

**Annual Report and  
Financial Statements**

**2020**  

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**2021**

Our vision is to be the world's leading applied University – showing the world what a University genuinely focused on transforming lives can achieve.

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## Introduction from the Vice-Chancellor

**This report covers a year like no other: for us all as individuals, for our families and communities, for our nation and the world, and of course for Sheffield Hallam. This report describes some aspects of that year – a year in which the familiar rhythms of a University community, in its seminar rooms and laboratories, its coffee areas and its corridors, its academic routines and its sporting activities were all collapsed onto the screens of computers in spare rooms and sitting rooms. This was the year of the Covid-19 pandemic.**

This report explains some of the ways the Sheffield Hallam community responded. As with every organisation, there were unexpected challenges and tough decisions, pressures and – for both staff and students – sheer exhaustion as the seasons of lockdown ground on and government guidance changed. There is much here to be proud of. I am proud of the way the University community responded so rapidly to changing national and local situations. I am proud of the inventiveness and imagination of our teaching and research teams. I am proud of the way we responded to the intense material and mental health needs of our students. I have been frequently humbled by the commitment my colleagues have shown under utterly unanticipated circumstances. There were unsung successes: our estates teams kept our buildings functioning while most of them were empty. Our digital technology teams kept our technology infrastructure going under huge pressure. We transitioned our assessment practices to effective and secure online operation. For all of these – and more – I am extremely grateful to everyone.

But, it would be naïve not to say that there were also profound challenges in supporting the needs of a community of some 40,000 people online and remotely. We learnt more and more about the challenges faced by our students, not all of whom have safe or comfortable places in which to work. We learnt about the challenges in establishing successful home working for many of our staff. We learnt about these things and we attempted to respond to them. As our data shows, sometimes we were successful, but as the headline result of the National Student Survey shows, on some key indicators we, like all Universities suffered.

The Covid-19 pandemic has changed Sheffield Hallam. It will never be the same again. The most profound changes are still working their way through, and we are, like everyone else, learning as we go. We used the Covid-19 pandemic to review and re-set our strategy and we have a clear, confident direction, building an extended campus which fuses the physical and digital, delivering our applied mission in novel ways and through new ways of work. We have examined and accelerated our plans for our city campus. We have reviewed our approach to our portfolio and to teaching and learning. We have engaged in more and different ways with our people. We have extended our thinking about our role in place. All this has been powerfully transformative, if at times challenging and difficult. Perhaps above all, we have learnt about the importance, challenges and power of community.

**Professor Sir Chris Husbands**  
Vice-Chancellor  
Sheffield Hallam University

## Foreword by the Chair



The year 2020/21 was defined by the global Covid-19 pandemic and organisations across the world responding to overcome its many challenges. Sheffield Hallam was no different. This report tells the story of a University community that came together to ensure it could continue to serve its students and wider community, to carry on transforming lives for the better.

There can be no doubt that this period has been tough for everybody. Considering the speed and frequency of changes in national and international restrictions, it has been a considerable challenge for any organisation to adapt their operations whilst keeping people as safe as possible. But the Board of Governors and I have been immensely impressed to see how our University community has responded, never losing sight of Sheffield Hallam's overall mission and responsibilities. Thanks to the resilience, focus and ingenuity of students and staff, we can all look back on what has been one of the most challenging years in generations with a sense of pride.

It was particularly welcome to see how the University prioritised its responsibility to students during this time. Teaching and assessments for thousands of learners continued, made possible by colleagues from across all our colleges and professional services. A range of new measures were introduced, and existing support and services were rapidly adapted, so that students had access to the technological, financial and wellbeing resources they needed. The pandemic meant that the University experience was not what any of us would have hoped for in a pandemic-free world, but our University community was committed to making the experience as rich and rewarding as possible.

In addition to adapting our teaching and learning, it has been impressive to see how research efforts pivoted to support responses to the pandemic. Furthermore, the pandemic has brought our priority to shape our place at the heart of the region into even sharper focus, with our commitment encapsulated within a sector-leading Civic University Agreement.

Whilst there have been many success stories into the last year, any organisation that fails to reflect on what has been a difficult and challenging time would be missing an opportunity. As the Vice-Chancellor noted within his introduction, there have been many lessons learned. It is welcome that these reflections and new learnings are represented within a re-set University strategy, which the Board of Governors is proud to support.

**Rt Hon The Lord Kerslake**  
Chair of the Board of Governors  
Sheffield Hallam University

We are confident that, along with the continued commitment of our students and staff, our strategy places Sheffield Hallam in a strong position.

A strong position to continue to improve, to adapt to inevitable future challenges, and to support our wider University community.

But first and foremost, a strong position to continue to go forward with confidence in our prevailing mission to transform lives.



We are one of the UK's largest and most diverse Universities. Our community is made up of more than 30,000 students, 4,000 staff and over 250,000 alumni around the globe.

Our teaching, research and partnerships are characterised by a focus on real world impact - addressing the health, economic and social challenges facing society today.

Our committed staff provide award-winning teaching and student support for our diverse population of students. We provide our students with a curriculum designed for collaboration and cross-disciplinary learning, courses which are designed with industry experts, embedded work experience opportunities, digital skills pathways, and placement years. This includes a guarantee that all of our students will gain a placement during their degree.

Our research and innovation is also characterised by a focus on real-world impact. Working across disciplines in world-class facilities, our academics tackle global challenges. We have an international reputation, with particular areas of strength including health, materials science, art and design, sports science, biomedicine, and economic and social research – all delivered through our research institutes.

As a University we are very proud of our contribution to our place - locally, nationally and internationally. During the last year we launched our Civic University Agreement, which expanded on our role within the region and outlined new commitments to deliver on priorities that will improve the quality of life for people right across South Yorkshire.

Whilst the University is grounded in its city and region, we are also proud of our global outlook. Our global community of international students, staff and partnerships spans 120 countries and we have partnerships with more than 100 Universities in countries around the world.

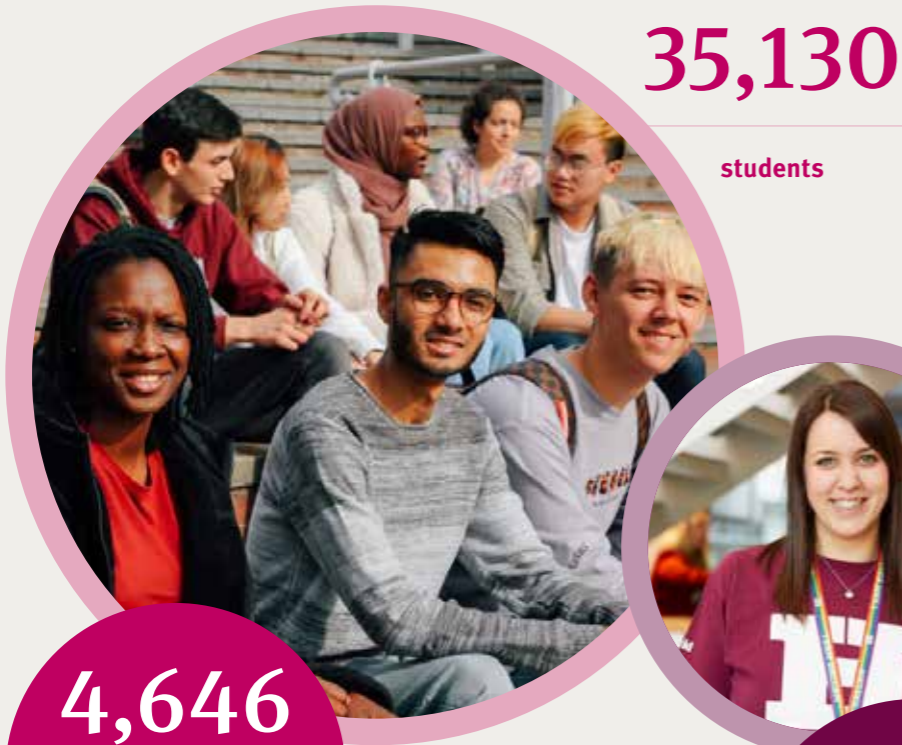
We are a leader in widening access to higher education to students from disadvantaged and under-represented backgrounds. For the last five consecutive years Sheffield Hallam has educated more students from underrepresented backgrounds than any other UK University. We provide opportunities for everyone to acquire the skills, knowledge and experience to succeed at whatever they choose to do.

This report tells our story over the past year, during a year of unprecedented challenges as a result of the Covid-19 pandemic. It sets out our ambitions, which are undimmed despite the challenging and fast-changing nature of the world. It shows how we remain committed to transforming lives.

# Our University

Sheffield Hallam is an ambitious University. We are ambitious for our University, our students, our colleagues, our partners, our city and our region. Our vision is to be the world's leading applied University; showing what a University genuinely focused on transforming lives can achieve.





Over **24,000** placements and real-world projects delivered every year.



**1,305**  
We welcomed more young students from underrepresented areas than any other UK University.

**94%**

of our UK undergraduates in employment or further study 15 months after graduation.



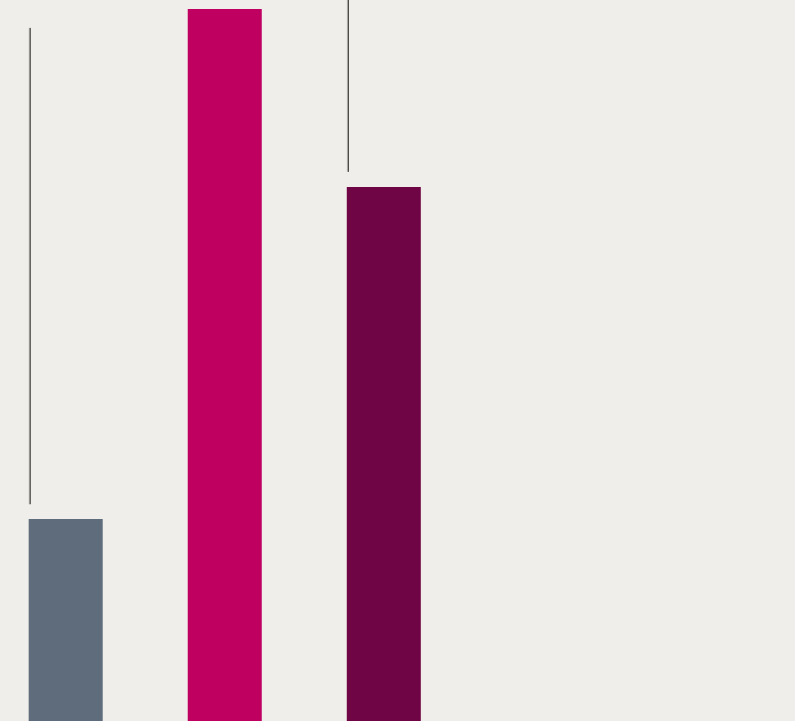
**71%**

of our UK undergraduates in highly skilled employment or further study.



**27%**

of our students are from BAME backgrounds.



## Strategic Review

Our mission is simple. We transform lives. We shape our students' futures, preparing them for whatever they choose to do, and create knowledge that provides practical solutions to real-world challenges.

Our vision is to become the world's leading applied University, achieving outstanding outcomes for our students and our city, showing the world what a University genuinely focused on transforming lives can achieve.



## Highlights from 2020/21

### Supporting our students

This report covers a period of exceptional challenge for students, staff, the University and the nation. The Covid-19 pandemic required Sheffield Hallam to reshape every aspect of its provision and working. Throughout the year teaching was provided for courses across our three Colleges, **enabling thousands of students to continue their studies** despite the Covid-19 pandemic. This was made possible by the extraordinary effort of the whole University community. Supported by robust and reliable technology, they have adapted in ways that would have been judged impossible before the Covid-19 pandemic. New ways of working have been developed that will influence our approach to how we operate.

We worked with student representatives to provide a **comprehensive range of measures** to help students achieve fair outcomes given the impact of the Covid-19 pandemic. This made provision for longer deadline extensions and online assessments, whilst those experiencing difficulties were able to request repeat assessments later in the academic year. There was also a process to adjust marks if there was evidence of underperformance across a particular module.



In just a few short weeks before December 2020, teams from across the University came together to setup an **on-campus asymptomatic testing site**. This allowed students to be tested before they returned home over Christmas. It also provided a valuable resource for on-campus activities, with lateral flow tests able to provide results to students via text within as quickly as an hour. In all, the site undertook thousands of tests.



**A range of support for students was developed during the Covid-19 pandemic.** More than £3.8 million in financial hardship funds was provided to our most vulnerable students. A digital hardship scheme was created to support students to learn remotely. More than 4,500 students benefitted from nearly £2 million of investment that provided much needed technology and equipment, including laptops and printers. More than 800 self-isolating students also received additional support, including essential food supplies. Mental health and wellbeing provision has also been paramount to the University's response during 2020-21. With isolation and disruption to learning taking a huge toll on students, our services were able to offer both one on one and group support.

In order to address the challenges graduates faced, we launched support packages for the **Class of 2020 and Class of 2021**. This provides access to a huge range of resources, employer internships and discounts on further study to help graduating students to thrive.

### Applying our knowledge

Across the University, our research effort pivoted at high speed to respond to the need for research and innovation to support responses to the Covid-19 pandemic. Design, healthcare and creative practice researchers in Sheffield Hallam's **Lab4Living** designed a resource that supported people with dementia and their families during the Covid-19 pandemic. 'Connecting People, Connecting Support' is an online space where people with dementia, family members and care staff can connect and access research-informed resources that promote quality of life.



Our **Advanced Wellbeing Research Centre** partnered with local community groups to run a programme of virtual research clinics to learn more about the lived reality of managing and recovering from Long Covid. Specialists in sport medicine and rehabilitation offered online consultations with people from local communities who are suffering with Long Covid, to understand more about their individual needs and help support recuperation.



Despite the Covid-19 pandemic, early years experts from our **Sheffield Institute of Education** worked with Save the Children and others to open a new **Early Years Community Research Centre**. Providing up to 40 full-time nursery places for children aged two to five in the Shirecliffe area of Sheffield, the Centre brings together academic research capacity, community-focused education and care, and expert knowledge from the children's charity sector. The partnership will benefit children across the UK through the dissemination of research findings and best practice to the early years education sector.

Psychology researchers at Sheffield Hallam's **Centre for Behavioral Science and Applied Psychology** worked with the British Psychological Society to publish key guidance on how best to encourage people to adhere to self-isolation rules to prevent the spread of Covid-19. They also worked in advisory role with Sheffield City Council, in order to help optimise public health messages during the Covid-19 pandemic.

Researchers from **Sheffield Business School** helped produce a major study into the effect of the Covid-19 pandemic on voluntary sector and social enterprises. They provided real-time information on what was occurring in different areas of the sector as the consequences of and responses to the Covid-19 pandemic unfolded. The findings are being used to inform the decisions of key national policy-makers.



### Shaping our place

Our students played a leading role in supporting local communities during the challenges of the Covid-19 pandemic in 2020/21. From helping local charities to volunteering to administer tests and vaccines, students at **Sheffield Hallam spent nearly 30,000 hours giving back to the community** in 2020/21. This included many of our graduate mentors providing one on one support for over 700 local pupils sitting GCSEs and A-levels, through our groundbreaking GROW mentoring programme.

We have provided outstanding **support for businesses during the Covid-19 pandemic**, helping them overcome unprecedented challenges. Working with our partners right across the region, we have helped businesses access academic research and innovation, establish and build-up new businesses, and access new talent through placements, internships and apprenticeships. For example, our Wellbeing Accelerator supported 28 local and international health and wellbeing start-ups and SMEs to get their products and services developed and onto the market during 2020.

Our provision of **Degree Apprenticeships** has continued to grow with 2020/21 seeing the milestone of over 2,000 apprentices reached, working with dozens of organisations. The School Leaver Awards named Sheffield Hallam as 'Best University for Apprenticeship Training' and 'Best Learning Experience' at their annual awards.

2021 saw the launch of Sheffield Hallam's **Civic University Agreement**, which outlined how the University will work with local partners to build back stronger from the Covid-19 pandemic and address key regional challenges around the economy, health, education, regeneration and our communities. It was supported by and launched with the support of South Yorkshire Mayor, Dan Jarvis MP, who has also committed funding to help deliver the plan. Key commitments include delivering a major redevelopment of a key gateway to Sheffield City Centre, doubling the annual intake of students studying to become healthcare professionals by 2025, and working closely with Further Education colleges to develop a joined-up post-18 education offer.



## Measuring our performance

Sheffield Hallam's Transforming Lives strategy was launched in 2017, and we have continued to monitor performance against the same set of KPIs since that time, although these will need to be refreshed for 2021 onwards in line with the latest University plan.

This year, we have monitored our performance in quarterly reviews across five different areas of Sheffield Hallam's work;

- Student experience, learning and teaching
- Research and innovation
- Business and enterprise
- Global engagement and academic partnerships
- Services, infrastructure and operations

Below we summarise our performance in each of these areas.

## Student experience, learning and teaching

### Student retention

We are committed to supporting all students from all backgrounds to succeed at Sheffield Hallam. Our performance for the retention of students from a range of backgrounds continues to be a strength. In the latest Higher Education Statistics Agency UK performance indicators, we performed above our sector benchmark despite the challenges of the Covid-19 pandemic. Our performance on retention for 2019/20 starters (measured by returning numbers in 2020/21) saw us rebound after a drop in the prior year, with retention increasing to 93.8%, also above the figure for 2017/18 starters. This improvement reflects positively on the steps taken by the University to assist students whose first year of study coincided with the first six months of the Covid-19 pandemic.

#### KPI

##### Retention

Significant improvement on prior year

19/20	20/21
91.4%	93.8%

### Highly skilled employment

We have now received the results from the second round of the Graduate Outcomes survey which looks at activity 15 months after graduation. The survey relates to students graduating in 2018/19. Our performance shows a slight dip on the results from the prior year. 71% of our 2018/19 graduates (Full-time, Home, Undergraduate) were in highly skilled employment or further study 15 months after graduation, this is down from 73% last year. However, it should be recognised that the survey was completed during the Covid-19 pandemic, with the largest group of students surveyed in autumn 2020, which will have had an effect on the employment market. Full sector data has yet to be released by HESA, and so it is hard to place our performance in context.

However, we do know that in the whole sector, the percentage of students in employment of any kind is very similar to the prior year and that the percentage of jobs which are classed as highly skilled has fallen from 71.6% to 69.4%. Therefore, it seems likely that Sheffield Hallam has more or less maintained its strong position in the sector.

#### KPI

##### Highly skilled employment

Slight drop in performance, sector position still awaited

19/20	20/21
73%	71%

## Improving student satisfaction

Student satisfaction scores at Sheffield Hallam and across the sector fell in 2020/21, with students being surveyed for the first time since the start of the Covid-19 pandemic. Overall satisfaction scores at Sheffield Hallam, as recorded in the **National Student Survey**, fell from 82% to 71%, with satisfaction with Teaching and Learning falling from 85% to 77%. Our scores have moved from being above sector average to below sector average on both of these measures. Understanding and addressing this fall, which is broadly similar to that in other large urban Universities, is a major priority for 2021/22.

#### KPI

##### Student satisfaction

Reduction, taking Hallam below the sector average

19/20	20/21
82%	71%

### Closing the attainment gap

The gap between the proportion of white students and BAME students achieving first class or upper second degree classifications was narrowed in 2019/20. The gap moved from 19% points to 15% points, due to an increase in the percentage of BAME students achieving good honours. At the same time, the sector average gap also reduced, but only from 11% points to 9% points. We know that we have much more to do. We are reflecting on the impact that may have come from the changes to assessment introduced as part of our response to the Covid-19 pandemic, as we seek to narrow the awarding gap further in the coming years.

#### KPI

##### BAME awarding gap

Gap narrowed slightly

19/20	20/21
-19%	-15%

## Research and innovation

### Research income

Awarded income in 2020/21 was higher than that seen in 2019/20, reaching £13.9 million. The value of awards exceeds that secured in 2019/20 (£13.3 million); but is below the £20 million secured in 2018/19 (due to 3 strategic awards of £7 million). The University was particularly successful in securing funding from UK Government (£3.1 million); UK Charities (£3 million); and the EU Horizon 2020 programme (£2.1 million). The bid pipeline is strong with a greater number of final stage submissions (438) compared with 2019/20 (416) and 2018/19 (364). Total income received in the year was also up, from £10.5 million to £13.6 million.

#### KPI

##### Research income

Increase in income of 30%

19/20	20/21
£10.5 million	£13.6 million

Overall bid submissions were similar to the previous year. However, grant applications increased by 33% compared with the previous year as academics responded to new Covid-19 opportunities. Rapid response mechanisms and grant prioritisation processes were implemented to help manage demand.

### Knowledge transfer

Knowledge transfer income for 2020/21 fell slightly from £4.1 million to £3.5 million, after a decrease was also seen in the previous year. This reflected reduced interactions during the Covid-19 pandemic.

#### KPI

##### Knowledge transfer income

No change from prior year

19/20	20/21
£4.1 million	£3.5 million

## Business and enterprise

### Improving progression and access to education for all

We continue to be a leading University in the design and delivery of apprenticeships. By the end of 2020/21 we had enrolled 853 new students on higher and degree apprenticeship courses, despite the difficulties around the Covid-19 pandemic which had an impact throughout the year. This compares to 697 in the prior year, and 299 as recently as 2017/18.

#### KPI

##### Degree apprenticeships

Large increases over last four years

19/20	20/21
697	853

After seeing relatively high levels of withdrawals of new students from apprenticeship courses in 2017/18 and 2018/19 (8.7%), this number has come down to below 4% in 2020/21.

### Global engagement and academic partnerships

The Covid-19 pandemic has meant that international experiences (as measured by our previous KPI) could not go ahead for much of the academic year. Work in this area was refocused and participation cannot be compared to previous years.

A key target for Sheffield Hallam was also to develop a strong international partnership which we have done with La Trobe University, now our key global strategic partner with whom we have shared learning throughout the Covid-19 pandemic. Despite the inevitable difficulties arising from Covid-19, which caused a number of elements of the programme to be delayed, we have made further progress in 2020/21, including a first intake of joint PhD students and the continuation of collaborative research.

International recruitment has also been strong, with more new overseas students enrolled at Sheffield Hallam than in any of the previous three years – 3,014 compared to around 2,700 between 2017/18 and 2019/20. Applications for 2021/22 are also higher than seen in previous years.

## Services, infrastructure and operations

### Improving our service for students, staff and others

In 2018/19 we implemented a new operating model for our professional and support services with a view to making them more efficient, more agile and more flexible to the changing needs of the University. This brought our staff balance more in line with the rest of the sector, as monitored by our KPI. These structures and ways of working were embedded in 2019/20, and changes to the ratio of academic to professional services staff have been minimal since. The ratio has remained at one member of academic staff for every 1.2 professional services staff.

#### KPI

##### Academic to professional services staff ratio

Ratio stable after initial decrease

19/20	20/21
1:1.2	1:1.2

### Inclusivity and diversity

We have continued to work towards achieving our equality and diversity ambitions in 2020/21, and have continued to see a positive shift in the proportion of our staff who are from BAME backgrounds, although the increase was smaller than in the previous 12 months. We simply do not know if there was a pandemic effect here, but we know we have much more to do to build a genuinely diverse workforce.

#### KPI

##### Percentage of BAME staff

Increase of further 0.4% points

19/20	20/21
9.0%	9.4%

This figure continues to increase, now standing at 9.4%, up from 9.0% 12 months ago and 7.0% back in 2017/18. Relatively low levels of recruitment made the target rate of change difficult to achieve, but progress can be seen in the fact that BAME staff made up 16.3% of new starters in 2020/21, continuing the positive trend of the previous two years where the equivalent figure was just over 15%. Whilst the latest increase is welcome, we will continue to accelerate change in order to make our community more representative.

## Our priorities for 2021/22

We have made strong progress towards delivering our Transforming Lives aims and we have learnt a lot over the last 12 months around our ability to transform quickly and at scale, the relationship between the physical and digital campus and how we can work most effectively.

Our Transforming Lives strategy remains our institutional framework for navigating this external context, but we recognise that we need to behave differently to realise that vision, learning from our response to the Covid-19 pandemic is reflected in our plan for 2021/22 and means:

- **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**

Across the whole University, we have identified seven key priorities for action and delivery:

### Academic Offer

To be more strategic in shaping our teaching, research and innovation, ensuring that what we offer will make the most difference to students and society. Our courses and our research will be aligned to our mission.

### Student experience across the lifecycle

To create a sense of belonging for all students across the student lifecycle that allows them to thrive and succeed.

### People & organisation

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

### Infrastructure

To fuse our physical and digital environments creating a permeable learning, working and social environment, underpinned by efficient operations.

### Place & profile

To extend 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 & Social responsibility

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

### Financial sustainability

To deliver a sustainable surplus, consistent 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

The last year has been dominated by the impacts of the Covid-19 pandemic on University operations. Teaching, learning, and research activities have continued to take place remotely, with student experience at the heart of service delivery. Activities have been facilitated by support services who have also largely operated remotely, with only a small number of colleagues remaining on campus throughout the year to provide essential services. Sector-specific uncertainties arising from the UK leaving the EU were resolved. Ongoing compliance with the Office for Students has been maintained, including with the additional conditions imposed during the Covid-19 pandemic.

Risks have been regularly assessed throughout the year, informing the University's review of its strategy based on the lessons learned from the Covid-19 pandemic. A refreshed strategic plan has been developed which focuses on value creation, colleague engagement and financial sustainability. The plan identifies opportunities for the University arising from our recent experiences and looks to the evolution of strategic partnerships to support regional economic recovery and growth following the Covid-19 pandemic.

## Student recruitment

The University's primary source of income is UK full-time undergraduate students. Whilst the number of 18 years olds begins to increase from this year, the market for students remains competitive and aggressive because of the uncertainty posed by the current political and the Covid-19 context.

In Summer 2020, the late changes to A level results created a turbulence within the sector. Despite this, our own recruitment outcome remained positive, and we continue to be one of the UK's largest Universities. Throughout the year, additional emphasis has been placed on retaining students: if we are not able to retain students and orienting them to success, our success in recruiting them will have been in vain.

The A level results in Summer 2021 were exceptional, with a much higher proportion of students receiving the highest grades (A and A\*) which resulted in a substantial movement of students to higher tariff institutions as many more students met the conditions of their first choice offer. This market distortion has had impacts across the sector. Our own overall performance was hampered by our inability to engage in face-to-face outreach in schools and colleges.

International student recruitment was significantly affected during 2020 due to the impacts of the Covid-19 pandemic on student mobility but in markedly unexpected ways. The near complete closure of key competitor markets (Australia and New Zealand) alongside the introduction of the Graduate

Immigration Route (post-study work visa) has meant the UK is performing strongly and the University income from international fees increased in 2020/21. EU applicants reduced as expected during this cycle following Brexit. Our own recruitment was therefore unexpectedly buoyant.

Our student recruitment strategy is being reviewed following the Covid-19 pandemic.

## Funding and finance

The last 12 months have required regular internal financial reviews and scenario planning to navigate changes in the external environment and demonstrate ongoing financial sustainability. The Covid-19 pandemic had unexpected impacts on the sector: essentially, Universities saw no fall in income from core markets as undergraduate fees remained close to budgets. Whilst we devoted substantial additional resource to student support and technology delivery, some expected costs did not occur due to lock down and travel restrictions, so our in-year position remained strong.

As we emerge from the Covid-19 pandemic, the sector is facing a challenging financial future. Central government is turning its attention towards cost recovery, with a focus on reducing exposure from the student loan regime which may result in a review of undergraduate fees. Even without this risk to undergraduate funding, given that the University's principal source of income is undergraduate fees, and the undergraduate fee cap is not expected to increase in the foreseeable future, there are major long-term pressures on the University's funding base. The key responses need to be through income growth, delivery efficiency, and cost management, which are all being considered as part of Sheffield Hallam's future strategy programme.

## Higher education policy

The volatile nature of the external higher education policy environment prior to, but exacerbated by, the Covid-19 pandemic has been recognised by the introduction of a risk in the corporate risk register during 2020/21 which highlights the importance of anticipating and understanding policy changes and how they impact on the University, as well as our ability to react and respond to these changes with organisational agility. It is essential to make pointed and proportionate changes to our operating environment, as often as is required, to remain competitive within the higher education market.

An example of this was the announcement by the Department for Education that from April 2021 all apprentice provision at any provider would be subject to Ofsted oversight rather than the previous mixed model of OfS for Levels 6-7 and Ofsted for Levels 4-5. This meant a major expansion of our in-scope provision for Ofsted from less than 100 learners to c.2000 learners and prompted a University-wide programme of activity to rollout the model that we had implemented to date.

The outcome of the Augar consultation has been delayed again and may have a significant impact on the future direction of the University.

## Teaching quality and student outcomes

Online teaching delivery has become 'the new normal' and colleagues have developed more consistent approaches with student experience a key priority. An internal Quality Assurance Framework was developed alongside a set of teaching delivery principles to provide an institutional approach to online learning. Delays to teaching, learning and assessment were logged, and alternative opportunities provided to ensure students could meet their learning outcomes. Extensive work has been undertaken to plan for delivery of blended learning in Autumn 2021 for new and returning students, building on student feedback, and growing internal capabilities.

We strive for outstanding outcomes for all students and have a clear focus on monitoring and reducing areas of differential attainment throughout the entirety of the student lifecycle, as evidenced by our comprehensive Access and Participation Plan. Our Teaching Excellence Framework (TEF) rating will be directly impacted by our ability to evidence a student's 'progression to further study or highly skilled employment', one of the TEF Student Outcomes and Learning Gain criteria. Our focus on highly skilled employment directly targets improvements against this risk.

## Research and innovation

Before the Covid-19 pandemic, research income at Sheffield Hallam was on an upward trajectory. During the Covid-19 pandemic, we re-directed a good deal of our research effort in health, well-being, design and psychology to pandemic related research, with striking short-term impacts. Research bidding continued, and research performance has continued to strengthen, albeit on a slower trajectory.

There remain some key, leading edge successes: the growing maturity of the AWRC at the Sheffield Olympic Legacy Park is paying dividends in building highly effective business relationships. Our work with regional SMEs is contributing strongly to the regional economic and skill base. Our work on design for living in generating important long-term innovations. These are important developments. The future strategy programme has identified that the long-term sustainability of the research is priority. There are supply and demand challenges here: we need to build further on our successes to ensure that where we can make a strong contribution to knowledge production, we are genuinely effective, but we also need to be more efficient and effective in the way we source and deploy research income. In early 2021, confirmation was received that the UK could continue to participate in EU funded research programmes following Brexit.

This reduced Sheffield Hallam's risk around research funding although work is still underway to diversify our funding streams.

## Developing our technology

The Covid-19 pandemic saw an exponential increase in student and staff expectations of technology. With increased availability comes increased vulnerability. Cyber security has become a progressively important layer of defence against a multitude of technically, reputationally and legally damaging attacks across the sector. Colleagues have received training on best practice behaviours to secure their own systems and workflows while continuing to work remotely.

## Developing our estate

During the Covid-19 pandemic we worked with construction partners to commence Covid-19 secure building work on some of our larger projects. This allowed activities to take place without causing disruption to staff or students. As we moved through the year and it became more obvious that the Covid-19 pandemic would leave its legacy on how physical space is used, significant thought has been given to future estate requirements. Our longer-term Campus Plan has been reviewed, taking into account student and staff feedback and their willingness to maintain a hybrid working approach, as well as the University's financial position. This has resulted in an accelerated consolidation of the estate to allow for an enhanced staff and student experience, as well as substantial efficiencies in our estate portfolio.

## Supporting our people

Colleagues have experienced enormous disruption and change throughout the Covid-19 pandemic. Regular staff surveys have provided feedback which has informed institutional decisions around its operations over the year. Sheffield Hallam continues to work in close collaboration with Trade Unions to ensure safety as we transition into new ways of working and respond to the lessons of the Covid-19 pandemic. Sheffield Hallam's risk assessment has been regularly updated over the year in response to changing government guidance. Additional risk assessments have been produced for more specialist spaces or scenarios.

Colleague engagement in the new University Plan is key to successful delivery. Work is ongoing to embed our statement of organisational values and drive inclusivity to ensure Sheffield Hallam is an attractive employer and that colleagues feel a sense of belonging and shared ownership in realising Sheffield Hallam's vision of being the world's leading applied University; showing what a University genuinely focused on transforming lives can achieve.

# Financial Performance

Sheffield Hallam has maintained a strong financial performance over the year ended 31 July 2021, generating **cash from operating activities** of £39.0m (2020: £17.7m), representing 13.0% (2020: 6.1%) of income.

Despite reporting a small overall deficit for the year, the underlying operating performance was positive, before pension provision charges.

	2021 £m	2020 £m
<b>Underlying operating surplus</b>	<b>13.0</b>	<b>2.3</b>
Pension adjustments		
Staff costs	(10.7)	(7.0)
Interest	(3.7)	(3.9)
<b>Reported deficit</b>	<b>(1.4)</b>	<b>(8.6)</b>

The University had budgeted an operating deficit for the year, based on an expected fall in income from international students due to the ongoing travel restrictions caused by the Covid-19 pandemic. In fact, the income from international students for the year was at similar levels to 2020 following a strong recruitment round in January 2021. This, combined with the UK student recruitment for the year, which was in line with expectations, offset a lower than expected level of other income, as the impacts of lock-downs continued to hit catering and other campus services income for most of the year. The overall increase in income, combined with lower pay and non-pay costs converted a budgeted operating deficit into an operating surplus.

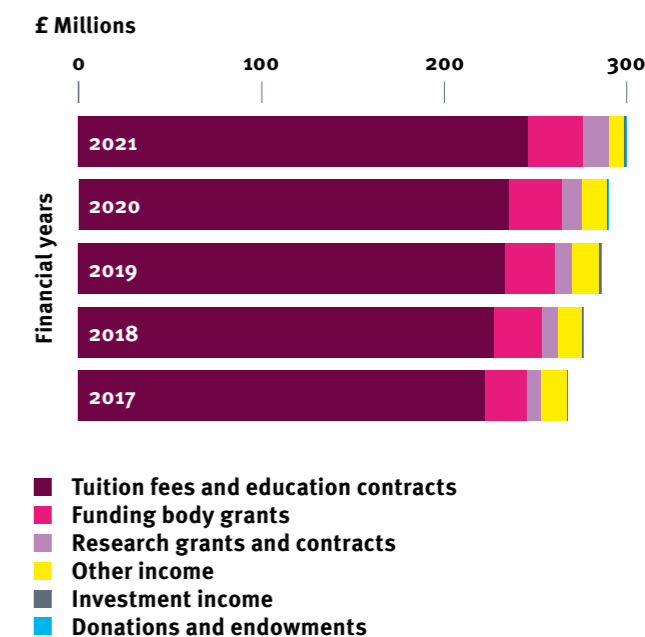
Clearly the Covid-19 pandemic has had a significant impact on the financial results of the University over the last two years and is likely to have long-term effects on the future operating environment of Sheffield Hallam and the wider higher education sector. Over the last year Sheffield Hallam has taken a structured approach to developing and adapting our strategic focus post the Covid-19 pandemic and the Future Strategy Group involving senior leaders from across the University considered several key areas. The implications of any proposed changes are considered carefully in the context of the financial sustainability of the University and work is continuing to identify the changes to be made and to model their financial impacts.

**Cash and cash equivalents** at 31 July 2021 are £116.5m (2020: £129.9m). The figure for 31 July 2021 excludes £30m of cash on fixed term deposits, that had a maturity of over 3 months at acquisition date. There were no such deposits at 31 July 2020. Excluding the £30m in fixed term deposits over 3 months, there was an overall decrease in cash and cash equivalents of £13.4m, after capital expenditure of £20.9m (2020: £15.2m), which was funded by cash generated from operating activities and capital grant receipts of £2.5m (2020: £10.1m).

**Net funds** (cash plus short-term deposits less borrowings) are £54.6m (2020: £66.5m).

The **Statement of Comprehensive Income** shows a deficit for the year of £1.4m (2020: deficit of £8.5m) after accounting for non-cash pension adjustments of £14.4m. **Total income** for the year ended 31 July 2021 is £300.0m (2020: £290.5m) and overall expenditure is £301.5m (2020: £299.0m). **Total comprehensive income** for the year is £20.8m (2020: expenditure of £50.5m) due to the Local Government Pension Scheme actuarial gain for the year.

## Total Income



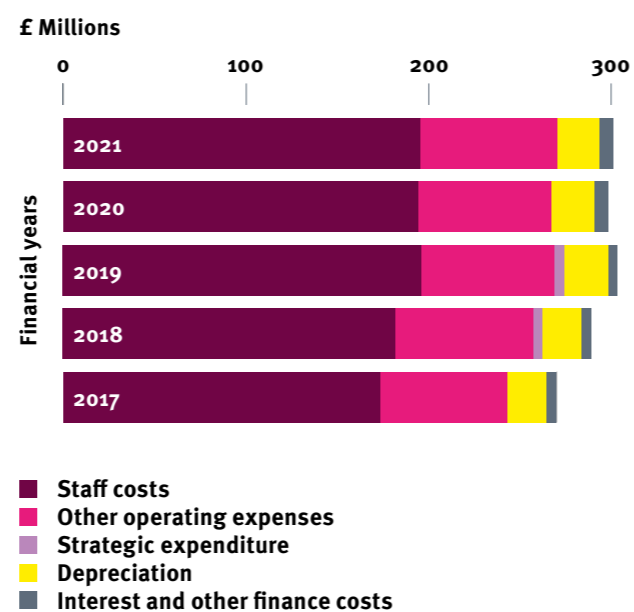
**Tuition fee income** has increased compared to 2019/20 due to higher home undergraduate and postgraduate fees of £11.7m, mainly across full time courses. This is due to higher numbers of continuing students and an increase in the number of postgraduate students. This is offset by the continued fall in NHS contract income, as nursing students move from contract to tuition loan funding. International student income has increased by £0.9m compared to the previous year, despite the continuing issues around international travel during the Covid-19 pandemic, following a very successful recruitment round for enrolment in January 2021.

**Recurring grant income** from the Office for Students (OfS) is at broadly the same level as last year but there has been an increase in specific OfS grants of £2.0m, this relates to hardship funding received to help support students during the Covid-19 pandemic. There was a fall in the release of deferred capital grants of £0.8m compared to 2019/20. An additional £0.7m of a specific OfS grant relating to the National Centre for Excellence in Food Engineering was released in 2019/20 in relation to the land purchase, other variances relate to the timing and value of various capital grants and their release over time.

**Research grants and contracts** are £13.9m, up by £2.9m compared to 2019/20, continuing the steady growth seen over recent years. £1.6m of the increase is from UK Research Councils, £0.5m is from UK based charities and £0.3m is from UK industry and commerce. Most of the increase was due to projects not being able to start in 2019/20, because of the Covid-19 pandemic related issues, that have been able to start during 2020/21 as restrictions lifted. Also in Research Council income there is a £0.4m increase relating to the AWRC accelerator project. This started in April 2020 and gives start-up businesses access to world-class research and development.

These increases are offset by a reduction in **other income** of £5.5m and **investment income** of £0.6m. The fall in other income is due to the closure of the University campus during the periods of lockdown and restrictions because of the Covid-19 pandemic. This resulted in a fall in accommodation, catering and conference income of £1.9m, along with a reduction of £0.6m in consultancy income, £0.8m reduction in rental income and £2.1m reduction in 'other' income. The rental income reduction relates to sport, as sports facilities could not be rented out due to the restrictions and £1.3m of the 'other' income relates to a settlement received in 2019/20 in relation to dilapidations. Investment income is down on last year due to the historically low Bank of England base rate and bank deposit rates, because of the economic impact of the Covid-19 pandemic, that have been in place throughout 2020/21.

## Total Expenditure



**Total expenditure** is up £2.4m on last year. This represents an increase of £1.6m in staff costs, a £3.5m increase in other operating expenses offset by a reduction of £1.6m in depreciation costs and a £1.1m reduction in interest costs.

**Wages and salaries**, including social security costs, are static year on year at £156m. Restructuring costs are down £0.7m from 2020, due to there being little activity in terms of restructuring, as focus shifted to the challenges presented by the Covid-19 pandemic.

Overall **pension costs** are up by £2.2m, however there are some offsetting movements within the overall difference.

The cost of the Teachers' Pension Scheme (TPS) is £1.2m lower than last year. This reflects a provision of £1.9m which was charged last year (see note 26 for further details) offset by a full year of higher contribution rates, following the change in rate in September 2019.

The contribution cost of the Universities Superannuation Scheme (USS) is £2.6m higher than last year, however actual contributions paid are consistent with 2019/20 at £1.5m, the difference reflects the movement in the USS pension provision balance, a reduction of £0.4m this year compared to a reduction of £3.0m last year.

The USS pension provision represents the University's obligation to fund the scheme deficit.

	Teachers' Pension Scheme (TPS) £000	Universities Superannuation Scheme (USS) £000	Local Government Pension Scheme (LGPS) £000	National Employment Savings Trust (NEST) £000	2021 £000	2020 £000
Employer Contributions	16,295	1,524	10,887	104	28,810	28,456
Provision for TPS additional contributions	300	-	-	-	300	1,865
Release of pension provision	-	(387)	-	-	(387)	(2,991)
Adjustment for current service cost	-	-	10,771	-	10,771	9,943
<b>Total Pension Cost 2021</b>	<b>16,595</b>	<b>1,137</b>	<b>21,658</b>	<b>104</b>	<b>39,494</b>	<b>37,273</b>
<b>Total Pension Cost 2020</b>	<b>17,787</b>	<b>(1,425)</b>	<b>20,805</b>	<b>106</b>	<b>37,273</b>	

Local Government Pension Scheme (LGPS) costs are £0.9m higher than last year. This is the effect of an increase in the adjustment made for current service costs of £1.3m, where current service costs represent the future service cost to the employer of one year's accrual of pension benefits for active members, based on the actuarial assumptions used at the start of the year for accounting purposes. Offset by a reduction of £0.4m on past service costs, due to a one off adjustment in 2019/20 in relation to an adjustment for Guaranteed Minimum Pensions following the Lloyds Bank court judgement.

The £3.5m increase in other **operating expenses** is the net movement of some significant reductions, offset by even more significant increases. The main areas where expenditure has been lower than the previous year include premises costs £0.5m, travel costs £1.3m, catering supplies £0.5m and other expenses £1.0m, resulting predominantly from a full year's impact of the Covid-19 pandemic and its impact on the University's activities.

The areas of expenditure which saw an increase in the year are student grants £2.0m for hardship payments made to students to support them through a very difficult year, computers and IT £3.3m relating to new projects, cloud migration and hosting costs, equipment £1.3m for the provision of online teaching, and professional services £1.1m which resulted from a variety of areas including research projects, patent applications, legal activity and a change to the SE Asia office operating model.

The £1.1m reduction in **Interest costs** compared to last year, reflects a fall in bank loan interest of £0.2m and a £0.8m reduction in other interest which related to the interest on the additional TPS contributions provided for in 2020 (see note 26). The interest charge related to LGPS was at a similar level to last year.

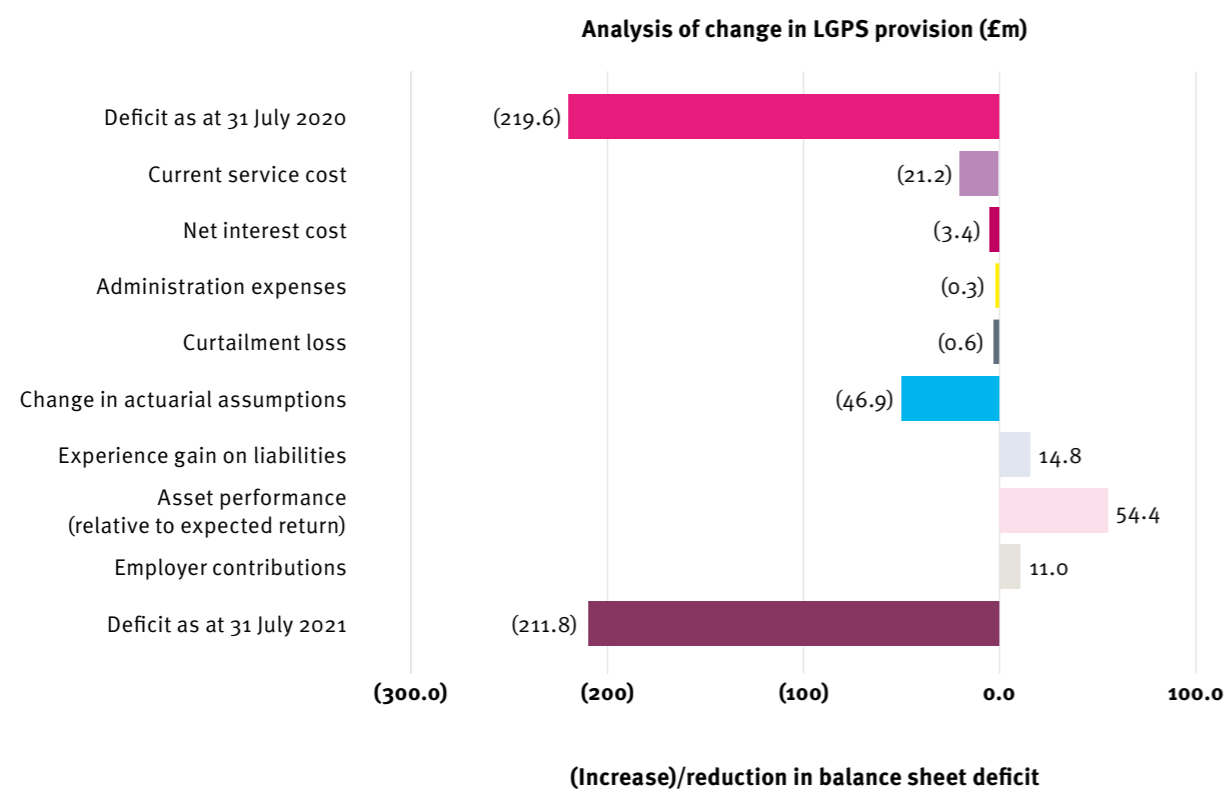
**Capital expenditure** for the year was £20.9m (2020: £15.2m), which although an increase compared to last year was considerably lower than planned for the year, as a direct result of the ongoing Covid-19 pandemic, which resulted in further delay in expenditure on the first phase of the Campus Plan. The rephasing of the Campus Plan has been considered as part of the Future Strategy work that the University has been undertaking over the last year.

The **Statement of Financial Position** at 31 July 2021 shows overall net assets of £107.1m (2020: £86.2m). The increase is due to the actuarial gain on LGPS, offset by the reported deficit for the year.

The **pensions provision** reduction primarily relates to the LGPS provision which reduced to £211.8m (2020: 219.6m). LGPS is a defined benefit scheme and as the actuaries can identify the University's share of the underlying assets and liabilities these are reflected as accounting adjustments in the financial statements. The LGPS pension provision represents the present value of the future obligations over and above the value of the fund's assets. For the year ended 31 July 2021 there was an actuarial gain on the pension scheme obligations of £22.3m, which resulted from changes in actuarial assumptions, asset performance relative to expectations and liabilities being calculated using the most recent membership data.

Under FRS102, this gain is recorded as other comprehensive income in the Statement of Comprehensive Income. In addition, there were finance costs of £3.7m and service costs in excess of contributions of £10.7m.

## Local Government Pension Scheme provision



The **pensions provision** also includes a provision for the USS totalling £2.9m (2020: £3.2m). The USS provision represents Sheffield Hallam's commitment to the Deficit Recovery Plan that was agreed following the March 2018 valuation exercise. The reduction in the provision reflects the deficit recovery contributions paid during the year, offset by the unwinding of the discount factor, plus any adjustments due to changes in assumptions such as discount rate and pensionable salary growth.

It is worth noting that a valuation as at 31 March 2020 was filed at the end of September 2021 and is subject to a consultation with employees on future benefit changes and the enactment of a Benefit Change Deed before February 2022. The overall deficit for the scheme as a whole will be either £14.1bn or £18.4bn depending on the outcome of the consultation. Either way this would represent a significant deterioration from the £3.6bn deficit established under the 2018 valuation (and against which the current recovery plan is set). As the outcome of the 2020 valuation will result in a new Deficit Recovery Plan the provision calculated at 31 July 2022 is likely to materially increase. Further details can be found in Note 25.

**Fixed assets** are £315.2m (2020: £315.1m). Fixed asset additions for the year are £22.4m (2020: £17.0m) offset by a depreciation charge for the year of £22.2m (2020: £23.8m).

**Other provisions** are £4.9m (2020: £4.8m). There are a number of movements netting out including the utilisation of the pension enhancement provision of £0.3m, an increase in the restructuring provision of £0.3m and utilisation of the asbestos removal provision of £0.2m. There is a new provision of £0.3m that relates to Local Government Pension Scheme contributions and more details can be found on this in note 26 and we are still holding a provision of £2.6m related to Teachers' Pension Scheme contributions, further details in note 26.

The **unsecured loan balance** was £61.8m at 31 July 2021 (2020: £63.3m). The borrowings are to help finance the Campus Plan alongside internally generated funds and represent loan agreements with Barclays Bank UK PLC and Santander UK PLC. During the year the Santander loan facility was renegotiated, delaying the drawdown of the £20m second tranche of £50m facility. The loan facilities with Barclays and Santander are classified as basic financial instruments under FRS102 and each have financial covenants attached to them. For the year ended 31 July 2021 all financial covenants were met.

### Going concern

The higher education sector continues to face challenges in relation to changes in the external environment, foremost the new uncertainty brought by the Covid-19 pandemic. In response to this, the Future Strategy work being undertaken started with an in-depth Portfolio review to ensure that the University's provision is aligned to student and employer requirements in future years and supports the overall financial sustainability.

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 by reviewing:

- **the 2021/22 budget, updated P3 forecast and 2022/23 plan:** the approved budget for 2021/22 has been updated with student recruitment numbers as at 31 October 2021 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
- **compliance** with covenants under the loan facilities

- **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.

- **scenario planning** based on potential impacts on student recruitment, accommodation fees and tuition fees relating to Covid-19
- 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.

# 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 has set out commitments to our communities in a **Civic University Agreement**. We continued to support Universities across the UK to strengthen their civic commitments via the **Civic University Network**, now in its second 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. In its first year, 155 Universities joined the Network, representing over 70% of higher education institutions in the UK. In March 2021, the Network launched the Civic Impact Framework to help members design, deliver and assess their civic activities.

## 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 2019/20, we admitted the **largest number of students from low-participation neighbourhoods** (LPN) in the sector and we have supported more than 6,000 students from LPNs into University over the last five years. In July 2021, the University was shortlisted for a **UK Social Mobility Award**.

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** and in receipt of **Athena Swan** Institutional bronze status. We are also working towards achieving bronze status for the Race Equality Charter (REC).

## Driving educational improvement in our region

We are investing significantly in **South Yorkshire Futures**, a social mobility partnership that we lead, which is driving long-term improvements in the educational health and aspirations of our region. Our ambition is to support young people to identify and achieve their aspirations, whether that be progression to higher level skills, higher education, or employment. This forms part of our recently published **Civic University Agreement**.

Sheffield Hallam University and its partners in the region have come together to form the nationally pioneering **Regional Post-18 Education Partnership**, to identify positive and practical actions which can impact the most disadvantaged young people.

In April 2021 the **Early Years Community Research Centre (EYCRC)** opened its doors to provide up to 40 full-time nursery places. The Centre is the result of a unique partnership between the school, Hallam's South Yorkshire Futures, Save the Children UK, and Sheffield City Council (*see 2020/21 Highlights to find out more*). We also make a significant contribution to the educational health of our region by **training hundreds of newly qualified teachers each year**. In 2019/20 alone, more than 850 of our students graduated with a teacher training qualification.

## 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, delivered primarily online this year, includes:

- Campus tours (tours started back in a limited capacity from July 2021 onwards)
- University taster days
- introductions to higher education student life and student finance
- subject-specific roadshows, activities and masterclasses
- skills based sustained three-year development programme
- summer learning book clubs
- interview preparation workshops
- drop-in sessions to support students' applications to study with us

Formed in our initial response to school closures due to Covid-19 we have continued to deliver activity via our **online support model** using our online platform Uni4u@home.

We have enhanced support for the **most vulnerable new students** this year, including additional financial support and new online events. We have supported international students who have had to quarantine and students in self-isolation (*see 2020/21 Highlights to find out more*).

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.



## 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 2020/21 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 HE, student success, and progression to employment or further study for students from **disadvantaged and under-represented 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. Data released by the Office for Students during 2020/21 showed positive progress in five out of six of the targets where we have updated data.

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

In 2020/21, we invested more than £8m 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. Over 10,000 awards were made in 2020/21 with more than £4.4 million awarded overall.
- The **Hallam Hardship Fund** which is focused on supporting immediate hardship caused by unexpected life events. Awards are typically up to £1,000. In 2020/21, over 600 awards were made with more than £190,000 awarded overall.

- The **Access to Remote Learning Grant** provided bursaries of £475 to students who needed assistance purchasing a laptop to engage with remote learning. More than 3,500 awards were made, totalling over £1.3 million.
- 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.
- **Performance Athlete Support Programme** of up to £6,000 per year plus a support package
- An **emergency travel fund** for student carers and a discretionary transition fund for estranged students to assist with the costs of starting University.
- Three **Sanctuary Scholarships** to asylum seekers. In 2020/21 these were offered to one undergraduate and two postgraduate students.
- **Sandwich placement year fee waiver** to incentivise take-up and extend the positive impact of placement years on students' attainment and progression to highly skilled employment.
- The **Transform Together Scholarships** for international and European Union students who can demonstrate excellent academic achievement.

In 2020/21, Sheffield Hallam received almost £1.8 million of funding from the Office for Students for students in hardship. As well as an extra 10% to students receiving the Student Success Scholarship, more than 4,200 extra awards were made, totalling over £1.5 million, helping students with rental and living costs.

## Enriching our community

Sheffield Hallam is integral to the cultural fabric of Sheffield and its surrounding areas. The University hosts, supports and champions arts and culture. Key activities have included:

- Providing Covid-19 testing for pilot capacity crowd at the **World Snooker Championship** to support the safe return of mass gatherings as lockdown restrictions were eased.
- In our **Civic University Agreement**, produced this year, we have committed to providing free or at-cost access to our facilities for regional community and voluntary groups.
- Students from Hallam and **La Trobe University** in Australia collaborated to produce an audio theatre piece to be showcased at Off the Shelf Festival and the Melbourne Fringe.
- A local illustrator and Hallam graduate, Lisa O'Hara, created a set of **murals celebrating Sheffield's wildlife and green spaces**.

- We supported the 29th annual **Off the Shelf festival**, one of the country's largest literary festivals, in October 2020.
- We unveiled three 'talking' bear sculptures, designed by Pete McKee, Morag Myerscough and Thoughts Make Things, as part of the city-wide **Bears of Sheffield** exhibition which will raise money for The Children's Hospital Charity to raise money to build a new cancer and leukemia ward.
- In June 2021, more than 50 students collaborated with a professional theatre company, Babbling Vagabonds, to produce **Awakenings**, a **fun, free, family friendly outdoor show**.

## Supporting key workers and working with our communities to tackle health inequalities

- Currently, more than 2,700 healthcare students begin their studies at Hallam every year. In our Civic University Agreement, we have pledged to **double our annual intake of students studying to become healthcare professionals** at the University by 2025.
- We have also committed to partnering with public sector organisations, including local authorities, South Yorkshire Police, NHS and schools to develop the highly skilled public workforce of the future.
- In September 2020, **South Yorkshire Police** welcomed their first intake of Hallam degree apprentices through a new Police Constable degree apprenticeship.
- This year we launched the **Leading through Health and Wellbeing programme** with our first cohort starting in March 2021. This unique leadership development programme, delivered jointly with Field Enterprise, supports businesses and organisations across South Yorkshire to develop leaders who promote workforce health and wellbeing.
- We have partnered with **Darnall Well Being (DWB) to run Long Covid research clinics** (*see 2020/21 Highlights to find out more*).

## Transforming lives through our research and knowledge exchange

The past year has reinforced the **importance of community and working collaboratively**. Our response to the Covid-19 pandemic has been quick and highlights our commitment to the local community and the wider public. Research activities range from the short-term, such as work by Hallam psychologists encouraging people to adhere to self-isolation rules, to longer-term with the launch of our long-covid research clinics at the Advanced Wellbeing Research Centre working with underserved local communities.

Pre-pandemic many of our research centres and institutes delivered free in-person seminars and public lectures. These programmes, along with other **social, community and cultural events** we hosted, engage more than 6,500 members of the public each year. During the Covid-19 pandemic we have had to think creatively, moving some events online. For example, our **Festival of Innovation**, comprised of six online events, was a month-long celebration showcasing our research, partnership, and collaboration success in areas such as materials science, art and design, sports science, health, and engineering.

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, through our focus on creating knowledge that provides practical solutions to real-world problems. One example of this is research activities undertaken by our **Lab4Living research centre**. Underpinned by a collaborative community of researchers in design, healthcare and creative practice, it has delivered over 100 research projects with over 80 academic, hospital and community organisations - resulting in the creation of Intellectual Property, open-source collaborative tools and product design. An example includes the **Life Café project**, which radically rethinks how palliative and end-of-life care can be improved.

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**.

Some of our research includes the participation of volunteers. Our Research Ethics Policy ensures that their needs 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 is encouraged to safeguard the physical and psychological wellbeing of participants and researchers. Members of the public serve on the University Research Ethics Committee and participate in ethics review to ensure that participants are being properly informed and that unreasonable demands are not being made by researchers.

We are committed to making our research as widely available as possible and support the principles of open access to make the outputs of publicly funded research available through unrestricted online access. Our **Open Access Publications Policy** requires all staff to deposit their final research outputs into our institutional online repository within three months of acceptance by the publisher. Our Data Management Policy encourages all staff to share their primary research data, for example via our institutional online research data repository with as few restrictions as possible.

### Fundraising and philanthropy

The University continues to develop **fundraising programmes** in line with its charitable status, is registered with the **Fundraising Regulator** and abides by the **Fundraising Code of Practice**. This year the University adapted to the Covid-19 working restrictions and delivered the **Hallam Fund** telephone campaign remotely. The campaign was the most successful to date in terms of financial income with **£80,456** pledged and saw the highest percentage of alumni giving in any telephone campaign to date.

Sheffield Hallam signed a three-year partnership with **Santander Universities** programme with investment in student support including enterprise, career support and global mobility. The University also works with Santander Universities to support graduate freelancers, Women in STEM, and internships with local SME businesses.

This year we celebrated the impact of the **AESSEAL** Women into Engineering programme which has awarded 85 bursaries, scholarships and prizes to support female engineering students over the past five years. This programme will continue for the next two academic years supporting two new scholarships.

In the Department of Natural Built Environment donations from **Barratt Developments PLC** and **Europa Capital** continues to support **under-represented students through scholarships and bursaries** to improve social mobility and access into the built environment sector. After celebrating their 40-year anniversary with a reunion last year, a class gift from the Sheffield City Polytechnic ULE Class of 1979 also lead to a new scholarship student being funded on our BSc Real Estate course.

Academic colleagues in the Sheffield Institute of Education have extended a partnership with the **WIPRO Foundation** to strengthen **STEM education** through a pioneering teacher fellowship and mentor programme. The University will focus on fundraising to support growth in **scholarship provision** over the next three years. This includes further support for students from widening participation backgrounds, and our growing sanctuary scholarships supporting students seeking asylum.

Talented **student athletes** are benefitting from a donation from **Sports England** to access a performance development programme alongside their studies. In 2020/21, 21 athletes had access to expert physiotherapy services and nutrition advice, and training plans from our professional coaches.

A pioneering **physical activity programme** designed to help people with cancer prepare for and respond to treatment will be launched at the Advanced Wellbeing Research Centre (AWRC) with funding from the **Yorkshire Cancer Research** charity. The new approach to cancer treatment will see patients offered a combination of physical activity, nutrition and psychological support.

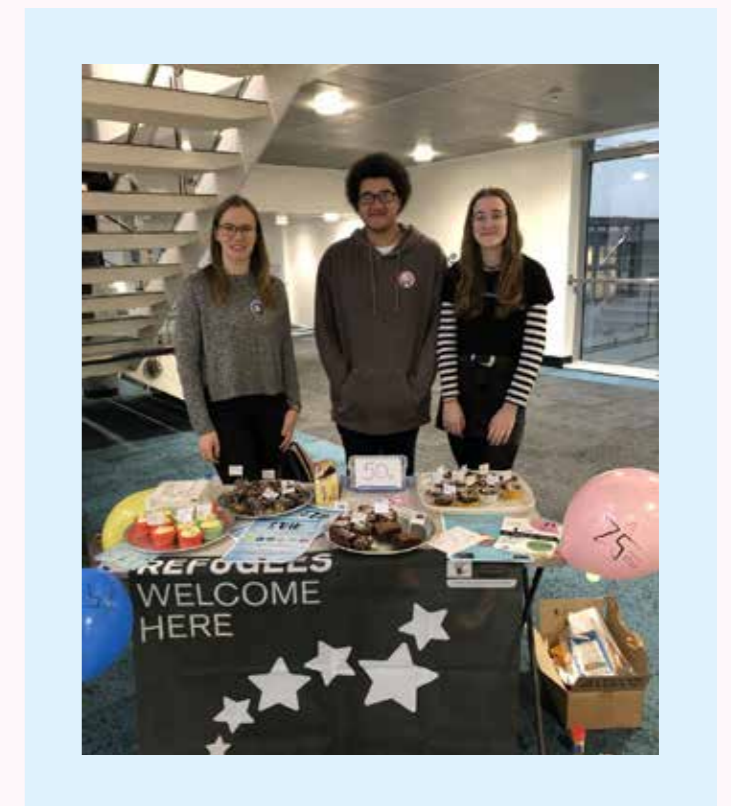
### Student fundraising and volunteering

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 (see 2020/21 Highlights to find out more). During 2020/21, students raised more than £40,000 for **Food Works, Sheffield Museums Trust and Cavendish Cancer Care** through virtual fundraising events.

### 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 2020 to 31 March 2021.
- 76 employees (68.54 FTE) were trade union officials in the reporting period.
- The total cost of trade union facility time was £211,375.13 or 0.12% 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 (the Code).

The Board of Governors commissioned an independent review of its effectiveness in 2020/21 in line with the Code's recommendation concerning reviews of Board effectiveness. The Board received the final report on the effectiveness review at its March 2021 meeting and accepted the recommendations. A report on the action plan for the review's recommendations was considered by the Board in July 2021. The action plan had been informed by the work to map compliance with the Code. The University's Governance and Nominations Committee has oversight of the development and implementation of the plan.

During 2020/21 the review and refresh of Sheffield Hallam's constitution, the Instrument (April 1993) and Articles (September 1994) of Government was concluded. This was the final recommendation to complete from the 2015/16 review of Board effectiveness. This review of the constitutional documents was based on the University's experience of applying the Articles since 1992 and the objective was to remove ambiguity to ensure clarity of responsibilities and operation.

During 2020/21 the Audit and Risk Committee reviewed compliance with the CUC's Higher Education Audit Committees Code of Practice (May 2020). An action plan was developed which addressed a number of actions arising from the review together with action from an internal audit review of Audit and Risk Committee effectiveness. This work was subsequently combined with the outcomes of the 2020/21 Board effectiveness review and a mapping of compliance with the CUC Higher Education Code of Governance to give a comprehensive action plan. The action plan will be considered during 2021/22 by the Governance and Nominations Committee.

The Board of Governors is committed to continuous monitoring of its performance. This includes annual reports of its committees which give the Board an opportunity to reflect on its practice and recommend improvements. 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 the agendas and confirmed minutes of the Board's meetings.

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. Such a system is designed to manage rather than eliminate the risk of failure to achieve objectives.

## 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 internal auditors, KPMG, 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 2021 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 is being 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

Risk management processes have operated successfully throughout the year, adapting to the streamlined internal governance model put in place during 2019/20 in response to Covid-19. Risk reviews took place more frequently at the start of the year to assist the University Leadership Team in navigating the volatile external environment, and to allow timely identification and implementation of appropriate mitigations to ensure our future sustainability.

Sheffield Hallam's internal control environment was adapted in response to the Covid-19 pandemic. A number of measures were put in place in spring 2020 to respond and ensure that there were no significant control weaknesses or failures arising. During 2020/21 the University continued to operate:

- 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. These measures have continued to be kept under close review and Sheffield Hallam is in the process of a managed transition towards a more permanent framework of internal governance, taking forwards key outcomes and learnings from the Covid-19 governance experience.
- risk identification and escalation processes which were embedded into its streamlined governance structure and procedures.
- increased frequency of risk reporting to the University Leadership Team at the start of the year
- Critical incident reporting as a standing item of assurance and oversight at University Leadership Team meetings.

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.

The Audit and Risk Committee has received updates on the University's response to the Covid-19 pandemic as part of its remit to consider the adequacy and effectiveness of risk management systems in place at Sheffield Hallam.

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 2021 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 Committee of University Chairs' Higher Education Senior Staff Remuneration Code, published in June 2018, and in particular the Board resolved to adopt the Code at its meeting in July 2018. During summer 2021, Sheffield Hallam undertook a self-assessment of compliance against the CUC Higher Education Senior Staff Remuneration Code (as recommended by AdvanceHE in their independent review of the Code which was undertaken on behalf of the CUC). An action plan to address actions identified from the self-assessment was considered by Sheffield Hallam's Remuneration Committee in autumn 2021. Further details concerning the work of the Remuneration Committee can be found in the Annual Report on Senior Remuneration 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 lay, 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 2020/21 were:

### Andrew Adegbola

(student nominee July 2019 – June 2021)

### Joanna Allen

### Professor Jeff Bale

### David Bradley

### Elaine Buckley

(academic staff selected from Academic Board membership – to 31 December 2020)

### Dan Bye

(staff nominee)

### Angela Foulkes

### Karen Finlayson

### Dr Karen Grainger

(staff nominee to 30 June 2021)

### 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 – from 23 March 2021)

### Rt Hon The Lord Kerlake

(Chair)

### Professor Christopher Kinsella

### Neil MacDonald OBE

### Dr Julie Morrissy

### Meg Munn

(Deputy Chair of the Board)

### Sabahat Pathan

(student nominee July 2021 – June 2022)

### Professor Julietta Patnick

### Kevin Taylor

(staff nominee to 16 July 2021)

### Penny Thompson CBE

### Professor Paul Wiles

David Bradley, Karen Finlayson, Professor Chris Kinsella, Dr Julie Morrissy and Professor Paul Wiles left the Board on 31 July 2021.

Gabrielle Berring, Ian Hall, Sameer Kothari, Matt Lilley, Keith Ridgway, Jonathan Slater and Giles Searby were appointed to the Board of Governors from 1 August 2021 and were members of the Board on the date on which the Annual Report and Financial Statements were approved.

John Cowling, Lucian Tipi and Dr Jia Liu were appointed to the Board of Governors from 7 December 2021 and were members 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 to each meeting on student 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**

- **Remuneration Committee**

- **Nominations Committee.**

**From 1 August 2021 the remit of this Committee is widened, and it is renamed the Governance and Nominations Committee**

- **Remuneration Committee**

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

## Academic Assurance Committee

The Academic Assurance Committee receives and tests assurances from the Academic Board around the effectiveness of academic governance in order to

- give an annual assurance to the Board of Governors around the overall quality and standards of academic provision and the effectiveness of academic governance arrangements, including the effectiveness of the Academic Board
- advise the Board of Governors on Sheffield Hallam's regulatory requirements including compliance with the OfS Conditions of Registration, as they relate to academic matters
- advise the Board of Governors on key academic risks and keep under review progress against those risks
- advise the Board of Governors on issues relating to academic inspection and audit

The Committee meets at least three times per year with senior academic leaders and managers in attendance.

## Audit and Risk Committee

The Audit and Risk Committee meets at least four times each year, with external and internal auditors in attendance.

The Committee considers detailed internal audit reports and recommendations for the improvement of the University's systems of internal control, together with management's response and implementation plans. It oversees the University's risk management process on behalf of the Board of Governors. In relation to risk, it considers the Corporate Risk Register and the Assurance Framework, and provides assurance to the Board of Governors that the executive's identification and assessment of key strategic risks is appropriate and in line with the Board's appetite for risk. The Committee receives presentations on the University's significant strategic risks and their management.

It also receives and considers reports from the OFS as they affect the University's corporate governance and assurance processes, and monitors adherence with the regulatory requirements. It reviews the University's annual financial statements including the external auditor's formal opinion, the statement of members' responsibilities and the corporate governance statement. It oversees the institution's policies on fraud and irregularity and public interest disclosure.

While senior executives attend meetings of the Audit and Risk Committee as necessary, they are not members of the Committee. The Committee has formal opportunities during the year to meet with (i) the auditors in private without University management (ii) University management in private without the auditors. These meetings enable any issues and concerns to be raised privately. In addition, the auditors and/or management may raise urgent matters at any time via the Committee chair

Based on the information presented to the Committee it assesses the adequacy and effectiveness of the systems that are in place at the University for:

- risk management, control and governance
- economy, efficiency and effectiveness
- the arrangements for the management and quality assurance of data submitted to the Higher Education Statistics Agency, the Student Loan Company, the OFS, Research England and other funding bodies.

## Board Officers Committee

The Vice-Chancellor and Clerk to the Board of Governors held regular meetings with the Board officers (chair and deputy chair of the Board and the chair of each of its subcommittees) throughout 2020-21 in order to effectively coordinate the business of the Board and to brief Board officers on key developments between Board/Committee meetings. From 1 August 2021, the Board Officers Committee has been formally constituted with terms of reference (and became a sub-committee of the Board of Governors). The Committee reports to each Board of Governors meeting. The remit of the Committee is to:

- to ensure the effective leadership, coordination, and communication of the activities of the Board of Governors and its committees
- to receive updates on key executive and external priorities and policies relevant to the role and remit of the Board and its Committees
- to review and agree Board and Committee forward programming in relation to the workflow of key strategic priorities and decisions
- to oversee the development and operation of Board approved working groups, ensuring these remain fit for purpose and act within their designated authorities and delegations

## Finance and Employment Committee

The Finance and Employment Committee monitors progress in respect of the strategic development of the University in the areas of finance, estate and digital capital programmes, and human resource and employment matters on behalf of the Board of Governors. The Committee regularly considers the University's Financial, Estates, Digital and Human Resources plans and monitors the implementation of these plans.

The Committee also recommends the annual financial statements to the Board of Governors following consideration of those matters which are of primary concern to the Committee. Matters of primary concern to the Committee include accounting principles and their application, the annual financial statements' accuracy as an accounting record and statement of the University's financial performance, management's critical accounting judgements and estimates, and necessary disclosures, as well as the implementation of the financial plan. The Committee also recommends to the Board whether it is appropriate for the financial statements to be prepared on a going concern basis. The Committee also receives report on, and monitors the activities of, University companies including their Financial Statements.

The Committee assists the Board of Governors to discharge its responsibilities under s22(2)(g) of the Education Act 1994 by considering the Students' Union grant and budget for recommendation to the Board and receiving reports from the Chief Finance and Planning Officer on the monitoring of the Students' Union's performance against its budget.

## Nominations Committee

The Nominations Committee considers succession planning for the Board of Governors' membership and appointments to fill vacancies under the University's Instrument of Government, as well as succession planning for memberships of the Board's committees.

From 1 August 2021 the University extended the remit of the committee, and it became the Governance and Nominations Committee. In its extended form, it will also consider:

- review and oversight of the compliance with the governance conditions embedded in the Office for Students Regulatory Framework (Conditions E1 to E5)
- reviewing and considering the application of codes of practice on good governance and charitable compliance, including the Higher Education Code of Governance, and making recommendations to the Board of Governors
- reviewing and monitoring the governance arrangements which support the operation of the Students' Union in accordance with its Constitution and advising the Board on the effectiveness of those arrangements including compliance with the Education Act 1994.

## Remuneration Committee

This Committee has responsibility for determining salaries and conditions of service for Board appointments and advises the Vice-Chancellor on the salaries and conditions of service of key senior staff (specifically those holding the most senior management positions, currently members of the University Leadership Team). It considers and approves the University's policy and/or approach to the reward of senior staff extending to all Senior Staff grade employees. It also considers the appropriateness of severance arrangements with respect to individual cases and other issues as they arise, and makes recommendations to the Board for approval on those arrangements, in line with the regulators' accounts direction. Further details can be found in the Annual Report on Senior Remuneration.

# Annual remuneration report

## Introduction

### 2020/21 Terms of Reference – Key Responsibilities

Acting on behalf of the Board of Governors and within the employment framework recommended by the Finance and Employment Committee:

1. To determine the salaries and conditions of service of Board appointments.
2. To advise the Vice-Chancellor on salaries and conditions of service of key senior staff (specifically those holding the most senior management positions, currently members of the University Leadership Team).
3. To consider and approve the University's policy and/or approach to the reward of senior staff extending to all Senior Staff grade employees.
4. To consider the appropriateness of severance arrangements with respect to individual cases and other issues as they arise and making recommendations to the Board for approval on those arrangements, in line with the regulators' accounts direction.
5. To discharge its responsibilities in line with the CUC Senior Staff Remuneration Code, ensuring that the University's approach to senior remuneration provides for:
  - fair, appropriate and justifiable levels of remuneration;
  - procedural fairness, and
  - transparency and accountability.

The Committee will produce an annual report on its work for approval by the Board and for publication in the financial statements.

### 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. There were several in-year changes due to a rotation of Committee Chairs.

- Deputy Chair of the Board of Governors (Chair of the Committee until 31 January 2021)
- External Board Member (appointed Chair of the Committee from 1 February 2021)
- Chair of the Board of Governors
- Chair of the Audit and Risk Committee
- Chair of Finance and Employment Committee

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 regularly attend Committee meetings (other than for matters relating to their own remuneration).

There is currently a vacancy for an external Co-opted member and this is being progressed alongside recruitment activity related to Board members generally.

### Meeting frequency and attendance

During the 2020/21 academic year, the Committee met on the following occasions:

- 25 September 2020
- 10 December 2020 (extraordinary meeting)
- 10 February 2021
- 9 March 2021 (extraordinary meeting)
- 12 July 2021

Attendance for the year was 90% and all meetings were quorate. The minutes of the Committee's meetings are available via the governance section of the University's external website.

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

- Vice-Chancellor
- Deputy Vice-Chancellors
- Chief Finance and Planning 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, higher education institutions such as Sheffield Hallam University, operate in a highly competitive market for staff, students, research funding and investment.

The leaders of higher education institutions are responsible for large and complex institutions with diverse missions and 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 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 higher education institutions must also do this successfully in an intensely competitive international context.

The University's core purpose is the advancement of education, which involves sustaining and promoting teaching, learning and original research. Through the support of its regulator, the Office for Students (OfS), the University receives significant levels of public funding to deliver its 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 Leadership Team

In addition to the key principles outlined in the CUC HE Senior Staff Remuneration 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 should be externally evaluated prior to recruitment to ensure transparency and equal pay for work of equal 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 ULT roles are re-evaluated every three years using external consultants and the outcomes considered by the Remuneration Committee.) The value of all ULT and Senior Staff Group (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. The base pay for each member of senior staff reflects the level of responsibility that their role carries and the knowledge, skills and experience it requires.

## Performance-related pay

Although there is no automatic entitlement to national pay awards, the annual pay review for senior staff takes account of the annual cost of living increase for all other staff on the single pay spine. The Remuneration Committee will be provided with the outcomes of any national pay negotiations and any cost-of-living rise is ratified by the Remuneration Committee for all senior staff grade employees, Board appointments and all other ULT members. In addition, senior staff who demonstrate they are exceeding expectations in their role are usually eligible for a non-consolidated bonus payment. Any such payment would not be consolidated into base salary but may be treated as pensionable, dependent upon individual pension scheme rules. 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 2020/21, the University Leadership Team has suspended this element of the scheme, as in 2019/20.

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

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 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 annual Review of Performance against those objectives was provided to the Remuneration Committee at its July meeting.

## Other Board Appointments

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 bands. Movement up the band 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 because of this.

Objectives for Board Appointments will be 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 will make recommendations to the Remuneration Committee in relation to any adjustments to base salaries, additional allowances and/or performance related bonuses.

## ULT Members (outside of Board appointments)

Objectives for all other ULT members will be 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 will 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 conducted on a routine basis thereafter. The choice of comparator organisations will reflect the University's strategic objectives and the UCEA Senior 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 University Leadership Team 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.

## 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	2021	2020	2019	2018 <sup>1</sup>
Basic salary	7.10	7.10	7.02	7.08
Total remuneration (including pension contributions)	7.30	7.38	7.10	7.44 <sup>2</sup>

<sup>1</sup> Based on OfS Accounts Direction.

<sup>2</sup> In line with the definition of total remuneration in the OfS guidance

## Vice-Chancellor Remunerations: 2018/19 – 2020/21 Comparison

Remuneration Details	2020/21	2019/20	2018/19
Basic salary	£240,000	£240,000	£240,000
Payment of dividends	-	-	-
Performance related pay and other bonuses	-	-	-
Pension contributions (or payments in lieu of)	£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 recognised that the Vice-Chancellor, with the support of the University Leadership Team, has made a significant contribution. The University's performance had improved, in line with strategic expectations, and in particular:

a. an increase in undergraduate, postgraduate, apprenticeship and international student recruitment levels.

b. a significant improvement in retention, which is strongly above the sector benchmark.

c. the research institute model and a more focused approach to research income acquisition appears to be paying dividends; there has been a continuous increase in research income since 2017/18.

d. strengthened 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. greater institutional resilience with a clearer curriculum model and embedded employability in every programme. The proportion of graduates in highly skilled jobs rose in the 2020 Graduate Outcomes Survey, outperforming the University's competitor set.

f. stronger performance in league tables including the University's highest ever position in the Guardian League Tables.

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 had not brought forward any recommendations for performance awards over the 2020/21 year.

## Retention of income generated from external bodies

Where a salary or honorarium is attributed to membership or contribution to an External Body/ Board/Organisation the payment must be disclosed to the University. Normally, payments derived from external activity would be retained by the University. For Board appointments, the Remuneration Committee shall determine on an exceptional basis whether remuneration paid to the University, should be passed to the individual. Determining factors will include use of University resources, time and University representation.

## Expenses Policy

The University introduced greater transparency for the expenses received by senior leaders in 2019 through the publication of the expenses incurred by members of the University Leadership Team. The information is published on the website within the section that profiles members of the Senior Team: <https://www.shu.ac.uk/about-us/our-people/university-leadership-team/>

## Significant changes

There have been no significant changes over the reporting period.



# 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. In particular, at its meeting on 8 February 2022, the Board confirmed that it was appropriate for the financial statements to be prepared on a 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 8 February 2022.



*Rt Hon The Lord Kerlake*

**Rt Hon The Lord Kerlake,**  
Chair of the Board of Governors



*Professor Sir Chris Husbands*

**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 2021, 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 2021 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](http://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.

- The audit engagement teams communication in respect of potential non-compliance with laws and regulations and fraud including the potential for management override of controls.
- 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.
- 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.

## 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.



**Grant Thornton UK LLP**  
Statutory Auditor, Chartered Accountants  
Sheffield

# Financial Statements for the year ended 31 July 2021

## Consolidated and University Statement of Comprehensive Income for the year ended 31 July 2021

	Note	Consolidated		University	
		2021 £000	2020 £000	2021 £000	2020 £000
<b>Income</b>					
Tuition fees and education contracts	3	246,873	235,602	246,873	235,602
Funding body grants	4	30,369	28,942	30,369	28,942
Research grants and contracts	5	13,922	11,058	13,415	10,962
Other income	7	8,105	13,575	5,523	10,424
Investment income	8	226	786	226	786
Donations and endowments	9	514	497	513	497
<b>Total income</b>		<b>300,009</b>	290,460	<b>296,919</b>	287,213
(excludes share of joint venture £8.1m, 2020: £7.5m)					
<b>Expenditure</b>					
Staff costs	10	(196,197)	(194,622)	(194,109)	(192,360)
Other operating expenses	11	(76,597)	(73,053)	(75,351)	(71,671)
Depreciation and impairment	14/15	(22,207)	(23,792)	(22,205)	(23,789)
Interest and other finance costs	12	(6,449)	(7,560)	(6,449)	(7,560)
<b>Total expenditure</b>	13	<b>(301,450)</b>	(299,027)	<b>(298,114)</b>	(295,380)
<b>Deficit before other gains, losses and share of operating surplus of joint ventures and associate companies</b>					
		(1,441)	(8,567)	(1,195)	(8,167)
(Loss) / Surplus on disposal of fixed assets		(17)	12	(17)	12
Share of operating surplus in joint ventures and associates	17	12	-	-	-
<b>Deficit before tax</b>		<b>(1,446)</b>	(8,555)	<b>(1,212)</b>	(8,155)
Taxation		-	-	-	-
<b>Deficit for the year</b>		<b>(1,446)</b>	(8,555)	<b>(1,212)</b>	(8,155)
<b>Other comprehensive income / (expenditure)</b>					
Actuarial gain / (loss) in respect of pension scheme	27	22,258	(41,908)	22,258	(41,908)
<b>Total comprehensive income / (expenditure) for the year</b>		<b>20,812</b>	(50,463)	<b>21,046</b>	(50,063)
Represented by:					
Endowment comprehensive (expenditure) for the year	28	(7)	(6)	(7)	(6)
Restricted comprehensive (expenditure) for the year	29	-	(7)	-	(7)
Unrestricted comprehensive income / (expenditure) for the year		20,819	(50,450)	21,053	(50,050)
		<b>20,812</b>	(50,463)	<b>21,046</b>	(50,063)

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 2021

	Income and expenditure reserve			Total £000
	Endowment reserve £000	Restricted reserve £000	Unrestricted reserve £000	
<b>Balance as at 1 August 2019</b>	33	20	136,652	136,705
Deficit for the year	-	-	(8,555)	(8,555)
Other comprehensive expenditure	-	-	(41,908)	(41,908)
Release of restricted funds spent in year	(6)	(7)	13	-
Total comprehensive income/ (expenditure) for the year	(6)	(7)	(50,450)	(50,463)
<b>Balance as at 1 August 2020</b>	27	13	86,202	86,242
Deficit for the year	-	-	(1,446)	(1,446)
Other comprehensive expenditure	-	-	22,258	22,258
Release of restricted funds spent in year	(7)	-	7	-
Total comprehensive income/ (expenditure) for the year	(7)	-	20,819	20,812
<b>Balance as at 31 July 2021</b>	<b>20</b>	<b>13</b>	<b>107,021</b>	<b>107,054</b>

## University Statement of Changes in Reserves for the year ended 31 July 2021

	Income and expenditure reserve			Total £000
	Endowment reserve £000	Restricted reserve £000	Unrestricted reserve £000	
<b>Balance as at 1 August 2019</b>	33	20	136,653	136,706
Deficit for the year	-	-	(8,155)	(8,155)
Other comprehensive expenditure	-	-	(41,908)	(41,908)
Release of restricted funds spent in year	(6)	(7)	13	-
Total comprehensive income/ (expenditure) for the year	(6)	(7)	(50,050)	(50,063)
<b>Balance as at 1 August 2020</b>	27	13	86,603	86,643
Deficit for the year	-	-	(1,212)	(1,212)
Other comprehensive expenditure	-	-	22,258	22,258
Release of restricted funds spent in year	(7)	-	7	-
Total comprehensive income/ (expenditure) for the year	(7)	-	21,053	21,046
<b>Balance as at 31 July 2021</b>	<b>20</b>	<b>13</b>	<b>107,656</b>	<b>107,689</b>

## Consolidated and University Statement of Financial Position for the year ended 31 July 2021

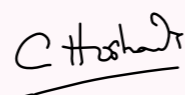
Note	Consolidated		University	
	2021 £000	2020 £000	2021 £000	2020 £000
<b>Non-current assets</b>				
Fixed assets	14,15	315,067	315,210	315,062
Investments	16	42	45	45
Investment in associate companies and joint ventures	17	-	-	-
		<u>315,109</u>	<u>315,255</u>	<u>315,107</u>
<b>Current assets</b>				
Stock	18	136	62	106
Trade and other receivables	19	25,707	27,300	25,579
Investments	20	-	30,000	-
Cash and cash equivalents		<u>129,873</u>	<u>116,438</u>	<u>129,752</u>
		155,716	173,800	155,437
Creditors: amounts falling due within one year	21	<u>(51,502)</u>	<u>(58,653)</u>	<u>(50,820)</u>
<b>Net current assets</b>		<u>104,214</u>	<u>115,147</u>	<u>104,617</u>
<b>Total assets less current liabilities</b>		<u>419,323</u>	<u>430,402</u>	<u>419,724</u>
Creditors: amounts falling due after more than one year	22	<u>(105,439)</u>	<u>(103,105)</u>	<u>(105,439)</u>
<b>Provisions</b>				
Pension provisions	25	<u>(222,845)</u>	<u>(214,703)</u>	<u>(222,845)</u>
Other provisions	26	<u>(4,797)</u>	<u>(4,905)</u>	<u>(4,797)</u>
<b>Total net assets</b>		<u>86,242</u>	<u>107,689</u>	<u>86,643</u>
<b>Restricted reserves</b>				
Income and expenditure reserve - endowment reserve	28	27	20	27
Income and expenditure reserve - restricted	29	13	13	13
<b>Unrestricted reserves</b>				
Income and expenditure reserve – unrestricted		<u>86,202</u>	<u>107,656</u>	<u>86,603</u>
<b>Total reserves</b>		<u>86,242</u>	<u>107,689</u>	<u>86,643</u>

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 8 February 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 2021

Note	2021 £000	2020 £000
<b>Cash flow from operating activities</b>		
Deficit for the year	<b>(1,446)</b>	<b>(8,555)</b>
<b>Adjustment for non-cash items</b>		
Depreciation and impairment	14	22,207
Decrease/(Increase) in stock	18	39
(Increase)/decrease in trade and other receivables (excluding items adjusted below)		(1,640)
Increase/(decrease) in creditors (excluding items adjusted below)		6,866
Increase in pension provision	25	14,116
Increase in other provisions	26	108
Share of operating (surplus) in joint venture		(12)
<b>Adjustment for investing or financing activities</b>		
Investment income receivable	8	(219)
Interest receivable	8	(7)
Endowments receivable	28	-
Endowments payable	28	7
Interest payable	12	2,716
Loss/(gain) on the disposal of fixed assets		17
Capital grant income	22	<u>(3,767)</u>
<b>Net cash inflow from operating activities</b>	<b>38,985</b>	<b>17,726</b>
<b>Cash flows from investing activities</b>		
Proceeds from sales of fixed assets		12
Capital grants receipts	22	2,508
Investment income received		241
Interest received		7
Payment of loan to associate company	19	-
Payments made to acquire fixed assets		<u>(20,883)</u>
New deposits		<u>(30,000)</u>
	<b>(48,127)</b>	<b>(4,248)</b>
<b>Cash flows from financing activities</b>		
Interest paid		(2,716)
Repayments of amounts borrowed		(1,521)
Endowment payments		<u>(7)</u>
	<b>(4,244)</b>	<b>(4,108)</b>
<b>(Decrease)/increase in cash and cash equivalents in the year</b>	<b>(13,386)</b>	<b>9,370</b>
Cash and cash equivalents at beginning of the year	129,873	120,503
Cash and cash equivalents at end of the year	<b>116,487</b>	<b>129,873</b>
Cash and cash equivalents at end of the year consists of:		
Cash and cash equivalents	116,487	129,873
	<b>116,487</b>	<b>129,873</b>

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

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 set out in Section 3.3 of 2019 SORP 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 Financial Performance section of the Annual Review describes the financial position of the University, its cash flows and borrowing facilities and describes the forecasts and sensitivity analysis undertaken, in order to assess the University's ability to continue as a going concern.

### 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 2021. 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 the income over the period in which students are studying. Bursaries and scholarships are accounted for as expenditure and not deducted from income.

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.

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.

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

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.

### Donations and endowments

Non-exchange transactions without performance-related 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.

## 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 £211,829,000. 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 £2,874,000. 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 2021/22 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.

## Other provisions

Included within Other Provisions in Note 26 of the accounts is a provision of £2,648,000 relating to Teachers' Pension Scheme (TPS) members. Further details can be found in Note 26. The figure 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 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.

## Accruals

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 2021 is £5,951,950.

## Significant judgements

### Going Concern

The going concern assessment and disclosure is an area of significant judgement, due to the ongoing uncertainties faced by the higher education sector around student recruitment, funding and government policy. Given the additional uncertainties at the current time resulting from Covid-19 there is an even higher level of judgement required.

The University has carried out detailed forecasting and scenario planning each year around its future financial performance, based on assumptions around external factors and internal operating policies, in order to assess its financial sustainability. A paper setting out the results of this work is prepared for the Finance and Employment Committee (FEC) to consider. This year the FEC concluded that there is a reasonable expectation that there will be adequate resources for the University to continue in operational existence for the foreseeable future and that it is appropriate to adopt the going concern basis in preparing the financial statements. Their recommendation to the Board of Governors to adopt the going concern basis in preparing the financial statements was accepted.

Further details of the assessment carried out to determine the University's ability to continue to operate as a going concern can be found in the Financial Performance section of the Annual Report.

### Fixed asset additions

Costs incurred in relation to a tangible fixed asset, after its initial purchase or production, are capitalised to the extent that they increase the expected future benefits to the University from the asset beyond its previously assessed standard of performance. Management determine whether to capitalise additional fixed asset costs based on an assessment of whether they meet one of the following criteria: the market value of the fixed asset has subsequently improved; the asset's capacity increases; substantial improvement in the quality of output or reduction in operating costs; and significant extension of the asset's life beyond that conferred by repairs and maintenance. The assessment of these factors requires management's judgement, based on knowledge and understanding of the implications of the costs incurred.

## 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.

In light of the Covid-19 pandemic the review and considerations for the year ended 31 July 2021 have centred around possible declines in market value, adverse changes in the external environment the University operates in, alongside significant adverse changes in the extent or manner of use of buildings. A document of these considerations has been prepared and discussions around the planned use of the estate and re-opening of the buildings have been had with the Director of Estates and facilities. Management then take a view on whether there is sufficient evidence of impairment to make an adjustment as per the accounting policy on impairment of assets.

## Basic Financial Instruments

The University applies FRS102 Section 11 to its basic financial instruments (see Note 1), including the variable rate loan with Santander (see Note 23 and 24). As a result of the interest rate benchmark reform and the transition from the London Interbank Offered Rate (LIBOR) to an alternative benchmark interest rate, namely the Sterling Overnight Index Average (SONIA), the Santander loan has been amended to use SONIA as its referenced interest rate against which a margin is applied. The University has early adopted the Amendments to FRS102 Interest Rate Benchmark Reform (phase 2) and applied the practical expedient in paragraph 11.20C.

The change from LIBOR to SONIA resulted in a change to the margin applied to the loan interest. Management undertook calculations and assessment of the proposed margin changes in order to satisfy themselves that the change in margin has not had a detrimental financial impact on the cost of the loan. This involved recalculating our previous interest payments using the historical SONIA rates, and comparing the interest amounts with the amount calculated using the 3 month LIBOR rate. The difference between the two calculations in total was negligible.

### 3. Tuition fees and education contracts

	Consolidated		University	
	2021 £000	2020 £000	2021 £000	2020 £000
Full-time and undergraduate home and EU students	184,201	174,884	184,201	174,884
Full-time and postgraduate home and EU students	18,074	15,723	18,074	15,723
Part-time undergraduate home and EU students	11,229	11,566	11,229	11,566
Part-time postgraduate home and EU students	5,291	4,699	5,291	4,699
Overseas students	24,019	23,130	24,019	23,130
Fees from NHS contracts	3,578	5,048	3,578	5,048
Other fees and support grants	481	552	481	552
	<b>246,873</b>	<b>235,602</b>	<b>246,873</b>	<b>235,602</b>

### 4. Funding body grants

	Consolidated		University	
	2021 £000	2020 £000	2021 £000	2020 £000
<b>Recurrent grant</b>				
Office for Students	19,289	19,121	19,289	19,121
Department for Education	395	286	395	286
Deferred capital grants released in year	1,778	2,073	1,778	2,073
<b>Specific grants</b>				
Office for Students	5,952	3,913	5,952	3,913
Education and Skills Funding Agency	966	1,087	966	1,087
Deferred capital grants released in year	1,989	2,462	1,989	2,462
	<b>30,369</b>	<b>28,942</b>	<b>30,369</b>	<b>28,942</b>

Specific deferred capital grants released in year includes £585,000 (2020: £438,000) 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

	Consolidated		University	
	2021 £000	2020 £000	2021 £000	2020 £000
Research councils	3,919	2,351	3,888	2,351
UK based charities	1,720	1,219	1,502	1,257
UK central government bodies, local authorities and health authorities	3,831	3,909	3,619	3,802
UK industry, commerce and public corporations	740	390	708	371
EU government bodies	2,770	2,653	2,756	2,653
EU other	332	138	332	132
Overseas-based charities	-	31	-	31
Other overseas	476	239	476	239
Other sources	134	128	134	126
	<b>13,922</b>	<b>11,058</b>	<b>13,415</b>	<b>10,962</b>

In December 2020 we received a grant to the sum of £15,317 from Doncaster Borough Council (Doncaster Opportunity Area) to fund the development and delivery of an outreach programme "Doncaster Primary Pathways Project" to four Doncaster Primary Schools. The programme was delivered in collaboration with the Higher Education Progression Partnership (Hepp), South Yorkshire Futures and Sheffield Hallam Universities' Venture Matrix team.

### 6. Grant and Fee income

	Consolidated		University	
	2021 £000	2020 £000	2021 £000	2020 £000
Grant income from the OfS	29,008	27,570	29,008	27,570
Grant income from other bodies	11,482	9,668	11,259	9,561
Fee income for taught awards (exclusive of Vat)	242,078	230,389	242,078	230,389
Fee income for research awards (exclusive of Vat)	8,266	7,800	6,120	5,574
Fee income from non-qualifying courses (exclusive of Vat)	3,147	3,383	3,147	3,383
	<b>293,981</b>	<b>278,810</b>	<b>291,612</b>	<b>276,477</b>

### 7. Other income

	Consolidated		University	
	2021 £000	2020 £000	2021 £000	2020 £000
Residences, catering and conferences	753	2,681	609	2,341
Consultancy	1,782	2,375	-	173
Other revenue grants	1,671	1,783	1,537	1,633
Rental income	268	1,074	268	1,073
Nursery income	420	324	-	-
Other income	3,211	5,338	3,109	5,204
	<b>8,105</b>	<b>13,575</b>	<b>5,523</b>	<b>10,424</b>

## 8. Investment income

	Consolidated and University	
	2021 £000	2020 £000
Interest on short-term investments	219	783
Interest on loan	7	3
	<b>226</b>	<b>786</b>

## 9. Donations and endowments

	Consolidated		University	
	2021 £000	2020 £000	2021 £000	2020 £000
Unrestricted donations	514	497	513	497
Expendable endowments	-	-	-	-
	<b>514</b>	<b>497</b>	<b>513</b>	<b>497</b>

## 10. Staff Costs

	Consolidated		University	
	2021 £000	2020 £000	2021 £000	2020 £000
Wages and salaries	140,946	140,846	139,232	138,984
Social security costs	15,025	15,091	14,901	14,960
Pension costs (note 27)	39,494	37,273	39,244	37,004
Restructuring costs	732	1,412	732	1,412
	<b>196,197</b>	<b>194,622</b>	<b>194,109</b>	<b>192,360</b>

Included in the above are costs relating to access and participation (see note 33):

	Consolidated and University	
	2021 £000	2020 £000
Access investment	1,920	1,802
Financial support	-	-
Disability support (excluding expenditure included in the two categories above)	3,230	2,497
Research and evaluation	793	336
	<b>5,943</b>	<b>4,635</b>

## Average number of staff employed during the year:

	Consolidated and University	
	2021 Number of FTE	2020 Number of FTE
Academic delivery	1,630	1,704
Service delivery	1,016	913
Corporate services	410	403
Estates and technology	267	282
Facilities and support	228	234
	<b>3,551</b>	<b>3,536</b>

The groups used to analyse the average number of staff employed during the year have been changed, to better reflect the structures in the University and so the 2020 figures have been restated to align with the 2021 analysis.

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

	Consolidated and University	
	2021 Number	2020 Number
£100,000 - £104,999	2	-
£105,000 - £109,999	-	1
£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	3	3
£140,000 - £144,999	1	1
£145,000 - £149,999	1	1
£150,000 - £154,999	1	1
£155,000 - £159,999	1	1
	<b>10</b>	<b>8</b>

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 salary of more than £100,000:**

	Consolidated and University	
	2021 Number	2020 Number
£100,000 - £104,999	2	2
£105,000 - £109,999	-	1
£110,000 - £114,999	-	-
£115,000 - £119,999	-	-
£120,000 - £124,999	-	1
£125,000 - £129,999	1	2
£130,000 - £134,999	-	-
£135,000 - £139,999	3	3
£140,000 - £144,999	1	1
£145,000 - £149,999	1	1
£150,000 - £154,999	1	1
£155,000 - £159,999	1	1
	<b>10</b>	<b>13</b>

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 no starters or leavers earning over £100,000.

**Total remuneration of the Vice-Chancellor**

	Consolidated and University	
	2021 £000	2020 £000
Salary	240	240
Other remuneration	-	-
Other taxable benefits	-	-
	240	240
Pension contributions	17	17
	<b>257</b>	<b>257</b>

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.

**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	
	2021	2020
Basic salary	7.1	7.1
Total remuneration (including pension contributions) *	7.3	7.4

\* 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:

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

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

**Compensation for loss of office**

	Consolidated and University	
	2021	2020
Compensation paid (£000)	116	1,481
Number of staff	9	173

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 2020 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 has been no significant restructuring activity during 2021.

**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 and Planning Officer	Deputy Vice-Chancellor (Academic)
Chief People Officer	Pro Vice-Chancellor for Business and Enterprise
	Pro Vice-Chancellor for Global and Academic Partnerships
	Pro Vice-Chancellor for Research and Innovation
	Pro Vice-Chancellor for Teaching and Learning

During the year ended 31 July 2021 there were 9 (2020: 11) members of the ULT.

	Consolidated and University	
	2021 £000	2020 £000
Key management personnel remuneration payable	1,830	1,894

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.

**11. Other operating expenses**

Other operating expenses include:	Consolidated		University	
	2021 £000	2020 £000	2021 £000	2020 £000
Operating lease expenditure – land and buildings	1,088	1,048	1,088	1,048
Operating lease expenditure – equipment	55	270	55	270
External auditor's remuneration in respect of audit services	83	82	66	66
External auditor's remuneration in respect of non-audit services:				
- Grant audits	12	11	12	11
- Tax	1	10	-	9
- Other	7	5	7	5
Internal audit services	146	143	146	143

**12. Interest and other finance costs**

	Consolidated and University	
	2021 £000	2020 £000
Bank loans	2,716	2,908
Unwinding of USS pension provision discount (note 25)	23	97
Net interest charge on pension scheme (note 27)	3,708	3,771
Other interest	2	784
	<b>6,449</b>	<b>7,560</b>

**13. Analysis of total expenditure by activity**

	Consolidated		University	
	2021 £000	2020 £000	2021 £000	2020 £000
Academic departments	119,863	122,482	118,006	121,698
Academic services	65,335	61,294	65,293	61,294
Administration and central services	47,182	43,111	46,356	42,327
Premises	35,223	35,878	35,226	35,847
Residences, catering and conferences	1,520	2,981	1,520	2,806
Research grants and contracts	14,376	12,847	13,872	12,449
Other expenses	17,951	20,434	17,841	18,959
	<b>301,450</b>	<b>299,027</b>	<b>298,114</b>	<b>295,380</b>

## 14. Tangible fixed assets – Consolidated

	Land and Buildings		Assets under Construction	Equipment	Total
	Freehold £000	Long leasehold £000			
<b>Cost</b>					
As at 1 August 2020	369,296	9,375	11,709	55,423	445,803
Additions	650	-	20,416	1,304	22,370
Disposals	(2,097)	-	-	(217)	(2,314)
Transfers	1,973	-	(2,356)	383	-
<b>As at 31 July 2021</b>	<b>369,822</b>	<b>9,375</b>	<b>29,769</b>	<b>56,893</b>	<b>465,859</b>
<b>Depreciation</b>					
As at 1 August 2020	91,049	3,249	-	36,438	130,736
Charge for the year	15,990	568	-	5,649	22,207
Disposals	(2,097)	-	-	(200)	(2,297)
<b>As at 31 July 2021</b>	<b>104,942</b>	<b>3,817</b>	<b>-</b>	<b>41,887</b>	<b>150,646</b>
<b>Net Book Value</b>					
<b>As at 31 July 2021</b>	<b>264,880</b>	<b>5,558</b>	<b>29,769</b>	<b>15,006</b>	<b>315,213</b>
As at 31 July 2020	278,247	6,126	11,709	18,985	315,067

As at 31 July 2021, freehold land and buildings included £25,325,000 (2020: £25,325,000) in respect of freehold land that is not depreciated.

## 15. Tangible fixed assets – University

	Land and Buildings		Assets under Construction	Equipment	Total
	Freehold £000	Long leasehold £000			
<b>Cost</b>					
As at 1 August 2020	369,296	9,375	11,709	55,397	445,777
Additions	650	-	20,416	1,304	22,370
Disposals	(2,097)	-	-	(217)	(2,314)
Transfers	1,973	-	(2,356)	383	-
<b>As at 31 July 2021</b>	<b>369,822</b>	<b>9,375</b>	<b>29,769</b>	<b>56,867</b>	<b>465,833</b>
<b>Depreciation</b>					
As at 1 August 2020	91,049	3,249	-	36,417	130,715
Charge for the year	15,990	568	-	5,647	22,205
Disposals	(2,097)	-	-	(200)	(2,297)
<b>As at 31 July 2021</b>	<b>104,942</b>	<b>3,817</b>	<b>-</b>	<b>41,864</b>	<b>150,623</b>
<b>Net Book Value</b>					
<b>As at 31 July 2021</b>	<b>264,880</b>	<b>5,558</b>	<b>29,769</b>	<b>15,003</b>	<b>315,210</b>
As at 31 July 2020	278,247	6,126	11,709	18,980	315,062

As at 31 July 2021, freehold land and buildings included £25,325,000 (2020: £25,325,000) in respect of freehold land that is not depreciated.

As at 31 July 2021, Freehold Land & Buildings cost included £14,565,000 (2020: £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.

## 16. Non-current investments

	Consolidated		University	
	2021 £000	2020 £000	2021 £000	2020 £000
Investments in subsidiaries	-	-	3	3
Investments in indirect holdings	42	42	42	42
	<b>42</b>	<b>42</b>	<b>45</b>	<b>45</b>

### Subsidiaries

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

Name of company	Company Registration 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	**

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	Percentage of Ordinary Shares Held
Sheaf Innovations Limited***	Research	24.9
Darton Ceramics Limited	Research	7.2
Mikana Innovations Limited	Metal production	14.8

\* this company is exempt from an audit by virtue of s4804 of the Companies Act 2006

\*\* 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.

## 17. Investment in associate companies and joint ventures

	Consolidated		University	
	2021 £000	2020 £000	2021 £000	2020 £000
Investment in associate companies (Note 17a)	12	-	-	-
Investment in joint ventures (Note 17b)	-	-	-	-
Investment in associate companies and joint ventures	<b>12</b>	<b>-</b>	<b>-</b>	<b>-</b>

### 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 company was incorporated in February 2020 and its first set of financial statements were for the extended accounting period to 31 March 2021. The latest financial information available from Sonnet Advisory and Impact CIC are the Management Accounts for the quarter ended 30 June 2021, which show the company had net assets of £33,000 (30 June 2020 Management Accounts: Net liabilities of £43,000). The University's investment in the associate company at 31 July 2021 is therefore 35% of the net assets value being £12,000 (2020: nil).

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	
	2021 £000	2020 £000	2021 £000	2020 £000
<b>Share of net assets:</b>				
At 1 August	-	-	-	-
Share of operating surplus/(deficit)	12	-	-	-
At 31 July	<b>12</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net assets comprised of:</b>				
Share of gross assets	119	-	-	-
Share of gross liabilities	(107)	-	-	-
Investment in associate	<b>12</b>	<b>-</b>	<b>-</b>	<b>-</b>

### 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 2021 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 (2020: nil).

The University's 25% share of the turnover of £8,114,000 (based on draft figures) (2020: £7,458,000 draft and £7,538,000 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.



## 18. Stock

	Consolidated		University	
	2021 £000	2020 £000	2021 £000	2020 £000
Stock	97	136	62	106
	<b>97</b>	<b>136</b>	<b>62</b>	<b>106</b>

## 19. Trade and other receivables

	Consolidated		University	
	2021 £000	2020 £000	2021 £000	2020 £000
Trade and other receivables	14,387	8,383	14,073	8,026
Prepayments	6,671	8,537	6,662	8,524
Accrued income	6,171	8,690	5,819	8,319
Amounts due from group undertakings	-	-	649	613
Loan to associate company	97	97	97	97
	<b>27,326</b>	<b>25,707</b>	<b>27,300</b>	<b>25,579</b>

Amounts due after more than one year included above are:

	Consolidated		University	
	2021 £000	2020 £000	2021 £000	2020 £000
Loan to associate company	97	97	97	97
	<b>97</b>	<b>97</b>	<b>97</b>	<b>97</b>

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. The loan is at commercial rates and unsecured. The loan is held at amortised cost.

## 20. Current asset investments

	Consolidated and University	
	2021 £000	2020 £000
Short-term deposits maturing within three months of the Statement of Financial Position date	30,000	-
	<b>30,000</b>	<b>-</b>

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 2021, the weighted average interest rate on the fixed rate deposits was 0.33% per annum and the remaining weighted average period for which the interest rate is fixed on these deposits was 69 days. The fair value of these deposits was not materially different from the book value. There were no fixed rate deposits held at 31 July 2020.

## 21. Creditors – amounts falling due within one year

	Consolidated		University	
	2021 £000	2020 £000	2021 £000	2020 £000
Unsecured loans (note 23)	2,306	2,130	2,306	2,130
Trade payables	5,404	6,983	5,396	6,945
Social security and other taxation payable	4,389	4,155	4,389	4,155
Accruals	20,124	18,726	19,600	18,491
Deferred income	27,187	19,508	26,962	19,099
	<b>59,410</b>	<b>51,502</b>	<b>58,653</b>	<b>50,820</b>

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	
	2021 £000	2020 £000
Capital grant income	3,042	3,629

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

	Consolidated and University	
	2021 £000	2020 £000
Unsecured loans (note 23)	59,533	61,195
Deferred income	43,572	44,244
	<b>103,105</b>	<b>105,439</b>

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	
	2021 £000	2020 £000
Capital grant income	43,572	44,244

**Capital Grants**

	<b>Consolidated and University</b>	
	<b>2021 £000</b>	<b>2020 £000</b>
Balance as at 1 August	47,873	42,339
Cash receivable	2,508	10,069
Released to statement of comprehensive income (note 4)	(3,767)	(4,535)
Balance as at 31 July	<b>46,614</b>	<b>47,873</b>

At 31 July 2021, capital grants included £12,977,000 (2020: £13,562,000) 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. £585,000 of the grant received has been released to the Statement of Comprehensive Income during the year.

**23. Borrowings**

	<b>Consolidated and University</b>	
	<b>2021 £000</b>	<b>2020 £000</b>
<b>Analysis of unsecured loans at amortised cost:</b>		
Due within one year	2,306	2,130
Due between one and two years	2,364	3,093
Due between two and five years	7,584	9,709
Due in five years or more	49,585	48,393
	<b>61,839</b>	<b>63,325</b>

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

	Term	Interest rate	<b>Consolidated and University</b>	
			<b>2021 £000</b>	<b>2020 £000</b>
Barclays term loan	July 2037	Fixed 6.52%	32,375	33,646
Santander term loan	April 2031	** Variable 1.8% *	29,464	29,679
			<b>61,839</b>	<b>63,325</b>

\* Average rate for the period 15 April 2021 to 31 July 2021

\*\* the rate is based on SONIA + a margin of 1.75%

In March 2019 a term loan of £50m and revolving credit facility of £20m was agreed with Santander. £30m of the Santander term loan was drawn down immediately and the balance of £20m was to be drawn down by March 2021. The terms of the Santander loan have now been renegotiated, with the balance of £20m to be drawn down by April 2023. The Santander and Barclays facilities are at commercial rates and are unsecured.

One of the reasons the Santander loan was amended was because of the interest rate benchmark reform and the transition from the London Interbank Offered Rate (LIBOR) to the Sterling Overnight Index Average (SONIA).

The original loan agreement interest rate was based on LIBOR plus a margin. As LIBOR is being phased out at the end of 2021 it was agreed with Santander that the loan agreement be updated to reflect the change to SONIA plus a margin.

The University has early adopted the Amendments to FRS102 Interest Rate Benchmark Reform (phase 2) and applied the practical expedient in paragraph 11.20C. As detailed in Note 2 Basic Financial Instruments the University undertook analysis to confirm that there was no significant effect on the carrying amount of the liability as a result of the interest rate change.

**24. Financial instruments**

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

	<b>Consolidated</b>		<b>University</b>	
	<b>2021 £000</b>	<b>2020 £000</b>	<b>2021 £000</b>	<b>2020 £000</b>
<b>Financial assets</b>				
Trade receivables	14,329	8,186	14,015	7,829
Amounts due from group undertakings	-	-	649	613
Loan to associate company	97	97	97	97
Accrued income	6,171	8,690	5,819	8,319
Short-term deposits	30,000	-	30,000	-
Cash and cash equivalents	116,487	129,873	116,438	129,752
<b>Financial liabilities</b>				
Trade payables	5,404	6,983	5,396	6,945
Other creditors	24,513	22,881	23,989	22,646
Unsecured loans	61,839	63,325	61,839	63,325

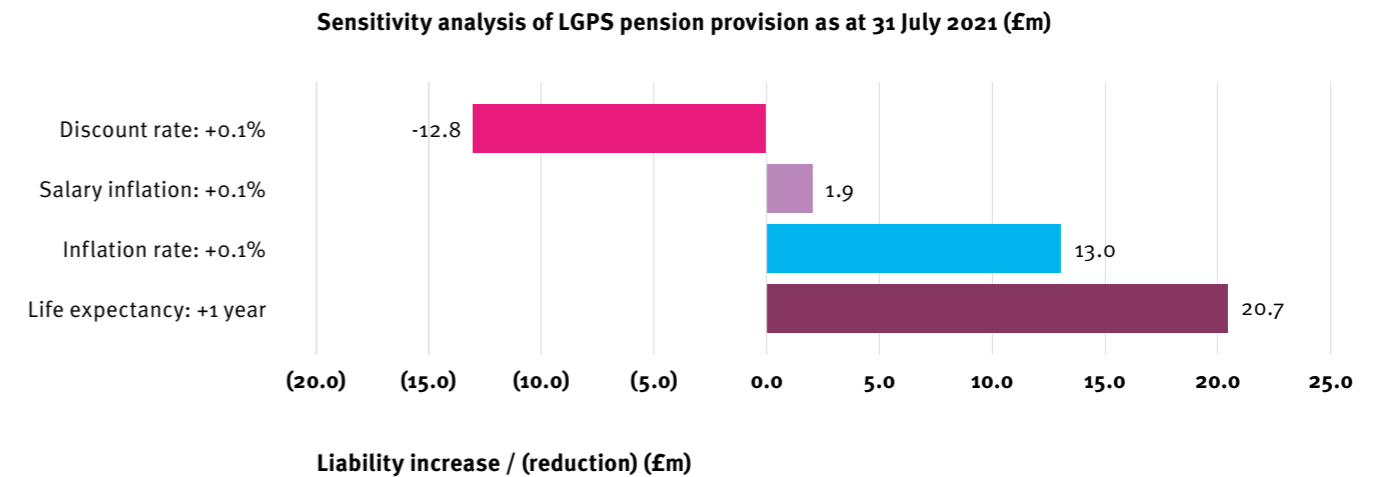
## 25. Pension provisions

	LGPS pension provision 2021 £000	USS pension provision 2021 £000	Consolidated and University	
			Total pension provisions 2021 £000	Total pension provisions 2020 £000
<b>As at 1 August</b>	219,608	3,237	222,845	170,117
<b>Amounts charged to pension costs: non-cash items</b>				
Current service cost	21,234	-	21,234	19,902
Past service cost	558	-	558	234
McCloud past service cost adjustment	-	-	-	-
GMP past service cost adjustment	-	-	-	744
Change in expected contributions	-	(242)	(242)	(2,866)
	<b>21,792</b>	<b>(242)</b>	<b>21,550</b>	<b>18,014</b>
Less				
Employer contributions	(11,021)	-	-	-
Deficit contributions	-	(144)	(11,165)	(11,062)
	<b>10,771</b>	<b>(386)</b>	<b>10,385</b>	<b>6,952</b>
<b>Amounts charged to Interest and other finance costs: non-cash items</b>				
Unwinding of USS pension provision discount	-	23	23	97
Net interest charge on pension scheme	3,708	-	3,708	3,771
	<b>3,708</b>	<b>23</b>	<b>3,731</b>	<b>3,868</b>
<b>Total charged to expenditure</b>	<b>14,479</b>	<b>(363)</b>	<b>14,116</b>	<b>10,820</b>
Actuarial loss/(gain) charged to other comprehensive expenditure	(22,258)	-	(22,258)	41,908
<b>As at 31 July</b>	<b>211,829</b>	<b>2,874</b>	<b>214,703</b>	<b>222,845</b>

### 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:



### 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 0.87% (2020: 0.73%) and an average pensionable salary growth of 1.95% (2020: 2.2%)

The USS pension provision as at 31 July 2021 was calculated to be £2.874m (2020: £3.237m). 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 decrease in this liability is matched by the cost of the employees' pension for the current financial year and which is reflected in staff costs.

The actuarial funding valuation of the scheme, as at 31 March 2020, was filed at the end of September 2021. The deficit disclosed at this valuation is subject to the outcome of a consultation with employees on future benefit changes and the enactment of a Benefit Change Deed before 28 February 2022 (following formal consultation with affected employees). The deficit would be £14.1bn if a Benefit Change Deed is enacted, or £18.4bn if it is not. In any case, this represents a significant deterioration from the £3.6bn deficit established under the 31 March 2018 valuation.

Further details of the impact of the 2020 valuation on the University's USS provision can be found in Note 37.

We have carried out sensitivity analysis based on movements of +/- 1% of each of the principal assumptions used to measure the USS deficit provision and there was no material impact on the provision.

## 26. Other provisions

### Consolidated and University

	Pension enhancement on termination £000	Teachers' Pension Scheme Contributions £000	Local Government Pension Scheme Contributions £000	Restructuring £000	Asbestos removal £000	Dilapidations £000	Total other provisions £000
<b>As at 1 August 2020</b>	369	2,648	-	139	1,586	55	<b>4,797</b>
Created in year	50	-	300	429	-	-	<b>779</b>
Utilised in year	(311)	-	-	(139)	(211)	-	<b>(661)</b>
Released in year	(10)	-	-	-	-	-	<b>(10)</b>
<b>As at 31 July 2021</b>	<b>98</b>	<b>2,648</b>	<b>300</b>	<b>429</b>	<b>1,375</b>	<b>55</b>	<b>4,905</b>

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 has reviewed a number of individual member records in light of forthcoming 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 has 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 £1.865m of pension costs and £0.783m of interest on contribution arrears. It is expected that this provision will be utilised over the coming year.

During the financial year, the University has 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 £0.3m. Further work will continue on this and discussions will take place with South Yorkshire Pensions Authority over the coming year.

The restructuring provision is in respect of redundancy payments and other one-off costs arising from the reorganisation of various elements of the University's academic and administrative operations. 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 2022.

The dilapidations provision relates to decommissioning costs for a leased property and will be utilised 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:

	Consolidated		University	
	2021 £000	2020 £000	2021 £000	2020 £000
Teachers' Pension Scheme	16,595	17,787	16,465	17,640
Universities Superannuation Scheme	1,137	(1,425)	1,137	(1,425)
Local Government Pension Scheme	21,658	20,805	21,538	20,683
NEST Pension Scheme	104	106	104	106
<b>Total pension cost (note 10)</b>	<b>39,494</b>	<b>37,273</b>	<b>39,244</b>	<b>37,004</b>

### 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 2021 (2020: £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:

### Amounts charged to pension costs by pension scheme:

	Consolidated		University	
	2021 £000	2020 £000	2021 £000	2020 £000
Employer contributions	16,295	15,922	16,165	15,775
Provision for contribution arrears (see note 26)	300	1,865	300	1,865
	<b>16,595</b>	<b>17,787</b>	<b>16,465</b>	<b>17,640</b>

There was a balance of £2,065,000 owing by the University at 31 July 2021 (2020: £1,933,000).

The TPS scheme is 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.

Employee contributions are levied on a tiered basis dependent upon salary. While employee contribution rates remain static for the year ended 31 March 2021 there was an increase in band width for each salary band, in line with the change in the Consumers Prices index.

Year ended 31 March 2021		Year ended 31 March 2020	
£1–£28,309	7.4%	£1–£28,168	7.4%
£28,310–£38,108	8.6%	£28,169–£37,918	8.6%
£38,109–£45,185	9.6%	£37,919–£44,960	9.6%
£45,186–£59,885	10.2%	£44,961–£59,587	10.2%
£59,886–£81,661	11.3%	£59,588–£81,254	11.3%
£81,662 or more	11.7%	£81,255 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 0.5% from 12 April 2021 (2020: 1.7% 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 2020/21 TPS Accounts were based on the liability as at 31 March 2019 and rolling that liability forward to 31 March 2021. 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 2021	31 March 2020	31 March 2016
Nominal discount rate	1.25%	1.80%	2.80%
Rate of general pay increases	3.72%	4.10%	4.20%
Rate of pension increases	2.22%	2.35%	2.00%
Value of notional assets	-	-	£196.1bn
Value of liabilities	£481.0bn	£432.2bn	£218.1bn
Notional past service deficit	-	-	£22.0bn

The cost of benefits accrued in the year ended 31 March 2021 (the current service cost) is assessed as 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 2020/21 is 56.3% (2019/20: 40.4%). 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. 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 institution has entered into an agreement (the Recovery Plan) that determines how each employer within the scheme will fund the overall deficit, the institution recognises a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) 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	
	2021 £000	2020 £000
Employer contributions	1,523	1,566
Less deficit contributions (see note 25)	(144)	(125)
Change in expected contributions (see note 25)	(242)	(2,866)
	<b>1,137</b>	<b>(1,425)</b>

There was a balance of £193,000 owing by the University at 31 July 2021 (2020: £197,000).

The latest completed actuarial valuation of the Retirement Income Builder is at 31 March 2018 (the valuation date), which was carried out using the projected unit method. A valuation as at 31 March 2020 is underway but not yet complete.

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 2018 valuation was the fifth 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 2018	31 March 2017
Total scheme assets	£63.7bn	£60.0bn
Total liabilities	£67.3bn	£67.5bn
Past service (Shortfall)	£(3.6)bn	£(7.5)bn
Funding level	95%	89%

**Past service (shortfall) at 31 March 2017**

Expected interest on shortfall	(0.2)
Higher than expected investment returns	2.2
Employers' contributions	(0.4)
Change in underlying financial conditions	1.8
Change in demographic assumptions - mortality	0.5

**Past service (shortfall) at 31 March 2018****£(3.6)bn**

The key financial assumptions used in the 2018 valuation are described below.

Pension increases (CPI)	Term dependent rates in line with the difference between the Fixed Interest and Index Linked yield curves, less 1.3% p.a.
Discount rate (forward rates)	Years 1-10: CPI + 0.14% reducing linearly to CPI – 0.73% Years 11-20: CPI + 2.52% reducing linearly to CPI + 1.55% by year 21 Years 21+: CPI + 1.55%

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 2018 actuarial valuation. The mortality assumptions used in these figures are as follows:

Mortality base table	Pre-retirement: 71% of AMCoo (duration o) for males and 112% of AFCoo (duration o) for females Post retirement: 97.6% of SAPS S1NMA 'light' for males and 102.7% of RFVoo for females
Future improvements to mortality	CMI_2017 with a smoothing parameter of 8.5 and a long-term improvement rate of 1.8% pa for males and 1.6% pa for females

The current life expectancies on retirement at age 65 are:

	2021	2020
Males currently aged 65 years	24.6	24.4
Females currently aged 65 years	26.1	25.9
Males currently aged 45 years	26.6	26.3
Females currently aged 45 years	27.9	27.7

During 2019/20 a new deficit recovery plan was put in place as the result of the 2018 valuation, which requires payment of 2% of salaries over the period 1 October 2019 to 30 September 2021, at which point the rate will increase to 6%. In accordance with FRS 102 and the SORP, the University has made a provision for this contractual commitment to fund the past deficit. The details and the impacts of the changes can be seen in note 25.

It is likely that the 31 March 2020 valuation, once finalised, will result in a new deficit recovery plan which will impact on the provision required in 2021/22.

**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 pay bands and contribution rates are reviewed periodically to maintain an average employee contribution of 6.5%.

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 £1,213,000 owing by the University at 31 July 2021 (2020: £1,029,000).

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.

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 2021 by a qualified independent actuary.

**The material assumptions used by the actuary at 31 July were:**

	2021	2020
Rate of increase in salaries	3.25%	3.35%
Rate of increase in pensions in payment	2.65%	2.20%
Discount rate	1.60%	1.60%
Inflation	2.60%	2.10%

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

	31 July 2021	31 July 2020
<b>Retiring today</b>		
Males	21.8	21.8
Females	25.1	25.0
<b>Retiring in 20 years</b>		
Males	22.6	22.6
Females	26.4	26.3

**Scheme assets**

The assets in the LGPS were:

	<b>2021</b> <b>Fund value</b> <b>£000</b>	<b>2020</b> <b>Fund value</b> <b>£000</b>
Equities	208,982	170,636
Government bonds	60,953	57,618
Other bonds	33,089	32,872
Property	38,313	31,025
Cash/liquidity	7,837	15,143
Other	86,205	62,050
	<b>435,379</b>	<b>369,344</b>

**Analysis of the amount shown in the Statement of Financial Position**

	<b>2021</b> <b>£000</b>	<b>Consolidated</b> <b>and University</b> <b>2020</b> <b>£000</b>
Total fair value of assets	435,379	369,344
Present value of funded scheme liabilities	(647,135)	(588,879)
Present value of unfunded scheme liabilities	(73)	(73)
Deficit in scheme – net pension liability	<b>(211,829)</b>	<b>(219,608)</b>

**Amounts charged to staff costs**

	<b>2021</b> <b>£000</b>	<b>Consolidated</b> <b>and University</b> <b>2020</b> <b>£000</b>
Current service cost	(21,234)	(19,902)
Past service cost	-	(744)
Settlements and curtailments	(558)	(234)
Total operating charge	<b>(21,792)</b>	<b>(20,880)</b>

**Amounts charged to interest payable and other finance costs**

	<b>2021</b> <b>£000</b>	<b>Consolidated</b> <b>and University</b> <b>2020</b> <b>£000</b>
Interest on pension scheme assets	5,958	8,069
Interest on pension scheme liabilities	(9,381)	(11,557)
Administration expenses	(285)	(283)
Net interest cost	<b>(3,708)</b>	<b>(3,771)</b>

**Amounts recognised in other comprehensive income/(expenditure)**

	<b>2021</b> <b>£000</b>	<b>Consolidated</b> <b>and University</b> <b>2020</b> <b>£000</b>
Remeasurements (pension scheme assets)	54,360	16,642
Experience gain (pension scheme liabilities)	14,789	-
Loss on assumptions (pension scheme liabilities)	(46,891)	(79,448)
Actuarial gain/(loss) in respect of the pension scheme	<b>22,258</b>	<b>(62,806)</b>

**Movement in deficit in the year**

	<b>2021</b> <b>£000</b>	<b>Consolidated</b> <b>and University</b> <b>2020</b> <b>£000</b>
Deficit in the scheme at 1 August	(219,608)	(163,986)
Current service costs	(21,234)	(19,902)
Past service costs	(558)	(978)
Contributions	11,021	10,937
Other finance costs	(3,708)	(3,771)
Actuarial loss	22,258	(41,908)
Deficit in the scheme provided at 31 July (note 25)	<b>(211,829)</b>	<b>(219,608)</b>

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

	<b>2021</b> <b>£000</b>	<b>Consolidated</b> <b>and University</b> <b>2020</b> <b>£000</b>
Liabilities at 1 August	588,952	529,245
Current service cost	21,234	19,902
Past service cost	-	744
Interest on pension liabilities	9,381	11,557
Employee contributions	3,815	3,765
Actuarial loss on assumptions	46,891	11,334
Experience (gain) / loss	(14,789)	23,818
Benefits paid	(8,834)	(11,647)
Settlements and curtailments	558	234
Liabilities at 31 July	<b>647,208</b>	<b>588,952</b>

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

	Consolidated and University	
	2021 £000	2020 £000
Assets at 1 August	369,344	365,259
Interest income on plan assets	5,958	8,069
Actuarial gain/(loss) on assets	54,360	(6,756)
Administration expenses	(285)	(283)
Employer contributions	11,021	10,937
Employee contributions	3,815	3,765
Benefits paid	(8,834)	(11,647)
Assets at 31 July	<b>435,379</b>	<b>369,344</b>

## 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.

## 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) and based on sample analysis on the most significant ruling (Goodwin), the LGPS actuary estimates suggests a cost well under 0.1% of liabilities on average. Therefore, no allowance for additional liabilities has been made.

## 28. Endowment reserve

Restricted net assets relating to expendable endowments are as follows:

	Consolidated and University	
	2021 £000	2020 £000
<b>Balance as at 1 August</b>	<b>27</b>	<b>33</b>
New endowments	-	-
Investment income	-	-
Expenditure	(7)	(6)
Total endowment comprehensive (expenditure)/income for the year	<b>(7)</b>	<b>(6)</b>
<b>Balance as at 31 July</b>	<b>20</b>	<b>27</b>

## Analysis by type of purpose:

Scholarships and bursaries	20	27
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## Analysis by asset:

Current assets – investments	20	27
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## 29. Restricted reserve

Restricted net assets relating to restricted donations are as follows:

	Consolidated and University	
	2021 £000	2020 £000
<b>Balance as at 1 August</b>	<b>13</b>	<b>20</b>
New donations	-	-
Expenditure	-	(7)
Total restricted comprehensive expenditure for the year	<b>-</b>	<b>(7)</b>
<b>Balance as at 31 July</b>	<b>13</b>	<b>13</b>

## Analysis by type of purpose:

Prize funds	10	10
Art fund	2	2
Scholarships and bursaries	1	1

## Analysis by asset:

Current assets – investments	13	13
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### 30. Consolidated reconciliation of net debt

	At 1 August 2020 £000	Cash Flows £000	Non-cash changes £000	At 31 July 2021 £000
<b>Cash and cash equivalents</b>				
Cash	129,873	(13,386)	-	116,487
<b>Borrowings</b>				
Amounts falling due within one year	(2,130)	1,521	(1,697)	(2,306)
Amounts falling due after more than one year	(61,195)	-	1,662	(59,533)
	<b>(63,325)</b>	1,521	(35)	<b>(61,839)</b>
<b>Net debt</b>	<b>66,548</b>	(11,865)	(35)	<b>54,648</b>

### 31. Lease obligations

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

	Consolidated and University	
	2021 £000	2020 £000
<b>Buildings</b>		
Within one year	1,146	1,118
Between one and five years	4,014	4,121
Over five years	24,372	25,366
<b>Equipment</b>		
Within one year	99	145
Between one and five years	152	172
Over five years	-	8
	<b>29,783</b>	<b>30,930</b>

### 32. Capital commitments

Provision has not been made for the following capital commitments:

	Consolidated and University	
	2021 £000	2020 £000
Commitments contracted not provided at 31 July	4,987	7,519
Authorised not contracted for at 31 July	107,778	119,680
	<b>112,765</b>	<b>127,199</b>

The capital commitments include no spend (2020: £778,000) which will be grant funded.

### 33. Access and participation expenditure

	Consolidated and University	
	2021 £000	2020 £000
Access investment	2,145	1,946
Financial support	6,982	6,292
Disability support	3,483	2,718
Research and evaluation	809	364
	<b>13,419</b>	<b>11,320</b>

£5,943,000 of these costs are included in the overall staff costs figures in the financial statements, see 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 £2,145,000 compared to £2,227,000 reported in the APP for 2020/21 agreed with OfS, as some activity did not take place due to the Coronavirus pandemic.

Financial support costs are directed at underrepresented and disadvantaged student groups and include expenditure such as bursaries, scholarships etc. Financial support costs are £6,982,000 compared to £5,750,000 reported in the APP. The additional £1,232,000 relates to financial support provided to students facing hardship due to the Coronavirus pandemic. This was partly funded by a hardship grant from the OfS.

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. Disability support costs are £3,483,000 but were not included in the APP as per the requirements of the time.

Research and evaluation costs, related to access and participation activities are £809,000 compared to £290,000 reported in the APP. No college research costs were included in the APP, but work has been done to identify staff time spent on research and evaluation activities across the university.

A copy of the University's published access and participation plan for 2020/21 can be found on our website 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.

	2021 £000	Consolidated and University 2020 £000
<b>Initial teacher training bursaries</b>		
Funds received	6,490	4,673
Disbursed to students	(6,157)	(4,844)
Balance unspent/(overspent) as at 31 July	<b>333</b>	<b>(171)</b>

### 35. Related party transactions

The governors have considered the requirements of FRS102: 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 2020/21. None of the outstanding balances are secured.

Related Party		Income received from £000	Expenditure incurred £000	Amounts due from £000	Amounts due to £000
<b>DN Colleges Group</b>	2021	135	-	-	-
	2020	-	-	-	-
<b>Eyam School Trust</b>	2021	-	2	-	-
	2020	-	1	-	1
<b>HESA</b>	2021	-	145	-	-
	2020	-	201	-	-
<b>Peabody Trust</b>	2021	5	-	5	-
	2020	5	-	-	-
<b>PricewaterhouseCoopers</b>	2021	-	11	-	-
	2020	-	11	-	-
<b>Sheffield Assay Office</b>	2021	-	1	-	-
	2020	-	-	-	-
<b>Sheffield City Region LEP</b>	2021	71	52	-	18
	2020	93	-	-	-
<b>Sheffield Futures</b>	2021	-	-	-	-
	2020	1	-	-	-
<b>Sheffield Galleries and Museums Trust</b>	2021	-	-	-	-
	2020	-	31	-	-
<b>Sheffield Hallam University Union of Students</b>	2021	266	2,512	47	-
	2020	361	2,580	30	1
<b>Sheffield Science Park Company Ltd</b>	2021	-	9	-	-
	2020	-	9	-	-
<b>Sheffield Springs Academy</b>	2021	-	1	-	-
	2020	-	3	-	-
<b>Sheffield UTC Academy Trust</b>	2021	-	32	-	-
	2020	-	50	-	-
<b>SINO British College</b>	2021	447	-	447	-
	2020	255	-	255	-
<b>Sonnet Advisory and Impact CIC</b>	2021	32	64	-	-
	2020	3	114	2	-
<b>St Lukes Hospice</b>	2021	3	1	2	-
	2020	3	-	-	-
<b>The Sheffield College</b>	2021	315	187	-	-
	2020	264	199	1	-
<b>Universities UK (UUK)</b>	2021	-	41	-	41
	2020	-	40	-	40
<b>Voluntary Action Sheffield</b>	2021	Note 1	Note 1	Note 1	Note 1
	2020	-	8	-	-
<b>Yorkshire Universities</b>	2021	-	21	-	-
	2020	1	25	-	-

**Note 1:** Mark Swales retired from the position of Chief Estates and Facilities Officer at the University in 2019/20 and therefore transactions were not considered for 2020/21.

Professor Roger Eccleston, Deputy Vice-Chancellor (Academic), is a Director of DN Colleges Group. This relationship started on 1 August 2020. Mr Mark Swales, formerly Chief Estates and Facilities Officer, is a governor of DN Colleges Group. Mr Swales retired from the University on 31 July 2020. Income received relates to tuition fees.

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

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.

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.

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

Professor Roger Eccleston is a Guardian (Board Member) of Sheffield Assay Office. Expenditure incurred relates to metal analytical services and metal engraving services.

Mr Neil MacDonald, a Governor, is a Board Member of Sheffield City Region LEP. Professor Sir Chris Husbands is a member of the Board of Sheffield City Region LEP. Income received relates to consultancy on travel strategy and the secondment of an individual. Expenditure incurred relates to Sheffield Innovation Programme ERDF funding and a contribution towards the appointment of the lead for the Advanced Manufacturing Innovation District.

Ms Angela Foulkes, a Governor, is a board member of Sheffield Futures. Income received relates to room hire.

Mr Neil MacDonald was a trustee of Sheffield Galleries and Museums Trust. Expenditure incurred relates to room hire for events. Mr Neil MacDonald's relationship with Sheffield Galleries and Museums Trust ended 31 March 2021. On 1 April 2021, Sheffield Galleries and Museums Trust and Sheffield Industrial Museums Trust Limited merged. They were replaced by a new charity, Sheffield Museums Trust. Mr Neil MacDonald was appointed as a trustee and chair of Sheffield Museums Trust on 4 December 2020. There were no transactions with Sheffield Museums Trust in 2020/21.

The following Executive Officers of Sheffield Hallam University Union of Students were members of the Board of Governors during the 2020/21 financial year:

- Mr A Adegbola
- Mr P Ishola
- Ms S Pathan

Income received relates to estates and facilities charges, printing, events, and tuition fees. Expenditure incurred relates to the yearly grant made to the Students' Union by the University, uniforms and clothing, student society funding, merchandising, reimbursement of SHU Card sales, Team Hallam development funding, sports club finance fees, and funding for Nightline.

Ms Deborah Harry, Chief Finance and Planning Officer, was a director of Sheffield Science Park Company Ltd. The relationship ended 3 Feb 2021. Mr Neil MacDonald is a director (chair) of Sheffield Science Park Company Ltd. Professor Kevin Kerrigan, Pro Vice-Chancellor for Business and Enterprise, is a director of Sheffield Science Park Company Ltd. The relationship started on 11 Feb 2021. Expenditure incurred relates to cleaning, utility and licence costs.

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

Ms Angela Foulkes is a director of Sheffield UTC Academy Trust. Professor Chris Wigginton, Pro Vice-Chancellor for Global and Academic Partnerships, was a director of Sheffield UTC Academy Trust until 31 August 2019. Expenditure incurred relates to student placements, Trust Fund monies for HeppSY, and Wellcome CPD Challenge.

Professor Chris Wigginton is a Board Member of SINO British College. Income received relates to tuition fees.

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 of 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.

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

Angela Foulkes is the Chief Executive and Principal of The Sheffield College. Richard Calvert, Deputy Vice-Chancellor (Strategy and Operations), is a Governor of The Sheffield College. Income received relates to course fees. Expenditure incurred relates to tuition fees and student placements.

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

Mr Mark Swales was a director and trustee of Voluntary Action Sheffield. The relationship ended on 1 November 2019. Expenditure incurred relates to room hire, equipment hire and consultancy.

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

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 governors during 2020/21:

- Ms Elaine Buckley was appointed as a governor from the membership of the Academic Board and was a governor to 31 December 2020
- Mr Dan Bye was elected as a governor by and from the professional services staff of the University for the year ended 31 July 2021
- Dr Karen Grainger was elected by and from the academic staff of the University and was a governor to 30 June 2021
- Dr Claire Ketnor (née Cornock) was appointed as a governor from the membership of the Academic Board and was a governor from 23 March 2021

- Mr Kevin Taylor was elected by and from the academic staff of the University and was a governor to 16 July 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 2020/21, expenses totalling £2,000 (2019/20: £8,000) were paid to or on behalf of 13 (2019/20: 15) members of the Board of Governors. The expenses for 2020/21 related to training and subscriptions. The expenses for 2019/20 related to travel, subsistence, accommodation, 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.

### 37. Non-adjusting post balance sheet events

#### USS Provision

As detailed in Note 25 the Universities Superannuation Scheme (USS) was undergoing an actuarial valuation at the balance sheet date of 31 July 2021. This valuation was completed and signed by the Pensions Regulator with an effective date of 1 October 2021.

As a result of the increased scheme deficit following the 2020 Valuation the Joint Negotiating Committee (JNC) has instigated a member consultation around proposed changes in response to the rising cost of providing the scheme's current benefits. Its decision paves the way for the introduction of new contribution rates through execution of a benefit change deed in February 2022.

A new Recovery Plan, Schedule of Contributions and Statement of Funding Principles was signed by the Trustee as part of the 31 March 2020 valuation, with new contribution rates effective from 1 October 2021. In particular the deficit recovery contributions payable will also be dependent on the enactment of a Benefit Change Deed as below:

Deficit Recovery Contributions (DRC) under the 2018 Valuation (2% of salary up to 30/9/2021) cease from 1 October 2021.

1. Benefit Change Deed enacted before 28 Feb 2022:
  - From 1 April 2022: DRC 6.3% p.a. of Salary

*The funding deficit would be expected to be eliminated by 31 March 2038.*
2. Benefit Change Deed not enacted by 28 Feb 2022:
  - From 1 October 2022 to 31 March 2023: DRC 3% p.a. of Salary
  - From 1 April 2023 to 30 September 2023: DRC 6% p.a. of Salary
  - From 1 October 2023 to 31 March 2024: DRC 9% p.a. of Salary
  - From 1 April 2024 to 30 September 2024: DRC 12% p.a. of Salary
  - From 1 October 2024 to 31 March 2025: DRC 15% p.a. of Salary
  - From 1 April 2025 to 30 September 2025: DRC 18% p.a. of Salary
  - From 1 October 2025 onwards: DRC 20% p.a. of Salary

*The funding deficit would be expected to be eliminated by 31 July 2032.*

Clearly a change in the DRC will affect the value of the USS provision the University has to account for in the statement of financial position going forward.

Assuming that the benefit change deed, as recommended by the JNC, is executed and option 1 contributions are implemented, the USS provision as at 31 July 2022 would have been significantly higher than reported at the balance sheet date. An indication of the impact that would have occurred in the accounts to 31 July 2021 is given in the table below, which assumes that the adoption of option 1 had occurred on the first day of the financial year. The additional provision which will be adopted in the 2022 financial statements may be different due to the other assumptions involved in calculating the provision. The change has not been adopted in these accounts as the adoption occurred after the year end and therefore is non-adjusting.

	2020 Valuation USS pension provision 2021 £000	2018 Valuation USS pension provision 2021 £000
<b>As at 1 August</b>	3,237	3,237
<b>Amounts charged to pension costs: non-cash items</b>		
Change in expected contributions	4,726	(242)
Less Deficit contributions	(144)	(144)
	4,582	(386)
<b>Amounts charged to Interest and other finance costs: non-cash items</b>		
Unwinding of USS pension provision discount	23	23
<b>Total charged to expenditure</b>	<b>4,605</b>	<b>(363)</b>
<b>As at 31 July</b>	<b>7,842</b>	<b>2,874</b>

#### Borrowings

In November 2021 the University secured a private placement deal with an investor to raise £70,000,000 additional funding to accelerate the campus redevelopment plan.

The £70,000,000 was drawn down in January 2022 and has a maturity date of January 2037. The rate is based on the prevailing UK Gilt rate at the lock date plus a margin, with interest payments every 6 months starting July 2022.

#### Providers of Financial Services

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