



ANNUAL REPORT AND FINANCIAL STATEMENTS

2022/23

**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 show unparalleled success across all portfolios, evidencing a well-managed and ambitious university that continues to invest in its estate and people whilst being alert to the Financial Health of the sector.

I feel immensely privileged to commence my term of office as Chair of the Board of Governors on such a positive note and would like to pay tribute to my predecessor Paul Booth, CBE, for his sterling work, which has helped the University to reach this point.

Fulfilling its ambition to be an anchor institution and drive economic regeneration, Teesside University is a vital instrument of positive change, delivering results that shape and empower our communities.

With an estimated human capital impact of £1.34bn, the societal impact that Teesside University makes cannot be understated. It is a driver of social mobility, raising

aspirations and delivering skills crucial to the ongoing success and vitality of this region. From working in partnership to deliver the healthcare workforce of the future, to nurturing creative and enterprising graduates who found their own successful businesses, Teesside is committed to unlocking potential.

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 vital instrument of positive change, delivering results that shape and empower our communities



Vice-Chancellor & Chief Executive **INTRODUCTION**

Teesside University continues its ambitious trajectory in a year which has seen unparalleled growth across the Teesside University Group in all areas of core business, campus operations, partnership activity and institutional profile.

The delivery of our corporate strategy, Ambition Delivered Today, continues at pace. The second phase of the campus masterplan has commenced, with developments such as BIOS, our £36.9m health and medical facility, and dedicated £5m postgraduate hub The Buttery, further enhancing the student and learning experience.

Our new £13.1m Net Zero Industry Innovation Centre is already making an impact, providing an ongoing legacy of sustainable innovation within the Tees Valley, and positioning Teesside firmly at the heart of the UK's green industrial revolution.

Reflecting our commitment to global operations, we have established a range of new international partnerships, and in a major development, have opened our new campus: Teesside University London. With a focus on digital and enterprise, TU London will enable our students and graduates to access the opportunities of the UK's capital, supporting our mission to level-up society.

Our commitment to placing students at the heart of everything we do is evidenced by another round of awards and accolades, including once again achieving a first-place position in the International Student Barometer and a set of positive results in the National Student Survey.

At the close of the 2022/23 academic year, the Teaching Excellence Framework (TEF) 2023 results were confirmed. Teesside University achieved an overall gold ranking, along with gold for both student experience and student outcomes. This outstanding set of three gold standard outcomes was awarded to only 14 universities, and firmly establishes Teesside as a leading institution delivering a high-quality student and learning experience.

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 Tate, the National Trust and Husqvarna, and strategic partners including our regional NHS trusts.

TU Online Limited also continues to grow, with almost one in 10 of our learners now part of our online student community.

This has been another outstanding year of progress and achievement, underscoring the commitment across Team Teesside to deliver on our mission 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.



THE UNIVERSITY

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

The University is committed to unlocking potential, delivering excellence across teaching, translational research and the student experience. Working in partnership with industry and the professions is a priority, ensuring the delivery of economic, cultural, community and social impact.

This is a seminal time of development and transformation for Teesside University, building on the higher education heritage which began with the formation of Constantine Technical College in 1930 and saw the first students graduate in 1932 – more than 90 years ago.

Teesside University was founded with a civic mission; 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.

This year saw the opening of Teesside University's new London campus based at Here East in the former Olympic Park in Stratford, East London. With an initial focus on digital technologies and enterprise, Teesside University London will capitalise on existing strengths in animation and games design, directly linking the thriving digital cluster of Middlesbrough with businesses based in London, to offer new opportunities across the student experience.

The University continues to transform the University campus, ensuring it is high quality, smart and sustainable. To date, £236m has been invested through the campus masterplan, providing the very best facilities and a campus to rival any in the sector.



The new £13.1m Net Zero Industry Innovation Centre, which opened in Spring 2023, is already providing an ongoing legacy of green innovation for the Tees Valley, supporting business and industry to decarbonise through industry partnerships, skills development, and research and innovation.

Whilst BIOS, our new £36.9m health and life sciences facility, will provide cutting-edge laboratories to enable interactive learning for core health and allied health provision, including a growing postgraduate medical offer.

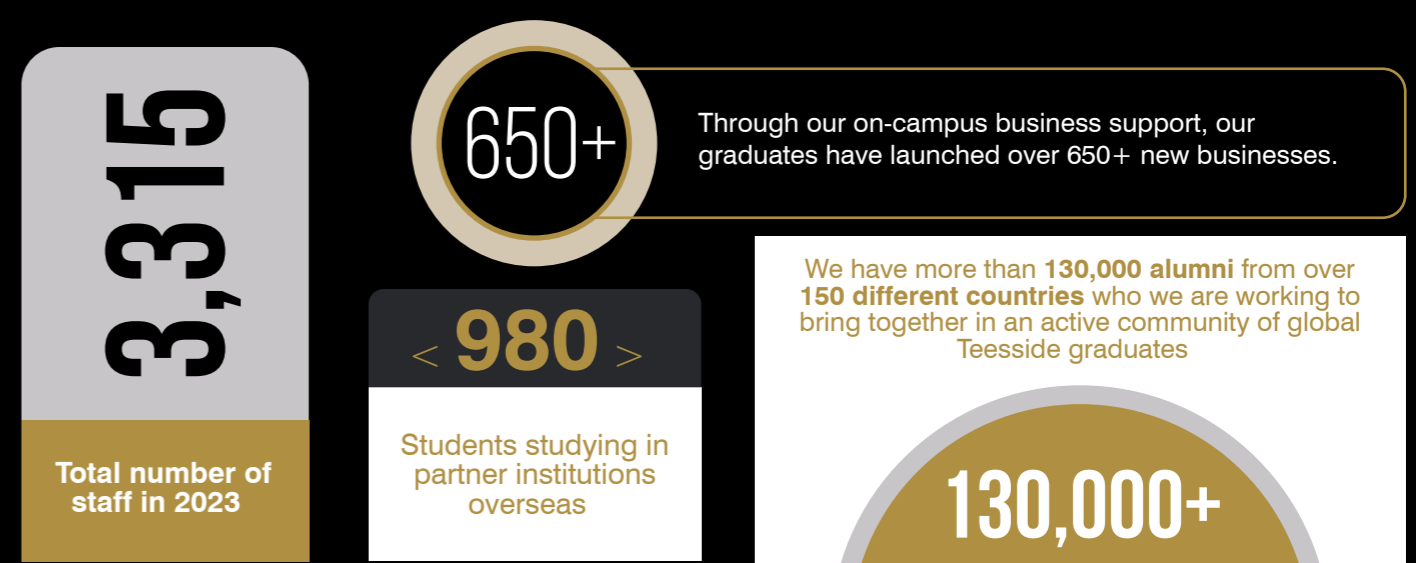
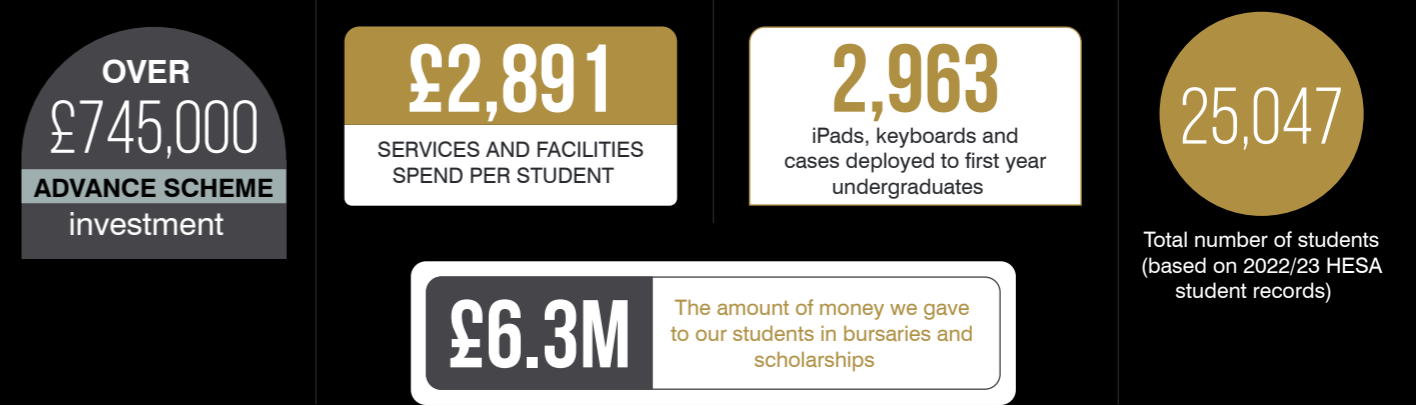
Teesside is a truly international university with a global network of partnerships which attract high calibre students and staff from across the world. Through digitisation, international mobility and teaching excellence, Teesside University students and graduates continue to make a real difference, challenge the impossible and break through barriers.

Our research, innovation and enterprise activity is delivered in partnership to address three grand challenges; creating vibrant, cohesive and resilience societies; forging a smarter, greener industrial economy; and shaping the future of health, care, and wellbeing.

Teesside University continues to uphold its original commitment to transforming lives and economies. The University's approach to Environmental and Social Governance ensures the delivery of socially responsible actions, sustainable operations and a commitment to delivering clear social impact in partnership with the communities we serve.



Teesside University in Numbers



TEESSIDE 2027: Ambition Delivered Today

As we complete year one of the corporate strategy 2027, it is encouraging to reflect that this has been another very successful year for Teesside University.

Cognisant of the challenges ahead for 2022-23, the institution applied strong fiscal discipline to enable us to remain resilient and proactive to enable the University to continue to invest in the student experience and powering local economic growth.

Placing our students at the heart of university decision-making, we continue to deliver teaching excellence through our future-facing learning approach, harnessing the power of digital to enhance learning and embracing emerging technologies like Artificial Intelligence (AI) and Virtual Reality (VR).

Our student-centric approach has supported students to overcome a range of challenges caused by the long-term impact of the pandemic; the cost-of-living crisis; and the emerging mental health issues in young people. Our support services have been strengthened through vital investment in key areas such as counselling services; and a range of new initiatives and projects implemented to continue to enhance the student and learning experience, like the Students' Union breakfast club and the extension of building opening hours across the University.

Testament to this unwavering commitment, our students have placed us top in the north east for 7 out of 10 indicators in the recent National Student Survey¹ and number one in the UK for international student satisfaction² – a position we have successfully retained for seven consecutive years.

Through effective planning and prioritisation, the University has progressed key construction projects that will contribute to the development of

a cutting-edge campus that responds to the needs of 21st century learning. At our Middlesbrough campus, the new medical and science facility, BIOS, extends the footprint of our growing Health & Life Sciences provision for 2023/24; and plans for a new Digital Life Building that will provide an innovative space for student and industry collaboration are moving at pace.

A new Teesside University London campus for 2023/24 further builds our reach and reputation, addressing levelling-up priorities in the Tees Valley and East London communities.

Our growing reputation for research in Net Zero, Health & Wellbeing, and People & Place, was recognised in the Research Excellence Framework (REF) 2021, with the majority of our research judged to be world-leading or internationally excellent.

Building on this success, strategic allocation of funding has seen increases in institutional research capacity through investment in Professorships, streamlined systems and essential leadership programmes.

Our anchor institution role continues to drive economic success, as acknowledged through new research³ undertaken this year that shows the impact of Teesside University on the Tees Valley at £200m GVA, supporting around 2,800 FTE roles in the region.

The strategic focus of the year ahead will further develop this unified approach to address regional, national and global challenges. Through robust strategic planning, leveraging institutional assets and working closely with our stakeholders, we will continue to serve the communities around us and continue to drive positive change.

¹ <https://www.officeforstudents.org.uk/data-and-analysis/national-student-survey-data/>

² <https://www.i-graduate.org/international-student-barometer>

³ <https://acrobat.adobe.com/link/review?uri=urn%3Aaaid%3Aascds%3AUS%3A23a2538a-ccb4-3892-89e4-7755a2001789>

**AMBITION
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Building on this success, strategic allocation of funding has seen increases in institutional research capacity through investment in Professorships, streamlined systems and essential leadership programmes.



STRATEGIC REVIEW

Education 4.0

The Education 4.0 Strategic Plan seeks to position Teesside University as: 'The University of the Fourth Industrial Revolution, delivering innovative and impactful provision through Education 4.0.'

This will be 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.
- > **Embedding** a sector leading institutional approach to student wellbeing, ensuring that every student is enabled to meet their potential.
- > **Delivering** an outstanding personalised learning experience, underpinned by a data-driven approach to enhancing student performance.
- > **Designing** a high performing curriculum portfolio aligned with the emerging trends of the Fourth Industrial Revolution.
- > **Developing** a best-in-class workforce equipped with the capabilities to deliver cutting-edge Education 4.0 learning experiences.

Emerging technologies and evolving student and industry demands require higher education providers to remain proactive in providing a student and learning experience that is underpinned by cutting-edge digital technologies and supports the development of vital employability skills.

Against this backdrop, and an increasingly complex regulatory environment, Teesside University continues to place students at the heart of everything we do; embracing new technologies and supporting students through their whole learning journey to develop the skills and knowledge, enabling them to achieve their best outcomes.



Future Facing Learning

Teesside University's award-winning future facing learning (FFL) approach provides students with the skills, knowledge, and tools to thrive in a complex and uncertain world. The learning experience is shaped by five core themes, which prepare students for the next stage of their lives: future readiness, social and ethical engagement, research activeness, global connectivity, and digital empowerment.

Industry engagement is a core tenet of learning at Teesside University (TU) and is demonstrated through curriculum design, placement, and project activity. The success of this approach is highlighted through the accomplishments of these partnerships and of the students and graduates who participate. Over the last year, the University has welcomed experts from NASA, the BBC, Adobe, Goldman Sachs, Aston Martin, National Parliament, and England Women's Football team to engage with students and our curriculum.

Live projects, competitions and exhibitions are embedded into the learning process to challenge students in different ways, including the MIMA Great Create, an annual call for creative pieces; ExpoTees in the Tees Valley and at our London campus helping students to develop networks across the games and animation sector; the annual Animex festival attended by animation and visual effects professionals from across the world; and the annual Greggs Business Challenge.

In recognition of our exceptional performance in leveraging digital technologies to enhance learning, the University continues to lead the way for the sector in this space, with recent accolades including accreditation as an Outstanding Centre of Excellence for our work to digitally upskill staff and students; and Most Innovative Approach to Engaging Students Using EdTech award at the prestigious Pearson HE Innovate Awards 2022. The award was presented for a project which uses electronic storytelling to enhance assessments through an innovative digital technological approach.

Reflecting the impact of digital technologies in the University learning process, a Digital Marketing student was recently voted the overall winner in Adobe's Digital Edge Awards 2023, as well as claiming the top spot in the Business category. The awards highlight game-changing student projects that leverage Creative Cloud products to elevate academic work.

Teaching Excellence

The supportive and engaging academic culture at the University encourages staff to continuously enhance their skills, knowledge, and experience, applying this to their teaching methods and promoting University expertise through their own networks and engagement channels. Attracting the best talent is embedded into recruitment and promotion processes and success is celebrated amongst peers and through internal recognition mechanisms, with best practice shared across all areas.

Over the last twelve months, the commitment of our staff has been recognised externally across a range of platforms. A Community Nursing lecturer who is helping to shape the next generation of nurses has been awarded the prestigious nursing title, Queen's Nurse from the Queen's Nursing Institute (QNI). The QNI is a registered charity dedicated to improving the nursing care of people in their own homes and grants the honorary title of Queen's Nurse to community nurses who have demonstrated a high level of commitment to patient care and improving nursing practice as leaders and role models.

Staff specialising in the Creative Industries have also impressed, with a new children's novel penned by a games animation lecturer, which was ranked as book of the week by The Times for its messages about truth seeking and not believing everything you read on the internet; a creative writing academic is one of just four authors to be shortlisted for The Sunday Times Charlotte Aitken Young Writer of the Year award for a debut book; and an interactive theatre show created by a media and performance lecturer is being performed at the Royal Opera House in London.

A professional services staff member has had a painting exhibited at The Royal Academy Summer Exhibition. The painting, shortlisted for the exhibit from around 16,500 entries, featured at the world's largest open call exhibition which is visited by over 200,000 people.



TU Sport

As part of the University's commitment to expand the TU Sport offer, the TU Football Academy was launched this year for talented scholars. The elite academy will develop the next generation of men's and women's footballing talent in the region, providing exciting opportunities for progression into semi-professional and professional career pathways. The programme enables students to study in their preferred discipline whilst continuing to train and play at a high level in football.

Scholars are provided with a holistic care package that includes coaching, conditioning, analysis, recovery, and medical support. The student athletes also benefit from the University's strong links with local clubs, including Middlesbrough Football Club.

Building on our capacity in this area, the George Friend Scholarship and the Beth Mead Scholarship were also established, supporting students from all backgrounds to access the performance sport programme and to pursue their passion for football alongside a university education.

Student Life

Following reports highlighting the challenges of today's students and national increases in mental health and wellbeing cases amongst young people, the University implemented a range of interventions for students to support the transition to university life and throughout their studies.

The introduction of a sector leading out of hours mental health service, including a free 365-day, 24-hour confidential helpline ensures our students have access to high-quality, immediate support services at any time, and offers support on a range of issues through our new student assistance programme including counselling, stress & anxiety, bereavement, and financial wellbeing support. An online mental health training module is also available to staff to develop their knowledge and understanding.

As an institution, we have innovated in the field of 'Belonging'; creating a sense of community for all students to feel part of. A new Student Voice campaign was launched earlier this year focussed on respect and support in an inclusive and safe environment. The 'Yes to Respect' campaign encourages students, staff, and visitors to think about their language and behaviour towards others, to support and embed a culture where everyone feels respected.

Underpinning this work under the umbrella of 'Belonging', we have created opportunities for students to come together socially and delivered workshops in collaboration with key local individuals and organisations such as Academics Libraries North through their Innovation Fund.

New funding sourced by TU staff has enabled the University to support students facing additional challenges as a result of the cost-of-living crisis, including hardship requests, care packages, food vouchers and energy costs. New campaigns delivered by the University and the Student's Union also included the Student Life Festival, Period Dignity and a TUSU Breakfast Club. A Mental Health Awareness campaign and event also took place, providing support and advice to students facing mental health and wellbeing challenges.

Teesside University students collaborated with designers and architects to help create an innovative new space on campus. The new 'Buttery' facility was created in consultation with TU students as an exciting and vibrant £5m space for postgraduate and research students. Once the dining hall of the former Victorian grammar school in Middlesbrough, the building has now been given a new lease of life, restoring the building's heritage with a contemporary twist.

The University was selected by the OfS as one of just 30 UK institutions to receive a share of £8.1m funding for 20 scholarships to support students from underrepresented backgrounds to study postgraduate degrees aimed at increasing diversity in AI and data science. North-East engineering charity Enginuity has partnered with TU to fund two of the scholarships and recipients of the scholarships will also receive support and engagement from a range of North East tech businesses including EnAppySys, Seer BI, and Unity.

Student Success

Evaluation of the University's Student Success Programme, established last year to provide targeted support to students facing challenges with study engagement, student life or performance, has shown extremely positive results. One-to-one support was provided to more than 420 students, with over 66% achieving a pass progress outcome. Marked improvements were also recorded in student self-reported academic confidence and engagement. Ahead of the next academic year, the programme has been further enhanced to deliver a blended approach following student and staff feedback, and a dedicated team will provide this service across university Schools.

The dedication of our students in embracing the opportunities provided has been highlighted and recognised both internally and externally, with many already achieving great success in their fields prior to completing their studies. An engineering apprenticeship student has been selected as one of the



Institution of Civil Engineers ICE President's Future Leaders for 2022/23. Established in 2005, the ICE President selects some of the brightest and most motivated graduate and technician members to join the Future Leaders Scheme.

A product design student has claimed top prize in the 2022 Design Innovation

in Plastics (DIP) competition and another student won the top prize in the international Construction Industry Solutions (COINS) Grand Challenge.

An adult nursing student won the national Student Nursing Innovation in Practice Award at the Student Nursing Times Awards 2023, for a care plan service improvement for chronic pain patients, which he developed. At the same awards event, the University's FdSc Nursing Associate Higher Apprenticeship also secured the award for Nursing Associate Training Programme Provider of the Year, reflecting the quality of TU's health provision, developed in close consultation with our health partners.

The TU Law Clinic was shortlisted as finalists for the Pro-Bono/ Community Initiative Award at the 2023 Northern Law Awards. The Awards recognise the best legal talent across the North East region.

The work of our students has also been showcased nationally, including a Christmas-themed comic strip, designed by a comic and graphic novel student, that was featured in a well-known British comic; and the designs of a fashion student, who has been raising awareness for autism through a new collection, was showcased at a local company event.

Key Successes 2022/23

- > Ranked 27th overall for Student Satisfaction in the Complete University Guide 2024.
- > TU students judged their experience best in the North East in 7 of the 10 categories, in the National Student Survey 2023, including 'student voice', 'Students' Union' and 'Teaching on my course'.
- > Ranked 25th for 'Teaching on my course', 21st for 'Learning resources' and 27th for 'Freedom of expression'. (NSS 2023)
- > Launch of TU Football Academy.
- > One of just 30 providers to be selected to pilot enhancements to the national Access and Participation Plan (APP) assessment.



Research and 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 will be delivered through five strategic priorities:

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

Changes to the research policy landscape (for example the government’s R&D People and Culture Policy) has led institutions to reimagine their research cultures, developing more diverse, open and collaborative environments to create a more inclusive and innovative research system, and ensure future sustainability and quality.

Building upon the University’s success in the Research Excellence Framework (REF) in 2021, we have focussed our research across three interdisciplinary research themes: Net Zero, Health & Wellbeing, and People & Place. Research under these themes has extended beyond a local audience, cumulating in new collaborations with global partners, securing named partner status on key national projects, and investing in areas that continue to enhance our reach and reputation.

Through our innovation strategy we aim to increase our Knowledge Transfer Partnerships (KTPs) from 9 to 30 by 2025 and double the volume of longer and larger collaborative awards and contract research, supported by our ongoing investment in staff through QR (quality-related) funding and facilities through our campus masterplan.

Culture & Capacity

At the beginning of the academic year, we set out five core areas of focus to develop a collaborative and supportive culture across the institutional research community:

Leadership

Considerable progress has been made investing strategically in new leadership posts to support future research, including 14 Professor and Associate Professor roles: 6 Vice-Chancellor Fellow roles and 8 fellows as part of the Research England Development (RED) fund £11m project. 8 external mentor roles are also in progress to support research leadership and drive quality.

The establishment of Academic Management, Leadership and Administration (AMLA) roles across the University signifies a significant change in the approach to identifying responsibilities related to research leadership and management, which will continue to grow as the roles are further embedded within Schools.



Culture

Through an institutional culture plan, driven by the Research & People Sub Committee, the foundations are now in place to enhance the University’s research culture, building on recommendations from external consultants engaged to help develop core themes. This also includes renewing our HR Excellence in Research Award and Athena Swan Bronze Award this year.

Engagement

Stakeholder engagement has been led through research centres; an approach that will be enhanced following the establishment of the new partnership framework. School Governance Boards have been set up to manage impact through delivery of a new training programme and professional and financial support for researchers to deliver impact.

A new Public & Community Engagement Plan was developed and submitted as part of the Knowledge Exchange Framework (KEF) and investment secured to support a team to drive this activity forward.

Quality

In support of generating high quality research outputs, a new university sabbatical scheme, funded through QR, has been established, with around 20 staff participating over the last year. There has been significant focus on developing our approach to supporting and mentoring Early Career Research (ECR) staff to develop their research careers and enhance their academic standing.

This supported activity has been validated through awards and accolades that increase both the individual and institutional profiles for research expertise. With academic staff securing external roles as President of the Chartered Society of Forensic Sciences, at the British Divers Marine Life Rescue, and the CO2RE Future Leaders Network - the UK’s first and only national research hub on greenhouse gas removal. A Sustainable Engineering Professor was also named as one of the 50 most influential people working within the Net Zero agenda in the UK.

This year, the University was confirmed as a new member of the prestigious Turing University Network – the national institute for data science and AI. The Network was created to connect universities working within these areas, encourage collaborations and tackle real-world challenges through cutting-edge research.

Sustainability

Securing significant funding and awards linked to institutional strengths and expertise has been a key objective over the last year, with a bid securing £4.8m from Research England.

Governance and process interventions have been implemented to improve grant submissions to ensure targets are reached for Research Grant & Contract Income (RGCI) and Schools have developed funding roadmaps to identify significant future funding opportunities.

Five projects have been funded through the Northern Accelerator model to support commercialisation of our research including three proof of concept awards and two executives into business to support start up activities.



People & Place

As an anchor institution, our role in the local community is vital, and we continue to engage in research and innovation activity that generates real impact for our communities. Over the last year, the University has been involved in important research contributing to the social, cultural, and economic development of our communities.

As a 'knowledge anchor' the University is working with Tees Valley Combined Authority to develop a prospectus for government on an £80m investment zone to drive innovation through digital technologies. This includes an aspiration to develop a Middlesbrough Digital Innovation Hub to support economic growth and innovation through R&D and access to business support. As a co-signatory, the University will submit the prospectus before the end of the year. This could lead to significant investment in research facilities, staff, and students to supercharge digital innovation across the Tees Valley region.

A collaborative project between Teesside University, Middlesbrough Council, and Redcar & Cleveland Council secured £5m to help tackle health inequalities. The two regions will benefit from the National Institute for Health and Care Research (NIHR) funding, with the aim of becoming an international beacon in tackling these issues. The NIHR Health Determinants Research Collaboration (HDRC) South Tees will be one of 13 set up around the country to establish new ways of working and improve the understanding of long-term factors which affect people's chances to lead healthy lives by working collaboratively across the region to develop a culture of research and knowledge.

A new report showcasing how the North East's universities are working together to help drive forward the levelling up agenda and grow the region's economy has been launched by Teesside, Durham, Newcastle, Northumbria, and Sunderland Universities. The 'Innovating Together – Universities in the North East' (InTUNE) report showcases the contribution of the five institutions to the innovation and business growth agenda in the region, and their contribution to the government's levelling up agenda. As key anchor institutions and major employers, between them supporting more than 34,000 jobs and contributing £2.2bn annually to the North East economy, they also play a significant role in the health, wellbeing, and resilience of communities across the region.

Health & Wellbeing

Addressing key regional, national, and global priorities, such as health and wellbeing clearly aligns with our overarching mission of transforming lives and economies. Building upon our strong partnerships with regional and national health trusts; and harnessing institutional assets like the National Horizons Centre (NHC) and digital expertise, our staff and researchers continue to engage in cutting-edge research around this agenda.

University academics are involved in a new international collaboration that will help to improve treatment for some of the world's deadliest diseases. The €8 million HOLLICARE project aims to respond to the challenge of diagnosing, treating, and preventing pulmonary infectious diseases, the leading cause of death in low- and middle-income countries. They are one of the top poverty-related diseases, accounting for 40% of deaths and 17% of reported cases in sub-Saharan Africa, with 2.4 million deaths reported in 2016.

In partnership with regional universities, NHS Trusts, and regional, national, and global partners, the NHC is playing a key role in the establishment of a ground-breaking £4.17m Digital Health Hub for the North East and North Cumbria (NENC). The world-leading health-tech research and innovation hub will address health and social inequalities across the region. Through an integrated, regional approach uniting this consortium for the first time, the hub will be a global beacon for Digital Health.

The reputation of the NHC work continues to draw interest both nationally and globally, hosting visits from the UK Prime Minister, Rishi Sunak, during which he unveiled a new Urgent and Emergency Care Plan for the NHS; and the High Commissioner of India to view our innovation strengths in life sciences and explore collaboration opportunities with India. This latter visit was the first of its kind for over 40 years and will position the region and the University as a partner of choice for international research collaboration in that field.

With coronary heart disease one of the single biggest killers in this country, research to better understand the condition is vital to enhancing the lives of people in the UK. The collaboration, led by Teesside with North Tees, South Tees, and Newcastle NHS Trusts; working with the national heart failure charity, Pumping Marvellous, secured funding from Heart Research UK to progress this vital research.

University researchers, including a research student, are working with local people suffering from chronic breathlessness encouraging them to take up walking football as a means of keeping active, improving health, and having fun. The research is being supported by the NIHR Applied Research Collaboration (ARC) and NENC Trust and aims to introduce open community sessions in the future.

Net Zero

This year saw the launch of the University's Net Zero Industry Innovation Centre, which will support the drive for clean energy and position the Tees Valley firmly at the heart of the UK's green industrial revolution.

The £13.1m cutting-edge facility will initiate change to address the climate emergency through industry-led research and innovation and support regional and institutional aspirations to become net zero by 2030.

Teesside and Durham Universities are also collaborating on a ground-breaking project to accelerate decarbonisation and the use of hydrogen through supporting industrial research and development and capacity building in the Tees Valley.

Researchers from both universities are collaborating on a four-year, £11m project, which is being led by Teesside and funded by £4.8m from the Research England Development (RED) Fund.

Driving the growth of this sector, a range of projects are already being supported through the Tees Valley Hydrogen Innovation Project (TV-HIP), including regionally based company Torvex Energy Ltd who are aiming to bring a 'game-changing' hydrogen production process to market. The new process uses a hybrid electrolysis concept to generate green hydrogen from natural seawater.

The centre is also establishing itself as a global hub of net zero expertise with a substantial collaboration with partners in South Africa to support hydrogen research and a transatlantic centre of excellence for decarbonisation in place with the University of Illinois in the United States. The development of key partnerships like these will generate more joint projects and PhD studentships.

Other innovative projects underway include developing new processes to create recycled workwear, finding alternative uses for food waste to reduce landfill, and replacing non-renewable plastics with sustainable alternatives throughout the supply chain.

Academics from the University are working with industry partners on a £7.6m project which could significantly reduce the carbon footprint of the construction industry. The project, entitled 'Mevocrete', aims to develop a new form of concrete made from the by-products of the steel and chemical industries. The resulting product emits up to 85% less carbon dioxide when compared to traditional concrete. Concrete is an essential material in the construction industry and the global concrete market is worth approximately £500bn annually. However, it is one of the single biggest emitters of carbon dioxide accounting for up to 8% of global greenhouse gas emissions. The University has secured funding from Innovate UK to work with local firm, Material Evolution, to help the business scale up its technology to create a full-scale on-site facility for cement production using waste steel slag at Teesworks.

The University is one of thirteen international partners taking part in the SUNREY project which is investigating how to make more efficient solar cells using the mineral, perovskite. The project will harness the research strengths of 13 partners including research institutes, universities, and companies from all over Europe. Teesside University is one of just two UK partners selected for the project. The SUNREY project, 'Boosting SUstainability, Reliability and Efficiency of perovskite through novel materials and process engineering', will investigate how to make solar cells more sustainable and efficient and with lower lead content.

Key Successes 2022/23

- > Ranked 5th for Research Quality for Tourism, Transport, Travel & Heritage Studies in the Complete University Guide 2024
- > 14 new Professor & Associate Professor posts to support research agenda.
- > Awarded £5m regional EPSRC Place-based impact acceleration account.
- > 20 staff sabbaticals underway
- > Secured £4.8m Research England Development (RED) funding.
- > The Net Zero Industry Innovation Centre (NZIIC) awarded a Corporate Environmental Award
- > Donated prize winnings to local school to support science initiative to inspire the next generation of scientists.



Enterprise and Knowledge Exchange

The Enterprise & Knowledge Exchange Strategic Plan seeks to position Teesside University as:

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

This will be delivered through five strategic priorities:

- > **Creating** an entrepreneurial culture, developing the skills, behaviours, and confidence to fuel enterprise.
- > **Developing** and nurturing sustainable strategic relationships, providing benefits to partners, students, alumni, and staff.
- > **Driving** regeneration, working with businesses and organisations to co-create solutions to challenges, drawing on the knowledge, expertise, and talents of our people.
- > **Delivering** the high-level knowledge and skills essential for a talented, diverse, and future-facing workforce for our region and beyond.
- > **Creating** connections between the University and the communities it serves, through meaningful interaction, collaboration, and inclusion.

Enterprise & Knowledge Exchange

Our placed-based approach has delivered strong results over the last twelve months, with a focus on positive impact for students, partners and communities at the heart of our Enterprise & Knowledge Exchange Strategic Plan. Key projects, including the reframing of our partnership approach and the establishment of a new campus in London, have positioned the University as a catalyst for student success, business growth and innovation, and economic development.

Entrepreneurial Culture & Commercialisation

Creating an entrepreneurial culture is a key tenet of the University's approach and is embedded through a range of activity and initiatives, maximising key institutional assets, such as our on-campus start-up hub, Launchpad, our joint initiative with the Tees Valley Combined Authority (TVCA), Digital City and our commercial subsidiary, TU Enterprise & Innovation Ltd (TUEI) to drive this agenda across the institution.

Over the last twelve months, the profile of these assets has been enhanced, establishing a clear progression route from Schools to Launchpad and Digital City for students interested in starting their own companies; and supporting students, graduates and staff to translate their innovative ideas into marketable products and services.

The impact of this approach is reflected in the success of Launchpad, with recent data¹ showing that TU start-up companies contributed over £94m to the regional economy; the 7th highest total in the UK. Crucially, the viability of businesses formed through our Launchpad facility, which is central to this success, is ranked as the best in the region, with 133 graduate enterprises still trading after three years.

With the support of the University, student and graduate start-ups have already experienced great success, including maritime data science and AI agency Seer BI, which has developed a ground-breaking Artificial Intelligence tool to help companies enhance their communications and branding.

The success of Launchpad businesses was further highlighted at regional awards events, with a number of TU start-ups recognised, including Key Wellbeing (Most Original New Business), Middlesbrough Helping Hands (Best New Community Champion), The Twisted Peel (Best New Hospitality Business) and 'Newcomer of the Year' for Social Media Management firm, The Petite Agency.

Partnerships

The University's refreshed approach to partnerships was implemented this year, with the introduction of a new partnership framework that enhances our interface with companies and stakeholders. Key leads aligned to core areas of activity facilitate a more holistic approach that provides a professional and efficient service to our partners. A proactive approach that seeks to work with partners linked to our mission ensures a varied portfolio of activity across several streams of work, including employability, innovation, research, and community interaction.

New local, national, and global partnerships have been secured throughout the year, including an agreement with Tees Valley based leading engineering company Assystem to work across several areas including collaborative research, knowledge exchange and student placements; a new arrangement with regional sales consultancy company, Just Williams to enhance employability; and a partnership with new esports venue The Wired Lobby, in support of this thriving industry.

Signpost Productions, part of ITV, is partnering with the University to retain skills in the region and offer more opportunities for students. The partnership will help to support graduates into a variety of careers in media and production including journalists, sound engineers, animation and production roles.

Following a capital investment, the Launchpad games accelerator has been established as a key activity within TUEI Ltd, which has so far supported six game studio start-ups. The new studios benefit from the support and input of the University, whilst their success could help commercial income generation for the University.

By leveraging our track record in supporting start-up and spin-out companies, the University has invested in space and programmes to drive the development of more social enterprises adding further value to our local community.

Launchpad's innovative partnership with social housing company Thirteen Group, continues to drive this activity through the sponsored Social Enterprise Activator (SEA) role, which has championed a range of initiatives, including redistributing IT equipment to local schools; developing gaming projects with a local youth group; and a student project to develop innovative solutions to local challenges such as food poverty and anti-social behaviour.

Tees Valley social enterprise, Night Lite CIC, which has been supported in its growth through the DigitalCity initiative, received the prestigious Point of Light award from the Prime Minister in recognition of the inspiring work the community interest company is doing to support over 50,000 vulnerable people across the region.

A new start-up that helps students boost their wellbeing and personal development is being supported through the University's FUEL programme, which provides business support to TU start-ups. The company also benefitted from a grant and support through the DigitalCity Accelerator programme; and has entered into a partnership with the University's Industrial Digitalisation Technology Centre (IDTC) to expand their product range into the digital arena.

IDTC formed a new partnership with software and consultancy company, ZEST I/O to provide new digitalisation opportunities to the businesses it works with offering modular, agile and tailored software for SMEs.

The University continues to develop new partnerships that support innovative practices, including an agreement with Buckingham Magnetics, whose work supports the growth of renewable energy, electric vehicles and travel industries.





Regeneration

The vital strategic partnership between the University and TVCA continues to develop at pace, with key initiatives including the successful launch of the Net Zero Industry Innovation Centre in July that places the region at the heart of the green revolution; securing an on-campus presence for the national Centre for Digital Trade (C4DTI) – a testbed to power digital innovation across the UK; strategic engagement with Darlington Economic Campus; and most recently developing collaborative bids to support regional progress, promoting core strengths in the digital and creative industries.

As an anchor institution, the University's commitment to the Tees Valley is absolute; we are a key driver of the regeneration of the region; raising aspirations, powering innovation and generating investment. We are also a convener of knowledge, expertise and influence; regularly welcoming stakeholders to discuss regional, national and global challenges and opportunities. Testament to this work, the most recent Knowledge Excellence Framework (KEF) results scored the University above national average for Local Growth & Regeneration; Working with the Public & Third sector; CPD & Graduate Start-ups; and Working with Business.

The Tees Valley Innovation Accelerator (TIA) scheme, in partnership with TWI has supported SMEs to secure over £2m of grant funding, with a success rate of 65% on funding proposals for sectors including net zero energy, net zero construction, medical and climate neutral electronics. Offering free support to SMEs in the Tees Valley region, TIA has been helping to stimulate economic development and innovation, creating new jobs and regenerating local communities.

New initiatives, such as 'Be The Change', offering university staff the chance to donate their salary 'change' to a new fund, facilitates the support of a number of charities, clubs, schools and companies. The University has also donated 40 laptops and tablets to Launchpad-based digital social enterprise FurbdIT, supporting our drive to address digital exclusion.

Evaluation of the effectiveness of the joint TU-TVCA Digital City initiative demonstrated excellent value for money with every single pound invested in the project returning more than 11 times that amount. The scheme is estimated to have generated

just under £53m cumulative net GVA within the Tees Valley economy. Businesses supported by DigitalCity saw an increase in productivity, business resilience and new products, services or processes, with 92% satisfied or highly satisfied with the support they received.

The new TU London campus, based at the Queen Elizabeth Olympic Park in East London, will welcome its first students in September. Facilitating the delivery of the corporate strategy, TU London will be a hub to access new markets, deliver student number growth, and act as a strategic base for the development of partnerships, business engagement activity and diversified revenue streams.

This dynamic approach to expanding our footprint to the capital will have far reaching implications for our students, staff and partners; a presence here will provide access to new networks, opportunities and markets, not just in London, but across the world; and will provide a gateway for students to access career opportunities in the capital and support the national levelling-up agenda.

The facility will be an innovative space, supported by digital technologies to deliver an outstanding student and learning experience. Key staff appointments are in place, including a Campus Dean, and campaigns are underway to maximise student recruitment across the first year of operation.

TU London is a Centres Group Member of the London Higher Group – a mission group of universities in the capital, which extends to providers from across the country with a presence in London. TU London joins HEI's such as Northumbria, Sunderland, Coventry and others at this associate level with a view to shaping the HE landscape in the region.

Skills & Talent

To minimise the impact of recent challenges faced by students, interventions to support the development of key employability skills and experience across all years have been introduced, with additional support for graduating cohorts.

Leveraging our partnership network, over 144 graduates were employed on a short-term basis to support local SMEs as part of the ERDF-funded Graduates for Growth programme. This year's internal internship drive offered 12-week placements across over 85 opportunities. Over 1,000 placements for Applied Practice students across the University were also secured, an increase of 78% from 2021/22.

A review of placement activity has shown a significant increase in opportunities offered over the last four years. In total, there were over 2,200 opportunities, representing growth of over 400% over that period.²

The most recent Graduate Outcomes Survey shows strong results for the University, with some excellent returns for Civil Engineering, Games Programming, Interior Design, Paramedics and Physiotherapy graduates where respondents confirmed a 100% employment rate. The University was also ranked 51st overall for Graduate Prospects – Outcomes in the Complete University Guide 2024.³

The University hosted key events throughout the year offering placement, volunteering, and employment opportunities to students and graduates, including the Advanced Therapies Apprenticeship Community Northern Roadshow, hosted by the National Horizons Centre, Volun-tees Network event, Career's Fairs and annual expositions, such as Animex, ExpoTees, ExpoTees London, showcasing the work of TU graduates to potential employers.

Interventions were introduced to support the current workforce to develop key skills for the future, including a project with TVCA and Deloitte to offer SMEs a free package to boost business skills as part of the Skills for Growth programme. A Digital City initiative supported local tech companies to take on TU graduates to help produce creative content. The fully funded internships were delivered through the University's Adobe Creative Campus suite.

In response to the evolving skills agenda, and the emergence of new industries and technologies, the University launched a new 'The Future Is Hydrogen' series to enhance knowledge and sector-specific skills. New six-week short courses have been designed in partnership with industry to provide an underpinning knowledge of hydrogen production and its uses.

The TU Professional Apprenticeships offer has experienced significant growth, now welcoming over 2,000 apprentices studying TU courses. Employer Engagement continues to improve, with a 40% increase in growth since 2020/21 and 85 new employers choosing Teesside as their preferred provider, bringing the total of individual employers we deliver apprenticeships through to 300.

An institutional apprenticeships strategy sets out the ambition to be recognised as a flagship apprenticeship provider, building capacity in key high level skills priority areas and levelling-up. To support this approach, courses have expanded across STEM subjects and a new Biosciences offer at the National Horizons Centre.



Key Successes 2022/23

- > Ranked 50th overall for Graduate Prospects – On Track in the Complete University Guide 2024. (130 institutions were ranked.)
- > Ranked 51st overall for Graduate Prospects – Outcomes in the Complete University Guide 2024. (130 institutions were ranked.)
- > Economic impact to the Tees Valley of £0.4bn (output); £0.2bn (GVA); support 2800 FTE roles⁴
- > 7th in the sector for start-ups (by turnover)
- > Supported 40 start-ups in the year, and reported over 130 student start-ups, 12 staff start-ups and 6 social enterprises that were still active and had survived for at least 3 years
- > Launch of TU London

² Internal data (Student Futures)

³ https://www.tees.ac.uk/sections/about/public_information/source.cfm

⁴ <https://acrobat.adobe.com/link/review?uri=urn%3Aaaid%3Aascds%3AUS%3A23a2538a-ccb4-3892-89e4-7755a2001789>

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 will be delivered through five strategic priorities:

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

As global education continues to evolve at an incredible pace, higher education providers must remain proactive and relevant, adapting to new challenges and opportunities strongly and swiftly. Despite economic downturn across the world following the pandemic, the departure of the UK from the European Union, and changeable government policies, the appetite for UK education institutions and industry remains strong.

Over the last five years, Teesside University (TU) has transformed to meet the requirements of this new globalised education landscape and is now a thriving global community of students, staff, and partners.

The University's network of offices and partners continues to enhance the brand and reputation of its work, particularly around core research strengths in Net Zero, Health & Biosciences and Digital.



Student Growth & Impact

The University's global reputation continues to attract high numbers of international students, contributing to a diverse student body, with around four in ten students at the Tees Valley campuses now international. Last year, the University implemented a new recruitment strategy, seeking to maximise the breadth of nationalities represented across its courses, to uphold the richness and relevance of the student and learning experience for all.

Recruitment of international students for the first cohort to our London campus was successfully coordinated through our regional offices and global agent network, creating a pipeline of students for intakes across 2023/24. The new campus will support the University's globalisation plans, providing a platform for activity and engagement on an international scale.

A report published earlier this year highlighted the impact of international students on their local communities. The report showed a total net impact on the UK economy of the cohort of first-year international students enrolled at UK HEIs in the 2021/22 academic year estimated at £37.4bn across the duration of their studies.

The total net impact of first year international students in the Tees Valley was over £378m. Middlesbrough town, where the University's main campus is based, had a net impact of over £98m.



Global Mobility & Placements

To support student mobility for the 2022/23 academic year, the University secured over £130,000 funding through the UK Turing Scheme. Part of this funding was used to engage administrative support for the increased number of mobility opportunities that were offered across the year.

Over 120 students engaged in study abroad, volunteering and placement opportunities in 18 countries worldwide including India, Cambodia, Malaysia, Czech Republic, Fiji Islands, Hong Kong, and Norway. More than 45 participating students from disadvantaged backgrounds were supported and 13 international students.

Building upon the success of this broader offer, the TU Global Mobility programme has been expanded and the University has secured over £530,000 to support our students to participate in this activity, which will enhance their employability prospects for the future. The highest allocation to date, this will support 38 mobility programmes and over 310 students to participate in opportunities across the world, enhancing their career prospects and enabling them to develop global knowledge and networks.

Analysis undertaken around the placement year offer at the University has shown a significant increase in the number of Applied Practice placements, predominantly undertaken by international students. Local company feedback has been extremely positive in terms of the students' contributions and attitude. As a result of the popularity of these courses, the University has diversified its offer to include virtual internships through the previously reported Think Pacific initiative, which has also seen significant growth in popularity over the last few years.



Student experience

The University's uncompromising commitment to its students was again reflected in the annual International Student Barometer (ISB) Survey, which evaluates international student satisfaction. TU successfully retained a UK number one position for the seventh consecutive year out of 32 UK Universities and 2nd out of 131 global universities for overall happiness.

Scores across all academic schools were consistently high, all scoring above 90% for overall satisfaction. The University ranked in the global top five for 29 of the 91 individual attributes within the main question sections – including twelve attributes where Teesside ranked first globally, including virtual onboarding; enrolment and registration; learning technology, library facilities; and making friends from my home country.

This year's survey saw a record high participation rate, with 1,820 students responding.

International students were extremely positive about their experiences at Teesside University, ranking it number one in over 25 elements in this major survey.

Following feedback from last year's ISB Survey, an improved university 'Meet and Greet' service was implemented in January 2023 for students arriving in the Tees Valley outside of standard university operating hours.

A new event schedule, designed to enhance integration between home and international students in response to the previous ISB Survey, is now also in place, offering a wide range of events and activities for students, including an annual one-day event that celebrates the diversity of the student body at TU.



Transnational Education & Partnerships

A new approach to global partnerships bringing together all academic portfolios to develop a more aligned and efficient system, focusses on institutional strengths in teaching, research, and enterprise to maximise partnership networks across the world.

The new partnership management framework established to effectively oversee regional and national partnership arrangements, is being expanded to enhance partnership activity overseas.

The outputs of this new approach are already evident following the launch of a new ground-breaking MSc in Disaster Management, co-developed by Teesside University and three partner institutions in India. The British Council-funded project enabled students and staff from the four institutions to develop the course, which is already running in India and is due to be launched at Teesside next year. As part of the development of the course, staff and students from TU visited emergency response services in India and also welcomed students from ADYP University in Pune, Sanjay Godhawat University in Kolhapur and SRM University in Chennai, to attend the International Business School's inaugural Aviation Conference at Teesside International Airport where they met with colleagues from local partners, Middlesbrough Football Club and the North East Ambulance Service to discuss their emergency procedures.

Building on the University's growing global reputation for engineering, we were confirmed as a primary delivery partner of the Higher Education Partnerships in Sub-Saharan Africa 22-24 Programme. Successful applicants will deliver new training courses aimed at enhancing the knowledge, skills, and employability of African engineering graduates, through the project, which will support around 400 students.

As the global brand and reputation of the University gains momentum, we continue to welcome high profile guests to visit our cutting-edge campuses designed to facilitate impactful research and knowledge exchange. Government officials from South Africa and Saudi Arabia visited our National Horizons Centre and new Net Zero Industry Innovation Centre, as well as industry professionals from Vellore Institute of Technology (VIT) in India and Nigeria's Oil and Gas industry.

Aligned to the UK's International Education Strategy, we continue to forge strong links with overseas partners around priority areas, such as Net Zero, Digital and Health, which complement the University's overarching strategy and ambition to become a hub of excellence and expertise for these industries.



Key Successes 2022/23

- > More than 150,000 alumni in over 120 countries ¹
- > Ranked number one in the UK for international student satisfaction.
- > Ranked 18th in the world in the Animation Career Review International Animation School Rankings 2023.
- > Ranked in the 301-350 band of 605 global universities in the Times Higher Education Young University Rankings 2023.
- > Tees Valley net impact of international students estimated at over £378m.²

¹ Internal data source – Alumni data system, Comms & Development

*Rankings data available: https://www.tees.ac.uk//sections/about/public_information/source.cfm

² <https://acrobat.adobe.com/link/review?uri=urn:aaid:scds:US:28e3cb44-69f2-3bd6-b880-ab30c40c4886>

Resources and Business Management

The 2023 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.



2022/23 Resources and Business Management key performance indicators performance

The RBM Strategy is delivered by our professional services (including Department of Apprenticeships, Business Change & Improvement Programme, Campus Services, Finance, Human Resources, IT & Digital Services, Legal & Governance Services, Student Recruitment & Marketing and TU Online), who continue to keep the University safe and sustainable, secure investment and growth, drive service excellence and support academic excellence and the student and graduate experience. Our overall position continues to be extremely strong with 100% of the target key performance indicators (KPIs) set out in the RBM strategy achieved.

KPI	Target	Actual	RAG Rating
Total student enrolments (FTE)	20,118	20,455	●
Minimum Cash Surplus of 8% (EBITDA/Turnover)	8%	13.7%	●
Cash Balance minimum of £40m at year end	£40m	£78.2m	●
Minimum Annual Surplus (as % of turnover) of 5%*	5%	7.9%	●
Pay: Income Ratio	55.7%	51.3%	●
Student: Staff Ratio	16.5	16.7	●
Services and Facilities Spend (per student)	£2,764	£2,891	●
Maintain Investors in People	Maintain Gold status	Maintained Gold status	●
Overall Staff Satisfaction	75%	82%	●

* excludes measurement adjustments for defined pension schemes

Apprenticeships

The University remains proactive regarding the emerging skills needs of the region and beyond. Through continued investment and prioritisation in the development and growth of the University's apprenticeship provision, we now have over 2,000 apprentices studying our courses; and are working with more than 300 companies across the UK.

Key highlights for 2022/23 include:

- > significant investment in development of infrastructure, systems and people to support our continued commitment to excellence in apprenticeship development and delivery.
- > the national launch and publication of the University's first Professional Apprenticeship Strategy, continuing our drive to position Teesside University as a Provider of Choice.
- > continued innovation and development of the University's Professional Apprenticeship Portfolio across all Schools.
- > the University delivered significant growth in apprenticeships with a 31% increase in Apprenticeship FTE and a 37% increase in Apprenticeship Income compared to 2021/22.

We continue to shape the national policy landscape through engagement in key ministerial discussions, enhanced by the launch of our TU London campus as a base to develop networks in the capital, with our reputation as a leader in this field growing as our success continues.



Business Change, Improvement and Projects (BCIP)

The service has continued to support the achievement of the University's Corporate Strategy by driving 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 the University linked to people, structure, infrastructure, culture, and processes.

BCIP Programme Themes:

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

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

Key highlights for 2022/23 include:

- > driving forward delivery of over 30 strategic change projects, utilising the BCIP Project Management Framework.
- > continuing to rollout and further develop our Enquiry Management and Appointment Booking systems to enhance the student experience, supporting student self-service and swift resolution of enquiries.
- > undertaking several process and system reviews resulting in improvements to ways of working, including a broad range of business analysis activity and enhancement to our systems around student attendance monitoring and the applicant portal expanding its use across all recruitment streams.
- > led in the set-up of operations and activity ahead of the launch of TU London.
- > delivering projects to enhance our student experience with a focus on front facing services including a review of activity undertaken by the University and Students' Union.
- > review and refinement of school and service operating models.

Campus Services

Our commitment to providing an outstanding student experience through an innovative learning environment and state of the art facilities continues with the ongoing transformation of our campus. Following completion of Phase 2 of our Campus Masterplan vision we remain focused on delivering Phase 3 which will further enhance our campus.

Key highlights in 2022/23 include:

- > Phase 2 Campus Masterplan Projects completed including:
 - The Buttery (Postgraduate Facility)
 - Net Zero Industry Innovation Centre
 - BIOS Medical Facility
 - Design development of the Digital Life facility to enhance the Digital Offer
 - Relocation of TU International Business School to the Phoenix building
 - Repurposing of the former Business School building to become the new home for the School of Social Sciences, Humanities and Law
 - Acquisition and development of space in Here East (Olympic Park) to accommodate the University's London Campus
 - Repurposing and refurbishment of the library to create new social spaces and food offer
 - Completion of fire precaution works in residential accommodation.
- > 71 Minor Capital Projects completed including health and safety and long-term maintenance projects.
- > estates response to circa 12,296 responsive maintenance and facilities tasks.
- > successful implementation of individual student timetables including 16,547 planned activities across all schools.
- > significant reduction in carbon emissions with further development of the pathway to implement the University's Decarbonisation plan.
- > continued review of energy procurement which has generated significant efficiency savings in challenging market conditions.
- > waste management – maintaining zero waste to landfill.
- > detailed development and continuing integration of the University's Business Continuity Plans across all schools and services.
- > supporting over 900 students in TU residential accommodation including out of hours support.
- > successful implementation of new international food offers, providing food and beverages to staff and students with circa 328,000 transactions.
- > continued development of Safezone – an emergency response app for University staff and student safety at home and whilst working abroad (circa 9,600 students and staff continue to use this system).

Finance

The Financial Strategy is a key driver in the delivery of Teesside 2027 and the Resources and Business Management Strategy. Cost pressures intensified during the year particularly general inflationary pressures, energy prices, pay awards and for 2023/24 will also include pension cost pressures.

Despite the challenges, University financial performance remains excellent with all financial KPIs exceeded in 2022/23. This performance ensures the financial foundations of the University remain robust and resilient as we look ahead to what is anticipated to be another challenging financial year in 2023/24.

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

The University financial planning processes enable scenarios to be rapidly and robustly stress tested as they emerge. The 2023/24 Budget and three-year forecast continue to deliver the objectives of the University Financial Strategy (financial resilience, sustainability and investment) and enables management of downside scenarios whilst maximising financial flexibility. The ability of the University to rapidly flex its finances and operations will continue to be important in being able to respond effectively to the student recruitment market and inflationary cost pressures.

Key highlights during 2022/23 include:

- > Further enhancements to automated credit control processes, following sector benchmarking, for the recovery of academic and non-academic debt.
- > Developing a digitised establishment with colleagues in Human Resources to inform staffing decisions and management of staffing resource.
- > Embedding of multi-year budgets within the Finance system.
- > Introduction of B3 and ESFA Apprenticeship Accountability Framework metrics within our Corporate and School Performance Packs.
- > Implementation of the University Student Enquiry system within Finance which included investment in FAQ's to encourage Student Self Service.
- > Digitised Agent's Commission process linked to the Student Records system for the payment of Agents Commission.
- > Positive feedback from our Internal Auditors in respect of Data Futures readiness.

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

Human Resources

The University's aim is to deliver and sustain a future facing workforce. Examples of key projects and achievements delivered during 2022/23 are detailed below.

HR Strategic Projects

Eight new strategic projects, designed to support the University's corporate objectives and the University's position as an employer of choice were delivered in 2022/23.

Key highlights for 2022/23 include:

- > delivery of a new staffing structure and terms and conditions package for TU London.
- > implementation of new target operating models for the University's income generating units including the Apprenticeships and TU OnLine and delivery of several major staffing restructures.
- > a new hybrid working approach for the University, which has increased the University's ability to recruit quality staff and new flexi-desking pilots across both academic and professional support functions, releasing valuable additional learning and teaching space.

Enhanced HR Functions

A major review of the HR function delivered significant additional resources to meet changing needs across the recruitment, operations, employee engagement and organisational development teams.

HR Organisational Development and Learning

Key highlights for 2022/23 include:

- > implementation of a new Leadership and Management Development Framework, providing development to leaders and managers at all levels and supported by the introduction of a new internal mentoring service.
- > development of a range of new on-line training modules, making key skills programmes more accessible to all staff.
- > delivery of tailored learning and development activities to support the delivery of the University's business change and improvement projects and school and services objectives.

HR Systems and Data

Work has continued to deliver a fully digital HR function as follows:

- > design and delivery of a new on-line Staffing Request process, which has reduced the overall time taken to recruit to new roles.
- > development of a new fully on-line application form, enhancing the candidate experience and enabling a quicker and easier shortlisting process.
- > staff completion of all mandatory training programmes is monitored and both employees and their line managers receive regular alerts to ensure that the training is completed within the required timescales.
- > a new on-line consolidated staffing establishment is now in place, delivering real time information on all vacancies and their current status, enabling better monitoring of all staffing resources.

Supporting Our People

The University's commitment to supporting all its employees has been reinforced this year through the following:

- > enhanced staff benefits including a new Car Lease Scheme.
- > support with financial wellbeing advice and guidance at a time of increased cost of living challenges.
- > continued engagement with staff through pulse surveys, which has confirmed high staff satisfaction levels and informed this year's developments.
- > delivered a record number of awareness-raising events, supported staff across all diversity strands and shaped the University's new Equality Objectives for 2024-2027.



The University's work to support all its employees continues to be externally recognised and achievements this year have included the award of the Positive Allies Charter Mark, the RNIB Visibly Better Employer and re-accreditation of the Better Health at Work Award (Maintaining Excellence level).

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 2022/23 at Teesside University was as follows:

- > Trade union representatives: 20 (2021/22: 23)
- > FTE trade union representatives: 18.23 (2021/22: 21.12)
- > Overall facility time (as % FTE of working time): 3.02 FTE.
- > (2021/22 3.17 FTE)
 - 0% of working hours: 1 representative (2021/22: 1)
 - 1% - 50% of working hours: 16 representatives (2021/22: 20)
 - 51% - 99% of working hours: 1 representative (2021/22: 0)
 - 100% of working hours: 2 representatives (2021/22: 2)
- > Percentage of total pay spent on facility time: 0.14% (2021/22: 0.17%)
- > Percentage of total paid facility time hours spent on paid TU activities: 3.08% (2021/22: 2.94%).



Information Technology & Digital Services

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

Information Systems

Key highlights include:

- > the utilisation of MyTU for students remains strong, with more than 17 million page views since launch in January 2022 with new features, such as MyAbsence, being introduced to enhance the student experience.
- > continued support in respect of the management of critical systems that enhance the student experience, including degree apprenticeships, the Enquiry Management System (EMS), academic work loading and library systems.
- > actively updating and supporting the rollover activities for the upcoming academic year across critical operational systems such as SITS, Blackboard Ultra, accommodation, hospitality, gym, and CRM systems.

Infrastructure Services

Key highlights include:

- > the completion of a major upgrade to our core data centre providing services used by all of our university users whilst completing an extensive upgrade project to over 370 servers.
- > extensive network upgrades across the estate supporting NetZero and Buttery programmes, as well as extensive refurbishment and relocation projects across the campus.
- > successful completion of the Unified Communication project bringing modern, agile and cost-effective telephony services to the University.
- > expansion of the hosting services for student virtual servers to over 400 students.
- > actively protecting the University and our students, staff and other stakeholders through the extensive deployment of cyber security controls and systems, training and information maintaining a safe and secure environment.

Client Services

Key highlights include:

- > the service desk has dealt with over 40,000 incidents and requests for support in 2022/23, with over 18,000 phone calls to the service desk, achieving a 4.7 out of 5.0 rating.
- > deployment of over 3,000 iPads to students during 2022/23
- > Over 340 Adobe and Microsoft exams delivered to our students with three students shortlisted in the top 30 as part of the Adobe Certified Professional UK & Ireland competition.
- > delivery of IT workshops to over 1,400 delegates.
- > delivery of innovative and leading AV facilities and services to facilitate hybrid teaching using industry leading solutions across our estate including our new BIOS building and TU London Campus
- > extensive upgrades across our AV estate, delivering modern sustainable facilities.

Service Excellence

Key highlights include:

- > achieved Cyber Essentials certification for the whole of Teesside University's IT Services demonstrating our commitment to keeping our users and systems safe.
- > achieved reaccreditation of the recognised ISO 20000 certification for IT Service Management demonstrating our commitment to service excellence in IT & Digital Services.
- > review and update of key IT policies governing all aspects of IT service.
- > providing quality services that deliver value for money which underpin our commitment to delivering a sustainable IT service, through data driven processes and decision making.

All ITDS teams have been extensively engaged delivering a modern, digital first solution to our new London campus, supporting our students with innovative solutions across IT services, support and audio-visual services.

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.

In 2022/23, LGS has remained highly responsive to the changing legal and regulatory requirements faced by the University and delivered on a number of key initiatives such as the centralisation of the Student Case Work Office (formerly OSCAR), the integration of the Apprenticeship Compliance Team within LGS, support in the delivery of TU London Campus and Campus Masterplan, and the ongoing delivery of the TU Group Structure and the Digital Records Transformation Projects.

Key highlights for 2022/23 include:

- > ongoing implementation of the independent governance review findings as part of the 'modernising governance' agenda.
- > appointment of a new Chair and Deputy Chair of the Board of Governors
- > progressing wider Board recruitment and succession planning
- > development of a comprehensive assurance activity schedule to monitor compliance processes across the University following the successful UKVI HEAT Audit in 2021/22
- > achievement of UKVI Basic Compliance Assessment (BCA) metrics with excellent rates across all three areas: visa refusals, enrolments and course completions.
- > launch of the UKVI Compliance Portal.
- > ongoing implementation of the partnership with Study Group to form a new International Study Centre based at the Tees Valley campus.
- > professional support and legal advice for apprenticeships (including support and detailed advice on the external sub-contracting audit)
- > processed and reviewed over 500 commercial contracts in addition to providing comprehensive legal advice and support on general legal matters.
- > comprehensive professional and legal support and advice on the delivery of the campus masterplan; the Net Zero Project; and TU London.
- > oversight and advice on the University's safeguarding procedures including a wholesale review of the University's Safeguarding Children and Adults at Risk Policy.
- > rebranding of the OSCAR office to Student Casework Office (SCO) and ongoing implementation of the centralisation plans for student investigations.
- > production of the OSCAR Report for academic year 2021/22, providing data and trends on university complaints, appeals and student misconduct issues.
- > strengthened procedures and processes on the management of student discipline and criminal conviction declarations.
- > mapping of Office for Students statement of expectations for preventing and addressing harassment and sexual misconduct affecting HE students.
- > operational lead on consumer protection compliance; providing advice and guidance.
- > launch of Information Governance Newsletter.
- > 341 Information requests handled under FOI and Data Protection Legislation.
- > 28 Detailed Data Protection Impact Assessments undertaken.



Student Recruitment & Marketing

Continuing delivery of our Student Recruitment Strategy 2027, the service made excellent progress in our continuous improvement approach and launch of numerous new products. In response to the continuing uncertainty in the UK market, we completed a comprehensive review of our operating model and increased resource across this critical area.

The institutional focus on student recruitment, and the shared responsibility across Team Teesside, resulted in numerous successes including:

- > engagement with over 29,000 individuals.
- > over 700 events delivered across our campuses and with partners.
- > launch of our Teesside University London brand.
- > rebrands for both our Professional Apprenticeships and TU Online offers.
- > comprehensive promotion of our offer across all our social media platforms.
- > continuous improvement in our applicant conversion journey.
- > continued focus on delivery of our Access & Participation Plan targets.
- > a series of residential events on campus across our academic disciplines.
- > support of our local communities and attendance at local events including the Mela, Naga Kirtan, Taste of Africa, and the Black History Youth Awards.
- > rigorous and robust admissions processes which support our students to reach their full potential.

Our commitment to delivering excellence across our University student recruitment operations continues to ensure that Teesside remains competitive and able to benefit from a diverse range of income generation opportunities.

As we anticipate continuing challenges within the higher education sector, the service is well placed to remain at the forefront of innovation across our operations.

TU Online

Since its launch in 2019, the University-led company has grown significantly, now accounting for almost one in 10 of our Teesside University students, with nearly 2,500 learners enrolled across 25 online courses.

The growth of TUOL is a superb example of the University diversifying its income streams. TUOL income is now circa £2.3m and is projected to rise by almost 50% in the next 12 months, making a key contribution to our financial resilience. The online offer is increasingly recognised by external agencies, including a top 50 ranking in the recent Uswitch Online Learning Index.

Key highlights for 2022/23 include:

- > implementing the new TU Online Limited operating model in which TU Online Limited Tutors (working with Course Teams within schools and Student Learning and Academic Registry) create content for online courses and teach upon them after launch to facilitate speed to launch and align to school ambitions for online growth.
- > driving the strategy to achieve significant recruitment targets for academic year 2022/23 across the existing Online course portfolio with recruitment and continuation targets for 2022/23 achieved.
- > development of a non-accredited online payment gateway to support high volume payment transactions and automated release of non-accredited CPD for individuals, businesses, and institutions following payment.



Financial Highlights and Chief Operating Officer overview

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

2022/23 financial strategy performance

> Financial stability and resilience

- maintaining strong net cash balances – £78.2m (2021/22: £85.3m) with no borrowing
- cash at 160 days expenditure (2021/22:208 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 of 13.7% during the year (2021/22: 14.9%)
- 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
 - Enterprise and Knowledge Exchange
 - Research and Innovation
 - TU Global
 - Resources and Business Management
- continued campus investment
- continued academic growth investment
- enhanced infrastructure and student experience and digital investment.

The 2022/23 financial results for the University are very strong across the board continuing the excellent financial track record and trajectory of the University despite the general inflationary costs pressures, rising energy costs and the further impairment of a University building during the year.

The 2022/23 programme of investment included over £50.7m (2021/22: £15.8m) of capital investment during the year, as well as continued targeted investment to support student recruitment, curriculum development, international growth and research. This was complemented by the continued identification and delivery of efficiencies across both the pay and non-pay cost base.

In support of the Teesside Corporate Strategy, the Board of Governors have 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.



2022/23 financial performance against 2021/22

The University's consolidated financial performance for 2022/23 can be summarised as follows and continues the strong trajectory of recent years:

- > total income of £210.2m (2021/22: £180.3m)
- > £12.3m surplus after tax (2021/22: £2.4m loss)
- > cash generated from operating activities: £35.0m (2021/22: £22.2m)
- > investment in capital expenditure: £50.8m (2021/22: £15.8m)
- > net assets of £246.4m (2021/22: £222.6m).

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)

	2022/23 £'000	2021/22 £'000	2020/21 £'000	2019/20 £'000	2018/19 £'000
Tuition fees and education contracts	161,107	139,466	125,062	116,187	110,749
Funding grants	18,444	16,964	17,067	16,420	15,448
Research grants and contracts	5,377	4,448	3,617	3,383	3,244
Other income	21,941	18,389	13,185	14,053	15,061
Investment income	2,829	465	108	275	395
Donations and endowments	463	521	332	232	157
TOTAL INCOME	210,161	180,253	159,371	150,550	145,054
TOTAL EXPENDITURE	(197,584)	(183,469)	(157,402)	(147,259)	(141,762)
Measurement adjustments	3,997	13,025	10,800	9,201	9,272
TOTAL EXPENDITURE EXCLUDING IMPACT OF MEASUREMENT ADJUSTMENTS	(193,587)	(170,444)	(146,602)	(138,058)	(132,490)
SURPLUS BEFORE OTHER GAINS EXCLUDING IMPACT OF MEASUREMENT ADJUSTMENTS	16,574	9,809	12,769	12,492	12,564
Net Margin	7.9%	5.4%	8.0%	8.3%	8.7%

Income

Total income in the year was £210.2m representing an increase of 16.6% (£29.9m) over the previous year (2021/22: £180.3m).

The main movement is:

- > tuition fee income and education contracts increased by £21.6m (2021/22: £14.4m). This was predominantly due to fee income from full-time home and EU students decreasing by £2.8m and international students increasing by £22.7m.

Income from tuition fees and education contracts accounts for 76.7% (2021/22 77.4%) of total income and is illustrated in the chart.

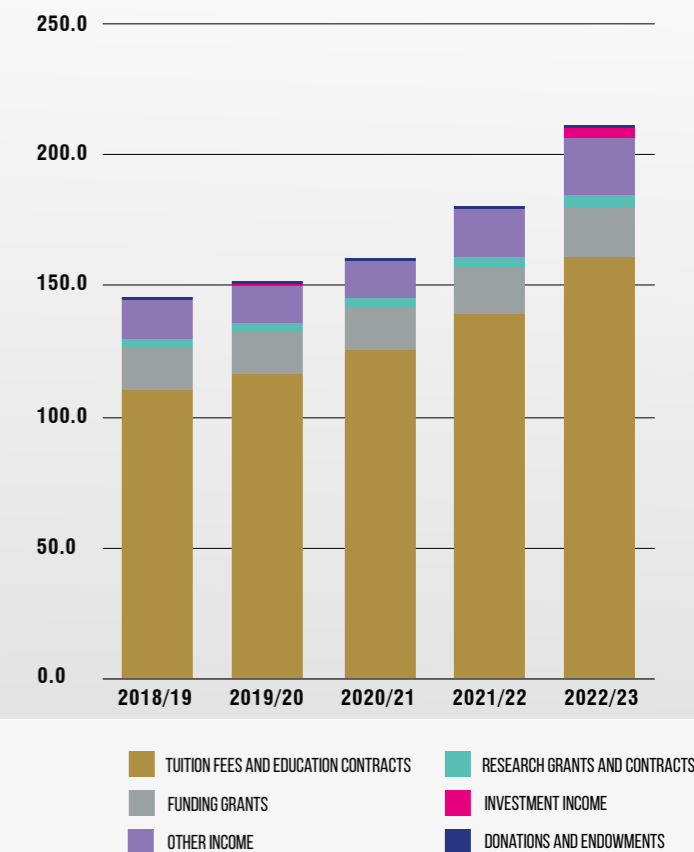
The increase in other income of £3.5m is mainly due to increases in other revenue grants (£3.6m).

Expenditure

Total expenditure was £197.6m, an increase of £14.1m over the previous year (2021/22: £183.5m).

The main movements year-on-year are:

- > staff costs have increased by £7.5m in 2022/23 to £109.8m (2021/22: £102.3m). This is due to an increase in the average FTE numbers of 197 to 2,143 of which 125 were academic and research posts and a decrease in other pension costs of £4.7m which relates predominantly to the FRS 102 calculation in respect of the Teesside Pension Fund
- > other operating expenses have increased by £10.0m in 2022/23 to £70.1m (2021/22: £60.1m). This is due to increased expenditure on utilities, international agents' commission, scholarships and bursaries for international students and increased expenditure on professional and consultancy fees. The increases relating to international students are directly correlated to increases in international students' fee income and the increase in professional and consultancy fees is directly correlated to the increase in revenue grants.
- > impairment costs of £2.9m in 2022/23 (2021/22: £5.1m) relate to one building which has been vacated and a further independent valuation, based on the residual method for determining the value of the property, has been completed and a further impairment has been recognised to reflect this independent valuation.



Result

The net margin of 7.9% (excluding measurement adjustments) compares favourably to 2021/22 (2021/22:5.4%). This represents a very strong financial performance for the year, despite increasing cost pressures particularly general inflationary pressure, pay awards, cost of living payments and energy prices. Robust management of the cost base and continued financial focus and discipline across all University budgets continues to be exercised in order to achieve the Teesside 2027 Corporate Strategy, including delivering the Campus Masterplan.

Balance sheet

Total assets less current liabilities of the group increased this year by £22.6m to £289.4m. The main areas of change were:

- > increase in fixed assets of £33.5m
- > increase in trade and other receivables of £8.6m of which £4.7m relates to trade receivables and £3.9m relates to an increase in prepayments and accrued income
- > reduction in cash and cash held on term deposits of £7.1m
- > increase in creditors falling due within one year of £12.2m of which £10.8m relates to the increase in payments on account.

The group's total reserves for the year have increased by £23.7m which is due to the actuarial gain in respect of pension schemes (£11.4m) and the £12.3m surplus for the year after tax.





Capital programme

The University continued to invest in its estate in 2022/23:

- > refurbishment and repurposing of The Buttery for a new £5m facility for PG students (£2.6m in 2022/23)
- > completion of the £13.1m Net Zero Innovation Centre (NZIIC), a new national facility for technological research, development, demonstration, and transfer, working directly with industry, and facilitating the transition of the Tees Valley and UK's engineering industries to more sustainable, low carbon processes and products (£9.9m in 2022/23) – completed April 2023
- > £1.2m investment in 2022/23 in respect of the enabling works for the proposed new Digital Life Building
- > £0.5m investment in 2022/23 in respect of the £1.6m investment in our refurbished International Business School completed September 2023
- > £0.4m investment in 2022/23 in respect of the £2.7m investment in our London Campus which opened in September 2023
- > a £36.9m investment in the BIOS building which will offer high-quality, leading-edge facilities and laboratories for health, sciences and clinical subjects including anatomy, pharmacy, microbiology, chemistry, Earth sciences and food sciences (£27.6m in 2022/23) – completed September 2023
- > a range of ongoing enabling projects identified in the Campus Masterplan which contribute to the enhancement of the student experience.

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

Cash flow

During the year performance was strong with £35.0m (2021/22 £22.2m) generated from operating activities. Debtors increased by £8.0m due to increases in trade receivables and prepayments. Creditors increased by £15.2m mainly due to payments received on account relating to student tuition fees for the 2023/24 academic year. There was also a reduction of £8.8m excess of pension costs over contributions paid. There was also a decrease in short-term deposits of £15.0m and a £7.9m increase in cash balances. Fixed asset expenditure during the year of £50.8m was funded through existing cash balances, capital grants and the cash surplus generated in the year.

Treasury management

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

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

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

Teesside 2027

This is a very positive outturn for the 2022/23 financial year, particularly considering the continued and increasing cost pressures faced by the University. This performance ensures the financial foundations of the University remain robust and resilient as we look ahead to what is anticipated to be a challenging financial year 2023/24.

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

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

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

Five-year summary of key statistics

	2022/23 £'000	2021/22 £'000	2020/21 £'000	2019/20 £'000	2018/19 £'000
Tuition fees and education contracts	161,07	139,466	125,062	116,187	110,749
Funding grants	18,444	16,964	17,067	16,420	15,448
Research grants and contracts	5,377	4,448	3,617	3,383	3,244
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Donations and endowments	463	521	332	232	157
TOTAL INCOME	210,161	180,253	159,371	150,550	145,054
TOTAL EXPENDITURE	(197,584)	(183,469)	(157,402)	(147,259)	(141,762)
SURPLUS/(LOSS) BEFORE OTHER GAINS	12,577	(3,216)	1,969	3,291	3,292
NET CASH INFLOW FROM OPERATING ACTIVITIES	35,023	22,184	39,058	25,640	17,426
(DECREASE)/INCREASE IN CASH AND BANK DEPOSITS IN THE YEAR	(7,101)	13,962	31,629	(3,634)	(8,402)
Non-current assets	243,249	209,945	212,603	220,586	204,214
Net current assets	46,113	56,771	41,816	22,380	28,165
Creditors due after more than one year	(39,087)	(32,375)	(30,005)	(30,546)	(31,086)
Provisions (excluding pension liability)	(3,896)	(3,661)	(4,440)	(4,750)	(4,672)
NET ASSETS BEFORE PENSION LIABILITY	246,379	230,680	219,974	207,670	196,621
PENSION LIABILITY	–	(8,061)	(114,100)	(126,286)	(70,598)
NET ASSETS AFTER PENSION LIABILITY	246,379	222,619	105,874	81,384	126,023



Environmental and Social Governance Statement on Sustainability

Delivering ambition today, whilst shaping our future

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

Our values

Through our core values of delivering excellence, empowering individuals, fostering creativity, embracing diversity, communicating openly, committing to sustainability and taking responsibility, we level up opportunity.



Our commitment to corporate sustainability

The University is committed to maximising the delivery of positive social impact and to operating as a responsible, ethical and sustainable business. This activity is coordinated by the Environmental and Social Governance Oversight Board and delivered through a number of supporting strategies.

The Sustainable Futures Strategy and Environmental Policy set out a commitment to reduce the University's environmental impact. Significant progress has been achieved against the 2005 baseline data, including an almost 50% reduction in CO2 emissions and a reduction in water usage. The University has maintained Ecocampus Gold and Zero Waste to Landfill status and also ranks 6th in the UK in the Green Metric World University Ranking on Sustainability. This year saw 121 tonnes of plastic, glass, cardboard and metal recycled.

The Community Investment and Social Impact Strategy, developed in consultation with community partners, identifies clear actions to address the material issues impacting our local communities. Themes include promoting digital inclusion, civic pride and cohesion, and addressing issues of unemployment, low educational attainment and aspiration.

A standout example of this in action is a new partnership with FurbdIT, a social enterprise working to improve digital inclusion through distribution of donated laptops and other devices to the community. In the first few months, University donations of kit to FurbdIT have saved 18 tonnes of carbon and delivered a social return on investment of £190,000.

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. A total of 49 trees have been planted across campus this year and in partnership with external contractors, we have created apprenticeship opportunities, and contributed to a local scheme to improve literacy.

Through the Future Facing Learning model, Teesside graduates become socially and ethically engaged citizens. Sustainability is now becoming embedded as a core aspect of the curriculum, an approach pioneered by Teesside University International Business School.

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



GOVERNANCE

Public Benefit Statement

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

The University makes a significant contribution to the economic prosperity of the region as an economic engine and magnet for global investment. As a major employer, we support around 2,800 FTE roles in the region¹.

The most recent economic impact analysis demonstrated an annual contribution of £200m GVA to the region¹. This impact continues to grow, and this can be attributed to ongoing jobs creation through spin-off and start-up companies, supported by a range of business programmes, including Help to Grow, which delivers upskilling opportunities, and Power Up, our Indie Games Accelerator.

The combined human capital impact, which includes the increased earning potential of Teesside's graduates and the value of training and support delivered by the University, is estimated at £1.3 billion².

The public benefit of the University goes beyond the economic contribution. Teesside University is an anchor institution embedded within the fabric of the region; an educator, a knowledge creator, a convenor and a facilitator.

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

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

Teesside University continues to prioritise access to higher education and offers a broad portfolio of flexible learning options. The University is now one of the UK's largest providers of professional apprenticeships, whilst almost one in ten learners are enrolled on an online learning qualification through TU Online Ltd.

The University seeks to broaden ambitions and raise aspirations, running school and college outreach activity and community engagement initiatives, such as the Summer and Winter University programmes. We operate many initiatives aimed at challenging stereotypes and breaking down barriers to education, including the Hello World conference to inspire young girls into careers in computing, and the Pro:NE project, which supports people from minority ethnic backgrounds to progress into postgraduate research careers.

Philanthropic income to the Teesside Transformation Fund has increased, and we now offer an expanded range of scholarships available to both home and international students. Through the generosity of our donors, over 60 scholars were supported in 2022/23.

Another new initiative is Be The Change, the University's workplace giving scheme, which supports charities and local community groups. The first funding round awarded £5,500 across eleven organisations, who are delivering on-the-ground action to raise aspirations, promote community cohesion, and support digital inclusion across Teesside.

Board of Governors

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

Independent members

Dean Benson
 Paul Booth CBE (retired 25 November 2022)
 Ada Burns (appointed Chair 25 November 2022)
 James Cross (resigned 27 January 2023)
 Dr Nick Johnson
 Yasmin Khan
 Sue Kiddle (retired 25 November 2022)
 Fiona Macleod (retired 25 November 2022)
 Scott Martin (appointed 1 June 2023)
 Tony Parkinson (resigned 10 March 2023)
 Alfredo Ramos
 Richard Rollison
 Dermot Russell (Treasurer)
 Steve Tonks (retired 25 November 2022)
 Claire Vaughan
 Godfrey Worsdale OBE

Vice-Chancellor & Chief Executive

Professor Paul Croney OBE

Staff and student representatives

Femi Abolade
 Dr Safwan Akram (resigned 31 March 2023)
 Suhail Aslam (resigned 31 July 2023)
 Nevin Edwin (appointed 1 July 2023)
 Tim James (appointed 1 April 2023)
 Professor Chrisina Jayne
 Nigil Thathron (resigned 30 June 2023)

Co-opted members

Professor Philip Jones (retired 14 July 2023)

Secretary to the Board of Governors

Helen Cutting

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

2. [https://www.tees.ac.uk/docs/docrepo/about/Economic Impact Report 2020-21.pdf](https://www.tees.ac.uk/docs/docrepo/about/Economic+Impact+Report+2020-21.pdf)

The list includes trustees who served at any time during the year and up to the date that the financial statements were formally approved.

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 2023

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 2023 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, and a Resources 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 and data quality. 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 and Projects framework as appropriate to the remit of the Committee.

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

The Resources Committee inter alia recommends to the Board of Governors the University's annual revenue and capital budgets and 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, an Academic Board, constituted in accordance with the Articles of Government, provides oversight of all academic matters and reports to the Board of Governors ensuring that the Board can discharge its responsibility to have assurance on the academic quality and standards of teaching at the University.

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

Remuneration of the Vice-Chancellor & Chief Executive

(extracted from the annual report of Remuneration Committee to the Board of Governors for the year ended 31 July 2023)

Note: Remuneration Committee presents its report to the Board of Governors for the academic year ended 31 July 2023 and any significant issues up to and including the meeting of Remuneration Committee held 15 September 2023. In the reporting period, the Committee met on 5 September 2022, 9 November 2022 and 9 March 2023 and considers the pay and performance of the Senior Post Holders. The Vice-Chancellor is not a member of this Committee.

University Operating Context

Teesside University is a dynamic and modern institution, based in the Tees Valley, but with an international reputation for academic excellence. First established as a college in 1930 and receiving university status in 1992, the University is committed to unlocking potential as it drives forward its mission to transform lives and economies.

Throughout the 2022/23 academic year, the University has continued at pace to deliver the strategic projects and ambitions across the business that underpin progress of the corporate strategy, Ambition Delivered Today. At the end of the 2022/23 academic year, the University received its results under the Office for Students' Teaching Excellence Framework (TEF) 2023, achieving an overall gold ranking, along with gold for both student experience and student outcomes providing clear recognition of the University's commitment to delivering excellence across its teaching provision and the student experience.

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

- > had a turnover in excess of £210m
- > invested over £280m in its campuses to date
- > has over 25,000 students
- > employs more than 3,300 staff
- > achieved 100% of corporate KPIs
- > opened its £13.1m Net Zero Industry Innovation Centre (NZIIC)
- > completed BIOS, a £36.9m health and life sciences facility (opened October 2023)
- > opened the £5m Buttery, a new hub for postgraduate students
- > established a range of new international partnerships
- > opened a new London Campus at Here East in Stratford (first cohort September 2023)
- > saw an increase in its online learning provision, with almost one in 10 learners now part of its online student community.
- > gained accreditation as an Outstanding Centre of Excellence for its work to digitally upskill staff and students
- > awarded the Most Innovative Approach to Engaging Students Using EdTech award at the prestigious Pearson HE Innovate Awards 2022
- > launched the TU Football Academy for talented scholars and related to this, established the George Friend Scholarship and the Beth Mead Scholarship
- > introduced a sector leading out of hours mental health service, including a free 365-day, 24-hour confidential helpline
- > under the banner of 'Yes to Respect', launched a new Student Voice campaign focussed on respect and support in an inclusive and safe environment

- > was recognised by its students as providing the best experience in the North East in 7 of the 10 categories in the National Student Survey 2023, including 'student voice', 'Students' Union' and 'Teaching on my course' and ranked overall 25th for 'Teaching on my course', 21st for 'Learning resources' and 27th for 'Freedom of expression'
- > ranked 5th for Research Quality for Tourism, Transport, Travel & Heritage Studies, 27th overall for Student Satisfaction and 50th overall for Graduate Prospects – On Track in the Complete University Guide 2024¹
- > developed a new Public & Community Engagement Plan as part of the Knowledge Exchange Framework (KEF) and secured investment to drive this activity forward
- > established a new university sabbatical scheme, funded through QR, to support the generation of high quality research outputs
- > secured £4.8m of funding from the Research England Development (RED) Fund to support a 4-year £11m collaborative research project with Durham University to accelerate decarbonisation and the use of hydrogen through supporting industrial research and development and capacity building in the Tees Valley
- > was awarded a £5m regional EPSRC Place-based impact acceleration account
- > supported over 130 student start-ups, 12 staff start-ups and 6 social enterprises that were still active and had survived for at least 3 years
- > secured over £130,000 funding through the UK Turing Scheme to support student mobility for the 2022/23 academic year
- > saw over 120 students engaged in study abroad, volunteering and placement opportunities in 18 countries worldwide
- > retained a UK number one position for the seventh consecutive year out of 32 UK Universities and 2nd out of 131 global universities for overall happiness in the annual International Student Barometer (ISB) Survey.²

(further highlighted in the University's annual report and financial statements for the year ended 31 July 2023).

Remuneration (Pay)

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

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

1. https://www.tees.ac.uk//sections/about/public_information/source.cfm
2. https://www.tees.ac.uk//sections/about/public_information/source.cfm
1,820 students responding

Remuneration (Performance)

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

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

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

Vice-Chancellor & Chief Executive

Year ended 31 July 2023:

Applying the above principles of remuneration and approach, at its meeting on 5 September 2022 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 therefore determined to apply an increase to base salary representing a cost-of-living increase of 3%, in line with that awarded to other university staff whose salaries are nationally negotiated.

At its meeting on 15 September 2023, the Remuneration Committee recognised the Vice-Chancellor's exceptional contribution to the University during the previous academic year, acknowledging the extremely strong performance of the University and the related strategic KPIs, as well as acknowledging the continued and outstanding leadership afforded to staff and students throughout a further challenging year arising from the cost-of-living pressures and external political environment. The Committee therefore determined to make a performance payment of 15% of base salary for the year ended 31 July 2023.

The breakdown of emoluments of the Vice-Chancellor for the year ended 31 July 2023 (and the previous 4 years for comparison) are as follows:

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

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

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

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

Year commencing 1 August 2023:

At its meeting on 9 March 2023, 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. The 2023 award consisted of an overall award 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. Applying the above principles of remuneration and approach, at the meeting on 15 September 2023 Remuneration Committee reaffirmed the cost-of-living increase agreed in March 2023 and determined that no additional increase was required to base salary of the Vice-Chancellor at that time.

Pay Multiples – year ended 31 July 2023

The median salary across all staffing groups is £36,333 per annum (2022: £34,304 per annum). The Vice-Chancellor's basic salary is 7.3 times (2022: 7.4 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 8.5 times (2022: 7.7 times) the median total remuneration of staff.

Internal control

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

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

The system of internal control is based on a continuous process designed to identify the principal risks to the achievement of policies, aims and objectives; to evaluate the nature and extent of those risks; and to manage them efficiently, effectively and economically. This process, which accords with the OfS guidance, has been in place for the year ended 31 July 2023 and up to the date of approval of the financial statements.

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

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

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

- a Risk Management Framework and Risk Management Policy is in place to articulate the arrangements and activities in place to ensure that the University's strategic and operational risks are identified, mitigated and where judged appropriate, tolerated taking into consideration the University's risk appetite
- The Strategic Risk Register is aligned to the University's strategic objectives
- The Risk Management Framework and Policy underpins a number of KPIs within the corporate strategy and assists in ensuring that the University understands its key risks, the controls in place which mitigate the impact of such risks should they materialise and the planned controls to be implemented to provide further mitigation where required
- The Risk Management Framework and Risk Management Policy is reviewed at least annually. This forms the basis of detailed risk identification and management
- There is a risk scoring process set out within the Risk Management Framework which includes likelihood and impact assessment, guidance and definitions are available to support the scoring of risks
- The University uses the target risk score for strategic risks as a proxy for risk appetite. The University accepts that there may be instances where it temporarily needs to operate outside of the University's risk appetite and tolerance levels in times of uncertainty and monitors and reports on those risks to Audit Committee and Board of Governors
- the University Executive Team oversees risk management across the University
- responsibility for monitoring each strategic risk is assigned to a senior officer of the University with the Chief Operating Officer and the Director of Finance having day-to-day responsibility for risk management within the University
- the Strategic and operational risk registers are regularly updated and include mitigating and planned actions to eliminate or mitigate the impact and likelihood of all key risks identified
- major risks included in the School and Service operational risk registers are considered by the University Executive Team for escalation to the strategic risk register
- information on risks and risk management are reported at each meeting of the Audit Committee and Board highlighting any deviations from the agreed level of risk appetite for each strategic risk and tracking the status of mitigating actions
- the Audit Committee approves the Internal Auditors' Annual Plan and receives regular reports from the Internal Auditors, which include recommendations for improvement
- the Audit Committee receives regular reports on the University's Assurance Framework ('3 Lines of Defence' model) and Risk and Assurance activities
- the Board of Governors receives regular reports from the Chair of the Audit Committee concerning internal control and it requires regular reports from senior managers on the steps they are taking to manage risk in their areas of responsibility, including progress reports on key projects
- the Board of Governors' review of the effectiveness of the system of internal control is informed by the Internal Auditors who operate a firm-wide internal audit methodology which is aligned to the Institute of Internal Auditors International Standards for the Professional Practice of Internal Auditing. The most recent Internal Audit annual opinion concluded that the University's arrangements for governance, risk management, internal control, and value for money arrangements were '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>Inability to achieve student recruitment, enrolment, retention and progression targets</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 and Brexit which make student recruitment more challenging.</p> <p>The ongoing policy changes and further market deregulation and competition will continue to present significant challenge to Home/EU and International recruitment and will be exacerbated by the long-term impact of Covid on the international recruitment market and the impact on applicant behaviour in the home market. Negative exchange rate volatility, in particular the Naira, has increased the cost of an overseas education.</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>Monthly monitoring and reporting of student numbers and withdrawals.</p> <p>Continual review of relevant processes and bursary and scholarship offers.</p> <p>Continued development of on-line, part-time and higher degree apprenticeship courses.</p> <p>Continued targeted expansion of the University's recruitment footprint (geographic and subject specific) to meet Strategic KPI targets.</p> <p>Range of controls in place to support retention and progression including:</p> <ul style="list-style-type: none"> • Learner Analytics used across the University by the Student Learning Team to support targeted intervention for students at risk of disengagement. • Retention data analysis embedded within requirements for Continuous Monitoring and Enhancement. • Code of Practice provides a consistent approach to personal tutoring.w
<p>Failure to deliver a high-quality learning experience resulting in a significant negative impact on the University's reputation, regulatory metrics and league table position</p> <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 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 and internships maintained through strategic partnerships.</p> <p>Graduate employment areas aligned with growth areas identified by the LEP/Combined Authority in the Local Industrial Strategy.</p> <p>Continuous review and enhancement of the Student Life Building and associated 'one-stop-shop' processes.</p>
<p>Failure to provide a high-quality campus and learning environment, that delivers to student expectations and demonstrates VFM, will negatively impact on the University's reputation, recruitment and retention</p> <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>Failure to deliver strategic transformation, including the recruitment and retention of staff to ensure that it is effective for the delivery of the Corporate Strategy: Teesside 2027, Ambition Delivered Today.</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>A set of University-wide principles and parameters for Hybrid Working.</p> <p>Themed Staff Pulse Surveys are used as an Employee Engagement Tool.</p> <p>Regular review of School and Services staffing structures and Workforce Plans.</p> <p>Online systems to support staff recruitment and absence management.</p> <p>A range of initiatives 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>

Risk / Issue	Mitigation
<p>Failure to maintain financial resilience, sustainability and investment capability in the context of the increasingly competitive student recruitment market, the full time under graduate (FTUG) home tuition fee freeze up to and including 2024/25 and managing cost and income diversification pressures</p> <p>Factors such as:</p> <ul style="list-style-type: none"> the uncertainty of international and home FTUG new entrant recruitment due to travel, foreign exchange rates, cost of living crisis, labour rates and mobility. the current supply chain uncertainty and general inflationary pressures due to a wide range of factors, including the war in Ukraine, rising commodity prices, supply-chain disruptions, expansionary economic policies and the tightening of labour markets. <p>All negatively impact the financial sustainability of the University.</p>	<p>Robust financial strategy that delivers financial 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"> Financial Stability and Resilience Financial Sustainability Investment Capability <p>Estates Strategy and Masterplan in place, operational and on track with strong governance arrangements in place.</p> <p>Continued scenario and contingency planning to ensure that the University can respond to further potential pressures relating to pay, non-pay and energy costs.</p> <p>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>Failure to implement and operate effective controls to provide assurance of cyber and information security, resulting in the inability to avoid a major data breach or significant disruption to university hardware and software systems</p> <p>Any serious systemic failure or breach of the University's IT infrastructure or data could have a significant impact both financially and reputationally for the University and would result in an adverse student and staff experience.</p>	<p>Robust processes and controls over all data (student, staff and financial) and underpinning systems with assurance provided by internal and external audit coverage.</p> <p>Implementation of proactive vulnerability management and associated patching of all IT systems.</p> <p>Security information and event management (SIEM) system and next generation antivirus software deployed and 24/7 managed services implemented and embedded in normal operations.</p> <p>Mandatory IT Security and Data Protection training for all staff with robust follow up.</p> <p>Cyber Essential Accreditation and ISO 20000 Accreditation (International IT Service Management) awarded.</p> <p>Effective Threat and Vulnerability Strategy implemented and reviewed annually in consultation with the Penetration Test Supplier</p> <p>Regular review, updating and continuous development of the range of tools, disaster recovery plans, resilience and capacity in place.</p> <p>Standing agenda item of each Audit Committee meeting.</p>
<p>Failure to implement mental health and wellbeing strategies for students and staff and failure to ensure that students, staff and visitors are able to work in a healthy and safe environment in line with employment legislation and government and sector guidelines</p> <p>This risk relates to TWO critical areas of University activities:</p> <ul style="list-style-type: none"> Failure to have appropriate support mechanisms and strategies in place to address mental health and well-being issues amongst students and staff 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"> > University premises may be used to promote unlawful activities; > University equipment may be used to enhance understanding of unlawful activities; > Radicalisation of vulnerable University students and staff; > Risk of harm to vulnerable University students and staff 	<p>Mental health policies and procedures including a Student Mental Health, Wellbeing and Resilience Strategy.</p> <p>Participation in the Building Mentally Healthy Universities joint university project with MIND.</p> <p>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 & Teaching & Student Experience & Campus Operations Group oversee and drive forward the principles agreed in relations to the Learning and Teaching Delivery model and all student support and experience activities.</p> <p>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>

Risk / Issue	Mitigation
<p>Failure of the University to take a proactive approach to the risks and rewards posed by AI and in particular Chatbox GPT and Chatbox GPT4.</p> <p>This risk relates to how the University addresses the risks and rewards posed by the emerging AI landscape.</p> <p>The potential adverse risks associated with AI in the University context include:</p> <ul style="list-style-type: none"> Inappropriate use for academic purposes e.g. plagiarism Access to AI is not equal (e.g. behind paywalls) AI failure could affect the University's reputation Negative employee reactions (including nervousness re impact on jobs) Ethical issues 	<p>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 established to develop the University's AI strategy.</p> <p>Working Group of individuals from a range of departments has been established to consider AI from different perceptions and recommendations have been presented to the University's Student Learning Enhancement Committee in October 2023.</p> <p>A series of professional development events relating to AI have been scheduled throughout the year by the University's Learning Teaching Enhancement service.</p>
<p>Failure to and for the University to operate and be perceived as a responsible, ethical and sustainable business.</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, HEIs have an important role to play in the sustainability of their communities.</p>	<p>ESG activity is coordinated by the Environmental and Social Governance Oversight Board and delivered through a number of supporting strategies.</p> <p>Number of controls and targets in place to demonstrate commitment to and to achieve a green and sustainable campus.</p> <p>Demonstrable sustainability leadership in place through NZIIC, Social Policy Research, community and public engagement and embedding sustainability through the University's digital strategy.</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 Students' Union has sustainability targets within its strategy and operations.</p> <p>The University has robust procedures for budgeting and forecasting including stress testing and scenario planning. This includes capital forecasting and cash flow planning.</p> <p>The University has a number of Policies in place to demonstrate that it operates in a responsible and ethical manner.</p> <p>Action plan in place to implement recommendations from a recent Internal Audit on ESG.</p>



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

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

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

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

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

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

The Board of Governors has taken reasonable steps to:

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

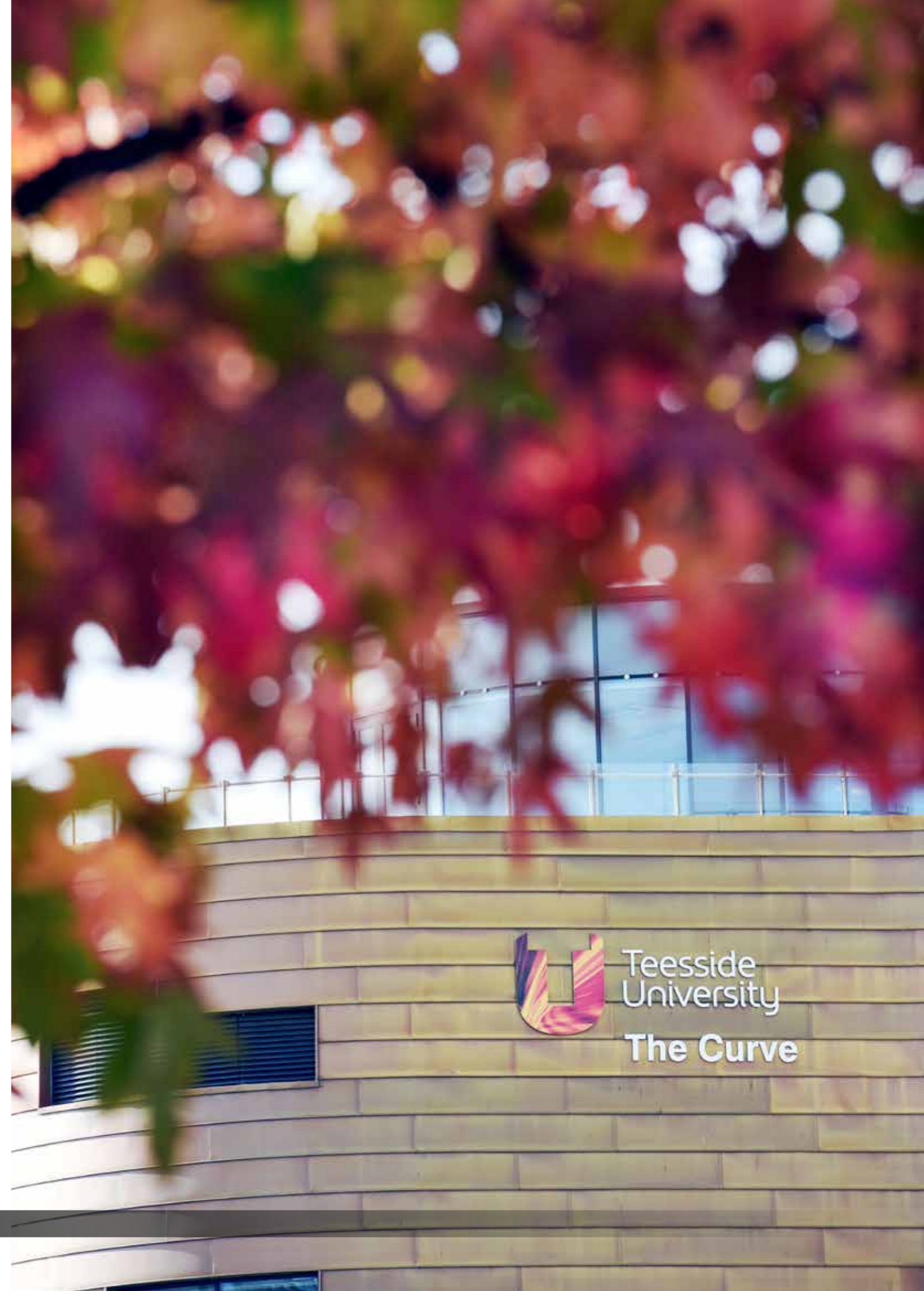
The Governing Body is responsible for the maintenance and integrity of the corporate and financial information included on the University's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.



Ada Burns
Chair



Professor Paul Croney OBE
Vice-Chancellor & Chief Executive



 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 University") for the year ended 31 July 2023 which comprise the Consolidated and University Statement of Comprehensive Income and Expenditure, Consolidated and University Statement of Changes in Reserves, Consolidated and University Statement of Financial Position, Consolidated Statement of Cash Flows and related notes, including the statement of accounting policies.

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the University's affairs as at 31 July 2023, and of the Group's and of the University's income and expenditure, gains and losses and changes in reserves, and of the Group's cash flows, for the year then ended; and
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

Basis for opinion

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

Going concern

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

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

Our conclusions based on this work:

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

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

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

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

Our risk assessment procedures included:

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

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

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

- the risk that management may be in a position to make inappropriate accounting entries; and
- the risk that tuition fee income is overstated through recording revenue in the wrong period.

We did not identify any additional fraud risks.

We performed procedures including:

- Identifying journal entries and other adjustments to test for all full scope components based on risk criteria and comparing the identified entries to supporting documentation. These included those posted by senior finance management, those posted by a user for less than four times in the year and those having unusual revenue and cash combinations.

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

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

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

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

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

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

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

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

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

Other information

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

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

Board of Governors' responsibilities

As explained more fully in its statement set out on page 58, the Board of Governors is responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and parent University's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless it either intends to liquidate the Group or the parent University or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

In our opinion, in all material respects:

- funds from whatever source administered by the Group or the University for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation;
- funds provided by the Office for Students, UK Research and Innovation (including Research England), the Education and Skills Funding Agency and the Department for Education have been applied in accordance with the relevant terms and conditions; and
- the financial statements meet the requirements of the Accounts Direction.

Matters on which we are required to report by exception

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

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

We have nothing to report in these respects.

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

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



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

Chartered Accountants

Sovereign Square, 1 Sovereign Street, Leeds

7 December 2023

FINANCIAL STATEMENTS

Statement of accounting policies

Accounting convention

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

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

Basis of preparation

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

Going concern

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

The Board of Governors were presented with the 2023/24 budget and financial forecasts 2023-2026 in July 2023 which included a three year cash flow forecast and balance sheet forecast. After reviewing and approving these forecasts the Board of Governors is of the opinion that, taking account of severe but plausible downsides, the Group and parent University will have sufficient funds to meet their liabilities as they fall due over the period of 12 months from the date of approval of the financial statements (the going concern assessment period).

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

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

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

Basis of consolidation

The consolidated financial statements include the University, all its trading subsidiaries and the Friends of the University of Teesside Trust for the financial year to 31 July 2023. Intra-group transactions are eliminated on consolidation.

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

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

Income recognition

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

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

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

Grant funding

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

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

Donations and endowments

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

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

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

There are 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.

Exceptional Items

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

Fixed assets

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

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

Land and buildings

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

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

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

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

The useful lives are as follows:

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

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

Equipment

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

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

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

Impairment

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

Heritage assets

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

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

Investment properties

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

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

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

Investments

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

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

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

Stock

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

Borrowing costs

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

Cash and cash equivalents

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

Intra-group transactions

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

Provisions

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

Accounting for retirement benefits

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

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

Defined benefit retirement plan

Defined benefit retirement plans are post-employment benefit plans other than defined contribution retirement plans. Under defined benefit retirement plans, the University's obligation is to provide the agreed benefits to current and former employees, and actuarial risk (that benefits will cost more or less than expected) and investment risk (that returns on assets set aside to fund the benefits will differ from expectations) are borne, in substance, by the University. The University 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 calculation results in a net asset, this is restricted to £nil where the University is unable to either request a refund or reduce employer contributions.

Defined contribution plans

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

Financial instruments

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

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

Investments

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

Short-term debtors and creditors

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

Loan notes

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

Reserves

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

Significant estimates and judgements

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

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

Estimates for the accounting for employee benefits

FRS 102 requires that certain assumptions are made in order to determine the amount to be recorded for retirement benefit obligations and pension plan assets for certain of the University's defined benefit plans. These are mainly actuarial assumptions such as discount rate, mortality rates and expected inflation rates. Differences arising from actual experience or future changes in assumptions will be reflected in future years. The key assumptions made for 2023 are documented in note 27.

Valuation of investment property

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

Recoverability of debtors

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

Consolidated and University statement of comprehensive income and expenditure

Year Ended 31 July 2023

	Notes	Year ended 31 July 2023		Year ended 31 July 2022	
		Consolidated £000	University £000	Consolidated £000	University £000
Income					
Tuition fees and education contracts	1	161,107	160,696	139,466	139,004
Funding grants	2	18,444	18,444	16,964	16,964
Research grants and contracts	3	5,377	5,374	4,448	4,443
Other income	4	21,941	22,474	18,389	18,837
Investment income	5	2,829	2,774	465	457
Donations and endowments	6	463	463	521	521
Total income		210,161	210,225	180,253	180,226
Expenditure					
Staff costs	8	109,833	108,912	102,274	101,726
Other operating expenses		70,106	70,922	60,053	60,436
Depreciation	12	14,215	14,215	13,945	13,945
Impairment	12	2,944	2,944	5,088	5,088
Interest and other finance costs	9	486	486	2,109	2,109
Total expenditure	10	197,584	197,479	183,469	183,304
Surplus/(loss) before other gains		12,577	12,746	(3,216)	(3,078)
(Loss)/gain on revaluation of investment property	14	(260)	(260)	560	560
Surplus/(loss) before tax		12,317	12,486	(2,656)	(2,518)
Taxation	11	–	–	(3)	–
Surplus/(loss) for the year after tax		12,317	12,486	(2,659)	(2,518)
Impairment on endowment asset investments		–	–	(14)	(14)
Actuarial gain in respect of pension schemes	27	11,443	11,443	119,418	119,418
Total comprehensive income for the year		23,760	23,929	116,745	116,886
Represented by					
Endowment comprehensive income/(expenditure) for the year		4	4	(13)	(13)
Unrestricted comprehensive income for the year		23,546	23,715	116,500	116,641
Restricted comprehensive income for the year		210	210	258	258
		23,760	23,929	116,745	116,886

All items of income and expenditure relate to continuing activities.

Consolidated and University statement of changes in reserves

Year Ended 31 July 2023

Consolidated

	Income and expenditure reserve			Revaluation reserve £000	Total £000
	Endowment £000	Restricted £000	Unrestricted £000		
Balance at 1 August 2021	322	–	87,716	17,836	105,874
Surplus/(deficit) from the income and expenditure statement	1	258	(2,918)	–	(2,659)
Other comprehensive income/(expenditure)	(14)	–	119,418	–	119,404
Transfers between revaluation and income and expenditure reserve	–	–	1,372	(1,372)	–
Total comprehensive (expenditure)/income for the year	(13)	258	117,872	(1,372)	116,745
Balance at 31 July 2022	309	258	205,588	16,464	222,619
Balance at 1 August 2022	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 reserve	–	–	607	(607)	–
Total comprehensive income/(expenditure) for the year	4	210	24,153	(607)	23,760
Balance at 31 July 2023	313	468	229,741	15,857	246,379

Consolidated and University statement of changes in reserves (continued)

Year Ended 31 July 2023

University

	Income and expenditure reserve			Revaluation reserve £000	Total £000
	Endowment £000	Restricted £000	Unrestricted £000		
Balance at 1 August 2021	322	–	86,923	17,836	105,081
Surplus/(deficit) from the income and expenditure statement	1	258	(2,777)	–	(2,518)
Other comprehensive (expenditure)/income	(14)	–	119,418	–	119,404
Transfers between revaluation and income and expenditure reserve	–	–	1,372	(1,372)	–
Total comprehensive (expenditure)/income for the year	(13)	258	118,013	(1,372)	116,886
Balance at 31 July 2022	309	258	204,936	16,464	221,967
Balance at 1 August 2022	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 reserve	–	–	607	(607)	–
Total comprehensive income/(expenditure) for the year	4	210	24,322	(607)	23,929
Balance at 31 July 2023	313	468	229,258	15,857	245,896

Consolidated and University Statement of Financial Position

As at 31 July 2023

	Notes	As at 31 July 2023		As at 31 July 2022	
		Consolidated £000	University £000	Consolidated £000	University £000
Non-current assets					
Fixed assets	12	239,423	239,668	205,871	206,116
Heritage assets	13	681	681	677	677
Investment properties	14	2,900	2,900	3,160	3,160
Non-current investments	15	245	274	237	266
		243,249	243,523	209,945	210,219
Current assets					
Stock		60	57	67	63
Trade and other receivables	16	47,564	48,634	38,940	39,598
Current investments	17	60,000	60,000	75,000	75,000
Cash and cash equivalents		18,156	16,928	10,257	9,365
		125,780	125,619	124,264	124,026
Less: Creditors – amounts falling due within one year	18	(79,667)	(80,263)	(67,493)	(68,181)
Net current assets		46,113	45,356	56,771	55,845
Total assets less current liabilities					
Creditors – amounts falling due after more than one year	19	(39,087)	(39,087)	(32,375)	(32,375)
Provisions for liabilities	20	(3,896)	(3,896)	(11,722)	(11,722)
Total net assets		246,379	245,896	222,619	221,967
Restricted reserves					
Income and expenditure reserve – endowment reserves	21	313	313	309	309
Income and expenditure reserve – restricted reserves	22	468	468	258	258
Unrestricted reserves					
Income and expenditure reserve – unrestricted		229,741	229,258	205,588	204,936
Revaluation reserve		15,857	15,857	16,464	16,464
Total reserves		246,379	245,896	222,619	221,967

The financial statements were approved by the Board of Governors on 24 November 2023 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 2023

	Notes	Year ended 31 July 2023 £000	Year ended 31 July 2022 £000
Cash flow from operating activities			
Surplus/(deficit) for the year after taxation		12,317	(2,659)
Adjustment for non-cash items			
Depreciation	12	14,215	13,945
Impairment	12	2,944	5,088
Revaluation of investment property	14	260	(560)
Loss on sale of fixed assets		46	4
Increase/(decrease) in stock		7	(1)
Increase in debtors		(8,006)	(9,918)
Increase in creditors		15,141	6,751
Decrease in pension provision		(671)	(504)
Excess of pension costs over contributions paid		4,288	13,104
Adjustment for investing or financing activities			
Investment income	5	(2,822)	(461)
Interest payable	9	9	6
Endowment income	5	(7)	(4)
Capital grant income		(2,698)	(2,607)
Net cash inflow from operating activities		35,023	22,184
Cash flows from investing activities			
Capital grant receipts		5,327	4,645
Disposal of non-current asset investments		39	44
Decrease/(increase) in deposits		15,000	(38,973)
Investment income		2,204	203
Payments made to acquire fixed assets		(49,641)	(13,051)
Payments made to acquire heritage assets		(4)	(24)
New non-current asset investments		(47)	(38)
		(27,122)	(47,194)
Cash flows from financing activities			
Interest paid		(9)	(5)
Endowment cash received		7	4
Repayments of amounts borrowed		–	–
		(2)	(1)
Increase/(decrease) in cash and cash equivalents in the year		7,899	(25,011)
Cash and cash equivalents at beginning of the year		10,257	35,268
Cash and cash equivalents at end of the year		18,156	10,257

Notes to the financial statements

1 Tuition fees and education contracts

	Year ended 31 July 2023		Year ended 31 July 2022	
	Consolidated £000	University £000	Consolidated £000	University £000
Full-time home and EU students	78,522	78,522	81,277	81,277
International students	67,138	67,138	44,453	44,453
Part-time students	10,243	10,243	9,711	9,711
Education contracts	5,204	4,793	4,025	3,563
	161,107	160,696	139,466	139,004

2 Funding grants

	Year ended 31 July 2023		Year ended 31 July 2022	
	Consolidated and University £000		Consolidated and University £000	
Recurrent grant received from Regulator	14,918		12,909	
Specific grants				
Higher Education Innovation Fund	1,268		1,228	
National Collaborative Outreach Programme	338		375	
Connecting Capability Fund	–		494	
Hardship Funds	165		28	
AI and Data Science Scholarships	180		–	
Capital Grants	1,227		1,396	
Other	348		534	
	18,444		16,964	

3 Research grants and contracts

	Year ended 31 July 2023		Year ended 31 July 2022	
	Consolidated £000	University £000	Consolidated and University £000	
Research Councils	899	899	634	634
UK-based charities	441	441	293	293
UK central government	1,887	1,887	1,443	1,441
UK Health Service	941	941	832	832
European Commission	384	384	678	678
Other grants and contracts	825	822	568	565
	5,377	5,374	4,448	4,443

4 Other income

	Year ended 31 July 2023		Year ended 31 July 2022	
	Consolidated £000	University £000	Consolidated £000	University £000
Residences, catering and conferences	5,566	5,442	5,893	5,797
Other revenue grants	10,127	10,127	6,486	6,486
Other capital grants	1,304	1,304	1,189	1,189
Other income	4,944	5,601	4,821	5,365
	21,941	22,474	18,389	18,837

5 Investment income

	Year ended 31 July 2023		Year ended 31 July 2022	
	Consolidated £000	University £000	Consolidated £000	University £000
Investment income on endowments	7	7	4	4
Other investment income	2,822	2,767	461	453
	2,829	2,774	465	457

6 Donations and endowments

	Year ended 31 July 2023		Year ended 31 July 2022	
	Consolidated and University £000		Consolidated and University £000	
Donations	463		521	

7 Details of grant and fee income

	Year ended 31 July 2023		Year ended 31 July 2022	
	Consolidated £000	University £000	Consolidated £000	University £000
Grant income from the OfS	12,456	12,456	12,655	12,655
Grant income from other bodies	22,108	22,108	15,960	15,886
Fee income for taught awards	158,948	158,545	137,375	136,891
Fee income for research awards	1,496	1,496	1,521	1,521
Fee income from non-qualifying courses	663	655	570	592
	195,671	195,260	168,081	167,545

8 Staff costs

	Year ended 31 July 2023		Year ended 31 July 2022	
	Consolidated £000	University £000	Consolidated £000	University £000
Salaries	81,808	81,010	70,895	70,413
Social security costs	9,217	9,163	7,778	7,756
Movement on USS Provision	(39)	(39)	479	479
Movement on enhanced pensions provision	(410)	(410)	(679)	(679)
Other pension costs (note 27)	18,851	18,782	23,588	23,544
Restructuring costs	406	406	213	213
	109,833	108,912	102,274	101,726

Compensation for loss of office

The number of staff who received compensation for loss of office which totalled £406,000 was 26 (year ended 31 July 2022: £213,000 and 16 staff).

Emoluments of the Vice-Chancellor & Chief Executive

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

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

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 2022 which was the same as all other staff members and a further 2% from the 1 February 2023 which was the same as all other staff members for whom 2% was greater than £1,000.

The median salary across all staffing groups is £36,333 per annum (2022: £34,304 per annum). The Vice-Chancellor's basic salary is 7.3 times (2022: 7.4 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 8.5 times (2022: 7.7 times) the median total remuneration of staff.

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

	Year ended 31 July 2023 Consolidated and University number	Year ended 31 July 2022 Consolidated and University number
£100,000 - £104,999	2	3
£105,000 - £109,999	–	2
£110,000 - £114,999	7	8
£115,000 - £119,999	4	–
£120,000 - £124,999	4	3
£135,000 - £139,999	–	2
£140,000 - £144,999	2	–
£145,000 - £149,999	–	1
£150,000 - £154,999	1	–
£180,000 - £184,999	–	1
£185,000 - £189,999	1	–
£255,000 - £259,999	–	1
£260,000 - £264,999	1	–

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

	Year ended 31 July 2023		Year ended 31 July 2022	
	Consolidated number	University number	Consolidated number	University number
Academic and research	1,107	1,094	982	982
Administrative and technical	814	802	748	733
Other	222	219	216	213
	2,143	2,115	1,946	1,928

Access and Participation

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

	Year ended 31 July 2023 Consolidated and University £000	Year ended 31 July 2022 Consolidated and University £000
	Access and investment	1,801
Financial support	–	–
Disability support (excluding expenditure in the two categories above)	741	498
Research and evaluation	49	41
	2,591	2,401

Key management personnel

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

	Year ended 31 July 2023 Consolidated and University £000	Year ended 31 July 2022 Consolidated and University £000
Key management personnel compensation	2,110	1,688

Governors

During 2022/23, £13,667 (2021/22: £nil) was paid to the Chair of the Board of Governors for the services she 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 five Board members was £2,537 (2021/22: £2,413 to four Board members). This represents travel and subsistence expenses incurred in attending Board meetings.

9 Interest and other finance costs

	Year ended 31 July 2023		Year ended 31 July 2022	
	Consolidated and University		Consolidated and University	
	£000		£000	
Loan interest	9		6	
Net charge on pension schemes	477		2,103	
	486		2,109	

10 Analysis of total expenditure by activity

	Year ended 31 July 2023		Year ended 31 July 2022	
	Consolidated	University	Consolidated	University
	£000		£000	
Academic departments	87,099	87,037	76,479	76,479
Academic services	42,199	42,325	36,157	36,084
Research grants and contracts	5,577	5,577	4,713	4,713
Residences, catering and conferences	7,446*	7,352*	9,627*	9,558*
Premises	19,931	19,931	18,661	18,661
Administration	24,178	24,178	19,433	19,433
Other	11,154	11,079	18,399	18,376
	197,584	197,479	183,469	183,304

Other operating expenses include

External auditor's remuneration in respect of audit services** (2022/23 includes additional audit fee of £22,000** for the prior year)	185	149	124	98
External auditor's remuneration in respect of non-audit services**	15	6	18	12

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 (2022: £5,088,000)

** including VAT

Access and Participation

	Year ended 31 July 2023		Year ended 31 July 2022	
	Consolidated and University		Consolidated and University	
	£000		£000	
Access and investment	2,894		2,821	
Financial support	584		624	
Disability support	741		504	
Research and evaluation	49		41	
	4,268		3,990	

The University's Access and Participation Plan 2020/21 to 2024/25 is available at: https://www.tees.ac.uk/sections/about/public_information/access_participation.cfm

(1) £2,591,000 (2022: £2,401,000) 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 2023		Year ended 31 July 2022	
	Consolidated	University	Consolidated	University
	£000		£000	
Current tax				
UK Corporation tax of 20.01% on surplus for the year	-	-	-	-
Deferred tax charge/(credit)	-	-	3	-
Factors affecting the tax charge				
Surplus/(loss) before taxation	12,317	12,486	(2,656)	(2,518)
Surplus multiplied by the standard rate of corporation tax in the UK of 21.01% (2022: 19%)	2,588	2,623	-	-
Tax on surplus falling within charitable exemption	(2,588)	(2,623)	-	-
Current tax charge	-	-	-	-

12 Fixed assets

	Freehold land	Freehold buildings	Assets in the course of construction	Vehicles	Equipment and furniture	Total
	£000	£000	£000	£000	£000	£000
Consolidated						
Cost						
At 1 August 2022	14,342	266,123	8,568	203	54,058	343,294
Additions in year	-	2,149	41,959	-	6,649	50,757
Transfers in year	-	18,143	(18,374)	-	231	-
Written off in year	-	-	-	-	(1,743)	(1,743)
At 31 July 2023	14,342	286,415	32,153	203	59,195	392,308
Consisting of:						
Valuation as at:						
31 July 1997	-	43,362	-	-	-	43,362
31 July 1998	-	1,999	-	-	-	1,999
31 July 2014	13,330	-	-	-	-	13,330
31 July 2020	250	-	-	-	-	250
Cost	762	241,054	32,153	203	59,195	333,367
	14,342	286,415	32,153	203	59,195	392,308
Depreciation						
At 1 August 2022	-	99,546	-	183	37,694	137,423
Charge for the year	-	8,642	-	6	5,567	14,215
Written off in year	-	-	-	-	(1,697)	(1,697)
Impairment	-	2,944	-	-	-	2,944
At 31 July 2023	-	111,132	-	189	41,564	152,885
Net Book Value						
At 31 July 2023	14,342	175,283	32,153	14	17,631	239,423
At 31 July 2022	14,342	166,577	8,568	20	16,364	205,871

12 Fixed assets (continued)

	Freehold land	Freehold buildings	Assets in the course of construction	Vehicles	Equipment and furniture	Total
University	£000	£000	£000	£000	£000	£000
Cost						
At 1 August 2022	14,342	266,486	8,568	203	52,703	342,302
Additions in year	–	2,149	41,959	–	6,649	50,757
Transfers in year	–	18,143	(18,374)	–	231	–
Written off in year	–	–	–	–	(1,743)	(1,743)
At 31 July 2023	14,342	286,778	32,153	203	57,840	391,316
Consisting of:						
Valuation as at:						
31 July 1997	–	43,362	–	–	–	43,362
31 July 1998	–	1,999	–	–	–	1,999
31 July 2014	13,330	–	–	–	–	13,330
31 July 2020	250	–	–	–	–	250
Cost	762	241,417	32,153	203	57,840	332,375
	14,342	286,778	32,153	203	57,840	391,316
Depreciation						
At 1 August 2022	–	99,546	–	183	36,457	136,186
Charge for the year	–	8,642	–	6	5,567	14,215
Written off in year	–	–	–	–	(1,697)	(1,697)
Impairment	–	2,944	–	–	–	2,944
At 31 July 2023	–	111,132	–	189	40,327	151,648
Net Book Value						
At 31 July 2023	14,342	175,646	32,153	14	17,513	239,668
At 31 July 2022	14,342	166,940	8,568	20	16,246	206,116

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, has been completed and a further impairment has been recognised to reflect this independent valuation.

Asset revaluations

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

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

	31 July 2023		31 July 2022	
	Consolidated £000	University £000	Consolidated £000	University £000
Cost	271,293	271,597	251,001	251,305
Accumulated depreciation and impairment	(96,039)	(96,039)	(85,061)	(85,061)
	175,254	175,558	165,940	166,244

13 Heritage assets

Consolidated and University	£000
Cost at 1 August 2022	677
Additions in year	4
Cost at 31 July 2023	681

Heritage assets comprise works of art acquired by MIMA.

14 Investment properties

Consolidated and University	£000
Valuation as at 1 August 2022	3,160
Loss on revaluation	(260)
Valuation as at 31 July 2023	2,900

In assessing the value of the property as at 31 July 2023, various factors were considered that could affect the value reported in the accounts including the purpose of the property, the level of occupancy, economic factors and the climate of the property market in general.

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

15 Non-current investments

	Other Fixed Asset Investments		
	Cost £000	Valuation £000	Total £000
Consolidated			
At 1 August 2022	30	207	237
Additions in year	–	47	47
Disposals in year	–	(42)	(42)
Appreciation	–	3	3
At 31 July 2023	30	215	245

	Other Fixed Asset Investments		Subsidiary companies £000	Total £000
	Cost £000	Valuation £000		
University				
At 1 August 2022	30	207	29	266
Additions in year	–	47	–	47
Disposals in year	–	(42)	–	(42)
Appreciation	–	3	–	3
At 31 July 2023	30	215	29	274

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

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

15 Non-current investments (continued)

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

Other fixed asset investments at cost consist of:

Consolidated and University	£000
At 31 July 2023 and 31 July 2022	
CVCP Properties plc	30

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 2023 Consolidated and University £000	31 July 2022 Consolidated and University £000
Equities and bonds	185	177
Cash held within investment portfolio	30	30
	215	207

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 2023		31 July 2022	
	Consolidated £000	University £000	Consolidated £000	University £000
Amounts falling due within one year				
Trade receivables	23,324	22,353	18,148	17,266
Amounts due from subsidiary companies	–	2,209	–	1,676
Prepayments and accrued income	22,689	22,466	18,767	18,596
	46,013	47,028	36,915	37,538
Amounts falling due after more than one year				
Trade receivables	1,551	1,551	2,025	2,025
Amounts due from subsidiary companies	–	55	–	35
	1,551	1,606	2,025	2,060
	47,564	48,634	38,940	39,598

17 Current investments

	31 July 2023 Consolidated and University £000	31 July 2022 Consolidated and University £000
Short-term deposits	60,000	75,000

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

At 31 July 2023 the weighted average interest rate of these fixed rate deposits was 5.06% (2022: 1.36%) and the remaining weighted average period for which the interest rate is fixed on these deposits was 124 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 2023		31 July 2022	
	Consolidated £000	University £000	Consolidated £000	University £000
Payments received on account	53,461	52,422	42,683	42,276
Trade payables	5,127	5,118	4,967	4,964
Social security and other taxation payable	2,843	2,820	2,736	2,724
Accruals and deferred income	18,236	18,136	17,107	16,985
Amounts due to subsidiary companies	–	1,767	–	1,232
	79,667	80,263	67,493	68,181

19 Creditors – amounts falling due after more than one year

	31 July 2023 Consolidated and University £000	31 July 2022 Consolidated and University £000
Deferred income – government capital grants	39,087	32,375

20 Provisions for liabilities

	Defined benefit obligations £000	Enhanced pensions £000	Obligation to fund deficit on USS pension £000	Total £000
Consolidated and University				
At 1 August 2022	7,155	3,661	906	11,722
Utilised in year	–	(381)	(73)	(454)
(Credited)/charged to the Statement of Comprehensive Income and Expenditure	(56,967)	(282)	65	(57,184)
Notional surplus not recognised	49,812	–	–	49,812
At 31 July 2023	–	2,998	898	3,896

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 2023	31 July 2022
Price inflation	2.70%	2.55%
Discount rate	5.10%	3.50%

Obligation to fund deficit on USS pension

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

21 Income and expenditure reserve – endowment reserves

Restricted net assets relating to endowments are as follows:

	Restricted Expendable £000	Restricted Permanent £000	2023 Total £000	2022 Total £000
Consolidated and University				
At 1 August 2022				
Capital	41	143	184	198
Accumulated income	–	125	125	124
	41	268	309	322
Investment and other income	2	5	7	4
Expenditure	(1)	(2)	(3)	(3)
Decrease in market value of investments	–	–	–	(14)
Total endowment comprehensive income/(expenditure) for the year	1	3	4	(13)
At 31 July 2023	42	271	313	309
Represented by				
Capital	42	143	185	184
Accumulated income	–	128	128	125
	42	271	313	309
Analysis by type of purpose:				
Lectureships			12	11
Prize funds			12	13
Scholarships and bursaries			53	51
Research support			236	234
			313	309
Analysis by asset:			31 July 2023 £000	31 July 2022 £000
Non-current investments			215	207
Cash and cash equivalents			98	102
			313	309

22 Restricted reserves – donations

Consolidated and University	£000
At 1 August 2022	258
Capital	317
Expenditure	(107)
At 31 July 2023	468

These restricted reserves relate to donations unutilised in the year.

23 Capital and other commitments

	31 July 2023 Consolidated and University £000	31 July 2022 Consolidated and University £000
Provision has not been made for the following capital commitments at 31 July:		
Commitments contracted for	10,321	12,714

24 Lease obligations

Total rentals payable under operating leases

	31 July 2023			31 July 2022		Total
Consolidated and University	Land and buildings £000	Plant and machinery £000	Total £000	Land and buildings £000	Plant and machinery £000	£000
Payable during the year	444	130	574	–	127	127
Future minimum lease payments due:						
Not later than one year	1,161	16	1,177	–	113	113
Later than one year and not later than five years	4,644	6	4,650	–	23	23
Later than five years	5,829	–	5,829	–	–	–
Total lease payments due	11,634	22	11,656	–	136	136

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 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	2022/23		2021/22	
		Income/ (expense) £000	Amount due (from)/to £000	Income/ (expense) £000	Amount due (from)/to £000
Newcastle University	Close family member is a member of the Board of Governors	218 (182)	(104) 4	183 (82)	(98) 1
PD Ports	Chief Financial Officer is a Governor	27 (7)	– –	27 –	– –
South Tees Hospital NHS Foundation Trust	Non-Executive Director is a Governor	376 (72)	(27) 28	317 (30)	(66) 524
Teesside University Students' Union	Two Officer Trustees are Governors	293 (2,029)	(367) 431	377 (1,562)	(377) 432
Visualsoft Ltd	Director is a Governor	10 –	– –	15 –	(7) 21

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 £1,980,000 (2022: £1,483,000).

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

Financial assets	31 July 2023		31 July 2022	
	Consolidated £000	University £000	Consolidated £000	University £000
Equities and investment funds	215	215	207	207
Trade and other receivables	24,875	26,168	20,172	21,002
Long-term cash deposits	60,000	60,000	75,000	75,000
Cash and cash equivalents	18,156	16,928	10,257	9,365
	103,246	103,311	105,636	105,574
Financial liabilities				
Trade and other payables	5,127	6,885	4,967	6,196
	5,127	6,885	4,967	6,196

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 2023, 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 (2022: £35m), at the year end, and invest excess funds for maturity of no more than 12 months. At 31 July 2023, the Group is holding cash and cash equivalents of £18.156m (2022: £10.257m) and deposits and investments of various maturities of £60m (2022: £75m), none of which is greater than 12 months. The average maturity of all deposits and investments is 199 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 2023, the sterling equivalent of all euro bank balances was £0.3m (2022: £0.5m).

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 2023, 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 2023 (2022: 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 2023 17 members (31 July 2022: 14) of staff were members of the Universities Superannuation Scheme and a small number of staff were members of defined contribution schemes offered by two subsidiary companies.

The total pension cost:

	31 July 2023		31 July 2022	
	Consolidated £000	University £000	Consolidated £000	University £000
TPS	8,327	8,327	7,118	7,118
TPF including FRS 102 adjustments	10,199	10,199	16,215	16,215
Other pension schemes	325	256	255	211
Total pension cost (note 8)	18,851	18,782	23,588	23,544

Actuarial gain in respect of pension schemes

	31 July 2023	31 July 2022
	Consolidated and University £000	Consolidated and University £000
Teesside Pension Fund	11,443	119,625
Enhanced Pensions	–	(207)
	11,443	119,418

Teachers' Pension Scheme

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

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

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

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

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

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

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

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

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 £49.8m has been restricted to £nil (2022: liability £7.155m) 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 2023 were £8,916,000, of which employer's contributions totalled £6,230,000 and employees' contributions totalled £2,686,000.

During the year, the University's contribution rate was 15.8% from 1 August 2022 to 31 March 2023 and 16.5% thereafter. 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 Teesside Pension Fund.

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.

For the mortality assumptions the University has adopted the CMI_2022 model for future improvements with a w2022 parameter of 25% which is a change from the previous year end when the CMI_2021 model was adopted. This has resulted in a reduction of the defined benefit obligation of approximately £0.2m.

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:

	At 31 July 2023	At 31 July 2022
	%	%
Rate of increase in salaries	2.65	2.55
Future pensions increases		
Year ending 31 July 2023	n/a	9.90*
From 1 August 2023	2.85	2.55
Discount rate for scheme liabilities	5.10	3.50
Inflation assumption (CPI)	2.85	2.55

The Defined Benefit Obligation at 31 July 2023 includes an allowance for the known CPI indices that are anticipated to be used to set the 2024 Pension Increase Order. This has been allowed for as experience in Other Comprehensive Income this year.

Recent changes in global and UK economic pressures and tightening of monetary which are key to the FRS102 assessment of the net pension asset or liability. In particular, AA corporate bond yields, used to set the FRS102 discount rate, have increased significantly, with corresponding falls in asset values. The markets have been exceptionally volatile and therefore both gross DBOs and assets have fallen. The CPI assumption has been updated to make allowance for inflation experience since September 2022 being higher than assumed. This adjustment has resulted in the CPI assumption being 0.20% higher at medium durations (between 17 and 23 years), compared to the assumption that would have been derived using the methodology adopted at 31 July 2022.

The change in methodology reflects the fact that the 2024 Pension Increase Order is expected to be higher than the market implied increase as a result of higher than expected inflation observed over the period from September 2022 to July 2023, which will affect the Pension Increase Order effective in 2024

The impact of change in the CPI assumption has increased the DBO balance by £8.3m, based on a 0.2% increase in the CPI assumption.

*allowance at 31 July 2022 for the known CPI indices that are anticipated to be used to set the 2023 Pension Increase Order

The mortality rate is based on publicly available mortality tables for the specific country.

	At 31 July 2023	At 31 July 2022
	years	years
Retiring today		
Males	20.3	20.9
Females	23.3	22.8
Retiring in 20 years		
Males	20.8	21.7
Females	24.5	24.2

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

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

	At 31 July 2023	At 31 July 2022
	Share of the assets	Share of the assets
	%	%
Equities	73	68
Property	23	18
Cash	4	14
	100	100

27 Pension schemes (continued)

Return on assets

The return on assets invested in the Middlesbrough Borough Council for the period to 31 July 2023 is estimated based on actual return of the fund to 30 June 2023 plus estimated return for the month of July 2023 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 £4.3m
Rate of salary growth	Increase by 0.1%	Increase by £0.6m
Rate of increase to pensions in payment	Increase by 0.1%	Increase by £3.8m
Members live longer than assumed	One year longer	Increase by £8.3m

	At 31 July 2023	At 31 July 2022
Analysis of amounts shown in statement of financial position	£000	£000
Fair value of Fund assets	257,052	249,393
Present value of Fund liabilities	(207,240)	(256,548)
Restriction of fund asset	(49,812)	–
Deficit in the scheme recorded within provisions (note 21)	–	(7,155)

	Year ended 31 July 2023	Year ended 31 July 2022
Amounts included in staff costs	£000	£000
Current service cost	10,160	16,215
Past service cost	39	–
	10,199	16,215

Amounts included in interest and other finance costs		
Net interest cost	319	2,024

Amount recognised in other comprehensive income		
Other experience	(1,594)	–
Return on assets excluding amounts included in net interest	(2,412)	15,388
Actuarial loss – other experience item	(13,828)	(15,268)
Changes in financial assumptions	68,140	118,204
Change in demographic assumptions	10,949	1,301
Restriction of pension asset	(49,812)	–
	11,443	119,625

Deficit at 1 August	(7,155)	(113,676)
Movement in year:		
Current service cost	(10,160)	(16,215)
Past service cost	(39)	–
Employer contributions	6,230	5,135
Net interest on defined liability	(319)	(2,024)
Actuarial gains	61,255	119,625
Restriction of pension asset	(49,812)	–
Deficit at 31 July	–	(7,155)

27 Pension schemes (continued)

	Year ended 31 July 2023 £000	Year ended 31 July 2022 £000
Changes in the present value of defined benefit obligations		
Defined benefit obligations at 1 August	256,548	341,362
Current service cost	10,160	16,215
Past service cost	39	–
Interest cost	9,092	5,913
Contributions by scheme participants	2,686	2,255
Changes in financial assumptions	(68,140)	(118,204)
Change in demographic assumptions	(10,949)	(1,301)
Other experience	13,828	15,268
Benefits paid less individual transfers in	(6,024)	(4,960)
Defined benefit obligations at 31 July	207,240	256,548

Changes in the fair value of fund assets

Fair value of Fund assets at 1 August	249,393	227,686
Interest on Fund assets	8,773	3,889
Other experience	(1,594)	–
Return on assets excluding amounts included in net interest	(2,412)	15,388
Contribution by the employer	6,230	5,135
Contributions by scheme participants	2,686	2,255
Benefits paid	(6,024)	(4,960)
Fair value of Fund assets at 31 July	257,052	249,393

History of experience gains and losses

	2023	2022	2021	2020	2019
Difference between actual and expected return on Fund assets:					
Amount (£000)	(4,006)	15,388	36,793	(21,577)	4,756
Percentage of scheme assets	(1.6%)	6.2%	16.2%	(11.5%)	2.4%
Experience gains/(losses) on Fund liabilities					
Amount (£000)	65,261	104,237	(14,407)	(25,977)	(24,694)
Percentage of the present value of Fund liabilities	31.5%	40.6%	(4.2%)	(8.3%)	(9.1%)

Actual return on Fund assets

	Year ended 31 July 2023 £000	Year ended 31 July 2022 £000
Interest income on Fund assets	8,773	3,889
Actuarial (losses)/gains on assets	(4,006)	15,388
	4,767	19,277

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

This publication is available in alternative formats on request.
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