



**Annual Report and Consolidated Financial
Statements for the year ending 31 July 2019**

The University of Northampton Higher Education Corporation

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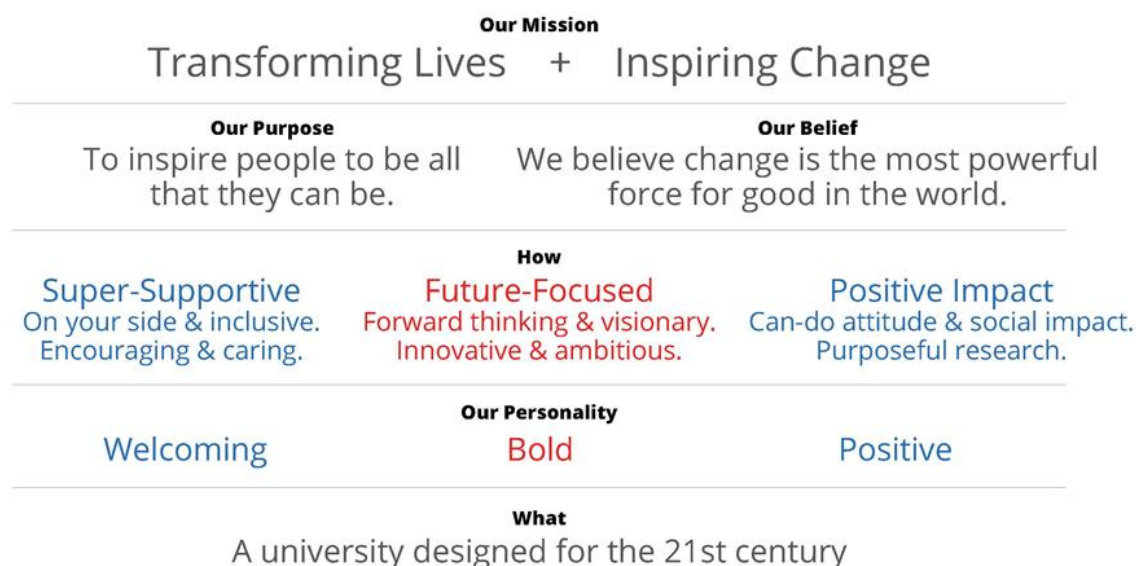
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Transforming Lives and Inspiring Change

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

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

This report is focused on our ambitions, plans, actions and performance in these three key areas during the 2018-19 academic year.



Values and Key Behaviours

The University's values are:

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

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

The Key Behaviours are:



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

Highlights of the Year

Textiles for Fashion third year, Radka Blazickova received national acclaim after her collection made its debut at Graduate Fashion Week. Radka used bottle tops, labels and even shredded bottles to create her plastic waste-inspired collection.

Postgraduate Research Students rated the University extremely highly. 82% were satisfied with their overall experience, placing the University 4th in the UK. The Postgraduate Research Experience Survey is the only UK Higher Education survey to gather feedback from postgraduate research students about their learning and supervision experience.

The Estates Services Team received top industry recognition from the Association of University Directors of Estates (AUDE). The Waterside Campus Development won the AUDE University Impact Initiative of the Year Award. The team was highly commended in two other categories.

The Association of University Chief Security Officers (AUCSO) recognised the University's Security and Community Safety team for their work to keep our students and staff safe. The team worked in partnership with the Students' Union, Police and local council.

Finance and Management graduate Julianne Ponan, (29) was included in 2019's Forbes '30 under 30' list for Retail and E-commerce. Julianne is owner and CEO of Creative Nature, a brand of allergy-safe, superfood snack bars and baking mixes.

Games Art students at the University spent two years creating a 3D virtual reality walkthrough of the Hanging Gardens of Babylon. The computer model screened at a special event held at the Palace of Westminster. It was also covered by Voice of America News.

1st Degree Facilities, the wholly owned subsidiary company which maintains the University estate, offered work placements to service users at a local charity. Workbridge supports people with mental illness, learning disabilities, autism or brain injuries.

In April 2019, it was announced that 469 university students, staff and external colleagues had undertaken Mental Health First Aid training since November 2017. Mental Health First Aiders learn how to spot the signs and symptoms of a range of mental health issues. They learn how to provide first aid help and guide the person towards support services.

The University's first cohort of policing apprentices began their course in November 2018. They will graduate with a degree in Professional Policing Practice in 2021, after successfully completing their probation with Northamptonshire Police.

February 2019 saw the graduation of the University's first Doctors of Business Administration (DBA) graduates.

More than 300 female pupils from across Northamptonshire took part in a Girls Into Science and Engineering event on the Waterside Campus. The day of activities was designed to get

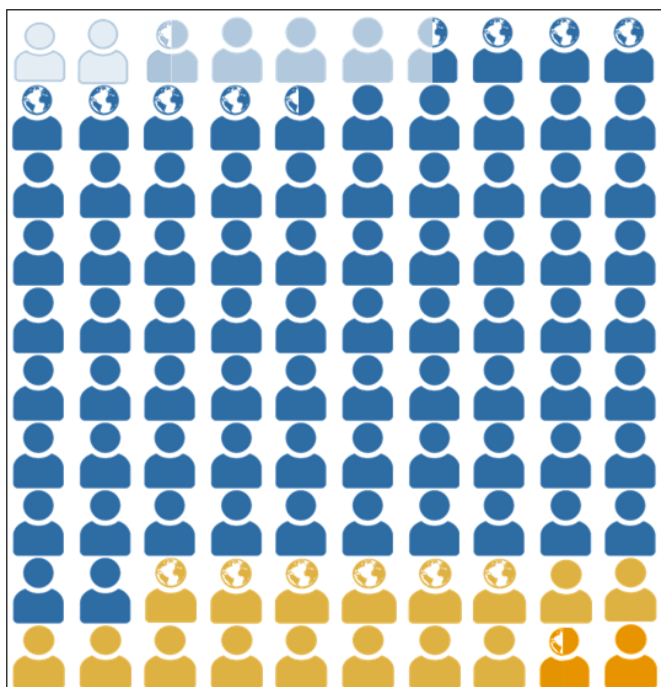
more girls aged 11 to 15 interested in pursuing careers in science and engineering. University staff and students were joined by representatives from a host of external organisations for the event.

Invited by the Faculty of Education and Humanities, over 500 educators from across the county gathered at the inaugural Educating Northants event, to celebrate teaching, learning and leadership in Northamptonshire.

The University assembled experts in emerging technologies to showcase the great work taking place in Northamptonshire at the Merged Futures event, part of the Digital Northampton project.

The University at a Glance

The Student Body: On Campus

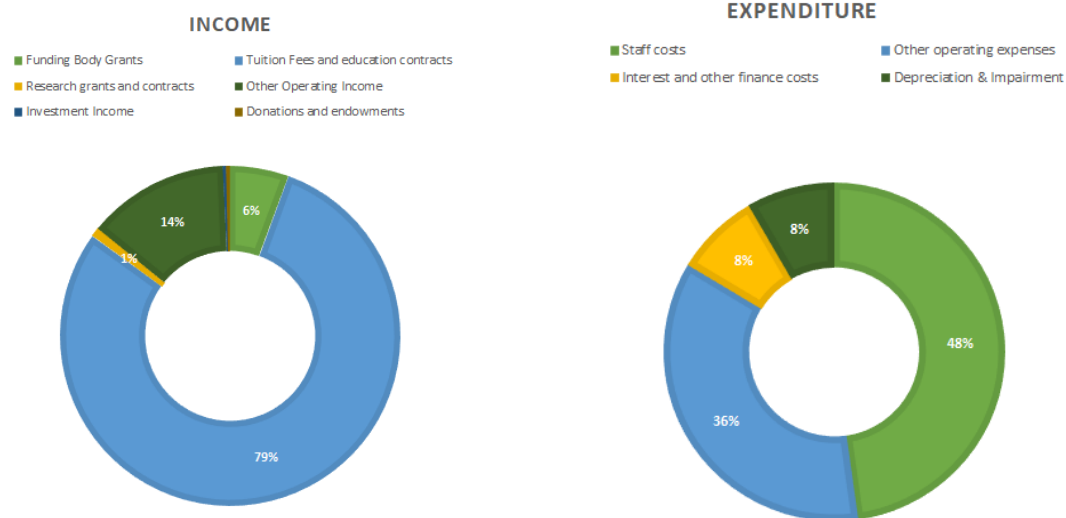


There were around 11,500 on-campus students in 18/19. One icon here = 1% of students.

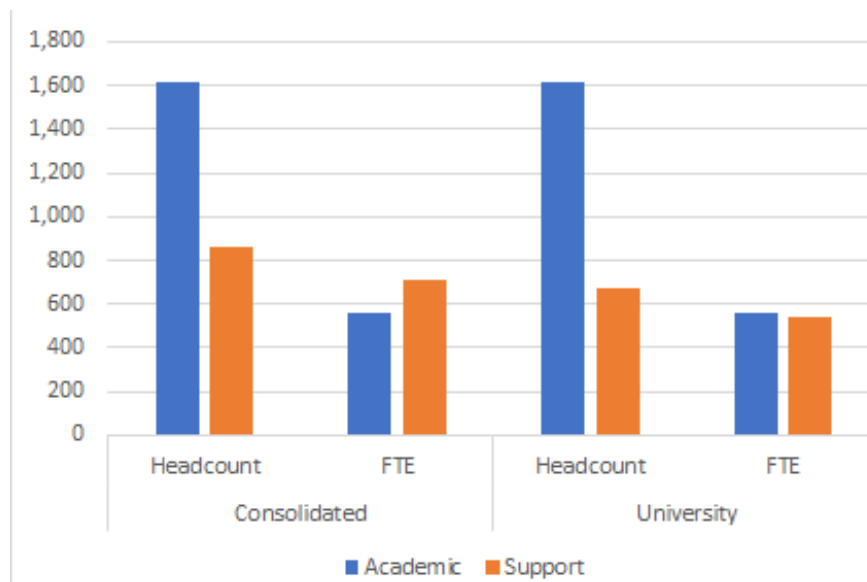
-  **Overseas student**
Higher fees, but greater regulatory burden and support requirements.
-  **Stand-alone module**
Typically professional development courses for Health.
-  **Foundation degrees, HNDs &c.**
Typically two year programmes
-  **Bachelors**
Mainly traditional three year courses, but includes one year Top Ups.
-  **Taught postgraduate**
Typically one year programmes; includes MBAs, which have higher fees.
-  **Research postgraduate**
PhD and Doctor of Business Administration

In 2018/9 there were around a further 6,000 students studying off campus through partners or by distance learning or who were assessed by the University's Competency Test Centre.

Income and Expenditure



Staffing



Operational Plan and Key Performance Indicators

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

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

Performance in 2018-19

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

We had expected some decline in our results in the National Student Survey due to the disruption caused by our move to a new purpose built £330million campus in the summer of 2018. Our recruitment of both home/EU and international students performed well against target.

Waterside Campus

In the summer of 2018 the University of Northampton moved to the brand-new Waterside Campus.

This seven-year project saw a neglected brownfield site transformed into a successful and impressive new campus that facilitated a radical re-engineering of the University in terms of both teaching methodology and governance structures.

Waterside is a waterfront site of 24 hectares on the edge of the town centre. Its successful completion has turned a derelict site into a leading facility in the higher education sector.

The project brief emphasised integration, of the University into the town and local community, and of departments, facilities and teams within the University itself. New pedestrian and road bridges and cycle routes link the site to the town, and public facilities and commercial outlets are part of a Waterside experience which continues beyond the University to local historic buildings and parks.

Shared working spaces for staff teams and flexible cross-site working help to break down internal barriers.

As a learning environment, virtually any on-site space can be adapted for teaching and learning. Technology-enabled flexibility has been the aim.

The initiative saw a reduction in the estate area of 40% with significant savings in operational costs. The majority of buildings received the EPC A rating for energy efficiency. The new Energy Centre has been designed save CO₂.

This means that more of the University's income can be spent on the teaching experience, which is of core benefit to students.

Due to the adaptable spaces, Northampton is now a university based on small-cohort delivery, needing only one formal lecture theatre, which is sized for 80 people.

Waterside is also an ongoing test case in redevelopment of brownfield habitats, and even in the early months since launch the site has seen an increase in bird and insect

species. An ecology zone on campus allows study of the ways flora and fauna recolonise this kind of environment.

Recognition for the Waterside Campus

The Grade II listed former Engine Shed which houses the Students' Union won the Association for Industrial Archaeology's Creative Re-use Award, 2019.

The development won 'University Impact Initiative of the Year' at the 2019 Association of University Directors of Estates awards.

The Learning Hub building is at the heart of the campus, bringing together resources, students and staff as a community. It won the 'Design through Innovation' category in the Royal Institution of Chartered Surveyors Regional Awards 2019, and is now shortlisted in the national awards. It has also been shortlisted for The Education Estates Awards in the following categories:

- Innovation in Delivering Value
- Inspiring Learning Spaces
- Project of the Year – Universities and Colleges

The University has been shortlisted for Client of the Year in the Education Estates Awards.

Charitable Status and Purpose

Our Public Benefit Statement

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

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

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

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

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

In generating social value, we make a critical contribution towards the government's industrial strategy with its twin objectives of increasing productivity and sharing prosperity. We believe that the social value that the University of Northampton, and other higher education institutions create, should be recognised nationally. It is vital that assessments of the contribution made by higher education take full account of social as well as individual benefits.

Our public benefit and social impact

We are a key driver of local and regional economic growth

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

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

Through our Changemaker Challenges we are focused on celebrating the culture and heritage of the county, making Northamptonshire the best county for young people to flourish and learn, the leading county for health and well-being, the best place to start, build and run a business. These Challenges underpin our work on a variety of projects.

We are a unifying force for social mobility

Undergraduate students at the University of Northampton are more likely than students at other universities to come from Low Participation Neighbourhoods (12.7% compared to 11.6%) and our student body is ethnically much more diverse than the surrounding town (45% BME compared to 15% for the town of Northampton).

We provide the public-sector workers of the future

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

We run life-changing research and knowledge exchange projects

The University's [research explorer](#) is publicly available and contains details of over 3,000 research outputs, as well as researcher profiles, projects, activities and research student theses

We work in transformative partnerships with other organisations

In 2018/19, around 4,500 University of Northampton students enrolled at its academic partners.

We support business development

The University supports new and growing businesses across Northamptonshire. Its Business Support team delivered 3150 direct interventions with businesses and individuals across the year 2018/19, with 1146 of those receiving either a grant or more than 3 hours' direct support from our advisers.

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

Our Waterside campus development employed 755 local people through the project supply chain and created over 200 new jobs. Forty local suppliers engaged with the project. This knowledge was shared with the sector in our publication [How to do 'good stuff' when buying things – A Handbook for Higher Education Institutions](#) which provides procurement managers in higher education with a guide on how to include social impact in their procurement processes.

Competitive and regulatory environment

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

There is increased competition for students. This is caused by:

- a drop in the number of eighteen-year olds
- growth strategies being pursued by many universities following the removal of a cap on the number of students each university can recruit.

Despite suffering from this increased competition, the University remains competitive, according to the Sunday Times Good University Guide 2020 the University has 4.5 applications per place.

The University continues to monitor its league table position. Two league tables were published in the reporting period. In the Complete University Guide, the University rose three places to 110th of 131. In the Guardian University Guide, the University rose 18 places overall from 111th to 93rd, the fifth highest rise in the sector.

Student continuation to the next year of study, completion of courses, and graduate prospects are the main causes of concern. Whilst these factors have an impact on the University's league table position, the more serious potential impact is on our student body. We must ensure that the plans we have in place are robust to support our students through their studies and beyond.

The student fee regime means that students are consumers of education. The University strives to meet their expectations whilst providing value for money. It balances this with ensuring that students understand and fulfil the personal responsibilities they have for their studies and educational outcomes.

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

The nature of work is also changing. A key part of the University's future-focused agenda is preparing work-ready graduates who are literate, confident in technology, and adaptable to a great variety of working environments. Active blended learning using up-to-date technology helps us to deliver this.

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

Our international student recruitment remained strong in 2018/19. However, we continue to monitor the impact of UK government policy on visas and net migration targets, and the increasing strength of higher education provision in some of our key international markets.

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

The Augar Review, a government review of post-18 education funding, reported the findings at the end of May 2019. Whilst the recommendation that university fees were reduced to £7,500 had been shelved at the time of writing, the University will continue to monitor the turbulent area of higher education funding. Many of the review's recommendations had positive implications and were welcomed by the University. For example, the report suggests that universities should work more closely with schools and FE colleges. The University already has strong partnerships and is in a good position to take this forward. The University awaits further news on whether, how and when the recommendations of the Augar Review will be implemented.

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

The University received notice of its official admission to the UK's Register of Higher Education in October 2018. The University's Board continues to monitor compliance with the OfS' ongoing conditions of registration.

An increased focus on the governance of universities is likely over the next year, in response to some high-profile cases in the sector. This couples with the continuing interest in senior staff remuneration.

The University has adopted the HE Code of Governance published by the Committee of University Chairs (CUC). Over 2018/19 the CUC held a consultation on the Code and is due to publish a draft revision in 2020.

The next Research Excellence Framework (REF) exercise takes place in 2021, and whilst REF income is not a particularly large stream for the University, we will ensure that we are properly prepared and in a position to maximise our income and promote the excellent work we do. The development of a sector-wide Knowledge Exchange Framework (KEF) also continues. In the Teaching Excellence Framework (TEF), the University has Gold status. The current TEF assesses undergraduate provision at provider-level. The OfS is currently carrying out pilots to find the most effective way of producing TEF ratings at subject level, as well as university level, and the University must work to ensure that it maximises its standing in any future TEF exercise.

Social Impact and Changemaker Challenges

“Universities are fundamentally part of their communities, in fact you may wish to call them social enterprises. The more communities and the wider public get to understand that universities are not just ‘like a big school’– and that we have a whole bunch of value that we offer – then the social value piece is perfectly demonstrated.”

University of Northampton Vice Chancellor Professor Nick Petford – speaking in a [short film](#) about the University’s social impact

Introduction

The University has been building its expertise, capability and capacity in Social Impact, also known as social value creation, since 2015.

By combining learning, teaching and research informed and inspired by Changemakers, Social Impact provides a superior and unique outlet for our mission. Moreover, social value creation gives us strategic justification and focus for our goals.

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

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

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

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

Underpinning Values and Behaviours

Key University Values: Delivering, Leading, Entrepreneurial, Valuing
Key Behaviour: Delivering Social Impact

Social Impact and the University's Civic and Regional Role

The University is at the forefront of changing attitudes towards universities delivering social value and social change, and has been recognised for its contribution in this field.

The University was featured in '[Truly Civic: Strengthening the connection between universities and their places](#)', the final report of the UPP Foundation's Civic University Commission.

"As the United Kingdom grapples with the challenges of low growth, low productivity, the impact of austerity and widening spatial inequalities, universities can be (alongside local authorities and the health sector), significant 'anchor institutions', able to make an enormous impact on the success of their places."

Lord Kerslake in Truly Civic: Strengthening the connection between universities and their places

The University's role in delivering social impact is especially important at present for the town, and the county of Northamptonshire. Following a report by government commissioners into Northamptonshire County Council, the creation of two new unitary authorities, replacing the County Council and seven district and borough authorities in the county, has been approved. It is expected that the new authorities will be in place by April 2021. The County Council is seeking significant budgetary savings up until this time.

The University is also working in partnership to capitalise on new opportunities developing in the region. The government plans major investment in the Cambridge-Milton Keynes-Oxford Arc.

"The Cambridge-Milton Keynes-Oxford arc must be a national priority. Its world-class research, innovation and technology can help the UK prosper in a changing global economy."

[Partnering for Prosperity: A new deal for the Cambridge-Milton Keynes-Oxford Arc](#), published by the National Infrastructure Commission

Including Northampton, there are ten universities in the Arc, with a combined turnover of £5bn and generating an estimated £13bn for the economy. These universities will work together to integrate their work in the Arc, and to explore the opportunities that arise for example in the growth of high-tech industries.

[Prospectus of the Oxford-Cambridge Arc Universities Group](#)

Social Enterprise Gold Mark

The University of Northampton's commitment to making a beneficial impact on communities and the environment has national recognition through the 'Social Enterprise Gold Mark'. The Gold Mark is awarded by the Social Enterprise Mark CIC to organisations who are leaders in being open, honest and fair in terms of their governance procedures, business ethics and how they fund social and environmental impact projects.

Changemaker

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

We chose to seek recognition by Ashoka as a Changemaker Campus because it aligns with our social impact agenda and puts us on a worldwide stage amongst a group of like-minded institutions

Changemaker Challenges

Our Social Impact agenda includes four interrelated Changemaker Challenges that extend our core competences in teaching and learning, research and social enterprise for the betterment of Northampton, Northamptonshire and the wider world.

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

The Challenges encourage our staff, students and partners to become 'Changemakers', those who spot a social or environmental problem, and have the skills and grit to do something about it.

In the next section we present some examples of how the University is working on the Changemaker Challenges.

Challenge 1: To make Northamptonshire the best county in the UK for children to flourish and learn

Educating Northants

In March, over 500 teachers from schools across the county gathered at the University to discuss how schools could work more closely together. This was the inaugural event of what has become a movement of local teachers and educators who are aspirational for the future of education in the county. The University has an excellent venue and the ability to make connections and broker conversations between educators.

[Educating Northants website](#)

Challenge 2: To make Northamptonshire the leading county in the UK for Health and Wellbeing

Dementia Research and Innovation Centre

The Centre works in partnership with health and social care providers, voluntary organisations, students, and the public to design and develop contemporary and innovative approaches to the provision of person centred community-based care and support for people living with dementia and their carers.

Around a fifth of people aged 85 or older suffer from some form of dementia. It currently affects about 800,000 people, which is projected to rise to 1m in the UK by 2025 and 2m by 2050. In Northamptonshire, the number of people predicted to have dementia will rise from 6,935 in 2008 (of which 65% are female) to 11,899 in 2025.

Led by Professor Jacqueline Parkes, the team build on their experience and expertise to focus on:

- Promoting early diagnosis and early intervention
- Developing training
- Promoting timely access to appropriate health and social care pathways
- Developing community-based awareness of dementia and social avenues to enhance the quality of life of people with dementia and their carers

Projects to date have included developing Dementia Awareness Training Packages and a Northamptonshire centre providing integrated and holistic support for those diagnosed with dementia and their carers.

Challenge 3: To build the cultural and heritage traditions of Northamptonshire into world class tourist attractions

Northampton Forward

This project relates to both the civic role of the University, to Changemaker and to the concept of '[placemaking](#)'. It is important for the University to be involved in improving the

quality of our town. This benefits our students, staff and local partners. We also know that some applicants choose not to come to the University because of the town.

The Northampton Forward board is coordinated by Northampton Borough Council and includes representation from the University.

Northampton Forward has created an ambitious [masterplan](#) on which an extensive consultation has been run. The project has been shortlisted for the government's £675m [Future High Streets Fund](#).

Challenge 4: To make Northamptonshire the best county in the UK to start, build and run a business

How to Create a Social Echo

In November 2018, the Big Issue Group in association with the University of Northampton, Northampton Hope Centre, Northamptonshire Chamber of Commerce and Voluntary Impact Northamptonshire hosted the UK's first social trading conference at Northampton's historic Guildhall.

The conference aimed to demonstrate how local organisations in Northampton can make better choices about the goods and services they purchase, and help them realise and maximise the value of the 'social pound'. It brought together representatives of local businesses, charities, social enterprises and public-sector bodies with the aim of creating a more vibrant local economy to ensure that local people benefit from the spending of organisations such as universities and hospitals.

University of Northampton Business Innovation Grant

The University offers funding of up to £5,000 to boost growth and develop ideas. The grant enables organisations in the county to work with the University's academics and facilities, with the aim of developing new products, processes, services, gaining new insights or generally developing business.

Versalift, a vehicle platform manufacturer has received a grant to develop a new automated process. It is working with University Engineering Lecturer, Mohammed Ghaleeh on a project which would potentially save 20 per cent of Versalift's project engineering budget, allowing it to generate sales drawings more quickly and reduce time from sales quotation to order.

Versalift mounts lift platforms to vehicles, which are used to keep operators safe when working at height. In order for the platforms to work safely, stability calculations are produced, based on the weight and spare payload of the vehicle. These calculations are carried out manually, which is time consuming for the company.

Tom Johnson, Versalift UK Engineering Manager, said: “The vehicle lift platform conversion sector is small and it can be difficult to hire design engineers who not only have the academic capability, but fully understand the legislation and standards. Through this relationship, Versalift is developing a talent pipeline that will benefit both parties.”

Mohammed, added: “The University benefits from this relationship as it enables our students to practise mechanical design on a practical, real-life scenario. Students have the opportunity to develop working relationships and spend time on site and this could lead to industrial work placements and summer internships.”

Digital Northants

A collaborative project between the University, local authorities and digital businesses. It aims to develop, connect and promote Northamptonshire’s digital industries and to harness and support digital innovation. One of its aims is to keep the University of Northampton’s digitally savvy graduates from leaving the town to pursue a career elsewhere.

<https://www.digitalnorthampton.com/>

Other Projects

Delegates from the University’s China and Emerging Economies Centre, which develops links with economies across the globe visited the Henan International Investment and Trade Fair to speak about the potential for links between Henan and Northamptonshire. Northamptonshire’s knowledge in the areas of wheat production and food processing, logistics and automotive engineering are of interest for partnerships.

In March 2019 the University hosted an event for local business representatives to learn about Conscious Capitalism, a movement for business to look beyond financial gain to explore intellectual, social, cultural and ecological change.

The University has created four fully funded PhD Studentships to assess the growth of Northamptonshire’s economy and the future of its small-to-medium enterprises. The Studentships will assess a variety of key issues within Northamptonshire’s business community, including alternative economic growth and the rising threat to cyber security.

Research

The research that we undertake, and the work that we do to generate new knowledge, is designed to have a social impact, helping improve people’s lives and the environment. Delivering social impact through research is a key part of our strategic plan Transforming Lives + Inspiring Change and is integrated with the Changemaker Challenges.

We are committed to delivering outstanding research that makes a difference to society. Our Research Institutes and Centres work closely with external partner organisations, locally, nationally and internationally. We produce internationally renowned and relevant research and disseminate knowledge on an international scale.

The Searchlight Archive

Opened in the summer of 2013, the Searchlight Archive houses one of the largest collections of material on the far right and anti-fascist movements in Europe. By arrangement with Gerry Gable, the Editor of Searchlight Magazine, the University ensures that this important collection is housed and placed in the public domain.

The archive includes editions of magazines and journals of the anti-fascist, anti-racist or left-wing perspective, as well as collections of far right, racist or otherwise right-wing publications. This includes ephemera, such as election leaflets or stickers developed by far right movements which were never intended for long life. They are saved in the archive to allow a more total recreation of the activity of these groups by researchers.

The history and activity of extreme right-wing groups and movements, and of those who studied and organised against them, are of increasing importance to contemporary society. As well as encouraging students and researchers from other institutions to work with the material, staff from the University also run public Extreme Right Aware Training, aimed at those whose work engages with the Prevent Agenda who want a deeper understanding of the British and international extreme right, including its roots and long-term dynamics, groups currently active and the motivation and types of people likely to be attracted to such groups.

Senior Lecturer in History, Dr Paul Jackson, is a regular commentator in the media. For example, over the past year, he has spoken to The Mirror about a US website's posting of extremist and racist comments aimed at the royal family, commented in France24 about a potential far right bloc in the EU parliament, and in a Swedish daily newspaper about the extreme right and the tactics they use to take advantage of national incidents for their own gains. He spoke to the i newspaper about the potential pitfalls of airing documentaries giving a voice to the far right and was quoted by CNN on the divisive atmosphere surrounding Brexit, and the growing threat from far right-wing groups.

Sustainable Wastes Management

Margaret Bates, Professor of Sustainable Wastes Management has been greatly in demand this year to comment on her area of expertise.

Margaret is part of the University's Environment Research Group which works on the physical, biological and social sciences in a global context of rapid environmental change and the need for sustainable solutions to support human wellbeing.

Professor Bates has been involved in wastes management for over 25 years and holds a PhD on landfill microbiology. Her research interests include circular economy, wastes management infrastructure, waste electrical and electronic equipment, waste policy, legislation and regulation and wastes management in developing countries.

Professor Bates is currently part of a research project funded by Horizon2020, an EU research and innovation funding programme. The project looks at innovative ways to reduce the impact of waste electrical and electronic equipment (WEEE) by encouraging the adoption of new, circular business models, and increasing the incorporation of recycled plastics. The project team consists of 20 world leading academic and industry partners.

She has travelled the world looking at waste issues and has advised governments, businesses and NGOs on sustainable resource and waste management. She is on the advisory board of the All Party Sustainable Resource Management Group and on the Scottish Expert Panel on Environmental Charging and Other Measures. Professor Bates features on Resource Magazine's Hot 100 list of the 100 most influential people in wastes management.

Professor Bates' expertise is very much in demand for its real-world applications. Over the past year, she has appeared on BBC Radio London to discuss new charges for the use of tips, BBC Radio 5 Live, BBC 1's breakfast programme and TalkRadio on shopping bags and plastic waste and BBC Radio Wales about plans for a new incinerator. She has discussed food waste, reusable nappies, Easter Egg packaging, recycling after Christmas, how to be greener in 2019 and alternatives to burning waste. She has provided expert commentary on how the UK and the world, can tackle its growing waste problem.

Social Impact Risks and Opportunities

Opportunities

Our opportunities are local, regional and global.

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

The creation of two unitary authorities in Northamptonshire is ongoing. As a good local citizen, the University can provide support, expertise and brokerage aimed at the continued improvement of our town and county. For example, the Vice Chancellor is the Chair of the Northamptonshire Health and Wellbeing Board. The Board brings together partners from the relevant agencies to improve health and wellbeing across the county, and to achieve closer integration of health and wellbeing services.

In the Cambridge-Milton Keynes-Oxford Arc, a programme of infrastructure investments, housing and business growth is being developed. The University is in a good position. We have expertise in skills development, business support, transport and logistics and environmental research. We have good partnerships and relationships across the county, all of which can be leveraged in support of this agenda and to generate income. Whilst the Changemaker Challenges have a regional focus, Changemaking is national and international. International students and those studying with international academic partners have an impact on their communities. We have an opportunity to broaden the Changemaker Challenges, bridging local to global in a way that leverages resources, knowledge, and partnerships and provides a way to position the county's development in a global context.

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

Social Impact creates a focus for knowledge exchange activities and the generation of income from sources other than student fees. We have opportunities to work with partners and alone to generate funding from diverse sources. We can build on our existing

strengths and curriculum to create opportunities. UK Research and Innovation's strategy states, 'we will support and encourage universities and other research institutions to make knowledge exchange and commercialisation an equal priority alongside their teaching and research missions'.

Risks

We have aligned the University's brand and reputation with social impact, and risk arises if we do not create social impact. The University has key performance indicators in the areas of staff engagement, teaching, learning and research.

There is a risk that if research and enterprise targets are not met, the University has less funding than anticipated which reduces its ability to generate social impact sustainably.

The forthcoming Knowledge Exchange Framework may be a risk as the form it will take is not yet known. The University must ensure it has measurable metrics and can make a good case for its social impact.

It may become more difficult for the University to win research funding following the reorganisation of UK research funding, and in the light of the UK's exit from the EU. The UK government increasingly regards higher education as a personal good in which the individual invests in order to create value for themselves. Whilst we agree entirely that the University must be able to provide our students with value for money, we also believe that the sector should be recognised for the social value it creates. There is a risk to our mission if we do not receive proper recognition and support for everything that we do.

Future Focused

Introduction

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

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

Our ambition:
To be the digital leader in UK Higher Education.

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

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

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

Underpinning values and behaviours

Key University Values: Leading, Delivering, Performance

Behaviours: Enabling digital transformation

Elements of Future Focus



Excellence in IT delivery

Our ultimate goal is to achieve excellence in IT delivery The University has invested £20.5m in developing IT infrastructure. The fundamental aim is to offer all the University's students

the ability to work anywhere with any device, securely and flexibly, and access all the resources they need

Components:

Wireless Network - the primary mode of access to IT services across the campus

Unified Communications - voice communication, real time web communication, instant messaging, group conferencing and content sharing internally and externally, Single Number Reach so that calls can be taken on a PC or mobile device, regardless of location.

Computer Hardware – applications and data are decoupled from hardware. They can be managed centrally, securely delivered to and removed from devices at any location. This enables a move away from desktop computers with specific applications in labs and IT suites.

Teaching Space Audio Visual Solutions - common and offer consistent features, layouts and control interfaces throughout the campus. This supports collaboration in learning spaces, enabling user-friendly exchange of content between teachers and students.

Digital Signage - campus-wide control and consistent messaging.

Digital capability and engagement of staff and students

Our ultimate goal is that capable and engaged staff and students are prepared to engage positively in a volatile, uncertain, complex and ambiguous environment.

We have increased our support for the development of digital literacy and new technology. Our range of learning interventions for staff included face to face training sessions, technology drop ins, and e-learning. In 2017/18, 634 members of staff engaged with Lynda.com (primarily with software training) and 512 members of staff attended face to face training and drop ins that support general digital literacies. The Learning Technology team also offers a range of support for Learning and Teaching in digitally enhanced physical and virtual spaces. In 2017/18, the Learning Technology team had 512 recorded interventions to 845 staff.

Active Blended Learning

In preparation for the move to the Waterside Campus, the University's delivery of teaching and learning was redesigned. The University adopted an explicit, deliberate and evidence-based approach to curriculum redesign and innovation at scale, as described in [Transforming Lives, Inspiring Change](#).

Active Blended Learning (ABL) is the University of Northampton's institutional approach to learning and teaching.

An Active Blended Learning module or programme is taught through student-centred activities that support the development of subject knowledge and understanding,

independent learning and digital fluency. Our face-to-face teaching is facilitated in a practical and collaborative manner, clearly linked to learning activity outside the classroom. Opportunities are provided for students to develop autonomy, Changemaker attributes and employability skills.

Teaching in smaller groups than before the move to Waterside, with no large lecture theatres, means enhanced personalisation and support, and quality contact time. There are multiple support channels for students set out in our [Integrated Learner Support Model](#).

Financial stability and efficiency

Cash flow

The net cash inflow from operating activities totalled £10.2 million, compared to £10.9 million the previous year. Overall, there has been a net decrease in cash and short term deposits of £8.8 million, reflecting the completion of payments to creditors in respect of the building of the new Waterside Campus. These movements combine to deliver a consolidated balance sheet total of cash and cash equivalents of £30.1 million at 31 July 2019 (£38.9 million 31 July 2018) which is considered sufficient for the ongoing working capital requirements of the University.

Balance sheet

Consolidated Fixed Assets reduced by £20.5m from the previous year reflecting the final write off of the old Park Campus from the fixed assets.

Trade and other receivables increased by £23.7m, due to outstanding staged payments due on the sale of Park Campus.

Long term borrowing reduced slightly to £302.9m from £305.6m following the start of capital repayments on the PWLB annuity loans.

Pension provisions increased by £17.4 million to £52.6 million driven by actuarial assumptions and accounting adjustments pertaining to the Local Government Pension Scheme (LGPS) and USS Schemes.

Overall this led to consolidated total net assets decreasing from £50.2m in 2017/18 to £34.4m at July 2019.

Income and expenditure

In 2018/19 income was broadly static at £125.5 million, despite a reduction in funding body grants of £4 million. Tuition fees increased slightly to £99.6m and continue to represent by far the largest source of income to the University. Within that, the overseas tuition fees rose by £1.3m compared to last year and partnership income increased by £1.2m.

Total expenditure increased by 6.6% to £141.9 million, mostly due to a one off £6.2m increase in premises costs as a result of the move to the new Waterside campus reflected in other operating expenses.

As in previous years, the majority of expenditure (47.8%) relates to staff costs which have risen by 3.1% to £67.8 million. In addition to inflationary and incremental salary increases, the major factor influencing the increase in staff costs was year-end pension adjustments.

Future financial outlook

It is anticipated that Home/EU tuition fee income will remain stable in future years with the attraction of the new campus and general increases in numbers of 18 year olds wishing to pursue a University education offsetting competition. Increases in overseas tuition fees and Partnership income are also expected to continue as the University develops its franchise in these markets.

Following the move to a new campus it is anticipated that operating costs will reduce from the increased efficiency of the new estate. Cost control remains a priority. Prospective debt cover service ratios compared to net cash generation on the University's borrowings remain at over 1.5x in future financial forecasts.

Bond Covenants

The development of the Waterside Campus was financed by a public bond issue and County & Borough Council PWLB loans totalling £292m. As part of this financing, a government guarantee on the borrowing under the UK Guarantees Scheme was obtained. The Scheme supports private investment in UK infrastructure projects by offering a government-backed guarantee to help infrastructure projects access debt finance.

Under the financial covenants with HM Treasury as the bond guarantor, calculation of historical and prospective Debt Service Cover Ratios (DSCR's) are required. Under these covenants, the University is required to generate cash surpluses in excess of 1.5x of the annual cost of servicing the debt. Falling below 1.25x would trigger sanctions that would restrict the University's future operations.

Having successfully completed the build of the new Waterside Campus in September 2018 within the required borrowing covenants, the ongoing focus is to ensure the University remains sustainable and able to continue to service its debt borrowings each financial year within the covenants. The budget model in place is sensitive to levels of student recruitment. Student applications are currently 7.6% down on the 18/19 cycle with conversions tracking at a similar level to 18/19. Additionally, the TPS employer contribution rate will increase from September 2019, resulting in an increase in annual pension costs of £2m.

During the current year, the long term prospective DSCR calculations submitted to HM Treasury indicated that the University would be in breach of its 1.5x covenant and accordingly under the terms of the covenant, HM Treasury imposed a Discretionary Spend Lock Up (DSLUI) sanction, meaning that any new capital expenditure other than for the Waterside Project had to be agreed by them in advance of commitment. As a result, the University revised its forward budgetary intentions in early 2019 to ensure future compliance with the covenants and HM Treasury subsequently removed the DSLUI sanction in October 2019.

Efficiencies

The Board and the University Executive continue to monitor the University's overall financial model and remain confident that it is sound.

However, a number of factors during 2018/19 led to a need to produce efficiency savings. These included:

- Lower than predicted student numbers, caused by demographic decline and the growth agenda of higher ranking and competitor universities;
- The need to fund the TPS and USS pension scheme increases, producing an increase of £2m in costs from September 2019;
- The increased rate of student non-continuation from one year of study to the next. This causes concern about the impact on the students themselves and the reputation of the University, aside from a negative impact on the budget.

The University's grant from the Office for Students was £1m less than in the previous year. The undergraduate student fee has remained static in spite of inflation.

The University's Executive team therefore put in place a robust plan to produce efficiencies during 2019/20. This was monitored monthly by the Board during spring and summer 2019.

Measures included reducing the pay bill and renegotiating key contracts such as the external catering contract. Much of the work for this exercise took place during 2018/19.

In addition, led by the Finance team, the University continued to control non-pay spend for example operating a strict 'no PO, no Pay' policy to ensure that all spending is approved in advance of a financial commitment, and the financial threshold requiring three expenditure quotes prior to incurring expenditure commitments was reduced. A new system for travel booking was also introduced to ensure all staff travel is reviewed and approved in advance for necessity.

Student recruitment

Our goal is to achieve our student recruitment targets. Our targets include recruitment through

- Undergraduate and postgraduate student numbers
- Collaborative academic provision through partnerships, both national and international

Marketing

The University's Department of Marketing and International Relations has remained busy and effective, with a focus on student recruitment.

The team produces a range of marketing and promotional materials, for example student vlogs about Changemaker related overseas trips and activities. (A vlog is a personal website or social media account where a person regularly posts short videos).

[Alexis discussed her visit to the Changemaker conference](#)

She is involved in a research project which seeks to encourage social trading between businesses in Northampton with the aim of reinvesting resources back into the local community.

[Ashley is a law student who also runs a charity](#)

Ashley is very passionate about making a positive change and discusses how eye opening the conference was for her in expanding her understanding social impact.

[Two International Development students discuss their visits to China and Japan](#) and how they developed their understanding of social impact and Changemaking.

Each recruitment cycle, the Department of Marketing and International Relations surveys UCAS applicants who have accepted or declined an offer to study with us. This allows us to develop our understanding of the factors that have the most influence over which universities applicants choose to apply to, and to adjust our provision and marketing messages accordingly. For example, in 2019, website content and direct emails to applicants were reworked to emphasise the broad range of student support on offer.

In January 2019, the University commissioned UCAS to undertake research to identify additional areas of the country we could target with marketing. UCAS also completed research for the University on the factors that influence applicant decision-making.

University Discovery Days, aimed at applicants to the University, were held in February, March and April 2019. These were extremely well attended.

Student Benefits Package

During the 2018 recruitment cycle, the University introduced a formalised student benefits package that includes many of the existing facilities and services the University offers to its students, for example free sports and societies and careers support. In addition, it adds the choice of a laptop, discounted Halls fee or credit to spend on campus.

The student benefits package was promoted at open days, discovery days, interviews, online, by email and post throughout the cycle to enquirers and applicants.

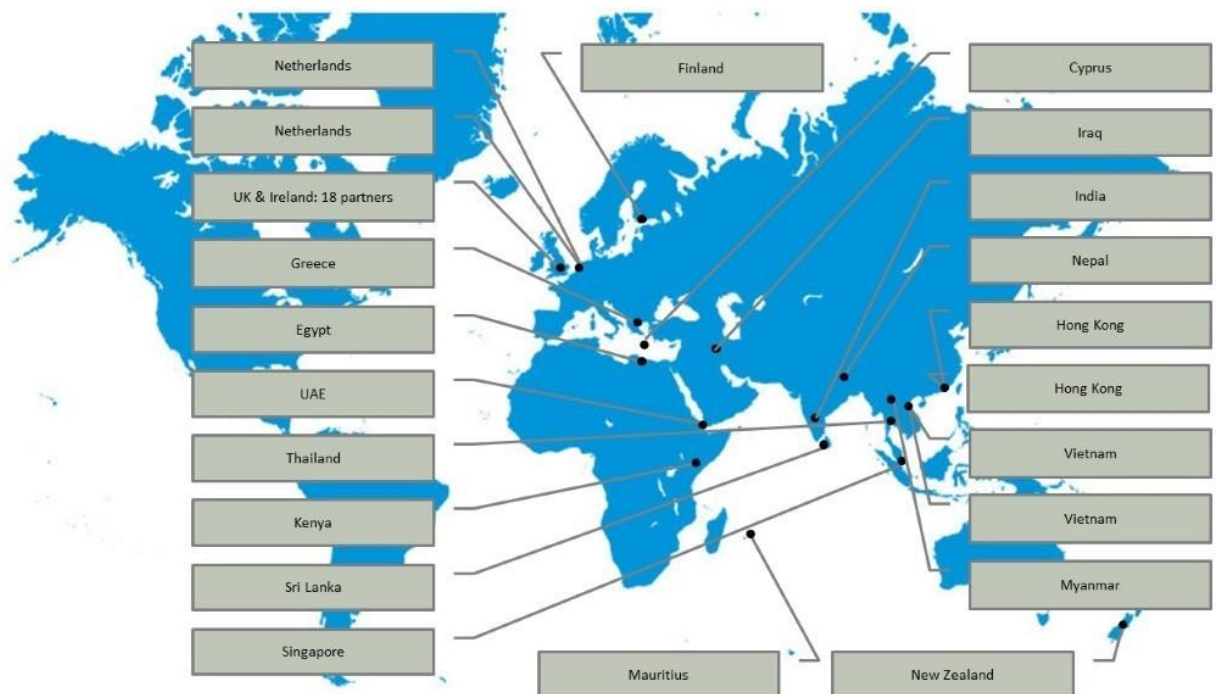
Academic Partnerships Office

The Academic Partnerships Office develops and manages partnerships with institutions in the UK and overseas. Its current focus is on the consolidation of the University's partnerships in order to develop scalable and sustainable partnerships.

The number of students in academic partnerships has grown steadily over the past few years, from fewer than 2000 in 2014/15 to around 5000 in 2018/19.

Having international partnerships is important because it internationalises the curriculum. It means that young people from all over the world learn together, bringing different perspectives, breaking down barriers and producing graduates who are prepared for the global employment market.

An overview of the University's international partnership locations in 2018-19:



Future Focused Opportunities and Risks

Opportunities

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

Our cutting-edge technology will ensure that we deliver an excellent service to our students and partners, providing value for money for students, and enhancing our reputation for professionalism.

Pedagogical innovation also allows us to develop the expertise of our staff in research and practice in learning and teaching, creating new opportunities for research and knowledge transfer.

Higher education is a growing global market, and there is great opportunity to internationalise our curriculum and student experience whilst growing our influence and income through the growth of collaborative academic provision.

The projected number of 18-year-olds in the UK population rises steadily after 2020, which creates an opportunity in student recruitment.

Risks

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

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

There is also a risk that the University does not continue to invest and innovate, and falls behind its competitors, leading to a fall in student and staff experience metrics.

Our staff are crucial to the delivery of our plans. We must ensure that we recruit, retain, develop and support the best staff, or we risk low levels of staff satisfaction and motivation, and therefore an impact on the satisfaction of our stakeholders, including students.

There is a risk if the University breaches the covenants associated with the HM Treasury loan guarantee. This requires careful monitoring of the current and projected financial position of the University. There is financial monitoring and oversight at Board level

A failure to monitor and manage budgets at Faculty and Service level affects overall financial targets. There is regular monitoring of finances against the budget through the University Management Team and the Board of Governors and regular contact with Deans and Directors to monitor performance.

There is a risk that an inappropriate investment decision has financial implications for the University. The Executive Director of Finance monitors investment and maintains a close working relationship with University's bankers and HM Treasury. There are clear Financial Regulations and a Scheme of Delegation setting out the responsibilities for decision making

Further external changes to the University's pension liability, would have further significant financial implications. There is regular monitoring of discussions relating to pensions, taking into account the views of Government, pension providers and the experience of other higher education institutions. This issue is monitored at Board level.

Over-reliance on the UK higher education market is a continued risk due to lower numbers of applicants, less predictable applicant behaviour and competition from other institutions.

Growing educational partnerships creates both financial and reputational risk. We must ensure that we partner with institutions which are robust and financially sustainable. We must also ensure that academic programmes we put our name to meet rigorous academic standards. Working in countries where legal structures, education systems, social values and expectations are different to those we would expect in the UK also exposes us to the risk of reputational damage.

Super Supportive

Introduction

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

Our ambition

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

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

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

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

Supporting change

Super Supportive means a commitment to developing knowledgeable graduates who are socially responsible, digitally proficient and highly employable global citizens.

Supporting purposeful research, enterprise and professional practice

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

Supporting strategic partners

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

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

We will do the right things, in the right way, with the right people, for the right reason.

Underpinning values and behaviours

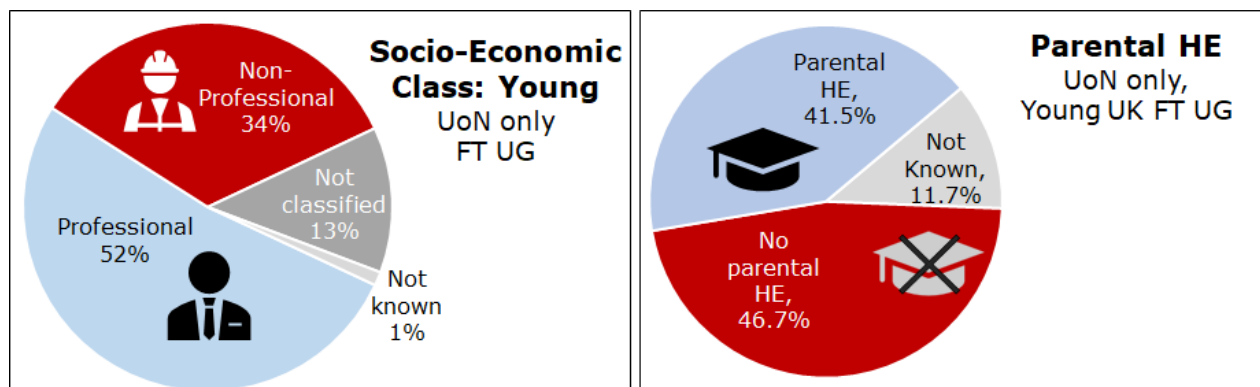
Key University Values: Openness, Valuing, Enabling, Delivery

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

Who are our students?

The University of Northampton has a great diversity of students for whom we generate public benefit and social value. The University performs well on social inclusion (40th in the most recent ranking for these measures in the latest Times Good University Guide). Many of our students are the first in their family to experience higher education and the University also has higher than average proportions of students who are:

- from state schools
- from ethnic minority backgrounds
- from deprived areas
- from areas of low participation in to HE
- mature
- disabled



Above: Full time undergraduate students aged 21 and under on entry by socio-economic class and by the participation of their parents in higher education

The University's objectives in our Access and Participation Plan, include:

- overcoming barriers to entry into HE for young people with protected characteristics that are under represented at the University

- achieving success for all students at the University
- achieving outstanding levels of graduate employability and further study outcomes for all students
- overcoming barriers to entry.

In 2018/19 the University introduced a Student Success Package. Students with a household income of less than £25,000 received a £500 Northampton Bursary Award. Where these students are enrolled on a three or four-year undergraduate programme or Foundation Study Framework programme, they also receive a free laptop and software valued at £500 in their first year. In Years 2 and 3 they have a choice of receiving a £400 contribution towards the cost of study related trips, the University's accommodation, travel or parking costs.

Additionally, care leavers aged under 25 at the start of their course are entitled to an extra non-means tested bursary of £1,000 per year each year of the full-time degree.

There is also an Alumni PGCE Bursary Award of £500 for graduates who progress to a Postgraduate Initial Teacher Training (PGCE) course. All graduates who enrol on a full-time, part-time or Distance Learning MA/MSC receive a 20% tuition fee discount.

The University also invests in a Financial Assistance Fund to help any student experiencing financial hardship to access appropriate financial support to address their difficulties and continue their studies. The Financial Guidance Team continue to provide specialist financial counselling, budgeting advice, and tailored financial support.

Student Support, Engagement and Success

The University works hard to promote success for all students. In 2018/19 just over 70% of our students graduated with a good degree (first or upper second class). We were ranked 41st by the Guardian on their value-added score which compares students' degree results with their entry qualifications, to show how effectively they are taught. However, we know that further work is necessary to close the gaps that exist between different student demographics in continuation, student success and graduate employability.

Our goals are

- to achieve outstanding levels of student satisfaction and graduate outcomes
- to achieve success for all students in progression to the next year of study and on to employment or further study
- to engage students and work with them as partners.

Employability

The University of Northampton is committed to developing knowledgeable graduates, who are socially responsible, digitally proficient and highly employable global citizens – the Changemakers of the future.

The ChANGE Framework

ChANGE: Changemaker Attributes at Northampton for Graduate Employability



The ChANGE Framework captures what we think is a unique employability skills ecosystem designed to enhance future career prospects.

ChANGE embeds Changemaker and employability skills across our curricula, including the development of our students' digital capabilities. It has ten transferable and lifelong learning skills that equip our graduates for work in a changing and constantly developing working environment.

Enhancing Student Success

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

Changemaking

Being a Changemaker Campus means that we provide:

- Experiential learning – learning through experiences that help students understand more about the world around them and how this connects to their studies and future. Experiences come in all sorts of forms, for example volunteering, work-based learning, global exchange programmes, and exploring enterprise and social innovation
- Changemaker events – opportunities to explore Changemaking on campus and in the community. Opportunities to meet and network with other inspirational changemakers and people from industry
- Embedded learning – Employability and Changemaker are embedded into the curriculum for an innovative learning experience that combines social innovation, Changemaker and active blended learning with subject specific knowledge
- Employability through Changemaking – an award-winning employability service that helps to join the dots, provides a platform to capture student development, opportunities for paid work, an award to celebrate successes and support to help students understand how Changemaker activities connect with future graduate employability

The [Changemaker Hub](#) works with students before, during and after their studies to develop and enhance employability through Changemaker. Finishing university with a good degree is great, graduating with a well-rounded and complete set of employability skills is even better.

Staff Support

Our goals are

- to achieve excellence in teaching, course design and content by supporting our tutors to achieve professional teaching qualifications
- to support staff in their professional growth, engagement with their professions and achievement of social impact through their engagement with performance development review.

Teaching, Course Design and Content

The University supports its tutors to achieve teaching qualifications. The University's C@N-DO (Changemaking @ Northampton Development Opportunities) programme is recognised by the Higher Education Academy. If successfully completed and followed by a successful written submission to the HEA, it results in Fellowship of the HEA, a recognised teaching qualification.

At the close of 2018, 521 members of staff had achieved a teaching qualification. C@N-DO was specifically mentioned as a planned support in 52% of the performance development reviews of academic staff in 2017/18.

Professional Growth

Performance Development Review

The University expects all staff to undertake an annual performance development review. In conversation with their line manager, staff set between two and six objectives which are monitored through the year. Objectives are expected to be specific, measurable, achievable, relevant and have a timescale.

Staff Development

The Staff Development team engages in development of four primary areas: Management and Leadership, Induction of new staff, and statutory training compliance, Technology and Digital Skills. There is further detail on the development of technology and digital skills, including the role of The Institute for Learning and Teaching (ILT) and Learning Technology/Learning Design teams in the 'Future Focused' section.

The Graduate School and the Research, Impact, and Enterprise team also provide staff with opportunities to develop and enhance research skills.

Management and Leadership

There are four programmes to support effective management and leadership practice including Management Fundamentals and Leadership Development.

Engagement with these was robust with 186 members of staff engaging with these interventions (there are approximately 250 management roles in the University). (2017/18 data is used as data for 2018/19 was not yet available at the time of writing).

Induction and Statutory training compliance

Induction is intended to give all relevant staff knowledge of the University, its values, culture, key behaviours, and the key skills and knowledge sets necessary to responsibly conduct working life. The average induction involves 27.5 hours of training activity split over several interventions. 383 members of staff successfully completed induction in 2017/18.

Included in the induction are e-learning packages that relate to legal standards with which the University must comply for example General Data Protection Regulations, Anti-Bribery and Corruption, the Prevent Duty, and Equality, Diversity, and Inclusion. All members of staff are required to engage initially with this training and refresh knowledge on relevant legislation on a 36-monthly basis. At close of 2018 we were at 75.6% compliance for these four e-learning packages combined. A new course on Protecting Students' Consumer Rights was added at the end of 2018.

Research Skills

The University provides to all staff who are early career researchers access to 31 workshops intended for PhD students. Development is also offered for research degree supervisors and research degree examiners.

Trade Union Facility Time Data

The University also recognises the valuable support that trade unions provide to staff. This section reports on trade union facility time data at the University in the period 1 April 2018 to 31 March 2019. This information is included to ensure that the University is compliant with the Trade Union (Facility Time Publication Requirements) Regulations 2017 for reporting on paid time off provided to trade union representatives for trade union duties and activities.

Number of employees: 1,501 to 5,000

Trade union representatives and full-time equivalents

How many employees were trade union representatives for the period? 12

What is the FTE number of trade union representatives for the period? 10.80

Percentage of working hours spent on facility time How many trade union representatives spent the following percentages of their working hours on facility time from 1 April 2018 to 31 March 2019?

0% working hours 0

1 to 50% working hours 12

51 to 99% working hours 0

100% working hours 0

Total pay bill and facility time costs

What is the total pay bill during the period? £49264238

What is the total cost of facility time during the period? £44031

Percentage of pay spent on facility time 0.09%

Paid trade union activities

How many hours in total did union representatives spend on paid facility time during the period? 1980

How many hours in total did union representatives spend on paid trade union activities during the period? 1680

Percentage of total paid facility time hours spent on paid trade union activities 84.85%

Strategic Partnerships - Academic Partnerships

University of Babylon

In September 2018 the University signed a ground-breaking memorandum of cooperation with the University of Babylon. This was the first ever Iraqi franchise agreement with a UK university. The agreement means that Iraqi students will complete their undergraduate degrees at the University of Northampton before returning home as graduate teaching assistants able to teach the Northampton syllabus. The partnership is not limited to teaching and studying, and also includes research, joint PhD supervision and staff development.

The University of Northampton has been working in numerous ways with the University of Babylon since 2012. In 2017, Nick Petford became the first Vice Chancellor of a British University to visit Iraq since 2003. The recent signing of the agreement reinforced the work of the University of Northampton as a pioneering force in the development of Iraqi-British relations in the education sector.

Education Partnerships

The [Post-18 review of education and funding](#) (known as the Augar Review) was published in May 2019. One of its recommendations, which was very much welcomed by the University, was that universities work more closely with schools and further education colleges. The University already has strong partnerships and is in a good position to take this forward.

Northampton International Academy

In January 2019, the University signed a partnership agreement with Northampton International Academy that will see the two institutions collaborate on a number of projects. The first of these was the conversion of two spare rooms at the Academy's site into a STEAMSpace – a place devoted to STEAM (science, technology, engineering, arts and maths) activities. The space will be used by staff, University students, Academy pupils and those from other schools, plus members of the community. The space will provide a base for University staff and students to conduct workshops and masterclasses designed to help Academy and other school pupils in the town raise their attainment and aspirations in the field of STEAM subjects.

Silverstone University Technical College

The University is proud to be a co-sponsor of the Silverstone UTC. The Silverstone UTC opened in September 2013, creating a centre of excellence for young people wanting to break into the specialist fields of High Performance Engineering and Business and Technical Events Management. It offers technical education to students aged from 14 to 18 in a professional environment designed to mirror the workplace and prepare students for it. The curriculum specialisms are driven by the needs of local industry, particularly Northamptonshire's engineering and motorsport expertise. The Silverstone UTC is based in the very heart of British Motorsport, at the Silverstone racing circuit, about 16 miles from the University.

Related Companies

As well as four wholly owned companies, the University had holdings and investments as follows during 2018/19:

- Societal Travel CIC (50% shareholding)
- Uno Buses Ltd (50.1% owned by the University of Northampton Enterprises Ltd, itself a wholly owned subsidiary)
- Connected Together CIC (51%)
- Goodwill Solutions CIC (20%)
- Unity Leisure Trust Ltd (member of a company limited by guarantee)
- Silverstone UTC (member of a company limited by guarantee)
- The University College of New Technologies at Daventry (member of a company limited by guarantee. This company ceased operations in 2017 and a wind up is in progress).

Being supportive partners in companies is a key way for the University to deliver public benefit, social impact and social value.

Connected Together CIC

The University owns a 51% stake in Connected Together CIC (Community Interest Company). The Company holds contracts to run Healthwatch Northamptonshire and Healthwatch Rutland. Through these contracts, and its other activities, the Company acts as a consumer champion for NHS users, preparing reviews on different aspects of the NHS and responding to consumer concerns. The Company requires no financial contribution from the University. Two of the University's staff act as voluntary non-executive directors and the University provides company secretarial services.

In October 2018, Healthwatch Northamptonshire received two commendations and an award win at the national Healthwatch Network Awards. The award win was in the category 'Helping people have their say', for helping over 500 new parents share their views and experiences of local maternity services. Healthwatch Northamptonshire's [Annual Report](#) was published in July 2019. It reported that over 2018/19, the Company engaged with approximately 1,500 people, and carried out over 70 visits to hospitals and care homes to hear and see how people experience the service and gather their feedback.

Goodwill Solutions CIC

The University owns a 20% stake in Goodwill Solutions CIC. In its most recent social impact report, the financial value of Goodwill Solution's social impact in 2017-2018 is £2.44m. For example, using National Lottery 'Building Better Opportunities' funding, the Company runs an initiative aimed at helping unemployed and economically inactive people from Northamptonshire to gain warehouse and distribution skills through accredited training, followed by an offer of support into employment. This is achieved through an intensive 4-week course and is delivered to a wide-range of beneficiaries including ex-offenders and disadvantaged people. It works by giving them confidence, as well as a sense of direction and routine. This enables them to overcome their barriers to employment.

Super Supportive Opportunities and Risks

Opportunities

Providing effective student support, producing work-ready graduates and being good partners are opportunities to improve our appeal to applicants, their families and funders, to employers, and to those who may wish to build partnerships and new ventures. Naturally this ensures that we remain financially viable, and gives opportunities to diversify our income. More than that, it means we have helped people, we have taken the opportunity to fulfil our mission to transform lives and inspire change.

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

Risks

If our portfolio of courses is not attractive to students, this will affect student recruitment. We must ensure that our portfolio of courses is kept up to date and under review.

If students do not have a good experience either at the University, or afterwards when looking for employment, our super supportive reputation is affected. This might manifest in:

- Poor results in the National Student Survey
- League Table position
- The loss of TEF Gold status
- The imposition of a condition by the Office for Students

The new focus on gaps in continuation, achievement and progression by the Office for Students also poses a risk. As a University we aspire to achieve success for all and, so it is imperative that we close gaps where they exist.

There is also a risk that current educational partnerships end, either because the relationship is not well managed, because UK providers are granted the power to award their own degrees, or because the Office for Students imposes conditions on or removes registration from UK-based partners. In general, if we do not manage our strategic partnerships and alliances well and to the benefit of all partners, there is a risk that they become ineffective, that the time spent on them outweighs their value, and that the University's income streams and/or reputation is damaged.

Statement of Corporate Governance

This section sets out the University of Northampton's corporate governance arrangements and the responsibilities of its governing body over the reporting period from 01/08/2018 to 31/07/2019 and the period up to 20/11/2019 when these accounts were signed.

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

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

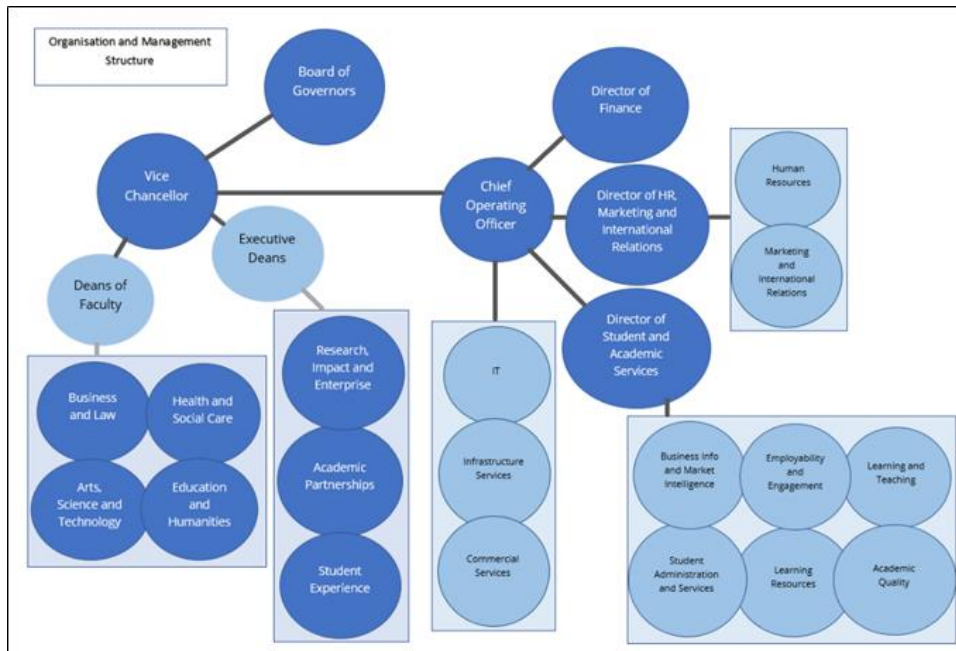
The Vice Chancellor is appointed by the Board of Governors as the University's Chief Executive. The Vice Chancellor organises, directs and manages the University and leads its staff. He is assisted and advised in this work by the University Management Team, comprising the Deans, and the Directors of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

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

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

Corporate Structure

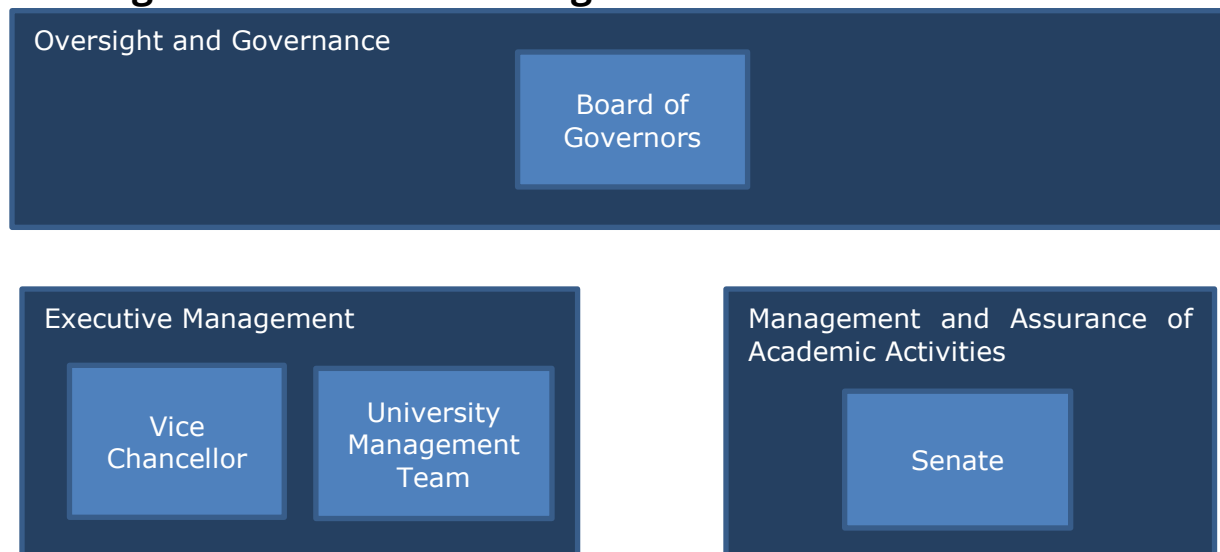
The corporate structure of the University from 01/08/2018 to 31/07/2019 was as follows.



Taking effect after 01/08/2019:

- The four academic faculties were restructured to three
- The post of Director of Student and Academic Services was removed, with consequent rearrangement of the business units under this post. A new post of Registrar was created
- The post of Executive Dean of Research, Impact and Enterprise was deleted. A Dean of Research and a Director of Enterprise and Employability were appointed

Oversight and Decision-Making Structure



Board of Governors

Members of the Board and Trustees

The University's trustees are those who are appointed to the Board of Governors as members of the Higher Education Corporation. There were 16 members of the Board during the reporting period.

David Baker (to 31/07/2019)

Susan Dutton (Deputy Chair from 01/08/2019)

Edward Lord (to 17/04/2019)

Rafael Garcia-Krailing (to 31/06/2019)

Jeff Halliwell

Richard Horsley

Sylvia Hughes (Chair and member of the Board to 31/07/2019)

Frank Jordan

Gemma Lovegrove

Lee Machado (to 31/07/2019)

Mark Mulcahey (Deputy Chair to 31/07/2019, Chair from 01/08/2019)

Nick Petford (Vice Chancellor)

Martin Pettifor

Nicholas Pitts-Tucker

Nicholas Robertson

John Skelton

Skills and Experience

The Board members are drawn from a variety of backgrounds and with a wide range of expertise. An audit of their skills and experience takes place every two years and is refreshed whenever new members join. The results of the skills audit inform the thinking of the Nominations Committee prior to recruitment exercises. In 2018/19, £3347 was spent on governor attendance at development events.

Governors' Expenses

Over the reporting period, governors and external members of the Board's committees claimed £4,987 in expenses. This sum covered mileage, public transport and parking fees to enable travel to meetings and other activity on behalf of the University. No other payments are made to trustees. Related party transactions involving trustees are listed in note 24.

The Work of the Board

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

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

How the Board Discharged its Responsibilities

Between August 2018 and July 2019, the Board had:

- 12 formal minuted meetings
- 1 away day focusing on University strategy and the organisation of the Board
- 1 workshop on the management of risk, which looked at serious incident management
- 1 informal briefing on the University's financial position

During its formal meetings, the Board made decisions and monitored as set out below.

- Received a joint letter from UCU and UNISON members about the remuneration of senior staff, and the approved a response to this letter

Vice Chancellor's Updates

- Updates were received in September, December, March and June
- Horizon scanning of the policy, regulatory, national, regional and political environment
- Impact on the University of its performance for example in KPIs and the National Student Survey
- Innovation and income generation, including the development of partnerships

Operational Plan

Received a review of performance against operational plan in the previous year

Received an interim review of performance in the current year

Risk and Audit

- Risk register – the register of the University's fundamental risks was received 3 times, after each Audit Committee meeting
- Overview of Risk Management in the University and risk appetite
- Approved an update to the Audit Committee terms of reference
- Received the minutes of each Audit Committee

Students

- Received regular updates on student recruitment and on marketing activity
- Approved the Access and Participation Plan for submission
- Received a report on student welfare and support, including the mechanisms in place to support students
- Received a report on student conduct, complaints and appeals
- Noted the most recent National Student Survey results and its impact on targets in the Operational

Office for Students (OfS)

- Approved a Financial Forecast for submission to the OfS
- Received the OfS' assessment of institutional risk
- Received confirmation that the University had been admitted to the OfS' register of providers
- Received an annual report to the OfS on reportable events
- Noted guidance from the government to the OfS
- In July 2019, reviewed compliance with the OfS' ongoing conditions of registration
- Received assurances on how the University facilitates student electoral registration, one of the conditions of registration

Academic Governance

- Agreed that the Academic Assurance Working Group should become a committee of the Board
- Received a report from the Academic Assurance Working Group and Annual Report on Academic Quality and Standards. Authorise the Chair to sign a statement on academic assurance included in the Annual Assurance Return to the Office for Students
- Received Senate minutes five times, accompanied by an oral report from the Clerk to Senate

Academic Business

- Received presentations from four Deans of Faculty
- Received a presentation from the Dean of Partnerships about his work in the development of academic partnerships. Received a review of partnership finances
- Received a report on how academic standards are maintained and how this has an impact on the award of good degrees
- Monitored preparation for the next TEF exercise, and the potential impact of the University's metrics on outcomes in the next TEF. Received the University's response to a call for evidence on a review of the TEF exercise
- Approved a statement on Research Integrity

Students' Union

- Received a reminder about how the University complies with the Education Act 1994 in respect of its duties and responsibilities for the Students' Union
- Received a report from the Students' Union about its latest activities

Received an update on the Students' Union's referendum on disaffiliation from the NUS

Finance

- Monitored the bond covenant related to debt cover for 18/19, the relationship with HMT as guarantors of the bond. Received the budget strategy for 2019-20 including

a financial mitigation plan. The Board monitored the delivery of this plan over the summer of 2019

- Changes to pension scheme contributions and their implications for the University's budget
- The Board received management accounts monthly
- Approval of financial forecast for HMT
- Approval of 2017/18 TRAC and TRAC for Teaching returns
- Annual Review of Financial Regulations
- Approved debt write off above £50k
- Considered scenario planning should a reduction in fees take place following publication of the Augar review

Annual Assurance and Reporting

- Going concern and liquidity review
- Audit Committee Annual Report
- External Audit Report
- University Annual Report and Consolidated Financial Statements
- Annual Report on Insurances

Staff and Remuneration

- Agreed the reappointment of the Vice Chancellor on a further five -year contract
- Approved the creation of a Deputy Vice Chancellor role as a senior post holder
- Ratified the appointment of Deputy Vice Chancellor following a search exercise
- Received the Remuneration Committee's Annual Report to the Board, including details of how the Committee had operated over the previous year, and information to be included in the University's Annual Report and Accounts
- Received and discussed an annual report from HR
- Received details about how Student and Academic Services would be organised in 2019/20, following the departure of its Director and the appointment of a Registrar

Equality and inclusion

- Received a reminder on the Public-Sector Equality Duty and the role of the board in this
- Received the Staff Equality and Inclusion Rolling Action Plan and a report of progress against the action plan
- Received a report from the Inclusive Student Experience Action Group

Campus Development

- Received regular updates on the Waterside Campus following its opening in September
- Noted the closure of the St George's Avenue site and approved the lease of Cliftonville House, relocating academic provision from St George's Avenue closer to the Waterside Campus
- Received an update on IT on campus, and assurance about IT leadership

Subsidiary, Joint Venture and Investment Companies

- Received an overall Annual Report on Subsidiaries, Joint Ventures and Investments
- Received the Annual Report and Accounts of subsidiary, joint venture and investment companies
- Monitored and approved the appointment of directors to subsidiary companies
- Discussed indemnity for company directors and agreed to amend wholly-owned subsidiary company articles to provide indemnity
- Approved a revised Corporate Governance Framework University of Northampton Group of Companies
- Approved standard Articles of Association to be used for University companies. Approved these Articles of Association for three wholly-owned subsidiaries

Governance and the Board

- Annual Review of Bye-Laws and Scheme of Delegation
- Signatures under seal were ratified by the full Board at the next available Board meeting
- The reappointment of the Pro Chancellor for a further term of office was agreed
- Through reports from the Nominations Committee, the Board monitored its own membership. One exercise to recruit further independent Board members was carried out over 2018/19. In May 2019, the independent members of the Board approved the appointment of three further independent members. A further recruitment exercise was agreed for early 2019/20
- The Board approved the appointment and reappointment of external committee members on the recommendation of the Nominations Committee
- The Independent Members Appointment Committee, which is formed of all the existing independent members, approved the appointment and reappointment of independent members
- Appointed a new Chair and Deputy Chair to take office from 01/08/2019
- Agreed mandatory e-learning training for all members
- Received two sets of minutes from the Treasury Committee
- Approved the closure of the Treasury Committee, and the creation of an Innovation Committee. The Board approved terms of reference for the Innovation Committee
- The Terms of Reference of the Independent Members Appointment Committee were reviewed
- The creation of a Search Committee for the Deputy Vice Chancellor was agreed, including its terms of reference and membership
- Monitored progress on the embedding of recommendations from the most recent external review of the Board's effectiveness
- Following discussion at the Board Away Day, agreed the creation of a Board Development Working Group and its terms of reference. Recommendations from

the working group were received in April 2019, and the Board continues to monitor progress against them

Prevent Duty

- Received revised Prevent duty guidance
- Received the Prevent Duty Accountability and Data Return
- Received an assessment of the accountability and data return and risk assessment
- Received the OfS' overall Evaluation Report on Prevent monitoring accountability and data

University Policies

- Decision about which policies to delegate and which to keep at Board level

Board Standing Committees

Audit Committee

In 2018/19, the Audit Committee continued to look in detail at risk management, including the risk assurance framework and risk register. It also received and discussed reports and recommendations from the internal and external audit services. The Committee also has oversight of health and safety and occupational health arrangements, and received reports on these. The Committee recommended the Annual Report and Accounts, and the Annual Report on Subsidiary and Investment Companies to the Board. The Committee received other sources of assurance as necessary for example the Prevent Duty Annual Accountability and Data Return and information about where waivers of the Financial Regulations had been agreed.

Nominations Committee

The role of the Nominations Committee is to advise the Board on matters relating to its composition and membership and that of its committees. Succession planning for the Board, its committees, and roles in the remit of the Board, is a standing item for the Committee. The Committee ran a recruitment exercise for independent members during 2018/19, resulting in three successful appointments. The Committee also agreed a further recruitment exercise in 2019/20. The Committee reviewed and approved a recruitment process for Board members, and a standard role description and person specification. The induction programme for new governors was also reviewed and approved, and a new probationary procedure was put in place. It reviewed and approved an election process for a governor from amongst the professional staff.

Remuneration Committee

The Committee decides the remuneration, including the discretionary performance related pay and inflationary increase, of the senior post holders, the Vice Chancellor, the Chief Operating Officer, the Deputy Vice Chancellor, and the Clerk to the Board of Governors. In doing this, it assessed the annual objectives of the three senior post holders in post in 2018/19, and whether they had been achieved. It oversaw the setting of objectives for

2019/20. A salary benchmarking exercise was carried out for the senior post holders. A salary level was recommended for the forthcoming appointment of a Deputy Vice Chancellor. No changes were made to the salary of the three existing senior post holders as a result of the benchmarking exercise. To fill a vacancy, the Committee recruited a new external member who joined July 2019, bringing further expertise to ensure that appropriate comparisons could be made.

Project Assurance Committee

The Committee was created in 2013 to scrutinise the Waterside development in detail. It met in September and November 2018 to monitor any final issues with regards to the opening of the Waterside development, before being disbanded, and its work absorbed back into the Board's business as usual. Items monitored during the final two meetings included defects and snagging issues and campus IT and security.

Treasury Committee

The Committee was created to advise the Board on the University's short and long term investment portfolio. It met in December 2018 and April 2019. It was agreed in April 2019 that the Treasury Committee in its existing form was not necessary. It had also been agreed at the Board Away Day in January 2019 that a structure for the Board's involvement in innovation at the University should be sought, and the April meeting was therefore used to discuss the form this new committee may take. The Board later agreed to close the Treasury Committee.

Academic Assurance Committee

The Academic Assurance Committee was officially constituted by the Board in November 2018. It met as a Committee in March 2019. It met as a Working Group in October 2018. The remit of the Committee is to scrutinise in detail reports designed to provide assurance about academic governance, quality and standards and the quality of the student learning environment. The Committee provides to Board a view of these matters which informs the Board's view, given in an annual return to the Office for Students.

Search Committee

A Search Committee was formed by the Board in early 2019 to manage the recruitment of a Deputy Vice Chancellor. This work was concluded in June 2019.

Independent Members Appointment Committee

The Committee is formed of the independent members of the Board and has responsibility for appointing and reappointing Board members. It met twice in the reporting period, once to approve new appointments, and once to approve reappointments.

Statement of Internal Control

The Board of Governors is responsible for ensuring that a sound system of internal control is maintained, and that it has reviewed the effectiveness of these arrangements.

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

- The system of internal control is risk based in that it is designed to manage rather than eliminate the risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness
- The system of internal control is based on an on-going process designed to identify the principal risks to the achievement of policies, aims and objectives; to evaluate the nature and extent of those risks; and to manage them efficiently, effectively and economically. This process has been in place for the year ending 31 July 2019 and up to the date of approval of the financial statements, and accords with guidance from the Office for Students
- As a Board, we have responsibility for reviewing the effectiveness of the system of internal control. The following processes have been established:
- Meeting regularly as a Board to consider the plans and strategic direction of the institution and its risk appetite
- Receiving periodic reports from the Audit Committee concerning internal control. We also require regular reports from senior management on the steps they are taking to manage risks in their areas of responsibility, including progress reports on key projects
- The designation of the Audit Committee to oversee the risk management process and review the University's risk register which help to evaluate the likelihood and impact of risks becoming a reality
- The receipt by the Audit Committee of regular reports from the partner of the contracted internal audit service, which include the partner's independent opinion on the adequacy and effectiveness of the University's system of internal control, together with recommendations for improvement
- An annual cycle of Audit Committee meetings involving the Board of Governors and Executive is undertaken to identify and keep up to date the register of risks facing the organisation
- To ensure that it is embedded in ongoing operations, risk is a standard heading in reports presented to the Board and University Committees and in proposals for bids and developments (for example new courses and bids for research funding)
- A system for the identification and monitoring of key performance and risk indicators is operational
- A robust risk prioritisation methodology based on risk ranking is in place
- An organisation-wide risk register is maintained. This covers business, operational and compliance risk as well as financial risk. A Risk Management Group comprising senior managers meets regularly to review the risk register

- Deans and Directors of Professional Services report on risk and internal control activities through their Faculty or Service Risk Registers
- Our view of the effectiveness of the system of internal control is informed by our internal audit service which operates to standards defined in the OfS' Audit Code of Practice. The internal auditors, RSM, submit regular reports which include the audit partner's independent opinion on the adequacy and effectiveness of the University's system of internal control, with recommendations for improvement.
- Our review of the effectiveness of the system of internal control is also informed by the work of the executive and senior managers in the University who have responsibility for the development and maintenance of the internal control framework, and by comments made by the external auditors in their management letter and other reports.

The Board of Governors is of the opinion that the actions it has taken and the arrangements that it has put in place have made the University fully compliant with the requirements and expectations placed on it regarding corporate governance during the financial year 2018/19.

Effectiveness of Internal Controls

To 20/11/2019, no significant internal control weaknesses or failures have arisen.

A handwritten signature in black ink, appearing to read 'Mark Mulcahey', with a large, stylized loop at the end.

Mark Mulcahey (Chair)

18th December 2019

Responsibilities of the Board of Governors in relation to the financial statements for the year ending 31 July 2019

In accordance with the Education Reform Act 1988, as updated by the Further and Higher Education Act 1992 and the Higher Education and Research Act 2017, the Board of Governors of The University of Northampton Higher Education Corporation is responsible for the administration and management of the affairs of the University and is required to present audited financial statements for each financial year.

The Board of Governors is responsible for keeping adequate accounting records which disclose with reasonable accuracy, at any time, the financial position of the University and to enable it to ensure that the financial statements are prepared in accordance with the Education Reform Act 1988, the Further and Higher Education Act 1992, the Statement of Recommended Practice on Accounting in Further and Higher Education and other relevant standards. In addition, through the Terms and Conditions of Funding for Higher Education Institutions, and the Accounts Direction of the Office for Students, the Board of Governors, through its Accountable Officer, is required to prepare financial statements for each financial year.

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

- Suitable accounting policies have been selected and applied consistently
- Judgements and estimates have been made that are reasonable and prudent
- Applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- Financial statements are prepared on the going concern basis, unless it is inappropriate to presume that the University will continue in operation
- The Board is satisfied that the University has adequate resources to continue in operation for the foreseeable future; for this reason, the going concern basis continues to be adopted in the preparation of the financial statements.

The Board of Governors have taken reasonable steps to:

- Ensure that funds from the Office for Students, UK Research and Innovation, the National College for Teaching and Leadership (NCTL), and the Chief Executive of Skills Funding, have been used only for the purposes for which they have been given and in accordance with the relevant terms and conditions of funding
- Ensure that funds have been applied only for the purposes for which they have been given
- Ensure that there are appropriate safeguards and management controls 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.

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

Opinion

We have audited the financial statements of the University of Northampton Higher Education Corporation ('the parent institution') and its subsidiaries (the 'group') for the year ended 31 July 2019 which comprise the Consolidated and University Statement of Comprehensive Income and Expenditure Account, Consolidated and University Statement of Changes in Reserves, Consolidated and University Balance sheets, Consolidated Cash Flow Statement, the related notes 1 to 26 and the Statement of Principal Accounting Policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- ▶ give a true and fair view of the group's and of the parent institution's state of affairs as at 31 July 2019, and of the Group's and parent institution's income and expenditure, gains and losses and changes in reserves and of the Group's cash flows for the year then ended;
- ▶ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ▶ have been properly prepared in accordance with the Statement of Recommended Practice: Accounting for Further and Higher Education, and relevant legislation.

Basis for opinion

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

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

Conclusions relating to going concern

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

- ▶ the Board of Governors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or

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

Other information

The other information comprises the information included in the annual report set out on pages 1 to 57, other than the financial statements and our auditor's report thereon. The Board of Governors is responsible for the other information.

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

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

We have nothing to report in this regard.

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

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

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

Responsibilities of the Board of Governors

As explained more fully in the Responsibilities of the Board of Governors' Statement set out on page 57, the Board of Governors is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board of Governors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

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

Ernst & Young LLP

Birmingham

Date:

Notes:

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

Statement of Principal Accounting Policies for the year ending 31 July 2019

1. General Information

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

2. Basis of Preparation

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

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

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

3. Basis of Consolidation

The consolidated financial statements include the University and all its subsidiaries for the financial year to 31 July 2019. Accounting policies have been consistently applied across the group. The results of subsidiaries acquired or disposed of during the period are included in the consolidated statement of income and expenditure from the date of acquisition or up to the date of disposal. Intra-group transactions are eliminated on consolidation.

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

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

4. Recognition of Income

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

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

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

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

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

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

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

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;

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.

5. Accounting for retirement benefits

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

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

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

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

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

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

6. Tangible fixed assets

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

Land & Buildings are recognised at cost based on initial purchase or construction price and are capitalised to the extent that they increase the expected future benefits to the University. Freehold land is not depreciated as it is considered to have an indefinite useful life. Freehold buildings are depreciated on a straight-line basis over their expected useful lives of 50 years for buildings pre Waterside, all buildings on the Waterside Campus are depreciated on a straight-line basis over their expected useful lives of 80 years. Leasehold land is depreciated over the life of the lease.

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

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

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

Plant and machinery	5 – 10 years
Furniture, fixtures and fittings	5 – 8 years

Short Life Computer equipment	3 years
Motor vehicles	4 years
Other equipment	4 – 5 years

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

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

7. Investment Property

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

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

8. Maintenance of premises

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

9. Finance Leases

Leases in which the University assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. Leased assets acquired by way of finance lease are stated 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, less accumulated depreciation and less accumulated impairment losses. Lease payments are accounted for as described below.

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.

10. Operating Leases

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

11. Investments

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

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

12. Cash and Cash equivalents

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

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

13. Taxation Status

The University is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the 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.

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

14. Provisions and contingent liabilities

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

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

A contingent liability arises from a past event that gives the University a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not

wholly within the control of the University. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required, or the amount of the obligation cannot be measured reliably.

15. **Stock**

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

16. **Joint venture entities and associates**

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

17. **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.

18. **Foreign currency**

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

19. **Interest Bearing Bond**

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

20. **Financial Instruments**

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

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

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

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

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.

22. **Judgements and key sources of estimation**

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

- The University have made assumptions in the determination of the fair value of an investment property, specifically in respect of the status of the property market in the location where the property is situated, and in respect of the range of reasonable fair value estimates of the asset. As with any valuation in a liquid market, judgement is required, and this represents a key source of estimation uncertainty. The valuation as at the reporting date, performed by an independent valuer, is stated in note 10.

- The University uses assumptions in the determination of the pension assets and liabilities which represent a source of significant material uncertainty. Further information, including sensitivity analysis associated with key assumptions, is included in note 22.
- Northamptonshire County Council had no representative on the Board of Directors of Societal Travel CIC, the University made a judgement to include Societal Travel CIC as a 100% subsidiary for the financial year ended 31 July 2019.
- Freehold Buildings on the Waterside campus are depreciated on a straightline basis over their expected useful lives of 80 years.

Consolidated and University Statement of Comprehensive Income and Expenditure Account

		Consolidated		University	
	Note	2019 £000	2018 £000	2019 £000	2018 £000
Income					
Funding Body grants	1	7,000	10,986	6,940	10,986
Tuition fees and education contracts	2	99,633	98,096	99,631	98,068
Research grants and contracts	3	1,139	2,281	1,139	2,281
Other Operating income	4	16,815	14,427	15,562	14,800
Investment income	5	400	611	393	590
Donations and endowments	6	440	306	440	306
Total income		125,427	126,707	124,105	127,031
Expenditure					
Staff costs	7	67,833	65,772	61,972	58,637
Interest and other finance costs	8	11,413	9,451	11,430	9,447
Other operating expenses	9	50,864	46,135	55,285	54,086
Depreciation & Impairment	10	11,784	11,694	12,368	11,698
Total expenditure		141,894	133,052	141,055	133,868
(Deficit)/Surplus before other gains losses and share of operating surplus/(deficit) of joint ventures and associates		(16,467)	(6,345)	(16,950)	(6,837)
Proceeds from sale of Park Campus		13,403	-	13,403	-
Gain/(loss) on investment		88	(3)	13	(100)
Share of operating profit/(loss) in joint venture	11	57	113	-	-
Share of operating profit/(loss) in associate	11	16	(79)	-	-
Non-controlling interest		(8)	(31)	-	-
(Deficit)/Surplus before tax		(2,911)	(6,345)	(3,534)	(6,937)
Deed of Covenant		-	-	859	432
Taxation		(4)	-	-	-
(Deficit)/Surplus for the year		(2,915)	(6,345)	(2,675)	(6,937)
Actuarial (loss)/gain in respect of pension scheme	22	(12,922)	11,369	(12,599)	10,786
Total comprehensive income for the year		(15,837)	5,024	(15,274)	4,281
Represented by:					
Unrestricted comprehensive income for the year		(5,245)	6,333	(4,682)	5,590
Revaluation reserve comprehensive income for the year		(10,592)	(1,309)	(10,592)	(1,309)
Attributable to the University		(15,837)	5,024	(15,274)	4,281
Attributable to the non-controlling interest		-	-	-	-
		(15,837)	5,204	(15,274)	4,281
(Deficit)/Surplus for the year attributable to:					
University		(2,907)	(6,314)	(2,675)	(6,505)
Non-controlling interest		(8)	(31)	-	-
		(2,915)	(6,345)	(2,675)	(6,505)

Consolidated and University Statement of Changes in Reserves For the Year Ending 31 July 2019

	Income and expenditure account		Revaluation reserve	Total excluding Non-controlling interest	Non-controlling interest	Total Reserves
	Endowment £'000	Unrestricted £'000	£'000	£'000	£'000	£'000
Consolidated						
Balance at 1 August 2017	969	32,192	11,901	45,062	108	45,170
Surplus/(Deficit) from the income and expenditure	-	(6,314)	-	(6,314)	(31)	(6,345)
Movement in endowment funds	135	(135)	-	-	-	-
Pension reserve movement	-	11,369	-	11,369	-	11,369
Transfers between revaluation and income and expenditure reserve	-	1,309	(1,309)	-	-	-
Balance as at 1 August 2018	1,104	38,421	10,592	50,117	77	50,194
Surplus (Deficit) from the income and expenditure	-	(2,907)	-	(2,907)	(8)	(2,915)
Movement in endowment funds	(23)	23	-	-	-	-
Pension reserve movement	-	(12,922)	-	(12,922)	-	(12,922)
Transfers between revaluation and income and expenditure reserve	-	10,592	(10,592)	-	-	-
Balance as at 31 July 2019	1,081	33,207	-	34,288	69	34,357
University						
Balance at 1 August 2017	969	31,555	11,901	44,425	-	44,425
Surplus/(Deficit) from the income and expenditure	-	(6,505)	-	(6,505)	-	(6,505)
Movement in endowment funds	135	(135)	-	-	-	-
Pension reserve movement	-	10,786	-	10,786	-	10,786
Transfers between revaluation and income and expenditure reserve	-	1,309	(1,309)	-	-	-
Balance as at 1 August 2018	1,104	37,010	10,592	48,706	-	48,706
(Deficit) from the income and expenditure	-	(2,675)	-	(2,675)	-	(2,675)
Movement in endowment funds	(23)	23	-	-	-	-
Pension reserve movement	-	(12,599)	-	(12,599)	-	(12,599)
Transfers between revaluation and income and expenditure reserve	-	10,592	(10,592)	-	-	-
Balance as at 31 July 2019	1,081	32,351	-	33,432	-	33,432

Consolidated Cash Flow Statement for the Year ending 31 July 2019

		Consolidated		University	
	Note	2019 £000	2018 £000	2019 £000	2018 £000
Non-current assets					
Fixed assets	10	349,324	369,787	350,133	371,235
Investment Property	10	1,850	1,775	-	-
Investments	11	1,081	1,104	1,132	1,155
Investments in joint venture	11	83	136	-	-
Investment in associate	11	232	216	200	200
		<u>352,570</u>	<u>373,018</u>	<u>351,465</u>	<u>372,590</u>
Current Assets					
Stock	12	487	947	487	947
Trade and other receivables	13	35,355	11,773	35,105	11,091
Investments	14	123	255	123	255
Cash and cash equivalents		<u>30,129</u>	<u>38,935</u>	<u>29,456</u>	<u>36,875</u>
		<u>66,094</u>	<u>51,910</u>	<u>65,171</u>	<u>49,168</u>
Less: Creditors amounts falling due within one year	15	<u>(28,875)</u>	<u>(33,941)</u>	<u>(29,302)</u>	<u>(33,299)</u>
Net current assets		<u>37,219</u>	<u>17,969</u>	<u>35,869</u>	<u>15,869</u>
Total assets less current liabilities		389,789	390,987	387,334	388,459
Less: Creditors amounts falling due after more than one year	16	(302,806)	(305,609)	(301,322)	(304,130)
Pension provisions	17	(52,626)	(35,184)	(52,580)	(35,623)
Total Net Assets		34,357	50,194	33,432	48,706
Restricted Reserves					
Endowment reserve	24	1,081	1,104	1,081	1,104
Unrestricted Reserves					
Income and expenditure reserve - unrestricted		33,207	38,421	32,351	37,010
Revaluation reserve	18	<u>-</u>	<u>10,592</u>	<u>-</u>	<u>10,592</u>
		<u>33,207</u>	<u>49,013</u>	<u>32,351</u>	<u>47,602</u>
Non-controlling interest		69	77	-	-
Total Reserves		34,357	50,194	33,432	48,706

The financial statements on pages 61 to 94 were approved by the Board of Governors and signed on its behalf by:



Vice Chancellor – Prof. Nick Petford



Chair of the Board of Governors – Mr Mark Mulcahey

Dated: 18th December 2019

Consolidated and University Statement of Changes in Reserves For the Year Ending 31 July 2019

	Note	2019 £000	2018 £000
Cash flow from operating activities			
Deficit/(surplus) for the year		(2,915)	(6,345)
Adjustment for non-cash items			
Depreciation		11,784	9,451
Profit on sale of Fixed Assets		(13,403)	
Decrease/(Increase) in stock		460	(945)
Decrease/(Increase) in debtors		1,457	9,060
(Decrease)/Increase in creditors		(7,319)	(10,497)
Increase/(decrease) in provisions		4,520	3,638
Share of operating (surplus)/deficit in joint venture		(57)	(113)
Share of operating deficit/(surplus) in associate		(16)	79
		(2,574)	10,673
Adjustment for investing or financing activities			
Investment income		(400)	(611)
Gain on investment		(88)	3
Interest payable		11,413	11,694
Endowment income		(55)	(173)
Non-controlling interest		8	31
Capital grant income		(683)	(4,359)
		10,195	6,585
Net cash inflow from operating activities		4,706	10,913
Cash flow from investing activities			
Capital grants receipts		606	848
Investment income		400	611
Endowment funds inflow/(outflow)		(78)	173
Movement in cash deposit investments		132	67,746
Receipts from sale of fixed assets		9,345	-
Payments made to acquire fixed assets		(11,935)	(96,684)
		(1,530)	(27,306)
Cash flows from financing activities			
Interest paid		(10,474)	(10,422)
Repayments of amounts borrowed		(1,508)	(1,009)
New loans		-	8,000
		(11,982)	(3,431)
(Decrease) in cash and cash equivalents in the year		(8,806)	(19,824)
Cash and cash equivalents at beginning of the year	20	38,935	58,756
Cash and cash equivalents at end of the year	20	30,129	38,932

Notes to the Financial Statements

1. Funding Body Grants

	Consolidated		University	
	2019	2018	2019	2018
	£000	£000	£000	£000
Recurrent grant				
OfS / Research England	5,575	6,213	5,515	6,213
National College for Teaching and Leadership	122	149	122	149
Specific grants				
Higher Education Innovation Fund	620	265	620	265
Capital grant	683	4,359	683	4,359
	7,000	10,986	6,940	10,986

2. Tuition Fees and Education Contracts

	Consolidated		University	
	2019	2018	2019	2018
	£000	£000	£000	£000
Full-time HE fees – UK and EU students	69,046	65,536	69,046	65,536
Full-time HE fees – overseas and other students	17,986	17,176	17,986	17,176
Part-time HE fees	2,848	3,015	2,848	3,015
Short course fees	4,811	4,264	4,809	4,236
Contracts with the University in lieu of academic fees	4,942	8,105	4,942	8,105
	99,633	98,096	99,631	98,068

3. Research Grants and Contracts

	Consolidated		University	
	2019	2018	2019	2018
	£000	£000	£000	£000
OST Research Councils	115	171	115	171
UK Based Charities	272	201	272	201
UK Central Government and Local Authorities	335	962	335	962
UK Industry and Commerce	133	142	133	142
EU Government	181	151	181	151
EU Other	58	440	58	440
Others	45	214	45	214
	1,139	2,281	1,139	2,281

4. Other operating Income

	Consolidated		University	
	2019	2018	2019	2018
	£000	£000	£000	£000
Residences, catering and conferences	13,081	11,806	12,579	12,179
Other income	3,806	2,621	3,055	2,621
	16,887	14,427	15,634	14,800

5. Investment Income

	Consolidated		University	
	2019	2018	2019	2018
	£000	£000	£000	£000
Investment Income	400	611	393	590
	400	611	393	590

6. Donations and endowments

	Consolidated		University	
	2019	2018	2019	2018
	£000	£000	£000	£000

Notes to the Financial Statements

6. Donations and endowments (Continued)

Donation & endowment income

	440	306	440	306
	440	306	440	306

7. Staff Costs

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

	Consolidated		University	
	2019	2018	2019	2018
	£000	£000	£000	£000
Staff Costs:				
Wages and salaries	51,360	49,652	46,208	43,423
Social Security costs	5,038	5,266	4,679	4,796
Other pension costs (note 22)	11,435	10,854	11,085	10,418
Total	67,833	65,772	61,972	58,637

During the year ending 31 July 2019, total redundancy / severance costs were £256,270 (£40,864 2018). This was paid to 38 individuals during the year ended 31 July 2019.

	Consolidated		Consolidated	
	2019	2018	2019	2018
	Number	Number	FTE	FTE
The average monthly number of persons employed during the year were:				
Academic	1,616	1,547	560	548
Support	863	906	706	733
Total	2,479	2,453	1,266	1,281

	University		University	
	2019	2018	2019	2018
	Number	Number	FTE	FTE
The average monthly number of persons employed during the year were:				
Academic	1,616	1,548	560	548
Support	676	674	542	535
Total	2,292	2,222	1,102	1,083

	2019	2018
	£000	£000
Emoluments of the Vice-Chancellor		
Salary and healthcare	200	196
Bonus relating to prior year	-	22
Value of residential emolument	10	10
	210	228
Pension contributions	33	34
Total emoluments	243	262

Vice Chancellor's Remuneration

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

Notes to the Financial Statements

7. Staff Costs (continued)

Performance Related Pay

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

Taxable Benefit

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

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

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

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

The calculation of the emolument is based on:

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

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

The property was sold in April 2019.

In 2018 it was agreed that a residential allowance equivalent to the value of the emolument would be paid to cover the costs of living in Northampton.

The change came into effect on 1 August 2018 and, over the reporting period, was paid monthly in equal instalments. Since this date the Vice Chancellor has been required to pay for accommodation costs whilst staying in Northampton. A clause to this effect was added to his contract and the Occupancy Agreement was terminated.

In common with all senior staff, the Vice Chancellor also receives healthcare insurance.

Non-Taxable Benefits

The Vice Chancellor receives non-taxable benefits as follows:

- Membership of the Athenaeum Club which allows the Vice Chancellor to stay in London whilst on business there - £346.25 per quarter, increased to £362.50 per quarter from 01/01/2019;
- Fellowship of the Royal Society of Arts - £178;
- Subscription to the Geological Society - £210;
- Subscription to Mineralogy - £35.94;
- Membership to European Geosciences Union - £55.98 (in order to submit a paper);
- Membership to American Geophysical Union - £41.60 (in order to submit a paper);

Notes to the Financial Statements

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

In February 2019 the Remuneration Committee considered remuneration arrangements for all senior post holders, including the Vice Chancellor. In accordance with individual contracts of employment each senior post holder receives the nationally agreed pay award on an annual basis, with a full benchmark review on a three-year cycle. Pay was last benchmarked in 2015. In reviewing the VC's salary a sector benchmark exercise was completed using data from the most recent UCEA Senior Staff Remuneration Survey which includes information relating to the salary of Vice Chancellors across the sector, and data from the 2017/18 CUC Survey of Vice Chancellors' Remuneration. The outcome of the benchmark exercise was that the salary of the Vice Chancellor was considered appropriate and no changes were made.

Pay Multiple

The Vice-Chancellors basic salary is 5.65 times the median pay of staff (£35,211), and the Vice-Chancellors total remuneration is 6.22 times the median total remuneration of staff (£38,976). In both instances the median pay is calculated based on the amounts paid by the University to all of its contacted staff, excluding temporary agency staff.

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

	2019 Numbers	2018 Numbers
£190,000 - £194,999	-	-
£160,000 - £164,999	1	1
£150,000 - £154,999	-	-
£145,000 - £149,999	-	1
£125,000 - £129,999	-	1
£110,000 - £114,999	1	-
£105,000 - £109,999	3	4

Key management personnel	2019 £000	2018 £000
Key management personnel compensation	1,521	2,082

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

No member of the Board of Governors received an emolument during the year in their capacity as a Governor. Governors were reimbursed a total of £4,987 (2017/18: £4,222) for expenses in connection with their duties as a Governor.

8. Interest and Other Finance Costs	Consolidated		University	
	2019 £000	2018 £000	2019 £000	2018 £000
Bond interest	8,703	8,776	8,703	8,781
Loan interest	1,720	1,756	1,727	1,756
Pension finance costs	990	1,162	1,000	1,161
	11,413	11,694	11,430	11,698

Notes to the Financial Statements

9. Analysis of 2018/19 Expenditure by Activity

Consolidated

	2019				2018	
	Staff costs	Other operating expenses	Depreciation & impairment	Interest and other finance	Total	Total
	£000	£000	£000	£000	£000	£000
Academic departments	34,970	14,084	3,263	-	52,317	49,036
Academic services	9,207	7,681	1,780	-	18,668	17,900
Administration and central services	13,630	16,178	3,748	-	33,556	33,987
Premises	3,987	8,130	1,883	-	14,000	7,825
Residences, catering and conferences	534	3,958	917	-	5,409	5,084
Research	1,958	588	136	-	2,682	4,010
Other	32	245	57	10,423	10,757	11,141
FRS 102 pension costs	3,515	-	-	990	4,505	4,069
	67,833	50,864	11,784	11,413	141,894	133,052

University

	2019				2018	
	Staff costs	Other operating expenses	Depreciation & impairment	Interest and other finance	Total	Total
	£000	£000	£000	£000	£000	£000
Academic departments	34,970	14,486	3,240	-	52,696	49,778
Academic services	9,171	7,942	1,778	-	18,891	18,075
Administration and central services	11,776	16,421	3,673	-	31,870	31,542
Premises	753	11,870	2,656	-	15,279	11,841
Residences, catering and conferences	0	3,950	884	-	4,834	3,769
Research	1,958	616	137	-	2,711	4,114
Other	0	0	0	10,430	10,430	10,896
FRS 102 pension costs	3,344	0	0	1,000	4,344	3,853
	61,972	55,285	12,368	11,430	141,055	133,868

Notes to the Financial Statements

10. Tangible Assets - Consolidated

	Assets Under Construction	Land and Buildings		Equipment	Total
	£000	Leasehold £000	Freehold £000	£000	£000
Cost					
At 01 August 2018	298,534	1,372	140,866	15,550	456,322
Additions at cost	11,880	-	-	55	11,935
Disposals	-	-	(57,172)	(3,375)	(60,547)
Transfers	(310,325)	1,883	279,258	29,184	-
At 31 July 2019	89	3,255	362,952	41,414	407,710
Accumulated Depreciation					
At 01 August 2018	-	164	74,600	11,771	86,535
Charge for year	-	87	5,534	6,163	11,784
Disposals	-	-	(37,234)	(2,699)	(39,933)
At 31 July 2019	-	251	42,900	15,235	58,386
Net book value					
At 31 July 2019	89	3,004	320,052	26,179	349,324
At 31 July 2018	298,534	1,208	66,266	3,779	369,787
Financed by capital grant	-	-	1,911	7	1,918
Other	89	3,004	318,141	26,172	347,406
Net book value at 31 July 2019	89	3,004	320,052	26,179	349,324

Consolidated £000

The depreciation charge for the year has been funded by:

Deferred capital grants released	683
Income and expenditure reserve	509
Revaluation reserve released	10,592
	11,784

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

Investment Property

An external valuation of the subsidiary's Land and Buildings as at 31 July 2019 was carried out by Gerald Eve LLP, Chartered Surveyors. The valuation has been prepared in accordance with Royal Institution of Chartered Surveyors Valuation Standards, valuing on the basis of an investment property and taking into account factors such as the property growth and market in the surrounding area. The resulting valuation was £1,850,000 (2017/18, £1,775,000).

	Group £000
Balance at 1 August 2018	1,775
Increase in value	75
Balance as at 31 July 2019	1,850

Notes to the Financial Statements

10. Tangible Assets (continued)

Tangible Assets – The University

	Land and Buildings				
	Assets Under Construction	Leasehold	Freehold	Equipment	Total
	£000	£000	£000	£000	£000
Cost					
At 1 August 2018					
Cost	299,382	1,372	139,548	14,962	455,264
Additions at cost	11,880	-	-	-	11,880
Disposals	-	-	(57,172)	(3,375)	(60,547)
Transfers	(311,173)	1,883	280,106	29,184	-
At 31 July 2019	89	3,255	362,482	40,771	406,597
Accumulated Depreciation					
At 1 August 2018	-	164	72,574	11,291	84,029
Charge for year	-	87	6,141	6,140	12,368
Disposals	-	-	(37,234)	(2,699)	(39,933)
At 31 July 2019	-	251	41,481	14,732	56,464
Net book value					
At 31 July 2019	89	3,004	321,001	26,039	350,133
At 31 July 2018	299,382	1,208	66,974	3,671	371,235
Financed by capital grant	-	-	1,911	7	1,918
Other	89	3,004	319,090	26,032	348,215
Net book value at 31 July 2019	89	3,004	321,001	26,039	350,133

University £000

The depreciation charge for the year has been funded by:

Deferred capital grants released	683
Income and expenditure reserve	1,093
Revaluation reserve released	10,592
	1,236

11. Investments

	Group 2019	Group 2018	University 2019	University 2018
	£000	£000	£000	£000
Joint Ventures	83	136	-	-
Associates	232	216	200	200
Other Investments	1,081	1,104	1,132	1,155
	1,396	1,456	1,332	1,355

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

Notes to the Financial Statements

11. Investments (continued)

The Group has the following investments in joint ventures:

Uno Buses (Northampton) Limited

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

Societal Travel CIC

The University holds a 50% share in Societal Travel CIC. This is a joint venture company owned equally by The University of Northampton and Northamptonshire County Council. The company provides innovative transport solutions to the town and region of Northamptonshire. For the year ended 31st July 2019, due to personnel changes at the Council, the company was effectively managed and controlled by the University and so for this year only the full results of the company are consolidated into the University Group accounts.

All Joint Ventures (except for Societal Travel CIC for this year which show 100% of profit and net assets) are accounted for using the equity method, such that 50% of the company's net assets and liabilities are incorporated into the consolidated balance sheet of the Company and 50% of its net income is reported in The University's consolidated income and expenditure account.

	Uno Buses (Northampton) Limited	Societal Travel CIC	Total	Uno Buses (Northampton) Limited	Societal Travel CIC	Total
	2019	2019	2019	2018	2018	2018
	£	£	£	£	£	£
At 1 st August – share of net assets	26,117	-	26,117	22,776	-	22,776
Share of profit retained by joint venture	56,745	-	56,745	3,341	109,413	112,754
At 31st July – share of net assets	82,862	-	82,862	26,117	109,413	135,530

The Group has the following investments in associates:

Goodwill Solutions (Holdings) CIC

Registered office: 1056 Deer Park Road, Moulton Park, Northampton, NN3 6RX

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

Goodwill Solutions

	Share of net tangible assets £
At 1 st August 2018	215,578
Share of profit raised by associate	16,343
At 31 st July 2019	231,921
At 1 st August 2017	294,571
Share of profit raised by associate	(78,993)
At 31 st July 2018	215,578

Notes to the Financial Statements

11. Investments (continued)

The University holds the following Investment in Subsidiaries:

Connected Together CIC

Registered office: Moulton Park Business Centre, Redhouse Road, Moulton Park, Northampton, NN3 6AQ

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

The University of Northampton Enterprises Limited

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

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

iCon East Midlands and iCon Operations Limited

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

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

Waterside Campus Development Company plc

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

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

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

12. Stock

	Consolidated		University	
	2019	2018	2019	2018
	£000	£000	£000	£000
Catering stocks	-	-	-	-
IT equipment	487	947	487	947
	487	947	487	947

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

Notes to the Financial Statements

13. Trade and other receivables

	Consolidated		University	
	2019	2018	2019	2018
	£000	£000	£000	£000
Trade Debtors	29,230	3,979	29,116	3,864
Amounts owed by subsidiary undertakings	-	-	-	145
Prepayments and accrued income	5,688	7,794	5,552	7,082
Future liabilities not yet paid	437	-	437	-
	35,355	11,773	35,105	11,091

During the year £765k of Trade Debtors were written off (2018: £2,034k). The provision for doubtful debts as at the 31 July 2019 was £(3,770)k (2018: £(3,682)k).

Included within Trade Debtors is £25m relating to the staged payments of the sale of Park Campus.

Included within accrued income is £200k in relation to a loan granted to Uno Buses. The initial loan was for £275k and was granted in July 2017 with an interest rate of 1% above base rate. The element of this that is due in greater than one year is £175k (2017/18: £200k).

14. Current Investments

	Consolidated		University	
	2019	2018	2019	2018
	£000	£000	£000	£000
Short term deposits	123	255	123	255
	123	255	123	255

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

15. Creditors: Amounts falling due within one year

	Consolidated		University	
	2019	2018	2019	2018
	£000	£000	£000	£000
Bank Overdraft	-	-	-	-
PWLB loan	1,580	1,551	1,580	1,551
CISCO	1,107	1,107	1,107	1,107
ICLT	10	-	10	-
Trade Creditors	6,535	8,681	6,343	8,647
Amounts due to subsidiary undertakings	-	-	2,435	1,274
Social security and other taxation	1,962	2,596	1,816	2,423
Accruals and deferred income	17,681	20,006	16,011	18,297
	28,875	33,941	29,302	33,299

16. Creditors: Amounts falling due after more than one year

	Consolidated		University	
	2019	2018	2019	2018
	£000	£000	£000	£000
Bond	230,574	230,537	-	-
ICLT	219	240	219	240
PWLB loan	63,464	65,038	63,464	65,038
CISCO (See Note 20)	2,208	3,315	2,208	3,315
Deferred income	6,341	6,479	4,857	4,994
Amounts due to subsidiary undertakings	-	-	230,574	230,543
	302,806	305,609	301,322	304,130

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

Notes to the Financial Statements

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

On the 26th November 2014 a secured fixed rate public bond was issued for the sum of £231.5m over a 40 year term with a coupon rate of 3.302%, this is a fixed rate for the term. The Bond is secured against the assets on the University. The bond was issued via a 100% owned subsidiary of The University, Waterside Campus Development Company plc. Capital repayments commence in 2024/25. The bond transaction costs of £1.07m will be amortised over the life of the bond and charged to interest costs. The market value of the bond at 31 July 2019 was £300.8m (2018: £279.9m), and it is listed on the Irish Stock Exchange. The borrowings are secured against the assets of the University.

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

The bond and County & Borough Council PWLB loans have been guaranteed by Her Majesty's Treasury under an agreement with certain financial covenants, including calculation of historical and prospective Debt Service Cover Ratios (DSCR's). During the year, the prospective DSCR's submitted to HM Treasury indicated that the University would be in breach of its covenant and accordingly under the terms of the covenant, HM Treasury imposed a Discretionary Spend Lock Up (DSLUI) sanction meaning that any new capital expenditure other than for the Waterside Project had to be agreed by them in advance of commitment. As a result, the University revised its budgetary intentions to ensure compliance with the covenants and HM Treasury removed the DSLUI sanction in October 2019.

Risk management

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

The group's principal financial instruments are bonds, cash, short term deposits and money market investments which are managed by the group and an external investment portfolio manager on behalf of the University. The core objective of these financial instruments is to meet financing needs of the group's operations. Additionally, the group has other financial assets and liabilities arising directly from its operations i.e. trade debtors and creditors.

Credit risk

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

The group's credit risk arises from bank balances, investments, student debtors and government and commercial organisations as customers. Management of credit risk is covered by the Treasury Management Policy. As at 31 July 2019, the maximum exposure is represented by the carrying value of each financial asset in the balance sheet.

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

Liquidity risk

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

Notes to the Financial Statements

16. Creditors: Amounts falling due after more than one year (contiuned)

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

Interest rate risk

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

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

The group's interest and investment income is exposed to changes in interest rates. The group is prepared to accept re-investment risk to exploit opportunities where yield can be maximised without compromising capital base of the investment. There are no outstanding derivative instruments as at 31 July 2019.

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

	Consolidated		University	
	2019	2018	2019	2018
	£000	£000	£000	£000
Due within one year	-	-	-	-
Between one and two years	-	-	-	-
Between two and five years	-	-	-	-
In five years or more	230,574	230,537	231,853	230,543
	230,574	230,537	231,853	230,543

Maturity profile of PWLB / CISCO loan:

	Consolidated		University	
	2019	2018	2019	2018
	£000	£000	£000	£000
Due within one year	2,687	2,658	2,687	2,658
Between one and two years	31,077	2,687	31,077	2,687
Between two and five years	6,254	35,629	6,254	35,629
In five years or more	28,341	30,037	28,341	30,037
	68,359	71,011	68,359	71,011

Notes to the Financial Statements

17. Provisions

Consolidated

	Obligation to fund deficit on USS Pension	Pension enhancements on early retirement	Defined Benefit Obligations (note 22)	Total pension provisions
	£000	£000	£000	£000
As at 1 August 2018	399	802	33,983	35,184
Change in provision	713	6	16,723	17,442
As at 31 July 2019	1,112	808	50,706	52,626

University

	Obligation to fund deficit on USS Pension	Pension enhancements on termination	Defined Benefit Obligations (note 22)	Total pension provisions
	£000	£000	£000	£000
As at 1 August 2018	399	802	34,422	35,623
Change in provision	713	6	16,238	16,957
As at 31 July 2019	1,112	808	50,660	52,580

USS deficit

The obligation to fund the past deficit on the University's Superannuation Scheme (USS) arises from the contractual obligation with the pension scheme for total payments relating to benefits arising from past performance. Management have assessed future employees within the USS scheme and salary payment over the period of the contracted obligation in assessing the value of this provision. Since the year end, following the completion of the 2018 actuarial valuation, a new deficit recovery plan has been agreed of which more detail is given in Note 22. As at 31 July 2019 and with all other assumptions used to calculate the provision unchanged, this would have resulted in a revised provision of £663,252, a decrease of £448,440 from the current year end provision

Pension enhancements on early retirement

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

18. Revaluation Reserve

Consolidated and The University

	Inherited assets £000	Inherited loans £000	Total £000
Revaluations			
Original values at time of revaluation	34,040	(3,675)	30,365
Contribution to depreciation / repayment of principal To 31 st July 2018	(23,437)	3,664	(19,773)
Released in year	10,603	(11)	10,592
Net revaluation amount			
At 31 July 2019	-	-	-

Notes to the Financial Statements

19. Cash and cash equivalents

	At 1 st August 2018 £'000	Cash flows £'000	At 31 st July 2019 £'000
Consolidated			
Cash and cash equivalents	38,935	(8,806)	30,129
	38,935	(8,806)	30,129

20. Lease Obligations

Operating Leases

	Consolidated		University	
	2019 £000	2018 £000	2019 £000	2018 £000
Minimum lease payments under non-cancellable operating lease commitments in respect of equipment on leases expiring:				
Within one year	69	61	-	46
Between two and five years	46	73	-	73
Over 5 Years	-	-	-	0
Total lease payments due	115	134	-	119

Finance Leases

	Consolidated		University	
	2019 £000	2018 £000	2019 £000	2018 £000
Minimum lease payments under non-cancellable finance lease commitments in respect of IT equipment for periods expiring:				
Within one year	1,107	1,107	1,107	1,107
Between two and five years	2,208	3,315	2,208	3,315
Over 5 Years	-	-	-	-
Total lease payments due	3,315	4,422	3,315	4,422

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

21 Capital Commitments

	Consolidated		University	
	2019 £000	2018 £000	2019 £000	2018 £000
Commitments contracted at 31 July	406	16,419	406	15,466
	406	16,419	406	15,466

Notes to the Financial Statements

22. Pension Schemes

The University's employees belong to three principal pension schemes, the Teachers' Pension Scheme (TPS), the Local Government Pension Scheme (LGPS) administered by Northamptonshire County Council, and the Universities Superannuation Scheme (USS). All are defined benefit schemes. The total pension cost for the year was £11,251k (Note 7) (2018: £10,854k).

Teachers' Pension Scheme (TPS)

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

Latest actuarial valuations	31 March 2016
Actuarial method	Projected Unit Method
Real discount rate	2.8%
Pensions increases	2.0%
Rate of earnings growth above CPI	2.2%
Notional value of assets at date of last valuation	£196 billion
Shortfall at 31.03.16	£22 billion

During the year the employer's contribution rate was 16.5%. Following the latest valuation, from September 2019 the employer's rate will rise to 22.8% of pensionable pay. An appropriate provision in respect of unfunded pensioners' benefits is included in provisions. The employees' contribution rate to the scheme was in a range of 7.4% to 11.7% depending on salary level.

The value of employers pension payments made in year to the Teachers' Pension Scheme was £3,943k (2018: £3,880k).

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

Universities Superannuation Scheme (USS)

The University participates in Universities Superannuation Scheme. The scheme is a hybrid pension scheme, providing defined benefits (for all members), as well as defined contribution benefits. The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the assets are not attributed to individual universities and a scheme-wide contribution rate is set. The University is therefore exposed to actuarial risks associated with other universities' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. As required by Section 28 of FRS 102 "Employee benefits", the University therefore accounts for the scheme as if it were a wholly defined contribution scheme. As a result, the amount charged to the profit and loss account represents the contributions payable to the scheme.

In accordance with the requirements of the SORP, the University currently recognises a provision for its obligation to fund past deficits arising within the Universities Superannuation Scheme (USS). Since the University has entered into an agreement (the Recovery Plan) that determines how each employer within the scheme will fund the overall deficit, the University recognises a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and therefore an expense is recognised.

In 2019, the percentage of payroll paid for those in the scheme was 24.2% (2018: 18%). The total cost charged to the income and expenditure account is £279k (2018: £273k).

The latest available complete actuarial valuation of the Retirement Income Builder section of the Scheme is at 31 March 2017 ("the valuation date"), which was carried out using the projected unit method. As at the year end a valuation as at 31 March 2018 was underway but not yet complete. Since the University cannot identify its share of USS Retirement Income Builder assets and liabilities, the following disclosures reflect those relevant for those assets and liabilities as a whole.

Notes to the Financial Statements

22. Pension Schemes (continued)

The 2017 valuation was the fourth valuation for the scheme 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 £60.0 billion and the value of the scheme's technical provisions was £67.5 billion indicating a shortfall of £7.5 billion and a funding ratio of 89%.

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

Mortality base table	Pre-retirement: 71% of AMC00 (duration 0) for males and 112% of AFC00 (duration 0) for females.
	Post retirement: 96.5% of SAPS S1NMA "light" for males and 101.3% of RFV00 for females.
Future improvements to mortality	CMI_2016 with a smoothing parameter of 8.5 and a long term improvement rate of 1.8% pa for males and 1.6% pa for females.

The current life expectancies on retirement at age 65 are:

	2019	2018
Males currently aged 65 (years)	24.6	24.5
Females currently aged 65 (years)	26.1	26.0
Males currently aged 45 (years)	26.6	26.5
Females currently aged 45 (years)	27.9	27.8

A new deficit recovery plan was put in place as part of the 2017 valuation, which requires payment of 5% of salaries over the period 1 April 2020 to 30 June 2034. The 2019 pension liability provision reflects this plan. The provision figures have been produced using the following assumptions as at 31 March 2018 and 2019.

	2019	2018
Discount rate	2.44%	2.64%
Price Inflation (CPI)	2.11%	2.02%

Local Government Pension Scheme (LGPS)

The LGPS is a funded defined benefit pension scheme, with the assets held in separate administered funds. The total contribution made for the year ended 31 July 2019 was £3,891k of which employer's contributions totalled £2,804k and employees' contributions totalled £1,087k. As per the Actuarial report, the estimated Employer's contributions for the year ended 31 July 2020 will be approximately £3,505k. As at the 31 July 2019 amounts due were £nil (2018: £nil).

The contribution rate for 2018/19 was 17.4% along with a monetary amount of £689k. For 2019/20 the contribution rate is 17.4% along with a monetary amount of £706k.

Notes to the Financial Statements

22. Pension Schemes (continued)

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

	31 July 2019 £000	31 July 2018 £000	31 July 2017 £000
CPI Inflation	2.4%	2.4%	2.4%
Rate of increase in salaries	2.7%	2.7%	2.8%
Rate of increase in pensions	2.4%	2.4%	2.5%
Discount rate for liabilities	21%	2.8%	2.7%

The assumed life expectations on retirement are:

	2019	2018
Current Pensioners		
Males	22.1	22.1
Females	23.3	24.2
Future Pensioners (aged 45 in 2016)		
Males	22.3	23.9
Females	24.7	26.1

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

	2019		2018		2017	
	Long term rate of return expected at 31 July 2019	Value at 31 July 2019 £000		Long term rate of return expected at 31 July 2018	Value at 31 July 2018 £000	Long term rate of return expected at 31 July 2017
Equities	2.4%	70,181	2.8%	65,995	2.7%	57,462
Bonds	2.4%	15,382	2.8%	13,377	2.7%	12,769
Property	2.4%	8,653	2.8%	7,135	2.7%	6,385
Cash	2.4%	1,923	2.8%	2,676	2.7%	3,192
Total market value of assets		96,139		89,183		79,808

	2019 £000	2018 £000	2017 £000
University's estimated asset share	96,139	89,183	79,808
Present value of scheme liabilities	(146,799)	(123,605)	(121,172)
Deficit in the scheme - University	(50,660)	(34,422)	(41,364)

	2019 £000	2018 £000
Consolidated		
Estimated asset share	102,789	95,491
Present value of scheme liabilities	(153,495)	(129,474)
Deficit in the scheme - Consolidated	(50,706)	(33,983)

Notes to the Financial Statements

22. Pension Schemes (continued)

Analysis of net return on pension scheme University	2019 £000	2018 £000
Expected return on pension scheme assets	2,524	2,182
Interest on pension scheme liabilities	(3,524)	(3,334)
Net return	(1,000)	(1,152)
Analysis of net return on pension scheme – Consolidated	2019 £000	2018 £000
Expected return on pension scheme assets	2,701	2,338
Interest on pension scheme liabilities	(3,691)	(3,491)
Net return	(990)	(1,153)
Amounts recognised in the statement of comprehensive income – University	2019 £000	2018 £000
Actual return less expected return on pension scheme assets	2,373	5,025
Change in financial and demographic assumptions underlying the scheme liabilities	(14,972)	5,761
Actuarial gain recognised in Statement of Comprehensive Income and Expenditure Account	(12,599)	10,786
Amounts recognised in the statement of comprehensive income – Consolidated	2019 £000	2018 £000
Actual return less expected return on pension scheme assets	2,538	5,384
Change in financial and demographic assumptions underlying the scheme liabilities	(15,460)	5,985
Actuarial gain	(12,922)	11,369
Movement in deficit during year – University	2019 £000	2018 £000
Deficit in scheme at beginning of year	(34,422)	(41,364)
Movement in year:		
Current service charge	(6,064)	(6,031)
Contributions	3,425	3,339
Net interest / return on assets	(1,000)	(1,152)
Actuarial gain or loss	(12,599)	10,786
Deficit in scheme at end of year	(50,660)	(34,422)
Movement in deficit during year – Consolidated	2019 £000	2018 £000
Deficit in scheme at beginning of year	(33,983)	(41,292)
Movement in year:		
Current service charge	(6,335)	(6,356)
Contributions	3,524	3,449

Notes to the Financial Statements

22. Pension Schemes (continued)

Net interest / return on assets	(990)	(1,153)
Actuarial gain or loss	(12,922)	11,369
Deficit in scheme at end of year	(50,706)	(33,983)

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

University

	2019 £000	2018 £000
At the beginning of the year	(123,605)	(121,172)
Current service charge	(6,064)	(6,031)
Interest cost	(3,524)	(3,334)
Contributions by scheme participants	(1,054)	(1,032)
Actuarial (gains) and losses	(14,972)	5,761
Benefits paid	2,420	2,203
At the end of the year	(146,799)	(123,605)

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

Consolidated

	2019 £000	2018 £000
At the beginning of the year	(129,474)	(126,855)
Current service charge	(6,335)	(6,356)
Interest cost	(3,691)	(3,334)
Contributions by scheme participants	(1,093)	(1,081)
Actuarial (gains) and losses	(15,460)	5,985
Benefits paid	2,558	2,324
At the end of the year	(153,495)	(129,474)

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

University

	2019 £000	2018 £000
At the beginning of the year	89,183	79,808
Expected rate of return on scheme assets	2,524	2,182
Actuarial gains and losses	2,373	5,025
Contribution by the employer	3,425	3,339
Contributions by scheme participants	1,054	1,032
Benefits paid	(2,420)	(2,203)
At the end of the year	96,139	89,183

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

Consolidated

	2019 £000	2018 £000
At the beginning of the year	95,491	85,563
Expected rate of return on scheme assets	2,701	2,338
Actuarial gains and losses	2,538	5,384
Contribution by the employer	3,524	3,449
Contributions by scheme participants	1,093	1,081
Benefits paid	(2,558)	(2,324)
At the end of the year	102,789	95,491

Notes to the Financial Statements

22. Pension Schemes (continued)

History of experience gains or losses	2019	2018	2017	2016
	£000	£000	£000	£000
Difference between the expected and actual return on assets:				
Amount	0	0	(5)	50
% of scheme assets	0.0%	0.0%	0.0%	0.0%
Experience gains and (losses) on scheme liabilities:				
Amount	2	4	629	1,053
% of scheme liabilities	0.0%	0.0%	0.1%	0.9%
Total amounts recognised in statement of Comprehensive Income and Expenditure Account:				
Amount	(12,922)	11,369	9,399	(8,276)

The cumulative amount of actuarial gains and losses recognised in the Statement of Comprehensive Income and Expenditure Account is £(17,477)k (2018: £(4,555)k).

Sensitivity analysis

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

Change in assumptions at 31 July 2018:	Approximate % increase to Defined Benefit Obligation	Approximate monetary amount (£000)
0.5% decrease in Real Discount Rate	13%	18,430
0.5% increase in the Salary Increase Rate	2%	2,401
0.5% increase in the Pension Increase Rate	11%	15,704

23. Related Party Transactions

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

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

Notes to the Financial Statements

23. Related Party Transactions (continued)

Related Party	Party Associated	Relationship to Party	Transactions in year	Amounts due / receivable with University at 31 July 2018
Professor Nick Petford	University and Colleges Employers Association (UCEA)	Director	£8,870 was invoiced from UCEA to the University for membership and employment reports.	nil
	Starcrest Education The Belt & Road Limited	Director	£12,500 was invoiced by University of Northampton to Starcrest for Directors fees	£5,000 is receivable from Starcrest for Directors fees.
Mr Terry Neville	Uno Buses (Northampton) Ltd	Director	£1,481,385 was invoiced by University of Northampton for rent and maintenance costs. £1,544,760 was invoiced from Uno Buses (Northampton) Ltd to The University of Northampton Enterprises Ltd for provision of bus services.	£200,000 is receivable by the University from an intercompany loan to Uno Buses.

24. Endowment assets/funds - Consolidated & University

	Restricted Permanent £000	Total Permanent £000	Restricted Expendable £000	Total £000
Balances at 1 August 2018				
Capital	725	1,079	25	1,104
Reclassification	-	(96)	96	-
New endowments	-	5	71	76
Investment income	-	55	-	55
Expenditure	-	(30)	(124)	(154)
At 31 July 2019	725	1,013	68	1,081
Represented by:				
Investments	725	915	-	915
Cash	-	98	68	166
	725	1,013	68	1,081

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

25. Contingent Liabilities

There are no material contingent liabilities (2018: £Nil).

Notes to the Financial Statements

26. Post balance sheet events

As set out in Note 22 in respect of the USS pension scheme, a new Schedule of Contributions based on the 2018 actuarial valuation has been agreed. This results in a decrease of £448k in the provision for the Obligation to fund the deficit on the USS pension which would instead be £1,112k. This adjustment will be reflected in the University's Financial Statements for the year ended 31 July 2020.