



# ANNUAL REPORT AND FINANCIAL STATEMENTS

## 2023/24

**AMBITION  
DELIVERED  
TODAY**





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# VISION, MISSION AND VALUES

## VISION

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

## MISSION

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

## VALUES

THE UNIVERSITY HAS SEVEN CORE VALUES



Delivering  
**Excellence**



Empowering  
**Individuals**



Embracing  
**Diversity**



Communicating  
**Openly**



Fostering  
**Creativity**



Committing to  
**Sustainability**



Taking  
**Responsibility**



# Chair of the Board of Governors

## FOREWORD

Reflecting on the successes and achievements of the past 12-months, the significant contribution that Teesside University makes to the lives of the people in this region and beyond is immediately apparent.

**This Annual Report and Financial Statements demonstrates unparalleled success across all portfolios, evidencing a well-managed and ambitious university that continues to invest in its students and estate whilst being alert to the financial health of the sector.**

Teesside University is a driver of social mobility both at home and overseas, raising aspirations and delivering skills crucial to the ongoing success and vitality of this region. The University takes our students on a steep learning trajectory into highly skilled jobs, providing them with a transformative experience.

September 2023 saw the opening of BIOS, a state-of-the-art £36.9m facility at the heart of the campus, expanding the School of Health & Life Sciences and giving a foundation for our future ambition to launch a medical school. Work is also well underway on our £40m Digital Life Building, which will be a beacon for digital education, demonstrating our commitment to a sustainable digital future.

As a regional anchor institution, Teesside continues to prioritise place-based engagement, research that delivers societal impact and work to support community cohesion. The University acts as a magnet for inward investment and international interest in the Tees Valley region, attracting global partners across research, enterprise and innovation.

From working in partnership with industry to upskill employees in the region, to delivering the public sector workforce of the future, Teesside is committed to transforming lives and economies.

Throughout this Annual Report, it is clear that Teesside University is a vital instrument of positive change, delivering results that shape and empower our communities.

I look forward to continuing to work with the Vice-Chancellor and University Executive Team to support their drive for further success, and with my fellow Governors, who bring a wealth of valuable expertise, insight and experience.

**Ada Burns**

**Chair of the Board of Governors**



Teesside University is a driver of social mobility both at home and overseas, raising aspirations and delivering skills crucial to the ongoing success and vitality of this region.







# Vice-Chancellor & Chief Executive

## INTRODUCTION

Teesside University continues to deliver ambition at pace, working closely with external partners and taking a student-centred approach to unlocking potential.

**The University's commitment to delivering a high-quality student and learning experience was underlined by the outcome of the Teaching Excellence Framework 2023, in which Teesside University was rated Gold overall, as well as Gold for both student experience and student outcomes. This superb result confirmed Teesside as the top University in the North East for student experience, and one of only 15 nationally to receive Gold in all areas, firmly establishing Teesside as a leading institution which puts students first.**

Reflecting our commitment to global operations, we have continued to grow our international activity across all portfolios, establishing new strategic partnerships to support learning and teaching, research and knowledge exchange. We opened a regional office in Dubai, strengthening our engagement in this key market and secured over £0.5m in funding to enable student mobility projects.

As a university with innovation at its core, we continue to invest in and explore new avenues for growth. We are now one of the UK's largest providers of professional apprenticeships and acknowledged as a leader in this field, working with renowned brands such as Grant Thornton, Tate, the National Trust and Husqvarna, and strategic partners including our regional NHS Trusts.

TU Online Limited also continues to grow, delivering to over 3,000 Teesside University learners who are now part of our online student community, whilst Teesside University London celebrated the first trailblazing cohort of students to complete their studies.

We continue to excel in the areas of Enterprise and Knowledge Exchange, highlighted as one of the UK's most engaged Universities in the Knowledge Exchange Framework (KEF4)<sup>1</sup>. Our support for graduates was recognised with a prestigious award of Best University Employability Strategy 2024 and we saw a significant uplift in the number of our students securing high-quality, skilled graduate employment.

The University's commitment to fostering research with impact is evident, through leading roles in national research into muscular dystrophy, food insecurity and mental health and the £5m Northern Net Zero Accelerator initiative.

Despite this being an exceptionally challenging year for the higher education sector, Teesside University has continued to deliver, underscoring the commitment across the University to transform lives and economies.

**Professor Paul Croney OBE**

**Vice-Chancellor & Chief Executive**



As a university with innovation at its core, we continue to invest in and explore new avenues for growth.

<sup>1</sup> [tees.ac.uk/source](https://tees.ac.uk/source)

# THE UNIVERSITY

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

**Teesside University was founded with a civic mission; in 1930 Joseph Constantine, a local shipping magnate, made a gift to the town to stimulate the establishment of a technical college, to support Middlesbrough's booming engineering and shipping industries.**

By 1969, the college had become Britain's 13th polytechnic and in 1989, the Polytechnic left local authority control to become a self-governing independent higher education institution – receiving university status in 1992.

Today, Teesside is a leading university with an international reputation for academic excellence, as evidenced by the rating of Gold overall in the Teaching Excellence Framework 2023.

Now a truly global institution, Teesside has further expanded its offer in recent years through strategic international partnerships, the launch of TU Online, a growing portfolio of professional apprenticeships and a new campus in London.

The University continues to transform the University campus in Middlesbrough, ensuring it is high quality, smart and sustainable. To date, circa £280m has been invested through the campus masterplan over the last 10 years, providing the very best facilities and a campus to rival any in the sector.

BIOS, our new £36.9m health and life sciences facility, provides cutting-edge laboratories to enable interactive learning for core health and allied health provision, including a growing postgraduate medical offer. The £40m Digital Life Building, due to open in Spring 2025, will provide a progressive, future-facing focal point for the School of Computing, Engineering and Digital Technologies and state of the art digital facilities for use across the University.

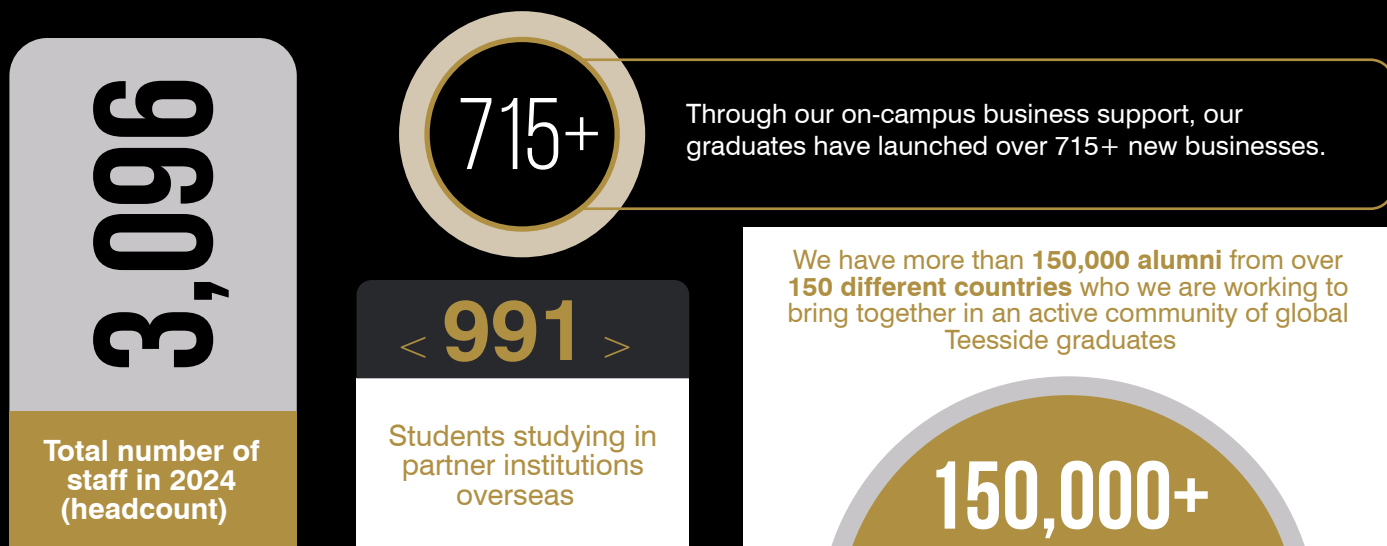
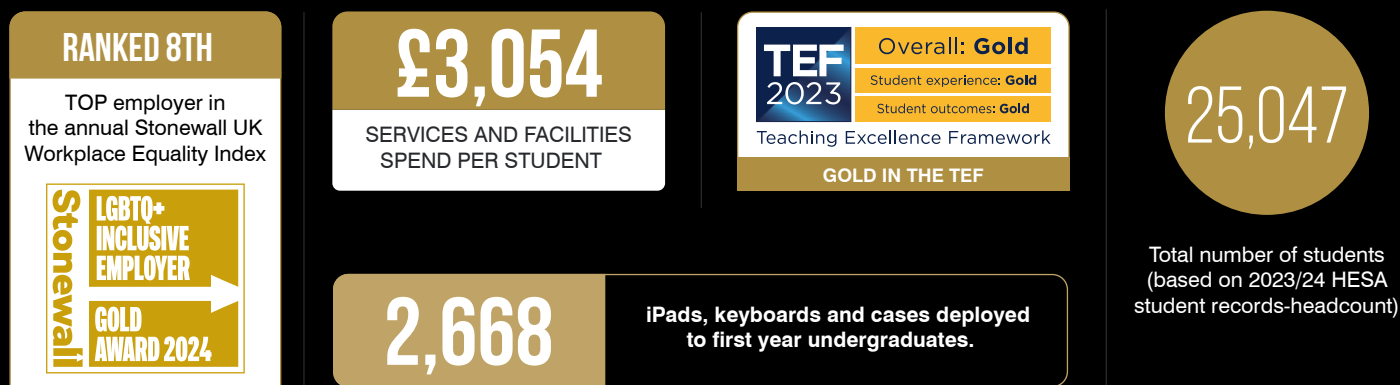
The University remains committed to unlocking potential. Working in partnership with industry and the professions is a priority, ensuring the delivery of economic, cultural, community and social impact.







# Teesside University in Numbers



# TEESSIDE 2027: Ambition Delivered Today

As we predicted, 2023/24 has been a challenging year for the higher education sector, with continued political, economic and financial volatility, not just in the UK but globally, impacting upon our students, partners and communities across the world.

**Despite the challenging operating environment, we have continued to apply strong fiscal discipline and robust financial management, allowing us to focus our investment and attention where it has the most impact for our students, staff and region.**

This approach has ensured our students, continue to benefit from cutting-edge teaching facilities, including a new health and sciences facility that opened last year and the Digital Life facility that will launch next Spring. We continue to provide our students with digital equipment and applications that maximise their learning potential; we have supported 60 student entrepreneurs to set up their own company; and introduced a range of student life enhancements.

Internally, we have refocussed operating models; we have digitised processes to enhance efficiency; and we continue to support our staff community, with our efforts recognised in many arenas, including Investors in People<sup>1</sup> Gold status for the fifth consecutive time, and an 8th place position in the Stonewall Workplace Equality Index<sup>2</sup>.

We continue to work closely with our communities, across our campuses and globally to address challenges through meaningful public, civic and business engagement activities.

Our research and knowledge exchange activity responds to the needs of our region, co-creating innovative solutions across net zero, health and place-based priorities. This contribution continues to have a vital economic impact of over £220m<sup>3</sup> for our region, with the University embracing its role as an anchor institution and striving to enact positive change across the Tees Valley and beyond.

Through community initiatives, we have donated almost £10,000 to local clubs and charities; and our students have completed over 5,000 hours of volunteering work. We continue to support local businesses and the innovation ecosystem, supporting start-ups, scale-ups and large companies with academic expertise to drive growth and skills development.

Our global reach and reputation continue to expand through new education models and student mobility experiences across Europe and beyond; and research partnerships in South Africa and Asia addressing shared priorities around net zero and place-based challenges.

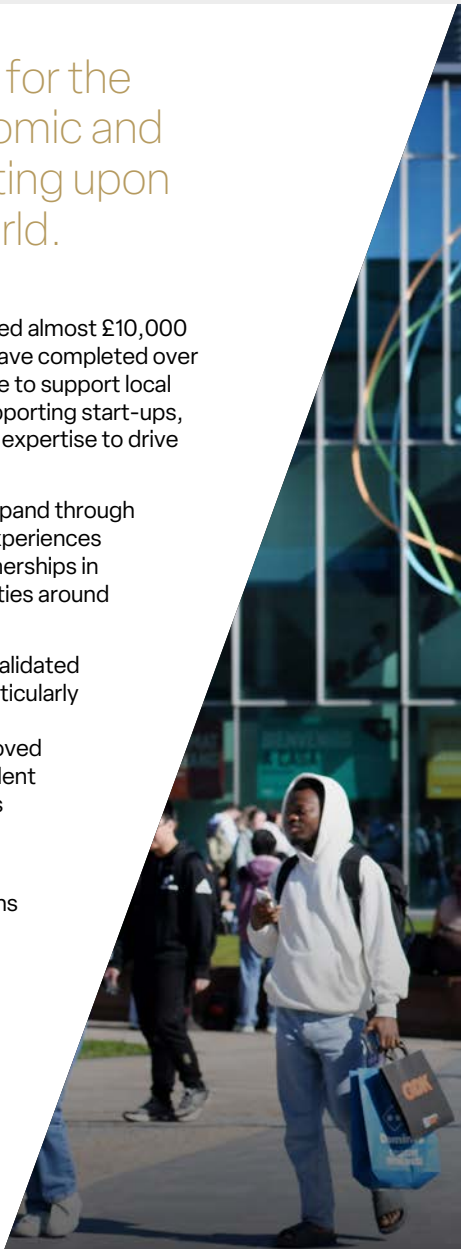
Our work across all areas has been externally validated through excellent performance outcomes, particularly impressive against the challenging operating backdrop. The University has secured an improved position across key ranking publications, excellent feedback through student survey mechanisms and a range of accreditations and accolades highlighting our progress.

As we look to the year ahead and the aspirations set out in our 2027 Corporate Strategy: Ambition Delivered Today, we are confident that we will continue on this positive trajectory. Placing our students at the heart of everything we do, we remain, as ever, committed to our mission of transforming lives and economies.

<sup>1</sup> <https://www.investorsinpeople.com/>

<sup>2</sup> <https://www.stonewall.org.uk/>

<sup>3</sup> <https://www.tees.ac.uk/docs/docrepo/about/Economic%20Impact%20Report%202021-22.pdf>





We continue to work closely with our communities, across our campuses and globally to address challenges through meaningful public, civic and business engagement activities.

**AMBITION  
DELIVERED  
TODAY**



# STRATEGIC REVIEW

## Education 4.0

Learning, Teaching and Student Experience activity through the Education 4.0 Strategic Plan positions Teesside University as:

**'The University of the Fourth Industrial Revolution, delivering innovative and impactful provision through Education 4.0.'**

This is delivered through five strategic priorities:

- > **Empowering** connectivity in educational design, drawing upon the knowledge and skills of partners to drive the evolution of Future Facing Learning.

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- > **Embedding** a sector leading institutional approach to student wellbeing, ensuring that every student is enabled to meet their potential.

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- > **Delivering** an outstanding personalised learning experience, underpinned by a data-driven approach to enhancing student performance.

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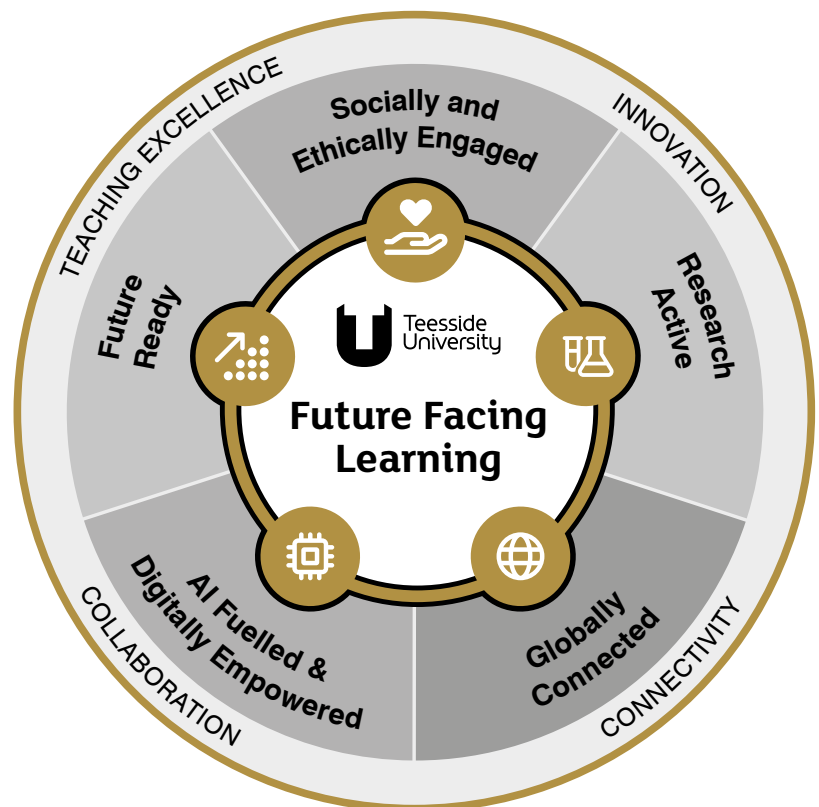
- > **Designing** a high performing curriculum portfolio aligned with the emerging trends of the Fourth Industrial Revolution.

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- > **Developing** a best-in-class workforce equipped with the capabilities to deliver cutting-edge Education 4.0 learning experiences.

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As the global education landscape evolves, Teesside University continuously monitors and enhances operations around the student experience, inspiring students to achieve their ambition, embracing technological advancements and building our innovative learning approach around new and immersive tools wherever possible.







## Future Facing Learning

This year has seen the transformative effect that technology is having on global education, with the introduction of new generative AI tools that have the potential to support and disrupt education as we know it.

Teesside University's reputation for innovative future facing learning places us at the forefront of this education revolution – we have long embraced advances in technology, embedding new tools into our learning and assessment processes and supporting our students to thrive in this evolving world.

Our digital credentials contribute to this success, with our strong digital partnerships at the centre of our approach: our Adobe partnership has been showcased as part of a new white paper 'Success through partnership with Adobe', which will drive strategic agendas for learning and teaching and the University was once again recognised as a Centre of Excellence for work to digitally upskill students and staff through delivery of Adobe and Microsoft certifications.

As part of the future facing learning approach, industry input is embedded in course design and key employability tools are featured within the curriculum to enhance students' employment prospects post-graduation, including competitions, with some students developing an AI self-driving car to compete in a renowned national engineering competition; exhibitions including annual features like Animex, ExpoTees London and the MIMA Great Create as well as targeted innovative projects, such as a talented music student who released their debut single as part of a final year project and a group of students who received a top regional Royal Television Society Award for a short film they developed as part of their studies.

Teesside University London was shortlisted for the UCISA 'Award for Sustainable Digital Project or Initiative' which celebrates learning innovation that provides exceptional value to the institution and has a positive environmental sustainability impact for the future. The campus also welcomed the founder of The Thoughtful Learning Company to talk to students about service excellence. The Deputy Vice-Chancellor actively promotes the features and benefits of the future facing learning model, sharing best practice across the sector, speaking at a range of events, including the national Festival of Higher Education, the Digital Universities UK conference, and the University's Global Conference for international partners.

The University recently hosted its annual Future Facing Learning Conference – welcoming over 100 industry leaders, researchers, and educators from across the UK to share knowledge and experience and explore the future of HE.

## Teaching Excellence

The University's commitment to delivering excellence across learning and teaching was recognised this year by the highest rating of an overall gold rating in the Office for Students' Teaching Excellence Framework (TEF) 2023 as a result of achieving gold for both student experience and student outcomes. This exceptional rating was awarded to only 27 higher education providers in the UK of which only 15 were Universities and is testament to the hard work and dedication of university staff to our mission of transforming lives and economies through education.

Following the TEF Gold award, the Future Facing Learning Framework was again recognised for its sector-leading approach to learning, this time by the Office for Students (OfS) featuring as a key TEF Case Study as part of their promotion of the award.

This drive for excellence is further evidenced by our academic community, who continue to innovate and enhance the student experience, influence HE teaching and shape policymaking. This year, expert insight has been sought from Teesside University academics across a range of areas, including augmented reality, reversing the impact of global warming through technology and the importance of a strong student induction process.

In recognition of their expertise and experience, Teesside University academics have been invited to speak at national and global conferences and events, including the 2023 Community Nursing Now National Conference and professional service colleagues have been appointed to senior roles within Academic Libraries North, a consortium of 33 HE libraries in the north of England.



## Student Life

Continued investment in our campuses has contributed to the development of an environment fit for future learning, with the final phases of a ten-year development programme underway. This year saw the completion of the cutting-edge BIOS health and life sciences teaching facility, completion of our London campus, and our Digital Life Facility will be completed next Spring.

The campus transformation is complemented by a range of infrastructure enhancements that streamline student services, supporting the entirety of the Teesside University student journey. An annual report showed enhancements across many areas, including reductions in waiting times for support and 80% of student enquiries resolved within 24 hours.

Events and activities at our three campuses promoting student engagement under the University's 'Belonging' initiative saw over 300 students attend the International Welcome Social; an increase in footfall during the Student Life Festival activities of 18% in week 1 and 15% across week 2; and more than 2,000 students participated in the Big Summer Send Off, complemented by an extensive summer calendar of around 60 events over June and July. Supporting initiatives also included breakfast clubs, a new Landlord & Lettings Agent Accreditation scheme, Recovery Connections for those struggling with addiction, and the 'Yes to Respect' campaign.

This year, the Students' Union Presidential elections saw more than 300 students attend the 'Meet the Candidates' session and over 4,000 registering votes. The new presidents are now in place and working across the student body to support student life at the University.

The University's Access and Participation Plan for the next five years was approved by the OfS earlier this year. The plan, aligned with the University's Mental Health Charter ambitions, is inherent to our mission of transforming lives and economies and its approval is a key milestone and endorsement of our vital work in welcoming students from all backgrounds.

Our extensive scholarships programme supports this work, with almost 200 UK scholars supported during 2023/24 across 28 individual scholarship programmes in place over all academic schools; and scholarship funding approaching £500k allocated to new UK students.

Our commitment to delivering an outstanding student and learning experience has been endorsed by our students again this year, through their feedback in the National Student Survey; the WhatUni Awards, with Teesside University shortlisted for seven categories; and the International Student Barometer, ranking the University 1st in the UK and third globally for international student satisfaction.



## Student Outcomes

In July 2024, the University hosted 20 Graduation ceremonies, welcoming over 6,000 students to mark the culmination of their hard work and dedication. This momentous occasion was celebrated across our Middlesbrough campus and town, welcoming graduands, their families and teachers, with many inspiring stories, including a Malaysian fashion student who exhibited her own work in Milan and attended Graduate Fashion Week in London after been named Student of the Year and the North East Ambulance Service's (NEAS) first ever cohort of paramedic apprentices graduating from the BSc Paramedic Practice course.

Thanks to a consistently outstanding student experience at Teesside University, complemented by a range of opportunities to work with subject experts and industry partners to develop new skills and knowledge, our students and graduates continue to celebrate great success in their endeavours. Just this year, a Teesside University business graduate was named as the UK's best self-employed freelancer; a team of students were joint winners at the recent Ecofix Awards, a MOBIE (Ministry of Building Innovation and Education) design challenge for young people; and a Teesside University Law student made history as one of the first people from a minority ethnic background to be elected as a Hartlepool councillor.

Our STEM expertise has inspired students to showcase their work, with Teesside University postgraduate students winning an award at an engineering event dedicated to creating cost-effective solutions to reduce the carbon footprint in our local area. A PhD student was named the regional winner of the Famelab competition to find the best new voices in science, technology and engineering, and an engineering student was named Apprentice of the Year at the Insider Made in the North East Awards 2024.

Following the establishment of the Teesside University football academy, and a host of new sponsored scholarships last year, the University's status for high performance sport continues to gain traction, with four Teesside University students competing on the international stage after qualifying for the European Universities Games in Croatia; two students selected for the

English Universities Sport national teams; and the coach of the University's rowing club named the BBC Sports Personality of the Year Award for Unsung Hero in the North East & Cumbria. Talented Teesside University students also secured global recognition, one awarded gold medals at the kickboxing ISKA World Championship and another named a World Cheerleading champion.

Students' and graduates' creative efforts have also been recognised this year, securing first place for a poem written by a Teesside University student at the 2024 Allison Rosewood LGBTQ+ History Month Award; a University alumna landed a key role as part of an Irish home improvement television series; and a graduate won an Emmy for his work on drama series, The Last of Us.

There was cause for celebration across many disciplines this year, with other highlights including a Digital Marketing student who won first place in Adobe's Digital Edge Awards 2023. The student was voted the overall winner in the prestigious competition, as well as claiming top spot in the Business category; and a Nursing graduate, received the prestigious Philip Goodeve-Docker Memorial Prize from The Queen's Nursing Institute (QNI), an award presented to top-performing students from universities across the country.

This external validation of our students' and graduates' capabilities is testament to their commitment to their studies and engagement in the range of activities Teesside University offers. The continued authentic effort of all of our staff in placing students at the heart of everything we do supports them to achieve success in whatever they choose to do.

## Key Successes 2023/24

- > TEF Gold
- > Ranked 26th overall and joint top in the North-East for Student Satisfaction in the Complete University Guide (CUG) 2025
- > Teesside University students judged their experience above benchmark in 6 of the 10 categories, with notable positivity scores for 'Assessment and feedback' and 'Students' Union'. (National Students' Survey 2024)
- > Teesside University featured in the top 3rd of institutions in 'Sports Science' – ranking 22nd of 86 institutions (CUG 2025)
- > Continued investment in Student Welfare & Wellbeing and progression to achieve University Mental Health Charter Award
- > Apple Distinguished re-accreditation

# Research & Innovation

The Research & Innovation Strategic Plan seeks to foster research that enhances wellbeing, productivity, and prosperity, shaping the research and innovation challenges of the future:

**‘Through a regionally engaged approach that is of global relevance, we will support recovery, regeneration, and renewal in the region and beyond.’**

This is delivered through five strategic priorities:

- > **Leadership:** To grow our research capacity by investing in staff, facilities, and equipment.

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- > **Engagement:** To partner with industry, stakeholders, and communities to ensure our research meets local and global needs.

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- > **Culture:** To foster a responsible and inclusive research culture that ensures the highest academic standards.

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- > **Quality:** To create a vibrant research environment by providing time, space, and resource for ideas, interdisciplinarity and networking.

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- > **Sustainability:** To ensure the sustainability of our research through increased research council, charitable and commercial income generation.

Teesside University’s three core research themes, Net Zero, Health & Wellbeing, and People & Place are now well embedded across the University, and drive interdisciplinary research, public and community engagement and international collaboration.

Setting these themes has enabled the University to focus on impactful research and innovation that addresses shared global challenges that exist beyond the current challenging political space.

Continuing to leverage the University’s strong profile consolidated in the last Research Excellence Framework (REF) exercise, where the majority of our research was confirmed as ‘world-leading’ or ‘internationally excellent’, activity undertaken throughout the year has convened expertise and excellence from across the University, to position us as a partner of choice for major projects. This profile has seen the University working alongside prestigious national institutions and global partners in South Africa, Singapore, and the US.

Our research is driven further through our institutional assets; the National Horizons Centre, a centre of excellence for the biosciences and healthcare sector, the Net Zero Industry Innovation Centre, the Middlesbrough Institute for Modern Art (MIMA) and the Institute for Collective Place Leadership.





## Net Zero

Our net zero research is shaping a cleaner, greener future which will be transformative for our region, the UK, and beyond, operating at the intersection of diverse disciplines, bringing together the brightest minds in engineering solutions, the creative industries, social research, and business.

Spearheading this work is our £13.1m Net Zero Industry Innovation Centre (NZIIC), which a recent report on the impact of ERDF awards, confirmed is already delivering vital support to regional businesses and is helping to create employment and innovation opportunities. The report highlighted our work to eliminate single-use plastics from the forestry sector and the reuse and reprocessing of polyester fabric.

Aligned to the changing pace of many industrial sectors, the work of the Net Zero research centre is significant, facilitating the delivery of national and global solutions, including a government-funded evaluation of the impact of a major hydrogen hub in the Tees Valley, work to support the removal of nearly 50% of the UK's industrial emissions and the development of a scalable zero emission fuel for the global maritime industry.

Our global sustainability partnerships, including work through the UK 2070 Commission with institutions in South Africa, continue to flourish, combining collective expertise to pave the way for a sustainable and prosperous future.



## Health & Wellbeing

Our research in health and wellbeing addresses the medical challenges of the future, driving positive change in healthcare across regions. Our professional network of health practitioners, industry, and academia co-creates solutions, improving detection, discovery and diagnosis of disease, enhancing patient care and medical efficiency and has included ground-breaking advances with the potential to be transformative for the shared fight against cancer and other diseases.

Powering our specialist expertise in disease-specific research is our National Horizons Centre (NHC), a £22.3m centre of excellence for the biosciences and healthcare sector housing a world class research community, working with the latest cutting-edge technologies and partners to generate real impact.

Our enhanced reputation through this pioneering work has this year seen the University elected as member of the Northern Health Science Alliance, take the lead on a key national project to create a circular economy for biomanufacturing industries and jointly lead an international collaboration to strengthen future pandemic preparedness.

Our research addressing phantom limb pain has made significant progress this year, leveraging our expertise in AI and digital technologies to develop a virtual pain management solution and an app-controlled device that could help amputees reduce phantom limb pain which is being trialled nationally.

Our vital work to shape health policy development continues through our partnerships with regional health trusts and expert insight into key agendas, including the link between energy drinks and mental health issues in children, how to address food insecurity and the importance of vaccinations.



## People & Place

Our place-based research is transforming the lives of individuals and communities powering a sense of pride, place, and cohesion, working alongside community partners and industry to foster democratic, creative and vibrant visions for the future.

Developing successful and sustainable partnerships is key to the delivery of the People & Place theme, with key achievements including the launch of a Policing Clinic with Cleveland Police; a partner role on a €5M Horizon Europe project on Holistic Forest-based Policy Pathways for Climate Change Mitigation; the development of strategic community partnerships with regional voluntary and community agencies; and the establishment of vital academic partnerships with high quality, civic-focussed universities.

A major MIMA exhibition celebrating the impact of the River Tees on the region, was among winners at the 2023 North East Culture Awards. The People Powered: Stories from the River Tees highlighted how the Tees has influenced the region, telling the stories of those who depend on the river, from the steel and chemical industries, to fishing, home-building, town planning and recreational sports and leisure. MIMA won the Heritage Award for the exhibition, which was created in partnership with the National Portrait Gallery and made with involvement from the local community.

Our lead role in the regional £2m Borderlands project continues to deliver positive outcomes for the community, this year supporting six cultural organisations to undertake community-led programmes; development of a climate change engagement toolkit; a public engagement project worth £20K to address health inequalities for school pupils in the region; and delivery of a series of funded research interventions and evaluations for local partners amounting to £400K.

Internally, the five strategic priorities, set out below, have contributed to significant enhancement of supporting structures that are now delivering positive results for our students, staff, partners and communities.



## Leadership

A summary of the QR funding allocation shows significant investment in new and existing activity, including mentoring, studentships and sabbaticals that support the development of a strong research leadership framework across the University. In 2023/24, 14 new Professors and Associate Professors were appointed; 11 Vice-Chancellor Research Fellows were selected; and 8 external research mentors were engaged.

Following the establishment of dedicated Academic, Management, Leadership Administration (AMLA) professorial roles for key policy areas, these have been further developed to support a strong institutional research culture.

Consultants from VITAE (a global leader in the development of academics) have worked with the professoriate as part of a project to help clarify leadership expectations and develop AMLA role descriptors.

## Culture

At Teesside University, our research culture is based on the following key principles:

- > **We make research visible.**
- > **We value research.**
- > **Our research is inclusive and diverse.**
- > **We enable high-quality and impactful research.**
- > **We nurture research talent.**

The success of this approach has been evidenced this year through the renewal of the University's Athena Swan Bronze Award and re-accreditation of the HR Excellence in Research Award – both recognising the University's commitment to a supportive and inclusive research culture.

Our work in this space has also been recognised externally, with Teesside University selected to participate in the national REF 2029 pilot committee on People, Culture & Environment.



## Engagement

Enhanced internal infrastructure around the core research themes has facilitated delivery of a broader programme of events and engagement activity with local communities. This year saw the launch of the first in a series of participatory research events for community groups and third sector organisations to help shape Teesside University's research priorities, as well as targeted events, including a Biology Conference at the National Horizons Centre as part of National Biology Week, sandpit events exploring how hydrogen can be used to support the transition to a net zero economy – with new projects from this commencing in 2024/25.

The regional final of FameLab, the UK's largest public-facing science communication competition was hosted by the University during the year. Researchers shared their ground-breaking discoveries with the winner progressing to the national final, which forms part of the Cheltenham Science Festival.



## Quality

Newly introduced initiatives have progressed this year, including staff sabbaticals with over 25 staff having undertaken or been awarded a sabbatical since 2022. Regular Research Week programmes continue to support research quality focussing on co-authorship, peer review and profile enhancement through interactive sessions with editors and publishers, writing bootcamps and REF reading groups.

This enhanced profile brings recognition through lead positions and funding for impactful projects, such as heading up one of just 11 national research projects sponsored by Muscular Dystrophy UK to improve diagnosis and treatment for the disease; a shortlisted position in the prestigious UK Bright ideas in Health Award for research into the link between food insecurity and mental health; and being selected as part of a £5m Northern Net Zero Accelerator initiative in collaboration with other north-east universities.

## Sustainability

The development of funding roadmaps for each research centre has enabled the University to identify more sustainable research pipelines, securing investment across longer-term projects as well as short-term. Key highlights for the last academic year include a £28m award over five years for the Northern Ireland and North East Doctoral Training Partnership (NINE DTP), led by Durham University and bringing together Teesside and other universities to build on training opportunities within social science; and funding for a four-year NHC-based PhD studentship to develop a new therapy to correct genes in people with a type of muscular dystrophy.

This strategic approach to sustainable funding, has secured £8m of research grant funding this year and cemented a more sustainable pipeline for the future.

## Key Successes 2023/24

- > Athena Swan Bronze Award
- > HR Excellence in Research Accreditation
- > 14 new Professor and Associate Professor appointments to support research agenda
- > Selected to participate in REF 2029 People, Culture and Environment pilot
- > Major research awards
- > 54% of staff with research responsibility



# Enterprise & Knowledge Exchange

The Enterprise & Knowledge Exchange Strategic Plan positions Teesside University as:

**‘An enterprising university, working in partnership to have a transformational impact on people, our region and the wider world.’**

## This is delivered through five strategic priorities:

- > **To create** an entrepreneurial culture, developing the skills, behaviours, and confidence to fuel enterprise.

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- > **To develop** and nurture sustainable strategic relationships, providing benefits to partners, students, alumni, and staff.

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- > **To drive** regeneration, working with businesses and organisations to co-create solutions to challenges, drawing on the knowledge, expertise, and talents of our people.

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- > **To deliver** the high-level knowledge and skills essential for a talented, diverse, and future-facing workforce for our region and beyond.

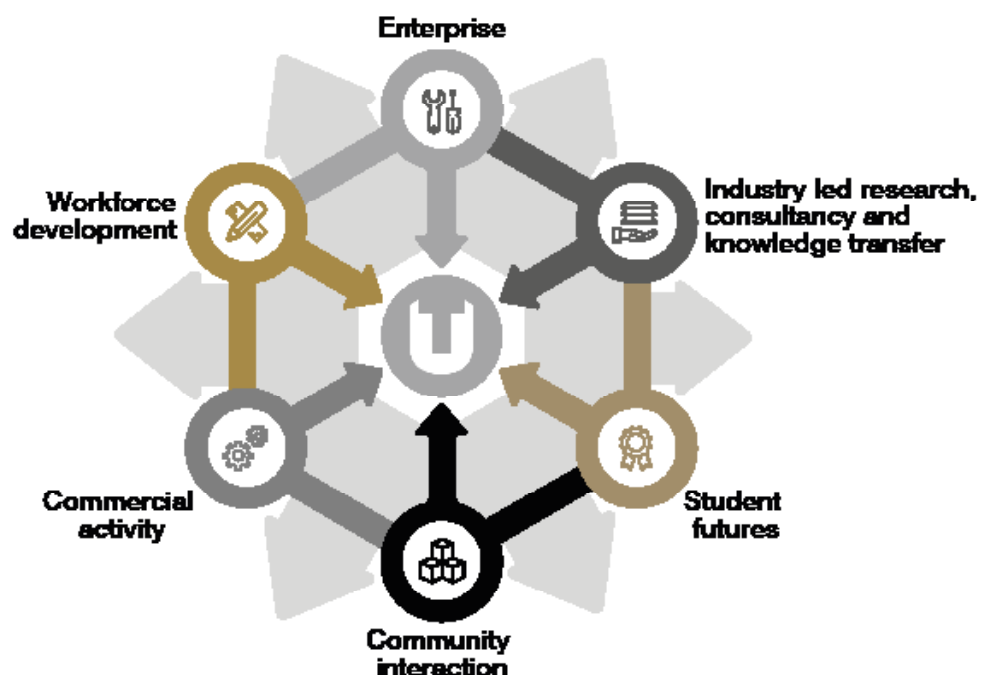
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- > **To create** connections between the University and the communities it serves, through meaningful interaction, collaboration, and inclusion.

The Enterprise & Knowledge Exchange portfolio has made significant progress this year, with the completion of major projects and key milestones that will continue to support our students to secure their futures, make a positive contribution to the economic success of our communities and contribute towards the University’s financial sustainability.

Leveraging the University’s core strengths in Net Zero, Digital, Health and Creative Industries, we have developed new partnerships and products, enhanced employability provision and supported local businesses to start-up, scale-up and thrive.

The continued economic and social challenges across the UK are particularly concentrated in regions like the Tees Valley and whilst the University is optimistic about emerging priorities through a newly elected government, we are focussed on strengthening our offer and networks to continue to make a positive contribution to our communities.





# Launchpad.

## HIGH ENGAGEMENT

- ✓ Research Partnerships
- ✓ Working with Business
- ✓ Local Growth & Regeneration
- ✓ Continuing Professional Development & Graduate start-ups

KEF  
4

KNOWLEDGE EXCHANGE FRAMEWORK



## Entrepreneurial Culture

Our focus on embedding an entrepreneurial culture at Teesside University has been highly successful, with many courses embedding this into the curriculum and a range of extra-curricular activity complementing the development of this mindset as a tool for innovative and creative thinking and problem solving; core skills for students and staff alike.

Highlights over the last year include our student-led chiropractic clinic, preparing students for real workplaces, which was recognised with an industry excellence award; over 30 Teesside students entering the national BIG Ideas engineering competition with a £3,000 prize fund available for students with groundbreaking ideas that could impact on the UN's sustainable development goals; and we are also supporting a new North East Business Boost initiative, aimed at nurturing emerging talent and stimulating entrepreneurial spirit in the region.

Work carried out to embed an entrepreneurial culture at the University has been recognised through the external Knowledge Exchange Framework assessment (KEF 3) published in September 2023. This annual exercise evaluates knowledge exchange activity of HE providers across seven 'perspectives', with Teesside University amongst a small number of institutions in the top performing quintile.

The University has also grown its Knowledge Transfer Partnerships (KTP) portfolio from 7 to 15 in the last year, placing it first in the region. It aims to grow its portfolio to 30 KTPs by 2027 which could see Teesside University in the top 5 in the sector for KTPs.

The University's commercial arm, TU Enterprise & Innovation (TUEI) Limited, had its first three major projects approved during the year, including the setting up of an in-house recruitment agency, Unitemps, to support students to secure employment whilst studying and after graduation. The facility, which is now established and co-located with other student services in the Student Life Building, became fully operational in September 2024.

Two further projects, a commercial lab and testing service, and the establishment of a venture fund to support business acceleration and equity increase in Launchpad games businesses are also underway.

## Launchpad

Our flagship start-up hub, Launchpad continues to support graduates to set-up their own companies, offering a range of development programmes, mentoring, workshops and other support. Work to strengthen progression routes to Launchpad for students interested in setting up a business has seen the facility at 100% occupancy this year, including the PowerUp Games Accelerator programme, launched last year.

This year, 60 start-ups have been established, employing 48 people, endorsing our current national ranking as 7th for start-ups by turnover<sup>1</sup>.

This supportive springboard into industry has helped Teesside University graduate start-ups to secure high-profile projects and funding including a video games business that was awarded an £800K publishing deal; a thriving digital content agency celebrated the success of a major project with The Times newspaper; and a games studio worked with the BBC to develop unique graphics for a children's television show.

Local Business and Tech Awards held this year demonstrated the impact of the University and Launchpad, in powering the regional economy, particularly the tech sector, with incubator start-ups featuring heavily in both events, including a Green Innovation Award, Business Leader of the Year Award and finalists in Small Business of the Year, Newcomer of the Year and Rising Star categories.



<sup>1</sup> Internal OKPI data capture – REO 2023/24



## Partnerships

The new University partnerships framework is now embedded across the institution, supported by a refreshed B2B marketing strategy, presenting a more streamlined and professional service to our customers.

This enhanced approach has seen major developments with existing partners, including a project with Middlesbrough Court Centre, which now enables Law students to work alongside families through a new Teesside University Law Clinic based at Middlesbrough Family Court. The initiative is one of only two similar schemes in the country and the only one in the North of England.

Our work with the Centre for Digital Trade & Innovation (C4DTI), secured funding for two major projects supporting the digitalisation of UK trade, including the development of a national facility to test the innovative use of data across ports, customs, finance, and the private sector; and work to improve the transparency of trade in critical minerals.

Other successes include a 'Highly Commended' accolade for our Public Policy Academy event, co-delivered with Darlington Economic Campus during Parliament Week, and an overall 'Good' rating from Ofsted for the University's Initial Teacher Training programmes, with the report highlighting relationships with schools, colleges, and other stakeholders as a key factor.

New partnerships with Grant Thornton, Tees, Esk and Wear Valleys NHS Foundation Trust and Asian Business Connexions, expand our regional and national networks; and a KTP with companies in Nigeria to use food waste to restore the environment, enhances our global reputation for impactful innovation activity.

Consolidating our commitment to our partners, the University recently secured re-accreditation of the 'Putting the Customer First' Award, with the Enterprise and Knowledge Exchange Strategy highlighted as a central driver for this success.

The number of new business-related projects increased by 33% this year, compared to the previous year, with 124 new projects including 44 commercial projects (the highest since 2018). KTP customers reported improved satisfaction, estimating future financial impacts, including turnover directly attributed to the KTPs of £13.9m, and annual profit at circa £7.45m in three years, across 5 companies<sup>2</sup>.

## Regeneration

The University's positive contribution to its communities sits at the heart of our mission to transform lives and economies, brought to life through high-level regeneration projects in the local region; working closely with the charity and voluntary sector, supporting each other to deliver our shared goals; and delivering a range of philanthropic activity that supports our people.

Work on a local digitally focussed investment zone with the Tees Valley Combined Authority (TVCA) is underway. The Zone, part of a national initiative, will bring investment of £160m over a ten-year period to the area, consolidating the region's reputation as a successful digital hub and acting as a magnet for further activity and investment in this sector.

We continue to inspire the young people of our region to follow their dreams, through a range of activities aimed at raising aspirations across our communities, including our Emerging Talent Centre for female footballers, that has delivered elite performance training, described as "life changing" by participants to 85 girls aged 11-16 this year.

Thousands of people were inspired by this year's Animex international festival of animation, visual effects, and computer games. Over five days, almost 1,500 Animex visitor passes were issued; around 200 Teesside University students received portfolio reviews from industry professionals; and more than 160 college students and 247 schoolchildren from across the region attended the event. Supporting activity also welcomed 100 schoolchildren who took part in Animex experience stop-motion workshops to a special Red-Carpet screening, with guest stars from Double Eleven and Disney; and around 2,000 schoolchildren took part in Animex Academy Live Online held earlier in the year.

Other celebratory events hosted or supported by the University have engaged hundreds of people during the year, including International Women's Day, Black History Youth Awards, Tees Nature Conference, Pint of Science events, motivational speakers from amongst our alumni community, The Tees Valley BME Awards, MIMA's Great Create competition, and a Science festival at the National Horizons Centre.

## Skills & Talent

Teesside University is a key contributor to the regional and national skills agenda – our courses are designed with industry in mind to prepare students and graduates for future employment, and we work with stakeholders to address key skills gaps through training and development, apprenticeships, online and lifelong learning.

75.8%<sup>3</sup> of Teesside University graduates remain in the north east region after graduating, so our work with local stakeholders to enhance the economic prosperity and opportunities available is crucial. We advise policymakers on trends and drivers, and mould our curriculum to help address these, including a core focus on emerging sectors like digital, AI, health robotics, cybersecurity and many others.

Working with Teesside International Airport, we have established a pioneering Aviation Skills Academy to train and teach Teesside University students in a real working environment, including a dedicated facility for University training and learning. Our students learn on-the-job skills across a range of airport functions including air traffic control, management and engineering, with access to key areas of the airport's operations.

Our on-campus clinic facilities, providing students with the chance to work on live industry projects to deliver real solutions, continue to thrive, with the Teesside University Law Clinic, securing a prestigious Pro Bono/Community Initiative award at the Northern Law Ceremony, for providing over £160,000 of free advice supporting more than 60 vulnerable and underrepresented clients from the local community.

The National Horizons Centre has joined a consortium of UK Higher Education Providers to deliver training, outreach materials and programmes that address skills demands in life sciences. The RESILIENCE Centre of Excellence for UK Medicines Manufacturing Skills has received significant funding to work with healthcare and pharmaceutical organisations to provide a single-entry point for training and career input.

## Student Futures

A new Student Futures Strategy was launched this year to support students in developing the right skills, knowledge and experience to thrive beyond graduation. Earlier this year, the strategy was recognised as 'bold, future focused, ambitious and globally outward looking', securing the 'Best University Employability Strategy 2024' award at the Targetjobs event, with judges noting that employers were embedded in innovative ways.

The new strategy works across the University and with employers to deliver the 'Future Ready' strand of the University's future facing learning model, equipping students with the right skills to boost their employability. This year we have worked with more than 570 employers to provide internships, placements and volunteering opportunities.

We have supported 60 graduates into internships this summer; advertised over 5,000 vacancies to students and graduates based within region and beyond; hosted more than 50 employers at our careers fairs; and recorded over 14,000 hours of volunteering with 120 students receiving awards for their work in this space.

The results of this continued effort are evident in survey data including the recent Graduate Outcomes Survey, with 77% of students confirmed as in employment or further study; and an internal survey indicating 83% of over 6,000 new graduates feel on track to secure their career of choice.

## Apprenticeships

In response to urgent and emerging skills needs across the country, Teesside University's apprenticeship provision has grown significantly over the last year, advising on national skills priorities, successfully securing external contracts and funding to support delivery in key disciplines.

New provision has been developed and launched, including a Sustainability Business Specialist MSc and the country's first Senior Leadership Apprenticeship in Aviation Management, developing a future pool of talent to contribute to these growing industries. Key contracts were also secured to develop provision for the NHS and DEFRA.

## Key Successes 2023/24

- > All strategic and operational KPIs achieved.
- > Over £36m income secured through Enterprise & Knowledge Exchange activity.
- > Awarded 'Best University Employability Strategy 2024'<sup>4</sup>
- > Highest Graduate Outcomes Survey result in 4 years, with 77% of graduates in employment or further education.<sup>5</sup>
- > Secured 'Putting the Customer First' award for our work with businesses.
- > 60 new Graduate Start-ups created.
- > Launch of in-house student recruitment agency.

<sup>3</sup> Graduate Outcomes Survey 2021/22 – Full-time, First degree, UK domiciled graduates in work

<sup>4</sup> Targetjobs Awards 2024 <https://www.targetjobsawards.co.uk/winners/2024>

<sup>5</sup> OfS TEF and B3 Metrics – July 2024 Data Release

# TU Global

The International Strategic Plan seeks to position Teesside University as:

**‘A global institution that provides an excellent international experience through partnerships and networks across the world.’**

## This is delivered through five strategic priorities:

- > To diversify and enrich the University by recruiting students and staff from across the world.
- > To develop mutually beneficial strategic transnational education partnerships.
- > To encourage our students to become global citizens by creating international opportunities throughout their University experience.
- > To support and enhance all aspects of student life, maintaining consistently high levels of international student satisfaction and achievement.
- > To facilitate international research and knowledge exchange.

Over the last few years, Teesside University has transformed to meet the requirements of an evolving international education landscape and is now a thriving global community of students, staff, and partners. 2023/24 saw the impact of UK government policy decisions and global economic disparities on the international student experience, including recruitment, presenting significant challenges to institutions.

The University’s Global Strategic Plan sets the foundations to diversify the student body, expand in-country partnership activity and promote the high quality of our teaching, research, and enterprise, with work already underway to mitigate the risk of policy and economic changes and we are confident that we can continue to grow our global activity across all areas.



## Student Experience

Economic challenges across the world, including devaluation of the Nigerian currency, new and continued warfare across Eastern Europe and increasing cost of living pressures have placed extra strain on student life. The University has worked tirelessly to support our students in these extreme circumstances, launching an international relief initiative, enabling many of those affected to continue to study here. We continue to work through our wider networks to advise and influence policy decision-making as part of our commitment to our students.

We have also implemented new approaches and processes to make learning more flexible and easier to access for those affected, including the introduction of a new semester entry point in May; a new payment option of five instalments; and increased scholarship opportunities.

We work with community partners to highlight the benefits of a global learning experience, and to provide a welcoming place for them to live, work and study. The 2021/22 first year international student cohort had a total net economic impact to the Tees Valley of over £330m - a significant contribution to the local economy<sup>1</sup>.

The impact of creating an environment where international students can thrive, is highlighted through their own achievements, including success for three international students, who received TU Volunteers Awards recently for their work in the regional voluntary sector; with one student supporting local food distribution and a member of the Nigerian student society who was runner up for Volunteer of the Year Award.

A series of international events and activities were delivered during the year through our University Belonging project, including a South Asian culture event, and an international student welcome with over 300 attendees. Our international societies also hosted a Malaysian Chinese New Year event and a 'Discover Islam' week.

Our efforts to maintain an outstanding student and learning experience, despite the challenges experienced across many areas this year, has been again endorsed by our international students, who have placed us 1st in the UK for international student satisfaction for the eighth consecutive year. Also ranked as third globally, this achievement is significant in the context in which we currently operate.

<sup>1</sup> <https://www.hepi.ac.uk/2024/06/20/new-constituency-level-data-prove-the-value-of-international-students-to-the-uk/>

## Mobility

Supporting the globally connected strand of the future facing learning model, mobility activity continues to grow at Teesside University, facilitated through continued increases in funding through the UK Turing Scheme, which last year awarded over £530,000 to support this work during 2023/24.

During 2023/24 more than 200 TU students participated in international mobility, representing a 61% increase on the previous year, and far exceeding our target of 120 students.

65% of these students came from disadvantaged backgrounds, reflecting our commitment to improve access and participation across all student groups. 81% of participants were UK students, and international student engagement increased by 7% on the previous year.

Teesside University also welcomed over 100 incoming students on semester or year exchanges and short programmes.

Student feedback on their experiences was overwhelmingly positive, with 98% recommending their programme, 95% agreeing that studying abroad made their learning more enjoyable and engaging and a 50% increase in students' perceived abilities following their experience. The overall experience was rated 4.5 out of 5, confirming the high quality of the programmes.

Linking with our partnerships pillar, new relationships have been cultivated to support the growth of mobility opportunities in South Korea and India and existing partnerships with Education Ministries and global non-profit organisations have helped us expand our offer in Cambodia, Fiji and Indonesia.



## International Partnerships

Developing current partnerships into more meaningful relationships, we work closely to identify opportunities for collaboration, expansion of current services into valuable new areas, such as research and knowledge exchange and student and staff exchanges.

This approach has led to exciting new projects and initiatives, including the co-delivery of our flagship Animex festival with long-term partner Universiti Teknologi MARA (UiTM), in Malaysia. In advance of the event, taking place in November, our South East Asia Regional Office has launched a supporting animation competition, with over 100 entries already submitted.

Showcasing our existing and evolving strengths in key sectors to our partners, including animation, net zero, health and creative industries, has expanded our current overseas learning offer to include new courses in Graphic Design, Cybersecurity, and Biomedical sciences; a joint fashion project with a partner in Turkey; and new mobility opportunities in China, Spain and the Czech Republic.

A research-led mission to strategic partners in South Africa took place this year to further global sustainability ambitions and strengthen ties between the two regions, as well as the Pro Vice-Chancellor (International) attending government-led missions to institutions in Poland, the Czech Republic and Spain to showcase our work and discuss options for collaboration.

This year, we have officially welcomed new partners to join our expanding network, including Plena Education Group (Italy), which has over 4,000 students across Fine Arts, Design, Fashion, Music and Linguistic Mediation. The group is committed to education that focusses on teamwork, interdisciplinarity, innovation and experimentation through partnerships and engagement, reflecting our own approach through the Future Facing Learning model. With mutually beneficial partnerships at the heart of our approach, we look forward to identifying more opportunities to engage on a wider scale across new disciplines for us and our partners.

The University hosted its annual Global Partners Conference in South East Asia this year, which showcased the breadth of internationalisation activity across the University, highlighting Teesside's core strengths in research, teaching and enterprise, receiving overwhelmingly positive feedback. The event welcomed current and new partners, agents and high-profile guests to explore future opportunities in the region.

This year, we also hosted our first European Partner Summit, at our Middlesbrough campus, co-delivered with partner institutions from Prague, Milan, Rome, Norway, Madrid and Istanbul.

## Reach & Reputation

Through our coordinated network of regional offices, partners and agents, we continue to promote Teesside University expertise and achievements, including recent accolades such as TEF Gold, KEF3, rankings improvements and research excellence, enhancing our brand and maintaining our competitiveness.

The University has expanded its global footprint with the opening of a new regional office in Dubai. Already an international hub for higher education, a presence in Dubai is increasing engagement across the full range of internationally facing activities across the wider Gulf region. This office became the University's sixth in-country initiative, providing a clear indication of our global ambition and expanding market presence.

Membership of key sector groups enables us to work collaboratively to shape and influence the global education landscape, speaking at high profile events and working tirelessly to promote our impactful work, including featured keynotes at the British Universities International Liaison Association (BUILA) Conference, the UUK International Student Recruitment Conference and the European Association for International Education, discussing high-value issues including global strategy, student employability and environmentally sustainable recruitment.

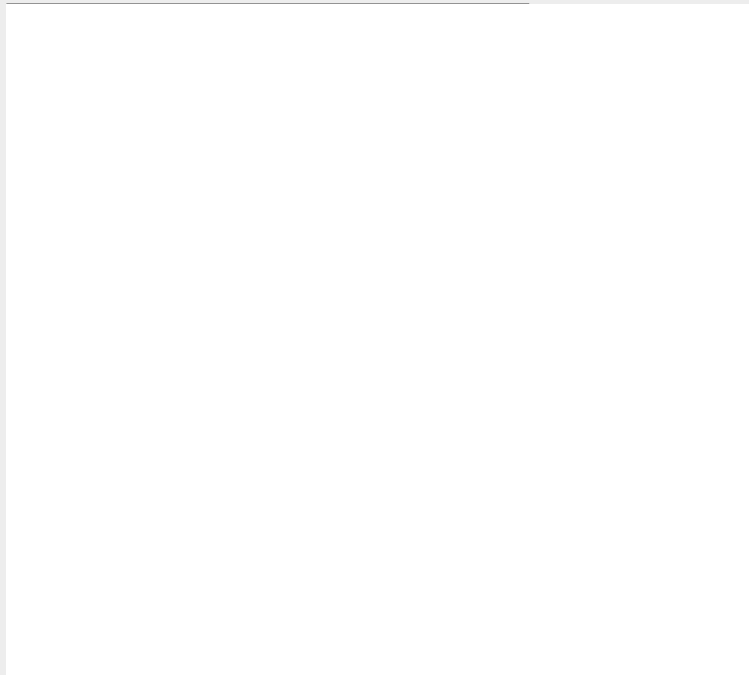
Continued engagement with our global communities, including regular interaction with overseas officials, students and partners, allows us to work collaboratively to support the growth of in-country learning environments. We work with regional leaders to address local challenges, we support partners to develop meaningful curriculum and networks and we celebrate the graduation of our transnational education cohorts, welcoming them into our international alumni association.

We continue to support the work of global groups to protect the value of education and those who fight for it, including the Council for Academics at Risk (CARA) and work with global partners to address the UN Sustainable Development Goals through our Teaching, Research and Knowledge Exchange activity.

This work has gained significant traction during the year, with key Teesside University projects being reported in international publications in China, Vietnam and India; increases in student recruitment, partnership activity and mobility in new locations, including the Middle East, Europe and South America; and new rankings showing improvements in our European position<sup>2</sup> and international graduate outcomes<sup>3</sup>.

<sup>2</sup> QS European University Rankings 2025

<sup>3</sup> Teesside University Benchmarking Report, QS International Graduate Outcomes 2024



4 Internal data source – Alumni data system, Comms & Development

\*Rankings data available: [https://www.tees.ac.uk/sections/about/public\\_information/source.cfm](https://www.tees.ac.uk/sections/about/public_information/source.cfm)

Internal data source – Alumni data system, Comms & Development

5 <https://www.i-graduate.org/>

6 <https://www.hepi.ac.uk/2024/06/20/new-constituency-level-data-prove-the-value-of-international-students-to-the-uk/>

7 <https://www.timeshighereducation.com/world-university-rankings/2024/world-ranking> <https://www.timeshighereducation.com/world-university-rankings/2024/world-ranking>

8 <https://www.topuniversities.com/europe-university-rankings>

9 <https://www.animationcareerreview.com/articles/2024-international-animation-school-rankings>

# Resources and Business Management

The 2024 Resources and Business Management Plans and Activities have been effectively and efficiently delivered during the year by the Services within the Chief Operating Officer Portfolio and all Portfolio KPIs have been achieved.

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

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



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





## 2023/24 Resources and Business Management key performance indicators performance

The RBM Strategy is delivered by the following professional services including:

- Business Change & Improvement Programme
- Campus Services
- Finance
- Human Resources
- IT & Digital Services
- Legal & Governance Services
- Professional Apprenticeships
- Student Recruitment & Marketing
- TU Online

Overall performance for the year was again extremely strong, with 100% of key performance indicators (KPIs) for the year achieved as set out below.

KPI	Target	Actual	RAG Rating
Total student enrolments (FTE)	19,875	20,117	●
Minimum Cash Surplus of 8% (EBITDA/Turnover)	8%	11.9%	●
Cash and Current Asset Investments Balance minimum of £40m at year end	£40m	£68.6m	●
Minimum Annual Surplus (as % of turnover) of 5%*	5%	6.0%	●
Pay: Income Ratio	55.7%	53%	●
Student: Staff Ratio	16.3	16.0	●
Services and Facilities Spend (per student)	£2,922	£3,054	●
Maintain Investors in People	Maintain Gold status	Maintained Gold status	●
Overall Staff Satisfaction	75%	86%	●

\* excludes measurement adjustments for defined benefit pension schemes

## Professional Apprenticeships

Professional Apprenticeships celebrated a remarkable year, marked by a number of key strategic successes and developments. The team has excelled in fostering innovation and collaboration, establishing pivotal strategic partnerships and enhancing the impact and reach of apprenticeship programmes regionally and nationally.

### Key highlights for 2023/24 include:

- > Launch of new Professional Apprenticeship Strategy and Brand.
- > Achieved 2023/24 income target (15% year on year increase).
- > 36 different Apprenticeship pathways, with 1,689 FTE currently on programmes.
- > New strategic partnership with Grant Thornton to collaborate on Global Sustainability Leadership Apprenticeship and CPD portfolio, significantly expanding Teesside University routes to new markets and sales pipeline nationally with significant international potential.
- > Strategic partnership with the Environment Agency for the development and delivery of a new Apprenticeship in Asset Management.
- > Partnership with Bellway Homes to develop a bespoke Civil Engineering Degree Apprenticeship.
- > Secured almost £400,000 in funding from the Office for Students (OfS) in the first wave of the OfS's £40 million degree apprenticeships fund. This has supported a number of projects, including the development of the University's first On-line Apprenticeship Science Industry Plant Process Engineer to be launched next year with key employers including Unilever, Jacobs and Quorn.
- > Expanded health apprenticeship provision to deliver critical skills and talent solutions into regional and national healthcare.
- > Launched a new Apprenticeship Employer Plus Service, delivering 11 mentor support training sessions to 162 workplace mentors.
- > Increased the number and value of employer partners, securing 126 new employers and developing a strong pipeline for 2024/25, especially in the areas of sustainability, asset management and engineering.
- > Sponsored key national events including the National Enginuity and National Apprenticeship Awards.
- > Provided thought leadership contribution at key national conferences including Siemens Transform Global Conference; British Travel Association National Conference; and Enginuity Skills National Advisory Board.

## Business Change and Improvement Programme (BCIP)

The service has continued to drive forward delivery of the BCIP Programme – a suite of projects which aims to deliver a step change in strategic activities and performance, resulting in improvements across University structures, infrastructure, culture and processes.

A revamped BCIP Change Programme operated in year covering the following:

- > Continuous Improvement and Target Operating Model (Efficiency and System Processes/Projects)
- > Learning & Teaching Academic Delivery and Coordination
- > Income Diversification
- > Campus Life and Customer experience
- > UK and International Student Recruitment

### Key highlights during 2023/24 include:

- > Delivery of over 20 strategic change projects utilising the BCIP Project Management Framework.
- > Confirmed new or revised target operating models (and associated staffing structure) for all Schools and Services.
- > Focus on effectiveness and efficiency of process.
- > Consolidation of system development support into a central team.
- > Development of ODL Strategy with clear links to activity in the BCIP Change Programme.
- > Action Plans in place for Home and International Student Recruitment, holistic view of all activity with tracking and monitoring of progress.
- > Continued focus on the Professional Apprenticeship offer to maximise opportunity for growth and support.
- > Campus Masterplan, opening of BIOS health and science facility, completion of Library ground floor refurbishment, phase 2 developments at Teesside University London, commenced works on the Digital Life building.

## Campus Services

Our commitment to providing an outstanding student experience through an innovative learning environment and state of the art facilities remained strong during 2023/24. We focused on delivering phase 3 of our Campus Masterplan which continued to enhance our award winning campus.

### Key highlights for 2023/24 include:

- > Phase 2 Campus Masterplan Projects completed including:
  - BIOS Medical facility - achieved Construction Excellence North East 2024 Awards for Building Project of the Year and Integration and Collaborative Working.
  - Net Zero Industry Innovation Centre (NZIIC) - achieved Construction Excellence Northeast 2024 Award for Climate Action.
  - London campus refurbishment complete and operational
- > Phase 3 projects commenced include:
  - Digital Life building incorporating Events Centre - construction commenced and on track for completion in March 2025.
- > 65 Minor Capital Projects completed including health and safety and long-term maintenance projects.
- > Estates response to 13,892 responsive maintenance and facilities tasks.
- > Successful delivery of individual student timetables including personalised induction timetables across all Schools.
- > Continued effort to maintain efficient management of carbon emissions following construction of BIOS Medical facility and NZIIC, with further development of the pathway to implement the University's decarbonisation plan.
- > Continual monitoring and targeting of energy consumption and procurement, generating significant efficiency savings in challenging market conditions.
- > Waste management – maintaining zero waste to landfill.
- > Detailed development and continuing integration of Business Continuity Plans across all Schools and Services.
- > Supporting over 900 students in Teesside University residential accommodation including out of hours support throughout the year.
- > Successful implementation of an extensive range of international food offers, providing food and beverages to students and staff with circa 363,000 transactions (an increase of 10.7% on 2022/23 transactions).
- > Continued development of Safezone – an emergency response app for University student and staff safety at home and whilst working abroad operational 24/7 365 days per annum.

## Finance

The Financial Strategy is a key driver in the delivery of Teesside 2027 and the Resources and Business Management Strategy. Despite the Semester 2 recruitment challenges and inflationary cost pressures, the University's financial performance remains excellent with all financial KPIs exceeded in 2023/24. This performance and no debt ensure the financial foundations of the University remain robust and resilient as we look ahead to address the unprecedented financial challenges in 2024/25 and 2025/26.

The University financial planning processes enable scenarios to be rapidly and robustly stress tested as they emerge. The 2024/25 Budget and three-year forecast continue to deliver the objectives of the University Financial Strategy (financial resilience, sustainability and investment) and enables management of downside scenarios whilst maximising financial flexibility. The proven ability of the University to rapidly flex its finances and operations will be key in being able to respond effectively to the significant financial pressures the University is facing.

### Key highlights during 2023/24 include:

- > Enhanced cash flow and balance sheet forecasting to support the delivery of the Finance Strategy.
- > Further enhancements to the automated credit control processes, following feedback from staff and students for the recovery of academic and non-academic debt.
- > Embedding of the University Student Enquiry system within Finance to ensure efficient and effective processes and to ensure that the teams are resourced adequately to respond to students with over 70,000 enquiries responded to during the year.
- > Procurement of External Auditors.
- > Submission of Data Futures return on time.
- > Implementation of an online payment gateway to support high volume payment transactions for non-accredited CPD.
- > Embedding of the new establishment and staffing request process.
- > Secured 17 additional Payroll Bureau clients outperforming our target income by 11.7%.



## Human Resources

The University's aim is to deliver and sustain a future facing workforce. Key highlights for 2023/24 include:

### HR Strategic Projects

- > Successful re-accreditation of the Investors in People Gold award for the fifth time providing external endorsement of our approach to people management, development and support to ensure delivery of the University's corporate objectives.
- > Delivery of the Teesside University Efficiencies Project resulting in new target operating models for each School and Service building in agility, flexibility and cross functional working, the identification of key systems developments needed to streamline processes and new school senior management structures to deliver academic priorities.
- > Introduction of a strategic approach to organisational development and learning including a new leadership and management development framework and plans to support the University's change agenda.

### Revised HR Service Structure

The service has streamlined its resources to meet changing needs across its functions, resulting in three key pillars aligned to business requirements: HR Operations and HR Recruitment; Organisation and People Development; and Health, Safety and Wellbeing.

### Enhancing our Support for our People

- > Implementation of an online version of the Professional Development and Planning Review process enabling more effective monitoring of the completion and quality of reviews.
- > Continued engagement with staff through pulse surveys and other staff forums which has informed a range of new developments and policy changes and confirmed high staff satisfaction levels.
- > Enhanced staff benefits including a new green car lease scheme and additional retail and childcare discounts.

### Equality, Diversity and Inclusion

- > Development of new four-year Equality, Diversity and Inclusion objectives building on the successful completion of the previous plan and input from the EDI staff focus groups.
- > Enhancement of disability support following an Accessibility Audit.
- > 8th place position in the Stonewall Workplace Equality Index reflecting our work on intersectionality, a new hormone health policy and the first on-campus Pride event, all supporting our LGBTQ+ staff and student community.

### Health, Safety and Wellbeing

- > Delivery of all mandatory, legislative and compliance audits and inspections.
- > Enhanced health and safety training.
- > More comprehensive health and safety reporting and risk assessment processes.
- > Improved occupational health policies, processes and staff networks and a comprehensive health promotion programme.

All resulting in a strong health and safety environment and external recognition of our health and wellbeing work through the achievement of the Better Health at Work (Maintaining Excellence) Award.

### Trade Unions

The University recognises UCU and UNISON as trade unions for collective bargaining purposes. In accordance with the Trade Union (Facility Time Publication Requirements) Regulations 2017 the Facility Time report for both UCU and UNISON for 2023/24 at TU was as follows:

- > Trade union representatives: 23 (2022/23: 20)
- > FTE trade union representatives: 21.23 (2022/23: 18.23)
- > Overall facility time (as % FTE of working time): 3.05 FTE (2022/23 3.02 FTE)
  - 0% of working hours: 2 representatives (2022/23: 1)
  - 1% - 50% of working hours: 18 representatives (2022/23: 16)
  - 51% - 99% of working hours: 1 representative (2022/23: 1)
  - 100% of working hours: 2 representatives (2022/23: 2)
- > Percentage of total pay spent on facility time: 0.13% (2022/23: 0.14%)
- > Percentage of total paid facility time hours spent on paid TU activities: 3.87% (2022/23: 3.08%).

## Information Technology & Digital Services

The Information Technology and Digital Services team continue to deliver a dynamic and professional service, supporting the University to successfully embed digital technologies and improve efficiency across the institution.

Key highlights during 2023/24 include:

### Service Desk

- > 42,854 Universe tickets resolved and 16,355 phone calls, with a drop rate average of 2%.
- > Onboarded a new IT Support Service for TU London.
- > Deployment of 2,600 iPads to students.
- > 96.6% - Incident closure customer satisfaction rating.
- > 89% - High-priority incident resolution within target time.
- > Over 2,000 delegates attended digital welcome sessions; and more than 1,400 attended digital workshops.
- > 413 delegates attended the Study Well with your iPad session.
- > 321 Adobe & Microsoft exams taken with a pass rate of 52%.
- > Centre of Excellence Award from Prodigy Learning.

### Server Team

- > Replacement of Editshare, MyVM, Render Farm Student systems.
- > Upgrades to key corporate systems and additional features within cloud services such as Office 365.
- > Continued improvement of infrastructure for systems and services with improvements to user security and experience across 450 servers.
- > Commenced review of systems and infrastructure as part of assessing case for Cloud migration.

### Network and Unified Communications

- > A new corporate mobile contract with data pooling, resulting in better user experience and a 72% cost reduction.
- > Updated Clearing telephony, simplifying hybrid working for Clearing staff during peak periods.
- > Over 300,000 telephony incoming calls, with 50,000 being handled by the switchboard; and over 5,000 daily Wi-Fi users per day.
- > Significant upgrades to the campus network including:
  - 115 network switches upgraded.
  - five distribution switches.
  - 5,520 network connections.
- > Over 350,000 incoming network threats blocked each month.

### Service Excellence

- > Almost 800 of 2,000 new devices deployed since April to support windows 11.
- > Recycled existing computers back into use, saving over £160,000 and sent a further 2,000 IT devices for environmentally safe and secure recycling.
- > Supported business operations across the University by updating IT policies, providing over 300 quotes for new equipment and software licenses and updating IT Change Management to the EMS platform for use across University teams.
- > Retained ISO 20000 IT Service Management certification for the 5th year in a row.

### Learning Environment Technology Services

- > Introduced new standard of teaching based on “Teams Rooms” as part of innovative London campus developments, with Middlesbrough campus roll out underway.
- > Deployment of innovative and very advanced AV solutions to support teaching within the new BIOS building.
- > Upgraded self-managing control systems in 80 rooms.
- > Implemented a campus IPTV multi-channel system to display signage, graduation, and other live streams across campuses.

### Cyber Security

- > Redesign of Apple Mac management, streamlining operating system upgrades, improving authentication security and enhanced user experience.
- > Implementation of a more responsive management system for staff laptops enabling management and support functions wherever they are located.
- > Completion of security platform review, providing new capabilities and automation opportunities keeping the University secure.



## Legal & Governance Services

Legal & Governance Services (LGS) safeguards the University's ability to fulfil its external accountabilities, legal obligations, and regulatory requirements and maintains the University's Corporate Governance Framework. In addition, LGS continues to support the University's strategic vision, mission and corporate aims as well as delivering on the RBM Strategy.

### Key highlights for 2023/24 include:

- > Formation of a new Academic Assurance Committee to support the assurance function of the University's Academic Board on the institution's regulatory obligations across all provision. Formation of a new Protect and Prepare Group in anticipation of new legislation governing the safety and security in the management of our campus and large events.

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- > Improvements to corporate governance operations, including the University's Policy Framework, Governor recruitment, induction and succession planning.

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- > Ongoing delivery of the Teesside University (TU) Group Project including fully embedding governance of the University's subsidiaries and ongoing comprehensive professional support provided to the ongoing operations of TU London, TU Online and TU Enterprise & Innovation.

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- > Embedded a comprehensive UKVI assurance activity schedule to regularly monitor compliance processes across the University to ensure continual audit readiness in accordance with UKVI Licence requirements.

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- > Achieved UKVI Basic Compliance Assessment (BCA) metrics with excellent rates across all areas: visa refusals, enrolments, and course completions.

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- > Enhancement to the UKVI Compliance Portal (a vital reference resource for the University) including the addition of the UKVI Policy Hub to host Home Office changes, government Policy updates and immigration rules changes.

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- > UKVI Compliance training made available as an electronic module for all staff.

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- > Leading on a successful audit of Apprenticeship activity, supporting delivery of a mock review of apprenticeship provision in readiness for an OFSTED inspection, and supporting on the OfS End-Point Assessment review.

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- > Processed over 500 commercial contracts in addition to providing comprehensive legal advice and support across the University.

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- > Oversight and advice on the University's safeguarding procedures including a review to ensure compliance with OFSTED expectations.

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- > Production of an annual Student Casework Report providing data and trends on University complaints, appeals and student misconduct issues.

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- > Strengthened procedures and processes on the management of student discipline and criminal conviction declarations.

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- > Introduction of lessons learnt protocol to capture recommendations from student complaint cases.

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- > Continued to receive positive outcomes relating to complaints submitted to the OIA in that majority of cases closed in 2023/24 were found not justified or categorised as a settled status.

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- > Ongoing mapping of Office for Students statement of expectations for preventing and addressing harassment and sexual misconduct in preparation of new OfS E6 condition of registration.

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- > Operational lead on freedom of speech legislative changes and ongoing consumer protection compliance.

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- > 419 Information requests handled under FOI and Data Protection Legislation

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- > 30 Detailed Data Protection Impact Assessments undertaken.

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- > Provided data protection advice for 84 legal agreements.

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- > Professional advice and support to new business functions within TU Group including a new in-house recruitment agency, TU Online Short Course Programme and the Dubai Regional Office setup.

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- > Designed and implemented a cloud records model piloted within the service.

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## Student Recruitment & Marketing

As the higher education landscape evolves, Teesside University has continued to adapt and enhance its marketing and recruitment activities to maximise student numbers. This year, our efforts have been concentrated on expanding opportunities for prospective students to visit our campus and experience life at Teesside University for themselves. Our ongoing commitment to addressing market challenges has ensured that students both locally and from further afield, can access a high-quality education, whether on campus or through our expansive online offer.

### Key highlights for 2023/24 include:

- > Increased face-to-face engagement: Significant growth in in-person interactions with our key markets, both on and off campus.
- > Outreach success: Engaged with over 30,000 individuals through various outreach programmes.
- > Summer schools: Hosted a series of summer schools, offering prospective students a preview of university life.
- > Aspiration and attainment activities: Implemented a wide range of initiatives aimed at raising aspirations and supporting our widening access agenda.
- > Corporate campaign visibility: Maintained the visibility of our "Ambition Delivered Today" campaign through the establishment of the Corporate Marketing and Communications Board.
- > Website revamp: Launched a refreshed design for our University homepage, providing a dynamic platform to highlight our achievements.
- > Community engagement: Continued to strengthen our connections with local communities, integral to our mission.
- > Impactful marketing campaigns: Rolled out a series of engaging campaigns to present the University to diverse audiences.
- > London campus development: Progressed with the development of our London campus, enhancing our reach and influence across East London and beyond.

As the university sector continues to innovate, the University remains committed to competing at the highest level. Moving forward, our marketing and recruitment efforts will focus on promoting our expanding portfolio of Professional Apprenticeships, our TU Online offer, and our extensive B2B solutions.

## TU Online

TU Online continues its positive trajectory, achieving notable year on year growth and making a significant contribution to the University, achieving a contribution of £2.2m in year. The last academic year has marked significant milestones for the provision, doubling the 100% online course portfolio, increasing academic tutors and the staffing base and making key appointments within the senior management team.

### Key highlights for 2023/24 include:

- > Achievement of ambitious recruitment and continuation targets.
- > Launch of a revised operating model to support the creation and delivery of online course content by TU Online Tutors, facilitating speed to launch and aligning to Teesside University ambitions for online growth.
- > Conducting a fee analysis for online courses to ensure students are supported and payment patterns match best practice.
- > Expanding the TU Online staffing base, including a Business Development Manager and a Student Engagement and Progression Manager.
- > Supporting Schools with the formalisation of administration for online learning.
- > Completing market intelligence and desk-based research to identify growth markets for online learning.
- > Implementation of an online payment gateway to support high volume payment transactions and automated release of non-accredited online CPD.
- > Refinement of performance indicators for academic tutors and the introduction of dedicated welcome week to ensure parity with the on campus experience.
- > Conducting focus groups with online students to inform online course portfolio development and understand online student requirements - reflecting upon learning enrichment and enhancements.
- > Conducting international marketing campaigns to effectively market the online course portfolio.



# Financial Highlights and Chief Operating Officer Overview

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

## 2023/24 financial strategy performance

### > Financial stability and resilience

- maintaining strong net cash and current asset investments balances – £68.6m (2022/23: £78.2m) with no borrowing
- cash at 130 days expenditure (2022/23:160 days)
- levels of investment that are contingent upon student recruitment performance.

### > Financial sustainability

- targeted growth in student numbers achieved ensuring a strong cash surplus position returning EBITDA margin of 11.9% during the year (2022/23: 13.7%)
- delivering investment in growth and continuing to enhance the student experience
- delivering cost efficiencies during the year through the Business Change & Improvement Programme.

### > Investment capability

- investment to support Teesside 2027 strategic priorities across key strategies:
  - Education 4.0
  - Research and Innovation
  - Enterprise and Knowledge Exchange
  - TU Global
  - Resources and Business Management
- continued campus investment
- continued academic growth investment
- enhanced infrastructure and student experience and digital investment.

The 2023/24 financial results for the University are extremely strong across the board continuing the excellent financial track record and trajectory of the University. These results have been delivered in an increasingly difficult context including a fall in international student numbers and significant cost and inflationary pressures.

The 2023/24 programme included over £41.6m (2022/23: £50.7m) of capital investment during the year, as well as continued targeted investment to support student recruitment, curriculum development, international growth and research. This was complemented by the continued identification and delivery of efficiencies across both the pay and non-pay cost base.

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





## 2023/24 financial performance against 2022/23

The University's consolidated financial performance for 2023/24 can be summarised as follows and continues the strong trajectory of recent years:

- > total income of £222.1m (2022/23: £210.2m)
- > £14.1m surplus after tax (2022/23: £12.3m)
- > cash generated from operating activities: £22.6m (2022/23: £35.0m)
- > investment in capital expenditure: £41.6m (2022/23: £50.7m)
- > net assets of £260.5m (2022/23: £246.4m)

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

### Five-year summary of income and expenditure (excluding measurement adjustments for defined benefit pension schemes)

	2023/24 £'000	2022/23 £'000	2021/22 £'000	2020/21 £'000	2019/20 £'000
Tuition fees and education contracts	174,420	161,107	139,466	125,062	116,187
Funding grants	18,700	18,444	16,964	17,067	16,420
Research grants and contracts	7,574	5,377	4,448	3,617	3,383
Other income	17,048	21,941	18,389	13,185	14,053
Investment income	4,125	2,829	465	108	275
Donations and endowments	244	463	521	332	232
<b>TOTAL INCOME</b>	<b>222,111</b>	<b>210,161</b>	<b>180,253</b>	<b>159,371</b>	<b>150,550</b>
<b>TOTAL EXPENDITURE</b>	<b>(208,048)</b>	<b>(197,584)</b>	<b>(183,469)</b>	<b>(157,402)</b>	<b>(147,259)</b>
Measurement adjustments	(647)	3,997	13,025	10,800	9,201
<b>TOTAL EXPENDITURE EXCLUDING IMPACT OF MEASUREMENT ADJUSTMENTS</b>	<b>(208,695)</b>	<b>(193,587)</b>	<b>(170,444)</b>	<b>(146,602)</b>	<b>(138,058)</b>
<b>SURPLUS BEFORE OTHER GAINS EXCLUDING IMPACT OF MEASUREMENT ADJUSTMENTS</b>	<b>13,416</b>	<b>16,574</b>	<b>9,809</b>	<b>12,769</b>	<b>12,492</b>
<b>Net Margin</b>	<b>6.0%</b>	<b>7.9%</b>	<b>5.4%</b>	<b>8.0%</b>	<b>8.3%</b>



## Income

Total income in the year was £222.1m representing an increase of 5.7% (£11.9m) over the previous year (2022/23: £210.2m).

The main movement is:

- > tuition fee income and education contracts increased by £13.3m (2022/23: £21.6m).

This was predominantly due to fee income from full-time home and EU students decreasing by £4.2m and international students increasing by £14.6m.

Income from tuition fees and education contracts accounts for 78.5% (2022/23: 76.7%) of total income and is illustrated in the chart.

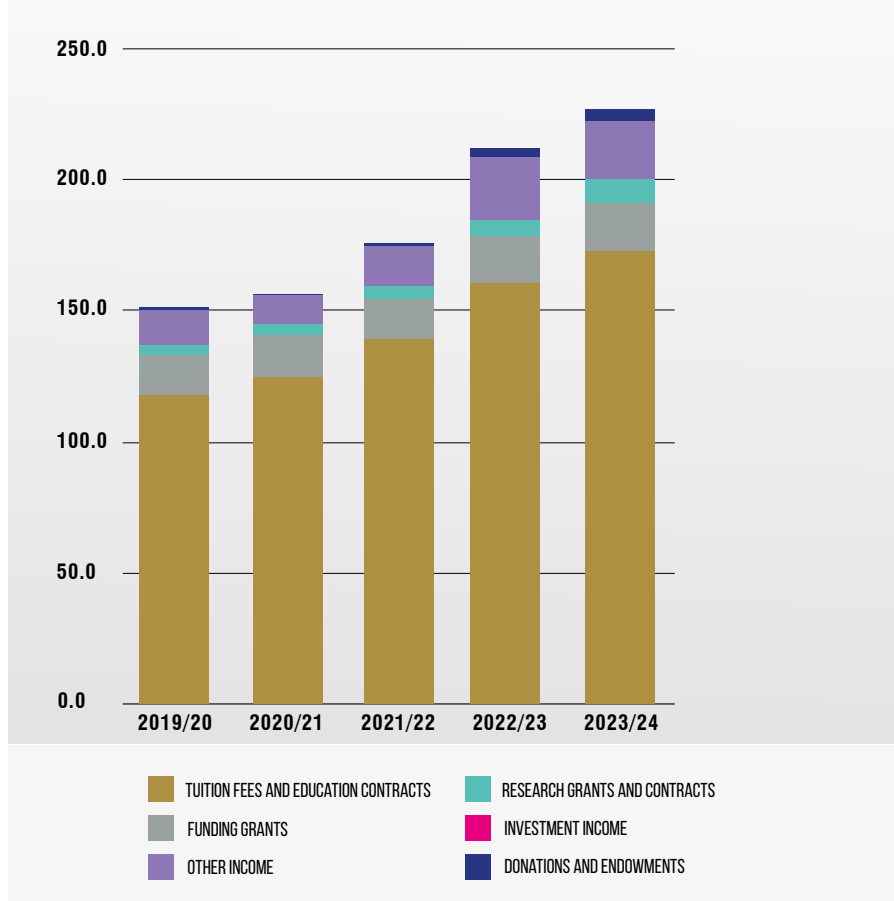
The decrease in other income of £4.9m is mainly due to a decrease in other revenue grants (£6m).

## Expenditure

Total expenditure was £208.0m, an increase of £10.4m over the previous year (2022/23: £197.6m).

The main movements year-on-year are:

- > staff costs have increased by £12.1m in 2023/24 to £121.9m (2022/23: £109.8m). This is due to:
  - the 2023/24 pay award which was implemented in 2 phases (2% from 1 February 2023 and a further 3% from 1 August 2023)
  - an increase in the teachers' pension scheme employer's contribution rate from 23.68% to 28.68% with effect from 1 April 2024
  - an increase in the average FTE numbers of 79 to 2,222 of which 60 were academic and research posts
  - a voluntary severance scheme with costs of £5.5m
- > other operating expenses have reduced by £0.5m in 2023/24 to £69.6m (2022/23: £70.1m). This is mainly due to £1.3m reduced expenditure on utilities.
- > impairment costs of £2.9m in 2022/23 relate to one building which was vacated and an independent valuation, based on the residual method for determining the value of the property, was completed and a further impairment was recognised last year to reflect this independent valuation.



## Result

The net margin of 6% (excluding measurement adjustments) compares favourably to 2022/23 (2022/23: 7.9%). This represents a very strong financial performance for the year, despite the Semester 2 recruitment challenges due to changes in government policy, currency exchange issues and general inflationary costs pressures. Robust management of the cost base and continued financial focus and discipline across all University budgets continues to be exercised in order to achieve the Teesside 2027 Corporate Strategy, including delivering the Campus Masterplan.

## Balance sheet

Total assets less current liabilities of the group increased this year by £10.8m to £300.2m. The main areas of change were:

- > increase in fixed assets of £25.2m
- > reduction in trade and other receivables of £11.7m of which £6.8m relates to trade receivables and £4.9m relates to a decrease in prepayments and accrued income
- > reduction in cash and cash held on term deposits of £9.5m
- > decrease in creditors falling due within one year of £6.8m of which £8.8m relates to the decrease in payments on account.

The group's total reserves for the year have increased by £14.1m which is due to the £14.1m surplus for the year after tax.



## Capital programme

The University continued to invest in its estate in 2023/24

- > £15.4m investment in 2023/24 in respect of the construction of the new Digital Life Building (£40m Scheme) - completion due spring 2025

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- > £1.4m investment in 2023/24 (£1.8m Scheme) in our refurbished International Business School - completed September 2023

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- > £2.3m investment in 2023/24 (£2.7m Scheme) in our London Campus which opened in September 2023

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- > £2.4m investment in 2023/24 (£2.6m Scheme) in the Library

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- > £2.5m investment in 2023/24 for the replacement of fire doors in Student Accommodation

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- > a £36.9m investment in the BIOS building offering high-quality, leading-edge facilities and laboratories for health, sciences and clinical subjects including anatomy, pharmacy, microbiology, chemistry, Earth sciences and food sciences (£5.4m in 2023/24) – completed September 2023

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

These developments were funded by existing cash reserves.

## Cash flow

During the year performance remained robust with £22.6m (2022/23: £35.0m) generated from operating activities.

Debtors reduced by £6.7m due to decreases in both trade receivables and prepayments. Creditors also decreased by £6.7m due to the £8.8m reduction in payments received on account relating to student tuition fees for the 2023/24 academic year. There was also a decrease in short-term deposits of £13.0m and a £3.5m increase in cash balances. Fixed asset expenditure during the year of £41.6m was funded through existing cash balances, capital grants and the cash surplus generated in the year.

## Treasury management

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

The University has no secured borrowings and the current Campus Masterplan programme has been developed and delivered on the basis that it is funded through University cash resources as supplemented by planned projected annual cash surpluses.

## Teesside 2027

This is a very positive outcome for the 2023/24 financial year, particularly considering the Semester 2 international recruitment challenges and continued and increasing cost pressures faced by the University. Strong margins and no debt provide a resilient and firm foundation as we look ahead to what is anticipated to be a challenging financial period.

The University remains focused on maintaining its financial resilience, sustainability and investment capability which will be achieved through its well established and proven fiscal discipline and robust financial management.

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

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

## Five-year summary of key statistics

	2023/24 £'000	2022/23 £'000	2021/22 £'000	2020/21 £'000	2019/20 £'000
Tuition fees and education contracts	174,420	161,107	139,466	125,062	116,187
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<b>TOTAL EXPENDITURE</b>	<b>(208,048)</b>	<b>(197,584)</b>	<b>(183,469)</b>	<b>(157,402)</b>	<b>(147,259)</b>
<b>SURPLUS/(LOSS) BEFORE OTHER GAINS AND TAXATION</b>	<b>14,063</b>	<b>12,577</b>	<b>(3,216)</b>	<b>1,969</b>	<b>3,291</b>
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>	<b>22,552</b>	<b>35,023</b>	<b>22,184</b>	<b>39,058</b>	<b>25,640</b>
<b>(DECREASE)/INCREASE IN CASH AND BANK DEPOSITS IN THE YEAR</b>	<b>(9,526)</b>	<b>(7,101)</b>	<b>13,962</b>	<b>31,629</b>	<b>(3,634)</b>
Non-current assets	268,470	243,249	209,945	212,603	220,586
Net current assets	31,689	46,113	56,771	41,816	22,380
Creditors due after more than one year	(36,807)	(39,087)	(32,375)	(30,005)	(30,546)
Provisions (excluding pension liability)	(2,899)	(3,896)	(3,661)	(4,440)	(4,750)
<b>NET ASSETS BEFORE PENSION LIABILITY</b>	<b>260,453</b>	<b>246,379</b>	<b>230,680</b>	<b>219,974</b>	<b>207,670</b>
<b>PENSION LIABILITY</b>	<b>–</b>	<b>–</b>	<b>(8,061)</b>	<b>(114,100)</b>	<b>(126,286)</b>
<b>NET ASSETS AFTER PENSION LIABILITY</b>	<b>260,453</b>	<b>246,379</b>	<b>222,619</b>	<b>105,874</b>	<b>81,384</b>



# Environmental and Social Governance Statement

Teesside University is committed to maximising the delivery of positive social impact and to operating as a responsible, ethical and sustainable business.

We believe that universities are in a unique position to make a positive difference to the people and places we interact with, not just through the significant contribution made through our research, teaching and learning, but through embedding a socially responsible approach across all of our operations. This is rooted within our mission- to transform lives and economies- and is at the heart of our university values.

We define social impact as the delivery of significant, positive change that addresses known societal challenges, brought about through strategic and purposeful activity.

## Our commitment:

### Sustainable and Ethical Operations

- > We will embed environmental, social and economic elements of sustainability across corporate decision making, ensuring consideration of both social value and value for money.
- > Through awareness-raising and engagement activity, we will equip our staff, students and partners with the skills and knowledge to make responsible business decisions, including work across our supply chain to prioritise sustainable action.
- > We will embed sustainable business operations, undertaking appropriate due diligence before entering into new partnerships or associations that do not align with our commitment.

### Engaged Research

- > We will deliver research activities that address the socio-economic and environmental challenges of our time, making a difference to individuals, organisations, and society.
- > We will create research evidence and outputs that inform policy and benefit society, working with civic partners, policymakers and community leaders to enhance productivity and address social inequities.
- > We will engage with communities to support a just transition to net zero, powering the change we need to see across society, through industry partnership, skills development, research and innovation.





## Responsible Internationalisation

- > We will ensure that our international strategy is underpinned by corporate decision making that balances environmental, economic and social impact.
- > We will act as an ethical and responsible organisation, operating only with international partners that share our mission and value set.

## Engaged Students

- > We will embed sustainability into all courses, developing students who are socially and ethically engaged.
- > We will work in partnership with students to embed sustainability into our campus operations.
- > We will embed volunteering opportunities and social impact activities into the curriculum.
- > We will ensure fair and transparent recruitment processes and equity of support for student success.

## Community Investment and Social Impact

- > We will work with community partners to find mutually beneficial solutions to local challenges, using our resources, facilities, expertise and agency to deliver social impact.

During 2023/24, the University worked with over 40 community partner representatives to co-create solutions to the unique challenges within the Tees Valley through participatory research. The University's community fund, Be the Change, supported local community organisations to deliver activities aimed at addressing poverty, digital inclusion, community cohesion and civic pride.

The University has committed to being carbon neutral by 2050 and has undertaken a review of emissions targets, setting new goals for the reduction of emissions, including plans to reduce energy usage and promote sustainable travel. New initiatives include a salary sacrifice electric vehicle scheme and the introduction of an Eco Shop within the Students' Union.

The Campus Masterplan continues to deliver a smart, sustainable, and future facing campus, incorporating social value into all capital development projects and prioritising local spend where possible. Work is underway to further embed social value consideration within wider procurement and corporate decision making.

The University maintained EcoCampus Gold and Zero Waste to Landfill status in 2024. We are proud of our achievements to date, which include a 46% reduction in CO2 emissions since 2009, and 18.5% reduction in water consumption since 2008. We align our activities to support the United Nations Sustainable Development Goals and further reduce our environmental impact.

# GOVERNANCE

## Public Benefit Statement

The University makes a significant contribution to the economic prosperity of the region as an economic engine and magnet for global investment.

**As a major employer, we support around 3,360<sup>1</sup> FTE roles in the region and the most recent economic impact analysis demonstrated an annual contribution of £246m total cumulative GVA<sup>2</sup>.**

Teesside University continues to support economic growth, working closely with businesses to provide a talent pipeline, advice, expertise and skills to enable businesses to upscale, upskill and thrive. Work has been undertaken to identify specific needs and gaps in key sectors and to provide solutions including networking opportunities, the co-creation of new skills pathways such as professional apprenticeships, and the deployment of volunteers in trustee and advisory roles.

Teesside University continues to take positive steps to benefit the communities it serves and create a stronger, more connected community.

Sitting at the centre of the University's work with community partners is the Teesside University Community Hub, which acts as a gateway for voluntary and community organisations to access Teesside University's skills, services and expertise. Partners work alongside the University on impactful research projects and joint funding bids and can access training and development and specialist advice. The Hub also offers support in recruiting and managing volunteers and provides student placements and internships to bring fresh perspectives and skills to organisations.

The University seeks to broaden ambitions and raise aspirations, delivering initiatives aimed at challenging stereotypes and breaking down barriers to education, from University taster days and short courses to cultural events that support community cohesion and celebrate the diversity of our University community.

Teesside University continues to prioritise access to higher education through a growing portfolio of flexible learning options. The University is now one of the UK's largest providers of professional apprenticeships. We have over 3,000 learners enrolled on an online learning qualification delivered through TU Online Limited. Teesside University London offers a gateway to the UK's capital, bringing the University's trailblazing Future Facing Learning approach to new audiences.

Through this broad spectrum of activity, Teesside continues to make a significant positive social impact. The combined human capital impact of the University, which includes the increased earning potential of Teesside's graduates, and the value of training and support delivered by the University, is estimated at £1.3 billion<sup>3</sup>.

<sup>1</sup> <https://www.tees.ac.uk/docs/docrepo/about/Economic%20Impact%20Report%202021-22.pdf>

<sup>2</sup> <https://www.tees.ac.uk/docs/docrepo/about/Economic%20Impact%20Report%202021-22.pdf>

<sup>3</sup> <https://acrobat.adobe.com/link/review?uri=urn%3Aaaid%3Aascds%3AUS%3A23a2538a-ccb4-3892-89e4-7755a200178>



# Board of Governors

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

## Independent members

Ada Burns (Chair)  
 Dermot Russell (Treasurer)  
 Dean Benson  
 Dr Nick Johnson  
 Yasmin Khan  
 Scott Martin  
 Alfredo Ramos  
 Richard Rollison  
 Claire Vaughan  
 Godfrey Worsdale OBE

## Vice-Chancellor & Chief Executive

Professor Paul Croney OBE

## Staff and student representatives

Femi Abolade (resigned 30 June 2024)  
 Ebubechi Azunna (appointed 1 July 2024)  
 Dan Cooley (appointed 24 November 2023)  
 Nevin Edwin (resigned 30 June 2024)  
 Blessing Ihuoma (appointed 1 July 2024)  
 Tim James  
 Professor Chrisina Jayne (resigned 3 July 2024)  
 Daniel Moore (appointed 3 July 2024)

## Co-opted members

Professor Geoff Layer OBE (appointed 22 March 2024)

## Secretary to the Board of Governors

Helen Cutting

# Responsibilities of the Board of Governors

## Statement of primary responsibilities

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

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

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

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

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

# Statement of Corporate Governance and Internal Control for the year ended 31 July 2024

## Corporate Governance Statement

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

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

The University is committed to exhibiting best practice in all aspects of corporate governance. It has adopted the Committee of University Chairs (CUC) Higher Education Code of Governance, published in September 2020, and has complied with the six primary elements of that code throughout the year.

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

## Summary of the University's structure of corporate governance

The following processes for governance have been in place throughout the year ended 31 July 2024 and up to the date of approval of the financial statements.

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

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

The Audit Committee meets at least three times a year. The Committee provides assurances to the Board on the adequacy of the University's risk management, compliance with its Prevent Duty, compliance with the conditions of its Student and Skilled Worker Sponsor Licences, value for money, cyber information security arrangements, data quality and Health and Safety. It is responsible for meeting with the external auditors to discuss audit findings, and with the internal auditors to consider detailed internal audit reports and recommendations for the improvement of the University's systems of internal control, together with management's response and implementation plans. The Committee also receives and considers reports from the Regulator as they affect the University's business, and monitors adherence with the regulatory requirements. It reviews the University's annual financial statements in the context of the approved accounting policies. While senior executives

attend meetings of the Audit Committee, they are not members of the Committee and the Committee meets with the external auditors and the internal auditors on its own for independent discussions at the end of every Audit Committee meeting. Annually, the Committee provides an opinion on the adequacy of the arrangements in place within its oversight which informs the Statement of Internal Control.

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

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

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

The Resources Committee inter alia recommends to the Board of Governors the University's annual revenue and capital budgets and monitors performance in relation to the approved budgets. The Committee also recommends to the Board of Governors the University's three year forecast and the five year Annual Financial Return.

In addition the new Academic Assurance Committee provides assurance to Academic Board, which provides oversight of all academic matters, and the Board of Governors that the University's academic framework (quality and standards of academic provision and outcomes) is robust and is subject to challenge and that associated external regulatory compliance is achieved ensuring that the Board can discharge its responsibility to have assurance on the academic quality and standards of teaching at the University.

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

## Remuneration of the Vice-Chancellor & Chief Executive

(extracted from the annual report of Remuneration Committee to the Board of Governors for the year ended 31 July 2024)

*Note: Remuneration Committee presents its report to the Board of Governors for the academic year ended 31 July 2024 and any significant issues up to and including the meeting of Remuneration Committee held 24 October 2024. In the reporting period, the Committee met on 15 September 2023, 6 September 2024 and 24 October 2024 and considered the pay and performance of the Senior Post Holders. The Vice-Chancellor is not a member of this Committee.*

### University Operating Context : Ambition Delivered Today

Teesside University, based in the Tees Valley, was first established as a college in 1930 and received university status in 1992. The University is focussed on making a real difference to the lives of people and the success of businesses and the economy, valuing education and research which is innovative, creative and supports the development of solutions to real world challenges.

The University has continued throughout the 2023/24 academic year to pursue the ambitions of its corporate strategy, Ambition Delivered Today. At the start of the year, confirmation was received that the University was one of only 15 universities to achieve an overall Gold rating in the Office for Students' Teaching Excellence Framework (TEF) 2023, as a result of achieving gold for both student experience and student outcomes providing clear recognition that the University's course content and delivery inspire and stretch our students to their fullest potential, enabling them to achieve positive outcomes from their studies.

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

- had a turnover in excess of £220m
- invested circa £280m in its campuses over the last 10 years
- has over 25,000 students (headcount)
- employs more than 3,000 staff
- achieved 100% of its strategic KPIs
- achieved TEF Gold for both student experience and student outcomes, making the University one of only 15 universities to receive the Gold rating overall
- ranked 27th overall and 2nd in the North-East for Student Satisfaction in the Complete University Guide 2025
- saw its students judge their experience above benchmark in 7 of the 10 categories, with notable positivity scores for 'Assessment and feedback' and 'Students' Union' (NSS 2024)
- featured in the top 3rd of institutions in 'Sports Science' – ranking 22nd of 86 institutions. (CUG 2025)
- continued to invest in Student Welfare & Wellbeing and progression to achieve the University Mental Health Charter Award
- achieved Apple Distinguished re-accreditation (await confirmation of award)
- achieved renewal of the Athena Swan Bronze Award
- achieved re-accreditation of the HR Excellence in Research Award
- appointed 14 new Professors and Associate Professors to support its research agenda
- was selected to participate in the national Research Excellence Framework (REF) 2029 pilot committee on People, Culture & Environment

- successful in a number of major research grants and awards
- secured over £36m income through Enterprise & Knowledge Exchange activity
- was awarded 'Best University Employability Strategy 2024'<sup>1</sup>
- received its highest Graduate Outcomes Survey result in 4 years, with 77% of graduates in employment or further education<sup>2</sup>
- secured 'Putting the Customer First' award for our work with businesses
- created 60 new Graduate Start-ups
- launched an in-house student recruitment agency, Unitemps, to support students to secure employment whilst studying and after graduation
- has more than 150,000 alumni in over 150 countries<sup>3</sup>
- ranked number one in the UK for international student satisfaction<sup>4</sup>
- ranked third globally for international student satisfaction
- delivers a Tees Valley net impact of international students estimated at over £330m<sup>5</sup>
- ranked in the Times Higher Education University Rankings 2024<sup>6</sup>
- ranked in the QS European Universities Rankings 2025<sup>7</sup>
- ranked a Top 20 institution in the world in the Animation Career Review International Animation School Rankings 2024<sup>8</sup>
- had its Pre-sessional English provision recently re-accredited by the British Council, with all standards met and content described as 'exemplary'.
- gained successful re-accreditation of the Investors in People Gold award for the fifth time
- entered into two new strategic partnerships for apprenticeship delivery with Grant Thornton and the Environment Agency
- opened its state of the art BIOS building, dedicated to the delivery of sciences and clinical subjects

(further highlighted in the University's annual report and financial statements for the year ended 31 July 2024).

### Remuneration (Pay)

Principles of Remuneration (Pay) – the Vice-Chancellor & Chief Executive's annual salary review takes place under the Senior Management Annual Salary Review and Performance Payment Scheme ("Scheme"). When determining the level of remuneration for the Vice-Chancellor & Chief Executive, in addition to the principles in the Higher Education Senior Staff Remuneration Code, there are three further elements that are taken into consideration under the Scheme:

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

## Remuneration (Performance)

Approach – the Scheme is also used when undertaking a review of performance of the Vice-Chancellor & Chief Executive; the Remuneration Committee gives consideration to the Higher Education Senior Staff Remuneration Code and receives the Vice-Chancellor's individual performance assessment. In accordance with the Scheme, Remuneration Committee has the option to award a one-off performance payment to recognise individual performance where the relevant thresholds of the Scheme are met.

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

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

## Vice-Chancellor & Chief Executive

### Year ended 31 July 2024:

Applying the above principles of remuneration and approach, at its meeting on 15 September 2023 Remuneration Committee undertook a comparison of the Vice-Chancellor's base salary as against equivalent staff base salaries in the Alliance group of universities submitted to the UCEA Senior Staff Remuneration Survey, noting that the Vice-Chancellor's base salary was currently in line with the median quartile. The Committee noted the earlier decision it took at its meeting on 9 March 2023 to award a cost-of-living increase to the base salary of the Vice-Chancellor of 5% paid in two instalments: 2% with effect from 1 February 2023 and then a further 3% with effect from 1 August 2023, in total a 5% increase on 1 August 2022 base salary and in line with that awarded to university staff whose pay is negotiated at national level. Therefore, at the meeting on 15 September 2023, the Committee reaffirmed the cost-of-living increase agreed in March 2023 and determined that no additional increase was required to the base salary of the Vice-Chancellor at that time.

At its meeting on 6 September 2024, the Remuneration Committee recognised the exceptional contribution made to the University by making a performance payment of 15% of basic salary for the Vice-Chancellor & Chief Executive for the year ended 31 July 2024, acknowledging the strong performance of the University and in particular the delivery of all related Strategic KPIs, as well as acknowledging the continued and outstanding leadership afforded to staff and students, however, as in previous years shown in the table below, the Vice-Chancellor has waived acceptance of it.

### The breakdown of emoluments of the Vice-Chancellor & Chief Executive for the year ended 31 July 2024 (and the previous 5 years for comparison) are as follows:

Emoluments of the Vice-Chancellor	2023/24 £	2022/23 £	2021/22 £	2020/21 £	2019/20 ^ £	2018/19 £
Salary	276,204	264,975	255,390	233,547	233,547	229,417
Performance Related Pay	-	40,247	-	-	-	34,413
Pay in lieu of pension contributions*	61,519	54,980	52,958	48,597	40,498	-
Private Healthcare**	4,534	4,103	3,791	3,417	3,273	3,182
Subtotal	342,257	364,305	312,139	285,561	277,318	267,012
Pension Costs	-	-	-	-	7,759	45,833
<b>Total</b>	<b>342,257</b>	<b>364,305</b>	<b>312,139</b>	<b>285,561</b>	<b>285,077</b>	<b>312,845</b>

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

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

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

### Year commencing 1 August 2024:

At its meeting on 6 September 2024, the Committee agreed to award a cost-of-living increase to the base salary of the Vice-Chancellor in line with that awarded to university staff whose pay is negotiated at national level. It noted that although the 2024 award was still in negotiations nationally, that it was anticipated to be a 2.5% increase as a two-stage award (part payment from 1 August 2024, second payment in March 2025) and determined to apply the final agreed award to the base salary for the Vice-Chancellor. At its meeting on 24 October 2024, the Committee confirmed the Vice-Chancellor's personal objectives for the current academic year.

### Pay Multiples – year ended 31 July 2024

The median salary across all staffing groups is £38,205 per annum (2023: £36,333 per annum). The Vice-Chancellor's basic salary is 7.2 times (2023: 7.3 times) greater than the median pay of staff, where the median is calculated on a full-time equivalent basis for the salaries paid by the University to its staff. The Vice-Chancellor's total remuneration is 7.7 times (2023: 8.5 times) the median total remuneration of staff.

1. Targetjobs Awards 2024 <https://www.targetjobsawards.co.uk/winners/2024>
2. OfS TEF and B3 Metrics – July 2024 Data Release
3. Internal data source – Alumni data system, Comms & Development
- \*Rankings data available: [https://www.tees.ac.uk/sections/about/public\\_information/source.cfm](https://www.tees.ac.uk/sections/about/public_information/source.cfm)
4. <https://www.i-graduate.org/>
5. <https://www.hepi.ac.uk/2024/06/20/new-constituency-level-data-prove-the-value-of-international-students-to-the-uk/>
6. <https://www.timeshighereducation.com/world-university-rankings/2024/world-ranking>
7. <https://www.topuniversities.com/europe-university-rankings>
8. <https://www.animationcareerreview.com/articles/2024-international-animation-school-rankings>

## Internal Control

The Board of Governors has responsibility for maintaining a sound system of internal control that supports the achievement of policies, aims and objectives, whilst safeguarding the public and other funds and assets for which it is responsible, in accordance with the responsibilities assigned to the governing body in the University's Instrument and Articles of Government and the Office for Students (OfS) Conditions of Registration, the Terms and Conditions of Funding with the OfS and the Terms and Conditions of Research England grant with Research England (RE).

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

The system of internal control is based on a continuous process designed to identify the principal risks to the achievement of policies, aims and objectives; to evaluate the nature and extent of those risks; and to manage them efficiently, effectively and economically. This process, which accords with the OfS guidance, has been in place for the year ended 31 July 2024 and up to the date of approval of the financial statements.

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

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

During 2023/24, a tender exercise for the appointment of external auditors was overseen by the Audit Committee and RSM were appointed external auditors. PwC were re-appointed internal auditors by direct award utilising the Professional Services framework developed by the North West Universities Purchasing Consortium on behalf of the sector.

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

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

## Principal risks

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

Risk / Issue	Mitigation
<p><b>Inability to achieve student recruitment, enrolment, retention and progression targets</b></p> <p>There are a number of factors including changing demographics, increasing competition from both traditional providers and new entrants, low unemployment rate/labour market, cost of living crisis, UK Policy regarding international students and negative exchange rate volatility which make student recruitment more challenging.</p> <p>The ongoing policy changes and further market deregulation and competition will continue to present significant challenge to Home and International recruitment.</p> <p>Student recruitment, enrolment, retention and progression is reliant on a combination of initiatives developed by the University and the students' engagement with those initiatives and also a responsibility on the student to engage with their studies.</p>	<p>Executive oversight, monitoring and responsibility for the application cycle, the Recruitment and Marketing Strategy and operating model for home and international students.</p> <p>Continuous review of academic courses to ensure fit-for-purpose and changes made in response to market demands.</p> <p>Enhanced portfolio offer to include on Campus, online and apprenticeship provision.</p> <p>Monthly monitoring and reporting of student numbers and withdrawals.</p> <p>Continual review of relevant processes and bursary and scholarship offers.</p> <p>Continued targeted expansion of the University's recruitment footprint (geographic and subject specific) to meet Strategic KPI targets.</p> <p>Range of controls in place to support retention and progression including:</p> <ul style="list-style-type: none"> <li>• Learner Analytics used across the University by the Student Learning Team to provide targeted intervention for students at risk of disengagement.</li> <li>• Retention data analysis embedded within requirements for Continuous Monitoring and Enhancement.</li> <li>• Code of Practice provides a consistent approach to personal tutoring.</li> </ul>
<p><b>Failure to maintain financial resilience, sustainability and investment capability in the context of the increasingly competitive student recruitment market, the full time under graduate (FTUG) home tuition fee freeze up to and including 2024/25, UK government changes impacting international student recruitment and managing cost and income diversification pressures</b></p> <p>Factors such as:</p> <ul style="list-style-type: none"> <li>&gt; the uncertainty of international and home FTUG new entrant recruitment due to travel, foreign exchange rates, cost of living crisis, labour rates and mobility.</li> <li>&gt; the current supply chain uncertainty and general inflationary pressures due to a wide range of factors, including the war in Ukraine, rising commodity prices, supply-chain disruptions, expansionary economic policies and the tightening of labour markets.</li> </ul> <p>negatively impact the financial sustainability of the University.</p>	<p>Robust financial strategy that delivers financial stability and resilience, sustainability and investment capability.</p> <p>Effective Planning and Performance Model in place to ensure delivery of Teesside 2027 and the Resources and Business Management Strategy with costs and resources being robustly managed.</p> <p>Multi-variate stress testing is applied to budgets and financial forecasts to assess the potential impact of risk factors to ensure appropriate financial delivery of sustainability and margins, metrics and targets to deliver the key objectives of the financial strategy:</p> <ul style="list-style-type: none"> <li>• Financial Stability and Resilience</li> <li>• Financial Sustainability</li> <li>• Investment Capability</li> </ul> <p>Strategic TU Efficiency Project in delivery to oversee and coordinate operating model, structure, process developments and changes.</p> <p>Estates Strategy and Masterplan in place, operational and on track with strong governance arrangements in place.</p> <p>Continued scenario and contingency planning to ensure that the University can respond to further potential pressures relating to pay, non-pay and energy costs.</p> <p>The ability to rapidly flex the University's finances and operations to respond effectively to the student recruitment market, unavoidable cost pressures and challenges it faces through the re-calibration of budgets and forecasts.</p>
<p><b>Failure to deliver a high-quality learning experience resulting in a significant negative impact on the University's reputation, regulatory metrics and league table position</b></p> <p>It is imperative that the University delivers a high-quality learning experience as failure to do so could negatively impact on the University's reputation, regulatory metrics and league table position.</p>	<p>Effective Planning and Performance Model monitoring progress against Strategic and Operational KPIs and Regulator Key Metrics with RAG ratings to inform School action plans and decision making.</p> <p>Monitor and respond to TEF, NSS, REF and KEF agenda.</p> <p>Monitoring of student engagement and action taken to support re-engagement of students with their courses in a timely manner where required through My Attendance and StREAM Learner Analytics.</p> <p>Student Charter which addresses any concerns raised in the NSS which also provides clarity to staff on the University's expectations.</p> <p>Opportunities for placements, experiential learning opportunities and internships developed and maintained through strategic business partnership opportunities and monitored against KPIs.</p> <p>Graduate employment areas aligned with growth areas identified by the LEP/Combined Authority in the Local Industrial Strategy.</p> <p>Continuous review and enhancement of the Student Life Building and associated 'one-stop-shop' processes.</p>

Risk / Issue	Mitigation
<p><b>Failure to provide a high-quality campus and learning environment, that delivers to student expectations and demonstrates VFM, will negatively impact on the University's reputation, recruitment and retention</b></p> <p>The University is operating in an increasingly competitive environment and must address the challenges of the various demands made by and expectations of students including the use and availability of IT and equipment, the physical campus environment, flexibility of learning opportunities, support and availability of academic staff, a diverse student population and expectations related to the skills required for current and future working life.</p> <p>Students are incurring significant levels of debt and the sector Regulator, the Office for Students, expects Universities to deliver VFM to the students, as customers.</p>	<p>Transparent information displayed on the University website to students on how the University delivers VFM for students through the VFM Strategy.</p> <p>Regular review of the Masterplan to ensure it continues to maximise the student experience.</p> <p>24/7 access to Campus, underpinned by an appropriate security presence.</p> <p>Regular fora held with students to discuss and address concerns and suggestions for improvement, including safety.</p> <p>Catering offer is regularly reviewed and refreshed with interaction with students on social media to obtain feedback.</p> <p>Broad range of University accommodation offered to provide students with choice to match their budgets.</p> <p>Student Charter in place to address concerns raised by students and to provide clarity to staff on institutional expectations.</p>
<p><b>Failure to deliver the strategic workforce transformation, including the target operating model for each School and Service, and the recruitment and retention of staff to ensure that it is effective for the delivery of the University's corporate strategies to 2027</b></p> <p>In order to remain financially viable and operate effectively and efficiently, the University needs to take the necessary action to ensure that its workforce is effectively deployed, appropriately skilled, well-led and supported to deliver high quality services to all of its stakeholders.</p> <p>The workforce needs to continue to modernise to meet growing and intensifying student expectations, improve efficiency and provide enhanced value for money.</p> <p>This applies to all staff and we will continue to see changes in education, training and employment of staff to deliver the flexible, multi skilled workforce that the University will need in the future.</p>	<p>Strategic HR Framework in place and all strategic HR projects in train.</p> <p>Effective Planning and Performance Model which sets out how each plan from Strategic Plans to individual Personal Development and Planning Reviews and Personal Planning link into the Corporate Strategy (Teesside 2027:Ambition Delivered Today) which includes Annual Business Plans and the opportunity to refresh 5 year plans.</p> <p>Delivery of the Teesside University Efficiencies Project resulting in new target operating models for each School and Service</p> <p>Academic Workload Planning Framework to ensure an efficient deployment of academic staffing resource supported by an associated workload planning system.</p> <p>Themed Staff Pulse Surveys are used as an Employee Engagement Tool.</p> <p>Strategic Teesside University project reviewing target operating models for all Schools and Services completed ensuring key priorities, objectives and targets continue to be delivered in an efficient and effective manner.</p> <p>Online systems to support staff recruitment and absence management.</p> <p>A range of initiatives designed to support staff retention including a robust staff learning and development framework, academic career pathways, strong approach to sickness absence management, enhanced range of staff benefits, exit questionnaires and interviews and employee engagement.</p>
<p><b>Failure to implement and operate effective controls to provide assurance of cyber and information security, resulting in the inability to avoid a major data breach or significant disruption to university hardware and software systems</b></p> <p>Any serious systemic failure or breach of the University's IT infrastructure or data could have a significant impact both financially and reputationally for the University and would result in an adverse student and staff experience.</p>	<p>Range of tools in place for prevention, detection, warning and reporting.</p> <p>Implementation of proactive vulnerability management and associated patching of all IT systems including scheduled review meetings through the Vulnerability Triage Group.</p> <p>Refresh and update of cyber threat tools including updated cloud based security information and event management system (SIEM), next generation antivirus software and 24/7 managed services embedded in normal operations and implementation of exposure management tools.</p> <p>Cyber Essentials Accreditation and ISO 20000 Accreditation (International IT Service Management) awarded and renewed annually.</p> <p>Effective Threat and Vulnerability Strategy implemented and reviewed annually in consultation with the Penetration Test Supplier.</p> <p>Robust processes and controls over all data (student, staff and financial) and underpinning systems with assurance provided by internal and external audit coverage.</p> <p>Mandatory IT Security and Data Protection training for all staff with robust follow up.</p> <p>Standing agenda item of each Audit Committee meeting.</p>





Risk / Issue	Mitigation
<p><b>Failure to implement mental health and wellbeing strategies for students and staff and failure to ensure that students, staff and visitors are able to work in a healthy and safe environment in line with employment legislation and government and sector guidelines</b></p> <p>This risk relates to TWO critical areas of University activities:</p> <ul style="list-style-type: none"> <li>&gt; Failure to have appropriate support mechanisms and strategies in place to address mental health and well-being issues amongst students and staff</li> <li>&gt; the University's responsibilities in respect of its Prevent duty and safeguarding responsibilities. The risks associated with the Prevent duty and safeguarding are the possibility of: <ul style="list-style-type: none"> <li>• University premises may be used to promote unlawful activities;</li> <li>• University equipment may be used to enhance understanding of unlawful activities;</li> <li>• Radicalisation of vulnerable University students and staff.</li> <li>• Risk of harm to vulnerable University students and staff.</li> </ul> </li> </ul>	<p>Student Mental Health, Wellbeing and Resilience Strategy and Student Assistance Programme in place.</p> <p>The University has received the Student Minds University Mental Health Charter Award, which recognises positive approach to student and staff mental health and wellbeing. It is one of just 15 universities in the UK - and the only institution in the North East - to receive this recognition from Student Minds</p> <p>Compliance with Prevent responsibilities through robust and appropriate policies, processes and oversight.</p> <p>Safeguarding Policy in place with identified and appropriately trained safeguarding leads.</p> <p>Learning &amp; Teaching &amp; Student Experience &amp; Campus Operations Group oversee and drive forward the principles agreed in relations to the Learning and Teaching Delivery model and all student support and experience activities.</p> <p>Annual external review of all staff health and wellbeing provision to maintain Better Health at Work (Continuing Excellence) Award.</p> <p>Employee Assistance Programme which provides 24 hour support for counselling and guidance on a range of issues that may affect both staff home and working lives including financial planning support.</p> <p>Robust Major Incident and Business Continuity plans assured during the pandemic.</p>
<p><b>Failure of the University to take a proactive approach to the risks and rewards posed by AI and in particular generative AI. This risk relates to how the University addresses the risks and rewards posed by AI</b></p> <p>The potential adverse risks associated with AI in the University context include:</p> <ul style="list-style-type: none"> <li>&gt; Inappropriate use for academic purposes e.g. plagiarism</li> <li>&gt; Access to AI is not equal (e.g. behind paywalls)</li> <li>&gt; AI failure could affect the University's reputation</li> <li>&gt; Negative employee reactions (including nervousness re impact on jobs)</li> <li>&gt; Ethical issues</li> </ul> <p>There is also the risk that the University may miss an opportunity to use AI to establish a competitive advantage over other Universities in research, teaching and the student experience.</p>	<p>The University has Turnitin for students to use to check through a database of previously submitted assignments, web sites and other sources.</p> <p>Monitor and understand the implications of AI for grant applications/knowledge exchange.</p> <p>Cross Institutional Group with student representation to develop the University's AI strategy.</p> <p>Exploration of the use of AI to inform and drive enhancements across University processes, including manual/repetitive tasks in progress. Automation pilot now underway, aiming to demonstrate feasibility and value of Robotic Process Automation (RPA) technology. Pilot scope is the automation of a School's attendance monitoring and intervention process.</p> <p>University-wide AI group established and chaired by the Dean of the TU International Business School.</p> <p>Learning Teaching Enhancement has scheduled a series of professional development events relating to AI throughout the year.</p>
<p><b>Failure to establish and deliver against ESG principles including positive social impact and responsible business operations leading to negative perception of the University's commitment as an ethical and sustainable business</b></p> <p>There is an increasing expectation from stakeholders, especially current and prospective students, that the University will comply with national and international best practice, including any sector-level climate change commitments. In addition, HEI's have an important role to play in the sustainability of their communities. It is highly likely that regulation will be applied to HEI's, which will further include Scope 3 emissions. The move towards a net-zero campus will require significant investment as part of a medium to long term approach. This needs to be considered within the wider financial context of the sector.</p>	<p>ESG activity is co-ordinated by the Environment and Social Governance Oversight Board and delivered through a number of supporting strategies.</p> <p>The Environment policy and Community Investment and Social Impact Strategy are in place with an overarching ESG statement.</p> <p>Demonstrable executive leadership in place with sustainability leadership through the Net Zero Industry Innovation Centre, Social Policy Research, community and public engagement and embedding sustainability through the University's digital strategy.</p> <p>Number of controls and targets in place to demonstrate commitment to and to achieve a green and sustainable campus.</p> <p>The University has a number of policies in place to demonstrate that it operates in a responsible and ethical manner.</p> <p>Sustainability is embedded into the curriculum and through student engagement including the provision of live projects and volunteering opportunities that deliver social impact.</p> <p>The University has robust procedures for budgeting and forecasting including stress testing and scenario planning which includes capital and cash flow forecasting.</p> <p>The Students' Union has sustainability targets within its strategy and operations.</p>

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

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

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

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

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

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

The Board of Governors has taken reasonable steps to:

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

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

The members of the Board of Governors in office at the date of approval of the Annual Report and Financial Statements confirm that so far as they are each aware:

- there is no relevant audit information of which the auditor is unaware; and
- each member has taken all reasonable steps that they ought to have taken as a member to make themselves aware of any relevant audit information and to establish that the University's auditor is aware of that information.

Ada Burns  
Chair

Professor Paul Croney OBE  
Vice-Chancellor & Chief Executive

22 November 2024





Teesside  
University

The Curve

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

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

### Opinion

We have audited the financial statements of Teesside University (the "parent institution") and its subsidiaries (the "Group") for the year ended 31 July 2024 which comprise the Consolidated and University Statement of Comprehensive Income and Expenditure, the Consolidated and University Statement of Changes in Reserves, the Consolidated and University Statement of Financial Position, the Consolidated Statement of Cash Flows, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent institution's affairs as at 31 July 2024 and of the Group's and the parent institution's surplus of income over expenditure, gains and losses and changes in reserves and the Group's cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been properly prepared in accordance with the Statement of Recommended Practice: Accounting for Further and Higher Education, relevant legislation and Office for Students requirements.

### Basis for opinion

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

### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' 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 the parent institution'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 Board of Governors 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 and Financial Statements other than the financial statements and our auditor's report thereon. The Board of Governors is responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in 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 there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## Opinion on other matters prescribed by the Office for Students

In our opinion, in all material respects:

- funds from whatever source administered by Teesside University have been properly applied to those purposes and managed in accordance with relevant legislation;
- funds provided by the Office for Students, UK Research and Innovation (including Research England), the Education and Skills Funding Agency and Department for Education have been applied in accordance with the relevant terms and conditions; and
- the requirements of the Office for Students' accounts direction for the relevant year's financial statements 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' accounts direction requires us to report to you if:

- the Parent Institution's grant and fee income, as disclosed in note 7 to the accounts, has been materially misstated.
- the Parent Institution's expenditure on access and participation activities for the financial year has been materially misstated.

## Responsibilities of the Board of Governors

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

In preparing the financial statements, the Board of Governors is responsible for assessing the Group's and the parent institution's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Governors either intend to liquidate the Group or the parent institution or to cease operations, or have no realistic alternative but to do so.

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

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

### The extent to which the audit was considered capable of detecting irregularities, including fraud:

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

### In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the Group and parent institution operates in and how the Group and parent institution are complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures, we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Statement of Recommend practice for Further and Higher Education, and the Office for Students Regulatory advice 9: Accounts Direction and the terms and conditions of funding for higher education institutions. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures and undertaking procedures to confirm compliance with the requirements of the Office for Students terms and conditions of funding and the Accounts Direction.

The most significant laws and regulations that have an indirect impact on the financial statements are those which are in relation to the Data Protection Act 2018, employment legislation, and the Management of Health and Safety at Work Act 1999. We performed audit procedures to inquire of management and those charged with governance whether the Group is in compliance with these laws and regulations, inspected the Information Commissioner's Office website for indications of any breaches, inspected the Health and Safety Executive's website for indications of any breaches, and undertook a review of legal expenditure in the year to identify any potential breaches with regards to laws and regulations.

The group audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, and challenging judgments and estimates.

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

## Use of our report

This report is made solely to the Board of Governors, as a body, in accordance with the Articles of Government of the University. Our audit work has been undertaken so that we might state to the Board of Governors, as a body, 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 Board of Governors, as a body, for our audit work, for this report, or for the opinions we have formed.

*RSM UK AUDIT LLP  
Chartered Accountants  
1 St James' Gate  
Newcastle upon Tyne  
NE1 4AD*

# FINANCIAL STATEMENTS

## Statement of accounting policies

### General information

The institution of Teesside University is registered with the Office for Students. The address of the registered office is Teesside University, The Curve, Middlesbrough, TS1 3BX.

### Accounting convention

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

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

### Basis of preparation

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

The financial statements are prepared in pounds sterling, which is the presentational and functional currency of the Group and rounded to the nearest £'000.

### Going concern

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

The Board of Governors were presented with the 2024/25 budget and financial forecasts 2024-2027 in July 2024 which included a three year cash flow forecast and balance sheet forecast. After reviewing and approving these forecasts the Board of Governors is of the opinion that, taking account of severe but plausible downsides, the Group and parent University will have sufficient funds to meet their liabilities as they fall due over the period of 12 months from the date of approval of the financial statements (the going concern assessment period).

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

To meet these challenges the Board of Governors approved deployment of the Mitigation Strategy which included the following:

- > Assume no further Government Support
- > Remain financially resilient
- > Maximise 2023/24 financial position as a foundation for 2024/25
- > Relaxation of KPI margin but retaining in-year cash surplus
- > Continued drive to maximise student recruitment
- > Even greater focus on continuing student numbers to minimise attrition
- > Cost reduction across all areas of expenditure
- > Minimal capital expenditure (contractual/legal commitments, health and safety and IT security).

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

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

### Basis of consolidation

The consolidated financial statements include the University, all its trading subsidiaries and the Friends of the University of Teesside Trust for the financial year to 31 July 2024. Intra-group transactions are eliminated on consolidation. Where the financial year ends of the consolidated entities are not coterminous with those of the University, additional financial information is obtained to align the entity to the University's financial year.

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

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

### Basis of Control

The University exercises control over the activities of its corporate subsidiaries through the ownership of share capital or in the case of a company limited by guarantee through being the guarantor. For the Friends of the University Teesside Trust, the University has the ability to direct and control its activities and therefore the results of the Trust are consolidated into the Group.

## Income recognition

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

Tuition fees represent all fees chargeable to students, or their sponsors, attributable to the period in which the students are studying. Any fee income received relating to courses taught in future financial years is recognised between income and deferred income in line with the period the tuition fees relate to at the Statement of Financial Position date. Income received for courses which span the year end are treated as deferred income at the Statement of Financial Position date. All fee income is shown net of any discounts or amounts waived by the University. Bursaries and scholarships are accounted for gross as expenditure (and not deducted from income) where the University is the principal rather than acting as an agent.

Education contracts are recognised when the University is entitled to the income, which is the period in which the students are studying, or where relevant, when performance conditions have been met.

Investment income is credited to the Consolidated Statement of Comprehensive Income and Expenditure on a receivable basis.

### Grant funding

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

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

### Donations and endowments

Non-exchange transactions without performance-related conditions are donations and endowments. Donations and endowments with donor-imposed restrictions are recognised in income when the University is entitled to the funds. Income is retained within the restricted reserve until such time that it is utilised in line with such restrictions at which point the income is released to general reserves through a reserve transfer.

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

Investment income and appreciation of endowments is recorded in income in the year in which it arises and as either restricted or unrestricted income according to the terms of the restriction applied to the individual endowment fund.

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

- 1 Restricted expendable endowments – the donor has specified a particular objective other than the purchase or construction of tangible fixed assets, and the University has the power to use the capital.
- 2 Restricted permanent endowments – the donor has specified that the fund is to be permanently invested to generate an income stream to be applied to a particular objective.
- 3 Restricted donations – the donor has specified that the donation must be used for a particular objective.

## Capital grants

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

## Taxation

The University is an exempt charity within the meaning of Part 3 of the Charities Act 2011. It is therefore a charity within the meaning of Para 1 of schedule 6 to the Finance Act 2010 and accordingly, the University is potentially exempt from UK Corporation Tax in respect of income or capital gains received within categories covered by sections 478-488 of the Corporation Tax Act 2010 or section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied to exclusively charitable purposes.

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

The University's UK subsidiaries are liable to corporation tax in the same way as any other commercial organisation.

## Employment benefits

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

## Operating leases

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

## Foreign currency

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

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

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

## Fixed assets

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

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



## Land and buildings

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

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

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

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

The useful lives are as follows:

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

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

## Equipment

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

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

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

## Impairment

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

## Heritage assets

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

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

## Investment properties

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

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

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

## Investments

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

Investments in subsidiaries are carried at cost less impairment in the University's accounts.

Current asset investments are held at fair value with movements recognised in the surplus or deficit.

## Stock

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

## Cash and cash equivalents

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

## Intra-group transactions

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

## Provisions

Provisions are recognised in the financial statements when: a) the University has a present obligation (legal or constructive) as a result of a past event; b) it is probable that a transfer of economic benefits will be required to settle the obligation; and c) a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is determined by discounting the expected future cash flows at a pre-tax rate that reflects risk of change in value.

## Enhanced pensions

The actual cost of any enhanced ongoing pension to former members of staff is paid by the University monthly. An estimate of the expected future cost of any enhancement to the ongoing pension of a former member of staff is charged in full to the Statement of Comprehensive Income and Expenditure in the year that the member of staff retires. In subsequent years a charge (or credit) is made to provisions in the Statement of Financial Position to reflect any change in the current estimate of the value of the provision.

## Accounting for retirement benefits

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

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

## Defined benefit retirement plans

Defined benefit retirement plans are post-employment benefit plans other than defined contribution retirement plans. Under defined benefit retirement plans, the University's obligation is to provide the agreed benefits to current and former employees, and actuarial risk (that benefits will cost more or less than expected) and investment risk (that returns on assets set aside to fund the benefits will differ from expectations) are borne, in substance, by the University. The University will recognise the liability for its obligation under a defined benefit retirement plan net of plan assets. This net defined benefit liability is measured as the estimated amount of benefit that employees have earned in return for their service in the current and prior periods,

discounted to determine its present value, less the fair value (at bid price) of plan assets. The calculation is determined by a qualified actuary using the projected unit credit method. Where the FRS 102 valuation results in a net asset; the University considers whether an unconditional right to a refund or a right to reduced contributions exists in line with the requirements of FRS 102 Section 28. The LGPS regulations do not provide for an unconditional right to a refund but they do provide for a right to reduced contributions through the mechanism of primary and secondary contributions (where secondary contributions can be adjusted). As such the University restricts the asset to the lower of the surplus under the FRS 102 valuation and the calculation of the present value of future service costs less the present value of future contributions over the expected life of the scheme; taking account of minimum funding requirements. Where the present value of future service costs is less than the present value of future contributions; the pension asset is restricted to £nil.

### Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into a separate entity and has no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the Consolidated Statement of Comprehensive Income and Expenditure in the periods during which services are rendered by employees.

## Financial instruments

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

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

### Investments

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

### Short-term debtors and creditors

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

## Reserves

Reserves are classified as restricted or unrestricted. Restricted endowment reserves include balances which, through endowment to the University, are held as a permanently restricted fund which the University must hold in perpetuity. Other restricted reserves include balances where the donor has designated a specific purpose and therefore the University is restricted in the use of these funds.

The revaluation reserve included in unrestricted reserves is in respect of certain land and buildings and is transferred directly to the unrestricted income and expenditure reserve when any such assets are derecognised. However, while the assets are being

used, the revaluation reserve is transferred to the unrestricted income and expenditure reserve for an amount equivalent to the difference between depreciation based on the revalued carrying amount of the assets and depreciation based on the assets' original cost. Such transfers are not made through the Statement of Comprehensive Income and Expenditure.

## Significant estimates and judgements

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

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

### Estimates for the accounting for employee benefits

For the University the greatest level of uncertainty lies with the LGPS asset.

FRS 102 requires that certain assumptions are made in order to determine the amount to be recorded for retirement benefit obligations and pension plan assets for certain of the University's defined benefit plans. These are mainly actuarial assumptions such as discount rate, mortality rates and expected inflation rates. Differences arising from actual experience or future changes in assumptions will be reflected in future years. The key assumptions made for 2024 are documented in note 27.

Management have judged that the TPS and USS both meet 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.

### Valuation of investment property

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

### Recoverability of debtors

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

### Income recognition

In determining the value and timing of certain income items to be recognised in the financial statements, judgements and assumptions are made. This includes evaluating when performance related conditions have been met, and determining the revenues associated with partially delivered courses and training where the activities have not been fully completed at the reporting date.

### Impairment of assets

At each reporting date fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss.

Management have considered potential indicators of impairment, such as obsolescence (including "mothballing" of property) and potential declines in the market value of property. Where management has judged there to be an impairment, a third-party valuer would be contracted to estimate the recoverable amount of the asset which would be compared with its carrying amount. Where the estimated recoverable amount is lower than the carrying amount, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in the surplus or deficit in the period it arises.

# Consolidated and University Statement of Comprehensive Income and Expenditure

Year Ended 31 July 2024

	Notes	Year ended 31 July 2024		Year ended 31 July 2023	
		Consolidated £000	University £000	Consolidated £000	University £000
<b>Income</b>					
Tuition fees and education contracts	1	174,420	174,223	161,107	160,696
Funding body grants	2	18,700	18,700	18,444	18,444
Research grants and contracts	3	7,574	7,563	5,377	5,374
Other income	4	17,048	18,792	21,941	22,474
Investment income	5	4,125	4,067	2,829	2,774
Donations and endowments	6	244	443	463	463
<b>Total income</b>		<b>222,111</b>	<b>223,788</b>	210,161	210,225
<b>Expenditure</b>					
Staff costs	8	121,907	119,695	109,833	108,912
Other operating expenses		69,570	73,307	70,106	70,922
Depreciation	12	16,397	16,397	14,215	14,215
Impairment	12	–	–	2,944	2,944
Interest and other finance costs	9	174	174	486	486
<b>Total expenditure</b>	10	<b>208,048</b>	<b>209,573</b>	197,584	197,479
Surplus before other gains/losses		14,063	14,215	12,577	12,746
Loss on revaluation of investment property		–	–	(260)	(260)
Surplus before tax		14,063	14,215	12,317	12,486
Taxation	11	42	–	–	–
<b>Surplus for the year after tax</b>		<b>14,105</b>	<b>14,215</b>	12,317	12,486
Appreciation on endowment asset investments	21	17	17	–	–
Actuarial (loss)/gain in respect of pension schemes	27	(48)	(48)	11,443	11,443
<b>Total comprehensive income for the year</b>		<b>14,074</b>	<b>14,184</b>	23,760	23,929
<b>Represented by</b>					
Endowment comprehensive income for the year		23	23	4	4
Unrestricted comprehensive income for the year		14,056	14,166	23,546	23,715
Restricted comprehensive (expenditure)/income for the year		(5)	(5)	210	210
		<b>14,074</b>	<b>14,184</b>	23,760	23,929

All items of income and expenditure relate to continuing activities.

# Consolidated and University Statement of Changes in Reserves

**Year Ended 31 July 2024**

## Consolidated

	Income and expenditure reserve			Revaluation reserve	Total
	Endowment £000	Restricted £000	Unrestricted £000	£000	£000
<b>Balance at 1 August 2022</b>	309	258	205,588	16,464	222,619
Surplus from the income and expenditure statement	4	210	12,103	–	12,317
Other comprehensive income	–	–	11,443	–	11,443
Transfers between revaluation and income and expenditure reserves	–	–	607	(607)	–
<b>Balance at 31 July 2023</b>	313	468	229,741	15,857	246,379
<b>Balance at 1 August 2023</b>	313	468	229,741	15,857	246,379
Surplus/(deficit) from the income and expenditure statement	6	(5)	14,104	–	14,105
Other comprehensive income/(expenditure)	17	–	(48)	–	(31)
Transfers between revaluation and income and expenditure reserve	–	–	608	(608)	–
Transfer between restricted and unrestricted income and expenditure reserves	–	61	(61)	–	–
<b>Balance at 31 July 2024</b>	<b>336</b>	<b>524</b>	<b>244,344</b>	<b>15,249</b>	<b>260,453</b>

# Consolidated and University Statement of Changes in Reserves (continued)

Year Ended 31 July 2024

## University

	Income and expenditure reserve			Revaluation reserve	Total
	Endowment £000	Restricted £000	Unrestricted £000	£000	£000
<b>Balance at 1 August 2022</b>	309	258	204,936	16,464	221,967
Surplus from the income and expenditure statement	4	210	12,272	–	12,486
Other comprehensive income	–	–	11,443	–	11,443
Transfers between revaluation and income and expenditure reserves	–	–	607	(607)	–
<b>Balance at 31 July 2023</b>	313	468	229,258	15,857	245,896
<b>Balance at 1 August 2023</b>	313	468	229,258	15,857	245,896
Surplus/(deficit) from the income and expenditure statement	6	(5)	14,214	–	14,215
Other comprehensive income/(expenditure)	17	–	(48)	–	(31)
Transfers between revaluation and income and expenditure reserves	–	–	608	(608)	–
Transfer between restricted and unrestricted income and expenditure reserve	–	61	(61)	–	–
<b>Balance at 31 July 2024</b>	<b>336</b>	<b>524</b>	<b>243,971</b>	<b>15,249</b>	<b>260,080</b>

# Consolidated and University Statement of Financial Position

**As at 31 July 2024**

	Notes	As at 31 July 2024		As at 31 July 2023	
		Consolidated £000	University £000	Consolidated £000	University £000
<b>Non-current assets</b>					
Tangible fixed assets	12	264,635	264,880	239,423	239,668
Heritage assets	13	694	694	681	681
Investment property	14	2,900	2,900	2,900	2,900
Non-current investments	15	241	270	245	274
		<b>268,470</b>	<b>268,744</b>	243,249	243,523
<b>Current assets</b>					
Stock		66	66	60	57
Trade and other receivables	16	35,900	37,141	47,564	48,634
Current investments	17	47,000	47,000	60,000	60,000
Cash and cash equivalents		21,630	20,923	18,156	16,928
		<b>104,596</b>	<b>105,130</b>	125,780	125,619
Less: Creditors – amounts falling due within one year	18	(72,907)	(74,088)	(79,667)	(80,263)
<b>Net current assets</b>		<b>31,689</b>	<b>31,042</b>	46,113	45,356
<b>Total assets less current liabilities</b>		<b>300,159</b>	<b>299,786</b>	289,362	288,879
Creditors – amounts falling due after more than one year	19	(36,807)	(36,807)	(39,087)	(39,087)
<b>Provisions</b>					
Pension provisions	20	(2,899)	(2,899)	(3,896)	(3,896)
<b>Total net assets</b>		<b>260,453</b>	<b>260,080</b>	246,379	245,896
<b>Restricted reserves</b>					
Income and expenditure reserve – endowment reserves	21	336	336	313	313
Income and expenditure reserve – restricted reserves	22	524	524	468	468
<b>Unrestricted reserves</b>					
Income and expenditure reserve – unrestricted		244,344	243,971	229,741	229,258
Revaluation reserve		15,249	15,249	15,857	15,857
<b>Total reserves</b>		<b>260,453</b>	<b>260,080</b>	246,379	245,896

The financial statements were approved and authorised for issue by the Board of Governors on 22 November 2024 and were signed on its behalf on that date by:

Ada Burns  
Chair

Professor Paul Croney OBE  
Vice-Chancellor & Chief Executive

# Consolidated Statement of Cash Flows

Year ended 31 July 2024

	Notes	Year ended 31 July 2024 £000	Year ended 31 July 2023 £000
<b>Cash flow from operating activities</b>			
Surplus for the year after taxation		14,105	12,317
<b>Adjustment for non-cash items</b>			
Depreciation	12	16,397	14,215
Impairment	12	–	2,944
Revaluation of investment property	14	–	260
Loss on disposal of fixed assets		29	46
(Increase)/decrease in stock		(6)	7
Decrease/(increase) in debtors		6,682	(8,006)
(Decrease)/increase in creditors		(6,722)	15,141
Decrease in pension provision		(997)	(671)
Pension costs less contributions payable		(48)	4,288
<b>Adjustment for investing or financing activities</b>			
Investment income	5	(4,114)	(2,822)
Interest payable	9	–	9
Endowment income	5	(9)	(7)
Capital grant income		(2,765)	(2,698)
<b>Net cash inflow from operating activities</b>		<b>22,552</b>	<b>35,023</b>
<b>Cash flows from investing activities</b>			
Capital grant receipts		5,445	5,327
Disposal of non-current asset investments		38	39
Decrease in current asset investments		13,000	15,000
Investment income		3,958	2,204
Payments made to acquire fixed assets		(41,498)	(49,641)
Payments made to acquire heritage assets		(13)	(4)
New non-current asset investments		(17)	(47)
		<b>(19,087)</b>	<b>(27,122)</b>
<b>Cash flows from financing activities</b>			
Interest paid		–	(9)
Endowment cash received		9	7
		<b>9</b>	<b>(2)</b>
<b>Increase in cash and cash equivalents in the year</b>		<b>3,474</b>	<b>7,899</b>
Cash and cash equivalents at beginning of the year		18,156	10,257
Cash and cash equivalents at end of the year		21,630	18,156

# Notes to the Financial Statements

## 1 Tuition fees and education contracts

	Year ended 31 July 2024		Year ended 31 July 2023	
	Consolidated £000	University £000	Consolidated £000	University £000
Full-time home and EU students	74,276	74,276	78,522	78,522
International students	81,781	81,781	67,138	67,138
Part-time students	11,775	11,775	10,243	10,243
Education contracts	6,588	6,391	5,204	4,793
	<b>174,420</b>	<b>174,223</b>	161,107	160,696

## 2 Funding body grants

	Year ended 31 July 2024		Year ended 31 July 2023	
	Consolidated and University £000		Consolidated and University £000	
Recurrent grant received from Regulator	15,225		14,918	
<b>Specific grants</b>				
Higher Education Innovation Fund	1,416		1,268	
National Collaborative Outreach Programme	272		338	
Hardship Funds	–		165	
AI and Data Science Scholarships	124		180	
Capital Grants	998		1,227	
Other	665		348	
	<b>18,700</b>		18,444	

## 3 Research grants and contracts

	Year ended 31 July 2024		Year ended 31 July 2023	
	Consolidated £000	University £000	Consolidated and University £000	
Research Councils	1,107	1,107	899	899
UK-based charities	604	603	441	441
UK central government	3,614	3,614	1,887	1,887
UK Health Service	1,003	1,001	941	941
European Commission	173	173	384	384
Other grants and contracts	1,073	1,065	825	822
	<b>7,574</b>	<b>7,563</b>	5,377	5,374



#### 4 Other income

	Year ended 31 July 2024		Year ended 31 July 2023	
	Consolidated £000	University £000	Consolidated £000	University £000
Residences, catering and conferences	6,019	5,893	5,566	5,442
Other revenue grants	4,100	4,100	10,127	10,127
Other capital grants	1,595	1,595	1,304	1,304
Other income	5,334	7,204	4,944	5,601
	<b>17,048</b>	<b>18,792</b>	<b>21,941</b>	<b>22,474</b>

#### 5 Investment income

	Year ended 31 July 2024		Year ended 31 July 2023	
	Consolidated £000	University £000	Consolidated £000	University £000
Investment income on endowments	9	9	7	7
Other investment income	4,114	4,056	2,822	2,767
Pension finance return	2	2	–	–
	<b>4,125</b>	<b>4,067</b>	<b>2,829</b>	<b>2,774</b>

#### 6 Donations and endowments

	Year ended 31 July 2024		Year ended 31 July 2023
	Consolidated £000	University £000	Consolidated and University £000
Donations	244	443	463

#### 7 Details of grant and fee income

	Year ended 31 July 2024		Year ended 31 July 2023	
	Consolidated £000	University £000	Consolidated £000	University £000
Grant income from the OfS	12,379	12,379	12,456	12,456
Grant income from other bodies	18,816	18,816	22,108	22,108
Fee income for taught awards	171,313	171,118	158,948	158,545
Fee income for research awards	1,393	1,393	1,496	1,496
Fee income from non-qualifying courses	1,714	1,712	663	655
	<b>205,615</b>	<b>205,418</b>	<b>195,671</b>	<b>195,260</b>

## 8 Staff costs

	Year ended 31 July 2024		Year ended 31 July 2023	
	Consolidated £000	University £000	Consolidated £000	University £000
Salaries	90,550	88,643	81,808	81,010
Social security costs	9,868	9,710	9,217	9,163
Movement on USS Provision (note 20)	(886)	(886)	(39)	(39)
Movement on enhanced pensions provision (note 20)	145	145	(410)	(410)
Other pension costs (note 27)	16,768	16,621	18,851	18,782
Restructuring and severance costs	5,462	5,462	406	406
	<b>121,907</b>	<b>119,695</b>	109,833	108,912

### Restructuring and severance costs

The number of staff to which the restructuring and severance costs relate was 169 (2023: 26 staff).

### Emoluments of the Vice-Chancellor & Chief Executive

	Year ended 31 July 2024	Year ended 31 July 2023	Year ended 31 July 2022	Year ended 31 July 2021	Year ended 31 July 2020 <sup>^</sup>	Year ended 31 July 2019
	Consolidated & University					
	£	£	£	£	£	£
Salary	276,204	264,975	255,390	233,547	233,547	229,417
Performance Related Pay	–	40,247	–	–	–	34,413
Pay in lieu of pension contributions	61,519	54,980	52,958	48,597	40,498	–
Private Healthcare*	4,534	4,103	3,791	3,417	3,273	3,182
	<b>342,257</b>	364,305	312,139	285,561	277,318	267,012
Pension costs	–	–	–	–	7,759	45,833
	<b>342,257</b>	364,305	312,139	285,561	285,077	312,845

<sup>^</sup> These comparative figures have been restated due to an overstatement of pay in lieu of pension contributions

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

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

The University's policy on senior pay is to align all senior management salaries to the median to upper quartile, as reported for the Alliance group of universities in the UCEA Senior Staff Remuneration Survey. The Vice-Chancellor received an annual cost of living award of 3% from the 1 August 2023 which was the same as all other staff members.

At its meeting on 6 September 2024, the Remuneration Committee recognised the exceptional contribution made to the University by making a performance payment of 15% of basic salary for the Vice-Chancellor & Chief Executive for the year ended 31 July 2024, acknowledging the strong performance of the University and in particular the delivery of all related Strategic KPIs, as well as acknowledging the continued and outstanding leadership afforded to staff and students, however, as in previous years shown in the table above, the Vice-Chancellor has waived acceptance of it.

The median salary across all staffing groups is £38,205 per annum (2023: £36,333 per annum). The Vice-Chancellor's basic salary is 7.2 times (2023: 7.3 times) greater than the median pay of staff, where the median is calculated on a full-time equivalent basis for the salaries paid by the University to its staff. The Vice-Chancellor's total remuneration is 7.7 times (2023: 8.5 times) the median total remuneration of staff.

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

	Year ended 31 July 2024 Consolidated and University number	Year ended 31 July 2023 Consolidated and University number
£100,000 - £104,999	1	2
£105,000 - £109,999	2	–
£110,000 - £114,999	–	7
£115,000 - £119,999	5	4
£120,000 - £124,999	5	4
£125,000 - £129,999	3	–
£140,000 - £144,999	–	2
£145,000 - £149,999	3	–
£150,000 - £154,999	–	1
£160,000 - £164,999	1	–
£185,000 - £189,999	–	1
£190,000 - £194,999	1	–
£260,000 - £264,999	–	1
£275,000 - £279,999	1	–

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

	Year ended 31 July 2024 Consolidated and University number		Year ended 31 July 2023 Consolidated and University number	
Academic and research	1,167	1,144	1,107	1,094
Administrative and technical	832	810	814	802
Other	223	220	222	219
	<b>2,222</b>	<b>2,174</b>	2,143	2,115

### Access and Participation

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

	Year ended 31 July 2024 Consolidated and University £000	Year ended 31 July 2023 Consolidated and University £000
Access and investment	1,913	1,801
Financial support	–	–
Disability support (excluding expenditure in the two categories above)	906	741
Research and evaluation	130	49
	<b>2,949</b>	2,591

### Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the University. Staff costs include compensation paid to key management personnel. The University defines its key management personnel as those employees who are or have been members of the University Executive Team during the year. Details can be found here <https://www.tees.ac.uk/sections/about/governance/uet.cfm>.

	Year ended 31 July 2024 Consolidated and University £000	Year ended 31 July 2023 Consolidated and University £000
Key management personnel compensation	2,170	2,110

### Governors

During 2023/24, £20,000 (2023: £13,667) was paid to the Chair of the Board of Governors for the services they performed for the University. This is in accordance with section 9 (2) of the University's Instrument of Government. No other Governors were entitled to remuneration for their role as a Governor.

The total expenses paid to or on behalf of four Board members was £1,912 (2023: £2,537 to five Board members). This represents travel and subsistence expenses incurred in attending Board meetings.

## 9 Interest and other finance costs

	Year ended 31 July 2024		Year ended 31 July 2023	
	Consolidated and University		Consolidated and University	
	£000		£000	
Loan interest	–		9	
Net charge on pension schemes	174		477	
	174		486	

## 10 Analysis of total expenditure by activity

	Year ended 31 July 2024		Year ended 31 July 2023	
	Consolidated	University	Consolidated	University
	£000		£000	
Academic departments	95,582	95,088	87,099	87,037
Academic services	45,638	47,830	42,199	42,325
Research grants and contracts	7,677	7,678	5,577	5,577
Residences, catering and conferences	4,211	4,119	7,446*	7,352*
Premises	22,354	22,354	19,931	19,931
Administration	25,832	25,832	24,178	24,178
Other	6,754	6,672	11,154	11,079
	208,048	209,573	197,584	197,479

### Other operating expenses include

External auditor's remuneration in respect of audit services** (2022/23 includes additional audit fee of £22,000** for 2021/22)	169	130	185	149
External auditor's remuneration in respect of non-audit services**	20	9	15	6

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

\* including impairment charge of £2,944,000

\*\* including VAT

## Access and Participation

	Year ended 31 July 2024		Year ended 31 July 2023	
	Consolidated and University		Consolidated and University	
	£000		£000	
Access and investment	2,944		2,894	
Financial support	526		584	
Disability support	906		741	
Research and evaluation	130		49	
	4,506		4,268	

The University's Access and Participation Plans 2020 to 2024 and 2024 to 2027 are available at: [https://www.tees.ac.uk/sections/about/public\\_information/access\\_participation.cfm](https://www.tees.ac.uk/sections/about/public_information/access_participation.cfm)

(1) £2,949,000 (2023: £2,591,000) of these costs are already included in the overall staff costs figure included in the financial statements, see note 8.

## 11 Taxation

### Group and University

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

	Year ended 31 July 2024		Year ended 31 July 2023	
	Consolidated £000	University £000	Consolidated £000	University £000
<b>Current tax</b>				
UK Corporation tax of 25% on surplus for the year	–	–	–	–
Deferred tax credit	(42)	–	–	–
	(42)	–	–	–
<b>Factors affecting the tax charge</b>				
Surplus before taxation	14,063	14,215	12,317	12,486
Surplus multiplied by the standard rate of corporation tax in the UK of 25% (2023: 21.01%)	3,516	3,554	2,588	2,623
Tax on surplus falling within charitable exemption	(3,516)	(3,554)	(2,588)	(2,623)
	–	–	–	–
<b>Current tax credit</b>	(42)	–	–	–

## 12 Tangible fixed assets

	Freehold land £000	Freehold buildings £000	Assets in the course of construction £000	Vehicles £000	Equipment and furniture £000	Total £000
<b>Consolidated</b>						
<b>Cost</b>						
At 1 August 2023	14,342	286,415	32,153	203	59,195	392,308
Additions in year	–	3,044	31,872	–	6,722	41,638
Transfers in year	–	44,341	(46,014)	–	1,673	–
Disposals in year	–	(235)	–	–	(2,207)	(2,442)
<b>At 31 July 2024</b>	<b>14,342</b>	<b>333,565</b>	<b>18,011</b>	<b>203</b>	<b>65,383</b>	<b>431,504</b>
<b>Consisting of: Valuation as at:</b>						
31 July 1997	–	43,172	–	–	–	43,172
31 July 1998	–	1,999	–	–	–	1,999
31 July 2014	13,330	–	–	–	–	13,330
31 July 2020	250	–	–	–	–	250
Cost	762	288,394	18,011	203	65,383	372,753
	<b>14,342</b>	<b>333,565</b>	<b>18,011</b>	<b>203</b>	<b>65,383</b>	<b>431,504</b>
<b>Depreciation</b>						
At 1 August 2023	–	111,132	–	189	41,564	152,885
Charge for the year	–	10,339	–	5	6,053	16,397
Disposals in year	–	(235)	–	–	(2,178)	(2,413)
<b>At 31 July 2024</b>	<b>–</b>	<b>121,236</b>	<b>–</b>	<b>194</b>	<b>45,439</b>	<b>166,869</b>
<b>Net Book Value</b>						
<b>At 31 July 2024</b>	<b>14,342</b>	<b>212,329</b>	<b>18,011</b>	<b>9</b>	<b>19,944</b>	<b>264,635</b>
At 31 July 2023	14,342	175,283	32,153	14	17,631	239,423

## 12 Tangible fixed assets (continued)

	Freehold land	Freehold buildings	Assets in the course of construction	Vehicles	Equipment and furniture	Total
University	£000	£000	£000	£000	£000	£000
<b>Cost</b>						
At 1 August 2023	14,342	286,778	32,153	203	57,840	391,316
Additions in year	–	3,044	31,872	–	6,722	41,638
Transfers in year	–	44,341	(46,014)	–	1,673	–
Disposals in year	–	(235)	–	–	(2,207)	(2,442)
<b>At 31 July 2024</b>	<b>14,342</b>	<b>333,928</b>	<b>18,011</b>	<b>203</b>	<b>64,028</b>	<b>430,512</b>
<b>Consisting of: Valuation as at:</b>						
31 July 1997	–	43,172	–	–	–	43,172
31 July 1998	–	1,999	–	–	–	1,999
31 July 2014	13,330	–	–	–	–	13,330
31 July 2020	250	–	–	–	–	250
Cost	762	288,757	18,011	203	64,028	371,761
	<b>14,342</b>	<b>333,928</b>	<b>18,011</b>	<b>203</b>	<b>64,028</b>	<b>430,512</b>
<b>Depreciation</b>						
At 1 August 2023	–	111,132	–	189	40,327	151,648
Charge for the year	–	10,339	–	5	6,053	16,397
Disposals in year	–	(235)	–	–	(2,178)	(2,413)
<b>At 31 July 2024</b>	<b>–</b>	<b>121,236</b>	<b>–</b>	<b>194</b>	<b>44,202</b>	<b>165,632</b>
<b>Net Book Value</b>						
<b>At 31 July 2024</b>	<b>14,342</b>	<b>212,692</b>	<b>18,011</b>	<b>9</b>	<b>19,826</b>	<b>264,880</b>
At 31 July 2023	14,342	175,646	32,153	14	17,513	239,668

### Impairment

An impairment loss had been recognised against a University building, in year ended 31 July 2022, which had been vacated in readiness for refurbishment and improvement works to be undertaken to bring the building back into use. An independent valuation was received based on the residual method for determining the value of the property and the impairment was recognised to reflect the independent valuation.

As the University has not yet taken a decision regarding the future use of this building a further independent valuation, based on the residual method for determining the value of the property, was completed and a further impairment was recognised to reflect this independent valuation, in the year ended 31 July 2023. Management do not consider that there has been any further impairment of the building in the year ended 31 July 2024.

### Asset revaluations

The majority of land and buildings was revalued at 31 July 1997 and the basis of valuation was depreciated replacement cost. At 31 July 1998, one property was considered to have a permanent diminution in value and, in the opinion of the Governors, had a value substantially less than its depreciated replacement cost and therefore was separately valued by the University.

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

At 31 July 2020, land which was previously included within the investment property, was transferred to the University's fixed assets at the professional valuation on that date.

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

	31 July 2024		31 July 2023	
	Consolidated £000	University £000	Consolidated £000	University £000
Cost	318,633	318,937	271,293	271,597
Accumulated depreciation and impairment	(105,725)	(105,725)	(96,039)	(96,039)
	<b>212,908</b>	<b>213,212</b>	175,254	175,558

### 13 Heritage assets

<b>Consolidated and University</b>	<b>£000</b>
Cost at 1 August 2023	681
Additions in year	13
<b>Cost at 31 July 2024</b>	<b>694</b>

Heritage assets comprise works of art acquired by MIMA.

### 14 Investment property

<b>Consolidated and University</b>	<b>£000</b>
<b>Valuation as at 31 July 2024 and 31 July 2023</b>	<b>2,900</b>

The investment property was valued on a desktop basis as at 31 July 2024 by an external valuer, Sanderson Weatherall, a firm regulated by the Royal Institution of Chartered Surveyors (RICS).

In assessing the value of the property as at 31 July 2024, various factors were considered that could affect the value reported in the accounts including the purpose of the property, the level of occupancy, economic factors and the climate of the property market in general.

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

## 15 Non-current investments

	Other Fixed Asset Investments		
	Cost £000	Valuation £000	Total £000
<b>Consolidated</b>			
At 1 August 2023	30	215	245
Additions in year	–	17	17
Disposals in year	–	(38)	(38)
Appreciation	–	17	17
<b>At 31 July 2024</b>	<b>30</b>	<b>211</b>	<b>241</b>

	Other Fixed Asset Investments		Subsidiary companies £000	Total £000
	Cost £000	Valuation £000		
<b>University</b>				
At 1 August 2023	30	215	29	274
Additions in year	–	17	–	17
Disposals in year	–	(38)	–	(38)
Appreciation	–	17	–	17
<b>At 31 July 2024</b>	<b>30</b>	<b>211</b>	<b>29</b>	<b>270</b>

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

Subsidiary company	Nature of business	Shareholding
University of Teesside Enterprises Limited (Registered in England and Wales)	Commercial activities, enterprise, trading and liaison with industry and commerce	Limited by guarantee
Teesside (Beijing) Education Consulting Co Ltd (Wholly foreign-owned enterprise of the People's Republic of China)	Provision of consultation services and foreign communication and exchange in relation to education	100% registered capital (Registered capital RMB 300,000)
TU Online Limited (Registered in England and Wales)	Delivery of the University's online learning course content	100% Ordinary Shares (Issued share capital – £1)
TU Enterprise & Innovation Limited (Registered in England and Wales)	Commercial activities, enterprise, trading and liaison with industry and commerce	100% Ordinary Shares (Issued share capital – £100)
TU London Limited (Registered in England and Wales)	Provision of education services at London Campus	100% Ordinary Shares (Issued share capital – £100)

The activities of Teesnap Limited (a wholly-owned subsidiary company) were transferred to its parent company, Teesside University, during the year ended 31 July 2024 and the company was subsequently dissolved on 23 April 2024.



## 15 Non-current investments (continued)

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

Other fixed asset investments at cost consist of:

### Consolidated and University £000

At 31 July 2024 and 31 July 2023

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

Other fixed asset investments at valuation comprise:

	31 July 2024 Consolidated and University £000	31 July 2023 Consolidated and University £000
Equities and bonds	181	185
Cash held within investment portfolio	30	30
	<b>211</b>	<b>215</b>

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

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

Name of company	Holding	Proportion of voting rights and shares held	Nature of business
Hot Coatings Limited	Ordinary shares	24%	Research and development of novel flexible, thermally and electrically resistant coatings
Anasyst Limited	Ordinary shares	22%	Design and development of microfluidic devices for sophisticated fluid operations in miniaturised format
Dynamic Motion Detection Limited	Ordinary shares	24%	Development of exergaming technology, using a gaming system to incorporate force and resistance into game play, for health and sports training benefits
ResolutionDX Limited	Ordinary shares	20%	Research and experimental development on biotechnology

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

## 16 Trade and other receivables

	31 July 2024		31 July 2023	
	Consolidated £000	University £000	Consolidated £000	University £000
<b>Amounts falling due within one year</b>				
Trade receivables	16,781	16,690	23,324	22,353
Amounts due from subsidiary companies	–	1,544	–	2,209
Prepayments and accrued income	17,777	17,564	22,689	22,466
Deferred tax asset	42	–	–	–
	<b>34,600</b>	<b>35,798</b>	46,013	47,028
<b>Amounts falling due after more than one year</b>				
Trade receivables	1,300	1,300	1,551	1,551
Amounts due from subsidiary companies	–	43	–	55
	<b>1,300</b>	<b>1,343</b>	1,551	1,606
	<b>35,900</b>	<b>37,141</b>	47,564	48,634

## 17 Current investments

	31 July 2024 Consolidated and University £000	31 July 2023 Consolidated and University £000
Short-term deposits	47,000	60,000

Deposits are held with banks operating in the London market and licensed by the Financial Services Authority with more than three months maturity but less than 12 months at date of placement. The interest rates for these deposits are fixed for the duration of the deposit at the time of placement.

At 31 July 2024 the weighted average interest rate of these fixed rate deposits was 5.36% (2023: 5.06%) and the remaining weighted average period for which the interest rate is fixed on these deposits was 110 days. The fair value of these deposits was not materially different from the book value.

## 18 Creditors – amounts falling due within one year

	31 July 2024		31 July 2023	
	Consolidated £000	University £000	Consolidated £000	University £000
Payments received on account	44,671	44,629	53,461	52,422
Trade payables	6,980	6,969	5,127	5,118
Social security and other taxation payable	2,490	2,439	2,843	2,820
Accruals and deferred income	16,205	15,984	15,497	15,397
Deferred capital grants	2,561	2,561	2,739	2,739
Amounts due to subsidiary companies	–	1,506	–	1,767
	<b>72,907</b>	<b>74,088</b>	79,667	80,263

## 19 Creditors – amounts falling due after more than one year

	31 July 2024 Consolidated and University £000	31 July 2023 Consolidated and University £000
Deferred income – government capital grants	36,807	39,087

## 20 Provisions for liabilities

	Defined benefit obligations	Enhanced pensions	Obligation to fund deficit on USS pension	Total
<b>Consolidated and University</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
At 1 August 2023	–	2,998	898	3,896
Utilised in year	–	(396)	(32)	(428)
Release of provision	–	–	(866)	(866)
Remeasurement	–	297	–	297
(Credited)/charged to the Statement of Comprehensive Income and Expenditure	(33,525)	–	–	(33,525)
Notional surplus not recognised	33,525	–	–	33,525
<b>At 31 July 2024</b>	<b>–</b>	<b>2,899</b>	<b>–</b>	<b>2,899</b>

### Defined benefit obligations

Defined benefit obligations relate to the liabilities under the University's membership of the Local Government Pension Scheme. Further details are given in note 27.

### Enhanced pensions

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

	31 July 2024	31 July 2023
Price inflation	2.65%	2.70%
Discount rate	5.10%	5.10%

### Obligation to fund deficit on USS pension

The 2023 valuation is the seventh valuation for the Universities Superannuation Scheme (USS) under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to adopt a statutory funding objective, which is to have sufficient and appropriate assets to cover their technical provisions. At the valuation date, the value of the assets of the scheme was £73.1 billion and the value of the scheme's technical provisions was £65.7 billion indicating a technical provisions surplus of £7.4 billion compared to a technical provisions deficit of £14.1 billion at the previous valuation (2020). The main reason for this improvement is that discount rates are materially higher than the previous valuation due to a significant rise in fixed interest and index-linked gilt yields between 31 March 2020 and 31 March 2023 and an increase in expected returns on other asset classes.

As a result the scheme no longer has a technical provisions deficit therefore this provision has been released.

## 21 Income and expenditure reserve – endowment reserves

Restricted net assets relating to endowments are as follows:

<b>Consolidated and University</b>	<b>Restricted Expendable £000</b>	<b>Restricted Permanent £000</b>	<b>2024 Total £000</b>	2023 Total £000
At 1 August 2023				
Capital	42	143	185	184
Accumulated income	–	128	128	125
	42	271	313	309
Investment and other income	2	7	9	7
Expenditure	–	(3)	(3)	(3)
Increase in market value of investments	–	17	17	–
Total endowment comprehensive income for the year	2	21	23	4
<b>At 31 July 2024</b>	<b>44</b>	<b>292</b>	<b>336</b>	<b>313</b>
Represented by				
Capital	44	161	205	185
Accumulated income	–	131	131	128
	44	292	336	313
Analysis by type of purpose:				
Lectureships	12	–	12	12
Prize funds	11	2	13	12
Scholarships and bursaries	21	35	56	53
Research support	–	255	255	236
	44	292	336	313
Analysis by asset:			<b>2024</b>	2023
			<b>£000</b>	£000
Non-current investments			<b>211</b>	215
Cash and cash equivalents			<b>125</b>	98
			<b>336</b>	313

## 22 Restricted reserves – donations

<b>Consolidated and University</b>	<b>£000</b>
At 1 August 2023	468
Capital	212
Expenditure	(217)
Transfer from unrestricted reserves	61
<b>At 31 July 2024</b>	<b>524</b>

These restricted reserves relate to donations unutilised in the year.

## 23 Capital and other commitments

	<b>31 July 2024 Consolidated and University £000</b>	31 July 2023 Consolidated and University £000
Provision has not been made for the following capital commitments at 31 July:		
Commitments contracted for	20,214	10,321

## 24 Lease obligations

Total rentals payable under operating leases

	<b>31 July 2024</b>			31 July 2023		
	<b>Land and buildings £000</b>	<b>Plant and machinery £000</b>	<b>Total £000</b>	Land and buildings £000	Plant and machinery £000	Total £000
<b>Consolidated and University</b>						
Payable during the year	1,259	219	1,478	444	130	574
Future minimum lease payments due:						
Not later than one year	1,268	143	1,411	1,161	16	1,177
Later than one year and not later than five years	4,662	4	4,666	4,644	6	4,650
Later than five years	4,184	–	4,184	5,829	–	5,829
Total lease payments due	10,114	147	10,261	11,634	22	11,656

## 25 Related party transactions

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

The University has taken advantage of the exemptions under section 33 of FRS 102, and section 25.5 of the FE/HE SORP for '100%' or 'wholly owned' subsidiaries not to disclose inter-group transactions.

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

Name	Nature of Interest	2023/24		2022/23	
		Income/ (expense) £000	Amount due (from)/to £000	Income/ (expense) £000	Amount due (from)/to £000
Newcastle University	Spouse of a Governor is a member of the Board of Governors	257 (158)	(168) 13	218 (182)	(104) 4
PD Ports	Chief Financial Officer is a Governor	23 –	– –	27 (7)	– –
South Tees Hospital NHS Foundation Trust	Non-Executive Director is a Governor	93 (9)	(60) 35	376 (72)	(27) 28
Teesside University Students' Union	Two Officer Trustees are Governors	375 (1,553)	(367) 380	293 (2,029)	(367) 431
Visualsoft Ltd	Director is a Governor	1 –	– –	10 –	– –

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

TUSU received grants from the University of £1,390,000 (2023: £1,980,000).

## 26 Financial instruments

### Overview

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

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

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

### Categories of financial instruments

	31 July 2024		31 July 2023	
	Consolidated £000	University £000	Consolidated £000	University £000
<b>Financial assets at fair value</b>				
Equities and investment funds	211	211	215	215
<b>Financial assets at cost</b>				
Trade and other receivables	18,081	19,577	24,875	26,168
Long-term cash deposits	47,000	47,000	60,000	60,000
Cash and cash equivalents	21,630	20,923	18,156	16,928
	<b>86,711</b>	<b>87,500</b>	103,031	103,096
<b>Financial liabilities at cost</b>				
Trade and other payables	6,980	8,475	5,127	6,885

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

### Risk management

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

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

## Credit risk

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

The Group's credit risk arises from bank balances, investments, student debtors and government and commercial organisations as customers. Management of credit risk is a prime objective of Treasury Management Policy. At 31 July 2024, the maximum exposure is represented by the carrying value of each financial asset in the balance sheet. The Treasury Management Policy states maximum level of investments for each counterparty to mitigate risk concentration. Similarly, the Group's investment decisions are based on strict minimum credit worthiness criteria to ensure the safety of cash and investments. Credit worthiness of the Group's banks and money market funds is regularly monitored. Generally, the Group does not require collateral against financial assets.

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

## Liquidity risk

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

Formal cash flow forecasts are developed, monitored and updated to ensure that adequate working capital is available and excess funds are invested to reduce the carrying cost of funds. The Group policy is to maintain a minimum liquidity of £40m (2023: £40m), at the year end, and invest excess funds for maturity of no more than 12 months. At 31 July 2024, the Group is holding cash and cash equivalents of £21.63m (2023: £18.16m) and deposits and investments of various maturities of £47m (2023: £60m), none of which is greater than 12 months. The average maturity of all deposits and investments is 216 days.

## Exchange rate risk

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

The Group's principal foreign currency exposures arise from research-related receipts and payments denominated in euros. There are ring-fenced euro bank accounts, set up especially for research projects funded in euros. All other receipts in foreign currencies are converted into pound sterling unless required for immediate foreign currency payments. Overall exchange rate exposure is immaterial, being an insignificant portion of total income and expenditure. At 31 July 2024, the sterling equivalent of all euro bank balances was £0.4m (2023: £0.3m).

## Interest rate risk

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

At 31 July 2024, balance sheet values of deposits and investments are not exposed to changes in interest rates. However, the Group's interest and investment income is exposed to changes in interest rates i.e. reinvestment rate risk. The Group is prepared to accept re-investment risk to exploit opportunities where yield can be maximised without compromising capital base of the investment. The Group has no outstanding derivative instruments as at 31 July 2024 (2023: nil).



## 27 Pension schemes

The two principal pension schemes for the University's staff are the Teachers' Pension Scheme England and Wales (TPS) and the Local Government Pension Scheme (LGPS), established locally as the Teesside Pension Fund (TPF). At 31 July 2024 21 members (31 July 2023: 17) of staff were members of the Universities Superannuation Scheme and a small number of staff were members of defined contribution schemes offered by two subsidiary companies.

### The total pension cost:

	31 July 2024		31 July 2023	
	Consolidated £000	University £000	Consolidated	University
TPS	9,715	9,715	8,327	8,327
TPF including FRS 102 adjustments and excluding capital cost of early retirements	6,702	6,702	10,199	10,199
Other pension schemes	351	204	325	256
<b>Total pension cost (note 8)</b>	<b>16,768</b>	<b>16,621</b>	18,851	18,782

### Actuarial (loss)/gain in respect of pension schemes

	31 July 2024		31 July 2023	
	Consolidated and University £000		Consolidated and University £000	
Teesside Pension Fund	(48)		11,443	

### Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pension Regulations 2010 (as amended) and Teachers' Pension Scheme Regulations 2014. These regulations apply to teachers in schools, and other educational establishments in England and Wales that are maintained by local authorities and in academies. In addition, teachers in many independent schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

Although members may be employed by various bodies, their retirement and other pension benefits are set out in the above mentioned regulations made under the Superannuation Act 1972 and Public Services Pensions Act (2013) and are paid by public funds provided by Parliament. 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 Acts.

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 Teachers' Pensions Regulations require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

Not less than every four years the Government Actuary (GA), using normal actuarial principles, conducts a formal actuarial review of the TPS. The aim of the review is to specify the level of future contributions.

The latest actuarial valuation of the TPS valued the scheme as at 31 March 2020 and this was published on 26 October 2023. The key results of the valuation are:

- employer contribution rates were set at 28.6% of pensionable pay; in line with current regulations, not including the additional 0.08% employers pay for the cost of Scheme administration;
- total scheme liabilities for service to the effective date of £262.0 billion, and notional assets of £222.2 billion, giving a notional past service deficit of £39.8 billion; and
- an employer cost cap of 8.1% of pensionable pay.

A full copy of the valuation report and supporting documentation can be found on the Teachers' Pension Scheme website at <https://www.teacherspensions.co.uk/news/employers/2023/10/valuation-result.aspx>

The next valuation is expected to take effect in 2027.

In line with the requirements of the Public Service Pensions and Judicial Offices Act 2022, the Department for Education laid regulations which came into force on 1 April 2022, closing the legacy scheme to any further accrual which prevented any further discrimination.

The regulatory changes, along with the ongoing Transitional Protection remedy, are being implemented in response to the McCloud-Sargeant discrimination ruling. The retrospective remedy offers members in scope a deferred choice of benefits, legacy or reformed, in respect of pensionable service during the remedy period (1 April 2015 to 31 March 2022).

The total TPS pension cost for the University was £9.72m (2023: £8.33m). The liability for unpaid contributions was £1.17m (2023: £0.99m) at the Statement of Financial Position date with respect to both employees' and employers' contributions.

## 27 Pension schemes (continued)

### Teesside Pension Fund

#### Introduction

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

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

#### Pension Asset

The pension asset of £85.9m has been restricted to £nil (2023: asset £49.8m, restricted to £nil) as management are of the opinion that a minimum funding requirement exists in the Fund for contributions relating to future and past service.

#### Funding/Governance Arrangements of the TPF

The funded nature of the TPF requires participating employers and its employees to pay contributions into the Fund, calculated at a level intended to balance the pension liabilities with investment assets. Information on the framework for calculating contributions to be paid is set out in LGPS Regulations 2013 and the Fund's Funding Strategy Statement. The total contributions made for the year ended 31 July 2024 were £9,944,000 of which employer's contributions totalled £7,137,000 (including the capital cost of early retirements) and employees' contributions totalled £2,807,000.

During the year, the University's contribution rate was 16.5%. Employees' contribution rates range from 5.5% to 12.5%, depending on salary and for full pension entitlement.

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

On 27 June 2019, the Supreme Court ruled against the Government in the 'McCloud/Sargeant' judgement which found that the transitional protection arrangements put in place when the firefighters' and judges' pension schemes were reformed were age discriminatory.

The Government has committed to extending a remedy across all public sector schemes which included similar transitional protection arrangements, which includes the LGPS.

The 2022 valuation included an allowance for this judgement and no additional provisions have been made in the TPF.

#### Impact of Virgin Media case

The group is aware that the Court of Appeal has recently upheld the decision in the Virgin Media vs NTL Pension Trustees II Limited case. The decision puts into question the validity of any amendments made in respect of the rules of a contracted-out pension scheme between 6 April 1997 and 5 April 2016. The judgment means that some historic amendments affecting s.9(2B) rights could be void if the necessary actuarial confirmation under s.37 of the Pension Schemes Act 1993 was not obtained. Until further investigations have been completed by the UK Government's Actuary's Department and/or any legislative action taken by the government, the potential impact if any, on the valuation of scheme liabilities remains unknown and therefore no impact is accounted for in these 31 July 2024 financial statements.

#### Assets

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

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

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

## 27 Pension schemes (continued)

### Actuarial Assumptions

The actuarial assumptions are management's assessment of those that best reflect the University's profile. The University appointed an independent pensions adviser to review the appropriateness of the assumptions which were also supported by sector benchmarking.

### Risks associated with the Fund in relation to accounting

#### Asset Volatility

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

#### Changes in Bond Yield

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

#### Inflation Risk

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

#### Life expectancy

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

#### Exiting employers

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

## 27 Pension schemes (continued)

### Principal actuarial assumptions

The latest actuarial valuation of Teesside University's liabilities took place as at 31 March 2022. Liabilities have been estimated by the independent qualified actuary on an actuarial basis using the projected unit credit method. The principal assumptions used by the actuary in updating the latest valuation of the Fund for FRS 102 purposes were:

	<b>At 31 July 2024</b>	At 31 July 2023
	%	%
Rate of increase in salaries	2.65	2.65
Future pensions increases	2.65	2.85
Discount rate for scheme liabilities	5.10	5.10
Inflation assumption (CPI)	2.65	2.85

	<b>At 31 July 2024</b>	At 31 July 2023
	years	years
<b>Current pensioners</b>		
Males	20.0	20.3
Females	23.0	23.3
<b>Future pensioners</b>		
Males	20.1	20.8
Females	23.9	24.5

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

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

	<b>At 31 July 2024</b>	At 31 July 2023
	<b>Share of the assets</b>	Share of the assets
	%	%
Equities	71	73
Property	26	23
Cash	3	4
	<b>100</b>	<b>100</b>

## 27 Pension schemes (continued)

### Return on assets

The return on assets invested in the Middlesbrough Borough Council for the period to 31 July 2024 is estimated based on actual return of the fund to 30 June 2024 plus estimated return for the month of July 2024 based on marker indices provided by the administrative authority of the fund.

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

Assumption	Change in Assumption	Impact on defined benefit obligation
Discount rate	Decrease by 0.1%	Increase by £4.1m
Rate of salary growth	Increase by 0.1%	Increase by £0.2m
Rate of increase to pensions in payment	Increase by 0.1%	Increase by £4.0m
Members live longer than assumed	One year longer	Increase by £8.0m

	At 31 July 2024	At 31 July 2023
<b>Analysis of amounts shown in statement of financial position</b>	<b>£000</b>	<b>£000</b>
Fair value of Fund assets	286,812	257,052
Present value of Fund liabilities	(200,935)	(207,240)
Restriction of fund asset	(85,877)	(49,812)
<b>Deficit in the scheme recorded within provisions (note 20)</b>	<b>–</b>	<b>–</b>
	<b>Year ended 31 July 2024</b>	<b>Year ended 31 July 2023</b>
	<b>£000</b>	<b>£000</b>
<b>Amounts included in staff costs</b>		
Current service cost	6,702	10,160
Past service cost	389	39
	<b>7,091</b>	<b>10,199</b>
<b>Amounts included in interest receivable/interest and other finance costs</b>		
Net pension finance return/(interest cost)	2,542	(319)
Interest on the effect of the asset ceiling	(2,540)	–
<b>Total net interest</b>	<b>2</b>	<b>(319)</b>
<b>Amount recognised in other comprehensive income</b>		
Other experience	(6,784)	(1,594)
Return on assets excluding amounts included in net interest	13,226	(2,412)
Actuarial loss – other experience item	–	(13,828)
Changes in financial assumptions	8,443	68,140
Change in demographic assumptions	18,592	10,949
Restriction of pension asset	(33,525)	(49,812)
	<b>(48)</b>	<b>11,443</b>
<b>Deficit at 1 August</b>	<b>–</b>	<b>(7,155)</b>
<b>Movement in year:</b>		
Current service cost	(6,702)	(10,160)
Past service cost	(389)	(39)
Employer contributions	7,137	6,230
Net interest on defined asset/(liability)	2	(319)
Actuarial gains	33,477	61,255
Restriction of pension asset	(33,525)	(49,812)
<b>Deficit at 31 July</b>	<b>–</b>	<b>–</b>

## 27 Pension schemes (continued)

	Year ended 31 July 2024 £000	Year ended 31 July 2023 £000
<b>Changes in the present value of defined benefit obligations</b>		
Defined benefit obligations at 1 August	207,240	256,548
Current service cost	6,702	10,160
Past service cost	389	39
Interest cost	10,652	9,092
Contributions by scheme participants	2,807	2,686
Changes in financial assumptions	(8,443)	(68,140)
Change in demographic assumptions	(18,592)	(10,949)
Other experience	6,784	13,828
Benefits paid less individual transfers in	(6,604)	(6,024)
<b>Defined benefit obligations at 31 July</b>	<b>200,935</b>	<b>207,240</b>

### Changes in the fair value of fund assets

Fair value of Fund assets at 1 August	257,052	249,393
Interest on Fund assets	13,194	8,773
Other experience	–	(1,594)
Return on assets excluding amounts included in net interest	13,226	(2,412)
Contribution by the employer	7,137	6,230
Contributions by scheme participants	2,807	2,686
Benefits paid	(6,604)	(6,024)
<b>Fair value of Fund assets at 31 July</b>	<b>286,812</b>	<b>257,052</b>

### History of experience gains and losses

	2024	2023	2022	2021	2020
Difference between actual and expected return on Fund assets:					
Amount (£000)	13,226	(4,006)	15,388	36,793	(21,577)
Percentage of scheme assets	4.6%	(1.6%)	6.2%	16.2%	(11.5%)

### Experience gains/(losses) on Fund liabilities

Amount (£000)	20,251	65,261	104,237	(14,407)	(25,977)
Percentage of the present value of Fund liabilities	10.0%	31.5%	40.6%	(4.2%)	(8.3%)

### Actual return on Fund assets

	Year ended 31 July 2024 £000	Year ended 31 July 2023 £000
Interest income on Fund assets	13,194	8,773
Actuarial gains/(losses) on assets	13,226	(4,006)
	<b>26,420</b>	<b>4,767</b>

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



This publication is available in alternative formats on request.  
Please contact Finance on **+44 (0) 1642 342720** or email **finance@tees.ac.uk**.

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**Teesside University**  
Middlesbrough  
Tees Valley T: +44 (0) 1642 218121  
TS1 3BX UK **tees.ac.uk**