (67)	(68) 1
PD Ports	Chief Financial Officer is a Governor	27 –	– –	52 –	– –
South Tees Hospital NHS Foundation Trust	Non-Executive Director is a Governor	317 (30)	(66) 524	69 (49)	(7) 6
Teesside University Students' Union	Two Officer Trustees are Governors	377 (1,562)	(377) 432	317 (1,323)	– 244
Visualsoft Ltd	Director is a Governor	15 –	(7) 21	24 (3)	(37) –

No Board member has received any remuneration or has waived payments from the Group during the year (2021 – none).

The total expenses paid to or on behalf of four Board members was £2,413 (2021 – £1,659 to one Board member).

Two Officer Trustees of Teesside University Students' Union (TUSU) are members of the Board of Governors. The financial statements of TUSU are separately audited and are not consolidated with the University.

TUSU received grants from the University of £1,483,000 (2021: £1,320,000).

27 Financial instruments

Overview

The University has exposure to the following risks from its use of financial instruments:

- > Credit risk
- > Liquidity risk
- > Exchange rate risk
- > Interest rate risk

This note presents information about the group's exposure to each of the above risks and its objectives, policies and processes for managing risk.

Categories of financial instruments

	31 July 2022		31 July 2021	
	Consolidated £000	University £000	Consolidated £000	University £000
Financial assets				
Equities and investment funds	207	207	227	227
Trade and other receivables	20,172	21,002	15,292	16,542
Long-term cash deposits	75,000	75,000	36,027	36,027
Cash and cash equivalents	10,257	9,365	35,268	34,343
	105,636	105,574	86,814	87,139
Financial liabilities				
Trade and other payables	4,967	6,196	6,414	8,333
	4,967	6,196	6,414	8,333

These financial assets and liabilities are all basic financial instruments in accordance with section 11 of FRS 102. They are measured at amortised cost with the exception of equities and investment funds which are measured at fair value through the statement of comprehensive income.

Risk management

The Group operates a centralised treasury function which is responsible for managing the credit, liquidity and interest risk associated with the Group's activities. These financial risks are managed within parameters specified by the Treasury Management Policy. The Group's Treasury Management Policy governs all treasury management activities and sets out relevant policy objectives and control measures. It is reviewed and approved by the University's Resources Committee annually. The Treasury Management Policy adopts the key recommendations of the Code of Practice on Treasury Management in Public Services, as issued by the Chartered Institute of Public Finance and Accountancy (CIPFA).

The Group's principal financial instruments are cash, short-term deposits and investments. The core objective of these financial instruments is to meet financing needs of the Group's operations. Additionally, the Group has other financial assets and liabilities arising directly from its operations i.e. trade debtors and creditors.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group's Treasury Management Policy and Financial Regulations lay out the framework for credit risk management. Credit risk is monitored on an on-going basis.

The Group's credit risk arises from bank balances, investments, student debtors and government and commercial organisations as customers. Management of credit risk is a prime objective of Treasury Management Policy. At 31 July 2022, the maximum exposure is represented by the carrying value of each financial asset in the balance sheet. The Treasury Management Policy states maximum level of investments for each counterparty to mitigate risk concentration. Similarly, the Group's investment decisions are based on strict minimum credit worthiness criteria to ensure the safety of cash and investments. Credit worthiness of the Group's banks and money market funds is regularly monitored. Generally, the Group does not require collateral against financial assets.

Student, government and commercial debtors are reviewed on an on-going basis and bad debt provisions are made if recovery of credit becomes uncertain. A debtor deemed irrecoverable is written off in accordance with the Financial Regulations. The concentration of risk is limited due to the student base being large and diverse.

Liquidity risk

Liquidity risk refers to the risk that the Group will not be able to meet its financial obligations as they fall due. Regular monitoring of liquidity risk is an essential feature of treasury management activities.

Formal cash flow forecasts are developed, monitored and updated to ensure that adequate working capital is available and excess funds are invested to reduce the carrying cost of funds. The Group policy is to maintain a minimum liquidity of £35m, at the year end, and invest excess funds for maturity of no more than 12 months. At 31 July 2022, the Group is holding cash and cash equivalents of £10.257m (2021: £35.268m) and deposits and investments of various maturities of £75.0m (2021: £36.027m), none of which is greater than 12 months. The average maturity of all deposits and investments is 240 days.

Exchange rate risk

Exchange rate risk refers to the risk that the unfavourable movements in foreign exchange rates may cause financial loss to the Group.

The Group's principal foreign currency exposures arise from research-related receipts and payments denominated in euros. There are ring-fenced euro bank accounts, set up especially for research projects funded in euros. All other receipts in foreign currencies are converted into pound sterling unless required for immediate foreign currency payments. Overall exchange rate exposure is immaterial, being an insignificant portion of total income and expenditure. At 31 July 2022, the sterling equivalent of all euro bank balances was £0.05m (2021: £0.6m).

Interest rate risk

Interest rate risk refers to the likelihood that changes in interest rates will result in fluctuations of the value of Balance Sheet items (ie price risk) or changes in interest income or expenses (ie re-investment risk).

The Group's main financing relates to one loan with a total amount outstanding of £0.542m (2021: £1.083m). Interest is charged at a margin above base rate. At 31 July 2022, balance sheet values of deposits and investments are not exposed to changes in interest rates. However, the Group's interest and investment income is exposed to changes in interest rates i.e. reinvestment rate risk. The Group is prepared to accept re-investment risk to exploit opportunities where yield can be maximised without compromising capital base of the investment. The Group has no outstanding derivative instruments as at 31 July 2022 (2021: nil).

28 Pension schemes

The two principal pension schemes for the University's staff are the Teachers' Pension Scheme England and Wales (TPS) and the Local Government Pension Scheme (LGPS), established locally as the Teesside Pension Fund (TPF). At 31 July 2022 14 members (31 July 2021: 14) of staff were members of the Universities Superannuation Scheme and a small number of staff were members of defined contribution schemes offered by two subsidiary companies.

The total pension cost:

	31 July 2022		31 July 2021	
	Consolidated £000	University £000	Consolidated £000	University £000
TPS	7,118	7,118	6,739	6,739
TPF including FRS 102 adjustments	16,215	16,215	13,054	13,054
Other pension schemes	255	211	303	282
Total pension cost (note 8)	23,588	23,544	20,096	20,075

Actuarial gain in respect of pension schemes

	31 July 2022		31 July 2021	
	Consolidated and University £000		Consolidated and University £000	
Teesside Pension Fund	119,625		22,386	
Enhanced Pensions	(207)		–	
	119,418		22,386	

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. These regulations apply to teachers in schools, colleges and other educational establishments. Membership is automatic for teachers and lecturers at eligible institutions. Teachers and lecturers are able to opt out of the TPS.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Act. Retirement and other pension benefits are paid by public funds provided by Parliament.

Under the definitions set out in FRS 102 (28.11), the TPS is a multi-employer pension plan. The University is unable to identify its share of the underlying assets and liabilities of the plan.

Accordingly, the University has taken advantage of the exemption in FRS 102 and has accounted for its contributions to the scheme as if it were a defined-contribution plan.

The valuation of the TPS is carried out in line with regulations made under the Public Service Pension Act 2013. Valuations credit the teachers' pension account with a real rate of return assuming funds are invested in notional investments that produce that real rate of return.

The latest actuarial review of the TPS was carried out as at 31 March 2016. The valuation report was published in April 2019. The valuation reported total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218 billion, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £198 billion giving a notional past service deficit of £22 billion.

As a result of the valuation, employer contribution rates were set at 23.68% of pensionable pay from September 2019 onwards.

A full copy of the valuation report and supporting documentation can be found on the Teachers' Pension Scheme website.

28 Pension schemes (continued)

Teesside Pension Fund

Introduction

The disclosures below relate to the funded liabilities within the Teesside Pension Fund (TPF).

The TPF is a funded defined benefit plan, with the assets held in separate funds administered by XPS Administration on behalf of Middlesbrough Borough Council. Benefits up to 31 March 2014 are linked to final salary and benefits after that date are based on a Career Average Revalued Earnings scheme. Details of the benefits earned over the period covered by this disclosure are set out in 'The Local Government Pension Scheme Regulations 2013' and 'The Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014'.

Funding/Governance Arrangements of the TPF

The funded nature of the TPF requires participating employers and its employees to pay contributions into the Fund, calculated at a level intended to balance the pension liabilities with investment assets. Information on the framework for calculating contributions to be paid is set out in LGPS Regulations 2013 and the Fund's Funding Strategy Statement. The total contributions made for the year ended 31 July 2022 were £7,390,000, of which employer's contributions totalled £5,135,000 and employees' contributions totalled £2,255,000.

During the year, the University's contribution rate was 15.8%. Employees' contribution rates range from 5.5% to 12.5%, depending on salary and for full pension entitlement.

McCloud/Sargeant Judgement and Guaranteed Minimum Pension (GMP) Indexation and Equalisation

In December 2018 the Court of Appeal ruled in the 'McCloud/Sargeant' judgement that the transitional protection arrangements put in place when the Firefighters' and Judges' pension schemes were reformed were age discriminatory. The Government applied to the Supreme Court for permission to appeal this judgement, however the Supreme Court rejected the Government's request on 27 June 2019. The next stage is for the case to be referred to the Employment Tribunal to agree the remedy, following appropriate consultation. In a Ministerial Statement dated 15 July 2019 Government committed to extending a remedy across all public sector schemes which included similar transitional protection arrangements, which includes the LGPS.

Following changes to the State Pension in April 2016, there was a risk that members of the LGPS who were 'contracted out' of the State Pension between 6 April 1978 and 6 April 1997, and who would reach their State Pension Age (SPA) after April 2016, would be worse off. This is because State Pension reforms removed the facility for the State to pay 'top up' payments to ensure their total pension was fully inflation protected. The LGPS was only required to pay limited increases on some elements of GMP (a portion of pension accrued in the LGPS when members were contracted out of the State Scheme). In March 2016 Government committed the LGPS to pay full pension increases on GMPs to individuals reaching SPA between 6 April 2016 and 5 December 2018. This has previously been accounted for. In January 2018 Government committed the LGPS to pay full pension increases on GMPs to individuals reaching SPA between 6 December 2018 and 5 April 2021. This has not been recognised in the accounts to date. Further, the Government has indicated that it is committed to continuing to compensate all members of public sector pension schemes reaching SPA after 5 April 2021. The Government's view is that this solution also meets sex equalisation requirements.

Assets

The assets allocated to the employer in the Fund are notional and are assumed to be invested in line with the investments of the Fund for the purposes of calculating the return to be applied to those notional assets over the accounting period. The Fund is large and holds a significant proportion of its assets in liquid investments. As a consequence there will be no significant restriction on realising assets if a large payment is required to be paid from the Fund in relation to an employer's liabilities. The assets are invested in a diversified spread of investments and the approximate split of assets for the Fund as a whole (based on data supplied by the Administering Authority) is shown in the disclosures.

Asset values are reported using estimated asset allocations prepared by the scheme Actuary. This asset value is calculated at each triennial valuation. Thereafter it is rolled forward for accounting valuation purposes using investment returns, contributions received, and benefits paid out. During each annual reporting period between triennial valuations asset returns are estimated using 11 months of market experience and one month of extrapolation being assumed.

The Administering Authority may invest a small proportion of the Fund's investments in the assets of some of the employers participating in the Fund if it forms part of their balanced investment strategy.

28 Pension schemes (continued)

Post Balance Sheet Event

Recent changes in global and UK economic pressures and tightening of monetary policy have had a significant impact on asset markets and corporate bonds yields, which are key to the FRS102 assessment of the net pension asset or liability. In particular, AA corporate bond yields, used to set the FRS102 discount rate, have increased significantly since 31 July 2022, with corresponding falls in asset values. The markets have been exceptionally volatile and therefore while both gross DBOs and assets will have fallen, it is difficult to estimate the impact of these changes on the net balance sheet position.

Actuarial Assumptions

The actuarial assumptions are management's assessment of those that best reflect the University's profile. The University appointed an independent pensions adviser to review the appropriateness of the assumptions which were also supported by sector benchmarking. For the mortality assumptions the University has adopted the CMI_2021 model for future improvements with a w2021 parameter of 10% which is a change from the previous year end when the CMI_2020 model was adopted. This has resulted in a reduction of the defined benefit obligation of approximately £14.6m.

Risks associated with the Fund in relation to accounting

Asset Volatility

The liabilities used for accounting purposes are calculated using a discount rate set with reference to corporate bond yields. If assets underperform this yield this will create a deficit in the accounts. The Fund holds a significant proportion of growth assets which while expected to outperform corporate bonds in the long term creates volatility and risk in the short term in relation to the accounting figures.

Changes in Bond Yield

A decrease in corporate bond yields will increase the value placed on the liabilities for accounting purposes although this will be marginally offset by the increase in assets as a result.

Inflation Risk

The majority of pension liabilities are linked to either pay or price inflation. Higher inflation expectations will lead to a higher liability value. The assets are either unaffected or loosely correlated with inflation meaning that an increase in inflation will increase the deficit.

Life expectancy

The majority of the Fund's obligations are to provide benefits for the life of the member following retirement, so increases in life expectancy will result in an increase in the liabilities.

Exiting employers

Employers who leave the Fund (or their guarantor) may have to make an exit payment to meet any shortfall in assets against their pension liabilities. If the employer (or guarantor) is not able to meet this exit payment the liability may in certain circumstances fall on other employers in the Fund. Further the assets at exit in respect of 'orphan liabilities' may, in retrospect, not be sufficient to meet the liabilities. This risk may fall on other employers. 'Orphan liabilities' are currently a small proportion of overall liabilities in the Fund.

28 Pension schemes (continued)

Principal actuarial assumptions

The latest actuarial valuation of Teesside University's liabilities took place as at 31 March 2019. Liabilities have been estimated by the independent qualified actuary on an actuarial basis using the projected unit credit method. The principal assumptions used by the actuary in updating the latest valuation of the Fund for FRS 102 purposes were:

	At 31 July 2022 %	At 31 July 2021 %
Rate of increase in salaries	2.55	2.60
Future pensions increases		2.60
Year ending 31 July 2023	9.90	–
From 1 August 2023	2.55	–
Discount rate for scheme liabilities	3.50	1.70
Inflation assumption (CPI)	2.55	2.60

The Defined Benefit Obligation at 31 July 2022 includes an allowance for the known CPI indices that are anticipated to be used to set the 2023 Pension Increase Order. This has been allowed for as experience in Other Comprehensive Income this year.

The mortality rate is based on publicly available mortality tables for the specific country. COVID-19 has caused a short-term increase in deaths in the UK but the excess deaths to date have not generally had a material impact on UK pension scheme liabilities. The future impact of COVID-19 on long term mortality improvements is currently uncertain with potential adverse implications of delayed medical interventions and long COVID along with potential positive implications if the surviving population is less frail or the pandemic causes improved healthcare initiatives and lifestyle changes. Overall, the University believes currently there is insufficient evidence to require an explicit adjustment to the mortality assumption for COVID-19.

	At 31 July 2022 years	At 31 July 2021 years
Retiring today		
Males	20.9	21.2
Females	22.8	23.1
Retiring in 20 years		
Males	21.7	22.2
Females	24.2	24.6

Life expectancies quoted above are based on lives aged 45 and 65 at the latest funding valuation, not the balance sheet date. Life expectancy vary with factors such as socio-economic group, size of pension and geographical location however, the University believe it is acceptable to use the expectancies per latest triennial funding valuation.

The University's share of the assets in the plan at the balance sheet date were:

	At 31 July 2022 Share of the assets %	At 31 July 2021 Share of the assets %
Equities	68	85
Property	18	7
Cash	14	8
	100	100

28 Pension schemes (continued)

Return on assets

The return on assets invested in the Middlesbrough Borough Council for the period to 31 July 2022 is estimated based on actual return of the fund to 30 June 2022 plus estimated return for the month of July 2022 based on marker indices provided by the administrative authority of the fund.

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

Assumption	Change in Assumption	Impact on fund deficit
Discount rate	Decrease by 0.1%	Increase by £5.1m
Rate of salary growth	Increase by 0.1%	Increase by £0.4m
Rate of increase to pensions in payment	Increase by 0.1%	Increase by £4.7m
Members live longer than assumed	One year longer	Increase by £9.7m

	At 31 July 2022 £000	At 31 July 2021 £000
Analysis of amounts shown in balance sheet		
Fair value of Fund assets	249,393	227,686
Present value of Fund liabilities	(256,548)	(341,362)
Deficit in the scheme recorded within provisions (note 21)	(7,155)	(113,676)

	Year ended 31 July 2022 £000	Year ended 31 July 2021 £000
Amounts included in staff costs		
Current service cost	16,215	13,054

Amounts included in interest and other finance costs		
Net interest cost	2,024	1,852

Amount recognised in other comprehensive income		
Asset gains arising during the year	15,388	36,793
Experience gains/(losses) on liabilities	104,237	(14,407)
	119,625	22,386

Deficit at 1 August	(113,676)	(125,799)
Movement in year:		
Current service cost	(16,215)	(13,054)
Employer contributions	5,135	4,643
Net interest on defined liability	(2,024)	(1,852)
Actuarial gains	119,625	22,386
Deficit at 31 July	(7,155)	(113,676)

Changes in the present value of defined benefit obligations		
Defined benefit obligations at 1 August	341,362	313,017
Current service cost	16,215	13,054
Interest cost	5,913	4,668
Contributions by scheme participants	2,255	2,022
Actuarial losses	(104,237)	14,407
Benefits paid less individual transfers in	(4,960)	(5,806)
Defined benefit obligations at 31 July	256,548	341,362

28 Pension schemes (continued)

Changes in the fair value of fund assets

	Year ended 31 July 2022 £000	Year ended 31 July 2021 £000
Fair value of Fund assets at 1 August	227,686	187,218
Interest on Fund assets	3,889	2,816
Actuarial gains	15,388	36,793
Contribution by the employer	5,135	4,643
Contributions by scheme participants	2,255	2,022
Benefits paid	(4,960)	(5,806)
Fair value of Fund assets at 31 July	249,393	227,686

History of experience gains and losses

	2022	2021	2020	2019	2018
Difference between actual and expected return on Fund assets:					
Amount (£000)	15,388	36,793	(21,577)	4,756	10,163
Percentage of scheme assets	6.2%	16.2%	(11.5%)	2.4%	5.4%
Experience gains/(losses) on Fund liabilities					
Amount (£000)	104,237	(14,407)	(25,977)	(24,694)	(7,593)
Percentage of the present value of Fund liabilities	40.6%	(4.2%)	(8.3%)	(9.1%)	(3.3%)

Actual return on Fund assets

	Year ended 31 July 2022 £000	Year ended 31 July 2021 £000
Interest income on Fund assets	3,889	2,816
Actuarial gains on assets	15,388	36,793
	19,277	39,609

The Teesside Pension Fund assets do not include any of the University's own financial instruments or any property occupied by the University.

This publication is available in alternative formats on request.
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