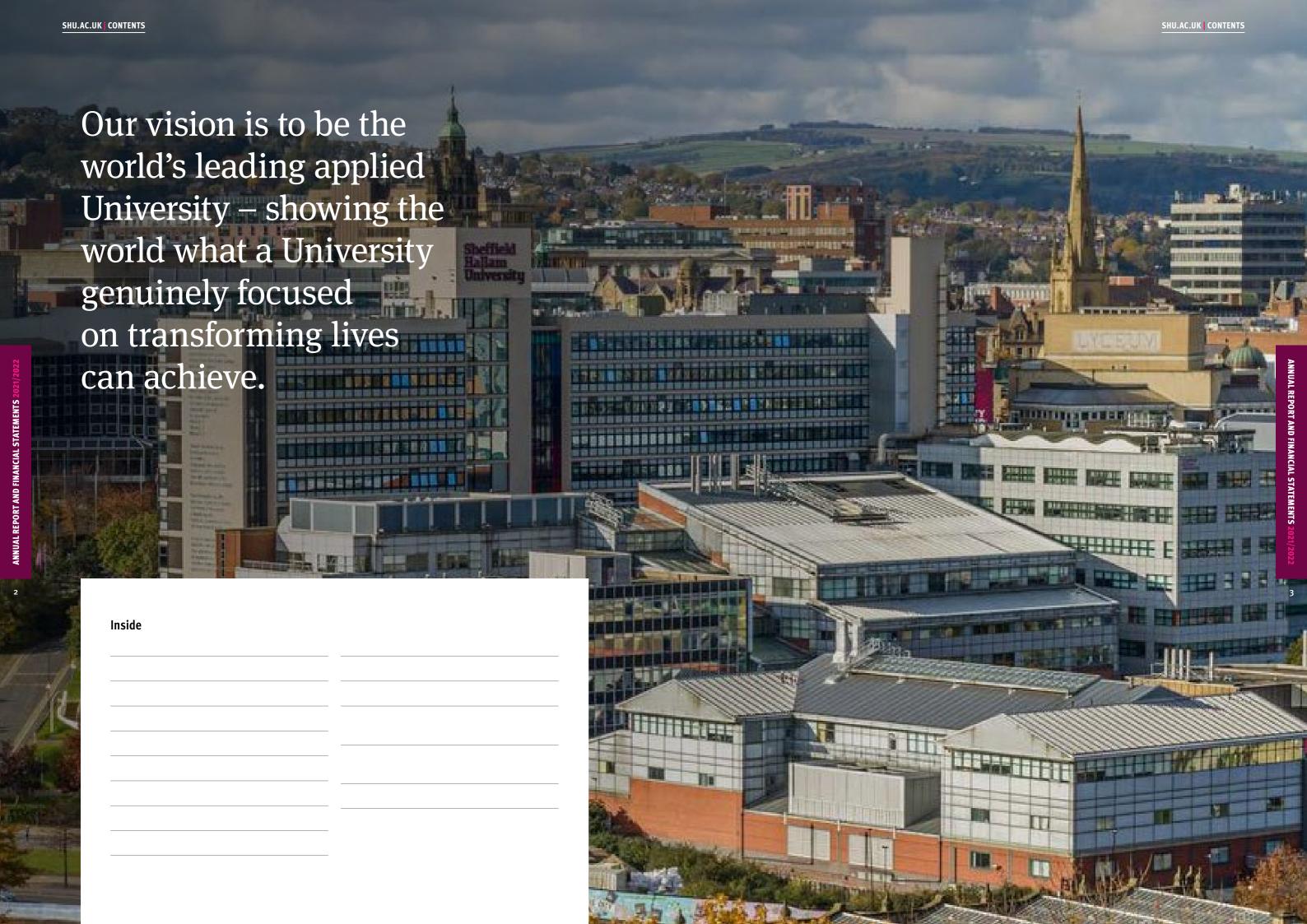
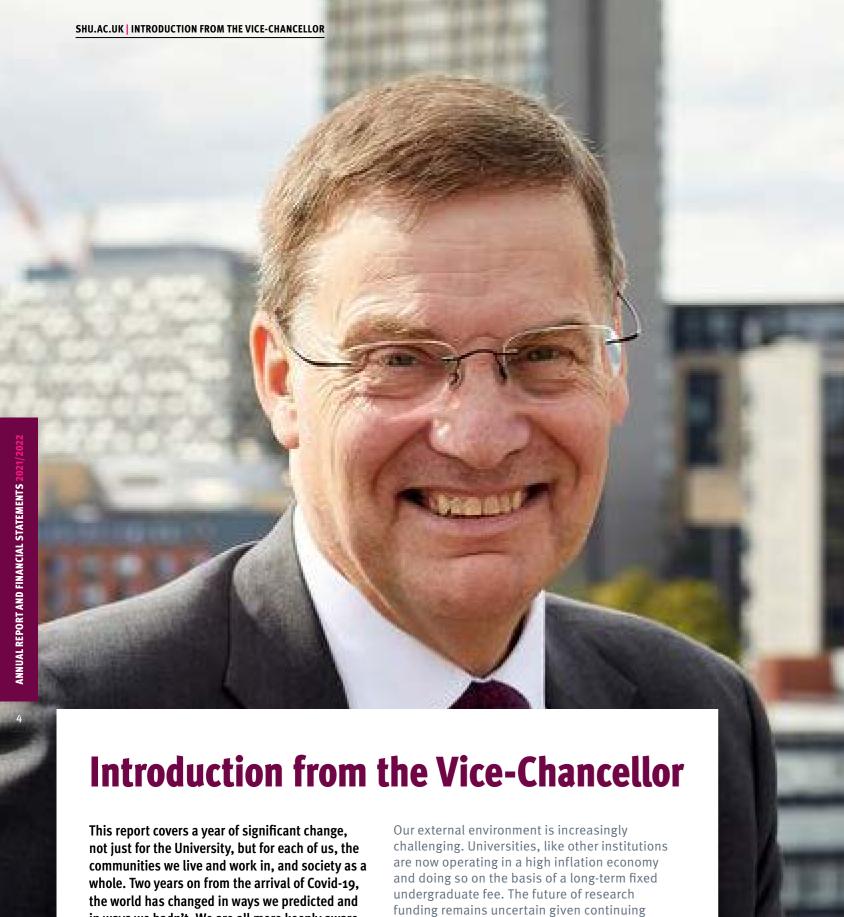


Annual Report and Financial Statements

 $\frac{2021}{2022}$





For all the challenges, it has been an exciting year for Sheffield Hallam. Our re-stated Transforming Lives strategy has given the University renewed clarity and purpose. We have conducted a comprehensive review of our teaching and research portfolio which will ensure a strong and resilient offer to students. We have built on the flexibilities we have developed over the last two years, engaging and supporting our community as we emerged from restrictions, and focused on transforming the way we use our physical and digital estate whilst securing financial stability.

The progression of our campus plan is at the core of this. The hoardings on Howard Street currently enclose a huge development project which will transform City Campus – giving it the heart and identity it has lacked, reshaping the city centre and providing exceptional environments in which to work and study, as well as being one of the largest net zero ready developments in higher education. Although this is a major estates programme, it is about something far more: the basis for the University's long-term future.

Equally important for the University's longterm future is the decision, formally approved this year, to open what will be the University's first campus outside South Yorkshire. The Sheffield Hallam London campus is an anchor component of a major new urban development in Brent Cross. In essence, Brent Cross Town is an entirely new town, nestled in a corner of the London Borough of Barnet. It is a major regeneration project in its own right. Our engagement with Brent Cross Town reflects our mission, strategy and values: the opportunity to be actively engaged in shaping a new urban community. Over the next decade the Hallam London campus will become an integral part of the University, growing to some 5000 students and expanding the University's influence, provision and impact. The campus is scheduled to start welcoming students in 2025/26. Our London campus will allow us to take our distinctive approach to curriculum and applied research to a new location. Meeting local needs with the same imagination, drive and commitment we have in Sheffield. The London campus will also provide a base for us to expand opportunities for Sheffield-based students to undertake placements and will allow us to widen the range of private and public sector partners we work with on research and innovation.

In the last year, Sheffield Hallam's achievements have been increasingly recognised. We have added to our 2020 University of the Year for Teaching Quality award with further accolades – and the list is impressive. We are Entrepreneurial University of the Year, and University of the Year in both the UK Social Mobility Awards and the Educate North Awards. Our estates team won the Estates Team of the Year award. Our results in the Research Excellent Programme were impressive: we doubled the size of our entry, raised quality and stepped up our research power measure. There are common themes in these awards – our success in embedding entrepreneurship and employability principles throughout our teaching, regional partnerships and research programmes, in advancing social mobility through higher education and achieving outstanding outcomes for our graduates and in our commitment to making a positive impact on our city and region.

Of course, there is more to do. Some of our challenges are specific to Hallam. We know we need to work harder to make sure all our students realise their potential - we need to further embed our approach to ensure that they can. We know we have a long way to go to rebuild student experience after the pandemic. We need to be clearer about what we offer and better utilise our research expertise in our curriculum. Some of our challenges are faced by all universities. We have to do more to make our campus and the way we operate more sustainable and agile. We need to do more to address climate change.

Our journey is not complete, but we have made striking progress. I am proud of everything the University has achieved together and am excited for the future. We are in a strong position. The collective commitment, creativity and determination of our community will ensure Sheffield Hallam continues to adapt and change as we move forward together.

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Professor Sir Chris Husbands Vice-Chancellor

Sheffield Hallam University

This report covers a year of significant change, not just for the University, but for each of us, the communities we live and work in, and society as a whole. Two years on from the arrival of Covid-19, the world has changed in ways we predicted and in ways we hadn't. We are all more keenly aware of our need for community, but our expectations of how we live, study and work have changed. As we emerge from pandemic restrictions, understanding these changes will help us to rebuild student experience, re-animate our campuses and reshape

the University for the future.

Our external environment is increasingly challenging. Universities, like other institutions are now operating in a high inflation economy and doing so on the basis of a long-term fixed undergraduate fee. The future of research funding remains uncertain given continuing questions about participation in European research – a funding source which has been extremely important to the sector. The political climate increasingly requires universities to defend the long-term benefits of a high participation higher-education sector.

Foreword by the Chair



Although the academic year 2021/22 has seen us emerge on the other side of the global Covid-19 pandemic, things did not simply 'return to normal' for communities, organisations, and people across the globe. The same is true for Sheffield Hallam. This report tells the story of how the University emerged from the pandemic, but also of how the university community has adapted to the post-pandemic world in which there has been fundamental change.

Student expectations on studying and learning have shifted, with some aspects of the experience considered more important than ever, including feeling part of a wider community. Staff work in new and more flexible ways, with practices and settings becoming increasingly varied to reflect how different teams operate best. Furthermore, the organisations we work with have new and emerging priorities, with many employers finding it increasingly difficult to find the skills they need.

This presents any organisation with a real challenge, but it also represents an opportunity for renewal. The Board of Governors and I have been particularly impressed to see how the university community has responded, being adaptable in the face of change, whilst never losing sight of our overall mission and responsibilities. This is reflected by the impressive progress made against our transforming lives strategy during 2021/22.

An award-winning focus on work-based learning and employability has led to Sheffield Hallam becoming the top UK modern university for numbers of students entering highly skilled employment within 15 months of graduating. The University also enrolled more students from low participation neighbourhoods than any other UK university for the fifth consecutive year. On research, we have experienced a rapid expansion of the portfolio, which saw the University double the size of the 2021 REF submission. These are all achievements to be immensely proud of.

Furthermore, the University is cementing its role as a driver of economic growth and social mobility. That is true in Sheffield, where work has also begun on a major redevelopment of the city centre campus, which will see Sheffield Hallam move to a single campus. It is true in our work nationally too, exemplified in our work on civic engagement as the host of the national Civic University Network and in our our sector-leading Civic University Agreement supported by key partners. And it is true in the announcement of one of the most significant strategic developments in the University's history – the establishment of a new London Campus in the Brent Cross Town development. Our ambition for the future is clear.

The Board of Governors have been particularly pleased that this success and ambition has been recognised through several industry leading awards over the last year. These are much deserved, not least of all for the resilience, focus and commitment shown by all our students and staff.

There is no doubt that the external environment is increasingly challenging, and our overriding priority is to support the university community through what look set to be difficult economic times. But we can be positive about the future.

Rt Hon The Lord Kerslake
Chair of the Board of Governors

Sheffield Hallam University

The last few years have seen the University overcome the biggest crisis in our generation, thanks to the ingenuity and hard work of our students and staff.

With this outstanding community behind us, the Board of Governors and I are confident that Sheffield Hallam is in a strong position to negotiate any new challenges that emerge in the next twelve months, as we continue with our important mission to transform lives.



Our University

Sheffield Hallam is one of the UK's largest and most diverse universities. We have a community of over 30,000 students, 4,000 staff and more than 280,000 alumni around the world. We provide people from all backgrounds with the opportunity to develop the skills, knowledge, and to gain experience to succeed in whatever they choose to do.

Our mission is to become a world leading applied university.

While our journey is not complete, we have made striking progress since 2017 – and against the background of the global pandemic. We have won national awards for excellent teaching, and for attracting students who are the first in their families to attend university. HESA confirmed that more of our graduates were in highly skilled employment than any other modern university. Our research is recognised for its real-world impact.

To realise our mission, we have transformed what we do. Every course is underpinned by the principles of the Hallam Model: "engage, challenge, collaborate, thrive". Every student has a 'triangle' of dedicated support: an academic adviser, an employability adviser and a welfare adviser.

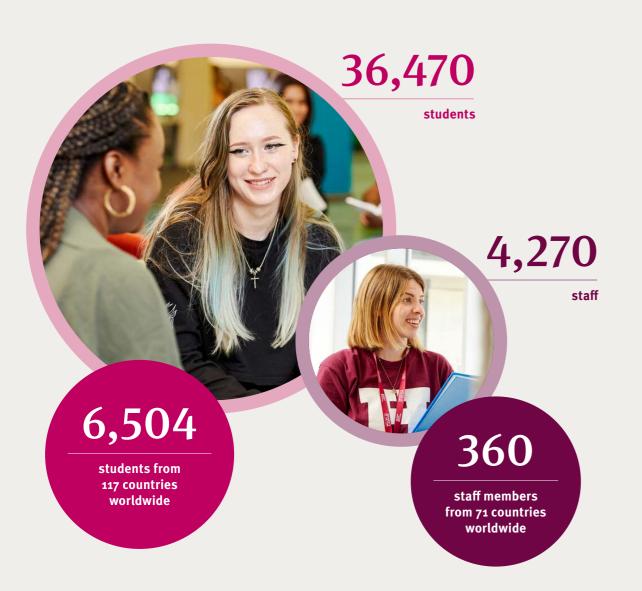
Every course connects directly to employers and the community, with digital technologies embedded. And we do this through different approaches to learning from conventional lectures and seminars to digital platforms, studio work, field trips and placements.

Our university is at the heart of Sheffield and South Yorkshire. We are very proud of our civic role and are committed to ensuring that local communities see and enjoy the benefits from having a university on their doorstep. In 2021 we launched our "Civic University Agreement", which outlines new commitments to deliver a significant contribution to our region's health and wellbeing, education and skills, economy and jobs, and community and regeneration.

Our reach is global. Our worldwide reputation is strengthening and we are delighted that we are a rich and diverse international community of students, staff and partnerships spanning 120 countries. We maintain connections with over a hundred universities around the world. This year, we are especially proud to have been one of the first UK universities to establish a partnership with a Ukrainian university, and we look forward to embedding our relationships in Ukraine.

This annual report looks back at some highlights over the past year, illustrating all that Sheffield Hallam has achieved while also setting out our plans and priorities for the future.

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highest rank University in the World for our impact on Gender Equality.

1,330

We welcome more young students from the most disadvantaged backgrounds in the UK than any other university.





Of our graduates in employment or further study 15 months after Graduation.

84%

Overall postgraduate satisfaction in 20/21 Postgraduate Taught Experience Survey.

57%

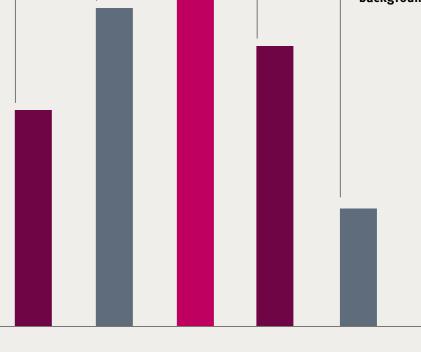
Of our students are Female.

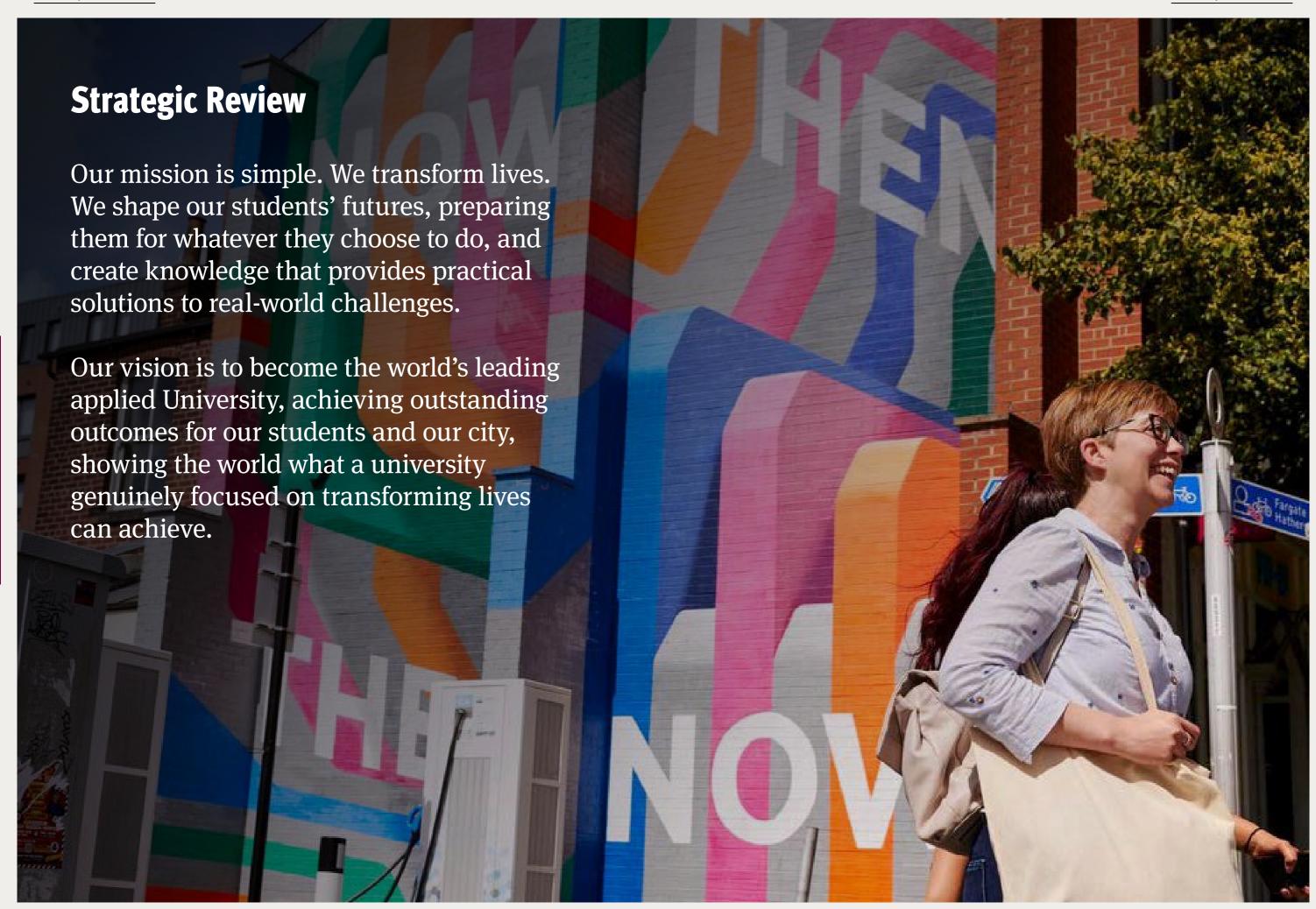


Of our graduates in highly skilled employment or further study.



Of our students are from BAME backgrounds.





Highlights from 2021/22

This report covers a further period of exceptional challenge for universities around the world and, therefore, for Sheffield Hallam. The global pandemic continued to have an impact on every aspect of our work, and on all of our students and staff. The University has worked hard to find new ways to adapt to enable students and staff to have the best possible experience.

Given the depth and range of the external challenges, we are exceptionally proud that Sheffield Hallam was recognised for national awards across so many aspects of our work. Increasingly, these external awards are being secured in areas which we have prioritised as critical to our mission – in opening opportunities, extending horizons and delivering value for our community and our place.

This year, our awards have included:

- · 2021 University of the Year at the UK Social Mobility (SOMO) Awards;
- · 2022 University of the Year at the Educate North Awards;
- · 2022 Outstanding Entrepreneurial University at the Times Higher Education (THE) Awards;
- · 2022 Estates Team of the Year at the Association of University Directors of Estates (AUDE) Award;
- · 2022 Higher Education Institution of the Year at the National Education Opportunities Network (NEON) Awards:
- · 2022 Training Provider of the Year at the South Yorkshire Apprenticeship Awards.





Student experience

The University adapted to ensure learning took place through a mixture of in-person and online learning, with activities on campus with peers prioritised. Students were also able to access more on campus events and support, while our community was also able to come together to celebrate Graduation at in-person ceremonies over a period of three weeks.

The annual Higher Education Statistics Agency (HESA) Graduate Outcomes Survey showed that Sheffield Hallam had more graduates in highly skilled employment than any other modern university. 1,930 graduates reported being in highly skilled employment within 15 months of graduating.

We reached the landmark of 2,000 degree apprentices studying at the University through one of the largest and most diverse portfolio of degree apprentice courses in the country.

The year has seen some outstanding stories of individual success:

- · Cherri Chan, a Packaging Professional degree apprentice at Unilever UK and Ireland, was awarded Apprentice of the Year 2021 by the Food and Drink Federation.
- Ashley Watson, a physiotherapy student, represented Jamaica at the 2021 Winter Olympics as part of the four-man bobsleigh team.
- Olivia Tindle received a Bell Burnell Graduate Scholarship from the Institute of Physics (IOP). The scholarship will fund Olivia's PhD research in nuclear data, which underpins studies into nuclear technology and astrophysics and helps scientists to answer questions about the beginnings of our universe.



Applying our knowledge

The 2021 Research Excellence Framework (REF), the results of which were published in 2022, found that 72% of Sheffield Hallam research is 'world-leading' (4*) and 'internationally excellent' (3*).

The University's submission was the biggest and most diverse ever, with the work of 500 academics across 14 subject areas included.



A number of academics from across the University were part of COP 26 in Glasgow. In addition, through the involvement of the National Centre of Excellence in Food Engineering, Sheffield Hallam became a major partner in the South Yorkshire Sustainability Centre. This brings together world-leading experts with regional partners to support organisations across South Yorkshire to decarbonise the economy.

The Advanced Wellbeing Research Centre (AWRC) Wellbeing Accelerator programme began its second phase, supporting a diverse range of local, national and international early-stage health technology businesses to develop and test their innovative products.

The Centre for Regional Economic and Social Research (CRESR) secured £1.2 million to evaluate the success of the Government's national active travel investment, which is aimed at encouraging more people to walk or cycle short journeys.

Professor Babak Akhgar, founder and director of Sheffield Hallam's Centre of Excellence in Terrorism, Resilience, Intelligence and Organised Crime Research (CENTRIC), was awarded an OBE in the Queen's Birthday Honours. A globally recognised, pioneering leader in his field, Professor Akhgar has made a major contribution to making the world a safer place through the development of innovative programmes to tackle organised crime, child sexual exploitation and terrorism.

Shaping place

Progress has been made on key priorities set out in last year's 'Civic University Agreement' to bring about positive change in the region:

- The Early Years Community Research Centre, based in the Shirecliffe area of Sheffield, is thriving. Its nursery provision, Meadows Nursery, has 40 full-time places for local children aged two to five and is a flourishing hub for innovative early years learning.
- The GROW Mentoring Programme, which was originally set up in 2020 in response to the pandemic, has supported more than 2,000 GCSE and A-Level students across South Yorkshire since its launch. The programme pairs graduate mentors with Y10-13 pupils in schools and colleges to offer one-to-one support and has been extended to support young people with special educational needs.
- Rotherham Children's University celebrated 3,000 local children taking part in over 18,000 hours of extra-curricular activities activity to help develop essential life skills. The programme is now entering the next stage of development with plans to grow the number of schools and engage with a larger number of children, particularly those from disadvantaged backgrounds.
- Sheffield Hallam became a major partner in the South Yorkshire Sustainability Centre (SYSC).
 The research centre brings together worldleading experts with regional partners to support organisations across South Yorkshire to decarbonise.

A regional collaboration, including Sheffield Hallam, successfully secured over £12 million to establish a new South Yorkshire Institute of Technology (IoT). The IoT will work closely with employers to provide specialist provision for over 1,500 learners, aiming to meet the demand for construction, digital, engineering, manufacturing, and healthcare science higher-level technical skills.

In November 2021, Hallam signed the UN's Race to **Net Zero Pledge** – publicly committing to achieving net zero on Scopes 1 and 2 by 2030 and to have made significant inroads towards net zero on Scope 3 by 2038. As a university, we have been proactively recording and reducing our Scope 1 and 2 carbon for many years, with consistent reductions in emissions since 2009, and steep reductions since 2015. Our biggest carbon emissions are related to Scope 3 (indirect emissions) which include leased assets, purchased goods and services as well as waste, water and travel. As part of the UN Race to Zero pledge, we have publicly committed to providing evidence of our progress against the targets on an annual basis and we will do so in future iterations of this report.

The University will be launching its ambitious **Climate Action Strategy** in Autumn 2022 to tackle the climate emergency, create a **net zero campus** and ensure that climate awareness and action is embedded in all aspects of our institutional ethos and approaches.

The University twinned with Kyiv National University of Technologies and Design, offering support to Ukrainian students and academics during the conflict. Sheffield Hallam is one of the first universities in the UK to twin with a Ukrainian institution.

As part of our commitment as a 'University of Sanctuary', we committed £500,000 to scholarships and bursaries for refugee students who have sought asylum in the UK.



Measuring our performance

Sheffield Hallam's Transforming Lives strategy was launched in 2017. In 2021 we agreed a variation to the Key Performance Indicators (KPIs) that we use to monitor progress. Our performance against these measures is shown below, split across the themes of our University plan.

Portfolio and recruitment KPIs

Growth in the number of full-time home undergraduate students

Last year 21/22 performance 7,156 6,453

We saw a fall in our undergraduate numbers in September 2021, partly as a result of changes in applicant behaviour following the award of A-levels on the basis of teacher-assessed grades which affected recruitment across the sector. Early enrolment data for Autumn 2022 shows that we will return to growth in 22/23, following increased applications and offers during 21/22.

Improved average entry tariff

Last year 21/22 performance

We saw an increase in our score on this KPI in 21/22, which relates to 20/21 entrants. We will have more sight of progress through this year when the next set of sector data becomes available in November 2022. For context, three Bs at A-level are worth 120 points.

Increased apprenticeship numbers

Last year 21/22 performance

731 9

This has been an area of significant growth for the University in recent years, reaching a total of 961 new students in 21/22.

Increased recruitment of international postgraduate students

Last year 21/22 performance

1,412 3,384

We have seen rapid increase in our numbers of overseas students in 21/22 to the highest level ever, with particular growth from India and Nigeria.

Improved contribution

Last year 21/22 performance f103.0 million f104.5 million

Contribution is our total income less delivery costs. It is used to finance corporate and infrastructure costs. It increased slightly in 2021/22 to £104.5 million, which was £2.8 million higher than budget.

Learning, teaching and assessment KPIs

Improved satisfaction with teaching and learning

21/22 Last year performance

Undergraduate 77% 76% Postgraduate 82% 85%

Satisfaction scores from the National Student Survey (NSS) for teaching and learning on undergraduate courses has remained at a similar level to last year, which saw a significant decline from previous years. We are aiming to return to those higher levels in 2023. Postgraduate scores from the Postgraduate Taught Experience Survey (PTES) have increased and now sit within the top quartile of the sector.

Maintain strong rates of progression to highly-skilled employment

Last year 21/22 performance 71% 71%

The percentage of our graduates in Highly Skilled Employment or Further Study 15 months after graduation, based on a survey of those who graduated in 2019/20, has remained at a high level, and makes us one of the leading modern universities on this measure.

Reduce our degree awarding gap

Last year 21/22 performance

15% 14%

We have continued to reduce the gap between the 'Good Honours' rate of White students and those of a Black, Asian or Minority Ethnic (BAME) background (at 19% in 19/20), but still have progress to make. This reflects the outcomes of 20/21 graduates – the outcomes for 21/22 graduates will be available in November 2022.

Reduce academic delivery costs as % of income

Last year 21/22 performance

44.1% 42.4%

Academic Delivery pay costs are only £0.3 million higher than budget despite additional pay cost pressures from additional students and NI increases. However, reduced activity in the first half of the year and reduced capacity has moved the costs as % of income from 44.1% to 42.4%, which is 1.8% favourable to budget.

Research and innovation KPIs

Improve our Grade Point Average (GPA) in the Research Excellence Framework (REF)

REF 2014 REF 2021 2.76 2.93

Research papers submitted for assessment in the REF receive a quality rating up to 4*. The GPA essentially provides an average score of quality across our whole submission. Our Average GPA increased in REF 2021 to 2.93 from 2.76 in REF 2014. This is an especially strong performance as it was based on submissions from 458 staff, compared to only 226 in the last exercise, meaning that our 'research power' (calculated by multiplying quality and volume) more than doubled.

Reduce research investment

Last year 21/22 performance

£2.3 million £5.3 million

Overall research has required an increase to the investment needed of £2.0 million. There was a slight increase in income, but costs increased by a greater amount.

Increase research and knowledge transfer income

Last year 21/22 performance

£17.1 million £17.9 million

Income from research was down on 20/21 by around £0.86 million but an increase in Knowledge Transfer income of around £1.7 million led to an overall increase.

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Student experience across the lifecycle KPIs

Improved satisfaction with the Student Voice/Engagement

Last year 21/22 performance

UG 64% 63% PG 77% 82%

In a similar pattern to overall satisfaction in the NSS, satisfaction scores did not increase for Undergraduate students. Postgraduate scores have increased and now sit within the top quartile of the sector.

Maintain strong continuation rates for undergraduate students

Last year 21/22 performance 94% 91%

The latest data, reported in November 2021, relates to continuation of students from their first to second years in the 20/21 academic year, where we saw a slight drop from 94% in the prior year. However, this does align to performance in previous years, with the 94% in 20/21 standing out as a particularly high continuation rate.

People and organisation KPIs

Increase the number of staff feeling proud to work at the University

Last year 21/22 performance 7.4/10 7.7/10

The responses to our staff survey show an increase in the average score given for the pride felt at working at the University.

Reduce the gender pay gap

Last year 21/22 performance

13.7% 13.7%

After significant reductions, from a gap of 18.6% in 18/19, the gender pay gap has remained at the same level this year. The gender pay gap is different from equal pay. Equal pay deals with the pay differences between men and women who carry out the same jobs, similar jobs or work of equal value. The gender pay gap shows the difference in average pay between men and women.

Reduce staff costs as a % of income

Last year 21/22 performance

62% 62%

The university experienced higher-than-average numbers of vacancies in many academic and professional service areas this year. Pay as a % of income is now budgeted at 62.2% despite £7.0 million of additional pay costs.

Infrastructure KPIs

Increase satisfaction with learning resources

Last year 21/22 performance

72% 8

We have managed to return student satisfaction with this aspect of our provision to above 80% after a drop in the last survey. This reflects the fact that students were able to return to campus and take advantage of the full range of resources on offer.

Values and social responsibility KPIs

Increase our staff diversity (% staff from minoritised communities)

Last year 21/22 performance

9.4% 10.1%

We have continued to make progress on this indicator towards building a workforce that more closely reflects our community.

Our priorities for 2022/23

During the global pandemic we undertook a thorough review of our strategy in the light of our achievements to date and the rapidly shifting external context. Staff from across the University engaged in a process of review and challenge. We collectively agreed that our Transforming Lives strategy remains our institutional framework for change and development, articulating our vision and mission. But we also agreed that we need to behave differently to realise that vision. Learning from our response to the Covid-19 pandemic, we are clear that our success depends on:

- Being more strategic in our academic offer and relationship to place
- Embedding higher quality and stronger innovation with greater resilience
- · Operating sustainably and with surplus
- · Being more agile and responsive
- Being an engaging place to learn, work and develop for students, staff and stakeholders

Our University Plan translates Sheffield Hallam's Transforming Lives strategy into a tangible plan for the next 3-5 years. It sets out seven strategic themes with clear outcomes that link back to our mission and vision for the next 3-5 years. For each of these themes, there are primary objectives and outputs which will be the focus for delivery in year 1 (2022/23).

Academic Offer

Shaping our teaching, research and innovation, ensuring that what we offer makes the most difference to students and society.

Student experience across the lifecycle

Creating a sense of belonging for all students across the student lifecycle that allows yet more of our students to thrive and succeed.

People and organisation

Ensuring we have the organisational structures, capabilities and workforce flexibility needed to drive forward our strategy.

Infrastructure

Fusing our physical and digital environments, to create a permeable learning, working and social environment, underpinned by efficient operations.

Place and profile

Extending our civic ambitions and commitment to socio-economic change, and embed place in our strategic decision-making. To enhance and extend our profile locally and globally.

Values and social responsibility

Ensuring that our planning and decision-making at all levels embeds our values, reinforces our commitment to equality, diversity and inclusion, and produces a step change in our environmental impact and leadership.

Financial sustainability

Delivering a sustainable financial performance so that we can continue to invest in our offer and assure the continuing stability of the organisation.

Risk Environment

Our risk environment

In 2021/22, the University has remained committed to continuing to provide a teaching and learning environment that transforms the lives of our students, ensuring positive outcomes, while maintaining our sustainability as an institution. Students and staff have engaged more with campus life and in-person learning this year, but the ongoing effects of the pandemic and other global changes have had an impact on our risk environment. This includes challenges finding the placements required by health students because of health sector backlogs; challenges with staff recruitment and retention in the Higher Education sector; a tighter labour market in the UK more generally, all coupled with the mounting pressure of costs and supply chain issues linked to the war in Ukraine.

Risks have been regularly assessed throughout the year in line with our strategic objectives. The University's risk appetite statement has been reviewed and updated to ensure continuing alignment with our strategy. This will shape our approach to risk in 2022/23.

Student recruitment

The University's primary source of income is UK full-time undergraduate students. Attracting these students continues to be challenging given the competitive market and changing attitudes towards teaching and learning as we emerge from the pandemic. Increased national marketing, including a campaign to promote Sheffield as an attractive university city for students, has been launched. The University also reintroduced on-campus recruitment activity, with well attended open days held in Autumn 2021 and early 2022. Academic portfolios have been reviewed in light of the changing needs of the Higher Education market and a new University taught portfolio plan developed which focusses on enhancing quality and sustainability; strategic growth; and diversification.

Early indicators show an improved level of undergraduate recruitment for the coming academic year. The University also reported the largest ever annual intake of international students in 2021/22. The strategy for future growth in this area is set to be reviewed in the coming year to ensure sustainability.

Funding and finance

Home undergraduate student fees (regulated fees) remain unchanged despite increasing delivery costs and rising inflation during 2021/22; given our reliance on home undergraduate student recruitment (see above), this represents a significant financial risk, especially in a context of high inflation.

Cost inflation is currently at a 30-year high which will cause long-term pressures on the University's cost base. This is further compounded by increases in the level of employer contributions to the University's pension schemes. This will reduce any surplus and consequently impact cash flow negatively. Cost efficiency measures will be undertaken to manage the impact.

Ongoing changes in national government pose a risk to the sector as funding decisions related to teaching, learning and research may be delayed or revised.

The University is committed to growing income in key areas, increasing efficiency of service delivery, and managing costs to ensure its long-term sustainability and success. The next 12 months are critical in shaping a clear institutional response to significant changes in the external environment and demand attention to the University's portfolio, operations, and business mix. The University must continue to be responsive to external change to ensure it can deliver its strategy.

Higher education policy

The publication of the government's response to the Augar review and associated documents has essentially shaped the financial and policy context for the next three years. The medium-term freeze on the home undergraduate fee poses a significant challenge, which will need to be mitigated.

Changes in national government and the associated political instability are likely to mean policy drift in the sector until after the next general election.

There are significant opportunities for the University, provided it can focus its priorities appropriately on teaching, civic engagement, and research and innovation.

Teaching quality and student outcomes

Teaching quality is critical to an excellent student experience, and the pandemic has significantly changed approaches to learning and teaching delivery as well as student expectations. Evidence from the 2022 National Student Survey (NSS) suggests that large, diverse urban universities, including Hallam, saw greater declines in student overall satisfaction than the sector as a whole. Understanding and remedying this is a key institutional priority.

There are several key measures of student outcomes and success where risks need to be managed carefully. We need to ensure high levels of continuation, which means that students do not drop out, but complete their courses and graduate; this reflects principally our obligation to maximise students' chances of success, but also the need to protect income from student fees. We need to maximise students' chances of securing good employment that draws on the skills that they have acquired at university. And we need to reduce the gap between the level of degrees awarded to white students and those awarded to students of minoritised ethnic backgrounds. Our success in managing these risks is reflected in our performance against our KPIs (see Strategic Review).

Research and innovation

The University has secured several United Kingdom Research Institute (UKRI) cross-disciplinary and cross-institution research bids in its move to diversify funding streams following Brexit.

Submission to the EU's flagship Horizon Europe research funding programme continues, but the uncertainty around the UK's association to that programme remains, although it has been mitigated in the short term.

The most recent budget and Comprehensive Spending Review sees total government spending on research and innovation rise in 2022/23. We will also witness improved conditions for industry-facing research and development through increased tax credits, global business mobility funding and the Global Britain Investment Fund. The publication of the UKRI Strategy highlights the importance of "impact themes," such as sustainable societies and human rights, which align well to our research activity. These will be key to our approach going forward, also enhancing the capability of our research to add significant value to our strategic growth areas of health transformation and advanced technical education.

We will continue to address the changing funding landscape through regular monitoring to ensure sustainability and continued capacity.

Developing our infrastructure

Our ambitious multi-year estates investment project continues as planned, but the current fiscal environment has heightened potential risks. Increased inflation means that we will be able to afford less estate for the current budget. This, compounded by supply chain challenges, risks our ability to deliver projects on time and within budget. Leadership continues to manage these impacts through engagement with the Hallam Alliance, and through ensuring effective civic engagement.

A key priority for our digital infrastructure over the last year has been increasing the resilience of the existing digital estate to support the permanently altered use of our campus and changes in approach to teaching, learning and research. This work, along with an extensive estates and physical space programme, is designed to ensure we can meet the changing needs of our students and staff cost effectively, while still investing in the infrastructure of our region and city.

Supporting our people

The University has continued to support staff and students and its local community following the lifting of government Covid restrictions and through the transition back to working or learning on campus. Regular surveys have provided valuable insight to inform institutional approaches.

We continue to work closely with our Trade Unions to understand areas of concern and navigate periods of industrial action, doing our utmost to minimise the impact on student experience.

Sector-wide challenges to recruit, retain and sufficiently reward staff in response to what is being dubbed 'the great resignation' following the pandemic have been a key focus of the University's recruitment efforts and this is likely to continue into 2022/23.

Our commitment to place

The Coronavirus outbreak has underlined the importance of working effectively and collaboratively with partners, both to support a regional response to Covid-19 and to play a role in regional recovery. Our role as leader of the UK Civic University Network provides an opportunity to model a strong, effective, and joined-up response. Civic priorities have been developed to support these ambitions into 2022/23 and positively contribute to development of the region.

Financial Performance

Sheffield Hallam has maintained its strong financial performance over the year ended 31 July 2022, generating net **cash from operating activities** of £38.1 million (2021: £39.0 million), representing 12% of income (2021: 13%).

The reported deficit for the year is £15.1 million (2021: £1.4 million). However, excluding pension adjustments, associated with the Local Government Pension Scheme and Universities Superannuation Scheme (see pension provision section below and notes 25 and 27), this is an underlying operating surplus of £5.6 million (2021: £13.0 million).

	2022 £ million	2021 £ million
Underlying operating surplus	5.6	13.0
Pension adjustments Staff costs Interest	(17.2) (3.5)	(10.7) (3.7)
Reported deficit	(15.1)	(1.4)

The underlying operating surplus of £13.0 million for the year ended 31 July 2021 was significantly higher than expected and was due to higher than forecast income combined with lower costs. Some of the lower costs were the result of the continued impact of the pandemic, for example staff travel. Detailed movements year on year on income and expenditure can be found in the relevant sections below.

The budget for the year was a break-even position and so the underlying surplus achieved is a favourable outcome. This resulted from higher than budgeted income but operating costs being in line with expectations. The higher income achieved was generated from international students where recruitment has once again been very strong.

Operating costs have increased, relative to 2021, in part due to the return to post-pandemic operations for a full year and noting the exit from pandemic restrictions that were still in place for part of the year ended 31 July 2021. Further details on income and expenditure can be found below.

The University has continued to develop its strategic objectives post-pandemic and the Future Strategy Programme (FSP) sets out a comprehensive package of work being undertaken to support the delivery of the priorities defined in our Transforming Lives Strategy. The three goals which the FSP seeks to realise are:

- · a strongly performing academic portfolio
- · a financially sustainable estate and operating model
- · an engaged and motivated university community

As well as delivering specific projects to achieve the three key goals there are other strategic initiatives that concentrate on Social Responsibility and Place, focusing on our role as a civic university, climate action and tackling inequality.

The implications of any proposed changes from the strategic projects are considered carefully in the context of the financial sustainability of the University.

Cash and cash equivalents at 31 July 2022 are £63.8 million (2021: £116.5 million) but exclude short term investments of £160.0 million (2021: £30.0 million). Therefore, there has been an overall increase in cash of £77.3 million. This is due to the £70 million received from the private placement which was drawn down in January 2022 to help fund the campus plan.

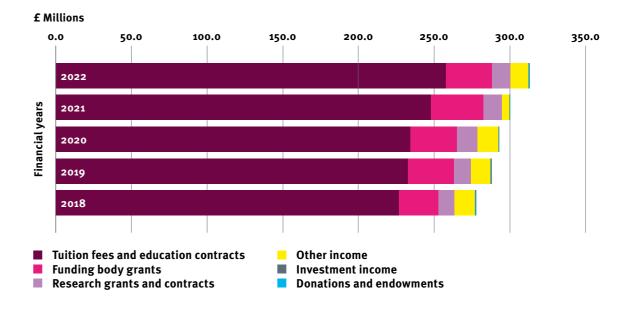
The cash from operating activities plus capital grant receipts of £2.0 million have funded capital expenditure of £27.3 million for the year and repayment and interest payments against loan facilities of £6.1 million.

Net funds (cash and cash equivalents less borrowings) are £65.7 million (2021: £54.6 million).

The **Statement of Comprehensive Income** shows a deficit for the year of £15.1 million (2021: deficit of £1.4 million) after accounting for non-cash pension adjustments of £20.7 million (2021: £14.4 million). **Total comprehensive income** for the year is £173.9 million (2021: £20.8 million) the majority of which represents a £189.0 million actuarial gain in relation to the Local Government Pension Scheme. Further details can be found in the pensions section of this note.

Income

Total income for the year ended 31 July 2022 is £314.9 million (2021: £300.0 million). Most of the increase is in tuition fees (£12.0 million), with a further £4.9 million due to other income. This is offset by a fall in funding body grants of £1.5 million and a reduction of £1.0 million on research grants and contracts.



Tuition fee income has grown due to a significant increase in the number of international students, generating an additional £23.0 million of income compared to last year. This is mainly postgraduate students, with numbers increasing from 1,800 to 4,000. This increase is offset by a £15 million fall in full-time home undergraduate income. This is in part due to the teacher assessed A-level results in August 2021, which resulted in fewer students going into clearing and so impacted the number of students we recruited through that route, coupled with a reduction in continuing students compared to 2020/21, where a 'pass and progress' policy was in place during the pandemic. There was however a £3.7 million increase in part-time home undergraduate related income.

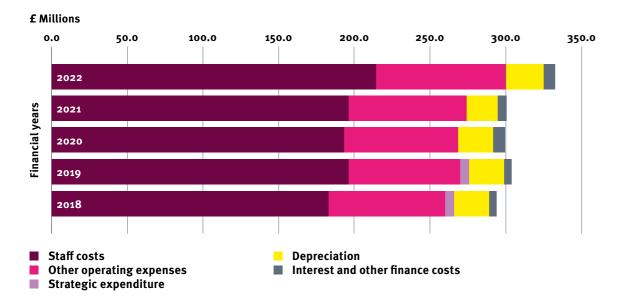
Other income was £13.0 million, a significant increase on the 2021 figure of £8.1 million which was impacted by the pandemic and closure of the campus for long spells. Income from residences, catering and conferences was £1.2 million higher than 2021, with a £1 million of the increase due to grant funding from the European Social Fund (£0.5 million) and European Regional Development Fund (£0.4 million) and £2.2 million of other income. Other increases relate to gym membership and sports facility hire, which naturally fell during the pandemic and also graduation income and commission earned on graduation related activities, as in 2020/21 there was no graduation and in 2021/22 there were two graduating years.

The £1.0 million reduction in **research grants and contracts** related income comes from a drop in UK research council income. The majority of this fall relates to a health project undertaken with Research England (Wellbeing Accelerator) which generated £1 million of income in 2020/21 but came to end early in 2022.

Investment income is £0.7 million higher than in 2021, due to the University having much larger cash balances throughout the second half of the year, following the completion of a private placement and the receipt of £70 million in January 2022. Delays in capital expenditure on the campus plan have resulted in there being significant levels of cash being invested, at more favourable interest rates in the latter part of the year.

Expenditure

Total expenditure for the year ended 31 July 2022 is £330.2 million (2021: £301.4 million). There are significant increases year on year in staff costs £17.8 million and other operating costs £10.0 million.



The increase in staff costs is across all cost headings. **Wages and salaries** are up £7.4 million on the previous year. This is due to a one-off payment to all staff of £1.0 million paid in early 2022 and a further £2.7 million to be made in November 2022, rewarding them for going above and beyond during a very challenging period, on top of the annual pay rise of 1.5% from August 2021 and the annual increments. There is a £1.5 million increase in social security costs arising from the additional 1.25% applied from April 2022 in relation to health and social care.

Pension costs are £7.9 million higher in total, split £3.7 million on the Universities Superannuation Scheme (USS), £o.8 million on the Teachers' Pension Scheme (TPS) and £3.4m million on the Local Government Pension Scheme (LGPS).

The USS increase is due to the 2020 valuation which saw a significant increase in the deficit and a new deficit recovery plan which has increased the amount the University is committed to pay and the value of the provision we hold (further details below). The TPS increase is due to the evolution of the membership profile and reflects contributions payable. The LGPS increase reflects an increase in the current service cost (the cost of one year's accrual of pension benefits for active members) which is impacted by changes in actuarial assumptions between 31 July 2020 and 31 July 2021, specifically proposed changes to the Retail Prices Index on the derivation of the Consumer Prices Index.

_	Teachers' Pension Scheme (TPS) £000	Universities Superannuation Scheme (USS) £000	Local Government Pension Scheme (LGPS) £000	National Employment Savings Trust (NEST) £000	2022 £000	2021 £000
Employer Contributions	17,391	1,488	11,155	101	30,135	28,810
Provision for TPS additional contributions	-	-	-	-	-	300
(Release) / create pension provision	-	3,313	-	-	3,313	(387)
Adjustment for current service cost	-	-	13,919		13,919	10,771
Total pension cost	17,391	4,801	25,074	101	47,367	39,494
Total pension cost	16,595	1,137	21,658	104	39,494	

The increase in **other operating costs** consists of movements across a wide range of costs, some of the key changes are summarised in the table below:

Expense type	Variance to 2020/21	Notes
Premise costs	+£1.6 million	Mainly due to planned maintenance, catching up because of the pandemic. Also, higher energy costs as the campus has been open all year.
Staff travel	+£1.0 million	Significantly higher levels of staff travel, since lifting of travel restrictions and lockdowns.
Student grants & expenses	-£1.3 million	A reduction in student hardship bursaries, down £2.5 million compared to during the pandemic, when additional funding was provided by the Office for Students. Offset by increases in other student expenses such as field trip costs and the student success scholarship.
Marketing	+£4.3 million	Higher costs in relation to overseas agents, who recruit international students, due to more international students.
Professional services	+£1.3 million	Professional fees related to the campus plan £o.6 million, £o.3 million increase in payments to project partners and increases in support costs for disabled students.
Bad Debt charge	+£o.5 million	Higher levels of debt resulting from the pandemic period.
Computers & IT	+£o.8 million	Due to the migration to Cloud services and higher laptop costs, to allow hybrid working.
Other expenses	+£o.9 million	A smaller release/credit from the 'goods received not invoiced' accrual and £o.5 million increases in conference organising costs and subscriptions.
Course & exam expenses	+£o.6 million	Higher costs compared to the pandemic period.
Staff development	+£o.3 million	Higher costs compared to the pandemic period.

Total other operating costs +£10 million

Interest and other finance costs have increased by £0.8 million in the year, due to the additional interest costs associated with the private placement.

Capital expenditure for the year was £27.3 million (2021: £20.9 million). The increase on last year's level of expenditure is considerably less than was planned for the year and primarily relates to building refurbishments. The Campus Plan and re-development of the Howard Street area has not progressed as quickly as expected because of a number of issues, including the need to move a major sewer from under the site and delays in agreeing prices for supplies due to the war in Ukraine and the high levels of inflation in the economy. It is expected that this expenditure will be caught up over 2022/23.

In the **Statement of Financial Position** overall net assets have increased to £280.9 million (2021: £107.1 million). The increase is due to the actuarial gain on LGPS, offset by the reported deficit for the year.

There has been a modest overall increase in the value of fixed assets as at 31 July 2022 of £4.9 million. This reflects capitalisation of £21.8 million of freehold assets, being the refurbishment of the Atrium (£16.1 million) and Furnival Works (£4.7 million), £1.4 million against leasehold property, which represents the decommissioning asset associated with the Head Post Office building and £4.3 million of new equipment. Offset by depreciation of £22.2 million for the year.

Trade and other receivables are £7.7 million higher than last year. This is due to trade debtors being £2.8 million higher, resulting from higher income, coupled with higher levels of debt that built up during the pandemic, offset by a £1.8 million increase in the bad debt provision. Accrued income is up £3.9 million across a wide range of activities including Higher Degree Apprenticeships (£0.5 million), a European research project (£0.3 million) and a European Regional Development Fund grant (£0.9 million) and prepayments relating to IT spend are also up £0.9 million compared to 2021.

Current asset investments, which represent cash investments with a maturity of more than three months at acquisition, are £130 million higher than at 31 July 2021, but this is offset by a lower level of cash and cash equivalents which are down £52.7 million. Overall 'cash' is £77.3 million higher, due to the injection of £70 million of cash from the Private Placement, which was drawn down in January 2022 and is to help accelerate the developments being undertaken as part of the campus plan. This balance is higher than expected at the year-end due to delays in the work starting on the new buildings at Howard Street, due to global economic factors and having to re-route a sewer.

Creditors falling due within one year are up £13.5 million on last year. Trade creditors have increased by £1.8 million, due to increased levels of activity compared to the previous year coupled with a £2.4 million increase in accruals. Receipts in advance are £8.9 million higher, due to international student deposits (£3.8 million) and deferred income across various income streams (£5.0 million).

Creditors falling due after more than one year are £66.1 million higher. This reflects the additional £70 million from the Private Placement, offset by

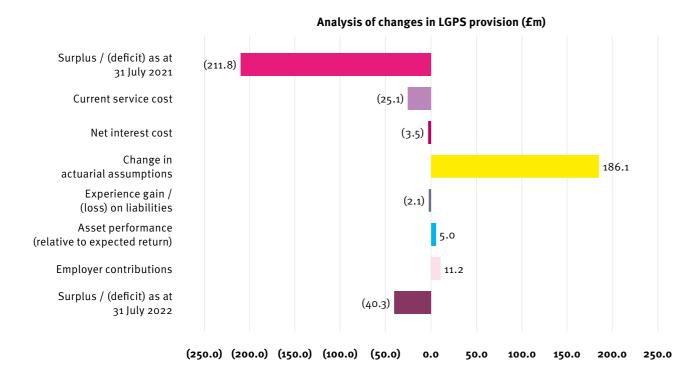
the reduction in the unsecured bank loans, due to repayments of £2.4 million and a £1.5 million fall in deferred capital grants.

There is an increase in the value of **other provisions**, excluding the pension provisions, of £4.7 million compared to 2021. This represents £6.1 million of provisions created in the year, with £1.2 million of last year's provisions utilised and £0.2 million released. The main newly created provisions are a £1.4 million dilapidation provision reflecting the decommissioning cost associated with a leasehold property, a £2.7 million one-off staff payment to be paid in November 2022 and a new restructuring provision of £1.4 million. £0.3 million of the previous restructuring provision was used during the year and the remaining £0.2 million was released. During the year £0.9 million of the previously created asbestos removal provision was used and the remainder will be used in the year to 31 July 2023.

The University holds **pension provisions** in relation to the Universities Superannuation Scheme (USS) and the Local Government Pension Scheme (LGPS).

The **USS provision** reflects the fact that the University is signed up to a deficit recovery plan, agreed for the scheme following the most recent actuarial valuation as at 31 March 2020. The provision represents an estimate of the additional contributions to be paid as part of that recovery plan. The provision at 31 July 2022 is £6.2 million compared to £2.9 million at 31 July 2021. The increase is due to the overall deficit for the scheme being calculated per the March 2020 valuation, which was only finalised in September 2021, as being £14.1 billion versus the previous valuation deficit of £3.6 billion. Further details can be found in note 25. The movement on the provision is charged to staff costs in the Statement of Comprehensive Income (SOCI). The movement on the provision would have been greater had it not been for a significant rise in the discount rate used of 3.31% (2021: 0.87%), to calculate the present value of the deficit payments required under the recovery plan.

The **LGPS provision** reflects the value of the overall deficit of the scheme attributed to the University. The figure is calculated annually by the scheme's actuary. The provision has fallen significantly from £211.8 million at 31 July 2021 to £40.3 million at 31 July 2022. The movement reflects the current service cost for the period of £25.1 million, less employer contributions of £11.2 million, plus a net interest charge of £3.5 million, but by far the most significant movement is an actuarial gain of £189.0 million.



(Increase) / reduction in provision

The reason for the large actuarial gain was in part due to asset returns being better than expected by £5.0 million but was mainly due to the change in actuarial assumptions which resulted in a significant fall in the present value of scheme liabilities. This was due to the increase in the discount rate used, from 1.6% to 3.5%, which is based on bond yields. This was offset by an increase in long-term inflation expectations, as well as allowance for more recent inflation experience that will inform the Pension increase Order 2023. Further details can be found in note 27.

The current service cost is charged to staff costs and the interest is charged to interest and other finance costs, in the SOCI. The actuarial gain is shown as other comprehensive income in the SOCI and reflects changes in actuarial assumptions and adjustments for actual experience versus the previous actuarial estimates.

Going concern

The higher education sector continues to face challenges in relation to changes in the external environment, foremost the uncertainty brought by the current high level of inflation. This causes specific challenges for the sector, where there is limited scope for inflationary increases on income due to the static Home Undergraduate fee.

In response to this our Taught Portfolio is a fundamental part of our future strategy, recognising that we must offer a highly performing portfolio that is market-led, innovative and delivered efficiently. Our focus must be on a position of sustainable efficient growth, which supports the overall financial sustainability of the University.

The University has carried out detailed analysis and scenario planning to provide assurance in the ability of the University to continue to operate as a going concern for the period ended 31 July 2024, by reviewing:

- the 2022/23 budget, updated P2 forecast and 2023/24 plan: the approved budget for 2022/23 has been updated with the latest student recruitment numbers available to provide a current view of income levels. This has been extrapolated into future years to inform the view taken in relation to the ability of the University to operate on a going concern basis.
- cashflow forecasts, including monthly cash requirements, taking into account the peaks and troughs due to the timing of the Student Loan Company payments and the phasing of the current plan of capital expenditure and drawdown of outstanding loan balances. As at 31 July 2022, the University has cash and cash equivalents of £63.8 million and short-term investments of £160.0 million which, together with the undrawn term loan facility of £20 million and the undrawn revolving credit facility of £20 million provides sufficient headroom on funding over the going concern assessment period.

- compliance with covenants under the loan facilities. This includes the calculation of covenant headroom and understanding how changes to key variables would impact covenant compliance (as outlined in the sensitivity analysis section below). The covenant with the least headroom is the operational leverage covenant, which has the lowest forecast headroom in the financial year ending 31 July 2024. Given that there is limited headroom in future years, the University is considering mitigating actions under the Future Strategy Programme of works to ensure that there are no covenant breaches. Potential mitigating actions could include outcomes from the Portfolio Review and redesign of Curriculum Structures, and development of our Online provision. There will also be opportunities to manage cash balances through capital expenditure and this will further minimise the risk of covenant breaches.
- **scenario planning** based on likely changes to external factors or internal operating policies/practices that impact areas such as cost inflation, student recruitment, retention and progression and staff costs
- sensitivity analysis, focusing primarily on covenant compliance and cash requirements, including the impact of changes to forecast student recruitment from both a home undergraduate and international student perspective. The approach taken is to assess available headroom in relation to each of the covenants and translate this into the key driver of financial performance, being student recruitment numbers, i,e, what is the number of students we would need to lose before we breach a financial covenant. This approach is then expanded to consider the impact of multiple variables i.e. how much could inflation increase alongside a reduction in home and international students before we breach a financial covenant.
- the potential **impact of a cyber-attack**: Sheffield Hallam has adopted a 'defence in depth' approach to security, layering differing technologies from endpoints, through networks and services, to implementing University wide security polices, online training and disaster recovery. A range of controls has been implemented to provide protection from attacks, and contingencies in the event that any attack is successful.

Sheffield Hallam has taken a robust approach to assessing its ability to continue as a going concern and has provided assurance to the Board of Governors and senior committees through its detailed analysis. Taking into account the above analysis, the Board of Governors considers that it is appropriate that these financial statements are prepared on the going concern basis.

Charitable status and public benefit

Charitable status and public benefit

Sheffield Hallam is a Statutory Higher Education Corporation with exempt charitable status in the UK under the Charities Act 1993 (later consolidated in The Charities Act 2011). Our charitable purpose is the advancement of education. We deliver our charitable purpose for the public benefit through our core academic functions of teaching, research and innovation, and through implementing our strategy and mission to transform lives.

Public benefit is embedded in our strategic aims and objectives as set out in our **Transforming Lives** strategy and we have a clear strategic mission to enhance social mobility regionally and nationally.

Our current and future students are the immediate beneficiaries of our learning and teaching activity, through our focus on shaping our students' futures and delivering a practical and applied curriculum. We operate a fair and transparent admissions policy to ensure that any suitably qualified candidate can be considered for a place with us. We also offer services to our network of alumni to enable them to thrive after graduation and to succeed in whatever they choose to do.

Our civic commitment to our place

To reaffirm our connection to our local region, Sheffield Hallam set out commitments to our communities in a **Civic University Agreement** published in July 2021.

The **Sheffield Innovation Programme** our joint project with the University of Sheffield and the City Region Growth Hub, has supported 400 projects with local companies, bringing new products and services to market and creating jobs.

We're also now offering every undergraduate **real** work experience or a placement in every year of their study, supporting local businesses and providing more work-ready graduates into the local jobs market.

The focus on health and wellbeing has never felt so important. Our researchers at our **Advanced**Wellbeing Research Centre, based at the Sheffield Olympic Legacy Park, are working with Darnall Well Being to support the local community to lead healthier and more active lives. We also continue all our work to increase the pipeline of skilled graduates to the local NHS.

And on community and regeneration, work is well underway for the **first phase redevelopment of our city campus**, which will regenerate the gateway to Sheffield city centre; we are close to launching a new project with Voluntary Action Sheffield which will benefit community and voluntary groups; and we are working with our partners at Sheffield City Council and the South Yorkshire Mayoral Combined Authority to ensure our specialist research and policy expertise can support future plans for our region.

We continue to support universities across the UK to strengthen their civic commitments via the **Civic University Network,** now in its third year. Receiving funding from the UPP Foundation and Carnegie UK Trust and working in partnership with the National Coordinating Centre for Public Engagement, the Institute for Community Studies, University of Glasgow, Queen Mary University London, University of Birmingham and Newcastle University. More than 130 higher education institutions are now signed up to the Civic University Network.

Widening participation

We have an excellent track record of delivering innovative outreach and widening participation programmes to raise aspirations and awareness of the benefits of higher education and to orient more students toward successful outcomes. In 2020/21, we admitted the largest number of students from low-participation neighbourhoods (LPN) in the sector and we have supported more than 7,500 students from LPNs into University over the last five years.

We demonstrate our strategic commitment as signatories to the Social Mobility Pledge, the Care Leavers Covenant, the Armed Forces Covenant, the Stand-Alone Pledge for estranged students and the Time to Change Pledge on mental health. We are proud to be a Disability Confident Leader, a member of the Race Equality Charter, in receipt of Athena Swan Institutional bronze status and a Silver Award by the Defence Employer Recognition Scheme. We also working towards achieving bronze status for the Race Equality Charter (REC) and are a member of the Stonewall Diversity Champions scheme.

Driving educational improvement in our region

Sheffield Hallam and its partners in the region have come together to form the nationally pioneering

South Yorkshire Futures. The programme drives the long-term improvements in the educational health of the region to improve attainment and aspiration from early years through to further and higher education.

We make a significant contribution to the educational health of our region by training hundreds of newly qualified teachers each year. Another 700 Hallam teaching graduates will be employed in South Yorkshire schools from September.

A University of Sanctuary

Sheffield Hallam is a University of Sanctuary. The accreditation, given by the charity City of Sanctuary, recognises and celebrates good practice of universities welcoming sanctuary seekers into their communities and fostering a culture of welcome and inclusion for all. We provide a range of support for those who are seeking asylum or hold refugee status and want to apply for a place at Sheffield Hallam, including the SHU Progress scheme, dedicated support for refugee students and sanctuary scholarships for asylum seeker students. We also work with the UK charity Council for At-Risk Academics (Cara) which helps academics identified as at-risk of violence, persecution, or repression in their home countries to pursue their research through fully funded PhD scholarships.

Supporting our students to succeed

We continue to invest in and benefit from ongoing long-term partnerships with almost 200 local schools and colleges and other stakeholders across the region. Our programme of outreach activity, saw a return to mainly face to face delivery this year:

- · Campus tours
- · University taster days
- · introductions to higher education student life and student finance
- · subject-specific roadshows, activities and masterclasses
- · drop-in sessions to support students' applications to study with us
- targeted applicant mentoring scheme for applicants from minoritised groups

Our **SHU Progress Scheme** provides additional support such as visits to Sheffield Hallam, a personal contact throughout the application process, interview preparation sessions and special consideration during the admissions process for **pupils facing additional challenges.** These include disabled students, students from military families, veterans, mature students, pupils from families with low incomes, young carers, care-experienced pupils, pupils estranged from their parents or facing estrangement, and those at risk of homelessness. We have extended the SHU Progress support framework to any applicant who identifies as Black British whilst we continue to develop a greater understanding of the barriers they may face.

This year we have audited our cross institutional support for care experienced applicants and students, leading to a submission for the sector best practise Quality Mark from National Network for the Education of Care Leavers (NNECL). The submission includes an action plan of commitments to further develop our support offer.

Tuition fees and financial support for our students

Tuition fees for undergraduate students and PGCE students from the UK and the EU are regulated by the government. We currently charge the maximum fee permitted by government. Our fee for 2021/22 was £9,250 for full-time courses including

- · Bachelor's and Integrated Master's Degree
- · Foundation Degree
- · Higher National Certificate (HNC)
- · Higher National Diploma (HND)
- · Certificate in Higher Education (CertHE)
- · Diploma in Higher Education (DipHE)
- · Fees are pro-rata for part-time students.

The ability to charge fees at this level is subject to approval of our Access and Participation Plan by the Director of Fair Access and Participation at the Office for Students. This plan, which we publish on our website, details how we invest in measures to support access to higher education, student success, and progression to employment or further study for students from disadvantaged and underrepresented groups.

Our Access and Participation Plan for 2020/21 to 2024/25 was approved by the Director for Fair Access and Participation in September 2019 with no conditions of registration. It includes targets to address the biggest disparities in access, continuation, attainment, and progression to employment.

Although we are a fee-charging charity, we aim to ensure that access to the benefits of higher education is not restricted by the ability to pay fees or living costs during students' time studying with us.

In 2021/22, we invested more than £5.3 million through financial support including:

- The **Student Success Scholarship** to support students from disadvantaged and underrepresented groups, which includes an enhanced support package and a financial award of up to £2,000. More than 8,600 awards were made in 2021/22 with more than £4.3 million awarded overall.
- The **Hallam Hardship Fund** which is focused on supporting immediate hardship caused by unexpected life events. Awards are typically between £300 and £500. In 2021/22, more than 327 awards were made with more than £118,000 awarded overall.

- The **Care Leavers Bursary** package guarantees £3,500 of funding per year of study for young students who have been in local authority care. We also provide support with the cost of graduation for care leaver students. In 2021/22 we supported a record 75 care leavers.
- Our **Performance Athlete Support Programme** has grown; in 2021/22 we provided more than £50,000 of support to our performance athletes, enabling them to maintain the balance between study and competition.
- The **Access Fund** is designed to support Care Leavers, Estranged Students and Student Carers. More than £130,000 of discretionary support was provided in 2021/22 with 285 awards made. This included enhanced support to final year students with no family support to help them transition out of university.
- Three **Sanctuary Scholarships** to asylum seekers were awarded. In 2021/22 these were offered to one undergraduate and two postgraduate students.
- Our **Placement Bursary** has helped 157 students during their sandwich placement year, with more than £100,000 provided in total.
- The **GoGlobal fund** returned following the relaxation of international travel restrictions, 146 students have benefitted from over £70,000 of support, allowing them to have international experiences in connection with their programme of study.
- To aid students with **short term cash flow issues** the University is pleased to provide Tesco Vouchers, these vouchers are accessible on the same day and allow us to provide immediate welfare support in urgent cases. In 2021/22 671 vouchers were distributed at a cost of £20,000.
- · Finally, to aid all students with the **cost-of-living crisis** we have invested almost £250,000 in an energy costs bursary, with over 3,700 awards made.

Transforming lives through our research and knowledge exchange

Our research teams work with people and organisations across the full breadth of society, providing innovative, practical solutions that really make a difference. Examples of how the University's research is transforming lives include:

Improving outcomes for prostate cancer patients – researchers looked at how exercise and targeted lifestyle changes could make meaningful improvements to prostate cancer survivors' quality of life. The research has been used to update international guidelines for treating prostate cancer-changing how doctors around the world manage the adverse effects of cancer treatment and improving the lives of thousands of patients.

Addressing water poverty in the UK - researchers worked with hard-to-reach customers to understand how water companies could better communicate with them. The research has been used by the water industry to encourage vulnerable households to take up affordability schemes. Two million additional households have joined such schemes in just three years, saving £212 million.

Highlighting Scottish identity, culture and memory missing from mainstream history - our researcher's BAFTA nominated documentary - From Scotland With Love - has become a touchstone of Scottish identity and helped bring a new kind of history to audiences around the world. It has benefitted Scottish diaspora, school children, new migrants and communities living with dementia.

Beneficiaries of our **research and knowledge exchange** activity include the UK government and its agencies, policy makers, public sector organisations, charities, community groups and regional, national and international businesses; and in turn, their clients and customers.

Any private benefit arising from our research and knowledge exchange activity is secondary to our principal charitable purpose of the advancement of education. The arrangements for the diversion of any revenue arising from the successful exploitation of our ideas are set out in our **Intellectual Property Policy.**

A principle of public benefit is that benefits must be balanced against harm or detriment. All our research undergoes ethical scrutiny to ensure that it is conducted to the highest ethical standards and to protect the integrity of this research, as set out in our **Research Ethics Policy.** This includes that the needs of research participants are always put first and that our researchers do everything possible to fully inform people who have consented to take part. A risk assessment approach safeguards the physical and psychological wellbeing of participants and researchers.

We are committed to making our research both as transparent and widely available as possible and support the principles of open science and open access. Our new **Research Publications and Copyright Policy** requires all staff to deposit their final research outputs into our institutional online repository and allows authors of scholarly papers to retain certain copyrights over these outputs so that they can be shared from the day of first publication through unrestricted online access. Our Data Management Policy encourages all staff to share their primary research data with as few restrictions as possible.

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Fundraising and philanthropy

This year, the University has agreed a priority focus on fundraising to support scholarships for students in line with the Transforming Lives mission. The University has worked with the Halpin Partnership to scope out future funding opportunities and to outline a plan for fundraising growth over the next three years.

The **Hallam Fund** ran a successful telephone fundraising campaign with 40 student fundraising ambassadors in May 2022. Securing pledges worth £98,000 to support scholarship provision and making contact with 1,400 alumni, this surpassed the initial target of £75,000 and was match funded by an alumnus who made a £10,000 leadership donation. Staff, alumni and students also took part in the **2021 Sheffield Half Marathon** to raise funds for **Sanctuary Scholarships.** Further support for Sanctuary was also received from Credit Union which has enabled additional support for at risk students.

We are pleased to continue our **philanthropic** partnerships with Santander Universities, AESSEAL engineering, Barratt Foundation and Europa Capital who are contributing to support for student hardship, global mobility, and career development.

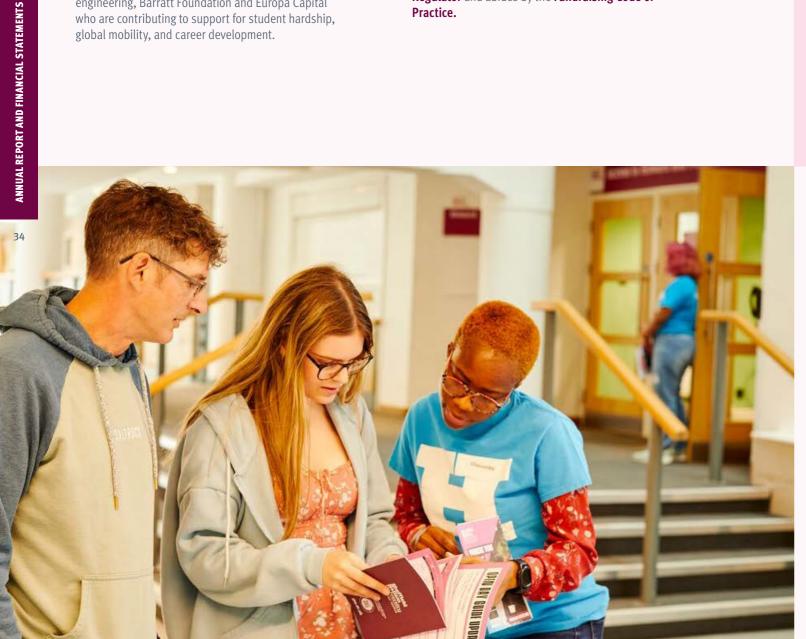
The University has also received funding of £50,000 from the family of Sylvia Clarke, a former nurse and alumna of the University, to support scholarships and bursaries for students from nursing and midwifery courses. Further legacy benefactions, were also received to honour the memory of Dorothy Fleming and Susan Franklin, supporting bursaries and prizes across the University.

The work of the **Helena Kennedy Centre for** International Justice received additional funding from the Oak Foundation and continued to work with other charitable foundations, including the MainGot Charitable Trust and the Samuel & Bella Sebba Foundation.

The **Joyce Spurr Travel Fund** received a further £20,000 to support students in Fine Art with funding towards the costs associated with a trip to visit exhibitions or artistic events within the UK. 31 student received funding this year.

The University continues to develop fundraising and alumni volunteering programmes in line with its charitable status, is registered with the **Fundraising** Regulator and abides by the Fundraising Code of Practice.





Student fundraising and volunteering

Co-ordinated by the Sheffield Hallam Students' Union, volunteering roles are a way for students to gain rewarding experience, support the local community and can help them decide on a career path. During 2021/22, there were more than 1,110 active volunteers who supported projects and volunteered across more than 50 charities.

The Trade Union (Facility Time Publication **Requirements) Regulations 2017**

The University recognises UNISON, GMB, UNITE and **UCU** for the purposes of collective bargaining. The Trade Union (Facility Time Publication Requirements) Regulations 2017 require the University to publish information on trade union facility time:

- The University has published its report on trade union facility time for the period 1 April 2021 to 31 March 2022.
- · 71 employees (63.01 FTE) were trade union officials in the reporting period.
- · The total cost of trade union facility time was £196,447.25 or 0.10% of the University's total pay bill.

Corporate Governance

Constitution and powers

Sheffield Hallam is a Higher Education Corporation (HEC) as defined under the Education Reform Act 1988. The powers of the HEC are defined in Section 124 of the 1988 Act as amended by the Further and Higher Education (FHE) Act 1992, and are subject to any relevant regulations, orders or directions made by our primary regulator, the Office for Students (OfS). These powers include the power to provide higher and further education and to carry out research and to publish the results of such research.

The University has exempt charitable status as defined under the Charity Act 1993 and by virtue of its incorporation under the 1988 Act. As an exempt charity the University is regulated by the OfS by virtue of the Charities Act 2006 (consolidated into the Charities Act 2011). The University's charitable purpose is the advancement of education.

Public benefit

The Board of Governors has had due regard to the guidance on public benefit published by the Charity Commission. Further information on how the University delivers its charitable objectives for the public benefit can be found in the Charitable Status and Public Benefit section of this report.

Our approach to corporate governance

We are committed to best practice in all aspects of corporate governance. We aim to conduct our business in accordance with the principles identified in the Committee on Standards in Public Life (Nolan Committee) and the Committee of University Chairs (CUC) Higher Education Code of Governance (September 2020) (the Code). The Board reaffirmed its adoption of the Code in March 2022.

In line with the Code, an independent review of Board of Governors effectiveness was carried out and a report on the action plan for the review's recommendations was considered by the Board in July 2021. In 2021/22 the University's Governance and Nominations Committee considered progress reports on the implementation of the plan.

The regulations which uphold the Public Interest Governance Principles ensure that members of the Board understand their responsibilities, the processes through which the Board operates and how the Board's authority is delegated to senior officers and/or committees within the institution. This information includes:

- · Statement of Primary Responsibilities, as derived from the Instrument and Articles of Government
- · the Standing Orders of the Board
- · the Scheme of Delegation

Information about the operation of the Board is publicly accessible on Sheffield Hallam's website and includes confirmed minutes of the Board's meetings and those of its sub-Committees.

The Board of Governors has responsibility for maintaining a sound system of internal control that supports the achievement of its objectives, while safeguarding the public and other funds and assets for which it is responsible.

Internal control

Arrangements are in place for the Board to review the effectiveness of the systems of internal control. The review of the effectiveness of internal control is informed by the work of internal audit, which operates to standards set out in the International Professional Practices Framework of the Institute of Internal Auditors (IIA) and that organisation's position statement on the role of internal audit in enterprise-wide risk management (January 2009). The University's internal auditors have a key role in helping Sheffield Hallam to identify and address vulnerabilities in relation to its control environment and assessing the University's performance in the delivery of value for money.

They provide an opinion annually on the adequacy and effectiveness of (i) the organisation's framework of risk management, control and governance, (ii) the arrangements in place to promote economy, efficiency and effectiveness and (iii) the management and quality assurance of data submitted to Higher Education Statistics Agency (HESA), the Student Loan Company, the Office for Students, Research England and other bodies.

The review of the effectiveness of internal control is also informed by:

- the work of executive managers within the University, who have responsibility for the development and maintenance of the internal control framework and for managing risk using a risk-based approach.
- · the work of the external audit service.

Our systems of internal control are based on an ongoing process designed to identify the principal risks, to evaluate the nature and extent of those risks, and to manage them effectively, efficiently, and economically. Sheffield Hallam's risk management process encompasses all types of risk including business, operational, compliance and financial risk. The Board of Governors is of the view that there is a process for identifying, evaluating, and managing the University's significant risks that has been in place for the year ended 31 July 2022 and up to the date of approval of the Financial Statements; that it is regularly reviewed by the Board of Governors; and that it accords with OfS guidance.

The following mechanisms are in place to support Sheffield Hallam's overall system of internal control.

- The Audit and Risk Committee receives regular reports on how the University's corporate risks are being managed along with updates from managers on actions they are taking to control risks in their areas of responsibility to ensure that risk management processes are embedded and effective.
- The Audit and Risk Committee receives reports from internal audit, which include an independent opinion on the adequacy and effectiveness of the University's system of internal control, together with any recommendations for improvement.
- The Board of Governors receives reports from the chair of the Audit and Risk Committee concerning internal control and risk management and requires regular reports from managers on steps they are taking to manage risks to delivery of objectives in their areas of responsibility including progress reports on key strategies and initiatives.

In addition, tools are in place to manage risk across Sheffield Hallam including:

- · a risk management policy and process which identifies risks to the University's strategy from the strategic to the operational level
- a risk rating system to ensure that the likelihood and impact of each risk is analysed using a consistent methodology
- an agreed risk appetite statement (which has been reviewed and updated by the University in 2021/22)
- a reporting system which ensures risks are shared and reviewed throughout the organisation and escalated in a standardised format to the University Leadership Team for discussion and agreement ahead of sharing with the Audit and Risk Committee and Board of Governors

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Risk management processes have operated successfully throughout the year.

Sheffield Hallam's internal control environment was adapted in response to the Covid-19 pandemic and has continued to operate in a streamlined form.

During 2021/22 this featured:

- streamlined internal governance processes, groups and committees which ensured clarity of decision making, with delineation between critical incident, executive oversight and long-term strategic development.
- risk identification, critical incident and escalation processes which were embedded into its governance structure and procedures.
- maintenance of the visibility of corporate and escalated risk reporting and management at executive level.

In addition, the Academic Board has continued to scrutinise areas of significance relating to academic and awarding matters as appropriate to its terms of reference. The Academic Board continues to report to the Academic Assurance Committee and the Board of Governors on the discharge of its responsibilities.

Sheffield Hallam also has an assurance framework in place which allows it to identify how its management and governance of risk overlays its strategic objectives, institutional processes and controls and the ongoing conditions of registration with the OfS. This ensures that Sheffield Hallam understands and monitors the adequacy and effectiveness of arrangements for the oversight of compliance with the OfS's ongoing conditions of registration.

The Board is of the view that there are no significant internal control weaknesses or failures that have arisen during the financial year ended 31 July 2022 and up to the date of approval of the Financial Statements.

Sheffield Hallam complies with OfS Terms and Conditions of Funding. The University has a robust financial control process in place which enables it to ensure that funds provided by the OfS are used for the purposes intended. In addition, assurance concerning the use of public funds is provided through the work of the external auditors. Further details of the remit and opinion of the external auditors can be found in the independent auditor's report to the Governing Body of Sheffield Hallam which is presented as part of this Annual Report.

Remuneration

Sheffield Hallam has had regard to the CUC Higher Education Senior Staff Remuneration Code, first published in June 2018 and subsequently revised in November 2021. The revised Code was formally re-adopted by the Board on 8 February 2022. Further details concerning the work of the Remuneration Committee can be found in Annual Remuneration Report which is presented as part of this Annual Report.

Note 10 of the financial statements sets out the number of staff with a basic salary of over £100,000 per annum broken down into bands of £5,000

- · full details of the total remuneration package of the Vice-Chancellor
- the relationship between the Vice-Chancellor's remuneration and that for all other employees, expressed as a pay multiple



Structure of corporate governance

Board of Governors

Sheffield Hallam's Board of Governors comprises independent, staff and student members appointed under the Instrument of Government of the University. The roles of chair and deputy chair of the Board of Governors are separate from the role of the Vice-Chancellor. Members during 2021/22 were:

Joanna Allen

Professor Jeff Bale

Gabrielle Berring

Dan Bye

(staff nominee)

John Cowling

(from 7 December 2021)

Angela Foulkes

Ian Hall

Professor Sir Chris Husbands

(Vice-Chancellor)

Praise Ishola

(student nominee July 2020 – June 2022)

Christopher Kenny

Dr Claire Ketnor

(academic staff selected from Academic Board)

Rt Hon The Lord Kerslake

(Chair)

Sabahat Khan

(student nominee July 2021 – June 2023)

Sameer Kothari

Dr Matt Lilley

Dr Jia Liu

(elected academic staff member from 7 December 2021)

Neil MacDonald OBE

(to 31 December 2021)

Meg Munn

(Deputy Chair of the Board)

Dayo Oladit

(student nominee July 2022 – June 2023)

Professor Julietta Patnick

Professor Keith Ridgway

Giles Searby

Jonathan Slater

Penny Thompson CBE

Dr Lucian Tipi

(selected academic staff member from 7 December 2021)

Dan Bye and Christopher Kenny left the Board on 31 July 2022.

Matthew Parkin was appointed to the Board of Governors from 1 August 2022 and was a member of the Board on the date on which the Annual Report and Financial Statements were approved.

The matters specifically referred to the Board of Governors for decision are set out in the Articles of Government of the University, and the Board meets six times a year for this purpose. In addition, the Board may hold special meetings, or approve matters by written resolution, if necessary. The Board also holds discussions on the strategic development of the University via separate events.

Under the Office for Students (OfS) Regulatory Framework, including its terms and conditions of funding for higher education institutions, the Board of Governors has responsibilities for the ongoing strategic direction of Sheffield Hallam, approval of major developments, and the receipt of regular reports from executive officers on the day-to-day operations of its business and its subsidiary companies.

The President of the Students' Union is a member of the Board ex officio, and reports regularly to the Board on Students' Union matters.

New governors participate in an induction programme, including finance training. All members of the Board are offered opportunities to develop their knowledge of Sheffield Hallam and aspects of their responsibilities as a governor, including through an annual update and development day.

The Board of Governors operates with a committee structure comprising:

- · Academic Assurance Committee
- · Audit and Risk Committee
- · Board Officers Committee
- · Finance and Employment Committee
- · Governance and Nominations Committee
- · Remuneration Committee

All these committees are formally constituted with terms of reference and comprise mainly independent members of the Board of Governors, one of whom is designated to chair meetings.

In support of the Committee structure, and where appropriate, the University uses formally constituted Task Groups, to facilitate effective and agile decision-making on behalf of the Board of Governors.

The terms of reference of the Board of Governors are at https://www.shu.ac.uk/about-us/governance/board-of-governors

The terms of reference of the Board's committees are at https://www.shu.ac.uk/about-us/governance/board-of-governors/committees are available on the University's internet pages.

Annual remuneration report

ANNUAL REPORT AND FINANCIAL STATEMENTS

Introduction

2021/22 Terms of Reference – Key Responsibilities.

The Remuneration Committee is responsible for providing assurance to the Board of Governors that decisions on senior staff remuneration and severance arrangements are made in accordance with the values that underpin the CUC Higher Education Code of Governance, the CUC Higher Education Senior Staff Remuneration Code and the principles of public life.

The Committee has delegated authority to:

- 1. To determine the salaries, benefits and other terms and conditions of service of the following Board appointments with reference to the employment framework recommended by the Finance and Employment Committee:
- · Vice-Chancellor
- · Deputy Vice Chancellors
- · Chief Finance Officer
- University Secretary
- **2.** To approve the University's policy and/or approach to the reward of senior staff extending to all Senior Staff Grade (SSG) employees.
- 3. To approve the severance arrangements for Board appointments, University Leadership Team (ULT) members and senior staff earning a basic FTE salary of £100,000 or more per annum and where the severance payment is £100,000 or more regardless of the salary of the individual staff member.

The Committee's full Terms of Reference are available on the University website.

The CUC Higher Education Senior Staff Remuneration Code ("the Code") requires the Committee to produce an annual report on its work for approval by the Board of Governors which will form the basis of the Annual Remuneration Statement published as part of the University's Financial Statements. The revised Code (November 2021) was formally re-adopted by the Board on 8 February 2022 with the aim of providing assurance to key stakeholders in relation to senior staff remuneration.

The Committee has discharged its duties in line with its Terms of Reference, the Office for Students (OfS) Accounts Direction, the recommendations of the Code and CUC Guidance on Decisions Taken about Severance Payments in Higher Education Institutions (HEI). Key actions identified from last year's internal committee effectiveness review have been completed, including the implementation of enhanced guidance for Committee members.

The Committee considered the outcome of the University's self-assessment of compliance with the CUC HE Senior Staff Remuneration Code in autumn 2021. The review concluded that the University demonstrated a high level of compliance with all elements of the Code and an action plan relating to a limited number of 'should' areas to enhance best practice was approved by the Committee in June 2022 (all of which have been addressed).

Membership of the Remuneration Committee

In line with the Code's principle that the Committee must be independent and not be chaired by the Chair of the Board of Governors, membership of the Committee over the year was as follows.

- · Independent Board Member (Chair of the Committee from 1 February 2021)
- · Chair of the Board of Governors
- Chair of the Audit and Risk Committee
- · Chair of the Employment and Finance Committee
- Co-opted Independent Member (appointed 7 December 2021).

As recommended by the Code, the Vice-Chancellor is not a member of the Committee and attends on an exceptional basis, for specific items only, unrelated to his own remuneration. The University Secretary and Chief People Officer, PVC (Diversity and Inclusion) regularly attend Committee meetings (other than for matters relating to their own remuneration).

In terms of diversity of membership, the gender balance was 75% female at the start of the year, increasing to 80% (with the addition of the new External Co-opted member).

The Committee Chair is female.

Meeting frequency and attendance

During the 2021/22 academic year, the Committee met on the following occasions:

- 8 October 2021
- 3 February 2022
- 30 June 2022

Attendance for the year was 86% (2019/20 90%) and all meetings were quorate. The confirmed minutes of the Committee's meetings are on www.shu.ac.uk

List of Postholders within the Remuneration Committee's remit to determine pay and conditions

- · Vice-Chancellor
- · Deputy Vice-Chancellors
- · Chief Finance Officer
- · University Secretary

Approach to Remuneration

Context

The UK has a world-leading higher education sector, widely recognised for its quality in teaching, research and its capacity to innovate. As independent and autonomous bodies, HEIs such as Sheffield Hallam University, operate in a highly competitive market for staff, students, research funding and investment.

The leaders of HEIs are responsible for large and complex institutions with diverse missions which operate in a range of differing markets. The decisions they take affect the financial performance of those institutions, which in many cases employ thousands of people and are critical to the health and wellbeing of the regional communities and economies in which they are located. Only a proportion of the sector's total funding comes from access to core public funding, meaning that Vice-Chancellors and their senior teams act entrepreneurially to ensure that their institutions raise significant revenue, while nurturing their key missions of teaching, research and knowledge exchange. The UK's HEIs must also do this successfully in an intensely competitive regional, national and international context.

The University's core purpose is the advancement of education, which involves sustaining and promoting teaching, learning and original research. It receives public funding to support the delivery of this core purpose, and therefore must demonstrate appropriate levels of accountability and transparency in its operations and the application of those funds.

Principles underpinning senior remuneration for Board Appointments and Members of the University Executive Board (UEB), formerly the University Leadership Team

In addition to the three key principles outlined in the Code the following are applied:

- 1. Levels of remuneration should be sufficiently flexible to attract, retain and motivate senior post holders of the quality required to lead within the University.
- **2.** Remuneration will be appropriate to performance level and may include a one off (non-consolidated) bonus element in recognition of performance at the highest level.
- **3.** All variable reward (bonuses and remuneration increases) should be linked to University and individual performance, and awarded to recognise performance consistent with institutional objectives.

In addition, decisions on senior remuneration should be in accordance with the Nolan Principles of selflessness, integrity, objectivity, accountability, openness, honesty and leadership as well as being free from unfair bias and discrimination.

Remuneration Framework for Senior Staff

Evaluation of Roles: any new roles or significant changes to existing roles will be externally evaluated prior to recruitment to ensure transparency and egual pay for work of egual value, irrespective of gender or other protected characteristics. Roles will be allocated to bandings within the senior pay structure based on the evaluated scoring. (In addition, all UEB roles are re-evaluated every three years using external consultants and the outcomes considered by the Remuneration Committee). The value of all UEB and SSG roles are assessed using HAY job evaluation, an internationally recognised job evaluation methodology. These are then benchmarked against local, sector, national and international data as appropriate. Placement of individuals in the allocated banding for the role reflects their level of knowledge, skills and experience.

Annual Pay Review Process

The Pay Review Process for senior staff normally consists of three different elements.

- Consolidated Award effectively this is a cost-of-living rise and normally reflects the annual pay increase for all other Sheffield Hallam staff who are on the single pay spine. However, we have the discretion to decide whether this is paid and at what percentage.
- Review of Baseline Salary there is an opportunity during this process to review base salaries given that SSG salary bands do not have automatic incremental progression. This is an opportunity to review base salaries both in terms of external benchmarking and individual experience and impact in the role.
- Non-Consolidated Awards these are nonconsolidated performance related payments, to focus on rewarding our top performers.

The Remuneration Committee is provided with the outcomes of any national pay negotiations and ratifies any proposed cost-of-living rise for all senior staff grade employees, Board appointments and all other UEB members. In addition to the cost-of-living pay rise, the annual pay review also provides the opportunity to review base salaries and make adjustments within the appropriate salary band. Upward salary progression should take into consideration an individual's acquisition of skill, knowledge and experience in their current role which enables them to make a significantly higher contribution.

Senior staff who demonstrate they are exceeding expectations in their role can also be eligible for a non-consolidated bonus payment. Any such payment would not be consolidated into base salary. The parameters for bonus payments are reviewed each year to take into account the current financial climate and in line with the wider SSG pay process. This approach ensures that reward is focused on the highest performers. However, for 2021/22, this element was suspended, as in the previous two years.

Criteria used to assess performance and/or contribution, and sources of data on performance / contribution

Vice-Chancellor

The following criteria are used to objectively measure and set an appropriate level of reward for the Vice-Chancellor:

- the annual review of the performance of the Vice-Chancellor undertaken by the Chair of the Board of Governors;
- the KPIs set by the Board as monitored via the Performance report; and
- the delivery of targets in respect of key external measures e.g. the Teaching Excellence Framework (TEF), the Research Excellence Framework (REF) and the National Student Survey (NSS).

Objectives for the Vice-Chancellor, aligned to the University Strategy, are reviewed and recommended by the Chair of the Board of Governors, and endorsed by the Committee. A summary of the Vice-Chancellor's annual review of performance against those objectives was provided to the Remuneration Committee at its July meeting.

Other Board Appointments

Objectives for Board Appointments are set by the Vice Chancellor/Deputy Vice-Chancellors against the University's strategic plan. Following Annual Performance Development Reviews, the evaluation and assessment of individual performance against set objectives will be reviewed by the Vice-Chancellor/Deputy Vice-Chancellors, who make recommendations to the Remuneration Committee in relation to any adjustments to base salaries, additional allowances and/or performance related bonuses.

UEB Members (outside of Board appointments)

Objectives for all other UEB members are set by the Vice Chancellor/Deputy Vice-Chancellors against the University's strategic plan. Following Annual Performance Development Reviews, the evaluation and assessment of individual performance against set objectives is reviewed by the Vice-Chancellor/Deputy Vice-Chancellors who present their decisions to the Remuneration Committee in relation to any adjustments to base salaries, additional allowances and/or performance related bonuses.

Benchmarking performance against comparator institutions and roles

The benchmarking of the salary for the Vice-Chancellor was undertaken on appointment and is reviewed on a regular basis. The choice of comparator organisations will reflect the University's strategic objectives and the UCEA Senior Staff Remuneration Survey will form one of the benchmarking data tools for the University's senior leadership structure. In addition, it was agreed by the Committee that UEB roles would be revaluated externally every three years and the most recent review was undertaken in 2020.

Benchmarking is also undertaken for other senior roles. The University is committed to paying competitively to attract and retain the best people for the job. Where significant differences between external market rates and the salary range through job evaluation have been identified, a market supplement based on external benchmarking can be paid.

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Pay multiple of head of institution compared to median salary levels

The relationship between the Vice Chancellor's remuneration and that for other employees:

Pay multiple based on median FTE salary	2022	2021	2020	2019	2018
Basic salary	7.10	7.10	7.10	7.02	7.08
Total remuneration (including pension contributions)	7.39	7.30	7.38	7.10	7.44 2

¹ Based on OfS Accounts Direction.

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Vice-Chancellor Remuneration: 2018/19 - 2021/22 Comparison

Remuneration Details	2021/22	2020/21	2019/20	2018/19
Basic salary	£243,600	£240,000	£240,000	£240,000
Payment of dividends	-	-	-	-
Performance related pay and other bonuses	-	-	-	-
Pension contributions (or payments in lieu of)	£17,052	£16,800	£16,800	£31,968
Salary sacrifice arrangements	-	-	-	-
Compensation for loss of office	-	-	-	-
Other taxable benefits	-	-	-	-
Non-taxable benefits	-	-	-	-
Other remuneration	-	-	-	-

Institutional Performance

In overall terms, on the basis of the reports it has received, the Remuneration Committee recognises that the Vice-Chancellor with the support of the University Leadership Team has made a significant contribution in challenging circumstances. The University's performance has improved, in line with strategic expectations, and in particular:

a. a positive recruitment performance, particularly in relation to international students.

b. a continued strong performance on retention, which remains above the sector benchmark.

c. the outcome of the 2022 REF results; we doubled the size of the University's research base without reducing quality. 78% of our impact is world leading or internationally excellent (4*+3*) (up from 72%).

d. the continued Hallam influence locally, regionally and nationally through policy interventions, publications and engagement so that the University is seen as a sector leader on major policy issues with strong relationships with policy-makers.

- e. The following accolades:
- · Times Higher University of the Year for Enterprise
- · University of the Year in the National Social Mobility (SOMO) Awards
- · University of the Year in the Educate North Awards.
- Higher Education Institution of the Year at the National Education Opportunities Network (NEON) Awards
- · Outstanding Entrepreneurial University at the Times Higher Education Awards.

f. our performance on graduate progression to highly skilled employment puts us in the top quartile of the entire sector and as the leading modern university.

However, acknowledging the tighter financial constraints on the University, and the high profile of issues and ongoing public concern in relation to senior pay, the University has not brought forward any recommendations for performance awards over the 2021/22 year.

Retention of income generated from external bodies

The University's Policy on retention of external income for the University's most senior staff has been revised and was approved by the Committee in June 2022. The Policy had been revised to the effect that all payments derived from external activity (with clearly defined exceptions) should be retained by the University.

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Expenses Policy

The University introduced greater transparency for the expenses received by senior leaders in 2019 through the publication of the expenses incurred on the University's website.

Other

Work to enhance the University's senior staff recruitment and selection framework and further strengthen the role of the Remuneration Committee in this area has been undertaken and this was approved by the Committee in June 2022.

Significant changes

The successful recruitment of a new Deputy Vice-Chancellor (Academic) in line with the University's senior staff recruitment processes.

The University's Chief Finance and Planning Officer left the University's employment in March 2022. Interim arrangements are in place, but following a recruitment process a new Chief Finance Officer has been appointed and will take up the role in January 2023.

² In line with the definition of total remuneration in the OfS guidance

Responsibilities of Board of Governors

In accordance with the Education Reform Act 1988 and the Articles of Government, the Board of Governors is responsible for the administration and management of the affairs of Sheffield Hallam and its subsidiary companies (Group) and is required to present audited financial statements for each financial year.

The Board of Governors is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time, the financial position of the Group and enable it to ensure that the financial statements are prepared in accordance with the Sheffield Hallam's Articles of Government, the Statement of Recommended Practice on Accounting for Further and Higher Education and other relevant accounting standards.

The Board of Governors, through its designated office holder, is required to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Group and of the surplus or deficit and cash flows for that year. In preparing the financial statements, the Board of Governors has ensured that

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

The Board of Governors has taken reasonable steps to

- · ensure that funds from the Office for Students (OfS), UK Research and Innovation (including Research England), Education and Skills Funding Agency and the Department for Education, grants and income for specific purposes, and from other restricted funds administered by Sheffield Hallam have been applied only for the purposes for which they were received and in accordance with the relevant terms and conditions and/or funding agreements and any other conditions attached to them
- ensure that there are appropriate financial and management controls in place to safeguard public funds and funds from other sources
- · safeguard the assets of the Group and prevent and detect fraud and other irregularities
- secure the economical, efficient and effective management of the Group's resources and expenditure

Insofar as the Board of Governors is aware

- · there is no relevant audit information of which the auditor is unaware
- the Board of Governors has taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

The Annual Report and Financial Statements was approved by the Board of Governors on 29 November 2022.



RW Cosh

Rt Hon The Lord Kerslake, Chair of the Board of Governors



CHosher

Professor Sir Chris Husbands, Vice-Chancellor

Independent auditor's report to the Governing body of Sheffield Hallam University

Opinion

We have audited the financial statements of Sheffield Hallam University (the 'parent University') and its subsidiaries (the 'group') for the year ended 31 July 2022, which comprise the Consolidated and University Statement of Comprehensive Income, the Consolidation and University Statement of Changes in Reserves, the Consolidated and University Balance Sheet, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and the parent university's affairs as at 31 July 2022 and of the group's and the parent university's income and expenditure, gains and losses, changes in reserves and of the group's cash flows for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and the Statement of Recommended Practice: Accounting for Further and Higher Education published in October 2018.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the group 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 are responsible for concluding on the appropriateness of the Governing body's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's and the parent university's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the group or the parent University to cease to continue as a going concern.

In our evaluation of the Governing body's conclusions, we considered the inherent risks associated with the group's and the parent university's business model including effects arising from macro-economic uncertainties such as Brexit and the Covid-19 pandemic, we assessed and challenged the reasonableness of estimates made by the Governing body and the related disclosures and analysed how those risks might affect the group's and the parent university's financial resources or ability to continue operations over the going concern period.

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

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

The responsibilities of the Governing body with respect to going concern are described in the 'Responsibilities of the Governing body for the financial statements' section of this report.

Other information

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

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 this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Office for Students ('OfS') accounts direction (issued October 2019)

In our opinion, in all material respects:

- funds from whatever source administered by the parent University for specific purposes have been properly applied to those purposes and managed in accordance with the relevant legislation;
- funds provided by the OfS, UK Research and Innovation (including Research England), the Education & Skills Funding Agency and the Department for Education have been applied in accordance with the relevant terms and conditions: and
- the requirements of the OfS's accounts direction (issued October 2019) have been met.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the OfS accounts direction (issued October 2019) requires us to report to you where:

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

Responsibilities of Governing body for the financial statements

As explained more fully in the Responsibilities of the University's Board of Governors section, the Governing body is responsible for the preparation of the financial statements and for being satisfied they give a true and fair view, and for such internal control as the Governing body 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 Governing body are responsible for assessing the group's and the parent university's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the Governing body either intend to liquidate the group or the parent University or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

We obtained an understanding of the legal and regulatory frameworks that are applicable to the group and University, and the sector in which it operates. We determined that the following laws and regulations were most significant; financial reporting legislation (Further and Higher Education SORP 2019 and United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102), the Further and Higher Education Act 1992, the Higher Education and Research Act 2017, the OfS Framework, Terms and Conditions of Funding and the OfS Accounts Direction and the Higher Education Code of Governance. The engagement team remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

- We understood how the group and University is complying with those legal and regulatory frameworks by, making inquiries of management and those responsible for legal and compliance procedures. We enquired of management and those charged with governance whether there were any instances of non-compliance with laws and regulations, or whether they had any knowledge of actual or suspected fraud. We corroborated the results of our enquiries through our review of board minutes and papers provided to the Audit committee, and through our legal and professional expenses review.
- To assess the potential risks of material misstatement, we obtained an understanding of:
- The group and university's operations, including the nature of its revenue sources, expected financial statements disclosures and business risks that may result in a risk of material misstatement; and
- The group and university's control environment including the adequacy of procedures for authorisation of transactions.
- We assessed the susceptibility of the group and university's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the engagement team included:
- Evaluating the processes and controls established to address the risks related to irregularities and fraud;
- Testing journal entries, in particular journal entries relating to management estimates and journals entries deemed to relate to unusual transactions;
- Challenging assumptions and judgement made by management in its significant accounting estimates;
- Identifying and testing related party transactions; and
- Completion of audit procedures to conclude on the compliance of disclosures in the financial statements with applicable financial reporting requirements.

- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.
- · We assessed the appropriateness of the collective competence and capabilities of the engagement team, including consideration of the engagement team's knowledge and understanding of the industry in which the client operates in, and its practical experience through training and participation with audit engagements of a similar nature. All team members are considered to have sufficient knowledge and experience of organisations of a similar size and complexity, appropriate to their role within the team.
- From the procedures performed we did not identify any material matters relating to non-compliance with laws and regulation or matters in relation to fraud.

ANNUAL REPORT AND FINANCIAL STATEMENTS 2

Use of our report

This report is made solely to the university's Governing body, as a body, in accordance with paragraph 3.1 of the university's articles of government. Our audit work has been undertaken so that we might state to the university's Governing body those matters we are required to state to it in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the University and the university's Governing body as a body, for our audit work, for this report, or for the opinions we have formed.

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Grant Thornton UK LLP

Statutory Auditor, Chartered Accountants **Leeds**

Financial Statements for the year ended 31 July 2022

Consolidated and University Statement of Comprehensive Income for the year ended 31 July 2022

		University			
	Note	2022 £000	2021 £000	2022 £000	2021 £000
Income					
Tuition fees and education contracts	3	258,833	246,873	258,833	246,873
Funding body grants	4	28,821	30,369	28,821	30,369
Research grants and contracts	5	12,962	13,922	12,415	13,415
Other income	7	13,037	8,105	9,791	5,523
Investment income	8	931	226	931	226
Donations and endowments	9	361	514	361	513
Total income		314,945	300,009	311,152	296,919
(excludes share of joint venture £10.4m, 2021: £8.1m)					
Expenditure					
Staff costs	10	(213,985)	(196,197)	(211,587)	(194,109)
Other operating expenses	11	(86,629)	(76,597)	(85,094)	(75,351)
Depreciation and impairment	14/15	(22,230)	(22,207)	(22,227)	(22,205)
Interest and other finance costs	12	(7,246)	(6,449)	(7,246)	(6,449)
Total expenditure	13	(330,090)	(301,450)	(326,154)	(298,114)
Deficit before other gains, losses and share of operating surplus of joint ventures and associate companies Surplus / (loss) on disposal of fixed assets		(15,145) 8	(1,441) (17)	(15,002) 8	(1,195) (17)
Share of operating surplus in joint ventures and associates	17	23	12		
Deficit before tax Taxation		(15,114)	(1,446)	(14,994)	(1,212)
Deficit for the year		(15,114)	(1,446)	(14,994)	(1,212)
Other comprehensive income					
Actuarial gain in respect of pension scheme	27	188,990	22,258	188,990	22,258
Total comprehensive income for the year		173,876	20,812	173,996	21,046
Represented by:					
Endowment comprehensive (expenditure) for the year	28	(1)	(7)	(1)	(7)
Restricted comprehensive (expenditure) for the year	29	-	-	-	-
Unrestricted comprehensive income for the year		173,877	20,819	173,997	21,053
		173,876	20,812	173,996	21,046

All items of income and expenditure relate to continuing activities.

The accompanying notes and policies form part of these Financial Statements.

Consolidated Statement of Changes in Reserves for the year ended 31 July 2022

Income and expenditure reserve **Endowment** Restricted Unrestricted Total reserve reserve reserve £000 £000 £000 £000 Balance as at 1 August 2020 27 13 86,202 86,242 Deficit for the year (1,446) (1,446) Other comprehensive income 22,258 22,258 Release of endowment funds spent in year (7) Total comprehensive (expenditure) / (7) income for the year 20,819 20,812 Balance as at 1 August 2021 20 107,021 107,054 13 Deficit for the year (15,114) (15,114) Other comprehensive income 188,990 188,990 Release of endowment funds spent in year (1) Total comprehensive (expenditure) / income for the year (1) 173,877 173,876 Balance as at 31 July 2022 13 280,898 280,930

University Statement of Changes in Reserves for the year ended 31 July 2022

		Income and expenditure reserve					
	Endowment reserve £000	Restricted reserve £000	Unrestricted reserve £000	Total £ooo			
Balance as at 1 August 2020	27	13	86,603	86,643			
Deficit for the year	-	-	(1,212)	(1,212)			
Other comprehensive income	-	-	22,258	22,258			
Release of endowment funds spent in year	(7)	-	7	-			
Total comprehensive (expenditure) / income for the year	(7)	-	21,053	21,046			
Balance as at 1 August 2021	20	13	107,656	107,689			
Deficit for the year	-	-	(14,994)	(14,994)			
Other comprehensive income		-	188,990	188,990			
Release of endowment funds spent in year	(1)	-	1	-			
Total comprehensive (expenditure) / income for the year	<u>(1)</u>		173,997	173,996			
Balance as at 31 July 2022	19	13	281,653	281,685			

Consolidated and University Statement of Financial Position for the year ended 31 July 2022

			Consolidated		University
	Note	2022 £000	2021 £000	2022 £000	2021 £000
Non-current assets					
Fixed assets	14,15	320,084	315,213	320,084	315,210
Investments	16	42	42	45	45
Investment in associate companies	17	35	12	-	-
	-	320,161	315,267	320,129	315,255
Current assets					
Stock	18	209	97	192	62
Trade and other receivables	19	35,038	27,326	35,312	27,300
Investments	20	160,000	30,000	160,000	30,000
Cash and cash equivalents		63,800	116,487	63,744	116,438
	-	259,047	173,910	259,248	173,800
Creditors: amounts falling due within one year	21	(72,946)	(59,410)	(72,360)	(58,653)
Net current assets	-	186,101	114,500	186,888	115,147
Total assets less current liabilities		506,262	429,767	507,017	430,402
Creditors: amounts falling due after more than one year	22	(169,214)	(103,105)	(169,214)	(103,105)
Provisions					
Pension provisions	25	(46,468)	(214,703)	(46,468)	(214,703)
Other provisions	26	(9,650)	(4,905)	(9,650)	(4,905)
Total net assets	-	280,930	107,054	281,685	107,689
Restricted reserves					
Income and expenditure reserve - endowment reserve	28	19	20	19	20
Income and expenditure reserve - restricted	29	13	13	13	13
Unrestricted reserves					
Income and expenditure reserve – unrestricted	-	280,898	107,021	281,653	107,656
Total reserves	-	280,930	107,054	281,685	107,689

The accompanying notes and policies form part of these Financial Statements.

The Financial Statements on pages 54 to 102 were approved on behalf of the Board of Governors on 29 November 2022.

RT Hon The Lord Kerslake Chair of the Board of Governors Professor Sir Chris Husbands Vice-Chancellor

Consolidated Statement of Cash Flows for the year ended 31 July 2022

	Note	2022 £000	2021 £000
Cash flow from operating activities			
Deficit for the year		(15,114)	(1,446)
Adjustment for non-cash items			
Depreciation and impairment	14	22,230	22,207
Decrease/(Increase) in stock	18	(112)	39
(Increase)/decrease in trade and other receivables		(7,161)	(1,640)
Increase/(decrease) in creditors		13,414	6,866
Increase in pension provision	25	20,755	14,116
Increase in other provisions	26	4,745	108
Share of operating (surplus) in joint venture		(23)	(12)
Adjustment for investing or financing activities			
Investment income receivable	8	(921)	(219)
Interest receivable	8	(10)	(7)
Endowments receivable	28	-	-
Endowments payable	28	1	7
Interest payable	12	3,715	2,716
(Gain)/loss on the disposal of fixed assets		(8)	17
Capital grant income	22	(3,196)	(3,767)
Net cash inflow from operating activities	-	38,315	38,985
Cash flows from investing activities			
Proceeds from sales of fixed assets		-	-
Capital grants receipts	22	1,993	2,508
Investment income received		423	241
Interest received		10	7
Payment of loan to associate company	19	(53)	-
Payments made to acquire fixed assets		(27,321)	(20,883)
New deposits		(130,000)	(30,000)
	-	(154,948)	(48,127)
Cash flows from financing activities			
New unsecured loans		70,000	
Interest paid		(3,715)	(2,716)
Repayments of amounts borrowed		(2,338)	(1,521)
Endowment payments		(1)	(7)
	-	63,946	(4,244)
(Decrease)/increase in cash and cash equivalents in the year		(52,687)	(13,386)
Cash and cash equivalents at beginning of the year		116,487	129,873
Cash and cash equivalents at end of the year	-	63,800	116,487

As permitted under the SORP 2019 (Section 3.3) the University has taken advantage of the exemption not to produce a University only cash flow Statement.

The accompanying notes and policies form part of these Financial Statements.

Notes to the Financial Statements

1. Statement of principal accounting policies

Entity information

Sheffield Hallam University is a Higher Education Corporation (HEC) as defined under the Education Reform Act 1988 and is incorporated in England. The University's registered office address is Sheffield Hallam University, City Campus, Howard Street, Sheffield. S1 1WB.

Basis of preparation

The financial statements have been prepared under the historical cost convention (modified by the revaluation of certain financial assets and liabilities at fair value).

The financial statements have been prepared in accordance with the applicable United Kingdom Accounting Standards, including the Financial Reporting Standard 102 (FRS 102) and the Statement of Recommended Practice: Accounting for Further and Higher Education (2019 SORP).

The financial statements have also been prepared in accordance with the Accounts Direction issued by the Office for Students.

The University is a public benefit entity and therefore has applied the relevant public benefit requirements of the applicable United Kingdom Accounting Standards.

The financial statements have adopted the disclosure exemption under section 3.3 of the 2019 SORP (1.12(b) of FRS102) and do not include a parent university's Statement of Cash Flows.

The financial statements are presented in sterling (£).

Going concern

The Board of Governors has a reasonable expectation that the University has adequate resources to continue in operational existence for the foreseeable future. Thus it continues to adopt the going concern basis of accounting in preparing the annual financial statements.

The University has carried out detailed analysis and scenario planning to provide assurance in the ability of the University to continue as a going concern for the period ended 31 July 2024 by reviewing:

- the 2022/23 budget, updated P2 forecast and 2023/24 plan
- · cashflow forecasts for 2022/23 and 2023/24
- · compliance with loan covenants
- scenario planning based on likely changes to external factors or internal operating policies/ practices, such as cost inflation and student recruitment
- sensitivity analysis focusing primarily on covenant compliance and cash requirements.

Further details can be found in the Financial Performance section of the annual report.

Basis of consolidation

The consolidated financial statements consolidate the financial statements of the University and all its subsidiary undertakings for the financial year to 31 July 2022. Intra-group transactions are eliminated on consolidation.

The consolidated financial statements do not include those of the University's Union of Students as it is a separate legal entity over which the University does not exercise control or significant influence over policy decisions.

Investments in associates and joint ventures are accounted for using the equity method.

Recognition of income

Tuition fee income is credited to income over the period in which students are studying. Bursaries and scholarships are accounted for as expenditure and not deducted from income.

All income from short-term deposits is credited to the income on a receivable basis.

Research contracts are recognised in income when the University is entitled to the income.

Where no specific milestones or deliverables occur, the related costs for which the contract is intended to compensate are used to approximate the level of service supplied and amount of income to recognise.

Income received in advance of performance-related conditions being met is recognised as deferred income within creditors on the Statement of Financial Position and released to income as the conditions are met, allocated between creditors due within one year and due after more than one year as appropriate.

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

All other income is credited to the income when the goods or services are supplied or the terms of the contract have been met.

Grant Funding

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

Government capital grants are recognised in income over the expected useful life of the asset to which they relate.

Revenue grants (including research grants) from non-government sources are recognised in income when the University is entitled to the income and performance-related conditions have been met.

Capital grants from non-government sources are recognised in income when the University is entitled to the funds subject to any performance-related conditions being met.

Donations and endowments

Non-exchange transactions without performancerelated conditions are donations and endowments. The University reviews the terms of its donations and endowments to ensure that the funds are applied in accordance with each donor's specified intentions.

Donations and endowments with donor-imposed restrictions are recognised in income when the University is entitled to the funds. Income is retained within the restricted reserve until such time that it is utilised in line with such restrictions, at which point income is released to general reserves through a reserve transfer.

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

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

There are two main types of donations and endowments identified within reserves.

- a) Restricted donations- the donor has specified that the donation must be used for a particular objective;
- b) 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.

Retirement benefits

The University contributes to the Universities Superannuation Scheme (USS), the Teachers' Pension Scheme (TPS), the Local Government Pension Scheme (LGPS) and the National Employment Savings Trust (NEST).

The USS is a hybrid pension scheme, providing defined benefits (for all members), as well as defined contribution benefits. The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the assets are not attributed to individual institutions and a scheme-wide contribution rate is set. The University is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. As required by Section 28 of 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 expenditure represents the contributions payable to the scheme. Since the University has entered into an agreement (the 'Recovery Plan') that determines how each employer within the USS will fund the overall deficit, the University recognises a provision for the contributions payable that arise from the agreement in place at the year end (to the extent that they relate to the deficit).

The TPS is a multi-employer defined benefit scheme. It is not possible to identify the assets of the TPS which are attributable to the University due to the mutual nature of the scheme.

As required by Section 28 of FRS 102 'Employee benefits', the University accounts for the scheme as if it were a wholly defined contribution scheme. As a result, the amount charged to expenditure represents the contributions payable to the scheme.

The LGPS is a defined benefit scheme. The University is able to identify its share of assets and liabilities of the LGPS and therefore accounts for this scheme as a defined benefit plan. Defined benefit plans are post-employment benefit plans other than defined contribution plans. Under defined benefit plans, the University's obligation is to provide the agreed benefits to current and former employees, and actuarial risks (that benefits will cost more or less than expected) and investment risk (that returns on assets set aside to fund the benefits will differ from expectations) are borne, in substance, by the University. The University recognises a liability for its obligations under defined benefit plans net of plan assets. This net defined benefit liability is measured as the estimated amount of benefit that employees have earned in return for their service in the current and prior periods, discounted to determine its present value, less the fair value (at bid price) of plan assets.

The calculation is performed by a qualified actuary using the projected unit credit method. Where the calculation results in a net liability (a deficit) this is reflected in full in the Statement of Financial Position. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income. These amounts together with the return on plan assets, less amounts included in net interest, are disclosed as actuarial gains and losses. The cost of the defined benefit plan, recognised in expenditure as staff costs, except where included in the cost of an asset, comprises the increase in pension benefit liability arising from employee service during the period and the cost of plan introductions, benefit changes, curtailments, and settlements. The net interest cost is calculated by applying the discount rate to the net liability. This cost is recognised in expenditure as a finance cost.

The NEST is a defined contribution scheme. As a result, the amount charged to expenditure represents the contributions payable to the scheme.

Further detail is provided on the specific pension schemes in note 27 to the accounts.

Other 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.

Termination benefits

Termination benefits paid to employees are recognised as an expense in the year in which they are paid or when the University is demonstrably committed to (a) terminate the employment of an employee, or group of employees, before their normal retirement date, or (b) provide termination benefits as a result of an offer made in order to encourage voluntary redundancy. The termination benefits will be measured at the best estimate of the expenditure required to settle the obligation at the reporting date.

Foreign currencies

Transactions denominated in foreign currencies are recorded in sterling at the rate of exchange ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into sterling at year end rates. Foreign exchange gains/losses are dealt with in the Statement of Comprehensive Income for the financial year.

Leases

Leases in which the University assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. Leases in which the University does not assume substantially all the risks and rewards of ownership of the leased asset are classified as operating leases.

Costs in respect of operating leases are charged to expenditure in equal annual amounts over the periods of the leases. Any lease premiums or incentives are spread over the minimum lease term.

Fixed assets

Fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Where parts of a fixed asset have different useful lives, they are accounted for as separate items of fixed assets.

Land and buildings were revalued to fair value prior to the transition to the 2015 SORP and are measured on the basis of deemed cost, being the revalued amount at the date of that revaluation. Depreciation and impairment losses are subsequently charged on the revalued amount.

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

Individual equipment items or groups of related items costing less than £10,000 are recognised in expenditure in the year of acquisition. All other items are capitalised.

Assets under construction are accounted for at a cost, based on the value of architects' certificates and other direct costs, incurred to 31 July. They are not depreciated until they are available/brought into use.

Depreciation

Freehold land and buildings
Freehold land is not depreciated.

Depreciation on new and existing freehold buildings is provided on a straight line basis over their expected useful lives, as follows:

- · Buildings (frame) 60 years
- Buildings (mechanical and engineering additions) – 20 years
- · Fixtures and fittings 10 years

Leased buildings

The costs of fitting out leased buildings are depreciated over the lesser of the assets' lives or the expected occupancy period.

Equipment

Furniture and fixed equipment for new and refurbished buildings are depreciated on a straight line basis over the life according to the relevant category from the date the asset is available for use. Depreciation on all other equipment is calculated on a straight line basis from the month of purchase, over the life of the asset category.

- · Motor vehicles and office equipment three years
- · Computers five years
- · Equipment two to ten years

Depreciation methods, useful economic lives and residual values are reviewed at the date of preparation of each Statement of Financial Position.

Maintenance of assets

The University has a rolling long-term maintenance plan which is reviewed periodically and forms the basis of the ongoing maintenance of the estate.

The cost of long-term and routine corrective maintenance is charged to expenditure as incurred.

Impairment of assets

In line with FRS 102 Section 27 an assessment is carried out at each reporting date to determine if there is any indication that any assets, within scope, may be impaired. If there is such an indication of impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount (net book value). If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount and an impairment loss is recognised immediately in the period it arises.

If an impairment loss subsequently reverses, the net book value of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in surplus or deficit in the period it arises.

Investments

Fixed assets investments are carried at historical cost less any provision for impairment in their value.

Investments in associates

Associates are any entities over which the University has significant influence that is neither a subsidiary or an interest in a joint venture. Associates are accounted for using the equity method of accounting, where the associate is in a net asset position. The initial investment is recorded at cost, with subsequent changes made to reflect the University's share of the profit or loss, other comprehensive income and equity of the associate where the associate is in a net asset position.

Jointly controlled entities

Joint ventures are accounted for using the equity method, where the joint venture has a net asset position. The University's share of turnover of a joint venture is excluded from the consolidated income. The University accounts for its share of joint venture operating surplus/loss in the Statement of Comprehensive Income, where the joint venture is in a net asset position.

Stocks

Stocks are valued at the lower of cost and net realisable value (selling price less costs to complete and sell).

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 (with a maturity of three months or less at the acquisition date), highly liquid investments that are readily convertible to known amounts of cash with insignificant risk of changes in value.

Current asset investments

These are deposits held with banks and building societies that do not meet the definition of a cash equivalent, as the deposits are fixed for a specified term, longer than three months at acquisition date, and cannot be accessed early.

Financial instruments

The University applies the provisions of FRS 102 Sections 11 and 12 to all its financial instruments. The University has early adopted the Amendments to FRS102 Interest Rate Benchmark Reform (phase 2) and applied the practical expedient in paragraph 11.20C.

Basic financial instruments (within the scope of FRS 102, Section 11) include cash, demand and fixed-term deposits with banks, loans receivable and payable and trade payables/receivables. This type of financial asset or liability is recognised when the University becomes a party to the contractual provisions of the instrument. They are initially recognised at the transaction price, adjusted for transaction costs, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts/payments discounted at a market rate of interest. Such assets/liabilities are subsequently carried, at the end of each reporting period, at amortised cost using the effective interest rate method.

Financial instruments are assessed for indicators of impairment at each reporting date. If there is objective evidence of impairment, an impairment loss is recognised immediately in expenditure.

Financial instruments are derecognised when the contractual rights to the cash flows from the asset expire or are settled, substantially all of the risks and rewards of the ownership of the asset are transferred to another party or when the liability is discharged, cancelled, or expires.

Provisions

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

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 risks specific to the liability.

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 sections 478-488 CTA 2010 or section 256 of the Taxation of Chargeable Gains Act 1992. to the extent that such income or gains are applied to exclusively charitable purposes. The University receives no similar exemption in respect of Value Added Tax (VAT). Irrecoverable VAT on inputs is included in the cost of such inputs. Any irrecoverable VAT allocated to fixed assets is included in their cost.

The University's subsidiary companies are subject to corporation tax and VAT in the same way as any commercial organisation.

Reserves

Reserves are classified as restricted or unrestricted. Restricted reserves in the Statement of Financial Position include balances where the donor has designated a specific purpose and therefore the University is restricted in the use of these funds.

2. Significant accounting estimates and judgements

Preparation of the financial statements requires management to make significant estimates, assumptions and judgements. These estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Significant estimates

Pension costs and provisions

The University has obligations to pay pension benefits to certain employees who are members of the Local Government Pension Scheme, a scheme accounted for as a defined benefit plan. The cost of these benefits and the present value of the obligation depend on a number of factors including life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. Management estimates these factors, using external professional advice and internal knowledge, to determine the net pension obligation in the Statement of Financial Position of £40,256,000. The assumptions reflect historical experience and current trends.

The University has obligations to pay pension benefits to certain employees, who are members of the Universities Superannuation Scheme (USS), which is accounted for as a defined contribution scheme. The University has committed to contribute to a Deficit Recovery Plan for the scheme and, in accordance with the requirements of the SORP, management has calculated a provision for these costs in the Statement of Financial Position. The provision, which is based on discounted cash flows as at 31 July 2021 is £6.2 million. Details are included in note 25 to the financial statements. Management have taken professional advice around the discount rate to use and have used the salary increases and staff numbers in USS as per the University's 2022/23 budget for calculating the provision.

Sensitivity analysis is performed and where changes in the principal assumptions underlying the pension provisions for LGPS and USS have a material impact on the provision these are reported in Note 25.

Teachers' Pension Scheme (TPS)

The £2.6 million provided for is based on extensive work done by the pension team in relation to the reconciliation and data cleansing exercise being carried out by TPS, which identified members who appear to have contributions that may fall due with respect to pensionable benefits arising from their employment at the University.

Based on the initial analysis undertaken on a sample of individuals, the results were extrapolated to cover all current and former employees identified as potential arrears cases. In particular it was assumed that:

- the University would meet the cost of employer contributions (including interest accrued on such contributions) and for the employee to meet the cost of employee contribution arrears (including interest)
- for former employees who have left the University, partial allowance was be made for the employer contributions arrears (including interest). This was due to no analysis having yet been undertaken for these individuals and the University not retaining records for those individuals who had left employment several years ago and therefore being unable to confirm whether or not an arrears case had arisen.

One-off staff payment

The £2.7 million provided for is based on an estimate of the number of staff employed by the University at 31 July 2022 who are eligible for the payment, multiplied by the payment amount and then uplifted for National Insurance Contributions and pension contributions, using an average rate for each.

Restructuring

The £1.5 million provided for is based on a review of Associate Lecturers (ALs) and identifying those who are no longer required. As they are employed on permanent zero-hour contracts we are only legally able to end contracts for a small number of reasons, including redundancy and anyone with more than two years service is entitled to a redundancy payment. Once the ALs no longer required were identified a review of service was undertaken. The next step was to work out the value of a week's pay, taking into account the cap on weekly pay. Finally we looked at the age of the ALs and their service, as there is a multiplier for a week of pay depending on their age for each year of service. In addition PILON has been calculated based on the minimum and maximum number of weeks' pay / notice someone can get paid.

Dilapidations

The £1.5 million provided for is an estimate provided by an independent firm of chartered surveyors, Eddisons, who compiled a report assessing the potential costs associated with returning the Head Post Office building back to the same condition it was in when the university took over the lease.

Holiday pay accrual

Short-term employee benefits are charged to the Statement of Comprehensive Income as the employee service is received. An accrual is made for the cost of paid annual leave that has not been used at the financial year-end. The accrual requires management's best estimate of outstanding holiday balances based on a review of holiday records for a sample of academic, administrative and other staff. This is used to calculate an 'average holiday accrued not taken figure' for each staff type, which is used to calculate a value for the accrual by those staff categories. the value of the accrual at 31 July 2022 is £5.9 million.

Significant judgements

Classifying leases

Management exercises judgement in classifying its leases for accounting purposes, by looking at the substance of the leasing arrangement as well as the actual lease agreement itself.

In the case of the most significant lease the University has, the Main Post Office building, the University took external accounting advice around the proposed accounting treatment, which supported management's assessment that the lease should be treated as an operating lease, based on the risks and rewards of ownership and the residual value at the end of the lease.

Recognising income

Judgement is applied in determining the value and timing of certain research-related income to be recognised in the financial statements, where there are no specific milestones or deliverables that can be identified. The revenue that is recognised is based on reviewing the details of the contract, the phasing of cost budget agreed and the level of costs incurred during the financial year to determine an approximation of the level of service provided.

Impairment of assets

At each reporting date material fixed assets (Buildings) are reviewed to determine whether there is any indication that those assets have suffered an impairment loss as a result of any impairment indications as set out in FRS102 Section 27.

Following the Covid-19 pandemic consideration has been given to whether there have been any adverse changes in the external environment the University operates in, or any significant adverse changes in the extent or manner of the use of buildings. In addition consideration has been given to the plans for the estate under the Campus Plan that the University has embarked on. Discussions have taken place with the Head of Estate and Workplace Development and the latest Campus Plan has been reviewed for planned asset disposals. A document detailing these activities has been prepared and management have reviewed this in order to take a view as to whether there is sufficient evidence of impairment to require an adjustment in the Financial Statements as per the accounting policy on impairment of assets.

Basic Financial Instruments

During the year ended 31 July 2022 the University completed a Private Placement funding exercise and received £70 million in January 2022.

The University applies FRS102 Section 11 to its basic financial instruments (see Note 1) and has assessed the Private Placement Note Purchase Agreement (NPA) against the criteria set out in the accounting standard. This assessment has been documented, highlighting the relevant sections of the NPA that relate to the criteria. Management have used this assessment to determine if the Private Placement can be accounted for as a basic financial instrument as per the accounting policy adopted.

3. Tuition fees and education contracts

		Consolidated		University
	2022 £000	2021 £000	2022 £000	2021 £000
Full-time and undergraduate home students	169,202	184,201	169,202	184,201
Full-time and postgraduate students	17,259	18,074	17,259	18,074
Part-time undergraduate home students	14,892	11,229	14,892	11,229
Part-time postgraduate home students	5,543	5,291	5,543	5,291
International students	47,094	24,019	47,094	24,019
Fees from NHS contracts	4,441	3,578	4,441	3,578
Other fees and support grants	402	481	402	481
	258,833	246,873	258,833	246,873

4. Funding body grants

	(Consolidated		University
	2022 £000	2021 £000	2022 £000	2021 £000
Recurrent grant				
Office for Students	19,829	19,289	19,829	19,289
Department for Education	189	395	189	395
Deferred capital grants released in year	1,122	1,778	1,122	1,778
Specific grants				
Office for Students	4,108	5,952	4,108	5,952
Education and Skills Funding Agency	1,499	966	1,499	966
Deferred capital grants released in year	2,074	1,989	2,074	1,989
	28,821	30,369	28,821	30,369

Specific deferred capital grants released in year includes £584,000 (2021: £585,000) in respect of the £14 million grant from the Department of Health and Social Care towards the construction of the Advanced Wellbeing Research Centre.

5. Research grants and contracts

	C	onsolidated		University
	2022 £000	2021 £000	2022 £000	2021 £000
Research councils	2,965	3,919	2,965	3,888
UK based charities	1,879	1,720	1,818	1,502
UK central government bodies, local authorities and health authorities	4,204	3,831	3,935	3,619
UK industry, commerce and public corporations	502	740	360	708
EU government bodies	2,243	2,770	2,184	2,756
EU other	506	332	497	332
Overseas-based charities	243	-	243	-
Other overseas	395	476	388	476
Other sources	25	134	25	134
	12,962	13,922	12,415	13,415

6. Grant and Fee income

	•	Lonsoliaatea		University
	2022 £000	2021 £000	2022 £000	2021 £000
Grant income from the OfS	27,133	29,008	27,133	29,008
Grant income from other bodies	10,748	11,482	10,446	11,259
Fee income for taught awards (exclusive of Vat)	253,306	242,078	253,306	242,078
Fee income for research awards (exclusive of Vat)	10,379	8,266	7,945	6,120
Fee income from non-qualifying courses (exclusive of Vat)	3,671	3,147	3,671	3,147
	305,237	293,981	302,501	291,612

7. Other income

	C	onsolidated		University
	2022 £000	2021 £000	2022 £000	2021 £000
Residences, catering and conferences	1,911	753	1,698	609
Consultancy	2,301	1,782	177	-
Other revenue grants	2,672	1,671	2,430	1,537
Rental income	366	268	366	268
Nursery income	413	420	-	-
Other income	5,374	3,211	5,120	3,109
	13,037	8,105	9,791	5,523

Included within 'Other Income' is £133,406 which was received from the British Council to fund the Sheffield Hallam University Turing Mobility Project 21/22, which is disclosed here in accordance with Grant Funding Arrangement dated September 2021.

8. Investment income

		Consolidated and University	
	2022 £000	2021 £000	
Interest on short-term investments	921	219	
Interest on loan	10	7	
	931	226	

9. Donations and endowments

	2022 £000	2021 £000	2022 £000	2021 £000
Unrestricted donations Expendable endowments	361	514	361 -	513
	361	514	361	513

Consolidated

University

10. Staff Costs

	(Consolidated		University
	2022 £000	2021 £000	2022 £000	2021 £000
Wages and salaries	148,360	140,946	146,384	139,232
Social security costs	16,526	15,025	16,386	14,901
Pension costs (note 27)	47,367	39,494	47,085	39,244
Restructuring costs	1,732	732	1,732	732
	213,985	196,197	211,587	194,109

Average number of staff employed during the year

Consolidated and University

	2022 Number of FTE	2021 Number of FTE
Academic delivery	1,652	1,630
Service delivery	1,059	1,016
Corporate services	392	410
Estates and technology	275	267
Facilities and support	224	228
	3,602	3,551

Number of staff with a full-time equivalent, annual basic salary of more than £100,000 excluding starters and leavers:

	Consolidated and University	
2022	2021	

	Number	Number
£100,000 - £104,999	-	2
£105,000 - £109,999	-	-
£110,000 - £114,999	-	-
£115,000 - £119,999	-	-
£120,000 - £124,999	-	-
£125,000 - £129,999	-	1
£130,000 - £134,999	-	-
£135,000 - £139,999	2	3
£140,000 - £144,999	1	1
£145,000 - £149,999	-	1
£150,000 - £154,999	-	1
£155,000 - £159,999	-	1
£160,000 - £164,999	1	-
£240,000 - £244,999	1	1
		11

Based on the OfS Accounts Direction 2019.41, this table includes staff with a full-time equivalent basic salary of over £100,000 per annum. It does not include staff who joined or left part-way through a year but who would have received salary in these bands in a full year.

Number of staff with a full-time equivalent, annual basic Consolidated and University salary of more than £100,000: 2022 2021 Number Number £100,000 - £104,999 £105,000 - £109,999 £110,000 - £114,999 £115,000 - £119,999 £120,000 - £124,999 £125,000 - £129,999 £130,000 - £134,999 £135,000 - £139,999 £140,000 - £144,999 £145,000 - £149,999 £150,000 - £154,999 £155,000 - £159,999 £160,000 - £164,999 £240,000 - £244,999 1 16 11

This table includes all staff with a full-time equivalent, annual basic salary over £100,000 regardless of whether they were at the University for a full year. During the year there were 4 starters and 6 leavers with annual salaries over £100,000.

Total remuneration of the Vice-Chancellor		onsolidated d University
	2022 £000	2021 £000
Salary	244	240
Other remuneration	-	-
Other taxable benefits	-	-
	244	240
Pension contributions	17	17
	261	257

The Vice-Chancellor is entitled to private medical insurance but decided to withdraw from this taxable benefit from January 2019. The Vice-Chancellor was a member of the Teachers' Pension Scheme until leaving the scheme in March 2019. In April 2019 he became a member of the National Employment Savings Trust pension scheme. Contributions to both pension schemes were in line with the scheme rules.

The Vice-Chancellor receives an honorarium and a per-diem allowance for his role on the Quality Assurance Council of the University Grants Committee in Hong Kong that were donated directly to the University's Hallam Fund at his request. He will also donate the one-off payment, to be paid to all staff, in November 2022.

The Vice-Chancellor's remuneration expressed as a
multiple of the median remuneration for all other staff
(on a full-time equivalent basis) is as follows:

Consolidated and University

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	2022	2021
Basic salary	7.1	7.1
Total remuneration (including pension contributions) *	7.4	7.3

^{*} In line with the definition of 'total remuneration' in the OfS guidance

The ratio is based on the OfS Accounts Direction 2019.41 and reports the relationship between the head of provider's remuneration and that for all other employees (employed in the reporting year and who are required to be included in real-time reporting (RTI) to HMRC), expressed as a pay multiple. The ratio excludes pension payments to a select group of retired ex-local authority staff who transferred to the University from the Council and payments made under IR35 regulations (to personal service companies).

The University's governing body, the Board of Governors, has formally adopted the CUC Remuneration Code. Acting on behalf of the Board of Governors, the Remuneration Committee determines the salaries and conditions of service of Board appointments, advises on salaries and conditions of service for key senior staff, and considers the appropriateness of severance arrangements with respect to individual cases.

The following criteria are used to objectively measure and set an appropriate level of reward for the Vice-Chancellor:

- · An annual review of the performance of the Vice-Chancellor undertaken by the Chair of the Board of Governors
- · KPIs set by the Board, as monitored via the performance report; and
- · The delivery of targets in respect of key external measures e.g. Teaching Excellence Framework, Research Excellence Framework, National Student Survey.

Objectives for the Vice-Chancellor, aligned to the University strategy are reviewed and recommended by the Chair of the Board of Governors and endorsed by the Committee. A summary of the annual Review of Performance against those objectives was provided to the Remuneration Committee at its July meeting.

Further details on the governing body's approach to senior remuneration can be found in the Remuneration Committee Report.

Compensation for loss of office	Cons and Ur	
	2022	2021
Compensation paid (£000)	476	116
Number of staff	19	9

The compensation payments include any payments made to any level of staff, as per the OfS Accounts Direction 2019.41.

The number of staff receiving compensation payments during the year ended 31 July 2022 reflects the final stages of the restructuring exercise and an exercise to reduce the number of Associate Lecturers who were no longer required but who held permanent contracts and were entitled to statutory redundancy payments. There was no significant restructuring activity during 2021.

Key

Key management personnel compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the University. The University defines the members of its University Leadership Team to be key management personnel. Remuneration paid to key management personnel is included in staff costs.

The University Leadership Team (ULT) includes the following roles:

Vice-Chancellor Deputy Vice-Chancellor (Strategy & Operations)

Chief Finance Officer Deputy Vice-Chancellor (Academic)

Pro Vice-Chancellor for Business and Enterprise Chief People Officer and Pro Vice Chancellor (Diversity and Inclusion)
Pro Vice-Chancellor for Research and Innovation Pro Vice-Chancellor for Learning, Teaching and Student Success.

Pro Vice-Chancellor for Global and Academic Partnerships

During the year ended 31 July 2022 there were 13 (2021: 9) members of the ULT who served during the period.

		Consolidated and University	
	2022 £000	2021 £000	
management personnel remuneration payable	1,683	1,830	

This is the total remuneration for services, including all employee benefits and compensation for loss of office.

Payments to members of the Board of Governors

Members of the Board of Governors are trustees of the University as an exempt charity. The University publishes in its audited financial statements information about payments to or on behalf of trustees, including payments to trustees for serving as trustees (and waivers of such payments); and payments for services provided to the University by its trustees. This information is disclosed in note 36.

Consolidated

University

11. Other operating expenses

Other operating expenses include:	2022 £000	2021 £000	2022 £000	2021 £000
Operating lease expenditure – land and buildings	1,168	1,088	1,168	1,088
Operating lease expenditure – equipment	66	55	66	55
External auditor's remuneration in respect of audit services (University)	94	66	94	66
External auditor's remuneration in respect of audit services (Subsidiaries)	25	17	-	-
External auditor's remuneration in respect of non-audit services:				
- Grant audits	28	12	28	12
- Tax	2	1	-	-
- Other	12	7	13	7
Internal audit services	156	146	156	146

12. Interest and other finance costs

	Consolidated and University	
	2022 £000	2021 £000
Bank loans	3,715	2,716
Unwinding of USS pension provision discount (note 25)	25	23
Net interest charge on pension scheme (note 27)	3,498	3,708
Other interest	8	2
	7,246	6,449

13. Analysis of total expenditure by activity

	Consolidated			University
	2022 £000	2021 £000	2022 £000	2021 £000
Academic departments	128,016	119,863	127,236	118,006
Academic services	71,161	65,335	70,937	65,293
Administration and central services	46,976	47,182	46,291	46,356
Premises	37,630	35,223	37,616	35,226
Residences, catering and conferences	1,717	1,520	1,559	1,520
Research grants and contracts	16,748	14,376	16,115	13,872
Other expenses	27,842	17,951	26,400	17,841
	330,090	301,450	326,154	298,114

14. Tangible fixed assets – Consolidated

	Land and Buildings		Assets under Construction	Equipment	Total
	Freehold £ooo	Long leasehold £000	£ooo	£ooo	£000
Cost					
As at 1 August 2021	369,822	9,375	29,769	56,893	465,859
Additions	-	1,440	23,218	2,514	27,172
Disposals	(180)	-	-	(57)	(237)
Transfers	21,766	-	(23,544)	1,778	-
As at 31 July 2022	391,408	10,815	29,443	61,128	492,794
Depreciation					
As at 1 August 2021	104,942	3,817	-	41,887	150,646
Charge for the year	16,536	712	-	4,982	22,230
Disposals	(109)	-	-	(57)	(166)
As at 31 July 2022	121,369	4,529		46,812	172,710
Net Book Value					
As at 31 July 2022	270,039	6,286	29,443	14,316	320,084
As at 31 July 2021	264,880	5,558	29,769	15,006	315,213

As at 31 July 2022, Freehold Land & Buildings included £25,298,000 (2021: £25,325,000) in respect of freehold land that is not depreciated.

As at 31 July 2022, Freehold Land & Buildings cost included £14,565,000 (2021: £14,565,000) in respect of the construction of the Advanced Wellbeing Research Centre. The Department of Health and Social Care provided a £14 million grant towards this project.

15. Tangible fixed assets – University

	Land and Buildings		Assets under Construction	Equipment	Total
	Freehold £ooo	Long leasehold £ooo	£ooo	£ooo	£ooo
Cost					
As at 1 August 2021	369,822	9,375	29,769	56,867	465,833
Additions	-	1,440	23,218	2,514	27,172
Disposals	(180)	-	-	(57)	(237)
Transfers	21,766	-	(23,544)	1,778	-
As at 31 July 2022	391,408	10,815	29,443	61,102	492,768
Depreciation					
As at 1 August 2021	104,942	3,817	-	41,864	150,623
Charge for the year	16,536	712	-	4,979	22,227
Disposals	(109)	-	-	(57)	(166)
As at 31 July 2022	121,369	4,529		46,786	172,684
Net Book Value					
As at 31 July 2022	270,039	6,286	29,443	14,316	320,084
As at 31 July 2021	264,880	5,558	29,769	15,003	315,210

As at 31 July 2022, Freehold Land & Buildings included £25,298,000 (2021: £25,325,000) in respect of freehold land that is not depreciated.

As at 31 July 2022, Freehold Land & Buildings cost included £14,565,000 (2021: £14,565,000) in respect of the construction of the Advanced Wellbeing Research Centre. The Department of Health and Social Care provided a £14 million grant towards this project.

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16. Non-current investments

	Consolidated			University
	2022 £000	2021 £000	2022 £000	2021 £000
Investments in subsidiaries		-	3	3
Investments in indirect holdings	42	42	42	42
	42	42	45	45

Subsidiaries

The subsidiary companies (all of which are registered in England and Wales) are as follows:

Name of company	Company Registration Number	Company Charity Number	Principal Activity	Percentage of Ordinary Shares Held
Collegiate Properties Limited*	02790155		Dormant	100
Sheffield Hallam Innovation and Enterprise Limited	04502851		Holding Company	100
Sheffield Hallam University Enterprises Ltd	02143539		Consultancy, provision of conference facilities and letting of accommodation	100
Sheffield Institute of Technology Limited*	10986802		Dormant	**
Sheffield Institute of Advanced Technology Limited*	10986960		Dormant	**
SHU Law Limited	11170526		Provision of legal services	**
SHU Trust*	07658891	1142910	Charitable trust (Dormant)	**
SHU Education Services Limited*	14000049		Dormant	**

Sheffield Institute of Technology Limited and Sheffield Institute of Advanced Technology Limited have applied to be dissolved following agreement of the University Board of Governors and the directors of the companies.

The address of the registered offices of all the subsidiaries, except SHU Law Limited, is Sheffield Hallam University, City Campus, Howard Street, Sheffield, S1 1WB. The address of the registered office of SHU Law Limited is Sheffield Hallam University, 51-53 Broomgrove Road, Sheffield, S10 2BP.

The University holds a 0.88% shareholding in CVCP Properties PLC.

This company owns and manages Woburn House, a major office and conference centre facility. All the shareholders are UK universities in membership of Universities UK, plus Universities UK itself.

Indirect holdings

The University holds indirect investments in other companies through Sheffield Hallam Innovation and Enterprise Limited (all of which are registered in England and Wales) as follows:

Name of company	Principal Activity	of Ordinary Shares Held
Sheaf Innovations Limited***(active proposal to strike off as of November 2022)	Research	24.9
Darton Ceramics Limited (in voluntary liquidation)	Research	7.2
Mikana Innovations Limited (active proposal to strike off)	Metal production	14.8

 $^{^{\}star}$ this company is exempt from an audit by virtue of s480 / s477 of the Companies Act 2006

17. Investment in associate companies and joint ventures

	Consolidated			University	
	2022 £000	2021 £000	2022 £000	2021 £000	
Investment in associate companies (Note 17a) Investment in joint ventures (Note 17b)	35	12	-	-	
Investment in associate companies and joint ventures	35	12		<u> </u>	

17a. Investments in associate companies

Sonnet Advisory and Impact CIC

The University holds a 35% shareholding in Sonnet Advisory and Impact CIC. The company provides specialist impact-focused advisory and consultancy services to socially minded clients, to create positive social, environmental and economic impacts.

The latest financial information available from Sonnet Advisory and Impact CIC are the Management Accounts for the quarter ended 30 June 2022, which show the company had net assets of £100,000 (30 June 2021 Management Accounts: Net assets of £33,000). The University's investment in the associate company at 31 July 2022 is therefore 35% of the net assets value being £35,000 (2021: £12,000).

Sonnet Advisory and Impact is a Community Interest Company (CIC) limited by shares. The University holds 350 £0.01 U shares in the company and has no further legal or contractual obligation to settle the liabilities of the company.

	Consolidated			University
	2022 £000	2021 £000	2022 £000	2021 £000
Share of net assets:				
At 1 August	-	-	-	-
Share of operating surplus/(deficit)	35	12	<u> </u>	-
At 31 July	35	12	-	-
Net assets comprised of:				
Share of gross assets	206	119	-	-
Share of gross liabilities	(171)	(107)	<u> </u>	-
Investment in associate	35	12	-	-

17b. Investments in joint ventures

STEM Learning Limited

The University holds a 25% shareholding in the joint venture company STEM Learning Limited, which operates the National Science Learning Centre as a centre for excellence for science teachers' continuing professional development.

Since 31 July 2018 STEM Learning Limited's balance sheet has shown a net liabilities position. This was caused by an accounting adjustment in respect of its pension scheme. The company has remained in a net liabilities position and indications are that the company was in a net liabilities position as at 31 July 2022 based on its draft results. We do not anticipate that this situation will change when its financial statements for the year are published. The University's investment in the jointly controlled entity is therefore nil (2021: nil).

The University's 25% share of the turnover of £10,414,000 (based on draft figures) (2021: £8,114,000 draft and £8,131,000 published) is excluded from the University's consolidated income. The University's 25% share of operating surplus/(deficit) in the joint venture will not be recognised until the entity returns to a net asset position.

STEM Learning Limited is a company limited by shares. The University holds 25 £1 shares in the company and has no further legal or contractual obligation to settle the liabilities of the company.

^{**} these companies are limited by guarantee and Sheffield Hallam University is the sole member

^{***} the results and net assets of this company are not material to the University and therefore excluded from the University's consolidated financial statements.

18. Stock

	Consolidated		Consolidated Univ	
	2022 £000	2021 £000	2022 £000	2021 £000
Stock and assets for resale	209	97	192	62
	209	97	192	62

19. Trade and other receivables

	C	onsolidated		University
	2022 £000	2021 £000	2022 £000	2021 £000
Trade and other receivables	16,952	14,387	16,350	14,073
Prepayments	7,855	6,671	7,837	6,662
Accrued income	10,081	6,171	9,470	5,819
Amounts due from group undertakings	-	-	1,505	649
Loan to associate company	150	97	150	97
	35,038	27,326	35,312	27,300

Amounts due after more than one year included above are:

	(Consolidated		University
	2022 £000	2021 £000	2022 £000	2021 £000
Loan to associate company	150	97	150	97
	150	97	150	97

In February 2020, a working capital loan of up to £150,000 with a repayment date of 31 March 2026 (or earlier) was agreed with Sonnet Advisory and Impact CIC. £96,000 of the loan was drawn down immediately, and £54,000 drawn down in September 2021. The loan is at commercial rates and unsecured. The loan is held at amortised cost.

20. Current asset investments

	Consolidated and University	
	2022 £000	2021 £000
Short-term deposits maturing within three months of the Statement of Financial Position date	50,000	30,000
Short term deposits maturing more than three months after the Statement of Financial Position date	110,000	
	160,000	30,000

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

In 2022, the weighted average interest rate on the fixed rate deposits was 1.46% per annum (2021: 0.33%) and the remaining weighted average period for which the interest rate is fixed on these deposits was 119 days (2021: 69 days). The fair value of these deposits was not materially different from the book value.

21. Creditors – amounts falling due within one year

	Consolidated		Universi	
	2022 £000	2021 £000	2022 £000	2021 £000
Unsecured loans (note 23)	2,364	2,306	2,364	2,306
Trade payables	7,117	5,404	7,111	5,396
Social security and other taxation payable	4,578	4,389	4,578	4,389
Accruals	22,512	20,124	22,165	19,600
Deferred income	36,375	27,187	36,142	26,962
	72,946	59,410	72,360	58,653

Included within deferred income are the following items which have been deferred under the accruals basis and will be released to match against the cost of the assets funded:

	solidated Jniversity
2022 £000	2021 £000
3.365	3.0/2

22. Creditors – amounts falling due after more than one year

<u>_</u>		Consolidated and University	
	2022 £000	2021 £000	
Insecured loans (note 23)	57,168	59,533	
Private Placement (note 23)	70,000	-	
Deferred income	42,046	43,572	
	169,214	103,105	

Included within deferred income are the following items which have been deferred under the accruals basis and will be released to match against the cost of the assets funded:

Consolidated and University
2022 2021 £000 £000
42,046 43,572

Capital Grants	Consolidate and University	
	2022 £000	2021 £000
Balance as at 1 August	46,614	47,873
Cash receivable	1,993	2,508
Released to statement of comprehensive income (note 4)	(3,196)	(3,767)
Balance as at 31 July	45,411	46,614

At 31 July 2022, capital grants included £12,393,000 (2021: £12,977,000) in respect of a grant from the Department of Health and Social Care. This money is part of a £14 million grant from the Department of Health and Social Care towards the construction of the Advanced Wellbeing Research Centre. £584,000 of the grant received has been released to the Statement of Comprehensive Income during the year.

23. Borrowings

		Consolidated and University	
	2022 £000	2021 £000	
Analysis of unsecured loans at amortised cost:			
Due within one year	2,364	2,306	
Due between one and two years	2,445	2,364	
Due between two and five years	7,841	7,584	
Due in five years or more	116,882	49,585	
	129,532	61,839	

Included in borrowings are the following unsecured loans at amortised cost:

2021 £000
32,375
29,464
-
-
-
61,839

Consolidated

In April 2021 the term loan of £50 million and the revolving credit facility of £20 million with Santander was renegotiated, to reflect the transition from the London Interbank Offered Rate (LIBOR) to the Sterling Overnight Index Average (SONIA). The balance of £20 million still to be drawn must now to be drawn down by April 2023.

The Santander and Barclays facilities are at commercial rates and are unsecured.

24. Financial instruments

All of the University's financial instruments have been assessed as basic financial instruments and are held at amortised cost.

	(Consolidated		University
	2022 £000	2021 £000	2022 £000	2021 £000
Financial assets				
Trade receivables	17,128	14,329	16,526	14,015
Amounts due from group undertakings	-	-	1,505	649
Loan to associate company	150	97	150	97
Accrued income	10,081	6,171	9,470	5,819
Short-term deposits	160,000	30,000	160,000	30,000
Cash and cash equivalents	63,800	116,487	63,744	116,438
Financial liabilities				
Trade payables	7,117	5,404	7,111	5,396
Other creditors	27,090	24,513	26,743	23,989
Unsecured loans	129,532	61,839	129,532	61,839

^{*} Average rate for the period 19 April 2022 to 15 July 2022

^{**} the rate is based on SONIA + a margin of 1.75%

25. Pension provisions

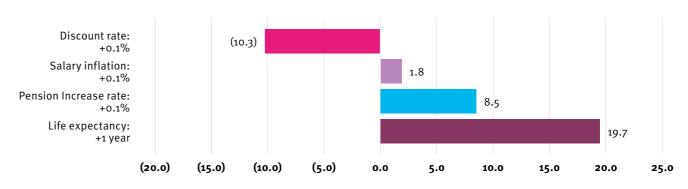
<u> </u>			Consolidated a	and University
	LGPS pension provision 2022 £000	USS pension provision 2022 £000	Total pension provisions 2022 £000	Total pension provisions 2021
As at 1 August	211,829	2,874	214,703	222,845
Amounts charged to pension costs: non-cash items				
Current service cost	25,074	-	25,074	21,234
Past service cost	-	-	-	558
Change in expected contributions	-	3,476	3,476	(242)
	25,074	3,476	28,550	21,550
Less				
Employer contributions	(9,143)	-	(9,143)	(9,056)
Deficit contributions	(2,012)	(163)	(2,175)	(2,109)
	13,919	3,313	17,232	10,385
Amounts charged to Interest and other finance costs: non-cash items				
Unwinding of USS pension provision discount	-	25	25	23
Net interest charge on pension scheme	3,498	-	3,498	3,708
	3,498	25	3,523	3,731
Total charged to expenditure	17,417	3,338	20,755	14,116
Actuarial (gain) charged to other comprehensive expenditure	(188,990)	-	(188,990)	(22,258)
As at 31 July	40,256	6,212	46,468	214,703

LGPS pension provision

The LGPS pension provision represents an estimate of the University's net liability in respect of the Local Government Pension Scheme (accounted for as a defined benefit scheme) and is explained further in note 27.

The sensitivity of the LGPS pension provision to the principal assumptions used is set out below.

Sensitivity analysis of LGPS pension provision liability as at 31 July 2022 (£m)



Liability increase / (reduction) (£m)

USS pension provision

The USS pension provision represents an estimate of additional contributions to be paid to the Universities Superannuation Scheme as part of an agreed deficit recovery plan. The obligation to fund the past deficit on the USS arises from the contractual obligation with the pension scheme for total payments relating to past performance. Management has assessed future employees within the USS Scheme and salary payments over the period of the contracted obligation in assessing the value of this provision. The provision assumes a discount rate of 3.13% (2021: 0.87%) and an average pensionable salary growth of 2.19% (2021: 1.95%) and no growth in the number of members of the scheme.

The actuarial funding valuation of the scheme, as at 31 March 2020, was filed at the end of September 2021. Following the agreement of the valuation a consultation took place with employees and in February 2022 a Benefit Change Deed was enacted. This confirmed the valuation deficit as £14.1 billion. This is a significant deterioration from the £3.6 billion deficit established under the previous valuation as at 31 March 2018.

The USS pension provision as at 31 July 2022 was calculated to be £6,212,000 (2021: £2,874,000). The movement in the provision reflects the deficit contributions paid in the year, offset by the unwinding of the discount factor, plus any adjustment to the provision due to change in assumptions such as the discount rate or pensionable salary growth. The increase in this liability reflects the significant deterioration of the scheme's funding position, as described above.

A new deficit recovery plan was agreed on the back of the 31 March 2020 valuation and details can be found of this in note 27.

We have carried out sensitivity analysis based on movements of +/- 1% of each of the principal assumptions used to calculate the USS deficit provision and the results are shown below.

	Value	Provision	Variance
Financial assets			
	Base	6.2m	
Discount rate	+1%	5.7m	-o.5m
Discount rate	-1%	6.7m	+0.5m
Salary increase	+1%	6.6m	+0.4m
Salary increase	-1%	5.7m	-o.5m
Staff number increase *	+1%	6.8m	+o.6m

^{*} no decrease for staff numbers as base position o% growth

26. Other provisions

Consolidated and University

	As at 1 August 2021 £000	Created in year £000	Utilised in year £000	Released in year £000	As at 31 July 2022 £000
Pension enhancement on termination	98	17	(43)	-	72
Teachers' Pension Scheme Contributions	2,648	-	(17)	-	2,631
Local Government Pension Scheme Contributions	300	-	-	-	300
Health placement bursary	-	500	-	-	500
One-off staff payment	-	2,700	-	-	2,700
Restructuring	429	1,494	(253)	(176)	1,494
Asbestos removal	1,375	-	(916)	-	459
Dilapidations	55	1,440	-	-	1,495
Total other provisions	4,905	6,150	(1,229)	(176)	9,650

The pension enhancement on termination provision is in respect of pension enhancements payable on behalf of staff who have taken early retirement. This will be utilised over the period of retirement. The amount recognised as a provision has not been discounted to present value as the difference in the time value of money is not material.

The University reviewed a number of individual member records in light of changes to the Teachers' Pension Scheme (TPS), in particular:

- the introduction of the 'Member Contribution Reconciliation' ('MCR') data collection process: This new process will enable TPS to perform contribution reconciliation to a member level, as well as introduce a number of changes to the data validation and contribution payment processes that will take effect once MCR submissions commence.
- the introduction of the 'Full Checklist': This is a data cleanse activity that will be used by TPS to rectify any service and/or salary gaps dating back to April 2014.

Based on our findings, the University decided to make a provision in relation to members participating in the TPS to reflect additional contributions that may fall due in respect of members being entitled to additional pension benefits in the TPS, arising from pensionable service at the University. The provision relates to £1.865 million of pension costs and £0.783 million of interest on contribution arrears. It is expected that this provision will be utilised over the coming year.

During the financial year 2020/21, the University reviewed Pensionable Pay figures provided to LGPS in relation to Zero Hours Contract ('ZHC') employees. Given the nature of payments received by these employees, in relation to work undertaken for the University, a misinterpretation of the definition of Pensionable Pay under LGPS regulations has been identified. This is likely to impact those ZHC employees who joined the University since 2012, in relation to employee and employer contributions paid to the pension scheme, as well as the level of benefits received under the scheme. The University has undertaken a high-level assessment of the expected cost of rectifying employee records and have calculated this amount to be in the region of £300,000. Further work has continued on this and discussions are taking place with South Yorkshire Pensions Authority.

During the year there were fewer work placements available for students on health related courses, due to the impact of the pandemic on hospitals and health care providers. Therefore some students were not able to complete the required amount of work experience needed to take up jobs in the health service and so are completing those hours during 2022/23. The University is therefore providing for a bursary that will be paid to those students undertaking work placements in order to be able to complete their accreditation.

Over the last two years the University has not been operating its contribution pay scheme, which rewards historic performance as it was not felt appropriate to single out individuals for reward when all staff have gone above and beyond through a very challenging period. Therefore the University is providing for a one-off payment to each member of staff, which will be paid in November 2022.

The restructuring provision is in respect of redundancy payments and other one-off costs arising from a review undertaken of the University's academic operations and the use of associate lecturers. This is expected to be utilised over the coming year.

The asbestos provision relates to the removal of asbestos from the University's estate. Work on the removal has been disrupted by the Coronavirus pandemic, however it is expected that it will be utilised over the year ended 31 July 2023.

The dilapidations provision created during the year relates to decommissioning costs for the Head Post Office building and will be utilised at the end of the lease. The provision brought forward relates to the estimated cost of returning 111 Charles Street to its original condition at the end of the lease.

27. Pension costs

The University's employees belong to four principal pension schemes: the Teachers' Pension Scheme (TPS), the Universities Superannuation Scheme (USS), the Local Government Pension Scheme (LGPS), and the National Employment Savings Trust (NEST) Pension Scheme.

Amounts charged to pension costs by pension scheme:	C	Consolidated		University
•	2022 £000	2021 £000	2022 £000	2021 £000
Teachers' Pension Scheme	17,391	16,595	17,245	16,465
Universities Superannuation Scheme	4,801	1,137	4,801	1,137
Local Government Pension Scheme	25,074	21,658	24,938	21,538
NEST Pension Scheme	101	104	101	104
Total pension cost (note 10)	47,367	39,494	47,085	39,244

National Employment Savings Trust

The University has employees in the NEST pension scheme.

This is a defined contribution scheme which was introduced to offer a choice in pension options to employees. For employee contributions of 1% of salary the University will contribute 7%. Employee contributions can be increased up to a maximum of 4% of salary and employer contributions will increase to a maximum of 10%. Employees can contribute more than 4% of salary but the University will not contribute more than 10% of salary. The cost recognised within the Statement of Comprehensive Income represents contributions payable by the employer to the scheme for the year.

There was a £nil balance owing by the University at 31 July 2022 (2021: £nil).

Teachers' Pension Scheme

The University participates in the Teachers' Pension Scheme, a statutory, unfunded, defined benefit scheme.

Contributions from both members and employers are credited to the Exchequer, which is then responsible for meeting the cost of all benefits. The TPS is a multi-employer pension scheme and it is not possible to identify each institution's share of the underlying (notional) assets and liabilities of the scheme. Contributions to the scheme are therefore accounted for as if it were a defined contribution scheme, with the cost recognised within the Statement of Comprehensive Income being equal to the contributions payable by the employer to the scheme for the year, as required by Section 28 of FRS 102 'Employee benefits'.

The total TPS pension cost charged to the Statement of Comprehensive Income is made up as follows:

	C	Consolidated		University
	2022 £000	2021 £000	2022 £000	2021 £000
Employer contributions	17,391	16,295	17,245	16,165
Provision for contribution arrears (see note 26)	-	300	-	300
	17,391	16,595	17,245	16,465

There was a balance of £2,053,000 owing by the University at 31 July 2022 (2021: £2,065,000).

Before 1 April 2022, the TPS scheme was split into three distinct sections:

- · The Normal Pension Age (NPA) 60 section caters for those who entered the scheme before 1 January 2007 and have a normal pension age of 60.
- The NPA 65 section caters for those who entered the scheme for the first time on or after 1 January 2007 but before 1 April 2015 or who transitioned from the NPA 60 section following 2007 scheme reform and have a normal pension age of 65.

Both of these sections provide benefits based on final salary and length of service.

• The 2015 section caters for those who entered the scheme for the first time on or after 1 April 2015 and those who transitioned from the NPA 60 and NPA 65 sections following the latest scheme reforms. The 2015 section provides benefits based on career average earnings and has a normal pension age equal to state pension age.

From 1 April 2022, all members earn benefits in the 2015 section of the TPS scheme. Members previously earning benefits in the NPA 60 and NPA 65 sections were transitioned to the 2015 section.

Employee contributions are levied on a tiered basis dependent upon salary. While employee contribution rates remain static from 1 April 2022 there was an increase in band width for each salary band, in line with the change in the Consumer Prices index, an increase of 3.1%.

Year ended 31 March 2022		Year ended 31 March 2021		
£1-£29,187	7.4%	£1-£28,309	7.4%	
£29,188-£39,290	8.6%	£28,310-£38,108	8.6%	
£39,291-£46,586	9.6%	£38,109-£45,185	9.6%	
£46,587-£61,742	10.2%	£45,186-£59,885	10.2%	
£61,743-£84,193	11.3%	£59,886-£81,661	11.3%	
£84,194 or more	11.7%	£81,662 or more	11.7%	

Employer contributions increased in September 2019 to 23.60% (previously 16.4%). Employers pay an administration levy of 0.08%, in addition, to cover administration expenses.

Pension payments were reviewed in accordance with the scheme regulations, and were increased by 3.1% from 11 April 2022 (2021: 0.5% increase).

The last formal actuarial assessment was as at 31 March 2016. Actuarial assessments are undertaken in intervening years between formal valuations using updated membership data for financial reporting purposes. The amounts recognised in the 2021/22 TPS Accounts were based on the liability as at 31 March 2020 and rolling that liability forward to 31 March 2022. The next valuation, based on data as at 31 March 2020, is underway and any changes to contributions will take effect in April 2024. The funding valuation uses a different set of assumptions than those used to inform the IAS 19 valuation.

Since the University cannot identify its share of scheme assets and liabilities, the following disclosures reflect those relevant for the scheme as a whole.

	31 March 2022	31 March 2021	31 March 2016
Nominal discount rate	1.55%	1.25%	2.80%
Rate of general pay increases	4.15%	3.72%	4.20%
Rate of pension increases	2.90%	2.22%	2.00%
Value of notional assets	-	-	£196.1bn
Value of liabilities	£532.3bn	£481.obn	£218.1bn
Notional past service deficit		-	£22.obn

The post-retirement motality assumptions are the same as those adopted for the 31 March 2016 funding valuation of the scheme.

The cost of benefits accrued in the year ended 31 March 2022 (the current service cost) is assessed as 77.0% (2021: 65.8%) of pensionable pay. Taking into account an estimated average rate of contributions paid by members of 9.5%, the employers' share of the current service cost for 2022 is 67.5% (2021: 56.3%). This allows for the higher cost of benefits accruing over the year under McCloud.

For the avoidance of doubt, the actual rate of contributions payable by employers and employees is not the same as the current service cost assessed for the accounts. Members contributed between 7.4% and 11.7% of pensionable pay, depending on the level of their pay. The actual employer contribution rate was determined as part of a funding valuation using different assumptions. The key difference between the assumptions used for funding valuations and accounts is the discount rate, although price inflation and salary increases are also determined differently and the assumption for future improvements in life expectancy has been updated. The discount rate for accounts is set each year by HM Treasury to reflect the requirements of the accounting standard IAS 19.

Universities Superannuation Scheme

The University participates in the Universities Superannuation Scheme, which 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.

Due to the mutual nature of the scheme, the assets are not attributed to individual institutions and a scheme-wide contribution rate is set. The University is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. As required by Section 28 of 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 Statement of Comprehensive Income represents the contributions payable to the scheme.

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 institution recognises a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) as set out in note 25.

The total USS pension cost charged to the Statement of Comprehensive Income is made up as follows:

	Consolidated and University	
	2022 £000	2021 £000
Employer contributions	1,488	1,523
Less deficit contributions (see note 25)	(163)	(144)
Change in expected contributions (see note 25)	3,476	(242)
	4,801	1,137

There was a balance of £187,000 owing by the University at 31 July 2022 (2021: £193,000).

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

The 2020 valuation was carried out using the projected unit method and was the sixth 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.

	31 March 2020	31 March 2018
Total scheme assets	£66.5bn	£63.7bn
Total liabilities	£8o.6bn	£67.3bn
Past service (Shortfall)	£(14.1)m	£(3.6)bn
Funding level	83%	95%
Past service (shortfall) at 31 March 2018		£(3.6)bn
Expected interest on shortfall		(0.2)
Higher than expected investment returns		(0.2)
Employers' contributions		(0.7)
Change in underlying financial conditions		(12.4)
Change in demographic assumptions - mortality		3.0
Past service (shortfall) at 31 March 2020		£(14.1)bn

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

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

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

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

Mortality base table	101% of S2PMA "light" for males and 95% of S3PFA for females.
Future improvements to mortality	CMI_2019 with a smoothing parameter of 7.5, an initial addition of 0.5% p.a. and a long-term improvement rate of 1.8% pa for males and 1.6% pa for females

The current life expectancies on retirement at age 65 are:

	2022	2021
Males currently aged 65 years	23.9	24.7
Females currently aged 65 years	25.5	26.1
Males currently aged 45 years	25.9	26.7
Females currently aged 45 years	27.3	27.9

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

The liability for the University under this plan and the assumptions used to calculate the liability can be seen in Note 25.

The employers' contribution rates are as follows:

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

Local Government Pension Scheme

The University participates in the Local Government Pension Scheme, a defined benefit scheme which is externally funded and contracted out of the State Earnings-Related Pension Scheme. There are some 100 separate funds within the scheme, administered locally by administering authorities. The University participates in the South Yorkshire Pension Fund (SYPF).

Every April employee contribution pay bands are reviewed in line with cost of living to take account of inflationary increases. For the year ending 31 March 2022, the employee rates are on a sliding scale based on earnings, the rate varying between 5.5% and 12.5% (year ending 31 March 2021: between 5.5% and 12.5%).

The employer contribution rate for the year ending 31 March 2022 is 15,3% (year ending 31 March 2021: 15,3%).

The current rate does not include an uplift for the deficit recovery amount, this is paid by fixed monthly payments, however it does include an uplift for the estimated costs of the McCloud ruling (further details can be found below).

There was a balance of £1,265,000 owing by the University at 31 July 2022 (2021: £1,213,000).

The SYPF is valued every three years by a qualified independent actuary using the projected unit method, the rates of contribution payable being determined by the actuary with the approval of the administering authority. The last full actuarial valuation was carried out at 31 March 2019.

During 2022 the SYPF actuary changed from Mercer to Hymans Robertson.

The SYPF is structured in such a way that the actuary has been able to identify the University's share of the underlying assets and liabilities on a consistent and reasonable basis.

The following information is based upon a full actuarial valuation of the fund at 31 March 2019, updated to 31 July 2022 by a qualified independent actuary. The projected unit credit method of valuation has been used, as required under the accounting standard.

The material assumptions used by the actuary at 31 July were:	2022	2021
Salary increase rate	3.25%	3.25%
Pension increase rate (CPI)	3.05%	2.65%
Discount rate	3.50%	1.60%
Inflation	2.75%	2.60%

The pension increase rate (CPI) assumption adopted as at 31 July 2022 reflects the University's best estimate expectations for long-term CPI inflation and takes account of more recent inflation experience that will inform the determination of the Pension Increase Order 2023.

The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement age 65 are:

_	31 July 2022	31 July 2021
Retiring today		
Males	22.2	21.8
Females	24.9	25.1
Retiring in 20 years		
Males	23.0	22.6
Females	26.3	26.4

647,208

492,935

Scheme assets

The assets in the LGPS were:	2022 Fund value £000	2021 Fund value £000
Equities	307,822	291,704
Bonds	99,589	95,783
Property	40,741	39,184
Cash	4,527	8,708
	452,679	435,379

The split of assets as at 31 July 2021 have been restated to match the asset categories used by Hymans Robertson for 2022. The previous actuaries split assets between equities, government bonds, other bonds, property, cash and other.

Analysis of the amount shown in the Statement of Financial Position		Consolidated and University
	2022 £000	2021 £ 000
Total fair value of assets	452,679	435,379
Present value of funded scheme liabilities	(492,867)	(647,135)
Present value of unfunded scheme liabilities	(68)	(73)
Deficit in scheme – net pension liability	(40,256)	(211,829)
Amounts charged to staff costs		Consolidated and University
	2022 £000	2021 £000
Current service cost *	(25,074)	(21,234)
Past service cost	-	-
Settlements and curtailments	-	(558)
Total operating charge	(25,074)	(21,792)
* includes administration expenses for 2022 of £298,000. See interest note below.		

Amounts charged to interest payable and other finance costs	Consolidated and University		
	2022 £000	2021 £000	
Interest on pension scheme assets	7,003	5,958	
Interest on pension scheme liabilities	(10,501)	(9,381)	
Administration expenses *	-	(285)	
Net interest cost	(3,498)	(3,708)	
	1 ()		

 $^{^{\}star}\,\text{administration expenses are included in current service cost for 2022 and equate to £298,000\,(0.5\%\,\text{of payroll assumed as £59,558,000})$

Amounts recognised in other comprehensive income/(expenditure)		Consolidated and University
	2022 £000	2021 £000
Demonstrato (consign ashama acasta)		,
Remeasurements (pension scheme assets)	5,001	54,360
Experience (loss)/gain (pension scheme liabilities)	(2,097)	14,789
Gain/(loss) on assumptions (pension scheme liabilities)	186,086	(46,891)
Actuarial gain in respect of the pension scheme	188,990	22,258
Movement in deficit in the year		Consolidated and University
	2022 £000	2021 £000
Deficit in the scheme at 1 August	(211,829)	(219,608)
Current service costs	(25,074)	(21,234)
Past service costs	-	(558)
Contributions	11,155	11,021
Other finance costs	(3,498)	(3,708)
Actuarial gain / (loss)	188,990	22,258
Deficit in the scheme provided at 31 July (note 25)	(40,256)	(211,829)
Analysis of the movement in the present value of scheme liabilities		Consolidated and University
	2022 £000	2021 £000
Liabilities at 1 August	647,208	588,952
Current service cost	25,074	21,234
Past service cost	-	-
Interest on pension liabilities	10,501	9,381
Employee contributions	3,971	3,815
Actuarial (gain)/loss on assumptions	(186,086)	46,891
Experience loss/(gain)	2,097	(14,789)
Benefits paid	(9,830)	(8,834)
Deficited para		

Liabilities at 31 July

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Analysis of the movement in the market value of scheme assets		Consolidated and University
	2022 £000	2021 £000
Assets at 1 August	435,379	369,344
Interest income on plan assets	7,003	5,958
Actuarial gain/(loss) on assets	5,001	54,360
Administration expenses *	-	(285)
Employer contributions	11,155	11,021
Employee contributions	3,971	3,815
Benefits paid	(9,830)	(8,834)
Assets at 31 July	452,679	435,379

^{*} administration expenses are included in current service cost for 2022 and equate to £298,000 (0.5% of payroll assumed as £59,558,000)

McCloud ruling

The decisions of the Court of Appeal in the Sargeant/McCloud cases (generally referred to as 'McCloud') have ruled that the transitional protections afforded to older members when the Public Service Pension Schemes were amended constituted unlawful age discrimination. The Government has accepted that remedies relating to the McCloud judgement will need to be made in relation to all public service pension schemes, and a consultation was published in July 2020 including a proposed remedy for the LGPS.

The key feature of the proposed remedy was to extend the final salary scheme underpin to a wider group of members up to 31 March 2022. This applies to all members who were active on or before 31 March 2012 and either remained active or left service after 1 April 2014 (including to those members who no longer have a benefit entitlement from the LGPS fund).

An allowance for McCloud is already included in the figures that broadly reflects the above. There are some minor areas where the LGPS actuary's approach differs (principally in respect of members who left service after 1 April 2014), but other than in exceptional circumstances they would expect the impact of these minor proposed changes to be nil. Even where there would be minimal impact, an accurate assessment would be extremely difficult, if not impossible, due to lack of availability of data.

Therefore no explicit additional adjustment for McCloud has been made in this year's figures.

GMP equality

Lloyds Bank court judgement 26 October 2018

Guaranteed Minimum Pensions (GMP) is part of a member's pension under an occupational pension scheme such as the LGPS. UK and European law requires pension schemes to provide equal benefits to men and women in respect of service after 17 May 1990, and this includes providing equal benefits accrued from that date to reflect the differences in GMPs. Previously there has been no consensus or legislative guidance as to how this might be achieved in practice for ongoing schemes, but the 26 October 2018 Lloyds Bank court judgement provided some further clarity.

In response to the Lloyds Bank judgement HM Treasury stated that "public sector schemes already have a method to equalise guaranteed minimum pension benefits, which is why we will not have to change our method as a result of this judgement", clearly implying that the government (who have the overall power to determine the benefit under the LGPS) believe the judgement itself will not affect the benefits. Therefore, the natural conclusion for the main public service pension schemes including the Local Government Pension Scheme is that it is not appropriate for any provision to be included for the effect of the Lloyds Bank judgement, at least at the present time, and an allowance has not been made for any additional liabilities at this stage. This is in line with previous accounting disclosures.

Post-retirement increases on GMPs

Following its consultation response, the Government has confirmed that all public service pension schemes are required to provide full CPI pension increases on GMP benefits for members who reach state pension age from 5 April 2021. An allowance is already included in the figures to reflect full GMP indexation for all members reaching state pension age after April 2021. This allowance was introduced last year as a past service cost, resulting in additional past service liabilities of £744,000.

GMP equalisation - historic transfers

There is an additional consideration in respect of GMP equalisation. In December 2020 a High Court ruling extended GMP equalisation costs to historic transfers, potentially creating a further liability for pension schemes. However, it is unclear at this point how this latest ruling may (or may not) be relevant in the LGPS where the member has transferred out of the LGPS completely, or transferred between LGPS funds. This is a legal question currently being considered by HM Treasury.

Given the uncertainty around whether this applies to public service schemes and the difficulty in obtaining the necessary historic data and the low likelihood of a material impact for employers, no allowance has been made at this stage.

Goodwin, Brewster and Langford judgements

There are other recent rulings that can in theory have an impact on the LGPS, all of which relate to dependants benefits In each case the LGPS actuary expects the impact of the ruling to be very small (if anything).

In relation to the Goodwin ruling, the Fund actuary has carried out some approximate analysis and has estimated the potential impact to be very small for a typical LGPS fund (c. o.1 - o.2% of the obligations). Therefore, no allowance for additional liabilities has been made.

28. Endowment reserve

Restricted net assets relating to expendable endowments are as follows:

		and University
	2022 £000	2021 £000
Balance as at 1 August	20	27
New endowments	-	-
Investment income	-	-
Expenditure	(1)	(7)
Total endowment comprehensive (expenditure)/income for the year	(1)	(7)
Balance as at 31 July	19	20
Analysis by type of purpose:		
Scholarships and bursaries	19	20
Analysis by asset:		
Current assets – investments	19	20

29. Restricted reserve

Restricted net assets relating to restricted donations are as follows:

		Consolidated and University
	2022 £000	2021 £000
Balance as at 1 August	13	13
New donations	-	-
Expenditure	-	-
Total restricted comprehensive expenditure for the year	-	-
Balance as at 31 July	13	13
Analysis by type of purpose:		
Prize funds	10	10
Art fund	2	2
Scholarships and bursaries	1	1

Analysis by asset:

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Current assets – investments 13 13

30. Consolidated reconciliation of net debt

	At 1 August 2021 £000	Cash Flows £000	Non-cash changes £000	At 31 July 2022 £000
Cash and cash equivalents				
Cash	116,487	(52,687)	-	63,800
Borrowings				
Amounts falling due within one year	(2,306)	2,338	(2,396)	(2,364)
Amounts falling due after more than one year	(59,533)	-	(67,635)	(127,168)
	(61,839)	2,338	(70,031)	(129,532)
Net debt	54,648	(50,349)	(70,031)	(65,732)

31. Lease obligations

Future minimum lease payments due under operating leases as at 31 July:

	and Univer	
_	2022 £000	2021 £000
Buildings		
Within one year	1,093	1,146
Between one and five years	4,075	4,014
Over five years	23,940	24,372
Equipment		
Within one year	162	99
Between one and five years	323	152
Over five years	-	-
	29,593	29,783

The University entered into an Agreement for Lease for a commercial property, being 3 Brent Cross Town, NW2 London in July 2022, which is to be used for the purposes of teaching and education. The agreement is for a fixed term commencing at the earliest in 2025 and the initial assessment of the lease terms indicate that this will be classified as an operating lease. The Agreement for Lease contains several conditions precedent that need to be fulfilled in order for the agreement to convert into a full lease agreement, including the physical building of the commercial premises which has

not yet commenced.

Consolidated

32. Capital commitments

Provision has not been made for the following capital commitments:

		Consolidated and University
	2022 £000	2021 £000
Commitments contracted not provided at 31 July Authorised not contracted for at 31 July	98,463 32,258	4,987 107,778
	130,721	112,765

The capital commitments include £41,754 spend (2021: 0) which will be grant funded.

33. Access and participation expenditure

		and University	
	2022 £000	2021 £000	
Access investment	2,670	2,145	
Financial support	4,960	6,982	
Disability support	4,648	3,483	
Research and evaluation	686	809	
	12,964	13,419	

£7,388,000 (2021: £5,943,000) of these costs are included in the overall staff costs figures in the financial statements, set out in note 10.

Access investment includes expenditure on activities and measures that support the ambitions set out in the Access and Participation Plan (APP). Access investment costs are £2,670,000 compared to £2,145,000 reported last year due to a standardisation of roles with the Colleges.

Financial support costs are directed at underrepresented and disadvantaged student groups and include expenditure such as bursaries, scholarships etc.

Compared to 2020/21 there is a £2,000,000 decrease in spend, due to the discontinuation of the Office for Students Hardship Fund (£800,000) which was one-off funding during the pandemic, and reduced expenditure on laptops (£1,000,000) as they were no longer offered as standard to students after April 2021.

Support for disabled students, which can include, but is not limited to the disabled students' premium and excludes any expenditure included in the access investment and financial support totals.

Costs have increased by £1,200,000 over prior year, due to the standardisation of APP countable roles within Colleges.

Research and evaluation costs related to access and participation activities are £686,000 compared to £809,000 reported in the APP. This reduction is because module leader and recruitment roles are no longer claimed.

A copy of the University's published Access and Participation Plan for 2021/22 can be found on the University's website at www.shu.ac.uk and further

information can be found in the Charitable Status and Public Benefit report.

34. Amounts disbursed as agent of Department for Education

These funding streams are available solely for students, with the University acting only as a paying agent.

The income and related disbursements are therefore excluded from the Statement of Comprehensive Income.

The University receives income towards the cost of administering these funds and both this income and the related expenditure are included within the Statement of Comprehensive Income.

		Consolidated and University	
	2022 £000	2021 £000	
Initial teacher training bursaries			
Funds received	2,416	6,490	
Disbursed to students	(2,217)	(6,157)	
Balance unspent/(overspent) as at 31 July	199	333	

35. Related party transactions

The Governors have considered the requirements of FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland which apply to these financial statements. The standard requires disclosure of inter alia, transactions with related parties of the University.

In order to determine what related party transactions and balances need to be disclosed in the financial statements the University collates an annual "register of interests" for all members of the Board of Governors and key management personnel (University Leadership Team members) and their 'close family' (spouse/partners/children). This enables the University to be satisfied that there are no 'conflicts of interest' and to enable it to identify potential related parties (and the associated transactions with those parties).

For there to be a related party relationship, there needs to be an individual who is able to control / significantly influence both parties in the transaction.

The register of interests has been reviewed in order to ascertain any related party relationships, and then any transactions with those related parties have been identified in the financial records of the University.

The Institution has taken advantage of the exemption within FRS 102 and has not disclosed transactions with other group entities where it holds 100% of the voting rights.

During the year the group entered into transactions, in the ordinary course of business, with other related parties. Transactions entered into, and balances outstanding at 31 July, are listed below. There were no amounts written off and no amounts provided for during the year 2021/22. None of the outstanding balances are secured.

Related Party		Income received from	Expenditure incurred	Amounts due from	Amounts due to
		£000	£000	£000	£000
Association of Colleges (AoC)	2022	12	-	-	-
	2021		- -		
Barnado's	2022	14	-	-	-
	2021			<u> </u>	
DN Colleges Group	2022	Note 1	Note 1	Note 1	Note 1
	2021	135		- -	-
Eyam School Trust	2022	Note 2	Note 2	Note 2	Note 2
	2021		2	<u> </u>	-
HESA	2022	-	58	-	-
	2021		145	<u> </u>	
Peabody Trust	2022	-	-	-	-
	2021	5_		5	
PricewaterhouseCoopers	2022	Note 3	Note 3	Note 3	Note 3
	2021	-	11	-	-
Sheffield Assay Office	2022	-	6	-	-
	2021	-	1	-	-
Sheffield Hallam University	2022	330	2,519		20
Union of Students	2021	266	2,512	47	-
Sheffield Museums Trust	2022		25		
	2021		-	-	-
Sheffield Science Park Company Ltd	2022		9		
Shemeta Science Fark Company Ltu	2021		9	-	-
Sheffield Springs Academy	2022				-
Shemeld Springs Academy	2021	-	1	-	-
Sheffield Theatres Trust	2022	20			
Sheffield Theatres Trust	2021	-	-	-	-
Sheffield UTC Academy Trust	2022		28		13
,	2021	-	32	-	-
SINO British College	2022	648		648	
	2021	447	-	447	-
Sonnet Advisory and Impact CIC	2022	47	95	37	17
, ,	2021	32	64	-	-
South Yorkshire LEP	2022	23	48	12	
	2021	71	52	-	18
St Lukes Hospice	2022	3			-
	2021	3	1	2	-
STEM Learning Limited	2022	17			
3	2021	-/ -	-	-	-
The Sheffield College	2022	281	149		
	2021	315	187	_	-
Universities UK (UUK)	2021		44		42
	2022	-	44	-	42
Yorkshire Universities	2021		21		41
	2022	_		-	•

Note 1: Professor Roger Eccleston resigned from the DN Colleges Group Board of Governors in July 2021. Therefore, transactions with DN Colleges Group were not considered for 2021/22.

Note 2: Professor Paul Wiles resigned from the Sheffield Hallam University Board of Governors in July 2021. Therefore, transactions with Eyam School Trust were not considered for 2021/22.

Note 3: Ms Karen Finlayson resigned from Sheffield Hallam University Board of Governors in July 2021. Therefore, transactions with PricewaterhouseCoopers were not considered for 2021/22.

Association of Colleges (AoC)

Ms Angela Foulkes, a Governor, is a member of the board of the Association of Colleges (AoC). Income relates to research activities.

Barnado's

Penelope Thompson CBE, a Governor, is a Trustee and Vice-Chair of Barnado's. Income relates to research activities.

DN Colleges Group

Professor Roger Eccleston, formerly Deputy Vice-Chancellor (Academic), was a Governor of DN Colleges Group. Income received relates to tuition fees. Professor Roger Eccleston's tenure as a Governor with DN Colleges Group ended on 31 July 2021. Professor Roger Eccleston left the University on 8 October 2021.

Evam School Trust

Professor Paul Wiles, formerly a Governor, is a trustee of Eyam School Trust. Expenditure relates to student placements.

HES/

Professor Sir Chris Husbands, Vice-Chancellor and member of the Board of Governors, is a Member of the Board of HESA. Expenditure occurred relates to subscription fees and training.

Peabody Trust

Lord Kerslake, Chair of the Board of Governors, is the chair of trustees for the Peabody Trust. Income received relates to sponsorship of tuition fees.

PricewaterhouseCoopers

Ms Karen Finlayson, formerly a Governor, is a partner at PricewaterhouseCoopers. Expenditure incurred relates to treasury consultancy services.

Sheffield Assay Office

Professor Roger Eccleston, formerly Deputy Vice-Chancellor (Academic), is a Guardian (Board Member) of Sheffield Assay Office. Expenditure incurred relates to metal analytical services. Professor Roger Eccleston left the University on 8 October 2021.

Sheffield Hallam University Union of Students

The following Executive Officers of Sheffield Hallam University Union of Students were members of the Board of Governors during the 2021/22 financial year:

- · Mr P Ishola
- · Ms S Khan
- · Mr D Oladiti

Income received relates to estates and facilities charges, printing, food, and merchandise.

Expenditure incurred relates to the yearly grant made to the Students' Union by the University, uniforms and clothing, student sport funding, merchandising, reimbursement of SHU Card sales, and funding for technology costs.

Sheffield Museums Trust

Mr Neil MacDonald, formerly a Governor, is Trustee and Chair of Sheffield Museums Trust. Expenditure relates to subscriptions and sundry costs.

Sheffield Science Park Company Ltd

Professor Kevin Kerrigan, Pro Vice-Chancellor for business and Enterprise, is a director of Sheffield Science Park Company Ltd. Mr Neil MacDonald, formerly a Governor, is a director (chair) of Sheffield Science Park Company Ltd. Ms Deborah Harry, formerly Chief Finance and Planning Officer, was a director of Sheffield Science Park Company Ltd. The relationship ended 3 Feb 2021. Expenditure incurred relates to cleaning, utility and licence costs.

Sheffield Springs Academy

Mr Neil MacDonald, formerly a Governor, is Chair of the Board of Governors for Sheffield Springs Academy. Expenditure incurred relates to Wellcome CPD Challenge and student placements.

Sheffield Theatres Trust

Lord Kerslake, Chair of the Board of Governors, is a Director (Chair) and Trustee of Sheffield Theatres Trust. Mr Neil MacDonald, formerly a Governor, is a Director and Trustee of Sheffield Theatres Trust. Mr Giles Searby was a Trustee of Sheffield Theatres Trust. This relationship ended 29 June 2021. Mr John Cowling, a Governor, was a Director and Trustee of Sheffield Theatres Trust. The relationship ended 29 June 2021. Income relates to research activities.

Sheffield UTC Academy Trust

Ms Angela Foulkes, a Governor, is a Director of Sheffield UTC Academy Trust. Expenditure incurred relates to student placements, and funding for HeppSY (Higher Education Progression Partnership for South Yorkshire).

SINO British College

Professor Chris Wigginton, Pro Vice-Chancellor for Global and Academic Partnerships, is a Board Member of SINO British College. Income received relates to tuition fees.

Sonnet Advisory and Impact CIC

Sonnet Advisory and Impact CIC delivers consultancy and advisory services and is an associate company of Sheffield Hallam University. The University's Centre for Social and Economic Research has two employees on the Board of Directors. Income received relates to research services and interest on a loan. Expenditure incurred relates to research services. See notes 17 and 19 for further information.

South Yorkshire LEP

(previously known as Sheffield City Region LEP)

Professor Sir Chris Husbands, Vice-Chancellor and member of the Board of Governors, is a member of South Yorkshire LEP. Mr Neil MacDonald, formerly a Governor, is a Board Member of South Yorkshire LEP. Income received relates to consultancy on travel strategy and the secondment of an individual. Expenditure incurred relates to Sheffield Innovation Programme ERDF funding.

St Lukes Hospice

Mr Neil MacDonald, formerly a Governor, is the chair of trustees of St Luke's Hospice. Income received relates to tuition fee sponsorship. Expenditure incurred relates to student placements.

STEM Learning Limited

Professor Chris Wigginton, Pro Vice-Chancellor for Global and Academic Partnerships, is a Board Member of STEM Learning Limited. STEM Learning Limited is also an associate company of Sheffield Hallam University. Income received relates to research activities. See note 17 for further information.

The Sheffield College

Angela Foulkes, a Governor, is the Chief Executive and Principal of The Sheffield College. Richard Calvert, Deputy Vice-Chancellor (Strategy and Operations), was a Governor of The Sheffield College. The relationship ended on 1 April 2022. Income received relates to course fees. Expenditure incurred relates to tuition fees, student placements, and funding for HeppSY (Higher Education Progression Partnership for South Yorkshire).

Universities UK (UUK)

Professor Sir Chris Husbands is a Director of Universities UK (UUK). Expenditure incurred relates to subscription fees and conferences.

Yorkshire Universities

Professor Sir Chris Husbands is a Director of Yorkshire Universities. Expenditure incurred relates to subscription fees.

All members of the Board of Governors and the University Leadership Team submitted "Nil" returns in respect of any relevant interests of close family members.

The University's register of Governors' and key management personnel interests is held by the Governance, Legal and Sector Regulation Team and is available for inspection.

36. Transactions with trustees

Members of the Board of Governors are trustees of the University as an exempt charity.

Professor Sir Chris Husbands, Vice-Chancellor, is a governor of the University. Professor Sir Chris Husbands received remuneration in connection with his employment and this is disclosed in note 10. He did not receive supplementary payment in relation to his membership of the Board of Governors.

The following were members of staff and members of the Board of Governors during 2021/22:

- Mr Dan Bye was elected as a governor by and from the professional services staff of the University for the year ended 31 July 2022.
- Dr Claire Ketnor was appointed as a governor from the membership of the Academic Board for the year ended 31 July 2022.
- Dr Jia Liu was elected as a governor by and from the academic staff of the University and was a governor from 7 December 2021.
- Dr Lucian Tipi was selected from the academic staff of the University and was a governor from 7 December 2021.

They were paid by the University in connection with their employment but received no supplementary payment for their membership of the Board of Governors.

During 2021/22, expenses totalling £7,000 (2020/21: £2,000) were paid to or on behalf of 13 (2020/21: 13) members of the Board of Governors.

The expenses for 2021/22 related to travel, subsistence, accommodation, training and subscriptions. The expenses for 2020/21 related to training and subscriptions.

Other than expenses, members of the Board of Governors did not receive any payments or other benefits for serving on the Board. In addition, other than the transactions with trustees listed above, members of the Board of Governors did not receive any payments for services provided by the member of the Board to the University.

Transactions with related parties are declared in note 35.



Sheffield Hallam University

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