

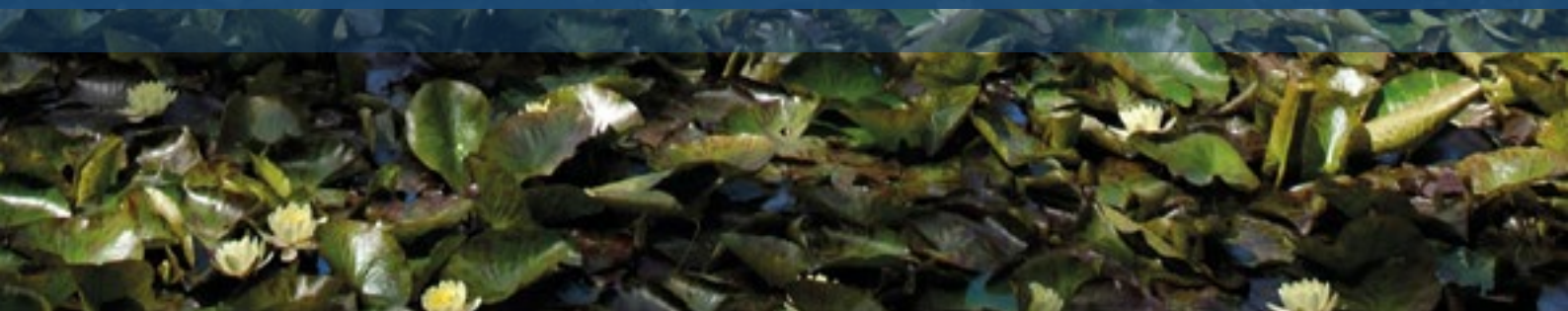


UNIVERSITY OF  
**BATH**



# Annual Report & Accounts

for the year ended 31 July 2021





# CONTENTS

## Annual Report & Accounts for the year ended 31 July 2021

4	Key Facts and Figures
6	Foreword by Pamela Chesters CBE, Chair of Council
8	Vice-Chancellor's Introduction
10	Strategic and Operational Review
36	Key Operational Performance Indicators
42	Public Benefit Statement
46	Statement of Risk and Risk Table
50	Statement of Corporate Governance, including Statement of Internal Control
56	Statement of Equality Objectives 2019-23
58	Annual Report of the Remuneration Committee
63	Financial Review
72	Independent Auditors' Report
74	Consolidated Accounting Policies for 2020-21
78	Consolidated and University Statement of Comprehensive Income for the year ended 31 July 2021
79	Consolidated and University Statement of Changes in Reserves for the year ended 31 July 2021
80	Consolidated and University Balance Sheets as at 31 July 2021
81	Consolidated Cash Flow Statement for the year ended 31 July 2021
82	Notes to the Financial Statements
105	Note on our Integrated Reporting Approach





**1<sup>st</sup>**  
**in England**  
**in 2021**  
 National Student Survey

---

among institutions listed in the Guardian University Guide

**9<sup>th</sup>**  
 best university in the UK in The Times and The Sunday Times Good University Guide 2022

**8<sup>th</sup>**  
 best university in the UK in the Guardian University Guide 2022

We have over 170 Students' Union societies encompassing sports, arts and other interests

**Athena SWAN Institutional Silver Award**


**Research Excellence Framework**  
 In the 2014 Research Excellence Framework (REF), 87% of our research was defined as world-leading or internationally excellent

**TOP 10**  
 in 3 national league tables 2022

**10<sup>th</sup>**  
 best university in the UK The Complete University Guide 2022

**173**  
 countries in which our alumni are working

Over two thirds of our undergraduates spend a placement year in private, public, or not-for-profit sectors

We have over **19,041** students enrolled 

**3,172 employees**  
 including researchers, landscapers, administrators and nursery staff

**1,190**  
 students in receipt of bursaries with a household residual income of less than £22k



## Foreword by Pamela Chesters CBE, Chair of Council



I would like to begin by stating unequivocally the pride I, and my colleagues on Council, have in the way the whole University responded to the pandemic over the past twelve months. A year ago, I reflected on the rapid adjustments which we had made in response to the first few months of the pandemic but none of us appreciated just what a demanding year was about to follow and the relentless pressures which we would face. So to our academic staff who worked tirelessly to pivot their work to support student learning while still trying to maintain their research interests; to our professional services staff who pulled out all the stops to enable us to function smoothly; to our students who dealt with the inevitable constraints on their university experience with good grace and humour; and in particular to our leadership team, led by our Vice-Chancellor, who inevitably carried the greatest burden of responsibility for ensuring the health and well-being of all in our community, a massive thank you.

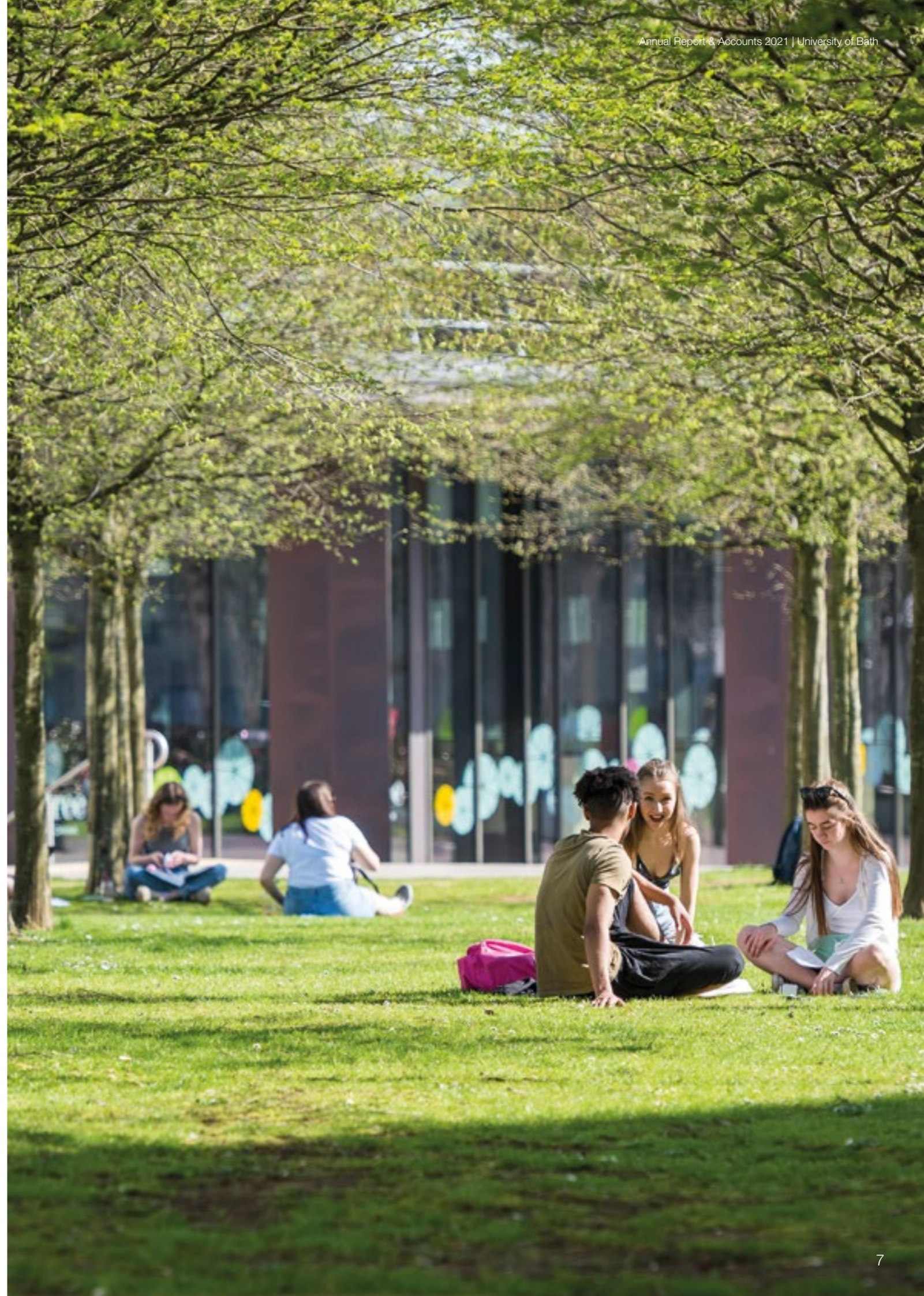
Despite the challenges, through good stewardship, we have been able to deliver a solid set of outcomes – reflected in both our internal metrics and external validation as demonstrated through the various league tables and other successes which are outlined later within this report. A modest financial surplus has been achieved which enables us to continue to plot our own destiny with a degree of confidence. This is particularly important as we embark on delivering our ambitious University Strategy 2021-2026 which we approved earlier this year.

However I am mindful as we face into 2021-22, that Covid-19 has not disappeared, and, despite the welcome summer break, our resilience remains lower than ideal and so a continued focus on a culture of care across our community remains central to our approach.

We remain exposed to a number of major external risk factors: in particular the outcome of the Government Spending Review, tuition fee levels, unresolved pensions issues and the unknown trajectory of the rate of return of overseas students. In addition, we have identified a number of Bath specific challenges such as widening participation which we are committed to addressing within our new strategy.

I am confident however that we are taking the right steps to build our capacity and capability to rise to these challenges and have the drive and commitment to ensure our continued success.

**Pamela Chesters CBE**  
**Chair of Council**





## The introduction to the Annual Report and Accounts by the Vice-Chancellor and President, Professor Ian White.



The Vice-Chancellor with the newly-appointed Pro-Vice-Chancellor team: (L-R) Professor Cassie Wilson (PVC Student Experience), Professor Julian Chaudhuri (PVC Education), Professor Ian White (Vice-Chancellor), Professor Sarah Hainsworth (PVC Research).

It is humbling to introduce this year's integrated Annual Report and Accounts and to reflect on the last year, which has been one of extraordinary achievement in the face of ongoing challenge, chief amongst them navigating the global pandemic. It has also been a year where we have turned our minds not only to the next year of transition and recovery but to focus on the next five years and a new strategic direction for our University. At the outset, I would like to thank all members of our governing body, Council, and Pamela Chesters CBE, Chair of Council, for the ongoing advice and leadership provided throughout the last year.

### Extraordinary success

That we remain in the top ten in all three major national league tables is a testament to the talent and dedication of our community. At the time of writing, we are eighth in The Guardian University Guide, ninth in The Times & The Sunday Times Good University Guide 2021 and tenth in The Complete University Guide 2022.

In a year where we have endeavoured to put the experience and wellbeing of our student and staff community at the heart of our decisions, the results from the 2021 National Student Survey (NSS) have demonstrated that our individual and collective efforts have been recognised by our students in the best possible way. Our students recorded overall satisfaction of 86.06%, more than 10% above the UK average of 75.41% from all UK

Higher Education institutions taking part in the 2021 NSS. This result is an improved relative position for us, which this year is top in England, and second in the UK, when comparing Higher Education institutions listed in the Guardian University Guide. I am deeply grateful to all those colleagues who taught and supported our students with such care over the last year and in the face of such challenges.

It has also been an important year for our research, with an extraordinary effort to finalise our submissions to the Research Excellence Framework (REF) 2021. This year, the size of our submitted research base rose from 473 researchers in 2014 to 798 in 2021. This has been a major undertaking and I pay tribute to those involved in putting together the submission.

Bath has a strong sporting pedigree and it was a pleasure to witness no fewer than 20 Bath-based athletes performing at the Olympics and 8 in the Paralympics, as well as many in our alumni community. We witnessed exceptional performances with 10 medals, nine of them gold, being won by seven University-based athletes at the Olympics. At the Paralympics, the Bath-based ParalympicsGB wheelchair fencers brought home nine medals in six events between them. These athletes, and the teams that support them, really do inspire the sportspeople of the future, and indeed all of us in the pursuit of excellence in our own fields.

### Navigating the Covid-19 pandemic

The Covid-19 pandemic continues to affect individuals, communities and organisations around the world. In the 2020-21 academic year, our community has worked together to navigate its challenges in a remarkable way.

Colleagues across our teaching and research communities have had to adapt, time and again, to the changing external environment, including lockdowns and new restrictions. I pay tribute to our academic and professional services colleagues, who have worked together more closely than ever before to enable us to fulfil our core academic mission. We have learned a great deal this year, which we can deploy and adapt to meet future challenges and opportunities.

The care shown to our students by our colleagues has been truly remarkable. To support students who needed to self-isolate in our accommodation, we created a hub which helped transport students safely to testing sites, provided free, nutritious and varied meals, a laundry and postal service and games, activities and treats. In addition, our team of Student Living Ambassadors regularly checked in on self-isolating students. A dedicated team ran in-person lateral flow testing for students and staff both on campus and in the City. For students facing financial difficulties we set up a new Hardship Fund offering a non-repayable bursary to those most in need. We are most grateful for the generous

donations of our alumni and friends to support this fund. Supporting people's mental health has continued to be a particular priority. In addition to the ongoing support provided by Student Services, we invested in a new 24/7 service 'Be Well - Talk Now' to support students at any time by phone, video call or online from anywhere in the world, including in multiple languages.

The pandemic has also led to professional and personal challenges for our staff in the last year. We provided a range of additional support, including equipment to enable homeworking, and new mental health and wellbeing initiatives. For our whole University community, we also ran 'Summer at Bath', a range of wellbeing, development and social activities arranged in line with the UK Government's roadmap out of lockdown, and designed to help staff and students safely reconnect with one another.

Our community has also continued efforts to play an active role in helping our local community, building on the initiative that produced more than 200,000 pieces of personal protective equipment for local health workers in Bath's Royal United Hospitals and beyond.

We made available, free of charge, 62 en-suite rooms and four flats in our City-centre accommodation to RUH doctors, nurses and staff in need of somewhere to stay close to their work, or while isolating from their families. In addition, another city centre building, Carpenter House, has been redeployed as an accessible Covid-19 testing site for the local community.

### Turning to the future: our new 5-year strategy

Looking ahead, our aspiration is not only to recover well from the pandemic but to build on the innovation, collaboration and agility we have demonstrated in the last twelve months to support individual and collective success in years to come. Building on an extensive engagement programme with staff, students and alumni, we have now launched 'Our University, Our Future: Connected' our new University strategy. Our 2021-26 strategy sets out four pillars to focus collective activity: driving excellence in education, driving high-impact research, fostering an outstanding and inclusive community and enhancing strategic partnerships.

Indeed, we have already laid some firm foundations on which to build: whether investing in new digital technology to support our education ambitions, or progress in support of our new institutional research priorities such as the launch of the £17m Innovation Centre for Applied Sustainable Technologies, this highlighting the continuing commitment of the University to research in sustainability.

In terms of fostering an inclusive community, we've already made exceptional progress, having been awarded Athena Swan Silver at institutional level, in addition to numerous departmental Silver and Bronze awards. We have started working towards the Race Equality Charter Award and have commissioned major reports on Equality, Diversity and Inclusion, and on Race in particular, these to be completed in the coming academic year. We remain committed to building an ever stronger and inclusive University community, which cherishes diversity, and where hate, harassment and discrimination are never tolerated and views can be freely expressed within the law. In working towards this, we launched a new initiative to tackle harassment and discrimination called 'Be the Change'. We continued to develop new significant activity on widening access and participation to seek to ensure that our student community can be genuinely diverse.

We have also kept an external focus over the last year, appointing four new Global Chairs, joining new partnerships such as the UK-Singapore Universities Alliance for Entrepreneurship and Innovation and building on regional and local connections including through the initiative 'Our Shared Future'.

Recognising our responsibility to global sustainability, we formed a team to drive forward our Climate Action Framework, this activity leading to key new major initiatives such as in education, where for example all new students receive relevant induction modules along with the opportunity to study further. We are working hard now to ensure we can meet our zero carbon targets and are grateful for the commitment shown by so many across the University to achieve this.

To help shape and implement our new strategy, we have appointed three Pro-Vice-Chancellors (PVCs). Professor Cassie Wilson has already started in role as PVC for Student Experience and we look forward to welcoming Professor Sarah Hainsworth OBE and Professor Julian Chaudhuri later in 2021 to take up their posts of PVC for Research and PVC for Education, respectively.

As this report outlines so clearly, despite ongoing uncertainty and major challenges we will face this year, our Bath community has continued to deliver outstanding success. I could not be prouder of our individual and collective achievements and look forward to working together to achieve our future ambitions as an energetic, connected community.

With warm good wishes,

**Professor Ian White**  
Vice-Chancellor and President



# Strategic and Operational Review

## Strategic Review

Our new Strategy 2021-2026 describes our mission to deliver world-class research and teaching, educating our students to become future leaders and innovators, and benefiting the wider population through our research, enterprise and influence. Our vision is to be an outstanding and inclusive University community, characterised by excellence in education, research, and innovation; working in partnership with others for the advancement of knowledge, in support of the global common good.

### We seek to advance our impact by:

- Growing our reputation for University education through internationally leading courses which are rigorous, relevant and pioneering and which attract highly achieving students from diverse backgrounds, enhanced by high-value placement and extracurricular opportunities to help students to take their ideas and passions to the next level
- Growing our research strength to drive research quality, achievement and impact at international levels
- Growing our identity as a strong learning community in which collective endeavour and a culture of care enable the flourishing of all
- Growing our strategic civic, corporate and international partnerships to allow us to fulfil our ambitious vision in education, research and enterprise

### Our Strategy 2021-26 expresses our ambitions across four pillars

- **Driving excellence in education**
- **Driving high-impact research**
- **Fostering an outstanding and inclusive community**
- **Enhancing strategic partnerships.**

We have identified Key Performance Indicators (KPI) to help us monitor our delivery of this new Strategy and these are disclosed in the University Strategy 2021-26- Key Operating Performance Indicators on page 26.



Values are at the heart of our Strategy for advancement, growth and impact, defining our characteristics as a community namely:

- delivering quality and excellence, whilst being quick to listen and learn
- nurturing high aspirations, for the benefit of all
- aspiring to the highest standards of scientific, ethical and professional integrity, whilst supporting the freedom to challenge the received wisdom
- supporting a sustainable community and adopting best environmental practice
- fostering inclusion, equality, diversity and accessibility where the unique value of each individual is recognised as we build a community of trust and care by treating each other with respect

### Steps to achieving our strategic ambitions

Our Strategy was formed during a global pandemic, with perhaps greater uncertainty about the future than many of us have experienced in our lifetimes. Therefore, our strategy provides a high-level framework setting out what we want to achieve, by what means and in what timeframe, with the flexibility to adapt to a rapidly changing world.

The implementation of our Strategy will be achieved via our ongoing operational planning processes, a range of specific action plans and a programme of institutional initiatives. Implementation will be overseen by the University Executive Board and progress towards achieving our targets will be reported to our governing body, Council, for scrutiny.

Our success more than ever before, will depend on our ability not only to create new ideas, build on our strengths and address, head on, those areas that we need to improve, but to collaborate, plan and work together to achieve them with a collective sense of purpose and shared values.

One thing which does not constrain us is the strength of our collective ambition, to reach out and connect at every level, in order to achieve greater positive impact locally and globally.

## Operational Review

Below are a series of case studies which are intended to illustrate where we, as a community, have evidenced and achieved the values recognised in our Strategy for the benefit to our stakeholders. We have a broad and diverse set of stakeholders and these case studies can only cover a subset of the range of ways in which we add value. In our Value Creation statement Model on page 12-13 we reference some of the case studies below to evidence this.

### Our Values

- **delivering** quality and excellence, whilst being quick to listen and learn.  
Case study illustration - Supporting our students and staff in responding to Covid-19 pages 14-15  
Case study illustration - Excellent education and experience the Bath way pages 22-23  
Case study illustration - Enhancing our capabilities page 24
- **nurturing** high aspirations, for the benefit of all.  
Case study illustration - The University welcome four new Global Chairs pages 26-27  
Case study illustration - Sports, staying active, motivated and connected pages 30-31
- **aspiring** to the highest standards of scientific, ethical and professional integrity, whilst supporting the freedom to challenge the received wisdom.  
Case study illustration - Widening Access and Participation pages 32-33.
- **supporting** a sustainable community and adopting best environmental practice.  
Case study illustration - Helping our local community in responding to Covid-19 pages 16-17.
- **fostering** inclusion, equality, diversity and accessibility where the unique value of each individual is recognised as we build a community of trust and care by treating each other with respect.  
Case study illustration - Working with our community in Bath and beyond pages 26-27.





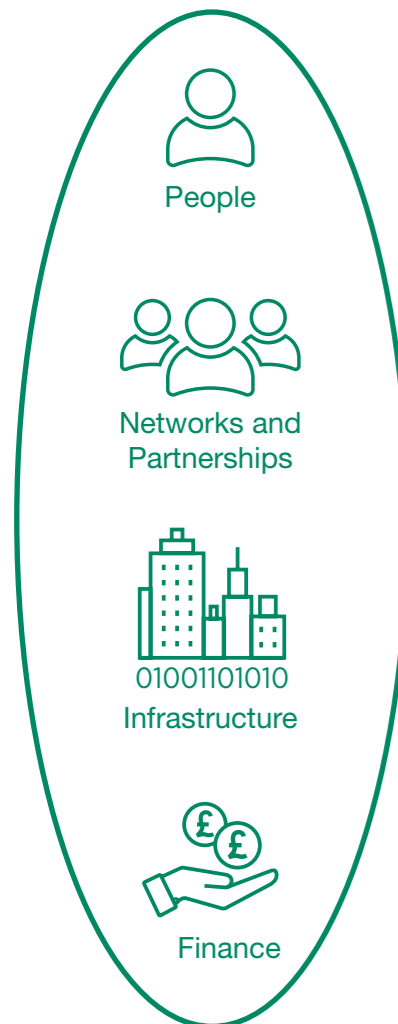
# HOW WE CREATE VALUE

As part of our Annual Report & Accounts, we show how we use what we draw from to create and sustain value for our numerous stakeholders. Examples within the report demonstrate how we allocate resources, manage risks and develop opportunities through our education, research and engagement.



## What we draw from

We draw from the following to create non-financial and financial value



## Examples of how we create value

We enhance teaching and research by utilising the skills of exceptional individuals who have specific expertise and experience.

We work with our stakeholders to identify the challenges that face society and the skills required for our students and this informs our curriculum.

We work with our partners in providing placement opportunities for our students further enhancing their learning experiences with real life work environments.

We employ the best possible staff from around the world who undertake both applied and blue sky research to generate knowledge. This enhanced understanding benefits society and is embedded within our teaching which attracts highly able students to our City.

Our high quality campus and activities are sustained by fees received for teaching and payments for undertaking research. We also receive donations and generate income from other areas such as accommodation, facility use and investments. All surpluses are reinvested for the benefit of our stakeholders.

Our research addresses global challenges and our graduates make significant contributions to society.

## Outputs

**Knowledge and understanding**  
The generation of new knowledge for global benefit results in an enhanced reputation for working at the highest level.

**Student experience**  
Exceptional curricular, non-curricular sporting and social opportunities result in high rates of graduate employment in professional jobs or further study.

**Enhancing capability of people**  
People with the skills, motivation, knowledge and experience to deliver together for a community.

**Capacity of infrastructure**  
High quality sustainable built environment with an ongoing investment in facilities and equipment.

**Financial stability**  
A successful operating model and a strong financial position enables financial sustainability and provides for future investment.

## Stakeholder value

We share the value we create for the benefit of our stakeholders

**Students**  
We reinvest in our educational provision for both current and future students.

**Staff**  
We develop our staff through a number of programmes to grow their capability and our base and reinvest in staff facilities and new appointments.

**Alumni**  
We have developed a significant professional alumni network and support graduates into professional employment or further study.

**Society**  
We create value for the benefit of the regional economy and are the 2nd largest employer in the City. We work with local communities to attract jobs and investment into the region.

**Partner organisations**  
We work with research funders, government agencies and society to share the value we create and nurture partnerships with employers and other universities to create additional value.



# Responding to Covid-19: Supporting our students and staff

Throughout this most challenging year we have sought to support our community at all stages.

Our central message throughout the pandemic has been 'Be Safe. Be Kind. Belong at Bath'. It has taken a real community spirit to support our students and staff and to deliver the best possible education, research and innovation. Partnership working has been key, not only amongst teams within the University, but also the close collaboration with the Students' Union (SU), public health experts and local organisations.

Most of our students returned to Bath in September 2020 and we supported those travelling from overseas to quarantine safely.

To support students who needed to self-isolate, our Accommodation, Hospitality, Events, Retail and Security teams created a Covid-19 hub and new notification system. This ensured we could transport students to testing sites, in addition to providing free, nutritious and varied meals; a laundry and postal service; and games, activities and treats to keep people entertained. Our team of Student Living Ambassadors also regularly checked in on self-isolating students in University-managed accommodation.

To support wellbeing we also launched two new apps: Umii (an online network connecting Bath students with similar interests); and Fika (an app that provides tips to users to help maintain mental fitness).

Supporting students' mental health has been a particular priority. In addition to the regular activities of our Student Services, Security and HR teams, we invested in a new 24/7 service 'Be Well – Talk Now' to support students at any time by phone, video call or live chat from anywhere in the world, including in multiple languages.

By late November we began rapid testing for students and staff both on campus and in the City. This was significant in preventing the transmission of Covid-19 as well as enabling students to return home safely during the winter travel window.

For students facing financial difficulties due to Covid-19, thanks to the generous donations of our alumni and friends, we were able to offer more non-repayable bursaries to those most in need via our Student Hardship Fund. From January 2021 we offered a rent rebate for students in University accommodation unable to use their rooms because of Covid-19 restrictions.

For our staff, 2020-21 was a particularly difficult year too: for those who have remained on campus throughout; those on furlough; and those working from home.

We provided a range of additional support to colleagues, including equipment to enable homeworking and new mental health and wellbeing initiatives. For staff furloughed under the government

scheme, we topped up the 80% contribution to pay all furloughed employees 100% of their basic pay, including pension contributions.

Engaging with our community has been vital, and we have ensured our communications are timely and relevant, including via new staff and student Covid-19 guidance web pages, video and e-mail updates, and regular virtual town hall events. We have also sought the views of students and staff through surveys at regular intervals.

Despite the many challenges over this past year, we are incredibly proud of the strength of our community and the efforts of all staff and students in supporting one another.





# Responding to Covid-19: Helping our local community

## Playing a useful role and adding value in our City and beyond

A year of change and upheaval around the world has highlighted not only the need for international collaboration, but also for the strengthening of our ties with people, groups and organisations close to home in Bath and the surrounding areas.

The University has long worked with partners from local government, education bodies and other Bath-based groups, but the past 18 months has led to greater interactions with partners including Bath & North East Somerset Council, the Royal United Hospitals Bath (the RUH) and Public Health England.

## Using our expertise

The Covid-19 pandemic has seen direct work by our community to produce and supply vital PPE to local hospitals and healthcare workers, with 200,000 items being made by staff within the Faculty of Engineering & Design, while local business 4Ground made a similar number using designs developed at Bath. Items made in secure labs on campus ranged from eye protectors and face shields, while our colleagues worked with local sewing groups to create medical gowns.

The 70-strong project team, including Dr Alexander Lunt, Professor Richie Gill, Dr Elise Pegg and others has been recognised with several local award nominations and

wins, and our Chancellor, Prince Edward, Earl of Wessex, recognised their efforts at a special event held in July 2021.

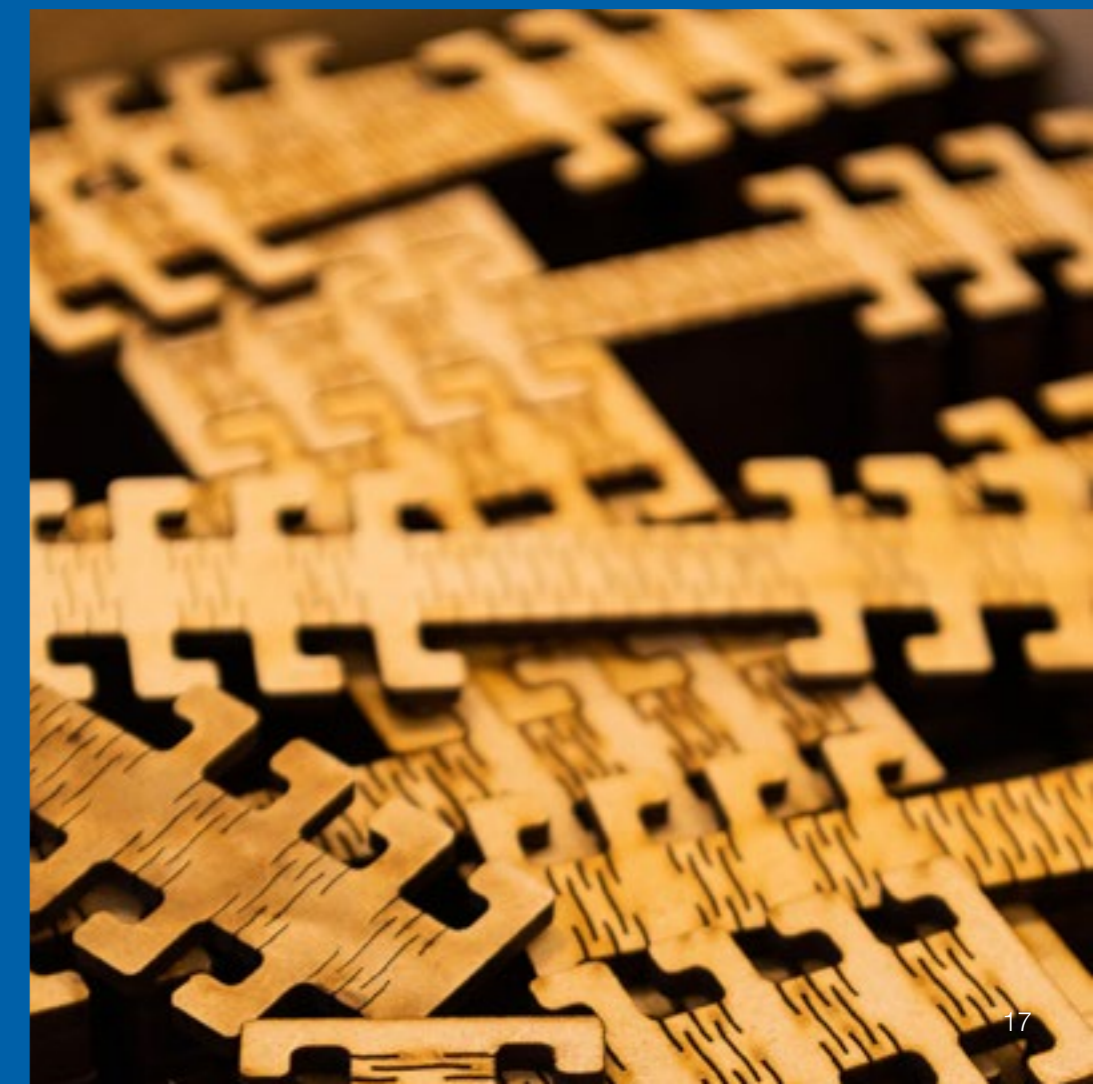
Dr Alexander Lunt said: "The project has been an incredible insight into the collective team spirit within the University to pull together and help those in need. The number of face shields produced is staggering. We would like to extend our thanks to all the volunteers, staff members and donors who selflessly worked towards a highly worthwhile cause.

"We are honoured to have been able to assist those working on the frontline taking care of our community."

## Helping by offering up our spaces and facilities

We also offered up our facilities. City-centre university accommodation at the John Wood Building, normally used by undergraduate students, was made available for free to RUH doctors, nurses and staff in need of somewhere to stay close to their work, or while isolating from their families. A total of 62 en-suite rooms and four flats were made available, allowing staff to keep themselves and our community safe during challenging times.

Areas of University City-centre buildings, including Carpenter House, were also redeployed as local testing sites in the autumn, providing accessible spaces in central Bath to carry out vital NHS testing and support services.





# Responding to Covid-19: Sharing and applying our expertise

Throughout the pandemic, academics from across the University have played an active role in helping the scientific community, policymakers and the public understand more about the virus and its many effects on our health, society and economy.

From the Milner Centre for Evolution, infectious disease and vaccinology specialist Professor Andrew Preston has fielded daily interviews for national and international media helping the public to understand more about Covid-19, vaccination, and variants. Professor Preston has collaborated with ThermoFisher, one of the world's largest biotech suppliers, and has also used his expertise locally in setting up a testing facility at Clevedon School.

Elsewhere, regular analyses from microbial evolution expert, Professor Ed Feil, and modelling from mathematical biologist and member of Independent SAGE, Dr Kit Yates, have been reported on nationally and internationally. Dr Yates' contributions to iSAGE have been influential in informing Covid-19 policy debates.

In Chemistry, Dr Asel Sartbaeva's innovative research into vaccine ensilication, which is in the process of being commercialised, highlights the challenges of cold storage for Covid-19 vaccines. Throughout the pandemic, she has also been providing ongoing advice to the Kyrgyzstan government on their vaccine programme and has worked on initiatives to increase vaccine uptake among the local population, including in collaboration with UNICEF.

Professor Barbara Kasprzyk-Hordern joined the National Wastewater Epidemiology Surveillance Programme and led an

international project with partners in Africa to track Covid-19 via wastewater in cities.

Dr Jim Stone of the Department of Physics has developed new medical devices based on optical fibres that could provide doctors with real-time images from deep inside a patient's lung. This is also in the process of being commercialised and will hopefully lead to a large-scale clinical study.

From the Department of Electronic & Electrical Engineering, Dr Despina Moschou is finalising a world-first handheld rapid Covid-19 test with gold standard accuracy. This work has generated international interest as well as local collaboration with Bath's Royal United Hospitals and the formation of a new spin-out company.

Global Public Health Professor Harry Rutter, from the Department of Social & Policy Sciences, has been part of SAGE's Environmental and Modelling Group (EMG) since May 2020, providing timely advice to government, including leading on several SAGE papers. Since November 2020, Professor Rutter has been co-chair of the Group.

In psychology, Dr Jo Daniels was awarded the Vice-Chancellor Engage Award in recognition of the impact of her research looking at the effects of Covid-19 and lockdown on people's mental health. Her work has been widely cited, including

forming part of a Parliamentary Office of Science and Technology (POST) briefing note for policymakers.

Similarly, research from Dr Maria Loades that focused specifically on the impact of the pandemic on children's mental health has been used widely, including by the World Health Organisation, UNICEF, the Department of Education, and NGOs including Barnados and Outdoor Play Australia. Also from Psychology, the re-deployment of the behaviour change website 'Germ Defence' in response to Covid-19 by Dr Ben Ainsworth has led to the site being accessed over 600,000 times from 170 countries, in addition to 30% of English GP practices having alerted patients to the resource.

From the School of Management, Professor Christos Vasilakis' data collection and computer simulation has been used to influence the configuration and operation of vaccination centres, including locally in Bristol, to ensure vaccination processes worked optimally with capacity. Finally, widespread dissemination of Dr Timothy Hill's work of how conspiracy theories spread, including about 5G masts and Covid-19, has generated new international research collaborations.



# A new University strategy

This year the University published its five-year strategy for 2021-26, setting out four pillars to drive collective activity.

The University has evolved considerably since 1966, when it was established to advance learning and knowledge by teaching and research, particularly in science and technology, and in close association with industry and commerce. More than 50 years on, we are proud to have grown in size and reputation, and rank in the top 10 in all three main national league tables.

Although much has changed since its establishment as Bath University of Technology, the vision of our founders remains as critical today as it was in 1966. The description of technology as “the point at which science intersects society” was used to frame the activities of the University. An empowered University community that draws on science and society to address key challenges of our time remains as important as ever, whether seizing opportunities in digital technologies or tackling the threat of climate change, or addressing health crises.

As a ‘dual intensive’ University, we equally value teaching and research as core strengths and these will continue to be at the heart of our strategy.

Over the next five years we will become more agile in our response to the rapidly changing local, national and global environment, consolidating our strengths and advancing our activities in scale and impact. Building on our distinctive, nationally-leading position in the higher education sector, we will seek to advance our impact through the four pillars:

## Driving excellence in education:

We will grow our reputation for University education through internationally leading courses which are rigorous, relevant and pioneering and which attract highly achieving students from diverse backgrounds. Courses will be enhanced by high-value placement and extracurricular opportunities to help students to take their ideas and passions to the next level

## Driving high-impact research:

We will grow our research strength to drive research quality, achievement and impact at international levels. To strengthen further our research impact, sharpen our focus and increase our influence, we have identified three primary institutional research themes for collaborative working across disciplines: Sustainability; Health & Wellbeing; and Digital.

## Fostering an outstanding and inclusive community:

We will grow our identity as a strong learning community in which collective endeavour and a culture of care enable the flourishing of all.

## Enhancing strategic partnerships:

We will grow our strategic civic, corporate and international partnerships to allow us to fulfil our ambitious vision in education, research and enterprise. We will seek to enhance our global position within the top world-leading institutions.

Our strategy outlines the way in which our University is an energetic connected community, committed to excellence in research and education, embracing the opportunities of today’s world and addressing its challenges. Working together as a community to implement our strategy will be a key focus over the coming years.



 Our University  
Our Future:  
Connected



# Excellent education and experience the Bath way

Over the course of the year, staff at the University worked incredibly hard to offer our students the best possible experience and education in a very different world.

Our approach to delivering education and enhancing our students' experiences had to be more flexible than ever before this year, seeking every opportunity to create connections in spite of the pandemic.

To enable flexible learning in a changing environment, we created the 'Bath Blend' - a combination of in-person and online learning. This enabled us to prioritise the health and safety of our community while ensuring that physical distance was not a barrier to social connection.

The new way of working was a cultural shift for everyone but staff and students rose to the challenge to create engaging and collaborative learning and teaching.

The Bath Blend included in-person interaction on campus between staff and students, online learning and crucial peer-to-peer learning opportunities and group activities. We also opened many bookable, socially-distanced study spaces for students on campus.

For students who were unable to join us on campus, we delivered education through remote learning, providing them with a structured set of interactive course material, including online presentations and seminars, recorded lectures, course documentation and videos. For programmes on which practical lab-based work is required for students to gain professional skills and competencies,

we ensured they had the opportunity to complete these during term time, or if necessary, at a later date.

The wider student experience also had to be reimagined as we operated in line with prevailing Government guidance.

At the start of the term, organised by the Students' Union (SU) with local Bath venues, we created the impressive 'East Village' - an outside area with marquees enabling students to socialise in their households in a Covid-secure way. This was complemented with numerous online events and activities. In Bath, we opened new venues to increase capacity for activities, at Lewis House in the city-centre and Dartmouth Avenue in Oldfield Park. The Dartmouth Avenue base became a hub for the Student Community Partnership, working on initiatives to welcome students to Bath, and to support them and the local community.

In the summer of 2021, to mark the end of exam season and to help our University community safely reconnect with one another, the University worked with the SU and Team Bath to organise a campus-wide 'Summer at Bath' programme. Over 10,000 students and staff enjoyed a programme of over 100 social, fitness and wellbeing activities, including BBQs, workshops, sports tournaments, craft sessions and more. Students enjoyed a funfair on campus and many student

groups were in action through music and theatre performances on our lake-side stage.

In the summer, we were delighted to receive news that we had ranked first in England in the National Student Survey (NSS) 2021 when comparing institutions listed in the Guardian University Guide. Bath students recorded overall satisfaction of 86.06%, well above the UK average, with six courses receiving hugely impressive 100% satisfaction rates.

We also received impressive results from this year's Postgraduate Taught Experience Survey (PTES) 2021. These results highlighted an increase in students' satisfaction with their courses to 80.2% (an increase of 9.2% from the previous year), with notable performances in particular for the Department of Mechanical Engineering (92.3%, an increase of 8.3%) and Department of Politics, Languages & International Studies (90.6%, an increase of 11.1%).





# Enhancing our capabilities

## Innovation Motion Capture Studio at the Bottleyard

The University's Centre for the Analysis of Motion, Entertainment Research and Applications (CAMERA) has opened a new Innovation Motion Capture Studio at The Bottle Yard Studios, the largest dedicated film and TV studio in the West of England.

The new studio expands CAMERA's capability in providing world-leading research expertise in visual computing, machine learning and artificial intelligence, sports, rehabilitation, biomechanics, creative production and technical skills to the region's thriving digital creative and digital healthcare clusters.

The studio boasts state-of-the-art digital innovation facilities, including a high-end motion capture array and an instrumented walkway for gait analysis.

In summer 2021, CAMERA offered free workshops for creative SMEs in the South West to provide business support, training and product development expertise.

As part of the MyWorld creative hub, CAMERA and CREATE lab are collaborating with universities and industry on a £46 million regional project that will pioneer new digital formats and technologies, creating innovative experiences across fiction, documentary, games, and live performance.



## Digital Infrastructure

In the past year, our Digital, Data and Technology (DDAT) team has been enhancing facilities for remote learning and working by providing equipment for staff and students, including 1,228 laptops, rebuilding desktop PCs for staff working from home and creating a short-term laptop loan service for students. The team has enhanced the security of remote working by implementing Multi-Factor Authentication.

DDAT has also increased the digital and physical resources for learning and teaching through offering remote use of 310 software applications, increasing GTA spaces by 28 rooms, supporting remote teaching through Panopto and providing visualisers and writing tablets for staff.

Since introducing Teams Telephony for making and receiving calls in March 2020, we now have 900 users including the 2020 University Clearing Team.

The University has also expanded the roll out of Microsoft 365 applications, including Teams, which has helped around 10,000 people per month to collaborate on files online and enabled conference style events using Teams Live.



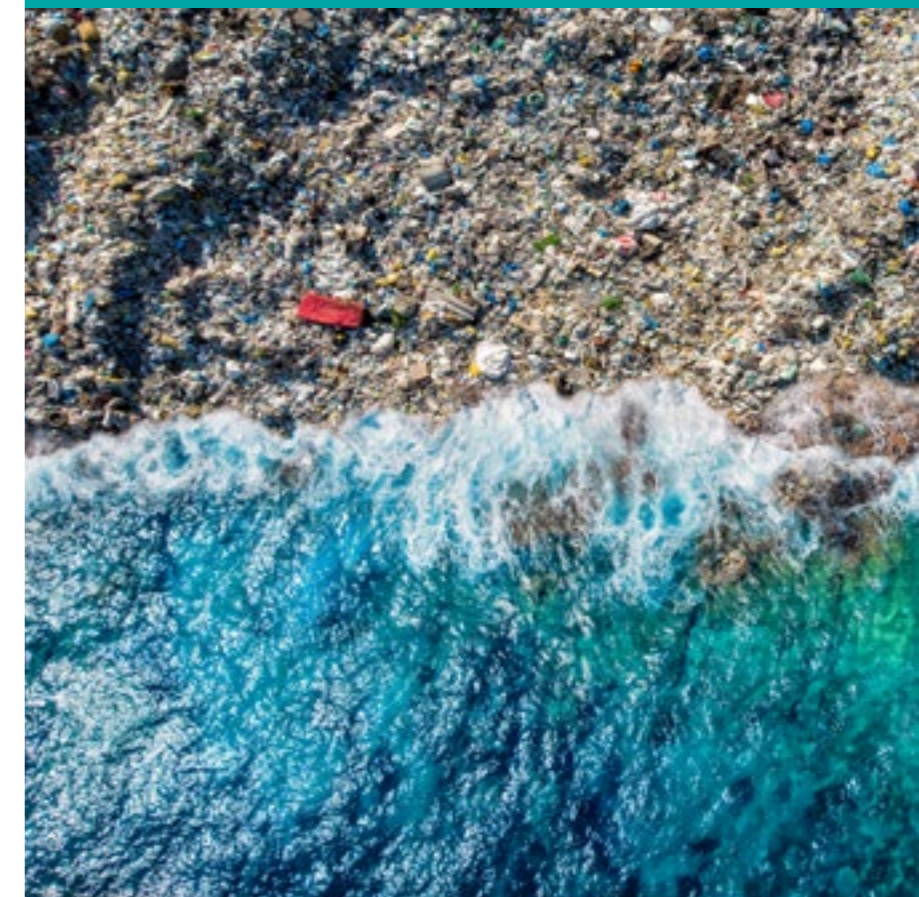
## Innovation Centre for Applied Sustainable Technologies (iCAST)

The Innovation Centre for Applied Sustainable Technologies (iCAST), is a major £17m consortium bringing together academia and industry to accelerate the translation of sustainable chemical technologies to help tackle the global challenges of the climate emergency, sustainable development and plastics pollution.

Hosted by our Centre for Sustainable and Circular Technologies (CSCT), iCAST is a collaboration between the Universities of Bath and Oxford, the Catapult Network (National Composites Centre and Centre for Process Innovation), innovation experts at SETsquared, Local Enterprise Partnerships, industry and investors.

iCAST will focus on research into four core programmes: bio-based feedstocks; sustainable chemical production systems; sustainable engineering materials; and plastics as part of a circular economy.

This exciting initiative forms part of our strategy to achieve net zero as set out in our Climate Action Framework Principles.





# Working with our community in Bath and beyond

Respecting our local roots is as important to the University as growing our place in the world. We are committed to developing our civic role and partnerships in Bath and the wider region, to bring not only economic and social benefit to the local area, but also to share our knowledge and skills to contribute to its cultural, environmental and social richness.

As communities in and around our City faced such difficult times through the pandemic it has been more important than ever for collaborations to rise to the challenge of finding solutions.

Our Shared Future is an initiative between the University and Bath & North East Somerset Council (B&NES) to bring together skills, knowledge and expertise to explore and address major challenges in Bath and the region, working with local organisations from the NHS and voluntary sector.

Discussions with B&NES led to an initial focus on a number of priority areas, including infrastructure and climate change. Funding from the UK Research and Innovation (UKRI) QR Strategic Priorities Fund enabled five projects to get underway.

Addressing B&NES' Climate Emergency declaration, Dr Victoria Stephenson, from the Department of Architecture & Civil Engineering, is working with colleagues to engage with the Council and other stakeholders to investigate reducing energy usage in buildings across the region through community-led social and technical solutions to decarbonisation.

Energy use in buildings, largely through heating, accounts for 68% of the region's carbon footprint, so decarbonising the heritage building stock is a priority for B&NES.

Under the theme of cohesion and inclusivity, academics are evaluating the impact of Bath's Community Wellbeing Hub, which integrates services from the Council, Virgin Care (for the NHS) and voluntary and community sectors for people in need of support and advice.

Researchers in the University's Faculty of Humanities & Social Sciences have interviewed service providers, service users and local councillors to understand more about how well the service is supporting people to live a healthier and fulfilled life, and providing help with employment, housing and income.

Plans are also underway for a project that will see Bath students and academics working with B&NES on its new 10km Bath River Line, to understand more about barriers to accessing green space for people from different communities and social demographics. This is one of five local Vertically Integrated Projects

at the University that are a collaboration between staff and students, answering local sustainability questions on decarbonisation, transport and travel and biodiversity.

Staff at the University are working with B&NES on a number of important projects spanning economic recovery from the pandemic, digital strategy, biodiversity and people's access to nature, and children's services.

Meanwhile Bath students continue to support the wider community, notably through the action-group Bath Welcomes Refugees through which they have provided homework clubs and other initiatives.





# International partnerships: The University welcomes four new Global Chairs in 2020-21

Four prominent scholars from the US, Australia, Germany and Italy joined the University's Global Chair scheme this academic year. As distinguished international visiting professors, their affiliation with Bath sees them build high-profile research partnerships and enhance our networks with universities and research institutes overseas.

A Global Chair appointment is usually for one academic year, but as the pandemic has restricted this year's activities, the current Chairs will continue in their roles until 2022.

Global Chair Professor **John Warner** is a pioneer of green chemistry and one of the world's most prominent proponents of sustainable technologies. He is Distinguished Professor at Monash University and co-founder of the Warner Babcock Institute for Green Chemistry. Hosted by the Centre for Sustainable and Circular Technologies (CSCT), Professor Warner is engaging with our academic community and industrial partners to develop creative solutions to global sustainability problems. His Global Chair is instrumental in facilitating our University's Green Chemistry Commitment, a global initiative for embedding green chemistry principles into the undergraduate Chemistry curriculum.

**Professor Heike Solga** is Director of the research unit 'Skill Formation and Labor Markets' at WZB – Berlin Social Science Center. She is one of the world's most innovative researchers into 'marginalised' education and its impact on social mobility and labour market outcomes. Recognised both for her scholarship and engagement with policy and practice, she has lent support to our University's high-profile research in social justice and education policy.

**Professor Penny Jane Burke** is Director of the Centre of Excellence for Equity in Higher Education (CEEHE) at the University of Newcastle in Australia. She is an influential scholar and practitioner, whose expert advice has informed national policy and impacted practice at universities across the UK, Australia, and South Africa. Her Global Chair is helping to develop joint research for new, critical perspectives on gender equity in STEM. She is also focused on enriching our approaches to widening participation practice, for instance through the design of inclusive campus spaces and pedagogies.

**Professor Alberto Minetti** is a Distinguished Professor of Physiology at the University of Milan. Recognised internationally for his expertise in human locomotion – across basic science to application in sports, health, and clinical settings – his Global Chair is building on successful links with our Department for Health.

The Global Chair programme is run by the International Relations Office. Chairs also connect with our wider University and alumni community, providing mentorship and building new links between research and practice.

Tina Schilbach, International Partnerships Manager (Research), said: "The Global Chair scheme brings significant benefits for the University's international profile, providing a bespoke format to connect with world-leading experts in their fields and grow networks of excellence, both in the UK and at an international level."



Top left: Professor Penny Jane Burke  
Top right: Professor John Warner  
Bottom left: Professor Heike Solga  
Bottom right: Professor Alberto Minetti



# Sports: Staying active, motivated and connected

## Olympic Gold Rush

They may have been delayed until 2021 but the Tokyo 2020 Olympic and Paralympic Games were truly worth the wait as sportspeople who train or studied at the University of Bath brought home an incredible 21 medals – 11 of them gold.

Mechanical Engineering student Tom Dean's magnificent swim in an unforgettable men's 200m freestyle final sparked an Olympic gold rush for members of the British Swimming National Centre Bath elite training squad, based at the University.

Dean also won gold in the men's 4x200m freestyle relay along with James Guy, Matt Richards and Sports Performance graduate Calum Jarvis. Guy added another gold in the mixed 4x100m medley relay, with Sport & Exercise Science graduate Anna Hopkin anchoring the British quartet to victory in world record time, and bagged his third medal with silver in the men's medley relay. Freya Anderson brought home mixed medley relay gold after her excellent swim in the heats.

University graduates and Pentathlon GB duo Kate French and Joe Choong both took pentathlon gold within 24 hours of each other, setting new Olympic records in the process.

In the Paralympic Games, three members of the EIS World-Class Wheelchair Fencing Programme, based at the University, brought home nine medals between them.

Piers Gilliver was crowned Paralympic Champion in the Category A epee and also teamed up with training partners Dimitri Coutya and Oliver Lam-Watson to win silver in the team foil and bronze in

the team epee. Coutya claimed individual bronze medals in the Category B epee and foil. Maths & Physics graduate Stuart Wood brought home bronze from his first Paralympic Games in the inaugural VL3 paracanoeing competition.

### Access to world-class facilities

Success in Tokyo was made possible, in part, thanks to the fantastic efforts of so many people based in our Sports Training Village. Over the tumultuous year we sought to maintain access to our facilities to enable our elite athletes to continue training.

This helped reap multiple additional successes: Team Bath Netball reached their first Grand Final for eight years having won 17 of their 20 Superleague matches; six students made Premiership Rugby debuts, including Jack Kenningham who helped Harlequins win the title; and rower Imy Bantick conquered the world from her kitchen when she took gold at the 2021 World Rowing Indoor Championships at an event staged virtually.

In recognition of our world-class support and facilities and the efforts of all those behind the Team Bath Tennis student programme, Bath was named Lawn Tennis Association University of the Year.

### Sporting opportunities for all

To ensure the whole University community stayed active, motivated, and connected throughout a challenging year, an extensive programme of online activities was established to support isolating students and staff during Covid-19 lockdowns. The Team Bath trainers went above and beyond, filming and leading sessions from their own homes and gardens to support our community.

### Leading sports science research

From the Department for Health, innovative work pioneered by Dr Sean Cumming in developing protocols for biobanding - a technique to identify hidden talent and reduce injury risk by selecting individuals based on their physical rather than chronological maturity - has attracted wide interest from sports teams and governing bodies around the world.

Collaboration with Bath Rugby, England Cricket and even the Royal Academy of Dance is helping to ensure this work impacts training regimes, and a number of Bath PhD students are now applying this research with Premier League football clubs, including Southampton and Manchester United.



Top left: Piers Gilliver  
 Top right: Joe Choong  
 Bottom left: Kate French  
 Bottom right: Tom Dean

Image © Ali Durden



# Widening Access and Participation

Bath reinforced its commitment in 2021 to widening participation and encouraging students from disadvantaged backgrounds with the launch of its Access to Bath and Target Bath programmes. We want to increase the diversity of the student population, enrich our campus community and make it more representative of the general population.

Under the Access to Bath online programme, we made over 1,700 offers to students for entry in 2021, including an alternative offer with a lower grade requirement if they complete a programme of assignments. Over 500 prospective students have completed the programme, which prepares them for life and study at Bath. Those eligible to apply include young carers, people from disadvantaged areas, refugees, asylum seekers and those granted humanitarian protection.

Target Bath, which helps students of Black African and Caribbean heritage gain places at the University, offers free support to Year 12 students, providing access to black student role models, advice on how to apply to Bath and the UCAS process, sessions with tutors, and a place on the Discover Bath summer residential programme.

Abraham Bayo-Tofowomo is a 3rd year Computer Science student on his placement year working on his own business. "I am very proud to be a part of the Target Bath initiative. As a black student, mentor, and volunteer in my local community I understand the importance of higher education. For far too long the potential of black students, especially from disadvantaged areas, has been ignored. It brings me joy that a prestigious university not only recognises the talent and potential of black students but is actively putting resources in place to allow us to flourish."

The schemes complement the established Gold Scholarship programme, which helps 50 students each year from low income families throughout their undergraduate studies. Over 40% of scholars are from ethnic minority backgrounds, and over 30% have a declared disability.

"The Gold Scholarship pushes us to be better, to volunteer and learn, and to improve ourselves. Being a Gold Scholar means I am fully supported to succeed and go further with my goals whether they are personal or career based. It means that I can make the most of my university life without constant stress and can push myself to try new things and develop new skills without fear of financial troubles." said Jamie Szostak, Gold Scholar.

Our University's Widening Access Team is dedicated to engaging with students from low socio-economic households or areas where few people progress to higher education. We were quick to move online during the pandemic to ensure participation programmes continued to flourish.

We work with partners such as national social mobility charity Villiers Park, Into University (co-funding three of their centres in Weston-super-Mare, south Bristol, and Hammersmith, London), the Welsh Government's Seren programme, and the Brilliant Club (which helps Bath doctoral students work in outreach roles with school-age students from under-represented groups). Pre-pandemic, widening participation initiatives included a large programme of visits to secondary schools and colleges, on-campus events and several sustained contact programmes.





# Establishing a Race Equality Taskforce (RET) and Equality, Diversity and Inclusion (EDI)

In May 2020 the Vice-Chancellor appointed two senior roles to drive forward our work on equality, diversity and inclusion.

Chief Digital and Information Officer Alex Butler was appointed Executive Chair of the Equality, Diversity & Inclusion Committee and sits on University Executive Board. Professor Rajani Naidoo was appointed as Head of the Race Equality Taskforce, providing strategic leadership to develop and implement equality objectives relating to race.

Focussed work on diversity and inclusion has taken place across the University including in the ED&I team and network, The SU, Athena Swan, and societies including the Staff Network of Colour, the Student Anti-Racist Action Group, and disability support groups.

The EDI team has worked hard to develop a resource hub and training packages, sharing knowledge and tools to create a University-wide, shared responsibility to EDI and long-term change.

In June the University hosted its first Pride event, organised by Kaleidoscope, the LGBT+ group for staff and postgraduate researchers. Launched with opening remarks from the Vice-Chancellor, the sold-out event featured art workshops and live music.

Decolonise Architecture (DA), a collective of students and alumni from the Department of Architecture and Civil Engineering

has created the Inclusive Review, a sector-leading developmental tool written by students and approved by the Department, which can be used to address subconscious biases in the curriculum and teaching.

Actions have also been taken in recruitment practices to increase the diversity of applicants and appointees. This includes improved training for recruiting managers, changes to adverts and job descriptions, anonymised shortlisting, and better outcome monitoring.

EDI training for staff and students, including against unconscious bias, is being implemented. The Gold Scholarship Programme attracts and supports a diverse range of students from disadvantaged backgrounds, and the new Target Bath programme will recruit and support students of Black African and Caribbean heritage. Elevate, a leadership and development programme for Black, Asian and Minority Ethnic Women has also been piloted.

The Race Equality Taskforce has worked to listen to our community, build trust, and understand experiences of racism, and how this interacts with class, gender, sexuality and disability.

Members have reviewed structures and processes, following cases of how racial prejudice is experienced and investigated ways to enhance support. It also highlighted existing work on racial equity to

acknowledge and build on it. Mechanisms to report racist incidences and access support are in place. The Black Students' Network Wellbeing Programme is highly valued and the 'Be the Change' initiative to address racism and other forms of harassment has been launched.

The Race Equality Taskforce will lay the ground to apply to the Advance HE Race Equality Charter, a national scheme to improve the representation, progression and success of minority ethnic staff and students within higher education. It aims to inspire strategic approaches to cultural and systemic changes, making a real difference to minority ethnic staff and students.

There remains much to do and many challenges ahead but the last year has seen real enthusiasm and support from staff and students from across the University who have committed to embed diversity in our community, contributing to a vibrant and equitable institutional culture.





## Key Operational Performance Indicators

Council monitors performance and progress by referencing KPIs for our most important areas of activity. This report refers to a number of these indicators that were established through the period of the University Strategy 2016-21 and summarises the outcomes of the metrics as we come to the end of the period covered by this Strategy. The five areas that we have in our Strategy can be summarised as follows: research power; international influence; graduate education; student experience; and infrastructure.

### League table performance

National and International rankings are one of the key performance indicators we monitor. We have remained our high position in domestic rankings, these are increasingly competitive as Universities recognise the importance of these rankings in attracting new domestic students. We are proud of our achievement to be ranked in the top ten in each of the three major national rankings.

Our international rankings are also consistent with last year and these are illustrated below.

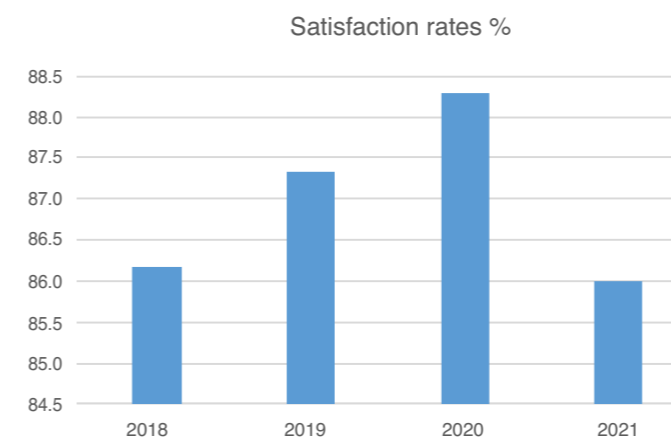
Current ranking	Previous ranking	Publication
<b>Domestic rankings</b>		
8th	6th	Guardian University Guide 2022
10th	9th	Complete University Guide 2022
9th	9th	Times and Sunday Times Good University Guide 2022
<b>International rankings</b>		
201-250	201-251	Times Higher Ranking 2022
166	173	Quacquarelli Symonds (QS) 2022

### Teaching

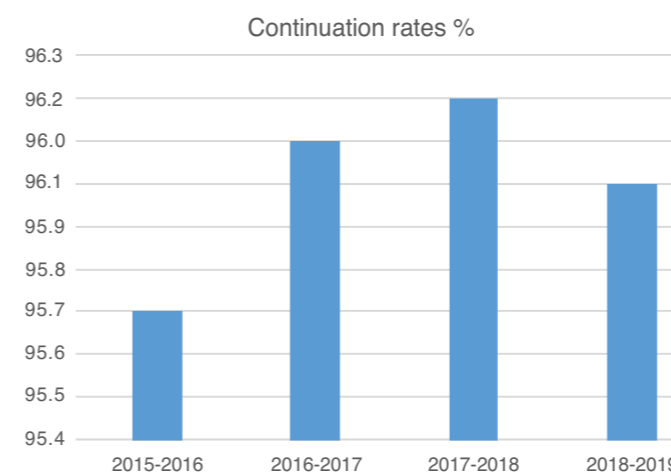
Average tariff scores are used to monitor the quality of our home/EU undergraduate intake and are sourced from *The Times & Sunday Times Good University Guide* for Entry standards).

Year of Guide	Entry Standard Score	Ranking
2022	167	15
2021	174	12
2020	182	12
2019	186	10

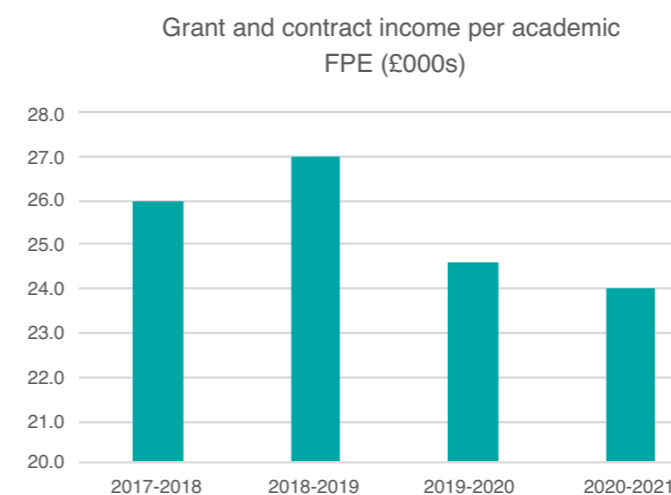
These reflect our popularity as a destination. Whilst our entry scores have fallen, they remain high. Entry scores are closely monitored and we have maintained our intake during recent years when the demographics for 18-year olds in the UK fell.



The quality of our teaching is measured by reference to students who either 'definitely' or 'mostly' agree with the National Student Survey (NSS) question "Overall I am satisfied with the quality of my course." In 2021, our score was 86.0%, the 4th highest score for UUK member organisations (previously 88.3%) compared to a sector average, which was in the mid 70's. We have worked hard to maintain the quality of our student experience over two very challenging years and we believe the new strategy will ensure we continue to improve the quality of our student experience.



Continuation rates are used as a proxy for student satisfaction and the effectiveness of our student support and welfare structures. At 96.0% (96.2% 2017-2018), we continue to perform at a high level.



### Research

We use grant and contract income per academic FPE (Full Person Equivalent) as a measure of research activity. The chart shows a reduction of 2.3% to £24.0k (£24.6k 2019-2020). This reflects an investment in a further 39 academic staff in preparation for the REF and the delay in the awarding of grant income for these staff, coupled with the increasing challenge in winning grant awards.

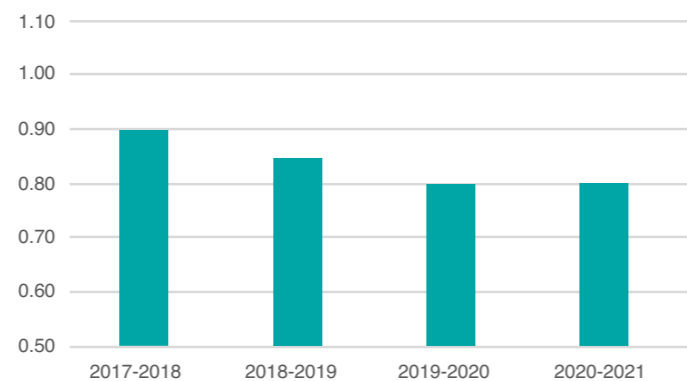
For data relating to academic FPE provisional data is shown for 2020-2021.



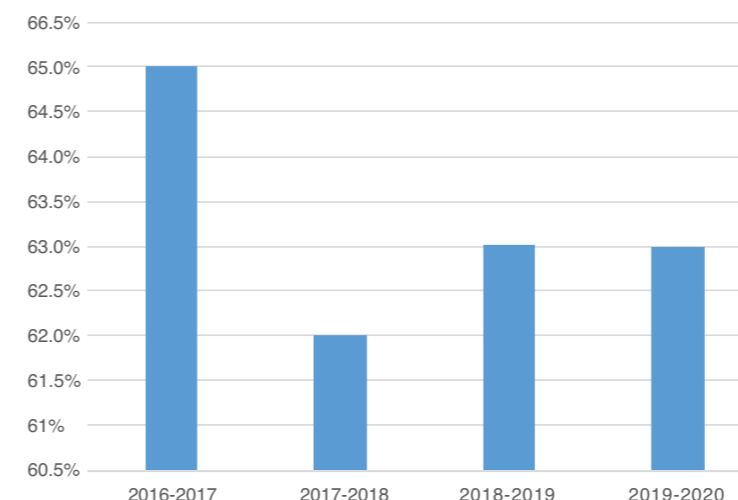
Postgraduate research students per academic FPE is another measure of our research performance and we have maintained this metric at 0.80 research student to academic.

For data relating to academic FPE provisional data is shown for 2020-2021.

Postgraduate research students per academic (FPE)



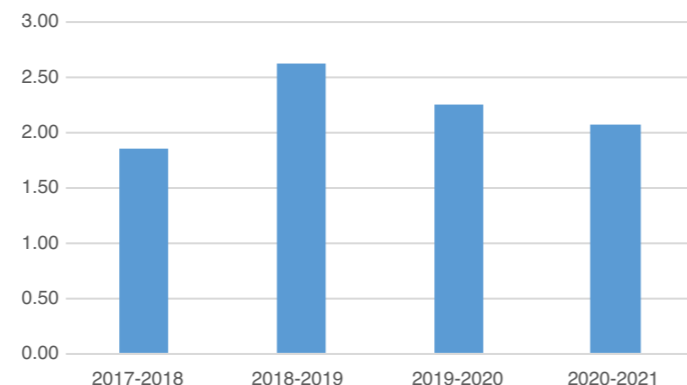
% frequency of use of teaching space



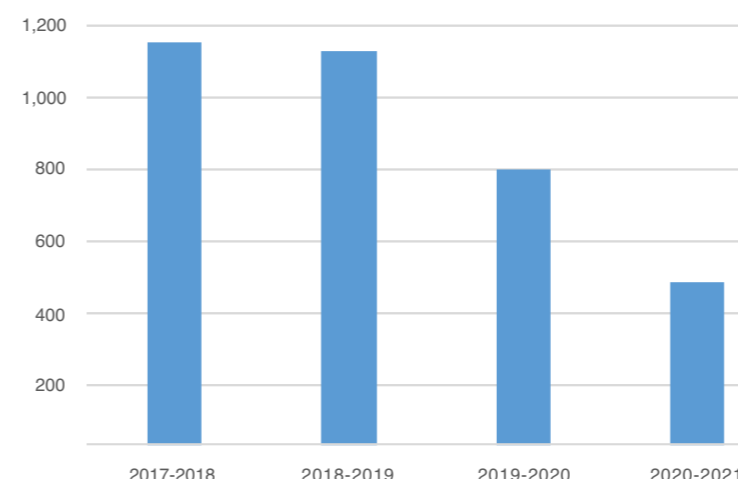
The % frequency of use of teaching space measures the effectiveness of our timetabling and teaching space management processes. This data was collected pre Covid-19. Our frequency of use remains at 63%.

Intellectual property (IP) and industrial research income per academic is a measure of the commercialisation of our research activity. In 2020-2021 this ratio was £2.05k per academic (2019-2020 £2.25k) and this modest reduction reflects more our increase in academic staff in advance of REF, coupled with a small fall in income. Our investment in IAAPS will see this measure increase further in years to come, as our industrial research activity is expected to grow significantly.

IP/ Industrial income per academic (£000s)



Water use per m2 of Gross Internal Area



### Sustainability

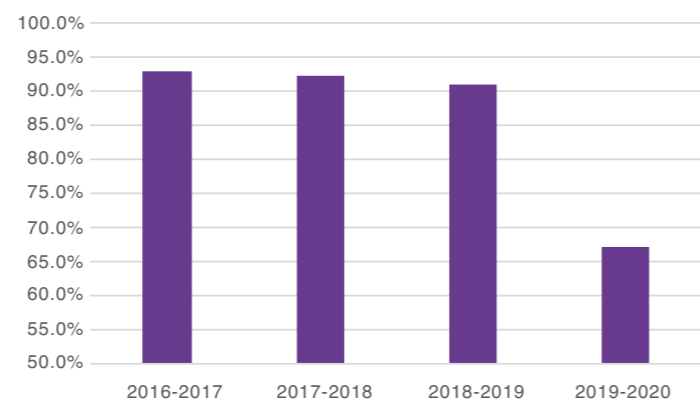
Water use per unit of building floor area is a measure of one of our key environmental impacts but normalised to take account of growth in our Estate. Water use in 2020-2021 fell significantly from 805 units to an estimated 489 units per m2, reflecting the reduced level of activity on campus and in residences throughout the year.

Through efficiency work our consumption continues to fall – actual consumption has fallen over the last 15 years despite the University growing significantly (floor area up by 40%), and the normalised figure has been halved over this period.

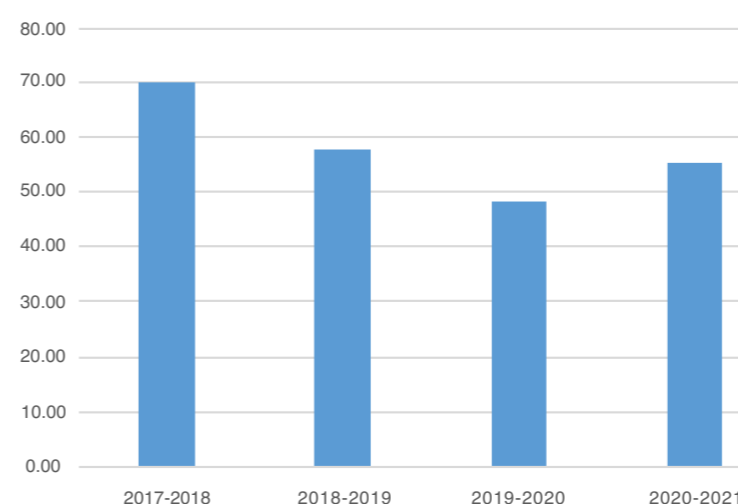
### Infrastructure

We monitor the condition of our estate as a measure of the quality of the space we provide. We undertook a substantial condition survey in 2019 using an independent assessor. The condition survey indicated significant investment was required in the Estate. Priority areas for future capital investment have been identified and is being overseen by our Building Board.

Gross internal area in condition A&B %



Carbon emissions by m2 of Gross Internal Area



Carbon emissions per unit of building floor area is a measure of our direct carbon footprint due to energy use, normalised again to take account of campus expansion. The lockdowns due to Covid-19 have caused this metric to increase from 48.7kg Co2/m2 to 54.8k Co2/m2 reflecting the fixed costs of providing energy across the campus and that energy use was still significant during this period, in particular natural gas consumption which increased by 32%.

Through efficiency work our footprint has continued to fall – absolute emissions have fallen by a third over the last 15 years despite significant growth, and the normalised figure has more than halved.

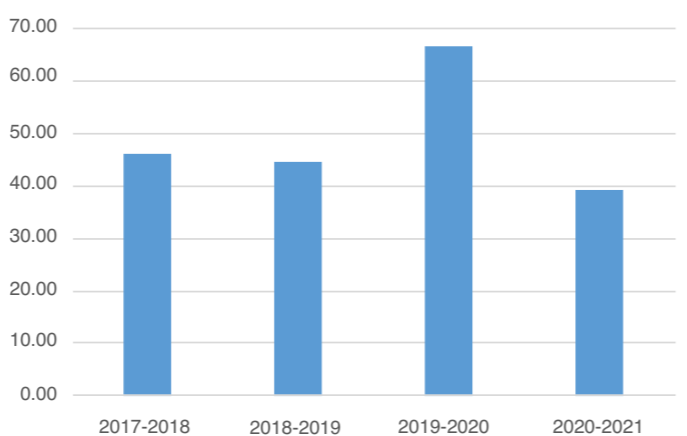
The future pace of reduction will need to be significantly quicker, however, to achieve our new ambitious carbon targets where we aim to have net zero energy emissions by 2030.

Capital additions were £39.5m (2019-2020 £66.3m).

Our capital additions this year reflect the near completion of our two largest ever capital projects with over £140.0m being invested in the IAAPS facility and the new building for the School of Management. Some residual costs remain in 2021-2022 when both buildings will be completed. Covid-19 has delayed the opening of both these projects although costs remain within the approved budget for both.

At £5.9m (£10.5m 2019-2020) we have continued to invest significantly in equipment to support our activities.

Capital additions £m





## Our Strategy 2021-26

In October 2020 Council considered a new range of KPIs to support it in monitoring our performance against our new Strategy 2021-26, acknowledging that for some no benchmarking data might be immediately available. Our Strategy 2021-2026 expresses our ambition to deliver world-class research and teaching, to educate our students to become future leaders and innovators, and to benefit the wider population through our research, enterprise and influence.

Our Strategy 2021-26 consolidates our strengths and advance our activities in scale and impact through the four pillars:

- Driving excellence in education
- Driving high-impact research
- Fostering an outstanding and inclusive community
- Enhancing strategic partnerships.

To monitor progress against our new strategic objectives, Council approved 12 Key Performance Indicators (KPIs), three per pillar as follows:

KPI	Strategic Pillar			
	Education	Research	Community	Partnerships
1	NSS – overall satisfaction	Total research income	Non-continuation	Consultancy & research contract income
2	Graduate outcomes	% highly cited papers	ONS wellbeing measure	QS world ranking
3	Entry qualifications	Research partnerships	% female professors	Local community engagement

This report provides some further information on these KPIs acknowledging that many are new and no historical or current data or benchmarking may exist for them, this will clearly develop over the coming 12 months as the reporting against these progresses.

### Driving excellence in education

#### NSS – Overall Satisfaction

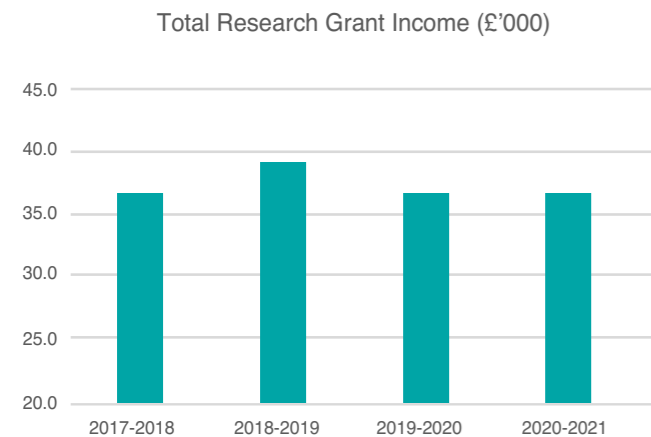
This KPI is retained from the Strategy 2016-21 and reported in the University Strategy 2016-21 - Key Operating Performance Indicators Review (see page 37 for results).

#### Graduate Outcomes

This KPI will measure the employability of our graduates. Our current projected completion and employment composite measure is 84.3%.

#### Entry Qualifications

This KPI is retained from the Strategy 2016-21 and reported in the University Strategy 2016-21 - Key Operating Performance Indicators Review (see page 36 for results).



### Driving high-impact research

#### Total research income

We use total research income as a measure of research activity and growth. We are working towards a substantial increase in annual research revenues over period of this Strategy. The commencing of IAAPS during 2021/22 will underpin this growth.

Research Grant income in 2020-21 was £37.2m (2019-20 £37.1m).

#### % highly cited papers

This KPI will measure the % of publications in top 10% for a period, our current result is 18%.

#### Research Partnerships

This KPI will measure the reach and impact of our Research through our collaborations with other organisations.

## Fostering an outstanding and inclusive community

#### Non-Continuation rates

In the Strategy 2016-21 we reported continuation rates as one of Teaching quality metrics and this is reported in the University Strategy 2016-21 - Key Operating Performance Indicators Review.

#### ONS Wellbeing measure

We will use this as a proxy for student and staff satisfaction and the effectiveness of our support and welfare structures.

#### % Female professors

This is used to measure one element of the diversity within our staff population and the effectiveness of our promotion and recognition of academic staff. We have collected the results of this over recent years and the results are summarised in the table below.

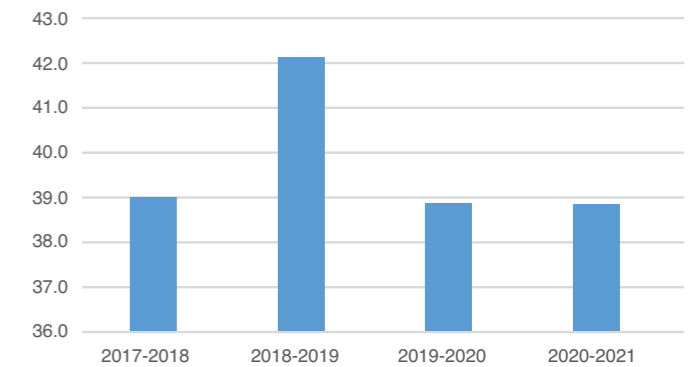
Date	All Professors FTE	Female FTE	% Female Professors
July 2021	229	49	20.9
July 2020	233	50	21.1
July 2019	220	47	21.0

### Enhancing strategic partnerships

#### Consultancy and research contract income

We use total consultancy and research income as a measure of the network of partnerships we engage with. Consultancy and research income is targeted to grow to over £75m by the end of the period of this Strategy. Consultancy and research contract income was £38.8m (2019-20 £38.8m).

Consultancy and Research Contract income (£'000)



#### QS Word rankings

We use the Quacquarelli Symonds (QS) international rankings as a measure for our global reach. This KPI is retained from the Strategy 2016-21 and reported in the University Strategy 2016-21 - Key Operating Performance Indicators Review.

#### Local Community engagement

We measure the above through a number of interactions between us, our students and staff and the citizens of BANES and the immediate area. Many of these interactions are currently recorded in the annual Higher Education Business & Community Interaction (HE-BCI) survey which collects financial and other output data. Included are activities intended to have direct societal benefits such as the provision of continuing professional development and continuing education courses, and the provision of, for example, lectures, exhibitions and other cultural activities. The exact metric(s) to used for this are still to be determined and this will be included in next year Annual Report & Accounts.



# Public Benefit Statement 2020/21

## Charitable purposes

Our **Mission** is to deliver world class research and teaching, educating our students to become future leaders and innovators, and benefiting the wider population through our research, enterprise and influence.

This Mission derives from our constitutional charitable **Objects** to “**advance learning and knowledge by teaching and research**, particularly in science and technology, and in close association with industry and commerce”. These Objects are set out in our Royal Charter of 1966 and constitute the University’s charitable purposes for the public benefit.

Members of the University Council, as trustees, have had due regard to the guidance on public benefit published by the Charity Commission in exercising their trustees’ powers or duties. The induction programme for new members of Council includes coverage of the Commission’s guidance. The full Council membership receives periodic briefings on regulatory matters, including the Charity Commission’s guidance and the requirements of the Office for Students.

Our commitment to delivering public benefit is at the core of our Mission. In furtherance of our Mission, our key objective during 2020/21 was to deliver excellence in our two primary charitable purposes, research and education.

### Excellence in research, for us, means:

- our research is internationally-renowned – tackling global challenges and attracting world-class researchers to work with us
- our research collaborations attract prestigious academic and commercial partners – increasing our research power and extending our influence
- our enterprise and innovation delivers scientific and economic impact – benefiting communities locally, regionally, nationally and internationally
- our research environment is vibrant and supportive – nurturing talent from doctoral students and early career researchers through to established academics
- our culture is one of open enquiry and debate – challenging received wisdom and fostering the highest standards of research integrity.

### Excellence in education, for us, means:

- our teaching is inspiring and highly valued, delivered through a focussed range of curricula that are academically rigorous, research driven and practice-based.
- our learning is enhanced through high-quality spaces, effective technologies, and support for students’ active participation.
- our community is inclusive, supportive and engaged, enriched by the diverse and international backgrounds of our students and staff.
- our students are empowered to make positive contributions to society – locally, nationally or internationally – through attributes including awareness, understanding, reflection and intellectual curiosity.
- our graduates have high levels of personal, professional, and academic skills enabling them to fulfil their potential and thrive in their chosen employment.

In developing our new University Strategy 2021-26, we have reaffirmed in our new Vision Statement that our charitable objectives are undertaken for the public benefit:

*Our Vision is to be an outstanding and inclusive University community, characterised by excellence in education, research and innovation, working in partnership with others for the advancement of knowledge, in support of the global common good.*

## Research

In accordance with our Mission and charitable purposes, we aim to benefit society through our research. Our research ethos has a strong focus upon impact, tackling challenges of global significance from sustainability to health and wellbeing. One of the four strategic pillars of our new University Strategy is ‘driving high-impact research’. Our faculty comprises some of the finest researchers from around the world. As established in our Royal Charter, we value research partnerships and work with business, industry, the professions, the public sector and the voluntary sector. Consequently, our research benefits a wide range of stakeholders with international as well as national beneficiaries, ranging from individuals with improved health to international corporates with more energy efficient products. ‘Enhancing strategic partnerships’ is also one of the four strategic pillars of our new University Strategy.

Through advancing knowledge, our research has a wide range of public benefits:

- stimulating economic development
- informing public policy and professional practice
- innovating, informing and inspiring
- advancing individual and societal wellbeing
- building international connections.

The international excellence of the University’s research was evidenced in 2014-15 by the outcomes of the Research Excellence Framework (REF) evaluation of research quality. In terms of the overall quality of our submission, 32% was judged to be 4\*, defined as world-leading in terms of originality, significance and rigor, with a total of 87% judged 4\*/3\*, defined as world-leading/internationally excellent. Our overall grade point average (GPA) was 3.17, placing us 12th in the research quality ranking of UK universities (excluding specialist institutions). The REF methodology also included a national evaluation of research impact for the first time and we performed strongly in this measure. During 2020/21, we submitted our research for peer review as part of REF2021. The outcomes are due to be published in April 2022.

Our research continues to have tangible economic and social benefits, locally, regionally and nationally. As outlined in previous sections, during 2020/21 the University was able to deploy aspects of its research expertise to support the national response to Covid-19. The resumption of research was one of the University’s top priorities for bringing activity back to campus over summer 2020. Recognising the impact of Covid-19 on its doctoral students, one of its key stakeholder groups, the University offered them an automatic 3-month extension.

In continuing to invest in the strategic expansion of our research base we will increase its impact and, hence, its public benefit. Construction work on our new, fully integrated research facility for the Institute for Advanced Automotive Propulsion Systems at the Bristol and Bath Science Park, has continued, albeit with some Covid-19 and other construction-related delays. The new opening date for these world-class, purpose-built facilities to support our target stakeholders in the automotive industry is now 2022. During 2020/21, our **Centre for Sustainable and Circular Technologies** (CSCT) was confirmed as a partner in the £20m Industrial Decarbonisation Research and Innovation Centre (IDRIC), a national focal point for industrial decarbonisation involving industry and academia.

In 2020/21, the value of our research portfolio was around £156m. Around 57% of our research income is provided by UK research councils and these funders include impact in their criteria for evaluating grant applications. Consequently, we have an objective view of the potential public benefit of much of its research.

We will continue to strengthen our international networks and partnerships to enhance our international profile and our ability to sustain a world class research capability. Further examples of how our research is delivering public benefit can be found at: <http://www.bath.ac.uk/research>. We believe that there is a clear secondary order public benefit in having an informed population, both nationally and internationally, particularly where complex global issues are concerned. We are proactive in engaging the media with our research work and providing expert comment on topical issues, including the impacts of the pandemic.

We work actively to ensure that our research is disseminated and understood beyond the world of academia. Our Institute for Policy Research has published a series of Policy Briefs which are circulated to key decision-makers. Our Public Engagement unit also plays a key role in disseminating our research. We utilise a wide variety of media to disseminate knowledge beyond the confines of campus, including MOOCS, Twitter and Facebook.

## Teaching

In advancing and disseminating knowledge, our teaching has a wide range of public benefits:

- developing people
- providing skills for the workforce
- informing professional practice
- innovating, informing and inspiring
- building international connections.

One of the strategic pillars in the new University Strategy is “driving excellence in education”. We are a first-choice university destination for students in an increasingly competitive, international recruitment market. Students are attracted by our excellent academic reputation, our outstanding graduate employment record, our world class sports facilities, and the wide array of other social, recreational and personal development opportunities we offer. Our ability to offer placement options across our discipline base, and with leading organisations, is one of the features that distinguishes us from other top UK research-intensive universities. Our graduates have excellent employment prospects, not only because of their discipline-specific knowledge and skills but also because of the emphasis we place on developing well-rounded, enterprising individuals with high aspirations. As a result, our graduates are well-equipped to contribute to economic growth and policy development, as well

as making a positive social contribution. National publications in the form of the Longitudinal Education Outcomes (LEO) and the HESA Graduate Outcomes Survey indicate that the University’s graduates do well in the employment market. In May 2021, the Office for Students published a new dataset, Projected completion and employment from entrant data (Proceed), a composite measure drawing together these two metrics. The University’s overall Proceed measure was 84.3% and this absolute value was the seventh highest of the providers for which data was published.

In response to the high demand for our programmes, our student population has been growing. Despite the ongoing impact of the Covid-19 pandemic, there was growth in our core headcount student population between 2019/20 and 2020/21 of 1.0%. In 2020/21, our core student population comprised 13,589 undergraduates, 3,798 taught postgraduates and 1,654 research postgraduates.

Our students are key beneficiaries of our teaching activities and we measure our success in terms of their retention rates, their employability and their satisfaction. Our completion and employment rates are some of the best in the sector and our students had an overall satisfaction rating of 86% in the National Student Survey 2021, the 4th highest score for UUK member organisations. Council receives annual reports on completion and employability performance. National data shows that the percentage of our full-time first-degree entrants who do not continue or qualify with us following their year of entry (2018/19) is around 1.9% compared with a benchmark of 3.1% (Source: HESA Performance Indicators - Table T3a).

Beneficiaries of our teaching activities range from school age (aspiration raising/mentoring) through to mature learners (continuing professional development and MOOCS), and include undergraduates, taught postgraduates and research postgraduates. We recruit internationally and are committed to promoting a diverse student population. The 2020/21 session saw the third year of delivery of our new online programmes in partnership with Wiley. This partnership enables us to deliver teaching in a mode that is likely to be more convenient for mature students and those with caring responsibilities. We are currently working on an expansion of our online provision. The lessons we learned from this initiative helped us in moving to remote delivery of teaching when the UK moved into lockdown in response to the Covid-19 pandemic, and in developing our new Bath Blend model for 2020/21.

During 2019/20, our Access and Participation Plan for 2020-25 was approved by the OfS. We have identified that the main area we need to focus on is recruiting more students from lower socio-economic groups and, specifically, narrowing the gap between the percentage of students from the top POLAR4/IMD quintile 5 compared with those from POLAR4/IMD quintiles 1 and 2. We are also committed to encouraging access for BAME students, students with disabilities and mature students, care leavers, refugees, estranged students, carers and student parents.

In November 2020, we were recognised as a University of Sanctuary by the charity City of Sanctuary, in recognition of our commitment to being a welcoming and safe place for refugees and asylum seekers, to ensuring academic teaching and research flourish in this area, and to developing our collaboration with the wider local community. We also established a Race Equality Taskforce to work towards a Race Equality Charter award and submitted an application for a Silver Athena Swan award.



We recognise that undergraduate tuition fees may be a barrier to accessing our teaching. We publicise the financial support that we can provide to prospective students through our website and Open Days. In 2020-21 we provided £4.06m of financial support to 1,288 undergraduate students in the form of bursaries for individuals paying fees under the 2012 fee regime with a household residual income (HRI) of £25,000 or below. This included £804k of support to 167 students in receipt of our Gold Scholarship Programme, which started in 2017-18 and is jointly funded by the University and sponsors. Our Alumni Funds provided £224k of financial support to 136 undergraduates with an HRI of £42,875 and below. In total, £4.30m of financial support was awarded to 1,356 undergraduate students

Employers are also beneficiaries of our teaching activities through the skillset of our graduates. In the 2022 QS world ranking, the University of Bath was ranked 97th in the world in the employer reputation performance measure. We also measure our success in delivering the skills that employers want in terms of our ability to maintain our network of placement sponsors. In 2018/19 we launched our first-degree apprenticeship, the Level 7 Digital and Technology Solutions Specialist Integrated Degree, and during 2019/20 we extended the number of employers with whom we partnered to deliver this provision. In 2020/21 we launched our second-degree apprenticeship, the Level 7 Architecture Integrated Degree, and undertook development work on a new Level 7-degree apprenticeship in Artificial Intelligence. Our first 9 apprentices successfully completed their integrated degree apprenticeships.

The wider community also benefits from our ability to attract high quality, engaged students. Working in close partnership with the Students' Union, the University offers a wide range of opportunities for personal development, including volunteering, summer internships, personal development and skills training. In providing a wide range of opportunities to learn through experience and enhance personal development and career prospects, we are producing graduates who are well-equipped to act as good citizens and members of local, national and international society.

Students can volunteer to help with outreach activities, encouraging gifted and talented young people from socio-economic groups under-represented in Higher Education, to raise their educational aspirations. We provide a supportive learning environment, with central student services and academic departments working in partnership, and have one of the highest retention and success rates in the UK. We have an excellent record for supporting students with disabilities to the successful completion of their studies. We encourage students from diverse backgrounds and provide financial support.

Students can also volunteer to help with our public engagement activities, particularly the annual 'Bath taps into Science' event in the city which is designed to enthuse members of the community about science.

We are keen to ensure that our students and graduates have a strong awareness of the environmental impact of their actions. Students in campus residences are encouraged to take part in an annual competition to reduce energy use and students were involved in the development of our Climate Action Framework. During 2020/21 we have developed a new Masters course in Zero Carbon Transitions and the CAF team has been working to embed sustainability in our curricula.

## Creativity, enterprise and innovation

The knowledge that we generate through our research and teaching activities can be exploited to achieve a number of public benefits:

- innovating, informing and inspiring
- engaging communities and working in partnership
- stimulating local economic and social development
- building international connections.

We are sector leaders in knowledge exchange, applying fresh thinking to accelerate economic growth and social advances. Our Innovation Centre is helping to diversify the economic profile of the city by incubating high yield businesses. We are a member of the SETSquared partnership which in February 2018 was ranked as the world's leading University-linked business incubator, a position it has occupied since 2015.

Enterprise@Bath, a resource for the whole University community, is aimed at creating tomorrow's business leaders and fostering an innovative culture. It signposts sources of skills development, funding, and support. We offer enterprise education for students and they are encouraged to develop entrepreneurial skills. Several students develop business models or launch their own businesses whilst studying.

In 2020/21, the Centre for the Analysis of Motion, Entertainment Research and Applications announced its new Innovation Motion Capture Studio would be based in the Bottle Yard Studios in Bristol, supporting the local and regional SMEs from the Creative Sector. Specific collaboration areas will include; development of high end and affordable motion capture and analysis technologies for creative content generation for gaming, film, TV, VR and AR; dual location real-time streaming of motion capture data for live performances; development of intelligent tools for post-production in VFX; development of next generation performance analysis and physical rehabilitation tools for the sports and healthcare sectors. As part of our culture of creativity, enterprise and innovation, we seek to make a positive social, as well as economic, impact.

We have outstanding sports facilities and offer a programme of community sport, TeamBath Tribe, encouraging young people in particular to engage in sporting activities. We also offer a public arts programme, including visual arts, theatre, dance, and music. Our public lecture series has been delivered online during the pandemic, with lectures being made available on Soundcloud, which has increased the number of individuals accessing them.

## International engagement

We believe that there is a benefit to our academic activities and, hence our charitable objectives, in having a truly international culture on campus. Our international culture also has benefits locally and regionally. Our ability to attract internationally renowned researchers contributes to our capacity to contribute to the regional and national knowledge economy. Through our international connections we can provide a conduit to disseminate best international practice and cutting-edge research locally, regionally, and nationally. We also believe that a culturally diverse student population makes a positive impact on the experience of all our students.

In addition to the international profile of our teaching and research activities, we are forging international connections through our alumni network and our world class sports facilities. We have around 120,000 alumni, representing 173 countries. Our alumni are encouraged to make philanthropic donations

to enhance the student experience, our physical infrastructure, and our research capacity. This enhances our capacity to deliver our charitable objectives. We also have around 1,500 Alumni Experts, spread across 140 countries who support other alumni and students via our online mentoring platform, Bath Connection.

## Other impacts of our activities

We are the second largest employer in Bath & North East Somerset, with around 3,800 employees. Our 2016 Staff Satisfaction Survey showed that 87% of respondents thought the University was a good place to work. During the Covid-19 pandemic, we have conducted regular Wellbeing Surveys and have benchmarked the outcomes against the ONS index. Our survey in June 2021 found that 78% of our staff were 'proud to work for the University'. During 2020/21, we received an Athena SWAN Silver award, an internationally recognised gender equality scheme.

We do not believe that there is any direct harm or detriment to the public arising from our Mission and corporate goals. However, our success in attracting students does mean that our student population puts a significant demand on the residential accommodation in the Bath and North East Somerset area. During 2020/21, we continued to liaise with Bath and North East Somerset Council over the development of our new Campus Masterplan, undertaking additional work on the potential visual and ecological impacts of further development. Our Masterplan was included in the B&NES Local Plan: Partial Update Consultation.

During 2019/20, we announced a plan to develop a Civic University Agreement. In signing up to such agreements, universities commit to prioritising the economy and quality of life in their hometowns or cities, working alongside partners including schools, colleges, local authorities, charities, the NHS, civil society, and businesses. On 13 January 2020, we launched a new initiative, "Our Shared Future", in collaboration with our local authority, Bath and North East Somerset Council. During 2020/21, we made space available in one of our buildings in the City for a public Covid-19 testing facility. The Covid-19 pandemic led to direct work by our community to produce and supply vital PPE to local hospitals and healthcare workers, with 200,000 items being made by staff within the Faculty of Engineering & Design, while local business 4Ground made a similar number using designs developed at Bath. Items made in secure labs on campus ranged from eye protectors to face shields, while our colleagues also worked with Bath Spa University and local sewing groups to create medical gowns. We hold three meetings a year of the Local Residents' Forum to ensure that our nearest neighbours are briefed on our capital plans and our programme of events for campus. In this way, we try to mitigate the impact of our activities on our immediate community.

We also recognise that our activities have environmental consequences and we have made several commitments to promote effective environmental management:

- continually improve our environmental performance as far as the constraints of our physical infrastructure and estate will permit;
- make the most efficient and effective use of all resources, encouraging members of our community to develop a sustainable approach;
- minimise carbon emissions from regular commuting to and from campus by encouraging the use of public transport, cycling or walking;

- implement effective energy and water conservation measures;
- reduce overall waste production and increase the recycled component of the waste stream;
- implement a procurement policy that includes consideration of sustainability in all tender evaluations;
- work with our suppliers to help us achieve our sustainable and socially responsible procurement policy aspirations in the delivery of our products and services;
- support the principles of fair trade and maintain our Fairtrade status;
- manage our grounds in an environmentally and biodiversity-sensitive manner.

We are fully committed to minimising carbon emissions and were the first UK HEI to undertake the Carbon Trust's Higher Education Carbon Management process in its 'pre-pilot' phase in 2003. Our initial carbon reduction target was to reduce CO2 emissions from gas combustion and electricity usage by 12.5% from a 2003/04 baseline of 0.11 tonnes/m<sup>2</sup> building floor area by 2010, which we achieved by December 2010. Council monitors four Key Performance Indicators in relation to sustainability – total carbon emissions (total impact), carbon emissions per m<sup>2</sup> GIA (efficiency measure), total water use, and water use per m<sup>2</sup> GIA. During 2020/21, Council noted reductions in all four measures between 2018/19 and 2019/20, noting that the figures for 2019/20 were impacted by the Covid-19 pandemic and should be treated with some caution.

During 2020/21, we published our Climate Action Framework, building on our target of having net zero carbon emissions in Scope 1 and 2 activities, and cutting our Scope 3 emissions by 50%, by 2030. Core CAF team members were appointed

We seek to promote the highest standards of scientific and professional integrity and to give due consideration to the ethical, social, and environmental issues arising from our activities. In 2020/21, we published our seventh annual statement on research integrity. In advancing knowledge to improve health and wellbeing, we undertake various projects in medical research and medically associated biological research. This work is funded by the Medical Research Council, the Biotechnology and Biological Sciences Research Council, and major medical charities including the Wellcome Trust, Cancer Research UK, British Heart Foundation, Arthritis Research UK, and Diabetes UK. Research in the UK involving vertebrate animals is regulated, within the framework of the Animals (Scientific Procedures) Act 1986, by the Home Office Animals Scientific Procedures Division and Inspectorate. All work on vertebrate animals is conducted under Home Office Licence. This means that any projects we undertake have been through an ethical review process and have then been assessed by a Home Office Inspector. The University is committed to the three Rs – Refinement, Reduction and Replacement of experiments involving animals.

Our statement in response to the Modern Slavery Act 2015 section 54(1) is published on our website at <http://www.bath.ac.uk/corporate-information/modern-slavery-and-human-trafficking-statement>.



## Statement of Risk

### Risk Management

We encourage enterprise and innovation. Whilst it is robust in its approach to risk management, we are not an inherently 'risk averse' organisation. We have achieved considerable success since receiving our Royal Charter in 1966 and we are prepared to invest and innovate in order to enhance our current standing as one of the UK's leading universities.

Our objective is to be 'risk aware', by ensuring that risk management is an integral part of our governance, planning, management and review processes, including the evaluation of new development and investment opportunities. Effective risk management will enhance:

- the likelihood of us delivering our objectives;
- our reputation;
- our financial sustainability;
- our planning and decision-making activities;
- our leadership, management and governance;
- our core business;
- our ability to innovate.

The approach adopted to risk management is proportionate, proactive and transparent. In order to ensure a proportionate response, we have embedded risk management processes in our planning and decision-making framework. In order to ensure a proactive response, deans and directors/heads of professional services are required to consider risk management plans alongside the development of their strategic plans. In order to ensure transparency, risk management is conducted in an open, blame-free culture which encourages all risks to be highlighted and addressed. There is also a systematic approach to internal control, involving senior managers and members of our governing body.

### Risk Appetite

Our risk appetite can be considered as the level of risk that we are prepared to accept in order to deliver our strategic objectives. Our risk appetite varies with the nature of the activity being undertaken. In general, our appetite for risk in relation to any aspect of compliance is low, whilst in relation to our performance our appetite may range from low to moderate in order to prioritise the allocation of limited resources. We have a higher appetite for risk in relation to investments to secure our future sustainability, nevertheless, decisions to invest are taken in the context of understanding the potential benefits and risks, and acting to mitigate the risks as far as possible.

### Process

Our Strategy articulates our Vision, Mission and strategic objectives. Our approach to strategic risk management is objective-driven and our Risk Management Strategy outlines the framework of systematic processes that we have put in place to identify, evaluate, manage and review the risks associated with the delivery of our Strategy. Our Strategy is approved by Council, our governing body. During 2020/2021, we developed our Strategy for 2021-26 and aligned with this a new Strategic Risk Register.

Our new Strategic Risk Register contains 9 risk domains associated with the delivery of our objectives, with a new domain of 'enterprise' being added to the eight domains in the previous Strategic Risk Register:

- research;
- teaching;
- enterprise;
- student recruitment and access;
- student experience;
- physical infrastructure (estate);
- physical infrastructure (IT);
- people;
- financial capacity.

Each of these risk domains is considered from the perspective of performance, sustainability and compliance. In addition, there is a super-ordinate reputational risk domain. Our Strategic Risk Register publishes the gross risk and the 'net' risk for the nine domains of risk. The net risk, or residual risk, refers to the numerical assessment once the likelihood and impact values are adjusted to take account of any mitigation actions already in place. Risk descriptors are in place to support the calibration of these risk assessments.

Having identified risks, we deploy four methods for addressing risk:

**tolerate the risk** – where the resource required to address a risk is disproportionate to the beneficial impact or there is no action that we could take to lessen the likelihood or impact of the risk then it may accept the risk, whilst monitoring the situation regularly.

**transfer the risk** – where we seek through insurance or a third-party agreement to transfer some share of the risk to an external organisation.

**treat the risk** – where we put in place mitigation actions to contain the risk to an acceptable level.

**terminate the risk** – where we decide not to pursue an activity or an opportunity because the 'net risk' to our core business, quality of output, attainment of our strategic goals or reputation is too high.

The Strategic Risk Register informs our programme of internal audits.

Risks are identified through various self-assessment exercises. Strategic and operational risks are identified through our planning process and management activities, whilst most project risks are identified by individual project management teams. The planning process provides a bottom-up operations-wide assessment of operational and project risk. Our Strategic Risk Register provides a top-down strategic assessment of risk, and incorporates the strategic risks identified during the planning process. Executive Board is responsible for undertaking the strategic assessment of risk and deans and heads of academic departments and directors and heads of professional services are responsible for undertaking the assessment of risk in the department for which they are responsible.

Our planning process provides a systematic approach to integrating strategic planning, financial planning, environment scanning, performance review, risk management and resource allocation. Faculties and key departments are asked to update risk management plans as part of their planning submissions. The Department of Policy, Planning and Compliance is then responsible for ensuring that the operational and strategic risks identified at departmental level are incorporated into the Strategic Risk Register or Operational Risk Register as appropriate.

The Executive Board reviews the Operational Risk Register at each of its meetings. The Operational Risk Register is a dynamic document. During the 2020/2021 academic session, the Operational Risk Register was de facto the Covid-19 Operational Risk Register.

### Our Risks

The impacts of Covid-19 during 2020/2021 were wide-ranging. We responded by creating a 2020/2021 Academic Year Delivery Programme Board (AYDPB), reporting to the Executive Board, with oversight of the numerous workstreams undertaking detailed planning for a very different mode of delivery. We also created a Financial Sustainability Group (FSG) to respond with agility to authorise Covid-19 secure investments and to evaluate and address the emerging financial risks. Both of these new boards were chaired by the Vice-Chancellor.

We also stepped up our communication with staff and students to maintain engagement and a sense of community, mitigating the risks associated with remote working. Our Online 'town hall' meetings were used to brief the community on the plans for 2020/2021, reinforced by weekly e-mail updates from the Vice-Chancellor. Students, new and continuing, were given clear information about the balance of in-person and online delivery before the start of the academic session and the Pro-Vice-Chancellor (Learning and Teaching) and the Vice-President (Student Experience) issued regular updates on developments during the year.

Covid-19 secure measures created delays in the delivery of two major capital projects, the new School of Management Building on campus and the new Institute of Advanced Automotive Propulsion Systems (IAAPS) on the Bristol and Bath Science Park. Our Project Control Groups monitored the developments closely.





Risk	Risk Mitigation Activity
<b>Health, safety and wellbeing of our community (staff and students).</b>	<p>The health, safety and wellbeing of the community was our primary concern in planning and delivering the 2020/2021 academic year, as it is for the 2021/2022 academic year. We undertook to follow Government guidance, implementing Covid-19 secure measures and liaising with local PHE. Risk assessments were undertaken for all activities. Campus was made Covid-19 secure with the implementation of one-way systems, social distancing, face coverings, cashless purchasing, hand sanitising stations etc.</p> <p>A new budget was established so that colleagues could purchase equipment to create an appropriate workstation at home for remote working. Student mental health support was provided online and new measures were introduced to contact students regularly to address potential feelings of isolation. Additional discretionary leave days were implemented for staff, including a rest day on 2 September and additional leave days over the Christmas break. A Campus Safe and Ready workstream, reporting to the 2021/2022 AYDPDB has been preparing campus for the 2021/22 session. Room capacities have been reviewed to reflect their ventilation characteristics. A new Outbreak Management Plan has been submitted to PHE.</p>
<b>Loss of/reduction in income and new demands on expenditure (financial sustainability)</b>	<p>We entered the 2020/2021 session with strong cash reserves. Nevertheless, creating a Covid-19 secure campus required an investment of over £5 million, with additional Covid-19 related running costs, at a time when many of the University's income streams were reduced, including tuition and accommodation fees, conference and events, sports and retail etc. The FSG was established to ensure an agile response to emerging challenges. Furlough was used in accordance with Government guidance. Financial modelling and scenario planning were extensively used to forecast changes in income and expenditure and the Finance Committee was regularly updated on the position.</p> <p>Moving forward, our financial planning assumptions will, inter alia, factor in new Government funding priorities, inflationary increases (supply chains, Brexit etc), climate emergency impacts on cost, and economic impacts on funding capacity of industry.</p>
<b>Student experience (impacts of reduced capacity on campus)</b>	<p>In preparing for 2020/2021, a Student Experience Project Team was established to focus on the student experience, working in close partnership with the Students' Union. Applicants achieving entry qualifications following changes in 'A' level assessments in summer 2020 were offered deferred entry to ensure Campus capacity was not exceeded. Student support services moved to online delivery. Student concerns about assessment were addressed by a 'no detriment' approach and accommodation fees were refunded where use was impacted by Government guidance. Special activities were offered to students who remained on campus over the Christmas break. The overall student satisfaction score in the NSS 2021 provided assurance that students were generally happy with their overall experience despite Covid-19.</p> <p>Our offer strategy for the 2021 undergraduate intake took account of the potential for 'A' level inflation to ensure that there was sufficient capacity for the size of the incoming cohort. Moving forward, a new Student Experience Board has been established and the University is working with the Students' Union to progress the top ten priorities for 2021/2022.</p>
<b>Driving excellence in education - maintaining academic quality and standards in teaching</b>	<p>We developed a new blended learning pattern of delivery to meet Covid-19 guidance in 2020/2021. It was recognised that there were additional workload pressures associated with delivering in-person activities, lectures online, and interactive online engagement. Workload allocations were adjusted to reflect the additional demands of blended learning delivery in 2020/2021. Deadlines associated with our major Curriculum Transformation programme were also reviewed to allow focus on delivery in year. For 2021/2022, our goal is to deliver a minimum of 75% of directed learning in-person. Moving forward, we will use the lessons learned during the pandemic to harness the strengths of blended learning in the implementation of Curriculum Transformation. This will form part of the 'Driving Excellence in Education' strategic pillar of the new Strategy.</p>

Risk	Risk Mitigation Activity
<b>Driving high impact research (re-launch of experimental research)</b>	<p>We are conscious that much of its experimental research could not be progressed during the national lockdown in 2019/2020. The first activity brought back onto campus over summer 2020 was experimental research. Activity-based risk assessments were supplemented with Covid-19 secure working practices and rotas. We implemented a three-month extension for all doctoral students to reflect the disruption to their research. Doctoral students have been a key stakeholder group in the preparations for 2021/2022 and steps have been taken to address reduced capacities in some rooms by creating additional workspaces. Moving forward, we are conscious of some emerging supply chain issues and is reviewing how it can make research that is heavily dependent on consumables more resilient.</p>
<b>Under-recruitment (particularly international student recruitment and achievement of Access and Participation Plan targets).</b>	<p>During 2019/2020, much of our recruitment activity, including Open Days, moved online and new methods for assessing the English language proficiency of international applicants were approved. In advance of the start of the new academic year, we worked collaboratively with other universities to negotiate charter flights for international students.</p> <p>The lessons learned were carried forward into 2020/2021. Funding that would normally have been used for international travel was diverted to create more social media content to support online recruitment activities. We also invested in in-country resources in India and China. As soon as it was able, we welcomed prospective applicants back to campus, albeit only for 'open air' tours of campus. Following the 'A' level grade inflation in summer 2020, we implemented a new offer strategy to mitigate the risk of serious over-recruitment of Home undergraduates for the 2021 intake. The admissions process was managed by a core admissions team and Confirmation decisions were informed by our APP targets. The uncertainties surrounding the ongoing Covid-19 situation prompted us to make a prudent provision against under-recruitment in its financial forecasts. Moving forward, we are keen to resume in-person recruitment activities.</p>
<b>Cyber-security threats (particularly ransomware attacks, creating business continuity, reputational and compliance risks)</b>	<p>During 2020/2021, we recognised that remote working increased the cyber-security risk to business continuity and data protection. We undertook an awareness raising campaign for staff to mitigate the risk of individuals responding to phishing attacks. As the risk of Ransomware attacks increased, we triggered a forced password change for all staff and students and brought forward the implementation of multi-factorial authentication. We have been working closely with JISC to strengthen its cyber-security response and has increased its in-house cyber-security capacity. We are aware of ongoing cyber-security incidents affecting the Higher Education sector and we will continue to take steps to enhance our resilience.</p>
<b>Compliance with consumer regulations</b>	<p>Given the difference between the intended offer in 2020/2021 and its pre-Covid-19 promotional material, we were conscious of the need to provide our new and continuing students with clear information about what they could expect in terms of the blend of in-person and online delivery in 2020/2021. The Academic Registry produced templates for academic departments to use in communicating with students to ensure that all material aspects of deliver were covered. Our deliverer of content against these formal communications was subject to an internal audit. Lessons learned from 2020/2021 were used to inform the communication to new and continuing students before the start of the 2021/2022 session and a further internal audit is planned. Our Consumer Regulations Standing Group has also been monitoring our response to Covid-19.</p>



# Statement of Corporate Governance 1 August 2020 to 29 November 2021

The University of Bath was established as a University in 1966 by Royal Charter, from which we derive our legal status as an independent corporation. We are an educational charity, with exempt status and we apply our charitable purposes for the public benefit. We are regulated by the Office for Students in its capacity as Principal Regulator and appear on its Register of officially recognised Higher Education providers.

This statement of corporate governance provides an overview of governance at the University, including the processes by which we ensure transparency, enable the student voice to be heard, manage risk, and assure the application of robust internal controls. As the Chair of Council, I take a leading role in ensuring that good governance is exercised by the University. Our objectives, powers and governance arrangements are set out in our Charter, Statutes and Ordinances and in the Regulations which underpin them.

We are committed to exhibiting best practice in all aspects of our corporate governance. We conduct our business in accordance with the seven “Nolan” principles of public life, namely selflessness, integrity, objectivity, accountability, openness, honesty and leadership and are guided in doing this by the Higher Education Code of Governance (the Code) adopted by the Committee of University Chairs (CUC) (“the Code”). Each year, Council reviews the University’s compliance with the individual elements of the Code. I am pleased to report that, for the period from August 2020 until November 2021, we are fully compliant. Council also commits to upholding the public interest governance principles set out by the Office for Students.

## Corporate governance structures

### Council

Our governing body is **Council**. It is responsible for the strategic development and overall achievement of the University’s mission and purpose: a full statement of its responsibilities can be found below. Council membership includes staff and student members and a majority of independent, external (“lay”) members. Council normally meets formally at least five times a year, with a number of informal sessions between these meetings.

Council delegates a number of its functions to its sub-committees, which include Finance Committee, Nominations Committee, Remuneration Committee and Audit and Risk Assurance Committee (ARAC). All these committees are formally constituted with terms of reference, which can be found on our website. They all have specified membership, with a lay Chair and majority in each case.

The **Audit and Risk Assurance Committee (ARAC)** is responsible to Council for reviewing the adequacy and effectiveness of our system of internal control and risk management, governance and value for money arrangements. It also reviews the final version of the audited financial statements after they have been submitted to the Finance Committee, taking into consideration the auditors’ formal opinion. ARAC normally meets five times a year. Its work is considered in more detail under the ‘statement of internal control’ sub-heading below.

The **Finance Committee** is responsible to Council for financial strategy, budget setting, reviewing the annual accounts, monitoring investment activity and consideration of capital expenditure. The Finance Committee normally meets four times a year.

The **Nominations Committee** is responsible for considering nominations for membership of Council and its committees, including the key roles of Chair of Council, Senior Independent Director and Treasurer, and members of Court appointed by Council. In making its decisions the Committee has regard to the diversity and skills of Council of members, which it assesses on an annual basis. It normally meets at least twice a year.

The **Remuneration Committee** determines the remuneration and contractual arrangements of specified senior employees of the University. It normally meets four times a year. Its work is considered in more detail in the Annual Report of the Remuneration Committee.

### Senate

**Senate** is responsible for regulating and directing our academic work, with functions as set out in Section 19 of the Statutes. Senate provides assurance to Council that there is a programme in place for continuous improvement of the student academic experience and student outcomes. It also undertakes regular reviews to ensure the effectiveness of our academic governance is effective: a full review took place in 2019/20, the recommendations from which are currently being implemented. Senate normally meets at least five times a year.

Senate delegates a number of its functions to sub-committees, including the Research and Knowledge Exchange Committee and the Education, Quality and Standards Committee. All its committees are formally constituted with terms of reference, which can be found on our website.

### Joint working of Council and Senate

Senate and Council are committed to working together to provide effective and joined-up governance for the University. As one element of this, they have a number of joint sub-committees, including the Council/Senate/Students’ Union Committee (CSSU); the Equality, Diversity and Inclusion Committee; the Honorary Degrees Committee and the Senior Academic Appointments Committee.

### Leadership

The **Vice-Chancellor and President** is our chief executive officer, is a member of Council and Chair of Senate, and is responsible to Council for maintaining and promoting our efficiency and good order. In discharging this responsibility, the Vice-Chancellor and President is advised by the University Executive Board, which normally meets at least twice per month. Members are appointed by the Vice-Chancellor and President and include senior academic and professional service officers.

Council recognises that there are clear distinctions between governance and management. Governance involves oversight and assurance: Council members need to be satisfied that processes and procedures are in place which are sufficient,

necessary and effective in running our business. Management has to, amongst other things, advise the governing body on policies and objectives, devise means of meeting the agreed objectives, and is held accountable for implementing the policies of the governing body.

### Court

**Court** is the formal body representing the interests of our internal and external constituencies. It does not take part in the day-to-day oversight of our affairs or in the decision-taking process but provides a forum where members of Court can raise any matters concerning the University. It meets at least once in every academic year.

### Reviewing our governance arrangements

In accordance with the CUC Code, Council undertakes annual reviews of the adequacy and effectiveness of our arrangements for corporate governance, risk management and oversight of statutory and regulatory responsibilities. The last major external Review of Council Effectiveness was undertaken during 2017/18, with the next external review scheduled for the coming year. In each of the intervening years, Council has considered ways in which it can improve the discharge of its functions: this is an iterative and ongoing process, informed in 2020/21 by a self-assessment exercise and by individual appraisals of each member of Council, discussed by Council in July 2021.

It is central to the proper conduct of business that members of Council and its Committees act, and are perceived to act, impartially and not be influenced in their role by personal, social or business relationships. A Register of Interests of Council members is maintained and updated annually. From 2020/21, each Council member’s entry in the Register has been published alongside their biography on our website. Any member of Council who believes that they may have a direct or indirect personal or financial interest in any matter under discussion at a meeting is expected to state that interest at the earliest opportunity and withdraw from the meeting when the relevant business is reached, unless invited to stay by the Chair. Members of Council are also required to declare if any of the contra-indicators published by the OfS in the context of ‘fit and proper’ person status apply to them.

## Statement of responsibilities of Council

The matters specifically reserved for Council for decision are set out in the Statutes, and the requirements placed upon Council, as the governing body, by the regulator, the OfS, are outlined in the ‘Terms and conditions of funding for HEIs’ and the regulatory framework.

The primary responsibilities of Council are:

- approving the mission and strategic vision of the institution, long-term business plans, key performance indicators (KPIs) and annual budgets, and ensuring these meet the interests of stakeholders
- appointing the head of the institution as chief executive of the institution and putting in place suitable arrangements for monitoring their performance
- ensuring the establishment and monitoring of systems of control and accountability, including financial and operational controls and risk assessment, and clear procedures for handling internal grievances and for managing conflicts of interest
- monitoring institutional performance against plans and approved KPIs, which should be, where possible and appropriate, benchmarked against other institutions.

Council receives regular reports from executive officers on the day-to-day operations of our business and that of our subsidiary companies.

We are an educational charitable and chartered corporation, exempt under the terms of the Charities Act 2011. Members of its Council are therefore managing trustees of the charity. The OfS acts as principal regulator in respect of our status as an exempt charity.

In accordance with our Charter of Incorporation, Council is responsible for the administration and management of the affairs of the Group and is required to present audited financial statements for each financial year. Council is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group and enable it to ensure that the financial statements are prepared in accordance with the University’s Charter of Incorporation, the FE/HE SORP, and other relevant accounting standards.

Under Condition E3 of the OfS’s regulatory framework, Council must ensure our “compliance with all of its conditions of registration and with the OfS Accounts Direction”. Council confirms that its accounts have been prepared in accordance with the OfS Accounts Direction and give a true and fair view of the state of affairs of the University and Group and of the surplus or deficit and cash flows for 2020/21.

Council is responsible for the maintenance and integrity of the corporate and financial information published on our website. Council notes that legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In causing the financial statements to be prepared, Council has ensured that:

- suitable accounting policies are selected and applied consistently
- judgements and estimates are made that are reasonable and prudent
- applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- financial statements are prepared on the going concern basis unless it is inappropriate to presume that the Group will continue in operation. Council is satisfied that the Group has adequate resources to continue in operation for the foreseeable future; for this reason the going concern basis continues to be adopted in the preparation of the financial statements.

Council has taken reasonable steps to:

- ensure that public funds are used only for the purposes for which they have been given and in accordance with any specific terms and conditions from the Office for Students, Research England and other public funding bodies
- ensure that there are appropriate financial and management controls in place to safeguard public funds and funds from other sources
- safeguard the assets of the Group and prevent and detect fraud and other irregularities
- secure the economical, efficient and effective management of the Group’s resources and expenditure.



In accordance with the terms and conditions of funding published by the OfS, Council is responsible for the use of public funds and has assured itself that we:

- a. Have robust and comprehensive system of risk management, control and corporate governance, including procedures for the prevention and detection of corruption, fraud, bribery and irregularities
- b. Have regular, reliable, timely and adequate information to monitor performance and track the use of public funds
- c. Plan and manage our activities to remain sustainable and financially viable
- d. Inform the OfS of any material change in our circumstances, including any significant developments that could impact on the mutual interests of the University and the OfS
- e. Use public funds for proper purposes and seek to achieve value for money from public funds
- f. Comply with the mandatory requirements relating to audit and financial reporting, set out in the OfS Audit Code of Practice and in the OfS annual accounts direction
- g. Submit to the OfS:
  - i. The annual accountability return, including signed audited financial statements prepared in accordance with the OfS Accounts Direction
  - ii. Other information that the OfS may reasonably request.
  - iii. Any data requested on the Office for Students' or Research England's behalf by the Higher Education Statistics Agency (HESA)
- h. Have adequate and effective arrangements for the management and quality assurance of data submitted to HESA, the Student Loans Company, the OfS and other funding or regulatory bodies
- i. Have an effective framework – overseen by our Senate – to manage the quality of learning and teaching and to maintain academic standards
- j. Consider and act on the OfS' assessment of our risk specifically in relation to these funding purposes.

To assist and enable it to discharge its responsibilities under the OfS terms and conditions, Council has designated the Vice-Chancellor as its Accountable Officer to report to the OfS on its behalf. The Accountable Officer is personally responsible to the governing body for ensuring compliance with the terms and conditions of funding and for providing the OfS with clear assurances to this effect.



## Membership of Council (between 1 August 2020 and 29 November 2021)

Pamela Chesters CBE	Chair of Council
Maria Bond	Appointed by Council
Tim Ford	Interim Treasurer (from 26 April 2021) and Senior Independent Director
Christine Gibbons	Appointed by Council
Professor Dorothy Griffiths OBE	Appointed by Council
Mesar Hameed	Elected by Professional Services Staff (until 31 July 2021)
David Hardy	Appointed by Council
Dr Marion Harney	Elected by Senate
Dr Alan Hayes	Chair of Academic Assembly (from 1 August 2021)
Malcolm Holley	Elected by Professional Services Staff
Tim Hollingsworth OBE	Appointed by Council
Professor Tim Ibell	Elected by Senate (until 31 July 2021)
Francesco Masala	Student Governor (President) (until 30 June 2021)
Don McLaverty	Appointed by Council
Professor Marcelle McManus	Elected by Senate (from 1 August 2021)
Sujata McNab	Appointed by Council
Catherine Mealing-Jones	Appointed by Council
Charlotte Moar	Appointed by Council
Dr David Moon	Elected by Academic Assembly
John Preston	Treasurer (until 20 April 2021)
Dr Andrew Ross	Elected by Professional Services Staff (from 1 August 2021)
Professor Ian White	Vice-Chancellor and President
Dr Jane White	Chair of Academic Assembly (until 31 July 2021)
Annie Willingham	Student Governor (Education Officer until from 30 June 2021 and President from 1 July 2021)
Jacob Withington	Student Governor (Education Officer from 1 July 2021)



## Statement of Internal Control

As our governing body, Council has responsibility for maintaining a sound system of internal control that supports the achievement of policies, aims and objectives, while safeguarding the public funds and assets for which it is responsible. Council acts in accordance with the responsibilities assigned to it in our Charter and Statutes, and the regulatory framework and terms and conditions of funding published by the OfS.

We have established the following processes in relation to our risk management approach and for reviewing the effectiveness of our system of internal control:

- Council normally meets five times a year to consider our plans and strategic direction
- Council approves our Risk Management Strategy and Risk Register. Corporate risks are identified in terms of our ability to achieve our strategic objectives
- Council has established that the Vice-Chancellor and President, supported by the University Executive Board, is responsible for operational risk management at the institution
- risk management forms part of our planning process and covers all risks – governance, management, quality, compliance, reputational and financial
- faculties and key professional service departments have risk registers in place, which are updated annually as part of the planning processes, or as circumstances require, for example, in response to the Coronavirus pandemic
- we maintain a corporate risk register, which includes an evaluation of the likelihood and impact of risks becoming a reality. Council receives from ARAC a report reviewing the corporate risk register at each of its meetings, enabling it to make amendments in light of changes in the risk profile in particular areas. An overall report and updated register is considered annually
- Council reviews the effectiveness of the risk management process and internal controls via receipt of reports and minutes from ARAC throughout the year
- ARAC considers regular reports from the Head of Internal Audit on specific areas of the University together with recommendations for improvement. Audit planning arrangements and the methodology and approach of internal audit conform to the latest professional standards reflecting the adoption of risk management techniques
- ARAC approves the programme of internal audits and internal audits address value for money as appropriate. This informs the opinion on value for money in the annual report from Internal Audit
- ARAC considers other reports on matters of internal control, including the annual Procurement Report, the annual statement and any associated reports on Public Interest Disclosure, and the University policy and associated actions on fraud and irregularity

This system of internal control is designed to manage – rather than eliminate – the risk of failure to achieve policies, aims and objectives: it can therefore only provide reasonable, not absolute, assurance of effectiveness.

Council is responsible for: (i) agreeing our key risks; (ii) approving the framework for risk assessment and management; (iii) monitoring risk management activities; and (iv) the continuous process of calibrating our risk appetite. It is also responsible for approving our Risk Management Strategy

and the Risk Register and Management Plan. The Risk Management Strategy was last comprehensively reviewed by Council in November 2018, with an interim update considered in July 2021. It includes a statement about our risk appetite, a description of roles of responsibilities in relation to risk management and the governance of risk management.

The Risk Register and Management Plan for 2021/22 was approved by Council on 22 July 2021. The Risk Register considers risk in nine areas of activity associated with the delivery of our strategic objectives (research, teaching, student recruitment & access, student experience, enterprise, physical infrastructure, IT infrastructure, people, and financial capacity). Performance, sustainability and compliance risks are considered under each of these areas of activity. The Risk Register and Management Plan also include the super-ordinate reputational risk associated with a failure of its internal control and/or other practices.

At each of its meetings, ARAC receives a report from the University Executive Board on any developments, positive and negative, that might impact on the likelihood or impact of the risk becoming a reality. ARAC then reports to Council on these developments. In 2020/21 the University Executive Board continued to use the enhanced risk management reporting introduced in 2018/19, which includes a more systematic approach to reporting on the risk mitigation activities in the corporate risk register, a mapping of risks against strategic objectives, and the operational risk register.

Risk management is embedded within our decision-making processes and is therefore ongoing. Risks are identified through various self-assessment exercises or flagged by external agencies, including OfS and the Council of HE Internal Auditors. Strategic and operational risks are identified through our ongoing planning process, whilst most project risks are identified by individual project management teams. Our planning process provides a systematic approach to integrating strategic planning, financial planning, environment scanning, performance review, risk management and resource allocation. Faculties and key departments are asked to update risk management plans as part of their submissions to the planning process, which provides a bottom-up, operations-wide assessment of operational and project risk. Our Risk Register provides a top-down strategic assessment of risk and addresses the risks to the achievement of our strategic objectives identified during the planning process.

ARAC considers detailed audit reports together with management action plans for the improvement of our systems of internal control. It monitors management's response and progress made against the implementation plans. ARAC also receives and considers reports from the OfS, as they affect our business, and monitors adherence with the regulatory requirements. It is responsible for meeting with our external auditors and internal auditor and reviews and discusses reports issued. Whilst senior executives do attend meetings of the ARAC as necessary, they are not members of the Committee, and the Committee meets with the external auditors on their own once a year for independent discussions. The Chair of ARAC is available to discuss matters with the Head of Internal Audit or External Auditors. Council's review of the effectiveness of the system of internal control is informed by the Internal Audit unit. The internal auditors submit regular reports, which include the Head of

Internal Audit's independent opinion on the adequacy and effectiveness of the system of internal control, together with recommendations for improvement.

Council is responsible for ensuring that we have a framework of policies, procedures and other internal control measures which are sufficient to assure itself that we are using public funding for the purposes for which it is received. We are in receipt of recurrent and capital grant funding from the OfS and Research England, as well as specific grant funding from OfS and UKRI. We also receive specific grant and contract funding from other central and regional government departments, agencies and the NHS.

ARAC has oversight of our assurance processes for ensuring the accuracy of the data returns underpinning the formula-based allocations, and there is a rolling programme of internal audits of the returns. ARAC also considers reports from the Internal Auditor on specific publicly funded projects.

We engage in fundraising to support our charitable objectives. We reclaim Gift Aid from HMRC under our exempt charity status and we have a code of practice to which we adhere to for the solicitation and acceptance of gifts.

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

The system of internal control is based on an ongoing 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 has been in place for the year ended 31 July 2021 and, up to the date of approval of the financial statements, has operated effectively throughout the year and accords with guidance from the OfS.





## Statement of Equality Objectives 2019-23

- Increase the proportion of women in senior roles and take positive action to address gender imbalances and the gender pay gap.
- Improve the recruitment of staff and students from under-represented groups in order to better reflect the society in which we operate. Where gaps in outcomes or opportunities for progression are identified, we will seek to address these
- Create and maintain a living and working environment that supports the health and wellbeing of all staff and students
- Foster a culture of inclusion and belonging through a programme of raising awareness and training
- Create a supportive environment for our LGBT+ community

In addition to these overarching equality objectives, we are committed to the following actions to help achieve our equality objectives:

- apply for an institutional Silver Athena SWAN award in 2021
- work towards appearing on the Stonewall Workplace Equality Index
- explore the benefits of an institutional Bronze Race Equality Charter award

We can report significant progress against the Statement of Equality Objectives 2019-2023.

The number of institutional and departmental Athena Swan awards has increased to 17, with an increase from 4 to 7 silver awards and from 6 to 10 bronze awards since 2019, making us one of the most highly awarded HEIs in the country regarding the Gender Equality Charter Mark. The strong performance at the department level has significantly added value to our submission for an institutional Silver Award, which we were successfully awarded in August 2021, with very positive feedback from assessors. The assessment panel considered the application to evidence significant activity and achievement both internally and externally.

Advance HE commended the progress demonstrated by us on our previous action plan, with 19 of 21 actions in the previous Action Plan implemented, and particularly highlighted as positive the increase in the proportion of female professors

from 16.4% to 20.9% since the 2017. A diverse group of over 30 members (staff and students) led by Dr Marion Harney have worked together on our institutional Athena Swan Silver application, conducting a thorough self-assessment of gender equality and setting up ambitious targets for 2021-2026, providing us with a good roadmap to further improve our gender equity.

We have worked to increase the proportion of BAME students studying with us. Activities have included the development of inclusivity training for students from schools that our widening participation teamwork with. We have also launched the new #BeTheChange initiative that aims to tackle harassment by showing how we can all be the change required to help illuminate inappropriate behaviours.

Additional enhancements to the living and working environments include the ongoing development of new staff networks, the creation and delivery of various Equality, Diversity and Inclusion (EDI) training packages to our staff and students. Building partnerships with regional organisations such as BANES Council, Wiltshire Council, Royal United Hospital and Avon and Somerset Police to collaborate on various events and initiatives such as Black History and LGBT+ History months. The launch of our new ED&I webpages with a resource hub including new self-learning guides, toolkit, resource hub, advice and guidance sections and consultancy on issues around inclusivity. We have also supported local charities by providing EDI training as part of our Civic Partnership agreement.

A race equality task force and six advisory groups have been set up and led by Professor Rajani Naidoo to help address racial inequalities and in its final report due in December 2021 will explore the benefits of an institutional Bronze Race Equality Charter award among other themes such as work around decolonising the curriculum, inclusive culture, recruitment and retainment of black staff and students among other areas of focus. In June 2021, Georgina Brown, our Head of EDI prepared guidance around working on issues of gender identity and specifically our potential relationship with Stonewall, offering a possible way forward to ensure a collegial response to the external environment concerning gender identity.





# Annual Report of the Remuneration Committee

## Introduction

The University of Bath Remuneration Committee, under delegated authority from Council, determines the remuneration of senior officers of the University. The current Terms of Reference are available on our web pages, [Remuneration Committee \(bath.ac.uk\)](https://www.bath.ac.uk/remuneration-committee). The minutes of each meeting are presented to Council by the Committee Chair.

Remuneration Committee membership and meeting attendance for academic year 2020/2021								
Status	Name	Term	Attendance at meetings					
			Sep 20	Oct 20	Nov 20	Dec 20	Jan 21	Jul 21
Chair	Christine Gibbons	ends 31 Jul 23	✓	✓	✓	✓	✓	✓
Members	John Preston, University Treasurer	ex-officio	✓	✓	✓	✓	✓	
	Tim Ford, Int'm University Treasurer	ends 31 Jul 22						✓
	Pamela Chesters CBE, Chair of Council	ex-officio	✓	✓	✓	✓	✓	✓
	Catherine Mealing-Jones	ends 31 Jul 22	✓	✓	✓	✓	✓	✓
	Francesco Masala, SU President	ex-officio	✓	✓	✓	✓	✓	
	Annie Willingham, SU President	ex-officio						✓
	Mesar Hameed	ends 31 Jul 21	✓	✓	✓	✓	✓	✓
In attendance	Emily Commander, Secretary	-	✓	✓	✓	✓	✓	✓
	Richard Brooks, Director of HR	-	X	✓	✓	✓	✓	✓
	Prof Ian White, Vice-Chancellor	-		✓				
	Katharine Turner, FIT Consultants	-	✓	X	X	✓		
	Darrell Hare, FIT Consultants	-		✓				

Key

✓ attended meeting

X did not attend meeting

■ not required at meeting

In July 2019 Council approved a new Framework for the determination of senior remuneration packages. The Remuneration Committee has reviewed the Framework this year and improvements have been approved by Council.

## Approach to remuneration

The overall goal of our approach to senior staff remuneration is to offer levels appropriate to attract, retain and motivate senior staff who have the appropriate skills and qualifications to lead delivery of our mission and strategic objectives. We recognise that our status as a public body is a fundamental part of the decisions regarding pay for all employees, particularly senior staff. Students and staff are important stakeholders in the University, and we recognise that the reputation of the University as an education provider, and as an employer, can be influenced by perceptions of value for money and the way in which senior remuneration is set and governed.

We offer remuneration packages appropriate to a leading University, benchmarked against other UK HE institutions of comparable scale, status and complexity operating in a competitive market. All decisions regarding the remuneration associated with specific roles are taken, with external advice when required, in accordance with our commitment to equality and diversity; financial position and value for money; the nature of the role; reward levels for other members of our University community; guidance issued by OfS and CUC; and metrics and benchmarks from across the sector. When considering individuals, this also includes the attributes and skills of the candidate and, any changes in responsibilities and individual performance.

Our policies on expenses and on income generated by individuals from external bodies are published on our webpages.

## Decisions in the 20/21 academic year

The Remuneration Committee met six times during the year. Below is a record of the major activity undertaken and decisions made.

In **September 2020** the Committee reviewed its Terms of Reference and approved the annual remuneration report to form part of the 2019/20 Annual Report & Accounts.

In **October 2020** the Committee took input from the Vice-Chancellor regarding the performance appraisals of the senior team and also discussed the appraisal of the Vice-Chancellor by the Chair of Council. No pay changes were approved by the Committee.

The Vice-Chancellor initiated a considerable restructuring of the senior team, taking place through the year. The Committee was fully engaged in providing advice prior to making changes and then in **November 2020** and **January 2021** the Committee took decisions on several individual cases in line with the remuneration framework.

The **December 2020** meeting undertook a review of the senior remuneration framework and made recommendations which were subsequently approved by Council. As in previous years, a significant part of this meeting was dedicated to training and development for the Remuneration Committee, provided by FIT Remuneration Consultants. The Committee, having learned from using an external adviser, decided not to renew the arrangement on a cost-benefit basis.

In **July 2021** the Committee took further decisions regarding senior team restructuring, including interim arrangements and initiated the process for the biennial remuneration review to take place in Autumn 2021. The Committee also started a self-assessment of their performance.

## The Vice-Chancellor

The Vice-Chancellor's salary was set with reference to external benchmarks on recruitment in April 2019, making comparison with Universities of similar scale, complexity and ranking. The salary is not due for review until the third anniversary of his recruitment and until that point will only be adjusted by the JNCHEs annual pay award. There are no performance-related elements in the remuneration package. One of the key principles adopted was for the Vice-Chancellor to be subject to the same policies as other staff wherever practical and details of the remuneration package were previously published.



# Annual Report of Remuneration Committee (Financial Disclosures)

## Audited information

Total emoluments of the Head of Institution are as follows:

	2021	2020
	£	£
Salary	270,788	270,788
Salary in lieu of pension contributions	45,449	44,774
Benefits in kind	2,648	1,744
	<b>318,885</b>	<b>317,306</b>
Pension contributions	5,416	5,461
	<b>324,301</b>	<b>322,767</b>
Benefits in kind included above;		
Medical Expenses	2,648	1,744
	<b>2,648</b>	<b>1,744</b>

Professor Ian White's basic salary was 7.8 (7.8) times the median pay of staff and 15.0 (15.4) times the lowest pay of staff, where median and lowest pay are calculated on a full-time equivalent basis for the salaries paid to our staff. Professor Ian White's total remuneration was 7.4 (7.3) times the median total remuneration and 17.5 (17.9) times the lowest total remuneration, where median and lowest total remuneration are calculated on a full-time equivalent basis for the total remuneration paid to our staff.

## Audited Information

### Remuneration of other higher paid staff

Remuneration of other higher paid staff, excluding employer's pension contributions and before salary sacrifice are:

FTE Salary Band	Academic		Professional Services	Total Consolidated	
	Teaching & Research	Senior Leadership		2021 Number	2020 Number
£100,000 - £104,999	11	2	2	15	13
£105,000 - £109,999	10	-	2	12	11
£110,000 - £114,999	12	-	2	14	17
£115,000 - £119,999	5	1	-	6	4
£120,000 - £124,999	4	1	-	5	5
£125,000 - £129,999	3	1	-	4	3
£130,000 - £134,999	2	-	1	3	3
£135,000 - £139,999	1	-	-	1	1
£140,000 - £144,999	4	1	-	5	2
£145,000 - £149,999	2	-	1	3	2
£150,000 - £154,999	1	-	-	1	1
£155,000 - £159,999	-	1	-	1	1
£165,000 - £169,999	-	-	-	-	1
£170,000 - £174,999	1	-	-	1	2
£180,000 - £184,999	-	-	1	1	1
£185,000 - £189,999	1	1	-	2	2
£190,000 - £194,999	-	-	1	1	-
£215,000 - £219,999	-	1	-	1	-
£225,000 - £229,999	-	-	-	-	1
	<b>57</b>	<b>9</b>	<b>10</b>	<b>76</b>	<b>70</b>

The net increase of 6 staff is a combination of recruitments, exits and changes bringing staff in to this group for the first time. Five of the six are accounted for by new academic roles in the School of Management; the sixth is in Professional Services. Included in the above total are two staff employed by the University's subsidiary, IAAPS Ltd.



## Audited Information

	2021	2020
<b>Consolidated average staff numbers by major category:</b>	<b>Number</b>	<b>Number</b>
Education & Research	<b>1,337</b>	1,354
Technical & Experimental	<b>153</b>	151
Management, Specialist & Administrative	<b>1,193</b>	1,207
Operational & Facilities Support	<b>489</b>	514
	<b>3,172</b>	3,226

Included within the above totals are 9 (0) and 10.5 (2) within technical & experimental and management, specialist & administrative category respectively who are employed by the University's subsidiary IAAPS Ltd.

### Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling our activities. Positions held by our key management personnel are:

Vice-Chancellor & President	Vice-President (Strategic External Engagement)
Deputy Vice-Chancellor & Provost	Chief Operating Officer
Pro-Vice-Chancellor (International & Doctoral)	Director of Finance
Pro-Vice-Chancellor (Learning and Teaching)	Director of Policy, Planning and Compliance
Pro-Vice-Chancellor (Research)	Vice-President (Student Experience)

	2021	2020
Key management personnel compensation	<b>£1,797,173</b>	£1,807,397
Full time equivalent (number)	<b>8.67</b>	8.29

Compensation includes remuneration and all employer benefits paid or payable in exchange for services provided by our key management personnel in the year.

### Severance Payments

	2021	2020
Total amount of compensation paid for the loss of office	<b>£375,757</b>	£204,344
Total amount of payments paid as part of a Voluntary Exit Scheme	<b>£0</b>	£2,225,003

Number of Staff	<b>96</b>	180
-----------------	-----------	-----

Severance payments include a mixture of redundancy costs, typically at the end of a fixed term contract, settlement agreements and individually agreed exits.

## Financial Review

Our year was dominated by Covid-19 in anticipating its impact and adjusting to the changing circumstances throughout the year. Financial plans for the year reflected the heightened uncertainty of the Summer of 2020 and the impact that would have on student recruitment. Our income from teaching and research held up relatively well and whilst our income from accommodation and hospitality services were impacted to a greater extent than expected the reduction in total income was not as great as we anticipated in planning. Cashflow from operating activities increased on the previous year and whilst our internal measure of operating surplus, described below, decreased from the previous year the small surplus surpassed expectations in the budget.

Our priorities during the year were, and remain, to care for the health and wellbeing of our students and staff and to continue to provide a high-quality educational experience. We incurred increases in expenditure necessary to manage and mitigate the impacts of the pandemic. The costs incurred were compensated by reductions in expenditure that were identified as part of a savings plan approved by Council in July 2020. We have been largely successful in reducing our non-pay costs. Pay savings have been less than anticipated as the changing circumstances have notably increased workloads in some aspects of our delivery.

Our deficit for the year, shown in the Statement of Consolidated Income (SOI), of £32.0m is principally due to the valuation of land and buildings. A write down of £21.5m on our IAAPS facility reflects the difference in value between a bespoke high specification research facility and the market value of equivalent

non-specialised space. Grant income of £39.2m will be recognised when the facility opens in summer 2022.

Throughout the crisis we have maintained substantial cash and investment balances and have focussed on cashflow from operating activities. We have invested £39.5m on capital expenditure as work continued on our two main capital projects, a new building for our School of Management and a facility for the Institute of Advanced Automotive Propulsion Systems, throughout the year. As a result, our Net Debt reduced slightly by £1.3m to £62.6m though this remains lower than our expectations. Our cash and investment balances leave considerable scope for investment to support our new strategy.

The financial strategy is based on generating enough operating cashflow to fund the investment in people and infrastructure that our strategy describes. Council and the Executive monitors an internal measure of surplus termed the Historic Cost Operating Surplus (HCOS). This provides a more meaningful measure of our operating performance and excludes the material valuation adjustments which are shown on the SOI. Further explanation and a detailed reconciliation of the deficit shown in the SOI to HCOS is included below.

HCOS is one of seven Key Performance Indicators that we use to measure our financial performance and sustainability. This review describes the seven KPI's and then describes the Income, Expenditure and Balance Sheet data that the KPIs are drawn from. These KPIs were approved by Council in May 2019. The report concludes with an outlook for the future.

## Key Performance Indicators

### Historic Cost Operating Surplus/Total Income

The Statement of Comprehensive Income (SOI) shows a deficit before gains and losses of £32.0m (2019-2020 £21.0m surplus) on page 78.

The table below shows a reconciliation between this figure and the HCOS.

	2020/21	2019/20
	£m	£m
(Deficit)/Surplus before gains and losses from SOI	<b>(32.0)</b>	21.0
Capital Grants	<b>(4.2)</b>	(2.6)
Valuation adjustment for pension schemes	<b>3.8</b>	(26.8)
Valuation adjustment for HC depreciation	<b>13.4</b>	12.8
Write off of land & buildings	<b>21.5</b>	-
Loss on sale of fixed assets	-	(0.5)
Valuation adjustment for derivatives	<b>(1.4)</b>	1.2
<b>HCOS</b>	<b>1.1</b>	5.1

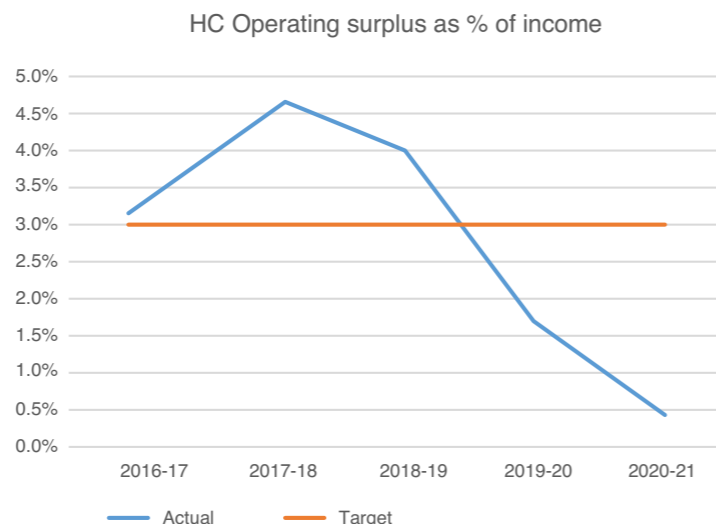


### KPI1. HCOS/Total Income

We focus on HCOS as a good measure of our ability to generate cash. It is less susceptible than our surplus reported in the SOCI to movements in property, investment and pension valuations that are influenced by factors outside our direct control, for example changes in discount rates which impact pension scheme provisions or global equity markets. This metric represents the level of surplus required to provide sufficient cash to fund our capital expenditure programme and meet loan payments.

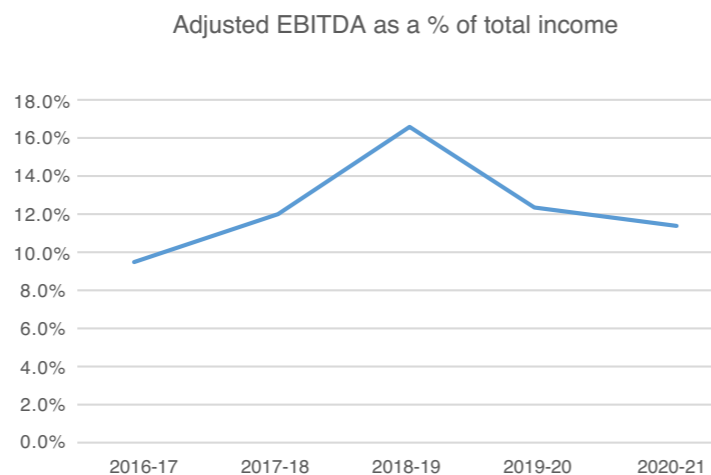
Prior to the Covid-19 pandemic we aimed to achieve a HCOS of at least 3% of income and in many years this was exceeded. The impact of Covid-19 is that we have set budgets aiming at a lower HCOS, for 2020-2021 this was originally a deficit of 2.4%, however the actual return has been 0.3%, £1.1m (£5.1m 2019-2020). We are forecasting a return to the 3% HCOS in 2022-2023.

A commentary on income and expenditure is included later in this review.



### KPI2. Adjusted EBITDA

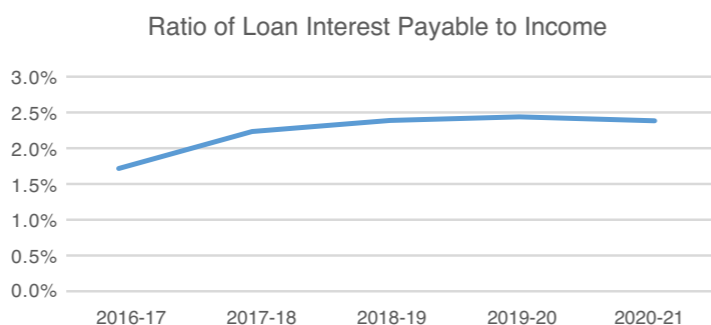
Adjusted EBITDA is widely used by the sector. This metric is earnings before interest, tax, depreciation, impairments, and amortisation. It is also adjusted to remove the movement on pension provisions. We have this as a KPI to provide a sector comparison of operating performance. EBITDA is reported at 11.2% of income (12.4% 2019-2020).



### KPI3. Ratio of Loan Interest Payable to Income

Loan interest payable to income is the metric used to show how much of our income is spent on servicing our loans. This measure is also used by some of our lenders to assess our financial performance.

For 2020-2021 we achieved an actual metric of 2.3% (2.5% 2019-2020). The majority of our borrowing is at fixed rates this measure is therefore consistent with recent years.

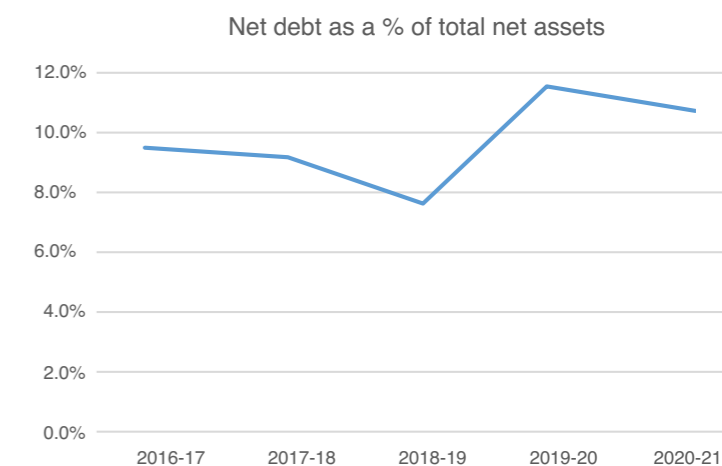


### KPI4. Net Debt to Net Assets – Gearing

Our gearing has remained static at 10.8% (11.3% 2019-2020).

Net Debt to Net Assets is a measure to show the extent to which our assets are financed by debt. Whilst low compared to many sectors we have a high value relative to the HE sector, where many have no net debt. This reflects our financial strategy to borrow to fund investment whilst maintaining a high level of liquidity. Gearing is also a metric monitored by lenders and whilst the definition of debt varies our financial covenant gearing levels are between 40% and 50%. So, whilst the level against the sector is relatively high it is well within the thresholds set by lenders.

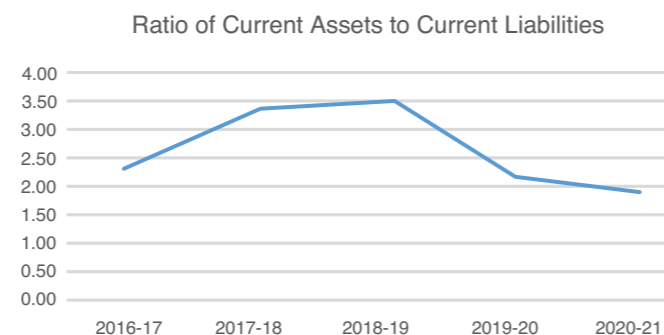
Our net debt has fallen by £1.3m to £62.6m and gearing ratio is 10.8% (11.3% 2019-2020).





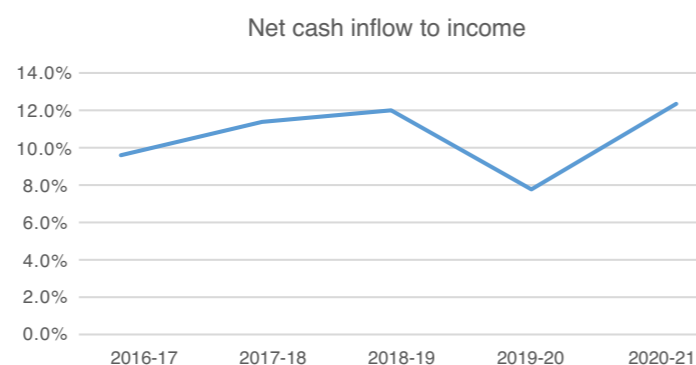
### KPI5. Ratio of current assets to current liabilities

The ratio of current assets to current liabilities, known as the current ratio. This shows our ability to cover our short-term liabilities, such as payroll, loan repayments and other creditors through our short-term assets. Our financial strategy is to maintain high levels of liquidity however the ratio has been higher than we would ordinarily expect in recent years as we have drawn down loans in advance of capital expenditure. The reduction in the ratio to 1.9:1 (2019-2020 2.2:1) is due to the increase in current liabilities which now includes an additional £5.0m of loan capital repayment in 2021/2022.



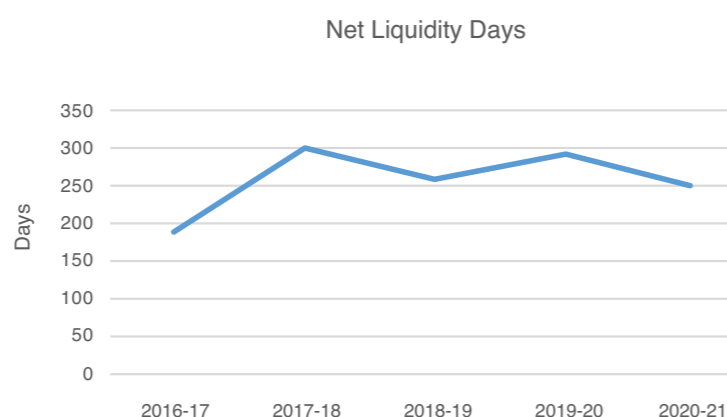
### KPI6. Net cash inflow from operating activities as % of income

This measure shows the cash flow from our ongoing regular activities as a proportion of total income. It does not include long-term capital expenditure or investment returns. It can be used to determine our ability to self-finance new investments or reduce debt. Operating cash inflow of £35.2m is 12.2% of income (£22.6m and 7.6% 2019-2020).

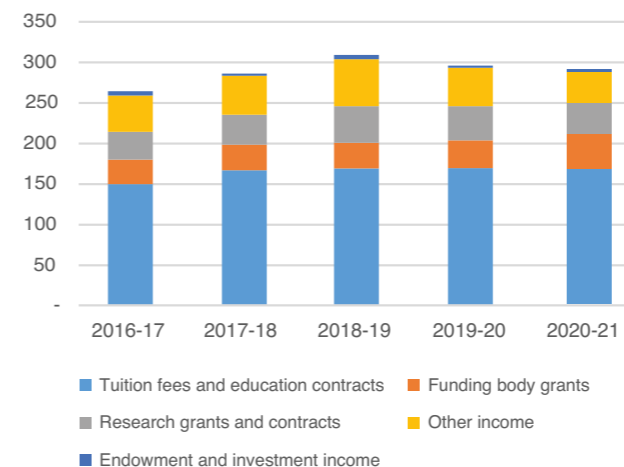


### KPI7. Net Liquidity days

This metric indicates the number of days that we could operate without generating any cash inflows by showing the ratio of expenditure to income expressed in days. Our strategy is to retain high levels of liquidity and as a result our ratio is 253 days (2019-2020 293 days).



### Total Income £m



### Income

Total income decreased by 3.3% (3.9% decrease in 2019-2020) to £289.5m, the key income streams are summarised below;

Tuition fee income was consistent with 2020-2021 at £173.6m, (£174.6m 2019-2020) and represents 61% (2019-2020 59%) of total income.

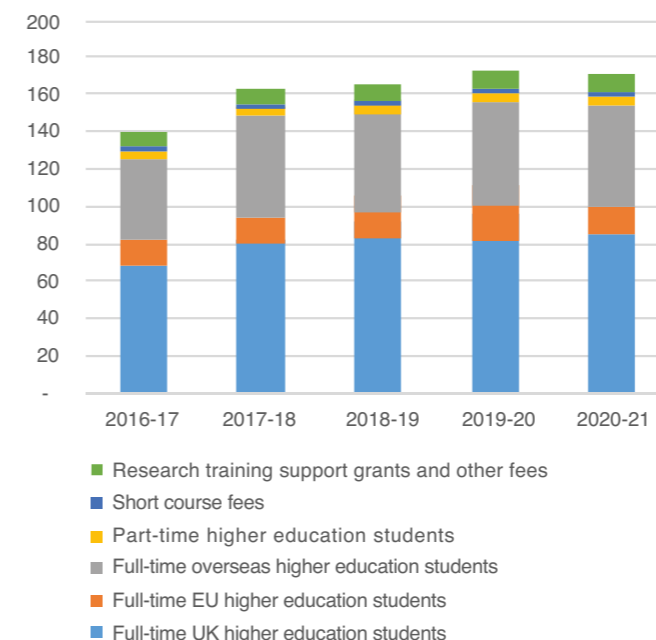
Total Funding body grants at £39.3m (2019-2020 £36.3m) showed an increase for both SASSE and HEIF activity with the OfS recurrent grant increasing by £1.0m to fund research equipment.

Research of £37.2m (2019-2020 £37.1m) is consistent across both years. During both years there was a reduction in research activity when staff were furloughed and the start of new grants were delayed.

Other income, including investment income at £37.1m has decreased by 22.0% (2019-2020 £47.5m). This reduction was a result of an increased number of voids in student accommodation as we held rooms aside to provide quarantine facilities in addition, we provided rebates to students who were unable to occupy their rooms following the 3rd national lockdown. Hospitality and retail income was substantially lower reflecting to the lower campus footfall. Other income includes £3.3m (2019-2020 £4.1m) received through the Job Retention Scheme.

Endowment and donations £2.3m (2019-2020 £2.2m) reflect the consistent level of donations received over the year.

### Fee Income £m



### Tuition Fee income

Tuition Fee income was marginally lower in 2020-2021 at £173.6m compared to £174.6m in 2019-2020. Fees from Home & EU students rose by £2.8m (2.9%) with the undergraduate fee remaining at £9,250 most of this increase came from student number growth. Income from EU students remained static at £13.8m as the impact on fees due to Brexit will start in 2021-2022.

Short Course and apprenticeship fees increased by 29.7% to £10.5m.

The table to the left summarises student numbers at 1 December 2019 and 2020 respectively, this is the census date for HESA.

Our home undergraduate intake was similar year on year. The late changes in 'A' Level awards resulted in a greater number of deferred offers for 2021-2022 as we limited numbers to maintain standards and better ensure a safe environment. Home PGT numbers grew as many graduating students opted for further study given the very challenging jobs market.

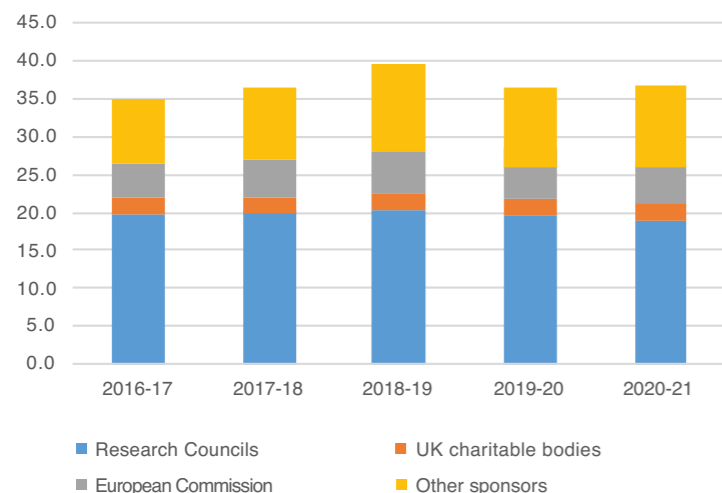
Covid-19's main impact was on our overseas intake where both undergraduate and postgraduate taught student numbers were well down on their usual level.

### Analysis of fee paying students as at 1st December

	01/12/2019	01/12/2020
<b>Full-time Home and EU students</b>		
Undergraduate	11,779	11,888
Postgraduate Taught (excl apprenticeships)	605	804
Postgraduate Research	630	723
<b>Full-time Overseas and Channel Island students</b>		
Undergraduate	1,729	1,674
Postgraduate Taught	1,203	780
Postgraduate Research	231	245
<b>TOTAL</b>	<b>16,177</b>	<b>16,114</b>



### Research Income £m



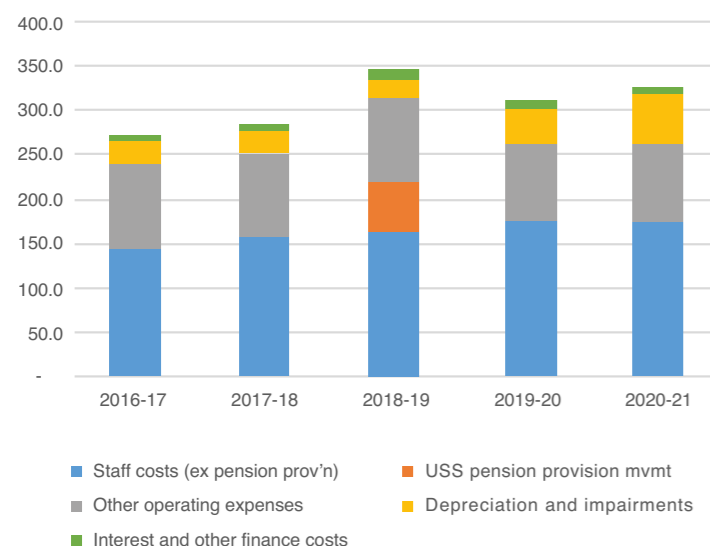
### Research income

Research income was £37.2m, an increase of £0.1m over the previous year.

Research Councils continue to be the largest source of research income at 50.8% (52.0% 2019-2020).

Our research portfolio at the year-end is £156.0m (£157.5m 2019-2020).

### Total Expenditure £m



### Expenditure

Expenditure reported in the SOCI increased by £44.8m, 16.2% to £321.5m (2019-2020 £276.6m) during the year. Two items account for most of this increase.

- A £30.2m lower credit from the USS provision
- The IAAPS land & building impairment of £21.5m

Expenditure excluding these items was £303.5m, a fall of 2.2% from the 2019-2020 value of £310.4m. This reflects the reduction in many activities over the year in particular commercial and trading areas. Equally we made additional investments in providing additional city centre student space and supporting the on-campus student experience throughout the year.

Our staff costs at £174.4m (£177.9m 2019-2020) represent 60.2% (59.8% 2019-2020) of our income, this includes recurrent employer pension contributions and reflects the controls put in place to manage staff costs and the impact of the Voluntary Exit Scheme operated over the summer of 2020. This is consistent with the reduction in our staff numbers of 2.2% to 3,153, excluding IAAPS Ltd subsidiary. Whilst no cost-of-living award was made on 1 August 2020 normal incremental progression for eligible staff has continued through the period of the pandemic.

Other operating expenses were £88.1m (2019-2020 £86.8m), in response to the changes in services required due to the Covid-19 pandemic restrictions continued on operating expenses however, the pandemic necessitated some additional expenditure in adapting to the new situation. In the analysis of expenditure by activity (page 85), total Academic related expenditure was maintained at £144.8m (£144.5m 2019-2020) representing 45.0% of total expenditure. Other expenditure directly impacting on student activity on campus was also very consistent between the two years at £34.0m (£34.8m) and this represented a further 10.6% of total expenditure.

Central Administration expenditure decreased slightly to £17.9m as the staff savings through the VES scheme run over the summer 2020 took effect. Residences, retail & catering operation expenditure also fell by £4.4m, or 11.8% reflecting the reduced occupancy in residences and closing of outlets during the year. Premises costs at £42.4m rose by £1.1m, pay costs fell, again following the VES scheme but non-pay costs increased as campus facilities were adapted to create safe working environments and additional student space was acquired in the city centre.

Depreciation and Impairments of £53.7m include the impairment of the IAAPS land and buildings of £21.5m. The IAAPS facility was substantially complete at the year end and therefore costs have been compared to a market valuation for the first time, the market value is based on industrial property in the same locality, this market value is substantially less than our investment in this specialist research facility and as a result we have written down our costs to completion estimated to be £39.2m by £21.5m. In 2021/2022 when the facility is opened, we will be recognising £38.9m of grant income towards the construction of the facility.

### Other Comprehensive Income/Expense

The total comprehensive income in the year as disclosed in the SOCI is a surplus of £23.5m (2019-2020 (deficit) £16.1m). Within the surplus for 2020-2021 there is an actuarial gain on the LGPS scheme of £9.5m (2019-2020 loss £22.3m) and results from the increase in the scheme's assets exceeding the growth in the scheme's liabilities following strong investment performance in the year.

There was a net increase in the fair value of land and buildings of £32.3m (reduction £15.4m 2019-2020) this was due to an increase in the value of campus buildings as replacement costs increased and to the market value of student residences, the combined gain was £77.1m. A reduction in the value of campus land of £44.8m resulted from the adoption of an alternative valuation methodology by the new valuer.

The fair value of derivatives held to mitigate currency rate variation (foreign exchange options) and future interest rate (swaps) charges recognised in the balance sheet fell by £3.5m (2019-2020 £0.5m) as the market expectation is for an earlier increase in interest rates than on 1 August 2020.





## Balance Sheet

### Fixed Assets

Our capital additions in 2020-2021 were £39.5m. (2019-2020 £66.3m). Included within this was a £28.7m investment towards the completion of the new building for use by the School of Management.

We continue with our policy of revaluing our land and buildings, and gains and losses from this valuation are reflected in our Other Comprehensive Income.

### Current Assets

Current assets increased by £1.4m to £223.1m. Our debtors increased by £9.4m following the submission of VAT refund on construction costs for IAAPS, whilst our investments and cash fell by £8.1m to £186.3m as these were used to fund the capital investments. Our investments are segmented based on our predicted cash flows with approximately 50% held for use within one year (short-term), 25% held for investment of between one and three years (medium-term) and the remaining held for in excess of three years (long term). These durations reflect our intention to hold these investments however they all have liquidity of considerably shorter duration.

### Creditors, amounts falling due in less than one year

Creditors due in less than one year increased by £16.5m to £116.2m. Deferred income includes £38.9m of capital grant income received from UKRI and the WECA towards the construction of IAAPS, these grants will be recognised as income when the IAAPS facility commences operations. Creditors also include £10.0m for loans as the first bullet payment on loans entered in 2007 is due with a payment of £5.0m scheduled in March 2022. Creditors have also increased in respect of payroll deductions by £3.4m.

### Creditors, amounts falling due in more than one year

Creditors of more than one year have reduced by £13.9m to £240.0m. Bank loans and finance leases have reduced by £10.1m as we make regular repayments for those held by Clerical Medical, Barclays and the European Investment Bank (EIB). Interest rate swap liabilities have reduced by £3.6m to £13.9m, these financial instruments are used to manage our loan costs and reflect the change in expectations of future interest rates during the year.

### Pension Provisions

Pension provisions have reduced by £5.5m to £138.1m.

The USS is a multi-employer scheme with no basis to accurately identify our share of the assets and liabilities and therefore our deficit. We are required to estimate a provision for our obligation to make deficit recovery payments. This liability reduced by a net £3.2m during the year to £41.1m. It is based on the deficit recovery plan approved by the USS trustees following the completion of the March 2018 valuation. The USS trustees have been working with stakeholders to reach agreement for a deficit recovery plan based on the March 2020 valuation. In October 2021 USS signed and filed this valuation and deficit recover plan with the Pension Regulator, the impact of this is estimated to be an increase of £76.9m in the provision and this is reported as a post balance sheet event on page 102.

LGPS is also a multi-employer scheme but its assets and liabilities can be established for individual employers and we saw our pension deficit fall by £2.5m to £97.0m. Asset values increased by £20.0m reflecting the improvement in markets over the year, liabilities grew by £17.6m, whilst the discount rate remained at 1.6%. Contribution rates are determined as a result of a triennial valuation which uses a different set of assumptions. The scheme undertook a triennial valuation on 31 March 2019, our current cash contribution rate is 19.3% of pensionable pay, this compares to an estimated future service cost of 42.5% of pensionable pay. The difference is recognised in staff costs and further explained in note 26. During the year we closed the LGPS to new entrants and have implemented a flexible defined contribution scheme for eligible employees. We anticipate that this will limit the increase in the provision in the next few years and will, in time, reduce it.

### Going Concern

Council confirms that it has reasonable expectation that we have adequate resources to continue in operation for the foreseeable future. For this reason, it continues to adopt a going concern basis for preparing the Annual Report and Accounts. In reaching this conclusion, it has reviewed our sustainability and is satisfied that the strategies, plans and policies in place will help ensure this financial sustainability is maintained. Council regularly reviews performance using the key performance indicators included in this review in areas that are relevant to financial sustainability. Council, through ARAC regularly reviews strategic and operational risks and any financial assessment of these as determined by management. Council, through Finance Committee, reviews the compliance with financial covenants in our loan documentation.

### Outlook

In financial terms we anticipate that 2021-2022 will be a year of recovery. Covid-19 has presented an extraordinary series of challenges over the last eighteen months for students and staff alike. Whilst we have learned that circumstances can change rapidly and unpredictably it is apparent that a greater degree of normality is returning to our everyday lives. In the event that the easing of restrictions reverses during the course of the year we are confident that we have the operational flexibility and financial resilience to operate effectively.

Student recruitment, especially those travelling from overseas, is recovering and accommodation occupancy rates are well above last year. The return of students and staff to campus in significant numbers is seeing an increase in our hospitality and retail income. We expect our surplus to recover this year towards our long-standing target of 3% and to meet that target again from 2022-2023. Our ability to progress the delivery of the strategy was hampered by the events of the last year but despite this progress has been made in identifying and starting to invest in areas of research strength, in education and in providing the necessary structure and facilities to support our academic goals.

Our strategy anticipates a substantial increase in our research income over the next 5 years. The opening and development of IAAPS will underpin this growth which should be supplemented by campus-based investments following initiatives such as the Bath Beacons. We are planning for a modest growth in our undergraduate intake and a larger increase in postgraduate taught students resulting in large part from the completion of the new School of Management building. Despite the short-term impact of the pandemic the demographic changes in the UK would indicate an increase in the number of students wanting to come to University over the next decade and there are similar predictions for an increase in international students.

We risk being affected by the sector wide changes including tuition fee funding and pension costs. Equally, there are local risks in delivering our strategy. Over the next year the completion of our major capital projects, the REF outcome, our ability to grow our tuition fee income and develop our research activity and income will all have an important bearing on our ability to deliver our strategic aims.

Covid-19 will undoubtedly have some lasting effects on how we work and study. We expect the skills and tools we have developed in our rapid change to on-line learning to be adapted in our delivery of blended learning which will enhance the experience we offer. Similarly, over the coming months we will develop our understanding of how hybrid working may be best utilised.

We are planning a significant investment in the maintenance and upgrading of our estate over the coming years and are very aware of the impact the built environment has on our carbon emissions and our ability to meet our net zero target by 2030. Achievement of our carbon targets will require changes to our buildings, our procurement, and our behaviours which our carbon action framework team are developing.

**Martin Williams**  
**Director of Finance**



# Independent auditors' report to the Council of the University of Bath (the "institution")

## Report on the audit of the financial statements

### Opinion

In our opinion, the University of Bath's group financial statements and parent institution financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the parent institution's affairs as at 31 July 2021 and of the group's and of the parent institution's income and expenditure, gains and losses and changes in reserves, and of the group's cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been properly prepared in accordance with the requirements of the Office for Students' Accounts Direction (OfS 2019.41).

We have audited the financial statements, included within the Annual Report & Accounts (the "Annual Report"), which comprise the Consolidated and University Balance Sheets as at 31 July 2021; the Consolidated and University Statement of Comprehensive Income, the Consolidated and University Statement of Changes in Reserves, and the Consolidated Cash Flow Statement for the year then ended; the Consolidated Accounting Policies for 2020/21, and the notes to the financial statements.

### Basis for opinion

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

### Independence

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

### Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the

group's and the parent institution's ability to continue as a going concern for a period of at least twelve months from the date on which the financial statements are authorised for issue.

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

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the group and parent institution's ability to continue as a going concern.

Our responsibilities and the responsibilities of the Council with respect to going concern are described in the relevant sections of this report.

### Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Council is responsible for the other information. 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 thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

### Responsibilities for the financial statements and the audit

#### Responsibilities of the Council for the financial statements

As explained more fully in the Statement of Responsibilities of Council set out on pages 51 and 52, the Council is responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Council is also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Council is responsible for assessing the group and parent institution's ability to

continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the Council either intends to liquidate the group and parent institution or to cease operations, or has no realistic alternative but to do so.

#### Auditors' responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the institution/industry, we identified that the principal risks of non-compliance with laws and regulations related to UK health & safety and employment legislation together with Office for Students regulations, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Office for Students' Accounts Direction (OfS 2019.41). We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to fraudulent transactions designed to overstate the financial performance and position of the group. Audit procedures performed included:

- Reviewing committee meeting minutes and holding discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Using computer based audit techniques to identify and test higher risk manual journals, in particular those having unusual account combinations;
- Reviewing the appropriateness of the assumptions used by the group in estimating the value of fixed assets, derivatives, and the defined benefit pension scheme deficits; and
- Obtaining third party confirmations of all the group's banking and financing arrangements.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting

a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

### Use of this report

This report, including the opinions, has been prepared for and only for the Council as a body in accordance with the Charters and Statutes of the institution and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

## Other required reporting

### Opinions on other matters prescribed in the Office for Students' Accounts Direction (OfS 2019.41)

In our opinion, in all material respects:

- funds from whatever source administered by the institution for specific purposes have been properly applied to those purposes and, if relevant, managed in accordance with relevant legislation;
- funds provided by the Office for Students, UK Research and Innovation (including Research England) and the Education and Skills Funding Agency have been applied in accordance with the relevant terms and conditions.

Under the Office for Students' Accounts Direction, we are required to report to you, if we have anything to report in respect of the following matters:

- The institution's grant and fee income, as disclosed in notes 1-3 to the financial statements, has been materially misstated; or
- The institution's expenditure on access and participation activities for the financial year, as disclosed in note 9 to the financial statements, has been materially misstated.

We have no matters to report arising from this responsibility.

PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Bristol



# Consolidated Accounting Policies for 2020/21

## Basis of preparation

The financial statements have been prepared in accordance with both the FE/HE Statement of Recommended Practice (SORP) and with Financial Reporting Standard (FRS) 102. We are a public benefit entity and therefore have applied the relevant public benefit requirements of FRS102.

The financial statements are prepared under the historical cost convention (modified by the revaluation of fixed assets, non-current and current asset investments, and derivative financial instruments).

## Going Concern

As the Group has substantial reserves and is forecasting continuing surpluses, the financial statements have been prepared on a going concern basis.

Historically we have had a financial strategy that includes budgeting to achieve an operating surplus of 3% of income and maintaining a high level of liquidity. In 2019/20 we did not achieve this and for 2020/21 we approved an operating surplus of -2.4%. However, within our five-year plan we would recover to the 3% target. This year's results show a small surplus of £1.2m (0.4%) and whilst some uncertainty exists for 2021/22, we remain confident that we will return to the 3% surplus within the five year period. Future forecasts continue to be tested against several financial scenarios and these indicate sufficient headroom exists that loan covenants will not be breached.

## Basis of consolidation

These financial statements consolidate the results of our subsidiary undertaking for the financial year to 31 July 2021.

The consolidated financial statements do not include those of our Students' Union as it is a separate organisation over which we do not exert control, nor exercise dominant influence, over their policy decisions.

## Recognition of income

Income from the sale of goods or services is credited to the Statement of Consolidated Income (SOI) when the goods or services are supplied to the external customer or the terms of the contract have been satisfied.

Our Subsidiary operations which are consolidated are IAAPS Limited - Trading activity  
US Foundation Ltd - Fundraising activity.

Fee income is stated gross of any expenditure which is not a discount and credited to the SOI over the period in which the students are studying. Bursaries and scholarships are accounted for gross as expenditure and not deducted from income.

All income from short-term investments and deposits (including those held as endowments) is credited to the SOI on a receivable basis.

## Grant funding

Grant funding, including Funding Council grant; research grants from government sources; and grants (including research grants) from non-government sources are recognised as income when we are entitled to the income and performance related conditions have been met. Income received in advance of the performance related condition 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 include donations and endowments. Those with donor-imposed restrictions are recognised in income when we are 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 the general reserve through a reserve transfer. Donations freely given, with no donor-imposed restriction, are recognised in income when we are entitled to the funds.

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

- restricted donations – the donor has specified that the donation must be used for a particular objective.
- unrestricted permanent endowments – the donor has specified that the fund is to be permanently invested to generate an income stream for our general benefit
- restricted expendable endowments - the donor has specified a particular objective other than the purchase or construction of tangible fixed assets, and we have the power to use this capital
- restricted permanent endowments – the donor has specified that the fund is to be permanently invested to generate an income stream to be applied to a particular objective

## Capital grants

Capital grants are recognised as income when we are entitled to the income and performance related conditions have been met.

## Accounting for retirement benefits

We participate in the following principal pension schemes Universities Superannuation Scheme (USS), the Avon Pension Fund (APF), part of Local Government Pension Scheme (LGPS) and the University of Bath Group Pension Plan (UoBGPP). USS & LGPS are defined benefit schemes and the UoBGPP is a defined contribution scheme. Each of these schemes have assets in separate trustee administered funds. The costs are funded by contributions from the University and its staff. USS & LGPS are valued every three years by professionally qualified independent actuaries.

## Defined benefit scheme

Defined benefit schemes are post-employment benefit schemes other than defined contribution schemes. Our 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 us. We recognise a liability for our obligations under defined benefit schemes 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 scheme assets. The calculation is performed 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 we are able to recover the surplus either through reduced contributions in the future or through refunds from the scheme.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income. These amounts together with the return on plan assets, less amounts included in net interest, are disclosed as actuarial gains and losses. The cost of the defined benefit plan, recognised in expenditure as staff costs, except where included in the cost of an asset, comprises the increase in pension benefit liability arising from employee service during the period and the cost of plan introductions, benefit changes, curtailments, and settlements. The net interest cost is calculated by applying the discount rate to the net liability. This cost is recognised in expenditure as a finance cost.

## Universities Superannuation Scheme (USS)

USS is hybrid pension scheme providing defined benefits (for all members) as well as defined contributions benefits. As a multi-employer scheme, it is not possible to identify our share of the underlying assets and liabilities due to the mutual nature of the scheme. Therefore, as required by Section 28 of FRS 102 "Employee Benefits", we are required to account for it as if it were a defined contribution scheme. The SOI represents the contributions payable to the scheme in the accounting period. As we have entered into an agreement (the Recovery Plan) that determines how each employer within the scheme will fund the overall deficit, we recognise a liability for the contributions payable that arise from the agreement. The movement in this liability is recognised as an expense.

## Local Government Pension Scheme (LGPS)

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

## University of Bath Group Pension Plan (UoBGPP)

UoBGPP is a defined contribution scheme established in June 2021

## Defined contribution scheme

Defined contribution schemes are post-employment benefit schemes under which we pay fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension schemes are recognised as an expense in the SOI in the periods during which services were rendered by employees.

## Employee benefits

Short-term employment benefits, such as salaries and compensated absences (paid annual leave) are recognised as an expense in the year in which the employees render service to us. Any unused benefits are accrued and measured as the additional amount that we expect to pay as a result of the unused entitlement.

## Foreign currency

Transactions denominated in foreign currencies are translated using the rate of exchange ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the end of the financial period, with all resulting exchange differences being recognised in the SOI. Exchange differences arising on the translation of a financial liability designated as an effective hedge against a foreign denominated investment are recognised in the SOI as Other Comprehensive Income.

## Leases

Operating leases are where we do not assume substantially all the risks and rewards of ownership, rental costs under operating leases are charged to the SOI as the costs are incurred. Any lease premium or incentives are spread over the minimum lease term.

Finance leases are where we assume substantially all the risks and rewards of ownership of the asset. Leased assets acquired by way of a finance lease and the corresponding lease liability are initially recognised at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease. Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease so as to produce a constant rate of interest on the remaining balance of the liability.

## Fixed Assets

### Land and buildings

Land and buildings are measured using the revaluation model. Under the revaluation model, assets are revalued to their fair value. We have a policy of ensuring all assets are revalued by an external valuer every four years, such that the fair value is not materially different to the current value. The basis of the valuation is a combination of depreciated replacement cost, for the University academic and research and support buildings



as no market exists for this class of asset. Existing use and open market value for on-campus student accommodation and off campus freehold buildings depending on the nature of the property, as a market value can be determined for these buildings. Freehold and Leasehold land are not depreciated as they are considered to have an indefinite useful life.

Buildings are depreciated over a maximum period of 50 years. The remaining expected life of buildings is reviewed annually by an appropriately qualified member of our Estates department and, where material, the future depreciation is adjusted in accordance with FRS102. Land and building additions since the last valuation and assets in the course of construction are valued at cost. Depreciation commences at the beginning of the year following occupation.

Building refurbishments are depreciated over the remaining expected life of the building in which the refurbishment takes place, up to a maximum of 25 years. At the next revaluation the entire building will be re-lived as appropriate.

Assets under the course of construction are all valued at cost and include a mixture of new buildings and refurbishments and improvements to existing buildings. Interest is capitalised where it is incurred in the construction of new buildings which are substantially funded by loans arranged by us. The cost is depreciated in line with the building.

#### Equipment

Equipment costing less than £25k per individual item is written off in the year of acquisition unless it forms part of a group of related items or part of a capital project, in which case it is capitalised. Capitalised equipment is stated at cost or, where donated, at valuation, and depreciated, on a straight-line basis, as follows:

- general equipment - 5 years
- furniture - 5 years
- catering equipment - 7 years
- equipment required for specific grants - project life (generally 3 years)

Where equipment is donated, the asset is recorded at valuation. The donation is recorded as income in the SOCI in the year it is received.

### Intangible Fixed Assets

#### Computer Software

Where software is acquired it may be capitalised at cost where the benefit of this cost will exist over several years. Cost includes the purchase price (net of any discounts and rebates) and other directly attributable costs of preparing or configuring the asset for its intended use. Subsequent recurrent licencing costs would be charged as recurrent expenditure. Direct expenditure including employee costs, which enhances or extends the performance of computer software beyond its specifications and which can be reliably measured, is added to the original cost of the software.

Computer software is carried at cost less accumulated amortisation. These costs are amortised to the SOCI using the straight-line method over their estimated useful lives of three to five years.

The amortisation period and amortisation method of intangible assets is reviewed at least at each balance sheet date. The effects of any revision are recognised in the SOCI when the changes arise. Annual computer software licences will not be capitalised as the cost incurred represents the consumption of the service.

### Maintenance of premises

The cost of routine corrective maintenance and planned maintenance are both charged to the SOCI in the period in which it is incurred. We have a planned maintenance programme, which is reviewed on an annual basis.

### Investments

Non-current and current asset investments are held at fair value where this can be readily determined and cost where no market exists. Those investments with a maturity of 3 months or less are shown as cash and cash equivalents. The fair value movement in non-current and current asset investments is recognised in the SOCI.

### Derivatives

We use derivative financial instruments to reduce exposure to interest rate movements on our loans and foreign exchange movements on our investments. These derivatives are not held for speculation purposes and relate to actual assets or liabilities. Derivatives are held on the Balance Sheet at fair value. We have adopted and complied with the requirements of hedge accounting and as a result movements in fair values are recorded within other comprehensive income where the hedging arrangement is effective and in interest payable where it is deemed to be ineffective.

### Stocks

Stocks are stated at the lower of cost and net realisable value.

### Cash and cash equivalent

Cash includes cash in hand, deposits repayable on demand and overdrafts. Deposits are repayable on demand if, in practice, they are available within 24 hours without penalty.

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

Assets that form Endowment funds are included within Cash at Bank or Investments as appropriate.

### Provisions, contingent liabilities, and contingent assets

Provisions are recognised in the financial statements when:

- a) we have a present (legal or constructive) obligation as a result of a past event; and
- b) it is probable that a transfer of economic benefit 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 flow at a pre-tax rate that reflects risks specific to the liability.

Contingent liabilities arise from a past event that gives us a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly

within our control. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resource will be required, or the amount of the obligation cannot be measured reliably.

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

Contingent assets and liabilities are not recognised in the Balance Sheet but disclosed in the notes when required.

### Taxation status

We are an exempt charity within the meaning of Schedule 3 of the Charities Act 2011. It is therefore a charity within the meaning of Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Accordingly, we are potentially exempt from taxation in respect of income or capital gains received within categories covered by section 478-488 of the Corporation Tax Act 2010 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.

We receive 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. Our subsidiary companies are subject to corporation tax and VAT in the same way as any commercial organisation.

### Key sources of estimation uncertainty and judgements in applying accounting policies

#### Key sources of estimation uncertainty:

##### Fixed assets

Land and buildings are held at fair value. A periodic valuation exercise is undertaken by an external qualified chartered surveyor to ensure the carrying value of the assets are not materially different to their fair value. We may apply the methodology adopted by the external surveyor to other buildings by extrapolation to ensure the assets are not materially misstated in the financial statements. Tangible fixed assets, other than investment properties, are depreciated over their remaining useful economic lives taking into account residual value, where appropriate, see note 13 for the carrying amount of property, plant, and equipment. The remaining useful economic life of an asset and any residual value are assessed annually by a qualified member of staff and may vary depending on a number of factors. In reassessing asset lives, factors such as technological innovation and maintenance programmes are taken into account.

##### Local Government Pension Scheme (LGPS)

The present value of the LGPS defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are

disclosed in note 26, will impact the carrying amount of the pension liability. Sensitivity analysis is also included in note 26 based on the assumptions used. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 July 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

##### Universities Superannuation Scheme (USS)

The present value of the USS provision depends on a number of estimates used by management in respect of discount rate, future salary increases and numbers of staff in the USS. Any changes in these assumptions, which are disclosed in note 21, will impact the carrying amount of the pension liability.

FRS 102 makes the distinction between a group plan and a multi-employer scheme. A group plan consists of a collection of entities under common control typically with a sponsoring employer. A multi-employer scheme is a scheme for entities not under common control and represents (typically) an industry-wide scheme such as USS. The accounting for a multi-employer scheme where the employer has entered into an agreement with the scheme that determines how the employer will fund a deficit results in the recognition of a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and the resulting expense in profit or loss in accordance with section 28 of FRS 102. The directors are satisfied that USS meets the definition of a multi-employer scheme and has therefore recognised the discounted fair value of the contractual contributions under the recovery plan in existence at the date of approving the financial statements.

##### Impairment of debtors

We make an estimate for the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience. See note 15 for the net carrying value of the debtors.

##### Classification of financial liabilities

All our financial liabilities have been classified as basic financial instruments. In respect of the loans made by North Western Mutual Life Insurance Company and Met Life see note 19, judgement has been applied in determining this classification. As part of the agreement, the issuers of the debt, who are based in the US, have entered into a cross currency swap to ensure that they are not adversely impacted by foreign exchange rate movements between \$ and £, should we repay the debt early. We consider any resultant financial impact for us to represent reasonable compensation for early repayment and as such have classified the debt as basic. As a result, the financial liability is reflected in the financial statements at amortised cost.



## Consolidated and University Statement of Comprehensive Income For the year ended 31 July 2021

	Note	Consolidated		University	
		2021 £m	2020 £m	2021 £m	2020 £m
<b>Income</b>					
Tuition fees and education contracts	1	173.6	174.6	173.6	174.6
Funding body grants	2	39.3	36.3	39.3	36.3
Research grants and contracts	3	37.2	37.1	37.2	37.1
Other	4	34.2	46.1	34.2	46.1
Investment income	6	2.9	1.4	2.9	1.4
Donations & endowments	7	2.3	2.2	2.3	2.1
<b>Total income</b>		<b>289.5</b>	<b>297.8</b>	<b>289.5</b>	<b>297.6</b>
<b>Expenditure</b>					
Staff costs	8	174.4	177.9	173.7	177.9
Change in USS pension provision	8	(3.5)	(33.7)	(3.5)	(33.7)
Other operating expenses	9	88.1	86.7	88.0	86.7
Depreciation and impairment	13	53.7	34.3	53.7	34.3
Interest and other finance costs	11	8.8	11.4	8.8	11.4
<b>Total expenditure</b>		<b>321.5</b>	<b>276.6</b>	<b>320.7</b>	<b>276.6</b>
<b>(Deficit)/Surplus before gains and losses</b>		<b>(32.0)</b>	<b>21.0</b>	<b>(31.2)</b>	<b>21.0</b>
Loss on disposal of fixed assets		-	(0.5)	-	(0.5)
Increase/(Decrease) in market value of non current asset investments	14	0.9	(0.8)	0.9	(0.8)
Increase in market value of current asset investments	16	9.2	1.4	9.2	1.4
<b>(Deficit)/ Surplus for the year</b>		<b>(21.9)</b>	<b>21.1</b>	<b>(21.1)</b>	<b>21.1</b>
Actuarial gains/(loss) in respect of pension schemes	26	9.5	(22.3)	9.5	(22.3)
Change in the fair value of tangible fixed assets		32.3	(15.4)	32.3	(15.4)
Change in the fair value of derivatives	20	3.5	0.5	3.5	0.5
<b>Total Comprehensive Income/(Expense) in the year</b>		<b>23.5</b>	<b>(16.2)</b>	<b>24.3</b>	<b>(16.3)</b>
<b>Represented by</b>					
Endowment comprehensive income/(expense) for the year		1.0	(0.3)	1.0	(0.3)
Restricted comprehensive (expense)/income for the year		(0.4)	0.1	(0.4)	0.1
Unrestricted comprehensive income/(expense) for the year		3.9	(0.6)	4.7	(0.6)
Revaluation comprehensive income/(expense) for the year		19.0	(15.4)	19.0	(15.4)
<b>Total Comprehensive Income/(Expense) in the year</b>		<b>23.5</b>	<b>(16.2)</b>	<b>24.3</b>	<b>(16.3)</b>

## Consolidated and University Statement of Changes in Reserves For the year ended 31 July 2021

### Consolidated

	Endowment Reserve £m	Restricted Reserve £m	Unrestricted Reserve £m	Revaluation Reserve £m	Total £m
At 1 August 2019	7.4	2.1	177.8	393.9	581.2
(Deficit)/Surplus for the year	(0.3)	0.1	(0.5)	-	(0.7)
Depreciation on revalued assets	-	-	12.8	(12.8)	-
Other comprehensive expense	-	-	-	(15.4)	(15.4)
<b>At 31 July 2020</b>	<b>7.1</b>	<b>2.2</b>	<b>190.1</b>	<b>365.7</b>	<b>565.1</b>
At 1 August 2020	7.1	2.2	190.1	365.7	565.1
Surplus/(Deficit) for the year	1.0	(0.3)	(9.5)	-	(8.8)
Depreciation on revalued assets	-	-	13.4	(13.4)	-
Other comprehensive income	-	-	-	32.3	32.3
<b>At 31 July 2021</b>	<b>8.1</b>	<b>1.9</b>	<b>194.0</b>	<b>384.6</b>	<b>588.6</b>

### University

	Endowment Reserve £m	Restricted Reserve £m	Unrestricted Reserve £m	Revaluation Reserve £m	Total £m
At 1 August 2019	7.4	2.2	178.0	393.9	581.5
(Deficit)/Surplus for the year	(0.3)	0.1	(0.5)	-	(0.7)
Depreciation on revalued assets	-	-	12.8	(12.8)	-
Other comprehensive expense	-	-	-	(15.4)	(15.4)
<b>At 31 July 2020</b>	<b>7.1</b>	<b>2.3</b>	<b>190.3</b>	<b>365.7</b>	<b>565.4</b>
At 1 August 2020	7.1	2.3	190.3	365.7	565.4
Surplus/(Deficit) for the year	1.0	(0.4)	(8.7)	-	(8.1)
Depreciation on revalued assets	-	-	13.4	(13.4)	-
Other comprehensive income	-	-	-	32.3	32.3
<b>At 31 July 2021</b>	<b>8.1</b>	<b>1.9</b>	<b>195.0</b>	<b>384.6</b>	<b>589.6</b>



## Consolidated and University Balance Sheets as at 31 July 2021

	Note	Consolidated		University	
		2021	2020	2021	2020
		£m	£m	£m	£m
<b>Non-Current Assets</b>					
Fixed Assets	13	858.1	840.0	858.6	840.6
Investments	14	1.8	0.8	1.8	0.8
		<b>859.9</b>	<b>840.8</b>	<b>860.4</b>	<b>841.4</b>
<b>Current Assets</b>					
Stock		0.7	0.7	0.7	0.6
Trade and other Receivables	15	36.0	26.6	37.5	26.7
Investments	16	182.1	191.1	182.1	191.1
Cash and cash equivalents		4.2	3.3	3.2	2.9
		<b>223.0</b>	<b>221.7</b>	<b>223.5</b>	<b>221.3</b>
<b>Creditors : Amounts Falling Due Within One Year</b>	17	<b>(116.2)</b>	<b>(99.7)</b>	<b>(116.2)</b>	<b>(99.7)</b>
<b>Net Current Assets</b>		<b>106.8</b>	<b>122.0</b>	<b>107.3</b>	<b>121.6</b>
<b>Total Assets Less Current Liabilities</b>		<b>966.7</b>	<b>962.8</b>	<b>967.7</b>	<b>963.0</b>
<b>Creditors : Amounts Falling Due After More Than One Year</b>	18	<b>(240.0)</b>	<b>(253.9)</b>	<b>(240.0)</b>	<b>(253.9)</b>
<b>Provisions</b>					
Pension provisions	21	(138.1)	(143.8)	(138.1)	(143.8)
<b>Total Net Assets</b>		<b>588.6</b>	<b>565.1</b>	<b>589.6</b>	<b>565.3</b>
<b>Restricted Reserves</b>					
Income & expenditure reserve - endowment reserve	22	8.1	7.1	8.1	7.1
Income & expenditure reserve - restricted reserve	23	1.9	2.2	1.9	2.2
<b>Unrestricted Reserves</b>					
Income & expenditure reserve - unrestricted reserve		194.0	190.1	195.0	190.3
Revaluation Reserve		384.6	365.7	384.6	365.7
<b>Total Reserves</b>		<b>588.6</b>	<b>565.1</b>	<b>589.6</b>	<b>565.3</b>

The Financial Statements on pages 74 to 104 were approved by the Council on 29 November 2021 and signed on its behalf by:

Professor Ian White  
Vice-Chancellor and President

Mr Tim Ford  
Interim Treasurer and Senior Independent Director

## Consolidated Cash Flow Statement for year ended 31 July 2021

	Note	Consolidated	
		2021	2020
		£m	£m
<b>Cash flow generated from operating activities</b> (Deficit)/Surplus for the year		<b>(21.9)</b>	21.1
<b>Adjustment for non-cash items</b>			
Depreciation and impairments	13	53.7	34.3
(Decrease) in USS pension provision	21	(3.5)	(33.7)
LGPS pension costs less contributions paid	26	5.4	4.4
Loss on disposal of fixed assets		-	0.5
(Gain)/Loss on non-current asset investments	14	(0.9)	0.8
(Gain) on current investments	16	(9.2)	(1.4)
(Gain)/Loss on hedging arrangements	6/11	(1.4)	1.2
Pension scheme interest charges	11	1.9	1.4
Decrease/(Increase) in operational debtors	15	1.0	(1.7)
Increase/(Decrease) in operating creditors	17	8.9	(7.6)
<b>Adjustment for investing or financing activities</b>			
Investment income	6	(1.5)	(1.4)
Interest payable	11	6.9	7.3
Capital grant income	2 & 7	(4.2)	(2.6)
<b>Net cash inflow from operating activities</b>		<b>35.2</b>	22.6
<b>Cash flow from investing activities</b>			
Investment income	6	1.5	1.4
Payments made to acquire fixed assets		(48.2)	(62.6)
Payments made to acquire fixed assets investments		0.1	0.2
Capital grant receipts		6.2	23.6
Net inflows from current asset investments		18.2	24.1
Proceeds from the sale of Fixed Asset Investments	13	-	2.9
<b>Net cash outflow from funding activities</b>		<b>(22.1)</b>	(10.6)
<b>Cash flow from funding activities</b>			
Interest paid	11	(6.9)	(7.3)
Repayments of amounts borrowed	19	(5.2)	(5.4)
<b>Net cash outflow from funding activities</b>		<b>(12.2)</b>	(12.7)
<b>Increase/(Decrease) in cash and cash equivalents in the year</b>		<b>0.9</b>	(0.7)
Cash and cash equivalents at the beginning of the year		3.3	4.0
Cash and cash equivalents at the end of the year		4.2	3.3
		<b>0.9</b>	(0.7)



## Notes to the Annual Accounts

**1 Tuition Fees and Education Contracts**

	Consolidated & University	
	2021	2020
	£m	£m
Full-time UK students	89.3	86.5
Full-time EU students	13.8	13.8
Full time overseas students	50.2	57.5
Part-time higher education students	8.5	5.7
Short course & apprenticeship fees	2.0	2.4
Research training support grants and other fees	9.8	8.7
	<b>173.6</b>	<b>174.6</b>

**2 Funding body Grants**

	Consolidated & University	
	2021	2020
	£m	£m
Office for Students Recurrent Grants	30.9	28.3
Office for Students Specific Grants	4.2	5.4
Office for Students Capital Grants	4.2	2.6
	<b>39.3</b>	<b>36.3</b>

**3 Research Grants and Contracts**

	Consolidated & University	
	2021	2020
	£m	£m
UK Research and Innovation (UKRI)	18.9	19.3
UK charitable bodies	2.5	2.7
European Commission	4.7	4.4
UK central government, Local Authorities or Health Trust	4.4	3.8
UK industry	2.9	3.1
Other sponsors	3.8	3.8
	<b>37.2</b>	<b>37.1</b>

## Notes to the Annual Accounts (continued)

**4 Other Income**

	Consolidated & University	
	2021	2020
	£m	£m
Residences, catering and conferences	21.4	27.1
Other services rendered (note 5)	4.4	5.9
Other income	8.4	13.1
	<b>34.2</b>	<b>46.1</b>

**5 Other Services Rendered**

	Consolidated & University	
	2021	2020
	£m	£m
Academic departments & services	1.4	1.4
Sports and related facilities	2.3	3.6
Other	0.7	0.9
	<b>4.4</b>	<b>5.9</b>

**6 Investment Income**

	Consolidated & University	
	2021	2020
	£m	£m
Investment Income on Endowments	0.1	0.2
Change in the fair value of derivatives (note 20)	1.4	-
Net income and gains from short-term investments	1.2	0.2
Other investment income	0.2	1.0
	<b>2.9</b>	<b>1.4</b>



## Notes to the Annual Accounts (continued)

7 Donations & Endowments		
	Consolidated	
	2021	2020
	£m	£m
Donations with restrictions	0.3	0.4
Unrestricted donations	2.0	1.8
	<b>2.3</b>	<b>2.2</b>

	University	
	2021	2020
	£m	£m
Donations with restrictions	0.3	0.4
Unrestricted donations	2.0	1.7
	<b>2.3</b>	<b>2.1</b>

8 Staff Costs		
	Consolidated	
	2021	2020
	£m	£m
Salaries	136.3	141.1
Movement in USS pension provision	(3.5)	(33.7)
Social security costs	12.5	12.8
Other pension costs	30.4	28.8
	<b>175.7</b>	<b>149.0</b>
less: paid on behalf of other organisations	(4.8)	(4.4)
less: capitalised within the cost of buildings	-	(0.4)
	<b>170.9</b>	<b>144.2</b>

	University	
	2021	2020
	£m	£m
Salaries	135.6	141.1
Movement in USS pension provision	(3.5)	(33.7)
Social security costs	12.5	12.8
Other pension costs	30.4	28.8
	<b>175.0</b>	<b>144.2</b>
less: paid on behalf of other organisations	(4.8)	(4.4)
less: capitalised within the cost of buildings	-	(0.4)
	<b>170.2</b>	<b>144.2</b>

Further information on staff costs is included within the Annual Report of The Remuneration Committee, starting on page 58.

## Notes to the Annual Accounts (continued)

8 Staff Costs (continued)		
	Consolidated & University	
	2021	2020
	£m	£m
<b>Access and Participation</b>		
Access Investment	1.4	1.8
Financial Support	0.1	-
Disability Support (excluding expenditure included in severance payments and key management personnel)	0.3	0.4
Research and Evaluation	0.2	-
	<b>2.2</b>	<b>2.2</b>

9 Analysis of Expenditure by Activity		
	2021	2020
	£m	£m
Academic departments	114.0	113.8
Academic services	30.8	30.7
Central administration	17.9	18.4
General educational expenditure	18.6	20.2
Staff & student facilities	15.4	14.6
Premises	42.4	41.3
IAAPS land and buildings write down	21.5	-
Residences, retail & catering operations	33.0	37.4
Research grants and contracts	25.0	25.3
Other services rendered	1.0	1.7
Other expenses	1.9	(26.7)
<b>Consolidated</b>	<b>321.5</b>	<b>276.7</b>
<b>University of Bath</b>	<b>320.7</b>	<b>276.6</b>

	Consolidated & University	
	2021	2020
	£	£
<b>Other Operating Expenses include:</b>		
External Auditors Remuneration (Group and University)		
- Audit Services - Financial statements - subsidiary	10,380	3,000
- Financial statements - University	87,840	79,080
- Covenant reporting	2,100	2,000
- US federal loan reporting	5,400	4,380
	<b>105,720</b>	<b>88,460</b>



## Notes to the Annual Accounts (continued)

## 9 Analysis of Expenditure by Activity (continued)

	Consolidated & University	
	2021	2020
	£m	£m
<b>Access and Participation</b>		
Access Investment	2.2	2.6
Financial Support	4.5	4.3
Disability Support	0.4	0.4
Research and Evaluation	0.3	-
	<b>7.4</b>	<b>7.3</b>

Link to our published access and participation plan (APP):  
[access-and-participation-plan-2020-21-to-2024-25.pdf \(bath.ac.uk\)](https://www.bath.ac.uk/access-and-participation-plan-2020-21-to-2024-25.pdf)

**Access Investment**

We have underspent by £51,692 in the year 2020/21. This underspend is in large part due to the closure of sports and leisure facilities due to Covid-19 meaning a large proportion of activity could not be delivered causing a predicted underspend of over £250,000. The underspend allowed us to introduce additional activity and partnerships and combined with some of the underspend from Financial Support (below) allowed us to mitigate the underspend. Additional in-person activity for students from target groups was run as soon as Covid-19 restrictions allowed. Mini residentials for students forced to defer entry from 2020 to 2021, in-person events for offer holders, additional residential visits for students and their parents and in-person residentials ran. If the predicted numbers of students had attended the summer schools (many had to pull out at the last minute due to spikes in Covid-19 cases) the underspend would have been smaller. New partnerships with Rare and Villiers have allowed us to deliver even more activity to targeted groups.

**Financial Support**

The 2020/21 academic year was impacted by the pandemic. The APP Finance Support budget recorded an overall underspend of £92k. This was primarily due to the low number of recipients eligible for the new Accommodation top-up bursary for those first year undergraduate students with household incomes between £25k and £42k. The budget projected that 200 students would each be eligible for a £1k waiver from the cost of their University accommodation (responding to a need identified by the University of Bath Students' Union). The impact of the pandemic meant that only £64k of this bursary was ultimately allocated, as many students were not in residence for the full academic year. There was a slight overspend on other bursary support, as the disruption to employers resulted in more students continuing directly into the final year of their degree instead of taking up a paid placement or internship.

**Research and Evaluation**

The 2020/21 academic year was impacted by the pandemic. The University had an underspend of £193,105 against the budget. A significant amount of the underspend (£89,964) was against the projected funding of the doctoral research studentships. Four of the eight students completed and submitted during this period, whilst two suspended their studies and one was registered for only part of the year having returned from maternity leave. The Admissions Data and Evaluation Officer post also remained vacant during this period; a reorganisation of the Undergraduate Admissions team means that this post has been absorbed into another role, with the new post-holder taking up the position in September 2021. A further evaluation role was left unfilled and the resource used to fund an outreach position – this new role is therefore not included in the Research and Evaluation return.

**Disability Support for Students**

The 2020/21 academic year was impacted by the pandemic. The Disability team Head retired, and this resulted in a reorganisation of the line management of the team within the wider Student Services Department. The departure of the team Head accounted for a significant level of the underspend as the role was not replaced, and the reorganisation also resulted in another team member moving to a non-APP countable role. This saving in staffing costs accounts for the underspend from the projected budget.

## 10 Related Party Transactions

The financial statements of the University include transactions with related parties. In accordance with FRS 102 these are disclosed where members of the University of Bath's Council or Key Management Personnel (KMP) disclose an interest in a body with whom the University undertakes transactions which are considered material to the University's Financial Statements and/or the other party. Due to the nature of the University's operations and the composition of the Board, being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of Council or KMP may have an interest. All transactions involving organisations in which a member of Council or KMP may have an interest, including those identified below, are conducted at arms length and in accordance with the University's Financial Regulations and usual procurement procedures.

An updated register of the interests of the members of Council is maintained.

The University has taken advantage of the exemption within FRS102 and has not disclosed transactions with other group entities where it holds 100% of the voting rights. Included within the financial statements are the following transactions with related parties:

## Notes to the Annual Accounts (continued)

## 10 Related Party Transactions (continued)

	Income recognised within the financial statements	Expenditure recognised within the financial statements	Balance due to the University at 31 July recognised within the financial statements	Balance due from the University at 31 July recognised within the financial statements
	£m	£m	£m	£m
University of Bath Students' Union	-	1.9	0.1	-

**University of Bath Students' Union**

The Students' Union provide a range of services and facilities to the University's student body. Two members of Council sit on the governing body of the Student Union.

Reimbursements to members of Council for expenditure incurred whilst carrying out their duties amounted to to £633 (2019/20 £5,015). 3 members of Council (2019/20 11) claimed expenses during the year.

## 11 Interest and Other Finance Cost

	Consolidated & University	
	2021	2020
	£m	£m
Loans not wholly repayable within five years	6.9	7.4
Change in discounted value of future USS payments (note 21)	0.3	1.5
Change in the fair value of derivatives (note 20)	-	1.1
LGPS net interest charge (note 26)	1.6	1.4
	<b>8.8</b>	<b>11.4</b>

## 12 Capital Commitments

	Consolidated & University	
	2021	2020
	£m	£m
Provision has not been made for the following capital commitments at 31 July		
<b>Capital Commitments</b>		
Funded by University funds	35.5	67.4
Capital commitments contracted at 31 July	<b>35.5</b>	<b>67.4</b>



## Notes to the Annual Accounts (continued)

13 Fixed Assets						
Consolidated						
	Land and Buildings		Equipment	Assets in the Course of Construction	Intangible Assets	Total
	Freehold	Leasehold				
	£m	£m	£m	£m	£m	£m
<b>Cost / Valuation</b>						
At 1 August 2020	18.3	740.0	95.4	68.6	-	922.3
Additions at Cost	0.1	3.9	8.3	27.0	0.2	39.5
Disposals	-	-	(0.4)	-	-	(0.4)
Revaluations	0.1	4.2	-	3.4	-	7.7
<b>At 31 July 2021</b>	<b>18.5</b>	<b>748.1</b>	<b>103.3</b>	<b>99.0</b>	<b>0.2</b>	<b>969.1</b>
<b>Accumulated Depreciation and Impairment</b>						
At 1 August 2020	1.5	7.9	72.9	-	-	82.3
Charge in Year	0.4	27.3	4.5	21.5	-	53.7
Disposals	-	-	(0.2)	-	-	(0.2)
Revaluations	(1.8)	(22.9)	-	-	-	(24.7)
<b>At 31 July 2021</b>	<b>0.1</b>	<b>12.3</b>	<b>77.2</b>	<b>21.5</b>	<b>-</b>	<b>111.1</b>
<b>Net Book Value</b>						
<b>At 31 July 2021</b>	<b>18.4</b>	<b>735.8</b>	<b>26.1</b>	<b>77.5</b>	<b>0.2</b>	<b>858.0</b>
At 31 July 2020	16.8	732.1	22.5	68.6	-	840.0

As at 31 July 2021, we revalued all our freehold and leasehold Land and Buildings. This valuation is carried out by Carter Jonas Limited, an external Chartered Surveyor on the basis of Existing Use, Depreciated Replacement Cost or Market Valuation according to the nature and use of each building. The valuation was prepared in accordance with the Valuation Standards published by the Royal Institute of Chartered Surveyors.

The movement in land and buildings values following the revaluation is written back through the reversal of accumulated depreciation charged since the previous valuation exercise.

During the year the University impaired the costs of the IAAPS facility by £21.5m. This facility was substantially complete at the year end and therefore costs have been compared to a market valuation for the first time, this market value is substantially less than the cost incurred and as a result we have impaired its cost. Additional disclosure is made in the Financial Review on page 68.

## Notes to the Annual Accounts (continued)

13 Fixed Assets (continued)						
University						
	Land and Buildings		Equipment	Assets in the Course of Construction	Intangible Assets	Total
	Freehold	Leasehold				
	£m	£m	£m	£m	£m	£m
<b>Cost / Valuation</b>						
At 1 August 2020	18.4	742.3	95.4	68.6	-	924.7
Additions at Cost	0.1	3.9	8.3	27.0	0.2	39.5
Disposals	-	-	(0.3)	-	-	(0.3)
Revaluations	0.1	4.2	-	3.4	-	7.7
<b>At 31 July 2021</b>	<b>18.6</b>	<b>750.4</b>	<b>103.4</b>	<b>99.0</b>	<b>0.2</b>	<b>971.6</b>
<b>Accumulated Depreciation and Impairment</b>						
At 1 August 2020	1.5	9.7	72.9	-	-	84.1
Charge in Year	0.4	27.3	4.5	21.5	-	53.7
Disposals	-	-	(0.2)	-	-	(0.2)
Revaluations	(1.8)	(22.9)	-	-	-	(24.7)
<b>At 31 July 2021</b>	<b>0.1</b>	<b>14.1</b>	<b>77.2</b>	<b>21.5</b>	<b>-</b>	<b>112.9</b>
<b>Net Book Value</b>						
<b>At 31 July 2021</b>	<b>18.5</b>	<b>736.3</b>	<b>26.2</b>	<b>77.5</b>	<b>0.2</b>	<b>858.7</b>
At 1 August 2020	16.9	732.6	22.5	68.6	-	840.6

Freehold and Leasehold Land and Buildings measured by valuation at 31 July 2021 includes the following historical cost:

		Consolidated & University	
		2021	2020
		£m	£m
Freehold land and buildings		12.7	12.6
Leasehold land and buildings		513.6	509.7

Leasehold land and buildings includes land with a value of £41.1 million at 31 July 2021 (£85.8 million at 31 July 2020).

Equipment includes assets donated to us, these are valued at market value as at the date when they were received.



## Notes to the Annual Accounts (continued)

14 Non Current Asset Investments			
	Consolidated & University		
	2021	2020	
	£m	£m	
At 1 August			
Other investments	0.8	1.3	
Acquisition of investments	0.1	0.3	
Movement in market value	0.9	(0.8)	
<b>At 31 July</b>	<b>1.8</b>	<b>0.8</b>	

15 Trade and Other Receivables			
	University	Consolidated	Consolidated & University
	2021	2021	2020
	£m	£m	£m
Prepayments and accrued income	3.7	3.7	4.2
Amounts receivable from subsidiary	1.6	-	-
Research grant receivables	12.7	12.7	9.5
Other receivables	10.3	10.4	13.0
Other Taxation receivables	9.2	9.2	-
	<b>37.5</b>	<b>36.0</b>	<b>26.7</b>
Due within one year	35.9	36.0	26.3
Due in more than one year	1.6	-	0.4
	<b>37.5</b>	<b>36.0</b>	<b>26.7</b>

Debtors due in more than one year are all Other receivables.

16 Current Asset Investments				
	Investments measured at Market Value	Investments measured at Cost	Consolidated & University	
			2021	2020
	£m	£m	Total	Total
			£m	£m
At 1 August	136.4	54.7	191.1	214.5
New investments	13.2	-	13.2	106.4
Disposal of investments	(5.4)	(26.0)	(31.4)	(131.2)
Market value movement	9.2	-	9.2	1.4
<b>At 31 July</b>	<b>153.4</b>	<b>28.7</b>	<b>182.1</b>	<b>191.1</b>

Investments measured at market value includes Quoted investments of £106.4m (£89.4m) and those held in unit funds where a market value can be determined of £47.0m (£47.0m).

Investments measured at cost include those held in money market funds, certificates of deposit and fixed deposits.

Current Asset investments include £6.7m (£5.2m) held in respect of Endowments as disclosed in note 22.

17 Creditors: Amounts Falling Due Within One Year			
	University	Consolidated	Consolidated & University
	2021	2021	2020
	£m	£m	£m
Bank loans	10.0	10.0	5.0
Trade Payables	24.3	24.3	19.7
Social Security and other taxation payable	6.7	6.7	3.1
Finance lease obligations	0.3	0.3	0.2
Deferred income	74.9	74.9	71.7
	<b>116.2</b>	<b>116.2</b>	<b>99.7</b>

**Deferred Income**

Included in deferred income are the following items which have been deferred until specific performance related conditions are met.

	University	Consolidated	Consolidated & University
	2021	2021	2020
	£m	£m	£m
Donations	0.6	0.6	0.9
Research grants received on account	21.7	21.7	18.2
Grant income	42.7	42.7	42.0
Other income	9.9	9.9	10.6
	<b>74.9</b>	<b>74.9</b>	<b>71.7</b>

18 Creditors: Amounts Falling Due After More Than		
	Consolidated & University	
	2021	2020
	£m	£m
Bank loans	224.4	234.5
Derivatives	13.9	17.5
Finance lease obligations	1.7	1.9
	<b>240.0</b>	<b>253.9</b>

19 Borrowings		
	Consolidated & University	
	2021	2020
	£m	£m
<i>Analysis of Financing</i>		
Bank loans and overdrafts are repayable as follows:		
In one year or less	10.0	5.0
Between one and two years	5.1	10.1
Between two and five years	15.1	15.1
In five years or more	204.2	209.3
	<b>234.4</b>	<b>239.5</b>

## Notes to the Annual Accounts (continued)

**20 Derivatives**

The University is using hedge accounting for its interest rate swaps and foreign exchange options and as a result determined the effectiveness of the hedging arrangements. The analysis below shows the results of this assessment:-

Hedging Instrument	Expiry Date	Amount	Consolidated & University					Total Movement 2021 £m	Movement in market value 2020 £m
			Market Value at 2021 £m	Market Value at 2020 £m	Movement in market value 2021 £m	Disposals in year 2021 £m			
Interest rate swaps	Between 2027 & 2037	£35.5m	13.9	17.5	(3.6)	-	(3.6)	1.6	
Foreign exchange options	In 2020	\$60.7m	(1.3)	(0.8)	(1.3)	0.8	(0.5)	(0.9)	
			12.6	16.7	(4.9)	0.8	(4.1)	0.7	

Interest rate swaps are hedging instruments associated with the University's loan portfolio with Lloyds Bank plc and Barclays Bank plc  
Foreign Exchange options are hedging instruments associated with our current asset investments in USD denominated funds  
The movement in market value for 2020/21 is a loss of £4.9m (2019/20 loss of £0.7m) is reported as follows;

	Consolidated & University	
	2021 £m	2020 £m
Interest Payable (note 11)	-	1.2
Interest Receivable (note 6)	(1.4)	-
Other Comprehensive Income	(3.5)	(0.5)
	(4.9)	0.7

	Consolidated & University	
	2021 £m	2020 £m
Disclosure of Derivatives		
Other receivables due in less than one year	1.3	0.8
Liabilities due in more than one year	13.9	17.5

## Notes to the Annual Accounts (continued)

**21 Provisions**

	Consolidated & University			
	Obligations to fund deficit on USS Pension (note 26) £m	Defined Benefit obligations LGPS (note 26) £m	Total 2021 £m	Total 2020 £m
At 1 August	44.3	99.5	143.8	147.8
Released in year	(3.5)	-	(3.5)	(33.7)
Additions in year	0.3	5.4	5.7	6.0
Interest in year	-	1.6	1.6	1.4
Actuarial loss in respect of pension	-	(9.5)	(9.5)	22.3
<b>At 31 July</b>	<b>41.1</b>	<b>97.0</b>	<b>138.1</b>	<b>143.8</b>

**Obligations to fund deficit on USS Pension**

The obligation to fund the past deficit on our Superannuation Scheme (USS) arises from the contractual obligation with the pension scheme for total payments relating to benefits arising from past performance. Management have assessed future employees within the USS scheme and salary payments over the 15 year period of the contracted obligation in assessing the value of this provision and these are disclosed below;

	2021	2020
Discount rate at year end	0.89%	0.74%
Pensionable salary growth:	2.4% for the duration of the plan	1.5% for the first two years and 2.4% thereafter
USS membership growth:	1.0% for the duration of the plan	in the range (1.5%) to 1%

**Defined Benefit obligations (LGPS)**

As a multi-employer scheme where the share of assets and liabilities applicable to each employer can be defined, we have accounted for the scheme under FRS 102 as a defined benefit scheme based on a full actuarial valuation of the Fund as at 31 March 2019.



## Notes to the Annual Accounts (continued)

**22 Endowments****Consolidated & University**

Restricted net assets relating to endowments are as follows:

	Restricted Permanent £m	Expendable £m	2021 Total £m	2020 Total £m
At 1 August				
Capital	2.0	4.0	6.0	6.4
Accumulated Income	0.3	0.8	1.1	1.0
	<b>2.3</b>	<b>4.8</b>	<b>7.1</b>	<b>7.4</b>
Investment and donation income	0.1	0.2	0.3	0.2
Expenditure	(0.1)	(0.3)	(0.4)	(0.1)
(Decrease) Increase in market value of investments	0.4	0.7	1.1	(0.4)
<b>At 31 July</b>	<b>2.7</b>	<b>5.4</b>	<b>8.1</b>	<b>7.1</b>
Representing:				
Capital	2.4	4.7	7.1	6.1
Accumulated Income	0.3	0.7	1.0	1.0
	<b>2.7</b>	<b>5.4</b>	<b>8.1</b>	<b>7.1</b>
Analysis by type of purpose				
Lectureships	1.4	2.5	3.9	3.4
Scholarships and bursaries	1.2	2.5	3.7	3.1
Prize Funds	0.1	0.2	0.3	0.4
General	-	0.2	0.2	0.2
	<b>2.7</b>	<b>5.4</b>	<b>8.1</b>	<b>7.1</b>
Analysis by asset				
Current and non-current asset investments	2.5	4.2	6.7	5.2
Cash and cash equivalents	0.2	1.2	1.4	1.9
	<b>2.7</b>	<b>5.4</b>	<b>8.1</b>	<b>7.1</b>

## Notes to the Annual Accounts (continued)

**23 Restricted Reserves****Consolidated & University**

Reserves with restrictions are as follows:

	Other Income £m	Donations £m	2021 Total £m	2020 Total £m
At 1 August	0.5	1.7	2.2	2.1
New grants	0.1	-	0.1	-
New donations	-	0.3	0.3	0.5
Expenditure	(0.2)	(0.5)	(0.7)	(0.4)
<b>At 31 July</b>	<b>0.4</b>	<b>1.5</b>	<b>1.9</b>	<b>2.2</b>
Analysis by type of purpose				
Research support	0.1	-	0.1	0.1
Scholarships and bursaries	-	0.7	0.7	0.6
General	0.3	0.8	1.1	1.5
	<b>0.4</b>	<b>1.5</b>	<b>1.9</b>	<b>2.2</b>

**24 Contingent Liability**

We have entered a number of nomination agreements with three organisations whereby we underwrite the shortfall in the letting of a number of student residences, summarised below. We do not expect any liability to be incurred as a result of these contracts as we expect all residences will be fully let as per the nomination agreements.

Dates	Residences	Legal Entity with whom the agreement is held	Maximum liability 31 July 2021 £m	Maximum liability 31 July 2020 £m
24/09/2016 - 18/09/2021	"Hello Student"	Empiric (Bath James House) Limited	0.3	2.2
14/09/2020 - 19/03/2021	Green Park House	Bath Spa University	-	1.0
16/09/2021 - 15/09/2030	Acquilla Court	Eagle One Acqua Sulis Limited and Acquilla MMXX Limited	14.1	13.8
25/09/2021 - 03/09/2022	Twerton Mill	Twerton Bath Limited	0.5	-
<b>Total</b>			<b>14.9</b>	<b>17.0</b>

**25 Lease Obligations**

The University had total operating lease commitments in respect of leased property as follows:

**Consolidated & University**

	2021 £m	2020 £m
<b>Lease Commitments</b>		
Lease commitments due in more than one year but less than two years	5.1	5.0
Lease commitments due between two & five years	20.0	20.4
Lease commitments due in more than five years	24.0	28.9
<b>Total Lease commitments</b>	<b>49.1</b>	<b>54.3</b>

Operating leases are held for six properties used by us as student accommodation. As we do not control the significant residual value in these properties upon the expiry of the lease period they have not been accounted for as Service Concession Arrangements. The lease arrangements expire between 2024 and 2032, the lease payments are reported in other operating expenses.

Notes to the Annual Accounts (continued)

26 Pensions

Universities Superannuation Scheme

We participate in the Universities Superannuation Scheme (USS), a hybrid pension scheme, providing defined benefits (for all members), as well as defined contribution benefits. The assets of the scheme are held in a separate fund administered by the trustee, Universities Superannuation Scheme Limited. USS has over 203,000 members and we had 2,299 (2,342) active members at 31 July 2021.

USS is a multi-employer scheme and is accounted for as set out in the accounting policies.



Notes to the Annual Accounts (continued)

26 Pensions (continued)

Universities Superannuation Scheme (continued)

The latest available completed actuarial valuation of the Retirement Income Builder is at 31 March 2018 (the valuation date), which was carried out using the projected unit method.

The 2018 valuation was the fifth valuation for the scheme under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to adopt a statutory funding objective, which is to have sufficient and appropriate assets to cover their technical provisions. At the valuation date, the value of the assets of the scheme was £63.7 billion and the value of the scheme's technical provisions was £67.3 billion indicating a shortfall of £3.6 billion and a funding ratio of 95%.

The key financial assumptions used in the 2018 valuation are described below. More detail is set out in the Statement of Funding Principles.

Pension increases (CPI)	Term dependent rates in line with the difference between the Fixed Interest and Index Linked yield curves, less 1.3% p.a.
Discount rate (forward rates)	Years 1-10: CPI +0.14% reducing linearly to CPI -0.73% Years 11-20: CPI +2.52% reducing linearly to CPI +1.55% by year 21 Years 21+: CPI +1.55%

The main demographic assumption used relates to the mortality assumptions. These assumptions are based on analysis of the scheme's experience carried out as part of the 2018 actuarial valuation. The mortality assumptions used in these figures are as follows:

Mortality base table	
Pre-retirement:	71% of AMC00 (duration 0) for males and 112% of AFC00 (duration 0) for females "
Post-retirement:	97.6% of SAPS S1NMA "light" for males and 102.7% of RFV00 for females
Future improvements to mortality	CMI_2017 with a smoothing parameter of 8.5 and a long term improvement rate of 1.8% pa for males and 1.6% pa for females

The current life expectancies on retirement at age 65 are:

	2021	2020
Males currently 65 yrs:	24.6	24.4
Females currently 65 yrs:	26.1	25.9
Males currently 45 yrs:	26.6	26.3
Females currently 45 yrs:	27.9	27.7

A new deficit recovery plan was put in place as part of the 2018 valuation, which requires payment of 2% of salaries over the period 1 October 2019 to 30 September 2021 at which point the rate will increase to 6%. The 2021 deficit recovery liability reflects this plan. The liability figures have been produced using the following assumptions:

	2021	2020
Discount rate	0.89%	0.74%
Pensionable salary growth	1.5% - 2.40%	4.20%



## Notes to the Annual Accounts (continued)

**26 Pensions (continued)****Universities Superannuation Scheme (continued)**

To illustrate how sensitive the funding level is to experience being different from assumed, the table below shows how the valuation results at 31 March 2018 would have differed given small changes in the key assumptions.

Assumption	Change in Assumption	Change in shortfall
Discount rate	Increase by 0.1%	Reduce by £1.2 billion
RPI/CPI Spread	Increase by 0.1%	Reduce by £0.7 billion
Life expectancy	Higher than assumed *	Increase by £1.6 billion
Asset values	Fall by 10%	Increase by £6.4 billion

\*Assumes member life expectancy is consistent with someone one year younger than their current age (i.e. a 60 year old is observed to have the life expectancy of someone aged 59)

USS is a "last man standing" scheme so that in the event of the insolvency of any of the participating employers in USS, the amount of any pension funding shortfall (which cannot otherwise be recovered) in respect of that employer will be spread across the remaining participant employers and reflected in the next actuarial valuation of the scheme.

**Local Government Pension Scheme**

We participate in the Avon Pension Fund which is a funded defined benefit pension scheme with the assets held in separate trustee administered funds. The assumptions which have the most significant effect on the determination of contribution levels are as follows:

Return on investments	4.2%
Long-term Salary inflation	3.9%
Pension inflation	2.4%

Valuation date	31 March 2019
Valuation method	Projected Unit
Market value of assets at date of last valuation	£4,820 million
Market value of assets as a percentage of accrued benefits	95.0%

On the 1 June 2021 the University ceased to enrol new members of staff into the LGPS. The contributions payable by us were equal to 16.5% of total pensionable salaries for the period to 31 May 2021 and 19.3% for the balance of the period to the end of the financial year.

## Notes to the Annual Accounts (continued)

**26 Pensions (continued)****Local Government Pension Scheme**

As a multi-employer scheme where the share of assets and liabilities applicable to each employer can be defined, we have accounted for the scheme under FRS 102 as a defined benefit scheme based on a full actuarial valuation of the Fund as at 31 March 2019, updated to 31 July 2021 by a qualified independent actuary.

The material assumptions used by the actuary were:

At end of year	31 July 2021	31 July 2020
	%	%
Rate of CPI inflation:	2.6	2.3
Rate of increase in salaries:	4.1	3.8
Rate of increase in pensions:	2.7	2.4
Discount rate:	1.6	1.6

Post retirement mortality assumptions for members retiring in normal health

	31 July 2021	31 July 2020
Non-retired members	S2PA CMI_2018_[1.75%] 98% (male) 88% (female)	S2PA CMI_2018_[1.75%] 98% (male) 88% (female)
Retired members	S2PA CMI_2018_[1.75%] 92% (male) 87% (female)	S2PA CMI_2018_[1.75%] 93% (male) 85% (female)
Life expectancy		
Male / female future pensioner 65 in 20 years time	24.8 / 27.4 years	24.7 / 27.3 years
Male / female current pensioner aged 65	23.3 / 25.4 years	23.2 / 25.3 years

The sensitivities regarding the principal assumptions used to measure our share of the scheme liabilities as at the valuation on 31 July 2021 are set out below:

Assumption	Change in Assumption	Impact on scheme liabilities
Discount rate	Increase by 0.1%	Decrease by £4.3 million
Rate of CPI Inflation	Increase by 0.1%	Increase by £4.4 million
Rate of salary growth	Increase by 0.1%	Increase by £0.3 million
Members live longer	1 year longer	Increase by £8.0 million

## Notes to the Annual Accounts (continued)

<b>26 Pensions (continued)</b>		
<b>Local Government Pension Scheme (continued)</b>		
<i>Our University's share of the scheme's assets and liabilities:</i>		
	<b>2021</b>	2020
	<b>£m</b>	£m
Market value of assets	150.5	130.5
Present value of scheme liabilities	(247.5)	(230.0)
<b>Net pension liability</b>	<b>(97.0)</b>	<b>(99.5)</b>
<b>Amounts charged to SOCI:</b>		
<i>Included in staff costs and operating expenses for the year (note 8)</i>		
	<b>2021</b>	2020
	<b>£m</b>	£m
Current service cost	8.8	8.2
Past service cost	-	0.8
Administration expenses	0.1	0.1
<b>Total operating charge</b>	<b>8.9</b>	<b>9.1</b>
<b>Analysis of amount charged to interest payable</b>		
	<b>2021</b>	2020
	<b>£m</b>	£m
Net interest charge (note 11)	1.6	1.4
<b>Net charge</b>	<b>1.6</b>	<b>1.4</b>

## Notes to the Annual Accounts (continued)

<b>26 Pensions (continued)</b>		
<b>Local Government Pension Scheme (continued)</b>		
<b>Amounts recognised in the Statement of Comprehensive Income</b>		
	<b>2021</b>	2020
	<b>£m</b>	£m
Change in assumptions underlying the present value of the scheme assets	17.8	(7.8)
of the scheme liabilities	(8.3)	(14.5)
<b>Actuarial gain/(loss) recognised in the SOCI</b>	<b>9.5</b>	<b>(22.3)</b>
<b>The movement in the scheme's deficit during the year is made up as follows:</b>		
	<b>2021</b>	2020
	<b>£m</b>	£m
Deficit in scheme at 1 August	99.5	71.3
Movement in the year:		
Current service and curtailment costs	8.8	8.2
Contributions by the employer	(3.5)	(4.6)
Past service cost	-	0.8
Administrative charge	0.1	0.1
Net interest charge	1.6	1.4
Actuarial loss	(9.5)	22.3
<b>Deficit in scheme at 31 July</b>	<b>97.0</b>	<b>99.5</b>
<b>Analysis of the movement in the present value of the scheme liabilities:</b>		
	<b>2021</b>	2020
	<b>£m</b>	£m
At the beginning of the year	230.0	205.1
Current service cost	8.8	8.2
Interest on pension liabilities	3.6	4.3
Member contributions	1.3	1.3
Past service cost	-	0.8
Actuarial losses on liabilities - other	8.3	14.5
Curtailments	0.1	-
Benefits/transfers paid	(4.6)	(4.2)
<b>At the end of the year</b>	<b>247.5</b>	<b>230.0</b>



## Notes to the Annual Accounts (continued)

**26 Pensions (continued)****Local Government Pension Scheme (continued)****Analysis of the movement in the market value of the scheme assets:**

	2021	2020
	£m	£m
At the beginning of the year	130.5	133.8
Expected return on plan assets	2.1	2.8
Actuarial (losses)/gains on assets	17.8	(7.8)
Administrative expenses	(0.1)	(0.1)
Contributions by the employer	3.5	4.6
Contributions by scheme participants	1.3	1.3
Benefits/transfers paid	(4.6)	(4.1)
<b>At the end of the year</b>	<b>150.5</b>	<b>130.5</b>

## Analysis of the scheme assets:

	2021	2020
	£m	£m
Equities	64.3	57.7
Government bonds	14.6	9.4
Other bonds	12.2	3.5
Property	9.5	11.5
Cash/liquidity	2.7	3.9
Other	47.2	44.5
<b>At the end of the year</b>	<b>150.5</b>	<b>130.5</b>

**University Total pension costs (note 8)**

	2021	2020
	£m	£m
Universities Superannuation Scheme: employer only contributions	20.9	20.8
Universities Superannuation Scheme: provision movement	(3.5)	(33.7)
	<b>17.4</b>	<b>(12.9)</b>
Avon Pension Fund	9.3	9.2
Contributions to other pension schemes	0.1	0.1
<b>Total pension costs</b>	<b>26.9</b>	<b>(3.6)</b>

**27 Post balance sheet event****Universities Superannuation Scheme**

The movement in the USS pension provision and charge of £3.5m reflected on the face of SOCI is based on the scheme valuation at 31 March 2018. On 1 October USS signed and filed the USS 2020 valuation with the Pensions Regulator. The 2020 valuation has longer duration and higher deficit recovery contributions than the 2018 valuation.

We estimate the USS liability at 31 July 2021 under the 2020 valuation to be £119.2m and the resulting £76.9m adjustment will be reported as a debit against staff costs in the year ending 31 July 2022.

**28 US Department of Education Financial Responsibility - Supplemental Schedule**

In satisfaction of its obligations to facilitate students' access to US federal financial aid, we are required by the US Department of Education to present the following Supplemental Schedule in a prescribed format.

The amounts presented within the schedules have been:

- prepared under the historical cost convention, subject to the revaluation of certain fixed assets.
- prepared using United Kingdom generally accepted accounting practice, in accordance with Financial Reporting Standard 102 (FRS 102) and the Statement of Recommended Practice: Accounting for Further and Higher Education (2019 edition).
- presented in pounds sterling.

The schedules set out how each amount disclosed has been extracted from the financial statements. As set out above, the accounting policies used in determining the amounts disclosed are not intended to and do not comply with the requirements of accounting principles generally accepted in the United States of America.

**Primary Reserve Ratio**

Page	Line item - related disclosures	Expendable Net Assets	Year ended	Year ended
			31 July 2021	31 July 2020
			£	£
80	Statement of Financial Position - Net assets without donor restrictions	Net assets without donor restrictions	578,559,170	555,766,258
80/94	Statement of Financial Position - Net assets with donor restrictions	Net assets with donor restrictions	10,014,561	9,404,328
88	Statement of Financial Position - Property, Plant and equipment, net	Property, plant and equipment, net (includes Construction in progress)	858,087,793	840,063,223
80	Note of the Financial Statements - Statement of Financial Position - Property, plant and equipment - pre-implementation	Property, plant and equipment - pre-implementation	818,623,929	773,805,910
88	Note of the Financial Statements - Statement of Financial Position - Property, plant and equipment - post-implementation without outstanding debt for original purchase	Property, plant and equipment - post-implementation without outstanding debt for original purchase	12,398,140	20,699,308
88	Note of the Financial Statements - Statement of Financial Position - Construction in progress	Construction in progress	77,476,818	68,541,544
80	Statement of Financial Position - Post-employment and pension liabilities	Post-employment and pension liabilities	138,179,723	143,834,767
80/91	Statement of Financial Position - Note Payable and Line of Credit for long-term purposes (both current and long term) and Line of Credit for Construction in process	Long-term debt - for long term purposes	250,238,689	259,128,944
80/91	Statement of Financial Position - Note Payable and Line of Credit for long-term purposes (both current and long term) and Line of Credit for Construction in process	Long-term debt - for long term purposes pre-implementation	250,238,689	259,128,944
94	Statement of Financial Position - Perpetual Funds	Net assets with donor restrictions: restricted in perpetuity	8,138,906	7,147,282

## 28 US Department of Education Financial Responsibility - Supplemental Schedule (continued)

## Primary Reserve Ratio (continued)

Page	Line item - related disclosures	Total Expenses and Losses	Year ended 31 July 2021	Year ended 31 July 2020
			£	£
78	Statement of Activities - Total Operating Expenses (Total from Statement of Activities prior to adjustments)	Total expenses without donor restrictions - taken directly from Statement of Activities	324,993,338	310,303,351
78	Statement of Activities - Non-Operating (Investment return appropriated for spending), Investments, net of annual spending gain (loss), Other components of net periodic pension costs, Pension-related changes other than net periodic pension, changes other than net periodic pension, Change in value of split-interest agreements and Other gains (loss) - (Total from Statement of Activities prior to adjustments)	Non-Operating and Net Investment (loss)	10,167,195	600,732
78		Pension-related (credits)/ changes other than net periodic costs	12,962,610	11,328,462

## Equity Ratio

Page	Line item - related disclosures	Modified Net Assets	Year ended 31 July 2021	Year ended 31 July 2020
			£	£
80	Statement of Financial Position - Net assets without donor restrictions	Net assets without donor restrictions	578,559,170	555,766,258
80/94	Statement of Financial Position - total Net assets with donor restrictions	Net assets with donor restrictions	10,014,561	9,404,328
Page	Line item - related disclosures	Modified Assets	£	£
80	Statement of Financial Position - Total Assets	Total Assets	1,082,887,662	1,062,605,733

## Net Income Ratio

Page	Line item - related disclosures		Year ended 31 July 2021	Year ended 31 July 2020
			£	£
78	Statement of Changes in Reserves - total of movement shown for Income & Expenditure Reserve and Revaluation Reserve	Change in Net Assets Without Donor Restrictions	23,450,072	(16,186,956)
78	Statement of Activities - (Net assets released from restriction), Total Operating Revenue and Other Additions and Sale of Fixed Assets, gains (losses)	Total Revenue and Gains	289,451,747	297,660,552

## Note on our Integrated Reporting Approach

We continue to work on improving the presentation of our Annual Report and Accounts, in common with several other Higher Education Institutions, by adopting the principles of Integrated Reporting (IR). This is informed by the IR global framework and is intended to enhance accountability, transparency and readability of our Annual Report and Accounts, thus improving the trust between us and our stakeholders. We are continuing to use the framework to help us understand the resources we draw from that materially affect our ability to create value for our students, staff and external partners. This value creation approach remains at the heart of new Strategy 2021-26. Page 10 & 11 outlines our mission and the four pillars that are the focus of this Strategy. Pages 40 and 41 outline some of the metrics against which our performance will be measured and it is planned that our future reporting will provide transparent progress on our performance against this strategy.

This year's Annual Report and Accounts consolidates our steps towards adopting IR. We continue to combine our previous Annual Report and Financial Statements into this single document and have expanded the narrative statements included in this document. We have retained our value creation document to show how we draw from different resources. We have set out how our activities add value for our stakeholders, through a series of case studies, real examples of where we create and add value to members of our community, these emphasise the actions we have taken to support members of our community through the challenge of the Covid-19 pandemic.

As stated, the Annual Report and Accounts has been informed by the IR framework developed by the International Integrated Reporting Council (IIRC). This year we have expanded our reporting of risk and provided the final set of KPIs against our Strategy 2016-21.

**Martin Williams**  
Director of Finance





