



# **The University of Northampton Higher Education Corporation**

## **Annual Report and Consolidated Financial Statements for the year ending 31 July 2018**

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# Transforming Lives and Inspiring Change

Transforming lives and inspiring change is the mission of the University of Northampton. It is also our strategic plan for success. In the autumn of 2017, we realigned our existing strategy around the three factors that we identified as being most critical for our success:

- We create social impact;
- We are super supportive;
- We are future focused.

This report is focused on our ambitions, plans, actions and performance in these three key areas during the 2017-18 academic year. Our progress towards achieving our objectives is supported by:

- Our brand new, state of the art Waterside Campus;
- Our four Changemaker Challenges;
- Our values and key behaviours;
- Our Operational Plan and Key Performance Indicators.

## **Operational Plan and Key Performance Indicators**

We measure our performance through an Operational Plan. The Operational Plan sets out the key performance indicators (KPIs), and the targets we expect to reach each year until 2021/22. The Operational Plan and the KPIs were refreshed during 2017 in response to the realignment of the strategic plan.

Targets in the University's Operational Plan are aligned to the three critical success factors. Progress against targets is reported regularly to the Board of Governors.

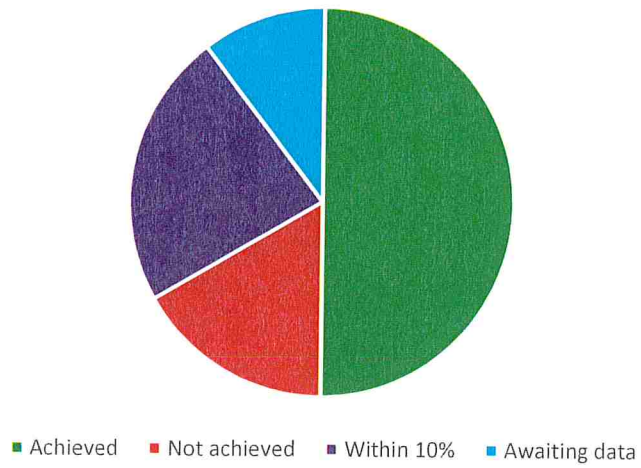
## **Performance in 2017-18**

Of the 48 key performance indicators in the operational plan, we are meeting or exceeding target 24, within 10% of achieving 11, and continue to work towards 8. At the time of going to press, we were awaiting data on 5 key performance indicators.

This was a mixed performance. Results in the National Student Survey were disappointing, and we will work to improve student engagement in the survey in order to capture the views of all students. Our student recruitment performed well against target. Whilst we did not reach our target for the number of research bids submitted, we were very pleased to note that our success rate in winning research funding had improved. We also need to continue to increase the amount of advancement funding we receive, and we note the opportunity that our new location gives us to increase our Continuing Professional Development offer and grow this income stream.

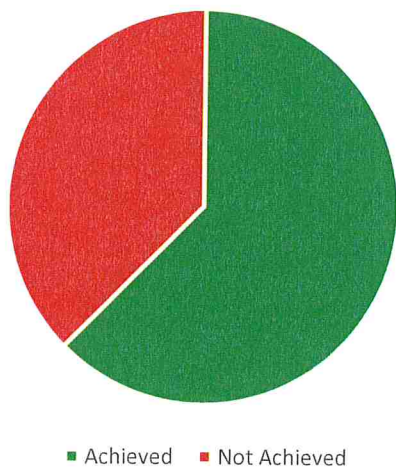


Overall Performance against Targets

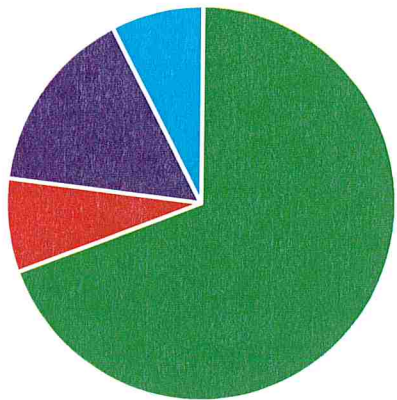


Performance by Critical Success Factor

Social Impact

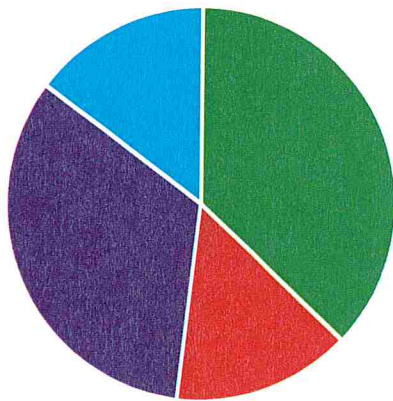


**Future Focussed**



■ Achieved ■ Not Achieved ■ Within 10% ■ Awaiting data

**Super Supportive**



■ Achieved ■ Not Achieved ■ Within 10% ■ Awaiting data

## **Changemaker Challenges**

Changemaker is a term coined by the social entrepreneurship organisation Ashoka. It means one who desires change in the world, and, by gathering knowledge and resources, makes that change happen. The University is one of over 40 colleges and universities globally recognised by Ashoka as Changemaker Campuses, and is the only Ashoka campus in England.

We chose to seek recognition by Ashoka as a Changemaker Campus because it aligns with our social impact agenda and puts us on a worldwide stage amongst a group of like-minded institutions. To support our status as a Changemaker Campus, we have set ourselves four Changemaker Challenges:

- Challenge 1: Make Northamptonshire the best county in the UK for children and young people to flourish and learn;
- Challenge 2: Make Northamptonshire the leading county in the UK for Health and Wellbeing;
- Challenge 3: Build the cultural and heritage traditions of Northamptonshire into world class attractions;
- Challenge 4: Make Northamptonshire the best county in the UK to start, build and run a business.

The section on 'Social Impact' gives more detail about our work to meet these challenges.



## Values and Key Behaviours

The University's values are:

- Delivering: a student experience of the highest quality;
- Entrepreneurial: the commitment to innovation, value for money and financial sustainability;
- Valuing: opportunity, diversity, a global perspective, inclusion and equality for all
- Enabling: a culture of empowerment, responsibility, tolerance and excellence;
- Leading: enhancing the economic, social, cultural and creative life of those we work with across the world;
- Openness: transparency, adaptability, resilience, celebration of success
- Performance: through continuous staff development and investment.

We ensure that our staff are aligned to the University's strategy by asking them to relate their objectives for the academic year to the development and improvement of nine Key Behaviours. The Key Behaviours support the achievement of the Critical Success Factors. The Key Behaviours are:

- Delivering an Excellent Student or Customer Experience;
- Building Relationships;
- Enabling Digital Transformation;
- Achieving Social Impact;
- Focusing on Research;
- Thriving in a Changing Environment;
- Delivering High Quality Performance;
- Developing Yourself and Others;
- Focusing on Income and Advancement.

## **Waterside Campus**

The Waterside Campus is the embodiment of our mission to transform lives and inspire change. With a £330m investment, we have transformed a 58 acre brownfield site in central Northampton into an innovative campus with our students at its heart.

The campus allows us to put our students first and is flexible to their changing needs, creating a University that teaches in a way that mirrors the skills our graduates will need when they are in employment. The campus has been purpose-built to adapt to 21<sup>st</sup> century teaching.

The campus is also community focused. It creates a community area that allows all residents to be able to share open spaces and facilities to create a vibrant hub of activity, both during the day and evening. This includes commercial space, a hotel, leisure space and sustainable links to the town.

The campus will also have a positive impact on the environment around us because as part of the campus development we have constructed our own energy centre. Our energy provision will use woodchip biomass and gas to heat hot water for all the buildings and student residencies. This will save over 1,000 tons of CO<sub>2</sub> in the short term, rising to 2,200 tons a year following the introduction of a Combined Heat and Power Engine, the equivalent of taking 431 cars off the road per annum.

The campus also has a Grade II listed former engine shed that has been converted into the home of the Students' Union and its sports societies and services. The building is a fusion of classic and modern design.

At the centre of the Waterside Campus is the new Learning Commons building. This brings together resources, staff and spaces that would traditionally be separate and provides a place to catch up with friends and enjoy a coffee, watch a public lecture or a local musician, or just find a quiet space to work.

The Creative Hub brings together creative and science disciplines in flexible learning space, it houses specialist teaching spaces such as laboratories and workshops for art, design, print, textiles, graphic communications and illustration, a music vocal booth, an audio control room, TV and radio studios, media editing suites, photography facilities and a Mac computer suite.

The Senate building provides for guest lectures, exhibitions and events; it's also the home to our largest lecture theatre. All of the learning spaces in the Senate building are flexible, allowing people from different subject areas to work together.

## Charitable Status and Purpose

### Our Public Benefit Statement

The University of Northampton is a Higher Education Corporation under the Education Reform Act 1988, section 124 and an exempt charity under the Charities Act 2011. This means that rather than being regulated by the Charity Commission, the University is regulated by the Office for Students. The University's charitable purpose is the advancement of education.

The Board of Governors, as the trustees of the University, confirm that in exercising their powers and duties, they have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission.

The main beneficiary of our charitable aims is our large and diverse student body. We have a transformative purpose: to make a positive difference. We do this by providing students with a first class education that equips them to play a productive part in the world.

The section on 'Super Supportive' contains further information on our student body and what we do to support them and ensure successful outcomes for them.

Our positive impact is also felt through the wider social value that the University creates in the broad communities it serves. That value may be seen across Northamptonshire where the University is a regional powerhouse and a key driver of social and economic development.

In generating social value, we make a critical contribution towards the government's industrial strategy with its twin objectives of increasing productivity and sharing prosperity. We believe that the social value that the University of Northampton, and other higher education institutions create, is not being properly recognised nationally by metrics which focus on the outcomes of individual graduates alone. It is vital, when assessments about the contribution of higher education are made, that they take full account of the social as well as individual benefits it provides.

### Our public benefit and social impact

#### ***We are a key driver of local and regional economic growth***

In our most recent Economic Impact Report, the University of Northampton and its students generated nearly £244 million of output in Northampton town with an additional £45 million in the rest of Northamptonshire and a further £132 million in the rest of the East Midlands.

#### ***We are an engine of social enterprise and innovation in the region***

Through our Changemaker Challenges we are focused on making Northamptonshire the best county for young people to flourish and learn, the leading county for health and well-being and to start, build and run a business.

We hold the Social Enterprise Gold Mark which is awarded to leaders in being open, honest and fair in terms of their governance procedures, business ethics and how they fund social and environmental impact projects.

#### ***We are a unifying force for social mobility***

Undergraduate students at the University of Northampton are more likely than students at other Universities to come from Low Participation Neighbourhoods (13.6% cf 11.6%) and our student body



is ethnically much more diverse than the surrounding county (39.3% BME cf 8.5% for Northamptonshire).

### ***We provide the public sector workers of the future***

A core focus of the University is the training of people to work in specific public services roles. The University trains around 450 teachers, police officers, nurses and other health specialists. That's about 1.5% of all of the new nurses the country needs every year. Many of our courses prepare people for specific roles such as Mental Health Nurses; Paramedics; Midwives; Occupational Therapists. The University's International Nursing Midwifery Council (NMC) Competency Test Centre was created to ensure nurses who qualified outside of the UK and EU practice on a level similar to that of their UK qualified peers. Since it opened in 2014, over 6,000 nursing and midwifery professionals have undertaken the test with Northampton.

### ***We run life-changing research and knowledge exchange projects***

Our research is contributing to the development of new cancer therapies.

### ***We work in transformative partnerships with other organisations***

In 2017/18, over 4,500 University of Northampton students enrolled at its academic partners.

### ***We support business development***

The Northamptonshire Growth Hub provided 2,735 business interventions in 2017/18, including 1104 interventions involving more than three hours support or a grant for a small or medium sized enterprise.

### ***We use our purchasing power to help make a positive difference to peoples' lives and the communities in which we live***

Our new £330m award-winning Waterside campus development employed 755 local people through the project supply chain and has created over 200 new jobs. Forty local suppliers engaged with the project.

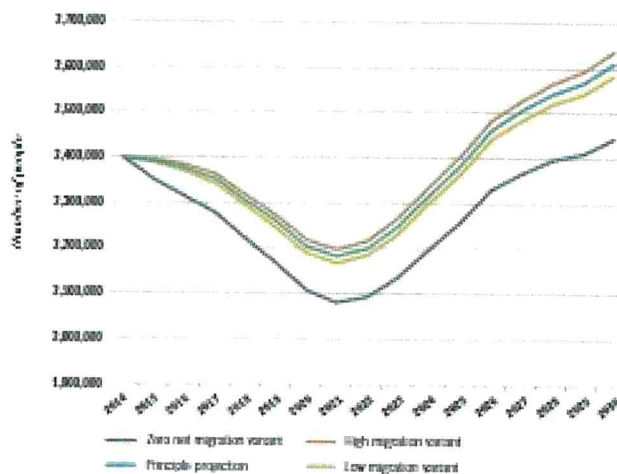
### **Competitive and regulatory environment**

The University operates in a tough competitive environment, particularly in student recruitment.

33There is increased competition for students in the sector. The two aspects of this are a drop in the number of eighteen year olds, and the growth strategies being pursued by many universities now that the cap on the number of students each university can recruit has been removed. Despite suffering from this increased competition the University remains competitive, according to the Sunday Times Good University Guide 2019 the University has 6.5 applications per place (joint 59<sup>th</sup> with Durham University).

However, the transformation to a fee-paying regime means that students are consumers of education. The University must strive to

Office for National Statistics (ONS) national population projections for 18-20-year-old UK citizens, 2014 to 2030



Source: ONS

balance student interests and providing value for money with ensuring that students understand their personal responsibilities in terms of their studies and educational outcomes.

The way that students learn, and their expectations of learning are changing. The sector needs to keep pace with technological developments. The traditional lecture format is increasingly outmoded and offers poor value for money. The University has embraced active-blended learning so that we can provide the best experience and educational outcomes for today's students.

The nature of work is also changing, preparing work-ready graduates who are literate and confident in technology and adaptable to a great variety of working environments is a key part of the University's future-focussed agenda.

We live in a very diverse society, and the University must be a reflection of this, providing equality of opportunity and access to HE for as many of those who can benefit from it as possible. We work to respond creatively to the diversity of our society, ensuring that applicants and students can see themselves in the curriculum and university experience, moving away from the perception that 'it's not for me'.

The United Kingdom's exit from the European Union will have an impact on the ability of the University to recruit from the EU. Whilst EU students are not a key market for the University, there will be some impact on student numbers. There is also likely to be an impact on the recruitment of staff. The impact on the UK's access to EU research funding and ability to work in partnership with researchers across the EU is not yet known.

Our international student recruitment remained strong in 2017/18, however, UK government policy around visas and net migration targets and the increasing strength of higher education provision in some of our key international markets may mean that this source of revenue is not as readily available in the future.

The Higher Education and Research Act was enacted in 2017. This created the Office for Students, a new regulator and funding council for universities. The aims of the Office for Students address some of the challenges set out above, for example access to higher education, ensuring students receive a high-quality education that prepares them for the future, and protecting the interests of students by ensuring that institutions deliver value for money.

Whilst the UK's news and political agenda is likely to continue to be dominated by Brexit over the coming year, the Office for Students has an ambitious business plan. Freedom of speech and mental health are likely to remain high on the agenda. At the time of writing, the OfS has launched a consultation on their approach to monitoring fair student access and participation in higher education. This indicates that the OfS would wish to take a more data-driven approach and ensure that institutions work towards targets set by the OfS. The University has a good record on access and the participation of under-represented groups.

The government is currently undertaking a review of post-18 education funding, and initial indications are that the findings will be published in Spring 2019. The recommendations are likely to include changes to the university fees and funding system.

There is an increasing focus in government and in the press on university finance, in particular the remuneration of higher paid staff. The University's Board will continue to ensure that our decision making processes are robust.

The next Research Excellence Framework (REF) exercise takes place in 2021, and whilst REF income is not a particularly large stream for the University, we will ensure that we are properly prepared. The development of a sector-wide Knowledge Exchange Framework (KEF) also continues. There are two strands to the development of the framework; principles and good practice and metrics. The University has much good practice in this area, and like all other institutions, we will ensure that we can show the impact of our work through metrics.



# Social Impact

## Introduction

In 2015 we achieved our ambition to be the leading University in the UK for social enterprise. Shifting our focus to Social Impact (social value creation), provides an expanded narrative and logical progression that transcends our previous goal. By combining learning, teaching and research informed and inspired by AshokaU Changemakers, Social Impact provides a superior and unique outlet for our mission. Moreover, social value creation gives us strategic justification and focus for our research, enterprise, advancement and philanthropic goals.

Our ambition:

To empower our students, staff and graduates to create positive Social Impact locally and globally.

Why? Universities have a vital role to play as trainers of tomorrow's future workforce, as thought-leaders through their research, as champions and major employers for their town or region, and as a source of volunteers that are eager to do good work within their communities.

How? Visionary leadership, a can-do attitude, applied purposeful research, a Super Supportive Changemaker student experience, strategic application of University resources and leveraging global and national resources.

What? Research and enterprise to improve the social, economic, cultural and environmental wellbeing of all of those living, working, and/or learning in Northamptonshire and deliver our mission: Transforming Lives + Inspiring Change.

## Underpinning Values and Behaviours

Key University Values: Delivering, Leading, Entrepreneurial, Valuing

Key Behaviour: Delivering Social Impact

## Performance Measures

**Goal: Deliver impactful consultancy and research at both national and international level, that leverages the commercialisation of intellectual capital**

Performance Measure	2017/18 Performance against target
Meet research and enterprise income goals	
Total number of bids/tenders submitted for research and enterprise income	
% of successful bids/tenders	
Meet research output goals	
Income from external sources (Advancement)	
Engagement with business and partners to deliver Changemaker Challenges, recorded on Growth Hub's customer relationship management system	
Income received from continuous professional development	
Profit from University of Northampton Enterprises Limited	

Key:

	Target met or exceeded
	Within 10% of meeting target
	Target not met

## Changemaker Challenges

Our Social Impact agenda comprises four interrelated Changemaker Challenges that extend our core competences in teaching and learning, research and social enterprise for the betterment of Northampton, Northamptonshire and the wider world. It is now more important that the University takes a lead on these areas given the changes with the local authority.

The Challenges are multi-disciplinary, long-term, real world projects with set targets. The Challenges commit us to determined and effective internal and external partnership working and delivering high-impact positive change. The Challenges are an integral part of our strategy, and of our plan to drive social value in our community and develop and grow new income streams that add economic value to the University.

### **To make Northamptonshire the best county in the UK for children to flourish and learn**

Activities undertaken to address this challenge have built on the University's strengths in special needs, primary education and our educational research excellence. Over the last year, the Faculty of Education and Humanities has led the development of a strategic approach to addressing the question of why children under-attain at school. The University's commitment to this Challenge has built new partnerships and strengthened those which already existed.

## Northampton Town Education Challenge Project

This local initiative is led by a head teacher and involves staff from nurseries, primary and secondary schools and Northampton College, all of which are in Northampton town. The initiative is focused on improving children's and young people's outcomes and wellbeing. It has priorities including:

- Improving the effectiveness of partnership working across Northampton schools and developing better collaboration;
- Improving outcomes in reading and maths across the town to ensure that more children achieve the expected standards;
- Improving the stability of school cohorts and reducing rates of exclusion and transfer in order to improve learning, progress and outcomes.

Staff from the Faculty of Education and Humanities contribute their time to the project in a number of ways. The University's main contribution is the delivery of a research project, which aims to identify themes and associations in data about Northampton Town wards that may indicate why attainment is better in some Northampton Town schools than others. Preliminary findings are due in late 2018. Funding has been secured to support a student internship to support the research and the next stages of the programme.

## Roots of Empathy

Roots of Empathy is a school-based intervention project for primary school children, which aims to improve social and emotional skills of children. Using a baby and their exploration of the world as a tiny teacher, the sessions help the children to understand and articulate their feelings, learn about respect, child development and safety, and the power of a loving bond between parent and baby. Evidence suggests that the visits help to teach children emotional awareness and develop empathy skills. With the University's continued support, Roots of Empathy is now in 19 classrooms in Northampton, reaching approximately 475 primary aged children. This year one of the 'Baby Teachers' was the daughter of a member of staff.

## To make Northamptonshire the leading county in the UK for Health and Wellbeing

In 2016, the University's Changemaker Challenge Fund awarded funding to a project focusing on dementia. This has led to a wealth of projects with a dementia focus. However, a wider range of initiatives are developing that move the Challenge beyond the original dementia focus.

## UnityDEM

UnityDEM is an advice and support service for people recently diagnosed with dementia and their carers. UnityDEM is co-run by the University of Northampton. UnityDEM differs from other centres in the country by helping those with dementia and their carers together, under one roof. Northampton residents with dementia and their carers receive specialised care, information, training and socialising opportunities to help them cope better with the condition and feel less isolated. The activities and support are free to those who attend and include:

- Cognitive Stimulation Therapies (themed activity sessions designed to improve the mental abilities and memory of someone living with dementia);
- Sport and dance activities such as boules, Thai Chi and arm-chair aerobics;



- Craft and creative activities including painting, gardening and crafts.

UnityDEM is being piloted for the next 12 months and will shadow service users to measure its effectiveness. After the pilot has concluded, the centre's impact will be evaluated by the University, with the view to establishing UnityDEM as a permanent presence in the town.

### **Other dementia projects**

Memory Days: an annual town centre event to inform people about the work of the University and partner organisations.

Dementia Friendly Business Award: The prize was a free, full-time intern to help the business recognise and help customers with dementia. The inaugural award was presented to the Royal and Derngate Trust for their dementia friendly film screenings. The student intern will support the development of their marketing plan and expand their dementia friendly offer.

### **BeARH Project – Before Arrival at Hospital**

This project examines the factors affecting timing of admission to hospital for children with serious infectious illness. Infection is a major cause of childhood deaths in the UK and globally, particularly in the first five years of life, yet little is known about factors influencing children's journeys to hospital with serious infectious illness. Many of these deaths are avoidable as infections such as pneumonia and meningococcal disease are amenable to treatment, if provided in time. According to Health Protection Agency Data, infectious illness in childhood constitutes approximately 50% of children's GP consultations and 12% of children's hospitalisations.

It is often difficult for healthcare professionals to determine whether or not a child is seriously ill at first presentation consequently it should not be surprising that parents also find it difficult to interpret symptoms and know when to consult. To date, little research has been done about the pre-hospital pathways of children with infectious illness. This project aims to fill that gap, and aid the development of evidence-based solutions.

Effective interventions will reduce NHS costs associated with treatment, hospital admissions and litigation (the cost of failure or delay in diagnosis was estimated to be over £20m in legal settlements during 1999-2011).

### **UN Firearms Programme**

A team at Northampton are developing materials designed to educate young adults about the individual, social, political and economic impacts of the illegal use of firearms, and encourage them to advocate for change.

### **CyGen Project**

This European Union funded project brings together young people, teachers, parents and academics to develop an evidence-based digital education package to promote children's safe online participation. Northampton is the lead University on the programme. The project will develop, implement and evaluate a collaborative educational package aimed at enhancing the digital citizenship and wellbeing of children in Europe.

## **To build the cultural and heritage traditions of Northamptonshire into world class tourist Attractions**

This Challenge has provided opportunities for a wide range of activities that build on the unique culture and heritage of the county. Many of the initiatives have cross cutting applications to other Challenges and have provided opportunities for the University to demonstrate leadership, attract resources, and connect our staff and student body with the wider community in innovative ways.

### **Surprise Northamptonshire**

Surprise Northamptonshire is a partnership of local bodies including the county councils and the University. The project's main aim is to increase the visitor economy of the county through promoting its best assets. At the same time this aligns with the drive for enhanced wellbeing through the provision of leisure, educational and heritage activities.

The University has supported the project through providing office and meeting accommodation, administrative support and a dedicated graduate intern. A member of the University's staff sits on the Project Board. Whilst 2017 was dedicated to raising awareness of the county's stately homes, 2018 was The Year of the Churches. One hundred of the county's best churches, including images, maps and texts were added to the Surprise Northamptonshire website.

The project is working with a number of funding bodies to secure its future funding and developing a Destination Marketing Organisation Plan. The project will also be considering ways to involve more students.

### **Nenescape**

This [Heritage Lottery](#) funded collaborative project will bring together partners from along the River Nene between Northampton and Peterborough to celebrate, protect and conserve the natural and built heritage of the landscape. Nenescape is a collaborative, joined-up group of projects which aims to engage people with the landscape in which they live, work or visit.

Over 20 volunteers from the community have been inducted, including current University of Northampton students. Another student has been recruited as an intern, and a member of staff sits on the Board. Tourism students have consulted on digital interpretation of sites. Three students are doing dissertations on Nenescape-inspired subjects.

2017 saw the launch of 'Nene' a specially commissioned musical piece following the course of the river from source to sea.

## **To make Northamptonshire the best county in the UK to start, build and run a business**

Contributing to the economic prosperity of the county through the Changemaker Challenges has enabled the University to focus on the role of social enterprise as a key form of business in the county, and also to support new and established businesses to emerge and grow. The Challenge has developed an approach which provides a comprehensive business support infrastructure alongside innovative approaches to engage students in developing new ventures and exploring self-employment as a career option.



## Digital Marketing for Non-Profit Organisations in Northamptonshire

Staff and students on the BA Advertising and Digital Marketing programme invited non-profit organisations to be their clients for the production of digital marketing campaigns. Ten organisations were supported, including Northampton Symphony Orchestra, Northamptonshire Highways and Northampton Carnival.

The students created social media campaigns and radio advertising which were showcased at an end of term event.

## The Enterprise Club

The University's Enterprise Club has supported over 250 students to start, or explore the possibility of starting, their own business. The Enterprise Club provides a range of support including networking, coaching, information, advice and guidance provision. Working closely with the Northamptonshire Growth Hub, the Enterprise club is able to support students beyond graduation and to retain the new businesses in the county.

This year they attracted £75,000 of additional funding from Santander to launch a programme aimed at supporting students and alumni from BAME backgrounds into self-employment through the provision of small grants linked to intensive business support. It is hoped that this initiative will create 100 sustainable student businesses and make a valuable contribution to our graduate employability outcomes.

## Northampton Enterprise

The NESE (Northampton Enterprise Social Enterprise) team is housed in a subsidiary company of the University. It continues to deliver business support services locally and nationally on behalf of the University of Northampton and its partners under the Northamptonshire Growth Hub (NGH) and the Inspire2Enterprise (I2E) brands and for the Ready2Grow, Innovate Northamptonshire and Northamptonshire Digital Enhancement projects which are all part-funded by the European Regional Development Fund and expected to operate until 2019.

Summary of Key Achievements during 2017-18:

- NGH Provided 2,735 business interventions during the year including 1104 interventions involving more than 3 hours support or a grant for an SME (small and medium sized enterprise);
- NGH ran 64 workshops with a total of 951 attendees;
- NESE's Head of Enterprise was seconded to South East Midlands Local Enterprise Partnership (SEMLEP). In April 2018 he was appointed SEMLEP's Growth Hub Manager with responsibility for overseeing the merger of NGH and Velocity Growth Hub which was run by SEMLEP;
- I2E handled 674 client enquiries during 2017-18;
- The South East Midlands Start Up Programme Incubation Unit based at the University's iCon Innovation Centre in Daventry is now fully operational and has 6 tenants receiving support from the team;
- NGH and I2E made more than 70 referrals to the University of Northampton during the year;

- The team made seven appearances on BBC Northampton (local radio) with over 20 minutes on-air-time on the 1<sup>st</sup> December breakfast show to mark the 4<sup>th</sup> anniversary of the Northamptonshire Growth Hub.

## **Time2Grow**

Working with the University of Bedfordshire, the University has secured over £250k in funding from the Department for Work and Pensions to increase the availability of internships for recent graduates in the county's SME (small and medium sized enterprise) sector. Time2Grow aims to create a market in this sector for graduate employment, working with business owners to understand the value of graduate employees and the positive impact they can have on their business.

## **Research**

### **Ovarian cancer survival linked to protein**

The chances of surviving ovarian cancer may be drastically affected by the production of a specific protein, according to new research led by the University.

In a study of more than 500 cases, patients with no, or very low, amounts of the DNA binding protein survived twice as long than those whose tumours produced much greater levels.

The results have important implications for diagnosing and treating the disease.

Lead author Dr Lee Machado, Associate Professor in Biochemistry, said the high-mobility group protein B1 (HMGB1) should now be considered as a target for new treatments.

"High levels of HMGB1 are also known to confer tumours with resistance to therapy, and future studies should determine the exact mechanism of HMGB1 function in ovarian cancer.

"If this can be determined, then strategies designed to disrupt HMGB1 production may one day produce new therapies."

The findings, published in the journal *Oncotarget*, show that expression of HMGB1 was associated with reduced average survival time from almost nine years in patients with low or absent expressing tumours, to just over four and a half years for those with high expressing tumours.

Eleven women die from the disease every day in the UK – the sixteenth highest such figure in Europe.

### **Ashoka U from Northampton to the USA**

An Ashoka U funded project is bringing together academics from three universities in the Changemaker campus network to develop joint curriculum in each of their masters programmes in Social Innovation. Colleagues from Fordham University in New York and University of San Diego are working with Northampton staff to create a 'Springboard' module that internationalises the teaching of social innovation. Springboard is an immersive experience for students, enabling them to come together to work on social issues and share their experiences of developing creative and innovative



solutions to societal problems. This exciting development will lead to opportunities for collaboration and for students to network and be exposed to a completely different environment, broadening their horizons and challenging their thinking.

## **Research Institutes**

The University has five vibrant research institutes which reflect our social impact agenda and work on the Changemaker Challenges:

- Institute for Creative Leather Technologies;
- Institute for Public Safety, Crime and Justice;
- Institute for Social Innovation and Impact;
- Institute of Learning and Teaching in Higher Education;
- Institute of Logistics, Infrastructure, Supply and Transport.

### **Institute for Social Innovation and Impact**

The ISII is an entrepreneurial research institute which demonstrates how a university can produce high impact research through a sustainable self-funding model.

The Institute delivers research that adds to academic knowledge and enhances people's lives. The Institute focuses on:

- Social innovation and social entrepreneurship;
- Social impact measurement;
- Third sector research consultancy;
- Public sector reform.

For example:

### **Cadet Forces**

A national 4-year project to explore the social impact of the UK's Cadet Forces was funded by the Ministry of Defence. It is close to mid-point, but has already demonstrated that Cadet Forces deliver potentially as much as £400m of social impact. In particular through:

- Improved educational outcomes;
- Improved employability;
- Health and wellbeing;
- Community cohesion;
- Training qualifications for adult volunteers.

The project has found that Cadets also save the Ministry of Defence money as they serve longer and are four times more likely to become officers.

The project's interim report was launched by the Defence Secretary Michael Fallon.

## **Oomph!**

This work is delivering an evaluation of a Sport England funded project led by Oomph! Wellness CIC to support the elderly with community exercise classes. Working in partnership with Brunel University, it aims to demonstrate the social impact that the project has on society, for example through reduced NHS spend. It has found that the classes have an impact on health and wellbeing and reduce cognitive decline. Although the project is in its early stages, there has been healthy media interest.

## **Vietnam**

ISII has been working in Vietnam for five years, supporting social enterprise, measuring social impact and building research capacity.

It partnered with National Economics University to support them to develop a social business incubator, launch their own Institute for Social Innovation and Entrepreneurship, measure social impact and inform policy.

The work has been funded through external grants from the British Council.

## **Social Enterprise Gold Mark**

The University of Northampton's commitment to making a beneficial impact on communities and the environment has been recognised with a national recognition for the second year in a row.

The 'Social Enterprise Gold Mark' is awarded by the Social Enterprise Mark CIC to organisations who are leaders in being open, honest and fair in terms of their governance procedures, business ethics and how they fund social and environmental impact projects.

The Gold Mark was originally awarded in recognition of the University's dedication to social innovation and social impact, either corporately or through its outward facing projects through its Changemaker initiative.

By retaining the Gold Mark, the University of Northampton shows it continues to demonstrate excellence in these areas.

Welcoming the Gold Mark Wray Irwin, Head of University of Northampton's Centre for Employability and Engagement, said: "The breadth and depth of the University of Northampton's commitment to delivering Social Impact through our Changemaker student experience, has been singled out as the defining component of its Gold Mark recognition. Delivering social impact through Changemaking enables every student and member of staff to pursue their passion and address social inequality and environmental issues in a way that 'transforms lives and inspires change' so I'm really pleased we have kept the Social Enterprise Mark CIC."

Lucy Findlay, Managing Director of Social Enterprise Mark Company CIC, added: "Over the past year that the University of Northampton has held the Social Enterprise Gold Mark, I have been impressed with the social enterprise leadership and 'social value for money' that runs 'like a stick of rock'.

throughout the University. It's not just words, it's action – with students, the wider community and other partners.”

## **Opportunities**

Our opportunities are local, regional and global.

Locally, we are the only university in the county. Our new campus should attract more local people, as students and staff, and to work with us in various ways as we pursue our social impact agenda. Our new town centre location provides an opportunity to make a positive impact on the local area and community in which we are located, for example opening up pedestrian access routes through what was once a derelict site.

A Best Value Inspection of Northamptonshire County Council took place in early 2018. This recommended that plans be developed for two unitary authorities. A consultation has therefore taken place on future options for the organisation of the political structure locally. As a good local citizen, the University can provide support, expertise and brokerage aimed at the continued improvement of our town and county. For example the Vice Chancellor has been appointed as Chair of the Northamptonshire Health and Wellbeing Board. The Board brings together partners from the relevant agencies to improve health and wellbeing across the county, and to achieve closer integration of health and wellbeing services.

The University is located in England's economic heartland, the Cambridge - Milton Keynes - Oxford corridor. Following a report by the National Infrastructure Commission, in autumn 2017, the government published its overarching vision for a 'growth corridor similar to Silicon Valley that nurtures the UK's innovative industries'. It is now consulting to develop an integrated programme of infrastructure investments, housing and business growth. The University has existing expertise in skills development, business support, transport and logistics and environmental research, as well as good partnerships and relationships across the county, all of which can be leveraged in support of this agenda and to generate income.

Whilst the Changemaker Challenges are about improving Northamptonshire, our international students and those studying with international academic partners have an impact on their communities which is just as important. We have an opportunity to broaden the Changemaker Challenges, bridging local to global in a way that leverages resources, knowledge, and partnerships and provides a way to position the county's development in a global context.

Our Social Impact focus creates appeal and is distinctive amongst universities. It accords with a growing body of thought, and action, nationally and internationally. Investors increasingly seek a social return on their investment. Potential students and staff want to belong to an organisation with clear social values which has a positive social impact. There are opportunities in student and staff recruitment and in leveraging funding to support the University's work. There are also opportunities for our current students and staff, and our graduates in developing funded responses to the Changemaker Challenges.

Creating Social Impact creates a focus for knowledge exchange activities and the generation of income from sources other than student fees. We have opportunities to work with partners and

alone to generate funding from diverse sources. We can build on our existing strengths and curriculum to create opportunities. UK Research and Innovation's strategy states, 'we will support and encourage universities and other research institutions to make knowledge exchange and commercialisation an equal priority alongside their teaching and research missions'.

## **Risks**

We have aligned the University's brand and reputation with social impact, and risk arises if we do not create social impact.

Alongside this, there is a risk that if targets for research, enterprise and advancement income are not met, the University has less funding than anticipated and cannot continue to generate social impact. The forthcoming Knowledge Exchange Framework may be a risk as the form it will take is not yet known, and the University must ensure it has measurable metrics.

It may become more difficult for the University to win research funding following the reorganisation of UK research funding, and in the light of the UK's exit from the EU.

The UK government increasingly regards higher education as a personal good in which the individual invests in order to create value for themselves. Whilst we agree entirely that the University must be able to provide our students with value for money, we also believe that the sector should be recognised for the social value it creates. There is a risk to our mission if we do not receive proper recognition for everything that we do.



# Future Focused

## Introduction

The world is undergoing a technical revolution. Universities as originators and consumers of technology are not immune. Our Waterside Campus project gives us an unrivalled opportunity to embrace the digital age by creating a learning space and pedagogy fit for the new era.

Rather than waiting to be dislodged by the dazzling innovation of others, as happened in the music and publishing industries, we will use Waterside as our internal source of disruptive innovation. Our ambition:

To be the digital leader in UK Higher Education.

Why? Universities must be at the forefront of technological advancement, either by creating and utilising technology through research, or continually adopting it to improve learning and teaching in line with student expectations.

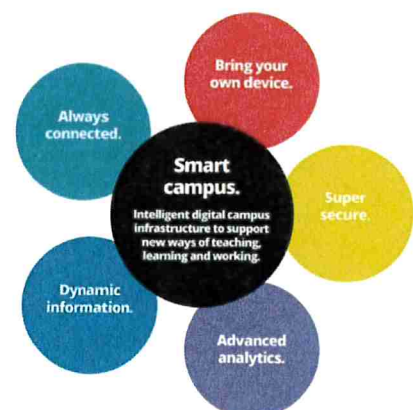
How? By being forward thinking and visionary, innovative and ambitious, leading the way in the digital transformation in universities and offering Super Supportive skills training and development. For example, our ground-breaking Active Blended Learning model – which fuses face to face teaching and support with digital resources – is proven by evidence to be transformational.

What? A smart campus, purpose built with an intelligent technology infrastructure capable of supporting new ways of teaching, learning and working. Our Waterside Campus provides enhanced support for mobility, allowing staff and students to work in the same way from any location without compromising the ability to interact with each other whilst ensuring the security of information. Waterside will provide an open, scalable and flexible platform for future research, enterprise and innovative use of technology to support a world where Artificial Intelligence, the Internet of Things and Blockchain are mainstream in Higher Education.

## Smart campus

Beyond 2018 the smart campus technology platform will enable the deployment of new personalised, Super Supportive services for students and staff.

Working closely with technology industry leaders we will implement innovative sector leading solutions that are location and context aware to better support staff and students in their work. Planned initiatives will involve Artificial Intelligence and Machine Learning developments and will introduce “bot” solutions to automate and enhance service provision. We will also explore ways to integrate digital solutions with the Changemaker Challenges to create Future Focused Social Impact



– Transforming Lives + Inspiring Change in the digital age.

## Underpinning values and behaviours

Key University Values: Leading, Delivering, Performance

Behaviours: Enabling digital transformation

### Performance Measures

#### Goal: Comply with bond covenants

Performance Measure	2017/18 Performance against target
To ensure projected cash surpluses and forecast capital expenditure achieved is in line with the financial model agreed with Her Majesty's Treasury	

#### Goal: Achieve excellence in IT delivery

NSS Question 18: The IT resources facilities provided have supported my learning well (or equivalent)	
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#### Goal: Capable and engaged staff and students prepared to engage positively in a volatile, uncertain, complex and ambiguous environment

Percentage of students reporting that their course prepares them for the digital workplace	
Percentage of staff responses of very or quite confident on digital capability survey questions	

#### Goal: Drive through efficiencies

Non-pay spend: non-pay vs income ratio	
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#### Goal: Achieve our recruitment targets and profile

Number of newly enrolled undergraduate Home/EU students enrolled as of 1 December	
Total number of newly-enrolled postgraduate taught Home/EU students enrolled as at 1 March	
Total income from international students	
Total income from distance learning students	
Undergraduate Single Honours – programmes with cohorts of equal to or less than 25	
Total number of postgraduate research students	
Total income from collaborative provision	
Delegates enrolled on corporate degree apprenticeship programmes	

Key:

	Target met or exceeded
	Within 10% of meeting target
	Target not met

## **Investment in Information Technology**

To support our investment in Waterside it was critical the University developed an IT infrastructure that would support the needs of students in an ever changing digital environment. The University has invested £20.5m in developing IT infrastructure.

The fundamental aim is to offer all the University's students the ability to work anywhere with any device, securely and flexibly, and access all their coursework resources, including those that would traditionally have required a University workstation.

The University selected XMA as a key partner in developing the IT infrastructure. Investment has been made across seven core areas that will enable the University to deliver first class teaching on a multitude of platforms.

The key development areas are:

- 1) A new wired network;
- 2) A new wireless network;
- 3) New unified communications;
- 4) Investment in computer hardware;
- 5) Investment in audiovisual equipment;
- 6) Upgraded servers and storage;
- 7) Heightened network security.

At the heart of the investment is a state-of-the-art CISCO network created to support the ever increasing demands of data and traffic.

### **Wireless Network**

This is the primary mode of access to IT services across the campus.

For example, audio visual solutions in teaching spaces are accessed through the wireless network, which supports the sharing of content from staff and student devices.

### **Unified Communications**

The University has invested in voice communication, real time web communication and instant messaging, including group conferencing and content sharing internally and externally.

Single Number Reach means that staff can easily take calls whether they are on a physical phone, softphone on their PC or mobile device or on a mobile phone.

### **Computer Hardware**

Data and applications are secure and readily available on demand, irrespective of the user's location or the device being used. Staff and students should be able to access applications from any device, anywhere, on or off the campus.



Computing solutions have decoupled applications and data from the underlying hardware so they can be managed centrally and can be securely delivered to users on any device at any location. This gives the ability to 'wipe' devices which are lost or stolen and enables a move away from the use of desktop computers with specific applications in labs and IT suites.

Computing solutions for staff will enable mobile working. There are also student loan laptop facilities with self check-out.

## **Teaching Space Audio Visual Solutions**

AV solutions in teaching spaces are common and offer consistent features, layouts and control interfaces throughout the entire campus. The AV solution supports collaboration in learning spaces, enabling user-friendly exchange of content between teachers and students.

## **Digital Signage**

There is digital signage across the campus which allows campus-wide control and consistent messaging. Media walls have been installed in the Learning Hub and the Creative Hub. The walls are made up of screens, each capable of showing a different image, as well as one large image. In addition, the Energy Centre chimney has an LED screen visible from many points across the campus as well as the town.

## **Active Blended Learning**

At Northampton we immerse students in their chosen subject from day one. Students work on problems and projects that give practical insight that will stay with them throughout the learning journey and after graduation.

We have an increased focus on seminars or tutorials that allow closer interaction between students and a member of staff. This can take the form of one-to-one or small group discussions, allowing for experimentation, exchange of ideas, teamwork and feedback.

This type of contact time varies depending on the subject and the mode of study. It could include face-to-face teaching or it may take a virtual form through the use of online discussion groups or learning environments and other technology-enabled means.

It is a 'blended' approach to learning that makes the most of students' – and lecturers' – time. It puts students at the centre of their own learning by giving them more opportunity to ask questions, delve deeper into the subject, and ultimately give an experience that will benefit them after they graduate. Blended approaches use multiple methods to deliver learning, using technology to enhance and extend learning activities where appropriate. It does not mean creating a split between 'face to face' and 'online' work, but rather creating activities that 'blend' learning across different contexts, including collaborative and independent study. Learning becomes an integrated experience, rather than a sequence of disconnected tasks.

Active learning strives to involve students directly in the learning process. It requires students to do meaningful learning activities, process new information and think about what they are doing with it.



In active learning, students are expected to contribute and discuss ideas, try out concepts and skills, create resources, and actively reflect.

## **University recognised for being one of a handful of institutions teaching and researching Blockchain**

The University of Northampton has been recognised as one of only a handful of Higher Education (HE) institutions worldwide which are teaching or carrying out Blockchain research.

Blockchain is a shared, replicated ledger that underpins technology such as cryptocurrency, but also sets out to provide the foundation for the next generation of transactional applications.

Digital assets industry analyst website [Diar](#) has included the University of Northampton in a list of just 28 HE providers that teach aspects of Blockchain and/or conduct research into it. Northampton does both.

Postgraduate students on the MSc Computing course are taught elements of Blockchain, including a general introduction to the basic concepts, plus coding and programming techniques.

Meanwhile, various Northampton academics, led by Senior Lecturer in Education, Dr Cristina Devecchi, have collaborated on a Blockchain project to help Syrian refugee children which has been promoted by the United Nations.

Dr Scott Turner, who teaches Blockchain on the MSc Computing course, has also delivered a talk with colleague Dr Ali Al-Sherbaz about the subject to the British Computing Society.

The University's Vice Chancellor, Professor Nick Petford, said: "It is good to see the work of the University of Northampton recognised as contributing to the academic and practical development of Blockchain.

"The technology offers a new way of looking at old problems with great potential to innovate across a wide range of our research activities from education and humanitarian aid to supply chain management."

## **Opportunities**

We have an opportunity to become sector leaders in innovative pedagogy, backed by the use of technology for learning and teaching. This will improve the attractiveness of our offer to students and potential students, as well as allowing us to recruit teachers who want to be really innovative in their practice. We have an opportunity to develop digitally literate staff, both in support of the University and of their future careers. We will produce work-ready graduates who are at home with the latest technology and able to develop creative solutions in their work.

Our cutting edge technology will ensure that we deliver an excellent service to our students and partners, providing value for money for students, and enhancing our reputation for professionalism. Pedagogical innovation also allows us to develop the expertise of our staff in research and practice in learning and teaching, creating new opportunities for research and knowledge transfer.

## **Risks**

The introduction of cutting edge technology requires the buy in of staff and students. Without this, there is a risk of failure and a drift back into the old ways.

Having invested heavily in technology once, there is a risk that the University does not continue to invest and innovate, and falls behind its competitors, leading to a fall in student and staff experience metrics.

If the University's underpinning systems are not robust, there is a risk of IT failure, either on a large-scale, or through high numbers of small-scale incidents. This would cause reputational damage and damage to the student and staff experience, which would be reflected in surveys such as the National Student Survey. There would also be a financial risk of further resource being committed to solve problems, leading to budget overrun.

If systems are not robust and secure, there is a risk to the security of the University's data, for example through cyber-attack. This would result in damage to the University's reputation and relationships with its stakeholders. There would also be a risk of non-compliance with the General Data Protection Regulation, and of a heavy fine.

# Super Supportive

## Introduction

A Super Supportive student experience is core to what we do. We aim not just to meet expectations but exceed them. It is, at its heart, fundamentally about providing a personalised, emotional connection that transcends quality to transform individuals for the betterment of themselves and society. A Super Supportive staff experience is also vital to secure our ambitions in research, enterprise, consultancy, intellectual property, professional practice and continuous innovation in teaching and learning. We aim to promote inclusivity for all staff and the opportunity to develop and make valuable, socially impactful contributions that transform lives and inspire change.

Our ambition:

To deliver outstanding student success and value for money through personalised, holistic support.

Why? Every student has their own personal goals and individual needs. Super Supportive means being inclusive, on your side, encouraging and caring, diverse and international. By offering the best possible support we create an environment where students grow into confident, self-propelled learners – Changemakers of the future.

How? An integrated network of expert staff, state-of-the art Active Blended Learning and Future Focused teaching resources that enhances individual study, teamwork, employability, social life and the well-being needs of students and staff.

What? Academic challenge combined with personal support, authentic, relevant courses to prepare learners for a future world not yet invented, students as partners in co-creation, embedding skills development in all courses to achieve outstanding graduate employment, digital capabilities and Social Impact.

## Supporting change

Super Supportive means a commitment to developing knowledgeable graduates who are socially responsible, digitally proficient and highly employable global citizens. Our ChANGE Framework of Graduate Attributes (Changemaker Attributes at Northampton for Graduate Employability) captures what we think is a unique employability skills ecosystem designed to enhance future career prospects Supporting purposeful research, enterprise and professional practice.

Enthusiastic, well qualified and high quality staff engaged with their professions is key to student success. The University strives to create an environment in which research and allied activities can flourish. We will grow our intellectual capital and support all staff in achieving positive Social Impact. Supporting strategic partners.

We will support our strategic partners, including but not restricted to Higher Education, with whom we will develop longer term alliances to create significant and sustainable value.



Education with others – allying with high quality partners – will drive student number growth, transform lives and inspire change on a global scale. It will facilitate excellent student experiences and enhance employability while affording national and international opportunities for innovative research, enterprise and Social Impact.

Do the right things, in the right way, with the right people, for the right reason.

## Underpinning values and behaviours

Key University Values: Openness, Valuing, Enabling, Delivery

Key Behaviours: Developing an excellent student or customer experience, Developing yourself and others

## Performance Measures

### Goal: Achieve outstanding levels of student satisfaction

<i>Performance Measure</i>	<i>2017/18 Performance against target</i>
Undergraduate National Student Survey (NSS) Overall satisfaction	
NSS Teaching (percentage satisfied or better)	
NSS Assessment (percentage satisfied or better)	
NSS Academic Support (percentage satisfied or better)	
Postgraduate Taught Experience Survey (PTES) Overall Satisfaction	
Postgraduate Research Experience Survey Overall Satisfaction	
% of students satisfied or better with learning through work opportunities	Awaiting data

### Goal: Achieve outstanding levels of graduate employability and post study

Destination of Leavers from Higher Education (DLHE) Graduate Employability (GE) 1st degree	
Undergraduate students with 'good degrees'	
Post study (undergraduate-postgraduate taught/professional) progression – DLHE	
Single Honours undergraduate programmes with work-based learning	
Undergraduate Single Honours programmes with professional accreditation/recognition	
Number of businesses and partners offering placements and/or work experience for students and graduates	

### Goal: Achieve success for all

Black Asian and Minority Ethnic graduate employability	
Continuation from entry year to year 2	
Progression from level 4-5	Awaiting data

### Goal: Achieve excellence in teaching, course design and content

Substantive teaching staff with HESA-recognised professional qualification	
Non-substantive teaching staff with HESA-recognised professional qualification	



**Goal: Achieve outstanding levels of student engagement and students as partners**

NSS response rate	
PTES response rate	
DLHE response rate	
NSS Learning Community question (percentage satisfied or better)	
NSS Student Voice question (percentage satisfied or better)	
% of full-time Students undertaking the Changemaker Employability Plus award	

**Goal: Staff committed to professional growth, engagement with their professions and achieving social impact**

Percentage of applicable staff engaging with the PDR	
% of academic staff meeting agreed objectives in relation to scholarly activity	
% of staff involved in Changemaker Challenges	Awaiting data

Key:

	Target met or exceeded
	Within 10% of meeting target
	Target not met

**Student Data**

We include the following data in our statement of public benefit to illustrate the number and variety of students for whom we provide our public benefit.

**Academic Achievement**

2,996 full and part-time students achieved an undergraduate degree after the summer exams in 2017-18. Of these, 1,781 achieved a 'good degree' (1<sup>st</sup> or 2:1).

**National Student Survey (NSS)**

In the 2018 National Student Survey (NSS), for 'Overall Satisfaction', 82.2% of students agreed that they were satisfied. The University of Northampton is in the upper quartile of universities for Assessment and Feedback. The highest scoring sections for the University are Learning Opportunities (83.7%), the Teaching on my Course (83.8%), Overall Satisfaction (82.2%) and Learning Resources (81.4%). The University of Northampton scores higher than the sector average student satisfaction for:

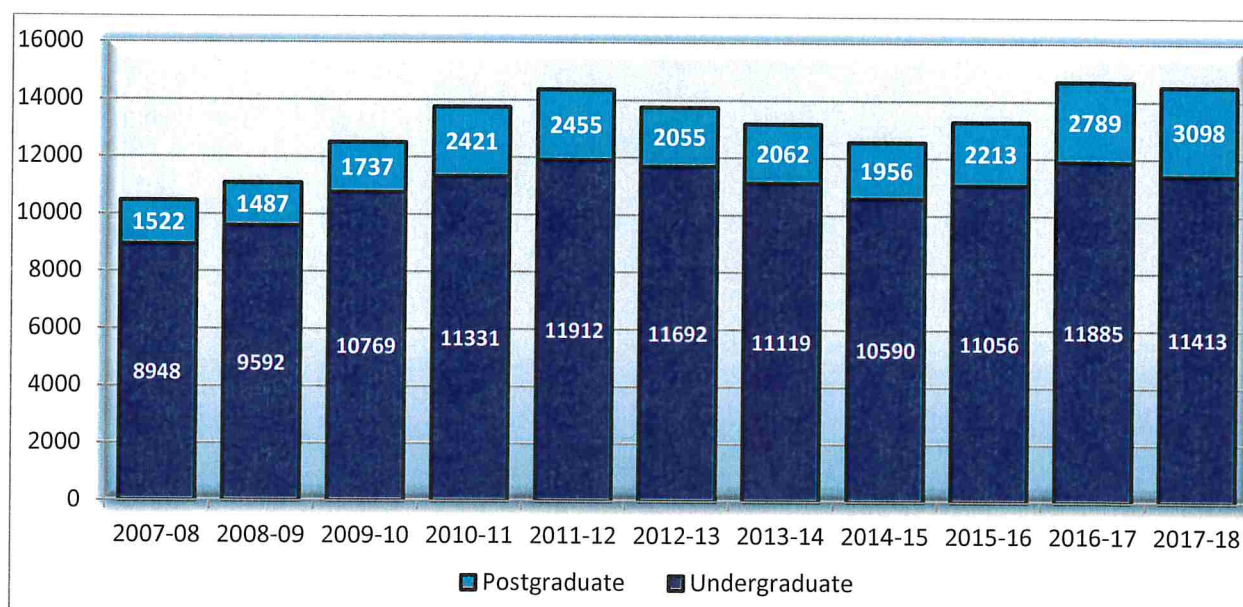
- Opportunities to apply what has been learnt;
- Timely feedback;
- Fair marking and assessment;
- Helpful comments on work;
- Clear marking criteria;
- Feeling part of a community of staff and students.

The University will be continuing in its work to further improve satisfaction levels.

## Trend Data

**Total enrolled Higher Education students 2017-18:**

	Undergraduate	Postgraduate	Total
<b>Full-Time (Home)</b>	8565	345	8910
<b>Full-Time (Overseas)</b>	1481	758	2239
<b>Part-Time (Home)</b>	1048	1161	2209
<b>Part-Time (Overseas)</b>	319	834	1153
<b>Total</b>	<b>11413</b>	<b>3098</b>	<b>14511</b>

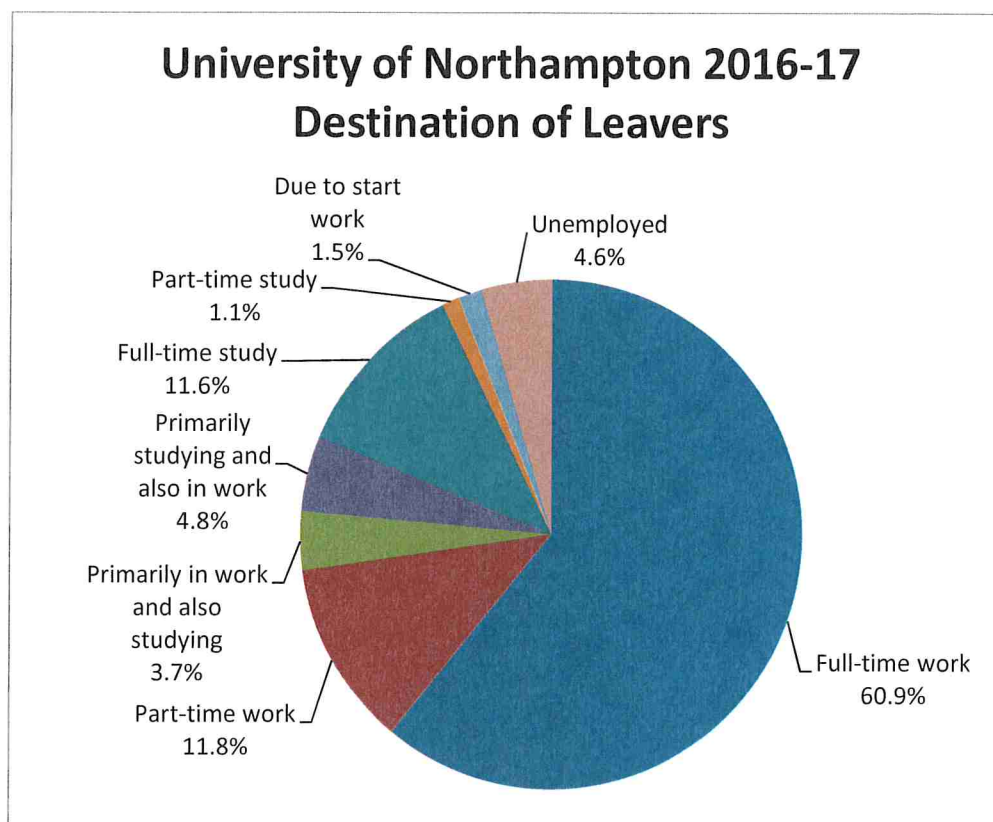


## Destination of Leavers from Higher Education (DLHE)

The Destination of Leavers from Higher Education Survey (DLHE) is undertaken each year. The 2016-17 survey asked students successfully completing courses for information about their employment and study status six months after their departure. The survey covered all UK, EU and non-EU domiciled award holders completing undergraduate, postgraduate, foundation degrees, certificates in HE, diplomas in HE, HNDs and HNCs, whether full or part-time.

The results showed that 93.9%\* of leavers who supplied data were in work and/or study.

Of the 2109\* leavers in work and/or further study, the following information was supplied:



Of 1636 respondents that were employed in the UK, 70.8% were in graduate level jobs.

*\* This breakdown excludes those leavers who gave an 'explicit refusal to take part' in the survey, but includes those alumni who are 'not available for employment' or 'other'.*

### Distribution of Higher Education Students

10.0% of full-time students and 8.2% of part-time students state that they have some form of disability (2017-18).

45.5% of full-time students and 41.5% of part-time students come from Black and Minority Ethnic communities (2017-18).

Participation in subject areas is indicated broadly by the recruitment of Faculties (all levels of study):

Distribution by Faculty			
Faculty	Full-time	Part-time	Total
Arts, Science & Technology	1934	377	2311
Business & Law	2537	615	3152
Education & Humanities	1218	450	1668
Health & Society	3268	682	3950



<b>Partner Colleges</b>	2179	1206	3385
<b>The Graduate School</b>	8	23	31
<b>Unassociated Students</b>	5	9	14
<b>Total</b>	<b>11149</b>	<b>3362</b>	<b>14511</b>

<b>Distribution by Gender</b>							
<b>Full-time</b>	<b>Total</b>	<b>Male</b>	<b>%</b>	<b>Female</b>	<b>%</b>	<b>Other</b>	<b>%</b>
<b>Postgraduate</b>	1103	500	45%	603	55%	0	0%
<b>Undergraduate</b>	10046	3691	37%	6354	63%	1	0%
<b>Total</b>	<b>11149</b>	<b>4191</b>	<b>38%</b>	<b>6957</b>	<b>62%</b>	<b>1</b>	<b>0%</b>
<b>Part-time</b>	<b>Total</b>	<b>Male</b>	<b>%</b>	<b>Female</b>	<b>%</b>	<b>Other</b>	<b>%</b>
<b>Postgraduate</b>	1995	853	43%	1142	57%	0	0%
<b>Undergraduate</b>	1367	670	49%	697	51%	0	0%
<b>Total</b>	<b>3362</b>	<b>1523</b>	<b>45%</b>	<b>1839</b>	<b>55%</b>	<b>0</b>	<b>0%</b>

<b>Distribution by Age*</b>					
<b>Full-time</b>	<b>Total</b>	<b>Under 21</b>	<b>%</b>	<b>21 &amp; Over</b>	<b>%</b>
<b>Postgraduate</b>	1103	8	1%	1095	99%
<b>Undergraduate</b>	10046	4406	44%	5640	56%
<b>Total</b>	<b>11149</b>	<b>4414</b>	<b>40%</b>	<b>6735</b>	<b>60%</b>
<b>Part-time</b>	<b>Total</b>	<b>Under 21</b>	<b>%</b>	<b>21 &amp; Over</b>	<b>%</b>
<b>Postgraduate</b>	1995	2	0%	1993	100%
<b>Undergraduate</b>	1367	153	11%	1214	89%
<b>Total</b>	<b>3362</b>	<b>155</b>	<b>5%</b>	<b>3209</b>	<b>95%</b>
<b>* Age = as at the beginning of year of study</b>					

<b>Distribution by Ethnicity</b>							
<b>Full-time</b>	<b>Total</b>	<b>BME</b>	<b>%</b>	<b>White</b>	<b>%</b>	<b>Not Declared</b>	<b>%</b>
<b>Postgraduate</b>	1103	815	74%	239	22%	49	4%
<b>Undergraduate</b>	10046	4256	42%	4924	49%	866	9%
<b>Total</b>	<b>11149</b>	<b>5071</b>	<b>45%</b>	<b>5163</b>	<b>46%</b>	<b>915</b>	<b>8%</b>
<b>Part-time</b>	<b>Total</b>	<b>BME</b>	<b>%</b>	<b>White</b>	<b>%</b>	<b>Not Declared</b>	<b>%</b>
<b>Postgraduate</b>	1995	752	38%	1014	51%	229	11%
<b>Undergraduate</b>	1367	584	43%	663	49%	120	9%
<b>Total</b>	<b>3362</b>	<b>1366</b>	<b>40%</b>	<b>1677</b>	<b>50%</b>	<b>349</b>	<b>10%</b>



## TEF Gold

We are proud to have received the highest award possible as part of the Teaching Excellence Framework (TEF). This means that students, and those who fund them, can be confident that they are studying at one of the best teaching universities in the country with some of the best support available.

## Student success

### First class Finance graduate has big corporate ambitions



Stephen Adeoye has his eyes on becoming a high flying CEO in the future after securing a first class honours degree and a full time job at a globally recognised brand.

Stephen, 21 from Peckham, secured an impressive job on the day of his final exam with US-based financial services company, First Data, as a corporate analyst for their Europe, Middle East and Africa compliance team.

A graduate in BSc Banking and Finance, Stephen was determined to make all his hard work count with a job in his chosen field.

Stephen said: "I knew I wanted to study a subject that involved finance and I wanted a degree that was going to translate into a prosperous career financially, so I was delighted to be accepted to study at the University of Northampton.

"I started applying for jobs as soon as I began my third year, as I had been warned by one of my friends who had graduated that it can be difficult to secure the job you want after graduating.

"I went to one of the career advisors at the University, who gave me a template to tailor my CV into a skills-based resume. I applied for at least one job every day, mainly finance graduate schemes." Stephen credits his tutors at the University for helping him achieve this success.

He said: "My mentor, Tambudzai Mangezi, the Head of Accounting and Finance at the University reassured me that I would do well, and she really believed in me which helped ease any doubts I had about not achieving a first class."

As he looks towards the future, Stephen has his eyes firmly set on major corporate success, he added: "My long-term goal is to be part of a Board as a chief control officer and eventually become a CEO for a reputable organisation. It is a very ambitious goal and right now I honestly know very little in my field, so over the next few years I aim to soak up as much information as possible and become a walking encyclopaedia on compliance, which will hopefully set me on the road to a successful career."

### **Changing the lives of Children in Northampton, mature student Adesuwa tells her story**



Adesuwa Omoregie Ogie, a mature student who graduated in 2018 found time to balance working and family life, alongside studying for her [BA Childhood and Youth](#) degree. Three years ago Adesuwa started her studies at the University of Northampton, with the youngest of her five children just three years old. Now she has launched her own social enterprise to help children in her community.

"As a mature student with a lot of personal responsibilities, I was a bit nervous when I first made the decision to go to university. From the moment I visited the campus and spoke to the academics, I knew that Northampton was the place for me. The course leader was very friendly and we talked through my fears for studying and what the University could do to help and support me to balance them all."

The BA Childhood and Youth programme includes three work based placements. It was during these placements that Adesuwa's academic knowledge and the practicalities of working with children and young people became clear. She decided that it was time to do something to support children and families from the Black Minority Ethnic (BME) community.

What started as an idea born out of this work based placement has now seen Adesuwa launch My Essence Oasis, a social enterprise, which helps children and young people in the BME community, and other groups, struggling with special needs and mental health issues. Her work has already helped lots of children across Northamptonshire.



"While I was studying and out on placements I began to notice that a lot of parents within my community didn't have the understanding and support to cope with children who had learning disabilities and special educational needs. In the early days, I just got closer to the parents I met and used my knowledge from my course to help them. I also tried to enlighten the community around these children and their parents, to help reduce their feelings of ostracism.

"It was at this point I decided that I had to do something. I held a conference called 'understanding', within a religious setting, which was really well attended. I invited parents, religious leaders, and people from the community and everyone was very positive about what I was trying to do. I then started having conversations with my lectures and this helped form the way Essence Oasis works.

"Essence Oasis provides a non-judgemental platform for our community to openly talk about their challenges. There are more cultural and religious barriers in ethnic minorities, so it needs special attention to address these barriers and access the right support needed. Most of the support out there is not culturally sensitive, so our approach is from a culturally sensitive point of view. We are now providing activities for SEN children and their families. Likewise we support families, acting as advocates and liaising with organisations and professionals who specialise in dealing with mental health illness, autism and other related issues.

"After I graduate, I'm actually going to come back and start another course with the University of Northampton to develop my knowledge in the area of social work, so I can develop what Essence Oasis can offer to my community."

Although Essence Oasis is in its early stages, Adesuwa is keen to find people and organisations to work with to improve the lives of children and young people within the BME community.

## **Enhancing Student Success**

Enhancing Student Success is a four-year, institution-wide plan to enhance the undergraduate student experience. It has two elements, the First Year Experience and Continuing Student Success. The objective of the plan is to improve rates of completion of courses, supporting students who may be considering withdrawing from their studies, or those who have returned from a study break. It also aims to improve graduate outcomes in both degree classifications and employability.

## **Student Support Package and Benefits**

Every full-time BA, BSc, BEng, LLB, HND, FdA or FdSc student starting the first year of their degree with us in September 2018 will receive a laptop to keep at no additional cost. Alternatively, students can opt for a discount on accommodation costs in halls of residence or weekly credit to spend on campus

Every student receives a subscription to Microsoft Office for the duration of their studies. Students have free access to Lynda.com, a huge library of high-quality online video tutorials supporting study skills, digital skills, business skills, employability skills and lots more.

All essential course reading is available from the University's Library, so there is no need to purchase text books. Students also receive credit to put towards printing costs.

All of our Sports Clubs, offered via the Northampton Students' Union, are free. There's no cost to join, train or play any of the sports available at the University. As an added bonus, any kit that is required is also supplied by the Students' Union free of charge.



We also offer free Societies via the Northampton Students' Union. There is no cost to join or start a Society at Northampton.

### **Satisfied research students put University of Northampton in the top four**

The University has been ranked fourth in the UK for postgraduate research student satisfaction.

Positive feedback from our students in the national Postgraduate Research Experience Survey saw the institution placed fourth out of UK universities in the Overall Satisfaction category.

The Postgraduate Research Experience Survey is the only UK Higher Education sector-wide survey to get feedback from postgraduate research students about their learning and supervision experience. Northampton PhD student, Lucy Atkinson, said: "During my research degree at Northampton, I have been provided with the full support required to become an effective researcher."

"I found a really friendly environment here, with helpful and resourceful academic staff. Over the years, I have been working with wonderful people, especially my supervisors, who have been the highlight of my PhD, supporting me in every aspect of my research and personal life".

"For those looking to embark on a PhD, I believe the University of Northampton will be a great start to their research careers, as it provides a strong diverse experience where research and professional development are possible."

Professor Simon Denny, Executive Dean of Research, Impact and Enterprise, said: "I am delighted by the PRES results. We work very hard to provide our research students with the best support they can get. Our PhD and Professional Doctorate completion and progression rates are excellent and I am glad our research students have rated us so highly. We have invested heavily in the physical resources for research students and have a fantastic dedicated research centre at our new Waterside Campus."

### **Staff**

The University believes in supporting the development of its staff. Staff engage in opportunities provided externally to the organisation, particularly long courses or professional accredited opportunities. The University also provides bespoke and relevant internal training delivered from specialist teams areas across the institution.

In the 2017 Staff Survey only 13% of staff disagreed with the statement "I am encouraged to develop new skills and attain new knowledge relevant to my post". The challenge is that only 43% of staff felt they had the time to access relevant staff development. This is being partly addressed by an increase in the use of e-learning. In 2017 610 members of staff accessed non-mandatory e-learning provisions. In the 2017 Staff Survey, 93% agreed with the statement "I share my experiences and knowledge to help my colleagues, reinforcing the super supportive nature of the institution."

### **Goodwill Solutions CIC**

An example of a successful strategic partnership for the University. In 2017, Goodwill Solutions CIC won a Barclays Entrepreneur of the Year Award, its fourth such recognition in the year.

The Community Interest Company, which supplies warehouse services to businesses both in the UK and abroad had previously won a regional Barclays' Entrepreneur of the Year Award and also won in the Social Enterprise category at the UK Private Business Awards National Finals.

That was followed by the announcement they were to receive a Silver Award through the Ministry of Defence Employer Recognition Scheme in support of Armed Forces Covenant. This recognised their provision to former services personnel in resettlement and in gaining employment.

The University of Northampton joined the business in 2012 as a 20% shareholder. The two organisations share a desire and determination to create a positive impact on society through commerce.

For both Goodwill Solutions and the University, social innovation is bringing new thinking to help tackle long-standing problems. The Community Interest Company provides work programmes for disadvantaged people, ex-offenders and the long-term unemployed.

Goodwill Solutions' *BBO WRAP* Project is an initiative aimed at helping unemployed and economically inactive people from Northamptonshire, to gain accredited training in warehouse and distribution skills, followed by an offer of support into employment. This is achieved through an intensive 4-week course and is delivered to a wide-range of beneficiaries including ex-offenders and disadvantaged people, and works by giving them confidence, a sense of direction, as well as routine. This enables them to overcome their barriers to employment.

During 2017/18, there were 206 beneficiaries of *BBO WRAP*. Seventy participants found paid work as a result, with average earning of £18k. Seventy-two participants attained NVQ Level 1 Warehouse Training, and 117 achieved a Forklift Licence.

Goodwill Solutions' reach is wide-ranging, and the financial value of its social impact in 2017-2018 was £2.44m.

## **Opportunities**

We are building a strong reputation for supporting our students, for producing work-ready graduates and for being good partners. All of this is an opportunity to improve our appeal to applicants, their parents and funders, to employers, and to those who may wish to build partnerships and new ventures. Naturally this ensures that we remain financially viable, and gives opportunities to diversify our income. More than that, it means we have helped people, we have taken the opportunity to fulfil our mission to transform lives and inspire change.

There will be specific opportunities to grow strategic partnerships both at home and overseas. There will also be opportunities to spin-out our current expertise into commercial ventures, and we will continue to explore these.

## Risks

If our portfolio of courses is not attractive to students, this will affect enrolment.

Several factors affect our reputation and therefore the decision making of applicants. These are:

- Poor results in the National Student Survey;
- League Table position;
- The loss of TEF Gold status, which would also affect our ability to charge higher fees.

If students do not have a good experience at the University, our super supportive reputation is affected. For example, campus safety and security were compromised.

If our existing partners gain taught degree awarding powers, this affects income as they no longer need validation arrangements with the University.

If relationships with strategic partners are poorly managed and become ineffective, there is an effect on reputation and income streams. If strategic partners themselves are found to be of low quality or unreliable, this also has an impact on the University's reputation.

If the recruitment, retention and progression of staff is not properly carried out, this leads to dissatisfaction and poor retention. A lack of effective succession planning for senior staff leads to a lack of continuity in leadership and comprises the University's vision and mission.

If staff do not have sufficient time and support to undertake development activities and engage with professional practice, there is a risk to the staff morale and to the student experience.

If the University is found not be compliant with the relevant legislation and does not therefore fulfil its duties for example in health and safety or the Prevent agenda, there would be reputational damage and legal challenge with potential financial penalty.

## Trade union facility time data

The University also recognises the valuable support that trade unions provide to staff. This section reports on trade union facility time data at the University in the period 1 April 2017 to 31 March 2018. This is included so that the University is compliant with the Trade Union (Facility Time Publication Requirements) Regulations 2017 which require certain public-sector employers to report on paid time off provided to trade union representatives for trade union duties and activities on their website and in their annual report.

- Employees: 1,501 to 5,000 employees;
- Trade union representatives: 14;
- FTE trade union representatives: 12.26.

Percentage of working hours spent on facility time:

- 0% of working hours: 3 representatives;
- 1 to 50% of working hours: 11 representatives;



- 51 to 99% of working hours: 0 representatives;
- 100% of working hours: 0 representatives.

Total pay bill and facility time costs:

- Total pay bill: £55,080,496.00;
- Total cost of facility time: £64,925.00;
- Percentage of pay spent on facility time: 0.12%.

Paid trade union activities

- Hours spent on paid facility time: 2,784;
- Hours spent on paid trade union activities: 1,512;
- Percentage of total paid facility time hours spent on paid TU activities: 54.31%.

# Business Model

## Introduction

The financial focus of the University during the year was to ensure that the University continued to comply with its financial covenants to HM Treasury. Having successfully completed the build of the new Waterside Campus to open for new students in September 2018 within the required borrowing covenants, the ongoing focus is to ensure the University remains sustainable and able to continue to service its debt borrowings each financial year within the ongoing mandatory Debt Service Cover Ratios (DSCR).

## Financial Position

The University's financial performance was more or less as expected although there were some additional costs in the run up to moving to the new Waterside Campus. Extra expenditure, including updating IT infrastructure and grants for new Students Union facilities, led to a planned operating deficit during the year of £6.3m. However actuarial gains on pension schemes mean that Total Comprehensive Income was a £5m surplus. A new operating model based on the new Campus is anticipated to lead to reductions in estates expenditure going forward.

## Non pay spend

Continuing to control non-pay spend whilst maintaining teaching quality and supporting the objectives of the University is seen as essential to achieving the short and long term financial targets. The University continues to operate a strict 'no PO, no Pay' policy to ensure all spending is approved in advance of being committed to, on a Purchase Order approved by the cost centre holder and procurement.

## Category Management

Category management is a procurement tool to ensure that spending is with key approved suppliers and is closely managed and cost reducing. Having maximised efficiencies with the current supplier base, extra focus on this area of procurement is planned for 2018/19.

## Opportunities

- Grow and diversify income through strategic alliances in order to mitigate the reliance on undergraduate recruitment;
- The appeal of the new Waterside campus will boost student recruitment and ensure funding is available to service the University borrowings and provide money for growth and improvement;
- The increased efficiency of the infrastructure of the new campus will help provide a lower cost base moving forward, improving financial sustainability.

## Risks

- **Student recruitment** is a key risk to the University's financial sustainability. A loss of student numbers results in a loss of income to the University. This is monitored monthly at Board level and mitigated through regular student recruitment events, both those organised by the University and those at which the University is represented, such as HE fairs. There are also School plans, effective use of social media, targeted recruitment campaigns, and liaison with schools and colleges. Research has been carried out to understand the reasons why applicants decline the offer of a place at the University, and these reasons are addressed through media campaigns, and through the new Waterside campus;
- There is a risk if the University **breaches the covenants** associated with the HM Treasury loan guarantee. This requires careful monitoring of the current and projected financial position of the University and of the Waterside Project. There is financial monitoring and oversight at Board level;
- A failure to **monitor and manage budgets** at Faculty and Service level affects overall financial targets. There is regular monitoring of finances against the budget through the University Management Team and the Board of Governors and regular contact with Deans and Directors to monitor performance;
- There is a risk that an inappropriate **investment decision** has financial implications for the University. The Director of Finance monitors investment and maintains a close working relationship with University's bankers and HM Treasury. The Treasury Committee provides additional oversight. There are clear Financial Regulations and a Scheme of Delegation setting out the responsibilities for decision making;
- If there were external changes to the University's **pension liability**, this would have a significant financial implication and disrupt the normal operation of the University. There is regular monitoring of discussions relating to pensions, taking into account the views of Government, pension providers and the experience of other higher education institutions. The Treasury Committee monitors this issue at Board level.



# Governance and Management

## Corporate Governance

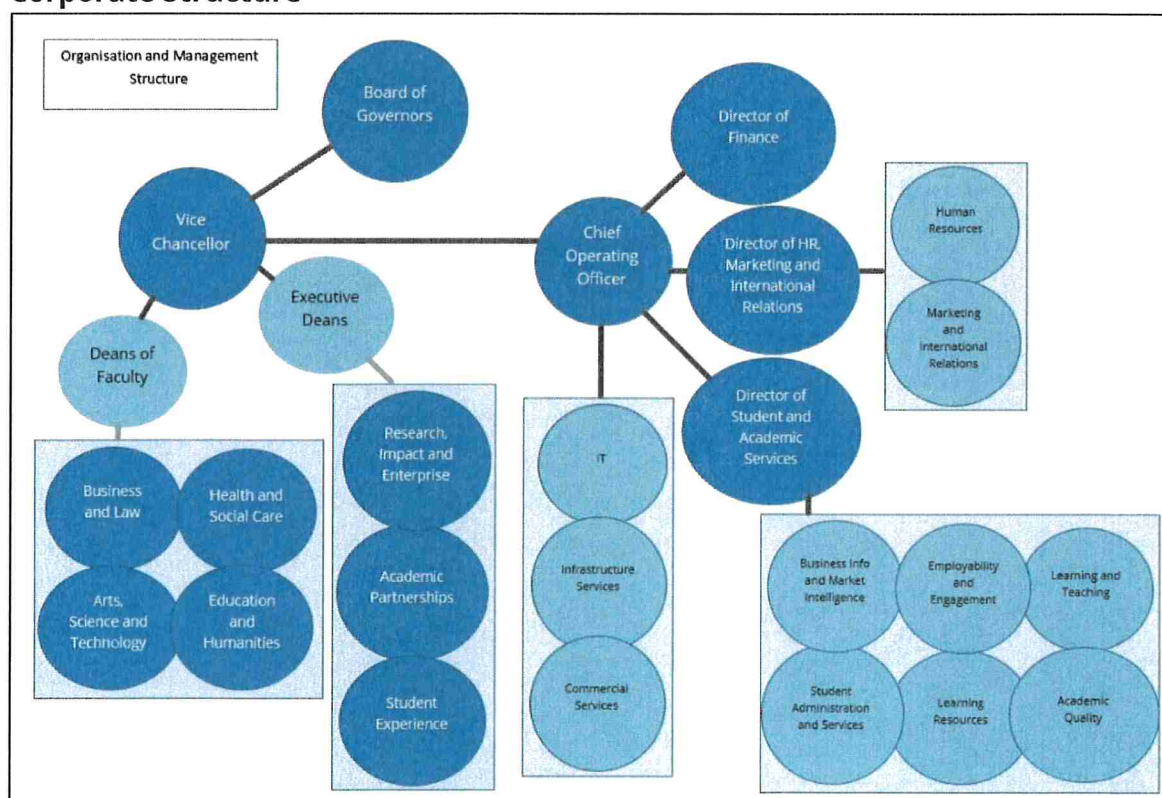
The Board of Governors is responsible for overseeing the University and for ensuring that it is well-run and continues to meet its objectives. The Board monitors progress, considers strategy and oversees the long-term health and sustainability of the University. The Board of Governors has formally adopted and abides by the Higher Education Code of Governance published by the Committee of University Chairs. Regular reviews of the Board's effectiveness and its compliance with the Higher Education Code of Governance are carried out.

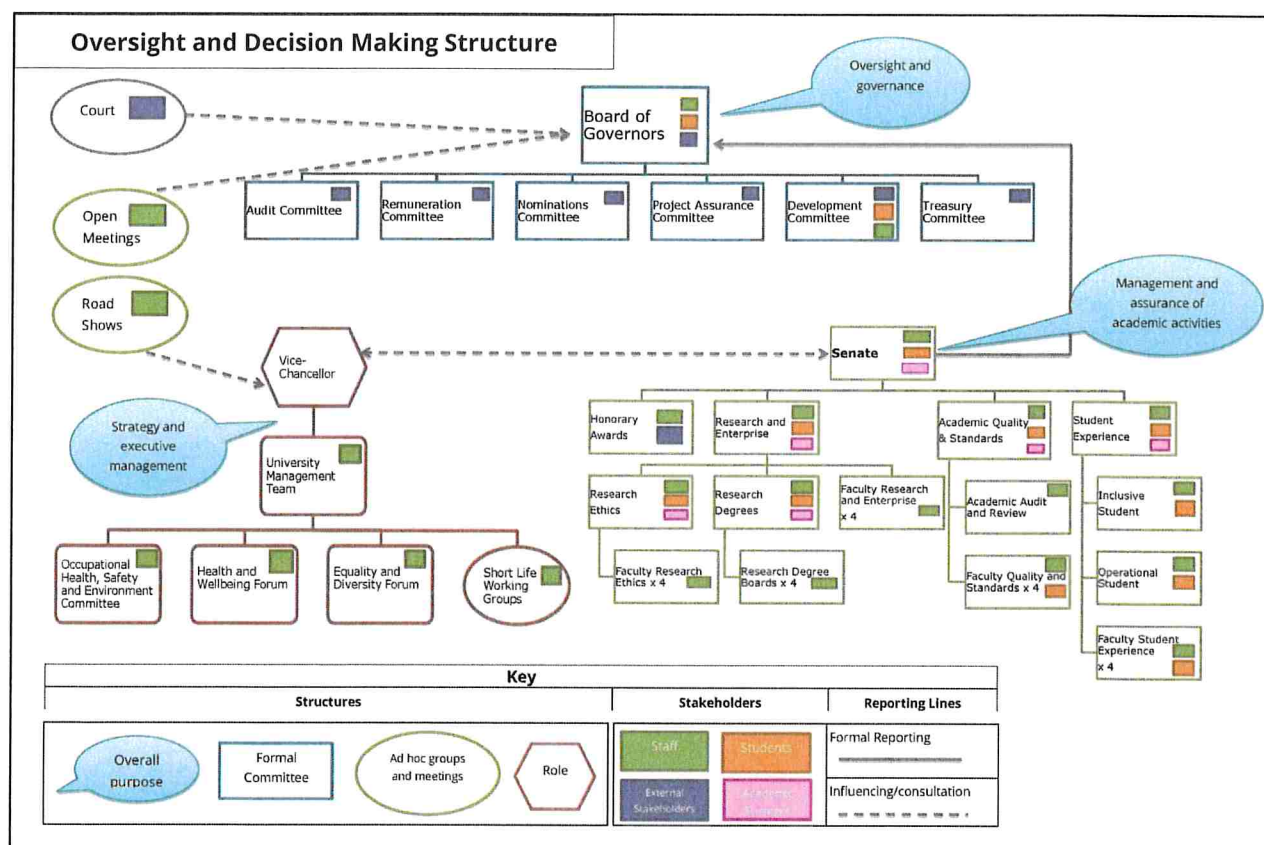
The Vice Chancellor is appointed by the Board of Governors as the University's Chief Executive. The Vice Chancellor organises, directs and manages the University and leads its staff. He is assisted and advised in this work by the University Management Team, comprising the Deans of Faculties, the Executive Deans, and the Directors of professional services.

The Board of Governors determines the academic character and mission of the University on the recommendation of the Vice Chancellor who determines the University's academic activities. He is assisted in this by the Senate, a committee with academic representation from across the University. The Senate has wide-ranging powers in regards to the University's academic business, for example granting degrees of the University, and agreeing academic policies.

The University has a Scheme of Delegation to ensure that decisions are taken at the appropriate level in the organisation.

## Corporate Structure





## Board of Governors

### Members of the Board and Trustees

The University's trustees are those who are appointed to the Board of Governors as members of the Higher Education Corporation. There are 17 current members of the Board:

David Baker	Gemma Lovegrove
Susan Dutton	Lee Machado
Edward Lord	Mark Mulcahey
Rafael Garcia-Krailing	Nick Petford (Vice Chancellor)
Sara Goodwin	Martin Pettifor
Jeff Halliwell	Nicholas Pitts-Tucker
Richard Horsley	Nicholas Robertson
Sylvia Hughes (Chair)	John Skelton
Frank Jordan	

The following have also served on the Board during the reporting period:

Andrew Scarborough – Chair until 31/07/2018  
 Danjie Zhong – until 20/06/2018



## Skills and Experience

The Board members are drawn from a variety of backgrounds and with a wide range of expertise. An audit of their skills and experience takes place every two years and is refreshed whenever new members join. The results of the skills audit inform the thinking of the Nominations Committee prior to recruitment exercises.

Skill/Experience	Number of Governors and Level			
	Very strong	Strong	Good	Basic
Senior leadership or management	8	3	1	1
Strategic planning	6	5	2	0
Governance	7	4	1	0
Risk management and internal control	2	2	7	0
Audit	1	2	6	4
Fundraising and income generation	1	3	3	6
IT	2	1	5	5
Business development/entrepreneurial thinking	2	5	5	1
Estates and property management	0	5	2	6
Higher education	2	5	4	2
Project management	7	2	4	0
Legal	0	1	9	3
Finance	3	4	5	1
Human resources	3	3	7	0
Staff recruitment and remuneration	4	4	4	1
User/customer experience	4	4	3	2
Equality and diversity	3	5	5	0
Marketing	2	4	4	3
Public relations	2	3	5	3
Communications	1	6	5	1
Local government and politics	2	1	2	8
National government and politics	2	2	3	6
Community	2	2	4	5

## Governors' Expenses

Over the reporting period, governors and external members of the Board's committees claimed £4,222 in expenses. This sum covered mileage, public transport and parking fees to enable travel to



meetings and other activity on behalf of the University. No other payments are made to trustees. Related party transactions involving trustees are listed in note 24.

## **The Work of the Board**

The responsibilities of the Board, as set out in its Statement of Primary Responsibilities are:

1. To approve the mission and strategic vision of the University, long-term academic and business plans and key performance indicators, and to ensure that these meet the interests of stakeholders;
2. To ensure that processes are in place to monitor and evaluate the performance and effectiveness of the University against the plans and approved key performance indicators, which should be – where possible and appropriate – benchmarked against other comparable institutions;
3. To appoint the Vice Chancellor as chief executive, and to put in place suitable arrangements for monitoring his/her performance;
4. To delegate authority to the Vice Chancellor, as chief executive, for the academic, corporate, financial, estate and human resource management of the University. And to establish and keep under regular review the policies, procedures and limits within such management functions as shall be undertaken by and under the authority of the Vice Chancellor;
5. To ensure the establishment and monitoring of systems of control and accountability, including financial and operational controls, audit systems and risk assessment, and procedures for procurement and for handling internal grievances and for managing conflicts of interest;
6. To establish processes to monitor and evaluate the performance and effectiveness of the Board of Governors itself and University governance;
7. To conduct its business in accordance with best practice in HE corporate governance and with the principles of public life drawn up by the Committee on Standards in Public Life.
8. To safeguard the good name and values of the University;
9. To appoint a Clerk to the Board of Governors and to ensure that, if the person appointed has managerial responsibilities in the University, there is an appropriate separation in the lines of accountability;
10. To be the employing authority for all staff in the University and to be responsible for establishing a human resources framework;
11. To be the principal financial and business authority of the University, to ensure that proper books of account are kept, to approve the annual budget and financial statements, and to have overall responsibility for the University's assets, property and estate;
12. To be the University's legal authority and, as such, to ensure that systems are in place for meeting all the University's legal obligations, including those arising from contracts and other legal commitments made in the University's name;
13. To receive assurance that adequate provision has been made for the general welfare of students;



14. To act as trustee for any property, legacy, endowment, bequest or gift in support of the work and welfare of the University;
15. To ensure that the University's constitution is followed at all times and that appropriate advice is available to enable this to happen.

## **How the Board Discharged its Responsibilities**

During 2017/18, the Board met 11 times. In addition, there was an away day, and a workshop exploring the management and mitigation of risk.

The Board made decisions and monitored as set below.

## **Strategy and Performance**

The Board approved a refreshed strategy for the University and updated supporting KPIs. It also gave its strong support to a campaign to ensure that the social value created by universities is recognised.

The Board monitored:

- Performance against the key performance indicators set out in the Operational Plan;
- The University's league table position and the factors that influenced this;
- Progress on the Changemaker Challenges.

## **Projects and Developments**

Progress on the Waterside campus was a standing item at each meeting. The Board gave additional consideration to security and resilience on the Waterside campus, and met Northamptonshire's Chief Constable and Chief Superintendent to give support and endorsement to a plan to work with the local Police to enhance campus security.

The Board also monitored the impact on the University of local and national political developments.

## **Finance and Financial Sustainability**

Management accounts were discussed at each Board meeting. The Board monitored the development of a budget strategy for 2018/19 and longer term financial forecasting. Student applications and recruitment for 2018/19 were a standing item on the Board's agenda. The Board also reviewed the University's Going Concern status and liquidity risk, and its compliance with TRAC (Transparent Approach to Costing) requirements.

The Board received:

- Students Union financial statements

The Board approved:

- The Annual Report and Consolidated Financial Statements for submission to the OFS;
- University Annual Report and Consolidated Financial Statements;
- External Audit Report and Management Representation Letter;

- Report to OFS on Forecast Variances;
- Audit Committee Annual Report to the Board.

## **Learning, Teaching and Academic Management**

In order to ensure its understanding and monitoring of the University's core academic business, the Board received a presentation from each of the Faculties covering strengths, weaknesses, opportunities and threats for the Faculty. The Board also received a presentation from the Dean of Partnerships, and a review of partnership finances in order to receive assurance of the robustness of the due diligence processes and the management of financial and reputational risk.

The Board received:

- Academic Assurance Annual Report;
- A report on the development of the University's apprenticeship offering.

## **Equality and Diversity**

The Board received:

- A report from the Inclusive Student Experience Group;
- A report on the Staff Equality and Inclusion Action Plan and progress.

## **Students**

The Board received:

- A report on the University's systems and processes for student welfare and support;
- A report on the number of student appeals and complaints and how these were addressed.

As part of improving its understanding of student mental health and wellbeing, and of how universities can improve to support their students, the Board received a presentation from James Murray, a father whose child had taken his own life.

## **Staff**

The Board monitored developments and statistics in relation to the University's staff. This included staffing statistics. The Board approved updates to various human resources policies.

## **Subsidiary Companies**

The Board received:

- A report on subsidiaries, joint ventures and investments;
- The annual accounts of the companies in which the University of Northampton Higher Education Corporation holds shares.

The Board approved:

- Updated Articles for wholly-owned subsidiary iCon Operations Limited;
- A system for the re-election of subsidiary company directors, and appointments and re-appointments of those directors as necessary.

## **Governance and Compliance**

The Board monitored the University's approach to risk management and risk appetite and those items from the University's risk register which were judged to be most serious.

The Board commissioned an external review of its effectiveness. This was carried out by Ranmore Consulting, and the results and recommendations were received and discussed at the February and March Board meetings. The Board also approved a plan for addressing the recommendations. This plan will be carried out over 2018-19. As a result of the review, the Board formulated and approved a statement of its aims and objectives for 2018-19.

The Board received:

- A report on Prevent duty compliance, and HEFCE's response to this;
- An annual report from the Remuneration Committee on its business and decisions over 2016-17;
- The minutes of each of its committees with the exception of the Remuneration Committee.

The Board reviewed:

- A report on considerations in the remuneration of Board members;
- The requirements for registration with the Office for Students.

The Board approved:

- The University's submission for registration with the Office for Students;
- The appointment of a new Chair and Deputy Chair to take office on 1 August 2018;
- The appointment of a new Senior Independent Member;
- A number of updates to University policies, and new policies on Donor Relations and Acceptance of Donations, Use of the Services of External Auditors, Naming of Assets by Donation;
- The formal adoption by the University of the HE Senior Staff Remuneration Code.



## **Board Standing Committees**

### **Audit Committee**

In 2017/18, the Audit Committee continued to look in detail at risk management, including the risk assurance framework and risk register. It also received and discussed reports and recommendations from the internal and external audit services. The Committee also has oversight of health and safety and occupational health arrangements, and received reports on these. The Committee recommended the Annual Report and Accounts, and the Annual Report on Subsidiary and Investment Companies to the Board. The Committee received other sources of assurance as necessary. These included the IT Controls Improvement Plan.

### **Development Committee**

The Development Committee has a wide brief to monitor growth and sources of income other than from student recruitment, ensuring that this is aligned to the strategic plan and contributes to the sustainability of the University. In particular it considers advancement, research, and enterprise, including social enterprise. In 2017/18, the Committee began its rolling programme of receiving presentations from the Directors of the University's Research Institutes, in order to understand the business model, capabilities and opportunities of the Institutes.

### **Nominations Committee**

The role of the Nominations Committee is to advise the Board on matters relating to its composition and membership and that of its committees. In 2017/18, the Committee ran a successful exercise to recruit a new member of the Board. It kept succession planning for the Board and senior management under review and ensured that a plan was in place for addressing these. The Committee reviewed its Terms of Reference, and an update was subsequently approved by the Board of Governors. The Committee also discussed the diversity of the Board, and how this could be supported and enhanced.

### **Project Assurance Committee**

The Committee scrutinises the Waterside development in detail. Over the reporting period it met and reported to the Board bi-monthly. It developed and adopted a risk-based approach to reporting. The Waterside Risk Register is the first item on the agenda, and reports are received on developments and mitigations in regards to the major risks. PAC received a tour of the new campus in March. It also reviewed security on the site, the recommendations made through an external review of security and the measures that had been put in place to address the recommendations. As part of its work, the Committee also considered the future use of existing University sites, and the development of sites which are not located on the Waterside campus.

### **Remuneration Committee**

To fill a vacancy, the Committee recruited a new external member in 2017/18, bringing further expertise to ensure that appropriate comparisons could be made. The Committee decides the remuneration, including the discretionary bonus payment, of three designated senior post holders, the Vice Chancellor, the Chief Operating Officer and the Clerk to the Board of Governors. In doing

this, it assessed the annual objectives of the three and whether they have been achieved. The Committee also received and monitored the Vice Chancellor's decisions about the remuneration of staff who are outside the national pay negotiations to ensure that these were equitable in line with the University's remuneration policy.

### **Treasury Committee**

The Committee advises the Board on the University's short and long term investment portfolio. In 2017/18, the Committee examined the performance of the University's investment portfolio to ensure that best value was being achieved. It also monitored the performance of endowment and advancement funds and reviewed the University's borrowings.

### **Remuneration of Senior Post Holders**

The University is committed to compliance with the HE Senior Staff Remuneration Code, and has carried out a review of its practices against the Code in order to ensure compliance.

The three senior post holders in the remit of the Remuneration Committee are:

- Vice Chancellor;
- Chief Operating Officer;
- Clerk to the Board of Governors.

Further information about the remuneration of the Vice Chancellor is contained in note seven to the Financial Statements.

### **Policy on the Remuneration of Senior Post Holders**

The University's Policy on the remuneration of senior post holders is in its Remuneration Policy for Staff Outside the JNCHES Agreement. This is available online at:

<http://tundrasearch.northampton.ac.uk/results/showimage.aspx?index=1472453>

In summary, the University's policy is that:

- Reward mechanisms will be clear and up-to-date with the market to ensure that the University is able to attract and retain key talent;
- Remuneration packages will be competitive and recognize the relative remuneration in comparable markets through relevant benchmarking. The benchmarking will take into account the performance of the University within its peer group;
- Remuneration will be determined fairly and objectively throughout the University;
- Remuneration may include base pay and some variable elements which will be commensurate with the role and level in the University. Where there are variable elements the value of the remuneration package, in its entirety, will vary with business performance and will only be paid where financial results allow, which will be at the discretion of the Remuneration Committee (for designated Senior Post Holders) or Vice Chancellor (all other employees in scope).

Senior Post Holders and senior managers can receive performance related pay (PRP).

The award of performance related pay is entirely discretionary. In accordance with the Remuneration Policy for Staff Outside the JNCHEs Framework, it will only be paid where the University's financial performance allows

The Remuneration Committee determines the PRP payment for senior post holders. No payment is awarded for the partial achievement of objectives.

Performance related pay is up to 15% of base salary. The payment is not consolidated into the employee's pension. Staff are not classified into different performance categories (such as satisfactory, good, excellent etc.)

#### *Corporate Element*

For the majority of those in scope, 10% of the payment is related to corporate objectives<sup>1</sup>. The corporate objectives against which this element of PRP will be paid are determined at Board level using the University's Key Performance Indicators. PRP is therefore linked directly to the institution's strategic objectives. Performance against the University's KPIs is reported to the Board of Governors

#### *Personal Element*

Payment of the remaining 5% of PRP is related to personal objectives. The personal objectives are agreed between the member of staff and their line manager. In the case of the three senior post holders, personal objectives are agreed by the Remuneration Committee. All personal objectives are expected to be 'SMART' (specific, measurable, achievable, relevant, time bound) and to relate directly to the achievement of at least one of the University's Critical Success Factors as set out in its Strategic Plan.

The performance of the senior post holders in respect of their personal objectives is reported to the Remuneration Committee.

### **Comparator institutions**

The last exercise to benchmark the salaries of Senior Post Holders against the sector was carried out in April 2015. Comparative data supplied by the Universities and Colleges Employers Association was considered. The salaries of the senior post holders were compared with the same roles at other post-92 institutions, and against competitor institutions in the same geographical region. No adjustment to any salary was made as a result. A further benchmarking exercise will be carried out during the 2018-19 academic year

### **Income derived from external activities**

Under the terms of the contract for senior post holders and senior managers, other employment must be approved by the line manager.

The University's Code of Conduct for employees states the following:

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<sup>1</sup> The two exceptions are: Clerk to the Board: 10% personal, 5% corporate, Waterside Project Director: 15% personal



‘In order to ensure the wellbeing of our employees and compliance with the Working Time Regulations, those who undertake additional work outside of the University, whether it is paid or voluntary, must notify their line manager.

Employees engaged in other work must ensure that it does not come into conflict with their duties at the University, that they devote their time during their University working hours to their University post and that it does not distract them from carrying out their duties with the University.’

There is a separate Code of Conduct for Senior Post Holders. For the avoidance of doubt, this will now be updated to include the above wording.

The University’s policy on consultancy income is included below. No senior post holder has received consultancy income during the reporting period.

### **Policy on Consultancy Income**

Two types of consultancy are recognised.

#### *Category A Consultancy*

This relates to projects which are not core requirements of an individual’s role and which they ‘win’ and conduct in addition to their normal role.

In order to promote the development of such activity staff are encouraged to bring this work into the University and through its accounts, thereby allowing the work to be covered by University’s insurance. Critically, staff will then be able to retain 100% of the income after any direct costs have been deducted, that is, only costs directly incurred in conducting the consultancy, such as the hire or further labour or travel expenses. No overheads will be charged. In many cases the direct costs will be minimal or even non-existent.

#### *Category B Consultancy*

This relates to projects secured and conducted in the normal course of a person’s role and consistent within their objectives and School objectives: a planned aspect of school practice. These may be either secured by an individual or team and given in whole or part to the individual/team to conduct by their line manager.

- If time is made available within the individual’s workload to perform the consultancy then no additional payment to the individual is required;
- Should the individual be on a ‘normal’ academic contract and has fulfilled the requirement of that contract including their ‘scholarly activity’ then an honorarium may be paid for this additional work;
- The scale of this honorarium should be based on the gross financial contribution made by the consultancy project. 50% of such contribution may be awarded to the individual/team conducting the work.

## Risk Management

During 2017-18, in conjunction with the University, the Board of Governors continued to work on its approach to risk management and its analysis of risk appetite. The process is in line with the Risk Management Policy which is reviewed annually. Risk management is overseen by the Chief Operating Officer. Risk managers at academic and professional service unit levels are required to consider the key risks which would impact upon their areas. This covers areas such as, but not exclusive to, governance, management, quality, reputation and finance. In addition to peer review of risk registers between risk managers, academic and professional service unit risk registers are monitored by the University's Risk Management Group which meets four times a year.

The key risks at unit level are subsumed within an institutional risk register which brings together the key risks at unit level and includes key strategic and business as usual risks. The institutional risk register is monitored by the Audit Committee at each of its three meetings. The Board of Governors receives the risks which are considered fundamental to the University three times a year. These risks are accompanied by a commentary which provides further assurances to the Board about the contingencies in place should the risk crystallise. The Board has found this to be a highly effective way to understand those areas of particular concern to the University.

During 2017-18, the internal auditors commented that "the Board can take **substantial assurance** that the controls upon which the organisation relies to manage the identified risk is suitably designed, consistently applied and operating effectively" for the fourth year in a row.

In addition, a detailed risk register has been prepared for the Waterside Project which will continue to be monitored by the Project Assurance Committee. Key risks from this risk register appear on the institutional risk register and, if appropriate, are communicated to the Board of Governors.

## Statement of Corporate Governance and Internal Control

The University acknowledges and endorses the principles of corporate governance, which it reaffirms in its byelaws.

The Board of Governors has accepted the Higher Education Code of Governance published by the Committee of University Chairs. A review of the Code has taken place, and a work programme for the Board has been developed. The Board is confident that all of the primary elements of the Code are met.

The Board of Governors has a responsibility for maintaining a sound system of internal control that supports the achievement of policies, aims and objectives whilst safeguarding the public and other funds and assets for which it is responsible.

The Board of Governors makes the following statement regarding internal control:

- The 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 and not absolute assurance of effectiveness;

- The system of internal control is based on an on-going 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 ending 31 July 2018 and up to the date of approval of the financial statements, and accords with guidance from the Office for Students;
- As a Board, we have responsibility for reviewing the effectiveness of the system of internal control. The following processes have been established:
  - Meeting as a Board a minimum of ten times a year to consider the plans and strategic direction of the institution;
  - Receiving periodic reports from the Chair of the Audit Committee concerning internal control. We also require regular reports from senior management on the steps they are taking to manage risks in their areas of responsibility, including progress reports on key projects;
  - The designation of the Audit Committee to oversee the risk management process and review the University's risk register;
  - The designation of the Project Assurance Committee, which has met monthly, to give special attention to monitoring and risk management of the Waterside Project;
  - The receipt by the Audit Committee of regular reports from the partner of the contracted internal audit service, which include the partner's independent opinion on the adequacy and effectiveness of the institution's system of internal control, together with recommendations for improvement;
  - An annual cycle of Audit Committee meetings involving the Board of Governors and Executive is undertaken to identify and keep up to date the register of risks facing the organisation;
  - Risk is a standard heading in reports presented to the Board and University Committees and in proposals for bids and developments (for example new courses and bids for research funding);
  - A system for the identification and monitoring of key performance and risk indicators is operational;
  - A robust risk prioritisation methodology based on risk ranking is in place
  - An organisation-wide risk register is maintained and a Risk Management Group comprising senior managers meets regularly to review the risk register;
  - Executive Deans, Deans and Directors of Professional Services report on risk and internal control activities through their Faculty or Service Risk Registers.

Our review of the effectiveness of the system of internal control is informed by the contracted internal audit service which operates to standards defined in the OFS Audit Code of Practice. The internal auditors, RSM, submit regular reports which include the audit partner's independent opinion on the adequacy and effectiveness of the University's system of internal control, with recommendations for improvement.

Our review of the effectiveness of the system of internal control is also informed by the work of the executive and senior managers in the University who have responsibility for the development and



maintenance of the internal control framework, and by comments made by the external auditors in their management letter and other reports.

The Board of Governors is of the opinion that the actions it has taken and the arrangements that it has put in place have made the University fully compliant with the requirements and expectations placed on it regarding corporate governance during the financial year 2017/18.

.......... **Sylvia Hughes (Chair)**

.....**Date**

## **Responsibilities of the Board of Governors in relation to the financial statements for the year ending 31 July 2018**

In accordance with the University's Article of Government and section 124B of the Education Reform Act 1988 as amended by section 71 of the Further and Higher Education Act 1992, the Board of Governors of The University of Northampton Higher Education Corporation is responsible for the administration and management of the affairs of the University and is required to present audited financial statements for each financial year.

The Board is responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the University and which enable it to ensure that the financial statements are prepared in accordance with the 'carried forward' powers and duties of previous legislation (Further and Higher Education Act 1992 and the Higher Education Act 2004) and the new powers of the Higher Education and Research Act 2017 during the transition period to 31 July 2019, the Accounts Direction issued by the Office for Students, the Terms and conditions of funding for higher education institutions issued by the Office for Students, the Terms and conditions of Research England Grant (and prior to April 2018, the Memorandum of Assurance and Accountability previously agreed with HEFCE), the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education 2015, and applicable United Kingdom Law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102, as well as reflecting current best practice in public sector corporate governance. In addition, under the terms and conditions of funding for higher education institutions issued by the Office for Students (and prior to April 2018 the Memorandum of Assurance and Accountability agreed with HEFCE), the Board, through its designated office-holder, is required to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the University and of the institutional surplus or deficit and cash flows for that year.

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

- Suitable accounting policies have been selected and applied consistently;
- Judgements and estimates have been made that are reasonable and prudent;
- Applicable UK law and accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Financial statements are prepared on the going concern basis, unless it is inappropriate to presume that the University will continue in operation.

The Board is satisfied that the University has adequate resources to continue in operation for the foreseeable future; for this reason the going concern basis continues to be adopted in the preparation of the financial statements.

The Board of Governors have taken reasonable steps to:

- Ensure that funds from the Higher Education Funding Council for England, the Office for Students, UK Research and Innovation, the National College for Teaching and Leadership (NCTL) and the Chief Executive of Skills Funding have been used only for the purposes for which they have been given and in accordance with the Memorandum of Assurance and Accountability with the Funding Council and the agreement with the National College for

Teaching and Leadership (NCTL) and the Education Skills Funding Agency and any other conditions which the Funding Council may from time to time prescribe;

- Safeguard the assets of the University and to prevent and detect fraud;
- Has a robust and comprehensive system of risk management, control and corporate governance. This includes arrangements for the prevention and detection of corruption, fraud, bribery and irregularities;
- has regular, reliable, timely and adequate information to monitor performance and track the use of public funds;
- Plans and manages its activities to remain sustainable and financially viable.
- Informs the Office for Students of any material change in its circumstances, including any significant developments that could impact on the mutual interests of the University and the Office for Students.;
- Uses public funds for proper purposes and seeks to achieve value for money from public funds;
- Complies with the mandatory requirements relating to audit and financial reporting, set out in the Office for Students Audit Code of Practice and in the Office for Students annual accounts direction.

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



# **Independent Auditor's Report To The Board Of Governors Of University Of Northampton Higher Education Corporation**

## **Opinion**

We have audited the financial statements of the University of Northampton Higher Education Corporation ('the parent institution') and its subsidiaries (the 'group') for the year ended 31 July 2018 which comprise the Consolidated Statement of Comprehensive Income and Expenditure Account, Consolidated and University Statement of Changes in Reserves, Consolidated and University Balance sheets, Consolidated Cash Flow Statement, the related notes 1 to 27 and the Statement of Principal Accounting Policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting standard applicable in the UK and Republic of Ireland".

In our opinion the financial statements:

- ▶ give a true and fair view of the group's and of the parent institution's affairs as at 31 July 2018, and of the Group's and parent institution's income and expenditure, gains and losses, changes in reserves for the year then ended, 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; and
- ▶ have been properly prepared in accordance with the Statement of Recommended Practice: Accounting for Further and Higher Education, and relevant legislation.

## **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the group and parent institution in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

## **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- ▶ the Board of Governors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- ▶ the Board of Governors' have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent institution's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

## **Other information**

The other information comprises the information included in the annual report set out on pages 4 to 61, other than the financial statements and our auditor's report thereon. The Board of Governors is responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

## **Opinion on other matters prescribed by the Office for Students Terms and conditions of funding for higher education institutions**

In our opinion, based on the work undertaken in the course of the audit, in all material respects:

- ▶ funds from whatever source administered by the University of Northampton Higher Education Corporation have been properly applied to those purposes and managed in accordance with relevant legislation;
- ▶ funds provided by the Office for Students and Research England have been applied in accordance with the applicable Terms and conditions attached to them; and
- ▶ the requirements of the Office for Students accounts direction for the relevant year's financial statements have been met.

## **Responsibilities of the Board of Governors**

As explained more fully in the Responsibilities of the Board of Governors' Statement set out on pages 60 to 61, the Board of Governors is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board of Governors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Governors is responsible for assessing the group's and the 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 Board of Governors either intend to liquidate the group or the parent institution or to cease operations, or have no realistic alternative but to do so.

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

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities> this description forms part of our auditor's report.

## Use of our report

This report is made solely to the Board of Governors of the University of Northampton Higher Education Corporation, as a body, in accordance with the Article of Government and Section 124B of the Education Reform Act 1988 as amended by section 71 of the Further and Higher Education Act 1992 of the University. Our audit work has been undertaken so that we might state to the Board of Governors those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the University of Northampton Higher Education Corporation and the Board of Governors as a body, for our audit work, for this report, or for the opinions we have formed.

Ernst and Young LLP

Ernst & Young LLP

Birmingham

Date: 29/11/2018

Notes:

1. The maintenance and integrity of the University of Northampton Higher Education Corporation web site is the responsibility of the Board of Governors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the web site.
2. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.



# Statement of Principal Accounting Policies for the year ending 31 July 2018



## 1. General Information

The University of Northampton is registered in England. The address of the registered office is Vice Chancellor's Office, University of Northampton, University Drive, Northampton, NN1 5PH.

## 2. Basis of Preparation

These financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP: Accounting for Further and Higher Education 2015) and in accordance with United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK And Republic of Ireland", and applicable tax.

The financial statements are prepared in accordance with the historical cost convention modified by the revaluation of certain fixed assets.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements. All amounts are disclosed in £000's unless otherwise stated.

## 3. Basis of Consolidation

The consolidated financial statements include the University and all its subsidiaries for the financial year to 31 July 2018. Accounting policies have been consistently applied across the group. The results of subsidiaries acquired or disposed of during the period are included in the consolidated statement of income and expenditure from the date of acquisition or up to the date of disposal. Intra-group transactions are eliminated on consolidation.

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

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

## 4. Recognition of Income

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

Fee income is stated gross and credited to the income and expenditure account over the year in which students are studying. Where the amount of the tuition fee is reduced, by a discount for prompt payment, income receivable is shown net of the discount. Bursaries and scholarships are accounted for gross as expenditure and not deducted from income.

Non-recurrent government grants received in respect of the acquisition or construction of fixed assets are treated as deferred capital grants. Such grants are credited to deferred capital grants and an annual transfer made to the income and expenditure account over the useful economic life of the asset, at the same rate as the depreciation charge on the asset for which the grant was awarded.

Income from the sale of goods or services is credited to the income and expenditure account when the goods or services are supplied to the external customers or the terms of the contract have been satisfied.

Donations with no restrictions are recognised in income when the University is entitled to the funds.

Investment income and appreciation of endowments is recorded in income on a receivable basis as either restricted or unrestricted income according to the terms of restriction applied to the individual endowment fund.

The University has 2 main types of donations and endowments identified within reserves:

1. 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.
2. Restricted expendable endowments – the donor has specified a particular objective other than the purchase or construction of tangible fixed assets, and the University has the power to use the capital

## Statement of Principal Accounting Policies for the year ending 31 July 2018



### 5. Accounting for retirement benefits

The Institution contributes to the Universities Superannuation Scheme (USS), the Local Government Superannuation Scheme (LGPS) and the Teachers' Pension Scheme (TPS). All schemes are defined benefit schemes which are contracted out of the Second State Pension (S2P).

The assets of the USS and TPS are held in separate trustee-administered funds. Because of the nature of the schemes, the schemes' assets are not hypothecated to individual institutions and scheme-wide contribution rates are set. The institution is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of these schemes on a consistent and reasonable basis. As required by Section 28 of FRS 102 "Employee benefits", the institution therefore accounts for the schemes as if they were defined contribution schemes. As a result, the amount charged to the income and expenditure account represents the contributions payable to the schemes in respect of the accounting year.

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

The LGPS is a defined benefit scheme, the assets of which are held separately from those of the University in independently administered funds. Calculations for the obligation are calculated by a qualified actuary.

Pension scheme assets are measured using market value and are valued at bid price. Pension scheme liabilities are measured using the projected unit credit method and are discounted at the current rate of return on a high quality corporate bond of equivalent terms and currency to the liability. The increase in the present value of the liabilities of the Group's defined benefit pension schemes expected to arise from employee service in the period is charged to operating profit. The expected return on the schemes' assets and the increase during the year in the present value of the schemes' liabilities arising from the passage of time are included in other income. Actuarial gains and losses are recognised in other comprehensive income.

Pension scheme surplus, to the extent that they are considered recoverable, or deficits, are recognised in full and presented on the face of the balance sheet.

### 6. Tangible fixed assets

Fixed assets are stated at cost/deemed cost less accumulated depreciation and accumulated impairment losses. Certain items of fixed assets that had been revalued to fair value prior to the date of transition to the 2015 FE HE SORP, are measured on the basis of deemed cost, being the revalued amount at the date of that revaluation.

Land & Buildings are recognised at cost based on initial purchase or construction price and are capitalised to the extent that they increase the expected future benefits to the University. Freehold land is not depreciated as it is considered to have an indefinite useful life. Freehold buildings are depreciated on a straight line basis over their expected useful lives over 50 years. Leasehold land is depreciated over the life of the lease.

Leasehold land relates to the land the St. Johns halls of residences is built on in the centre of Northampton. The land has been treated as a finance lease with an upfront payment incurred with an annual peppercorn subsequently. The period the lease has been capitalised over is 50 years.

Assets under construction are accounted for at cost, based on the value of the architects' certificates and other direct costs incurred to the balance sheet date. They are not depreciated until they are brought fully into use.

Equipment, including computer hardware and software, costing less than £5,000 is included as an expense in the Income and Expenditure account in the year of acquisition. All other equipment is capitalised at cost and depreciated over its expected useful life, as follows:

Plant and machinery	5 – 10 years
Furniture, fixtures and fittings	5 – 8 years
Computer equipment	3 years
Motor vehicles	4 years
Other equipment	4 – 5 years

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



In November 2014, the University issued a £231.5m secured listed Bond to build a new campus on a development site near Northampton town centre named as 'Waterside'. The Bond is secured against the assets of The University. As a result of the decision to exit the main Park Campus, a review was undertaken on the fixed assets of the University, in particular the existing buildings. These were assessed as having a reduced useful economic life to end of 2017/18. Accordingly, depreciation has been accelerated and a corresponding release of Deferred Capital Grants and revaluation reserve that are related to the assets being written down has taken place.

#### **7. Investment Property**

Investment properties are measured initially at cost. After initial recognition, investment properties are measured and carried at fair value.

The property (iCon Building) is for external use. Fair value is based on valuation performed by an appointed independent registered valuer, taking into account factors such as the property growth and market in the surrounding area. The fair value of the investment properties reflects the market conditions at the balance sheet date. Changes in fair values are recorded in the income statement.

#### **8. Maintenance of premises**

The cost of routine corrective maintenance is charged to the income and expenditure account in the period the maintenance is undertaken.

#### **9. Leases**

Costs in respect of operating leases are charged on a straight-line basis over the lease term. Any lease premiums or incentives are spread over the minimum lease term.

#### **10. Investments**

Listed investments held as are shown at fair value with the movements recognised in the Surplus or Deficit. Investments in jointly controlled entities, associates and subsidiary undertakings are carried at cost less impairment in the University's accounts.

Current asset investments are held at fair value with the movements recognised in the Surplus or Deficit. These are comprised of bank and money market investments.

#### **11. Cash and cash equivalents**

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

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

#### **12. Taxation status**

The Institution is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Institution is potentially exempt from taxation in respect of income or capital gains received within categories covered by section 287 CTA2009 and sections 471, and 478-488 CTA 2010 (formerly s505 of ICTA 1988) or section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied to exclusively charitable purposes.

The Institution receives no similar exemption in respect of Value Added Tax. Irrecoverable VAT on inputs is included in the costs of such inputs. Any irrecoverable VAT allocated to tangible fixed assets is included in their cost.

All subsidiary companies are liable to Corporation Tax and Value Added Tax in the same way as any other commercial organisation.



**13. Provisions and contingent liabilities**

Provisions are recognised in the financial statements when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that a transfer of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is discounted to present value where the time value of money is material. The discount rate used reflects current market assessments of the time value of money and reflects any risks specific to the liability.

A contingent liability arises from a past event that gives the University a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the University. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably.

**14. Stock**

Stock is stated at the lower of their cost and estimated selling price less costs to complete and sell. Where necessary, provision is made for obsolete, slow-moving and defective stocks.

**15. Joint venture entities and associates**

The consolidated Statement of Comprehensive Income and Expenditure includes the University's share of the income, expenditure and tax of associated undertakings and joint ventures, while the consolidated Statement of Financial Position includes investment in associated undertakings and joint ventures using the equity method. Associated undertakings are those in which the University has a significant, but not dominant, influence over their commercial and financial policy decisions. Joint ventures represent investments in which the University has joint control. In the University's financial statements the investment in joint ventures and associated undertakings are included in the balance sheet cost less impairment.

**16. Employment benefits**

Short term employment benefits such as salaries and compensated absences are recognised as an expense in the year in which the employees render service to the University. Any unused benefits are accrued and measured as the additional amount the University expects to pay as a result of the unused entitlement.

**17. Foreign currency**

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at the foreign exchange rate ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in Surplus or Deficit.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

**18. Interest Bearing Bond**

Bonds and long-term borrowings are recognised initially at fair value less attributed transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses in compliance with FRS 102.

**19. Financial Instruments**

Basic financial assets, including trade and other receivables, cash and bank balances, are initially recognised at transaction price. Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period the financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the assets original effective interest rate. The impairment loss is recognised in the statement of comprehensive income. If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed and recognised in the statement of comprehensive income.

## Statement of Principal Accounting Policies for the year ending 31 July 2018



Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has practical ability to unilaterally sell the asset to an unrelated 3<sup>rd</sup> party without imposing restrictions.

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow Group companies are initially recognised at transaction price. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method. Trade payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

### 20. Reserves

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

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

### 21. Judgements and key sources of estimation

There was one critical judgement made in preparing the financial statements. This related to the construction of the Waterside Campus. Whilst the buildings had been constructed by 31 July 2018 there were additional works required to ensure that the assets could be operational. These works continued into August 2018 which has resulted in the Waterside Campus being categorised as assets under construction at 31 July 2018.

Key sources of estimation uncertainty relating to balances included in the financial statements relate to:

- The University have made assumptions in the determination of the fair value of an investment property, specifically in respect of the status of the property market in the location where the property is situated, and in respect of the range of reasonable fair value estimates of the asset. As with any valuation in a liquid market, judgement is required and this represents a key source of estimation uncertainty. The valuation as at the reporting date is stated in note 11.
- The University uses assumptions in the determination of the pension assets and liabilities which represent a source of significant material uncertainty. Further information, including sensitivity analysis associated with key assumptions, is included in note 23.



**Consolidated and University Statement of Comprehensive Income  
and Expenditure Account for the Year ending 31 July 2018**

		Consolidated		University	
	Note	2018 £000	2017 £000	2018 £000	2017 £000
<b>Income</b>					
Funding Body grants	1	10,986	10,045	10,986	10,030
Tuition fees and education contracts	2	98,096	100,129	98,068	100,129
Research grants and contracts	3	2,281	1,464	2,281	1,464
Other Operating income	4	14,427	17,901	14,800	16,871
Investment income	5	611	2,037	590	2,030
Donations and endowments	6	306	291	306	291
<b>Total income</b>		<b>126,707</b>	<b>131,867</b>	<b>127,031</b>	<b>130,815</b>
<b>Expenditure</b>					
Staff costs	7	65,772	63,467	58,637	56,587
Other operating expenses	8	46,135	39,210	54,086	45,397
Depreciation & Impairment	11	9,451	10,119	9,447	10,114
Interest and other finance costs	9	11,694	11,697	11,698	11,676
<b>Total expenditure</b>	10	<b>133,052</b>	<b>124,493</b>	<b>133,868</b>	<b>123,774</b>
<b>(Deficit)/Surplus before other gains losses and share of operating surplus/(deficit) of joint ventures and associates</b>		<b>(6,345)</b>	<b>7,374</b>	<b>(6,837)</b>	<b>7,041</b>
(Loss)/gain on investment		(3)	204	(100)	219
Share of operating profit/(loss) in joint venture	12	113	43	-	-
Share of operating (loss)/profit in associate	12	(79)	8	-	-
Non-controlling interest		(31)	(1)	-	-
<b>(Deficit)/Surplus before tax</b>		<b>(6,345)</b>	<b>7,628</b>	<b>(6,937)</b>	<b>7,260</b>
Deed of Covenant		-	-	432	141
Taxation		-	-	-	-
<b>(Deficit)/Surplus for the year</b>		<b>(6,345)</b>	<b>7,628</b>	<b>(6,505)</b>	<b>7,401</b>
Actuarial gain in respect of pension schemes	23	11,369	9,399	10,786	8,371
<b>Total comprehensive income for the year</b>		<b>5,024</b>	<b>17,027</b>	<b>4,281</b>	<b>15,772</b>
<b>Represented by:</b>					
Unrestricted comprehensive income for the year		6,333	18,336	5,590	17,081
Revaluation reserve comprehensive income for the year		(1,309)	(1,309)	(1,309)	(1,309)
Attributable to the University		<b>5,024</b>	<b>17,027</b>	<b>4,281</b>	<b>15,772</b>
Attributable to the non-controlling interest		-	-	-	-
		<b>5,024</b>	<b>17,027</b>	<b>4,281</b>	<b>15,772</b>
<b>(Deficit)/Surplus for the year attributable to:</b>					
University		<b>(6,314)</b>	<b>7,629</b>	<b>(6,505)</b>	<b>7,401</b>
Non-controlling interest		<b>(31)</b>	<b>(1)</b>	<b>-</b>	<b>-</b>
		<b>(6,345)</b>	<b>7,628</b>	<b>(6,505)</b>	<b>7,401</b>



# Consolidated and University Statement of Changes in Reserves For the Year Ending 31 July 2018

## Consolidated

### Balance at 1 August 2016

Surplus/(Deficit) from the income and expenditure  
Movement in endowment funds  
Pension reserve movement  
Transfers between revaluation and income and  
expenditure reserve

### Balance as at 1 August 2017

(Deficit) from the income and expenditure  
Movement in endowment funds  
Pension reserve movement  
Transfers between revaluation and income and  
expenditure reserve

### Balance as at 31 July 2018

## University

### Balance at 1 August 2016

Surplus/(Deficit) from the income and expenditure  
Movement in endowment funds  
Pension reserve movement  
Transfers between revaluation and income and  
expenditure reserve

### Balance as at 1 August 2017

(Deficit) from the income and expenditure  
Movement in endowment funds  
Pension reserve movement  
Transfers between revaluation and income and  
expenditure reserve

### Balance as at 31 July 2018

	Income and expenditure account		Revaluation reserve	Total excluding Non-controlling interest	Non- controlling interest	Total Reserves
	Endowment £'000	Unrestricted £'000	£'000	£'000	£'000	£'000
<b>Balance at 1 August 2016</b>	926	13,898	13,210	28,034	109	28,143
Surplus/(Deficit) from the income and expenditure Movement in endowment funds	-	7,629	-	7,629	(1)	7,628
Pension reserve movement	43	(43)	-	-	-	-
Transfers between revaluation and income and expenditure reserve	-	9,399	-	9,399	-	9,399
<b>Balance as at 1 August 2017</b>	969	32,192	11,901	45,062	108	45,170
(Deficit) from the income and expenditure Movement in endowment funds	-	(6,314)	-	(6,314)	(31)	(6,345)
Pension reserve movement	135	(135)	-	-	-	-
Transfers between revaluation and income and expenditure reserve	-	11,369	-	11,369	-	11,369
<b>Balance as at 31 July 2018</b>	1,104	38,421	10,592	50,117	77	50,194
<b>University</b>						
<b>Balance at 1 August 2016</b>	926	14,517	13,210	28,653	-	28,653
Surplus/(Deficit) from the income and expenditure Movement in endowment funds	-	7,401	-	7,401	-	7,401
Pension reserve movement	43	(43)	-	-	-	-
Transfers between revaluation and income and expenditure reserve	-	8,404	-	8,404	-	8,404
<b>Balance as at 1 August 2017</b>	969	31,553	11,901	44,423	-	44,423
(Deficit) from the income and expenditure Movement in endowment funds	-	(6,505)	-	(6,505)	-	(6,505)
Pension reserve movement	135	(135)	-	-	-	-
Transfers between revaluation and income and expenditure reserve	-	10,786	-	10,786	-	10,786
<b>Balance as at 31 July 2018</b>	1,104	37,010	10,592	48,706	-	48,706

	Note	Consolidated		University	
		2018 £000	2017 £000	2018 £000	2017 £000
<b>Non-current assets</b>					
Fixed assets	11	369,787	283,126	371,235	284,257
Investment Property	11	1,775	1,750	-	-
Investments	12	1,104	970	1,155	1,020
Investments in joint venture	12	136	51	-	100
Investment in associate	12	216	295	200	200
		<u>373,018</u>	<u>286,192</u>	<u>372,590</u>	<u>285,577</u>
<b>Current Assets</b>					
Stock	13	947	2	947	-
Trade and other receivables	14	11,773	20,833	11,091	23,215
Investments	15	255	68,001	255	68,001
Cash and cash equivalents		<u>38,935</u>	<u>58,756</u>	<u>36,875</u>	<u>54,752</u>
		<u>51,910</u>	<u>147,592</u>	<u>49,168</u>	<u>145,968</u>
Less: Creditors amounts falling due within one year	16	<u>(33,941)</u>	<u>(50,806)</u>	<u>(33,299)</u>	<u>(50,729)</u>
Net current assets		<u>17,969</u>	<u>96,786</u>	<u>15,869</u>	<u>95,239</u>
Total assets less current liabilities		390,987	382,978	388,459	380,816
Less: Creditors amounts falling due after more than one year	17	(305,609)	(294,893)	(304,130)	(293,406)
Pension provisions	18	(35,184)	(42,915)	(35,623)	(42,987)
<b>Total Net Assets</b>		<b>50,194</b>	<b>45,170</b>	<b>48,706</b>	<b>44,423</b>
<b>Restricted Reserves</b>					
Endowment reserve	25	1,104	969	1,104	969
<b>Unrestricted Reserves</b>					
Income and expenditure reserve - unrestricted		38,421	32,192	37,010	31,553
Revaluation reserve	19	<u>10,592</u>	<u>11,901</u>	<u>10,592</u>	<u>11,901</u>
		<u>49,013</u>	<u>44,093</u>	<u>47,602</u>	<u>43,454</u>
Non-controlling interest		77	108	-	-
<b>Total Reserves</b>		<b>50,194</b>	<b>45,170</b>	<b>48,706</b>	<b>44,423</b>

The financial statements on pages 65 to 95 were approved by the Board of Governors and signed on its behalf by:

Vice Chancellor - Prof. Nick Petford

Chairman of Board of Governors - Mrs Sylvia Hughes

Dated:


# Consolidated Cash Flow Statement for the Year ending 31 July 2018

	Note	2018 £000	2017 £000
<b>Cash flow from operating activities</b>			
Deficit/(surplus) for the year		(6,345)	7,628
<b>Adjustment for non-cash items</b>			
Depreciation		9,451	10,119
Decrease/(Increase) in stock		(945)	1
Decrease/(Increase) in debtors		9,060	(13,660)
(Decrease)/Increase in creditors		(10,497)	11,525
Increase/(decrease) in provisions		3,638	1,503
Share of operating (surplus)/deficit in joint venture		(113)	(43)
Share of operating deficit/(surplus) in associate		79	(8)
<b>Adjustment for investing or financing activities</b>			
Investment income		(611)	(2,037)
Gain on investment		3	(204)
Interest payable		11,694	11,697
Endowment income		(173)	(12)
Non-controlling interest		31	-
Capital grant income		(4,359)	(5,207)
<b>Net cash inflow from operating activities</b>		<b>10,913</b>	<b>21,302</b>
<b>Cash flow from investing activities</b>			
Capital grants receipts		848	729
Investment income		611	2,268
Endowment funds inflow/(outflow)		173	31
Movement in cash deposit investments		67,746	66,985
Payments made to acquire fixed assets		(96,684)	(123,864)
		<b>(27,306)</b>	<b>(53,851)</b>
<b>Cash flows from financing activities</b>			
Interest paid		(10,422)	(10,336)
Repayments of amounts borrowed		(1,009)	(450)
New loans		8,000	-
		<b>(3,431)</b>	<b>(10,786)</b>
<b>(Decrease) in cash and cash equivalents in the year</b>		<b>(19,824)</b>	<b>(43,335)</b>
Cash and cash equivalents at beginning of the year	20	58,756	102,091
Cash and cash equivalents at end of the year	20	38,932	58,756



**1. Funding Body Grants**

	<b>Consolidated</b>		<b>University</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Recurrent grant</b>				
Higher Education Funding Council / OfS / Research England	6,213	3,952	6,213	3,952
National College for Teaching and Leadership	149	379	149	379
<b>Specific grants</b>				
Higher Education Innovation Fund	265	507	265	507
Capital grant	4,359	5,207	4,359	5,192
	10,986	10,045	10,986	10,030

**2. Tuition Fees and Education Contracts**

	<b>Consolidated</b>		<b>University</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Full-time HE fees – UK and EU students	65,536	65,081	65,536	65,081
Full-time HE fees – overseas and other students	17,176	16,779	17,176	16,779
Part-time HE fees	3,015	2,113	3,015	2,113
FE franchise	0	651	0	651
Short course fees	4,264	3,737	4,236	3,737
Contracts with the University in lieu of academic fees	8,105	11,768	8,105	11,768
	98,096	100,129	98,068	100,129

**3. Research Grants and Contracts**

	<b>Consolidated</b>		<b>University</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
OST Research Councils	171	63	171	63
UK Based Charities	201	192	201	192
UK Central Government and Local Authorities	962	395	962	395
UK Industry and Commerce	142	69	142	69
EU Government	151	208	151	208
EU Other	440	296	440	296
Others	214	241	214	241
	2,281	1,464	2,281	1,464

**4. Other operating Income**

	<b>Consolidated</b>		<b>University</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Residences, catering and conferences	11,806	13,082	12,179	13,082
Other income	2,621	4,819	2,621	3,789
	14,427	17,901	14,800	16,871

**5. Investment Income**

	<b>Consolidated</b>		<b>University</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Investment Income	611	2,037	590	2,030
	611	2,037	590	2,030

## 6. Donations and endowments

	Consolidated		University	
	2018 £000	2017 £000	2018 £000	2017 £000
Donation & endowment income	306	291	306	291
	306	291	306	291

## 7. Staff Costs

The Board of Governors has formally adopted the 'Higher education senior staff remuneration code' published by the CUC, and has had due regard to this in all relevant remuneration decisions.

	Consolidated		University	
	2018 £000	2017 £000	2018 £000	2017 £000
Staff Costs:				
Wages and salaries	49,652	49,325	43,423	43,296
Social Security costs	5,266	4,904	4,796	4,469
Other pension costs (note 23)	10,854	9,238	10,418	8,822
Total	65,772	63,467	58,637	56,587

During the year ending 31 July 2018, total redundancy / severance costs were £40,864 (£406,014 2017).

	Consolidated		Consolidated	
	2018 Number	2017 Number	2018 FTE	2017 FTE
The average monthly number of persons employed during the year were:				
Academic	1,548	1,388	548	530
Support	906	1,128	733	735
Total	2,454	2,516	1,281	1,265

	University		University	
	2018 Number	2017 Number	2018 FTE	2017 FTE
The average monthly number of persons employed during the year were:				
Academic	1,548	1,388	548	530
Support	674	668	535	528
Total	2,222	2,056	1,083	1,058

	2018 £000	2017 £000
Emoluments of the Vice-Chancellor		
Salary and healthcare	196	192
Bonus relating to prior year	22	20
Value of residential emolument	10	9
	228	221
Pension contributions	34	33
Total emoluments	262	254

### Vice Chancellor's Remuneration

The emoluments of the Vice Chancellor are shown on the same basis as for higher paid staff. The University's pension contributions to the Teachers' Pension Scheme are paid at the same rates as for other academic staff at 16.5%. The Vice Chancellor received no dividends from the University during the reporting period.

### 7. Staff Costs (continued)

#### *Performance Related Pay*

The Vice Chancellor, in common with other senior staff, can receive discretionary non-consolidated performance related pay of up to 15% of salary. Of the 15%, 10% is based on the achievement of corporate objectives chosen by the Board from the KPIs. 5% is based on the achievement of personal objectives. These are approved and overseen by the Remuneration Committee. There are no salary sacrifice arrangements in respect of the Vice Chancellor's salary or compensation payments for loss of office during the reporting period.

#### *Taxable Benefit*

A Service Occupancy Agreement is applicable whilst a contract of employment with the Vice Chancellor is in force. The Occupancy Agreement provides;

*"It is a requirement of the post holder that he lives in a house provided by the University adjacent to Park Campus for the better performance of his duties"*

The University covers all costs of the accommodation except furnishing in the private area reserved for the Vice Chancellor, and contents insurance for his personal possessions. A deduction for accommodation expenses is deducted from the Vice Chancellor's salary.

In recognition of the Service Occupancy Agreement, the Vice Chancellor receives a pensionable emolument, a payment which increases his pensionable salary, to recognise the value of this benefit for pension purposes. In accordance with the contract of employment, the residential emolument is a value for pension purposes only.

The calculation of the emolument is based on:

- Current value of amenities provided;
- Current value of council tax;
- Current Gross Annual Rental Value as certified by an estate agent;
- Less amount repaid for accommodation expenses.

And the use of 40% of the property. The remaining 60% is used by the University.

#### *Non-Taxable Benefits*

The Vice Chancellor receives non-taxable benefits as follows:

- Membership of the Athenaeum Club which allows the Vice Chancellor to stay in London whilst on business there - £346.25 per quarter
- Annual subscriptions to a professional association the Geological Society - £204 p.a.

In addition, where this is most effective in cost/benefit terms, the Vice Chancellor has the use of the University car and a driver whilst on University business. All members of the University Management Team are able to use this service.

#### *Justification for the Vice Chancellor's Remuneration*

The University operates in a tough competitive environment, particularly for student recruitment. The Vice Chancellor has an excellent track record of creating a vision, mission and strategy which transformed the University, physically and in terms of its ambition. Since his appointment, the Vice Chancellor has led the University through the development of a new strategy and a major project to create a new campus. The new campus opened on time in September 2018, and early indications are that student recruitment has improved as a result. The University's reputation and work in social impact is strong and growing. The Vice Chancellor is championing a leadership model for Social Value across the sector. As well as strong student recruitment and a new campus, under the Vice Chancellor's leadership, the University has achieved TEF Gold and Changemaker status.



## 7. Staff Costs (continued)

We note that at the time of the last benchmarking exercise, the Vice Chancellor's total remuneration was slightly below the median remuneration in comparable institutions in the sector. A further benchmarking exercise will be carried out in 2018-19. In the intervening period, the Vice Chancellor's salary has not been subject to any undue inflationary rises, it has increased by the same annual increment as applied to all staff.

The Vice Chancellor has a proven ability to create, articulate and carry through a vision for the University. He provides continued strong leadership in support of a strategy around which the University has coalesced.

### *Pay Multiple*

The Vice-Chancellors basic salary is 6.28 times the median pay of staff (£31,044), and the Vice-Chancellors total remuneration is 6.47 times the median total remuneration of staff (£35,210). In both instances the median pay is calculated based on the amounts paid by the University to its staff.

As 2017-18 was the first year in which the University generated this data, a comparison of the pay multiple over time is not yet possible. Also, due to lack of data in the current year, the median pay has been calculated based on the amounts paid as opposed to the full time equivalent value required by the Office for Students Accounts Direction. Agency and atypical staff have been excluded from the above calculations as equivalent data is not available. Data will be collated to enable the pay multiples to be calculated on the required basis going forward.

### Remuneration of higher paid staff, excluding employer's pension contributions:

	2018	2017 (restated)
	£000	£000
£190,000 - £194,999	-	1
£160,000 - £164,999	1	-
£155,000 - £159,999	-	1
£145,000 - £149,999	1	1
£130,000 - £134,999	-	-
£125,000 - £129,999	1	-
£105,000 - £109,999	4	5

The above comparatives have been restated to comply with the new requirements of the 2017/18 OfS accounts direction.

Key management personnel	2018 £000	2017 £000
Key management personnel compensation	2,082	1,887

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the University. Staff costs include compensation paid to key management personnel.

No member of the Board of Governors received an emolument during the year in their capacity as a Governor. Governors were reimbursed a total of £4,222 (2016/17: £1,817) for expenses in connection with their duties as a Governor.

## 8. Other Operating expenses

	Consolidated		University	
	2018 £000	2017 £000	2018 £000	2017 £000
External Auditor remuneration - University	49	38	49	47
External Auditor remuneration - Other group	8	8	-	-
Agency staff	40	38	1,658	1,381
Bad Debts	2,034	858	2,045	861
Bank charges	230	198	223	183

**8. Other Operating expenses (continued)**

Books and periodicals	2,033	1,765	2033	1,765
Consultancy	3,761	3,014	3,565	2,986
Consumable and laboratory expenditure	684	864	555	791
Infrastructure and IT project expenditure	6,229	4,089	6,339	4,201
Franchise fees	1,216	484	1,186	416
Grant to The University of Northampton Students' Union	4,231	1,513	4,231	1,513
Heat, light, water and power	2,452	2,016	2,393	1,951
Insurance	307	285	298	278
Internal audit	66	59	65	59
IT costs	2,381	2,936	2,272	2,759
Legal and professional fees	319	475	280	445
Marketing	3,156	2,981	3,139	2,976
Partner schools funding	363	184	363	184
Printing, postage and stationery	1,027	1,135	857	963
Rates	324	246	255	180
Rents	480	469	794	496
Repairs and general maintenance	1,474	2,113	7,211	7,036
Catering consumables	1,109	1,079	1,329	913
Staff recruitment	72	72	72	72
Staff development	958	800	935	815
Student bursaries and scholarships	3,642	4,328	3,635	4,327
Student visits, field courses and placements	72	466	72	466
Subscriptions	997	803	986	798
Telephones and communications	342	248	327	233
Transport	1,478	1,419	1,441	1,388
Travel and subsistence	1,844	1,834	1,828	1,819
Other expenses	2,757	2,393	3,650	3,095
	46,135	39,210	54,086	45,397

**9. Interest and Other Finance Costs**

	Consolidated		University	
	2018	2017	2018	2017
	£000	£000	£000	£000
Bond interest	8,776	8,785	8,781	8,785
Loan interest	1,756	1,739	1,756	1,739
Pension finance costs (note 22)	1,162	1,173	1,161	1,152
	11,694	11,697	11,698	11,676

**10. Analysis of 2017/18 Expenditure by Activity**

**Consolidated**

	2018				2017	
	Staff costs	Other operating expenses	Depreciation & impairment	Interest and other finance	Total	Total
	£000	£000	£000	£000	£000	£000
Academic departments	33,992	12,486	2,558	-	49,036	46,643
Academic services	8,752	7,593	1,555	-	17,900	18,012
Administration and central services	12,819	17,569	3,599	-	33,987	28,849
Premises	3,904	3,254	667	-	7,825	9,453
Residences, catering and conferences	1,084	3,320	680	-	5,084	3,686
Research	2,280	1,436	294	-	4,010	3,671

**10. Analysis of 2017/18 Expenditure by Activity (continued)**

Other	34	477	98	10,532	11,141	11,729
FRS 102 pension costs	2,907	-	-	1,162	4,069	2,450
	65,772	46,135	9,451	11,694	133,052	124,493

**University**

	<b>2018</b>				<b>2017</b>	
	<b>Staff costs</b>	<b>Other operating expenses</b>	<b>Depreciation &amp; impairment</b>	<b>Interest and other finance</b>	<b>Total</b>	<b>Total</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Academic departments	33,994	13,442	2,342	-	49,778	46,960
Academic services	8,719	7,946	1,410	-	18,075	18,079
Administration and central services	10,299	18,078	3,165	-	31,542	26,405
Premises	617	9,575	1,649	-	11,841	11,369
Residences, catering and conferences	27	3,192	550	-	3,769	3,887
Research	2,278	1,556	280	-	4,114	3,901
Other	11	297	51	10,537	10,896	10,895
FRS 102 pension costs	2,692	-	-	1,161	3,853	2,278
	58,637	54,086	9,447	11,698	133,868	123,774

**11. Tangible Assets - Consolidated**

	<b>Assets Under Construction</b>	<b>Land and Buildings</b>		<b>Equip-ment</b>	<b>Total</b>
	<b>£000</b>	<b>Leasehold</b>	<b>Freehold</b>	<b>£000</b>	<b>£000</b>
		<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Cost</b>					
At 1 August 2017					
Cost	205,626	1,372	140,545	12,667	360,210
Additions at cost	92,908		321	2,883	96,112
Disposals					
At 31 July 2018	298,534	1,372	140,866	15,550	456,322
<b>Accumulated Depreciation</b>					
At 1 August 2017	-	136	65,981	10,967	77,084
Charge for year	-	28	8,619	804	9,451
Disposals	-				
At 31 July 2018	-	164	74,600	11,771	86,535
<b>Net book value</b>					
At 31 July 2018	298,534	1,208	66,266	3,779	369,787
At 31 July 2017	205,626	1,236	74,564	1,700	283,126
Inherited			6,746		6,746
Financed by capital grant			5,427	30	5,457
Other	298,534	1,208	54,093	3,749	357,584
Net book value at 31 July 2018	298,534	1,208	66,266	3,779	369,787



**11. Tangible Assets (continued)****Consolidated  
£000**

The depreciation charge for the year has been funded by:

Deferred capital grants released	4,359
Income and expenditure reserve	3,783
Revaluation reserve released	1,309
	<b>9,451</b>

The sale of Park Campus completed on 1 November 2018 with a sales price of £40,500,001. The first instalment of £15,500,001 was received from Persimmon Homes on 2 November 2018.

**Investment Property**

An external valuation of the subsidiary's Land and Buildings as at 31 July 2018 was carried out by Gerald Eve LLP, Chartered Surveyors. The valuation has been prepared in accordance with Royal Institution of Chartered Surveyors Valuation Standards, valuing on the basis of an investment property and taking into account factors such as the property growth and market in the surrounding area. The resulting valuation was £1,775,000.

**Group  
£000**

Balance at 1 August 2017	1,750
Increase in value	25
Balance as at 31 July 2018	1,775

**Tangible Assets – The University**

	<b>Land and Buildings</b>				
	<b>Assets Under Construction</b>	<b>Leasehold</b>	<b>Freehold</b>	<b>Equip- ment</b>	<b>Total</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Cost</b>					
At 1 August 2017					
Cost	206,161	1,372	139,227	12,079	358,839
Additions at cost	93,221		321	2,883	96,425
Disposals					
At 31 July 2018	299,382	1,372	139,548	14,962	455,264
<b>Accumulated Depreciation</b>					
At 1 August 2017	-	136	63,947	10,499	74,582
Charge for year	-	28	8,627	792	9,447
Disposals	-				
At 31 July 2018	-	164	72,574	11,291	84,029
<b>Net book value</b>					
At 31 July 2018	299,382	1,208	66,974	3,671	371,235
At 31 July 2017	206,161	1,236	75,280	1,580	284,257
Inherited			6,746		6,746
Financed by capital grant			5,427	30	5,457
Other	299,382	1,208	54,801	3,641	359,032
Net book value at 31 July 2018	299,382	1,208	66,974	3,671	371,235

## 11. Tangible Assets (continued)

	University £000
The depreciation charge for the year has been funded by:	
Deferred capital grants released	4,359
Income and expenditure reserve	3,779
Revaluation reserve released	1,309
	9,447

## 12. Investments

	Group 2018 £000	Group 2017 £000	University 2018 £000	University 2017 £000
Joint Ventures	136	51	0	100
Associates	216	295	200	200
Other Investments	1,104	970	1,155	1,020
	<u>1,456</u>	<u>1,316</u>	<u>1,355</u>	<u>1,320</u>

The University believe the carrying value of the investments is supported by their underlying net assets.  
The brought forward investment figure relates to permanent endowment assets held in an investment fund for long term investment.

The Group has the following investments in joint ventures:

### Uno Buses (Northampton) Limited

The group holds a 50% share of Uno Buses (Northampton) Limited. This is a joint venture company owned equally by The University of Northampton Enterprises Ltd and University Bus Limited. The company provides bus services for Northamptonshire.

### Societal Travel CIC

The University holds a 50% share in Societal Travel CIC. This is a joint venture company owned equally by The University of Northampton and Northampton County Council. The company provides innovative transport solutions to the town and region of Northamptonshire.

### Land Based Learning Limited

The University holds a 50% share of Land Based Learning Limited. This is a joint venture company owned equally by The University of Northampton and Landex Commercial and Educational Services. The company develops and markets online learning material for education. During the year the University wrote off its investment of £100,000.

All Joint Ventures are accounted for using the equity method, such that 50% of the company's net assets and liabilities are incorporated into the consolidated balance sheet of the Company and 50% of its net income is reported in The University's consolidated income and expenditure account.

	Uno Buses (Northampton) Limited 2018 £	Societal Travel CIC 2018 £	Total 2018 £	Uno Buses (Northampton) Limited 2017 £	Land Based Learning 2017 £	Total 2017 £
At 1 <sup>st</sup> August – share of net assets	22,776	0	22,776	0	7,344	7,344
Share of profit retained by joint venture	3,341	109,413	112,754	22,776	20,865	43,641
At 31 <sup>st</sup> July – share of net assets	26,117	109,413	135,530	22,776	28,209	50,985

## 12. Investments (continued)

The Group has the following investments in associates:

### Goodwill Solutions (Holdings) CIC

The University holds 20% of the share capital of Goodwill Solutions (Holding) CIC, this is treated as an associate. The company is part of a group which includes a logistics and warehousing social enterprise that provides services to both commercial retailers and manufacturers. It also aims to help the local community by running Back to Work programmes, training ex-offenders, the homeless and disadvantaged youths for employment in the logistics sector.

### Goodwill Solutions

	Share of net tangible assets £
At 1 <sup>st</sup> August 2017	294,571
Share of profit raised by associate	(78,993)
At 31 <sup>st</sup> July 2018	<b>215,578</b>
At 1 <sup>st</sup> August 2016	286,360
Share of profit raised by associate	8,211
At 31 <sup>st</sup> July 2017	294,571

### The University holds the following Investment in Subsidiaries:

#### Connected Together CIC

Registered office: Portfolio Innovation Centre Avenue Campus, St George's Avenue, Northampton, Northamptonshire, England, NN2 6JD.

Connected Together Community Interest Company (CIC) operates the statutory Healthwatch contracts for Northamptonshire County Council and Rutland County Council. These contracts provide an independent consumer champion voice for everyone who uses local health and social care services in the two counties. They speak on behalf of patients to ensure everyone gets the best they can from their local health provision. The CIC provides information on local health and social care services and signposts people to where they can get the right help and support. Commissioned by the two County Councils, Connected Together CIC is run as a social enterprise with the support of the University of Northampton and Voluntary Impact Northampton (VIN). The University owns 51% of the share capital and VIN the remainder. The company is registered in England and Wales and operates in the UK.

#### The University of Northampton Enterprises Limited

Registered office: Vice Chancellor's Office, University of Northampton, University Drive, Northampton, NN1 5PH.

The company is registered in England and Wales and operating in the UK and is a 100% subsidiary of the University, whose principal activities are the provision of facilities maintenance services, provision of a recruitment agency, the provision of hotel and conferencing services, delivery of support services and provision of the community radio station service to Northampton.

#### iCon East Midlands and iCon Operations Limited

Registered office: Vice Chancellor's Office, University of Northampton, University Drive, Northampton, NN1 5PH.

iCon East Midlands, a company limited by guarantee, is an organisation set up to manage the project and day to day running of the iCon building in Daventry, a centre for business units utilising green technologies. The day to day trading operates through iCon Operations Limited. Both companies are registered in England and Wales and are 100% subsidiaries of The University.



## 12. Investments (continued)

### Waterside Campus Development Company plc

Registered office: Vice Chancellor's Office, University of Northampton, University Drive, Northampton, NN1 5PH.

This company was set up in 2014 to hold the University's £231.5m Public Bond, issued to partially finance the new Waterside campus development, and continues to act in that capacity servicing the bondholders.

The company is registered in England and Wales and operating in the UK and is a 100% subsidiary of The University. The company was setup to issue a bond on behalf of The University and its main activity is to service the bond repayments.

## 13. Stock

	Consolidated		University	
	2018	2017	2018	2017
	£000	£000	£000	£000
Catering stocks	-	2	-	-
IT equipment	947	-	947	-
	947	2	947	-

Stock at the year end related to laptops that were purchased and as part of the students' benefits package and will be distributed to students at the start of the new academic year.

There was no stock recognised as an expense during the year (2017; £nil).

## 14. Trade and other receivables

	Consolidated		University	
	2018	2017	2018	2017
	£000	£000	£000	£000
Trade Debtors	3,979	7,309	3,864	7,176
Amounts owed by subsidiary undertakings	-	-	145	9,599
Social security and other taxation		2,270		-
Prepayments and accrued income	7,794	11,254	7,082	6,440
	11,773	20,833	11,091	23,215

During the year £2,034k of Trade Debtors were written off (2017: £858k). The provision for doubtful debts as at the 31 July 2018 was £(3,682)k (2017: £(3,019)k).

Included within accrued income is £225k in relation to a loan granted to Uno Buses. The initial loan was for £275k and was granted in July 2017 with an interest rate of 1% above base rate. The element of this that is due in greater than one year is £200k (2016/17: £225k).

## 15. Current Investments

	Consolidated		University	
	2018	2017	2018	2017
	£000	£000	£000	£000
Short term deposits	255	68,001	255	68,001
	255	68,001	255	68,001

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

**16. Creditors: Amounts falling due within one year**

	<b>Consolidated</b>		<b>University</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Bank Overdraft	-	-	-	-
PWLB loan	1,551	436	1,551	436
CISCO	1,107	-	1,107	-
Salix Loan	-	28	-	28
Trade Creditors	8,681	2,267	8,647	2,147
Amounts due to subsidiary undertakings	-	-	1,274	6,796
Social security and other taxation	2,596	1,763	2,423	1,590
Accruals and deferred income	20,006	46,312	18,297	39,732
	<b>33,941</b>	<b>50,806</b>	<b>33,299</b>	<b>50,729</b>

**17. Creditors: Amounts falling due after more than one year**

	<b>Consolidated</b>		<b>University</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Bond	230,537	230,510	-	-
ICLT	240	-	240	-
PWLB loan	65,038	59,141	65,038	59,141
CISCO (See Note 20)	3,315	-	3,315	-
Deferred income	6,479	5,242	4,994	3,758
Amounts due to subsidiary undertakings	-	-	230,543	230,507
	<b>305,609</b>	<b>294,893</b>	<b>304,130</b>	<b>293,406</b>

The balances relating to CISCO relate to a finance lease taken out in 2017/18, details of which have been set out in note 21.

On the 26<sup>th</sup> November 2014 a secured fixed rate public bond was issued for the sum of £231.5m over a 40 year term with a coupon rate of 3.302%, this is a fixed rate for the term. The Bond is secured against the assets on the University. The bond was issued via a 100% owned subsidiary of The University, Waterside Campus Development Company plc. Capital repayments commence in 2024/25. The bond transaction costs of £1.07m will be amortised over the life of the bond and charged to interest costs. The market value of the bond at 31 July 2018 was £279.9m (2017: £277.5m), and it is listed on the Irish Stock Exchange. The borrowings are secured against the assets of the University.

On the 10<sup>th</sup> March 2016, The University drew down £60m Public Works Loan Board (PWLB) in three tranches, via the County and Borough Councils. £31.5m was loaned over 40 years at a rate of 2.92%, capital and interest repayments payable from commencement of the loan. £28.5m was loaned over 5 years at a rate of 1.38%, interest is payable from commencement of the loan. The capital is due in full at the end of the loan period. A further £8m was drawn down over 7 years in December 2017 at a rate of 1.22% to finance the construction of an energy centre for the new Waterside Campus.

The bond and County & Borough Council PWLB loans have been guaranteed by Her Majesty's Treasury.

**Risk management**

The treasury function is controlled centrally via the group which is responsible for managing the credit, liquidity, interest and foreign currency risk associated with the group's activities. These financial risks are managed within parameters specified by the Treasury Management Policy. The Treasury Management Policy of the group governs all treasury management activities and sets out relevant policy objectives and control measures; it is reviewed by the Board of Governors.

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



## 17. Creditors: Amounts falling due after more than one year (continued)

### Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the company. The group's Treasury Management Policy and Bad Debt Policy lay out the framework for credit risk management. Credit risk is monitored on an ongoing basis.

The group's credit risk arises from bank balances, investments, student debtors and government and commercial organisations as customers. Management of credit risk is covered by the Treasury Management Policy. As at 31 July 2018, the maximum exposure is represented by the carrying value of each financial asset in the balance sheet.

Student, government and commercial debtors are reviewed on an on-going basis and bad debt provisions are made if recovery of the debtors becomes uncertain. A debtor deemed irrecoverable is written off in accordance with the financial regulations. The concentration of risk is limited in commercial creditors due to the student base being large and diverse and because the treasury management policy limits the maximum level of investments for each counterparty to mitigate risk concentration. Similarly, the group's investment decisions are based on strict minimum credit worthiness criteria to ensure the safety of cash and investments. Credit worthiness of the group's banks and money market funds is regularly monitored. Generally, the group does not require collateral against financial assets.

### Liquidity risk

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

Cash flow forecasting is performed by the group at a consolidated level. The rolling forecasts are monitored to ensure the liquidity requirements are sufficient to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the group does not breach covenants on the borrowing facilities. Such forecasting takes into consideration the group's debt financing plans, covenant compliance, and compliance with internal balance sheet ratio targets.

Surplus cash held by the operating entities, over and above the balance required for working capital management are transferred to the group. The group treasury invests surplus cash in interest-bearing accounts, time deposits, money market deposits and marketable securities, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient head-room as determined by the above-mentioned forecasts.

### Interest rate risk

Interest rate risk refers to the likelihood that changes in interest rates will result in fluctuations of the value of balance sheet items or changes in interest income or expenses.

The group's financing as outlined above consists of a 40 year £231.5m bond, a 40 year £31.5m PWLB loan, a 5 year £28.5m PWLB loan and a further 5 year PWLB loan of £8m. All these loans are fixed rate and therefore not subject to interest rate risk.

The group's interest and investment income is exposed to changes in interest rates. The group is prepared to accept re-investment risk to exploit opportunities where yield can be maximised without compromising capital base of the investment. There are no outstanding derivative instruments as at 31 July 2018.

Maturity profile of Bond (consolidated) and inter-group balance (University):

	Consolidated		University	
	2018	2017	2018	2017
	£000	£000	£000	£000
Due within one year	-	-	-	-
Between One and two years	-	-	-	-
Between two and five years	-	-	-	-
In five years or more	230,537	230,510	230,543	230,507
	230,537	230,510	230,543	230,507



## 17. Creditors: Amounts falling due after more than one year (continued)

Maturity profile of PWLB / CISCO loan:

	<b>Consolidated</b>		<b>University</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Due within one year	2,658	436	2,658	436
Between One and two years	2,687	449	2,687	449
Between two and five years	35,629	29,927	35,629	29,927
In five years or more	30,037	28,765	30,037	28,765
	<b>71,011</b>	<b>59,577</b>	<b>71,011</b>	<b>59,577</b>

## 18. Provisions

### Consolidated

	<b>Obligation to fund deficit on USS Pension</b>	<b>Pension enhancements on early retirement</b>	<b>Defined Benefit Obligations (note 22)</b>	<b>Total pension provisions</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
As at 1 August 2017	388	1,235	41,292	42,915
Change in provision	11	(433)	(7,309)	(7,731)
As at 31 July 2018	<b>399</b>	<b>802</b>	<b>33,983</b>	<b>35,184</b>

### University

	<b>Obligation to fund deficit on USS Pension</b>	<b>Pension enhancements on termination</b>	<b>Defined Benefit Obligations (note 22)</b>	<b>Total pension provisions</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
As at 1 August 2017	388	1,235	41,364	42,987
Change in provision	11	(433)	(6,942)	(7,364)
As at 31 July 2018	<b>399</b>	<b>802</b>	<b>34,422</b>	<b>35,623</b>

### USS deficit

The obligation to fund the past deficit on the University's 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 payment over the period of the contracted obligation in assessing the value of this provision.

### Pension enhancements on early retirement

The University has provided for future pension costs associated with the granting of additional years of service to certain members of staff taking early retirement.

## 19. Revaluation Reserve

### Consolidated and The University

	<b>Inherited assets £000</b>	<b>Inherited loans £000</b>	<b>Total £000</b>
Revaluations			
At 1 August 2017 and 31 July 2018	34,040	(3,675)	30,365
Contribution to depreciation / repayment of principal			
At 1 August 2017	22,128	(3,664)	18,464
Released in year	1,309	-	1,309
At 31 July 2018	<b>23,437</b>	<b>(3,664)</b>	<b>19,773</b>

## 19. Revaluation Reserve (continued)

Net revaluation amount

At 31 July 2018	10,603	(11)	10,592
At 31 July 2017	11,912	(11)	11,901

## 20. Cash and cash equivalents

	At 1 <sup>st</sup> August 2017 £'000	Cash flows £'000	At 31 <sup>st</sup> July 2018 £'000
<b>Consolidated</b>			
Cash and cash equivalents	58,756	(19,824)	38,932
	58,756	(19,824)	38,932

## 21. Lease Obligations

### Operating Leases

	<b>Consolidated</b> 2018 £000	2017 £000	<b>University</b> 2018 £000	2017 £000
Minimum lease payments under non-cancellable operating lease commitments in respect of equipment on leases expiring:				
Within one year	61	435	46	435
Between two and five years	73	3,543	73	3,543
Over 5 Years	-	-	-	-
Total lease payments due	134	3,978	119	3,978

### Finance Leases

	<b>Consolidated</b> 2018 £000	2017 £000	<b>University</b> 2018 £000	2017 £000
Minimum lease payments under non-cancellable finance lease commitments in respect of IT equipment for periods expiring:				
Within one year	1,107	-	1,107	-
Between two and five years	3,315	-	3,315	-
Over 5 Years	-	-	-	-
Total lease payments due	4,422	-	4,422	-

The finance lease disclosure refers to two separate CISCO finance leases; one for a 60 month period for the provision of IT equipment for the Waterside Campus and the second finance lease for a period of 36 months for the provision of IT switches for the Waterside Campus.

The leases were included in the financial statements for 2016/17 as a single operating lease. During March 2018 amendments were made to the lease contract details resulting in the leases being reflected in these financial statements as a finance lease.

## 22. Capital Commitments

	<b>Consolidated</b>		<b>University</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Commitments contracted at 31 July	16,419	50,981	15,466	50,981
	16,419	50,981	15,466	50,981

## 23. Pension Schemes

The University's employees belong to three principal pension schemes, the Teachers' Pension Scheme (TPS) and the Local Government Pension Scheme (LGPS) administered by Northamptonshire County Council, and Universities superannuation scheme (USS). All are defined benefit schemes. The total pension cost for the year was £10,854k (Note 7) (2017: £9,238k).

### Teachers' Pension Scheme (TPS)

The TPS is an unfunded, defined benefit scheme. Contributions on a pay as you go basis are credited to the Exchequer under arrangements governed by the Superannuation Act 1972. A notional asset value is ascribed to the scheme for the purposes of determining contribution rates. The pension cost is assessed every five years in accordance with the advice of the Government Actuary. The assumptions and other data that have the most significant effect on the determination of the contribution levels are as follows:

Latest actuarial valuations	31 March 2012
Actuarial method	Projected Unit Method
Real rate of return in excess of Prices	3.0%
Real rate of return in excess of Earnings	2.0%
Rate of real earnings growth	1.5%
Notional value of assets at date of last valuation	£176 billion
Proportion of members' accrued benefits covered by the actuarial value of the assets	98%

During the year the employer's contribution rate was 16.5%. An appropriate provision in respect of unfunded pensioners' benefits is included in provisions. The employees' contribution rate to the scheme was in a range of 7.4% to 11.7% depending on salary level.

The value of employers pension payments made in year to the Teachers' Pension Scheme was £3,880k (2017: £3,676k).

Under the definitions set out in FRS 102, the TPS is a multi-employer pension scheme. The University is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the University has accounted for its contributions to the scheme as if it were a defined contribution scheme.

### Universities Superannuation Scheme (USS)

The University participates in the Universities Superannuation Scheme (USS), a defined benefit scheme which is contracted out of the State Second Pension (S2P). The assets of the scheme are held in a separate fund administered by the trustee, Universities Superannuation Scheme Ltd. The University is required to contribute a specified percentage of payroll costs to the pension scheme to fund the benefits payable to the Universities employees. In 2018, the percentage was 18% (2017: 18%). The University is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore, as required by FRS 102, account for the scheme as if it were a defined contribution scheme. The total cost charged to the income and expenditure account is £273k (2017: £269k).

In accordance with the requirements of the SORP, the University currently recognises a provision for its obligation to fund past deficits arising within the Universities Superannuation Scheme (USS). The recovery plan in the 2014 actuarial valuation requires employers to contribute 2.1% of salaries towards repairing the deficit over a period of 17 years, of which 14 years remain. Details of this provision, which has been discounted at a rate of 2.16% as at 31 July 2018, are included in note 18 to the financial statements.



### 23. Pension Schemes (continued)

The 2017 actuarial valuation of USS has been undertaken but this has not yet been formally completed. The 2017 valuation has set out the challenges currently facing the scheme and the likelihood of significant increases in contributions being required to address these challenges. In the judgement of the University, as the 2017 valuation has not formally completed, and there remains various stages of consultation around the key factors specifically relating to the funding of the past deficit, including the level of contributions required, the period of the recovery plan and the level of asset performance over the period, it remains appropriate to continue to account for the past deficit obligation in accordance with the plan agreed after the 2014 actuarial valuation. The University does not consider the impact of any proposed changes in contributions to be material.

Since the institution cannot identify its share of Retirement Income Builder Section of the Scheme assets and liabilities, the following disclosures reflect those relevant for the section as a whole.

The latest available complete actuarial valuation of the Retirement Income Builder section of the Scheme is at 31 March 2014 (the valuation date), which was carried out using the projected unit method.

The 2014 valuation was the third valuation for USS 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 £41.6 billion and the value of the scheme's technical provisions was £46.9 billion indicating a shortfall of £5.3 billion. These figures will be revised once the 2017 Scheme Valuation is complete. Based on the 2014 valuation, employer contribution increased to 18% from 1 April 2016.

Defined benefit liability numbers for the Scheme for accounting purposes have been produced using the following assumptions as at 31 March 2017 and 2018.

	<b>2018</b>	<b>2017</b>
Discount rate	2.64%	2.57%
Price inflation (CPI)	2.02%	2.41%

The main demographic assumption used relates to the mortality assumptions. These assumptions have been updated for the 31 March 2018 accounting position, based on updated analysis of the Scheme's experience carried out as part of the 2017 actuarial valuation. The mortality assumptions used in these figures are as follows:

	<b>2018</b>	<b>2017</b>
Mortality base table	Pre-retirement: 71% of AMC00 (duration 0) for males and 112% of AFC00 (duration 0) for females. Post retirement: 96.5% of SAPS S1NMA "light" for males and 101.3% of RFV00 for females.	98% of SAPS S1NA "light" YOB unadjusted for males. 99% of SAPS S1NA "light" YOB with a - 1 year adjustment for females.
Future improvements to mortality	CMI_2016 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.	CMI_2014 with a long term rate of 1.5% p.a.

The current life expectancies on retirement at age 65 are:

	<b>2018</b>	<b>2017</b>
Males currently aged 65 (years)	24.5	24.4
Females currently aged 65 (years)	26.0	26.6
Males currently aged 45 (years)	26.5	26.5
Females currently aged 45 (years)	27.8	29.0

### 23. Pension Schemes (continued)

	2018	2017
Scheme assets	£63.6bn	£60.0bn
Total Scheme liabilities	£72.0bn	£77.5bn
FRS 102 total Scheme deficit	£8.4bn	£17.5bn
FRS 102 total funding level	88%	77%

#### Local Government Pension Scheme (LGPS)

The LGPS is a funded defined benefit pension scheme, with the assets held in separate administered funds. The total contribution made for the year ended 31 July 2018 was £4,517k of which employer's contributions totalled £3,436k and employees' contributions totalled £1,081k. As per the Actuarial report, the estimated Employer's contributions for the year ended 31 July 2019 will be approximately £3,448k. As at the 31 July 2018 amounts due were £nil (2017: £nil).

The contribution rate for 2017/18 was 17.4% along with a monetary amount of £673k. For 2018/19 the contribution rate is 17.4% along with a monetary amount of £689k.

The following information is based upon a full actuarial valuation of the fund as at 31 March 2016, updated to 31 July 2018 by a qualified, independent Actuary.

	31 July 2018 £000	31 July 2017 £000	31 July 2016 £000
CPI Inflation	2.4%	2.5%	1.9%
Rate of increase in salaries	2.7%	2.8%	3.9%
Rate of increase in pensions	2.4%	2.5%	1.9%
Discount rate for liabilities	2.8%	2.7%	2.4%

The assumed life expectations on retirement are:

	2018	2017
Current Pensioners		
Males	22.1	22.1
Females	24.2	24.2
Future Pensioners (aged 45 in 2016)		
Males	23.9	23.9
Females	26.1	26.1

The University's share of assets in the scheme and the expected rates of return were:

	2018	2017	2016
	Long term rate of return expected at 31 July 2018	Long term rate of return expected at 31 July 2017	Long term rate of return expected at 31 July 2016
	Value at 31 July 2018 £000	Value at 31 July 2017 £000	Value at 31 July 2016 £000
Equities	2.8% 65,995	2.7% 57,462	2.4% 49,833
Bonds	2.8% 13,377	2.7% 12,769	2.4% 12,458
Property	2.8% 7,135	2.7% 6,385	2.4% 5,537
Cash	2.8% 2,676	2.7% 3,192	2.4% 1,385
Total market value of assets	89,183	79,808	69,213

### 23. Pension Schemes (continued)

	2018 £000	2017 £000	2016 £000
University's estimated asset share	89,183	79,808	69,213
Present value of scheme liabilities	(123,605)	(121,172)	(116,670)
Deficit in the scheme - University	(34,422)	(41,364)	(47,457)
<b>Consolidated</b>		<b>2018 £000</b>	<b>2017 £000</b>
Estimated asset share		95,491	85,563
Present value of scheme liabilities		(129,474)	(126,855)
Deficit in the scheme - Consolidated		(33,983)	(41,292)
<b>Analysis of net return on pension scheme University</b>		<b>2018 £000</b>	<b>2017 £000</b>
Expected return on pension scheme assets		2,182	1,683
Interest on pension scheme liabilities		(3,334)	(2,835)
Net return		(1,152)	(1,152)
<b>Analysis of net return on pension scheme – Consolidated</b>		<b>2018 £000</b>	<b>2017 £000</b>
Expected return on pension scheme assets		2,338	1,801
Interest on pension scheme liabilities		(3,491)	(2,974)
Net return		(1,153)	(1,173)
<b>Amounts recognised in the statement of comprehensive income – University</b>		<b>2018 £000</b>	<b>2017 £000</b>
Actual return less expected return on pension scheme assets		5,025	6,960
Change in financial and demographic assumptions underlying the scheme liabilities		5,761	1,411
Actuarial gain recognised in Statement of Comprehensive Income and Expenditure Account		10,786	8,371
<b>Amounts recognised in the statement of comprehensive income – Consolidated</b>		<b>2018 £000</b>	<b>2017 £000</b>
Actual return less expected return on pension scheme assets		5,384	7,617
Change in financial and demographic assumptions underlying the scheme liabilities		5,985	1,782
Actuarial gain		11,369	9,399



### 23. Pension Schemes (continued)

#### Movement in deficit during year – University

	2018 £000	2017 £000
Deficit in scheme at beginning of year	(41,364)	(47,457)
Movement in year:		
Current service charge	(6,031)	(4,394)
Contributions	3,339	3,268
Net interest / return on assets	(1,152)	(1,152)
Actuarial gain or loss	10,786	8,371
Deficit in scheme at end of year	(34,422)	(41,364)

#### Movement in deficit during year – Consolidated

	2018 £000	2017 £000
Deficit in scheme at beginning of year	(41,292)	(48,241)
Movement in year:		
Current service charge	(6,356)	(4,716)
Contributions	3,449	3,439
Net interest / return on assets	(1,153)	(1,173)
Actuarial gain or loss	11,369	9,399
Deficit in scheme at end of year	(33,983)	(41,292)

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

	2018 £000	2017 £000
At the beginning of the year	(121,172)	(116,670)
Current service charge	(6,031)	(4,394)
Interest cost	(3,334)	(2,835)
Contributions by scheme participants	(1,032)	(935)
Actuarial (gains) and losses	5,761	1,411
Benefits paid	2,203	2,251
At the end of the year	(123,605)	(121,172)

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

	2018 £000	2017 £000
At the beginning of the year	(126,855)	(122,316)
Current service charge	(6,356)	(4,716)
Interest cost	(3,491)	(2,974)
Contributions by scheme participants	(1,081)	(989)
Actuarial (gains) and losses	5,985	1,782
Benefits paid	2,324	2,358
At the end of the year	(129,474)	(126,855)

### 23. Pension Schemes (continued)

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

	2018 £000	2017 £000
At the beginning of the year	79,808	69,213
Expected rate of return on scheme assets	2,182	1,683
Actuarial gains and losses	5,025	6,960
Contribution by the employer	3,339	3,268
Contributions by scheme participants	1,032	935
Benefits paid	(2,203)	(2,251)
At the end of the year	89,183	79,808

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

	2018 £000	2017 £000
At the beginning of the year	85,563	74,075
Expected rate of return on scheme assets	2,338	1,801
Actuarial gains and losses	5,384	7,617
Contribution by the employer	3,449	3,439
Contributions by scheme participants	1,081	989
Benefits paid	(2,324)	(2,358)
At the end of the year	95,491	85,563

#### History of experience gains or losses

	2018 £000	2017 £000	2016 £000	2015 £000	2014 £000
Difference between the expected and actual return on assets:					
Amount	5	(5)	50	3	289
% of scheme assets	0%	0%	0%	0%	0.1%
Experience gains and (losses) on scheme liabilities:					
Amount	4	629	1,053	583	2,039
% of scheme liabilities	0%	0.1%	0.9%	0.6%	2.4%
Total amounts recognised in statement of Comprehensive Income and Expenditure Account:					
Amount	11,369	9,399	(8,276)	(4,498)	(9,106)

The cumulative amount of actuarial gains and losses recognised in the Statement of Comprehensive Income and Expenditure Account is £(4,555)k (2017: £(15,924)k).

#### Sensitivity analysis

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

Change in assumptions at 31 July 2018:	Approximate % increase to Defined Benefit Obligation	Approximate monetary amount (£000)
0.5% decrease in Real Discount Rate	12%	14,910
0.5% increase in the Salary Increase Rate	2%	2,126
0.5% increase in the Pension Increase Rate	10%	12,613

## 24. Related Party Transactions

The University has taken advantage of the exemption permitted by FRS 102 not to disclose transactions with other group companies which have been eliminated on consolidation, and government departments and their sponsored bodies.

Due to the nature of the Institutions operations and the compositions of the Board of Governors, being drawn from local public and private organisations, it is inevitable that transactions will take place with organisations in which a member of the Board of Governors may have an interest. All transactions involving organisations in which a member of Board of Governors may have an interest, are conducted and in accordance with the Institution's Financial Regulations and usual procurement procedures.

Related Party	Party Associated	Relationship to Party	Transactions in year	Amounts due / receivable with University at 31 July 2018
Professor Nick Petford	Northamptonshire Enterprise Partnership (NEP)	Board Member	£0 invoiced from The University to NEP. £0 paid from The University to NEP.	nil
Mr Terry Neville	Uno Buses (Northampton) Ltd	Director	£33,908 Invoiced by University of Northampton for Rent and Maintenance costs. £1,681,487 invoiced from Uno Buses (Northampton) Ltd to The University Northampton Enterprises Ltd. Provision of bus services.	nil

Funding of £2,187k and payment of Invoices of £2,106k for the Engine Shed, Platform Club and Incidentals were made by The University to The University of Northampton Students Union during the year; The University Invoiced The University of Northampton Student Union for £979k for Repayment of the Engine Shed Grant and Incidentals during the year; there was £1,501 due and £6,218 receivable as at the 31 July 2018.

## 25. Endowment assets/funds - Consolidated & University

	Restricted Permanent £000	Total Permanent £000	Restricted Expendable £000	Total £000
Balances at 1 August 2017				
Capital	924	924	45	969
Reclassification	(199)			
New endowments		172	1	173
Investment income		22		22
Expenditure		(39)	(21)	(60)
At 31 July 2018	725	1,079	25	1,104
Represented by:				
Investments	725	893	-	893
Cash		186	25	211
	725	1,079	25	1,104



### 25. Endowment assets/funds - Consolidated & University (continued)

The major permanent endowment assets are held in an investment portfolio and are managed by a third party fund manager, in line with the University treasury policy, to earn suitable returns for future disbursements. The remainder of assets are held in a cash deposit account.

### 26. Contingent Liabilities

There are no material contingent liabilities (2017: £Nil).

### 27. Post balance sheet events

As a result of a High Court decision on 26 October 2018, pension schemes which have members with Guaranteed Minimum Pensions (GMPs) must take action to address inequalities in those GMPs if they were contracted-out of the State scheme between 1978 and 1997. The University considers it is likely that this ruling will impact all of the defined benefit schemes in which it is a participating employer and may result in the recognition of additional liabilities. As a consequence of this ruling, trustees of pension schemes will need to consider the integrity of their pension scheme data, the adjustments to benefits that may be necessary and any implications for scheme liabilities and funding. The High Court ruling on 26 October 2018 creates an obligation on that date for the Trustees to amend the scheme rules to reflect the consequences of the ruling. Therefore this is considered to be a non-adjusting event after the reporting period. The calculation of any additional liabilities will be a complex and lengthy process and as such the financial effect of any adjustment that may arise cannot be estimated at this stage. Any adjustment will be reflected in the Financial Statements for the year ended 31 July 2019.