

BISHOP
GROSSETESTE
UNIVERSITY

ANNUAL REPORT 2023

BISHOP GROSSETESTE UNIVERSITY
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Companies House



COMPANY NUMBER: 11963500
CHARITY NUMBER: 1184682

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List of Abbreviations

BGU	Bishop Grosseteste University
BGUSSS	Bishop Grosseteste University Student Satisfaction Survey
CELT	Centre for Enhancement in Learning and Teaching
CUC	Committee of University Chairs
ERCF	Enhancing Research Culture Fund
HE	Higher Education
HEI	Higher Education Institution
KEF	Knowledge Exchange Framework
KPI	Key Performance Indicator
LiNCHigher	The UniConnect Consortium for Greater Lincolnshire
LORIC	Lincolnshire Open Research and Innovation Centre
NSS	National Student Survey
OKRs	Objectives & Key Results
RDAPs	Research Degree Awarding Powers
REF	Research Excellence Framework
RKE	Research and Knowledge Exchange
RPF	Research Participatory Fund
SRS	Student Record System
SU	Students' Union
TEF	Teaching Excellence Framework
UEG	University Executive Group
UKRI	United Kingdom Research and Innovation

Foreword

Bishop Grosseteste University (BGU) celebrated its 160th anniversary in 2022 and 10 years since securing university title. This history reflects a proud tradition, and as Chair of University Council and newly appointed Interim Vice-Chancellor, we are acutely aware of the contribution BGU has made and continues to make to the communities it serves.

This annual report is for the academic session and financial year 2022/23 but includes the period up to the date on which the accounts are signed. The reporting period has been a time of instability in the UK economy and the higher education (HE) sector. There are more providers in the HE marketplace than ever before. Costs are rising but fees for UK students remain static. The external environment is increasingly regulated and there are politicised debates about 'value for money' and student outcomes. The legacy of the Covid pandemic persists and artificial Intelligence has brought challenges as well as opportunities.

Yet despite the circumstances, BGU has continued to deliver excellence through its programmes of study and student support, has extended the reach and scope of engagement with new partners (including knowledge exchange), has registered a significant milestone for postgraduate research, and has consolidated the international offer. We are immensely proud of these achievements.

In addition, the report covers a time of change for the University. After 10 years of service to BGU, the Rev'd Canon Professor Peter Neil stepped down as Vice-Chancellor at the end of July 2023, and we said goodbye to some other Council Members. We thank them all for their contributions to the life of the University. We also welcomed some new Council Members and look forward to working with them.

In our relatively short periods of tenure so far, we have been struck and hugely impressed by the endeavour and dedication of the whole BGU community, and BGU's transformative effect on lives. We are hugely grateful to our students and the Students' Union for their resourceful and resilient response to the cost-of-living crisis, to our committed and tireless hard-working staff, and to our devoted and diligent Council Members.

We are, of course, realistic about the situation that we face. Student recruitment is lower than anticipated and the financial position is not as envisaged when the *University Strategy, 2019-25* was launched. A Critical Path has been designed and implemented to enable the University to stabilise, re-align and grow to ensure a sustainable future.

The changes that are needed will require adaptability and durability from every member of the whole community – and we are confident that together we are up to the task.

Anne Frost

Chair of University Council

Professor Karen Stanton

Interim Vice-Chancellor

1. Section 172 Statement

Working collaboratively with its many stakeholders, Bishop Grosseteste University (BGU) produced its Strategy 2019–2025, which was released in October 2019. It set out an overall direction of travel for the University that enables the pursuit of BGU’s purpose and priorities by focusing on strategic imperatives. It also had regard to the University’s values as well as economic, political and social issues, and considerations from the external environment that may influence, affect or impact on the development of BGU’s business. This strategy informed the risk assessment and Key Performance Indicators (KPIs) used in 2022/23. In the light of continued challenges faced by the University, and the Higher Education (HE) sector, the University has developed a Critical Path for 2023/24 (see section 3.1). This path identifies key objectives and activities and will inform the development of BGU’s next strategy.

The Objects of the company are “for the public benefit to advance education through the provision of a university at or near Lincoln, such university to be designated as having a Church of England character”. The 2019-2025 Strategy set out a series of ambitions for the four main sets of priorities:

- Learning, teaching and students’ experiences;
- Research and knowledge exchange;
- Collaborations and partnerships; and
- A connected infrastructure.

These priorities, together with the objectives set within the Critical Path, will ensure BGU achieves success in the delivery of these Objects over the planning period, delivering value to students and other stakeholders. Performance is monitored frequently by the University Executive Group (UEG) and reported to University Council through KPIs, Objectives and Key Results (OKRs) and risks to successful delivery (see section 6 below). University Council includes representation from the University’s student body, staff and the Diocese of Lincoln as well as other interested members of the public (see section 7 in respect of Corporate Governance). All are key stakeholders in the delivery of the Objects, the Strategy and the Critical Path.

During 2022/23 core projects included the purchase and implementation of a new Student Record System (SRS), and the beginning of the construction phase of the new student accommodation village. These projects, and the activities of the University, are set within the context of working to improve environmental sustainability (see section 3.5). In 2022/23, for example, BG Green continued the work to drive forwards environmental sustainability. These projects were regularly reviewed on Council’s behalf, at the Finance, Employment and General Purposes Committee (FE&GP), with amendments to project timelines and other operational considerations influencing future business plans. Moving forwards into 2023/24, University Council in October 2023 reviewed seven key components to enable the University to deliver the Critical Path and the Objects of the charity (for further details see Section 3.1).

The University’s strategic commitment to collaboration and partnerships is at the heart of the work of students, learners, and trainees (See section 3.4). It influences the University’s Research and Knowledge Exchange (RKE) activities that support the generation of new applied knowledge and the sharing of it with external stakeholders locally within the City of Lincoln, and across Greater Lincolnshire and the East Midlands (see section 3.3). Projects reflecting the breadth of BGU’s activities in 2022/23 include a number that were noted in 2021/22:

- Enabling Gender Equality in Leadership: an exploration of leadership and self-awareness;

- The Greater Lincolnshire Local Enterprise Partnership Community Grants Project;
- The Greater Lincolnshire MOVE Project;
- The Greater Lincolnshire Social Economy Strategy and Academy; and
- Development of the Ermine Library and Community Hub.

New Knowledge Exchange projects in 2022/23 include support for beneficiaries undertaken by the Lincolnshire Open Research and Innovation Centre (LORIC) including:

- Dance Free – a Community Interest Company that facilitates mindful experience moving and connecting to the body through music at beautiful locations in nature across Lincolnshire;
- GoGro CIC – which develops and delivers innovative projects that support people and communities (e.g., Holiday Food Activities, Flourish with Food, and Slow Cooks to Save Your Bucks);
- Lincolnshire Action Trust – focused on the care, resettlement and rehabilitation of individuals involved in the criminal justice system and those at risk of offending as well as the welfare of their families and dependents; and
- Night Light Café – a county-wide project commissioned by the NHS and run by Acts Trust which provides a listening ear and some evening company for people who are finding life difficult.

In addition to working to support businesses in the region, BGU also depends on the capability and performance of suppliers, contractors and other partners, such as small businesses and sector peers to help deliver services. This capability and performance is critical in enabling the University to maintain a sustainable infrastructure.

The workforce is key to success and helps us to maintain a strong reputation for high standards of business conduct which are fundamental to the delivery of the Strategy. University Council includes an academic staff member and a member of staff from professional support services, who regularly attend University Council and engage with its discussions. Feedback on University Council business is shared through Senate. University Council also includes two student representatives to ensure the student stakeholder voice is taken into account at board level. During 2022/23, the University was cognisant of the cost-of-living impact on students and staff and undertook a number of initiatives to support its community (see section 2).

In 2022/23, the University continued to invest in continuing professional development (CPD), including support for staff engaging in doctoral study, as well as engagement with the Senior Leader Apprenticeship and the Chartered Manager Degree Apprenticeship. Staff attended CPD sessions as appropriate to their role. The impact of industrial relations is taken into account in the University's Risk Register. Importantly, during 2022-23, the working relationship with the academic staff and academic staff union meant that the impact of any strike action on learning and teaching and student experience was minimised.

An outline of the year's activities in respect to this strategy, the performance indicators of the University and the risks managed are outlined in the sections that follow.

2. Charitable Purpose and Public Benefit Statement

The University meets the Objects of the company by advancing education by creating, applying and sharing knowledge and skills from its base in uphill Lincoln. Students, potential students and the general public are the principal beneficiaries. In recent years BGU has also developed a range of collaborative partnerships with other educational providers, knowledge exchange with small- and medium-sized enterprises, and international research projects.

As a university with a Church of England foundation, BGU is committed to welcoming and hosting a diverse community and lives by the values of respect, integrity, courage, excellence, resilience and inclusion. The Cost-of-Living Group was initiated in September 2022 as a proactive response and acknowledgement by UEG to the rising cost of living, and the impact on the BGU community.

A cross departmental task force, including the Students' Union (SU), was formed, chaired by the University Project Manager, to bring together existing initiatives, and co-ordinate the development of new collaborative solutions that support students and staff. Through the group, existing provisions in place at BGU was consolidated, including services provided already by the Library, Centre for Enhancement in Learning and Teaching (CELT), SU, BGFutures, Student Advice and Chaplaincy and other working groups such as BG Green. A new single point of information was created on the BGU website and MyDay portal ensuring staff and students were aware of services and provisions to support them.

As a consequence of the Group's actions, as well as the new webpage on the BGU website, various new services were initiated including:

- weekly round up email of activities across campus to increase visibility of services and events;
- funding to initiate the SU's 'Period Poverty' Campaign, providing free sanitary products for students who need them;
- a free breakfast campaign managed by Catering and Student Advice, ensuring targeted support was provided to those most at risk;
- a 'Pay it Forward' campaign, enabling a quick and effective way to raise funds to support other initiatives, including the Community Pantry;
- a new student meal app, created by Catering and IT, to enable students to pre-pay for meals at a discount;
- free gym access for all first year students; and
- change in staff loyalty/benefits provision.

There is an enduring commitment to encouraging applications from all potential learners, particularly those currently under-represented in HE, and at the University especially. This is underpinned by a strong track record in widening access and improving participation, but there are continuing challenges with respect to:

- recruitment of learners from under-represented ethnic groups (compared to sector benchmarks);
- recruitment of male learners, including those from disadvantaged backgrounds;
- recruitment of mature learners; and
- improvement of outcomes for learners with access needs.

Since 2006, BGU has delivered its own successful outreach programme to secondary schools and remains committed to maintaining core activities and expanding the scope to maximise participation from target groups. The outreach programme includes:

- First Steps 2 Study – Years 9, 10 and 11; and
- Next Steps 4 Study – Years 12 and 13.

Additional input is provided to help individual learners from under-represented groups (e.g., care leavers, estranged students) as well as supporting engagement with the admissions procedure (e.g., UCAS applications, finance, accommodation). There are also support services for all learners including counselling, financial advice, academic and study skills, careers advice, placement and volunteering services, health services, and specialist dyslexia and disability assessment.

The University's Access and Participation Plan outlines the widening participation activities as well as the financial mechanisms in place that help to ensure that the opportunity to benefit from HE is not restricted by the ability to afford fees or living costs. These arrangements are intended to complement the government's provision of loans and maintenance grants and are targeted at those identified as being most in need. During 2022/23, £551,000 of bursaries and learning-fund awards were paid out to learners from low-income backgrounds as well as those experiencing financial hardship during their studies, disabled learners and learners from care.

The University continues to host LiNCHigher, one of the 29 Uni Connect partnerships in England funded by the Office for Students (OfS) that offer activities, advice and information on the benefits and realities of going to university or college. Specifically, through the pan-Lincolnshire consortium of providers, the project seeks to reduce the gap in HE participation between the most and least represented groups, equip young and adult learners from under-represented groups to make an informed choice about their options, and contribute to a stronger evidence base around 'what works' in HE outreach. With an annual budget of over £600k, the project delivered over 360 events involving over 8,600 students.

3. Progress against Bishop Grosseteste University Strategy (2019-2025)

3.1 Strategy Summary

The University strategy can be accessed [here](#)¹.

The University strategy focusses on the core areas of:

- learning, teaching and student experience;
- research and knowledge exchange;
- collaboration and partnerships; and
- infrastructure.

These informed the KPIs and Risk Register for 2022/23 (see sections 4 and 6 respectively).

As highlighted in the Section 172 Statement, University Council has adopted a Critical Path approach to inform the future direction of the institution and the development of its next strategy.

University Council has agreed that the Critical Path will affect change through seven key workstreams (see Table 1 on Page 10) aimed at:

- stabilising the University (evaluating the current position, taking immediate financial action, planning for growth);
- realignment of the University's purpose and vision, with a targeted operational model and consideration of the academic portfolio; and
- growth to build capacity and capability to deliver.

These components will enable the University to sustainably deliver excellence in its learning, teaching and student experience, strengthen its research and knowledge exchange (through, for example, placing an emphasis on the social purpose of the University), ensure partnerships and collaboration are aligned to the purpose of the University and strengthen the delivery of its charitable objects, whilst ensuring the infrastructure of the University sustains and supports this work. The Critical Path will inform the development of the strategic direction for the University moving forward.

¹ [University Strategy | Bishop Grosseteste University \(bgu.ac.uk\)](#)

Table 1 – Bishop Grosseteste University Strategic Priorities – Seven Key Components of the Critical Path

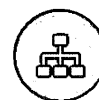
THE 7 WORKSTREAMS



Financial Framework



Marketing/brand and
name



Recruitment/Admissions
Plan



Organisational Structure
to deliver our purpose
and key functions



Portfolio based on our
purpose



Estate Asset Strategy and
utilisation



University Purpose/
Vision including
Social Purpose

3.2 Learning, Teaching and Students' Experiences

The 2023 National Student Survey sought the views of undergraduate students from across the sector in the final year of either an honours degree or a foundation degree during 2022/23. In a departure from the survey in recent previous years, there were revisions in 2022/23 with changes to the themes and questions, and the removal of the 'overall satisfaction' question for English providers. There were more questions 'measuring positivity' and additional questions on awareness of mental health support and on freedom of expression. The changes make analysis of trends in the results more challenging.

For BGU, the average positivity across questions 1-24 was 88% – nearly 8% points above the sector average and the best performance across the 157 Higher Education Institutions (HEIs). Not surprisingly, positivity for all seven themes (Teaching, Learning Opportunities, Assessment and Feedback, Academic Support, Organisation and Management, Learning Resources and Student Voice) were higher than both the sector average and the OfS benchmarks for BGU. Indeed, BGU was ranked first for positivity amongst HEIs for Learning and Opportunities, Assessment and Feedback, and Learning Resources, third for the SU, and joint sixth for Teaching.

The Bishop Grosseteste University Student Satisfaction Survey shows high levels of student satisfaction with programmes (91%) and the broader BGU experience provided by support services (89%). When asked, 87% of BGU students would recommend the University to family, friends or colleagues.

The Graduate Outcomes 2023 survey indicates the activity of the graduating cohort of 2020/21 during September 2022, 15 months after graduating. These graduating students entered a general economic climate and employment market emerging and recovering from lockdown. The University had the fourth best response rate across HEIs (61%) of eligible graduates who completed the survey. The results showed that:

- over 91% were in employment or further study (up 4.5% on the previous year and slightly better than the national graduate figure of 90%);
- of those in paid employment, 77% were in high-skilled 'graduate' roles which matched the sector average; and
- only 3% of BGU's 2020/21 graduates were unemployed, 3% lower than the previous year and lower than the national figure of 4%.

During 2022/23, there were two significant learning and teaching and portfolio related activities. Firstly, in October 2022 BGU underwent its Ofsted Apprenticeship Early Provision Monitoring inspection which involved a two-day inspection of BGU's Senior Leader Apprenticeship (Level 7), Chartered Manager Degree Apprenticeship (Level 6) and Career development Professional Apprenticeship (Level 6). The inspection team judged that BGU leaders and managers were making 'Reasonable Progress' against the three themes of 'meeting all the requirements of successful apprenticeship provision', 'ensuring that apprentices benefit from high-quality training that leads to positive outcomes for apprentices', and 'ensuring that effective safeguarding arrangements are in place'.

Secondly, working in collaboration, in January 2023 BGU and the SU made their submission to the Teaching Excellence Framework (TEF) – a requirement made by the OfS for HE providers in England. It ‘aims to encourage HE providers to improve and deliver excellence in the areas that students care about the most: teaching, learning and achieving positive outcomes from their studies’. The TEF assesses excellence above a set of minimum requirements for quality and standards based on the last four years of performance information using four possible ratings – gold, silver, bronze and requires improvement.

The TEF 2023 results were published in September 2023 and BGU was rated as Silver overall and for the two underpinning categories of Student Experience (teaching, learning, academic support, learning resources and student engagement) and Student Outcomes (continuation, completion, graduate employment / further study and educational gain), with ‘typically very high quality’ provision achieved in both areas. The rating met the Key Performance Indicator set by the University for this area and lasts for four years.

An Inclusive University

As part of the strategic priority to enhance learning, teaching and the students’ experiences, BGU continues to deliver its commitment to widening access and participation to provide educational and transformative opportunities for learners under-represented across the HE sector.

For 2023 *The Times* and *The Sunday Times* ranked BGU 14th for social inclusion, reflecting the proportion of students from state schools, the proportion of first-generation students and the proportion with a known disability. This achievement recognises the consistent outreach activity that BGU has developed with schools and colleges in conjunction with LiNCHigher, as well as engagement work with local communities, businesses and employers.

LiNCHigher is a pan-Lincolnshire consortium of nine stakeholders, led by BGU, and is part of a wider national initiative, the Uni Connect Programme, which is funded by the OfS. Its primary aim is to increase aspirations among young people by targeting areas of low participation in HE. Through extensive and impactful outreach work BGU has targeted local students from under-represented ethnic groups and those from low socio-economic backgrounds. School students in Years 9 – 13 from low socio-economic backgrounds have been supported through schools and colleges in coastal and rural Lincolnshire as well as in Lincoln, Mansfield, Retford and Newark.

The First Steps activity is a free-of-charge widening participation programme delivered by BGU for students in Years 9–11 in schools across Lincolnshire (and near the border in surrounding counties). The programme is usually delivered through a combination of outreach sessions in schools and taster days on the University campus. Up to 20 school groups with up to 30 students per group can be involved each year. Each step of the programme has a focus on developing students’ study skills while allowing them to find out more about HE to aid their progression to university in the future.

Next Steps is a four-staged widening participation programme aimed at students in Year 12 and is delivered through a combination of outreach sessions in schools and taster days on the University campus. The programme is free of charge for up to 12 schools and colleges from across Lincolnshire (and near the border in surrounding counties). Schools are encouraged to select up to 30 students who face barriers to accessing and participating in HE, and the programme aims to develop students’ study skills while answering their questions about HE.

3.3 Research and Knowledge Exchange

The policy document, *Research Excellence Framework 2028: Initial decisions and issues for further consultation* (Ref 2028/23/01), was published by Research England in June 2023 and is informing BGU's strategic planning for the institution's submission for REF 2028. Features of particular significance for the institution include:

- the increase in the weighting of the evaluation towards 'People, culture, and environment' (formerly 'Environment');
- the inclusion of outputs by staff not on research or other academic contracts; and
- the reduction of the number of Impact Case Studies for the smallest Units of Assessment to one.

The long-term strategic ambition of achieving Research Degree Awarding Powers (RDAPs) remains; however, as the risk register highlights, this is unlikely to be achieved by the end of the current 2019-25 Strategy. The 30 doctoral-degree conferral threshold was met in 2022-23 and the Annual Audit of staff research activity will monitor progress towards meeting the requirements of the three other mandatory metric threshold criteria that are expected in an RDAPs application, and sustained over three successive data-capture years.

BGU revised and submitted its three narrative templates for the next iteration of the Knowledge Exchange Framework, KEF3. These comprise the institutional overview template, and those relating to two of the seven specific KEF perspectives: 'Local Growth and Regeneration', and 'Public and Community Engagement'. The updated template content including strategic summaries of BGU's approach to Knowledge Exchange locally and regionally, and selected case studies showcasing activities directed by BG Futures, LORIC, the Research and Knowledge Exchange Centre, and the Faculty. Published in September 2023, the results confirmed that BGU had sustained its profile within the context of its comparator group and had retained its top-quintile position in relation to 'Local Growth and Regeneration'.

During 2022/23, BGU received allocations from UKRI's Policy Support Fund (£50K), the Enhancing Research Culture Fund (ERCF, £50K), Research Participatory Fund (RPF, £20K), and Small Providers not in receipt of the Higher Education Initiative Fund (SPF, £197K). The ERCF assisted with projects delivered by the Research and Knowledge Exchange (RKE) team, including the RKE Conference and 'Fortnight'; and supported the return to BGU, post-Covid, of two major international research conferences – the Victorian Popular Fiction Association and the International Seminar of Religious Education and Values. The PSF, RPF, and SPF enabled projects engaging a range of local, regional and national partners, generally in the public and third sector. These included: the Ermine Community Hub, the Social Economy Project, BGU's annual Archaeology Field School, a Provincial Museums and Art Galleries Collections Project, and the institution's Black History Month programme of activities.

BGU was successful with a large bid for £427k from the Arts and Humanities Research Council (AHRC) Creative Research Capabilities Fund. The funding supported a major upgrade to estates and equipment provision for the Archaeology Lab. This will enhance taught-programme delivery, specialist research, and external partnership activities.

Following the successful application for BGU to become a Knowledge Base for Knowledge Transfer Partnerships (KTPs), BGU secured its first KTP with the Lincolnshire Community and Voluntary Service in 2022/23.

3.4 Collaboration and Partnerships

The University continues to work closely with its collaborative partners for the delivery of validated or franchised programmes of study:

- Grantham College – Health and Social Care, Special Educational Needs and Disability and Professional Studies (Early Childhood);
- Kingdom Academy (formerly Dutton Fisher Associates) – Business, Leadership and Management within a Chartered Manager Degree Apprenticeship;
- Lincoln College Group – Sports Coaching and Sports Therapy, Training and Skills as an initial teacher training award for practising Further Education teachers and Digital Learning Design;
- North Lincolnshire School-Centred Initial Teacher Training – Primary and Secondary Initial Teacher Education; and
- University Centre Peterborough (Stamford Campus) – Health and Social Care, Training and Skills as an initial teacher training award for practising Further Education Teachers and Professional Studies (Early Childhood).

Following a detailed business case and robust institutional and programme approval events (utilising the Office for Students regulatory criteria), BGU also established a new educational partnership during 2022/23 with ICON College of Technology and Management in London. In a validation arrangement, ICON College have started delivering BGU approved UG Business programmes to their students. These students come from backgrounds that are typically under-represented in HE. During 2023/24, the portfolio of delivery will expand to PG Business, UG Health and Social Care and PG Education Studies. Income is built into the budget under 'Other Income' and expenditure has been forecast under the relevant departments.

Engagement with ICON College and other partner organisations is discussed via the Joint Board of Studies and annual strategic meetings. The monitoring of the partnerships is undertaken by UEG and quality assured through the Academic Enhancement Committee (AEC).

The International Office continued its work with departments across the University to enhance and support increased international activity. The growth of international recruitment and inward mobility in recent years was maintained during 2022/23 with 62 international students (49 of whom were new enrolments) whilst 20 others were involved with Erasmus programmes. New recruits joined the University from China, France, Germany, Ghana, India, Italy, Nigeria, Pakistan, Sri Lanka and the USA. Colleagues from the International Office and Academic Faculty successfully delivered the first project funded by the UK Government's Turing Scheme with 15 students visiting Thailand and 12 students visiting Madagascar to experience working and volunteering in vocationally relevant settings for a duration of one month.

During 2022/23 the Lincolnshire Open Research and Innovation Centre (LORIC) completed the second phase of European Regional Development Fund supporting work with small- and medium-sized enterprises across Greater Lincolnshire. Worth £400k over two years, LORIC has delivered data-driven innovation, advice and consultancy solutions to the business sector and encouraged collaborations between the academic community and businesses through a variety of services that include bespoke business support and archival digitisation, as well as events and seminars that aim to improve a company's products, services and/or people, and signposting to relevant activities or delivery of networking events and seminars. In addition to the beneficiaries listed in section 1, others across different sectors of the economy during 2022/23 included Alicorn Books, Arion Training and Development Ltd., CVG Solutions, EH Thorne Beehives, Herbs of Grace, Just Great HR, Mary Jane Foundation Art and Su France Designs.

3.5 Infrastructure

During 2022/23, BGU remained committed to providing a high-quality environment for students, staff, and visitors focused on maintaining the Covid-secure campus that had been successful during the pandemic. In addition, some capital work continued across the campus with the Estates and Facilities department assisting in the delivery of the capital elements of the Cultural Heritage Research Hub. The University commenced installing sub-metering to individual buildings to improve data collection and accurate utility use assessments of individual buildings. A successful small scheme to improve the performance of air conditioning units and reduce running costs was completed. An annual programme to deliver full estate wide fire risk assessments has started prioritizing student residential accommodation first.

Phase 2 of BGU's Wi-Fi 6 refresh has been completed, with faster Wi-Fi services installed in Cornerstone, BG Futures, Student Union, Curiositea, and Refectory, completing the roll-out of Wi-Fi 6 infrastructure services across all teaching and social spaces.

All users are now 2-factor authentication enabled, and password expiry has been retired, maintaining the strongest cyber security position for all user accounts. Following a successful bid award (£470k) from the AHRC, parts of Old School House have been refurbished as the Lincolnshire Cultural Research Hub and opened with the provision of specialist heritage science equipment, high-spec PCs, and innovative audio-visual technology allowing for hybrid Microsoft teams sessions to take place.

Several key strategic projects also continued to make good progress during the year. The external development to enhance the student accommodation from 2024 onwards on Riseholme Road is progressing well and is on schedule to complete summer in 2024. The foundations and ground services have been laid with the main building superstructure on schedule. At this stage there are minimal delays to the overall programme at the Student Accommodation Village.

Student Journey & Student Record System (SRS)

In May 2022, a structured project with key stakeholders from across BGU was initiated to manage the change to a new cloud-based student record system, Quercus from Ellucian. The product was purchased to enhance student experience, whilst providing more secure and efficient management of our data.

A collaborative approach was taken when reviewing business processes and procedures in relation to key aspects of the student journey, configured Quercus environment, and developed new standards for staging cloud-based student data for automation and service provision(s), along with new methods for IT account onboarding.

Data feeds were re-developed for the Virtual Learning Environment (Blackboard), Timetabling (Celcat), Library Management (World Cat), Placements (Abyasa), Student Union Management (SUMS), and Employability (Target Connect). By May 2023, the new SRS, Quercus, went live for all 'live' student data.

Sustainability

The Streamlined Energy and Carbon Reporting Regulations are designed to increase awareness of energy costs and to provide reliable data to inform how BGU adopts energy efficiency measures, which help to reduce the impact on the environment. The table on page 18 shows the University's energy consumption and emissions for the 2022/23 reporting period.

The University's working group on sustainability and ethical practice, BG Green met monthly. Membership is cross-departmental and includes colleagues from Estates, the SU, IT Services, Marketing, BG Futures, the Library, and the CELT, and the Faculty. The group has close ties to the University's Wellbeing Framework Steering Group and Cost of Living Group and reports to the Audit Committee. Senior sponsorship in 2022/23 was via the Registrar & University Secretary.

The 2023 People and Planet rankings were announced on 6 December 2022. Efforts by the group saw BGU move up from 126th in 2022, to joint 85th in 2023.

The group focused on enhancements such as a new recycling area established in CELT for charity collections; the discounting and donation of unsold food in the Refectory (e.g., unsold sandwiches were donated to the SU's Community Larder); the opening of the University Swap Shop for the free exchange of clothing, shoes, small household items and games; and the publication on the website of FAQs relating to waste & recycling. In March 2023 the group took a trip to the city's *Energy from Waste* plant.

Related policy driven by the group included the publication of a new Food Sustainability Policy in March 2023, an updated Careers Policy in May 2023 incorporating a section on ethical recruitment and careers, and a new Ethical Investment Policy in June 2023.

Table 2 – UK Greenhouse gas emissions and energy use (01 August 2022 – 31 July 2023)

UK greenhouse gas emissions and energy use data for the period 1 August 2022 to 31 July 2023	
Energy consumption used to calculate emissions (kWh)	3,867,884
Scope 1 Emissions (kgCO₂e)	
Gas consumption	467,981
Total scope 1	467,981
Scope 2 Emissions (kgCO₂e)	
Purchased electricity	271,191
Scope 3 Emissions (kgCO₂e)	
Fleet vehicles:	
Petrol	2,734.90
Diesel	1,214.10
Total	3,949.00
Total gross emissions (kgCO₂e)	739,172
Business travel in employee-owned vehicles (miles)	72,499
Intensity ratio (kgCO₂e per FTE student)	402.63
Quantification and Reporting Methodology	
We have followed the 2019 HM Government Environmental Reporting Guidelines and the GHG Protocol Corporate Accounting and Reporting Standard, and have used the 2023 UK government conversion factors for company reporting of greenhouse gas emissions.	
Intensity measurement	
N/A	
Measures taken to improve energy efficiency	
Bishop Grosseteste University has recognised the importance of work regarding sustainability and the environmental agenda of sector recognition through the ISO standard. The Sustainability Working Group and BG Green will ensure that strategic and operational targets will be delivered as we work towards achieving Net Zero Carbon.	

4. Key Performance Indicators

The University KPIs for 2022/23 measured performance against the following areas (a summary can be seen in table 3 on page 20):

- sustainability;
- learning, teaching and the student experience;
- research and knowledge exchange;
- collaboration and partnerships; and
- infrastructure.

These were monitored by UEG and reported to Council through the Vice-Chancellor reports. The KPIs were aligned to the University Strategy for 2019-2025. In 2022/23, the targeted income from student fees was not met. This impacted on the finances and was a key contributor to the deficit carried in the accounts for 2022/23 and the development for 2023/24.

The Critical Path was developed following the appointment of the Interim Vice-Chancellor in August 2023. The Critical Path, and its seven core workstreams, was agreed with University Council in October 2023. The Critical Path is being monitored through a balanced scorecard utilising Objectives and Key Results (OKRs) embedded within a tracking system. This system provides transparency and oversight in real-time by UEG and a clear evidence-based monitoring system to inform reporting to University Council.

The core OKRs for 2023/24 are:

- options and delivery of plan to raise capital and resource for investment;
- create new recruitment pathways through colleges and schools;
- design and implement a new marketing and admissions strategy;
- design and implement a new organisational restructure;
- deliver a portfolio review and implement outcomes;
- define the purpose and vision of the University including its social purpose; and
- implement a planning framework to agree investment, recruitment and savings targets.

Table 3 – Summary of 2022/23 KPIs

Strategy Theme	KPI Ref	Description	Target	Qtr 4
Sustainability	S1	Operating deficit outturn	829K	1,166k
Sustainability & Learning Teaching & Student Experience	S4	No of new programmes developed 2022-23	20	Total in year: 19 validations 13 revalidations 3 institutional approvals 7 programme approvals
Learning Teaching & Student Experience	LTS3	NSS Satisfaction (TEF scale average)	84%	87.78% aggregated positivity score
Learning Teaching & Student Experience	LTS4	TEF Score	Targeting Silver but at least Bronze	Silver
Research and knowledge Exchange	R1	Doctoral level conferrals	31	Total to-date 30
Collaboration and partnerships	CP2	Number of New Partners	2	1 approved, 1 due for approval autumn 2023
Infrastructure	I1	Delivery of key infrastructure projects according to the 2022/21 project action		Projects on target
Infrastructure	I2	Staff turnover	0.83	0.72

5. Financial Review

The Financial Statements for the year ended 31 July 2023 consolidate the results of the University and its subsidiary company BG (Lincoln) Limited. The accounts have been prepared in accordance with Financial Reporting Standard 102 (FRS102) and the Statement of Recommended Practice on Accounting for Higher and Further Education 2019.

The year to 31 July 2023 saw a slight improvement in our cash deficit position for the year, when compared with the previous year. This was despite a significant increase in utility costs and honouring the inflationary pay offer, negotiated by UCEA, in full which, against a reduction in total income, was a positive achievement.

The overall deficit for 2022/23 was £2,803k compared with a deficit of £5,086k for 2021/22.

Financial Results for the year

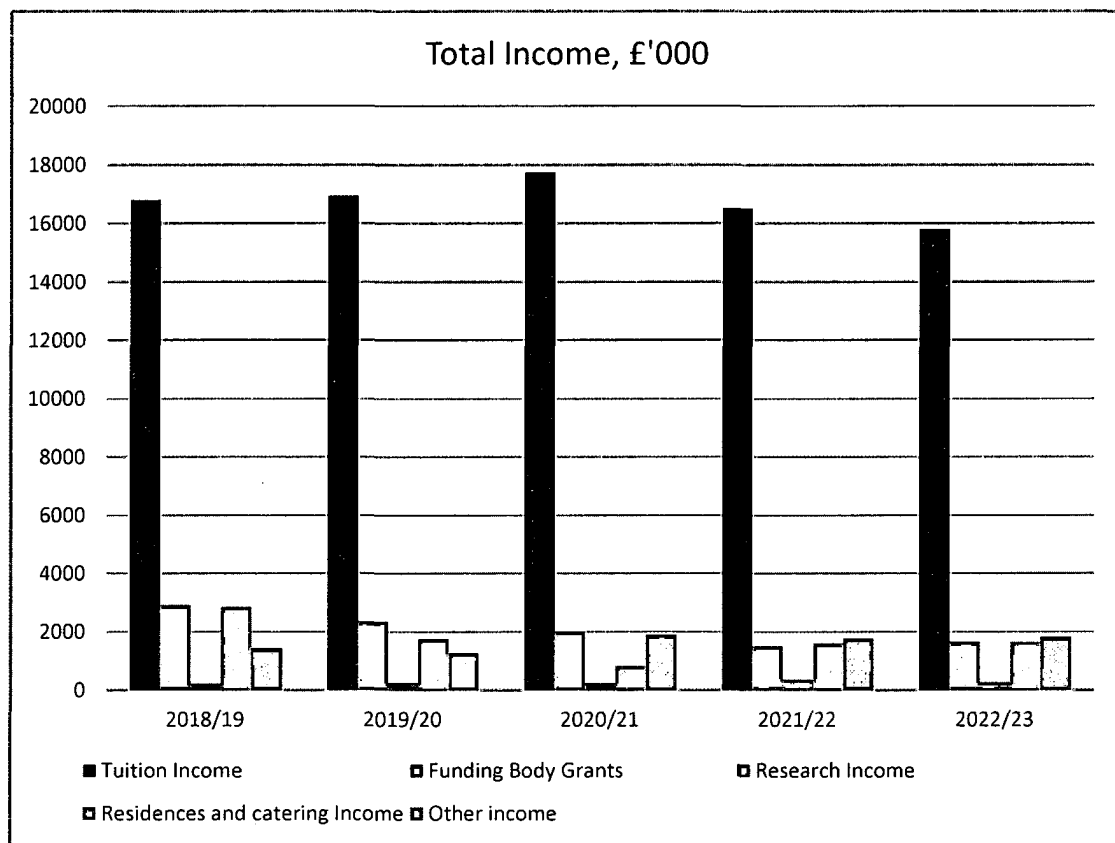
The consolidated income and expenditure results for the Group of University are summarised in table 4 below:

Table 4 – Consolidated Income and Expenditure Results

	2022/23		2021/22	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Income	21,248	21,107	21,833	21,833
Expenditure	24,051	23,910	26,919	27,211
(Loss)/Surplus for the year	(2,803)	(2,803)	(5,086)	(5,378)
Actuarial Gain/(Loss)	3,091	3,091	17,470	17,470
Taxation	-	-	-	-
Transfer from revaluation Reserve	36	36	36	36
Total Comprehensive Income for the year	324	324	12,420	12,128

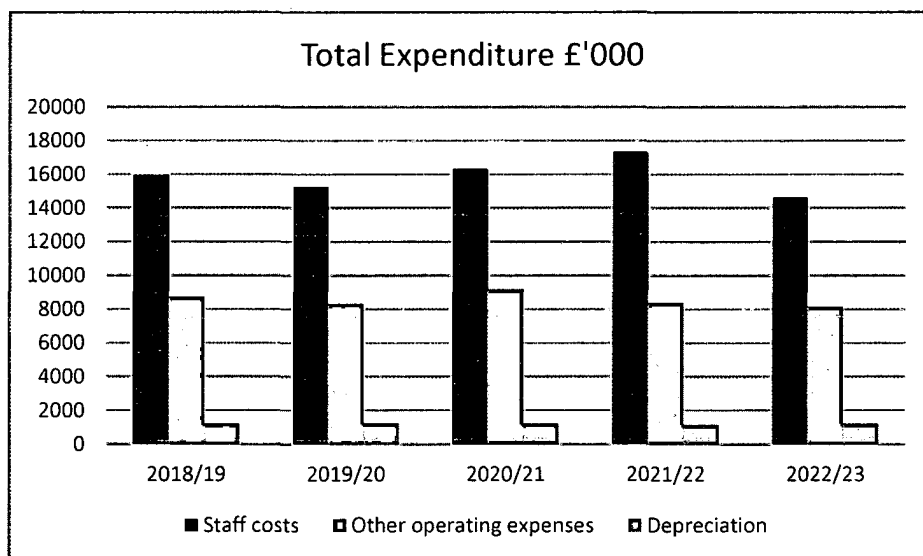
Income

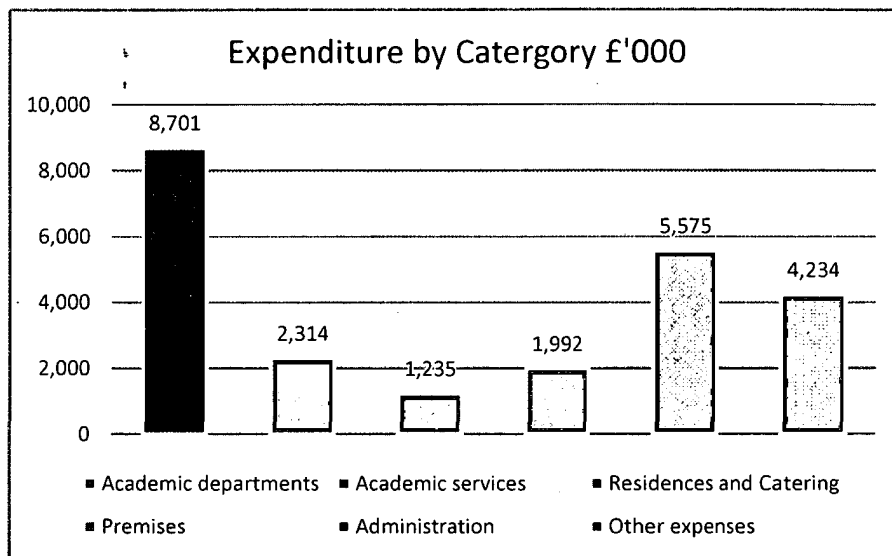
We received a total income of £21.2m, a reduction of £0.6m from 2021/22. As in previous years, tuition fees were the primary source of income, representing 74% of the total income (2021/22: 76%).



Expenditure

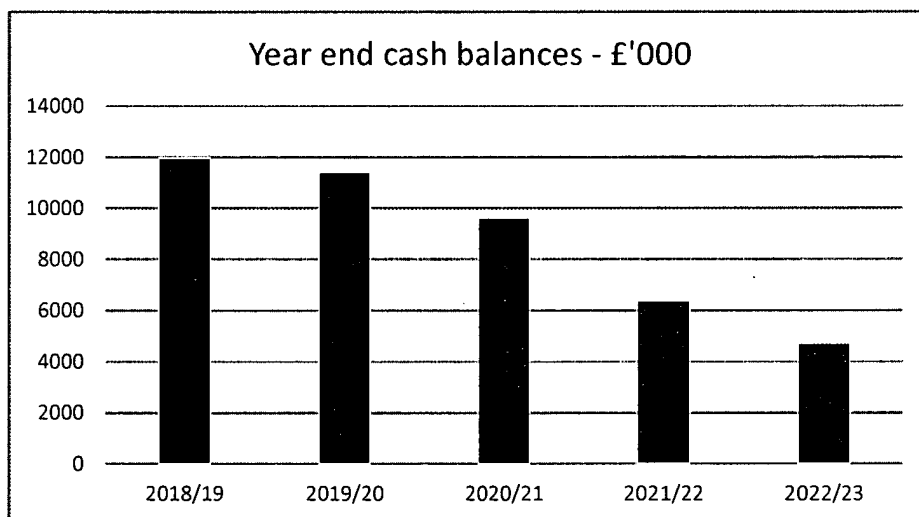
Total expenditure decreased by around £2.8m, from £27m in 2021/22 to £24m in 2022/23. Total salary costs fell by £1.4m, following a Voluntary Leavers Scheme (VLS) undertaken part way through 2021/22 and £1.3m of the reduction in expenditure related to the FRS102 pension valuation movement in the year.





Balance Sheet

Cash and equivalents of £4.7m on 31 July 2023 are lower than the year before (July 2022: £6.3m).



Company number 11963500

6. Risk

The University's approach to the management, oversight and monitoring of risks has been to build risk management into its structures and processes through a framework comprising:

- governance;
- identification, evaluation and management of significant risks;
- policy; and
- control environment.

There is a very low risk appetite where there is a likelihood of significant and lasting damage to:

- core business;
- significant harm to students, staff and visitors;
- significant and lasting reputational damage;
- significant financial loss or negative variations to financial plans; and
- breaches of regulatory compliance.

The intention is therefore to minimise exposure to these and reduce their potential impact to the lowest practicable level.

The University has a much greater appetite for risk in the context of encouraging and promoting critical enquiry, academic freedom and open debate. The University is also open to innovation in delivering a high-quality learning experience for its students, a rich and vibrant research environment for its community, and a creative and responsive set of knowledge exchange services for partners.

The responsibility for oversight and management of strategic risks rests with UEG and assurance oversight for risk rests with the Audit Committee, which received quarterly reports. Formal reports of strategic risk are also received by the full University Council. Risk owners assess risk frequently and the risk register is reviewed by UEG. Major projects have individual risk registers, and risk assessment is incorporated into planning and decision-making processes. During 2022/23, these project risk registers included, for example, the registers relating to the SRS and Student Accommodation Village. Each year, the Internal Audit function utilises the risk register when developing its audit plan.

The University Risk Register is influenced by external factors and the University's overall 'risk readiness'. The main risks facing the University in 2022/23 were (in rank order):

1. achievement of student numbers not in line with business plan projections;
2. failure to ensure the financial sustainability of the University;
3. failure to maintain quality of teaching and learning;
4. failure to achieve Research Degree Awarding Powers (RDAPs) by the end of the strategy period;
5. failure to adequately maintain the infrastructure may adversely impact on the quality of learning and teaching and future sustainability of the University;
6. failure to have appropriate partnerships may impact on the University's ability to widen its impact, meet its regulatory requirements and generate alternative sources of income;
7. failure to recruit and retain suitably qualified and experienced staff;
8. failure to deliver key University projects;

9. failure to respond to a significant incident;
10. failure to implement key financial controls; and
11. failure to develop international activities compliant with relevant regulation.

Mitigating actions undertaken to address these risks included:

- additional resources to support recruitment activities;
- development of new partnership activities, a review of the business cases behind these and the resources required to deliver them successfully;
- working with the local UCU branch to minimise the impact of industrial action on the quality of learning and teaching provision;
- ensuring internal skills and capacity are available to adequately maintain the infrastructure;
- developing capacity and capability in project management;
- reviewing and scenario testing key aspects of the business continuity plan; and
- assessing the viability of controls and processes through internal audit reviews.

The mitigation actions reduced the risk in relation all areas bar those relating to the financial situation of the University, student numbers, the maintenance of the infrastructure, relationship with partners and the achievement of Research Degree Awarding Powers. With the exception of the relationship with partners, the prime underlying issue impacting on the risk assessment in these areas was the reduction in the university's operating capital.

7. Corporate Governance

The University is committed to exhibiting best practice in all aspects of corporate governance. In August 2019 the University became a private limited company by guarantee without share capital, and with the use of 'Limited' exemption. Broadly speaking, University Council is responsible for overseeing the running of the University and specifically for the effective, efficient and economic use of resources, for the approval of annual budgets and for senior appointments. The Vice-Chancellor is responsible for the organisation and management of the University and for making recommendations to University Council on the matters for which it is responsible. The Articles of Association were amended at a General Meeting on 24 April 2023 to remove the occupational requirement previously linked to the Vice-Chancellor position. The Members of University Council are Directors under the Companies Act 2006.

The arrangements for 2022/23 are set out in:

- the University's Articles of Association;
- the terms of reference for committees of University Council;
- the University's Schedule of Delegation;
- the University's financial regulations; and
- such regulations as University Council may from time to time adopt, including by-laws.

A governance effectiveness review was undertaken in 2022. The resulting action plan focused on:

- the skills and capacity of Council;
- its strategic focus;
- decision making and structure; and
- engagement and voice.

During 2023, the action plan was monitored by the Governance and Nominations (G&N) Committee, which reported in turn to University Council. The University's governance arrangements were, and continue to be consistent with good practice and the Committee of University Chairs (CUC) Higher Education Code of Governance.

The Articles of Association (2019), and revised 24 April 2023, empower University Council to delegate certain elements of its functions to committees of University Council or to the Vice-Chancellor. University Council may *not* delegate responsibility for:

- a) the pursuit of the charitable objects and the determination of the educational character and mission of the University;
- b) the approval of the annual estimates of income and expenditure;
- c) ensuring the solvency of the University and the safeguarding of its assets;
- d) the process of appointment or dismissal of the Vice-Chancellor; or
- e) the recommendation to the University in general meeting for the varying or revoking of these Articles.

UEG has responsibility for planning, directing and controlling the activities of the University.

When complete, University Council has 16 to 22 members, appointed for four years and eligible for one reappointment for consecutive service, with the exception of the Vice-Chancellor, the Deputy Vice-Chancellor (Academic Affairs), the President of the Students' Union, the elected Student Member of University Council and the Bishop of Lincoln. The composition of University Council is as follows:

- a) the Bishop;
- b) the Vice-Chancellor;
- c) four people appointed by the Bishop's Council of Diocesan Trustees, or any successor body, after consideration of the skills required by University Council;
- d) one member of the academic staff of the University elected by the academic staff in accordance with rules established from time to time by University Council;
- e) one member of the support staff of the University elected by the support staff in accordance with rules established from time to time by University Council;
- f) two representatives of the students elected by the students in accordance with rules established from time to time by University Council;
- g) five to 11 members appointed by University Council in accordance with rules made by University Council; and
- h) the Deputy Vice-Chancellor (Academic Affairs).

The Chair's term of office as an appointed position is for three years with a possible renewal period of three years. Ms Anne Frost was appointed as Chair of Council from the 1 August 2022. The Rev'd Canon Professor Peter Neil stepped down as Vice-Chancellor, and accountable officer with the OfS, on 31 July 2023. Professor Karen Stanton was appointed as Interim Vice-Chancellor and accountable officer from 1 August 2023.

The Bishop, by notice in writing to University Council, may appoint a representative to act as alternative director in their absence from meetings of University Council.

During 2022/23, Dr Stephanie Gilluly was Registrar and University Secretary to University Council, ensuring that appropriate procedures were followed to support the governance processes in line with best practice. The Vice-Chancellor was (and remains) the accountable officer in respect of reporting to the OfS.

The Governance Office maintains a register of financial and personal interests of University Council. The register for 2022/23 is available for inspection at the University address.

In addition to University Council, BGU has a number of Committees with delegated responsibilities. A brief description of the responsibilities of each committee is outlined below. During 2022/23 (and up to the date of the signing of this Report), University Council and its committees met as follows:

University Council

26 October 2022
29 November 2022
14 December 2022
6 March 2023 (Extraordinary)
22 March 2023
24 April 2023 (Extraordinary)
30 May 2023 (Extraordinary)
7 June 2023
25 July 2023
28 September 2023 (Extraordinary)
16 October 2023 (Strategy Day)
28 November 2023

General Meeting

24 April 2023

Audit Committee

17 October 2022
23 November 2022
9 March 2023
25 May 2023
17 October 2023
13 November 2023

The Audit Committee is responsible for advising and assisting University Council in respect of the entire assurance and control environment of the institution. Included within the scope of the Committee is the review of the audit aspects of the draft annual financial statements and assurance to University Council on the adequacy and effectiveness of risk management, control and governance; sustainability and the promotion of economy, efficiency and effectiveness (value for money); and the management and quality assurance of data.

Finance, Employment and General Purposes Committee

21 October 2022
22 November 2022
9 March 2023
24 May 2023
13 September 2023
13 November 2023
20 November 2023

The Finances, Employment and General Purposes Committee considers and advises University Council on the approval of the annual and interim financial statements, and the annual budgets and financial forecasts. The Committee also advises University Council on strategic developments and policy in respect of tuition fees, technology, estates and staffing matters (excluding the pay of senior officers).

Remuneration Committee

28 September 2022
23 January 2023
24 February 2023 (Extraordinary)
6 March 2023 (Extraordinary)
30 October 2023

The Remuneration Committee has a specific responsibility with respect to the senior posts of the University. Taking into account comparator information, the Committee makes recommendations to University Council in respect of the salary of the Vice-Chancellor and determines the salary of other senior posts. It also recommends to University Council any proposal for significant change to terms and conditions of employment of senior staff, including the Vice-Chancellor.

Governance and Nominations Committee

18 October 2022
22 November 2022 (Extraordinary)
7 February 2023
28 March 2023
15 June 2023
1 November 2023

The Governance and Nominations Committee advises University Council on the appointment of Members to the University Council, seeking nominations and participating in selection processes as required. The Committee is responsible for ensuring University Council is advised on matters of good governance.

Academic Assurance Committee

18 January 2023
14 March 2023
23 May 2023
1 November 2023

This Committee was formed following the governance effectiveness review in 2022. The purpose of the Committee is to act as an advisory group to Council to facilitate Council's role in respect of academic assurance and to increase engagement between Council and Senate around academic affairs.

Selection Committee

4 April 2023
19 May 2023 (Shortlisting)

This Committee met in 2023 to oversee the recruitment process for the Interim Vice-Chancellor, in accordance with the decisions of the University Council on 24 April 2023. The Interim Vice-Chancellor appointment was made by University Council at its meeting on 30 May 2023.

University Council Member Attendance 2022/23		University Council	Audit	Finance, Employment & General Purposes	Governance & Nominations	Remuneration	Academic Assurance	Selection
Reverend Canon Sonia Barron (to 23 May 2023)	4/6				1/4		1/2	
Ms Alison Brown (from 7 April 2023)	3/4							
Ms Julia Chippendale (from 7 April 2023)	3/4							
Mr Russ Coulter	9/9			4/4				
Dr Stephen Critchley	9/9	4/4		4/5	4/4			2/2
Ms Jackie Croft (to 30 September 2022)					1/1			
Mrs Rebecca Crooks (from 7 April 2023)	4/4							
Miss Jessica Darnell (to 7 April 2023)	2/5							
Professor Scott Fleming	8/9			4/5			3/3	
Ms Anne Frost	9/9			5/5	4/4			2/2
Mr Richard Hallsworth	7/9			4/4		3/4		2/2
Professor Marianne Howarth	6/9	4/4					3/3	
Reverend Canon Dr Sarah Lawrence	8/9	3/4					3/3	
Mr Walter Leschenko	6/9	4/4						
Dr Sacha Mason	7/9			4/5				
Reverend Canon Professor Peter Neil (to 31 July 2023)	6/9			4/4	4/5			
The Right Reverend Dr Nigel Peyton	7/9			2/4		4/4		2/2
Mr Connor Short	8/9							
Professor Karen Stanton (Co-opt member for AAC)							3/3	
Reverend Marian Toyne	6/9			2/5			2/3	
Mrs Kate Truscott (from 7 April 2023)	4/4							
Mr Henry Waller (to 30 June 2023)	5/8							

The statement of corporate governance covers the financial year and up to the date of approval of these financial statements by University Council on 30 November 2023.

8. Statement of University Council's Responsibilities

University Council is the Governing Body of the Institution. Subject to the powers of Senate as provided for in the Instruments and Articles, it has ultimate responsibility for the affairs of the University. In accordance with the University's Articles of Association, University Council is responsible for the administration and management of the University's affairs, including ensuring an effective system of internal control, and is required to present audited financial statements for each financial year to Companies House and the Charity Commission.

The Council is responsible for ensuring that the University has appropriate systems of controls, financial and otherwise. The Council is also responsible for keeping accounting records that disclose with reasonable accuracy at any time the financial position of the University and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities Act 2011 and regulations made thereunder. The Council is responsible for safeguarding the assets of the University and ensuring their proper application under law, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In addition, in accordance with the requirements of the OfS, University Council, through its designated office holder, is required to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the University and of the income and expenditure, surplus or deficit, changes in reserves and cash flows for that year.

In preparing the financial statements, University Council is required to:

- select the most suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education 2019, and of the OfS Accounts direction;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that University Council will continue in business.

On 1 August 2019, the University incorporated as a company limited by guarantee (company number 11963500) and a registered charity (charity number 1184682).

9. Statement of Internal Control

The University Council of Bishop Grosseteste University 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. This control is exercised in accordance with the University's Articles of Association incorporating the Instrument and Articles of Government of the University, the OfS Terms and Conditions of Funding for HEIs, other funding bodies' conditions, the CUC Higher Education Code of Governance and the Charity Commission.

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 ongoing process designed to identify the principal risks to the achievement of policies, aims and objectives; to evaluate the nature and extent of those risks; and to manage them efficiently, effectively and economically. This process has been in place for the year ended 31 July 2023 and up to the date of approval of the financial statements on 30 November 2023 and accords with the OfS guidance.

University Council has responsibility for reviewing the adequacy and effectiveness of the system of internal control and arrangements for the management and quality assurance of data submitted to the Higher Education Statistics Agency (HESA), Student Loans Company (SLC), OfS and other bodies. The following processes have been established:

- regular meetings (at least termly) are held to consider the plans and strategic direction of the University;
- the Audit Committee oversees risk management and receives regular reports from the Head of Internal Audit, which include the Head of Internal Audit's independent opinion on the adequacy and effectiveness of the University's system of internal control, together with recommendations for improvement;
- the University's Risk Register is actively reviewed by UEG, the Audit Committee and University Council, and is informed by robust internal and external audits;
- regular updates are received from the Chair of the Audit Committee concerning internal control, and BGU requires regular reports from the Vice-Chancellor on the steps being taken to manage risks, including progress on key projects; and
- aligned with the new CUC Higher Education Code of Governance, an effectiveness review of Council and all sub-committees was undertaken during 2021/22. The University commissioned an independent appraisal of the effectiveness of the implementation of the subsequent actions commenced in November 2022. The action plan agreed by University Council has been monitored at regular meetings throughout 2023.

The review of the effectiveness of the system of internal control is informed by the internal audit service. During 2022/23, Uniac were subject to an external quality assessment (EQA) where the audit approach deployed and value to the University and was assessed against recognised internal auditing standards. The exercise was undertaken by the Chartered Institute of Internal Auditors. As part of the work, a question was issued to senior management and the Chair of the Audit Committee. Meetings were also arranged with the Registrar and University Secretary. The final report concluded that Uniac 'generally conforms' with the International Professional Practices Framework (which is the highest of the three ratings categories).

The review of the effectiveness of the system of internal control is also informed by the work of UEG, which has responsibility for the development and maintenance of the internal control framework, and by comments made by the external auditors in the management letter and other reports.

Principal Risks

BGU's approach to risk management is outlined in Section 6 of this report, together with the principal risks managed during 2022/23. The risk register for 2022/23 was aligned to BGU's Strategy and revised KPIs. The risks monitored in 2022/23 are outlined in Section 6 of this report. Mitigation actions are linked to revised KPIs and are monitored by UEG and the Audit Committee, with subsequent reports to University Council.

Employee Engagement

University Council – and, therefore, the Board of Directors – includes:

- one member of the academic staff of the University elected by the academic staff in accordance with rules established from time to time by University Council; and
- one member of the support staff of the University elected by the support staff in accordance with rules established from time to time by University Council.

The academic staff member of University Council regularly reports to Senate – the highest academic committee in the University – on matters discussed at University Council.

Staff fora are held throughout the year to discuss key strategic items and ensure a common understanding of the financial and business planning activities of the University. Topics for discussion at these meetings in 2022/23 included:

- the University's response to Covid-19 and subsequent return to campus;
- re-engaging the University Community;
- University finances;
- marketing and recruitment; and
- external engagement activity and key projects.

In autumn 2023, the new interim Vice-Chancellor held a staff forum to outline the five-year financial plan for the University and the Critical Path and its core objectives. New communication channels have been opened for staff to contact the Vice-Chancellor and a Communications Room has been developed.

The University is a recognised union environment; University and College Union (UCU) and Unison are regularly consulted through the Joint Consultative Committee. The Director of People and Infrastructure meets with BGU union representatives on a weekly basis. They also cascade information to union members. The Business Continuity Group is currently working with colleagues to assess the potential impact of any strike action.

Bishop Grosseteste University is a member of the Universities and Colleges Employers Association, which represents the University's interests during pay negotiations at the Joint Negotiating Committee for Higher Education Staff alongside the unions. Council minutes and the University's finances are made publicly available on the University's website.

University Council has taken reasonable steps are taken to:

- ensure that funds from the OfS and the Department for Education are used only as permitted by the relevant agreements and any other conditions that the funding bodies may from time to time prescribe;
- ensure that there are appropriate financial and management controls in place to safeguard public funds and funds from other sources;
- safeguard assets of the University and prevent and detect fraud;
- secure the economical, efficient and effective management of the University's resources and expenditure; and
- ensure that UEG has an adequate system of internal control designed to manage rather than eliminate the risk of failure to achieve business objectives, providing only reasonable and not absolute assurance against material misstatement or loss and that it regularly monitors and reviews the effectiveness of that system.

Any system of internal financial control can, however, only provide reasonable, but not absolute, assurance against material misstatement or loss.

Disclosure of Information to Auditors

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

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.



Professor Karen Stanton
Vice-Chancellor
DATE: 30 November 2023



Anne Frost
Chair of University Council
DATE: 30 November 2023

10. Independent Auditors Report

Opinion

We have audited the financial statements of Bishop Grosseteste University (the 'University') and its subsidiary (the 'group') for the year ended 31 July 2023 which comprise the consolidated statements of comprehensive income, the consolidated and University statement of changes in reserves, the consolidated and University balance sheet, the consolidated statement of cash flows, the principal accounting policies, and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and University's affairs as at 31 July 2023 and of the group's and University's deficit, comprehensive income and expenditure and changes in reserves 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 the Statement of Recommended Practice: Accounting for Further and Higher Education; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the University 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

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or University's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The members of the Council are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Office for Students

In our opinion, in all material aspects:

- in all material respects, funds from whatever source administered by the University for specific purposes have been properly applied only for those purposes for which they were received, and managed in accordance with the legislation;
- in all material respects, funds provided by the OfS, UK Research and Innovation (including Research England), the Education and Skills Funding Agency and the Department for Education have been applied in accordance with the relevant terms and conditions; and
- the requirements of the OfS's accounts direction have been met.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Office for Students requires us to report to you where:

- the group and University's grant and fee income, as disclosed in note 1 to these financial statements has been materially misstated; and
- the group and University's expenditure on access and participation activities for the financial year has been materially misstated.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the members of the Council's report, which is also the directors' report for the purposes of company law and includes the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and

- the members of the Council's report, which is also the directors' report for the purposes of company law and includes the strategic report, has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the University and its environment obtained in the course of the audit, we have not identified material misstatements in the members of the Council's report including the strategic report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- the statement of internal control includes as part of the Corporate Governance Statement is inconsistent with our knowledge of the University;
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of members' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the University Council

As explained more fully in the statement of responsibilities of members of the Council, the members of the Council are 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 members of the Council 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 members of the Council are responsible for assessing the University's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the members of the Council either intend to liquidate the University or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations

We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the University through discussions with management, and from our knowledge and experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the University, including the Further and Higher Education Act 1992, Companies Act 2006, funding agreements with the OfS and associated funding rules, OfS regulations, data protection legislation, anti-bribery, safeguarding, employment, health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instance of non-compliance throughout the audit.

We assessed the susceptibility of the University's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions; and
- assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of University Council meetings;
- enquiring of management as to actual and potential litigation claims; and
- reviewing any available correspondence with HMRC and the University's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the members of the Council and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at 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 University's members, as a body, in accordance with the University's Articles of Governance and Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the University's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the University and the University's members as a body, for our audit work, for this report, or for the opinions we have formed.

A handwritten signature in dark ink, appearing to read 'Buzzacott LLP', is positioned above the printed name of the auditor.

Hugh Swainson (Senior Statutory Auditor)
For and on behalf of Buzzacott LLP
Statutory Auditor
130 Wood Street
London
EC2V 6DL

06 December 2023

11. Financial Statements

Company Number: 11963500

Charity Number: 1184682

Consolidated Statement of Comprehensive Income and Expenditure

		Year ended 31 July 2023		Year ended 31 July 2022	
	Notes	Consolidated	University	Consolidated	University
		£'000	£'000	£'000	£'000
Income					
Tuition fees and education contracts	1 & 2	15,812	15,812	16,524	16,524
Funding body grants	1	1,670	1,670	1,528	1,528
Research grants and contracts	1 & 3	269	269	375	375
Other income	4	3,450	3,309	3,402	3,402
Investment income	5	47	47	4	4
Total income		21,248	21,107	21,833	21,833
Expenditure					
Staff costs	6	14,644	14,644	17,315	17,315
Other operating expenses	7	8,135	7,994	8,193	8,485
Depreciation / amortisation	11 & 12	1,244	1,244	1,184	1,184
Interest and other finance costs	8	28	28	227	227
Total expenditure	9	24,051	23,910	26,919	27,211
Loss before other gains		(2,803)	(2,803)	(5,086)	(5,378)
Actuarial gain in respect of pension schemes	24	3,091	3,091	17,470	17,470
Transfers between revaluation and income and expenditure reserve		36	36	36	36
Total comprehensive income for the year		324	324	12,420	12,128
Represented by:					
Unrestricted comprehensive expenditure for the year		288	288	12,384	12,092
Revaluation reserve comprehensive income for the year		36	36	36	36

All items of income and expenditure relate to continuing activities in the current and prior years.

All recognised gains and losses are included in the above statement of comprehensive income and expenditure.

Consolidated Statement of Changes in Reserves
Year ended 31 July 2023

Consolidated	Income and expenditure account		Revaluation reserve	Total
	<i>Restricted</i>	<i>Unrestricted</i>		
	£'000	£'000	£'000	£'000
Balance at 1 August 2021	844	11,429	3,369	15,642
Deficit from the income and expenditure statement	-	(5,086)	-	(5,086)
Other comprehensive income	-	17,470	-	17,470
Transfers between revaluation and income and expenditure reserve	-	36	(36)	-
Total comprehensive income for the year	-	12,420	(36)	12,384
Balance at 1 August 2022	844	23,849	3,333	28,026
Deficit from the income and expenditure statement	-	(2,803)	-	(2,803)
Other comprehensive income	-	3,091	-	3,091
Transfers between revaluation and income and expenditure reserve	-	36	(36)	-
Transfer between restricted and unrestricted	(697)	697	-	-
Release of reserves spent in year	-	(12)	-	(12)
Total comprehensive income for the year	(697)	1,009	(36)	276
Balance at 31 July 2023	147	24,858	3,297	28,302

University Statement of Changes in Reserves
Year ended 31 July 2023

University	Income and expenditure account		Revaluation reserve	Total
	<i>Restricted</i>	<i>Unrestricted</i>		
	£'000	£'000	£'000	£'000
Balance at 1 August 2021	844	12,008	3,369	16,221
Deficit from the income and expenditure statement	-	(5,378)	-	(5,378)
Other comprehensive income	-	17,470	-	17,470
Transfers between revaluation and income and expenditure reserve	-	36	(36)	-
Release of reserves spent in year	-	(287)	-	(287)
Total comprehensive income for the year	-	11,841	(36)	11,805
Balance at 1 August 2022	844	23,849	3,333	28,026
Deficit from the income and expenditure statement	-	(2,803)	-	(2,803)
Other comprehensive income	-	3,091	-	3,091
Transfers between revaluation and income and expenditure reserve	-	36	(36)	-
Transfer between restricted and unrestricted	(697)	697	-	-
Release of reserves spent in year	-	(12)	-	(12)
Total comprehensive income for the year	(697)	1,009	(36)	276
Balance at 31 July 2023	147	24,858	3,297	28,302

Consolidated Balance Sheets

Notes	As at 31 July 2023		As at 31 July 2022	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Non-current assets				
Intangible assets	11	8	17	17
Tangible fixed assets	12	26,170	26,612	26,612
		26,178	26,629	26,629
Current assets				
Stock	13	21	15	15
Trade and other receivables	14	1,752	750	750
Cash and cash equivalents	15	4,676	6,358	6,358
		6,449	7,123	7,123
Less: Creditors: amounts falling due within one year	16	(3,089)	(1,957)	(1,967)
Net current assets		3,360	5,156	5,156
Total assets less current liabilities		29,538	31,785	31,785
Creditors: amounts falling due after more than one year	17	(4,525)	(4,353)	(4,353)
Provisions				
Pension provisions	19	3,289	594	594
Total net assets		28,302	28,026	28,026
Restricted Reserves				
Income and expenditure reserve - endowment reserve	20	-	697	697
Income and expenditure reserve - restricted reserve	20	147	147	147
Unrestricted Reserves				
Income and expenditure reserve - unrestricted		24,858	23,849	23,849
Revaluation reserve		3,297	3,333	3,333
Total Reserves		28,302	28,026	28,026

The financial statements were approved by the Governing Body on 30 November 2023 and were signed on its behalf on that date by:

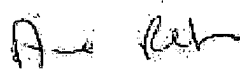


Vice-Chancellor

Karen Stanton

Company number 11963500

Chair of University
Council



Anne Frost

Consolidated Statement of Cash flows

	Notes	Year ended 31 July 2023 £'000	Year ended 31 July 2022 £'000
Cash flow from operating activities			
Loss for the year		(2,803)	(5,086)
Adjustment for non-cash items			
Depreciation and amortisation	11 & 12	1,244	1,184
Increase in stock	13	(6)	(4)
Increase in debtors	14	(1,002)	(125)
Increase (decrease) in creditors	16	1,096	(912)
(Decrease) increase in pension provision	19	(32)	180
Defined pension costs less contributions payable		391	1,440
Defined benefit pension finance costs		28	227
Release of unrestricted reserves		-	215
Adjustment for investing or financing activities			
Investment income	5	(47)	(4)
Movement in Salix loan	17	(23)	(23)
Capital grant income	18	(308)	(223)
Net cash outflow from operating activities		(1,462)	(3,131)
Cash flows from investing activities			
Capital grants receipts		527	26
Investment income	13	47	4
Payments made to acquire fixed assets	11 & 12	(794)	(136)
		(220)	(106)
Decrease in cash and cash equivalents in the year		(1,682)	(3,237)
Cash and cash equivalents at beginning of the year	15	6,358	9,595
Cash and cash equivalents at end of the year	15	4,676	6,358

Analysis of change in net debt	At 1 August 2022 £'000	Cash flows £'000	Other non-cash changes £'000	At 31 July 2023 £'000
Cash	6,358	(1,682)	-	4,676
Loans falling due within one year	-	-	(23)	(23)
Loans falling due after more than one year	(46)	-	23	(23)
Total	6,312	(1,682)	-	4,630

Notes to the financial statements

1. Statement of accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

2. Basis of preparation

These financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting for Further and Higher Education 2019 (the 2019 FE HE SORP) and in accordance with Financial Reporting Standards 102 – “The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)”. The University is a public benefit entity and therefore has applied the relevant public benefit requirement of FRS 102.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the University’s accounting policies.

3. Basis of accounting

The financial statements are prepared under the historical cost convention modified by the revaluation of certain fixed assets, and are presented in £000s.

4. Basis of consolidation

The consolidated financial statements include the University and its subsidiary undertaking, BG (Lincoln) Limited. Intra-group sales and profits are eliminated fully on consolidation. No separate statement of comprehensive income has been presented for Bishop Grosseteste University alone, as permitted by section 408 of the Companies Act 2006.

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.

All financial statements are made up to 31 July 2023.

5. Recognition of income

Income from the sale of goods or services is credited to the Consolidated Statement of Comprehensive Income and Expenditure when the goods or services are supplied to the external customers or the terms of the contract have been satisfied.

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

Investment income is credited to the statement of income and expenditure on a receivable basis.

Funds the University receives and disburses as paying agent on behalf of a funding body are excluded from the income and expenditure of the University where the University is exposed to minimal risk or enjoys minimal economic benefit related to the transaction.

Grant funding:

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

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

Capital grants:

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

6. Maintenance of premises

The University has produced a long-term maintenance plan. The plan includes all recurring work, the number of years necessary to complete a full maintenance cycle, and the likely annual cost. The cost of long-term and routine corrective maintenance is charged to the income and expenditure account as incurred.

7. Foreign currency translation

Transactions denominated in foreign currencies are recorded at the rate of exchange ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into sterling either at year-end rates or, where there are related forward foreign exchange contracts, at contract rates. The resulting exchange differences are dealt with in the determination of income and expenditure for the financial year.

8. Pension schemes

Retirement benefits for most employees of the University are provided by the Teachers' Pension Scheme (TPS) and the Local Government Pension Scheme (LGPS). These are defined benefit schemes which are independently administered schemes, funded by contributions from the University and the employees.

Contributions to the TPS are charged to the income and expenditure so as to spread the cost of pensions over employees' working lives with the University in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by qualified actuaries on the basis of quadrennial valuations using a prospective benefit method. As stated in note 24, the TPS is a multi-employer scheme and the University is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent

and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The assets of the LGPS are measured using closing market values. LGPS liabilities are measured using the projected unit method and discounted at the current rate of return on a high-quality corporate bond of equivalent term and currency to the liability. The increase in the present value of the liabilities of the scheme expected to arise from employee service in the period is charged to the operating surplus. The expected return on the scheme's assets and the increase during the period in the present value of the scheme's liabilities, arising from the passage of time, are included in pension finance costs. Actuarial gains and losses are recognised in the Statement of Comprehensive Income and Expenditure.

Should the present value of the LGPS at the reporting date be less than the fair value of its plan assets at that date, the plan would be in surplus. Surpluses can only be recognised as an asset to the extent that the University is able to recover the surplus, either through reduced contributions in the future or through refunds from the plan. Otherwise, the liability is capped at zero.

The institution participates in the Universities Superannuation Scheme. The scheme is a hybrid pension scheme, providing defined benefits (for all members), as well as defined contribution benefits. The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the assets are not attributed to individual institutions and a scheme-wide contribution rate is 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 the scheme on a consistent and reasonable basis.

As required by Section 28 of FRS102 "Employee benefits", the institution accounts for the USS scheme as if it were a wholly defined contribution scheme. As a result, the amount charged to the Statement of Comprehensive Income and Expenditure represents the contributions payable to the scheme. Since the institution has entered into an agreement (the Recovery Plan) that determines how each employer within the scheme will fund the overall deficit, the institution recognises a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and therefore an expense is recognised.

Bishop Grosseteste University also participates in the Church of England Funded Pension Scheme which is a defined benefit scheme but the University is unable to determine its share of the underlying assets and liabilities on a consistent and reasonable basis. The Scheme is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The University operates a defined contributions pension scheme, the Bishop Grosseteste University Flexible Retirement Account. The assets of the scheme are held separately from those of the University in an independently administered fund.

9. Enhanced pensions

The actual cost of any enhanced on-going pension to a former member of staff is paid by the University annually. An estimate of the expected future cost of any enhancement to the on-going pension of a former member of staff is charged in full to the University's income and expenditure account in the year that the member of staff retires. In subsequent years a charge is made to provisions in the balance sheet using guidance prepared for the Higher Education Funding Council for England by Deloitte & Touche Actuarial & Benefit Services in 1998. At 31 July 2023

the enhanced early retirements relating to Local Government Pension Scheme unfunded liabilities have been included as part of the main FRS 102 pension disclosure at Note 24 to these accounts. Unfunded enhanced pension liabilities that relate to the Teachers' Pension Scheme remain as part of the Enhanced Pensions Provision at 31 July 2023.

10. Tangible fixed assets

Where significant expenditure is incurred on tangible fixed assets it is charged to the income and expenditure account in the period it is incurred, unless it meets one of the following criteria, in which case it is capitalised and depreciated on the relevant basis:

- market value of the fixed asset has subsequently improved;
- asset capacity increases;
- substantial improvement in the quality of output or reduction in operating costs; and
- significant extension of the assets life beyond that conferred by repairs and maintenance.

Tangible fixed assets are depreciated over their useful lives considering residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation and maintenance programmes are considered. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

a. Land and buildings

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

The basis of valuation is open market value for existing use or, where such a valuation is not practicable, depreciated replacement cost. A full valuation of the land was carried out by Hodgson Elkington Chartered Surveyors on transition to FRS 102.

Land is held freehold and is not depreciated. Buildings are depreciated over their expected useful lives of 50 years from 1 August 1993 or from the date of acquisition. Subsequent capital improvements to existing buildings are depreciated over the remaining useful life of the building to which the expenditure relates.

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

b. Equipment

All equipment, including computers and software costing more than £10,000 per individual item and having an expected life of more than one year is capitalised. Equipment, including motor vehicles, is stated at cost and depreciated over its expected useful life of 5 years.

11. Intangible assets

Computer software is carried at cost less accumulated amortisation and any recognised impairment loss. Externally acquired computer software and software licences are capitalised and amortised on a straight-line basis over their useful lives of five years. Amounts capitalised include the total cost of any external products or services and labour costs directly attributable to development. The amortisation period is five years.

12. Stocks

The stocks are catering provisions and shop items. Stocks are stated at the lower of cost and net realisable value. Where necessary, provision is made for obsolete, slow moving and defective stocks.

13. Taxation

The University is an exempt charity within the meaning of Part 3 of the Charity Act 2011. It is considered to pass the tests set out in paragraph 1 schedule 6 of the Finance Act 2010 and accordingly the University is potentially exempt from taxation in respect of income or capital gains received within categories covered by sections 478-488 of the Corporation Tax Act 2010 or section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income is applied to exclusively charitable purposes.

The University receives no similar exemption in respect of value added tax (VAT). For this reason, the University is generally unable to recover input VAT it suffers on goods and services purchased. Non-pay expenditure is therefore shown inclusive of VAT with any partial recovery netted off against these figures.

The University's subsidiary company, BG (Lincoln) Ltd, is subject to corporation tax and VAT in the same way as any commercial organisation.

14. Cash and cash equivalents

Cash flows comprise increases or decreases in cash. 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. No investments, however liquid, are included in cash.

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

15. Provisions

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

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. Operating leases

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

18. Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, The Members of the Council has made the following judgements:

Assessment of going concern

The Members of the Council assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the University to continue as a going concern.

In making their assessment of going concern the Members of Council have considered the approved budget for 2023/24, along with a detailed narrative that makes clear the underpinning financial assumptions for the year. The Council have also considered and endorsed a five-year financial framework. The framework is based on modest financial growth and a reduction in staff costs to right-size the University.

The Council have also considered a five-year cashflow model and options to improve working capital. These options include, but are not limited to, accessing a banking facility (potentially a revolving credit product), asset sales (limited to properties that are either not used at all or heavily underutilised) and sale and leaseback options.

Strong progress is being made against the above objectives as at the time of filing. Although, no single option is required to maintain cashflow headroom and the most likely result will be achieved through a combination.

The five-year financial framework and delivery of the Critical Path Project (referred to in the foreword) underpins the assessment that going concern is appropriate.

The Members of the Council make this going concern assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements. The Members of the Council in their capacity as directors have concluded that the University has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the University's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Local Government Pension Scheme

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2022 has been used by the actuary in valuing the pensions liability at 31 July 2023. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Universities Superannuation Scheme

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

Bad debt provision

Provision is made for debts that are not considered to be collectable – referred to as a bad debt provision. This provision is calculated based on experience of previous years' collectability of differing type of debt and applied to the amount of outstanding debt.

1 Grant and fee income

	Year ended 31 July 2023		Year ended 31 July 2022	
	Group	University	Group	University
	£'000	£'000	£'000	£'000
Grant income from the OfS	1,103	1,103	1,284	1,284
Grant income from other bodies	467	467	161	161
Fee income for taught awards (see Note 2)	15,812	15,812	16,524	16,524
Fee income from research awards (see	269	269	375	375
Total grant and fee income	17,650	17,650	18,344	18,344

Deferred capital grants released in year

Office for Students	101	101	83	83
	17,751	17,751	18,427	18,427

2 Tuition fees and education contracts

	Year ended 31 July 2023		Year ended 31 July 2022	
	Group	University	Group	University
	£'000	£'000	£'000	£'000
UK Higher Education Students	15,812	15,812	16,524	16,524

3 Research grants and contracts

	Year ended 31 July 2023		Year ended 31 July 2022	
	Group	University	Group	University
	£'000	£'000	£'000	£'000
Research councils	196	196	242	242
Research charities	47	47	56	56
Government (UK and overseas)	-	-	5	5
Non-public research Income	21	21	71	71
Public research Income	5	5	1	1
	269	269	375	375

4 Other income

	Year ended 31 July 2023		Year ended 31 July 2022	
	Group	University	Group	University
	£'000	£'000	£'000	£'000
Residences, catering and conferences	1,659	1,518	1,620	1,620
Non-funding Council capital grants released	207	207	140	140
Long Term Hire of Facilities	40	40	28	28
Project Income	396	396	321	321
Other income	1,148	1,148	1,293	1,293
	3,450	3,309	3,402	3,402

5 Investment income

Year ended 31 July 2022

	Group £'000	University £'000	Group £'000	University £'000
Investment income from short-term deposits	47	47	4	4
	47	47	4	4

6 Staff costs

	Year ended 31 July 2023		Year ended 31 July 2022	
	Group £'000	University £'000	Group £'000	University £'000
Staff costs:				
Salaries	10,932	10,932	12,188	12,188
Social security costs	1,089	1,089	1,146	1,146
Movement on USS provision	(43)	(43)	179	179
Other pension costs - FRS102 adjustment	393	393	1,440	1,440
Other pension costs	2,273	2,273	2,362	2,362
Total	14,644	14,644	17,315	17,315

	2023	2022
	£	£
Emoluments of the Vice-Chancellor:		
Basic Salary	204,241	198,292
Bonus	-	(5,000)
Taxable Benefits	8,091	10,486
	212,332	203,778
Payments made in lieu of pension contributions	35,533	35,533
Compensation for loss of office	139,433	-
Pension contributions as part of compensation for loss of office	22,207	-
Non-taxable benefit – Living accommodation	14,400	14,400
	423,905	253,711

The Vice-Chancellor, Rev'd Canon Professor Peter Neil, stepped down from office on 31 July 2023 and had held the post of Vice-Chancellor since 01 May 2013. During the year, payments totalling £139,433 were made to Professor Peter Neil as compensation for loss of office, which includes pay in lieu of notice.

All compensation for loss of office in respect of senior staff is approved by the University's Remuneration Committee, with regards to the CUC guidance on decisions taken about severance payments in HEIs.

Amounts for compensation for loss of office and redundancy for all other staff are approved in line with the scheme and in accordance with delegated authority.

The Vice-Chancellor ceased to receive employer contributions made to the Universities Superannuation Scheme in January 2021 and from that date was paid a taxable allowance as an addition to pay. In addition, the Vice-Chancellor received a non-taxable benefit of on-site accommodation with an estimated rental value of £14,400 (2022: £14,400).

The Remuneration Committee determines the base salary and other benefits of the Vice-Chancellor.

The Vice-Chancellor is in attendance of Remuneration Committee, but is not involved in, or present at, any discussions or decisions of the Committee in relation to his own salary or benefits.

The remuneration of the Vice-Chancellor is set by the University's Remuneration Committee (see Section 7). In determining the remuneration of the Vice-Chancellor consideration will be given to established independent sources of benchmark reward data for roles in comparable organisations. Sources include the annual UCEA Senior Staff Remuneration Survey and the Annual Survey of Vice-Chancellor's Remuneration from the Committee of University Chairs (CUC).

The Chair of Council will present an assessment of performance against objectives together with recommendations to the Remuneration Committee for consideration. Formal minutes will provide a written record of the assessment.

To enable the Remuneration Committee to assess the value and performance of the Vice-Chancellor the following information is provided to the Committee:

1. A summary of discussions at the Vice-Chancellor's personal development review (PDR) meeting with the Chair and Deputy Chair of the University Council.
2. An assessment of achievement against the Vice-Chancellor's personal objectives for the year.
3. A summary of the salary and benefits received by the Vice-Chancellor.
4. Details of the remuneration received by the Vice-Chancellor in previous years.
5. Guidance and advice, namely the Higher Education Senior Staff Remuneration Code, provided by the Committee of University Chairs on the setting of senior staff remuneration.
6. Benchmarking data gathered by the University and Colleges Employers Association with a particular focus on, post-92 by income up to £70 million, institutions within the membership of the Cathedrals Group of Universities and Rest of England income.
7. Lowest paid staff members pay ratio and median pay rate ratio data for the University.

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

	2023	2022
	No.	No.
£120,000 - £124,999	-	1
£125,000 - £129,999	1	-

Reporting bodies are required to disclose the relationship between the remuneration of the highest paid director in their organisation and the median remuneration of the organisation's workforce. Total remuneration includes salary, non-consolidated performance-related pay and benefits in kind. It does not include severance payments, employer pension contributions and the cash equivalent transfer value of pensions.

Pay Multiples (as at 31 July)	2023	2022
Vice-Chancellor basic salary (£)	204,241	198,292
Median basic remuneration (£)	25,948	26,341
Ratio	7.87	7.53

Pay Multiples (as at 31 July)	2023	2022
Vice-Chancellor total remuneration	409,505	253,712
Median total remuneration	31,720	29,432
Ratio	12.91	8.62

The Vice-Chancellor's basic salary is 7.9 (2022: 7.5) times the median pay of staff, where the median pay is calculated on a full-time equivalent basis for the salaries paid by the provider to its staff.

The Vice-Chancellor's total remuneration is 12.9 (2022: 8.6) times the median total remuneration of staff, where the median total remuneration is calculated on a full-time equivalent basis for the total remuneration by the provider of its staff.

	2023	2022
Average staff numbers by major category:	No.	No.
Academic	103	117
Management & Administrative	122	145
Other	41	49
	266	311

Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the University and include members of the University Executive Group comprising of the Vice-Chancellor, Deputy Vice-Chancellor and the University Registrar. Staff costs paid to key management personnel, inclusive of both employers' pension and NI contributions are as follows:

	Year ended	Year ended
	31 July	31 July
	2023	2022
	£'000	£'000
Key management personnel compensation	761	684

Compensation for loss of office:

	Year ended 31 July 2023		Year ended 31 July 2022	
	No.	£'000	No.	£'000
Compensation payable recorded within staff costs	6	137	30	430

Council Members

University Council members are the trustees for charitable law purposes. Due to the nature of the University's operations and the composition of the Council, being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the Council may have an interest. All transactions involving organisations in which a member of Council may have an interest, including those identified below, are conducted at arm's length and in accordance with the University's Financial Regulations and usual procurement procedures.

No University Council member has received any remuneration from the group during the year (2022: none). The total expenses paid to or on behalf of council members was £1,568 (2022: £1,625). This represents travel and subsistence expenses incurred in attending Council, Committee meetings and Charity events in their official capacity.

7 Other operating expenses	Year ended 31 July 2023		Year ended 31 July 2022	
	Group £'000	University £'000	Group £'000	University £'000
Residences, Catering & Conferences	458	321	691	691
Repairs & Maintenance	404	404	521	521
Professional fees/External Consultancy	242	242	447	447
Subscriptions & Memberships	294	294	295	295
Books and Periodicals	143	143	179	179
Heat, Light, Water & Power	726	726	399	399
Marketing & Student Recruitment	668	668	534	534
IT expenditure	1,029	1,029	511	511
Grants to BG Students' Union	167	167	152	152
External Auditors' Remuneration				
Financial Statements Audit	34	30	27	27
Other services	5	5	9	9
Internal Auditors' Remuneration	67	67	71	71
Bursary Payments to Students	551	551	600	600
Other Expenses	3,347	3,347	3,692	3,964
	8,135	7,994	8,128	8,400

	Notes	Year ended 31 July 2023		Year ended 31 July 2022	
		Group £'000	University £'000	Group £'000	University £'000
8 Interest and other finance					
Net charge on pension	24	28	28	227	227
		28	28	227	227

9 Analysis of total expenditure by activity	Year ended 31 July 2023		Year ended 31 July 2022	
	Group £'000	University £'000	Group £'000	University £'000
Academic departments	6,108	6,108	7,431	7,431
Academic services	3,121	3,121	3,519	3,519
General education expenditure	1,743	1,743	1,470	1,470
Administration and central services	5,618	5,618	5,604	5,604
Staff and student facilities	1,172	1,172	1,892	1,892
Premises	2,459	2,459	2,052	2,052
Residences, catering and conferences	1,142	1,001	1,673	1,673
Research grants and contracts	433	433	286	286
Other expenses	2,255	2,255	2,992	3,284
	24,051	23,910	26,919	27,211

10 Access and participation	Year ended 31 July 2023 £'000	Year ended 31 July 2022 £'000
Access investment	1,347	1,319
Financial support	545	568
Disability support (excluding expenditure included in the two categories above)	275	301
Research and evaluation	143	162
Total	2,310	2,350

Of the above balance, £1,634,041 (2022: £1,598,397) relates to staff costs already included within the accounts.

Access and Participation Plan (2020/21 to 2024/25)

11 Intangible assets

Software (Group and university)

£'000

Cost

At 1 August 2022 and 31 July 2023

1,674

Amortisation

At 1 August 2022

1,657

Charge for the year

9

At 31 July 2023

1,667

Net book value

At 31 July 2023

8

At 31 July 2022

17

12 Fixed assets

Group and University	Freehold Land	Leasehold land	Buildings	Fixtures, fittings and equipment	Assets under construction	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation						
At 1 August 2022	2,700	8	32,508	4,188	-	39,404
Additions	-	-	-	511	283	794
At 31 July 2023	2,700	8	32,508	4,699	283	40,198
At valuation	2,700	-	2,500	-	-	5,200
At cost	-	8	30,008	4,699	283	34,998
	2,700	8	32,508	4,699	283	40,198
Depreciation						
At 1 August 2022	-	1	9,338	3,453	-	12,792
Charge for the year	-	-	847	388	-	1,235
At 31 July 2023	-	1	10,185	3,841	-	14,027
Net book value						
At 31 July 2023	2,700	7	22,323	857	283	26,170
At 31 July 2022	2,700	7	23,170	735	-	26,612

Certain buildings have been partially funded from external sources. Should these buildings be sold, the University may either have to surrender the proceeds to the external party or use them in accordance with the financial memorandum agreement made with that particular external party. A full valuation of the land was carried out by Hodgson Elkington Chartered Surveyors on transition to FRS102.

The amount of £283k recorded as assets under construction relate to professional fees incurred in respect of the construction of student accommodation which is due to be leased by the University from September 2024.

13 Stock

	31 July 2023		31 July 2022	
	Group	University	Group	University
	£'000	£'000	£'000	£'000
General consumables	21	21	15	15
	<u>21</u>	<u>21</u>	<u>15</u>	<u>15</u>

14 Trade and other receivables

	31 July 2023		31 July 2022	
	Group	University	Group	University
	£'000	£'000	£'000	£'000
Amounts falling due within one year:				
Other trade receivables	270	200	60	60
Prepayments and accrued income	1,482	1,482	690	690
	<u>1,752</u>	<u>1,682</u>	<u>750</u>	<u>750</u>

15 Cash and cash equivalents

	31 July 2023		31 July 2022	
	Group	University	Group	University
	£'000	£'000	£'000	£'000
At 1 August 2022	6,358	6,358	9,595	9,586
Cash flows	(1,682)	(1,685)	(3,237)	(3,228)
At 31 July 2023	<u>4,676</u>	<u>4,673</u>	<u>6,358</u>	<u>6,358</u>

16 Creditors: amounts falling due within one year

	31 July 2023		31 July 2022	
	Group	University	Group	University
	£'000	£'000	£'000	£'000
Trade payables	803	764	325	325
Social security and other taxation payable	384	376	291	291
Pension contributions payable	130	130	93	93
Accruals	800	786	494	494
Payments received in advance	679	667	500	500
Deferred capital grants (see note 18)	234	234	210	210
Salix loan	23	23	23	23
Amounts owed to funding councils	36	36	31	31
	3,089	3,016	1,967	1,967

17 Creditors: amount falling due after one year

	Group and University	
	31 July 2023	31 July 2022
	£'000	£'000
Salix loan	23	46
Deferred capital grants (see note 18)	4,502	4,307
	4,525	4,353

18 Deferred capital grants

	Group and University		
	Office for Students	Other	Year ended 31 July 2023
	£'000	£'000	£'000
At 1 August 2022	1,841	2,676	4,517
Cash received/receivable	100	427	527
Released to income and expenditure account in respect of depreciation	(101)	(207)	(308)
At 31 July 2023	1,840	2,896	4,736
Of which:			
Due to be released within one year (note 16)	106	128	234
Due to be released after one year (note 17)	1,734	2,768	4,502
	1,840	2,896	4,736

19 Pension provisions

Group and University	Obligation to fund deficit on USS pension	Pension enhancements on termination	Defined benefit obligations	Total
	£'000	£'000	£'000	£'000
At 1 August 2022	278	214	(1,086)	
Utilised in year	(19)	(32)	-	(51)
Additions in the year	-	43	(2,663)	(2,620)
Unused amounts reversed in year	(24)	-		(24)
At 31 July 2023	235	225	(3,749)	(3,289)

USS deficit

The obligation to fund the past deficit on the Universities Superannuation Scheme (USS) arises from the contractual obligation with the pension scheme for total payments relating to benefits arising from past performance. In calculating this provision, management have estimated future staff levels within the USS scheme for the duration of the contractual obligation and salary inflation. Key assumptions are set out below and further information is provided in Note 24. Following the completion of the 2018 actuarial valuation, a new deficit recovery plan was agreed of which more detail is given in Note 24. This new plan requires deficit payments of 2% of salaries from 1 October 2019 to 30 September 2021 and then payments of 6% of salaries from 1 October 2021 to 31 March 2028.

Enhanced pension provision

The actual cost of any enhanced on-going pension to a former member of staff is paid by the University annually. An estimate of the expected future cost of any enhancement to the on-going pension of a former member of staff is charged in full to the University's income and expenditure account in the year that the member of staff retires. In subsequent years, a charge is made to provisions in the balance sheet using guidance prepared for the Higher Education Funding Council for England by Deloitte & Touche Actuarial & Benefit Services in 1998.

Defined benefit obligations

Detail can be found at note 24.

20 Restricted reserves (Group and University)

	Year ended 31 July 2023 £'000	Year ended 31 July 2022 £'000
Permanent endowment reserves		
At 1 August	697	697
Transfer to unrestricted reserves	(697)	-
At 31 July	-	697
Other restricted reserves		
At 1 August 2022 and at 31 July 2023	147	147
Total restricted reserves at 31 July 2023	147	844

Permanent endowment reserves

Permanent endowment reserves were made up from the sale of two properties previously owned by the University. As required by the Charity Commission, University Council obtained and considered proper advice before investing this money. Up until 31 July 2023 £332,000 had been used to purchase an additional residential building and the remaining funds held in an interest-bearing account.

As part of the incorporation process of the University in 2019, legal documents in relation to its land and buildings were reviewed by the University's legal advisers. They identified a potentially significant portion of the estate that may need to be transferred to the permanently endowed fund of the University but there was substantial uncertainty over which elements and the amounts attributed to each.

On 23 March 2022, the University submitted a section 282 resolution to the Charity Commission with regard to the following:

- Bishop Grosseteste University (527276) governed by a Charity Commission Scheme dated 31 July 2019 ("the BGU Charity");
- The School Property Associated with Bishop Grosseteste University (527276) governed by a Charity Commission Scheme dated 31 July 2019 ("The School Property Charity"); and
- The Trust Property associated with Bishop Grosseteste University (527276) governed by a Charity Commission Scheme dated 31 July 2019 ("The Trust Property Charity").

Following advice from the University legal advisors, BGU received confirmation from the Charity Commission in August 2023 that it can hold the permanent endowment assets subject to the above Schemes (e.g. funds, investments and property) free from restriction and can utilise the Assets to further the Purpose. The Purpose is aligned to BGU's charitable objects under Article 4 its Articles of Association:

"The University's charitable object ("Objects") is for the public benefit to advance education through the provision of a university at or near Lincoln, such university to be designated as having a Church of England character."

Other restricted reserves

During 2006, the University sold a property with proceeds of £147,000. The proceeds from the sale were to be reinvested within 3 years from the sale date. The funds were used to assist with the building of a new administration office at the University.

21 Capital and other commitments (Group and University)

Provision has not been made for the following capital commitments:

	Year ended 31 July 2023 £'000	Year ended 31 July 2022 £'000
Commitments contracted for		
Equipment	36	44
Assets under construction	385	-
	<u>421</u>	<u>44</u>

The amount of £385k recorded as assets under construction relates to professional fees incurred in respect of the construction student accommodation which is expected to be completed and to be leased by the University from September 2024. On full practical completion, the developer will grant a lease for an initial 40 year term with a base commitment of £1.62m per annum.

22 Lease obligations (Group and University)

Total rentals payable under operating leases:

	Year ended 31 July 2023			Year ended 31 July 2022		
	Land & Building £'000	Plant & Machinery £'000	Total £'000	Land & Building £'000	Plant & Machinery £'000	Total £'000
Payable during the year	305	79	384	606	27	633
Future minimum lease payments due:						
Not later than 1 year	205	71	276	305	21	326
Later than 1 year and not later	1,025	109	1,134	1,025	21	1,046
Later than 5 years	410	-	410	615	-	615
Total lease payments due	1,640	180	1,820	1,945	42	1,987

23 Training bursaries

	Group and University	
	Year ended 31 July 2023	Year ended 31 July 2022
	£000	£000
Balance brought forward as 1 August 2022	31	93
NCTL grants	478	874
Disbursed to students	(473)	(936)
Balance unspent at 31 July 2023, included in creditors	<u>36</u>	<u>31</u>

NCTL grants are available solely for students; the University acts only as a paying agent. The grants and related disbursements are therefore excluded from the Statement of Consolidated Income and Expenditure Account.

24 Pension and similar obligations (Group and University)

The University's employees belong to five principal pension schemes, the Church of England Funded Pensions Scheme, the Teachers' Pensions Scheme (TPS), the Local Government Pension Scheme (LGPS), the University Superannuation Scheme (USS) and the Bishop Grosseteste University Flexible Retirement Account provided by Friends Life. Four of these schemes are defined benefit schemes with the Bishop Grosseteste University Flexible Retirement Account being a defined contribution scheme.

Total pension cost for the year

The pension contributions for the year were £2,274,000 (2022: £2,362,000) excluding the FRS 102 adjustment.

	Year ended 31 July 2023 £'000	Year ended 31 July 2022 £'000
Teacher's Pension Scheme: contributions payable	1,122	1,214
Local Government Pension Scheme: charge to the Consolidated Statement of Income and Expenditure	1,036	1,018
Universities Superannuation Scheme: contributions payable	65	74
Church of England Funded Pension Scheme	8	10
Bishop Grosseteste University Flexible Retirement Account	43	46
Total Pension Cost for the Year (excluding FRS 102 adjustment)	2,274	2,362

Church of England Funded Pensions Scheme

Bishop Grosseteste University participates in the Church of England Funded Pensions Scheme and employs one member of the Scheme out of a total membership within the Scheme of approximately 8,100 active members. This scheme is administered by the Church of England Pensions Board, which holds the assets of the scheme separately from those of the employer and the other participating employers.

The Church of England Funded Pensions Scheme is a defined benefit scheme, but Bishop Grosseteste University is unable to identify its share of the underlying assets and liabilities.

For schemes such as the Church of England Funded Pensions Scheme, paragraph 28.11 of FRS 102 requires Bishop Grosseteste University to account for pension costs based on contributions payable to the scheme in the year.

The most recent scheme valuation completed was carried out at 31 December 2018. The valuation reported a deficit of £50m, based on assets of £1,818m and a funding target of £1,868m, assessed using the following assumptions:

- Discount rate 3.2%
- Retail Price Inflation 3.4%
- Pension increases:
 - Increasing in line with RPI (capped at 5%) 3.2%
 - Increasing in line with RPI (capped at 3.5%) 2.4%

The Bishop Grosseteste University contribution rate during the financial year was 33.4% of pensionable stipends.

Teachers' Pension Scheme

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

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

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

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

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

Prior to 31 July 2023, the latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2022. A further valuation of the TPS scheme, relating to the period ended 31 March 2020 was published in October 2023. The valuation reported total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £262 billion, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £222 billion, giving a notional past service deficit of £40 billion.

As a result of the valuation, new employer contribution rates were set at 23.68% of pensionable pay from September 2019 onwards. The latest actuarial TPS valuation results, as at 31 March 2020, were released in October 2023. The valuation Result is due to be implemented from 1 April 2024, from this date employer contribution rates will increase to 28.6% (including a 0.08% administration levy).

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

The employer's pension costs paid to TPS in the period amounted to £1,122,000 (2022 – £1,214,000).

Universities Superannuation Scheme

The University participates in Universities Superannuation Scheme (USS). The Scheme is a hybrid pension scheme, providing defined benefits (for all members), as well as defined contribution benefits. The assets of the scheme are held in a separate trustee-administered fund.

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

The cost charged to the Consolidated Statement of Comprehensive Income was £65,000 (2022 – £74,000), but excluding the impact of the change in the deficit recovery plan, as shown in note 19.

The 2020 valuation was the sixth valuation for the scheme under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to have sufficient and appropriate assets to cover their technical provisions. At the valuation date, the value of the assets of the scheme was £66.5 billion and the value of the scheme's technical provisions was £80.6 billion indicating a shortfall of £14.1 billion and a funding ratio of 83%.

Deficit recovery contributions due within one year for the institution are £19,000 (2022 – £19,000).

Since the institution cannot identify its share of USS Retirement Income Builder (defined benefit) assets and liabilities, the following disclosures reflect those relevant for those assets and liabilities as a whole.

The latest available complete actuarial valuation of the Retirement Income Builder section of the Scheme is at 31 March 2020 ("the valuation date"), which was carried out using the projected unit method.

The key financial assumptions used in the 2020 valuation are described below.

More detail is set out in the Statement of Funding Principles (uss.co.uk/about-us/valuation-and-funding/statement-of-funding-principles)

CPI assumption	Term dependent rates in line with the difference between the Fixed Interest and Index Linked yield curves less: 1.1% p.a. to 2030, reducing linearly by 0.1% p.a. to a long term difference of 0.1% p.a. from 2040
Pension increases (subject to a floor of 0%)	CPI assumption plus 0.05%
Discount rate (forward rates)	Fixed interest gilt yield curve plus: Pre-retirement: 2.75% p.a. Post retirement: 1.00% p.a.

The main demographic assumption used relates to the mortality assumptions. These assumptions are based on analysis of the scheme's experience carried out as part of the 2020 actuarial valuation. The mortality assumptions used in these figures are as follows:

Mortality base table	2020 valuation 101% of S2PMA "light" for males and 95% of S£PFA for females.
Future improvements to mortality	CMI_2019 with a smoothing parameter of 7.5, an initial addition of 0.5% pa and a long term improvement rate of 1.8% pa for males and 1.6% pa for females.

The current life expectancies on retirement at age 65 are:

	2023	2022
Males currently aged 65 (years)	24.0	23.9
Females currently aged 65 (years)	25.6	25.5
Males currently aged 45 (years)	26.0	25.9
Females currently aged 45 (years)	27.4	27.3

A new deficit recovery plan was put in place as part of the 2020 valuation, which requires payment of 6.2% of salaries over the period 1 April 2022 until 31 March 2024 at which point the rate will increase to 6.3%. The 2022 deficit recovery liability reflects this plan. The liability figures have been produced using the following assumptions:

	2023	2022
Discount rate	5.52%	3.33%
Pensionable salary growth	5%	5%

The employers' contribution rates are as follows:

Effective date	Rate
1 October 2019 to 30 September 2021	21.10%
1 October 2021 to 31 March 2022	21.40%
1 April 2022 to 31 March 2024	21.60%
1 April 2024 to 30 April 2038	21.40%

Bishop Grosseteste University Flexible Retirement Account

The University operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the University in an independently administered fund. The pension cost charge represents contributions payable by the University to the fund and amounted to £43,000 (2022 – £46,000).

Local Government Pension Scheme (LGPS)

The LGPS is a funded defined benefit scheme, with the assets held in separate trustee administered funds. The total contribution made for the year ended 31 July 2023 was £1,319,000 (2022 - £1,327,000), of which employer's contributions totalled £1,036,000 (2022 - £1,018,000) and employees' contributions totalled £283,000 (2022 - £309,000). From 1 April 2023, the agreed employer contribution rate for the University was 23.5%. Contributions are between 5.5% and 12.5% for employees, depending upon salary and other pensionable earnings.

Assumptions

The financial assumptions used to calculate scheme liabilities under FRS 102 are:

	At 31 July 2023	At 31 July 2022
	% per year	% per year
Pension increases	2.85%	2.75%
Rate of increase in salaries	3.85%	3.05%
Discount rate	5.10%	3.40%

The most significant non-financial assumption is the assumed level of longevity. The table below shows the life expectancy assumptions used in the accounting assessments based on the life expectancy of male and female members at age 65.

	Males		Females	
	Pensioner	Non-pensioner (currently aged 45)	Pensioner	Non-pensioner (currently aged 45)
At 31 July 2022	21.2 years	22.1 years	23.7 years	25.1 years
At 31 July 2023	19.5 years	20.7 years	22.6 years	24.0 years

Analysis of plan assets

	At 31 July 2023	At 31 July 2022
Equities	55%	72%
Bonds	13%	12%
Property	7%	13%
Cash	3%	3%
Infrastructure	4%	-
Absolute return fund	18%	-

	Year ended 31 July 2023		Year ended 31 July 2022	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000

Analysis of the amount shown in the balance sheet

Scheme assets	32,321	32,321	30,076	30,076
Impact of asset ceiling	(6,011)	(6,011)	-	-
Scheme liabilities	(22,561)	(22,561)	(28,990)	(28,990)

Surplus (Deficit) in the scheme – net pension asset (liability) asset recorded within pension provisions (note 19)

	3,749	3,749	1,086	1,086
Current service cost	1,436	1,436	2,439	2,439
Past service cost	-	-	49	49
Total operating charge	1,436	1,436	2,488	2,488

Analysis of the amount charged to interest payable/credited to other finance income

Interest cost	(1,059)	(1,059)	(685)	(685)
Expected return on assets	1,040	1,040	458	458
Net charge to other finance income	(19)	(19)	(227)	(227)

Analysis of other comprehensive income:

Gain on assets	(296)	(296)	551	551
Other actuarial gains on assets	514	514	-	-
Experience (loss) gain on liabilities	(3,286)	(3,286)	(95)	(95)
Changes in financial assumptions	10,900	10,900	17,014	17,014
Changes in demographic	1,270	1,270	-	-
Changes in effect of asset ceiling	(6,011)	(6,011)	-	-
Total other comprehensive income before deduction for tax	3,091	3,091	17,470	17,470

	Year ended 31 July 2023		Year ended 31 July 2022	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000

Analysis of movement in the fair value of scheme obligations

Scheme obligations at beginning of year

	28,990	28,990	42,955	41,528
Employee contributions	287	287	279	279
Benefits paid	(327)	(327)	(498)	(498)
Current service cost	1,436	1,436	2,439	2,439
Past service cost	-	-	49	49
Other finance charge	1,059	1,059	685	685
Liabilities assumed on settlement	-	-	-	1,427
(Gain) recognised in other comprehensive income	(8,884)	(8,884)	(16,919)	(16,919)
Scheme obligations at end of year	22,561	22,561	28,990	28,990

	Year ended 31 July 2023		Year ended 31 July 2022	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000

Analysis of movement in the fair value of scheme assets

Fair value of assets at the start of the year	30,076	30,076	28,256	27,323
Expected return on assets	1,040	1,040	459	459
Actuarial gain on assets	(296)	(296)	551	551
Actual contributions paid by University	1,043	1,043	1,048	1,048
Actual member contributions (including notional)	287	287	279	279
Settlement prices received (BGL)	-	-	-	933
Actual benefit payments including admin costs	171	171	(517)	(517)
Fair value of scheme assets at the end of the year	32,321	32,321	30,076	30,076

Sensitivity analysis

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

Change in assumptions at 31 July 2023:	Approximate increase to defined benefit obligation	Approximate monetary amount £'000
Decrease in real discount rate:		
0.1%	2.0%	454
0.5%	10.7%	2,410
Increase in long term salary increase rate:		
0.1%	0.1%	33
0.5%	0.7%	168

Increase in the pension increases and deferred revaluation:

	0.1%	1.9%	431
	0.5%	10.1%	2,286
One year increase in life expectancy		3.3%	755

25 Related party transactions

Due to the nature of the University's operations and the composition of University Council (being drawn from public and private sector organisations), it is inevitable that transactions will take place with organisations in which a member of University Council may have an interest. All transactions involving organisations in which a member of University Council may have an interest are conducted at arm's length and in accordance with the University's financial regulations and normal procurement procedures. No transactions were identified which should be disclosed under the provisions of FRS 102. In the opinion of University Council, there is no controlling party.

26 Investments

The University holds all issued ordinary share capital of BG (Lincoln) Limited, a company registered in England and Wales (Company number 2467793) the principal activity of which is the organisation of functions and conferences and catering. The University's interest in the company at 31 July 2023, comprised share capital of £2 (2022: £2).

	Income	Expenditure	Debtors	Creditors
BG (Lincoln) Limited	141,007	123,808	72,887	72,885

12. Administering Trustees

Constitution

The University is a Private Company limited by guarantee without share capital use of 'Limited' exemption and a Registered Charity (Charity Number: 1184682). It is governed by the Articles of Association of the Company incorporating the Instruments and Articles of Governance of the University dated 1 August 2019 (updated on 24 April 2023).

Council and Administering Trustees

The Council members who served in the year and up to the date of the signature of the financial statements were:

2022/23 Chair

Ms Anne Frost

Ex-Officio Council Members

Bishop's Nominee: Rt Rev'd Dr Nigel Peyton

Rev'd Canon Professor Peter Neil (until 31 July 2023)

Professor Karen Stanton (from 1 August 2023)

Professor Scott Fleming

Diocesan Representative Council Members

Rev'd Canon Sonia Barron (until 23 May 2023)

Rev'd Canon Dr Sarah Lawrence

Rev'd Marian Toyne

Mr Russ Coulter

Council Members

Ms Alison Brown (from 7 April 2023)

Ms Julia Chippendale (from 7 April 2023)

Dr Stephen Critchley

Mrs Jackie Croft (until 30 September 2022)

Mr Richard Hallsworth

Professor Marianne Howarth

Mr Walter Leschenko

Ms Elise Temple (from 4 July 2023)

Mrs Kate Truscott (from 7 April 2023)

Elected Staff Representatives

Mrs Rebecca Crooks (from 7 April 2023)

Miss Jessica Darnell (until 7 April 2023)

Dr Sacha Mason

Student Representatives

Miss Elyse Olsen (from 1 July 2023)

Mr Connor Short

Mr Henry Waller (until 30 June 2023)

Registrar and University Secretary
Dr Stephanie Gilluly

Bankers
National Westminster Bank plc

Principal Solicitors
Shakespeare Martineau, Waterfront House, Waterfront Plaza, Nottingham, NG2 3DQ

External Auditors
Buzacott LLP, 130 Wood Street, London, EC2 6DL

Internal Auditors
UNIAC, Simon Building, Oxford Road, Manchester, M13 9PL

**Bishop Grosseteste University is a company limited by guarantee and a registered charity. Registered
in England and Wales.**

Company Number: 11963500

Charity Number: 1184682