



UNIVERSITY
of York

ANNUAL REPORT
AND FINANCIAL STATEMENTS

2020



PHOTOGRAPHY: Many of the images published in this Annual Report were taken prior to the Covid-19 pandemic.

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Introductions

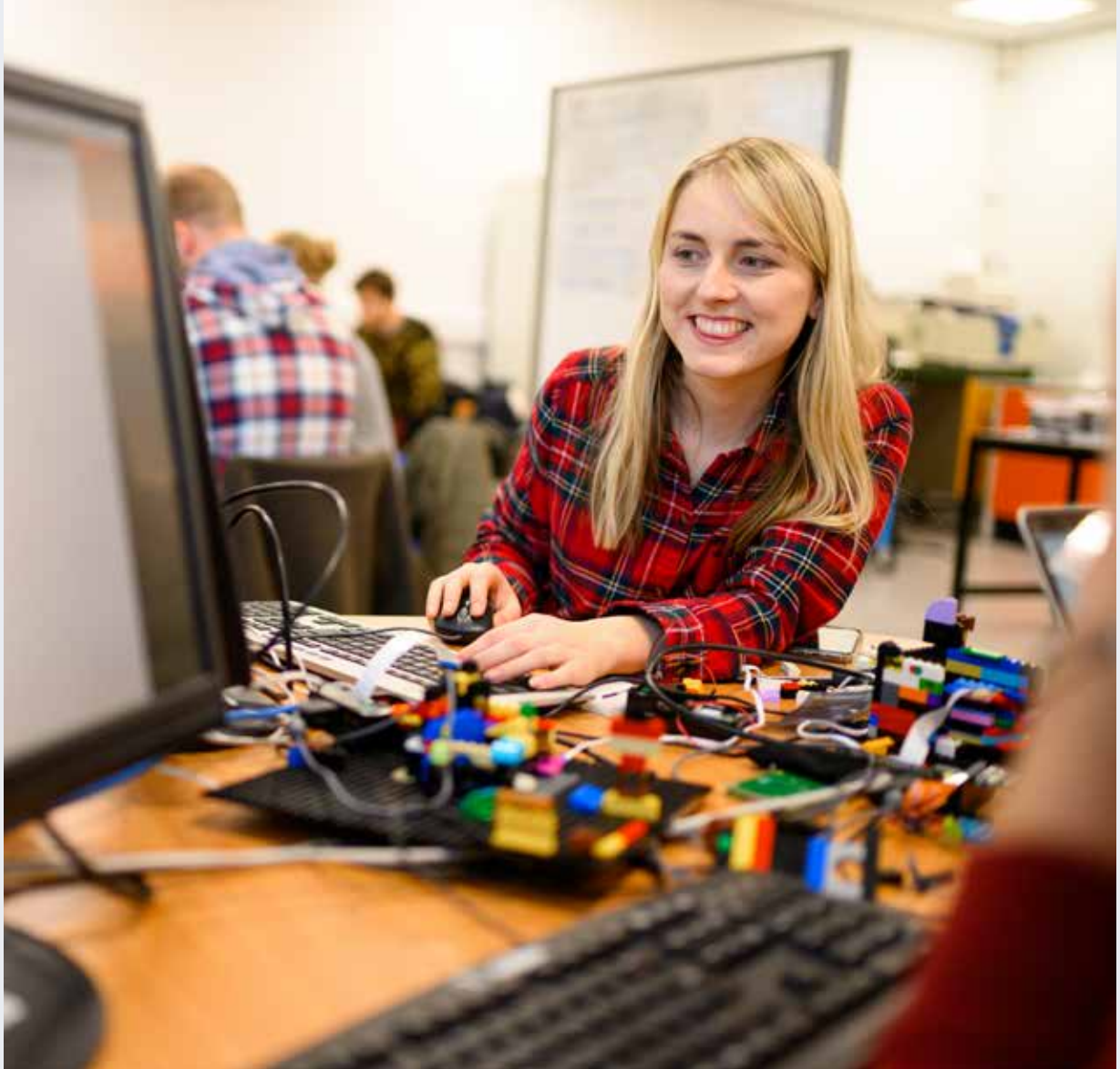
Never before has our Annual Report reflected on such a challenging, unprecedented year.

During the academic year 2019/20, significant changes were introduced, both in response to the Covid-19 pandemic, and as part of our longer term planning which will ensure a bright, exciting future for the University.

Enquiring minds, inspirational teaching, pioneering research, global ambition, local commitment and social purpose are the foundations which underpin the University of York.

The pages that follow will demonstrate how we continue to embrace these qualities and values that motivate and inspire us in everything we do, especially in the most uncertain of times.

<p>16th in the <i>Guardian</i> <i>University Guide 2021</i></p> <hr/>	<p>1st Top Russell Group university for academic support and learning opportunities in the National Student Survey 2020</p> <hr/>	<p>4,486 Staff</p> <hr/>
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18,755

Students

£68m

Total research income

£376m

Total income

Vice-Chancellor and President



This has been a year unlike any other. It has, inevitably, been dominated by Covid-19. The effects of the pandemic are deep. The toll on our health, in the UK and worldwide, has been devastating. We have seen the biggest short-term contraction of the global economy for a century. And these health and economic impacts have particularly borne down on the most vulnerable in our societies, making existing inequalities worse.

From spring 2020 the University of York too has been dominated by Covid-19. We have seen the biggest disruption the University has ever faced. Many of our staff, students and alumni have faced illness. Some have lost loved ones. We have had to live with deep uncertainty as the pandemic has progressed and government guidance has changed, from lockdown, to relaxation, to local area restrictions, to lockdown again.

As I write this foreword – just before Christmas 2020 – we have seen the first stages of the vaccination programme that, we hope, will accelerate the return to something like normality. As we look ahead to that I would like to record my thanks to all those who have, through their resilience, adaptability, creativity and compassion, enabled us to continue our work in research, student education, civic commitment and international engagement: our staff, students, alumni and partners, here in York but also in all corners of the world.

We have never lost sight of our commitment that the University of York exists for public good. That commitment is all the more important as we look ahead to the vital role we will have to play in the national and global recovery from the pandemic.

But let us step back for a moment. I arrived at the University of York as its seventh Vice-Chancellor at the start

of a new academic year in September 2019. It was a tremendous honour to be asked to take on that role, and I was personally touched by the warmth of the welcome shown to me and my family when we arrived in York.

Two early priorities were to consult on a new University strategy and to recruit a new team of Pro-Vice-Chancellors to cover the portfolios of research (Matthias Ruth), teaching, learning and students (Tracy Lightfoot), and partnerships and engagement (Kiran Trehan) who will be key to delivering that strategy. The consultation was the biggest the University has ever seen. Through candid and vibrant conversations in all parts of the University, three pillars of thinking emerged on which our strategy for the next decade will be built:

- to give effect to our commitment to public good in all that we do: our research and teaching, the contributions of our graduates, and the impact of our partnerships locally and globally
- to ensure we act as a community of shared purpose that includes and unlocks the talents of all staff and students from any and every background
- to organise what we do in effective, flexible and responsive ways so that we offer a strong platform for our community to unfold its talents and, through them, maximise our contribution to public good.

By the turn of the year, that early thinking and extensive consultation led to the formation of a series of

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strategic working groups, whose work over time coalesced into a series of strategic themes:

- Research with relevance and reach
- Ethical and empowering education
- Positive and productive partnerships
- Lasting legacies
- An agile, able and aligned organisation

That work had to be paused during spring 2020 as we dealt with the immediate impacts of the March lockdown. This included transitioning the entirety of our teaching to online, pausing much of our research, moving almost all of our workforce to remote working, and working with our student leaders to facilitate most of our students having to return home at Easter.

I want to pay particular tribute to our essential workers who remained on our campus throughout this period – supporting students who continued to live on campus, keeping our buildings safe, and keeping some of our laboratory facilities open so our researchers could develop vital work on the epidemiology and treatment of Covid-19.

Others worked from home to support school teachers in delivering their teaching online during lockdown, understanding the impact of the pandemic on inequalities, to support local businesses in dealing with Covid-19 disruption, and much more. In addition, many staff and students volunteered their time to give support to those who most needed it in the communities around us.

I am immensely proud of the way we responded: as a community, we showed how we are a university for public good and we acted with a keen sense of shared purpose. Our website contains many examples of the myriad of ways that our staff, students and alumni rose to the challenge. I would particularly like to thank everyone who contributed to our Emergency Student Support Fund, which was one of the first established in the UK to help those students who were financially imperilled by the impact of the pandemic.

At the time of writing this Annual Report many Covid-19 restrictions continue, with further disruption and uncertainty appearing likely until the vaccination programme rolls out fully enough to make normal social interaction safe.

All this has had significant financial impacts for us – refunding rent to on-campus students sent home in spring 2020, losing conference and other commercial income, disrupting research grants, and bringing major uncertainties around student recruitment.

We had a buffer in place, having built up cash reserves to invest in future strategic priorities, and to help manage potentially adverse impacts of a 'hard' Brexit, the rising cost of USS pensions, and the potential for adjustments in UK tuition fees. But we have had to go further to mitigate the financial risks brought by Covid-19, including a restriction of spending to business critical needs on staffing and operating costs, and a Voluntary Options Programme, including

voluntary severance and voluntary early retirement schemes.

As well as managing costs, we are identifying additional ways to grow earnings through new student recruitment both to on-campus programmes and to our growing online portfolio, and by increasing income from industry collaborations. We are well set to emerge from this difficult period in a strong position, and to build on that by taking forward our new University strategy.

So, we will press ahead with speed and determination to make this University stronger, to develop our distinctive understanding of public good, and in those ways to equip ourselves to support national and global recovery from all the challenges the Covid-19 pandemic has posed.

We are indeed a community of shared purpose and I am truly grateful to work with such inspiring colleagues, to welcome so many fantastic students into our global community, and to have such good support in helping to shape our future from the University's Council and Court, and from the city of York and its communities. Many thanks to all.

Professor Charlie Jeffery
Vice-Chancellor and President

Chair of University Council



The period of time this report reflects upon could not have produced more contrasting circumstances for the University.

From the second half of 2019, and a period of great positivity and energy for the University - in large part due to the invigoration and direction of our new Vice-Chancellor - through to the extraordinary and clearly very challenging circumstances brought about by the pandemic in early 2020.

The University, like the wider higher education sector and businesses across the UK and internationally, has had to face up to an escalating crisis and a prolonged period of uncertainty.

We have experienced tragic personal losses affecting our staff; our students at home and abroad; our suppliers; and the wider York community, for which we send our deepest condolences.

Our Vice-Chancellor Charlie Jeffery had been in post for just five months

when the pandemic hit the UK. I have been hugely impressed by the way in which he has not only assimilated so quickly into our community, but has taken a decisive and strategic lead in navigating a safe path for all our staff and students.

He has also further developed important relationships, engaging directly with stakeholders including our neighbours, the residents of York, City of York Council, Public Health England, government ministers, and many others.

While we all continue to face a very uncertain future, I believe that our Vice-Chancellor and his leadership team have put this University in the best possible position, given this uniquely problematic situation.

I would also like to highlight the way in which University staff and students responded. I have been inspired by the way they helped make a difference, whether in carrying out Covid-19-related research, providing resources to the NHS or supporting local businesses.

Moving to complete online teaching in April was achieved with remarkable speed and efficiency; it required huge effort from all colleagues in teaching and professional service teams, while at the same time colleagues in research quickly adapted their operating procedures to adhere to government guidelines.

A dedicated crisis and contingency planning group was established to carefully monitor and react

to the situation on the ground, enabling other colleagues to focus on delivering teaching and learning, research, and strategic planning and implementation.

Our financial position has been affected, and this is being very closely monitored by our finance colleagues. Our senior team was quick to develop a series of mitigating actions to reduce our ongoing costs and to ameliorate some of the specific risks.

Prior to the onset of the pandemic, I was pleased to witness a real enthusiasm and collaborative spirit coalescing around Strategy 2030 - Vision for York. As we progress with our strategic plan, this will be against a backdrop of cost-saving and efficiency measures. This is to ensure that this University is in robust shape and able to deliver upon our ambitious future plans while remaining flexible and agile enough to respond to the new pressures facing our staff, students and the economy.

Finally, I would like to thank every member of staff, all of whom have worked tirelessly to steer the University through such an extraordinary time, and to recognise Council members, including all the volunteer lay members, who have shared their wisdom and experience in a collective effort to protect the University for the future.

Denise Jagger
Chair of University Council



YorNIGHT, which highlights our diverse research, is a popular community event taking place in York city centre

Photo taken before Covid-19 pandemic

Our community

Our students

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Our staff

14

Our alumni

18



A University of York student volunteering with Make It Wild in Yorkshire



Our students

Our students have made a considerable difference during the pandemic by working on the frontline in the fight against the virus.

As the number of challenges increased at the outset of the pandemic, our key priority was our students' safety, while ensuring they continued to receive a world-class education. This is more important than ever in an increasingly uncertain jobs market.

In March, more than 18,000 students adapted to online lectures and seminars, embracing new activities and approaches, and learning to get the most from important resources and training.

They demonstrated extraordinary resilience, creativity and a sense of shared purpose in facing one of the greatest challenges any student cohort has experienced.

Find out more: Teaching and learning, page 27

Frontline volunteers

In the midst of their own responses to the crisis, dealing with abrupt changes to the way teaching and learning is delivered, many of our students joined the frontline as volunteers.

Over 100 final-year medical students from Hull York Medical School (HYMS) graduated early and took up interim posts in the NHS. In addition, more than 30 medical students from HYMS worked as volunteers at NHS Trusts and in doctors' surgeries across the region.



Final-year medical students volunteered to start working early for the NHS to provide vital support during the early stages of the pandemic

Photo taken before Covid-19 pandemic

Over 100 final-year medical students from Hull York Medical School graduated early and took up interim posts in the NHS. More than 30 students from HYMS worked as volunteers at NHS Trusts and in doctors' surgeries across the region.



Students joined University staff to pack thousands of lunches for frontline York Hospital workers

Another 100 final-year student nurses volunteered to start work early for the NHS as part of their extended placements.

Student volunteers joined Commercial Services staff to pack and deliver 2,000 lunches a day to frontline staff at York Hospital, after the hospital diverted its own catering staff to patient services.

Innovation

One of our students developed a website to give up-to-date global information on travel restrictions and lockdowns. Theo Conway's website, called Lockdown Index, was awarded funding from the University's Proof of Concept Fund.

Emergency Student Support Fund

Many students faced unanticipated financial challenges due to Covid-19. In response, the University launched an Emergency Student Support Fund, one of the first of such schemes in the UK.

Find out more: Our alumni, page 18

The Roses

This year the largest inter-university sporting competition in Europe – the annual Roses tournament with Lancaster University – moved online. After a series of fun and diverse challenges, which included time trials, darts, chess, keepy-uppies, a frisbee relay, a bake-off, a pet obstacle course, and parody songwriting – all completed by

100
final-year student nurses
volunteered to start work early
for the NHS

150+
countries are represented
by our 18,755 students



Placement students working at Applied Insect Science in Yorkshire

Photos taken before Covid-19 pandemic

students at home – York were declared the winners. The event raised £4,703 for Cancer Research UK and Age UK.

Volunteering and placements

York students make significant contributions to the local and national economy. Once again this has continued with numerous organisations benefitting from their talents through student internships, placement years and voluntary work. We design and deliver these in collaboration with business partners as part of our employability strategy. It is our aim to empower and prepare our students for a globally competitive labour market.

Each year thousands of students freely give their time to help others in our local community. This year there were more than 2,000 volunteering opportunities for students to get involved in, spanning numerous areas including education, sustainability and wellbeing. One such regular form of support is the Tea and Coffee Club, when students meet with older people to ensure they have social contact. With the onset of the pandemic, such face-to-face contact was replaced by regular phone calls.



Students are presented with accolades at the Student Volunteering Awards

Students' unions

YUSU and Graduate Students' Association

Despite the disruption of the pandemic, York's two students' unions had a successful year. They continue to provide dedicated representation, support and development opportunities for all undergraduate and postgraduate students.

The 2019 Welcome Week saw large-scale events at the heart of campus celebrating the diversity of York's student population. The Freshers' Festival was 'waste free', with over 200kg of food waste successfully recycled.

The Students' Union venues received the highest Green Impact award with a rating of 'excellent'. The award highlighted investments in recycled outdoor furniture, recycling facilities on campus and student activities such as beekeeping and clothes recycling.

York's student societies have members from 111 different countries. In the 2019 Autumn Term there were 14,561 registrations to YUSU societies, sports teams, volunteering projects and student media. The high level of student engagement at York placed us in the top ten UK universities for voter turnout in students' union elections again this year.

The Students' Union's independent advice service supported some



Freshers Week 2019: Above, music fans watching one of the many live performances. Below, students joining the Singapore Society

Photos taken before Covid-19 pandemic

of our most vulnerable students, with a survey showing that 100 per cent of respondents were satisfied that the information and advice received made a difference, and 75 per cent felt it enabled them to better manage their studies.

When the first national lockdown was implemented, both unions quickly adapted to continue to deliver core services to students, including the advice service, which switched to delivery via email, telephone and virtual appointments. Despite this change, feedback remained positive. Additional support was also introduced at this stage.

As part of a safety net policy for both undergraduate and postgraduate students, a Covid forum named YUSUggestions was developed as a place for students to list their concerns and ideas on what was affecting them at York due to the pandemic.

A Covid Community Facebook group was launched in April as a way of students sharing their lockdown



stories and activities and asking for peer-to-peer support. In its first two weeks it gained 1,000 members, with many sharing their own student group online activities.

In response to the Covid-19 pandemic, a mentoring scheme was developed for young people from under-represented groups and those who have experienced social isolation.

This was supported with funding from the University's Mentally Fit York fund.

During the year, our unions also invested in increasing student volunteering opportunities. YUSU recruited a Fundraising and Volunteering Assistant who worked with local charities and organisations to provide 30 one-off volunteering opportunities.

14,561
registrations to
YUSU societies

£410,300
raised by the Emergency
Student Support Fund

111
different countries represented
by York's student societies

Our staff

Our staff have been inspirational in their response to the pandemic, ensuring we continue to deliver a world-class teaching experience.

Contributing to the covid effort

During an unprecedented year, our staff have shown remarkable innovation: whether through the teaching they provide, the research they perform, or the partnerships they develop.

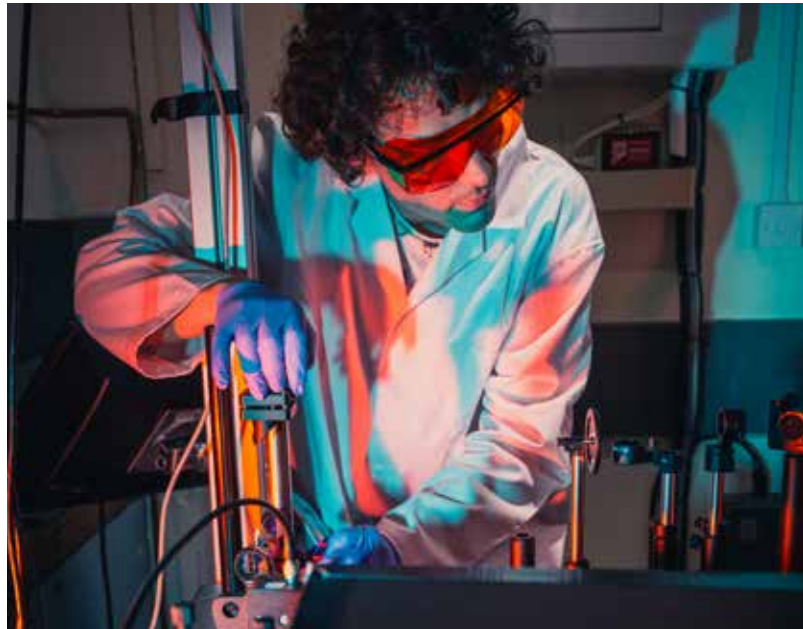
The response of our staff to the pandemic has emphasised the University's place at the heart of our community.

Research

From Covid-19 analysis to air quality, our researchers investigated the immediate impact of the virus as well as the longer-term implications for society. Researchers from the York Structural Biology Laboratory, in the Department of Chemistry, produced a protein that stores and protects the genome of the SARS-CoV-2 virus, paving the way to possible antiviral therapies.

In the Department of Physics, researchers used laser-light technology to develop handheld biosensors with the potential to deliver fast, real-time blood test results for patients including those suffering from Covid-19 with secondary infections such as pneumonia. Patient trials are expected to start in the next two years.

The Covid Realities project, led by researchers from the Department



In the Department of Physics, researchers used laser-light technology to develop handheld biosensors with the potential to deliver fast, real-time blood test results for patients including those suffering from Covid-19

of Social Policy and Social Work, is an 18-month national project examining the impact of the pandemic on low income families.

Our experts in the Department of Chemistry and the National Centre for Atmospheric Science analysed the effect of the reduction in traffic levels during the first national lockdown and beyond on air quality and pollution in 100 cities across the UK, and evaluated the implications for future climate change policy.

Helping the NHS

University of York technicians made face shields for frontline workers, and the University donated food to support the NHS and trained cardiac rehabilitation teams to deliver home-based rehabilitation to patients.

The University also loaned high-tech equipment used for the diagnosis of Covid-19 to York Hospital. The qPCR machine, from the Department of Biology's Bioscience Technology



Technicians made face shields to help protect frontline workers during early stages of the Covid-19 outbreak

Facility, meant the hospital could double its capacity to test samples taken from those suspected of having the virus.

This was further supported by the University's expert staff from the Department of Biology and Hull York Medical School. Ten volunteers with key skills were recruited from the University to increase the number of daily tests undertaken at the hospital.

Volunteering

Working in close partnership with York Cares and other regional voluntary organisations, we stepped up the level of skills sharing and volunteering that the University could offer. Skills sharing enables us to offer additional resources to the voluntary sector by providing pro bono business advice, support with governance and management, and hands-on practical help. Sixty-six staff across the University took part in community volunteering.

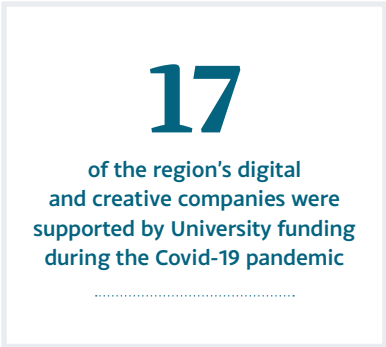
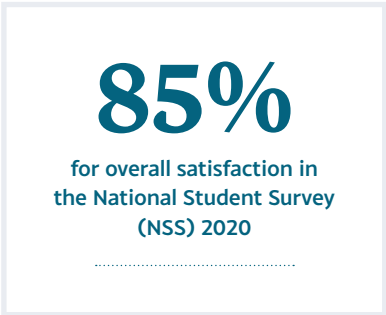
Learning support

We were committed to ensuring that the Covid-19 situation would not derail the education and aspirations of bright young people. Our work to support learners from less

advantaged and under-represented backgrounds has never been more important. A large body of research shows that for the children and communities we work with the closure of schools may present a period of increased stress and pressure. That's why we stepped up our support throughout the Covid-19 crisis with virtual activities including e-mentoring, events, live web chats and competitions.

With the help of our undergraduate students, academic staff and local business mentors, our outreach team developed online activities, networks and training modules to support secondary school pupils, sixth form and college students, to help them develop their skills, realise their potential, make decisions about their education and prepare for university life. We helped secondary school pupils across Yorkshire hone their entrepreneurial skills online in the Big Deal Business and Enterprise Competition. We also supported hundreds of sixth form and college students through online events and summer school programmes to help maintain their enthusiasm for learning and guide their future decisions.

Staff from academic departments across the University developed a range of homeschooling resources



for teachers and parents to use during and after the Covid-19 lockdown. The high-quality resources are on topics ranging from the Vikings, Shakespeare and neutron stars to puzzles, symmetry and how to make Stone Age cheese.

University staff and tutors developed a suite of free, online training courses for businesses and charities on topics such as wellbeing and marketing strategies, to help them cope with lockdown.

Working with business

Our Research and Enterprise team worked with City of York Council and business organisations across the city to deliver innovative ways of addressing the challenges faced by the local community.

Our package of support included free confidential advice from our business and management experts in the York Management School. Businesses developing products to support the fight against Covid-19 received grant funding from the Product and Process Innovation (PAPI) fund. For example, Applied Scientific Technologies (UK) Ltd, based in Stokesley, North Yorkshire, received a grant from the fund to help them develop face visors for health staff. And Ripon-based AudioSigns Ltd were supported to bring their product - interactive audio signs that give social distancing and hygiene warnings in the workplace - to market.

University staff and tutors developed a suite of free, online training courses for businesses and charities on topics such as wellbeing and marketing strategies, to help them cope with lockdown. As the first lockdown eased, more courses were added to help with the transition as restrictions were lifted.

The XR Stories project is a partnership between the University of York, Screen Yorkshire and the British Film Institute which supports and develops immersive and interactive technologies. As part

of this project, the University was able to repurpose dedicated arts funding to support 17 of our region's digital and creative companies that had been hardest hit by Covid-19.

Research

Working within our research themes framework and utilising the expertise of research staff, including our team of research champions, York continues to be at the forefront of innovation and development, meeting the grand scientific, social and environmental challenges of our time.

Climate change

Across all three of our academic faculties, we are using a collaborative approach to help solve some of the world's major climate change challenges:

- work in the Green Chemistry Centre of Excellence to turn waste food into valuable materials and products
- the IKnowFood project to improve the resilience of our food systems to shocks from climate change and market shifts
- using microwave technology to extract chemicals and biofuels from food waste
- European research collaboration to prove the feasibility of using starch in energy storage and green catalysis
- using wild ancestor plants to make rice more resilient.

Awards and accolades

The Vice-Chancellor formally received the Queen's Anniversary Prize on behalf of the York Structural Biology Laboratory at a ceremony in Buckingham Palace.

A scientist from the University of York was recognised by the prestigious Blavatnik Family Foundation and New York Academy of Sciences for her pioneering work in fossil dating. Dr Kirsty Penkman is the Foundation's Chemistry Laureate for 2020, and received an award of £75,000.

Three scientists from the University of York's Department of Chemistry received prestigious Royal Society of Chemistry (RSC) awards. Dr Glenn Hurst was named the winner of the RSC's Higher Education Teaching Award - the fourth member of the Department of Chemistry to win the award. Professors Paul Walton and Gideon Davies were awarded the RSC's Rita and John Cornforth Award.

Major research projects

Our wide and varied portfolio of research involves many exciting projects, including:

- BioYorkshire: a bold new green agenda to create jobs, boost the regional economy and develop sustainable solutions for some of the UK's most pressing environmental challenges.
- XR Stories: an initiative to maximise the potential of immersive and



The Vice-Chancellor formally received the Queen's Anniversary Prize

Photo taken before Covid-19 pandemic



Dr Glenn Hurst has been named the winner of the RSC's Higher Education Teaching Award

interactive technology such as virtual reality in storytelling.

- UK Quantum Communications Hub: a five-year programme researching and developing secure quantum communications.
- The Leverhulme Centre for Anthropocene Biodiversity: a centre for research on biodiversity, examining how the relationship between humanity and the natural world is changing.
- Centre for Health Economics: the Thanzi la Onse project is aimed at improving health care services in Malawi and Uganda, ensuring more effective allocation of resources and reduction in health inequalities.
- Centre for Reviews and Dissemination: a study into the effectiveness of a screening system assessing the risk of sepsis in newborns, which is being trialled in the UK, found it would miss around 30 per cent of cases compared with the current method being used in the NHS.
- The National Centre for Excellence for Language Pedagogy: working in partnership with university researchers, teacher educators and expert practitioners, and with 18 Specialist Teachers in nine Leading Schools across the country acting as language hubs, to improve language curriculum design and pedagogy.

Find out more: york.ac.uk/research

York-Maastricht Partnership

In January 2019 the University launched a strategic partnership between the universities of York and Maastricht, which is intended to develop a lasting relationship, built around excellent research and teaching and knowledge exchange. The partnership announced its first round of funding, supporting £2m of research collaborations across nine distinct projects, including initiatives to tackle serious health problems and find solutions to global sustainability.

Teaching excellence

The University is 20th in the *Times and Sunday Times Good University Guide 2021*, with ten departments receiving top ten rankings for their subject teaching.

In the 2020 National Student Survey, York came first for academic support and learning opportunities, and second for teaching out of the Russell Group universities included in the survey. Our score of 85.39 per cent for overall student satisfaction sets York well above the national average.

We have developed a large portfolio of massive open online courses (MOOCs) on a huge range of topics including poetry, cognitive psychology, nursing, Stone Age archaeology and environmental sustainability.

There are also courses to demystify higher education for mature

learners, to help young people take their first steps to university, and to support digital wellbeing.

We have also developed two online courses for prospective students to help them prepare for university life and to assist in the transition to postgraduate study.

Our MOOCs showcase what is distinctive about York, support our widening participation and open access agendas, and engage mass audiences in understanding large-scale challenges.

Sustainability

In February staff and students teamed up with pupils from local schools to plant more than 1,000 trees in one day as part of One Planet Week. With a theme of Zero Carbon, other activities as part of the week-long celebration of sustainability included upcycling, an ethical fair, the One Planet Bring and Buy sale and open lectures on our research into sustainability.

Recycling rates at the University of York reached an all-time high in 2019, with any waste that cannot be recycled now being transformed into energy to help power 40,000 homes across North Yorkshire. In the last academic year the University achieved a recycling rate of 53 per cent.

Our alumni

Our global community of 130,000 alumni and donors has helped support our students when they needed it.

As a consequence of the global pandemic, we have been forced to think about the huge global challenges that will inevitably follow, including ongoing disruption to economies and education systems. We face these new challenges alongside ongoing issues of climate change, inequality and societal divisions.

Supporting our students during a crisis

We were one of the first UK universities to set up an Emergency Student Support Fund (ESSF), opening on 25 March 2020. This focused on helping students in the categories identified by the Office for Students as most vulnerable during the pandemic. This important fundraising meant that between March and 31 July, we could make 600 emergency awards, distributing £410,300. Up to 820 students received support relating to living, health, travel and study costs. We would like to thank alumni, friends and supporters of the University for their kind donations.

The ESSF is complementary to the University's Student Support Fund. These funds have provided for students' most urgent needs in a timely way.

York Unlimited

This is the first institution-wide fundraising campaign for the University of York. It is called York Unlimited because it is our belief that there are no limits to what we can achieve when we work together. York has always been a University that is driven by its values: these include extending the opportunity to access higher education to all, pioneering research with a social benefit, and working collaboratively with the community to help improve lives. By bringing together our global community of staff, students, alumni, and the people and businesses of our city, we know that the University can help to make an even bigger difference.

In the past year, a great deal has been achieved. Up to 4,800 donors have given to projects such as York Profiles & Mentors, with £12.9m raised, and 15,475 hours of volunteering. This is providing a lifeline to many of our students as they consider the options available to them upon graduation.

During 2019/20, more than 1,000 financial awards and scholarships have been made to our students. Scholars such as Butshilo Nleya from Zimbabwe, Ruhee Dawood from Kenya and Anna Kpiki from Ghana are among the students who will graduate from the University of York thanks to the donors who have supported them.

With generous support from our donors, we have also broken ground on two new research facilities, funded through philanthropic gifts: a new cryo-electron microscopy facility, which will help advance understanding of how to treat diabetes, and a home for the Assuring Autonomy Research facility, focusing on the safety of robotics and other systems that use artificial intelligence.

Even with all this support and success, there is a wealth of potential to grow this campaign – we have only just begun to scratch the surface. There are many more people to reach, there is more support to be gained and expertise to learn from. The next phase is both challenging and exciting. We must continue to build momentum and, together, build on the successes so far. Our ambition is bold, but we must make sure that the difference we make is felt now and in our immediate future.

When we publicly launched the campaign, we knew that achieving our goals was important but, today, this mission has never been more relevant, nor more urgent.



York Unlimited made a real difference to scholars such as Butshilo Nleya



Scholar Ruhee Dawood



Scholar Anna Kpiki

£12.9m

donated for York
Unlimited in 2019/20

1,000

financial awards and
scholarships made to our
students during 2019/20

Strategy and people

Strategic review

23

Our people

32







BioYorkshire, a ten-year plan to transform the region into a UK hub for green innovation and enterprise, has been launched by the University and a consortium of partners. The project draws on the innovative work already under way at BioYork, which Her Royal Highness The Princess Royal visited last year

Strategic review

Strategy 2030 – Vision for York – will ensure that the University of York continues to be a world-leading institution.

The Vice-Chancellor and President has commenced the development of Strategy 2030 – Vision for York. In early 2020, following consultation with all academic and professional service departments, the University published a strategic vision document.

Intrinsic to our vision are our founding principles to not just open up new knowledge through reason, experiment and debate, but also to apply that knowledge for the ‘amelioration of human life and conditions’.

Our students were not just to be technically proficient in their fields but also to be able to apply their learning for social benefit, in the UK and as ‘citizens of the world’. We were to care ‘more than almost anything else’ about opening up access to our University to those who had previously not had the opportunity.

And even in the 1960s, our founders had a focus on what we now call equality, diversity and inclusion, recognising that all members of the University community contributed to its success, whatever their role or background, and should be supported to achieve to their full potential.

Our work clearly does, and should, bring economic benefit. Our ideas enable businesses and other organisations to innovate and flourish, and our degree programmes equip our graduates for successful careers. But our ambition extends beyond economic impact alone. Our ambition is that our expertise and its impacts help create the conditions needed for all parts of our society to flourish.

These principles mark out a distinctive University of York commitment to public good which will guide our work over the next decade.

- **Find out more:** features.york.ac.uk/vision-for-york

A strategy group was formed, including Pro-Vice-Chancellor (PVC) for Research Matthias Ruth, PVC for Partnerships and Engagement Kiran Trehan, PVC for Teaching, Learning and Students Tracy Lightfoot, and the Deputy Vice-Chancellor and Provost Saul Tendler. Consultation focused on these strategic themes:

- Boundary-breaking research
- Graduates who make a difference
- Civic leadership
- International reach
- Environmental sustainability
- Organisational agility

Strategic aims

Our PVC team engaged with staff to air, develop and refine these issues, which helped to define the following strategic aims and their underlying vision:

Research with relevance and reach

Vision:

- Our research and our students: what it’s all for
- Responding to society’s biggest challenges
- Collaboration for public good

Ethical and empowering education

Vision:

- University of public good – ‘Citizens of the world’

- Our research and our students: what it’s all for
- Opportunity for all to achieve their full potential
- How we will work (collaboration across disciplines)
- Public good with international reach

Positive and productive partnerships

Vision:

- Public good in City and region
- A community of shared purpose

Lasting legacies

Vision:

- A community of shared purpose

Agile, able and aligned

Vision:

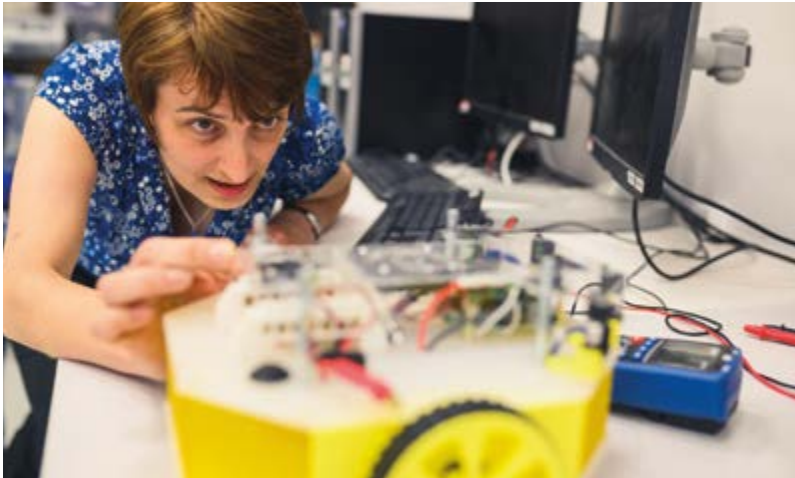
- The need for agility
- To help us achieve our vision
- How we will work

Work is progressing on the operational plans and implementation of the strategic aims.

Organisational agility

How we best organise ourselves to pursue our goals, with a focus particularly on academic departments, is also a fundamental part of our development over the next few years. A key aspect of the new strategy is organisational agility and therefore a ‘programme for change’ has been established.

Our existing organisational structures have impeded teaching collaborations and created greater complexity



The York Global Initiative for Safe Autonomy

and duplication. The University has been leading on a number of change issues to reduce inefficiency, making us more streamlined and effective, both through smaller working group formats and with senior leaders – Heads of Department and others – across the University. In 2020, we have already:

- introduced a simplified module approvals process
- worked with selected departments to introduce or revise postgraduate teaching programmes to boost international recruitment for September 2021 and 2022.

In November 2020 we agreed the broad features of a common modular pattern and a semesterised academic year, enabling colleagues to plan ahead with clarity, but with detailed work on design and implementation to follow.

By February 2021, we will have set out the parameters for the size and composition of our student body in future, with this becoming the basis for a rolling annual portfolio review.

By September 2021, we will have finalised the new strategic role for Faculties, along with any associated reorganisation of professional service functions.

By the start of the 2022/23 academic year, we will have:

- introduced new modular and semester structures
- established a rolling annual portfolio review
- introduced new combinations of departments into bigger, more resilient units. In the interim, the University Planning Committee will support departments that wish to join forces sooner than this to press ahead and do so, from as early as the start of the 2021/22 academic year.

Risks and uncertainties

The University faces many risks and uncertainties including:

- Covid-19 challenges
- pay and pensions
- withdrawing from the EU
- tuition fee review

Each of these areas is discussed below.

Covid-19 challenges

The ongoing Covid-19 crisis poses a significant financial risk to the UK higher education sector. Universities are facing big financial challenges across all sources of income.

Some of these areas of uncertainty for the University include possible reductions in overseas student numbers, potential shortfalls resulting

from reduced research activity, reductions in commercial income as a result of social distancing and partially reopened campuses, and a reduction in income from residences, catering, conferences and retail activities.

Following government guidance on Covid-19, the majority of our staff began to work from home in March, as the UK entered lockdown.

Five contingency planning groups worked to draw together expertise from across the University to respond to the challenges Covid-19 raised for: research, teaching and learning, student life, student recruitment, and the resumption of activity on campus as lockdown eases. An additional group was created to ensure the smooth operation of the NHS test, track and trace service located on our campus.

At the same time, we worked hard to address the financial challenges of the reduced income levels brought by the impact of Covid-19. The University went into the pandemic financially well positioned as we had increased cash balances before the start of the crisis.

The University has created extensive modelling based around different scenarios of the financial consequences of the impact of Covid-19.

In response, staff across the University focused on maximising student numbers in September, and the Pro-Vice-Chancellor, Tracy Lightfoot, worked closely with departments to develop plans to boost international student recruitment in September 2021.

The University established measures to contain costs. Any spending on new staff recruitment has been restricted to business critical only; operating costs have been limited to business critical only and our campus development programme has been reviewed and paused. In addition we launched a Voluntary Options Programme, which allowed staff to work reduced hours, take unpaid leave, start career breaks or leave the University via voluntary severance or retirement.

The Vice-Chancellor took a voluntary salary reduction of 20 per cent for a six-month period from 1 August 2020, and all other members of UEB

took a reduction in salary of up to 20 per cent.

All of these measures are designed to limit the impact from Covid-19 as much as possible, and to ensure that the University emerges from the current crisis in healthy financial position.

Further lockdowns

The University continues to monitor and adapt to the requirements of local and national lockdowns. The experience that has already been learnt from online teaching will be central to delivering our teaching. We will continue to follow government guidance in all aspects of the welfare of our student community. The Vice-Chancellor also continues to work closely with our city partners on contingency planning.

Pay and pensions

Staff are the most important resource of the University and this year the higher education sector (including the University of York) experienced industrial action about pay and pensions. This action disrupted both teaching and research activities. The University continues to work with Universities UK and the Universities and Colleges Employers Association to seek a resolution to the pay and pensions disputes with the University and College Union.

The University is a member of Universities Superannuation Scheme which is a sector-wide pension scheme. The scheme has a large deficit and is undertaking a valuation at 31 March 2020.

In September 2020, the Trustee of the USS Pension Scheme (USS) launched a consultation with Universities UK on key aspects of the scheme's 2020 valuation. The scope of this exercise covers a wide range of potential outcomes (reflecting issues still to be resolved on employer support as well as uncertainties for the higher education sector and financial markets in general) but, based on the proposals put forward, the Trustees have indicated that the fund's deficit at 31 March 2020 could range between £9.8bn and £17.9bn.

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) and a return to the levels of shortfall experienced under the previous 2017 valuation (£11.8bn).

At this stage, an outcome is far from agreed and the USS Trustee has until 30 June 2021 to conclude the valuation.

The University of York Pension Fund has a deficit, calculated on accounting basis at 31 July 2020, of £89m. This deficit has increased by £54m in the year. This worsening of the funding position is due to actions taken by governments as a result of Covid-19, which have led to reduced interest rates. These reduced interest rates and the discount rates have increased the current value of the scheme's liabilities. The scheme is undertaking its triennial valuation as at 31 July 2020 and at this stage the outcome of the valuation is not known or agreed.

Withdrawing from the EU

The University continues to monitor and take into account the evolving situation and uncertainties surrounding the UK withdrawing from membership of the EU.

The UK government announced on 23 June 2020 that EU, EEA and Swiss nationals and their family members will not retain their current entitlement to home fee status or financial support from Student Finance England for courses starting in the 2021/22 academic year. This is likely to have an effect on the number of EU students who choose to study with us.

Currently 14 per cent of our research and development funding comes from EU sources. This is now at risk with the UK's departure from the EU. The government may offer some alternative, but this has yet to be confirmed. A further effect may be our ability to attract and employ staff from European countries.

The University has for some time been aware of the risks posed by withdrawing from the EU and has therefore developed and

implemented actions to help mitigate the consequences of the event.

In December 2020 the University welcomed the new Turing scheme – as a replacement for Erasmus – to support international travel and study for students, and the continuation of Horizon research funding.

Tuition fee review

In 2018 the previous government commissioned an independent review of the funding of education. This report was published in early 2019 but has not yet been approved. The review panel, chaired by Philip Augar, made a number of recommendations for post-18 education, including lowering tuition fees, reintroducing means-tested maintenance grants, removing government fee loans and introducing a lifelong learning allowance that could be used to fund degree or further education programmes.

This University, along with many others, has made clear that it is imperative that the government provides students, businesses and universities with a guarantee that, in the event of a fee cut, teaching grants will fully cover the funding shortfall in order to meet future demand for higher education places. We welcome the call for maintenance grants to be reintroduced for the most disadvantaged students and for the removal of real interest applied to loans during study. We are actively working with a number of mission groups to encourage the government to consult with a wide group of stakeholders including universities, other post-18 providers, student representatives and businesses to consider the implications of these detailed proposals.

Review of development and performance in the year

Covid-19 has had a significant impact in almost all areas of our University operations, including teaching and assessment, research and development, and student recruitment, as well as short- and long-term University finances.



Programmes such as York Strengths help our students become civic and sustainability leaders, entrepreneurs and professionals

Teaching and learning

With the outbreak of Covid-19, teaching was immediately moved online. Academic and support teams were quick to facilitate this transition and ensure the student experience continued as smoothly as possible and that our students' education was impacted as little as possible. Due to the disruption, the University also offered students reimbursement of the cost of University owned and managed accommodation in the Summer Term.

Despite these obvious challenges, the University has continued to excel in our teaching and learning experience.

- **Find out more:** Teaching excellence, page 17

We continue to invest in a range of additional strategic areas including student-facing support teams, employability programmes, health and wellbeing programmes, sports coaching, and facilities to ensure that all our students gain the best possible experience from their time at York.

Students at York are welcomed into one of nine colleges on campus. Each college is managed by a team of staff and student volunteers dedicated to supporting students during their independent living and study at York. These staff members help students learn to manage their wellbeing, develop the skills needed to overcome challenges, and seize the opportunities of university life. Providing coaching and guidance, the teams at each college help students to access the right support and information about maintaining good mental health.

College tutors and academic supervisors are at the heart of a wider support network, alongside students' unions and chaplains.

Our Student Support and Advice team runs drop-in sessions providing guidance and practical support, as well as help for specific student groups, such as care leavers and estranged students, international students, mature students, students with caring responsibilities, students with children, and students with a disability.

Students also have access to a number of mental health services.

These include Open Door, where a team of mental health professionals provide support to students who are experiencing psychological or mental health difficulties; Nightline, which is run by trained student volunteers and provides a confidential listening and information service for students from 8pm to 8am; and Togetherall, an online global community where students can receive support from trained mental health professionals. Access is free to all University of York students and available online 24/7.

With the onset of Covid-19, if support services could not be offered in-person, then these continued via email and telephone.

Our international students faced particular challenges during the pandemic and providing targeted support to them to counter the impact of Covid-19 was a particularly important priority for the University. During the first lockdown of the pandemic, International Student Support:

- continued to provide appointments and guidance on immigration and international support via Zoom, email and phone
- established YorWorld Community, an online space for structured chat twice a week
- ran the Writing Back pilot, a penpal scheme between international students and elderly members of the community
- set up a blog and social media as an alternative method of sharing news and information with students
- worked with the Student Support and Advice team to roll out international buddying for new undergraduates
- provided staff cover to Student Support and Advice as additional help with their appointments and inbox.

University colleges also provided:

- wellbeing calls to all students living on campus, in other accommodation or at home
- Q&A drop-in sessions via video calls with tutors and College Managers
- books and art supplies for campus students

- support, in collaboration with the Accommodation team, to ensure students could collect their belongings safely
- help for private accommodation providers – Student, Castle, Vita
- assistance with ordering food and other provisions
- activities and events, which included quizzes, Zumba, yoga, virtual running, photo competitions, baking demonstrations, film nights, karaoke, Tae Kwon Do, art tutorials and film nights
- our usual 24-hour emergency cover.

Philanthropy support

We were one of the first UK universities to set up an Emergency Student Support Fund (ESSF), opening on 25 March 2020, to help students in greatest financial need as a consequence of Covid-19. Between March and 31 July, we made 600 emergency awards, distributing £410,300.

- **Find out more:** York Unlimited, page 18

Graduation ceremonies

Unfortunately, our usual graduation ceremonies could not take place on campus in July 2020. Instead, the University developed a number of 'virtual' graduation ceremonies, featuring inspiring messages of support from staff, former alumni and honorary graduands.

Student recruitment

In 2019/20 there was continued increased competition to recruit students. This was partly due to a continued fall in the number of potential students since 2012; however, this number is expected to rise, following the removal of student number control limits in September 2015 and demographic changes in the number of 18-year-olds in the UK.

York admissions increased for 2019/20, which included a rise in international students aligned to in-year investment in creating offices in key priority markets.

In defining and planning for our future, we take into account a number of key uncertainties, including the shape of any agreement negotiated by the UK in

withdrawing from membership of the EU, and how we continue to progress and thrive post-covid.

- **Find out more:** Global reach, page 29

Staff

As part of our wider effort to help support the local community and the NHS during the Covid-19 pandemic, some staff continued to access laboratories to operate essential equipment during lockdown.

- **Find out more:** Our staff, pages 14-17

The wellbeing of our staff is a key priority, and this provision of care has come even more to the fore as the impact of Covid-19 persists. Webinars and resources to support physical and mental wellbeing were made available. All staff also have access to a free, independent employee assistance programme offering online, telephone, and face-to-face counselling 24 hours a day, seven days a week.

- **Find out more:** Our people, page 33

Academic staff held a number of days of industrial action in 2019/20. While respecting the right of staff to take industrial action, the University of York management and York University and College Union regret the disruption that may result for students and are committed to doing whatever we can to minimise it.

- **Find out more:** Pay and pensions, page 25
- **Find out more:** Trade unions, pages 35-37

The Black Lives Matter movement highlighted just how much further we need to go as a society, and that racism is still a significant social issue in all parts of the world. We recognise our own institutional shortcomings and believe there is more we can do to address the systemic inequalities and disadvantages that Black, Asian and Minority Ethnic (BAME) communities face. We have produced our very own anti-racism campus approach to drive quicker and more meaningful change for our BAME staff and student communities.

- **Find out more:** Equality and diversity, pages 36-39

Research

The University continues to score highly for teaching excellence and receive awards for world-leading research.

Despite a challenging year, we continue to enhance our position as one of the world's premier institutions for inspirational and life-changing research.

- **Find out more:** Research, pages 16-17

Future prospects

City partnerships

We also have an opportunity to connect the innovations drawn from our research and the talents of our graduates to the economic development of the city and region, if we work in harness with local authorities, economic development bodies, the UK government and its agencies. With them we can nurture a thriving cluster of small and medium enterprises (SMEs) embedded in the city and region that draws in wider investment.

In 2019/20, we continued to develop our city partnerships. The Vice-Chancellor has led this progression, further developing important relationships as a member of the York Central Strategic Board, City Partners Roundtable, York Partnership Meeting, and as Chair of Higher York.

Our recently appointed Pro-Vice-Chancellor for Partnerships and Engagement, Professor Kiran Trehan, is tasked with providing leadership and strategic direction in cultivating and advancing effective collaborations with key institutional partners and will help shape and lead the University's relationships in York, Yorkshire and the wider North of England.

Professor Trehan is a member of the York & North Yorkshire Local Enterprise Partnership board. This is a business-led partnership with the public sector that helps businesses within the region improve; it uses local knowledge to secure government investment in projects and schemes that will grow the

economy and create good quality local jobs.

Joan Concannon, the University's Director of External Relations, has been heavily involved with Make It York. This organisation's mission is to grow the economic prosperity of York and as a board member, Joan has helped shape its strategic priorities of city positioning and profile-raising, network-building and inward investment, ensuring an exciting city centre, and delivering the cultural strategy.

Access and outreach

We believe firmly in our role as a University for public good, building on our founders who endowed the University with a strong social purpose. It means we care more than almost anything else about opening up access to higher education to those who had previously not had the opportunity.

A large part of our widening access work is born out of that strong foundation of social purpose and the sense of civic responsibility we have to our local communities. Our work supports the long-held ambition of overcoming decades of persistent inequality experienced through educational and socioeconomic hardship. We work specifically to further social mobility by developing opportunities through education and supporting people to realise their potential and aspirations.

During these unprecedented times, young people and less advantaged communities have faced more adversity and challenge than most. Our Access and Outreach team took advantage of the virtual world to enable us to widen our reach, supporting more young people living locally and across the UK.

We delivered an enterprise competition for 500 pupils working with business leaders to provide inspiring insights into the business world; delivered our first virtual summer school for 300 16- and 17-year-olds from across the country who met more than 50 of our own undergraduate role models; and we launched our virtual YorLearning programme, providing learning experiences and funding learning resources for young people unable to access school or college during lockdown.

Civic engagement

We will work harder through our staff and our students to engage our work with the many communities in York and Yorkshire that may have little experience of higher education and the public good it can bring.

The University of York has an opportunity to offer civic leadership, collaborating with others to build community wellbeing and inclusive economic development. Delivering on that opportunity will be a central theme of the next decade.

- **Find out more:** Staff and students, pages 10-17

Global reach

We will also extend our international reach, reputation and impact through collaboration. Our offices in India, Malaysia and China will enhance their role in student recruitment by brokering partnerships for research collaboration, funding and student mobility, and by working with our international alumni groups. Our partnership with the University of Maastricht – involving joint research and teaching programmes – will develop further, opening up a model for post-Brexit collaboration in the EU but also for bilateral partnerships in other parts of the world.

We established a new Europe Campus in Greece after signing a major strategic alliance with CITY College, which will see more than 700 students enrol in autumn 2021.

CITY College, a leading provider of UK degrees based in Thessaloniki, Greece, will offer undergraduate, postgraduate, MBA and doctoral programmes, leading to University of York degrees.

Our successes in the Global Challenges Research Fund provide a platform for developing partnerships in the Global South that will extend the innovations and impact of our research in ways which help address the pressing challenges set out in the UN Sustainable Development Goals. Collaboration through online teaching programmes will both deepen those partnerships and widen access to a University of York education for international students unable to attend our on-campus programmes.

Environmental sustainability

Environmental sustainability is one of our core strategic principles. We will work with government, industry and other partners to make our city and region an international hub for new economic sectors such as the bioeconomy that will support the transition to a carbon-neutral future.

We will nurture those sectors with innovations from our research and the talents of our graduates. We will work with our partners internationally to ensure our impact on sustainability has worldwide reach and, conversely, that we build on experience from around the world to shape our city and region. We will work to ensure that students from disadvantaged backgrounds at home and abroad have the opportunity to study, shape ideas on, and then work in this crucial area.

We will take a lead in our own operations, applying the expertise and passion of the University community to establish the University of York as a beacon for sustainability and biodiversity.

We are developing a new campus sustainability plan, alongside the University strategy which will see the University as a living laboratory for our students and staff in which we bring to bear cutting-edge research, for example, to reduce material and energy use, and where we will gain additional experiences to drive new research and applications elsewhere.

The University's new Pro-Vice-Chancellor for Research, Matthias Ruth, who is responsible for the research leadership of the University, will be spearheading the University's progress on sustainability. He is working with local partners in developing proposals for North Yorkshire and the region to become the UK's first carbon-negative regions.

- **Find out more:** york.ac.uk/about/sustainability

Financial outlook

The University has ended the year in a reasonably strong financial position and has developed financial forecasts covering several scenarios surrounding the uncertainty currently facing the sector. These forecasts show that the University has sufficient funds to continue conducting its teaching, research and other activities well beyond 31 July 2022, and therefore the accounts have been prepared on a going concern basis.

- **Find out more:** Going concern, page 61

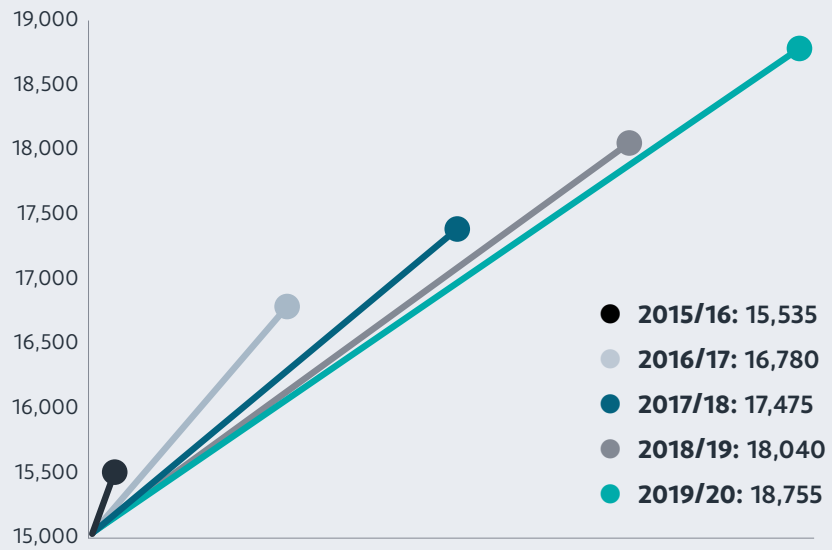


The wellbeing of our staff is a key priority, and this provision of care has come even more to the fore during the Covid-19 pandemic

Key performance indicators

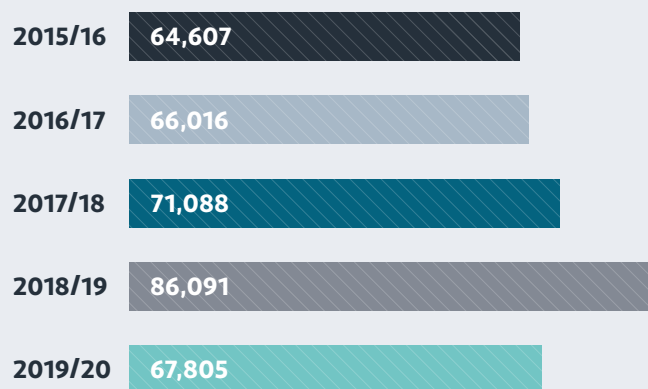
Student numbers (total numbers)

Student numbers continue to grow across all areas of the University, reflecting the attractiveness of the courses offered by the University combined with its reputation as a leading University in the UK and the world.



Research income (£000)

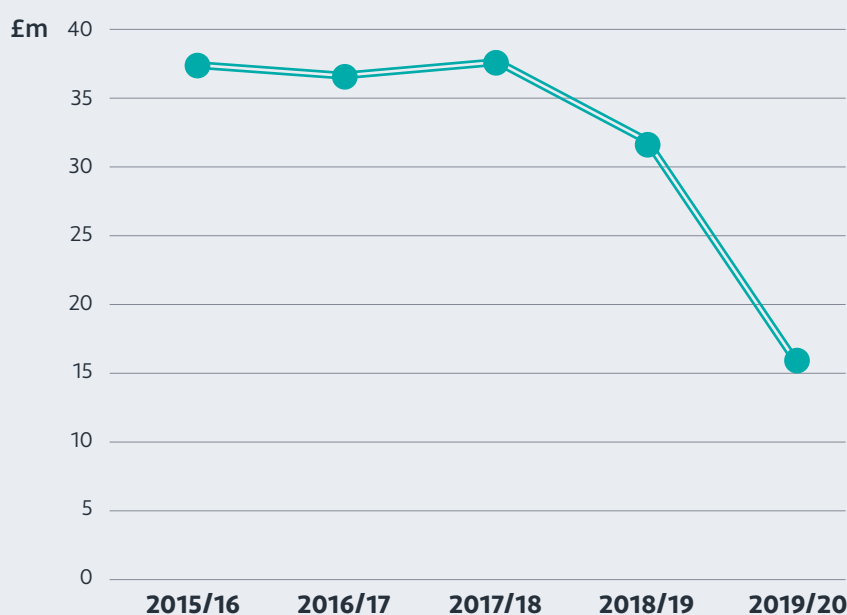
Research income forms a substantial part of the University income. It has declined in 2019/20 from a peak in 2018/19 that was due to the award of large capital equipment grants (£16m) in 2018/19. The underlying research income is stable at about £70m.



Cash (£000)

	2015/16	2016/17	2017/18	2018/19	2019/20
Free cash flow	37,316	36,692	37,601	31,806	15,373

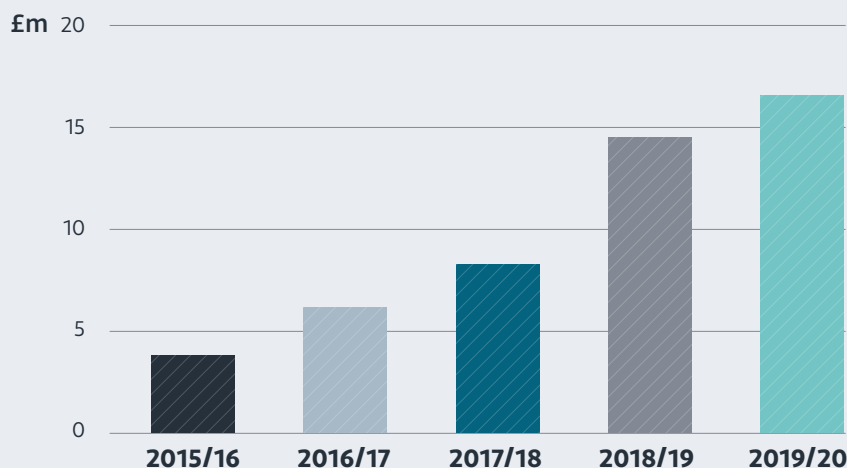
Free cash flow is operating cash flow adjusted for investment income, endowment income, joint venture receipts and interest paid. Free cash has reduced significantly in 2019/20 due to the impact of Covid-19. This has reduced cash receipts from students and other customers while payments have increased as the University refunded student accommodation income for the Summer Term. The University has plans to generate sufficient cash to fund future developments and implement the new University strategy.



	2015/16	2016/17	2017/18	2018/19	2019/20
Cash balances	37,936	61,191	81,803	143,868	164,525

The University has increased its cash balances in the year by £21m, despite the impact of Covid-19 on its operations. The increase has been achieved by restricting capital expenditure, limiting expenditure to business critical only and the receipt of £23m from the Residences transaction.

The University continues to hold cash to provide resilience through this period of Covid-19 uncertainty, and it has plans to use the cash balances to fund future developments and implement the new University strategy.



Our people

Despite a difficult year, our staff have shown great resilience, continuing to find ways to innovate and achieve.

We are proud to employ highly talented individuals who are totally committed to providing an excellent experience to all our students and to producing world-leading research, or to providing excellent support services to facilitate teaching, learning and research.

Over the last 12 months we have made some exciting Board-level appointments, which position us well to deliver our ambitions. These have included Charlie Jeffery as Vice-Chancellor in September 2019, Kiran Trehan as Pro-Vice-Chancellor for Partnerships and Engagement in

March 2020, Matthias Ruth as Pro-Vice-Chancellor for Research in May 2020, Ambrose Field, becoming Dean of the Faculty of Arts and Humanities in May 2020, and Tracy Lightfoot, becoming Pro-Vice-Chancellor for Teaching, Learning and Students in September 2020.

Despite the challenges of the pandemic we kept our focus on a number of strategic project themes this year, including equality and diversity (equal pay and addressing gender and ethnicity pay gaps), health and wellbeing, culture, and digital transformation. Our

achievements in these areas are covered in this report.

In response to the Covid-19 pandemic we have undergone the most significant period of organisational change that the University has ever experienced, while maintaining an incredible pace and quality of work. This has been down to the personal commitment and dedication of our staff and the way we responded confidently and effectively to the developing situation.

Our Human Resources policies and approaches were quickly adapted to support our staff through Covid-19.



New appointments included Vice-Chancellor Charlie Jeffery, Pro-Vice-Chancellor for Partnerships and Engagement Kiran Trehan, Pro-Vice-Chancellor for Research Matthias Ruth, Ambrose Field, appointed Dean of the Faculty of Arts and Humanities, and Tracy Lightfoot, appointed Pro-Vice-Chancellor for Teaching, Learning and Students

The role of line managers to support their staff has been critical, in particular the focus on their wellbeing.

Our clear message to our staff has been to “do what work you can, when you can”. This approach has been welcomed by our staff, and meant we have been able to support them, whether they were shielding, working from home, supporting homeschooling or undertaking significant caring responsibilities.

In addition, a significant number of staff were quickly identified as Essential Workers for the University, continuing to work safely to support our students who remained on campus and to carry out essential on-campus activities. We made some use of the government’s Coronavirus Job Retention Scheme, (CJRS, or ‘Furlough’) where staff were unable to carry out their work, although most returned to their normal work before the end of the summer.

Throughout this period of change, the role of line managers to support their staff has been critical, in particular the focus on wellbeing through such acute periods of change, and with a specific focus on supporting staff working remotely. We developed a suite of wellbeing resources for staff and managers, accessible through new online platforms making them available to a much wider audience.

To support the University’s response to the pandemic, we launched a volunteering policy to support Covid-19 activities, ahead of a more comprehensive policy to be launched in autumn 2020 to align with our civic mission. Throughout the pandemic we have been mindful of the tremendous work and efforts of all staff. We amended our annual leave

policy to allow the carry forward of up to 10 days into 2021/22; and in recognition of their dedication, gave all staff two additional days’ leave at Easter and four at Christmas in 2020. An additional small payment was made to Grade 5 staff and below who worked over Christmas 2020.

During the summer of 2020, and in line with government guidance, we began to open more areas of campus, with Health and Safety and Human Resources colleagues and our trade unions working together to give staff assurance around our covid-secure workplaces. We also developed principles to underpin how staff may work as we moved to delivering face-to-face teaching in the Autumn Term in a socially distant context, including the potential to extend the working day/working week to provide an exceptional student experience in the context of covid-secure working.

Workforce planning

We have undertaken a robust and thorough approach to workforce planning, to ensure that our planned staffing levels are appropriate for our short-, medium- and long-term plans, and that we develop and retain key skills and experience. Along with others in the sector, we recognised the need to realign our resources in the short term to meet the significant financial challenges posed by Covid-19. In support of this, we launched our comprehensive Voluntary Options Programme.

Another significant change at the outset of the Covid-19 pandemic was

to provide additional support for workers on fixed-term contracts. Where an employee’s fixed-term contract was due to expire on or after 1 October 2020, and if they had a period of two years’ consecutive service, and there was an ongoing requirement for the work to be undertaken, then they were transferred to an open contract.

- **Find out more:** Covid-19 challenges, pages 24-25

Learning and development

The move to online working created opportunities for expanding and modifying our learning and development offer for both staff and students. This required our team to upskill very quickly and has enabled us to deliver some truly innovative solutions and learning experiences.

We created an extensive online learning and development wiki for staff, which includes various resources ranging from Ted-style talks, self diagnostics, articles and practical resources for teams and individuals. These are all themed to make them more accessible. This has enabled staff to access our provision at a time that is convenient for them, without the limitations of location and restrictions on numbers in a venue.

We have adapted existing material or created new material in digital formats using various platforms that have resulted in 62 webinars on various topics. These have



Helen Smith, from the Department of English and Related Studies, in the Department's in-house letterpress studio, Thin Ice Press

been no longer than 90 minutes, are available for the entire staff community and have been on topics around change, difficult conversations, resilience and motivation. Responses show that 99 per cent of attendees would recommend the webinars to others. We also converted our Central Induction course into an online interactive workshop.

During the initial three months we offered and conducted over 100 individual coaching sessions for line managers to help them adjust to supporting their teams remotely. We also continued to support our leadership delegates through a mixture of online webinars and co-coaching.

For the provision for students, we modified and adapted our assessment centre and leadership programme for our Laidlaw Scholars. We worked collaboratively with Careers to convert the one-day York Strengths programme into a blended offering, which 1,500 students have engaged with. This is in addition to the 770 undergraduates who engaged with York Strengths in the Spring Term while we were still on campus. We also converted our three-day York Leaders programme to an online alternative, which so far 71 students have participated in. The programme culminated in students giving presentations to a panel made up of employers and senior University staff; employers stated that the presentations were of an excellent standard.

Once the first lockdown began in March 2020, the Organisational Development team rapidly progressed their own digital skills to offer more online training and development to University staff. This resulted in an increase in the amount of courses delivered, as well as a rise in staff attendance.

Health and wellbeing

We recognise the importance of prioritising the health and wellbeing of staff. To this end, we reviewed and

refreshed our Employee Assistance Programme in conjunction with trade union colleagues. All staff now have access to unlimited online chat and/or telephone counselling 24 hours a day, 7 days a week, as well as free face-to-face counselling. Staff also have access to free legal and financial advice, and an online app offering computer-based training and short courses such as weight loss. Engagement and feedback on the new service provider has been good and we continue to work on awareness raising of the service.

We marked World Menopause Day in October 2019, launching new guidance on menopause matters. We celebrated Movember and launched Men's Health @ York, an initiative focusing on improvements in men's health. We also participated in the Samaritans' Big Listen.

When the pandemic arrived in March 2020 we published a wealth of resources to enable staff to consider and manage their health and wellbeing in the context of their changed lifestyle. Weekly advice and activities were highlighted to staff via our in-house publication. This included topics such as managing work remotely, keeping physically and mentally healthy, and combating loneliness.

Colleagues have also been able to access various learning and development activities that support health and wellbeing. This has included:

- 175 delegates accessing our Coping with Change webinar
- 59 delegates accessing our new Moving to Thriving programme
- 123 delegates attending our new Thriving in Uncertainty webinar
- 193 people accessing our Ease the Load programme to help manage workloads more effectively.

Trade unions

We value the role of trade unions and have worked in partnership with trade union colleagues to develop good people management

When the pandemic arrived in March 2020 we published a wealth of resources to enable staff to consider and manage their health and wellbeing in the context of their changed lifestyle.



Equality and diversity are key to our success as we seek to promote inclusion in all of our activities

This year has seen industrial relations challenges in the sector, with significant strike action being taken by the University and College Union at many HE institutions, including York.

practices and deliver significant programmes of change. We recently reviewed our trade union facilities arrangements with our trade union partners and agreed some areas for change in recognition of this joint working. We have published our trade union facilities time, as required by law, on page 37. We firmly believe that this investment enables us to work in partnership with our trade union colleagues to achieve good employee relations.

This year has seen industrial relations challenges in the sector, with significant strike action being taken by the University and College Union (UCU) at many HE institutions, including York. Although the disputes related to matters which were out

of the University's direct control (in particular, national pay bargaining and the Universities Superannuation Scheme), we have worked closely with our trade unions to develop a joint statement reiterating our joint commitment to work on areas within our local control: pay gaps (gender and ethnicity), workload, and the 'casualisation' of employment in the sector. This way of working has yielded significant changes as we deliver on our commitment to make real improvements at York in these areas.

Equality and diversity

We are committed to creating a working, learning, social and living environment that will enable all our

staff and students to achieve their potential, while they experience and celebrate diverse cultures, knowledge and identities and are encouraged to make a positive contribution to the city, region and beyond. We have made positive strides to progress and implement key activities to support our Equality, Diversity and Inclusion action plan through our established structures: the Inclusive Learning, Teaching and Assessment steering group, Campus and Community Cohesion steering group and the Diversity Events working group.

Progress this year has included:

- expansion of the University's equality monitoring categories (now including gender identity, sexual orientation, care responsibilities and religion or belief). The additional staff data collated as part of this activity have already helped to inform communications activity and support to staff during the pandemic.
- publication online and launch of the Dignity at Work and Study policy and the Report and Support tool.
- the Disability Inclusion Framework, with the Accessibility Coordination Group overseeing the on going work of its three sub-groups (accessibility on campus, e-accessibility, disability inclusive culture and good practice).
- the Diversity Events and Celebrations working group saw huge success in terms of participation in History Month events, in particular, 3,000 participants in online events for Black History Month in October.

Trade union facility time

	1 April 2019– 31 March 2020	1 April 2018– 31 March 2019
Number of employees who were relevant union officials during the period		
Number of employees	36	25
Full-time equivalent	28.83	20.44
Number of full-time equivalent employees for the University as at 31 March	4,207	4,418
Employees who were relevant union officials employed during the period spent the following percentage of their working hours on facility time		
<1 per cent*	14	1
1-50 per cent	22	24
51-99 per cent	-	-
100 per cent	-	-
Percentage of total pay bill spent on paying employees who were relevant union officials for facility time during the period		
Total cost of facility time	£41,825	£40,797
Total pay bill	£220,197,000	£202,750,000
Percentage of total pay bill spent on facility time	0.02%	0.02%
Number of hours spent by employees who were relevant union officials during the period on paid trade union activities		
Time spent on trade union activities as percentage of total paid facility time hours	2.0%	2.2%

*A number of staff are allocated facilities time that does not equate to 1% of their FTE.



The Department of Chemistry is just one of 20 departments with an Athena SWAN award

Our Inclusive Learning, Teaching and Assessment work made significant progress, recruiting dedicated Inclusive Learning Adviser, who has led on the development of an online toolkit of resources, case studies and guidance documents, the co-production of projects working with student interns and the development of self-assessment questions to be used with identified pathfinder departments.

There has been an increased level of engagement with gender equality work, with a further five departmental awards, bringing our total to 20 Athena SWAN departmental awards. We have also increased alignment of the work around addressing and dismantling the gender pay gap, working closely with our trade union colleagues.

The Athena SWAN Charter was established in 2005 to encourage and recognise commitment to advancing the careers of women in science, technology, engineering, maths and medicine (STEMM) employment in higher education and research.

The University of York continues to hold the record to be the first and only UK academic institution to hold three departmental Gold awards. This reflects the great strides forward over the past decade towards creating an environment that enables participation, progression and success for all our staff and students.

Recent global events, including the Black Lives Matter movement, are a stark reminder of how far we are from being a society that is safe for all, and one that offers equality of opportunity for all, including members of our BAME community. We have taken important steps by listening to representative staff and student groups to ensure we are honest in acknowledging that there remains much to do in ensuring our community is truly racially diverse and offers inclusive experiences to our staff and student community, and we established a Race Equality Coordination group in autumn 2020.

In February 2019, the then Acting Vice-Chancellor Saul Tendler initiated a proactive listening exercise with members of the University Staff Race Equality Forum (SREF) to understand their experiences and feedback ideas on how the University can increase recruitment of and progression for black, Asian and minority ethnic (BAME) members of staff. As a result of the feedback, we have this year introduced a comprehensive equality monitoring exercise to ensure we fully understand the diverse composition of our staff community.

The Dignity at Work and Study policy ensures we have robust informal and formal procedures in place to tackle incidents of harassment, bullying or hate incidents, and is supported by an online reporting tool. We have increased BAME representation within our academic promotions panel and have also included within the application form a section on individual circumstances to enable academic colleagues seeking promotion to disclose aspects of their personal equality-related circumstances that they feel may have impacted on their ability to evidence achievement against the Academic Promotions criteria.

There has been an increased level of engagement with gender equality work, with a further five departmental awards, bringing our total to 20 Athena SWAN departmental awards.

Governance

Corporate governance
(including Council membership)

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Corporate governance

On the basis of strong contingency planning, the University has been able to maintain a sound system of internal control during the Covid-19 pandemic.

The University is an independent corporation with charitable status established by Royal Charter (Royal Charter Company Number: RC000679). The University's objects, powers and framework of governance are defined in the Charter and supporting Statutes. The Council, as the University's governing body and trustee board, is committed to promoting effective practice in all aspects of corporate governance through its own arrangements, its sub-committees and the University Executive Board (UEB) led by the Vice-Chancellor and President. The Council has formally adopted the core values and 'Primary Elements' set out in the Committee of University Chairs (CUC) Higher Education Code of Governance (HE Code of Governance) (2014 and subject to revision in 2020).

Statement of Internal Control

The Council is responsible for maintaining a sound system of internal control that supports the achievement of the University's policies, aims and objectives, while safeguarding the public and other funds and assets for which it is responsible.

The system of internal control is risk-based, and designed to manage rather than eliminate the risk of failure to achieve policies, aims and objectives; providing reasonable rather than absolute assurance. The University's internal control environment comprises the policies and procedures in place to ensure statutory compliance with the full



range of obligations required of the University and specifically in relation to the prevention and detection of corruption, fraud, bribery and other irregularities. A core aspect of the University's internal control arrangements is the engagement of PwC to deliver an internal audit function. The audit work carried out for the year ended 31 July 2020 comprised a 175-day risk-based programme, based on 11 internal audit reviews and two follow-up reviews.

There have been a number of in-year adjustments to the 2019/20 plan to reflect new and emerging priorities in the internal control environment, underscoring adoption of a dynamic and risk-based approach in partnership with the internal auditors. Aside from risk-based adjustments, Covid-19 has not significantly impacted on the delivery of the internal audit plan for 2019/20 to schedule or budget, with the equivalent degree of rigour and management engagement as would be expected with physical on-site internal auditing.

The Council, its sub-committees and the UEB have collectively identified and responded to unique risks during the reporting period, which have addressed its aptitude in the management of risk. This included the invocation of business critical incident arrangements when Public Health England (PHE) confirmed that one of the first two patients in the UK (as deemed at the time) to have tested positive for Covid-19 was a student of the University of York. Since the announcement of a global pandemic in March 2020, the University, like all parts of the HE sector and society and the economy more widely, has had to respond to the far-reaching risks of Covid-19. As a result of Covid-19, the level of risk facing the University has increased. While the level of risk was never expected, the University has taken,

and continues to take, action to keep it within tolerable levels.

The Council is of the view that the University has been able to maintain a sound system of internal control during the Covid-19 pandemic, on the basis of strong contingency planning, which understandably prioritised the health and safety of staff and students, and the associated controls supporting this, from the requirement for the majority of staff to work from home, through to the transition to a Covid-19-secure campus as targeted groups of staff returned to campus where there was a business requirement to do so.

The rapid transition for the majority of University staff to home working has been effectively managed, enabling seamless access to IT networks to facilitate safe and secure home working, plus the required business continuity. The introduction of two-factor authentication during the period has strengthened the University's remote system security, as a core control. The financial internal control systems, as well as those for legal and governance-related approvals during this period, were retained during home-based working for the majority of staff. As a consequence of the introduction of a business critical expenditure policy during the period, expenditure has been significantly reduced.

The Council is of the view that an appropriate framework for identifying, evaluating and managing the University's significant risks has been in place for the year ended 31 July 2020, and up to the date of approval of the *Annual Report and Financial Statements*.

In 2019/20 a further review was undertaken, building on the 2018/19 comprehensive evaluation of the Risk Management Policy, Strategy and Assurance Framework. It strengthened

articulation of the governance arrangements for oversight of corporate and strategic risk at the University, including setting out clearly the role of Council for setting the tone, direction, appetite and overall framework for corporate and strategic risk and for considering the key outcomes of this level of risk management; and the roles of the Audit and Risk Committee in reviewing the adequacy of the framework for managing risk, UEB and its Risk Review Group, the latter of which coordinates arrangements to ensure an effective system of risk management is embedded across the University.

Council approved the revised Risk Management Policy, Strategy and Assurance Framework at its May 2020 meeting, as well as reviewing periodic reports on the principal results of corporate and strategic risk identification, evaluation and management at its meetings in the year.

The appointment to a newly-created post of Risk and Audit Manager has provided a specialist coordinating and advisory resource to advance the University's risk management agenda and help ensure it is understood and embedded across the University's operations. The Audit and Risk Committee has also welcomed and supported the ongoing work of the Risk Review Group chaired by the Finance Director, as a body reporting into UEB. The Group oversees and makes recommendations to UEB and onward to the Audit and Risk Committee, and in 2019/20 has continued to strengthen the links between faculty, academic and Professional Support department risk registers, monitoring the effectiveness and completion of staff training programmes on risk.

Other key initiatives in 2019/20 include UEB consideration of detailed reports on each of the University's



The Beats Bus, which has featured at the Festival of Ideas, is a mobile recording studio that gives young people a voice through music and art workshops. The festival is just one of a number of University outreach activities

Photo taken before Covid-19 pandemic

strategic risks, to help understand more fully, and assess the adequacy of, these risks, their associated controls and inter-relationships. This programme of work will continue into 2020/21. The management of health, safety and wellbeing risks, as well as the advancement of opportunities for new ways of working brought about by Covid-19, will continue beyond the end of the 2019/20 reporting period.

The Council is of the view for the period to the end of the 2019/20 financial year, and up to the approval and signing of the annual financial statements, that:

- a sound system of internal control is in place
- University management has a clear understanding of these risks and is taking appropriate mitigating actions where possible.

There are no significant control weaknesses that have arisen in the reporting period to 31 July 2020 or since the year end but before these financial statements were signed.

Corporate governance statement

The Council is responsible for the administration of the revenue and property of the University, and, in accordance with the Charter, has “general control over the University and its affairs, purposes and functions”. The Council also has overarching responsibility for ensuring that the University maintains a sound system of internal control and for reviewing its effectiveness. Since adopting the CUC HE Code of Governance when it was first issued in November 2004, the Council has undertaken self-assessments against subsequent editions and remains satisfied that the governance of the University

is consistent with its provisions, in particular the ‘seven primary elements of governance’. During the reporting period, the Council has also contributed to the consultation launched by CUC to develop a new Higher Education Code of Governance, and will undertake a review of the University’s arrangements against the successor HE Code published in September 2020.

The University Council

The Council’s annually updated schedule of business is closely linked to its formal Statement of Primary Responsibilities:

1. To approve the mission, strategic vision, long-term academic and business plans and key performance indicators of the University.
2. To ensure that processes are in place to monitor and evaluate the performance and effectiveness of the University against the plans and approved key performance indicators, which should be benchmarked against other comparable institutions.
3. To delegate authority to the Vice-Chancellor as head of the University and to establish and keep under regular review the policies, procedures and limits within which such authority is exercised.
4. To ensure the establishment and monitoring of systems of control and accountability, including financial and operational controls and risk assessment.
5. To ensure that an effective framework is in place to manage the quality of the student academic experience and the maintenance of standards.
6. To establish processes to monitor and evaluate the performance and effectiveness of the governing body itself, with a formal review at least once every five years.
7. To conduct its business in accordance with best practice in HE corporate governance and with the principles of public life drawn up by the Committee on Standards in Public Life.
8. To safeguard the reputation and values of the University.
9. To appoint the Vice-Chancellor (in consultation with the Senate), put in place suitable arrangements for monitoring his/her performance and set appropriate remuneration (through the Remuneration Committee).
10. To appoint a Secretary to the governing body and to ensure that, if the person appointed has managerial responsibilities in the University, there is an appropriate separation in the lines of accountability.
11. To be the accountable financial and business authority of the University, to ensure that proper accounts are kept, to approve the annual budget and financial statements, and to have overall responsibility for the University’s assets, property and estate.
12. To ensure that systems are in place for meeting all the University’s legal obligations, including those arising from contracts and other legal commitments made in the University’s name.
13. To receive assurance that adequate provision has been made for the general wellbeing of students.
14. To ensure that any property, legacy, endowment, bequest or gift made to the University is used to support its work.

The Council is responsible for the administration of the revenue and property of the University, and, in accordance with the Charter, has “general control over the University and its affairs, purposes and functions”.

- 15. To ensure that the University's constitution is followed at all times and that appropriate advice is available to enable this to happen.

Since March 2020 with the onset of Covid-19, Council, as with the rest of the University, has moved to virtual conduct of its business. As well as holding its formal meetings virtually, a number of Council-wide and Council sub-group virtual briefings have been held to keep Council apprised of contingency and recovery developments linked to Covid-19, and, just as importantly, how strategy, change and contingency are reframed during this critical period.

The Council meets five times per year with an additional strategic Away Day close to the start of each academic year, supplemented by a regular programme of thematic sessions and departmental visits, and evening dinners to enhance the effective interaction between governance, senior management and the wider staff and students. In addition to its formal meetings, the Council has also held multiple briefings in the period March to July to receive information, offer insights into, and endorse the UEB strategic and policy responses to, and ramifications of, Covid-19.

The Council delegates responsibility to several sub-committees, the roles and business of which are described in greater detail below. Each sub-committee is formally constituted with clear terms of reference and lay (i.e. external) membership.

A major recruitment round for lay members of Council was concluded in 2019/20, through an external facilitated non-executive search process, leading to the appointment of six new lay members at different stages in the 2019/20 reporting period. These brought significant successor or additional expertise to the Council across the fields of senior government policy and advisory expertise, leadership in the creative industries and museums sector, social entrepreneurship and life sciences research commercialisation and innovation. In addition, our Treasurer was appointed as the Council's first

Senior Independent Lay Member and as a Pro-Chancellor, and the Vice-Chancellor and President became an ex-officio member of Council from 1 September 2019.

The strategic development, advisory and approval role of Council has been enhanced in 2019/20 and will continue into 2020/21 and beyond. In this regard Council received strategic reports from UEB on a range of matters, including teaching, learning and assessment, research, and gender pay gaps, as well as important compliance reports in terms of health, safety and welfare. While work on developing the new University Strategy 2030 had been deferred for a short period due to the initial response to

Covid-19, Council has endorsed an approach to joining together strategy, change and contingency as bedrocks for organisational change and development during and beyond this critical period. This work continues, ensuring that the University's long-term strategy defines a clear direction for organisation in a post-covid world.

Council formally approved a range of key items during the year, including:

- the University's new Vision which will inform the developing University Strategy 2030
- a statement of intent in relation to Strategy, Change and Contingency
- endorsement of a Sustainability Vision



University of York History of Art students at the Middlesbrough Institute of Modern Art

Photo taken before Covid-19 pandemic

- a revised Statement on Responsible Investment
- a major financial and commercial partnership to build new residences on Campus East
- a significant overseas institutional partnership
- the 2018/19 Annual Report and Financial Statements, the budget 2020/21 and medium-term plan to 2024/25
- the University's updated Access and Participation Plan for re-submission to the Office for Students (OfS)
- other accountability and assurance material for onward submission to the OfS, including continuous improvement of the student academic experience/outcomes and the standards of awards, the Prevent Duty and a range of annual finance and assurance returns
- the revised Risk Management Policy, Strategy and Assurance Framework
- policy matters, including a governance review of Hull York Medical School, a Model Constitution for the University's Colleges, and a range of internal policies to strengthen corporate governance arrangements
- institutional responses to Universities UK (UUK) consultations on the pension schemes and related matters, OfS and CUC consultation exercises
- a number of specific transactions between formal meetings as contingency responses to Covid-19.

Council sub-committees

The **Audit and Risk Committee** (Chair: lay member of Council) comprises lay people not directly concerned with the financial management of the University and meets four times each year. At a joint annual meeting with the Finance Committee it reviewed the 2019/20 Annual Report and Financial Statements, including the University's response to the external auditor's annual management letter. Advised by the internal audit service, the Committee also

reviews the effectiveness of the system of internal control, including risk management, and ensures that arrangements are in place to promote value for money. Two new lay members of Council, and two new co-opted members (external, non-Council appointments) have been appointed to the Committee to fill vacancies which had arisen and increase the membership numbers and skills base. A proposed effectiveness review of the Audit and Risk Committee, including its specific remit, modus operandi and relationship with the Finance Committee, is planned for 2020/21.

The **Remuneration Committee** (Chair: a Pro-Chancellor who is not the Chair of Council) determines the remuneration of the University's most senior staff, including the Vice-Chancellor (who is not a member of the Committee) and their direct reports. The Committee continues to strengthen its arrangements to ensure consistency with The Higher Education Senior Staff Remuneration Code published by the CUC in June 2018, and related OfS disclosure requirements, including strengthened internal reporting to the Council and external disclosure on matters of senior remuneration governance, the latter of which was the subject of a positive internal audit outcome in 2019/20.

- **Find out more:** Remuneration, page 51

The **Equality, Diversity and Inclusion Committee** (Chair: Registrar and Secretary) has continued to oversee the development and implementation of the University's equality strategy, including ensuring its alignment with other related strategies. It also plays an important oversight role as regards the University's submissions for departmental and institutional Athena SWAN awards.

The **Finance Committee** (Chair: University Treasurer) considers the financial implications of the University's strategic plans as well as the annual budget and the medium-term financial forecast. It also reviews the University's borrowing strategy and the financial aspects of any projects deemed to have significant

budgetary implications. It has signed off a range of policy matters in-year, including a new Treasury Management Policy, recommending the revised Statement on Responsible Investment to Council, and revisions to the University's Financial Regulations.

The **Estates Committee** (Chair: lay member of Council) was a new sub-committee set up with responsibility for keeping under review the development, condition, aesthetic, utilisation and performance of the University estate. It was disbanded part-way in 2019/20 to enable an opportunity to review the estates and capital management governance arrangements.

The new **Ethics Framework Governance Committee** (to replace a research-centred Ethics Committee) was created following introduction of a new governance structure for corporate ethics and academic ethics and compliance. Under the new arrangements, responsibility for research and more general academic ethics matters migrated to a new Academic Ethics and Compliance Committee of the University Research Committee. The Committee's focus is on corporate (i.e. University-wide) and non-academic matters, including aspects of responsible business, covering conflicts and disclosures of interest, gifts and hospitality, responsible procurement and investment, fundraising, whistleblowing. The Committee met on two occasions during 2019/20 to progress development of an ethical position statement for the University, as well as approving new policy in relation to Disclosures of Interests and Gifts and Hospitality and Major Donor Due Diligence.

The **Student Life Committee** (Co-Chairs: Registrar and Secretary and the President of the York University Students' Union) is a joint Committee of the Senate and Council. It considers a range of business relating to the student experience at the University. Key topics considered over the year include fitness to study/attend policy, safeguarding policy and procedures, various student surveys and a planned review of the Student Life Strategy.

The University attracts large numbers of students from non-traditional backgrounds, and is committed to supporting students financially on the basis of need.

The **Health, Safety and Welfare Committee** (Chair: senior academic) maintains oversight of the University's compliance with health and safety legislation and other relevant statutory reporting requirements (e.g. the government's counter-terrorism 'Prevent' duty agenda). It submits a detailed annual assurance report to the Council on all aspects of its remit.

The **Honorary Associations Committee** (formerly the Nominations Committee) (Co-Chairs: Vice-Chancellor and Chair of Council) considers nominations for the award of honorary degrees and membership of the University Court, making recommendations to the Council against agreed criteria. The Committee has recently developed a more rigorous approach to due diligence of proposed honorary degree nominees.

While reporting into and subject to the control and approval of Council, the **Senate** (chair: Vice-Chancellor and President) sits at the apex of the academic governance of the University; it oversees and regulates the academic work of the University in both teaching and research, and approves policy, regulation and procedures governing this activity, including student discipline. The Senate is responsible for providing assurance to Council in relation to all matters of academic quality and standards, the student academic experience and outcomes, ratifying the award of academic qualifications of the University, determining the criteria for student admissions and other matters delegated to it from the Council.

The **Nominations Committee** (Chair: Chair of Council) considers nominations for lay member vacancies on the Council and its sub-committees. In the interests of agility, in 2019/20 it met on a virtual basis, via decisions

and recommendations to Council by written resolution. It paid particular attention to the skills mix of the Council and oversaw the formal process to identify the six new lay members referred to above.

- **Find out more:** page 46

Public benefit statement

The University of York is an exempt charity under the terms of Schedule 3 of the Charities Act 2011, and is regulated by the Office for Students (OfS) as 'principal regulator' for this purpose. During the reporting period, the Council, as the trustee board of the University has had regard to the Charity Commission's guidance on public benefit and is of the view that the University's charitable purposes are delivered for the public benefit, as required by the Charities Act 2011, Regulatory Advice Note 5 of the OfS, and Charity Commission guidance. The University delivers public benefit principally through the charitable purpose of the 'advancement of education' through teaching of undergraduate and postgraduate students, as well as outreach activities such as public lectures.

- **Find out more:** Teaching and learning, page 27

The primary beneficiaries of delivering the University's charitable purposes are the students who are directly engaged in learning at the University. Students are offered places solely on the basis of academic merit. The University attracts large numbers of students from non-traditional backgrounds, and is committed to supporting students financially on the basis of need. It provides an extensive range of bursaries and scholarships, as well as a financial hardship fund for

students, including targeted support during Covid-19.

The University's research supports a spectrum of charitable purposes. Other beneficiaries include companies, public bodies and charities which employ York graduates; members of the local community who make use of University facilities, participate in continuing education courses and attend lectures, concerts and other events; and the wider public, which benefits from the University's world-leading contribution to research in the sciences, social sciences and humanities.

- **Find out more:** Research, pages 16-17

In the reporting period, within the unique circumstances of Covid-19, the University has levered its charitable purposes for public benefit in multiple ways, providing access to staff of City of York Council and other groups, and providing space, surplus supplies and equipment to the York Teaching Hospital Trust; in addition, the University's nursing students and HYMS graduates and clinical staff have made a major contribution on the frontline. The Council and the trustees of the University recognise that the use of the University's resources in this regard is for secondary or incidental charitable purposes to the University's primary educational purpose, including the 'advancement of health and the saving of lives' or the 'relief of those in need by reason of youth, age, ill-health, disability, financial hardship or other disadvantage'.

- **Find out more:** Our students, page 10

In its fundraising activities, the University adheres to the Charities (Protection and Social Investment) Act 2016.

University Council membership

The listing below identifies all Council members for the financial year 2019/20 and up to 31 December 2020.

Name	Position/membership category	Expiry of current term
Pro-Chancellors and other senior office holders		
Ms Denise Jagger	Pro-Chancellor and Chair of Council	July 2022
Mr Philip Carpenter	Pro-Chancellor	July 2021
Mr Chris Thompson	Pro-Chancellor, Treasurer and senior independent lay member	July 2022
Professor Charlie Jeffery	Ex-officio: Vice-Chancellor and President (appointed September 2019)	N/A
Professor Saul Tendler	Ex-officio: Deputy Vice-Chancellor and Provost	N/A
Other external/lay members		
Mrs Lindsey Fussell	Co-opted lay member and Deputy Treasurer	July 2024
Dr Karl Dittrich	Co-opted lay member	Resigned 20 May 2020
Professor John Loughhead	Co-opted lay member	October 2021
Dr Simon Best	Co-opted lay member	October 2021
Ms Amanda Nevill	Co-opted lay member	October 2021
Ms Judith McNicol	Co-opted lay member	October 2021
Ms Briana Pegado	Co-opted lay member	June 2022
Mr Richard Sommers	Appointed by Court	January 2021
Mrs Nicola Inchbald	Appointed by Court	Resigned 10 October 2019
Dr Philip Rycroft	Appointed by Court	December 2021
Academic and Professional Support staff members		
Professor Deborah Smith	Pro-Vice-Chancellor elected by Senate	December 2019
Professor John Robinson	Pro-Vice-Chancellor elected by Senate	September 2020
Professor Kiran Trehan	Pro-Vice-Chancellor elected by Senate	September 2023
Professor Caroline Hunter	Academic staff member elected by Senate	July 2020
Professor Neil Audsley	Academic staff member elected by Senate	July 2021
Professor Duncan Petrie	Academic staff member elected by Senate	July 2021
Professor Jo Swaffield	Academic staff member elected by Senate	July 2023
Mr Sam Bayley	Elected by the Professional Support staff	July 2020
Dr Rachel Curwen	Elected by the Professional Support staff	July 2021
Mr Andy Durrant	Elected by Professional Support staff	December 2023
Student Representative Bodies members		
Ms Samara Jones	President of the Students' Union	July 2020
Mr Patrick O'Donnell	President of the Students' Union	July 2021
Dr Pürnur Altay	President of the Graduate Students' Association	August 2021
Officers to Council		
Ms Jo Horsburgh	Registrar and Secretary to Council until 17 September 2020	N/A
Dr Adam Dawkins	Head of Governance and Assurance and Acting Secretary to Council from 17 September 2020	N/A



Remuneration

This report outlines the responsibilities of the Remuneration Committee, and outlines the approach used to determine remuneration of senior University staff.

The Remuneration Committee is a formal sub-committee of the University Council. This report outlines the responsibilities of the Committee and has been prepared to comply with Element III (Transparency and accountability) of The Higher Education Senior Staff Remuneration Code published by the Committee of University Chairs (CUC) in June 2018.

This report covers the period 1 August 2019 to 31 July 2020 to align with the financial reporting period and disclosures made within this Annual Report and Financial Statements.

The Remuneration Committee, under delegated authority from Council, determines the remuneration of senior post-holders of the University as noted below:

- Vice-Chancellor and President
- Deputy Vice-Chancellor and Provost
- Registrar and Secretary
- Director of Finance
- Pro-Vice-Chancellor Research
- Pro-Vice-Chancellor Teaching, Learning and Students
- Pro-Vice-Chancellor Partnerships and Engagement

- Dean of the Faculty of Arts and Humanities
- Dean of the Faculty of Sciences
- Dean of the Faculty of Social Sciences
- Pro-Vice-Chancellor International Development¹
- Special Advisor to the Vice-Chancellor (Research)²

¹This role was a temporary position and ceased from 31 July 2020.

²This role was a temporary position and ceased from 31 December 2020.

The Terms of Reference, membership and meeting schedule for the Remuneration Committee are published on the University website: york.ac.uk/about/departments/support-and-admin/registrars-secretary/remuneration.

The Terms of Reference reflect the guidance provided by the Higher Education Senior Staff Remuneration Code.

Members of the Remuneration Committee are nominated by the University Nominations Committee and appointed by Council. The Chair of Council is a member of the Remuneration Committee, but is not the Chair of the Committee. In addition to the Council members, a further

external member is also recruited to provide relevant knowledge.

The Vice-Chancellor and President is not a member of the Remuneration Committee; however he will attend to present a paper on the performance of, and remuneration proposals for, his direct reports, namely the senior post-holders noted above. He will also attend for any matters where it is appropriate for the Vice-Chancellor and President to provide the perspective of the University Executive Board. No individual is in attendance when their own remuneration is discussed.

Approach to remuneration

Competitive environment

The University of York is a member of the Russell Group of 24 leading UK universities which are committed to maintaining the very best research, an outstanding teaching and learning experience and unrivalled links with the corporate and public sector.

It has over 18,000 students on its programmes, employs over 4,000 staff and has a turnover of £376m making it a major employer in the local area.

The University of York is a member of the Russell Group of 24 leading UK universities which are committed to maintaining the very best research.



Photo taken before Covid-19 pandemic

Even before Covid-19, the University, in common with other institutions in the sector, was experiencing significant challenges in an increasingly competitive environment both in the UK and internationally, uncertainties about student funding policy, concerns about the sustainability of the Universities Superannuation Scheme and the lack of clarity surrounding Brexit and immigration policy, all of which have a very direct impact on the University of York's operations.

Since the start of Covid-19, new financial risks have become much more evident, with likely losses across a range of income sources, including potential shortfalls resulting from reduced research and commercial activity.

Attracting the best talent

Against this context, the Remuneration Committee recognises that the University needs to offer sufficiently competitive remuneration to attract and retain the most talented staff, particularly senior leadership and academic staff. It is committed to ensuring that its decisions are informed by relevant and robust external market data, and are cognisant of gender pay considerations and of relativities of any remuneration increases to those received by other staff at the University.

The University of York has Strategic Remuneration Principles that set out the University of York approach to managing remuneration decisions for all staff outside the National Pay Framework. These principles

acknowledge the importance and challenge of attracting and retaining the talent required to deliver the University Strategy, the importance of rigour and transparency in relation to remuneration decisions and the need to reflect the Higher Education Senior Staff Remuneration Code.

The four principles are:

- attracting and retaining talent
- recognising performance and contribution
- delivering value for money
- fairness, equality and transparency.

In addition, the University has an agreed protocol set out in a Remuneration Governance Framework that defines accountabilities for decisions on senior remuneration. In particular, the Remuneration Committee oversees all decisions relating to individuals where remuneration is over £100,000.

Remuneration Committee activity

October

At its meeting on 15 October 2019 the Remuneration Committee considered pay awards for senior post-holders.

Vice-Chancellor: As standard practice the Chair of Council provides the Remuneration Committee with a report on the performance of the Vice-Chancellor against their personal objectives and in relation to the performance of the University. The Committee considers this information along with the external market data noted below and relativities of pay

award to that received by other staff at the University when making their decision on pay for the Vice-Chancellor.

As Professor Charlie Jeffery was appointed on 1 September 2019 he was ineligible for pay increase consideration in 2019.

Senior post-holders: Following input from the Vice-Chancellor, the Committee considers the performance of all senior post-holders over the previous year, the external market data noted below, internal relativities, gender pay considerations and relativities of pay award to that received by other staff at the University to inform their pay decisions for this group.

May

At its meeting on 20 May 2020, the Remuneration Committee considered the budget made available in 2020 for senior staff and the proposed approach for distribution.

The University of York is a member of the Universities and Colleges Employers Association and as such participates in national pay negotiations. Our policy is to not implement the outcomes of national pay negotiations for senior post-holders; however the Remuneration Committee considers the levels of increase provided for other University staff, both through the national pay award and through contractual incremental pay, to ensure parity of remuneration budget and spend. In line with other higher education institutions, we face a set of unprecedented financial challenges: some of these are currently swathed

Given the financial pressures and uncertainty facing the sector, no increases to the national pay spine are proposed for 2020/21.

with uncertainty, such as the longer-term effects of Covid-19 and Brexit and the future funding of higher education, but others, such as very large increases in employer’s pension contributions, are all too certain. Given the financial pressures and uncertainty facing the sector, no increases to the national pay spine are proposed for 2020/21.

In light of the position for staff covered by national pay negotiations, the University Executive Board (UEB) agreed that no budget should be made available for pay increases for senior staff within its jurisdiction and the Remuneration Committee agreed at its meeting on 20 May 2020 that no budget should be made available for pay increases for senior post-holders in 2020. The Remuneration Committee also agreed with the UEB recommendation that UEB members should proceed with a temporary voluntary pay reduction of up to 20 per cent, with effect from 1 August 2020 to 31 January 2021.

Other remuneration

Bonus

The University of York does not operate a performance-related bonus scheme for any staff, other than administering awards made under the NHS scheme for some senior clinicians.

Grading

The University operates a grading system for all staff at the University; the grading for senior post-holders is underpinned by the Hay job evaluation methodology.

Pension

Senior post-holders have access to the same employer pension schemes as other employees, namely the Universities Superannuation Scheme and, if relevant, the NHS Pension Scheme.

Other benefits

No other benefits are provided.

Sources of market data

The Remuneration Committee receives information from the following sources to support remuneration decisions for senior members of staff:

- the Korn Ferry Hay Russell Group Pay Survey which compares remuneration data for the 23 institutions that participate in the survey
- the Universities and Colleges Employers Association’s Senior Staff Remuneration Survey
- internal analysis of pay relativities and gender pay considerations
- expert searches which may be commissioned to support recruitment to specific roles.

Pay multiples

The following tables show the relationship between the remuneration of the Vice-Chancellor and President and the median value for all other staff at the University. The figures are presented for both Professor Saul Tendler as Acting Vice-Chancellor and President up to 31 August 2019 and Professor Charlie Jeffery as Vice-Chancellor and President from 1 September 2019.

Professor Saul Tendler:

1 August 2019–31 August 2019

	2019/20	2018/19
Basic salary*	7.8	7.7
Total remuneration*	8.4	8.2

Professor Charlie Jeffery:

From 1 September 2019

	2019/20	2018/19
Basic salary*	10.9	-
Total remuneration*	11.3	-

*Calculated on full-time/full-year equivalent basis for Vice-Chancellor and President and all staff

Institutional performance

The Vice-Chancellor’s remuneration package reflects the level of responsibility and skills required to maintain the reputation of a dynamic institution such as the University of York and is commensurate with the leadership strengths required to sustainably guide the University through what has been the most uncertain and turbulent period in our history.

Overseeing the continued success and development of the University while addressing the complex set of challenges posed by Covid-19 are factors in determining the salary of the Vice-Chancellor.

- **Find out more:** Review of development and performance in the year, page 25

Strategy 2030 – Vision for York

Despite the need to introduce wide-ranging measures to help the University adapt and thrive both academically and financially, the Vice-Chancellor has continued to set in motion a strategy for the next ten years.

- **Find out more:** Strategic review, page 23

Programme for change

The Vice-Chancellor has overseen the introduction of an ambitious programme of changes aimed at simplifying and improving the current academic structure up to 2023.

- **Find out more:** Organisational agility, page 23

Financial resilience

The University has been financially impacted by the Covid-19 and has nevertheless demonstrated financial resilience. In 2019/20 the University reported a deficit of £22m (excluding USS provision) which has been achieved in an extremely challenging financial environment.

External appointments and expenses

External appointments

The University of York policy on Work with Outside Bodies by Members of University Staff is provided on the University website: york.ac.uk/staff/research/governance/research-policies/policy-for-work-with-outside-bodies.

Expenses policy

The University has a stated expenses policy that applies to all staff including senior post-holders. Expenses claimed by senior post-holders and other members of the University Executive Board are published on the University website.

Remuneration Committee meetings 2019/20

In the 2019/20 financial year the Remuneration Committee met on the following dates. Individuals attending each meeting are shown in the table.

	15 Oct 2019	20 May 2020
Remuneration Committee member attendance		
Philip Carpenter Lay member of Council and Pro-Chancellor Chair of Remuneration Committee	✓	✓
Denise Jagger Chair of Council (ex officio) and Pro-Chancellor	✓	✓
Chris Thompson Treasurer (ex officio), Pro-Chancellor, Senior Independent Governor	✓	✓
Philip Rycroft Lay member of Council		✓
Claire Wesley External co-opted member of the Committee	✓	✓
In attendance		
Professor Charlie Jeffery Vice-Chancellor and President (except for matters in relation to his own salary)	✓	✓
Saul Tendler Deputy Vice-Chancellor and Provost (except for matters in relation to his own salary)	✓ Attended in the capacity of Deputy VC for one item	
Jo Horsburgh Registrar and Secretary (except for matters in relation to her own salary)	X	X
Joss Ivory Director of Human Resources (except for matters in relation to her own salary)	✓	✓

 Not applicable

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Financial review

The 2019/20 results have been adversely impacted by the Covid-19 pandemic, resulting in reductions in research grants, commercial income and receipts from student accommodation.

These financial statements have been prepared on a consolidated basis and include the University of York, its subsidiary undertakings and its share of the results of its joint operations. The activities of the subsidiaries and joint operations include letting accommodation to students, provision of utilities services, conferencing, renting of commercial spaces to research companies, operating York Sports Village, and the education of international students in our International Pathway College.

The University surplus for the year amounts to £23m compared to a deficit of £57m incurred in 2018/19. These results are significantly affected by the movement in pension provision for the Universities Superannuation Scheme. The underlying results (before Universities Superannuation Scheme provision) is a deficit of £22m compared to a surplus of £16m in 2018/19. The 2019/20 results have been adversely impacted by the Covid-19 pandemic, resulting in reductions in research grants, commercial income and receipts from student accommodation. Our planned growth in research grant income was affected by disruption to the access to laboratories, travel restrictions and a reduced number of new awards. The research income in 2018/19 also benefitted from the award of £16m of capital grants.

Income and expenditure

Income

Income for the year has declined by £16m (4%) during 2019/20. This is primarily due to the inclusion of £16m research capital grants being recognised when awarded in 2018/19 and there being no similar capital grant income in 2019/20.

In addition, University income was lower as the first national Covid-19 lockdown imposed by the UK government meant that most students left their accommodation as they returned home at Easter, with the University refunding residential fees for University owned and managed accommodation; access to research laboratories was restricted; and commercial income from University retail shops, sports facilities and commercial lettings declined.

Expenditure

Overall expenditure has increased by £17m (4%) on 2019/20. This growth in expenditure has occurred in the staff costs area where staff numbers have increased and employers' contributions to the University Superannuation Scheme have increased by 1.6% to 21.1% from 1 October 2019. In the latter part of the year the University reduced its recruitment as it implemented a business critical expenditure only policy as a result of Covid-19.

Other operating expenditure has reduced, as the University introduced a cost reduction scheme as a result of the Covid-19 pandemic.

Interest payable has increased slightly to reflect a full year of the refinancing that took place in December 2018 and the higher interest costs arising from the University of York Pension Fund and Universities Superannuation Scheme pension provisions.

The University joint ventures are heavily involved in providing residential accommodation to students. The market value of the student accommodation properties, which are treated as investment properties for accounting purposes, has declined. This reduction has affected the value of the University's share of the joint ventures' results.

Universities Superannuation Scheme

The University has reflected in its results the charges and credits arising from the valuations conducted by the Universities Superannuation Scheme. The Universities Superannuation Scheme completed a valuation on 31 March 2017, and adopted a deficit recovery plan which resulted in the University of York's share of the deficit being increased by £73m in 2018/19 to £108m at 31 July 2019.

A new scheme valuation was undertaken by 31 March 2018 and a new deficit recovery plan adopted in September 2019. The change in the recovery plan has reduced the University of York share of the deficit from £108m to £65m on 31 July 2020.

Income and Expenditure

	31 July 2020 £m	31 July 2019 £m
Income	376	392
Expenditure	(399)	(382)
Joint venture and other income	1	6
(Deficit)/surplus before USS	(22)	16
Universities Superannuation Scheme (USS)	45	(73)
Surplus/(deficit) after USS	23	(57)

£23m

Surplus

Income

	31 July 2020 £m	31 July 2019 £m
Tuition fees and education contracts	197	189
Funding body grants	48	43
Research grants and contracts	68	86
Other income	60	70
Investment income	1	2
Donations and endowments	2	2
Total income	376	392

£376m

Total income

Expenditure

	31 July 2020 £m	31 July 2019 £m
Staff costs	238	222
Other operating expenses	118	119
Depreciation	32	32
Interest	11	9
Total expenditure	399	382

£399m

Total expenditure

Balance sheet

	31 July 2020 £m	31 July 2019 £m
Fixed assets	557	565
Debtors and stock	71	73
Cash	165	144
Creditors: Amounts due under one year	(108)	(104)
Creditors: Amounts due over one year	(236)	(214)
Pension provisions	(153)	(143)
Net assets	296	321

£296m

Net assets at 31 July 2020

Cash flow

	31 July 2020 £m	31 July 2019 £m
Cash balances at the start of the year	144	82
Operating cash flow	19	36
Investment, joint venture and endowment income	6	5
Interest paid	(10)	(9)
Free cash flow	15	32
Capital expenditure	(26)	(14)
Capital grants received	9	4
Residences receipt/purchase of SAP3 LLP	23	(9)
Debt refinancing	-	49
Cash balances at the end of the year	165	144

£165m

Cash at 31 July 2020



University of York Pension Fund

The service cost of employees (£8m) in the University of York Pension Fund has been included as expenditure. This is more than the current contributions being made to the scheme (£4m). The fund was undertaking its triennial valuation at 31 July 2020. At this stage the outcome of the valuation is not known or agreed.

Balance sheet

Overall the net assets/total reserves have fallen by £25m, from £321m to £296m, reflecting the surplus for the year and the movements in other comprehensive income.

Tangible fixed assets at 31 July 2020 amount to £527m. During 2019/20 depreciation charges are £32m and capital expenditure is £26m. The major items of fixed asset expenditure in the year are:

- reconfiguration of the Smith and Nephew building for the York Management School
- construction of the Eleanor and Guy Dodson building for the Department of Biology
- development of HYMS buildings and facilities to accommodate increasing student numbers
- initial works on the construction of a new research facility to investigate the safety of robotics and autonomous systems
- improvements to students' learning spaces
- IT infrastructure projects to support enterprise systems and IT strategy
- new multi-purpose electricity substation on Campus West to enable the site's strategic development
- equipment including equipment for cryo-electron microscopy and other research projects.

Cash at 31 July 2020 amounts to £165m, an increase of £21m from the balance at 31 July 2019 (£144m). The balance amounts to 163 days' expenditure (2018/19 150 days). These balances are being held to provide resilience against risks and events that challenge University operations and financial stability. These balances have been consciously grown to manage the risks around Brexit, the outcome of the tuition fee review (Augur) and challenges around pensions. These balances have provided liquidity assurance during the Covid-19 pandemic and measures have been put in place to preserve cash since the start of the pandemic in the UK. In the event that these risks do not materialise, then the University's cash holding could be invested in our student, research and teaching activities.

Creditors: Amounts due under one year have increased by £4m to £108m at 31 July 2020. The increase is due



to a combination of higher levels of income being received in advance for research projects offset by reduced levels of accruals for operating costs and capital expenditure.

Creditors: Amounts due over one year have increased by £22m in 2019/20. The University has signed a contract for a company to design, build and operate 1,400 student accommodation rooms on campus. As a result the University has received £23m in 2019/20 and is due to receive a further £6m when the construction is completed. The amount received (£23m) has been deferred and is being released over the life of the contract.

Pension provisions have increased by £10m in 2019/20. The Universities Superannuation Scheme provision has reduced by £43m in 2019/20, reflecting the adoption of a new deficit recovery plan in September 2019. The University of York Pension Fund provision has increased from £35m to £89m. This

large increase is mainly because of the reduction in interest rates and discount rates arising from the actions of the UK government to assist the UK economy in resolving the financial events arising from Covid-19. The actuarial discount rate used to calculate the pension provision has reduced from 2% at 31 July 2019 to 1.3% at 31 July 2020. This reduction, together with changes to other actuarial assumptions, has resulted in the loss of £49m being recognised in Other Comprehensive Income.

Cash flow

Free cash flow, which is operating cash adjusted for investment income, joint venture receipts, endowment income and interest paid, has deteriorated in 2019/20 due to a reduction in cash receipts as University services were curtailed due to the impact of Covid-19. The majority of the University payments are staff-related and these have continued throughout the year.

However, in the latter part of the year, in order to bring expenditure into line with reduced levels of income, the University introduced a business critical spend only policy, which has included restricting the number of new University staff appointments.

Cash flows from investing activities amount to £10m inflow in 2019/20, compared to £16m outflow in 2018/19. This is primarily due to the receipt of £23m from the Campus East student residences project. Capital expenditure in 2019/20, at £26m, actually exceeded that in 2018/19 by £11m, but investing cash flows were reduced by the residences receipt.

Financing cash flows have fallen £42m to an £8m outflow, due largely, as in 2018/19, to the University issuing a bond for £120m and repaying loans with a value of £71m.

Going concern

The University has established a series of strategic aims (see page 23) from which the financial forecasts of income, expenditure and cash flows have been determined for the period up to 31 July 2022.

Given the risks outlined on pages 24-25, and in particular those due to Covid-19, we have developed a range of planning scenarios and stress tested various assumptions. Our plausible downside planning scenario includes significant shortfalls in international student fee income, research income and commercial income (including residential) over the next two financial years 2020/21 and 2021/22. We have also stress tested assumptions around other key risks, including the potential significant increase in USS pension contributions from October 2021.

Although this scenario shows significant potential loss of income, we will mitigate this in part through cost savings. This potential action combined with our cash balances ensure that Council is confident that the University is well positioned to meet these financial challenges for at least 12 months from the signing date of these accounts. We are satisfied that the University is a going concern and the accounts are prepared on that basis.



Council's accounting responsibilities

The University Council is responsible for preparing the Annual Report and Financial Statements in accordance with the requirements of the Office for Students and Research England's terms and conditions of funding and applicable law and regulations.

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

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

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

The University Council is responsible for keeping proper accounts and records in relation to the accounts.

It is responsible for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and has general responsibility for taking such steps as are reasonably open to it to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

The University Council is also responsible for:

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

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

Independent auditor's report

to the Council of the University of York

We have audited the financial statements of the University of York ("the University") for the year ended 31 July 2020 which comprise the consolidated and University statement of comprehensive income and expenditure, consolidated and University statement of changes in reserves, consolidated and University balance sheets, consolidated cash flow statement and related notes, including the statement of principal accounting policies.

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and the University's affairs as at 31 July 2020, and of the Group's and the University's income and expenditure, gains and losses and changes in reserves, and of the Group's cash flows, for the year then ended
- have been properly prepared in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland, and with the 2019 Statement of Recommended Practice - Accounting for Further and Higher Education
- meet the requirements of the Accounts Direction dated 25 October 2019 issued by the Office for Students.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and

are independent of the Group in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

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

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the Council's conclusions, we considered the inherent risks to the Group's business model, and analysed how those risks might affect the Group and the University's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable

at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Group or the University will continue in operation.

Other information

The Council is responsible for the other information, which comprises the strategic review and the governance section. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.

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

Council responsibilities

As explained more fully in their statement set out on page 63, the Council is responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and parent University's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless it either intends to liquidate

the Group or the parent University or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities

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

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

Report on other legal and regulatory requirements

We are required to report on the following matters by the Accounts

Direction dated 25 October 2019 issued by the Office for Students ('the Accounts Direction').

In our opinion, in all material respects:

- funds from whatever source administered by the Group or the University for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation
- income has been applied in accordance with the University's Statutes
- funds provided by the Office for Students, UK Research and Innovation (including Research England), the Education and Skills Funding Agency and the Department for Education have been applied in accordance with the relevant terms and conditions.

Matters on which we are required to report by exception

We are required by the Accounts Direction to report to you where the University has an access and participation plan that has been approved by the Office for Students' director of fair access and participation and the results of our

audit work indicate that the Group's and the University's expenditure on access and participation activities for the financial year disclosed in Note 30 has been materially misstated.

We are also required by the Accounts Direction to report to you where the results of our audit work indicate that the Group's and the University's grant and fee income as disclosed in Note 31 to the financial statements has been materially misstated.

We have nothing to report in these respects.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Council, in accordance with the Charters and Statutes of the institution. Our audit work has been undertaken so that we might state to the Council those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the University and the Council for our audit work, for this report, or for the opinions we have formed.

Clare Partridge
for and on behalf of **KPMG LLP,**
Statutory Auditor

Chartered Accountants
1 Sovereign Square, Leeds LS1 4DA
27 January 2021

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A University of York student at the
Red Goat Climbing centre in the city



Statement of principal accounting policies

1. Basis of preparation

These financial statements have been prepared in accordance with the Statement of Recommended Practice – Accounting for Further and Higher Education 2019 and in accordance with Financial Reporting Standards (FRS 102). The University is a public benefit entity and therefore has applied the relevant public benefit requirement of FRS 102. The financial statements are prepared in accordance with the historical cost convention (modified by the revaluation of derivative financial instruments, investment properties, and joint ventures).

The financial statements have been prepared on a going concern basis, which the Council considers to be appropriate for the following reasons.

The Council has prepared cash flow forecasts for the period up to 31 July 2022.

After reviewing these forecasts, the Council is of the opinion that, taking account of severe but plausible downsides, including the anticipated impact of Covid-19, the Group and University will have sufficient funds to meet their liabilities as they fall due over the period of at least 12 months from the date of approval of the financial statements (the going concern assessment period).

Several going concern scenarios were considered, covering optimistic, realistic, pessimistic and worst case outcomes. As parameters have tightened, the extremes covered by the optimistic and worst case scenarios have significantly reduced in probability, so represent the outer bounds of likelihood. The high level assessment covered associated risks under the following headings:

- Student tuition and accommodation fee income
- Research funding
- Partnerships and related income
- Infrastructure and maintenance services suppliers
- Employees – access to right quality and numbers of staff
- Financing
- Regulation

Tuition fee, research, residential and commercial income were all subject to stress testing, as well as the impact of Covid-19 on both pay and non-pay expenditure. Under our pessimistic scenario with mitigations, cash remains above our own treasury minimum of 90 days' expenditure.

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

2. Basis of consolidation

The consolidated financial statements include the University and all its subsidiaries for the financial year to 31 July 2020. The results of subsidiaries acquired or disposed of during the period are included in the consolidated statement of income and expenditure from the date of acquisition or up to the date of disposal. Intra-group transactions are eliminated on consolidation. The consolidated financial statements do not include the income and expenditure of the Students' Union and the Graduate Students' Association as the University does not exert control or dominant influence over policy decisions. Associated companies and joint

ventures are accounted for using the equity method.

3. Income recognition

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

Fee income is stated gross of any expenditure which is not a discount and credited to the statement of comprehensive income and expenditure over the period in which students are studying. Where the amount of the tuition fee is reduced, by a discount for prompt payment, income receivable is shown net of the discount. Bursaries and scholarships are accounted for gross as expenditure and not deducted from income. Investment income is credited to the statement of income and expenditure on a receivable basis. Funds the University receives and disburses as paying agent on behalf of a funding body are excluded from the income and expenditure of the University where the University is exposed to minimal risk or enjoys minimal economic benefit related to the transaction.

Grant funding, including teaching grants from the Office for Students, research grants from government sources and grants (including research grants) from non-government sources, is recognised as income when the University is entitled to the income and performance-related conditions have been met. Income received in advance of performance-related conditions being met is recognised as deferred income within creditors

on the balance sheet and released to income as the conditions are met.

Donations and endowments with donor-imposed restrictions are recognised in income when the University is entitled to the funds. Income is retained within the restricted reserve until such time that it is utilised in line with such restrictions, at which point the income is released to general reserves through a reserve transfer. Donations with no restrictions are recognised in income when the University is entitled to the funds.

Investment income and appreciation of endowments are recorded in income in the year in which they arise and as either restricted or unrestricted income according to the terms applied to the individual endowment fund.

Four main types of donations and endowments may be identified within reserves.

- Restricted donations: the donor has specified that the donation must be used for a particular objective.
- Unrestricted permanent endowments: the donor has specified that the fund is to be permanently invested to generate an income stream for the general benefit of the University.
- Restricted expendable endowments: the donor has specified a particular objective other than the purchase or construction of tangible fixed assets and the University has the power to use the capital.
- Restricted permanent endowments: the donor has specified that the fund is to be permanently invested to generate an income stream to be applied to a particular objective.

4. Capital grants

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

5. Accounting for retirement benefits

The three principal pension schemes for the University's staff are the Universities Superannuation Scheme (USS), the University of York Pension Fund (UoYPF) and the People's Pension Scheme. Both the Universities Superannuation Scheme and University of York Pension Fund are defined benefit schemes and are externally funded. The People's Pension Scheme is a defined contribution scheme.

Defined contribution scheme

A defined contribution scheme is a post-employment benefit scheme under which the University pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension schemes are recognised as an expense in the income statement in the periods during which services are rendered by employees.

Defined benefit schemes

Defined benefit schemes are post-employment benefit schemes other than defined contribution schemes. Under defined benefit schemes, the University's obligation is to provide the agreed benefits to current and former employees, and actuarial risk (that benefits will cost more or less than expected) and investment risk (that returns on assets set aside to fund the benefits will differ from

expectations) are borne, in substance, by the University.

The University recognises a liability for its obligations under defined benefit schemes net of scheme 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 scheme assets. The calculation is performed by a qualified actuary using the projected unit credit method. Where the calculation results in a net asset, recognition of the asset is limited to the extent to which the University is able to recover the surplus, either through reduced contributions in the future or through refunds from the scheme.

Universities Superannuation Scheme

The University participates in the Universities Superannuation Scheme. The scheme is a hybrid pension scheme, providing defined benefits (for all members) as well as defined contribution benefits. The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the assets are not attributed to individual 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 institution 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 and 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 scheme will fund the overall deficit, the University recognises a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and therefore an expense is recognised. The University will continue to account for the existing agreement until a new agreement is in place.

6. Employment benefits

Short-term employment benefits such as salaries and compensated absences (ie holiday pay) 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.

7. Finance leases

Leases in which the University assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. Leased assets acquired by way of finance lease and the corresponding lease liabilities are initially recognised at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease. Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

8. Operating leases

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

9. Foreign currency

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in surplus or deficit.

10. Fixed assets

Fixed assets are stated at cost/ deemed cost less accumulated depreciation and accumulated impairment losses. Certain items of fixed assets that had been revalued to fair value on or prior to the date of transition to the 2015 Further Education and Higher Education Statement of Recommended Practice are measured on the basis of deemed cost, being the revalued amount at the date of that revaluation. Where parts of a fixed asset have different useful lives, they are accounted for as separate items of fixed assets.

Land and buildings

Land and buildings are measured using the cost/deemed cost model. 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.

Freehold land is not depreciated as it is considered to have an indefinite useful life. Freehold buildings are depreciated on a straight-line basis over their expected useful lives (maximum 50 years). Temporary buildings are depreciated over 10 years on a straight-line basis.

Leasehold land and buildings are depreciated over the life of the lease up to a maximum of 50 years. No depreciation is charged on assets in the course of construction.

Equipment

Equipment, including computers and software, costing less than £20,000 per individual item is recognised as expenditure. Capitalised equipment costing more than £20,000 per individual item is stated at cost and depreciated over its expected useful life as follows:

- Equipment 2-10 years
- Mechanical and electrical installations 15-40 years
- Vehicles 3-20 years

Heritage assets

Works of art and other valuable artefacts have been capitalised and recognised at the cost or value of the acquisition, where such a cost or valuation is reasonably obtainable. Heritage assets are not depreciated as their long economic life and high residual value mean that any depreciation would not be material.

11. Investments

Investments in subsidiaries are carried at cost less impairment in the University's accounts. Current asset investments are held at fair value with movements recognised in the surplus or deficit.

12. Stock

Stock is held at the lower of cost and net realisable value, and is measured using an average cost formula.

13. Cash and cash equivalents

Cash includes cash in hand, deposits repayable on demand and overdrafts. Deposits are repayable on demand if they are in practice available within 24 hours without penalty. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with insignificant risk of change in value.

14. Provisions, contingent liabilities and contingent assets

Provisions are recognised in the financial statements when:

- the University has a present obligation (legal or constructive) as a result of a past event
- it is probable that an outflow of economic benefits will be required to settle the obligation
- a reliable estimate can be made of the amount of the obligation.

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

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

A contingent asset arises where an event has taken place that gives the University a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the University. Contingent assets and liabilities are not recognised in the balance sheet but are disclosed in the notes.

15. Accounting for joint operations, jointly controlled assets and jointly controlled operations

The University accounts for its share of joint ventures using the equity method. The University accounts for its share of transactions from joint operations and jointly controlled assets in the statement of comprehensive income and expenditure.

16. Taxation

The University is an exempt charity within the meaning of Part 3 of the Charities Act 2011. It is therefore a charity within the meaning of Paragraph 1 of Schedule 6 to the Finance Act 2010 and, accordingly, the University is potentially exempt from taxation in respect of income or capital gains received within categories covered by sections 478-488 of the Corporation Tax Act 2010 (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 costs of such inputs. Any irrecoverable VAT allocated to fixed assets is included in their cost.

The University's subsidiaries are liable to Corporation Tax in the same way as any other commercial organisation. Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current rates and law.

17. Reserves

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

18. Accounting currency

The University is based in the United Kingdom. The financial statements are prepared in GBP, the currency of the United Kingdom. The amounts have been rounded to the nearest thousand pounds.

The consolidated accounts show the results of the University and its subsidiaries.

19. Financial instrument risks

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

The University's financial assets and liabilities meet the criteria for basic financial instruments prescribed within FRS 102 and are measured as stated below.

Investments

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

Short-term debtors and creditors

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

Loans

Loans are basic financial instruments that are initially recorded at the transaction price, net of transaction costs. Subsequently, they are measured at the transaction price, net of transaction costs.

Other financial instruments are measured as stated below.

Price and interest rate risk

Price risk arises on financial instruments because of changes, for example, in commodity prices or equity prices. Listed investments are exposed to price risk but this exposure is within the University's risk appetite. Bank deposits are subject to variable interest rates and the University is exposed to financial risk on these assets. The University does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the University. The credit risk on liquid funds and financial instruments is limited because the

counterparties are banks with high credit ratings which have been assigned by international credit trading agencies. Credit exposure is controlled by counterparty limits that are reviewed and approved by the Finance Committee. Trade receivables consist of a large number of customers, spread across diverse sectors, populations and geographical areas.

Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the University Council. The University manages liquidity risk by maintaining adequate cash balances, banking facilities and borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of certain financial assets and liabilities.

20. Accounting estimates

Key estimates included in these accounts are stated below.

Universities Superannuation Scheme

The University participates in the Universities Superannuation Scheme (USS). The scheme is a hybrid pension scheme, providing defined benefits (for all members), as well as defined contribution benefits.

FRS 102 makes the distinction between a group plan and a multi-employer scheme. A group plan consists of a collection of entities under common control, typically with a sponsoring employer. A multi-employer scheme is a scheme for entities not under common control and represents (typically) an industry-wide scheme such as the Universities Superannuation Scheme. The accounting for a multi-employer scheme where the employer has entered into an agreement with the scheme that determines how the employer will fund a deficit results in the recognition of a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit). The resulting expense is recorded in the statement of comprehensive income and expenditure in accordance with section

28 of FRS 102. The Council is satisfied that the Universities Superannuation Scheme meets the definition of a multi-employer scheme and has therefore recognised the discounted fair value of the contractual contributions under the funding plan in existence at the date of approving the financial statements.

In accordance with the requirements of the Statement of Recommended Practice – Accounting for Further and Higher Education, the University currently recognises a provision for its obligation to fund past deficits arising within the Universities Superannuation Scheme. A new deficit recovery plan was put in place as part of the 2018 valuation, and this is reflected in the pension liability provision at 31 July 2020. The provision at 31 July 2019 reflected the results of the 2017 valuation of the scheme.

Details of this provision, which has been discounted at a rate of 0.73 per cent as at 31 July 2020 are included in Note 29 to the accounts.

Sensitivity analysis is provided below, based on possible changes of the assumptions occurring at 31 July 2020. The sensitivities have been derived in the same manner as the defined benefit obligation as at 31 July 2020.

The sensitivities are calculated by changing each assumption with all other things held constant.

- Decrease in discount rate by 0.5% from 0.73% to 0.23% leads to a increase in the provision of £1.5m at 31 July 2020.
- Increase in the combined growth in future payroll costs for inflation, pay rises or additional staff by 0.5% per annum leads to an increase in the provision of £1.5m at 31 July 2020.

It is acknowledged that presuming all other assumptions remain constant has inherent limitation given that it is more likely to be a combination of changes, but highlights the value of each individual risk and is therefore a suitable basis for providing this analysis.

University of York Pension Fund

The University of York Pension Fund is accounted for as a defined benefit scheme. Pension costs under FRS



102 and the amount of the provision in the balance sheet are based on the actuarial valuation (calculated on accounting basis), and on assumptions, including the appropriate discount rate, agreed by management following actuarial advice. These assumptions are detailed in Note 29 to the accounts.

The following sensitivity analysis has been calculated for changes to the assumptions underlying the pension provision:

- If the discount rate decreases by 0.5% then the pension provision at 31 July 2020 increases by £29.3m.
- If salary increases are 0.5% higher, then the pension provision increases by £7.9m.
- If inflation is 0.5% higher, then the pension provision increases by £4.6m.

It is acknowledged that presuming all other assumptions remain constant has inherent limitation given that it is more likely to be a combination of changes, but highlights the value of each individual risk and is therefore a suitable basis for providing this analysis.

Goodwill

In 2018/19 the University purchased 50 per cent of Student Accommodation Provision Three LLP. The Group now owns 100 per cent of the equity of the entity. Student Accommodation Provision Three LLP owns one of the University residential sites (Constantine College). The goodwill relating to the acquisition is being amortised over 10 years.

21. Accounting judgements

Key judgements used in the preparation of the accounts are as follows.

Impairment of land and buildings

The University estate is valued on historical cost basis. The University is not planning to significantly alter its portfolio of properties and buildings. The values of the properties have been reviewed and assessed as reasonable.

Consolidated and University statement of comprehensive income and expenditure

	Notes	Consolidated		University	
		Year ended 31 July 2020 £000	Year ended 31 July 2019 £000	Year ended 31 July 2020 £000	Year ended 31 July 2019 £000
Income					
Tuition fees and education contracts	1	196,656	188,525	196,656	188,525
Funding body grants	2	48,415	43,244	48,415	43,244
Research grants and contracts	3	67,805	86,091	67,805	86,091
Other income	4	59,933	70,409	48,740	56,835
Investment income	5	1,610	1,549	3,339	2,999
Donations and endowments	6	2,063	1,972	2,063	1,972
Total income		376,482	391,790	367,018	379,666
Expenditure					
Staff costs - excluding Universities Superannuation Scheme provision		238,401	221,979	228,482	212,705
Staff costs - Universities Superannuation Scheme provision	19	(44,868)	73,042	(44,762)	72,932
Total staff costs	7	193,533	295,021	183,720	285,637
Other operating expenses		117,890	118,721	119,904	119,038
Depreciation	12	32,230	32,550	28,748	29,073
Interest and other finance costs	8	11,098	8,769	9,474	7,193
Total expenditure	9	354,751	455,061	341,846	440,941
Surplus/(deficit) before other gains/(losses) and share of operating surplus of joint ventures		21,731	(63,271)	25,172	(61,275)
Gain on disposal of fixed assets		-	866	-	866
Gain on investments		207	265	207	265
Amortisation of goodwill	11	(341)	(284)	(341)	(284)
Share of operating surplus in joint ventures	15	1,667	5,334	-	-
Surplus/(deficit) before tax		23,264	(57,090)	25,038	(60,428)
Taxation	10	-	-	-	-
Surplus/(deficit) for the year		23,264	(57,090)	25,038	(60,428)
Pension scheme actuarial (losses) (calculated on accounting basis)	29	(48,734)	(25,904)	(48,734)	(25,904)
Total comprehensive income for the year		(25,470)	(82,994)	(23,696)	(86,332)
Represented by					
Endowment comprehensive income for the year		85	169	85	169
Restricted donations comprehensive income for the year		334	311	334	311
Restricted grants comprehensive income for the year		(2,065)	14,399	(2,065)	14,399
Unrestricted comprehensive income for the year		(23,751)	(97,848)	(22,050)	(101,211)
Attributable to the University		(25,397)	(82,969)	(23,696)	(86,332)
Attributable to the non-controlling interest		(73)	(25)	-	-
		(25,470)	(82,994)	(23,696)	(86,332)
All items of income and expenditure relate to continuing activities.					
The table below does not form part of the financial statements.					
Surplus/(deficit) for the year		23,264	(57,090)	25,038	(60,428)
Universities Superannuation Scheme provision		(44,868)	73,042	(44,762)	72,932
Surplus/(deficit) for the year excluding USS pension provision		(21,604)	15,952	(19,724)	12,504

The accompanying notes form an integral part of the financial statements.

Consolidated and University statement of changes in reserves

	Income and expenditure account				Total excluding non-controlling interest £000	Non-controlling interest £000	Total £000
	Endowments	Restricted donations	Restricted capital grants	Unrestricted			
	£000	£000	£000	£000			
Consolidated							
Balance at 1 August 2018	6,886	8,318	2,547	381,517	399,268	645	399,913
Surplus/(deficit) from the income and expenditure statement	169	311	15,899	(73,444)	(57,065)	(25)	(57,090)
Pension scheme actuarial (losses)/gains (calculated on accounting basis)	-	-	-	(25,904)	(25,904)	-	(25,904)
Release of restricted funds spent in the year	-	-	(1,500)	1,500	-	-	-
Total comprehensive income for the year	169	311	14,399	(97,848)	(82,969)	(25)	(82,994)
Acquisition of Student Accommodation Provision Three LLP	-	-	-	4,233	4,233	-	4,233
Balance at 1 August 2019	7,055	8,629	16,946	287,902	320,532	620	321,152
Surplus/(deficit) from the income and expenditure statement	85	334	2,878	20,040	23,337	(73)	23,264
Pension scheme actuarial (losses)/gains (calculated on accounting basis)	-	-	-	(48,734)	(48,734)	-	(48,734)
Release of restricted funds spent in year	-	-	(4,943)	4,943	-	-	-
Total comprehensive income for the year	85	334	(2,065)	(23,751)	(25,397)	(73)	(25,470)
Balance at 31 July 2020	7,140	8,963	14,881	264,151	295,135	547	295,682
	Income and expenditure account				Total excluding non-controlling interest £000	Non-controlling interest £000	Total £000
	Endowments	Restricted donations	Restricted capital grants	Unrestricted			
	£000	£000	£000	£000			
University							
Balance at 1 August 2018	6,886	8,318	2,547	353,786	371,537	-	371,537
Surplus/(deficit) from the income and expenditure statement	169	311	15,899	(76,807)	(60,428)	-	(60,428)
Pension scheme actuarial (losses)/gains (calculated on accounting basis)	-	-	-	(25,904)	(25,904)	-	(25,904)
Release of restricted funds spent in the year	-	-	(1,500)	1,500	-	-	-
Total comprehensive income for the year	169	311	14,399	(101,211)	(86,332)	-	(86,332)
Balance at 1 August 2019	7,055	8,629	16,946	252,575	285,205	-	285,205
Surplus/(deficit) from the income and expenditure statement	85	334	2,878	21,741	25,038	-	25,038
Pension scheme actuarial (losses)/gains (calculated on accounting basis)	-	-	-	(48,734)	(48,734)	-	(48,734)
Release of restricted funds spent in year	-	-	(4,943)	4,943	-	-	-
Total comprehensive income for the year	85	334	(2,065)	(22,050)	(23,696)	-	(23,696)
Balance at 31 July 2020	7,140	8,963	14,881	230,525	261,509	-	261,509

The accompanying notes form an integral part of the financial statements.

Consolidated and University balance sheets

	Notes	Consolidated		University	
		31 July 2020 £000	31 July 2019 £000	31 July 2020 £000	31 July 2019 £000
Assets					
Non-current assets					
Intangible assets	11	2,780	3,121	2,780	3,121
Fixed assets	12	526,737	533,071	437,839	438,974
Heritage assets	13	1,278	1,278	1,278	1,278
Investments	14	7,032	6,803	51,576	45,205
Investments in joint ventures	15	19,464	20,492	5,817	5,817
		557,291	564,765	499,290	494,395
Current assets					
Stock		544	590	56	61
Trade and other receivables	16	70,788	72,729	78,237	86,302
Cash and cash equivalents	22	164,525	143,868	150,710	130,761
		235,857	217,187	229,003	217,124
Less: Creditors: amounts falling due within one year	17	(108,167)	(104,403)	(104,966)	(97,977)
Net current assets		127,690	112,784	124,037	119,147
Total assets less current liabilities		684,981	677,549	623,327	613,542
Creditors: amounts falling due after more than one year	18	(235,879)	(213,506)	(208,465)	(185,617)
Provisions					
Pension provisions	19	(153,420)	(142,891)	(153,353)	(142,720)
Total net assets		295,682	321,152	261,509	285,205
Reserves					
Restricted reserves					
Income and expenditure reserve – endowments	20	7,140	7,055	7,140	7,055
Income and expenditure reserve – restricted donations	21	8,963	8,629	8,963	8,629
Income and expenditure reserve – restricted capital grants	21	14,881	16,946	14,881	16,946
Unrestricted reserves					
Income and expenditure reserve – unrestricted		264,151	287,902	230,525	252,575
		295,135	320,532	261,509	285,205
Non-controlling interest		547	620	-	-
Total reserves		295,682	321,152	261,509	285,205

The accompanying notes form an integral part of the financial statements.

The financial statements were approved by the Council on 25 January 2021 and were signed on its behalf by:

Professor Charlie Jeffery, Vice-Chancellor and President

Ms Denise Jagger, Chair of Council

Mr Jeremy Lindley, Finance Director

Consolidated cash flow statement

	Year ended 31 July 2020 £000	Year ended 31 July 2019 £000
Cash flow from operating activities		
Surplus/(deficit) for the year	23,264	(57,090)
Adjustment for non-cash items		
Depreciation	32,230	32,550
Goodwill amortisation	341	284
Gain on investments	(207)	(265)
(Increase)/decrease in stock	46	(19)
Decrease/(increase) in debtors	572	(942)
Increase in creditors	5,146	3,544
(Decrease)/increase in pension provisions	(38,205)	78,916
Share of operating (surplus) in joint ventures	(1,667)	(5,334)
	(1,744)	108,734
Adjustment for investing or financing activities		
Investment income	(1,610)	(1,549)
Interest payable	8,651	8,769
Donations and endowments	(2,063)	(1,972)
Profit on the sale of fixed assets	-	(866)
Capital grant income	(7,231)	(19,754)
	(2,253)	(15,372)
Net cash inflow from operating activities	19,267	36,272
Cash flows from investing activities		
Proceeds from sales of fixed assets	-	866
Capital grants receipts	8,583	4,118
(Acquisition)/disposal of non-current asset investments	(22)	2
Receipt from Residences transaction	22,833	-
Purchase of Student Accommodation Provision Three LLP	-	(9,174)
Receipts from joint ventures	2,695	1,000
Investment income	1,627	1,548
Payments made to acquire fixed assets	(25,772)	(14,813)
Total investing activities	9,944	(16,453)
Cash flows from financing activities		
Interest paid	(10,279)	(8,987)
Endowment cash received	2,063	1,972
New unsecured loans	-	120,000
Repayments of amounts borrowed	(338)	(70,739)
Total financing activities	(8,554)	42,246
Increase in cash and cash equivalents in the year	20,657	62,065
Cash and cash equivalents at beginning of the year	143,868	81,803
Cash and cash equivalents at end of the year	164,525	143,868
Increase in cash balances	20,657	62,065

The accompanying notes form an integral part of the financial statements.

Notes to the accounts

1. Tuition fees and education contracts

	Consolidated		University	
	Year ended 31 July 2020	Year ended 31 July 2019	Year ended 31 July 2020	Year ended 31 July 2019
	£000	£000	£000	£000
Full-time home and EU students	116,021	114,424	116,021	114,424
Full-time international students	60,984	52,245	60,984	52,245
Part-time students	5,953	3,868	5,953	3,868
Other teaching contract course fees	1,277	3,463	1,277	3,463
Research training support grant	9,728	9,827	9,728	9,827
Short courses and other fees	2,693	4,698	2,693	4,698
	196,656	188,525	196,656	188,525

2. Funding body grants

	Consolidated		University	
	Year ended 31 July 2020	Year ended 31 July 2019	Year ended 31 July 2020	Year ended 31 July 2019
	£000	£000	£000	£000
Office for Students	9,588	9,480	9,588	9,480
Research England	25,823	23,046	25,903	23,046
Specific grants	13,004	10,718	12,924	10,718
	48,415	43,244	48,415	43,244

3. Research grants and contracts

	Consolidated		University	
	Year ended 31 July 2020	Year ended 31 July 2019	Year ended 31 July 2020	Year ended 31 July 2019
	£000	£000	£000	£000
UK research councils	28,073	46,101	28,073	46,101
UK-based charities	9,656	9,741	9,656	9,741
UK government bodies, local authorities, health and hospital authorities	16,764	15,340	16,764	15,340
UK industry and commerce	716	1,447	716	1,447
EU government bodies and similar organisations	9,471	10,517	9,471	10,517
Overseas bodies	3,125	2,945	3,125	2,945
	67,805	86,091	67,805	86,091

The University has recognised £2.6m (2018/19 £15.9m) of capital grants for research equipment and property. In line with the requirements of FRS 102 these have been recognised in the year when the grants have been announced rather than in the year when capital expenditure is incurred.

4. Other income

	Consolidated		University	
	Year ended 31 July 2020	Year ended 31 July 2019	Year ended 31 July 2020	Year ended 31 July 2019
	£000	£000	£000	£000
Residences, catering, conferences and retail activities	57,252	68,118	46,059	54,544
Other income	2,681	2,291	2,681	2,291
	59,933	70,409	48,740	56,835

5. Investment income

	Notes	Consolidated		University	
		Year ended 31 July 2020 £000	Year ended 31 July 2019 £000	Year ended 31 July 2020 £000	Year ended 31 July 2019 £000
Investment income on endowments	20	129	258	129	258
Investment income on restricted reserves	21	48	59	48	59
Other investment income		1,433	1,232	3,162	2,682
		1,610	1,549	3,339	2,999

6. Donations and endowments

	Notes	Consolidated		University	
		Year ended 31 July 2020 £000	Year ended 31 July 2019 £000	Year ended 31 July 2020 £000	Year ended 31 July 2019 £000
Donations with restrictions	21	2,029	1,764	2,029	1,764
Unrestricted donations		34	208	34	208
		2,063	1,972	2,063	1,972

7. Staff costs

	Notes	Consolidated		University	
		Year ended 31 July 2020 £000	Year ended 31 July 2019 £000	Year ended 31 July 2020 £000	Year ended 31 July 2019 £000
Salaries		183,736	172,861	174,203	164,284
Social security costs		17,763	17,020	17,452	16,453
Pension costs	29	35,776	31,742	35,711	31,647
Early retirement and severance costs		1,126	356	1,116	321
Movement in Universities Superannuation Scheme provision	29	(44,868)	73,042	(44,762)	72,932
		193,533	295,021	183,720	285,637

	Year ended 31 July 2020 £	Year ended 31 July 2019 £
Vice-Chancellor and President, Professor Charlie Jeffery (from 1 September 2019)		
Salary before salary sacrifice arrangements	261,250	-
Salary sacrificed	-	-
Salary after salary sacrifice arrangements	261,250	-
Employer's pension contributions	-	-
Pension contributions made under salary sacrifice arrangements	-	-
Total pension contributions	-	-
Taxable benefits in kind	37,550	-
Non-taxable benefits in kind	8,000	-
Total remuneration	306,800	-

Notes to the accounts (continued)

	Year ended 31 July 2020	Year ended 31 July 2019
	£	£
Acting Vice-Chancellor and President, Professor Saul Tendler (from 1 November 2018 until 31 August 2019)		
Salary before salary sacrifice arrangements	17,012	153,109
Salary sacrificed	(1,497)	(12,793)
Salary after salary sacrifice arrangements	15,515	140,316
Employer's pension contributions	3,317	28,581
Pension contributions made under salary sacrifice arrangements	1,497	12,793
Total pension contributions	4,814	41,374
Taxable benefits in kind	-	-
Non-taxable benefits in kind	-	-
Total remuneration	20,329	181,690
Vice-Chancellor and President, Professor Koen Lamberts (until 31 October 2018)		
Salary before salary sacrifice arrangements	-	63,563
Salary sacrificed	-	(5,085)
Salary after salary sacrifice arrangements	-	58,478
Employer's pension contributions	-	11,441
Pension contributions made under salary sacrifice arrangements	-	5,085
Total pension contributions	-	16,526
Taxable benefits in kind	-	414
Non-taxable benefits in kind	-	5,250
Total remuneration	-	80,668

Remuneration

The Vice-Chancellors' and the Acting Vice-Chancellor's remuneration is determined by the Remuneration Committee. The remuneration package reflects:

- external comparator data including those for the Russell Group
- individual performance against strategic objectives that encompass all aspects of the role
- the level of responsibility and skills required to maintain the reputation of a dynamic institution such as the University of York
- the leadership strengths and qualities required to guide the University through the turbulent and unpredictable future facing the UK higher education sector
- the scale, complexity and success of the institution.

Further details of the remuneration of the Vice-Chancellors, Acting Vice-Chancellor and other staff can be found in the remuneration report on page 51.

Pensions

The current Vice-Chancellor, Charlie Jeffery, is not a member of a pension scheme.

The former Vice-Chancellor, Koen Lamberts, and the Acting Vice-Chancellor, Saul Tendler, were members of the Universities Superannuation Scheme (USS) to which contributions were made at the same rates as for other University staff.

Salary sacrifice arrangements

The current Vice-Chancellor, Charlie Jeffery, is not a member of the University salary sacrifice scheme.

The former Vice-Chancellor, Koen Lamberts, and the Acting Vice-Chancellor, Saul Tendler, participated in the University salary sacrifice scheme on the same terms as other members of University staff.

Through membership of this scheme, their contractual salary was reduced and the University made pension contributions to USS on their behalf.

Benefits in kind

The current Vice-Chancellor, Charlie Jeffery, has relocated to York and the University has paid relocation costs of £45,550 which has been taxed in accordance with HMRC regulations. He is not provided with a house owned by the University.

The Acting Vice-Chancellor, Saul Tendler, was not provided with a house and therefore no taxable or non-taxable benefit arises.

The former Vice-Chancellor, Koen Lamberts, was provided with a house located on the University campus. The utilities and maintenance costs of the house were paid by the University and the relevant elements are recorded as a taxable benefit in line with HMRC guidance. The value of non-taxable benefits has been ascertained by obtaining the rental value of the property.

Pay ratios

The Office for Students requires the University to publish the following ratios regarding the Vice-Chancellor's remuneration.

1. Basic salary ratio: this is the Vice-Chancellor's basic salary as a ratio of the median basic salary of all staff expressed as full-time equivalents.
2. Total remuneration ratio: this is the Vice-Chancellor's total remuneration as a ratio of the median total remuneration of all staff expressed as full-time equivalents.

	Year ended 31 July 2020	Year ended 31 July 2019
Vice-Chancellor and President, Professor Charlie Jeffery (from 1 September 2019)		
Basic salary ratio	10.9	-
Total remuneration ratio	11.3	-
Acting Vice-Chancellor and President, Professor Saul Tendler (from 1 November 2018 until 31 August 2019)		
Basic salary ratio	7.8	7.7
Total remuneration ratio	8.4	8.2
Vice-Chancellor and President, Professor Koen Lamberts (until 31 October 2018)		
Basic salary ratio	-	9.6
Total remuneration ratio	-	10.9

Remuneration of other higher paid staff

The number of staff (FTE), excluding the Vice-Chancellor, paid over £100,000 is given below. Remuneration excludes employer's pension contributions, employer's national insurance and compensation for loss of office.

The 2018/19 numbers have been restated to align with the latest Office of Students requirements:

- salary bandings are based on salaries at the end of the financial year
- salary bandings exclude any person starting or leaving in the year
- salary bandings include market supplements.

As a leading research-intensive university, the organisation aims to recruit high quality academic and research staff in line with its strategic objectives.

Bands	Number of employees					
	Year ended 31 July 2020			Year ended 31 July 2019		
	Academic	Senior Management	Total	Academic	Senior Management	Total
£100,000 to £104,999	19	5	24	23	6	29
£105,000 to £109,999	10	6	16	8	5	13
£110,000 to £114,999	8	2	10	7	-	7
£115,000 to £119,999	3	-	3	6	1	7
£120,000 to £124,999	5	3	8	4	2	6
£125,000 to £129,999	4	1	5	2	2	4
£130,000 to £134,999	2	1	3	2	1	3
£135,000 to £139,999	3	1	4	2	2	4
£140,000 to £144,999	2	2	4	1	1	2
£145,000 to £149,999	-	-	-	1	-	1
£150,000 to £154,999	2	-	2	1	1	2
£155,000 to £159,999	-	-	-	-	1	1
£160,000 to £164,999	-	2	2	-	-	-
£165,000 to £169,999	-	-	-	-	-	-
£170,000 to £174,999	-	-	-	-	-	-
£175,000 to £179,999	-	-	-	-	1	1
£180,000 to £184,999	-	-	-	-	-	-
£185,000 to £189,999	-	1	1	-	-	-
£190,000 to £194,999	-	1	1	-	-	-
Total	58	25	83	57	23	80

Notes to the accounts (continued)

Key management personnel

Key management personnel are members of the University Executive Board, which consisted of the positions listed below until 31 July 2020. These people have the responsibility for planning, organising and directing the activities of the University.

Vice-Chancellor and President (from 1 September 2019)	Pro-Vice Chancellor/Special Advisor to the Vice-Chancellor (Strategy) (until 31 July 2020)
Deputy Vice-Chancellor and Provost	Special Advisor to the Vice-Chancellor (Research) (from 1 April 2020)
Dean of the Faculty of Sciences	Registrar and Secretary
Dean of the Faculty of Social Sciences	Finance Director
Dean of the Faculty of Arts and Humanities	Director of External Relations (until 15 Jan 2019 and from 28 April 2020)
Pro-Vice-Chancellor for Teaching, Learning and Students	Director of Human Resources
Pro-Vice-Chancellor for Research (until 31 March 2020 and from 1 May 2020)	Deputy Registrar and Director of Corporate and Information Services (until 24 July 2020)
Pro-Vice-Chancellor for Partnerships and Knowledge Exchange (until 24 April 2019)	
Pro-Vice-Chancellor for Partnerships and Engagement (from 2 March 2020)	

Key management personnel compensation

Key management personnel compensation includes salary, employer's national insurance, and benefits in kind for the period where members were part of the University Executive Board.

	Year ended 31 July 2020 £000	Year ended 31 July 2019 £000
Key management personnel compensation	2,553	2,260

	Year ended 31 July 2020 Number	Year ended 31 July 2019 Number
Members of University Executive Board (FTE)	12.61	12.13

Severance costs

The amount of compensation for loss of office paid across the University Group and the number of people (headcount) to whom this was payable are as follows:

	Year ended 31 July 2020 £000	Year ended 31 July 2019 £000
University	1,116	330
Subsidiary undertakings	10	26
	1,126	356

	Year ended 31 July 2020 Number	Year ended 31 July 2019 Number
University	98	60
Subsidiary undertakings	2	5
	100	65

Average staff numbers (FTE) by major category

	Year ended 31 July 2020 Number	Year ended 31 July 2019 Number
Academic	1,885	1,798
Support	2,601	2,479
	4,486	4,277

8. Interest and other finance costs

	Notes	Consolidated		University	
		Year ended 31 July 2020 £000	Year ended 31 July 2019 £000	Year ended 31 July 2020 £000	Year ended 31 July 2019 £000
Loan interest		8,651	7,502	7,029	5,927
Derivatives - interest rate swaps payments until termination		-	532	-	532
Derivatives - interest rate swaps movement in fair values until termination		-	(147)	-	(147)
Net charge from University of York Pension Fund					
- benefit interest costs	19	4,474	5,094	4,474	5,094
- interest income	19	(3,728)	(4,944)	(3,728)	(4,944)
Net charge from Universities Superannuation Scheme provision	19	1,701	732	1,699	731
		11,098	8,769	9,474	7,193

In January 2019 the University ended its interest rate swaps by paying the market value of the interest rate swap to the relevant bank.

9. Analysis of total expenditure by activity

	Notes	Consolidated		University	
		Year ended 31 July 2020 £000	Year ended 31 July 2019 £000	Year ended 31 July 2020 £000	Year ended 31 July 2019 £000
Academic and related expenditure		152,034	146,418	152,034	146,418
Academic Services		28,610	25,104	28,610	25,104
Administration and central services		59,762	57,313	59,762	57,313
Premises (including service concession cost)		27,090	28,375	28,282	28,799
Residences, catering and conferences		29,644	35,257	27,083	32,843
Research grants and contracts		45,716	45,710	45,716	45,710
Other expenses		56,763	43,842	45,121	31,822
Movement in Universities Superannuation Scheme provision	19	(44,868)	73,042	(44,762)	72,932
		354,751	455,061	341,846	440,941

	Consolidated	
	Year ended 31 July 2020 £000	Year ended 31 July 2019 £000
Other operating expenses include:		
External auditor's remuneration in respect of audit services	209	138
External auditor's remuneration in respect of non-audit services	49	151
Internal auditor's remuneration in respect of audit services	148	148
Operating lease rentals		
- Land and buildings	897	789
- Other	257	257

Notes to the accounts (continued)

10. Taxation

The University does not have a tax charge in 2019/20 or 2018/19.

11. Intangible assets

	Consolidated		University	
	Year ended 31 July 2020	Year ended 31 July 2019	Year ended 31 July 2020	Year ended 31 July 2019
	£000	£000	£000	£000
At 1 August 2019	3,121	-	3,121	-
Additions	-	3,405	-	3,405
Amortisation	(341)	(284)	(341)	(284)
At 31 July 2020	2,780	3,121	2,780	3,121

In 2018/19 the University purchased 50% of Student Accommodation Three LLP joint venture from the external partner. As the University already owned 50% of the equity the entity therefore became a 100% owned subsidiary of the Group. Goodwill on acquisition is being amortised over 10 years.

12. Fixed assets

	Freehold land and buildings	Leasehold land and buildings	Equipment	Assets in the course of construction	Total
	£000	£000	£000	£000	£000
Consolidated					
Cost or valuation					
At 1 August 2019	478,310	125,305	127,672	5,400	736,687
Additions	5,153	542	4,069	16,132	25,896
Transfers	1,855	(36)	1,149	(2,968)	-
At 31 July 2020	485,318	125,811	132,890	18,564	762,583
Depreciation					
At 1 August 2019	97,587	17,401	88,628	-	203,616
Charge for the year	20,660	3,680	7,890	-	32,230
At 31 July 2020	118,247	21,081	96,518	-	235,846
Net book value					
At 31 July 2020	367,071	104,730	36,372	18,564	526,737
At 31 July 2019	380,723	107,904	39,044	5,400	533,071

	Freehold land and buildings £000	Leasehold land and buildings £000	Equipment £000	Assets in the course of construction £000	Total £000
University					
Cost or valuation					
At 1 August 2019	393,696	125,970	100,978	5,105	625,749
Additions	7,930	542	3,647	15,494	27,613
Transfers	1,855	(36)	1,149	(2,968)	-
At 31 July 2020	403,481	126,476	105,774	17,631	653,362
Depreciation					
At 1 August 2019	92,448	18,066	76,261	-	186,775
Charge for the year	18,923	3,670	6,155	-	28,748
At 31 July 2020	111,371	21,736	82,416	-	215,523
Net book value					
At 31 July 2020	292,110	104,740	23,358	17,631	437,839
At 31 July 2019	301,248	107,904	24,717	5,105	438,974

13. Heritage assets

	Year ended 31 July 2020 £000	Year ended 31 July 2019 £000
Consolidated and University		
At 31 July 2020	1,278	1,278
Heritage assets comprises works of art and library acquisitions which were valued at 31 July 2014 using specialist external valuers on an open market basis.		

14. Investments

	Subsidiary companies £000	Other fixed assets investments £000	Total £000
Consolidated			
At 1 August 2019	-	6,803	6,803
Movement in fair values	-	229	229
At 31 July 2020	-	7,032	7,032
University			
At 1 August 2019	38,404	6,801	45,205
Additional investment in subsidiaries	7,400	-	7,400
Movement in fair values	(1,258)	229	(1,029)
At 31 July 2020	44,546	7,030	51,576

Notes to the accounts (continued)

Other fixed asset investments are a portfolio of equities and similar investments held by the University. The funds support University endowments.

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

Company	Status	Principal activity
Amaethon Ltd	60% owned	Commercialisation of intellectual property
PCMIS Health Technologies Ltd	100% owned	Provision of training and conferences service within the health sector
The Biorenewables Development Centre Ltd	100% owned	Development of biorefinery technology
York Commercial Ltd (formerly York Conferences Ltd)	100% owned	Provision of vacation conference facilities and retail activities
York Health Economics Consortium Ltd	100% owned	Consultancy and research in the health sector
York Science Park Ltd	91% owned	Letting of accommodation
York Sports Village LLP	100% owned	Provision of sports facilities
York University Property Company Ltd	100% owned	Letting of accommodation
York University Energy Company Ltd	100% owned	Supply of utilities
Student Accommodation Three LLP	100% owned	Letting of accommodation

During 2019/20 the University increased its investment in York University Energy Company Ltd by £7.9m and cancelled its investment (£0.5m) in Stodham Investments Limited as the company is in the process of being struck off.

15. Investments in joint ventures

	31 July 2020 £000	31 July 2019 £000
Consolidated		
Share of net assets		
At 1 August 2019	20,492	19,318
Distribution of profits from joint ventures	(2,695)	(1,000)
Transfer of Student Accommodation Provision Three LLP	-	(3,160)
Share of operating profit	1,667	5,334
At 31 July 2020	19,464	20,492
Loans to joint ventures		
At 1 August 2019	-	1,198
Transfer of Student Accommodation Three LLP	-	(1,198)
At 31 July 2020	-	-
Total investment in joint ventures		
At 31 July 2020	19,464	20,492

	31 July 2020 £000	31 July 2019 £000
University		
At 1 August 2019	5,817	6,777
Transfer of Student Accommodation Three LLP	-	(960)
At 31 July 2020	5,817	5,817
Loans to joint ventures		
At 1 August 2019	-	1,198
Transfer of Student Accommodation Three LLP	-	(1,198)
At 31 July 2020	-	-
Total investment in joint ventures		
At 31 July 2020	5,817	5,817
In 2018/19 50% of Student Accommodation Three LLP was purchased from the joint venture partner. The group now owns 100% of Student Accommodation Three LLP and therefore the entity is accounted for as a subsidiary. The goodwill on acquisition is being amortised as set out in Note 11.		

The following undertakings are joint ventures at 31 July 2020:

Undertaking	Status	Principal activity
STEM Learning Ltd	25% owned	Operation of National Science Learning Centre
Student Accommodation Provision LLP	50% owned	Provision of student accommodation
Student Accommodation Provision Two LLP	50% owned	Provision of student accommodation
N8 Ltd	13% owned	Provision of education and research
Biovale Ltd	Limited by guarantee	Promotion and development of biorenewables
University of York International Pathway College LLP	55% owned	Provision of education

All undertakings are incorporated in the United Kingdom with shares or equivalent held by the University of York or a wholly owned subsidiary of the University.

The University of York International Pathway College LLP is not considered to be a subsidiary entity because of the voting and other rights assigned to each partner under the partnership agreement.

In 2019/20 the Worldwide Universities Network was reclassified as a trade investment as the number of partners in the organisation has increased and is no longer considered to be a joint venture.

16. Trade and other receivables

	Consolidated		University	
	31 July 2020 £000	31 July 2019 £000	31 July 2020 £000	31 July 2019 £000
Amounts falling due over one year				
Prepayments and accrued income	7,127	7,181	7,127	7,181
Amounts falling due within one year				
Research grants receivables	11,215	12,264	11,215	12,264
Other trade receivables	9,457	11,460	8,653	10,756
Amounts due from subsidiary companies	-	-	9,443	16,351
Prepayments and accrued income	42,989	41,824	41,799	39,750
	70,788	72,729	78,237	86,302

Notes to the accounts (continued)

17. Creditors: amounts falling due within one year

	Consolidated		University	
	31 July 2020	31 July 2019	31 July 2020	31 July 2019
	£000	£000	£000	£000
Unsecured loans	460	338	(15)	(15)
Trade payables	12,572	12,149	11,462	10,883
Social security and other taxation payable	5,639	4,747	5,685	4,848
Accruals and deferred income	89,496	87,169	85,764	82,261
Amounts due to subsidiary companies	-	-	2,070	-
	108,167	104,403	104,966	97,977

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

	Consolidated		University	
	31 July 2020	31 July 2019	31 July 2020	31 July 2019
	£000	£000	£000	£000
Deferred income				
Research grants received on account	47,931	39,254	47,931	39,254
Specific grant income	14,538	15,792	14,538	15,792
	62,469	55,046	62,469	55,046

18. Creditors: amounts falling due after more than one year

	Consolidated		University	
	31 July 2020	31 July 2019	31 July 2020	31 July 2019
	£000	£000	£000	£000
Other long-term creditors	22,833	-	22,833	-
Loans	213,046	213,506	185,632	185,617
	235,879	213,506	208,465	185,617
Analysis of loans				
Due within one year	460	338	(15)	(15)
Due between one and two years	460	460	(15)	(15)
Due between two and five years	1,551	1,379	(46)	(46)
Due in five years or more	211,035	211,667	185,693	185,678
Due after more than one year	213,046	213,506	185,632	185,617
Total loans	213,506	213,844	185,617	185,602

The increase in other long-term creditors is due to the University entering into an agreement in 2019/20 to procure 1,400 new student bedrooms. This has been done under a design, build and operate arrangement. As a result the University has received £23m, and is due to receive a further £6m on completion of the construction. The amount received (£23m) is being amortised over the life of the arrangement.

Details of the loans are set out below:

	Interest	Period Years	Expected end date	31 July 2020 £000
University				
Loan notes - 2007	Fixed at 5.14%-5.16%	40	February 2047	66,000
Loan notes - 2018	Fixed at 3.00%	30	January 2049	120,000
Capitalisation of costs of 2007 loan notes	-	40	February 2047	(382)
University total				185,618
Aviva loan	Fixed at 5.79%	36	September 2049	28,183
Capitalisation of costs of Aviva loan	-	36	September 2049	(295)
Consolidated total				213,506

19. Provisions for liabilities

	Universities Superannuation Scheme £000	University of York Pension Fund £000	Total pensions provisions £000
Consolidated			
At 1 August 2019	107,674	35,217	142,891
Deficit contributions and changes in expected contributions	(44,868)	-	(44,868)
Interest	1,701	746	2,447
Contributions or benefits payable	-	(3,971)	(3,971)
Service cost	-	7,824	7,824
Other finance charges	-	363	363
Movement in defined benefit obligation	-	48,734	48,734
At 31 July 2020	64,507	88,913	153,420

	Universities Superannuation Scheme £000	University of York Pension Fund £000	Total pensions provisions £000
University			
At 1 August 2019	107,503	35,217	142,720
Deficit contributions and changes in expected contributions	(44,762)	-	(44,762)
Interest	1,699	746	2,445
Contributions or benefits payable	-	(3,971)	(3,971)
Service cost	-	7,824	7,824
Other finance charges	-	363	363
Movement in defined benefit obligation	-	48,734	48,734
At 31 July 2020	64,440	88,913	153,353

Details of the pension schemes and their provisions can be found in Note 29.

Notes to the accounts (continued)

Universities Superannuation Scheme

The obligation to fund the past deficit on the Universities Superannuation Scheme (USS) arises from the contractual agreement with the pension scheme for total payments relating to benefits arising from past performance. Management have considered the future salary payments for future and current employees in assessing the fair value of the Universities Superannuation Scheme provision. The provision has been estimated using a sector-wide modeller provided by the British Universities Finance Directors Group which uses discount rates and staff costs to calculate the provision.

University of York Pension Fund

The University of York Pension Fund (UoYPF) is a defined benefit scheme and the provision has been assessed by independent actuaries. Further details are set out in Note 29.

20. Endowment reserves

	Restricted permanent endowments £000	Unrestricted permanent endowments £000	2020 Total £000	2019 Total £000
Consolidated and University				
Balances at 1 August 2019				
Capital	5,269	991	6,260	6,122
Accumulated income	771	24	795	764
	6,040	1,015	7,055	6,886
Investment income	109	20	129	258
Expenditure	(196)	(20)	(216)	(227)
Increase in market value of investments	172	-	172	138
Total endowment comprehensive income for the year	85	-	85	169
At 31 July 2020	6,125	1,015	7,140	7,055
Represented by				
Capital	5,441	1,015	6,456	6,260
Accumulated income	684	-	684	795
	6,125	1,015	7,140	7,055
	Restricted permanent endowments £000	Unrestricted permanent endowments £000	31 July 2020 £000	31 July 2019 £000
Analysis by type of purpose				
Scholarships and bursaries	4,695	-	4,695	4,645
Research support	192	-	192	192
Prize funds	1,054	-	1,054	1,023
General	184	1,015	1,199	1,195
	6,125	1,015	7,140	7,055
			31 July 2020 £000	31 July 2019 £000
Analysis by asset				
Non-current asset investments			6,457	6,260
Cash and cash equivalents			683	795
			7,140	7,055

21. Restricted reserves

	Restricted donations £000	Unspent capital grants £000	2020 Total £000	2019 Total £000
Balances at 1 August 2019	8,629	16,946	25,575	10,865
New grants	-	2,878	2,878	15,899
New donations	2,029	-	2,029	1,764
Investment income	48	-	48	59
Expenditure	(1,743)	-	(1,743)	(1,512)
Capital grants utilised	-	(4,943)	(4,943)	(1,500)
Total restricted comprehensive income for the year	334	(2,065)	(1,731)	14,710
At 31 July 2020	8,963	14,881	23,844	25,575

	31 July 2020 £000	31 July 2019 £000
Analysis of restricted donations by type of purpose		
Lectureships	57	33
Scholarships and bursaries	4,709	4,625
Research support	3,687	3,713
Prize funds	178	159
General	332	99
	8,963	8,629

22. Cash and cash equivalents

	1 August 2019 £000	Consolidated Cash flows £000	31 July 2020 £000
Cash and cash equivalents	143,868	20,657	164,525

23. Reconciliation of net debt

	Consolidated £000
Net (debt) at 1 August 2019	(69,976)
Movement in cash and cash equivalents	20,657
Loans repaid	338
Change in net debt	20,995
Net (debt) at 31 July 2020	(48,981)

Notes to the accounts (continued)

	Consolidated	
	31 July 2020 £000	31 July 2019 £000
Analysis of net debt		
Cash and cash equivalents	164,525	143,868
Creditors: amounts falling due within one year	(460)	(338)
Creditors: amounts falling due after more than one year	(213,046)	(213,506)
Net debt	(48,981)	(69,976)

24. Financial instruments

	Consolidated		University	
	31 July 2020 £000	31 July 2019 £000	31 July 2020 £000	31 July 2019 £000
Financial assets				
Investments held at fair value	7,032	6,803	7,030	6,801
Investments in joint ventures at fair value	19,464	20,492	5,817	5,817
Trade and other receivables at cost	9,457	11,460	8,653	10,756
Cash and cash equivalents at cost	164,525	143,868	150,710	130,761
	200,478	182,623	172,210	154,135
Financial liabilities				
Trade payables at cost	(12,572)	(12,149)	(11,462)	(10,883)
Loans at cost	(213,506)	(213,844)	(185,617)	(185,602)
	(226,078)	(225,993)	(197,079)	(196,485)

25. Capital and other commitments

	Consolidated		University	
	31 July 2020 £000	31 July 2019 £000	31 July 2020 £000	31 July 2019 £000
Provision has not been made for the following capital commitments:				
Commitments contracted for	13,189	11,413	10,874	10,932
Authorised but not contracted for	36,940	21,053	29,175	20,078
	50,129	32,466	40,049	31,010

26. Contingent assets and liabilities

There were no contingent liabilities as at 31 July 2020.

The University has given written undertakings to support the subsidiary companies for 12 months from the date of approval of these financial statements.

27. Lease obligations

	Land and buildings £000	Plant and machinery £000	2020 Total £000	2019 Total £000
Total rentals payable under operating leases				
Payable during the year	897	257	1,154	1,046
Future minimum lease payments due				
Not later than one year	897	257	1,154	1,046
Later than one year and not later than five years	2,885	375	3,260	3,453
Later than five years	72,977	-	72,977	68,380
Total lease payments due	76,759	632	77,391	72,879
The minimum lease payments due on one of the University's leases are uncertain and depend upon levels of student recruitment in 10-15 years' time.				

28. Events after the reporting period

There are no adjusting or non-adjusting events after the reporting period.

29. Pension schemes

The University operates two defined benefit pension schemes, the University of York Pension Fund (UoYPPF) and the Universities Superannuation Scheme (USS).

In addition the University operates a defined contribution scheme (The People's Pension) and contributes to the NHS pension scheme for some members of the Hull York Medical School.

	Consolidated		University	
	31 July 2020 £000	31 July 2019 £000	31 July 2020 £000	31 July 2019 £000
Total pension cost for the University and its subsidiaries				
Universities Superannuation Scheme contributions	27,406	22,621	27,354	22,566
University of York Pension Fund service cost	7,824	8,683	7,824	8,683
NHS Pension Scheme contributions	140	123	140	123
The People's Pension contributions	406	315	393	275
	35,776	31,742	35,711	31,647
Universities Superannuation Scheme deficit contributions and changes in expected contributions	(44,868)	73,042	(44,762)	72,932
	(9,092)	104,784	(9,051)	104,579

Notes to the accounts (continued)

Universities Superannuation Scheme

The institution participates in the Universities Superannuation Scheme. The scheme is a hybrid pension scheme, providing defined benefits (for all members), as well as defined contribution benefits. The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the assets are not attributed to individual institutions and a scheme-wide contribution rate is set.

The institution 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 institution therefore accounts for the scheme as if it were a wholly defined contribution scheme. As a result, the amount charged to the profit and loss account represents the contributions payable to the scheme.

Since the institution has entered into an agreement (the Recovery Plan) that determines how each employer within the scheme will fund the overall deficit, the institution recognises a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and therefore an expense is recognised.

The latest available complete 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 under way but not yet complete.

Since the institution cannot identify its share of the Retirement Income Builder section of the scheme assets and liabilities, the following disclosures reflect those relevant for the section 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. At the valuation date, the value of the assets of the scheme was £63.7 billion and the value of the scheme's technical provisions was £67.3 billion, indicating a shortfall of £3.6 billion and a funding ratio of 95%.

The key financial assumptions used in the 2018 valuation are described below. More detail is set out in the Statement of Funding Principles.

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 AMC00 (duration 0) for males and 112% of AFC00 (duration 0) for females. Post-retirement: 97.6% of SAPS S1NMA "light" for males and 102.7% of RFV00 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.

	Year ended 31 July 2020	Year ended 31 July 2019
Current life expectancy on retirement at age 65		
Males currently aged 65	24.4 years	24.6 years
Females currently aged 65	25.9 years	26.1 years
Males currently aged 45	26.3 years	26.6 years
Females currently aged 45	27.7 years	27.9 years
Significant assumptions		
Discount rate	2.59%	2.44%
Pension increases (CPI)	4.20%	2.11%

A new deficit recovery plan was put in place as part 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%.

The 2020 deficit recovery liability reflects this plan.

In accordance with the requirements of FRS 102 and the SORP, the University has made a provision for this contractual commitment to fund the past deficit.

Sensitivity analysis is provided below, based on possible changes of the assumptions occurring at 31 July 2020.

The sensitivities have been derived in the same manner as the defined benefit obligation as at 31 July 2020. The sensitivities are calculated by changing each assumption with all other things held constant.

- Decrease in discount rate by 0.5% from 0.73% to 0.23% leads to a reduction in the provision of £1.5m at 31 July 2020.
- Increase in the combined growth in future payroll costs for inflation, pay rises or additional staff by 0.5% per annum leads to an increase in the provision of £1.5m at 31 July 2020.

It is acknowledged that presuming all other assumptions remain constant has inherent limitation given that it is more likely to be a combination of changes, but highlights the value of each individual risk and is therefore a suitable basis for providing this analysis.

University of York Pension Fund

	Year ended 31 July 2020 £000	Year ended 31 July 2019 £000
Analysis of the amount shown in the balance sheet		
Scheme assets	175,242	187,480
Scheme liabilities	(264,155)	(222,697)
Deficit in the scheme – net pension liability recorded within pension provisions	(88,913)	(35,217)
Analysis of the amount shown in the statement of comprehensive income		
Current service cost	7,824	6,478
Past service cost	-	2,205
Administration expenses	363	362
Total operating charge	8,187	9,045
Analysis of the amount charged to interest payable/credited to other finance income		
Interest cost	4,474	5,094
Interest income	(3,728)	(4,944)
Net charge to other finance income	746	150
Total income and expenditure charge	8,933	9,195
Analysis of other comprehensive income/(expenditure)		
Actual return of assets less interest	(13,797)	(2)
Actuarial (losses)/gains on defined benefit obligation	(34,937)	(25,902)
Total other comprehensive income/(expenditure)	(48,734)	(25,904)
Cumulative actuarial loss recognised as other comprehensive income		
Cumulative actuarial (losses)/gains recognised at the start of the year	(17,910)	7,994
Cumulative actuarial (losses)/gains recognised at the end of the year	(66,644)	(17,910)
Analysis of movement in scheme deficit		
(Deficit) at beginning of year	(35,217)	(4,171)
Contributions or benefits paid by the University	3,971	4,053
Current service cost	(7,824)	(6,478)
Past service cost	-	(2,205)
Other finance charge	(363)	(362)
Net interest income/cost	(746)	(150)
Gain/(loss) recognised in other comprehensive income	(48,734)	(25,904)
(Deficit) at end of year	(88,913)	(35,217)
Analysis of movement in the present value of liabilities		
Present value of liabilities at the start of the year	(222,697)	(187,876)
Current service cost	(7,824)	(6,478)
Past service cost	-	(2,205)
Interest cost	(4,474)	(5,094)
Actual member contributions (including notional contributions)	(227)	(199)
Actuarial (gain)/loss	(34,937)	(25,902)
Insurance premiums for risk benefits	72	9
Actual benefit payments	5,932	5,048
Present value of liabilities at the end of the year	(264,155)	(222,697)

Notes to the accounts (continued)

	Year ended 31 July 2020 £000	Year ended 31 July 2019 £000
Analysis of movement in the fair value of scheme assets		
Fair value of assets at the start of the year	187,480	183,705
Interest income	3,728	4,944
Actual gain on assets	(13,797)	(2)
Actual contributions paid by the University	3,971	4,053
Actual member contributions (including notional contributions)	227	199
Administration expenses	(363)	(362)
Insurance premiums for risk benefits	(72)	(9)
Actual benefit payments	(5,932)	(5,048)
Fair value of scheme assets at the end of the year	175,242	187,480
Fair values of the assets of the fund		
Equities	116,994	134,838
Bonds	19,494	17,871
Infrastructure	5,691	3,527
Property and ground rents	28,888	28,403
Cash	4,175	2,841
Total	175,242	187,480
Return on assets		
Interest income	3,728	4,944
Return on assets less interest income	(13,797)	(2)
Total	(10,069)	4,942
History of experience gains and losses		
Difference between actual and expected return on scheme assets		
Amount (£000)	(13,797)	(2)
% of assets at end of year	-7.9%	0.0%
Experience gains/losses on scheme liabilities		
No experience gains or losses on scheme liabilities have been experienced over the last two years.		

	Year ended 31 July 2020	Year ended 31 July 2019
Significant actuarial assumptions used to calculate the accounting pension provisions		
Discount rate	1.30%	2.00%
Rate of salary increases	4.00%	3.95%
Rate of price inflation (CPI)	2.25%	2.20%
Rate of pension increases	2.25%	2.20%
Post-retirement mortality assumption	S2NMA/S2NFA base table with a +1 year age rating, CMI 2019 projection model with a long-term improvement rate of 1.25% p.a.	S2NMA/S2NFA base table with a +1 year age rating, CMI 2018 projection model with a long-term improvement rate of 1.25% p.a.
Assumed life expectancy on retirement at age 65		
Male aged 65 in 2020	20.9 years	20.9 years
At age 65 a male aged 45 in 2020	22.3 years	22.2 years
Female aged 65 in 2020	23.0 years	22.9 years
At age 65 for a female aged 45 in 2020	24.5 years	24.4 years

The University has updated its approach to setting the RPI inflation assumption in light of the RPI reform proposals published on 4 September 2019 by the UK Chancellor and UK Statistics Authority. However, as the proposed change to the RPI has been known for some time, it is reasonable to assume that it has been priced into the market implied rate of RPI inflation, at least to the extent it is believed it will happen. The University has therefore continued to set the RPI inflation assumption in line with the market break-even expectations less an inflation risk premium. The inflation risk premium has been maintained at 0.25% pa at 31 July 2019 and 31 July 2020. For the CPI inflation assumption, the University has reduced the assumed difference between the RPI and CPI inflation assumptions by 0.35% pa, from 1.00% pa to 0.65% pa, to reflect the expected future differences between RPI and CPI inflation.

The following sensitivity analysis has been calculated for changes to the assumptions underlying the pension provision:

- If the discount rate decreases by 0.5% then the pension provision at 31 July 2020 increases by £29.3m.
- If salary increases are 0.5% higher, then the pension provision increases by £7.9m.
- If inflation is 0.5% higher, then the pension provision increases by £4.6m.

It is acknowledged that presuming all other assumptions remain constant has inherent limitation given that it is more likely to be a combination of changes, but highlights the value of each individual risk and is therefore a suitable basis for providing this analysis.

NHS Pensions

The University of York participates in the NHS Pension Scheme (NHSPS) which was contracted out of the State Second Pension (S2P) until 6 April 2016. The notional assets of the NHSPS are assessed by the Government Actuary and the benefits are underwritten by the government. There are no underlying assets. It is not possible to identify each institution's share of the notional assets and liabilities of the NHSPS and hence contributions to the NHSPS are accounted for as if it were a defined contribution scheme. The cost recognised within the income and expenditure account is therefore equal to the contributions payable to the NHSPS for the year.

The contributions payable by the University during the year ended 31 July 2020 were at a rate of 14% of the total pensionable salaries, in accordance with the recommendations of the Government Actuary.

The People's Pension

The University of York has a defined contribution scheme as its main auto-enrolment pension scheme for its staff. The investment of scheme contributions is managed by The People's Pension.

The contributions payable by the University during the year ended 31 July 2020 were at a rate of 2% of pensionable salary.

Notes to the accounts (continued)

30. Access and participation expenditure

	Year ended 31 July 2020 £000
Access investment	1,707
Financial support	6,805
Support for disabled students	630
Research and evaluation	250
Total	9,392

The amount spent on access and participation includes staff costs amounting to £1,529,000.

The University's access and participation plan is published on the University website at the following address:
york.ac.uk/media/schools-and-colleges/UniversityofYork_APP_2019-2020_V1_10007167.pdf

No comparative numbers are presented as it is the first year for the information to be published.

31. Grant and fee income

Income in these accounts includes:

	Consolidated		University	
	Year ended 31 July 2020	Year ended 31 July 2019	Year ended 31 July 2020	Year ended 31 July 2019
	£000	£000	£000	£000
Grant income from the OfS	9,588	9,480	9,588	9,480
Specific grant income from the OfS	13,004	10,718	13,004	10,718
Total grant income from the OfS	22,592	20,198	22,592	20,198
Grant income from other bodies	25,823	23,046	25,823	23,046
Fee income for research awards (exclusive of VAT)	18,748	18,439	18,748	18,439
Fee income for non-qualifying courses (exclusive of VAT)	2,693	4,698	2,693	4,698
Fee income for taught awards (exclusive of VAT)	175,215	165,388	175,215	165,388
	245,071	231,769	245,071	231,769

32. Trading with joint ventures and subsidiaries

Trading with joint ventures and subsidiaries

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

The following organisations are either joint ventures or subsidiaries in which the University does not have 100% of the voting rights:

University of York International Pathway College LLP

The University of York International Pathway College LLP is a joint venture between the University of York and Kaplan Financial Ltd which offers undergraduate and postgraduate courses to international students.

Student Accommodation Provisions

Student Accommodation Provision LLP and Student Accommodation Provision Two LLP are joint ventures of the University and are responsible for providing accommodation to students in Goodricke and Langwith Colleges.

Amaethon Ltd

Amaethon Ltd is a subsidiary of the University created to commercialise the research conducted in the Centre for Novel Agricultural Products.

York Science Park Ltd

York Science Park Ltd provides office space to commercial entities such as start ups and research companies. York Science Park is 91% owned by the University of York.

Biovale Ltd

Biovale is a joint venture of the University. The University has staff members on Biovale's Board of Directors.

STEM Learning Ltd

STEM Learning Ltd operates the National Science Learning Centre as a joint venture between the University of York, University of Leeds, University of Sheffield and Sheffield Hallam University.

N8 Ltd

The N8 research partnership is a collaboration between the Universities of Durham, Lancaster, Leeds, Liverpool, Manchester, Newcastle, Sheffield and York. The University of York has a 12.5% share of the company

The transactions during the year between the University and these organisations were:

	Income	Expenditure	Balance due to the University	Balance due from the University
	£000	£000	£000	£000
University of York International Pathway College LLP	0	2,807	0	2,951
Student Accommodation Provision LLP	590	3,768	18	0
Student Accommodation Provision Two LLP	623	4,606	19	0
Amaethon Ltd	0	2	1	0
York Science Park Ltd	285	1,245	312	1
Biovale Ltd	0	1	0	0
STEM Learning Ltd	694	242	44	0
N8 Ltd	0	60	0	0

33. Related parties

Council members

The University Council members are the trustees for charitable law purposes. Due to the nature of the University's operations and the composition of the Council, being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the Council may have an interest. All transactions involving organisations in which a member of Council may have an interest, including those identified below, are conducted at arm's length and in accordance with the University's Financial Regulations and usual procurement procedures.

Association of University Administrators

The Association of University Administrators is the professional body for higher education administrators and managers in the United Kingdom. One member of the Council is a trustee of the association.

British Film Institute

The British Film Institute is a film and television charitable organisation which promotes and preserves filmmaking and television in the United Kingdom. One member of Council is a director of the British Film Institute.

Graduate Students' Association

The Graduate Students' Association represents and supports postgraduate students. The association has close links to the University and the University contributes significant sums towards the Graduate Students' Association's running costs. One member of Council is the Graduate Students' Association President.

Harrogate and District NHS Foundation Trust

Harrogate and District NHS Foundation Trust cares for the population in Harrogate and the local area as well as across North Yorkshire and Leeds. It also provides children's services in parts of the North East. One Council member was a non-executive director of the Trust until February 2020.

Institute of Physics

The Institute of Physics is the professional body and learned society for physics in the United Kingdom. Its subsidiary, Institute of Physics Publishing, produces a wide range of journals, a website and magazines for the scientific community. One member of the University Executive Board is a trustee of the Institute of Physics. One member of the University Executive Board and one member of Council are non-executive directors of Institute of Physics Publishing.

Make It York

Make it York is the destination marketing organisation for the city of York. The University works with Make it York to develop shared marketing and communications in relation to economic development, city stakeholder engagement and other profile-raising activities. One member of the University Executive Board is a director of Make it York.

Royal Academy of Engineering

The Royal Academy of Engineering is the UK's national academy for engineering. It brings together the most successful and talented engineers from across the engineering sectors to advance and promote excellence in engineering. One member of the University Executive Board is a trustee of the Royal Academy of Engineering.

Russell Group

The Russell Group is an association of 24 public research universities in the United Kingdom with a shared focus on research and a reputation for academic achievement. One member of the University Executive Board and Council is a director of the Russell Group.

33. Related parties (continued)

University of York in America

The University of York in America is a non-profit organisation. With the help of alumni and friends, it supports the increase of educational opportunity and quality of education and research at the University of York and other institutions. One member of the University Executive Board and Council is the president of the University of York in America.

Worldwide Universities Network

The Worldwide Universities Network is a higher education and research network that provides support to establish collaborative research. The University of York is one of 23 members. One member of the University Executive Board and Council is a director of the Worldwide Universities Network.

York Pensions Trust

York Pensions Trust operates the University of York Pension Fund which is one of the pension schemes offered to University staff. One member of the University Executive Board serves as a trustee on the board of York Pensions Trust.

York Teaching Hospital NHS Foundation Trust

York Teaching Hospital NHS Foundation Trust provides a comprehensive range of acute hospital and specialist healthcare services for approximately 800,000 people living in and around York, North Yorkshire, North East Yorkshire and Ryedale. Subsequent to the year end a co-opted lay member of the Audit and Risk Committee joined the Board of Directors of the Trust. No financial transactions are listed below as this relationship did not exist in 2019/20.

York St John University

York St John is a public university located in York. One member of Council is related to a senior employee of that University.

York University Students' Union

York University Students' Union represents and supports undergraduate students. York University Students' Union has close links to the University, and the University contributes significant sums towards York University Students' Union's running costs. One member of Council is the York University Students' Union President.

Yorkshire Universities

Yorkshire Universities is the regional voice for higher education in Yorkshire and works to maximise the contribution of higher education to the region and beyond. One member of the University Executive Board and Council is a director of Yorkshire Universities.

The transactions between the University and the above organisations are summarised below:

	Income £000	Expenditure £000	Balance due to the University £000	Balance due from the University £000
Association of University Administrators	0	8	0	0
British Film Institute	0	17	0	0
Graduate Students' Association	7	78	0	29
Harrogate and District NHS Foundation Trust	0	24	0	0
Institute of Physics	5	105	3	0
Make it York	0	7	0	0
Royal Academy of Engineering	81	0	42	0
Russell Group	0	80	0	0
University of York in America	174	8	0	0
Worldwide Universities Network	0	96	0	43
York Pensions Trust	10	27	2	351
York St John University	68	1	50	0
York University Students' Union	148	1562	9	54
Yorkshire Universities	0	46	0	21

The total expenses paid to ten (2019: ten) Council members was £6,724 (2019: £9,060). This represents travel and subsistence expenses incurred in attending Council and meetings in their official capacity.

No fees or other forms of remuneration are paid to lay members of Council.

W I T H T H A N K S

Thank you to the entire community of students, staff, donors and volunteers for your contributions to the continued success of the University of York.



Photos above: clockwise from left, The Great York Walk, the York Robotics Laboratory, volunteering during lockdown, and a Department of Philosophy student

Photography: Biology Research Workshops, Alex Holland, John Houlihan, Ian Martindale, Mark Woodward and York Festival of Ideas



The University of York is committed to environmentally friendly, sustainable printing. Our Annual Report includes the use of Forest Stewardship Council® (FSC®) certified paper and a biodegradable matt laminate finish.



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