



BIRMINGHAM CITY
University



REPORT OF THE BOARD OF GOVERNORS AND FINANCIAL STATEMENTS

2022/23

OUR UNIVERSITY IN 2022/23



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TURNOVER
£316M

STAFF
4,630

STUDENTS
31,780



64%
OF OUR STUDENTS
ARE FROM NON-WHITE
ETHNICITIES

EMPLOYABILITY
93%
IN WORK OR STUDY
AFTER 15 MONTHS

81%
HAD POSITIVE
EXPERIENCES AT BCU
(final year UG - NSS 2023.
See p11.)



67%
OF STUDENTS
ARE FROM
WEST MIDLANDS

FULL-TIME UG
ENTRANTS
44%
ORIGINATE FROM
IMD QUARTILE 1

VICE-CHANCELLOR FOREWORD



It is with pleasure that I am able to introduce the 2022/23 Report of the Board of Governors and Financial Statements, very early in my tenure as Vice-Chancellor of Birmingham City University.

I commenced in post on 1 October so my predecessor Professor Philip Plowden should be credited with many of the successes outlined in this report. However, many of the milestones and strengths captured here reinforce why I wanted to join the University, and why I am proud to be BCU's Vice-Chancellor.

This report marks the last before we begin in earnest the intense work of devising, implementing and delivering on a new strategic plan. As such, it is a moment to take stock on the aspirations we outlined for our 2025 Strategy. This reflection, and how we have delivered against existing commitments, will underpin how we look ahead to 2030 and beyond, understanding what must come next for BCU, for our students, graduates, and staff, as well as our stakeholders in the economy and society beyond.

In particular, it is the right time to reflect on the three chief 'measures of success' for the 2025 Strategy – Meeting Demand, The STEAM agenda and Environmental Sustainability – and the progress made against each.

DEMAND

On Meeting Demand, since 2017 our University has grown from around 24,000 students on campus to more than 31,000, buoyed by significant and increasing demand for home students – especially at undergraduate level – and international places, most notably for postgraduate courses.

The nature of that demand has fluctuated and morphed over time, but the upward trend has remained firm. For instance, home undergraduate recruitment has generally increased but saw a particularly strong spike in 2022/23.

And internationally, where before the pandemic the majority of demand for places came from Chinese students, now it is India from where we see most interest, fuelled in part by both Covid and more positive post-study work visa entitlement.

STEAM

Our STEAM agenda is now firmly underway, with the opening of a stunning home for STEAMhouse in September 2022 underpinning our ambitions for the collaboration with industry and inter-disciplinary curriculum development from which our current and future students will benefit so much.

Located in a fully restored Belmont Works, a previously derelict one-time Victorian bicycle factory, STEAMhouse already hosts 24 businesses and the teaching and learning of many of our students. We are underway but there is a huge amount more to achieve in making STEAMhouse truly collaborative, embedded in our curriculum and the unique space for innovation and enterprise we know it can be.

SUSTAINABILITY

Our commitment to Sustainability is more important than anything else in so many ways. I am pleased to be able to report that we have taken real strides forward, but you will not be surprised to note that the primacy of this agenda will only increase as we look ahead to 2030.

It is pleasing to be able to report that BCU emerged 26th out of 154 higher education institutions in the People and Planet University League, and that we anticipate our emissions for 2022/23 will be lower than 2021/22. However, if we are to meet our newly established commitment to net-zero by 2030/31 and 2037/38 – against two different metrics – then we will need to redouble our efforts in the years ahead.

STRENGTH

Birmingham City University is in a strong position as we look ahead to the next period of our history, building on our 180-year heritage. Financially, we have grown from a £211 million institution in 2017 to an income of more than £329 million in 2022/23, providing us with a firm base from which to build. There is little room for complacency, not least as cost pressures continue to pose a challenge – including the continued erosion in the real terms value of the £9,250 home undergraduate fee – but we nonetheless have a stable footing from which to move forwards.

The leadership of BCU further underpins what happens next. Anita Bhalla OBE took over as Chair of the Board of Governors from Mark Hopton in May 2023, and is already demonstrating the sort of experience, ambition and drive which will only fuel our ambitious plans for the future.

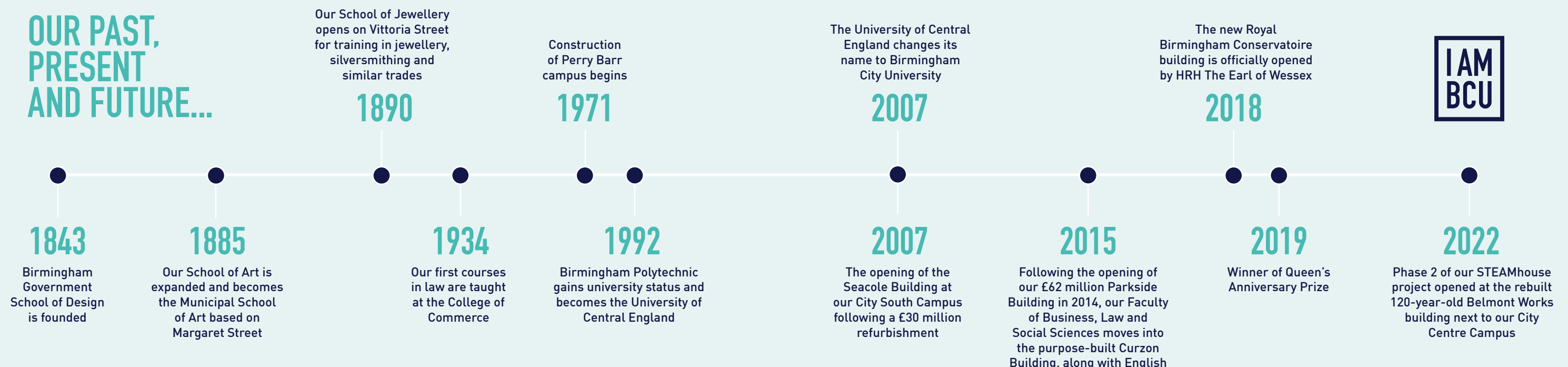
2030

Those plans are now my priority, and shaping them will of course involve working with Anita, the Board and my senior team. However, this process will also very firmly involve the widest possible BCU community, including our staff, our students and our stakeholders. We have come a long way in recent years but delivering on all of our promises, all of our aspirations, will require the fullest possible collective endeavour.

It is a task I relish and that I look forward to stepping up apace across 2023/24.

David Mba, Vice-Chancellor
November 2023

OUR PAST, PRESENT AND FUTURE...



2025 STRATEGY



At Birmingham City University, our mission is simple – we aim to be the University for Birmingham, and to enable our students to transform their lives to achieve their potential. Through our education and research, and the roles our graduates go on to play in the world, we not only support individuals to transform their lives, but we also play a part in transforming society.

The majority of our students are from Birmingham and the wider West Midlands region, studying alongside others from across the UK and from more than 100 countries around the world. Our local students join us from a diverse range of backgrounds that reflect our city and our region, making our community a rich, vibrant and energetic one.

Our contribution stretches beyond the confines of our University campuses, with many of our graduates powering the front line of public services, transforming the lives of many thousands of other people through their

work as nurses, midwives, teachers, and social workers. For 180 years, we have been proud to call Birmingham our home. From the heritage of our award-winning School of Jewellery, to the modernity of the new Alexander Stadium – which will soon house our sports courses – we align with the needs of the city around us.

Nowhere is this truer than with STEAMhouse, where we have resurrected a Victorian cycle factory and transformed it into a space for collaboration between innovators, entrepreneurs and students. We know too, however, that a healthy society is about more than economic endeavour, which is why our research is pioneering a new approach to the concept of a national park, injecting new life into the urban landscapes of the West Midlands. Our 2025 Strategy was developed with the intention of building on the University's existing strengths, while meeting the challenges of the future – including those around demand, funding and environmental sustainability.

Across the first three years of the Strategy, the University has made great strides towards meeting the aims which were laid out in 2020 across the key themes of the University for Birmingham, Academic Excellence, People and Values and Partnerships.



WE AIM TO GROW AND DIVERSIFY STUDENT NUMBERS TO OVER

30,000 ON CAMPUS AND 5,000 STUDYING WITH OUR PARTNERS.



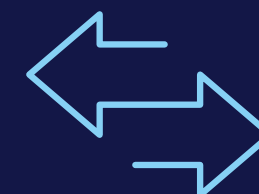
THE UNIVERSITY AIMS TO BE ASSESSED AS

GOLD IN THE TEACHING EXCELLENCE FRAMEWORK.



THE UNIVERSITY AIMS TO BE IN THE TOP QUARTILE OF EMPLOYERS FOR

STAFF SATISFACTION.



KNOWLEDGE EXCHANGE FRAMEWORK (KEF) OUTCOMES AIM TO BE IN THE UPPER QUANTILES OF OUR CLUSTER GROUP IN AT LEAST 80% OF MEASURES,

WITH ENTERPRISE INCOME OF £80 MILLION.

Some of the key achievements are as follows:

THE UNIVERSITY FOR BIRMINGHAM

- A period of significant growth has meant that as we enter the academic year 2023/24, there are now more than 31,000 students on our campuses.
- Last year, BCU achieved a first-class ranking in the People and Planet University League, which ranks UK universities by environmental and ethical performance. The University increased its standing from 31st place (ranked 2:1) to 26th (First Class) in the 2022/23 league - the top-scoring university in Birmingham.
- 69% of BCU's students are from the West Midlands region and 45% of them are from areas with the highest levels of disadvantage.
- BCU is ranked 4th in the UK for social mobility, which recognises the work it does to help students from less advantaged backgrounds succeed.
- We are the top regional university for student start ups and have grown to 7th in the UK for delivery of KTPs, where we are in the top quintile for the university sector.



Here are some of the ways we are making a difference now, and in the future:

ACADEMIC EXCELLENCE

- The University has secured a gold rating in the Teaching Excellence Framework (TEF) for student experience and a silver rating overall. An independent panel of assessors singled out aspects of BCU's provision as outstanding, including its teaching, assessment and feedback, course content and delivery, and learning environment and academic support.

PEOPLE AND VALUES

- Six Colleges now hold Athena Swan accreditation with the College of Jewellery, Fashion and Textiles the latest to be awarded – the first jewellery and fashion department in the UK to be awarded.
- The University has been recognised for its progress on LGBT+ equality with a Gold award in the Stonewall Index, and has entered the Top 100 Employers 2023 for LGBT+ inclusion.
- All staff have been asked to share their views to support the University's Race Equality Charter submission. Feedback from the survey will form part of a comprehensive self-assessment by the University, from which specific, targeted actions will be developed to advance race equality.

PARTNERSHIPS

- BCU was named as one of the top institutions in the country for public and community engagement in the Knowledge Exchange Framework (KEF) - published by UK Research and Innovation (UKRI). BCU was in the top 10-20 per cent of universities for CPD and graduate start-ups and public and community engagement.
- As part of the University's commitment to the city, we have secured a major legacy of the 2022 Commonwealth Games at the Alexander Stadium. BCU will house its sports and exercise department at the venue, with teaching due to begin there in 2024 once development work is complete. BCU has committed £5m to fit out areas of the stadium for its sports and exercise-related courses.



ACADEMIC EXCELLENCE: AIMING FOR TEF GOLD



Our BCU Strategy 2025 set a target of reaching a Teaching Excellence Framework (TEF) Gold Award. Since the strategy was written, the OfS has revised the parameters of the exercise – whereby universities are awarded grades in two categories – Student Outcomes (data on continuation, completion and progression supported by written statement), and Student Experience (National Student Survey results supported by written statement and student submission). The exercise was undertaken in early 2023 – using four-year averages up to 2020/21 (2022 in the case of the NSS) – only one year into our strategy.

In the 2023 national Teaching Excellence Framework exercise, the University was awarded Gold (Outstanding) for Student Experience, and Silver (Very High Quality) for Student Outcomes, with an overall award of Silver (Very High Quality). The TEF panel graded the following aspects as Outstanding: Teaching, Assessment and Feedback; Course Content and Delivery; Student Engagement and Stretch; Research, Innovation, Employer Engagement and Professional Practice, and the Learning Environment and Academic Support. BCU's metrics (latest data from 2021) around Continuation, Completion and Progression (to employment) were broadly in line with sector benchmark, and therefore, our Student Outcomes were deemed to be of Very High Quality (Silver).

STUDENT CONTINUATION

The University remains in line with the sector benchmark for entrant continuation with a four-year aggregated rate of 90% for full-time First Degree students and 91% for full-time taught Master's degree students. While the University's continuation rate remains well above the OfS quality and standards threshold (80%), specific focus during 2022/23 has been on transitional support, particularly for students entering with vocational qualifications (BTEC) rather than A levels, as well as support for students affected by financial hardship (cost of living).



STUDENT COMPLETION

BCU continues to exceed the sector benchmark for the percentage of students who complete their studies with an award with a four-year aggregated completion rate of 88% for full-time First Degree students and 91% for full-time taught Master's degree students – well above the OfS quality and standards thresholds of 75% and 80% respectively.

PROGRESSION TO EMPLOYMENT

The percentage of our graduates in Highly Skilled Employment or Further Study 15 months after graduation, based on a survey of those who graduated in 2020/21, has remained at a high level (71%) – well above the OfS threshold for quality and standards (60%). Overall, 93% are in employment, further study or are not actively seeking work after 15 months.

SUBJECT LEVEL DIFFERENCES

Under the new B3 Academic Quality regulations introduced by OfS from October 2022, performance is also reviewed at subject level, as well as at an institution – which aligned with our already subject-focus academic quality processes at BCU.

We have one subject area which falls below the quantitative progression threshold for full-time undergraduate students based on the OfS definition of graduate level progression; and three areas at postgraduate level. There is also a small number of areas where we are monitoring trends carefully. Support and challenge processes for our academic provision are led by our DVC Academic and PVC Learning and Teaching via Subject Level Performance Review and Course Monitoring and Enhancement, which in turn are overseen by the Vice-Chancellor via Quarterly Performance Review, with regular reporting to our Academic Board and Governing Body.

STUDENT SATISFACTION AND ENGAGEMENT

In the National Student Survey 2023, 81% of final year UG students provided feedback on how positive their experiences were at Birmingham City University. Due to significant changes to the survey in 2023; comparisons with previous surveys are inappropriate but contrasts with survey responses across the UK HE sector show strong positive experiences at BCU in questions on Learning Opportunities, Assessment and Feedback, and the Student Voice. The majority of the NSS 2023 respondents would be students starting their course in 2020/1 in the middle of the COVID pandemic.

NSS 2023	QUESTION GROUPS				
	Teaching	Assessment & Feedback	Academic Support	Learning Resources	Student Voice
	Percentage positive response				
BCU	84%	81%	81%	86%	74%
OfS Benchmark	83%	78%	81%	86%	72%

STUDENT SUCCESS AND EXPERIENCE HIGHLIGHTS

Key highlights for 2022/23 for driving up academic quality and student satisfaction include:

- Transitional welcome weeks implemented for students entering with vocational qualifications particularly.
- All undergraduate students (not just finalists, as is the case for the NSS) surveyed about their experiences through our BCU Voice survey – now an annual feature at BCU.
- Performance data on all our courses was monitored at key times throughout the year through an automated Course Monitoring and Enhancement process, supported by dashboards on all key indicators down to module level. The process had its second full year of operation during 2022/23.
- Through reviewed student recruitment policy and processes, maintaining good levels of tariff point on entry as a recognised mid-tariff university as defined by the OfS, and to ensure student success.
- A focus on academic skills, assessment literacy and design and mid-point review to support students through to success in their final year.
- Peer-learning support at Level 4 (first year), particularly in English and Maths.
- To ensure a relevant and well-resourced academic offer to our students, we reviewed our undergraduate and postgraduate portfolio, taking out some 40 courses where resource was being potentially duplicated and student experience diluted, or where employer need and market demand had moved on.
- Further enhancement in Faculty leadership structures means there is now more focus on academic excellence and tighter performance management throughout our teaching and learning provision.



RESEARCH QUALITY

The initial outline of REF2028 rules has been released by Research England, which includes some very significant changes from REF2021.

The focus of REF2028 is less on individual activity and more on collective community endeavour and culture, which now pervades all elements of the assessment. A new whole-institution focus, termed People, Culture and Environment, will account for 25% of the results, up from 15% in REF2021. This in turn will require greater institutional attention to many elements of our research environment including EDI, ethics, integrity, researcher development, open-access and other matters. Greater data on the activity and outputs of all our researchers and research will be required, and a strengthening of the Research Office environment team.

We are currently developing the central systems and processes that will ensure our research environment can be monitored and improved, research staff and PGR populations can be developed, and the body of outputs and impacts can be enhanced, in line with our commitment to improve quality, intensity and inclusivity of research.

ACCESS AND PARTICIPATION

Along with all other English universities regulated by the Office for Students, Birmingham City University has in place an [Access and Participation Plan \(APP\)](#) which is a rolling plan in effect from 2020/21 to 2023/24. BCU has an extremely diverse, ethnically plural student population, with a large proportion of students from socio-economic disadvantaged areas, as measured by the index of multiple deprivation (IMD). This plan, which we publish on our website, details how we invest in measures to support access to higher education, student success, and progression to employment or further study for students from disadvantaged and underrepresented groups.

Our current Access and Participation Plan sets out 15 targets to improve either absolute levels or gaps in performance between students from different backgrounds. We are already on track to meet all of our 'Access' targets. For example, through targeted engagement with potential students through our INTOUniversity centre in Kingstanding, we have delivered a 47% uplift from the local average of school leavers getting into university. Through increased attention and support, we have also driven a significant increase in disability reporting (up to 14.4% from 11% in 2017-18).

Some attainment gaps persist (as measured by the percentage of students achieving a 2:1 or a First) particularly between White students and students from an Ethnic Minority background, with the largest gap between White and Black students. We have found that attainment gaps for these groups continue to be impacted by legacy effects associated with the pandemic's disproportionate effect on people (and students) of colour, along with emerging evidence on the disproportionately negative effect online learning had on students of colour and socio-economically disadvantaged students.

During 2022/23, the Deputy Vice-Chancellor Academic Professor Peter Francis led focused investigation to establish key influencers and address root causes of differing levels of attainment.

These included:

- Identifying key elements at course level: overall balance, culture and organisation.
- Identifying key elements at module level: content, delivery and assessment.
- Review of patterns of non-submission and impact on student outcomes: non-submission correlating with poorer degree outcomes.
- Analysis of entry qualification impact on student outcomes: as has been shown nationally students with BTEC tend to perform less well than those entering with A levels; there is also significant overlap between students who enter with BTECs, and those from Ethnic Minority and IMD Quintile 1 backgrounds.

Birmingham City University volunteered for and is one of a small number of providers who were selected to participate in the Office for Students 'Wave 1' trial for developing APP objectives for 2024-25 to 2027-28. This is an expression of our ongoing commitment to maintain and improve access to our undergraduate courses and reduce inequalities observed across the student lifecycle. This new plan is waiting approval by the OfS, but will focus on the results of deep analysis of student characteristics linked to performance, with interventions developed using Theory of Change logic models, and to be underpinned by detailed evaluation framework which will enable us to constantly review the effectiveness of key activities.

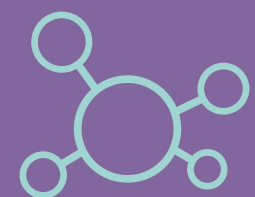


EXCELLENCE IN
EDUCATION AND STUDENT
ENGAGEMENT REMAINS
AT THE HEART OF
EVERYTHING WE DO.



50%

TARGET FOR ACADEMIC STAFF
TO BE CATEGORISED AS RESEARCH
ACTIVE, WITH EXTERNAL
GRANT CAPTURE OF
£40 MILLION.



ACHIEVE TARGETS
SET OUT IN THE ACCESS AND
PARTICIPATION PLAN WHILE
ENSURING CONTINUED HIGH LEVELS
OF ENTRY FOR DISADVANTAGED
AND UNDER-REPRESENTED
GROUPS, AND REDUCED GAPS IN
CONTINUATION AND ATTAINMENT.

LEADING LOCALLY ENGAGING GLOBALLY

The University's 2025 Strategy underlines the institutional importance of partnerships to both BCU's mission and associated measures of success. Across 2021/22 the University continued its drive to be the partner of choice for industry, cultural organisations and public service providers, based on distinctive partnerships of mutual value both domestically and internationally.

ENTERPRISE

Across the 2022/23 academic year, the University's partnership focus saw a continuation of its contribution to society and the economy at local, national and international levels through translation of knowledge and enterprise activity into impact.

A specific thematic focus was innovation linked to local, regional and national priorities for stimulating skills, business development and productivity. Key activity across the past 12 months included working in partnership to secure two prestigious West Midlands Innovation Accelerator bids, concentrating on the regional strategic priorities of health tech (acceleration of new health tech products), and clean tech (supporting citizen health and economic growth). The Accelerator, part of a new £100m Government fund, underpins a new co-design relationship between the region and government, and draws upon BCU expertise to strengthen the region's engineering R&D and innovation strengths.

The academic year was again typified by continued growth in BCU's Knowledge Transfer Partnership (KTP) activity – business improvement programmes designed to help SMEs increase profitability and achieve growth. By year end, BCU had 32 KTPs either live, in progress or that had been completed in year (ranked 7th in the UK by UKRI in terms of volume), with a portfolio value of £5.8m.

BCU also secured accountable body status for the leading SuperTech partnership – the UK's first professional services technology (ProfTech) supercluster. SuperTech aims to increase technology-led productivity gains within business and professional services organisations. Looking toward 2023/24, the partnership with Supertech will both complement and enhance BCU's ambition to underpin long-term and inclusive regional innovation and growth, whilst also supporting deeper connectivity with sector specialists aligned to faculty priorities.



INTERNATIONAL PARTNERSHIPS

Strong and sustainable international partnerships are central to the University's status as the University for Birmingham and to its global reach. Our international partnerships support the University's international student recruitment onto BCU courses delivered in the UK and abroad, our research and enterprise reputation in the international arena, as well as the graduate outcomes of BCU students who undertake study and work abroad number. On-campus international students increased to over 5,300 enrolled during 2022/23 through our international network. We are particularly proud of the following achievements this year:

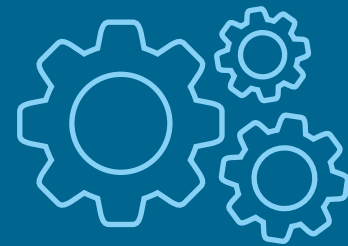
- We have grown on-campus international recruitment to over 5,300 students with the ambition to place us among the 10 largest international recruiters in post-92 universities by 2025.
- Our total international tuition fee income from our transnational education activities (TNE) and on-campus students was £71.4m, of which TNE income was £4.8m, and on-campus income £66.6m.
- Our TNE activity now comprises nearly 4,000 students across 22 partners.
- University TNE strategy for our branch campuses has been reviewed, with tightening of our network and some closure of under-performing arrangements. Our TNE offer has been strengthened significantly with key



NUMBER OF ON-CAMPUS
INTERNATIONAL STUDENTS
INCREASED TO
OVER 3,400

academic and innovation hubs operating in strategic regions:

- Wuhan, China: BIFCA joint Ministry-approved campus running three successful programmes and looking to expand.
- Ludhiana, India: STEAMhouse Ludhiana-Munjial Birmingham Centre for Innovation and Entrepreneurship (MBCIE) is a joint enterprise hub partnered with India's motorbike and cycle manufacturing giant Hero Group. The space provides a place for individuals to take new business ideas, for existing organisations to grow their businesses and for entrepreneurs to collaborate.
- Student experience and employability through international mobility: we have secured c.£1m from the UK Government's Turing funding to support study and work placements for our students across our global network.



WE AIM FOR PHYSICAL PRESENCE
IN AT LEAST THREE AREAS OF THE
CITY WHICH SUFFER FROM HIGH
DISADVANTAGE, PROVIDING
FACILITIES FOR STUDY,
**STUDENT SUPPORT AND
COMMUNITY ENGAGEMENT.**



WE AIM TO BE RANKED IN THE TOP
QUARTILE AMONG COMPARATOR
INSTITUTIONS FOR OVERALL
EMPLOYMENT OF OUR FULL-TIME
UK UNDERGRADUATES, AND THE
**TOP QUARTILES FOR
HIGHER-LEVEL EMPLOYMENT.**

COMMUNITY PRESENCE AND ENGAGEMENT

The University's approach to community presence and engagement is guided and celebrated by its mission to be the 'University for Birmingham', reflecting its role as both an anchor Institution in Birmingham and the wider West Midlands.

The University is proud to have a longstanding partnership with Edgbaston and Warwickshire County Cricket Club. The organisations have worked together since 2016, with opportunities on both sides - including to change the face of cricket both in Birmingham and the West Midlands and a number of student placement opportunities. On match days, spectators at the ground and those watching on television see the BCU brand carried around the top of the Birmingham End - as well as on the shoulders of the Birmingham Bears themselves on their match day kit.

Collaboratively-funded research into under-representation of cricketers from a South-East Asian heritage at the elite level is ensuring that lasting change is achieved. BCU is also working with the cricket club to enable more players from the region to access trials without needing to be nominated by club or school coaches.

Outstanding staff contributions are recognised through the dedicated Knowledge Exchange Awards. More than 50 nominations were received last year reflecting leading projects and initiatives such as a community summer school for disadvantaged Year 10 students; and a participatory research project engaging over 557 community members to develop stronger communities.

The University's flagship community event - Family Day - attracted 1,834 visitors to BCU's City Centre Campus to take part in a range of educational fun activities across all subject areas. This was the biggest ever Family Day, exceeding 2022's event by 42%. The annual event aims to strengthen the University's link with the city and the local community, and offer a free day out for all attendees, with a particular focus on those who have not previously visited the University. Around 33% of visitors were visiting the University for the first time.

BCU is also proud of its work with local charities, particularly the two charities chosen by staff. The support we offer is practical - such as Acorns Hospice attending Family Day to engage with our visitors - and financial, including donating funds raised at the University's annual carol concert to Birmingham and Solihull Women's Aid. There have also been a range of opportunities for staff and students to be involved with both charities including guest lectures and events at Christmas.

From a student perspective, extracurricular community presence, engagement and volunteering activity is recognised through Graduate+ and includes projects such as mentoring which continued to grow in strength across 2022/23, with 304 students and graduates being matched with 180 high profile mentors. A partnership with Barnardos and community interest company Our Place supported 41 students to access learning and development opportunities, whilst providing mentees with support for up to 12 weeks, enabling diverse communities to grow.

GRADUATE OUTCOMES

The latest Graduate Outcome data, based on 2020/21 leavers, indicated that the percentage of full time UK domiciled first degree students in skilled employment or further study was 70.9% - set against an Office for Students threshold of 60%. Of particular note were considerable School and subject level improvements in Engineering, Jewellery, Fashion and Textiles; whilst the University also saw a decrease in unemployment levels for the second consecutive year.

A new long-term Strategy for Employability was developed in 2022/23, driving an uplift in employability through the creation of opportunities for every student to build on the aspiration, skills, knowledge and experience appropriate for succeeding in an ever changing digital, global world. The new Strategy aligns to BCU's ambition and targets for TEF Gold, enabling employability support from point of entry.

Operationally, significant levels of work took place across the Institution to drive positive outcomes for BCU's students and graduates. Following new approaches to working and close partnership between the Employability team and Faculties, over 31,529 careers and employability advice interactions took place with students and graduates - an uplift of 30% from 2021/22.

Support for entrepreneurship also grew, exemplified by the opening of a Pre-Incubator and Enterprise programmes such as the STEAM Hatchery which received over 100 applications from final year students and recent graduates. BCU is now ranked 14th nationally and 1st in the West Midlands for business start-ups.



Work continued in building stakeholder relationships with third sector and employability groups, alongside continued partnerships with stakeholders such as the Department of Work and Pensions and a new collaboration with Barnardos, to facilitate a mentoring partnership. Over 4,000 students were engaged with employer-related activities in 2022/23 including fairs, pop ups and embedded and optional sessions. The year was also host to BCU's biggest Careers Fair to date, which was attended by 1,045 students and graduates in Autumn 2022.

EQUALITY, DIVERSITY AND INCLUSION ALL INCLUSIVE UNIVERSITY

At Birmingham City University, our student body consists of over 33,000 students primarily from the local region, and increasingly students from across the globe. We are supported by a workforce of approximately 3,000 people.

We work hard to advance equality in all that we do. This includes making improvements across key aspects of our business such as:

- Leadership
- Learning, teaching and assessment
- Research and knowledge exchange
- People, value and partnerships

Over the last financial year we have invested in targeted scholarship programmes. The overall aim of the investment is to improve access and participation for BCU scholars, moving from undergraduate studies into post graduate research opportunities. This will help to improve the diversity of our research community and increase the diversity of our academic staff, complimenting our 'Grow your Own' workforce planning initiative.

Our university is working in collaboration with partners in the West Midlands to eliminate barriers to research study, through a high-profile project to unlock talent and potential by tackling inequalities faced by racially minoritised students. This work is funded by both UK Research and Innovation and the Office for Students – part of a nationwide programme to widen access and participation in postgraduate research.

We also launched our academic recruitment campaign this year to fill one hundred academic roles. The majority of applications received (66%) were from candidates reflecting the rich cultural diversity of our community, indicating that



BCU is a growing employer of choice, able to attract talented people who reflect our core values i.e. creating opportunity, thinking differently, and building community.

We are continuing to make much needed progress through the use of equality charter frameworks. In February the University became a Stonewall top 100 employer and received a gold award for its commitment to LGBT+ inclusion. While there has been a slight increase in the University's gender pay gap (moving from 8.6% in 2021 to 9.3% in 2022), more faculties are progressing applications for bronze departmental awards in relation to Athena Swan.

This year we are making our first submission to the University Mental Health charter in recognition of our commitment to make mental health and wellbeing a university wide priority. Our commitment to advancing Race equality and Disability inclusion also continue to be progressed through our work on the Race Equality Charter, and the Disability Confident initiative.



WE AIM TO ACHIEVE EXTERNAL
ACCREDITATIONS BY STONEWALL,
ATHENA SWAN AND THE
RACE EQUALITY CHARTER.



WE AIM TO BE EXTERNALLY
ACCREDITED BY THE
WELLBEING CHARTER AS A
TOP QUARTILE EMPLOYER.



STAFF HIGHLIGHTS OF THE YEAR

PEOPLE AND VALUES

PEOPLE AND VALUES



“THE APPLICATION AND COMMITMENT TO COVID AND ITS CONTROLS WITHIN THE UNIVERSITY ARE EXEMPLARY AND THIS IS RECOGNISED ACROSS ALL FUNCTIONS AND FACULTIES.”

We recognise the importance of continually investing in our staff, whether that be from a health and wellbeing perspective or opening up opportunities to gain further qualifications or offering skills development. We are determined that we make further impactful progress on our journey to being an inclusive employer. We know that looking after our staff allows us to not only retain the professional and experienced staff within our organisation but ensures we have the best talent which will deliver the best transformational learning outcomes for our students.

Staff who are committed to their work at Birmingham City University, engaged in the workplace and who act as advocates of BCU as an employer, are the key to our organisation's future success. Engaged and valued staff will deliver the best experience for our students and stakeholders. Staff who feel engaged and supported in research, scholarly work and their personal development will feel that they can give their best in the workplace.

Our 2022 staff engagement survey results show that we have further work to do to ensure all colleagues are engaged in their work and share success. 77% of our staff feel that 'BCU is a good place to work'. We know that we have increasing numbers of our staff recommending the University as a place to work and also as a place to study.

Work continued to embed and promote the revised values that the University introduced in 2022 – the values are being

integrated into all HR processes, from induction through to recruitment to training. They are at the heart of how we act and make decisions.

We want our staff to feel they have a career with us. For example, in the past 12 months the University has been looking at how it promotes and establishes an Academic Career Pathway framework that develops all our academics and makes them feel supported in their career with us. During this academic year, over 250 courses have been available to all staff covering topics such as financial skills, leadership and management, equality, diversity, inclusion and career development. Over this period, course pages were visited 13,741 times, resulting in 8,454 enrolments by 2,124 unique members of staff.

LOYALTY AWARDS

The second Loyalty Award ceremony took place at Edgbaston Cricket Club on 6 July. Recognising the service of colleagues who have completed at least 20 years' service with the University, the event was a joyous celebration of such outstanding loyal commitment. Over 60 colleagues were recognised, and they received from the Vice Chancellor a certificate, shopping vouchers and a lapel pin.

EMPLOYEE VOICE

Working in partnership with our trade union colleagues, we successfully negotiated a pay settlement that saw the University avoid the industrial action that has impacted the sector – the strength of local pay bargaining and working together was clearly demonstrated by this process. We have set in place our Joint Negotiating and Consultative Committee (JNCC) which establishes our formal negotiation and consultation forum for the coming years and that will aid local dialogue to support the development of our University.

The Employee Forum, with representation from every area of the University, continues to meet to share information and discuss matters, ranging from strategy and business plans to organisational change.

We look ahead to the next 12 months with confidence that we will continue to make BCU a great place to work.

HEALTH AND SAFETY

The University again successfully maintained its international certification to the ISO 45001 Standard following a five-day external audit in Spring 2023.

NEW WAYS OF WORKING

In the past 12 months, the University has invested time and resources in creating a central hub for Professional Services Departments in the Joseph Priestley building. The building has been extensively refitted to support agile working and flexible ways of working. Departments each have their own 'home' zone but, within each zone, desk usage is flexible and different break out spaces have been created across the building to support the different styles of meetings that take place. Occupancy in the building has been increased and each team works to a hybrid working pattern to meet the needs of our University and its services.

VOLUNTEERING

The University recognises the value in building community, by enabling staff to take a paid day of leave each year for volunteering to support local communities and organisations. This initiative has been welcomed and embraced by all staff, evidenced by the valuable contribution volunteering has made while working collaboratively and building productive



working environments, dedicating time and talents to community projects and identifying opportunities to transform lives on and beyond the campuses.

The range of volunteering is immense. Examples include a PVC Dean supporting the arts and volunteering as a Trustee for The Rep theatre, a librarian assisting in scouting activities, a designer helping to build a school with Mellon Educate. On top of this, an analyst became a volunteer for the Samaritans, a senior lecturer undertook a bike ride to support the Cure Leukaemia charity and a digital forensics lecturer raised funds to buy lockdown laptops for digitally disadvantaged children for a local primary school.

BCU can be proud of all that staff have done for the city and region, both through their work at BCU and away from the University - inspiring others to join in and fulfilling the University's mission to be the University for Birmingham.

THE UNIVERSITY FOR BIRMINGHAM

Work took place throughout 2022/23 to increasingly embody our mission to be the University for Birmingham. Specific highlights included a focus on environmental sustainability through biodiversity and net zero; furthering the cross-disciplinary STEAM agenda with enhanced support for regional entrepreneurs and start-ups; and driving personal transformation through student growth.

SUSTAINABILITY

This year in our mission to be the University for Birmingham we've set stretching targets to become a net-zero organisation by 2037/38. Engagement with staff and students throughout the year has helped to drive environmental performance improvements especially in waste reduction.

BCU has risen to 26th in the People and Planet University League and sits within the 1st class universities category. The league assesses our environmental and ethical performance. In July 23 the University Executive Group and the Board of Governors approved our ambitious net-zero targets. BCU will be a net-zero organisation by 2037/38, or sooner, and a roadmap is being developed.

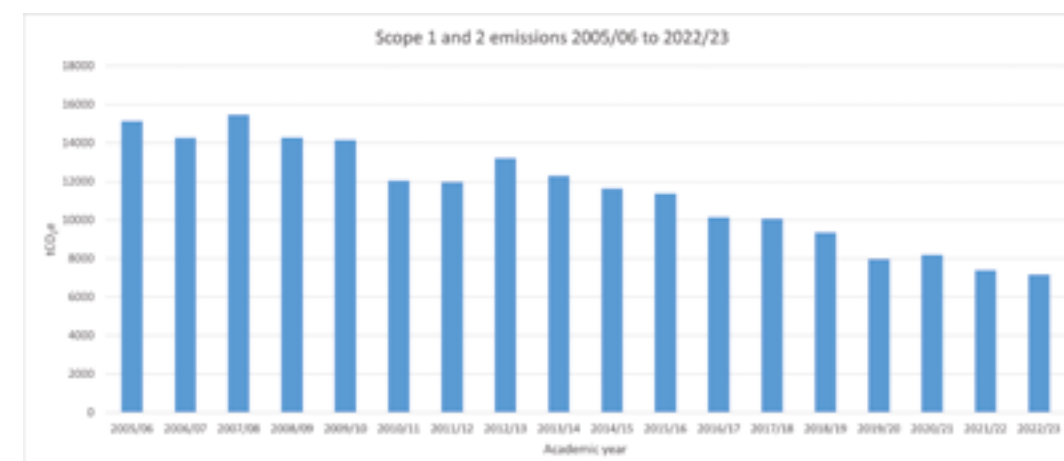
Scope 1 and 2 emissions for 2022/23 are 7171 tCO₂e. This is a 3.4% decrease on the previous year. A full breakdown of this year's emissions figures will be reported in the Annual Environmental Report. Water consumption is 2% higher than last year due to increased building occupancy and the opening of STEAMhouse building.

BCU had a successful recertification audit for its ISO 14001:2015 accredited Environmental Management System in January 2023.

1,000 people were engaged over 20 events, from Waste Awareness Week to wildflower planting. 56 articles and newsletters were delivered to keep key stakeholders up to date with the latest sustainability developments at BCU.

Increased footfall post pandemic has led to more waste being generated; however, the figure remains 5.4% lower than the baseline year of 2018/19. Due to several space reconfiguration and refurbishment projects both industrial waste and recycling rates have increased. Thanks to feedback from participants of the first Waste Awareness event confidential waste bin signage was improved which has contributed to the boost in recycling.

Air travel increased in 2022/23 by 185% compared to 2021/22, with 803 tCO₂e emitted. However, reporting remains lower than the baseline year, 2018/19, when 2,554 tCO₂e were emitted. Sustainable travel practices continue to be embedded throughout BCU's policies.



ALL UNIVERSITY

DECISIONS AT MAIN GOVERNANCE COMMITTEES TO EXPLICITLY ADDRESS ENVIRONMENTAL SUSTAINABILITY...



BCU IS CURRENTLY 26TH (OUT OF 154 UNIVERSITIES) IN THE PEOPLE AND PLANET UNIVERSITY LEAGUE.

BCU'S SCORE IMPROVED DURING THIS YEAR DUE TO THE WORK ON EDUCATION FOR SUSTAINABLE DEVELOPMENT (SCORING 95% IN THIS SECTION).

ALL STAFF

TO HAVE COMPLETED ENVIRONMENTAL AWARENESS TRAINING, AND ALL COURSES ASSESSED AGAINST SUSTAINABLE DEVELOPMENT GOALS.





STEAMHOUSE

The 2022/23 academic year saw the official opening of STEAMhouse – the University’s 100,000 square foot innovation centre – at an event attended by almost 400 guests.

STEAMhouse was designed with teaching spaces to support project-based learning, allowing students to work on group projects in a reconfigurable environment mimicking the world of work. Over 2,000 students from the College of Computing are now based there and every week, students experience the opportunity to learn in these collaborative spaces, alongside our industry and enterprise partners.

By year end, the building was host to 24 businesses, and had supported the creation of 12 new jobs within these businesses. Meanwhile, the 12-month STEAMhouse Create Programme supported 207 enterprises, created 6 new jobs, and facilitated 37 research collaborations, 23 new products to market, and 87 new products to enterprise.

STEAMhouse has now successfully pivoted to a blended model of funding and commercial enterprise; substantial regional showcases and events held in 2022/23 included the Greater Birmingham and Solihull Local Enterprise Partnership’s AGM, Birmingham Tech Week, Innovate UK’s Innovation Accelerator and WM5G launch events, alongside BCU’s Innovation Fest, International STEAM conference and Careers fairs.

By hosting BCU’s **Innovation Fest (IF)**, STEAMhouse enabled students to work in teams to formulate and develop innovation projects embedded in the curriculum, with key players including Santander and Amazon directly engaging to advise and challenge them to develop their

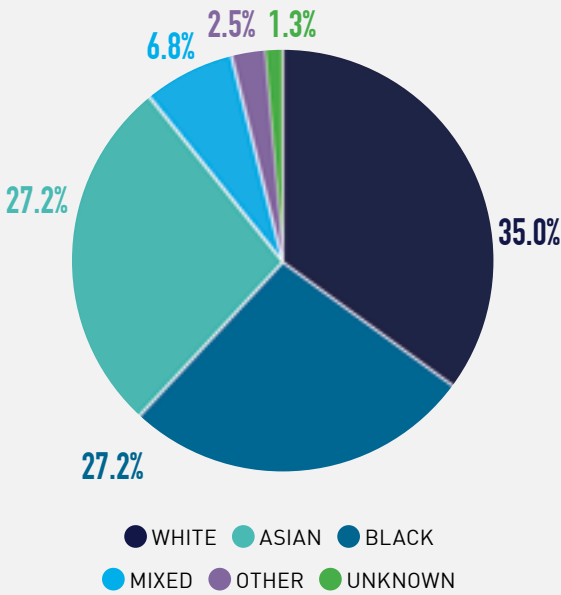
entrepreneurial potential. In 2023, the 10th anniversary Innovation Fest (IF23) saw over 2,000 students participating in the core event, demonstrating more than 1500 individual and group projects from Foundation to MSc level, and with well over 300 guests in attendance including industry experts from Microsoft, IBM and SCC acting as mentors and judges.

This direct connection between students and industry creates transformative innovation opportunities; for example, Qitmeer, a key sponsor of IF23 has launched a £100,000 Accelerator program to recruit from BCU graduates. In the academic year 2022/23, Santander provided equity-free seed funding for 3 undergraduate and 4 postgraduate research start-ups, and 350+ learners competed in the Santander-STEAM Pitch Playoff contest as the best-of-the-best BCU entrepreneurial projects.

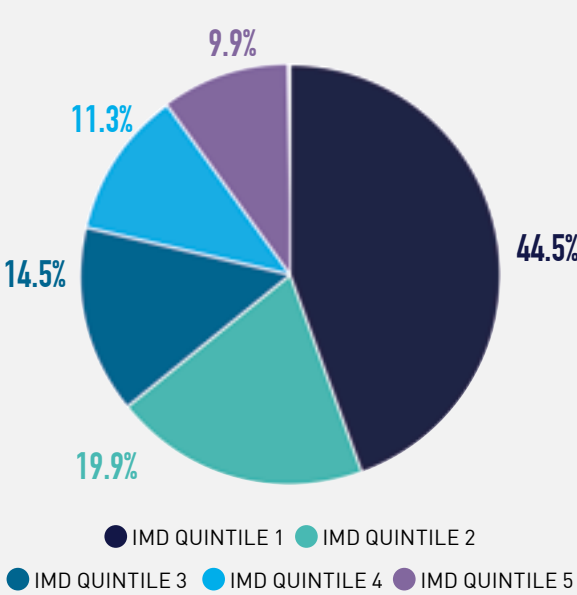
The new teaching spaces in STEAMhouse also gave us the capability to innovate our course portfolio, especially in areas driven by interdisciplinary learning and engagement with commerce and industry, such as our MSc conversion courses in general AI and AI applied to FINTECH, our MSc User Experience Design course, and BSc Computing and AI, opening up a wealth of future collaboration opportunities.

From an international perspective, STEAMhouse’s reach continues to grow with partnerships across Europe, and global consultancy activity from India to Argentina; whilst BCU’s International Conference attracted participants spanning the US, Canada, Mexico, Europe and Australia. Domestically, STEAM-led community engagement continues at pace, exemplified by participation in the national REFRAME project in partnership with Apple and Southbank which supports widening diversity of Artists and Musicians.

BCU ETHNICITY FULL-TIME FIRST DEGREE ENTRANTS 2022/23



BCU INDEX OF MULTIPLE DEPRIVATION FULL-TIME FIRST DEGREE UK 2022/23



MEETING DEMAND: STUDENT NUMBERS

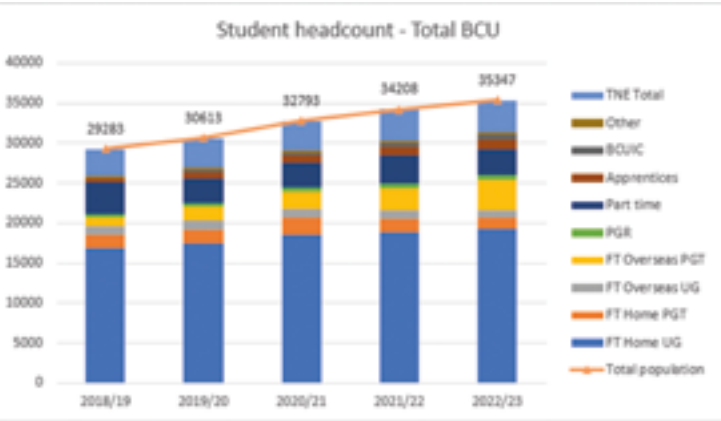
The high intake of 2020/21 in the pandemic year of full-time UK undergraduate students (which the whole sector experienced) has boosted the our overall student numbers through 2021/22 and 2022/23 as students continue through their studies, with further considerable growth posted in 2022/23 with an exceptionally successful undergraduate recruitment round in September 2022. Home postgraduate taught numbers have declined, partly as a result of nationwide decline in applicants for our large provision for Postgraduate Certificate in Education. An area of very significant growth is our full-time international postgraduate taught provision – courses in Project Management, Big Data and AI are particularly popular. Our numbers in transnational education have also increased - the section on Partnerships in this report shows our focus on maintaining and growing quality in this area.

STUDENT DIVERSITY

Our UK undergraduate student body continues to grow in diversity to reflect the plural population of Birmingham and the West Midlands particularly. The proportion of UK undergraduate entrants who are White has dropped from 37.5% to 35% this year. The increasing plurality of the student population reflects our city, with an increase in the proportion of our students from Black African heritage particularly noticeable this year. The proportion of students from postcodes which are classified as areas of the most severe multiple deprivation has remained steady at 44% (45% last year). This understanding of the challenges faced by many of our students by the financial, physical and mental challenges of living with deprivation has shaped our hardship and digital support strategies.

Fee status / Level	2018/19	2019/20	2020/21	2021/22	2022/23 **
UK UG (FT)	16,912	17,466	18,559	18,817	19,301
UK PGT (FT)	1,580	1,678	2,090	1,744	1,302
International UG (FT)	1,052	1,160	1,067	998	939
International PGT (FT)	1,068	1,743	2,177	2,780	3,871
Total FT	20,612	22,047	23,893	24,339	25,413
PGR students	476	510	532	533	540
Part time	4,047	2,984	3,128	3,613	3,328
Apprentices	402	835	917	1,067	1,215
BCUIC (franchise)	0	266	246	387	518
Other	320	287	278	346	350
Total population*	25,857	26,929	28,994	30,285	31,364
Transnational Education***	3,426	3,684	3,799	39,23	3,983
Total population	29,283	30,613	32,793	34,208	35,347

FT = full-time PGT = postgraduate taught
PGR = postgraduate research BCUIC = BCU International College
* HESA definition ** Provisional *** Taught overseas



THE UNIVERSITY'S STATEMENT OF PUBLIC BENEFIT

Birmingham City University is an exempt charity by virtue of Schedule 3 of the Charities Act 2011 and as such regulated by the Office for Students (OfS) on behalf of the Charity Commission for England and Wales.

The University's objectives as defined in the Education Reform Act 1988 are to 'provide higher education', to 'provide further education' and to 'carry out research and to publish the results of that research' for the public benefit. The University's Board of Governors serves as its trustees and is responsible for determining the educational character and mission of the University, overseeing and scrutinising its activities. When establishing the strategic direction of the university, the Board of Governors and the University's Executive Group give careful consideration to the Charity Commission's general and supplementary guidance on public benefit and to the guidance issued by the OfS in its capacity as principal regulator on behalf of the commission.

We consider the beneficiaries of our charitable status to be all students (both undergraduate and postgraduate), as well as members of the public in the UK and overseas. We believe universities are institutions of public good and that Birmingham City University transforms lives by providing inspiring environments for its students and staff while sharing their discoveries to benefit the world.

OUR COMMITMENT

Our University is at the heart of Birmingham and the West Midlands, with a strong historic and current civic role. BCU is committed to ensuring that local communities see and enjoy the benefits from having a university on their doorstep and to deliver a significant contribution to the region's health and wellbeing, education and skills, economy and jobs, and community and regeneration.

A SENSE OF PLACE

A focus on applied learning and on the widening of education to all who can benefit from it remain at the heart of the University and its inherent charitable objectives. The University is committed to supporting

personal transformation, and through the transformation of the life opportunities of our students, drive the success of our communities, city and our region.

We strive to complement and transform the region through accelerating business growth and employability within the local economy through delivery of practice-based research and knowledge transfer; business growth expertise and support activities; a highly-skilled, work-ready graduate workforce; and interdisciplinary academic and industry collaborations. A strong sense of place has ingrained our ethos of public and community engagement, promoting culture and learning to a wider audience through a programme of public events that includes lectures, exhibitions, and artistic performances. The University's schools of Jewellery and Art are heavily involved in the preservation of local heritage, and our Royal Birmingham Conservatoire offers a programme of over 300 concerts for schools and the general public each academic year.

DRIVING HEALTH IMPROVEMENT IN OUR REGION

We make a significant improvement to the health of our region by training hundreds of newly qualified nurses each year. Our Health, Education and Life Sciences Faculty is one of the leading providers of defence healthcare and employees to the NHS, offering cutting-edge learning facilities including state-of-the-art lecture theatres and seminar rooms, mock wards, birthing rooms, operating theatres and virtual reality software. We also continue our work to increase the pipeline of skilled graduates to the local NHS as one of the largest and most diverse providers of health and social care education in the country, with departments covering Education, Social Work, Adult Nursing, Mental Health and Learning Disabilities, Midwifery and Child Health, Operating Department Practice and Paramedics, Public and Community Health, Radiography, and Speech and Language Therapy.



BCU CONTRIBUTES
£125,000

A YEAR TO OUR WORK WITH
EDUCATION CHARITY INTO, WHICH
MATCH-FUNDS THE SUM AND RUNS
OUR BIRMINGHAM CITY NORTH
CENTRE IN KINGSTANDING.

RAISING ATTAINMENT IN LOCAL SCHOOLS

BCU Forward programme: in partnership with Aldridge, Plantsbrook and Fairfax schools and Hamstead Hall Academy, the University has provided attainment-raising workshops in English and Science, confidence-building sessions, career awareness work, and campus visits to BCU. The full programme currently reaches 120 'average grade' (Grade 4) pupils from Year 7 and Year 8, which form the core cohort for the programme from KS3 through to KS5. Embedded within the project is fostering engagement with the wider community through activities involving parents and carers.

Into University partnership: BCU contributes £125,000 a year to our work with education charity IntoUniversity, which match-funds the sum and runs our Birmingham North Centre in Kingstanding - an area with high levels of deprivation and low HE participation. It undertakes aspiration and attainment raising work from Year 3 to Year 13, featuring structured academic study after school, as well as academic sessions on BCU's campus. This project is in place for five years, taking the partnership through to 2024.

AimHigher and UniConnect: our partnership with AimHigher West Midlands and UniConnect has resulted in the design of a new innovative programme of activity to address lower than expected progression rates of secondary pupils living in 25 identified gap wards.

Literacy tutoring in primary schools: BCU delivers an intensive literacy tutoring programme with local primary schools initiated by research identifying literacy support needs. Each year, approximately 106 Year 3-6 pupils receive weekly 30-minute one-to-one sessions for ten weeks. In Year 6 they attend the University for a graduation ceremony. Attainment is assessed by STAR reports completed by school staff; and the programme is evaluated through a measure of the pupils' reading age score at the start and end of the project.

CORPORATE GOVERNANCE AND INTERNAL CONTROLS

INTRODUCTION

The University endeavors to conduct its business in accordance with the seven Principles identified by the Committee on Standards in Public Life (selflessness integrity, objectivity, accountability, openness, honesty and leadership) and the HE Code of Governance. The University has reviewed its governance and management practices and internal controls against the latter and is satisfied that they comply with the guidance contained within the Code.

This statement of corporate governance relates to the period covered by the financial statements, and the period up to the date of approval of the audited financial statements.

THE CORPORATION

The University is an independent corporation, established as a Higher Education Corporation under the terms of the Education Reform Act 1988 and of an Instrument of Government approved by the Privy Council in April 1993.

The University is an exempt charity within the meaning of the Charities Act 2011. Its powers are set out in the Act; its framework of governance is set out in the Articles of Government which were approved by the Privy Council in September 1995 and by the Board of Governors in November 1995.

THE BOARD OF GOVERNORS

The Board of Governors is collectively responsible for overseeing the University's activities, determining its educational character, mission and general strategic direction and all decisions which might have significant reputational or financial implications, as well as all legal and regulatory compliance.

The Board includes the Vice-Chancellor within its membership and has a majority of independent members, chosen in line with strict criteria contained in the legislation. It is customary for the Chair of the Board to be elected from the independent members. There is also provision for the appointment of co-opted members (some of whom may be members of the staff of the University) and for representatives of the student body. By custom and practice the President of the Students' Union and one of the Vice-Presidents are members of the Board. The University Secretary has been appointed as Clerk to the Board and, in that capacity, provides independent advice and guidance on matters of governance to all Board members.

The University maintains a Register of Interests of members of the Board and senior officers which is published on the University's website. The members of the Governing Body are its trustees for the purpose of charity law. The trustees and officers serving during the year and until the date the financial statements were formally approved were as follows:

Independent and Co-opted External Members

Anita Bhalla, OBE (appointed Chair 12 May 2023)
Hugh Jones (appointed Interim Deputy Chair 12 May 2023)
Joe Bates
Louise Brooke-Smith, OBE
Andrew Buckley
The Rt Hon the Lord Grocott
Sue Hall
Glenn Howells
Neil Jones
Zubeda Limbada
Hinesh Mehta
Nicola McGowan
Clare Pelham
Peter Phillips
Parmjit Singh

Staff Members

Dr Melanie-Marie Haywood (appointed 1 January 2023)
Helen White (appointed 1 January 2023)

Student Members

Jay Dave (appointed 1 July 2023)
Luke McCombe (appointed 1 July 2023)

Vice-Chancellor (Ex-Officio Member)

Professor David Mba (appointed 1 October 2023)

Co-opted Members of Committees

Aftab Rahman (Audit Committee)
Sukhjaveen Nat (Finance Committee)
Natasha Harris (HR and Remuneration Committees)
Helen Ross (HR and Remuneration Committees)

Retired Members

Dhanusha Hema Reddy
Mark Hopton (Chair)
Simranvir Kaur
Professor Philip Plowden (Vice-Chancellor)

Expiry of Term of Office

30 June 2023
11 May 2023
30 June 2023
30 September 2023

During the year ended 31 July 2023, Anita Bhalla was remunerated in her capacity as Chair of the Board.

Ex-officio and elected staff representatives on the Board have their salaries agreed in the normal way as employees (i.e. in accordance with agreed salary scales or, in the case of the Vice-Chancellor, via the approval of the University's Remuneration Committee). No staff representatives receive additional payment for their role as Trustees.

Expenses paid to Board members (for travel and necessary subsistence) totalled £1,627 (2022: £499) and expenditure on attendance at training and briefing events, meetings and associated travel and hotel accommodation to the value of £10,395 (2022: £4,366) was also provided.

The University's Governance structure includes a number of wholly-owned subsidiary companies. All non-charitable work carried out by the University is undertaken through these subsidiary companies.

THE VICE-CHANCELLOR

The Vice-Chancellor is the Chief Executive Officer and is responsible to the Board of Governors for the leadership of the academic affairs and executive management of the University. The Vice-Chancellor is the Accountable Officer under the OfS Terms and Conditions of Funding which came into force on 1 April 2018. The Accountable Officer is personally responsible to the governing body for ensuring compliance with the terms and conditions of funding and for providing the OfS with clear assurances to this effect. If required, the Accountable Officer can be summoned to appear before the Public Accounts Committee of the House of Commons.

The senior officers of the University in 2022/23 were the Deputy Vice-Chancellors, the Pro Vice-Chancellor (Learning and Teaching), and the University Secretary who, together with the Vice-Chancellor, comprise the Vice-Chancellor’s Office. As Chief Executive Officer, the Vice-Chancellor has overall executive responsibility for the development of strategy, the identification and planning of new developments and the shaping of the University’s ethos. Although the other senior officers all contribute in various ways to this aspect of the work, ultimate responsibility for what is done rests with the Vice-Chancellor.

In the executive leadership of the University the Vice-Chancellor is supported by the University Executive Group (UEG) which comprises all members of the Vice-Chancellor’s Office; the four PVC Executive Deans of Faculty and the Director of Human Resources.

COMMITTEES OF THE BOARD OF GOVERNORS

The Board of Governors meets regularly and at least three times each academic year, but much of its detailed work is initially handled by committees, including the Finance Committee, Human Resources Committee, Remuneration Committee, Nominations and Governance Committee, and Audit Committee. The decisions of these Committees are all formally reported to the Board.

Membership of these committees is comprised predominantly of independent and co-opted external members of the Board of Governors and does not include staff and student governors. The Vice-Chancellor attends meetings of the Remuneration Committee as a non-member but is required to withdraw from meetings where his own salary and terms of conditions of service are under discussion. The University’s Articles allow for the co-option of non-Board members with particular expertise onto all Board committees. During 2022/23 co-opted members served on the Audit, Human Resources, Remuneration and Finance Committees.

INTERNAL CONTROL

The Board of Governors is responsible for maintaining a sound system of internal control that supports the achievements of policies, aims and objectives, while safeguarding the public and other funds and assets for which it has responsibility. The Board’s review of the effectiveness of this system is supported by the work of the following:

- the University Executive Group (UEG), which has operational responsibility for the development and maintenance of the internal control framework;
- the Audit Committee, which monitors and reviews the effectiveness of internal control, risk management and governance arrangements. As part of its work in this area, the Committee holds individual meetings with both the internal and external audit senior management teams at which no member of the University Executive is present;
- the University’s internal audit service. The regular reports submitted to the Audit Committee by the internal audit service include an independent opinion on the adequacy and effectiveness of the system of internal control, together with any recommendations for improvement;
- the University’s External Audit and Internal Audit providers both make recommendations for improvement in key management and internal control processes. Internal audit reviews include periodic reviews of the University’s approach to delivering value for money. In addition to the annual assurance report received from.

Internal Audit, the Audit Committee and Governors receive benchmarking and sector specific reports from both Internal and External Auditors to assist them in discharging their responsibility to monitor the University’s performance in delivering value for money.

The University’s system of internal control manages, rather than eliminates, the risk of failure to adhere to policies and achieve aims and objectives and is based on a continuous process of management and monitoring, designed to:

- identify the principal risks to compliance with policies and to the achievement of aims and objectives;
- evaluate the nature and extent of those risks;
- implement actions to manage the risks efficiently, effectively and economically.

The University maintains an appropriate financial regulatory framework which ensures that resources are used with due regard to propriety, regularity and value for money, in the context of the achievement of the University’s strategic plan.

RISK MANAGEMENT

The following specific actions have been taken in relation to risk management during the year:

- the University’s Strategic Risk Register, which is approved by the University Executive Group (UEG), identifies the key risks that could prevent the University Group from achieving its strategic objectives and articulates the measures being taken to manage and mitigate these risks. The risks and mitigations report has been reviewed regularly by UEG and any pertinent risks have been reported to the Audit Committee;
- the risk Community of Practice (COP) that was successfully trialled last year was expanded to include all teams across the university. This group aims to improve the understanding and quality of operational risks. Each PSD and Faculty has an individual risk register which has been reviewed on a quarterly basis by the Insurance and Risk Team;
- the Risk Appetite Statement, previously reviewed by the Audit Committee and approved by the Board in May 2020 has been reviewed and will be taken to the Audit Committee in early 2024 with the Audit Committee has provided the Board with regular reports and advice on the implementation and continuing effectiveness of the University’s risk management and internal control arrangements.

GOING CONCERN

The University and Governors have closely monitored the financial situation of the University. This included consideration of the impact of global events on the income, costs and cashflow in 2022/23 and forecasts for subsequent years.

Income forecasts have been more difficult to anticipate than usual. Home students have faced uncertainty in their A Level and equivalent examination grades. International students still face uncertainty of travel and visa applications, although restrictions have been easing for entry into the UK. All of this has made financial planning and forecasting more difficult.

Birmingham City University is a strongly sustainable institution, with low borrowings as at 31 July 2023, but with available credit facilities of £60m until January 2024. It has historically strong local student recruitment, with approximately 67% commuting from home, and is situated in a city that’s growing and prospering. The Board of Governors monitors the financial security at each of its meetings, to ensure that the University has adequate resources to continue in its operational existence for the foreseeable future and comfortable headroom in meeting bank covenant requirements. The Board of Governors considers that the University has adequate resources to continue in operational existence for a period of at least 12 months from the date of the approval of these financial statements and, therefore, has adopted the going concern basis of accounting in these financial statements.

Further detail on the Board’s assessment of the going concern status of the University is set out in the Principal Accounting Policies on Page 45.

FINANCIAL RESPONSIBILITIES OF THE BOARD OF GOVERNORS

In accordance with the Education Reform Act 1988, the Board of Governors is responsible for overseeing the administration and management of the affairs of the University and is required to present audited financial statements for each financial year.

The Board of Governors is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the University and enable it to ensure that the financial statements are prepared in accordance with the Education Reform Act 1988, the SORP on Accounting for Further and Higher Education and other relevant accounting standards. In addition, within the current OfS Terms and Conditions of Funding for Higher Education Institutions the Board of Governors, through the Vice-Chancellor, is required to prepare financial statements which give a true and fair view of the state of affairs of the University and of the surplus or deficit and cash flows for that year.

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

- suitable accounting policies are selected and applied consistently;
- judgements and estimates are made that are reasonable and prudent;
- applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- it is appropriate that the financial statements are prepared on the going concern basis.

Having regard to its charitable purpose, the Board of Governors has taken reasonable steps to:

- ensure income from the OfS, Research England, Department for Education and the Education and Skills Funding Agency (ESFA), grants and income for specific purposes and from other restricted funds by the University during the year ended 31 July 2023 have been applied for the purposes for which they were received and in accordance with the University statutes and, where appropriate, with the OfS Terms and Conditions of Funding, the Research England Terms and Conditions of Funding and the Financial Memorandum with the Department for Education and ESFA.
- ensure that there are appropriate financial management controls, regulations and policies in place to safeguard public funds and funds from other sources;
- safeguard the assets of the University and to prevent and detect fraud;
- secure the economical, efficient and effective management of the University’s resources and expenditure.

FINANCIAL REVIEW

KEY FINANCIAL HIGHLIGHTS

The accounts have been prepared in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland, and with the 2019 Statement of Recommended Practice – Accounting for Further and Higher Education.

The University has delivered a surplus and strong cash position despite a challenging world economy and continues to invest in its capital estate including the completion of the STEAMhouse building.

FINANCIAL PERFORMANCE 2022/23

The external economic and market operating environment continued to present significant challenges. Facing new pressures from continued global geopolitical insecurity and the resulting cost of living crisis.

Against this backdrop, the results for the year reflect a strong financial performance. The majority of UK students pay tuition fees capped at £9,250. Growth in student numbers, particularly from international students, has provided an increase in income of £28.3m. However this is offset by increases in total costs of £13.1m due to increases in other costs of £16.6m largely increased scholarships and agencies fee from the growth of the student base, increased agency and recruitment advertising cost due to the challenges of maintaining staffing in the year and depreciation costs of £1.8m, offset by a decrease in pay costs of £4.5m, which were significantly lower than budgeted as the challenging

labour market and continuing operational growth meant that the University operated under its staff cost budget for the entire year. Before other gains and losses and taxation the Group achieved a surplus of £18.6m (2022: surplus of £3.8m).

Whilst the staff costs have reduced they remain a significant cost for the University the decrease in the year reflects the challenges in the labour market as well as a reduced service cost in the LGPS pension costs.

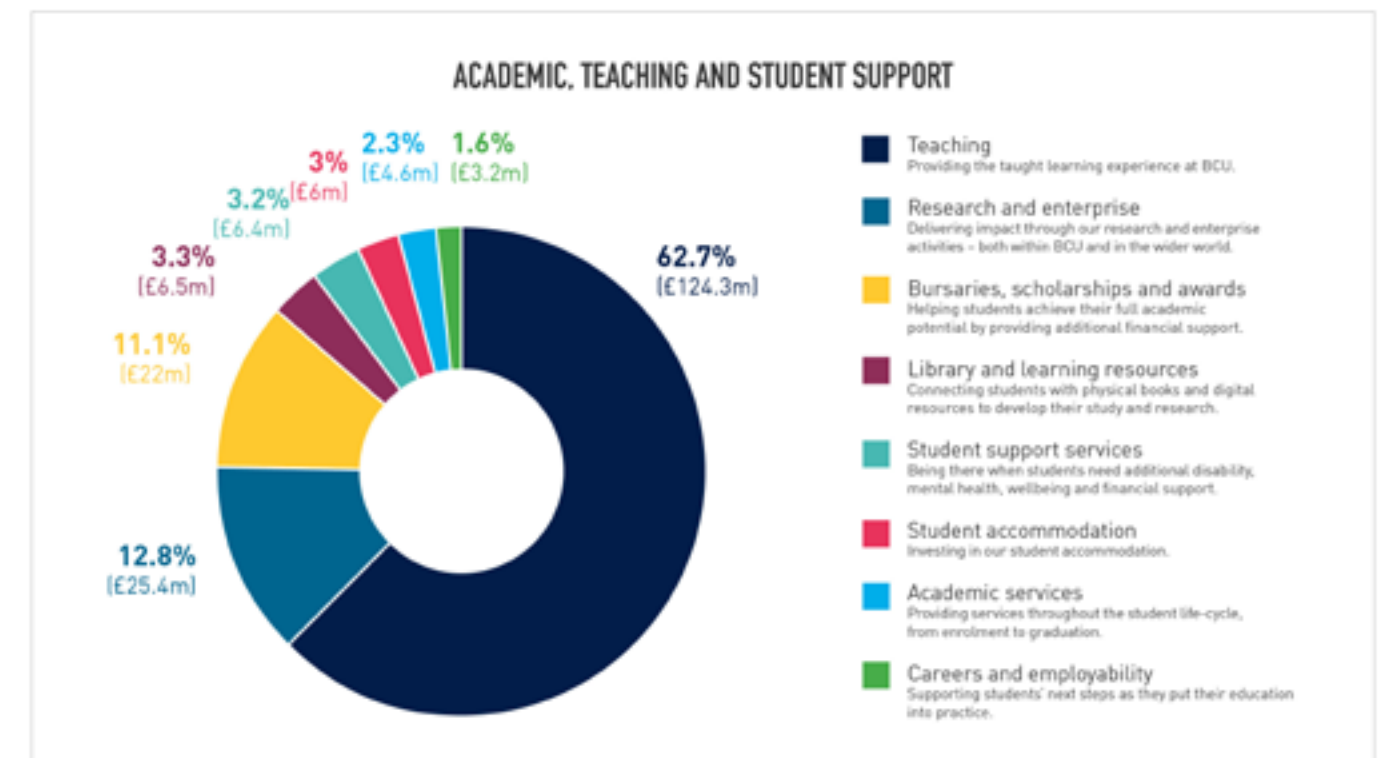
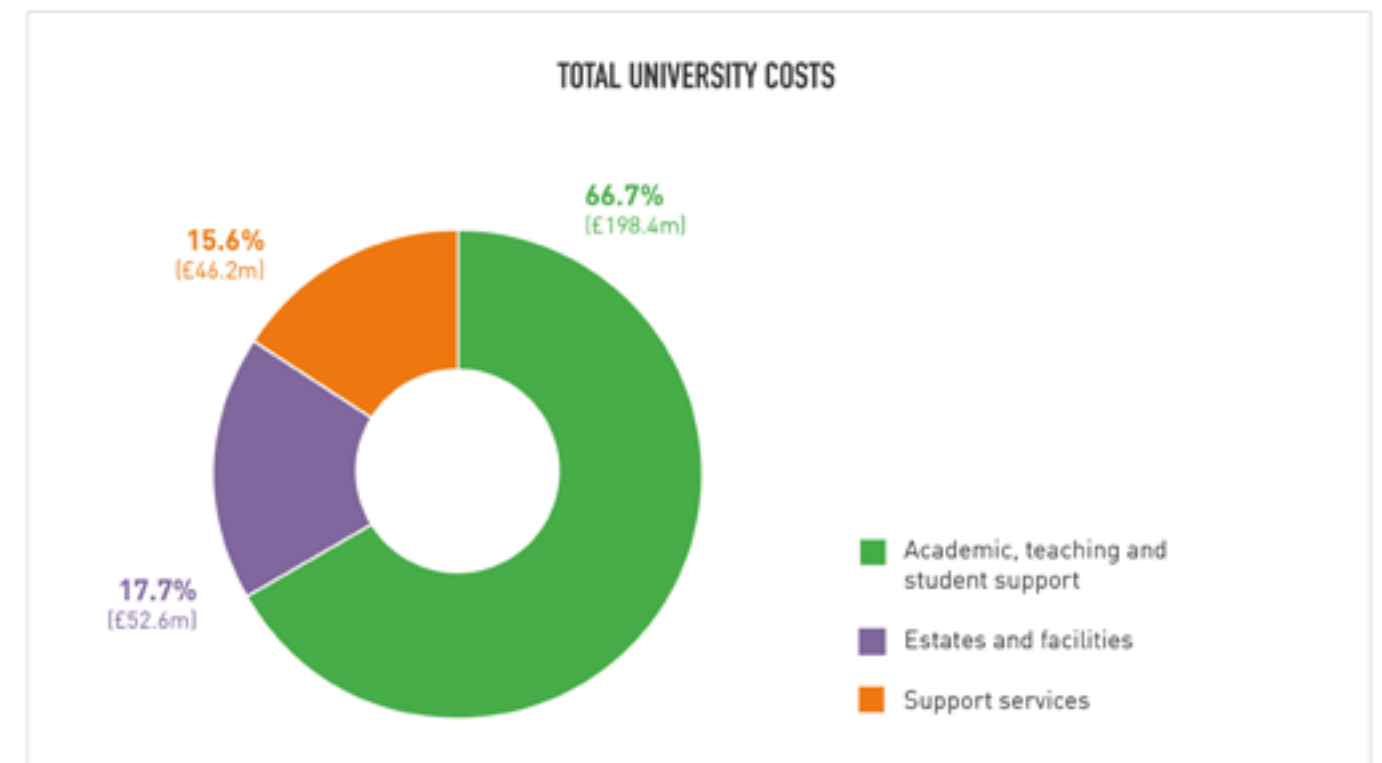
A major focus for the University's procurement team continues to be the delivery of value for money in relation to other operating expenditure.

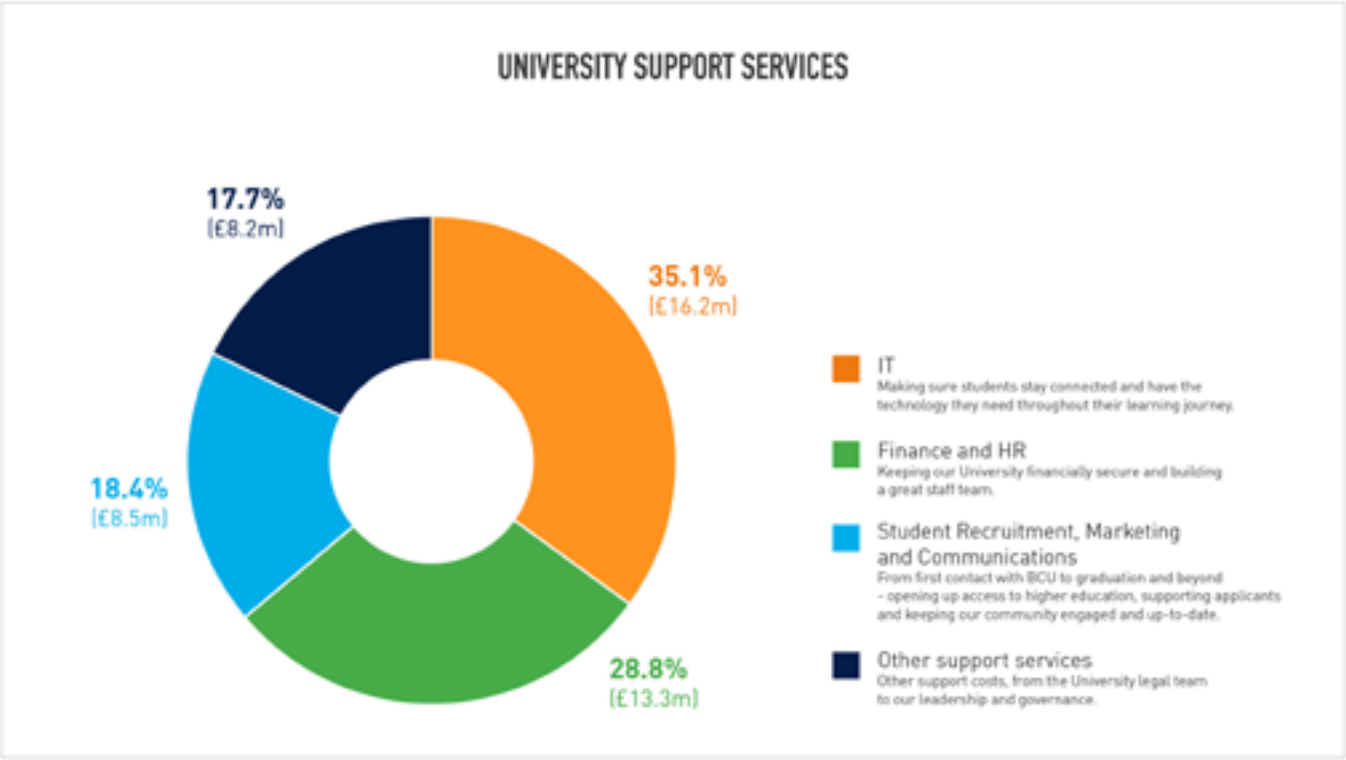
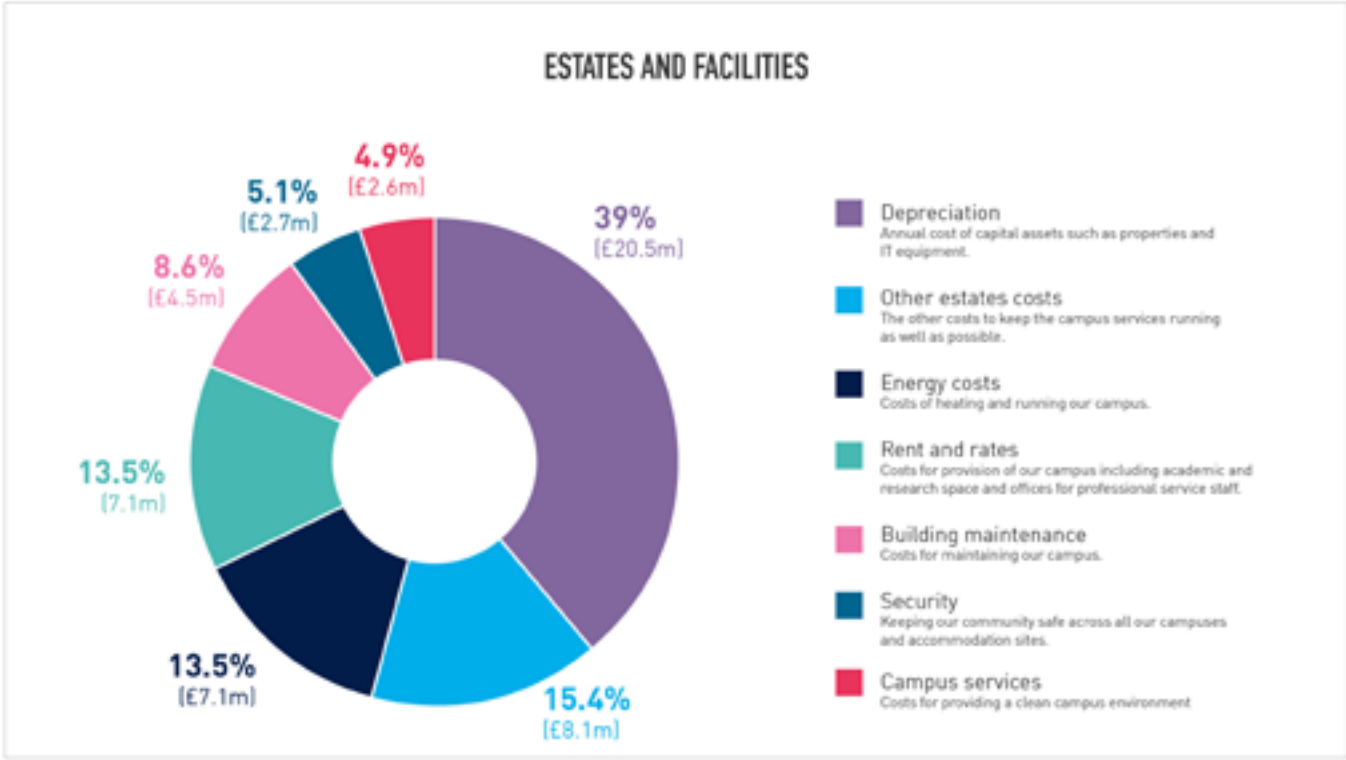
VALUE FOR MONEY

The diagrams below show a summary of total University spend on academic and student support, estates and facility costs and support services and then breaks down each area into more detail.

Capital Investment

The University capital expenditure for the year mounted to £20.3m (2022: £29.4m) as the Group further developed the STEAMhouse building opened last year and investment in replacement IT infrastructure.





CASH FLOW AND TREASURY MANAGEMENT

Cash flow from operations for the year was £68.5m (2022: £51.6m). The cash outflow from investing activities amounted to £21.9m (2022: £23.8m).

The Group has long-term borrowings in the form of mortgages secured on the city south campus and student residential accommodation amounting to £8.2m (2022: £9.6m). In addition, the Group had undrawn borrowing facilities amounting to £60m (2022: £60m). The borrowings are subject to a set of financial covenants and the Group has complied with these requirements during the year. Gross debt at the year-end was £8.2m (2022: £9.8m). The Group has cash balances amounting to £113.5m at 31 July 2023 (2022: £67.8m) giving a higher net cash balance against prior year of £105.3m (2022: net cash £58.0m) as at the year end.

The cash balances are invested with a variety of counterparties, including UK banks and building societies. The counterparty list has been kept under close review during the year with a view to balancing risk and return, but with short term rates being at historically low levels, the Group is earning lower interest on its cash balances than the rates payable on its mortgages. Restricted funds are invested with CCLA in its Charities Funds which have received income rates of over 3% during the year.

FUNDRAISING AND DONATIONS

During the 2022/23 financial year, the University completed its fundraising campaign for Royal Birmingham Conservatoire, exceeding its target of £10m. By 31 July 2023, the campaign had raised £10.3m from more than 2,000 donors, comprising private individuals, corporate partners and grant-making trusts.

Cash received from donations during the year amounted to £1.2m, including £43k in Gift Aid, from 847 unique donors. This consisted of £0.6m for scholarships and bursaries, £0.2m for departmental activity and events, and for outreach and education projects, £0.4m towards staff posts, capital equipment, and unrestricted funds.

Examples of new gift commitments received during the period include: £0.2m to widen access to music education for young people and families from disadvantaged backgrounds across Birmingham and the West Midlands; £0.2m to fund student scholarships, outreach initiatives, workshops, public masterclasses and visiting international tutors in the Organ department; and £0.1m to enable a talented pianist from Korogocho in Nairobi to study at the Conservatoire over a four-year period; Other projects included supporting the ongoing core costs of the Sir Lenny Henry Centre as it seeks to improve diversity and inclusion in the UK media industry; and providing bursaries for undergraduate women studying computing.

The University once again acknowledges with sincere gratitude not only the generosity of its growing community of donors, but also the impact of their giving on both its student body and wider community.

CONCLUSION

The University results demonstrate a continued strong financial performance, environment and a robust control and management team. Our performance in 2022/23 and the earlier years against global challenges show that the University is resilient to changes in the future.

The University’s financial position remains strong in the short term and is considered stable in the long term.

INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF GOVERNORS OF BIRMINGHAM CITY UNIVERSITY

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Birmingham City University ("the University") for the year ended 31 July 2023 which comprise the Consolidated and Institution Statements of Comprehensive Income and Expenditure, Consolidated and Institution Statement of Changes in Reserves, Consolidated and Institution Balance Sheets, Consolidated Cashflow Statement and related notes, including the Accounting Policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and 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 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 Group's high-level policies and procedures to prevent and detect fraud, including the internal audit function, and the Group'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 Finance Committee meeting 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, and taking into account possible pressures to meet loan covenants and performance targets, we perform procedures to address the risk of management override of controls and the risk that Group management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue due to the non complex revenue recognition criteria due to limited scope for manual intervention and the homogenous nature of the majority of the revenue streams.

We did not identify any additional fraud risks.

In determining the audit procedures we took into account the results of our evaluation and testing of the operating

effectiveness of some of the Group-wide fraud risk management controls.

We also performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included unusual postings to cash and borrowings and journals containing certain key words.
- Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations.

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 management (as required by auditing standards), and from inspection of the Group's regulatory and legal correspondence and discussed with the Board of Governors and 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 Group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation, including related charities legislation, taxation legislation, pensions legislation 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 Group 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: compliance with regulatory requirements of the Office for Students. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Board of Governors and 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. We have reported separately on the University’s use of funds in the section of our audit report dealing with other legal and regulatory requirements.

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 Operating and Financial Review and the University’s Statement of Public Benefit and the Corporate Governance and Internal Controls. 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 30, 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 8 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.

Mark Dawson
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH

CONSOLIDATED AND INSTITUTION STATEMENTS OF COMPREHENSIVE INCOME AND EXPENDITURE

	NOTE	CONSOLIDATED 2023 £'000	INSTITUTION 2023 £'000	CONSOLIDATED 2022 £'000	INSTITUTION 2022 £'000
INCOME					
Tuition fees and education contracts	2	275,991	274,368	249,467	249,299
Funding body grants	3	21,359	21,359	19,542	19,530
Research grants and contracts	4	3,483	2,660	4,368	2,565
Other income	5	14,486	29,262	14,240	33,748
Investment income	6	263	263	209	209
Donations and endowments	7	1,250	1,210	660	538
TOTAL INCOME		316,832	329,122	288,486	305,889
EXPENDITURE					
Staff costs	9	163,302	163,302	167,755	167,755
Other operating expenses	10	109,787	127,755	93,210	70,061
Depreciation and amortisation	13, 14	20,468	20,249	18,718	18,499
Interest and other finance costs	11	3,998	3,998	4,744	4,744
TOTAL EXPENDITURE		297,555	315,304	284,427	261,059
SURPLUS BEFORE OTHER GAINS/(LOSSES)					
		19,277	13,818	4,059	44,830
Loss on disposal of fixed assets					
		(444)	(444)	-	-
Loss on investments					
		(247)	(1,605)	(197)	(197)
SURPLUS BEFORE TAX					
		18,586	11,769	3,862	44,633
Taxation					
	12	(316)	(225)	(814)	(444)
SURPLUS FOR THE YEAR					
		18,270	11,544	3,048	44,189
Actuarial gain in respect of pension scheme					
	31	47,075	47,075	127,761	127,761
TOTAL COMPREHENSIVE INCOME AND EXPENDITURE FOR THE YEAR					
		65,345	58,619	130,809	171,950
Represented by:					
Endowment comprehensive income for the year					
	23	316	316	147	147
Unrestricted comprehensive income for the year					
	24	65,029	58,303	130,662	171,803
TOTAL					
		65,345	58,619	130,809	171,950

The notes form part of these financial statements.

CONSOLIDATED AND INSTITUTION STATEMENTS OF CHANGES IN RESERVES

CONSOLIDATED	ENDOWMENT £'000	UNRESTRICTED £'000	TOTAL £'000
AS AT 31 AUGUST 2021	11,757	237,379	249,136
Surplus from the income and expenditure statement	147	2,901	3,048
Actuarial gain in respect of pension schemes	-	127,761	127,761
AS AT 31 JULY 2022	11,904	368,041	379,945
Surplus from the income and expenditure statement	316	17,954	18,270
Actuarial gain in respect of pension schemes	-	47,075	47,075
AS AT 31 JULY 2023	12,220	433,070	445,290

INSTITUTION	ENDOWMENT £'000	UNRESTRICTED £'000	TOTAL £'000
AS AT 31 JULY 2021	11,757	188,056	199,813
Surplus from the income and expenditure statement	147	44,042	44,189
Actuarial gain in respect of pension schemes	-	127,761	127,761
AS AT 31 JULY 2022	11,904	359,859	371,763
Surplus from the income and expenditure statement	316	11,228	11,544
Actuarial gain in respect of pension schemes	-	47,075	47,075
AS AT 31 JULY 2023	12,220	418,162	430,382

The notes form part of these financial statements.

CONSOLIDATED AND INSTITUTION BALANCE SHEETS

	NOTE	CONSOLIDATED 2023 £'000	INSTITUTION 2023 £'000	CONSOLIDATED 2022 £'000	INSTITUTION 2022 £'000
NON-CURRENT ASSETS					
Intangible assets	13	2,638	2,638	5,077	5,077
Fixed assets	14	466,741	461,891	464,957	459,410
Heritage assets	15	690	690	690	690
Investments	16	9,849	12,791	7,323	11,623
TOTAL		479,918	478,010	478,047	476,800
CURRENT ASSETS					
Stocks	17	322	322	212	212
Debtors	18	27,012	26,929	34,935	33,664
Cash at bank and in hand		113,538	111,811	67,789	66,684
TOTAL		140,872	139,062	102,936	100,560
CREDITORS					
Creditors - Amounts falling due within one year	19	(87,550)	(99,298)	(72,899)	(77,926)
Net current assets/(liabilities)		53,322	39,764	30,037	22,634
TOTAL ASSETS LESS CURRENT LIABILITIES		533,240	517,774	508,084	499,434
Creditors – amounts falling due after more than one year	20	(75,446)	(75,116)	(77,301)	(76,959)
PROVISIONS					
Pension provisions	22	(2,254)	(2,254)	(44,453)	(44,453)
Other provisions	22	(10,250)	(10,022)	(6,385)	(6,259)
NET ASSETS		445,290	430,382	379,945	371,763
RESTRICTED RESERVES					
Income and expenditure reserve - endowment reserves	23	12,220	12,220	11,904	11,904
UNRESTRICTED RESERVES					
Income and expenditure reserve - unrestricted	24	433,070	418,162	368,041	359,859
TOTAL RESERVES		445,290	430,382	379,945	371,763

The financial statements were approved by the Board of Governors on 28 November 2023 and signed on its behalf by:

A Bhalla, Chair of the Board of Governors

D Mba, Vice-Chancellor

The notes form part of these financial statements.

CONSOLIDATED CASHFLOW STATEMENT

	NOTE	2023 £'000	2022 £'000
CASH FLOW FROM OPERATING ACTIVITIES			
Surplus for the year before tax		18,586	3,862
ADJUSTMENT FOR NON-CASH ITEMS			
Depreciation		18,029	15,714
Amortisation of intangibles		2,439	3,005
(Gain)/loss on endowments, donations and investment property		279	86
Decrease/(increase) in stock		(110)	2
Decrease/(increase) in debtors		7,923	197
Increase/(decrease) in creditors		12,889	10,430
Increase in pension provision		4,876	18,753
(Decrease)/increase in other provisions		3,865	726
ADJUSTMENT FOR INVESTING OR FINANCING ACTIVITIES			
Investment income		(11)	-
Interest payable		2,376	2,105
Endowment income		(252)	(209)
(Gain)/loss on the sale of tangible assets		444	-
Capital grant income		(2,909)	(3,092)
OPERATING ACTIVITIES			
Net cash flows from operations		68,424	51,579
Corporation tax paid		58	(27)
NET CASH FLOWS FROM OPERATING ACTIVITIES		68,482	51,552
INVESTING ACTIVITIES			
Investment income		11	-
Interest paid		(581)	(351)
Endowment income		252	209
Donation Income		(84)	270
Purchase of intangible fixed assets		-	42
Purchase of tangible fixed assets		(20,256)	(29,450)
Purchase of fixed asset investments		(2,808)	-
Other capital grant receipts		1,560	5,497
NET CASH FLOWS FROM INVESTING ACTIVITIES		(21,906)	(23,783)

The notes form part of these financial statements.

CONSOLIDATED CASHFLOW STATEMENT (CONTINUED)

	NOTE	2023 £'000	2022 £'000
FINANCING ACTIVITIES			
New endowments received		799	390
Drawdown of Loans		-	-
Repayment of loans		(1,626)	(1,615)
NET CASH FLOWS FROM FINANCING ACTIVITIES		(827)	(1,225)
Net increase / (decrease) in cash and cash equivalents		45,749	26,544
CASH AND CASH EQUIVALENTS AT 1 AUGUST		67,789	41,245
CASH AND CASH EQUIVALENTS AT 31 JULY		113,538	67,789
CASH AND CASH EQUIVALENTS CONSIST OF:			
Cash at bank and in hand		113,538	67,789
CASH AND CASH EQUIVALENTS		113,538	67,789

The notes form part of these financial statements.

1. PRINCIPAL ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the University’s accounts.

1.1 Accounting convention

The financial statements are prepared in accordance with the historical cost convention (modified by the revaluation of fixed assets). At 1 August 2014, fair value has been used for deemed cost for certain properties measured at fair value.

1.2 Basis of preparation

The Consolidation and Institution 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 ‘carried forward’ powers and duties of previous legislation (Further and Higher Education Act 1992 and the Higher Education Act 2004) and the new powers of the Higher Education and Research Act 2017 during the transition period to 31 July 2019, the Accounts Direction issued by the Office for Students (OfS), the Terms and conditions of funding for higher education institutions issued by the OfS 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.

1.3 Going concern

The Consolidated and Institution activities, together with the factors likely to affect its future development, performance and position, are set out in the Operating and Financial Review which forms part of the Corporate Governance and Internal Controls Statement. The Corporate Governance and Internal Controls Statement also describes the financial position of the Institution, 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 for the following reasons.

The Board of Governors have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements. After reviewing these forecasts the Board of Governors is of the opinion that, taking account of severe but plausible downsides, the Group and Institution will have sufficient funds to meet their group 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 forecasts were reassessed using the latest available assumptions, including student recruitment and potential impacts on revenue from commercial activities. Recruitment data has been prudently considered in arriving at the final forecasts of student numbers and tuition fee income included in the forecasts, in light of the uncertainty of recruitment and retention of international students.

Consequently, the Board of Governors is confident that the Group and Institution 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.

1.4 Lease Incentives

The University will continue to recognise the residual benefit or cost associated with lease incentives on the same basis as that applied at the date of transition to FRS102.

1.5 Basis of consolidation

The consolidated financial statements include the University and all its subsidiaries for the financial year to 31 July 2023. The consolidated financial statements do not include the income and expenditure of the Students’ Union as the University does not exert control or dominant influence over policy decisions.

1.6 Recognition of Income

Income from the sale of goods or services is credited to the Consolidated Statement of Comprehensive Income and Expenditure when the goods or services are supplied to the external customers or the terms of the contract have been satisfied. Grant funding including Funding Council block grant, research grants from government sources and grants (including research grants) from non-government sources are recognised as income when the University is entitled to the income and performance related conditions have been met. Income received in advance of 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.

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. The University has adopted the accounting treatment which allows it to recognise grant income received relating to land purchases in the income and expenditure account in the year of receipt.

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.

The University acts as agent in the collection and payment of training bursaries from the Department for Education and of access funds and bursaries from OfS. Funds the University receives and disburses as paying agent on behalf of a funding body are excluded from the income and expenditure of the University where the University is exposed to minimal risk or enjoys minimal economic benefit related to the transaction.

1.7 Leasing Costs

Leases in which the University assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. All other leases are operating leases.

Leased assets acquired by way of finance lease and the corresponding lease liabilities are initially recognised at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease. Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability.

The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. 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.

1.8 Post-Retirement Benefits

The University participates in three principal, defined benefit pension schemes: the Local Government Pension Scheme (LGPS), the Universities Superannuation Scheme (USS) and the Teacher’s Pension Scheme England and Wales (TPS). The schemes are defined benefit schemes, which are externally funded. The assets of the schemes are held separately from those of the University and are administered independently. Each fund is valued at least every five years by professionally qualified independent actuaries.

LGPS assets are measured using market values; scheme liabilities are measured using a projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability. The University’s share of the pension scheme surplus (to the extent that it is recoverable) or deficit is recognised in full and movements are disclosed in the Consolidated Statement of Comprehensive Income and Expenditure split between operating charges, finance items and actuarial gains and losses.

In determining the valuation of the West Midlands Pension Fund, a number of key assumptions have been made. The key assumptions, which are given below, are largely dependent on factors outside the control of the University:

- Discount rate;
- Inflation rate; and
- Life expectancy

The 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 to accounting dates 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 USS is a multi-employer scheme for which it is not possible to identify the assets and liabilities relating to University members due to the mutual nature of the scheme and therefore this scheme is accounted for as a defined contribution retirement benefit scheme. As a result, the amount charged to the Consolidated Statement of Comprehensive Income and Expenditure represents the contributions payable to the scheme in respect of the accounting period. Since the institution has entered into an agreement (the Recovery Plan that determines how each employer within the scheme will fund the overall deficit), the institution recognises a liability for the contributions payable that arise from the agreement to the extent that they relate to the deficit and the resulting expense in the income and expenditure account. A liability is recorded within provisions for any contractual commitment to fund past deficits within the USS scheme.

The TPS is accounted for as if it were a defined contribution pension scheme because the University is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. As a result, the amount charged to the Consolidated Statement of Comprehensive Income and Expenditure account represents the contributions payable in respect of the accounting period.

1.9 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.

1.10 Taxation

The University is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 (formerly schedule 2 of the Charities Act 1993), and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the University is potentially exempt from taxation in respect of income or capital gains received within categories covered by section 287 CTA2009 and sections 471, and 478-488 CTA 2010 (formerly s505 of ICTA 1988) or section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied to exclusively charitable purposes.

The University receives no similar exemption in respect of Value Added Tax. Irrecoverable VAT on inputs is included in the costs of such inputs. Any irrecoverable VAT allocated to tangible fixed assets is included in their cost. Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are recognised to the extent they are regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

All subsidiary companies (with the exception of the Technology Innovation Centre, which is a charity) are liable to Corporation Tax and Value Added Tax in the same way as any other commercial organisation.

1.11 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 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. Nonmonetary 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.

1.12 Intangible Assets

Intangible assets comprise software development costs. These are stated at cost less accumulated amortisation and accumulated impairment losses. Software development costs are amortised on a straight-line basis over their expected useful life to the asset, up to a maximum of five years.

Amortisation methods, impairment losses, useful lives and residual values are reviewed at the date of preparation of each Statement of Financial Position.

1.13 Tangible Fixed Assets and Depreciation

Fixed assets are stated at deemed cost less accumulated depreciation and accumulated impairment losses. Certain items of fixed assets that had been revalued to fair value on or prior to the date of transition to the 2019 SORP, are measured on the basis of deemed cost, being the revalued amount at the date of that revaluation. 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. Buildings under construction are accounted for at cost, based on the value of architects’ certificates and other direct costs incurred to 31 July.

Equipment is stated at cost. Equipment costing less than £25,000 per individual item or group of related items is written off in the year of acquisition. All other equipment is capitalised.

Depreciation is provided so as to charge the cost or valuation less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows. Where parts of a fixed asset have different useful lives, they are accounted for as separate items of fixed assets.

Depreciation methods, useful lives and residual values are reviewed at the date of preparation of each Balance Sheet:

- Existing freehold buildings - up to 60 years
- Leasehold land and buildings - period of lease or useful economic life, if shorter

Newly completed buildings:

- Externals - up to 60 years
- Services - 30 years
- Finishes - 20 years
- Fixtures and fittings - 30 years
- Equipment - between 3 and 10 years

No depreciation is provided on freehold land or on assets in the course of construction.

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.

1.14 Borrowing Costs

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

1.15 Investments

Non-current asset investments are held on the Balance Sheet at amortised cost less impairment. Current asset investments are held at fair value with movements recognised in the Surplus or Deficit. Investments in jointly controlled entities, associates and subsidiaries are carried at cost less impairment in the University’s accounts.

1.16 Stocks

Stock is held at the lower of cost or net realisable value.

1.17 Cash Flows and Liquid Resources

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

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

1.18 Provisions, Contingent Liabilities and Contingent Assets

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

The amount recognised as a provision is determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

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

1.19 Accounting for Donations and Endowments

Non exchange transactions without performance related conditions are donations and endowments. Donations and endowments with donor imposed restrictions are recognised as 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 as income when the University is entitled to the funds.

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

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

Restricted donations - the donor has specified that the donation must be used for a particular objective.
Unrestricted permanent endowments - the donor has specified that the fund is to be permanently invested to generate an income stream for the general benefit of the University.

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.

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.

1.20 Heritage Assets

Heritage assets are defined as assets that are held principally for their contribution to knowledge and culture.

Heritage assets valued at over £25,000 are capitalised and recognised in the balance sheet provided appropriate valuations are available. Donated assets that are capitalised will be reported in the income and expenditure account at valuation on receipt.

Valuations of heritage assets on conversion to FRS 102 were performed by specialist external valuers. Heritage assets that are irreplaceable originals for which no reliable value can be attributed will not be capitalised in the financial statements.

Heritage assets are not depreciated since their long economic life and high residual value mean that any depreciation would not be material. They are subject to impairment reviews if damage or deterioration is reported. They are maintained and the cost of maintenance is charged to the income and expenditure account as incurred.

1.21 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.

2. TUITION FEES AND EDUCATION CONTRACTS

An analysis of the group’s revenue by class of business is given below:

	CONSOLIDATED 2023 £'000	INSTITUTION 2023 £'000	CONSOLIDATED 2022 £'000	INSTITUTION 2022 £'000
TUITION FEES				
Full-time home and EU students	184,536	184,485	180,372	180,372
Full-time international students	71,410	69,951	49,473	49,472
Part-time students	5,975	5,970	7,569	7,569
Further education	(2)	(2)	42	42
Full cost course fees	1,303	1,227	1,876	1,773
TOTAL	263,222	261,631	239,332	239,228
EDUCATION CONTRACTS				
Health professions education contracts	6,340	6,340	4,686	4,686
Apprenticeships	6,429	6,397	5,449	5,385
TOTAL	275,991	274,368	249,467	249,299

Health professions education contracts include the training of nurses (pre and post registration), midwives, radiographers, radiotherapists, speech and language therapists and operating department practitioners for the NHS and Royal Centre for Defence Medicine.

3. FUNDING BODY GRANTS

	CONSOLIDATED 2023 £'000	INSTITUTION 2023 £'000	CONSOLIDATED 2022 £'000	INSTITUTION 2022 £'000
FUNDING BODY GRANTS				
Teaching funds	12,605	12,605	11,963	11,963
Research funds	4,441	4,441	2,974	2,974
Other specific grants	1,415	1,415	1,502	1,502
Deferred capital grants released	2,909	2,909	3,092	3,080
TOTAL	21,370	21,370	19,531	19,519
Education and Skills Funding Agency	(11)	(11)	11	11
TOTAL	21,359	21,359	19,542	19,530

4. RESEARCH GRANTS AND CONTRACTS

	CONSOLIDATED 2023 £'000	INSTITUTION 2023 £'000	CONSOLIDATED 2022 £'000	INSTITUTION 2022 £'000
Research councils	1,048	1,048	1,128	1,128
Research charities	192	133	172	137
Government (UK and overseas)	1,495	1,007	2,395	1,105
Industry and commerce	390	157	580	227
Other	358	315	93	(32)
TOTAL	3,483	2,660	4,368	2,565

5. OTHER INCOME

	CONSOLIDATED 2023 £'000	INSTITUTION 2023 £'000	CONSOLIDATED 2022 £'000	INSTITUTION 2022 £'000
Residences, catering and conferences	5,402	5,497	4,829	4,941
Other revenue grants	2,804	2,611	2,605	2,596
Other capital grants	87	87	-	-
Other income	6,193	21,067	6,806	26,211
TOTAL	14,486	29,262	14,240	33,748

6. INVESTMENT INCOME

	CONSOLIDATED 2023 £'000	INSTITUTION 2023 £'000	CONSOLIDATED 2022 £'000	INSTITUTION 2022 £'000
Investment income on endowments	252	252	209	209
Other investment income	11	11	-	-
Interest receivable	-	-	-	-
TOTAL	263	263	209	209

7. DONATIONS AND ENDOWMENTS

	CONSOLIDATED 2023 £'000	INSTITUTION 2023 £'000	CONSOLIDATED 2022 £'000	INSTITUTION 2022 £'000
New endowments	799	799	390	390
Unrestricted donations	451	411	270	148
TOTAL	1,250	1,210	660	538

8. GRANT AND FEE INCOME

	CONSOLIDATED 2023 £'000	INSTITUTION 2023 £'000	CONSOLIDATED 2022 £'000	INSTITUTION 2022 £'000
Grant income from the OfS	12,605	12,605	11,963	11,963
Grant income from other bodies	8,755	8,755	7,579	7,579
Fee income for research awards	2,177	2,177	2,300	2,300
Fee income from non-qualifying courses	2,165	2,086	3,241	3,157
Fee income for taught awards	271,649	271,648	243,926	243,926
TOTAL	297,351	297,271	269,009	268,925

Note - see Para 33 to 34 of the 2019 OfS Accounts direction for details of allocation between income sources.

9. STAFF COSTS

Staff costs, including remuneration of the Vice-Chancellor, were as follows:

STAFF COSTS	CONSOLIDATED 2023 £'000	INSTITUTION 2023 £'000	CONSOLIDATED 2022 £'000	INSTITUTION 2022 £'000
Wages and salaries	122,457	122,457	114,517	114,517
Social security costs	13,558	13,558	12,890	12,890
Other pension costs	27,287	27,287	40,348	40,348
TOTAL	163,302	163,302	167,755	167,755

Included within payroll costs above are restructuring costs amounting to £0.2 million relating to 28 staff (2022: £0.2 million relating to 18 staff).

Consolidated other pension costs consist of the group’s contributions into the following pension schemes:

PENSION SCHEMES	CONSOLIDATED 2023 £'000	CONSOLIDATED 2022 £'000
Universities Superannuation Scheme (USS)	(165)	1,996
Local Government Pension Scheme (LGPS)	12,359	24,166
Teachers’ Pension Scheme (TPS)	15,093	14,186
TOTAL	27,287	40,348

The average monthly number of employees, including the Executive Group, during the year was:

EMPLOYEES	2023	2022
Manager	493	450
Administration	1,255	1,231
Academic	1,628	1,621
Visiting tutors	755	722
TOTAL	4,131	4,024

9. STAFF COSTS (CONTINUED)

Number of higher paid staff (by range) whose basic salary was above £100k, during the year was:

SALARY	2023	2022
£100,000 to £104,999	3	3
£105,000 to £109,999	4	1
£110,000 to £114,999	3	3
£115,000 to £119,999	3	1
£120,000 to £124,999	1	-
£125,000 to £129,999	2	1
£130,000 to £134,999	2	3
£135,000 to £139,999	4	-
£155,000 to £159,999	-	2
£160,000 to £164,999	-	1
£165,000 to £169,999	2	-
£170,000 to £174,999	1	-
£295,000 to £299,999	-	1
£315,000 to £319,999	1	-
TOTAL	26	16

Note – The Vice Chancellor’s remuneration has been included within the analysis above.

Key management personnel

The members of the University Executive Group (excluding the Vice Chancellor) including the Deputy Vice Chancellors, PVC Executive Deans, PVC Learning and Teaching, Director of HR and University Secretary are the Key Management Personnel for the University.

	2023 £'000	2022 £'000
Remuneration of key management personnel	3,123	2,254
Compensation for loss of office paid to Higher paid personnel (excluding Vice Chancellor)	-	-

Note - Key management personnel remuneration is stated excluding employers national insurance payments.

EMOLUMENTS OF THE VICE-CHANCELLOR:	2023 £	2022 £
P PLOWDEN		
Salary	263,346	245,461
Taxable Benefits	54,733	50,172
Pension Contributions (Taxable)	-	4,561
Non-Taxable Benefits	-	-
TOTAL EMOLUMENTS	318,079	300,194

Justification for the total remuneration for the Head of Provider (Vice Chancellor):

The Chair of the Board of Governors conducted Professor Plowden’s annual performance review, having sought and received Board feedback on Board Members’ views on the performance of the Vice Chancellor and confirmed that the Vice-Chancellor is performing at the expected level and continued to perform well in his leadership role of Birmingham City University, where both university income and student numbers have continued to grow. It was agreed that the Vice Chancellor would receive a salary increase in line with the increase that was being applied to all university staff.

Head of Provider (VC) - Multiples of Basic Pay and Total Pay Analysis:

YEAR	VC	FTE SALARY	STAFF BASIC PAY MEDIAN	VC MULTIPLE OF BASIC PAY
2022	Plowden	245,460	36,579	6.71
2023	Plowden	263,346	37,787	6.97

YEAR	VC	TOTAL PAY	STAFF TOTAL PAY MEDIAN	VC MULTIPLE OF TOTAL PAY
2022	Plowden	300,194	41,291	7.27
2023	Plowden	318,079	43,058	7.39

10. OTHER OPERATING EXPENSES

Other operating expenses include:

	2023 £'000	2022 £'000
AUDITOR’S REMUNERATION:		
In respect of audit services	171	119
In respect of non-audit services	174	85
OPERATING LEASE RENTALS:		
Land and buildings	9,289	9,462
Other	244	346

ACCESS & PARTICIPATION EXPENDITURE	CONSOLIDATED AND INSTITUTION 2023 £'000	CONSOLIDATED AND INSTITUTION 2022 £'000
Access investment	2,483	1,913
Financial support provided to students	1,035	499
Support for disabled students	812	521
Research and evaluation of access and participation activities	185	107
TOTAL	4,515	3,040

In relation to the movement between years in Financial Support provided to students, a full review was undertaken in 2022 resulting in a new Financial Assistance Fund policy, which enables a targeted and responsive approach. Alongside the massive increase in applications seen in November 2022, due to cost of living, we also initiated specific schemes to ease the cost of living shortfalls for students, e.g. period poverty, student pantry and emergency food vouchers. The full distribution of the hardship funding schemes was also undertaken alongside the allocation from the Office for Students of £290,000, which was match-funded by BCU – overall highlighting the significant impact of cost of living issues on students in 2022-23.

The increase in spend on access is driven by the additional input required recruiting and transitioning exceptionally high demand from FT UG UK students for entry into September 2022, leading to our recruiting nearly 1,000 full-time undergraduate students more than the previous year. In addition, this was the year when the BCU Accelerate project was developed – a cornerstone of our Access work going forward, and new schools partnerships developed, to support our Access and Participation Plan variation approved by the OfS with an emphasis on schools work, approved for 2023/24.

Increase in disability spend is partly as a result of higher student numbers.

Research and evaluation costs increased during 2022/23 as a result of deep dive into the underlying causes of an increase in the Ethnicity Degree Awarding Gap (a reduction of which is a key target of our current Access and Participation Plan), and our participation in Wave 1 Access and Participation Plan pilot with the OfS between March and July 2023, requiring a new look at our data analysis, the setting up of an evaluation unit and a review of our evaluation systems and processes, as well as supporting enhancements of our data dashboard products to aid University-wide engagement with Access and Participation plan goals.

Included in the above note there is £754,151 (Access investment), £184,868 (Research and evaluation) and £584,102 (Support for disabled students) costs which are already included within the staff costs figures reported within the Financial Statements note 9.

More information on Access and Participation can be found on the University’s website: www.bcu.ac.uk/about-us/corporate-information/policies-and-procedures/access-and-participation-plan

11. INTEREST AND OTHER FINANCE COSTS

	CONSOLIDATED 2023 £'000	INSTITUTION 2023 £'000	CONSOLIDATED 2022 £'000	INSTITUTION 2022 £'000
Loan interest	581	581	351	351
Finance lease interest	1,795	1,795	1,754	1,754
Net expense on pension scheme	1,622	1,622	2,639	2,639
TOTAL	3,998	3,998	4,744	4,744

12. TAXATION

Recognised in the statement of comprehensive income:

CURRENT TAX	CONSOLIDATED 2023 £'000	CONSOLIDATED 2022 £'000
UK Corporation tax	-	-
Overseas tax	313	811
Deferred tax expense	3	3
TOTAL TAX EXPENSE	316	814

13. INTANGIBLE ASSETS

CONSOLIDATED AND INSTITUTION	IT SOFTWARE DEVELOPMENT £'000
COST OR VALUATION	
AT 1 AUGUST 2022	21,743
Additions	-
Transfers from tangible assets	-
AT 31 JULY 2023	21,743
DEPRECIATION	
AT 1 AUGUST 2022	16,666
Expense for the year	2,439
AT 31 JULY 2023	19,105
NET BOOK VALUES	
AT 31 JULY 2023	2,638
AT 31 JULY 2022	5,077

14. FIXED ASSETS

CONSOLIDATED	FREEHOLD LAND AND BUILDINGS £'000	LEASEHOLD LAND AND BUILDINGS £'000	FIXTURES, FITTINGS AND EQUIPMENT £'000	ASSETS IN THE COURSE OF CONSTRUCTION £'000	TOTAL £'000
COST OR VALUATION					
AT 1 AUGUST 2022	109,548	419,689	30,735	24,162	584,134
Additions	200	477	3,681	15,898	20,256
Transfers	-	11,568	3,237	(14,805)	-
Disposals	(399)	(68)	(187)	-	(654)
At 31 JULY 2023	109,349	431,666	37,466	25,255	603,736
DEPRECIATION					
AT 1 AUGUST 2022	12,289	90,345	16,543	-	119,177
Expense for the year	2,085	10,957	4,987	-	18,029
Eliminations on disposals	(86)	(12)	(113)	-	(211)
At 31 JULY 2023	14,288	101,290	21,417	-	136,995
NET BOOK VALUES					
AT 31 JULY 2023	95,061	330,376	16,049	25,255	466,741
AT 31 JULY 2022	97,259	329,344	14,192	24,162	464,957

INSTITUTION	FREEHOLD LAND AND BUILDINGS £'000	LEASEHOLD LAND AND BUILDINGS £'000	FIXTURES, FITTINGS AND EQUIPMENT £'000	ASSETS IN THE COURSE OF CONSTRUCTION £'000	TOTAL £'000
COST OR VALUATION					
AT 1 AUGUST 2022	109,548	412,014	30,204	23,702	575,468
Additions	200	477	3,681	16,376	20,734
Transfers	-	11,568	3,237	(14,805)	-
Disposals	(399)	(68)	(187)	-	(654)
At 31 JULY 2023	109,349	423,991	36,935	25,273	595,548
DEPRECIATION					
AT 1 AUGUST 2022	12,288	87,663	16,107	-	116,058
Expense for the year	2,086	10,760	4,964	-	17,810
Elimination on disposals	(86)	(12)	(113)	-	(211)
At 31 JULY 2023	14,288	98,411	20,958	-	133,657
NET BOOK VALUES					
AT 31 JULY 2023	95,061	325,580	15,977	25,273	461,891
AT 31 JULY 2022	97,260	324,351	14,097	23,702	459,410

14. FIXED ASSETS (CONTINUED)

Included within consolidated and university fixed assets are assets held under finance leases as follows:

	2023 £'000	2022 £'000
COST OR VALUATION		
AT 31 JULY	21,369	21,369
DEPRECIATION		
AT 1 AUGUST	3,717	3,252
Expense for the year	465	465
AT 31 JULY	4,182	3,717
Net Book Values	17,187	17,652

15. HERITAGE ASSETS

CONSOLIDATED AND INSTITUTION	TOTAL £'000
COST OR VALUATION	
AT 1 AUGUST 2022 and 31 JULY 2023	690

The University’s heritage assets support its teaching, research and public engagement. The collection includes objects, such as paintings and sculpture. The strengths of the collection relates to the University’s own specialist areas of excellence. The heritage assets held in the University make a significant contribution to scholarly endeavour, teaching and learning and the dissemination of knowledge for the public benefit.

The acquisition, preservation, management and disposal of heritage assets is in accordance with the University’s general policies in regard to its heritage assets; relevant assets are curated by the appropriate staff in the Birmingham Institute of Art and Design to ensure that such assets continue to be available to staff and students for teaching, research and other purposes.

Heritage assets valued at over £25,000 are capitalised and recognised in the balance sheet provided appropriate valuations are available. Donated assets that are

capitalised will be reported in the income and expenditure account at valuation on receipt.

The collections were valued on conversion to FRS 102 by specialist external valuers. Information on the qualifications of the valuer can be found at <http://schoonantiquesandart.com/index.html>. Heritage assets that are irreplaceable originals for which no reliable value can be attributed will not be capitalised in the financial statements.

Heritage assets are not depreciated since their long economic life and high residual value mean that any depreciation would not be material. They are subject to impairment reviews if damage or deterioration is reported. They are maintained and the cost of maintenance is charged to the income and expenditure account as incurred.

16. INVESTMENTS

CONSOLIDATED	SUBSIDIARY UNDERTAKINGS £'000	ENDOWMENT FUNDS £'000	OTHER FIXED ASSET INVESTMENTS £'000	TOTAL £'000
COST OR VALUATION				
AT 1 AUGUST 2022	-	7,263	60	7,323
Change in Fair Value	-	(279)	(3)	(282)
New Funds	-	2,808	-	2,808
At 31 JULY 2023	-	9,792	57	9,849

INSTITUTION	SUBSIDIARY UNDERTAKINGS £'000	ENDOWMENT FUNDS £'000	OTHER FIXED ASSET INVESTMENTS £'000	TOTAL £'000
COST OR VALUATION				
AT 1 AUGUST 2022	4,300	7,263	60	11,623
Change in Fair Value	(1,358)	(279)	(3)	(1,640)
New Funds	-	2,808	-	2,808
At 31 JULY 2023	2,942	9,792	57	12,791

The £2,942K subsidiary undertaking is an investment in BCU Property Ltd, a wholly owned subsidiary of Birmingham City University.

Investments in endowment funds constitute the University’s Trust and Prize Funds. The capital element of these assets is invested in income and shares in the COIF Charities Fixed Interest, Property and Ethical Investment Funds on the basis of professional investment advice. Investments held in the COIF funds at the year-end were as follows:

ENDOWMENT FUNDS COMPRISE:	CONSOLIDATED AND INSTITUTION TOTAL £'000
COIF Fixed Interest Fund	365
COIF Ethical Investment Fund	8,974
COIF Property Fund	453
TOTAL	9,792

Investments in subsidiaries and other fixed asset investments are held at the lower of cost and net realisable value.

OTHER FIXED ASSET INVESTMENTS CONSIST OF:	CONSOLIDATED AND INSTITUTION TOTAL £'000
CVCP Properties Limited	35
Mercia	22
AT 31 JULY 2023	57

17. STOCKS

	CONSOLIDATED 2023 £'000	INSTITUTION 2023 £'000	CONSOLIDATED 2022 £'000	INSTITUTION 2022 £'000
Raw materials and consumables	322	322	212	212
Finished goods and goods for resale	-	-	-	-
TOTAL	322	322	212	212

18. DEBTORS

	CONSOLIDATED 2023 £'000	INSTITUTION 2023 £'000	CONSOLIDATED 2022 £'000	INSTITUTION 2022 £'000
Trade debtors	8,268	7,490	19,854	19,592
Amounts due from subsidiaries	-	933	-	825
Prepayments and accrued income	18,744	18,506	15,081	13,247
TOTAL	27,012	26,929	34,935	33,664

19. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	CONSOLIDATED 2023 £'000	INSTITUTION 2023 £'000	CONSOLIDATED 2022 £'000	INSTITUTION 2022 £'000
Bank loans (Note 21)	1,635	1,635	1,625	1,625
Trade creditors	2,110	2,007	4,944	4,913
Other creditors	18,259	18,246	12,073	12,056
Capital Grants	2,506	2,506	2,940	2,940
Finance Lease	-	-	207	207
Amounts due to subsidiaries	-	12,842	-	9,300
Corporation tax	-	-	(1)	-
Other taxation and social security	9,020	8,688	3,649	3,392
Accruals and deferred income	54,020	53,374	47,462	43,493
TOTAL	87,550	99,298	72,899	77,926

Included with accruals and deferred income are the following items of income which have been deferred until specific performance related conditions have been met.

	CONSOLIDATED 2023 £'000	INSTITUTION 2023 £'000	CONSOLIDATED 2022 £'000	INSTITUTION 2022 £'000
Donations	86	86	-	-
Research grants received on account	315	233	1,429	1,429
Grant income	(86)	(86)	1,715	1,715
TOTAL	315	233	3,144	3,144

20. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	CONSOLIDATED 2023 £'000	INSTITUTION 2023 £'000	CONSOLIDATED 2022 £'000	INSTITUTION 2022 £'000
Bank loans (Note 21)	6,556	6,556	8,192	8,192
Other creditors	-	-	-	-
Capital Grants	39,996	39,666	40,911	40,569
Finance Lease liabilities (Note 21)	28,894	28,894	28,198	28,198
TOTAL	75,446	75,116	77,301	76,959

21. BANK LOANS AND FINANCE LEASES

Bank loans are repayable as follows:

	CONSOLIDATED 2023 £'000	INSTITUTION 2023 £'000	CONSOLIDATED 2022 £'000	INSTITUTION 2022 £'000
Within one year	1,635	1,635	1,625	1,625
Between two and five years	6,467	6,467	6,467	6,467
After more than five years	89	89	1,725	1,725
TOTAL	8191	8191	9,817	9,817

The Natwest Bank loans are secured on the University’s city south campus and student residential properties. These RCF were undrawn at the year end. The secured loan facilities are scheduled for repayment by 19 August 2028; the interest rate payable on the loans is SONIA + 0.40%.

In addition to this there is a revolving credit facility of £20 million agreed with HSBC which is not secured, and a further revolving credit facility of £40m with Natwest which is also not secured.

Finance leases are repayable as follows:

	CONSOLIDATED 2023 £'000	INSTITUTION 2023 £'000	CONSOLIDATED 2022 £'000	INSTITUTION 2022 £'000
Within one year	-	-	207	207
Between two and five years	-	-	-	-
After more than five years	28,894	28,894	28,198	28,198
TOTAL	28,894	28,894	28,405	28,405

22. PROVISIONS

CONSOLIDATED	OBLIGATION TO FUND DEFICIT ON USS PENSION £'000	OBLIGATION TO FUND DEFICIT ON LGPS PENSION £'000	TOTAL PENSION PROVISIONS £'000	OTHER PROVISIONS £'000	TOTAL OTHER PROVISIONS £'000
AT 1 AUGUST 2022	2,988	41,465	44,453	6,385	6,385
Increase / (decrease) in provisions	(734)	(41,465)	(42,199)	3,865	3,865
At 31 JULY 2023	2,254	-	2,254	10,250	10,250

Other provisions of £10.3m includes: £4.3m dilapidations provision for Leasehold Buildings, £3.1m provision for annual leave, and £2.9m provision against potential clawback on income and grants.

INSTITUTION	OBLIGATION TO FUND DEFICIT ON USS PENSION £'000	OBLIGATION TO FUND DEFICIT ON LGPS PENSION £'000	TOTAL PENSION PROVISIONS £'000	OTHER PROVISIONS £'000	TOTAL OTHER PROVISIONS £'000
AT 1 AUGUST 2022	2,988	41,465	44,453	6,259	6,259
Increase / (decrease) in provisions	(734)	(41,465)	(42,199)	3,763	3,763
At 31 JULY 2023	2,254	-	2,254	10,022	10,022

Other provisions of £10.0m includes: £4.3m dilapidations provision for Leasehold Buildings, and £2.6m provision against potential clawback on income and grants.

23. ENDOWMENT RESERVES

CONSOLIDATED AND INSTITUTION	RESTRICTED PERMANENT ENDOWMENTS 2023 £'000	EXPENDABLE ENDOWMENTS 2023 £'000	TOTAL 2023 £'000	TOTAL 2022 £'000
AT 1 AUGUST				
Capital	9,122	2,179	11,301	10,996
Accumulated income	507	96	603	761
TOTAL	9,629	2,275	11,904	11,757
New endowments	243	556	799	390
Investment income	223	29	252	209
Other income	22	16	38	28
Expenditure	(321)	(207)	(528)	(394)
Increase in market value of investments	(226)	(19)	(245)	(86)
TOTAL ENDOWMENT COMPREHENSIVE INCOME FOR THE YEAR	(59)	375	316	147
AT 31 JULY	9,570	2,650	12,220	11,904
Capital	9,139	2,716	11,855	11,301
Accumulated income	431	(66)	365	603
TOTAL	9,570	2,650	12,220	11,904

ANALYSIS OF ENDOWMENTS BY ASSETS	2023 £'000	2022 £'000
Fixed assets	509	509
Non-current asset investments	9,792	7,263
Cash at bank and in hand	1,957	3,587
Current assets	(39)	548
Current liabilities	1	(3)
TOTAL	12,220	11,904

24. UNRESTRICTED RESERVES

CONSOLIDATED	TOTAL 2023 £'000	TOTAL 2022 £'000
AT 1 AUGUST	368,041	237,379
Surplus for the year	17,954	2,901
Actuarial gain in respect of pension schemes	47,075	127,761
TOTAL UNRESTRICTED COMPREHENSIVE INCOME FOR THE YEAR	65,029	130,662
AT 31 JULY	433,070	368,041

24. UNRESTRICTED RESERVES (CONTINUED)

INSTITUTION	TOTAL 2023 £'000	TOTAL 2022 £'000
AT 1 AUGUST	359,859	188,056
Surplus for the year	11,228	44,042
Actuarial gain in respect of pension schemes	47,075	127,761
TOTAL UNRESTRICTED COMPREHENSIVE INCOME FOR THE YEAR	58,303	171,803
AT 31 JULY	418,162	359,859

25. CAPITAL AND OTHER COMMITMENTS

Capital commitments

At 31 July, the Group and University had the following capital commitments for which no provision has been made:

	CONSOLIDATED 2023 £'000	INSTITUTION 2023 £'000	CONSOLIDATED 2022 £'000	INSTITUTION 2022 £'000
Commitments contracted for	11,413	11,413	15,058	15,058

The gross value of capital commitments set out above reflect the costs associated with the implementation of the University’s capital programme. The commitments reflect the contracted costs set out in the University’s major projects plan in relation to the development of the City Centre Campus.

No provision has been made in the accounts for these capital commitments. However, the University has taken steps to ensure that it will have access to sufficient cash and liquid resources to enable it to finance its major projects plan.

Lease obligations

Minimum lease payments payable under non-cancellable operating leases fall due as follows:

	2023 £'000	2022 £'000
Within than one year	6,041	5,333
Between one and five years	22,655	19,691
After more than five years	61,290	52,235
TOTAL	89,986	77,259

26. CONTINGENT LIABILITIES

The University has given a guarantee to Millennium Point Property Ltd to pay the property lease rental of its subsidiary, Technology Innovation Centre (TIC). The lease term is currently 30 years until 26 November 2029 and the current annual rental is £1,099,816 (2022: £1,072,992). On the expiration date of the current lease, a lease extension signed on 31 October 2011 will be entered into between Millennium Point Property Ltd, TIC and the University which extends the period of the guarantee and lease to 18 March 2149.

27. SUBSIDIARY UNDERTAKINGS

The subsidiary companies (all of which are registered in England and Wales) and unincorporated entities, wholly-owned or effectively controlled by the University, are as follows:

ENTITY	PRINCIPAL ACTIVITY	STATUS	HOLDING
Awarding Body For The Built Environment Limited	Awarding organisation providing qualifications for the built environment	Company limited by guarantee	100%
Technology Innovation Centre	First-degree & post-graduate level education, engineering related scientific and technical consulting, technical testing and analysis	Company limited by guarantee	100%
TIC Commercial Limited	Professional, scientific and technical activities	Company limited by guarantee	100%
BCU Enterprise Limited	Training programmes for health professionals, training, consultancy, commercial research, residential conferences and catering	Company limited by guarantee	100%
BCU Property Limited	Buying and selling of own real estate	Company limited by shares	100%
BCU Trustees limited	Trustee for Employees’ Non-Discretionary Medical Benefit Scheme for BCU	Company limited by shares	100%
BCU Support Services Limited	Providing support services for the University	Company limited by shares	100%
Eastside Locks Management	Management and Maintenance of Eastside Locks	Company limited by shares	74.4%

28. RELATED PARTY TRANSACTIONS

Due to the nature of the University’s activities and the composition of the Board of Governors it is possible that transactions will take place from time-to-time with organisations in which a member of the Board of Governors may have an interest. All such transactions are conducted at arm’s length and in accordance with the University’s financial regulations and normal procurement procedures.

The following material related party transactions occurred during the year: £3,895,973 (2022: £4,428,201) was paid to Millennium Point Property Limited for use of space and associated service charges and £16,632 was invoiced for sponsorships of students. (Julian Beer – Trustee).

In 2019/20, BCU approved investment in the form of annual membership and five year support for Greater Birmingham and Solihull Institute for Technology. During

the year transactions occurred for the value of £100,000 (2022: £109,000).

Two student governors elected by the Students’ Union are members of the University’s Board of Governors. During the year ended 31 July 2023, payments were made to the Students’ Union for the value of £62,376 (2022: £205,357) and invoices were raised from the University for the value of £2,960 (2022: £16,364).

There were no balances outstanding in debtors and creditors at the year end.

29. ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the University’s consolidated financial statements requires management to make estimates and judgements that affect the reported results in the income statement, balance sheet and accompanying disclosures. Uncertainty about the estimates and judgments could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities in future periods.

Local Government Pension Scheme

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

USS Pension Liability

The USS pension liability has been estimated using the BUFDG USS modeller on the assumption that the number of staff in the pension scheme will be stable, salary inflation consistent with the assumptions used for LGPS and the discount rate for high quality corporate bond.

FRS 102 makes the distinction between a Group Plan and a multi-employer scheme. A Group Plan consists of a collection of entities under common control typically

with a sponsoring employer. A multi-employer scheme is a scheme for entities not under common control and represents (typically) an industry-wide scheme such as that provided by USS.

The accounting for a multi-employer scheme where the employer has entered into an agreement with the scheme that determines how the employer will fund a deficit results in the recognition of a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and the resulting expense is recognised in profit or loss.

The management are satisfied that the scheme provided by USS meets the definition of a multi-employer scheme and has therefore recognised the discounted fair value of the contractual contributions under the funding plan in existence at the date of approving the financial statements.

Assessment of impairment of Assets

An impairment assessment of the University’s land and buildings has been undertaken and impairments have been taken in this financial year.

Bad Debt Provision

A bad debt provision has been made against expenditure based on the percentage recovery rates of the external debt recovery company used by the University. Management are satisfied these provide a reasonable approximation in light of historical recovery rates. Due to the continuing impact of Covid-19 and global impacts the percentages have been revised to reflect those areas for which management consider there to be an increased risk.

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

30. FINANCIAL INSTRUMENTS

Risk Management

The University operates a centralised treasury management function which is responsible for managing the credit, liquidity, interest and foreign currency risk. These financial risks are managed within the parameters specified by the Finance Committee’s approved treasury management policy. The treasury management policy adopts the key recommendations of the Code of Practice on Treasury Management in Public Service as issued by Chartered Institute of Public Finance and Accountancy (CIPFA) as recommended by the Office for Students (OfS) and is reviewed, updated and approved annually.

30. FINANCIAL INSTRUMENTS (CONTINUED)

Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the University.

The University’s credit risk arises from bank balances, investments, student debtors and commercial organisations as customers. Management of credit risk is a prime objective of the 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 credit risk of liquid funds and financial instruments is limited because the counterparties are banks with investment grade credit ratings assigned by an international credit-rating agency. The University’s exposure and the credit ratings of its counterparties are monitored regularly. The credit exposure is limited by counterparty limits and minimum counter party credit ratings set within the treasury management policy.

Student and commercial debtors are reviewed on an-ongoing basis and a bad debt provision is made if recovery becomes uncertain. If a debtor is deemed irrecoverable it is written off. The concentration of risk is limited due to a large number of diverse customers across both students and commercial customer populations.

Liquidity Risk

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

Cash flow forecasts form part of the University’s planning process and are revised during the financial year when re-forecasts are made. The University policy is to normally maintain a minimum of £20m in on-call cash balances. Excess funds are invested to maximise the return whilst observing the Treasury Management Policy limits.

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 (i.e. price risk) or changes in interest income or expenses (i.e. re-investments risk).

Financial Instruments – fair values

The fair values of each category of the University’s financial instruments are the same as their carrying value in the balance sheet.

31. PENSION SCHEMES

The University’s employees belong to three principal pension schemes, the West Midlands Pension Fund, a Local Government Pension Scheme (LGPS) the Teachers’ Pension Scheme (TPS), and the Universities Superannuation Scheme (USS). The assets of these schemes are held separately from those of the University and are administered independently. The liabilities associated with these schemes are as follows:

The liabilities associated with these schemes are as follows:

	2023 £'000	2022 £'000
Local Government Pension Scheme	-	41,465
Universities Superannuation Scheme	2,254	2,988
Teachers’ Pension Scheme	-	-
TOTAL	2,254	44,453

31. PENSION SCHEMES (CONTINUED)

(i) Local Government Pension Scheme (LGPS)

In completing our calculations for pension accounting purposes we have used the following items of data, which we received from West Midlands Pension Fund:

- The results of the valuation as at 31 March 2022 which was carried out for funding purposes and the results of the 31 July 2023 FRS102 report which was carried out for accounting purposes;
- Estimated whole Fund income and expenditure items for the period to 31 July 2023;
- Fund investment returns to 30 June 2023, estimated returns based on a net asset statement and market returns thereafter;

- Estimated Fund income and expenditure in respect of the Employer for the period to 31 July 2023;
- Details of any new early retirements for the period to 31 July 2023 that have been paid out on an unreduced basis, which are not anticipated in the normal employer service cost; and
- Details of any settlements for the period to 31 July 2023.

Although some of these data items have been estimated, we do not believe that they are likely to have a material effect on the results of this report. Further, we are not aware of any material changes or events since we received the data. The data has been checked for reasonableness and we are happy that the data is sufficient for the purposes of this advice.

Employer membership statistics

The table below summarises the membership data, as at 31 March 2022, for members receiving funded benefits, and as at 31 March 2022 for any members receiving unfunded benefits.

MEMBER DATA SUMMARY	NUMBER
Actives	1,547
Deferred pensioners	2,816
Pensioners	845

The service cost for the year ending 31 July 2023 is calculated using an estimate of the total pensionable payroll during the year. The estimated total pensionable payroll during the year is £46,129,000.

The projected service cost for the year ending 31 July 2024 has been calculated assuming the payroll remains at this level over the year.

Scheduled contributions

For information, the table below summarises the minimum employer contributions due from Birmingham City University to the Fund over this inter-valuation period. The calculated cost of accrual of future benefits is 18.0% of payroll p.a.

MINIMUM EMPLOYER CONTRIBUTIONS DUE FOR THE PERIOD BEGINNING	1 APRIL 2023	1 APRIL 2024	1 APRIL 2025	1 APRIL 2026
Percent of payroll	18.0%	18.0%	19.0%	26.0%
Plus monetary amount (£'000)	1,611	-	-	-

We have agreed with the administering authority to prepay an element of the certified contributions by making lump sum payments at the start of each year (i.e. in April 2022, April 2023 and April 2024). This lump sum payment will include an actuarially equivalent discount.

31. PENSION SCHEMES (CONTINUED)

Birmingham City University may pay further amounts at any time and future periodic contributions, or the timing of contributions may be adjusted on a basis approved by the Fund Actuary.

Early retirements

There were 3 new early LGPS retirements over the year, two for redundancy with total accrued pension of £39,989 and one for efficiency for £22,551.

Assets

The return on the Fund (on a bid value to bid value basis) for the year to 31 July 2023 is estimated to be (0.2%). The actual return on Fund assets over the year may be different.

The estimated asset allocation for Birmingham City University as at 31 July 2023 is as follows:

	31 JULY 2023 £'000	%	31 JULY 2022 £'000	%
Equities	199,152	68%	188,295	65%
Bonds	61,503	21%	66,627	23%
Property	20,501	7%	23,175	8%
Cash	11,715	4%	11,587	4%
TOTAL	292,871	100%	289,684	100%

The actuaries have estimated the bid values where necessary based on the information provided by West Midlands Pension Fund. Please note that the individual percentages shown are to the nearest percentage point for each asset class and may not sum to 100%. The final asset allocation of the Fund assets as at 31 July 2023 is likely to be different from that shown due to estimation techniques.

Valuation approach

To assess the value of the Employer's liabilities at 31 July 2023, actuaries have rolled forward the value of the Employer's liabilities calculated for the funding valuation as at 31 March 2022 using financial assumptions that comply with FRS102.

The full actuarial valuation involved projecting future cash flows to be paid from the Fund and placing a value on them. These cash flows include pensions currently being paid to members of the Fund as well as pensions (and lump sums) that may be payable in future to members of the Fund or their dependants. These pensions are linked to inflation and will normally be payable on retirement for the life of the member or a dependant following a member's death.

It is not possible to assess the accuracy of the estimated value of liabilities as at 31 July 2023 without completing a full valuation.

However, they are satisfied that the approach of rolling forward the previous valuation data to 31 July 2023 should not introduce any material distortions in the results provided that the actual experience of the Employer and the Fund has been broadly in line with the underlying assumptions, and that the structure of the liabilities is substantially the same as at the latest formal valuation. From the information received there appears to be no evidence that this approach is inappropriate.

As required under the FRS102 accounting standard, the actuaries have used the projected unit credit method of valuation.

Valuation of the Employer's assets

To calculate the asset share we have rolled forward the assets allocated to the Employer at 31 March 2022 allowing for investment returns (estimated where necessary), contributions paid into, and estimated benefits paid from, the Fund by and in respect of the Employer and its employees.

31. PENSION SCHEMES (CONTINUED)

Experience items allowed for since the previous accounting date

Experience items arise due to differences between the assumptions made as part of the roll forward approach and actual experience. This includes (but is not limited to) assumptions made in respect of salary increases, pension increases, mortality, and member transfers. This assumes that pension increases are in line with the annual pension increases set by HM Treasury Revaluation Order.

As a result of allowing for actual experience, which may be different from that assumed previously, an experience item may be observed in the reconciliation to 31 July 2023.

Guaranteed Minimum Pension (GMP) Equalisation

As a result of the High Court’s recent Lloyds ruling on the equalisation of GMPs between genders, a number of pension schemes have made adjustments to accounting disclosures to reflect the effect this ruling has on the value of pension liabilities. It is our understanding that HM Treasury has confirmed that the judgement “does not impact on the current method used to achieve equalisation and indexation in public service pension schemes”.

On 23 March 2021, the Government published the outcome to its Indexation and equalisation of GMP in public service pension schemes consultation, concluding that the requirement for public service pension schemes to fully protect the GMP element of individuals’ public service pension would be extended to those individuals reaching State Pension Age (SPA) before 5 April 2021.

This is a permanent extension of the existing ‘interim solution’ that has applied to members with a GMP reaching SPA on or after 6 April 2016.

Our valuation assumption for GMP is that the Fund will pay limited increases for members that have reached SPA by 6 April 2016, with the Government providing the remainder of the inflationary increase.

For members that reach SPA after this date, we have assumed that the Fund will be required to pay the entire inflationary increase. Therefore the pension fund do not believe we need to make any adjustments to the value placed on the liabilities as a result of the above outcome.

Demographic/Statistical assumptions

The actuaries have adopted a set of demographic assumptions that are consistent with those used for the most recent Fund valuation, which was carried out as at 31 March 2022 except for the CMI projection model. The post retirement mortality tables adopted are the S3PA heavy tables with a multiplier of 85% for males and 95% for females. These base tables are then projected using the CMI_2021 Model, allowing for a long-term rate of improvement of 1% p.a., smoothing parameter of 7.0, an initial addition parameter of 0.0% p.a. and a 2020 weighting of 10%.

Although the post retirement mortality tables adopted are consistent with the previous accounting date, the mortality improvement projection has been updated to use the latest version of the Continuous Mortality Investigation’s model, CMI_2020, which was released in March 2021. The parameters of the model have been requested by the University after taking independent advice. At the last accounting date, the CMI_2020 Model was adopted. The effect on the University’s liabilities of updating to the most recent model is reflected in the Change in demographic assumptions figure, and the effect on the assumed life expectancies is demonstrated in the table below.

The assumed life expectations from age 65 are based on lives aged 45 and 65 at the latest Fund valuation at the balance sheet date:

		31 JULY 2023	31 JULY 2022 (After CMI_2020 update)	31 JULY 2022 (Before CMI_2020 update)
Retiring today	Males	19.8	20.6	20.6
	Females	23.2	23.1	23.1
Retiring in 20 years	Males	20.5	21.9	21.9
	Females	23.9	24.6	24.6

The actuaries have also assumed that:

- Members will exchange pension to get 50% of the maximum available cash on retirement. For every £1 of pension that members commute, they will receive a cash payment of £12 as set out in the Regulations;
- Members will retire at one retirement age for all tranches of benefit, which will be the pension weighted average tranche retirement age; and
- The proportion of the membership that had taken up the 50:50 option at the previous valuation date will remain the same.

31. PENSION SCHEMES (CONTINUED)

Financial assumptions

The financial assumptions used to calculate the results are as follows:

	31 JULY 2023 % P.A.	31 JULY 2022 % P.A.
Discount Rate	5.05%	3.50%
Pension increase	2.65%	2.65%
Salary increases	2.65%	2.65%

The assumptions as at 31 July 2023 have been requested of the Fund following the University having taken independent advice.

The estimate of the duration of the University’s liabilities is 21 years.

Past service costs/gains

Past service costs/gains arise as a result of introduction or withdrawal of, or changes to, member benefits. For example, an award of additional discretionary benefits to a member such as added years by a member would be considered a past service cost.

The actuaries are not aware of any additional benefits which were granted over the year ending 31 July 2023.

Curtailments

The actuaries have calculated the cost of curtailments arising as a result of the payment of unreduced pensions on early retirement. The fund may also have to account for non-pension related costs (e.g. lump sum payments on redundancy) but for the avoidance of doubt, the actuaries have only calculated the cost of curtailments which affect the University’s LGPS pension liabilities.

The Actuaries calculate the cost of curtailments at the point of exit, with interest applied to the accounting date accounted for separately.

Over the year, no employees were permitted by the University to take unreduced early retirement that they would not otherwise have been entitled to.

Settlements

We are not aware of any liabilities being settled at a cost materially different to the accounting reserve during the year.

Statement of profit or loss for the year to 31 July 2023

The amounts recognised in the profit and loss statement are:

	YEAR TO 31 JULY 2023 £’000	AS AT 31 JULY 2023 £’000
Service cost	12,358	23,463
Net interest on defined liability	1,523	2,624
TOTAL LOSS	13,881	26,087

31. PENSION SCHEMES (CONTINUED)

Asset and benefit obligation reconciliation for the year to 31 July 2022.

Reconciliation of opening and closing balances of the present value of the defined benefit obligation:

	YEAR TO 31 JULY 2023 £'000	YEAR TO 31 JULY 2022 £'000
Opening defined benefit obligation	331,149	430,334
Current service cost	12,358	23,463
Interest Cost	11,735	7,256
Change in financial assumptions	(96,673)	(143,521)
Change in demographic assumptions	(20,664)	(2,837)
Estimated benefits paid net of transfers in	(6,636)	(6,511)
Experience loss/(gain) on defined benefit obligation	10,385	20,364
Contributions by Scheme participants and other employers	3,090	2,612
Unfunded pension payments	(11)	(11)
CLOSING DEFINED BENEFIT OBLIGATION	244,733	331,149

The change in demographic assumptions figure in the table above reflects the update to use the CMI_2020 Model as set out in the Demographic/Statistical assumptions section of this report.

Reconciliation of opening and closing balances of the fair value of Fund assets:

	YEAR TO 31 JULY 2023 £'000	YEAR TO 31 JULY 2022 £'000
Opening fair value of fund assets	289,684	278,549
Interest on assets	10,212	4,632
Return on assets less interest	(10,863)	1,767
Other experience	(794)	-
Contributions by University including unfunded	8,178	8,646
Contributions by Scheme participants and other employers	3,090	2,612
Estimated benefits paid plus unfunded net of transfers in	(6,636)	(6,522)
Other actuarial gains	-	-
CLOSING FAIR VALUE OF FUND ASSETS	292,871	289,684

The total return on the fund assets for the year to 31 July 2023 is (£0.6m).

Pension assets recognition

In accordance with FRS102, the Board of Governors have deemed that the surplus should not be recognised and therefore have restricted the asset valuation to £nil. An entity shall recognise a plan surplus as a defined benefit plan asset only to the extent that it is able to recover the surplus either through reduced contributions in the future or through refunds from the plan.

31. PENSION SCHEMES (CONTINUED)

Re-measurements in other comprehensive income

Re-measurement of the net defined liability:

	YEAR TO 31 JULY 2023 £'000	YEAR TO 31 JULY 2022 £'000
Return on Fund assets in excess of interest	10,863	(1,767)
Changes in financial assumptions	(96,673)	(143,521)
Change in demographic assumptions	(20,664)	(2,837)
Other actuarial gains/(losses) on assets	82	-
Experience gain/(loss) on defined benefit obligation	11,179	20,364
Pension surplus not recognised	48,138	-
RE-MEASUREMENT OF THE NET DEFINED LIABILITY	47,075	127,761

(ii) The Universities’ Superannuation Scheme

The institution participates in Universities Superannuation Scheme (USS). The Scheme is a hybrid pension scheme, providing defined benefits (for all members), as well as defined contribution benefits. The assets of the scheme are held in a separate trustee-administered fund. USS is a multi-employer scheme and is accounted for as set out in the accounting policies.

The University participates in the Universities Superannuation Scheme (the scheme). Throughout the current and preceding periods, the scheme was a defined benefit only pension scheme until 31 March 2018 which was contracted out of the State Second Pension (S2P). The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the scheme’s assets are not hypothecated to individual institutions and a scheme-wide contribution rate is set.

The USS is a multi-employer scheme for which it is not possible to identify the assets and liabilities relating to University members due to the mutual nature of the scheme and therefore this scheme is accounted for as a defined contribution retirement benefit scheme. As a result, the amount charged to the Consolidated Statement of Comprehensive Income and Expenditure represents the contributions payable to the scheme in respect of the accounting period.

Since the institution has entered into an agreement (the Recovery Plan that determines how each employer within the scheme will fund the overall deficit), the institution recognises a liability for the contributions payable that arise from the agreement to the extent that they relate to the deficit and the resulting expense in the income and expenditure account. A liability is recorded within provisions for any contractual commitment to fund past deficits within the USS scheme.

The total cost charged to the profit and loss account is a release of £165,000 (2022: charge £1,996,000) as shown in note 9. The latest available full actuarial valuation of the scheme was at 31 March 2020 (the valuation date), which was carried out using the projected unit method.

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

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

DISCOUNT RATE (FORWARD RATES)	
Fixed interest gilt yield curve plus:	
Pre-retirement:	2.75% p.a.
Post retirement:	1.00% p.a.
PENSION INCREASE (CPI)	
Term dependent rates in line with the difference between the Fixed Interest and Index Linked yield curves less: 1.1% p.a. to 2030, reducing linearly by 0.1% p.a. to a long-term difference of 0.1% p.a. from 2040	
PENSION INCREASES (SUBJECT TO A FLOOR OF 0%)	
CPI assumption plus:	0.05%

31. PENSION SCHEMES (CONTINUED)

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

MORTALITY BASE TABLE	2020 VALUATION
Mortality base table	101% of S2PMA “light” for males and 95% of S3PFA for females.
Future improvements to mortality	CMI 2019 with a smoothing parameter of 7.5, an initial addition of 0.5% p.a. and a long-term improvement rate of 1.8% pa for males and 1.6% pa for females

(iii) The Teachers’ Pension Scheme (TPS)

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

The Teacher’s Pension Budget and Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a ‘pay as you go’ basis – these contributions, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Act.

The current life expectancies on retirement at age 65 are:

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

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

The Teachers’ Pensions Regulations 2010 require an annual account, the Teachers’ Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.


Valuation of the Teachers’ Pension Scheme

The latest valuation of the Teachers’ Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers have paid an increased contribution rate of 23.68% from September 2019 (this includes the administration levy of 0.8%).

A copy of the latest valuation report can be found on the Teachers’ Pension Scheme website.

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