

Durham University  
**Annual Report and Financial Statements**  
for the year ended 31 July 2020

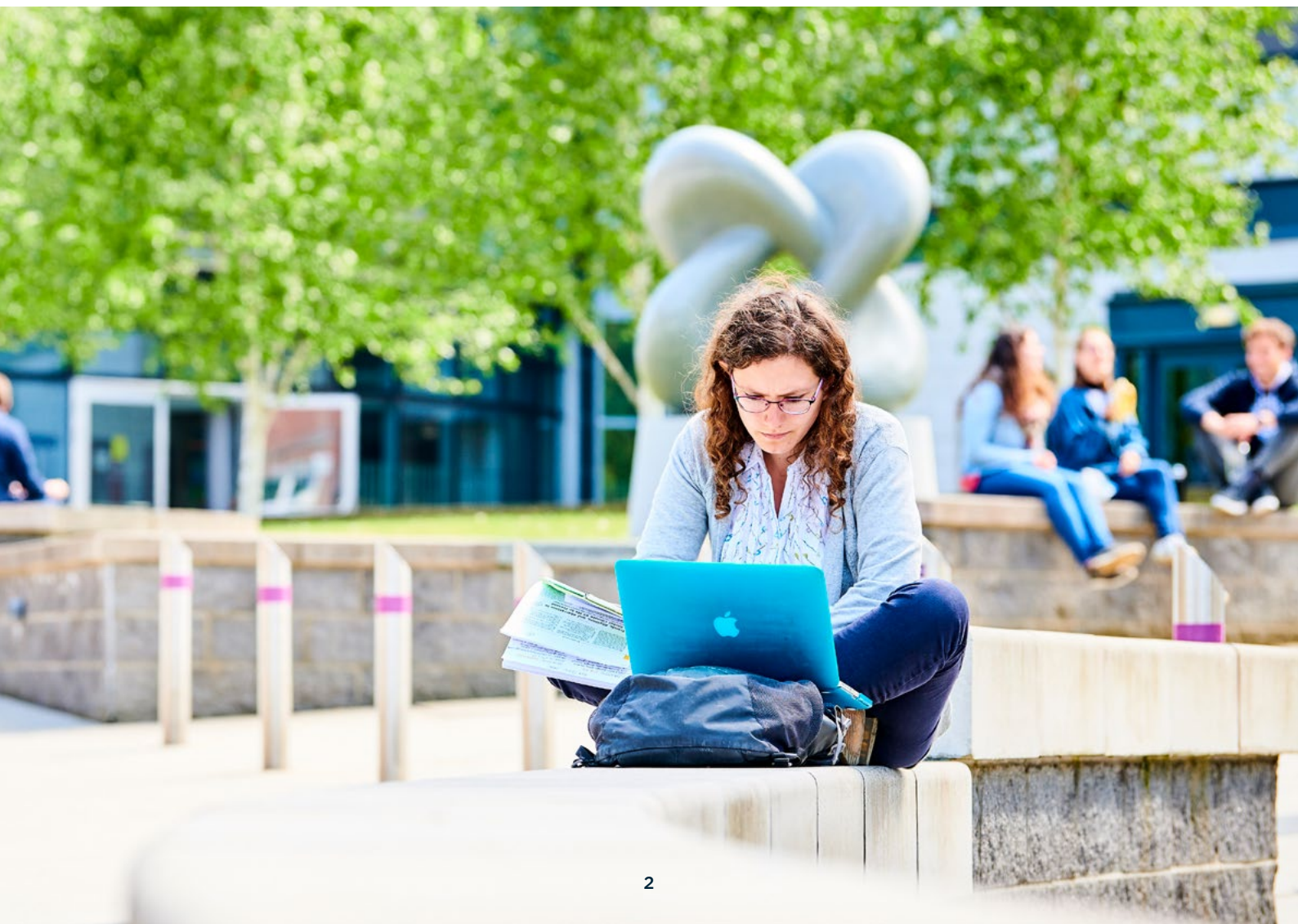


**A globally outstanding centre of teaching and research excellence, a collegiate community of extraordinary people, a unique and historic setting – Durham is a university like no other.**

We believe that inspiring our people to do outstanding things at Durham enables Durham people to do outstanding things in the world.

So, we conduct boundary breaking research which improves lives across the world. We challenge our students and value a wider student experience that fosters participation and leadership at Durham and beyond. Our supportive approach enables our people to achieve extraordinary things. And our loyal and devoted worldwide community, wherever they go, whatever they do, are always Durham inspired.

We find it easy to be proud of the extraordinary people we have at Durham. We offer the inspiration, they achieve the outstanding.





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## Integrated reporting

*This report takes into account the concepts of the framework developed by the International Integrated Reporting Council (IIRC). We are working to fully adopt the framework to embed integrated thinking and decision-making, to improve the quality of our reporting and the sustainability of the institution. This report supports this process through providing a concise communication about how our strategy, governance, performance and prospects, in the context of the external environment, lead to the creation of value over the short, medium and long term.*



## Foreword from the Chair of Council

**This past year has brought unprecedented challenges to the University. While the values and goals of Durham University remain the same, we have had to fundamentally rethink how we deliver world class education and research in a transformed environment. Given the unparalleled circumstances we face, the contribution of Durham University, producing well-rounded graduates, conducting research which improves lives and supports both the local and the global community, is required more now than ever.**

The University Strategy 2017-2027 sets out the institution's plans for development across the four distinct and inter-related pillars: research, education, wider student experience and global, and progress was made across each of these pillars during the first half of the year.

The impact of Covid-19 has, obviously, caused us to delay some of our capital plans and some research projects, which has had an impact on our forecasted income and expenditure for the year. The impact of the Covid-19 pandemic on our future finances is still uncertain. To mitigate risks, decisions on spending and investment are currently being made according to revised priorities, with



priority given to maintaining the health and safety of our students and our colleagues, and developing our digital capabilities. Some planned capital and revenue projects have been paused and will be reviewed in line with further assessment of the budget during the next academic year.

However we remain extremely confident in our continued financial sustainability over the years ahead. Our recruitment of UK and international students for 2020/21 has remained strong and will continue to sustain our financial position. Efficiency saving measures have been introduced and Council will continue to support senior management to consider further opportunities for investment.

I am constantly inspired by the achievements of Durham University, and of the commitment our students and colleagues make to support those around them. Their response to the unprecedented challenges of the academic year just passed has only reinforced this opinion. The hard work, dedication and commitment shown perfectly captures the values of this University: responsible; enabling; inspiring; challenging and innovative. Examples of these values are provided throughout this report.

I would especially like to commend Professor Stuart Corbridge for his steadfast leadership throughout his time as Vice-Chancellor, but especially during the current turbulent and challenging environment. His achievements will provide his successor with a strong foundation upon which to build the continued success of this outstanding institution, whatever challenges lie ahead.

A handwritten signature in black ink, reading 'Joe Docherty'.

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**Mr Joe Docherty**  
Chair of Council





## Welcome from the Vice-Chancellor

**Durham is one of the world's great universities and one of the most distinctive. In what has been an academic year quite unlike any other, the commitment of our staff and students towards their community and each other has made me enormously proud of our institution and our collective achievements.**

We started the year aware of gathering challenges for our sector, including uncertainties around the funding of post-18 education, the impact of Brexit on the recruitment of staff and students from the EU, as well as on access to research funding and partnerships with EU institutions, and ongoing discussions regarding the USS pension scheme. We also started the year with an agreed Strategy to guide us at a time of change.

The University Strategy, 2017-2027, outlines our plans to build on our strengths in research, education and wider student experience to make Durham a more significant player in the region, the UK and globally. Over the past year we have strengthened our Global Durham sub-strategy and refreshed our already very strong Wider Student Experience sub-strategy. The overall Strategy necessarily remains a living document, not least as the University now adapts to new challenges and opportunities around culture change and our values, including in regard to the Black Lives Matter social movement, and as we adapt many of our working practices in the face of the Covid-19 pandemic.

This year, too, we made positive progress implementing our Job Families framework, and in accepting the recommendations of the Durham University Commission on Respect, Values and Behaviour. We continue to develop the University estate with a view to improving our facilities - even as we strive to reduce our environmental impact. We also began work to assess our contributions to helping deliver the United Nations' Sustainable Development Goals (SDGs)

But then came the pandemic. In March 2020, as Covid-19 spread across the globe and the UK, the University acted on epidemiological advice from colleagues in our Biosciences Department to plan a speedy closing down of many of our on-site operations. This also necessitated an end to residential teaching for our students just before the conclusion of Epiphany Term. Most staff learned at pace how best to work from home, while others provided support to the 3,500 students who remained in Durham, serving the University splendidly as Key Workers. Some members of staff were also placed on furlough. IT colleagues worked tirelessly and innovatively to bring forward software implementation plans and a range of innovations to enable staff to work and communicate remotely. Meanwhile, our academic colleagues learned very quickly how to deliver high quality online teaching, learning and assessment and they too were active in their networks to ensure the sharing of good practices and helpful lessons learned.

While some of our projects, plans and research have been paused amid Covid-19, overall we have continued to deliver our Strategy, including our capital programme. The University now has two splendid new Colleges. Later in 2020, the University will take possession of a wonderful new building for our Departments of Mathematical Sciences and Computer Science. Whether we will be able to hold our 2021 Congregations in the Cathedral, as we must hope we can, only time and Covid-19 will tell. If we cannot, we will ensure that our students get a wonderful entry to our alumni community online, just as we did in August 2020, along with a promise that we will invite everyone back to face-to-face Congregations in the Cathedral as soon as we can.

Covid-19 continues to make our financial planning less certain than it would be in 'normal' years, but the University continues to be well managed financially and we have approached the financial year 2020/21 with a degree of quiet confidence and an unflinching faith in the willingness of colleagues across the University to work with management and the University Council to ensure that we are well placed to invest in a strong future as the pandemic recedes.

On a personal note, I have made the difficult decision to retire at the end of July 2021, bringing forward my original plan by a year for health reasons. Helping to lead this magnificent institution has been an immense privilege and will be again this year. I am truly grateful for the support I have received in my time in office as Vice-Chancellor and Warden. I am also hugely proud of our collective achievements and wholly confident that Durham University will continue to go from strength to strength, buoyed by the wonderful achievements and energy of our staff, students, alumni and partners.



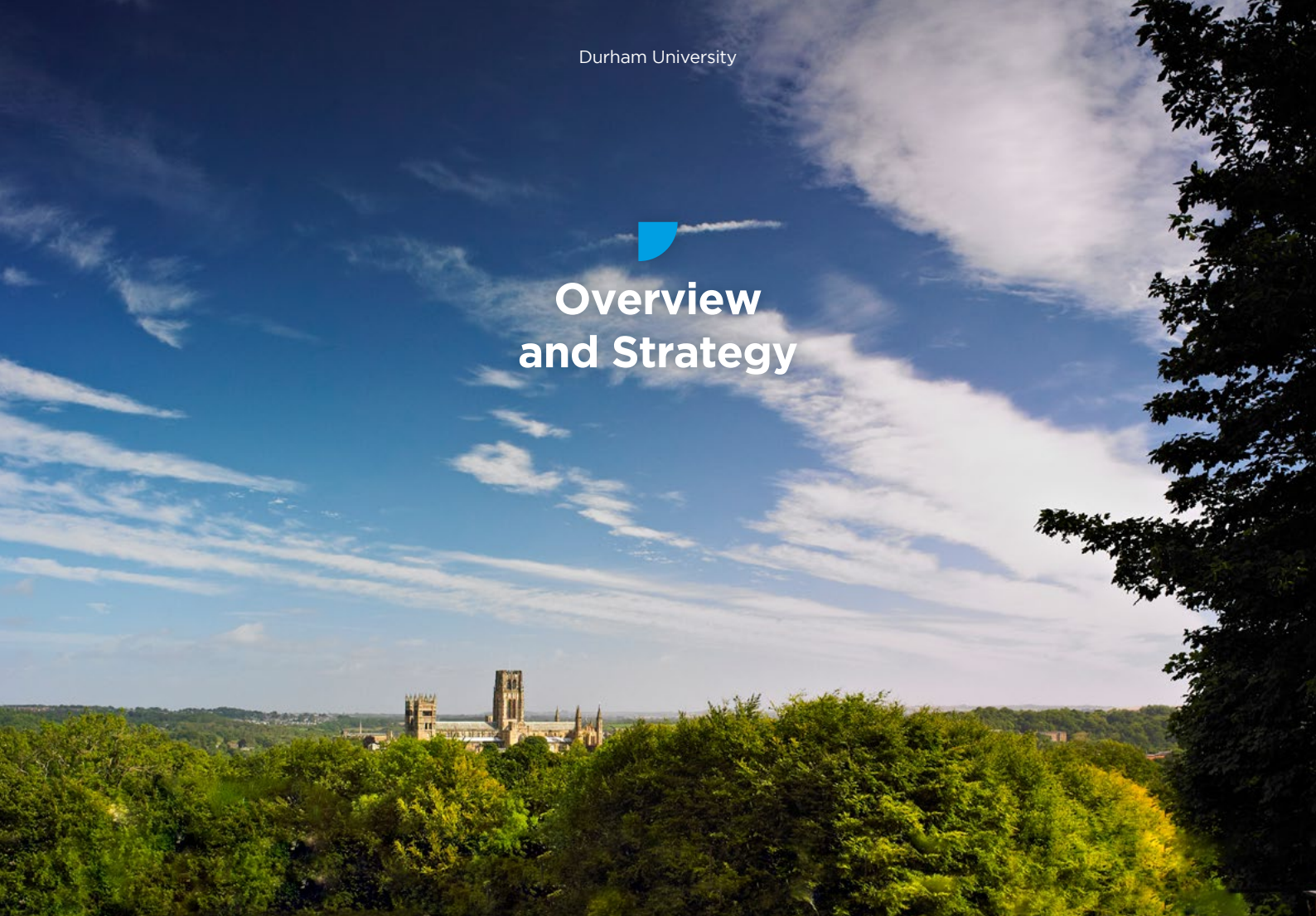
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**Professor Stuart Corbridge**  
Vice-Chancellor and Warden





# Overview and Strategy



## Introduction

Founded in 1832, we are England's third oldest university. Our history as a centre of learning goes back over a thousand years. We have weathered past crises and come out stronger, so we are confident that we are in a good position to overcome the challenges posed by Covid-19 and any future pandemics. We are proud of the world heritage site of Durham Cathedral and Castle which sits at the heart of our collegiate campus and wonderful city. But we have ambitious plans to enhance our remote and online offer to provide world-class products globally. We're already an international family of extraordinary people comprising 26 departments across four faculties, with over 4,000 staff and around 18,000 students. All our students belong to one of 17 colleges which provide a unique supportive environment to inspire them to become the best they can be, in their studies and beyond. Because we hire and develop the most talented academics and thought-leaders, our boundary-breaking research makes an impact across the globe.

We offer a broad range of courses covering the Arts and Humanities, Sciences, Social Sciences and Business, and are rated Gold in the UK Teaching Excellence Framework. Our degree programmes are informed by research

undertaken by our talented staff in partnership with policymakers, industry, the public sector and communities around the world. We are a member of the Russell Group of leading, research-intensive UK universities.

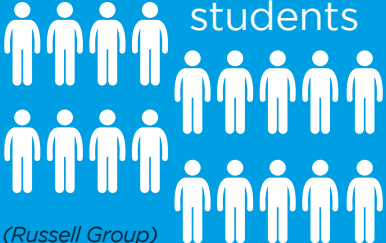
We combine academic excellence with a commitment to provide our students with the opportunity to develop as highly motivated, well-rounded and socially engaged leaders of tomorrow. Through our departments and colleges, our students get all the benefits of an enabling, supportive and diverse community, which provide a great source of friendship, well-being and pastoral care. Our strong commitment to excellence in sport, music, drama and volunteering means that we offer a host of opportunities and produce outstanding performances in all these areas.

We care about our local surroundings and work hard to be a good neighbour and one of the best employers in the region. Our active engagement with local agencies and community groups has been invaluable during the Covid-19 pandemic, for example both our Engineering and Physics departments produced PPE equipment for health services.

**4,000**

 staff

**18,000**

 students  
*(Russell Group)*





## Vision and strategic goals

It remains our plan to progress the University Strategy 2017-2027, to make Durham better defined thematically and geographically, more globally visible, world-leading in all of our core areas and with a stronger and sustainable business model. In response to the Covid-19 pandemic, financial sustainability is a priority, as well as economic, social and environmental sustainability across the four pillars of our Strategy. We have already made and continue to make changes to how we work and what we do, to address this vision. We aim to be an influential voice in national and international affairs and will be widely recognised for our ability to combine innovation and leadership with a strong sense of community and heritage.

## Overarching aims

We are already one of the world's best universities. To achieve our vision for 2027, we will do these three things:

- (a) Produce world-leading and world-changing research across all core academic disciplines;
- (b) Deliver an education that is challenging, enabling, research-led and transformative, on campus and through blended-learning online;
- (c) Provide our students with a wider experience that is as good as any in the world, through our colleges, Experience Durham activities and the Durham Students' Union.

We are also committed to being an active and positive presence for our members throughout their lives: we work hard to establish a culture of affection that binds together past, present and prospective members. We extend these networks of affection and support across the local communities in Durham, in the process engaging, empowering and learning from a wide range of external stakeholders.

## Our Values

Our core values reflect who we are and who we want to be. They have shaped our response to the Covid-19 pandemic by providing a framework in which we have taken decisions.

# We are:



### Inspiring

By stimulating an instinct to challenge, encouraging innovative thinking and taking our responsibilities seriously, we foster a culture that inspires the extraordinary.



### Challenging

Always curious, we challenge ourselves and each other to answer the big questions and create a positive impact in the world.



### Innovative

From creative teaching practices and cutting edge research to new ways of working, innovation is at the heart of what we do.



### Responsible

We take our duties as a centre of learning, neighbour and employer seriously, embracing all of our different communities and celebrating the differences that make us stronger together.



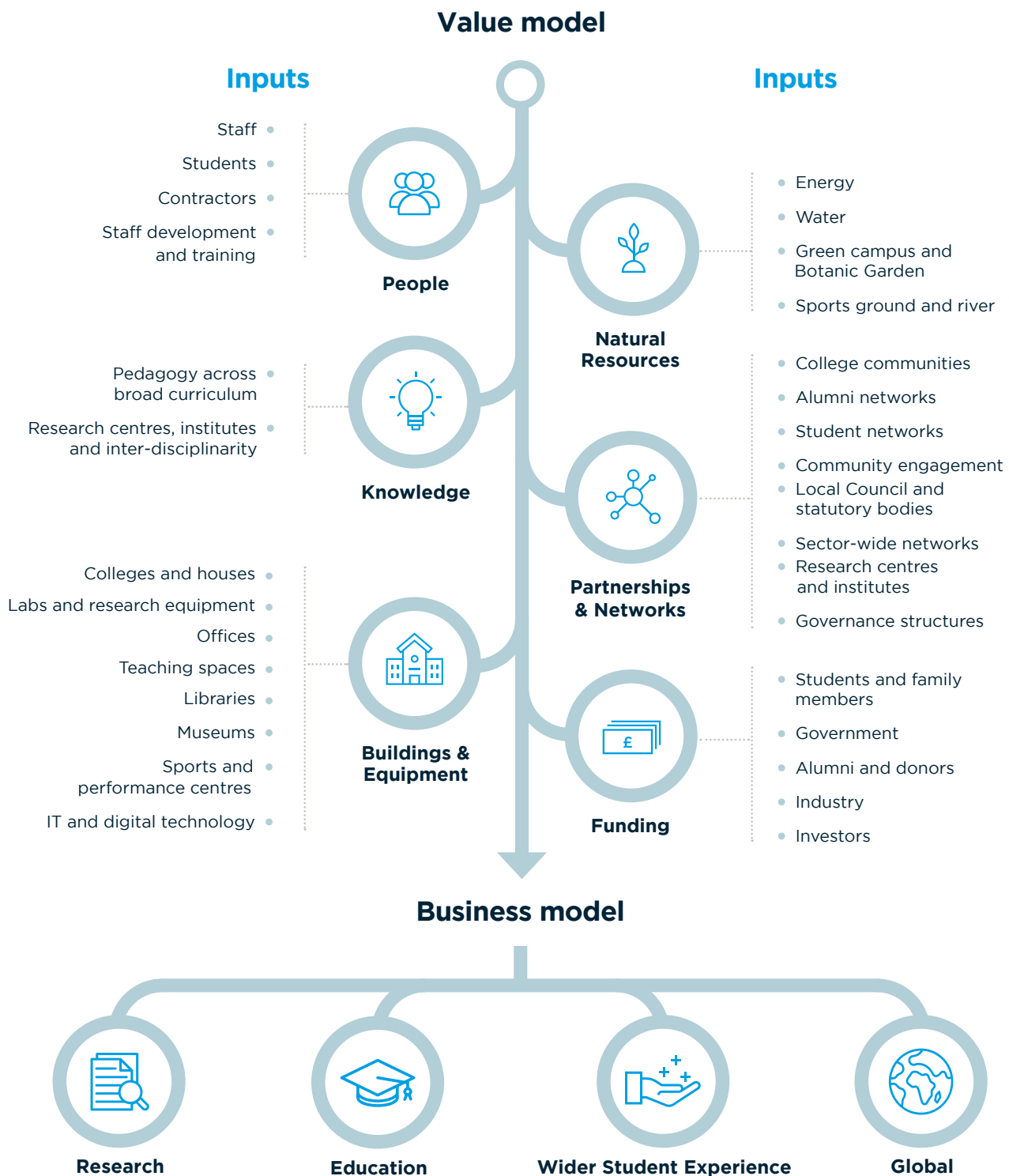
### Enabling

We create opportunities, support and freedom for everyone at Durham to become the best they can be now, and for the future.

## Our purpose

We improve lives and address world challenges to create value for society, the economy and the natural environment through:

- Boundary breaking interdisciplinary **research**;
- Providing a challenging **education** supported by a distinctive college environment and a **wider student experience** to produce graduates capable of fulfilling their potential;
- Being **globally** networked and embedded in the local community.



## Outputs



- 
- Boundary-breaking research.
  - An education that is challenging, enabling, research-led and transformative.
  - Student societies, activities and events supported through Colleges, Experience Durham and Durham Students' Union.
  - Student support services. (including financial, physical, emotional)
  - Residential accommodation and catering.
  - Alumni engagement, networks and events.

## Outcomes



- 
- Our research improves lives, expands knowledge and responds to global and environmental, social and economic challenges.
  - Our education provides a skilled workforce for employers, with degrees which hold their value over time and facilitates the social mobility of our students.
  - Our students are enabled, through our support systems to participate in and enjoy their University experience.
  - Our graduates develop knowledge to understand and change themselves and the world around them, becoming future leaders in their field and good citizens in both local and global communities.
  - Our distinctive College system delivers a strong sense of community and belonging for students and alumni. All colleges have embraced the SDGs.
  - Our students and graduates benefit from the advice, opportunities, philanthropy and enhanced global reputation provided by our alumni.
  - Our city and region benefit from the spending power and volunteering of our staff and students and access to sporting and cultural facilities and public events to help maintain our social sustainability.
  - Our shrewd financial planning enables us to invest in our service provision and ensure our financial sustainability.
  - Our impact on the environment is reduced and biodiversity across the estate is maintained or increased to help maintain our environmental sustainability.

## Stakeholders

- 
- Students and family members
  - Staff
  - Alumni and Donors
  - Government and Regulators
  - Research Partners
  - Industry
  - Local Community
  - Investors

## League tables

League tables provide an assessment of our standing in relation to other Higher Education Institutions (HEIs) and are used by applicants and the wider community to judge performance.

According to the league tables, we are a world top 100 university and one of the top universities in the UK. We're celebrating a record 19 subjects in the top 100 of the QS World University Rankings by Subject 2020 after Geology and Geophysics in our Department of Earth Sciences were added to this prestigious league table. Both appear in the world top 50 where we now have 11 subjects, with three in the top ten.

### Durham University League Table Performance

League Table	2018	2019	2020
Complete University Guide	6th	6th	7th
The Times and Sunday Times Good University Guide	7th	7th	6th
The Guardian	5th	5th	4th
Quacquarelli Symonds (QS) World University Rankings	74th	78th	86th
Times Higher Education (THE) World University Rankings	114th	133rd	149th

Key Performance Indicator	Current (2019/20)	Target (2026/27)
The Times and The Sunday Times Good University Guide	6th	Top 5

## Sustainable development goals

We've been named as one of the world's top universities for our contribution to several of the United Nations' Sustainable Development Goals (SDGs). The goals provide a blueprint to achieve a more sustainable future by encouraging organisations and individuals to address global challenges.

The Times Higher Education (THE) Impact Rankings places us in the top 50 in four SDGs:

- Sustainable Cities and Communities (SDG11);
- Responsible Consumption and Production (SDG12);
- Life on Land (SDG15);
- Peace, Justice and Strong Institutions (SDG16).

We also appear in the world top 100 in a further seven SDGs:

- Reduced Inequalities (SDG10);
- No Poverty (SDG1);
- Life Below Water (SDG14);
- Decent Work and Economic Growth (SDG8);
- Climate Action (SDG13);
- Industry, Innovation and Infrastructure (SDG9);
- Zero Hunger (SDG2).

During 2019/20 we established an SDG Group which is mapping all our education, research and wider student experiences against the SDGs. This will provide a comprehensive picture of where we have a significant positive or negative impact and support assessment of where to focus activities, aligned to our Strategy, to support the sustainable development of the institution for the benefit of our stakeholders and wider society. Our approach to this is guided by the Sustainable Development Goals Disclosure Recommendations, lead author (our own) Professor Carol Adams.

Our values are in line with the underpinning principles of the SDGs and throughout this report we highlight where our work is helping towards them in real and meaningful ways.





## Future plans

Our student intake plans in 2020/21 were revised in response to the impact of Covid-19 with additional numbers of home students recruited to make up for the fall in international student numbers and our decision to honour offers made to all applicants who obtained their predicted grades. In the long term we continue to plan to grow our student body and academic community to support our strategic goals.

### Projected student growth (Headcount): 2015/16 to 2026/27

	2015/16	2016/17	2017/18	2018/19	2019/20	2026/27	% Growth (2015/16 to 2019/20)	% Growth (2015/16 to 2026/27)
All students	17,500	17,927	18,013	18,707	19,367	21,500	11%	23%

### Projected academic staff\* growth (full-time equivalent): 2015/16 to 2026/27

	2015/16	2016/17	2017/18	2018/19	2019/20	2026/27	% Growth (2015/16 to 2019/20)	% Growth (2015/16 to 2026/27)
Academic*	1,005	970	965	1,039	1,098	1,315	9%	31%

*\*Teaching and research' and 'teaching only' academic employment functions.*

## United Nations' Sustainable Development Goals





## Managing our risks

To assist in achieving our objectives we have in place a system of risk management overseen by the Audit and Risk Committee and Council. This year, the Covid-19 pandemic has had an impact on most of our strategic risks and action plans have been developed to reduce our risk exposure. In common with universities across the sector, international student recruitment is now a high-risk area. To address this, we introduced two start dates for the academic year for key programmes in Durham University Business School (September 2020 and January 2021); we are developing new, internationally attractive programmes and a new approach to market-orientated pricing and fee-setting.

Other key risks relate to ensuring the safety of our campus and IT networks. Good progress against plans have been made in both these areas during 2019/20 and will continue during the next academic year.

We recognise that there is a window of opportunity in which we can gain a competitive advantage in the global HE market by innovating to diversify and commercialise our business model across the three elements of sustainability: economic; social; and environmental. Without this holistic approach, the long-term financial sustainability will be reduced. Initial steps are already being made in this direction, with the consideration of new business divisions and a commercial arm, the development of new products for market and associated pricing, and a stronger focus on clients, customers and stakeholders.

The Durham Centre for Academic Development which we established in 2018 has been invaluable in our response to the pandemic, providing training for academic staff to aid in digital skills. Combined with an agile response from our Computing and Information Services and the hard work of our staff, we succeeded in making a quick and effective transition to online teaching and learning. We plan to continue a blended approach to teaching, both in person and online, during 2020/21 and beyond.

The pandemic has altered the student experience for our current cohort and there is a risk that it may continue to affect future cohorts for as long as social distancing measures continue. We have made every effort to ensure that both student support and enrichment activities can continue in a blended approach, to ensure that our sense of college communities continues. We are absolutely committed to continuing to provide a world-class student experience.

The financial impact of the pandemic cannot be predicted with certainty, but we have considered various scenarios and are planning on the basis that a significant loss in income will be experienced over the next three years. So, we are focussing on protecting short-term cash flow by only allowing essential expenditure for the foreseeable future. Both the revenue and capital expenditure plans are being reviewed. A Financial Sustainability Team has been set up to coordinate the task of 'bridging the gap' in finances in the short term, and the Executive will provide leadership in establishing a new academic business model which will, over time, diversify sources of revenue. Options under consideration are Continuing Professional Development (CPD) activities, continuing education, diversifying delivery of education through new programmes and offers, exploring opportunities for advancing intellectual property and use of the University Estate. As highlighted above, we are acutely aware that long term financial sustainability is dependent on integrating not only economic but environmental and social sustainability across the four pillars of our Strategy, as the world embraces the new normal it is clear that these considerations are of paramount importance.

We plan to review our risk appetite to reflect the Covid-19 pandemic and how that has changed our willingness to tolerate and indeed welcome appropriate risk in some areas.

The major overarching risks together with key mitigating actions are tabulated below:

Risk	Key Controls
<p><b>Major turbulence in the macro policy and funding environment.</b></p>	<ul style="list-style-type: none"> <li>• Financial modelling of tuition fee impacts</li> <li>• Diversification of business model</li> <li>• Reducing operating costs</li> <li>• Covid Planning Group</li> <li>• Financial Sustainability Team</li> <li>• Brexit Management Group</li> <li>• Active participation in sector groups and networks e.g. Russell Group, and associated lobbying</li> <li>• Cumulative risk modelling and scenario planning</li> <li>• Access and participation plan agreed with Office for Students</li> </ul>
<p><b>If the University does not establish and implement a concrete plan to innovate, diversify and commercialise its business model, competitive advantage and financial sustainability will be threatened.</b></p>	<ul style="list-style-type: none"> <li>• Development of new products</li> <li>• Strategic Initiatives Delivery Unit and development of portfolio management approach</li> <li>• Using consultants for areas of specialist expertise</li> <li>• University Executive Committee overseeing business transformation</li> <li>• Department/faculty restructuring</li> </ul>
<p><b>Failure to modernise working practices and to sustain the balance between established operational commitments and the delivery of transformational change required to achieve the objectives of the 2017-27 Strategy.</b></p>	<ul style="list-style-type: none"> <li>• Integration of environmental and social sustainability across the four pillars</li> <li>• Changes in local working practices/performance management</li> <li>• Training and support for staff to enable digital delivery of teaching and learning</li> <li>• Strategy engagement events (e.g. town halls, strategy summits)</li> <li>• Internal communications and training</li> <li>• Redefined integrated annual planning cycle plus termly reporting on progress, performance and planning including SDGs</li> <li>• Integrated planning and reporting dashboards</li> <li>• Additional investment in Computing and Information Services and Estates and Facilities</li> <li>• Restructuring of departments and faculties with a focus on ensuring environmental, economic and social sustainability</li> </ul>

In addition to these overarching risks, there are specific risks in each of our key strategic areas which are highlighted in the relevant sections.

This report now moves on to the different areas of the Strategy, examining what has been achieved in the past year and future plans for the University. The position on Key Performance Indicators (KPIs) are, where possible, also provided.

Most KPI targets are set with the full Strategy timescale in mind, i.e. a target date of 2026/27. Shorter target timescales are stated where these apply.

## Operational Review

# People



### Goal

To have across all of our Departments, Research Institutes/Centres and Colleges faculty members of great distinction who will inspire students, contribute to the public good through their world-leading research and public engagement, and firmly position us as a world-class centre of academic excellence.

### What has been achieved

Our continued success relies on the many talents of all our staff. We recognise that to recruit and retain the most talented and motivated staff from around the world, we need to ensure that there is adequate support, training and development provided for all.

Our revised recruitment strategy provides a robust approach to ensure we are recruiting at the highest standard from a maximised global pool, with a greater focus on EDI (equality diversity and inclusion) as well as environmental, social and economic sustainability.

Business improvement initiatives and workforce efficiencies continued over the year. We completed the Department and Faculty restructuring and the roll out of the Job Families framework across all Professional Services (PS) by December 2019. The introduction of Job Families has clarified potential roles and career movement opportunities available within different departments for all PS areas across the University. The framework supports staff retention and the EDI agenda enabling greater career progression for under-represented groups and the use of gender-neutral job titles. The Job Families framework has been used in the succession planning programme within the Accommodation and Commercial Services Department, resulting in a number of staff obtaining promotion.

We have enhanced staff Annual Development Review (ADR) conversations with online personal development workbooks and career pathways, encouraging individuals to take ownership of their career development and increasing the visibility of appropriate development opportunities available that will benefit them as individuals, the team and department.

PS staff are now supported to undertake 21 hours of Continuous Professional Development (CPD) pro rata per year. Including a wider range of on-the-job CPD in addition to learning from

the newly enhanced and aligned development activities. This has been recognised nationally within the HE sector as being a positive intervention.

We want to ensure that respect is at the heart of our community. In October 2018 we set up a commission to understand people's experience of working and studying at the University. The recommendations of the commission are now being taken forward by the Respect Working Group comprising staff and students to deliver a blend of operational, strategic, and cultural changes. The Working Group will be responsible for all aspects of the Respect Commission's work over the three-year implementation period and will report annually on progress. Our key commitments for the future are:

- **Regular and effective communication between and amongst the Working Group, University Executive, strategic Equality, Diversity and Inclusion leads and the wider University community of staff and students;**
- **Raise awareness of changing attitudes and behaviours, creating a culture of respect for all;**
- **Recognising the role and responsibility individuals have in upholding a culture of respect at Durham.**

We run an in-house coaching network supported through a bank of staff who have completed Institute of Leadership and Management qualifications in coaching. A range of training and development workshops and courses are available focussing on the latest issues in equality and diversity.

Our gender pay gap for 2018/19 was 23.63%, a reduction from 25.35% in 2017. We recognise that the gender pay gap is a serious issue for us, as it is across the HE sector and society as a whole. We are committed to address this and have established a comprehensive action plan including a review of our Equality Objectives for the next four years.

Our Inspiring Women Network promotes debate and support for female staff across the University. Some of our departments have also developed their own networks; for example, Theology and Religion has the Café des Femmes, while Law has Gender and Law at Durham (GLAD). We are piloting a Women in Academia Mentoring Programme and an in-house coaching network has been developed providing one-to-one support. We are pleased







to be engaging with the Aurora programme, run by Advance HE, to support potential women leaders within Higher Education.

We continue to make excellent progress in achieving a greater diversity among staff within our academic departments, not least in the Faculty of Science. We are committed to all our departments holding an Athena SWAN award, which recognises good employment practices for advancing the careers of women. Currently all STEM (science, technology, engineering and maths) departments in the University hold an award, with Physics and Psychology gaining silver. In November 2019 English Studies and Philosophy gained Bronze Awards.

We have a range of policies which reflect and promote the equality and diversity of our staff including flexible working, parental and adoption leave and Respect at Work. In response to the Covid-19 pandemic we updated our policy on homeworking and published a range of new online resources on health and wellbeing to support our staff required to work at home.

We carried out a review of the staff counselling provision and launched an Employee Assistance Programme (EAP) in June 2020. The service provides staff with a complete support network that offers expert advice and compassionate guidance 24/7, covering a wide range of issues.

As a way of expressing our gratitude for the inspiring efforts of our staff at the beginning of the Covid-19 outbreak we granted two additional days of paid leave over the Easter Bank Holiday weekend.

## Case study: Technician Commitment

In November, we signed the Technician Commitment. This is a sector-wide, collaborative initiative led by the Science Council and supported by the Gatsby Charitable Foundation's *Technicians Make It Happen* campaign. The Commitment aims to ensure visibility, recognition, career development, and sustainability for technical staff working in higher education and research, across all disciplines. In line with this, we aim to enhance skills and career development for technical staff, recognising their integral and invaluable role in the continued successful delivery of high-quality teaching and research on the global stage.

We have designed Personal Development Workbooks for Technicians to consider the skills and behaviours required to effectively carry out the responsibilities at each grade within the Technical, Research and Teaching Services Job Family. The workbooks enable individuals to identify the skills and behavioural attributes required at each grade and give opportunity, through the completion of a training needs analysis, to identify individual strengths and development needs.

Our technicians are supported to develop their careers, as illustrated by Stephen Lishman who joined us as a trainee mechanical engineering technician in 1986 in one of the mechanical workshops of the Department of Physics. We supported Stephen to do an HNC, a degree, and eventually a Masters in Optical Astronomy.

Stephen says: "I am now responsible for the day to day operations of the Mechanical Engineering Services workshop and the supervision of its six staff members, organising work flow, ordering materials and components, and discussing work with users of the service."

Professor Stuart Corbridge, Vice-Chancellor comments "We treasure and value the work of our technicians. We want to ensure that all our technicians enjoy their work, have a good career path and are able to share their skills with the next generation of technicians, students and researchers."



## Future plans

We recognise the need to continue to invest in our staff even in these financially difficult times. Digital capabilities and our commitments to inclusion and respect will all be strengthened this year, among other areas.

Following the expansion of the Athena SWAN award in 2015, previously just for science subjects, to cover the arts, humanities, social sciences, business and law disciplines, we have set targets for all science departments to achieve a Silver award and all other departments to achieve at least a bronze award by 2022.

As part of our financial sustainability plans, in response to Covid-19, we are looking at a range of voluntary measures to achieve savings on our staff costs which avoid, or reduce, any potential compulsory redundancies. Measures include a voluntary severance scheme; unpaid career break/sabbaticals; purchase of additional annual leave; voluntary reduction in hours; voluntary salary reduction scheme and early retirement.



Key Performance Indicator	Current (2019/20)	Target (2026/27)
Percentage of academic campaign offers made to females	53.7%	Gender parity in academic campaign recruitment

Risk	Key Controls
<p><b>Failure to recruit, develop, retain and reward appropriate quality and quantity of staff in the right roles and areas</b></p>	<ul style="list-style-type: none"> <li>Recruitment processes, probation policy and retention policy, plus website for talent search</li> <li>Annual progression process run by faculties with oversight by Academic Progression Committee</li> <li>Academic career tracks</li> <li>Active management of delivery through integrated planning, risk management and faculty support</li> <li>Benchmarking salaries, market supplements and start-up offered, reward and retention packages, enhanced succession planning</li> <li>Improved performance management and workforce planning</li> <li>Staff development including enhanced leadership development for academic and executive staff</li> <li>New academic mentoring process</li> <li>Strengthening international alliances and diversity (Athena Swan commitments, Diversity and Equality Advisory Group)</li> <li>Tackling Brexit issues directly with staff and students</li> <li>Institutional Athena Swan Bronze reaccreditation</li> <li>Updated pay policies approved</li> <li>Equal pay working group and Brexit working group</li> <li>Culture and Respect Commission report completed</li> <li>Faculty and department review completed</li> </ul>

## Operational Review



## Research and Engagement



### Goal

To strengthen Durham as an institution in which world-leading and world-changing research and engagement is created and sustained across all core units in the Arts and Humanities, Business, Sciences and Social Sciences.

### What has been achieved

We have developed our reputation for research, innovation and the outputs we produce which are making a difference to people's lives. We have an amazing community of talented researchers and scholars from around the world. Our applications for research funding are increasingly successful and we are conducting leading inter-disciplinary research of the highest significance and quality, which is a key factor in our research success. We are one of the best universities internationally for citations of our research, ranked 6th of UK universities in the QS league table (excluding London Business who do not have an institutional rank), meaning that our work is amongst the most highly valued in the UK.

In the QS World University Subject Rankings we achieved three subjects in the World Top ten – Theology and Religion (4th), Archaeology (4th) and Geography (10th) - nine subjects in the Global Top 50 and a total of 17 subjects in the Global Top 100.

Following the onset of the Covid-19 pandemic, Durham University's academic and professional services community responded with phenomenal vigour and enthusiasm in looking to contribute to combatting and recovering from the pandemic. For example, a collaboration of staff from Mathematical Sciences and Sociology has worked with local NHS Trusts using their relevant data cells to model issues such as PPE requirements, patient numbers and hospital planning. Our Institute of Medical Humanities has focused on breathing, with work stemming from the 'Life of Breath' research project, looking to improve the wellbeing of Covid-19 patients.

We had an overwhelming response to a call to encourage colleagues to share expertise and interests in developing project teams to respond to Covid-19. A new Durham University £1m Covid-19 Rapid Response Fund was commissioned to provide pump-priming funding for research and impact projects. We have developed numerous initiatives and submitted applications to UK research funding bodies and are well-positioned to compete for new Covid-related funding opportunities should they arise in the longer-term.

We are also planning a Covid Conference, where colleagues will be brought together virtually to share their case study projects and discuss potential future collaborations.

#### Research highlights from the year include:

'Learning from multicultural amman: Engaging Jordan's youth', led by Professor Robin Skeats and Dr Arwa Badran in our Archaeology department, recently nominated for the Newton Prize. This project has stimulated the development of a national network of museum, heritage and library professionals across Jordan and is dedicated to engaging young people in learning about Jordan's rich history, culture and place in the world.

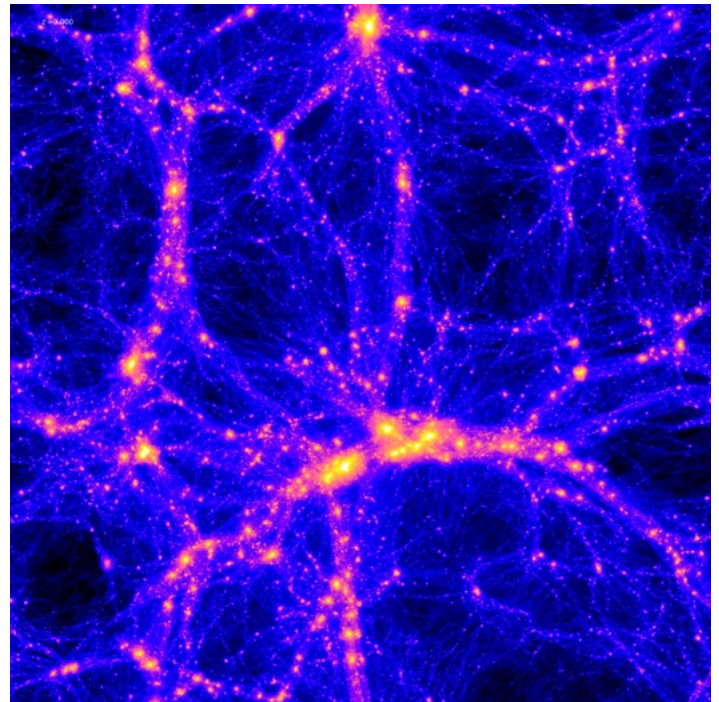
'Using Cosmic Beasts to Uncover the Nature of Dark Matter'. Dr Mathilde Jauzac in our Physics department is tracking the behaviour of dark matter in galaxy clusters (the most massive structures in the universe, also called 'cosmic beasts'), to distinguish between the three leading models: cold, warm and self-interacting dark matter.

Robert Hilton, Professor in Geography is undertaking research into carbon dioxide emissions by rock-derived organic carbon oxidation - ROC-CO<sub>2</sub>. One of the major sources of CO<sub>2</sub> is thought to be the oxidation of organic carbon contained in rocks

during chemical weathering. The natural rates of CO<sub>2</sub> emission by rock-derived organic carbon oxidation are poorly constrained – the only major CO<sub>2</sub> source that has not been properly quantified.

Our engineers have been inspired by nature to create what they say is the first manufactured, non-cutttable material. They got the idea for the new lightweight material from the tough cellular skin of the grapefruit and the fracture resistant shells of the abalone sea creature. The material – called Proteus after the shape-changing mythical god – could be used in the security and health and safety industries.

We have appointed a new Director of Policy Engagement to our London Office, who has been engaging extensively and proactively with policy makers and peer institutions in the EU. Our Director of Research and Innovation Services was invited to join the Policy and Representation Committee of EARMA (the European Association of Research Managers and Administrators) in 2018 and since that time has delivered and contributed to a range of position papers for the European Commission, mostly related to the implementation of Horizon Europe and directly engaging with senior staff at the Commission with responsibility for development of policy in this area. This work has also enabled new links to be formed with European institutions.



## Future plans

As we move further into the ten-year Strategy period we will continue to grow critical mass across the University, with significant growth planned in Mathematical Sciences, Computer Science, Durham University Business School, Law, Psychology and Engineering.

We have ten University Research Institutes (URI) which bring together staff from different disciplines to undertake research. Working in this collaborative manner encourages new ways of thinking and the development of new methods and technologies to address key global challenges. Between October 2019 and February 2020 five of the URIs underwent a review to assess contribution to the University Strategy, opportunities and risks and sustainability in academic and financial terms. A new strategic framework for the URIs is now being developed to take forward the recommendations of the review.

We will look to build on our contribution to the UN SDGs further in the next 12 months with a new Global Strategy which incorporates the SDGs and with a new high-level group in the University who will take responsibility in order to ensure the SDGs remain a priority for us as an institution.

We are continuing preparations for the Research Excellence Framework (REF) 2021. This is the UK's system for assessing the quality of research in UK HEIs and informing the allocation of funding. It first took place in 2014 and the next exercise will be conducted in 2021. Departments delivered a comprehensive draft submission during 2019/20 which identified a potential impact on a small number of case studies due to Covid-19 and action plans have been developed to manage these. Departments will finalise their submissions prior to the 31 March 2021 deadline.

Key Performance Indicators	Current (2019/20)	Target (2026/27)
Citations per academic staff member	6th in the UK (QS rankings)	Top three in the UK
UK research assessment exercises	9 of 23 units of assessment in top third of Russell Group in 2015 (39% of submission)	All units in Russell Group top third
PhD students per academic staff member	1.13 per core academic FTE in 2018/19	2 per academic FTE

Risk	Key Controls
Failure to secure new or maintain/grow existing research grant and contract funding	<ul style="list-style-type: none"> <li>Lobbying (via the Russell Group) to maintain Government funding and for higher recovery rate</li> <li>Diversification of research income streams</li> <li>Research facilitation function</li> <li>Conference, travel and seminar support</li> <li>Research pricing policies</li> <li>Research incentives</li> <li>Improved PhD and postdoctoral funding</li> <li>Delivery of department plans to include environmental, social and economic sustainability as targets</li> <li>Detailed analysis of research pipeline and projects at risk from a no-deal Brexit</li> </ul>



## Case study: Covid Sniffer Dogs

We are working with the London School of Hygiene & Tropical Medicine and Medical Detection Dogs on a government funded project to investigate whether specially trained dogs can be used to sniff out Covid-19.

The initial stage of the research aims to determine whether the dogs are able to detect coronavirus in humans from odour samples. Bio-detection dogs have already been shown to effectively detect specific conditions such as malaria, Parkinson's disease and some cancers in humans with high levels of accuracy. Now this trial will look at whether dogs can be trained to detect coronavirus in people too, even if they are asymptomatic.

If the trial gathers sufficient evidence, the first set of dogs could be deployed to key points of entry into the UK within six months to assist with the rapid screening of people travelling from abroad.

The initial phase of the trial will see the collection of samples from NHS staff in London hospitals, following which six bio-detection dogs, a mixture of Labradors and Cocker Spaniels, will undergo thorough training.

More than ten years of research by the charity, Medical Detection Dogs has shown that dogs, which could each screen up to 250 people per hour, can be trained to detect the odour of disease at the equivalent dilution of one teaspoon of sugar in two Olympic-sized swimming pools of water. If successful, these dogs could provide a fast and non-invasive detection method to support additional testing efforts used for Covid-19.

## Operational Review

# Education



awarded  
**87.3%**  
 for overall  
 satisfaction in  
 NSS 2020



### Goal

To provide outstanding educational opportunities for undergraduates, postgraduates and research students, producing critically and socially engaged graduates of the highest calibre who enrich society through their employability and role as global citizens.

### What has been achieved

We received a gold rating in the UK Teaching Excellence and Student Outcomes Framework (TEF) for 2018/2021, highlighting our outstanding educational provision. Our students mainly go on to highly skilled employment or further study and whilst they are here they experience our world-class, research-led education. Our internal survey of graduates conducted six months after leaving University suggests that the graduate-level employment figure is 84.9%, the same as last year. The Higher Education Statistics Agency (HESA) survey which considers activities 15 months after graduation shows that 75% of our graduates were in employment or unpaid work, compared to 81% nationally. A further 15% of our graduates were in full or part time further study. 87% of our graduates who were working in the UK were in highly skilled occupations, compared to 76% nationally.

Because of our distinctive research-led education, our students leave us with important intellectual capabilities, enhanced employment skills and the capacity for independent learning and problem solving. These qualities make our graduates some of the most sought-after in the world. We are confident that we are

providing the best teaching, because we rigorously monitor and reward excellence. We take great pride in knowing that Durham is the highest ranking Russell Group University in the 2020 National Student Survey. Our Overall Satisfaction rating has jumped up by 2.3% to 87.3%, bucking sectoral trends and placing us 12th out of 125 higher education institutions nationally.

We're committed to widening participation and ensuring that students from all backgrounds with the merit and potential to succeed are supported to do so. The University's Access and Participation Plan for 2019 entry included targets for two disadvantaged groups: those who live in neighbourhoods where there is low participation in higher education and those from the two most socio-economically disadvantaged areas. We have made major progress against these targets as a result of concerted actions to increase the proportion of offers being made to these applicants, actions to improve the conversion from offer to acceptance through an enhanced guaranteed offer scheme, and the prioritisation of these applicants among near miss candidates (applicants who narrowly miss their conditional offer).

During summer 2019 we welcomed over 750 students to our pre-sessional programmes and in 2020 the programme was delivered fully online with over 500 students engaged. These programmes are aimed at improving English language skills amongst prospective students who narrowly missed their language condition and others who wish to improve their academic language and literacy skills further. Student performance was strong and the feedback showed very high levels of satisfaction.

We have continued to offer a wide range of development opportunities to postgraduate research students, helping them to build up essential skills in team-working, problem-solving, communication, negotiation and leadership. This enables our students to develop an enviable set of transferable skills necessary for any future career. Opportunities include membership of committees, clubs and societies and opportunities for voluntary and paid employment. We moved the vast majority of Postgraduate Research development courses online from March 2020 and over the next year we will be developing a suite of online self-study interactive researcher development courses to complement our existing provision.

Our Durham Excellence in Learning and Teaching Awards (DELTA) offer a series of continuous professional development programmes for staff and doctoral degree students to support individual career experience and aspirations. The programmes provide a pathway to HEA Fellowship, an international recognition of a commitment to professionalism in teaching and learning in higher education.

The decision to move all teaching and assessment online in March exposed varying levels of quality due to the speed of implementation. To support this process, the Durham Centre for Academic Development has provided a comprehensive suite of courses and resources regarding online teaching and learning, designing digitally, and teaching live classes online. This development will be critical to maintaining a high quality of teaching during 2020/21, with both face-to-face and online activities planned to support the health and safety of our community.



## Case Study Education supporting understanding of the SDGs

We have a long-established commitment to deliver cutting-edge, research-led education. Our academic staff are more than lecturers simply teaching from books; the research they conduct shapes and inspires the academic structure of our departments and it directly informs our teaching, ensuring that academic course content is right up to date with current developments. This means that across our curriculum we address many of the SDGs. Below we highlight just a few ways in which, through our courses, we are contributing to the SDGs.

In our history programmes we look at the making of modern Africa: the struggle for political and economic freedom and equity and post-colonial governmental mismanagement. We trace change from the partition of the continent and the imposition of colonial rule, through the colonial experience and decolonization, to the present day problems of political instability and economic underdevelopment. SDGs 1, 2, 8, 9, 10, 11, 16.

Students also have the chance to explore the history of the United States: how the imperial logic of slavery fuelled America's expansion across the continent; how slave-grown products, cotton in particular, helped build the modern capitalist economy; how slaves themselves, in the face of violent coercion, created a rich African American culture and fought back against a system that could never achieve absolute control; and how a new racial order, buttressed by white militant groups like the Ku Klux Klan, emerged from the ashes of the South's slave regime. In pursuing these and other topics, students come to understand how the history of the early United States is, inescapably, a history of slavery. SDG 1, 2, 8, 10.

Our geology programmes include exploration of climate change, evaluating modern, anthropogenic global warming within the context of climate change over geological time. Students also look at earth system and climate, as well as the processes controlling pollutant movement in the environment. SDG 6, 13, 14.

In Engineering, we investigate renewable energy technologies, promoting an awareness of current technology, analysis methods and industrial practises along with the ability to apply those methods in novel situations. Students also explore smart energy networks, giving an appreciation of the impacts of increasing renewable electrical power generation on the existing infrastructure of electrical power systems. And in our module on decarbonisation of heating and cooling, we enable students to design zero carbon systems to meet specific user requirements. Our Civil Engineers look at Polluted Environments and Sustainability. SDG 7, 8, 9, 11, 12, 13, 15.



## Future Plans

We're always improving and reforming our curriculum as well as our educational offering. We're currently developing a suite of new programmes that will provide an outstanding educational experience for our students. These will focus on interdisciplinary approaches to addressing critical challenges and include opportunities to work with external partners, providing valuable training and experience for our graduates.

We aspire to provide our students an education of the highest quality. To fulfil this strategic goal, we must be diverse, equitable and inclusive. Access, student success and progression, and widening participation features strongly in our ten-year Strategy. We will achieve these strategic goals by committing:

- To generate applications from disadvantaged groups through highly targeted outreach activity;
- To adopt a holistic approach to assessment of merit and potential, including the use of information about the context of prior achievement;
- To ensure a high degree of academic and non-academic support to all students, but to be targeted towards at-risk cohorts where necessary;
- To focus on employability by offering opportunities to develop key skills and to engage with employers;
- To offer financial support packages to support access, success and progression where there is most need;
- Where possible to use the experience and expertise of our staff and students to inform good practice.

The sector regulator, the Office for Students (OfS) approved our Access and Participation Plan for 2020-25 and we have set out the following key aims and objectives across the five-year period:

- To increase the number of students from low participation neighbourhoods and in doing so close the gap at Durham between the most represented and the least represented;
- To increase by 100, the number of students from the UK black community;
- To decrease the gap in degree outcomes (1sts of 2:1s) between disabled and non-disabled students;
- To ensure equality of success and reduce the discrepancy in continuation and achievement between mature students and other groups;
- To increase to 9% the number of care leavers in the North East progressing to HE.

Key Performance Indicators	Current (2019/20)	Target (2026/27)
Performance in the National Student Survey	87.3% overall satisfaction with course	Top decile overall in the UK
Proportion of Durham students working or studying abroad as part of their degrees	10%	25%

Risk	Key Controls
Failure to achieve undergraduate (UG) and postgraduate (PG) student recruitment quality and quantity targets (Home/International/UG/PG)	<ul style="list-style-type: none"> <li>• Student recruitment and conversion activity</li> <li>• Enhanced market research and analysis</li> <li>• Development of new internationally attractive programmes</li> <li>• Pricing and fees, use of discounts, scholarships, bursaries</li> <li>• Delivery of department plans (including curriculum reform and new programmes)</li> <li>• Tackling Brexit issues directly with staff and students</li> <li>• Brexit Management Group</li> <li>• Annual planning process</li> <li>• International Study Centre</li> <li>• Centralised admissions</li> <li>• Durham Centre for Academic Development</li> <li>• Centre for Teaching and Learning</li> <li>• Strike Action Team and mitigation policy established</li> </ul>



## Operational Review

# The Wider Student Experience



We have launched a refreshed Wider Student Experience (WSE) Strategy which describes our approach to enrichment and student support and our ambitions for the coming years. We will equip our graduates with enhanced life skills and broader perspectives to complement their world-class degree, so that they are able to make a positive and purposeful difference in an ever-changing and challenging world. In addition, we have recently mapped the WSE to the UN's 17 SDGs and are working with EcoDurham to further improve WSE.

### Goals

- Open up the Wider Student Experience so it is equally accessible, relevant and rewarding for all students.
- Embed responsibility and respect throughout University life.
- Enhance student enrichment so that our students can achieve transformational graduate outcomes.
- Optimise student support and wellbeing so that we provide support seamlessly through partnership working across the institution.
- Raise our reputation and profile as an institution with a unique focus on an enriching Wider Student Experience which delivers transformational personal growth for students.
- Upgrade the foundations of the Wider Student Experience, including the Colleges themselves and a range of facilities.
- Gather evidence on the Wider Student Experience so that we can measure and demonstrate our progress.

## What has been achieved

Our student retention rates, even controlling for the characteristics of our student intake, are markedly and consistently better than at almost all other universities in the UK, which we believe is due to the wider student experience we provide. Nearly 90% of our undergraduates, and many postgraduates, take part in extra-curricular life spanning all sorts of activities across all parts of the University.

All our students become members of one of our colleges, which provide more than just accommodation. Our collegiate structure enables a huge number of opportunities for student enrichment. Each college provides a sense of community that is distinctive to Durham with support from dedicated staff. The colleges provide a place to form lasting friendships and develop teamwork and leadership skills with opportunities to join numerous societies, events and associations.

A wide range of volunteering and outreach activities are available to students within their colleges and at University level through schemes such as Student Community Action (SCA), a student-led, community-focused organisation, responding to the needs of the local community, and Team Durham Community Outreach which brings sport into volunteering with the aim of getting the local community more active.

Our University groups and clubs achieve at a very high level nationally and internationally. We have the highest participation levels in theatre, music and team sports than any other UK university. Although some national festivals for music and theatre and university sport were cut short due to the pandemic, this did not halt student activity. A huge surge of music and drama festivals, masterclasses, and sport competition, wellbeing initiatives and student support sessions were all moved online – with much creativity and content coming from the students themselves who remained active during lockdown.

We're proud of how active our students are as volunteers, this year we had over 2,200 students volunteering, contributing more than 20,000 hours to the community. Whilst Covid-19 has affected the number of hours of volunteering, we have seen an overall increase in volunteers this year. We support over 80 projects in North East England, covering social inclusion and complex needs, education and environment and sport and physical activities. During lockdown our students sent letters, poetry and pictures to the care homes we work with, created activity packs for inmates at HM Young Offenders Institute Deerbolt, who due to lockdown were confined to cells for 23 hours a day. We had more than 50 students tutoring families on a weekly basis, the University Ballet Company delivered workshops to Girls Friendly Society, our Athletes have mentored young aspiring athletes from the County through the Durham Institute of Sport programme and a team of volunteers took to the street to enable the Green Move Out (student belongings recycling scheme) to happen this year.

We have one of the most active student volunteering communities of any UK university. In June our Student Volunteering and Outreach (DUSVO) was honoured with The Queen's Award for Voluntary Service, the highest award given



for community volunteering in the UK. One student volunteer, Harriet, said: *"I would encourage anyone to volunteer with DUVSO as I can honestly say volunteering was the icing on the cake of my university experience. Through volunteering, I have made incredible friends, had amazing fun and hopefully helped the local community. It's never too late to start volunteering and I would recommend it to anyone who is looking to try something new next term."*

Our Leadership Framework reached over 800 students through formal mentoring, a speaker series, interactive workshops, and an online toolkit. The Leadership Framework adapted to the challenges of Covid-19 by delivering a virtual speaker series, where Durham University alumni spoke on a range of leadership topics via Microsoft Teams, continuing to bring value to the students' Durham experience. In 2020/21, the entire Leadership Framework will be virtual for at least six months, including online mentoring sessions. We plan to welcome over 180 students onto the Leadership Academy, pairing them with 180 mentors, an increase of over threefold from this year.

## Case study: Student Art Prizes

The Student Art Prize was launched in October 2019 to expand opportunities around creativity and to develop a new permanent student art collection, housed within our wider art collection, but available as a resource for the whole community.

Although Durham does not formally teach fine art, almost every University college has its own active art society or art group, where students take part in workshops, meet artists and develop their artistic skills through collaborative creativity.

Over 70 student artists applied, 21 of which are displayed in our online exhibition. The theme for this first iteration was 'diversity', a subject chosen to allow a wide range of exploration and conceptualisation by the artists, and a reference to the lack of diversity within some traditional canons of art history. The winner was Alice Stubbings, a law undergraduate at St. Mary's College who created 'Hands of Acceptance.'



## Future plans

We plan to:

- **Establish a need-based Wider Student Experience scholarship fund.**
- **Develop and launch the full Durham Inspired Award, which has the SDGs at its heart.**
- **Develop and launch both an external student enrichment advisory group composed of alumni and key stakeholders and a WSE Global Ambassador network.**
- **Launch the University's first pan-institutional Health and Wellbeing Strategy.**
- **Increase the number of colleges, to increase the proportion of full-time students benefiting from the residential aspect of a Durham University collegiate experience.**

The Durham Inspired Award focuses on the personal development aspects of student enrichment activity and was launched as a pilot for undergraduate students in September 2019. The Award encourages students to Think, Act and Grow. To think logically, critically and purposefully; to act and engage in enrichment activity including theatre, music, sport, enterprise and volunteering, with a strong emphasis on service for others; and to grow as a person, with the help of a development coach

whilst using a strengths profile as a reference point. The Award will be developed with additional focus on promoting global awareness and cultural sensitivity whilst further considering optional modules in both leadership development and enterprise. It is also intended for the Award to have external accreditation by the time of the full launch in September 2021. Pilot proposals for the postgraduate version will begin to be rolled out in early 2021 with a full launch anticipated in September 2022.

The University is committed to enabling its students to continue to receive the benefits of our world-leading Wider Student Experience (enrichment and support) during 2020/21 while doing so in a manner that minimises risk in a Covid-19 environment. We will be providing a blended offer for students – offering face-to-face support services and enrichment opportunities where it is safe to do so coupled with complementary online alternatives to increase accessibility levels.

Face-to-face enrichment activities will include sport, the performing arts, volunteering and College social life with suitable adjustments being made for social distancing where required. Other student groups and activities will continue to adapt to new virtual formats.

Key Performance Indicators	Current (2019/20)	Target (2026/27)
Staff and student volunteering hours	22,000 hours	100,000 per annum
Proportion of students gaining the Durham Inspired Award	n/a	75%



Risk	Key Controls
<b>Failure to provide world-class wider student experience</b>	<ul style="list-style-type: none"> <li>College system, Experience Durham and Student Support and Wellbeing Directorate Online social interaction enabled (e.g. Zoom)</li> <li>Library and IT facilities (available online)</li> <li>Careers service, counselling, mental health support, disability support (available online.)</li> <li>International student support</li> <li>Sexual violence and misconduct operations group</li> <li>Respect, alcohol and sexual misconduct policies</li> <li>Wider Student Experience Committee</li> <li>Catering flexibility project delivery</li> <li>Raising awareness of mental health issues, enhanced training for staff on mental health and domestic violence</li> <li>Colleges planning process</li> <li>Wider Student Experience benchmarking exercise completed</li> <li>DCAD resource bank launched</li> <li>Implementation of culture and respect commission</li> </ul>
<b>Failure to maintain and improve existing estate</b>	<ul style="list-style-type: none"> <li>Estates developments overseen by governance committees.</li> <li>Prioritisation of investments in the existing estate underpinned by a consolidated database on condition survey, additional residential maintenance resources agreed</li> <li>Year 1 of residential improvements completed</li> <li>Early engagement with students and community</li> <li>Tightened building maintenance protocols re fire safety</li> <li>Contract management process implemented</li> <li>Academic estate condition programme profiling</li> </ul>
<b>Failure to deliver the estates masterplan (capital programme)</b>	<ul style="list-style-type: none"> <li>Additional programme management capacity, systems and roles for estates projects</li> <li>Five year plan for project management capacity in place</li> <li>Better cost estimates and cost control</li> <li>Early engagement with Durham County Council, local residents (community engagement framework) and students</li> <li>Contract management process implemented</li> <li>Independent gateway reviews in place and happening</li> </ul>

## Operational Review

# Global Durham

### Goal

To position Durham as a globally networked university that is widely recognised as an outstanding place to study and work and a significant contributor to international research and engagement agendas as well as a source of future global citizens and leaders.

### What has been achieved

We highly value the overseas students who join us from around the world. Currently, about 27.5% of our students are from outside the European Union and we have a growing number of non-UK academic and professional staff.

The Durham University International Study Centre (DUISC) which was established with Study Group in 2017 at the Queen's Campus, Stockton continues to prepare international students for progression to undergraduate and postgraduate degree programmes at the University. 450 students progressed to the University in 2018/19 (UG 361 and PG 89) and 433 progressed in 2019/20 (UG 327 and PG 106).

Our students benefit from a wide range of opportunities to broaden their horizons, with over 250 student exchange programmes under the Erasmus+ and International Exchange programmes. To help mitigate the impact of Brexit, we have strengthened our European partnerships by joining the Coimbra Group Student Exchange Network of 39 universities. Our worldwide partner institutions are spread across the globe from Universidad Austral (Buenos Aires, Argentina) to Zhejiang University (Hangzhou, China). Almost 400 Durham students every year take the opportunity to spend a period abroad and we welcome more than 300 students to Durham. These programmes

offer the chance to travel and experience life in another country, broadening horizons and providing new perspectives. A study abroad experience also gives our graduates the extra edge when taking their first steps into the world of work.

Durham was been ranked joint 30th among the world's most international universities in a new league table. The Times Higher Education (THE) named us as one of the world's best for having a high proportion of international students and staff, for collaboration with universities worldwide and for our strong global reputation.

We have established office bases in London, Delhi, Beijing and Shanghai and are planning to establish further offices in New York, Hong Kong and Brussels.

We have created the UK's first Global Challenges Research Fund Centre for Doctoral Training (CDT). The Centre opened with fully funded PhD studentships beginning in February 2019. The CDT supports a cohort of 24 PhD candidates, all citizens of 16 developing nations, identifying steps towards a solution to a specific global challenge aligned with the SDGs. PhD projects are interdisciplinary and are supervised by 59 academic staff from 14 different departments in partnership with organisations in an overseas developing nation. During the placement at these organisations, the students strengthen their knowledge on practices and policies in the overseas countries which will help them achieve the research goals they are working on and build networks. The CDT aligns strongly with the university's values in carrying out world-leading and world-changing research that is environmentally, socially and economically sustainable, contributing further to the SDGs.



**Case study:**

## Health interventions in volcanic eruptions – protecting communities from inhaling volcanic ash

Around 10% of the world's population lives near a historically-active volcano. When a volcano erupts, there may be critical dangers for those caught in the explosive force of the eruption. But, by far the most wide-spread hazard is airborne emissions, carried by winds over hundreds to thousands of miles from the volcano. These emissions include volcanic ash (particles of fragmented magma less than 2mm in diameter), aerosol and gases.

Inhaling ash can cause irritation in the respiratory tract (rhinitis, sore throat, cough) and can exacerbate existing respiratory diseases like asthma, bronchitis and Chronic Obstructive Pulmonary Disease. It is still not established whether long-term exposures can trigger respiratory diseases like lung cancer and silicosis. Due to these uncertainties, a precautionary approach is usually taken, so humanitarian agencies will often distribute facemasks to protect communities.

Research led by Professor Claire Horwell has, for the first time, investigated the effectiveness of different forms of respiratory protection for community use in volcanic eruptions. The project, 'Health Interventions in Volcanic Eruptions' (HIVE) involved laboratory testing of different facemasks and wearability trials amongst communities affected by volcanic ash. Social surveys were completed in three country settings – Indonesia, Mexico and Japan – alongside anthropological research to explore behavioural factors and how to tailor effective messages around protection. An evaluation of the ethics of agencies distributing low-quality interventions was also undertaken. The research findings have already influenced agency decision making in several eruptions since 2018.

## Future plans

We retain the long-term plans to increase our global reputation and contribution while recognising that there are short-term impacts from Covid-19, particularly on the ability of our staff and students to undertake international travel.

We have an ambitious but achievable aim to increase the proportion of non-UK students to 39%, whilst ensuring a diversity of students in terms of nationality, ethnicity, faith as well as socio-economic background. This will be supported by a range of international scholarships, at undergraduate as well as postgraduate level. The need for diversity is also a strategic imperative, to mitigate potential financial risks of relying on one or two core markets in a volatile and competitive landscape for international recruitment.

We will further internationalise the curricula of our degrees with a view to increasing the employability of Durham students around the world. A suite of new programmes is being developed, based on robust market data which will appeal more to an international audience.

We will offer all students the opportunity to undertake internships at some point during their course of study. This will have the additional advantage of greater engagement of our alumni in hosting such internships. It will also serve as an opportunity to develop greater and deeper engagement with businesses and industries internationally.

We will seek to develop a number of collaborative international doctoral training centres over the course of the Strategy, modelled on the successful doctoral training with Conacyt (Mexico), amongst others.

We will continue to identify and build mutually beneficial, productive relationships with key international peers, developing partnerships with five to ten key international peers including, but not restricted to North America, Europe and East Asia. Targeted strategies will be developed for China, North America, Europe and the Global South to incorporate joint teaching programmes, research ventures and funding and alumni relations.

Closer engagement with policymakers and funders in Brussels will ensure that we remain a partner of choice in collaborative funding initiatives post-Brexit.

Study abroad options will be promoted for all students. We will enter into strategic partnerships with targeted international universities for student exchanges with 25% of Durham undergraduate students to undertake study or work abroad during their degree programme by 2026.

Key Performance Indicators	Current (2019/20)	Target (2026/27)
Proportion of international (non-UK) students	34%	39%
Percentage of eligible subject areas in QS World Top 50	11 out of 31 (35%)	50%
Contactable alumni	154,947	185,000



Risk	Key Controls
<b>Failure to create a diverse, equal and inclusive community</b>	<ul style="list-style-type: none"> <li>• Effective recruitment and promotion processes</li> <li>• Athena Swan commitments</li> <li>• Diversity and Equality Advisory Group (DEAG)</li> <li>• Equality and diversity action plan, to address core equalities objectives, aligned with strategy overseen by DEAG and University Executive Committee</li> <li>• Gender balance and profile discussed with departments during planning process</li> <li>• Gender and equal pay report action plan implementation</li> <li>• Active management at departmental level through planning and faculty support.</li> <li>• Faculty EDI managers appointed</li> <li>• Equality impact assessments embedded</li> <li>• Training and web portal for reporting and support relating to hate crime</li> <li>• Strengthened Faculty EDI leads from 0.1 to 0.2FTE</li> <li>• Culture and Respect Commission report completed</li> <li>• Realising your potential behavioural framework</li> <li>• Reciprocal mentoring scheme to bring senior and less senior staff together and to enhance understanding of protected characteristics</li> </ul>
<b>Failure to maximise and manage University profile and brand internationally</b>	<ul style="list-style-type: none"> <li>• Reputational analysis work</li> <li>• Brand guidelines rolled out</li> <li>• Pilot completed on impact towards SDGs</li> <li>• International Study Centre</li> <li>• Global Strategy developed</li> <li>• London and Delhi Offices established and staffed</li> <li>• Partnerships with Tübingen, Uppsala, Notre Dame, Zhejiang Universities</li> <li>• Reputation campaign ongoing</li> <li>• Programme Development overseen by Provost's Board to investigate and expedite programme development opportunities</li> <li>• New programmes discussed as part of planning round</li> <li>• Task and Finish group on sustainable development goals concluded and SDGs embedded in Global Strategy</li> </ul>

## Operational Review



# Accommodation, Estates and Infrastructure



### Goal

To enable the University to deliver its Strategy through sustainable investments in physical infrastructure and residential accommodation; by so doing, to create an attractive, world-class environment for staff, students and the wider community.

### What has been achieved

We enjoy a wonderful location, set in a unique and historic environment and our estate is arguably one of the most complex and architecturally important of any university in the UK. It has evolved over almost 200 years and includes many old, converted and listed buildings as well as our new purpose-built accommodation. With our Estates Masterplan, we are making significant investments in both refurbishment and new builds to ensure that our estate will provide the best teaching and research environment for our staff, students and visitors.

During 2020 we completed the construction of two new purpose-built college facilities; one is a new home for John Snow College, following its relocation from the Stockton campus 22 miles away from Durham and the second is a new college. We also constructed new cycle lanes and pathways around campus ready for the start of the 2020/21 academic year.

Our new Centre for Teaching and Learning opened in September 2019. It hosts a wide range of learning environments and technologies and houses lecture theatres, teaching rooms, an education laboratory where new teaching and training methods can be developed, student learning zones and catering facilities. The installation of the cutting-edge digital technology by audio visual specialists Visavvi, working with our Computing and Information Services staff, was awarded the accolade of 'Education Project of the Year' at the AV Technology awards. Outside term time the Centre will host major academic conferences which will support the wider economic impact the University makes to Durham City, County and North East England.

In October 2019, the Assembly Rooms theatre officially re-opened its doors after 14 months of renovations, thanks to a £2.4m investment. We restored the theatre's 150-year-old ceiling, improved disabled access to the building and auditorium, as well as completely redecorating and repairing the dressing rooms, bar, box office and facilities. In January, our fantastic partners, colleagues, and alumni helped us to officially reopen the doors.

Over the summer of 2020 we implemented significant changes across the campus to provide safe working and learning spaces for our staff and students. This included the installation of hand sanitisers, the removal or spacing out of seating to apply the two metre social distancing rule where possible, ensuring appropriate ventilation in buildings and the provision of face coverings.



## Future plans

The impacts and mitigations for Covid-19 will feature prominently in our immediate plans as we learn how best to run our colleges and the wider social experience with social distancing in place.

The new building to house the departments of Mathematical Sciences and Computer Science scheduled to open for the 2020/21 academic year was delayed due to Covid-19 with the completion date pushed back to December 2020. The £40m project will provide state-of-the-art learning, teaching and study spaces. The building has been designed to facilitate greater integration of students and staff, and to further develop synergies between the two departments.

Given the impact of Covid-19 the capital programme for 2020/21 has been restricted to essential spend only, including contractually committed spend, Health and Safety works vital to ensure the safety of staff and students, works essential to the preservation of income, such as those related to research income and works essential to maintain the quality of the teaching provision.

Essential work to improve our IT will continue during 2020/21 including replacement of outdated Wi-Fi access points and the future proofing of the IT network infrastructure to support our

mitigation against the risk of cybersecurity attacks. A new website will be established and we will continue the implementation of the second phase of Worktribe to help the management of research outputs and staff profiles.

The second phase of estates growth includes new developments for Arts and Humanities departments. The third phase will focus on development at the science site.

Key Performance Indicator	Current	Target (2026/27)
Proportion of estate buildings in Categories A and B ('high standard')	54% (2018/19)	85%

Risk	Key Controls
<b>Failure to deliver the estates masterplan (capital programme)</b>	<ul style="list-style-type: none"> <li>Estates developments overseen by governance committees</li> <li>Additional programme management capacity, systems and roles for estates projects plus better cost estimates and cost control</li> <li>Early engagement with Durham County Council, local residents (community engagement framework) and students</li> <li>£225m private placement secured to fund capital programme</li> <li>Contract management process implemented</li> <li>Five-year plan for project management capacity in place</li> <li>Project governance, methodology, business case, feasibility and options appraisal processes reviewed</li> <li>Academic estate condition programme profiling agreed in draft</li> <li>Independent gateway reviews in place and happening</li> <li>Guidance manual being rolled out with project sponsors</li> </ul>
<b>Insufficient IT Infrastructure and capabilities to support staff and students and to deliver academic and enabling strategies. Technology risk occurs across four domains: cyber-security, data, infrastructure (inc. technical debt) and information (inc. physical records).</b>	<ul style="list-style-type: none"> <li>Enhanced data governance: IT Advisory Group, Information Governance Oversight Group and CIS Improvement and Operations Board established</li> <li>Draft Digital Strategy approved by Council</li> <li>Implementation plan for cybersecurity agreed</li> <li>Zoom rapidly rolled-out, Apps Anywhere, Teams and Office 365 increasingly used</li> <li>Service catalogue developed</li> <li>1st phase of IT Target Operating Model developed</li> <li>IT five-year plan developed</li> <li>Big 3 delivered (networks, hosting, storage)</li> <li>Staff development and succession planning</li> <li>Year 1 technical debt programme delivered (over ten projects completed.)</li> <li>Student recruitment system, Worktribe Phase 1 and Oracle Phase 1 delivered</li> <li>CIS Programme Management Office established</li> </ul>

## Operational Review



# Environmental Impact



3,967t  
CO<sub>2</sub>e

saved in 2019/20



**We're working to make Durham one of the most environmentally sustainable universities in the UK. Alongside major investments in our built environment and our teaching and research activities, we have introduced strong environmental policies and procedures. We're working to reduce our carbon emission and promote increased awareness of environmental issues.**

### What has been achieved

In 2019/20, environmental, social and economic sustainability continued to be high on the agenda for our staff and students, with well-organised and attended climate protests taking place in November 2019 and February 2020. Covid-19 also presented challenges and opportunities and although the long-term impact of the pandemic is unknown, we are clear that our sustainability goals are still at the top of our priorities.

Our Environmental Sustainability Strategic Planning Group tracks progress against our environmental objectives and targets, reviews our policies and acts as a forum where colleagues, from all areas of the University, can discuss and promote environmental issues.

In April 2020, a biodiversity mapping exercise of the University estate started. Despite Covid-19 restricting early access, automated wildlife recorders, and field surveying have yielded much valuable information. The team from our Department of Biosciences has rediscovered the bee orchid, a very rare species, which was previously thought extinct around Durham. Locally rare and nationally declining butterflies such as Purple Hairstreak, White-letter Hairstreak and Wall Brown all occur onsite, as well as several moth species that occur almost nowhere else in the county. The estate boasts very healthy populations of mammals such as otter, badger, roe deer and fox, as well as ancient woodland, valuable wetlands and unimproved grasslands.

We gained recognition for our environmental management system, working in collaboration with our student body Eco Durham, through the award of Eco Campus 'Gold'. There are four awards in Eco Campus, ranging from Bronze to Platinum, each reflecting how far a university has progressed in implementing their environmental management system. We received Bronze and Silver awards in February 2020 and the Gold award in June 2020.

This year's Green Move Out (student belongings recycling scheme) managed to take place despite Covid-19. The Energy and Sustainability team worked with colleagues from across the University to arrange 1,800 purple bags and leaflets to be delivered to colleges and student properties across Durham City. The bags were collected by local charity, County Durham Furniture Help Scheme, which, this year, concentrated its service on supporting the homeless and those coming out of hospital, due to coronavirus hospital pressures.

The Single Use Plastics (SUP) Working Party has made great progress in identifying and replacing avoidable single use plastics. Highlights include replacing plastic bottles in all vending machines with locally sourced aluminium cans; the launch event for DUBS' Fusion Café going plastic free in September 2019; and the new Teaching and Learning Centre, Zing Café also being plastic free.

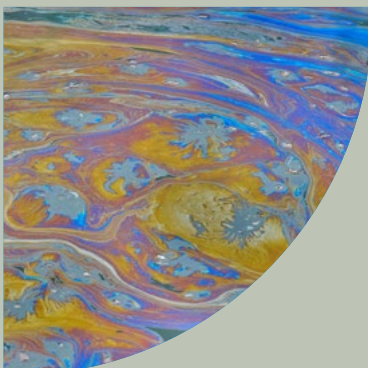
There are 1,111 gas, electricity and water meters connected to our monitoring system. Effective utilities monitoring using the Systems Link platform has resulted in additional energy and water savings during the lockdown period. Issues rectified have included water leaks, heating systems running constantly, and unnecessary equipment turned off; estimated savings since lockdown are 43.5 tCO<sub>2</sub>e.

The Energy and Sustainability Team has been working in collaboration with our largest waste contractor Biffa. Projects included a visit to the Biffa South Shields depot, to view waste collected from the University in a 'controlled tip', which resulted in the production of a waste awareness video. A trip was also arranged for Student Environment Champions to visit the Biffa recycling centre in Washington, to see how dry, mixed recycling waste is processed.

Changing ways of working due to Covid-19 will have an impact on Environmental Sustainability KPIs. In some instances this will be positive: increased cycling and walking; reduced traffic and international travel, and in other cases there will be a negative

effect: reduced use of public transport; increased energy demand for ventilation: and increased waste due to additional cleaning and use of paper towels.

From 2011/12 to 2018/19, 104 carbon reduction projects received funding from the ring-fenced carbon budget, saving a total of 3,967 tCO<sub>2</sub>e. In 2019/20, a further six projects were initially granted funding, including innovative schemes to reduce the carbon intensity of the Anthropology Field School and upgrade of equipment in the Chemistry and Physics departments. However, due to Covid-19 spending restrictions, the 2019/20 schemes were unable to go ahead.





## Future plans

We have scheduled a Platinum audit for the Eco Campus award for the start of December 2020. To achieve the Platinum level we will fully audit our processes, procedures and legal compliance, and carry out a management review.

We will review our Greenspace branding to enhance the identity of environmental sustainability across the institution.

We will also be introducing carbon literacy training in 2020/21 to ensure staff and students throughout the University are empowered to reduce their carbon footprints.

We will continue work begun in 2019/20 on developing an Integrated Sustainable Travel Plan 2020-25, with ambitious targets to help the University transition to more sustainable modes of travel.

Sustainability Data	2019/20	2018/19
Scope 1 and 2 carbon emissions	22,175tCO <sub>2</sub> e	23,773tCO <sub>2</sub> e
Scope 1 and 2 carbon emissions/m <sup>2</sup>	0.058tCO <sub>2</sub> e/m <sup>2</sup>	0.063tCO <sub>2</sub> e/m <sup>2</sup>
Business travel carbon emissions	3,127tCO <sub>2</sub> e	4,747tCO <sub>2</sub> e
Total energy consumption - electricity	36,017MWh	39,705MWh
Total energy consumption - gas	70,418MWh	73,289MWh
Total water consumption	299,855m <sup>3</sup>	435,748m <sup>3</sup>
Total waste produced	2,046 tonnes	2,685 tonnes
Percentage of waste recycled	31.39%	34.85%

Methodology used - Greenhouse gas emissions are calculated using the UK Government GHG Conversion Factors for Company Reporting. Scope 1 and 2 carbon emissions includes the same elements as the HESA Estates Management Report; grid electricity, fuel, oil, natural gas and petrol and diesel emissions resulting from University owned vehicles and equipment.



# Greenspace

## Operational Review

### Public Benefit



### Framework

The University is a charity with an ethos and values based on operating for public benefit. In setting and reviewing the strategic objectives our governing body, Council, acts in accordance with the Charity Commission’s guidance on public benefit. In our fundraising activities, we adhere to the Charities (Protection and Social Investment) Act 2016.

The University conducts its business in accordance with the seven principles identified by the Committee on Standards in Public Life (selflessness, integrity, objectivity, accountability, openness, honesty and leadership), with the Governance Code of Practice issued by the Committee of University Chairs (CUC) and is respectful of the Financial Reporting Council (FRC) UK Corporate Governance Code.

### We support our students

We create the opportunities, support and freedom for everyone at Durham to become the best they can be now, and for the future.

We welcome the most able and motivated applicants, irrespective of background, who can best benefit from a Durham University education. As one of the oldest UK universities, with a strong reputation, we request high levels of prior attainment. We also recognise that many applicants have received advantages not provided to others and our reputation may discourage students from non-privileged backgrounds. To address the disadvantage

and increase the diversity of our student body, we run a variety of programmes to encourage young people into higher education and provide personal and financial support during their time at Durham.

- Our Supported Progression Scheme uses campus-based programmes and projects to strengthen disadvantaged students to transition from school to university (projects moved online during 2020).
- We use contextual admissions to enable students with potential to attend Durham, including varying entry requirements by one or two grades to take account of disadvantage in the context of achievement.
- In January 2020 we signed the NUS-UUK Closing the Gap pledge, signifying our commitment to tackling the Black, Asian and Minority Ethnic (BAME) student attainment gap.
- We signed the Stand Alone Pledge to support students without family support through grants, financial advice, year-round accommodation and a guarantor scheme for private housing.
- We provide a range of grants and bursaries (some donated by alumni) to support students in financial hardship. In February 2020, we announced the establishment of a major new scholarship programme to enable students from low-income backgrounds in North East England to study at Durham.

We know that students can face a range of challenging situations during their University period and we provide a range of services to support their education and personal development and resilience during this time.

- **We have a team of trained and experienced counselling practitioners providing a year-round service to support students. Additional support is provided through our college staff, academic advisors, mentors, chaplains and students.**
- **Our disability service provides specialised advice, guidance and support to prospective and current students.**
- **Our Careers and Enterprise centre staff provide professional and impartial advice and guidance to support students and recent graduates to develop skills, gain work experience, explore career options, make effective applications and prepare for interviews.**
- **Our programmes to promote responsible alcohol consumption and support student welfare and wellbeing received the 'Alcohol Impact' accreditation award from the National Union of Students**
- **We provide dedicated support for students disclosing incidents of sexual misconduct and violence and run awareness, bystander and disclosure training programmes for staff and students. Our work in this area was highly commended by the Times Higher Education Awards in 2018.**

In response to Covid-19, our support services published additional information online and conducted appointments via video to ensure the continued provision of advice and guidance to students.

We are continuing to expand our lecture capture facilities across the University. This system enables teaching staff to record the audio and digital projector content of lectures which are subsequently made available to students online. The facility provides an additional study aid for learning and revision and is especially helpful for students with particular education needs and conditions and those whose first language is not English. The facility to record and publish lectures is an important component of our response to Covid-19 and our ability to maintain social distancing going forward while we are unable to teach to large groups in one room.

## Community engagement

We take our duties as a centre of learning, neighbour and employer seriously, embracing all our different communities and celebrating the differences that make us stronger together.

We are embedded in our local communities and proud of our heritage. Located in a small city, we are aware of our influence and impact on the local residents, businesses and economy. We are working to be seen as welcoming, supportive and making a positive contribution to the economic, social and cultural wellbeing in the region.

We present a wide variety of lectures, concerts and performances for the public and were a major partner in city events during 2019/20 including the Durham Book Festival and Lumiere plus online versions of the annual Durham City Run Festival and Summer in the City Festival.

We manage, with Durham Cathedral, the UNESCO World Heritage Site covering the area surrounding the Cathedral and the castle (one of our student colleges) and including teaching rooms, offices and the Palace Green Library.

Our Visitor Attractions welcome individuals and school groups to explore and learn:

- **Oriental Museum holds collections of art and archaeology from Northern Africa and Asia;**
- **Botanic Garden encompasses 10 hectares of beautiful gardens, greenhouses, woodland and a small flock of rare breed sheep;**
- **Palace Green Library houses University archives and special collections from around the world. The galleries provide space to share our treasures, research and stories from the region;**
- **Durham Castle, a former fortress and palace with magnificent architecture, artworks, silverware and armour. Outside of term time it also provides B&B accommodation and a unique wedding venue.**



## Case study: UNESCO

We've worked with UNESCO to understand how UNESCO projects can help build a greener, more equal and more peaceful world, while also creating financial value. The research shows how UK UNESCO projects create local networks to protect and conserve some of the most important places across the country and generate an estimated £151m of financial benefit for local communities each year.

Audrey Azoulay, UNESCO Director-General said:

"At a time when we all look for solutions to build more resilient societies after Covid-19, UNESCO sites offer a wealth of concrete actions to reinvent our relationship with nature, to develop decent jobs and foster social cohesion. This report by the UK National Commission for UNESCO is a blueprint for sustainability, and I believe all Countries can take inspiration from this research."

The attractions are managed by our management team which won a silver 'International Tourism Award' and Bronze 'Business Events Venue of the Year' award at the North East England Tourism Awards.

All our visitor attractions closed in response to Covid-19 however we continue to provide access to collections and activities online including daily photos from the Botanic Gardens.

Our sports centres provide outreach programmes, community clubs and holiday camps for local residents and facilities for full-time senior athletes. This year we also:

- **Ran a six-week hockey coaching programme during October/November for children aged five to eight in partnership with England Hockey;**
- **Published activities online to keep kids active and entertained following the cancellation of the sports Holiday Camps during 2020;**
- **Announced a new partnership with Darlington women's rugby club to form DMP Durham Sharks to give our students the chance to compete at the top level of their sport and provide the club with extra investment and access to our facilities and experts.**

Our academic departments run a range of projects with local schools, charities and organisations. Highlights this year include:

- **A Space Challenge day for Year 10 pupils from local schools to build a prototype of an international space hotel and pitch for funds from would-be investors in French and Spanish;**
- **Staff and students from the Archaeology Department worked with volunteers from The Auckland Project charity on a dig at Auckland Castle which was featured on a Channel 5 documentary Digging Up Britain's Past;**

- **Our annual Celebrate Science Event aimed at children 7-11 years old, welcomed over 6,000 people to interact with over 200 staff from nine departments to take part in science-related research, games and challenges;**
- **The Scientist Next Door project, founded with the University of Edinburgh during lockdown, linked scientists with families online, supervising experiments and conducting live demonstrations on topics including extracting DNA from a strawberry to why boats float.**

We are working in partnership with residents, students, local businesses and resident organisations to build strong relationships for mutual benefit. A Community Engagement Task Force was established in 2018 to bring together University staff and students, City organisations and residents to develop local solutions to local issues. The Task Force has been looking at our economic contribution, encouraging students to shop locally and nurturing students' sense of belonging in the area.

We are proud of the huge contribution of our staff to Covid-19 in their own communities from shopping and walking dogs for neighbours, to fundraising and running online fitness classes. Staff and students helped to found the Durham City Mutual Aid Facebook group. We had an impressive response from calls for volunteers to support the Ambulance Service and work as NHS Responders. Our technicians printed face shields and visors for health workers and helped with virus testing at a local hospital. Staff worked in shifts to operate the University Incident Control Centre 24 hours a day during the critical period. We also donated equipment to the NHS and provided car parking and accommodation to health workers.





## Economic impact

A major study undertaken by BIGGAR Economics found the University generated £1.1 billion Gross Value Added (GVA) for the UK economy in 2014-15 and supported 13,600 UK jobs. UUK estimated that the collective national economic contribution of the HE sector amounts to £53 billion in GDP and 940,000 jobs by latest estimates. More recent analysis by Hatch Regeneris for UCU highlighted the impact of Universities on their local economies:

*In the North-East, there are more people directly employed in higher education (20,000) than there are in car manufacturing (9,000). These jobs are at a range of skill levels, but, on average, they are high-quality and well-paid.*

## Value for money

We offer opportunities for educational and personal development which provide graduates with the qualities they need to succeed over the course of their lives in a changing and uncertain world. The fundamental value of a Durham education is therefore to be seen in terms of the sustained long-term benefits provided to graduates and society.

For students, the value of a Durham degree will be reflected in outstanding opportunities for further study, for salary and for highly skilled and long-term employment. Exceptional performance in national league tables and international rankings will continue to provide our graduates with significant reputational benefits.

The wider public benefit of the university is reflected in our commitment to enhance social mobility, in the contributions our scholars and graduates make to regional and national economies, and in the community partnerships and engagement of our students, staff and alumni.

Value for money will be enhanced by our ongoing efforts to strengthen the effectiveness and efficiency of our operations, including the development of student-centred processes and the intelligent use of IT systems. This will be complemented by the prioritisation of staff resource in relation to the core academic objectives of the University.

We are committed to actively engaging students as partners and will ensure that they are informed of the costs which they may be

expected to incur during their studies. The University's governing body (Council) ensures that value for money is addressed in key institutional decisions, in the scrutiny of proposals for investment, in the annual review of institutional performance, and in seeking assurance on the University's academic, operational and financial management.

## Freedom of expression

Always curious, we challenge ourselves and each other to answer the big questions and create a positive impact in the world.

We promote the right of everyone to freely express views and ideas that are within the law, without fear of interference or persecution, through respectful debate and conversation, to challenge discrimination and build strong, positive communities.

We have a duty to protect free speech and we respect UK law and government guidance in this area as outlined in our Freedom of Expression Policy.

## Fundraising

We actively seek donations, sponsorship and legacy gifts from individuals, trusts and foundations, commercial and charitable organisations, and government-related funding streams from all around the world to support research, educational and outreach activities consistent with our charitable mission. Past donations have transformed buildings, supported world-leading research and provided a helping hand to students.

We adopt the Association of Fundraising Professionals Code of Ethical Principles and Standards and are registered with the UK Fundraising Regulator. The Development and Alumni Relations Office leads, facilitates and supports donor cultivation and efforts by University colleagues to engender a professional approach to interactions with donors for the protection of the public.

In line with our fundraising policies, there are written agreements in place with the University's two independent recognised colleges, St Chad's and St John's.

## Student quotes



“The collegiate structure is a defining characteristic of Durham University. It’s extremely reassuring to be part of an active, close-knit community with a vested interest in your welfare and development, both in your career and personal life.”

“Living in college allowed for social mixing with students from many courses. This gives you the chance to really broaden your knowledge across different areas, not just your subject.”

“Durham taught me to keep trying to find fresh, new ideas and most things can be challenged.”



“I think it’s one of the greatest values of the Durham course that you can take elective modules in other departments, and it’s allowed me to broaden my experience, meet people from other degree courses, go on field trips, and make connections across different disciplines.”

“Studying at Durham gave me such a wide range of opportunities and experiences that set me up for life and my career. Getting involved in sports, societies and volunteering projects was both fun and rewarding, helping me to learn about leadership, fundraising and public speaking.”



“Durham provides a relatively gentle curve in to independence, teaching the skills and providing the opportunities to enter the world of work afterwards. The city itself is also inspiring at every turn.”

My degree taught me (i) how to think things through for myself and to have the confidence which comes from that; and (ii) resilience. I would not be where I am today without both those qualities.

You do not know where you will end up, but you can be safe in the knowledge that Durham will be preparing you well!



Living in such a historic city, with the community created by the colleges and the ambition and excellence of my fellow students, has undoubtedly had a profound effect on my life. I am very lucky.



My involvement in college had the biggest impact on my other skills such as communication, teamwork, and leadership. The collegiate system gives endless opportunities to get involved with whatever interests you at any level.

For me, the colleges attracted me to Durham. I saw the collegiate system as one that would promote and champion diversity as well as provide opportunities to try new things.



My degree helped me to develop my independence, my ability to find out and scrutinize information for myself, and my ability to formulate and defend an opinion whilst being understanding of the viewpoints of others.



## Financial Review

This year's further implementation of the University Strategy 2017-2027 was interrupted by the coronavirus global pandemic. The University responded positively to the situation: all teaching moved online, students were permitted to leave their Durham University accommodation with no financial penalty and the administration systems were adapted as staff worked from home.

Income and expenditure have increased or decreased in line with expectations arising e.g. an £11m reduction in residential income. The earnings before depreciation are consistent with the previous year. Due to a material adjustment to the Universities Superannuation Scheme our pension provision was decreased by £65m. This has turned the overall result for the year into a surplus of £54m.



## Results for 2020

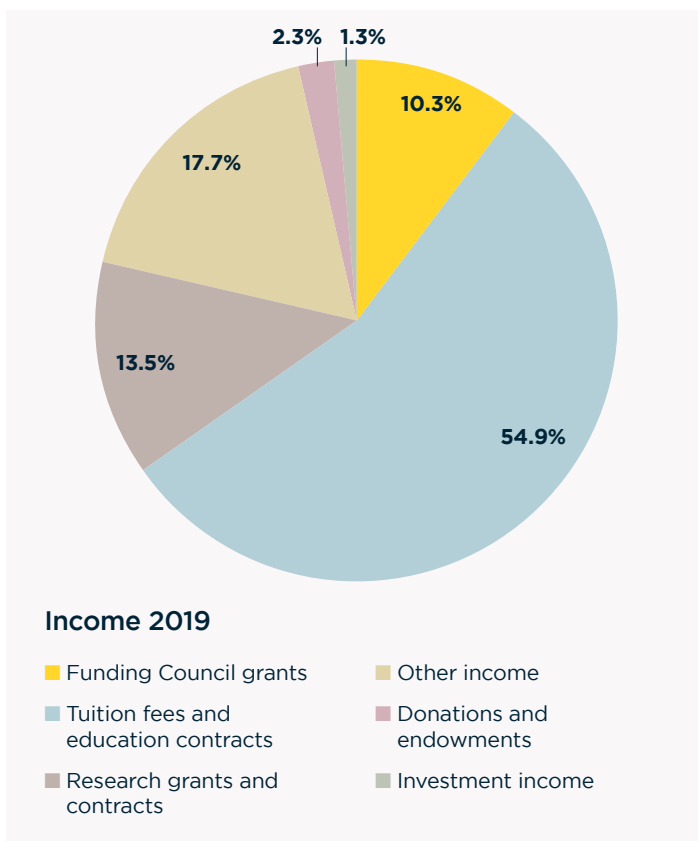
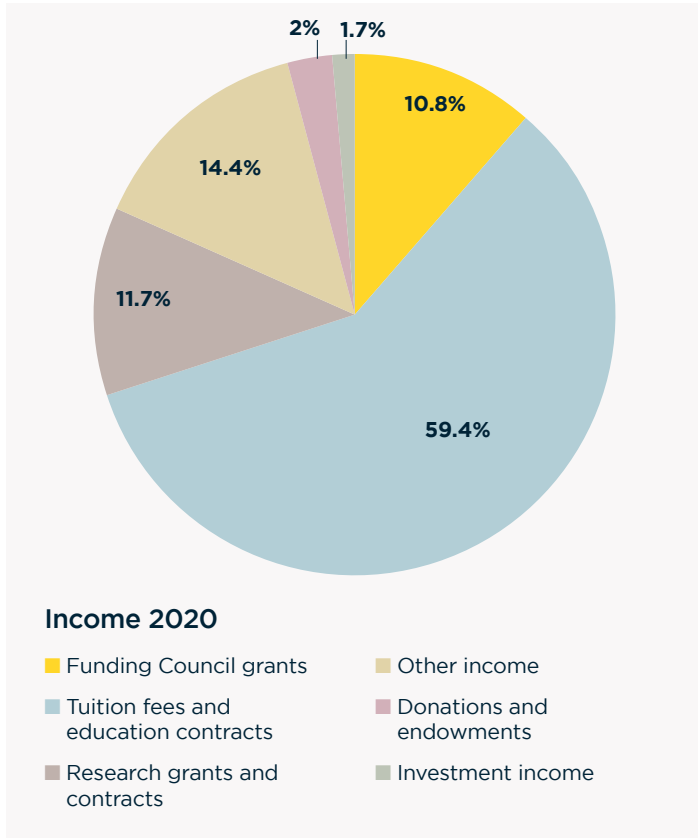
The results for the year are described below:

	2020 £m	2019 £m
<b>EBITDA (earnings before interest, tax, depreciation, amortisation and non-cash items)</b>	<b>56.3</b>	52.7
Interest	(13.6)	(12.4)
Sale of CEM	-	15.5
<b>EBD (earnings before depreciation)</b>	<b>42.7</b>	55.8
<b>Non-cash items</b>		
Valuation of derivatives	(3.6)	(3.9)
Pension adjustments – actuarial loss	(22.1)	(5.1)
Net gain on investments	0.5	5.3
USS Pension provision	64.6	(79.0)
Impairment adjustment	(0.3)	(4.7)
Depreciation	(27.4)	(23.8)
<b>Total Comprehensive Income / (Expenditure)</b>	<b>54.4</b>	(55.4)

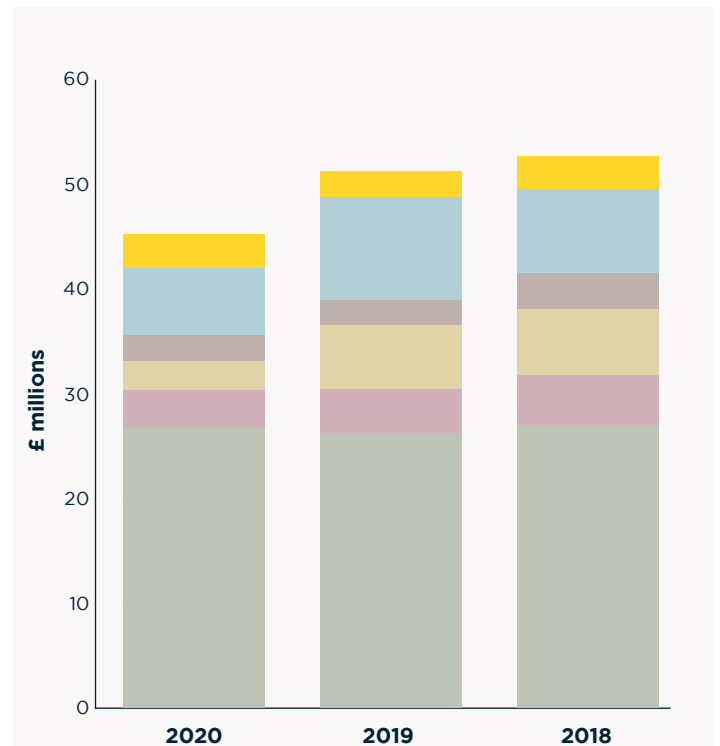
The 2020 EBITDA (Earnings Before Interest Tax Depreciation and Amortisation) is £4m higher than the prior year and is essential to fund the on-going capital investment programme. EBITDA and EBD are the measures used to report financial results during the year and exclude items deemed to be 'non-operating' or 'non cash' in nature which are set out separately above. Total Comprehensive Income has been impacted by valuations of assets and liabilities relating to pension scheme accounting and interest rate swaps. The collective impact of these non-cash items in the current year was unfavourable by £1.9m (2019: Unfavourable £108.1m).

## Operating Income and Expenditure

The elements of operating income and expenditure giving rise to the EBITDA were as follows.



Total operating income, excluding the valuation of liabilities, increased by 1.2% to £386m. Tuition fee income increased by 9.5% to £229m representing 59.4% of total income and when residence fees are included, income from students represented 68% of total income. The main area of growth in tuition fee income came from full-time international students. Income from research grants decreased by £6.1m, reducing its share to 11.7% of total income. Expenditure was depressed due to the interruption of research by Covid-19 restrictions in March-July 2020.



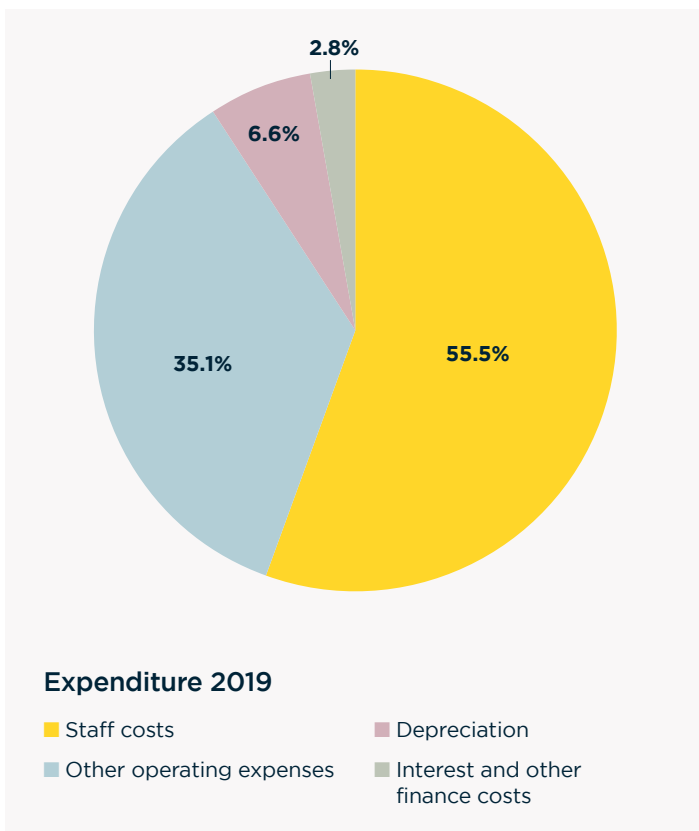
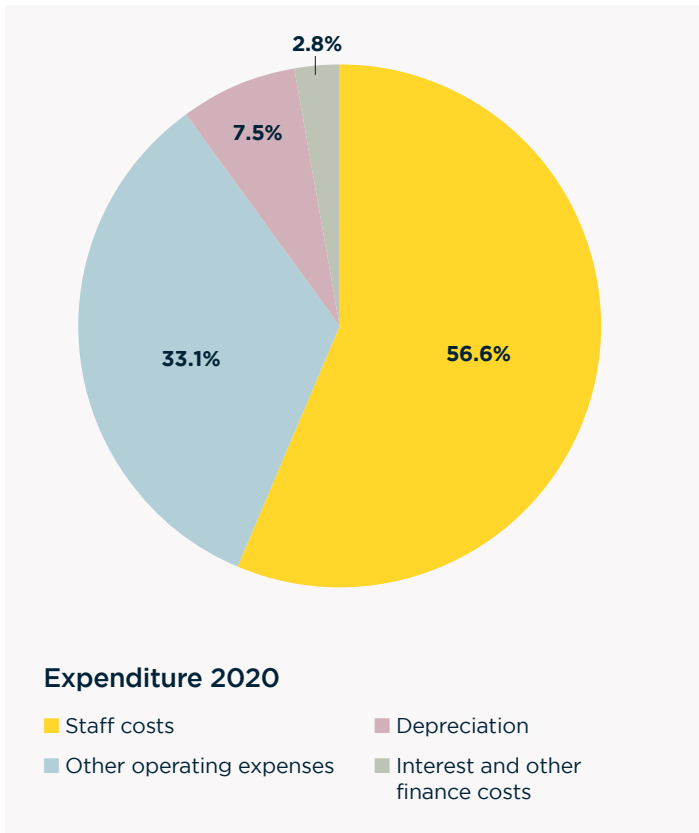
### Research Income Sources

- Other
- UK government bodies
- EU government bodies
- UK-based charities
- UK industry
- UK Research Councils

The value of research grant awards for the last three years are:

Year	Value £m
2019/20	61.1
2018/19	45.0
2017/18	55.1

Total operating expenditure, excluding pensions adjustments, increased by 1.4% to £367m. Depreciation charges increased by 15.1% reflecting the increased size of the capital estate and interest payable before accounting adjustments increased by 3.2%. However, there has been no material change to how operating expenditure is apportioned compared to the prior year.



## Student numbers

Student numbers have increased in most areas in line with the Strategy.

The following chart presents the change in student numbers over the last three years.

Student numbers	2020	2019	2018
<b>Undergraduate</b>			
Home / EU	11,892	11,742	11,650
Overseas	2,712	2,418	2,018
<b>Total</b>	<b>14,604</b>	14,160	13,668
<b>Postgraduate</b>			
Taught home	1,017	1,058	1,079
Taught overseas	1,938	1,586	1,437
Research home	997	1,000	985
Research overseas	557	541	538
<b>Total</b>	<b>4,509</b>	4,185	4,039
Distance Learning	254	362	306
<b>Total</b>	<b>19,367</b>	18,707	18,013

## Balance Sheet

The value of fixed assets was increased with capital expenditure of £60m exceeding the charge for depreciation of £27m. The capital programme this year saw further implementation of the University Strategy until building works had to be curtailed. Included in the £60m spent on buildings and equipment were the following three material investments:

Project	Value (£m)
New Maths and Computer Science building	19.2
Residential program major infrastructure works	6.3
Maiden Castle Sports refurbishment	3.5

Investments rose overall by net £0.5m due to the appreciation of £2.3m in the value of endowment asset pooled funds, but the decrease of £1.6m in other pooled funds and the sale and write down of an endowment property and spin offs at a £0.2m loss. Endowment properties were impaired by £0.3m. There was a further cash investment made with Sarasin of £7.0m. Debtor balances increased by £3.1m and short term creditors increased by £5.7m. Long term creditors decreased by £1.3m comprising bank loan repayments of £4.5m and the annual £0.3m write down of the Mount Oswald lease, but an increase in the revaluation of the year end liability for interest rate swaps by £3.5m.

Pension liabilities in respect of USS decreased by £65m (see note 22) while liabilities in respect of Durham University Pension Scheme increased by £25m.

Endowment reserves (see note 23) increased by £4m, primarily through appreciation in the value of investments and new donations. The receipt of new grants and donations, offset by related expenditure, resulted in a net increase in restricted reserves of £0.8m. General reserves increased by £49m, due primarily to the £65m decrease in the USS provision.

## Cash generation, liquidity, financing and covenant compliance

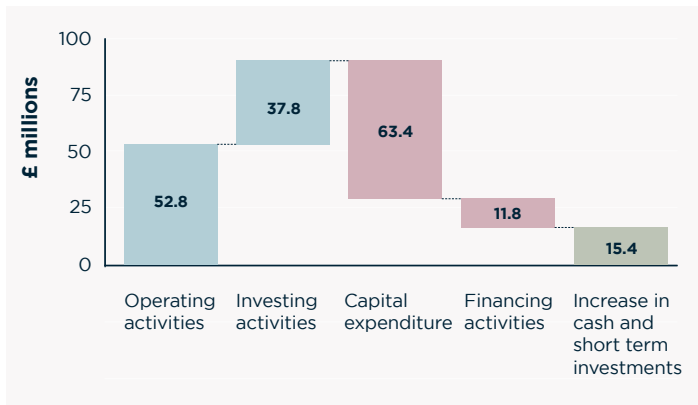
### Short term cash deposits

Short term cash deposits decreased in the year by £40m to £40m.

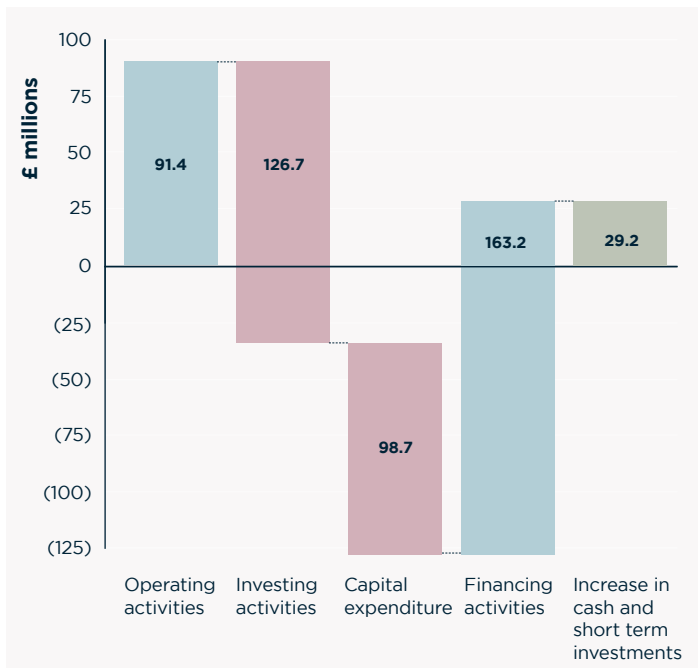
### Cash balances

Cash balances increased by £15m to £123m. The following waterfall charts compare the sources and applications of operating cash generated for 2020 and 2019.

#### 2020



#### 2019



Debt collection continues to be vigorously pursued, but debts written off in the year were £43,000 (2019 £201,000).

Total cash and current asset investment balances decreased by £25m in the year to £164m. £123m is held in cash with a further £41m in current asset investments. (2019: £108m was in cash and £81m in investments).

There is a longer term investment fund, principally for endowments, which operates with agreed asset allocations and returned 8.19% during the year (total of income and capital appreciation) which was in line with its benchmark. A further £7m has been invested, along with the £90m last year, into longer term funds which overall yielded a total of £1.9m by 31 July 2020.

Capital expenditure during the year has been funded by grants, internally generated funds, benefactions and existing loan funding. The Revolving Credit Facility remains at £25m to support in-year working capital requirements, if necessary.

## Covenant compliance

There have been no issues during the year with respect to covenant compliance. The Basis of Preparation accounting policy provides further information with respect to going concern considerations.

## Monitoring financial performance

The key performance indicators by which financial performance is measured focus on the generation of cash from operating activities as well as compliance with borrowing covenants and staff costs as a percentage of income; all these measures have been maintained within their target range.

## Outlook

The global pandemic has added to the considerable financial pressure on universities, particularly with respect to international student recruitment. There is already significant uncertainty regarding the future tuition fee regime, pending the review of post-18 education and funding. Brexit adds further uncertainty in relation to EU student numbers and fees, the immigration regime and research funding. The ongoing situation as regards the Universities Superannuation Scheme has created additional staff cost and this is being kept under review. The immediate future is fairly secure as home recruitment to the University for the 2020/21 academic year has confirmed the attractiveness of Durham as a place to study and obtain a degree that is sought after by major employers. We have undertaken assessments of cumulative risk exposure and will continue to model alternative scenarios to ensure that development plans remain affordable.



# Governance



## Framework

Durham University was founded in 1832 by Act of Parliament. Its legal status derives from a Royal Charter dated 1837 and the Universities of Durham and Newcastle upon Tyne Act 1963 when King's College became the independent University of Newcastle. It is also a charity exempt from registration under Schedule 3 of the Charities Act 2011. It is regulated by the Office for Students (OfS) and was approved as a registered provider of high education by the OfS in September 2018.

The University's objects, powers and framework of governance are set out in its Charter and Statutes, the latest version of which were approved by Privy Council in July 2011.

The University receives the majority of its income from student fees and competitively won grants with a small proportion from public sources. The terms and conditions for receipt of public funds are established in guidance produced by the OfS.

As a charity, the University must operate for the public benefit. In setting and reviewing the University's strategic objectives the University governing body, Council, acts in accordance with the Charity Commission's guidance on public benefit. In its fundraising activities, the University adheres to the Charities (Protection and Social Investment) Act 2016.

The University conducts its business in accordance with the seven principles identified by the Committee on Standards in Public Life (selflessness, integrity, objectivity, accountability, openness, honesty and leadership), with the Higher Education Code of

Governance issued by the CUC and is respectful of the Financial Reporting Council (FRC) UK Corporate Governance Code.

The University's governance and management system:

- **Ensures there is proper governance of the University and management is supported to deliver the University Strategy;**
- **Reflects good practice in higher education and other relevant sectors;**
- **Ensures proper checks, balances and transparency in decision-making to provide appropriate assurance to funders and stakeholders;**
- **Supports the management of risks while maximising value for money;**
- **Safeguards the long-term interests and sustainability of the institution.**

The University's governance framework and management arrangements as described below aim to support delivery of the University Strategy 2017-27 and be responsive to the dynamic external operating environment. The effectiveness of the governance and management arrangements is regularly evaluated through routine annual review and periodic in-depth internal and external review. External reviews of Council Effectiveness in 2010 and 2016 both confirmed that the University met the obligations of the Higher Education Code of Governance.



## Management

The principal academic, administrative and Accountable Officer of the University is the Vice-Chancellor, who is responsible to the governance committees (Council and Senate) for the overall strategic direction and performance of the University. As Warden, he has overall responsibility for Durham's colleges. He is supported by a senior leadership team that is driving forward the University Strategy.

The University Secretary is responsible for the University's overall governance, assurance and legal compliance and reports directly to the Chair of Council and the Vice-Chancellor.

The Chief Financial Officer is responsible for all aspects of the University's Financial Strategy, including financial planning and reporting, treasury investment, procurement and value for money.

## Governance committees

The University conducts its business in a fair, proper, transparent and ethical manner, having regard to the values of the University and the Seven Principles on Standards in Public Life set down by the Nolan Committee.

**Council** is the governing body and Trustee Board of the University with overall responsibility for its affairs and sustainability. It is responsible for taking appropriate steps to advance the interests of the University, maintaining its efficiency and encouraging the prosecution of learning and research in the University.

Council monitors the adequacy and effectiveness of arrangements for corporate governance, risk management and oversight of any statutory and other regulatory responsibilities including compliance with the OfS's ongoing conditions of registration and any terms and conditions of funding.

A major review of Council's effectiveness was carried out in 2016 by external consultants, the Good Governance Institute (GGI) which concluded that overall the University met its obligations under the CUC HE Code of Governance. Actions to strengthen and modernise its governance were identified, and the outcomes have been progressed.

Joe Docherty is the Chair of Council. Joe is Managing Director of Bede Homes, Sedgefield and a Trustee of the Esmée Fairburn Foundation, which funds the charitable work of organisations focusing on the Arts, Children and Young People, the Environment and Social Change.

Members of Council are the charity trustees of the University. The majority (thirteen), including the Chair, are lay members drawn from outside the University. There are seven appointed members of University staff and five ex-officio members including two student representatives. The Council's gender balance during 2019/20 was 54% male to 46% female. Actions are being taken to broaden its ethnicity.

Lay members do not receive payment for the work they do for the University but may claim reimbursement of reasonable expenses which are disclosed in the financial statements. A Register of Interests of all Council members is retained by the

University Secretary to help avoid conflicts of interest or loyalty.

The appointment process for members of Council is overseen by the Governance and Nominations Committee which ensures there is an appropriate mix of skills and experience to enable Council to fulfil its responsibilities. A skills register of all Council members is maintained by the University Secretary. Lay member vacancies are advertised externally, and independent search companies are used to widen the pool and diversity of candidates. Staff member vacancies are advertised widely in the University community.

An induction programme is provided to new members and all members receive ongoing development training through presentations to Council on topical issues and from external providers such as Advance HE.

Lay Council members are encouraged to get involved in other aspects of University life to cultivate a wider understanding of the University and engage with stakeholders. This includes such activities as reviewing student academic appeals, joining recruitment panels for senior posts, Convocation (meetings with alumni) and graduation ceremonies.

During 2019/20 Council met on ten occasions. The confirmed minutes of meetings are published on the University website. In delivering its responsibility for setting the strategic direction of the University, Council has: reviewed progress against the key Strategic Performance Indicators; approved a refresh of the Wider Student Experience Strategy; and agreed a draft Digital Strategy and a Health and Wellbeing Strategy. Council also approved a number of capital project cases to deliver the Estates Strategy.

Council also agreed the recommendations of the Commission on Respect, Values and Behaviour and discussed actions for cultural change in response to the Black Lives Matter social movement.

Analysis of the cost of University managed college accommodation found that students were receiving value for money. Council recommended continued monitoring of the methodology, assumptions and findings.

Council oversaw the University's operational performance including: analysis of performance and actions in response to student surveys; updated five-year financial forecast; analysis of strategic risks; progress on delivery of the Durham (fundraising) Campaign; and review of Equality Objectives.

Council was kept apprised by the Executive of the financial and education impact of the Covid-19 pandemic.

Council approved a number of governance and compliance matters including the: Annual Financial Return; Access and Participation Plan monitoring and implementation; a revised Freedom of Expression Code of Practice; and Modern Slavery Statement.

Following the announcement of the forthcoming retirement of the Vice-Chancellor, Council appointed Perrett Laver, an independent executive search firm, to assist with the recruitment of his successor.

## Council membership and meeting attendance record 2019/20

Members		Meetings attended				
		Council	Audit and Risk Committee	Finance Committee	Governance and Nominations Committee	Remuneration Committee
<b>Ex-officio members</b>						
Sir Thomas Allen	<b>The Chancellor</b>	n/a				
Professor Stuart Corbridge	<b>Vice-Chancellor</b>	9/10		7/8	1/3	1/3
Professor Antony Long	<b>Deputy Vice-Chancellor</b>	9/10		5/8		
The Very Reverend Andrew Tremlett	<b>Dean of Durham</b>	8/10				
Miss Kate McIntosh	<b>President of Durham Students' Union</b>	10/10		8/8	2/3	2/3
<b>Lay members</b>						
Mrs Joanna Barker (Vice-Chair)		10/10		8/8		
Mr Jonathan Bewes		9/10		6/8		
Ms Kay Boycott		10/10	5/5			
Ms Alexis Cleveland (Vice-Chair)		9/10	4/5		3/3	4/4
Mr Joe Docherty (Chair)		10/10		6/8	3/3	4/4
Mr James Grierson		10/10		8/8		3/3
Mr Steven Harman		7/10	5/5			
Mrs Alison Hastings		9/10			3/3	4/4
Ms Cheryl Millington (from February 2020)		5/6	2/2			
Mr Nigel Perry		7/10			3/4	0/3
Dr Kate Pretty		10/10		8/8	4/4	3/3
Mr Terry Toney		10/10			3/3	3/3
<b>Appointed members of University staff</b>						
Dr Camila Caiado		10/10			3/3	
Mrs Caroline Dower		8/10				3/3
Professor Joe Elliott		9/10				
Professor Colin Macpherson		8/10		6/8		
Dr Amir Michael		10/10		4/8		
Ms Rebecca Morris (from February 2020)		6/6				
Professor Corinne Saunders		9/10				

Mr David Evans, Postgraduate Academic Officer, Durham Students' Union was invited to meetings as an attendee during 2018/19. The University Secretary and Chief Financial Officer are also invited to attend Council meetings.

The work of Council is supported by a number of committees which exercise delegated authority in accordance with terms of reference approved by Council and published online and whose decisions and recommendations are formally reported back to Council. In order to provide greater transparency of its decision-making, Council agreed to publish online the minutes of its sub-committees from 2019.

**Senate** provides assurance to Council on academic quality and standards. It is responsible for promoting, directing and regulating teaching and research, key components of the business model. It is supported by specialist committees including the Education, Research and Wider Student Experience Committees. Senate membership is drawn from across University staff plus representatives from Durham Students' Union and is chaired by the Vice-Chancellor. A major review of the effectiveness of Senate was carried out in 2014/15 by a task group comprised of staff and students and outcomes have been progressed.

**Audit and Risk Committee** is responsible for providing assurance to Council on the adequacy of the University's arrangements for risk management, control and governance; economy, efficiency and effectiveness; and the management and quality assurance of data submitted to the Higher Education Statistics Agency, the Student Loans Company, the OfS, Research England and other bodies. The Committee advises Council on the appointment and performance of the internal and external auditors, agrees the audit programme and sets the policy on the use of auditors for non-audit work. Any incidents which may impact on the performance of the University are reported to the Committee which ensures management takes appropriate action to mitigate risks.

The Committee considers elements of the annual financial statements including the auditors' formal opinion, the statement of members' responsibilities, corporate governance statement and internal control, and risk management statements. No significant issues were identified in relation to the financial statements for the year ended 31 July 2020.

Minor changes to the conduct of the Committee will be considered during 2020/21 to comply with the Higher Education Audit Committees Code of Practice published by the Committee of University Chairs (CUC) in May 2020.

The external and co-sourced internal auditors are appointed by Council, on the recommendation of Audit and Risk Committee, following a tender exercise. There was no change in audit providers during 2019/20.

The internal and external auditors and senior University staff attend meetings as necessary.

#### Audit and Risk Committee Membership 2019/20

##### Lay members

Ms Kay Boycott

Ms Alexis Cleveland (Chair)

Mr Steve Harman

Ms Cheryl Millington  
(from February 2020)

##### Co-opted members

Mr Martin Cocker

Mr Grant Evans

**Finance Committee** advises Council on the financial position of the University and recommends to Council the annual financial statements (financial aspects), budgets and financial forecasts. It plays an important role in ensuring the long term sustainability of the institution through approving the University's policies on investment and borrowing, monitors implementation of the strategy for the estate, appropriate exploitation of intellectual property and reviews fundraising activities. It also monitors the effective and efficient procurement and use of resources in accordance with the objectives of the University.

#### Finance Committee Membership 2019/20

##### Ex-officio members

Mr Joe Docherty

**Chair of Council**

Professor Stuart Corbridge

**Vice-Chancellor**

Professor Antony Long

**Deputy  
Vice-Chancellor**

Miss Kate McIntosh

**President of Durham  
Students' Union**

##### Members of Council

Mrs Joanna Barker (Chair)

Mr James Grierson

Professor Colin Macpherson

Dr Amir Michael

Dr Kate Pretty

##### Co-opted members

Mr Jonathan Bewes



**Governance and Nominations Committee** is responsible for keeping under review and advising Council on the University's governance arrangements, ensuring the University pursues governance good practice and complies with external governance requirements. It regularly reviews the role description for Council members, oversees a systematic and transparent selection process and makes recommendations to Council for the appointment and succession planning of members for Council and its committees. It is responsible for ensuring there is an appropriate mix of skills, knowledge and experience to enable Council to fulfil its responsibilities. It reviews annually the Council Register of Interests, develops processes for the periodic review of Council's effectiveness and implements approved recommendations.

The Committee receives reports on the University's compliance in relation to governance codes and OfS registration and advises Council on these matters.

During 2019/20 Audeliss were contracted to assist with the recruitment of lay members to commence during the year. Saxton Bampfylde were contracted to assist with the recruitment of lay members to commence 1 August 2020. Each company is independent of the institution and its governors.

**Remuneration Committee** determines the annual remuneration of senior staff (Executive Committee members, University Secretary, Vice-Chancellor, professors and equivalent level senior posts within the Grade 10 pay range) in line with its policy to encourage enhanced performance and reward staff for their contribution to the success of the University in a fair and responsible manner. Decisions take account of market data (UCEA Korn Ferry, CUC and other survey information) as well as the public interest, the safeguarding of public funds, the University's interests and the need to remain competitive. It also approves, cognisant of the use of public funds, any termination arrangements for senior staff. The remuneration of the Vice-Chancellor is determined in the context of the size and turnover of the University, its contribution to the region, nation and internationally and its place within the HE sector and the Russell Group. Note 7 of the Financial Statements provides further details of the remuneration of the Vice-Chancellor and senior staff.

The Committee is working towards full compliance with the CUC Higher Education Senior Staff Remuneration Code. During 2019/20 this included the development of a University pay policy, clarity on role expectations and assessment of Executive performance and production of a fuller Annual Report from the Committee. The paragraph above sets out the University's current remuneration arrangements in line with the Code.

Governance and Nominations Committee Membership 2019/20	
<b>Ex-officio members</b>	
Mr Joe Docherty (Chair)	<b>Chair of Council</b>
Ms Alexis Cleveland	<b>Vice-Chair of Council</b>
Professor Stuart Corbridge	<b>Vice-Chancellor</b>
Miss Kate McIntosh	<b>President of Durham Students' Union</b>
<b>Lay Members of Council</b>	
Mrs Alison Hastings	
Mr Terry Toney	
<b>Staff member of Council</b>	
Dr Camila Caiado	
<b>Senior members of staff</b>	
Professor Kiran Fernandes	
<b>Co-opted members</b>	
Professor Gillian Bentley	

Remuneration Committee Membership 2019/20	
<b>Ex-officio members</b>	
Mr Joe Docherty	<b>Chair of Council</b>
Ms Alexis Cleveland	<b>Member of Audit and Risk Committee</b>
<b>Lay Members of Council</b>	
Mrs Alison Hastings	
Mr Nigel Perry	
Dr Kate Pretty (Chair)	

**University Strategy Implementation Committee** provides strategic oversight and scrutiny of progress in implementing the University Strategy 2017-2027 to give assurance to Council.

**University Strategy Implementation Committee Membership 2019/20**

**Ex-officio members**

Professor Stuart Corbridge	<b>Vice-Chancellor</b>
Miss Kate McIntosh	<b>President of Durham Students' Union</b>

**Members of Council**

Ms Alexis Cleveland	<b>Member of Audit and Risk Committee</b>
Mrs Caroline Dower	<b>Member of Staff</b>
Mr James Grierson	
Mr Nigel Perry	
Dr Kate Pretty (Chair)	<b>Member of Finance Committee</b>

**Co-opted member**

Mr Terry Toney

**University Ethics Advisory Committee** is a joint committee of Senate and Council and chaired by a lay member of Council. It is responsible for fostering an environment in which ethics and integrity are firmly embedded in the University's ethos and culture. It provides advice on the development of institutional policies and guidelines relating to ethical issues arising from research and advises on other ethical issues as requested.

**University Executive Committee** is a joint committee of Senate and Council and chaired by the Vice-Chancellor. During 2019/20 the other members were the Deputy Vice-Chancellor, the two Pro-Vice-Chancellors, the two Vice-Provosts, the four Executive Faculty Deans, the Chief Financial Officer, the Chief Information Officer, the Director of Human Resources, the Director of Strategic Initiatives and Delivery Unit and the Director of Estates and Facilities. The University Secretary attends all meetings. The Committee oversees the development and delivery of the University Strategy and monitors the achievement of its performance objectives. It coordinates the University's integrated planning and budgeting process and recommends the annual budget and financial forecasts, manages key risks and makes recommendations to Senate and Council on important policy initiatives.





## Statement of the Council's Primary Responsibilities



1. To approve the mission and strategic vision of the University, long term academic business plans and key performance indicators, and to ensure that these meet the interests of stakeholders.
2. Subject to the powers of the Senate, to be responsible for the organisation of teaching and research, including the organisation of Faculties, Boards of Studies and other groupings, the appointments of the Deputy Vice-Chancellor, Pro-Vice-Chancellors, Heads of Departments (Chairs of Boards of Studies), and the prescription of the dates when the Michaelmas, Epiphany and Easter Terms begin and end.
3. To appoint the Vice-Chancellor as Chief Executive of the University and Accountable Officer, and to put in place suitable arrangements for monitoring his/her performance. The Council is responsible for the removal of the Vice-Chancellor for good cause.
4. To delegate authority to the Vice-Chancellor, as Chief Executive, for the effective academic, corporate, financial, estate and human resource management of the University.
5. To establish and keep under regular review the policies, procedures and limits within such management functions as shall be undertaken by and under the authority of the Vice-Chancellor.
6. To ensure the establishment and monitoring of systems of control and accountability, including financial and operational controls and risk assessment, and clear procedures for handling internal grievances and for managing conflicts of interest. Council is responsible for the appointment of the University's external auditors.
7. To ensure processes are in place to monitor and evaluate the performance and effectiveness of the University against the plans and approved key performance indicators, which shall, where possible and appropriate, be benchmarked against other comparable institutions.
8. To establish processes to monitor and evaluate the performance and effectiveness of the governing body itself and the University's system of governance.
9. To conduct its business in accordance with best practice in higher education corporate governance and with the principles of public life drawn up by the Committee on Standards in Public Life.
10. To safeguard the good name and values of the University and to be responsible for the ethical governance of the University.
11. To appoint the University Secretary as Secretary to Council.
12. To be the employing authority for all staff in the University and in the maintained Colleges and Societies and to be responsible for establishing a human resources strategy and, subject to the powers of the Senate, for the maintenance of discipline.
13. To be the principal financial and business authority of the University including:
  - a) ensuring that proper books of account are kept; approving the annual budget, financial statements and financial forecasts; establishing budget centres within the University for the efficient management of resources and appointing Budget Officers for each budget centre; the approval of fees.
  - b) Having overall responsibility for the University's assets, property and estate.
14. To ensure that there are adequate and effective arrangements in place to ensure public funds are managed appropriately, in line with the conditions of grant and the principles of regularity, propriety and value for money, and to protect the interests of taxpayers and other stakeholders, including providing transparency about value for money for students and for taxpayers.
15. To be the University's legal authority and, as such, to ensure that systems are in place for meeting all the University's legal obligations, including those arising from contracts and other legal commitments made in the University's name. Council is responsible for making regulations for the custody and use of the common seal of the University and for representing the University in all negotiations for obtaining grants from public bodies in aid of the work of the University.



16. To act as trustee for any property, legacy, endowment, bequest or gift in support of the work and welfare of the University.
17. To consider the University's performance in relation to Equality, Diversity and Inclusion.
18. To take such steps as are reasonably practicable to ensure that freedom of speech within the law is secured within the University.
19. To receive and test assurance that academic governance overseen by Senate is adequate and effective.
20. To ensure that all students have opportunities to engage with the governance of the University and that this allows for a range of perspectives to have influence.
21. To be responsible for receiving assurance that adequate provision has been made for the general welfare of students. Subject to the powers of the Senate, to be responsible for the regulation of the relations between the Council and the students, and for the maintenance of student discipline.
22. To be responsible for effective planning, ongoing control, monitoring and review of the University's health and safety management mechanisms.
23. Subject to the provisions of the Statutes, to be responsible for the recognition of the recognised Colleges of the University. In particular, University Council shall approve the appointment of the Heads of the Recognised Colleges.
24. To approve changes to Statutes and to ensure that the University's constitution is followed at all times and that appropriate advice is available to enable this to happen.

## Responsibilities of Council in the preparation of the Financial Statements

The Council is responsible for the administration and management of the affairs of the University and is required to present audited financial statements for each financial year.

Council is responsible for ensuring that proper accounting records are kept which disclose with reasonable accuracy, at any time, the financial position of the University and which enable it to ensure that the financial statements are prepared in accordance with the accounts directions and other guidance of the OfS, the University's Statutes, the Statement of Recommended Practice: Accounting for further and higher education and other relevant accounting standards. In addition, Council through its accountable officer is required by the regulatory body to prepare financial statements for each financial year which give a true and fair view of the University's state of affairs and of the surplus or deficit and cash flows for that year.

In the preparation of the financial statements and in accordance with the exercise of its powers under the statutes, Council is responsible for ensuring that:

- **Suitable accounting policies are selected and applied consistently;**
- **Judgements and estimates which are made are reasonable and prudent;**
- **Applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and**
- **It is satisfied that the University has adequate resources to continue in operation for the foreseeable future. For this reason, the going concern basis continues to be adopted in the preparation of the financial statements.**

Council has taken reasonable steps to:

- **Ensure that funds from the OfS are used only for the purposes for which they have been given and in accordance with OfS guidance and the University's ongoing conditions of registration;**
- **Ensure that funds from the National College for Teaching and Leadership (NCTL) are used only for the purposes for which they have been given and in accordance with the agreement between the NCTL and the University and any other conditions, which the NCTL may from time to time impose;**
- **Ensure that there are appropriate financial and management controls in place to safeguard public funds and funds from other sources;**
- **Safeguard the assets of the University and to prevent and detect fraud and other irregularities; and**
- **Secure the economical, efficient and effective management of the University's resources and expenditure.**



## System of Internal Control

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

The system of internal control is designed to manage rather than eliminate the risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness.

The key elements of the University's system of internal control, which is designed to discharge the responsibilities set out above, include the following:

- **Clear definitions of the matters reserved for Council and Senate (the University's supreme governing body in all academic matters) and the authority delegated to individual managers;**
- **A comprehensive medium and short-term planning process, supplemented by detailed annual income, expenditure, capital and cash flow budgets;**
- **Comprehensive Financial Regulations detail financial controls and procedures approved by Council and Finance Committee. University Regulations, Guidelines and Codes of Practice approved by Senate provide similar structure and guidance on academic matters;**
- **There is an ongoing process designed to identify the principal risks to the achievement of policies, aims and objectives including the risk of corruption, fraud, bribery and other irregularities.**
- **The University takes a risk-based approach to design and implementation of internal control, making an evaluation of the likelihood and impact of risks becoming a reality. Internal control measures are designed to manage risk efficiently, effectively, economically and equitably;**
- **All identified strategic risks are the responsibility of a risk owner, all of whom are members of the University Executive and responsible for alerting it to significant matters;**
- **The University Executive reports matters concerning risk management and internal control to Council and Audit and Risk Committee biannually, or as significant matters arise;**
- **Key performance indicators, business operation and compliance risks and financial performance are monitored by the University Executive on a regular basis;**
- **Clearly defined and formalised requirements for approval and control of expenditure, with investment decisions being subject to formal detailed appraisal and review according to delegated authorities.**

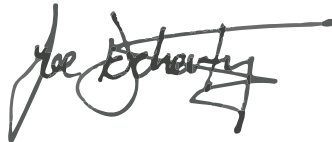
- **A Covid Response Group was established in March 2020 to co-ordinate the University's immediate and ongoing response to the Covid-19 pandemic. The frequency of Council and delegated Committee meetings was increased to accommodate a more detailed analysis of the emerging risks and issues.**

The process has been in place throughout the year ended 31 July 2020, and up to the date of approval of the financial statements and is in accordance with the responsibilities assigned in accordance with OfS guidance and the University's ongoing conditions of registration.

Council's review of the effectiveness of the system of internal control is informed by the University Assurance Service, which complies with the professional standards of the Chartered Institute of Internal Auditors.

The University Assurance Service (supported by an external provider) undertakes a planned programme of assurance reviews (covering business, operational, compliance and financial risks) as part of a risk-based strategic and Annual Assurance plan and reports its findings to the University's management and Audit and Risk Committee. These are summarised in an Annual Report which includes an independent opinion on the adequacy and effectiveness of the University's arrangements for the provision of adequate internal control, corporate governance, risk management and the achievement of value for money.

From an assessment of the performance of the University Assurance Service by the Audit and Risk Committee, informed by the views of the Vice-Chancellor, it is considered that these arrangements were effective for the year ended 31 July 2020 and the period up to the date of approval of the audited financial statements.



*Signed on behalf of Durham University*

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**Mr Joe Docherty**  
Chair of Council







# Independent Auditors' report to the Council of Durham University (the "University")

## Report on the audit of the financial statements

### Opinion

In our opinion, Durham University's group financial statements and University financial statements (the "financial statements"):

- Give a true and fair view of the state of the group's and of the University's affairs as at 31 July 2020 and of the group's and of the University's income and expenditure, gains and losses, and changes in reserves, and of the group's cash flows for the year then ended;
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- Have been properly prepared in accordance with the requirements of the Office for Students' Accounts Direction (OfS 2019.41).

We have audited the financial statements, included within the Annual Report and Financial Statements for the year ended 31 July 2020 (the "Annual Report"), which comprise the consolidated and University Balance Sheets as at 31 July 2020; the consolidated and University Statements of Comprehensive Income and Expenditure, the consolidated and University Statements of Changes in Reserves, and the consolidated Cash Flow Statement for the year then ended; the Statement of Principal Accounting Policies; and the notes to the financial statements.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

### Conclusions relating to going concern

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

- The Council's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- The Council has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's and University's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group and University's ability to continue as a going concern.

### Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Council is responsible for the other information. 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 thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

## Responsibilities for the financial statements and the audit

### Responsibilities of the Council for the financial statements

As explained more fully in the Statement of the Council's Primary Responsibilities set out on page 54 and 55, the Council is responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Council is also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Council is responsible for assessing the group and 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 the Council either intends to liquidate the group and University or to cease operations, or has no realistic alternative but to do so.

### Auditors' responsibilities for the audit of the financial statements

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

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

### Use of this report

This report, including the opinions, has been prepared for and only for the Council as a body in accordance with the Charters and Statutes of the institution and section 124B of the Education Reform Act 1988 as amended by section 71 of the Further and Higher Education Act 1992, and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

## Other required reporting

### Opinions on other matters prescribed in the Office for Students' Accounts Direction (OFS 2019.41)

In our opinion, in all material respects:

- Funds from whatever source administered by the University for specific purposes have been properly applied to those purposes and, if relevant, managed in accordance with relevant legislation;
- Funds provided by the Office for Students and UK Research, Innovation (including Research England) and Department of Education have been applied in accordance with the relevant terms and conditions.

Under the Office for Students' Accounts Direction, we are required to report to you, if we have anything to report in respect of the following matters:

- The University's grant and fee income, as disclosed in note 30 to the financial statements, has been materially misstated; or
- The University's expenditure on access and participation activities for the financial year, as disclosed in note 29 to the financial statements, has been materially misstated.

We have no matters to report arising from this responsibility.

*PricewaterhouseCoopers LLP*

### PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

Newcastle upon Tyne  
9 December 2020



# Statement of Principal Accounting Policies

## 1. Basis of Preparation

The financial statements have been prepared under the historical cost convention, other than where land and certain heritage assets were revalued to their fair value at transition to FRS102, with the revalued amount being treated as deemed cost. The financial statements have been prepared in accordance with both the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education (2019 edition) and the Financial Reporting Standard 102 (FRS102). The University is a public benefit entity and has applied the relevant public benefit requirements of FRS102.

There are a number of macroeconomic factors affecting the higher education sector at this time, all of which present a degree of uncertainty and therefore operational and financial risk. The immediate challenges are the impact of the Covid-19 pandemic, the effects of Brexit, unresolved questions over future pension costs and the Review of Post-18 Education and Funding.

These factors create a degree of uncertainty over the 2020/21 financial outturn however, student admission levels have surpassed pre-Covid targets and fee income is projected to be in line with 2019/20.

The Covid-19 pandemic has brought a new liquidity risk to many, as well as a more cautious approach to the short-term outlook. Our initial response to the pandemic was the introduction of more stringent cost controls. As a precautionary measure and given the underlying uncertainty facing the University these controls remain in place despite the substantial headroom on covenant compliance and healthy cash positions that we forecast over the next twelve months.

Given the risks discussed above, we have increased the frequency of our financial modelling, forecasting and reporting, thus giving the Executive and those charged with governance, relevant and timely information upon which to make financial decisions. Our Key Financial Performance Indicators (KFPIs) are the generation of cash from operating activities, compliance with borrowing covenants and staff costs as a percentage of income. We remain confident that all these measures will be maintained within their target ranges. However, should there be a significant deterioration of the financial performance, we remain confident that there are a number of mitigating actions that could be undertaken almost immediately to remedy any downturn. These include but are not limited to suspending the University's substantial capital investment programme, liquidating our investment positions to quickly increase cash balances and reduce 'other operating' and staff costs through further cost cutting and voluntary severance measures if required.

Financial forecasts, including detailed cash flow forecasts, are prepared for a period of at least twelve months from the balance sheet date of these financial statements and the University is satisfied that it can meet its working capital needs

from its forecast cash balances. Accordingly, it continues to adopt the going concern basis in preparing the financial statements.

## 2. Basis of Consolidation

The financial statements consolidate the financial statements of the University and its subsidiary undertakings for the financial year to 31 July.

The consolidated financial statements include the results of student organisations that have elected to opt into a framework enabling them to operate within the organisational and governance structure of the University but do not include those of the student bodies which are separate entities, as the University has no significant control or influence over the policy decisions of those bodies.

The University has investment shareholdings in unquoted companies over which it has no significant influence on policy or strategy decisions. These companies are not consolidated but are accounted for as investments at the lower of cost or net realisable value. The University has taken the exemption permitted under FRS102 to not produce a cash flow statement for the University.

## 3. Recognition of Income

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 sponsor negotiated discount, income receivable is shown net of the discount. Bursaries and scholarships are accounted for gross as expenditure and not deducted from income.

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

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

### Non-exchange transactions

Such transactions take place where income is received without approximately equal value being given in exchange and are accounted for using the performance model.

- Government grants (including funding council teaching and other grant, research grants from government sources and capital grants), grants from non-government sources (including research grants from non-government sources and capital grants) and donations are recognised within the Statement of Comprehensive Income and Expenditure when the University is entitled to the income and any performance related conditions have been met. Income received in advance of performance related conditions is deferred on the balance sheet and released to the Statement of Comprehensive Income and Expenditure as such conditions are met.
- Where grants or donations have no performance related conditions but have a restriction regarding how they may be spent, the income is retained within the restricted reserve until such time that it is utilised in line with the restrictions, at which point the income is released to general reserves through a reserve transfer.
- Endowments are donations where the donor has specified either that the gift must be invested and only the income spent against the donor's stated aims (which may be restrictive or for the general purposes of the University) or that the gift may be spent against the donor's stated restrictive aims but any unspent funds are to be invested. Endowments are recognised when the University is entitled to the income and are recorded as permanent or expendable endowment reserves as appropriate.

## 4. Employee benefits

### Post-employment benefits (pensions)

The University participates in the Universities Superannuation Scheme (USS) and in the Durham University Pension Scheme (DUPS), both of which are defined benefit schemes, externally funded and until 31 March 2016 contracted out of the State Second Pension (S2P). The assets of the schemes are held in separate trustee-administered funds. The University also contributes to Aviva Pensions, a defined contribution scheme in compliance with the government's automatic enrolment requirements. The University has contributed to the NHS Pension Scheme in the past when it has employed staff who are already members.

The two funded defined benefit schemes are valued every three years by professionally qualified independent actuaries using the projected unit method, the rates of contribution payable being determined by the trustees on the advice of the actuaries. In the intervening years, the actuaries review the progress of the schemes.

The USS scheme is a multi-employer scheme for which 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 FRS102 'Employee benefits', the scheme is accounted for as if it were a defined contribution scheme and the amount charged to the Statement of Comprehensive Income and Expenditure represents the contributions payable to the scheme for the accounting period. However, because the University has

entered into an agreement (the scheme Recovery Plan that determines how all employers will fund the overall deficit) it is required to recognise a liability within provisions for the contractual commitment to make deficit contributions and any resulting expense appears in the Statement of Consolidated Income and Expenditure. The provision is calculated based on the value of deficit contributions over the period of the Recovery Plan discounted to their present fair value.

### Defined Benefit Scheme

A defined benefit scheme is a post-employment benefit scheme other than a defined contribution scheme. The University's net obligation in respect of its defined benefit pension scheme (DUPS) is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value and the fair value of any scheme assets (at bid price) is deducted. The liability discount rate is the yield at the balance sheet date on AA credit rated bonds denominated in the currency of the scheme and having maturity dates approximating to the terms of the scheme's obligations. The calculation is performed by a qualified actuary using the projected unit credit method.

### Defined Contribution Scheme

A defined contribution scheme is a post-employment benefit plan under which the company 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 plans are recognised as an expense in the Statement of Consolidated Income and Expenditure in the periods during which services are rendered by employees.

### Short term employee benefits

Short term employment benefits such as salaries and compensated absences are recognised as an expense in the year in which the employees render service to the University. Any unused benefits are accrued and measured as the additional amount the University expects to pay as a result of the unused entitlement.

## 5. Leases

### Finance leases

Leases in which the University assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. Leased assets acquired by way of finance lease are stated at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and less accumulated impairment losses. Lease payments are accounted for as described below. Only finance leases with an initial value of over £10,000 are recognised in line with the policy on recognising fixed assets.

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.

## 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.

## Service concession arrangements

There were no Service Concession Arrangements at 31 July 2020.

## 6. Foreign Currencies

Transactions denominated in foreign currencies are recorded at the rate of exchange ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into sterling either at the rates at the date of the balance sheet or, where there are related forward exchange contracts, at contract rates. The resulting exchange differences are recognised in the Statement of Comprehensive Income and Expenditure.

## 7. Tangible Fixed Assets

### a. Capitalisation

Tangible assets are capitalised where they are capable of being used for a period which exceeds one year and which:

- Individually have a cost equal to or greater than £10,000; or
- Collectively have a cost equal to or greater than £10,000 where the assets are functionally interdependent or are purchased together and intended to be used as a group under common management control; or
- Irrespective of their individual cost, form part of the initial equipping of a new building.

Expenditure on a tangible asset after its initial purchase is capitalised where it increases the expected future benefit to the University. The cost of such enhancement is added to the gross cost of the relevant asset.

### b. Valuation

Tangible fixed assets are stated as follows:

Asset	Basis
Land	Deemed cost at 1 August 2014 (valuation at that date).
Buildings	Cost or, in the case of buildings for which the cost cannot readily be ascertained, at valuation.
Equipment and other tangible fixed assets	Cost

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying amount of the fixed asset may not be recoverable.

## c. Depreciation

Freehold land is not depreciated as it is considered to have an indefinite useful life. Other tangible assets are depreciated on a straight line basis over their useful life as follows:

Buildings	15 to 50 years according to the designated useful life of its components
General and scientific equipment, furniture and IT infrastructure	8 years
Motor vehicles and computer equipment and software	4 years
Equipment acquired for specific research projects	Project life (generally 3 years)
Intangible assets	Up to 10 years

No depreciation is charged on assets in the course of construction. Borrowing costs attributable to the acquisition or construction of a fixed asset are not capitalised but are recognised as an expense in the Statement of Comprehensive Income and Expenditure in the period in which they are incurred.

## 8. Heritage assets

Assets meeting the definition of a heritage asset that have a cost or value of over £10,000 and were acquired since 1 August 2007 are capitalised at cost or value on acquisition, where such a valuation is reasonably obtainable.

Heritage assets where a value is maintained for insurance purposes are recognised at deemed cost based on a valuation at 1 August 2016. Other heritage assets are not capitalised as obtaining and maintaining valuations for them would be prohibitively expensive due to the extent of the collections.

Heritage assets are defined as 'tangible assets with historical, artistic, scientific, technological, geophysical or environmental qualities that are held and maintained principally for their contribution to knowledge and culture'.

Heritage assets are not depreciated as their long economic life and high residual value mean that any depreciation would not be material.

## 9. Investments

Investments in subsidiary companies are stated at the original cost of the investment and reviewed for impairment where appropriate.

Investment property is land and buildings held for rental income or capital appreciation rather than for delivering services. Investment properties are measured initially at cost and subsequently at fair value with movements recognised in the Statement of Comprehensive Income and Expenditure. Properties are not depreciated but are revalued or reviewed annually according to market conditions at the balance sheet date.

Current asset and non-current investments are included in the balance sheet at fair value with movements recognised in the Statement of Comprehensive Income and Expenditure. Corporate and government bonds are subject to an annual impairment review.

## 10. Stock

Stock is stated at the lower of cost and net realisable value.

## 11. Cash and cash equivalents

Cash includes cash in hand, deposits repayable on demand and overdrafts. Deposits are repayable on demand if they are 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.

Cash and cash equivalents contains sums relating to endowment reserves which bear restrictions regarding their use.

## 12. Financial Instruments

Costs of financial instruments used to hedge interest rate risk are held on the Balance Sheet at fair value with movements in fair value recognised in the Statement of Comprehensive Income and Expenditure.

Financial assets and financial liabilities are recognised when the Group becomes party to a contractual provision of the instrument. Financial liabilities are classified according to the substance of the contractual arrangements entered into.

## 13. Provisions

Provisions are recognised in the financial statements where the University has a present financial obligation as a result of a past event and it is probable that a cost will arise on settlement of the obligation and a reliable estimate can be made of its value. The amount recognised is determined by discounting the expected future cash flows at a rate that reflects risks specific to the liability.

## 14. Taxation

The University is an exempt charity within the meaning of Schedule 3 of the Charities Act 2011 and is therefore a charity within the meaning of Paragraph 1 of Schedule 6 to the Finance Act 2010. 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 and Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied to exclusively charitable purposes.

The University receives no similar exemption in respect of Value Added Tax. Irrecoverable VAT on inputs is included in the cost of such inputs, including tangible fixed assets.

The charge for taxation is based on the result for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. A deferred tax liability is provided for if transactions or events giving rise to an obligation to pay more tax in the future, or less tax in the future, have occurred by the balance sheet date. Deferred tax assets are recognised to the extent that they are more likely than not to be recoverable in the future.

## 15. Joint venture

The University's share of income and expenditure in joint venture entities is reported in the Statement of Comprehensive Income and Expenditure and its share of assets and liabilities of joint venture entities is recognised in the consolidated Balance Sheet using the gross equity method.



## 16. Accounting estimates and judgements

The preparation of financial statements requires the use of accounting estimates and assumptions. It also requires management to exercise its judgement in the process of applying accounting policies. Estimates, assumptions and judgements are continually evaluated based on available information and experience. Estimates based on assumptions and judgements could differ significantly from actual results. The areas most affected by the use of estimates and judgements are described below.

### a. Useful lives of fixed assets

The useful lives of the University's assets are determined by management at the time the asset is acquired and reviewed regularly for appropriateness. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology. Nevertheless, some assets, including buildings, remain in use well beyond their useful life and to this extent there is no charge to depreciation in respect of fully written-off assets.

### b. Non-current asset investments – endowment properties

Endowment properties are included at fair value which has initially been provided by professional valuation. In future years the value of endowment properties will be adjusted by management in line with movements in the property market in the area in which the properties are situated.

### c. Recoverability of debts

It is assumed initially that all debts will be recoverable in full unless there is evidence to suggest otherwise. Any debt that is evidently doubtful is provided for in full. For all other debts, once these reach six months overdue a provision is created by type of debt based on historical experience of irrecoverability. A provision is also made for certain categories of debt more than one, but up to six months overdue. The adequacy of the provision is assessed and adjusted annually. The provision is deducted from the value of Other trade receivables in note 17.

### d. Annual leave liability

The liability for outstanding annual leave is calculated based on the assumption that academics do not take leave during University terms, but take leave pro rata during the vacation periods. Actual data of outstanding leave is taken for a sample of administrative staff and extrapolated.

### e. Calculation of pension provision

- i. The calculation of the liability for the present value of recovery contributions to the USS scheme is made using assumptions about the future salary and numerical growth of members of the USS scheme. The estimates used for these variables are consistent with those used in creating the University's financial forecasts.
- ii. The calculation of the defined benefit pension liability in the DUPS scheme is made using actuarial assumptions including future salary and general inflation and the expected longevity of scheme members. The estimates used for these assumptions are consistent with those used in creating the University's financial forecasts and in actuarial valuation of the scheme for the trustees.







# Financial Statements



## Consolidated and University Statements of Comprehensive Income and Expenditure – Year ended 31 July 2020

		Consolidated	University	Consolidated	University
	Note	2020	2020	2019	2019
		£'000	£'000	£'000	£'000
<b>Income</b>					
Tuition fees and education contracts	1	229,210	229,210	209,299	209,299
Funding body grants	2	41,671	41,671	39,432	39,432
Research grants and contracts	3	45,257	45,257	51,415	51,415
Other income	4	55,602	55,397	67,270	67,099
Investment income	5	6,009	6,009	4,802	4,802
Donations and endowments	6	7,849	7,849	8,804	8,804
<b>Total income</b>		<b>385,598</b>	<b>385,393</b>	<b>381,022</b>	<b>380,851</b>
<b>Expenditure</b>					
Staff costs	7	207,761	207,761	201,161	201,161
USS provision	7	(64,584)	(64,584)	79,054	79,054
Other operating expenses	9	121,532	121,340	127,030	127,779
Depreciation	12	27,415	27,415	23,821	23,346
Impairment adjustment	13	301	301	4,743	4,743
Interest and other finance costs	10	17,236	17,236	16,311	16,311
<b>Total expenditure</b>		<b>309,661</b>	<b>309,469</b>	<b>452,120</b>	<b>452,394</b>
<b>Surplus / (Deficit) before other gains</b>		<b>75,937</b>	<b>75,924</b>	<b>(71,098)</b>	<b>(71,543)</b>
Net gain on investments	6	472	472	5,339	5,339
Gain on disposal of fixed assets		99	99	-	-
Surplus on disposal of CEM		-	-	15,508	15,508
<b>Surplus / (Deficit) before tax</b>		<b>76,508</b>	<b>76,495</b>	<b>(50,251)</b>	<b>(50,696)</b>
Taxation	11	-	-	-	-
<b>Surplus / (Deficit) for the year</b>		<b>76,508</b>	<b>76,495</b>	<b>(50,251)</b>	<b>(50,696)</b>
Actuarial loss in respect of pension schemes	28	(22,152)	(22,152)	(5,144)	(5,144)
<b>Total comprehensive income / (expenditure) for the year</b>		<b>54,356</b>	<b>54,343</b>	<b>(55,395)</b>	<b>(55,840)</b>
<b>Represented by:</b>					
Endowment income	23	4,476	4,476	7,928	7,928
Restricted income / (expenditure)	25	799	799	(2,311)	(2,311)
Unrestricted income / (expenditure)		49,081	49,068	(61,012)	(61,457)
		<b>54,356</b>	<b>54,343</b>	<b>(55,395)</b>	<b>(55,840)</b>

## Consolidated Statement of Changes in Reserves for the year ended 31 July 2020

	Income and expenditure account			Total
	Endowment £'000	Restricted £'000	Unrestricted £'000	£'000
<b>Balance at 1 August 2018</b>	<b>74,009</b>	<b>10,333</b>	<b>345,717</b>	<b>430,059</b>
Surplus / (Deficit) from income and expenditure statement	7,015	2,501	(59,767)	<b>(50,251)</b>
Other comprehensive expenditure	-	-	(5,144)	<b>(5,144)</b>
Transfer between reserves	913	(285)	(628)	-
Release of restricted funds spent in year	-	(4,527)	4,527	-
<b>Total comprehensive income / (expenditure) for the year</b>	<b>7,928</b>	<b>(2,311)</b>	<b>(61,012)</b>	<b>(55,395)</b>
<b>Balance at 31 July / 1 August 2019</b>	<b>81,937</b>	<b>8,022</b>	<b>284,705</b>	<b>374,664</b>
Surplus from income and expenditure statement	4,721	2,334	69,453	<b>76,508</b>
Other comprehensive expenditure	-	-	(22,152)	<b>(22,152)</b>
Transfer between reserves and investments	(245)	-	245	-
Release of restricted funds spent in year	-	(1,535)	1,535	-
<b>Total comprehensive income for the year</b>	<b>4,476</b>	<b>799</b>	<b>49,081</b>	<b>54,356</b>
<b>Balance at 31 July 2020</b>	<b>86,413</b>	<b>8,821</b>	<b>333,786</b>	<b>429,020</b>

## University Statement of Changes in Reserves for the year ended 31 July 2020

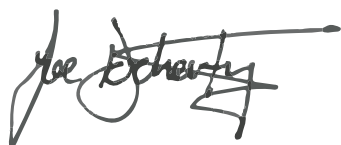
	Income and expenditure account			Total
	Endowment £'000	Restricted £'000	Unrestricted £'000	£'000
<b>Balance at 1 August 2018</b>	<b>74,009</b>	<b>10,333</b>	<b>347,341</b>	<b>431,683</b>
Surplus / (Deficit) from income and expenditure statement	7,015	2,501	(60,212)	<b>(50,696)</b>
Other comprehensive expenditure	-	-	(5,144)	<b>(5,144)</b>
Transfer between reserves	913	(285)	(628)	-
Release of restricted funds spent in year	-	(4,527)	4,527	-
<b>Total comprehensive income / (expenditure) for the year</b>	<b>7,928</b>	<b>(2,311)</b>	<b>(61,457)</b>	<b>(55,840)</b>
<b>Balance at 31 July / 1 August 2019</b>	<b>81,937</b>	<b>8,022</b>	<b>285,884</b>	<b>375,843</b>
Surplus from income and expenditure statement	4,721	2,334	69,440	<b>76,495</b>
Other comprehensive expenditure	-	-	(22,152)	<b>(22,152)</b>
Transfer between reserves and investments	(245)	-	245	-
Release of restricted funds spent in year	-	(1,535)	1,535	-
<b>Total comprehensive income for the year</b>	<b>4,476</b>	<b>799</b>	<b>49,068</b>	<b>54,343</b>
<b>Balance at 31 July 2020</b>	<b>86,413</b>	<b>8,821</b>	<b>334,952</b>	<b>430,186</b>

## Consolidated and University Balance Sheets - as at 31 July 2020

	Note	Consolidated 2020 £'000	University 2020 £'000	Consolidated 2019 £'000	University 2019 £'000
<b>Non-current assets</b>					
Fixed assets	12	594,142	595,248	563,202	564,308
Heritage assets	12	37,865	37,865	37,815	37,815
Investments	13	173,863	173,864	162,398	162,399
Investment in joint venture	14	-	-	-	-
		<b>805,870</b>	<b>806,977</b>	<b>763,415</b>	<b>764,522</b>
<b>Current assets</b>					
Stock	16	375	355	396	376
Trade and other receivables	17	25,168	25,168	22,038	22,037
Investments	18	40,545	40,545	81,016	81,016
Cash and cash equivalents	19	123,206	123,187	107,768	107,763
		<b>189,294</b>	<b>189,255</b>	<b>211,218</b>	<b>211,192</b>
<b>Creditors: amounts falling due within one year</b>	20	<b>(103,532)</b>	<b>(103,434)</b>	<b>(97,785)</b>	<b>(97,687)</b>
		<b>85,762</b>	<b>85,821</b>	<b>113,433</b>	<b>113,505</b>
<b>Total assets less current liabilities</b>		<b>891,632</b>	<b>892,798</b>	<b>876,848</b>	<b>878,027</b>
<b>Creditors: amounts falling due after more than one year</b>	21	<b>(329,609)</b>	<b>(329,609)</b>	<b>(330,954)</b>	<b>(330,954)</b>
<b>Provisions</b>					
Pension provisions	22	(132,528)	(132,528)	(170,380)	(170,380)
Other provisions	22	(475)	(475)	(850)	(850)
<b>Total net assets</b>		<b>429,020</b>	<b>430,186</b>	<b>374,664</b>	<b>375,843</b>

	Note	Consolidated 2020 £'000	University 2020 £'000	Consolidated 2019 £'000	University 2019 £'000
<b>Restricted Reserves</b>					
Endowment reserves	23	86,413	86,413	81,937	81,937
Restricted reserves	25	8,821	8,821	8,022	8,022
<b>Unrestricted Reserves</b>					
Income and expenditure reserve		333,786	334,952	284,705	285,884
<b>Total reserves</b>		<b>429,020</b>	<b>430,186</b>	<b>374,664</b>	<b>375,843</b>

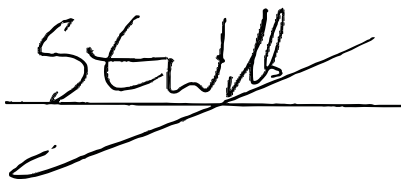
The Financial Statements were approved by the Council on 8 December 2020 and signed on its behalf by:



J Docherty  
Chair of Council



S Corbridge  
Vice-Chancellor



S Willis  
Chief Financial Officer

## Consolidated Cash Flow Statement for the year ended 31 July 2020

	<i>Note</i>	2020 £'000	2019 £'000
<b>Cash flow from operating activities</b>			
Surplus / (Loss) for the year		76,508	(50,251)
<b>Adjustment for non-cash items</b>			
Depreciation and impairment adjustment	<i>12, 13</i>	27,716	28,564
Gain on investments		(227)	(5,339)
Decrease / (Increase) in stock	<i>16</i>	21	(31)
Increase in debtors	<i>17</i>	(3,396)	(303)
Increase in creditors	<i>20, 21</i>	12,639	19,843
Lease issued for student accommodation	<i>21</i>	-	19,104
Transfer between fixed and current asset investments		336	621
(Decrease) / Increase in pension provision	<i>22</i>	(60,004)	84,071
Decrease in other provisions	<i>22</i>	(375)	(981)
<b>Adjustment for investing or financing activities</b>			
Investment income	<i>5</i>	(6,009)	(4,802)
Interest payable	<i>10</i>	10,412	10,091
Endowment donations	<i>6</i>	(2,100)	(4,498)
(Profit) / Loss on sale of fixed assets		(99)	183
Loss on the sale of current asset investments		-	3
Capital grant income		(1,575)	(580)
<b>Net cash flow from operating activities</b>		<b>53,847</b>	<b>95,695</b>
<b>Cash flows used in investing activities</b>			
Proceeds from sale of fixed assets		1,683	72
Proceeds from sale of current asset investments		-	681
Capital grant receipts		1,575	580
Investment income		6,009	4,802
Payments made to acquire fixed assets		(63,398)	(102,929)
New non-current asset investments		(11,337)	(92,773)
Returned (New) deposits		39,933	(40,139)
<b>Net cash used in investing activities</b>		<b>(25,535)</b>	<b>(229,706)</b>



	<i>Note</i>	<b>2020</b>	2019
		<b>£'000</b>	<b>£'000</b>
<b>Cash flows used in financing activities</b>			
Interest paid		(10,433)	(7,702)
Endowment cash received		2,100	4,498
New unsecured loans		-	225,000
Repayment of amounts borrowed		(4,541)	(58,576)
<b>Net cash flow used in financing activities</b>		<b>(12,874)</b>	163,220
<b>Increase in cash and cash equivalents in the year</b>	<i>19</i>	<b>15,438</b>	29,209
Cash and cash equivalents at beginning of the year	<i>19</i>	107,768	78,559
Cash and cash equivalents at end of the year	<i>19</i>	123,206	107,768
<b>Increase in cash in the year</b>		<b>15,438</b>	29,209



## Notes to the Financial Statements

	Consolidated	University	Consolidated	University
	2020	2020	2019	2019
	£'000	£'000	£'000	£'000
<b>1. Tuition fees and education contracts</b>				
Full-time home and EU students	109,414	109,414	106,496	106,496
Full-time international students	99,665	99,665	82,443	82,443
Part-time students	5,627	5,627	5,501	5,501
Short courses	4,877	4,877	4,267	4,267
Research training support grants	7,175	7,175	7,419	7,419
Other fees	2,452	2,452	3,173	3,173
	<b>229,210</b>	<b>229,210</b>	<b>209,299</b>	<b>209,299</b>

## 2. Funding body grants

### Recurrent grant

Office for Students	6,469	6,469	7,006	7,006
Research England	31,959	31,959	28,782	28,782

### Specific grants

Office for Students	80	80	80	80
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### Capital grants

Office for Students	728	728	1,229	1,229
Research England	2,435	2,435	2,335	2,335
	<b>41,671</b>	<b>41,671</b>	<b>39,432</b>	<b>39,432</b>

The recurrent grant includes both QR (Quality Related) and STEM (Science, Technology, Engineering and Mathematics) funding.

	Consolidated	University	Consolidated	University
	2020	2020	2019	2019
	£'000	£'000	£'000	£'000

### 3. Research grants and contracts

Research councils	26,822	26,822	26,291	26,291
UK charities	3,545	3,545	4,099	4,099
Central / Local Government	2,735	2,735	6,143	6,143
UK industries	2,536	2,536	2,613	2,613
EU Government	6,499	6,499	9,614	9,614
Other overseas	2,989	2,989	2,486	2,486
Other sources	131	131	169	169
	<b>45,257</b>	<b>45,257</b>	<b>51,415</b>	<b>51,415</b>

### 4. Other income

Residences, catering and conferences	35,790	35,790	46,696	46,696
Other services rendered	5,964	5,964	6,865	6,865
Other income	13,848	13,643	13,709	13,538
	<b>55,602</b>	<b>55,397</b>	<b>67,270</b>	<b>67,099</b>

Other income includes £2.5m as a claim under the government funded job retention scheme

### 5. Investment income

Investment income on endowments	1,252	1,252	1,516	1,516
Investment income on restricted reserves	69	69	95	95
Other investment income	4,688	4,688	3,191	3,191
	<b>6,009</b>	<b>6,009</b>	<b>4,802</b>	<b>4,802</b>

	Consolidated	University	Consolidated	University
	2020	2020	2019	2019
	£'000	£'000	£'000	£'000

## 6. Donations and endowments

Capital grants and donations	3,169	3,169	598	598
New endowments	2,100	2,100	4,498	4,498
Donations with restrictions	1,169	1,169	1,826	1,826
Unrestricted donations	1,411	1,411	1,882	1,882
	<b>7,849</b>	<b>7,849</b>	<b>8,804</b>	<b>8,804</b>

### The surplus on investment comprises:

Endowment pooled funds	2,354	2,354	3,309	3,309
Other pooled funds	(1,665)	(1,665)	3,549	3,549
Endowment properties	(15)	(15)	(1,375)	(1,375)
Holdings in spin off companies	(202)	(202)	(144)	(144)
	<b>472</b>	<b>472</b>	<b>5,339</b>	<b>5,339</b>

## 7. Staff costs

Salaries	162,906	162,906	158,336	158,336
Social security costs	15,666	15,666	15,177	15,177
Movement on USS provision *	-	-	-	-
Other pension costs				
USS (See note 28(a))	25,695	25,695	21,781	21,781
DUPS (See note (28(b)))	3,224	3,224	5,669	5,669
NOW (See note 28(c))	270	270	198	198
	<b>207,761</b>	<b>207,761</b>	<b>201,161</b>	<b>201,161</b>

\*The movement on the USS provision in the year is a credit of £64,584,000 (2019: £79,054,000 charge) and is sufficiently significant to appear as a separate line on the face of the Statement of Comprehensive Income.

	Consolidated	University	Consolidated	University
	2020	2020	2019	2019
	£'000	£'000	£'000	£'000
<b>Analysis of staff costs by activity</b>				
Academic and related expenditure	132,890	132,890	127,194	127,194
Administration and central services	16,824	16,824	15,222	15,222
Premises	6,621	6,621	5,830	5,830
Residences, catering and conferences	13,538	13,538	14,377	14,377
Research grants and contracts	20,044	20,044	21,769	21,769
Student and staff facilities and amenities	11,880	11,880	10,816	10,816
General educational expenditure	1,556	1,556	2,268	2,268
Miscellaneous expenditure	4,408	4,408	3,685	3,685
	<b>207,761</b>	<b>207,761</b>	<b>201,161</b>	<b>201,161</b>
			<b>2020</b>	2019
<b>Emoluments of the Vice-Chancellor</b>			<b>£'000</b>	<b>£'000</b>
Salary			273	274
Payment in lieu of pension contributions			27	27
Pension contributions to USS			6	6
Provision of accommodation			18	18
			<b>324</b>	<b>325</b>

The Vice-Chancellor withdrew from membership of USS in November 2016 and since that date only contributions to maintain life assurance cover have been paid. He receives instead an Additional Remuneration Allowance, on the same basis as all other employees who opt out of pension scheme membership, to compensate for the loss of full employer pension contributions.

The Vice-Chancellor is provided with rent free accommodation which is a non-taxable benefit as it is required wholly, necessarily and exclusively for the better performance of his duties of employment. The annual value is approximately £18,000. Utility costs, excluding water, are paid for by the University and are not separately identifiable.

### Ratio of Head of Institution pay against median pay of all staff

The methodology used in this calculation has been that provided by the OfS Accounts Direction. For both the Head of Institution and the whole workforce, the method has been applied consistently. The pay multiples are calculated by comparing the Head of Institution pay with the median pay of the workforce across two dimensions – basic pay and total pay.

**Basic pay** – This includes all elements of pay excluding any allowance in substitution for employer pension contributions, expressed as a full-time equivalent (FTE) annual salary. The figure also excludes bonuses, market supplements, responsibility allowances, employer pension contributions, severance payments and any other benefits, including those in kind.

**Total pay** – Total earnings, including all elements of pay including market supplements, bonuses, responsibility allowances, employer pension contributions and any other benefits.

2019-20	Basic Pay multiple	Total Pay multiple
Including casual workers	11.24	11.41
Excluding casual workers	7.99	7.89

2018-19	Basic Pay multiple	Total Pay multiple
Including casual workers	10.79	11.38
Excluding casual workers	8.24	8.24

There is a positive correlation between the scale of income for the HEI and the pay multiple of the Head of Institution and it is typical for larger income HEI's to have multiples higher than the sector median - 7.0 in 2018/19. Where some institutions outsource lower paid positions, for example cleaning and catering staff, Durham does not subcontract these roles which impacts on our pay ratios.

### Vice-Chancellor Pay

The University is a large and complex institution with almost 4,000 FTE staff and more than 19,000 students. It has an annual turnover of almost £400m per annum and an ambitious ten year strategy is making excellent progress, including a programme of extensive estate refurbishment and new development totalling some £750m. Net growth of 330 new academic staff and up to 4,000 additional students is scheduled over the ten year strategy period. The University generates £1.2 billion GVA, two thirds of which accrues to the North East of England.

Durham is a top four UK university (Guardian 2020) and a world top 100 university (QS World Rankings 2020) with a global reputation for excellence in research and education. Students from over 150 countries study at Durham and 40% of teaching and research staff are of non-UK origin. Its students benefit from a world-leading wider student experience which combines academic excellence and a commitment to produce highly motivated, well-rounded and socially engaged leaders of tomorrow.

A member of the prestigious Russell Group, the University produces world-leading research across the Arts and Humanities, Business, Science and Social Sciences, with subjects such as Theology, Archaeology and Geography ranked in the Top 10 in the world (QS 2020).

The Vice-Chancellor's salary is reviewed annually in accordance with our published pay policy by independent members of the Remuneration Committee. This includes external benchmarking and consideration of the scale, complexity, and performance of the University. Competitive salary packages are essential to attract and retain outstanding staff in senior leadership roles.

**Remuneration of other higher paid staff  
Excluding employer's pension contributions**

	2020	2019
	<i>No.</i>	<i>No.</i>
£100,000 – £104,999	18	21
£105,000 – £109,999	13	8
£110,000 – £114,999	8	1
£115,000 – £119,999	5	1
£120,000 – £124,999	9	9
£125,000 – £129,999	5	6
£130,000 – £134,999	4	3
£135,000 – £139,999	3	3
£140,000 – £144,999	2	1
£145,000 – £149,999	1	1
£150,000 – £154,999	2	1
£155,000 – £159,999	1	1
£165,000 – £169,999	-	1
£170,000 – £174,999	1	1
£175,000 – £179,999	1	-
£180,000 – £184,999	-	1
£195,000 – £199,999	-	1
£200,000 – £204,999	1	-
£205,000 – £209,999	1	-
£210,000 – £214,999	-	1
£215,000 – £219,999	1	-
	<b>76</b>	<b>61</b>
<b>Key management personnel</b>	<b>2020</b>	<b>2019</b>
	<i>£'000</i>	<i>£'000</i>
<b>Key management personnel remuneration including compensation</b>	<b>2,939</b>	<b>2,036</b>
	<b>2020</b>	<b>2019</b>
	<i>No.</i>	<i>No.</i>
<b>Number of staff</b>	<b>16</b>	<b>11</b>

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling. The remuneration disclosed relates to the members of the University Executive Committee which comprises: Vice Chancellor and Warden, Deputy Vice Chancellor and Provost, Vice-Provost (Research), Vice-Provost (Education), Pro-Vice-Chancellor (Global), Pro-Vice-Chancellor (Colleges and Student Experience), Executive Dean (Arts and Humanities), Executive Dean (Business), Executive Dean (Science), Executive Dean (Social Sciences and Health), Chief Financial Officer, Chief Information Officer, Director of Human Resources, Director of Strategic Initiatives Delivery Unit, Director of Estates and Facilities and University Secretary.

<b>Staff numbers</b>	<b>2020</b>	<b>2019</b>
<i>Full-time equivalent staff numbers by type</i>	<i>No.</i>	<i>No.</i>
Academic	<b>1,795</b>	1,688
Professional and technical	<b>999</b>	1,015
Administrative and clerical	<b>599</b>	605
Facilities and other support	<b>600</b>	593
	<b>3,993</b>	3,901

### **Council members**

The University's 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 are conducted at arms' length and in accordance with the University's Financial Regulations and usual procurement procedures and are disclosed within the information provided in Note 8.

No Council member has received any remuneration or waived payments during the year (2019 - nil).

The total expenses paid to or on behalf of 12 of the Council members was £11,447 (2019: £12,085 to 11 of the Council members). This represents travel and subsistence expenses incurred in attending Council and committee meetings in their official capacity.



### Trade Union information

The Trade Union (Facility Time Publication Requirements) regulations 2017 require us to publish information on trade union facility time. The University recognises the following trade unions: University and College Union (UCU) (formerly AUT), Unite (formerly Amicus), G.M.B. and UNISON.

#### For the period April 2019 to March 2020

Relevant Union Officials	2019-20	2018-19
Number of employees who were relevant union officials during the relevant period	24	23
Full-time equivalent employee number	19.97	19.89

#### Percentage of time spent on facility time

Percentage of time	Number of employees 2019-20	Number of employees 2018-19
0%	6	4
1-50%	18	19
51-99%	-	-
100%	-	-

Percentage of pay bill spent on facility time	2019-20	2018-19
Total cost of facility time	£26,655	£36,189
Total Pay Bill	£199,265,957	£188,133,485
Percentage of pay bill spent of facility time	0.01%	0.02%

Paid Trade Union activities	2019-20	2018-19
Time spent on paid trade union activities as a percentage of total paid facility time hours	11.73%	4.18%

#### Compensation for loss of office - all staff

	2020	2019
	£'000	£'000
Compensation for loss of office including redundancy payments and end of a fixed term contract.	1,027	1,443

	2020	2019
	No.	No.
Number of staff	162	170

## 8. Related party transactions

The University maintains a Register of Interests for all its senior staff including Council members.

The following transactions have been identified for disclosure in relation to those organisations related to senior executive staff and members of Council. The transactions are those entered into by the University at arms' length and are not payments to the individuals listed:

Organisation	Council Member	Receipts £'000	Debtors £'000	Payments £'000	Creditors £'000
Alder Media	Mrs Alison Hastings	-	-	3	-
Association of Commonwealth Universities	Professor Stuart Corbridge	-	-	6	-
British Library	Mrs Joanna Barker	-	-	16	-
Centre for Process Innovation Ltd	Mr Nigel Perry	12	-	-	-
China Britain Business Council	Mr Jonathan Bewes	-	-	6	-
College Junior Common Rooms		95	-	-	-
Durham Cathedral	The Very Reverend Andrew Tremlett	-	-	87	-
Durham Students' Union	Mr David Evans	-	-	1,222	-
Food Standards Agency	Ms Alexis Cleveland	5	-	-	-
Russell Group	Professor Stuart Corbridge	-	-	80	-
St Chad's College	Dr Camila Caiado	14	-	457	-
St John's College	Mrs Caroline Dower	114	57	130	-
UCEA	Professor Stuart Corbridge	-	-	14	-
Universities UK	Professor Stuart Corbridge	-	-	3	-

The University makes payments on behalf of and is re-imbursed by Durham Students' Union. The University does not exercise day to day control over the affairs of Durham Students' Union.

The University has taken advantage of the exemption within FRS102 not to disclose transactions with other members of the Group.

The University accounts for transactions relating to those Durham Student Organisations and Experience Durham which have elected to opt in to a framework enabling them to operate within the organisational and governance structure of the University. There are three student organisations that have elected to remain independent and the values of any transactions with them are included above under the heading College Junior Common Room Societies.



	Note	Consolidated	University	Consolidated	University
		2020	2020	2019	2019
		£'000	£'000	£'000	£'000

## 9. Analysis of non-staff costs by activity

Academic and related expenditure		35,918	35,918	39,250	39,250
Administration and central services		6,702	6,593	10,812	10,733
Premises		23,766	23,766	18,066	18,066
Residences, catering and conferences		12,445	12,445	16,700	16,700
Research grants and contracts		8,472	8,472	8,636	8,636
Student and staff facilities and amenities		6,927	6,927	9,221	9,221
General educational expenditure		24,672	24,672	22,131	22,131
Miscellaneous expenditure		2,630	2,547	2,214	3,042

		121,532	121,340	127,030	127,779
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### Other operating expenses include:

External auditors' remuneration in respect of audit services		147	138	68	60
External auditors remuneration in respect of non-audit services		-	-	-	-
Operating lease rentals:					
Land and buildings		2,118	2,118	4,484	4,484
Other		448	448	446	446

## 10. Interest and other finance costs

Loan interest		10,412	10,412	10,091	10,091
Increase in fair value of derivatives		3,571	3,571	3,932	3,932
Net charge on USS pension scheme		2,105	2,105	1,033	1,033
Net charge on DUPS pension scheme	28	1,148	1,148	1,255	1,255

		17,236	17,236	16,311	16,311
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## 11. Taxation

	Consolidated	University	Consolidated	University
	2020	2020	2019	2019
	£'000	£'000	£'000	£'000
<b>Current tax</b>				
Current tax expense	-	-	-	-
	-	-	-	-
<b>Deferred tax</b>				
Origination and reversal of timing differences	-	-	-	-
	-	-	-	-
<b>Total tax expense</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## 12. Tangible and intangible assets

Consolidated	Freehold Land and Buildings	Equipment	Intangible Assets	Assets in the Course of Construction	Heritage Assets	Total
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Cost</b>						
At 1 August 2019	597,837	157,434	-	64,762	37,815	857,848
Additions	-	-	-	59,989	-	59,989
Capitalisation	56,418	20,146	3,704	(80,318)	50	-
Disposals	(7,298)	(1,568)	-	-	-	(8,866)
<b>At 31 July 2020</b>	<b>646,957</b>	<b>176,012</b>	<b>3,704</b>	<b>44,433</b>	<b>37,865</b>	<b>908,971</b>
<b>Accumulated Depreciation</b>						
At 1 August 2019	142,858	113,973	-	-	-	256,831
Charge for year	13,867	13,345	203	-	-	27,415
Disposals	(5,741)	(1,541)	-	-	-	(7,282)
<b>At 31 July 2020</b>	<b>150,984</b>	<b>125,777</b>	<b>203</b>	<b>-</b>	<b>-</b>	<b>276,964</b>
<b>Net Book Value</b>						
<b>At 31 July 2020</b>	<b>495,973</b>	<b>50,235</b>	<b>3,501</b>	<b>44,433</b>	<b>37,865</b>	<b>632,007</b>
<b>At 31 July 2019</b>	<b>454,979</b>	<b>43,461</b>	<b>-</b>	<b>64,762</b>	<b>37,815</b>	<b>601,017</b>

<b>University</b>	Freehold Land and Buildings	Equipment	Intangible Assets	Assets in the Course of Construction	Heritage Assets	<b>Total</b>
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Cost</b>						
At 1 August 2019	596,380	157,563	-	64,762	37,815	<b>856,520</b>
Additions	-	-	-	59,989	-	<b>59,989</b>
Capitalisation	56,418	20,146	3,704	(80,318)	50	<b>-</b>
Disposals	(7,298)	(1,568)	-	-	-	<b>(8,866)</b>
<b>At 31 July 2020</b>	<b>645,500</b>	<b>176,141</b>	<b>3,704</b>	<b>44,433</b>	<b>37,865</b>	<b>907,643</b>
<b>Accumulated Depreciation</b>						
At 1 August 2019	140,423	113,974	-	-	-	<b>254,397</b>
Charge for year	13,867	13,345	203	-	-	<b>27,415</b>
Disposals	(5,741)	(1,541)	-	-	-	<b>(7,282)</b>
<b>At 31 July 2020</b>	<b>148,549</b>	<b>125,778</b>	<b>203</b>	<b>-</b>	<b>-</b>	<b>274,530</b>
<b>Net Book Value</b>						
<b>At 31 July 2020</b>	<b>496,951</b>	<b>50,363</b>	<b>3,501</b>	<b>44,433</b>	<b>37,865</b>	<b>633,113</b>
<b>At 31 July 2019</b>	<b>455,957</b>	<b>43,589</b>	<b>-</b>	<b>64,762</b>	<b>37,815</b>	<b>602,123</b>
<b>Heritage Assets</b>						

Heritage assets with an initial cost or value over £10,000 and acquired after 1 August 2007 are capitalised. Also capitalised are heritage assets for which an insurance value is held, including the Library's special collections.

Durham University holds other heritage assets in its Libraries and Museums, information about which may be found at: [www.durham.ac.uk/library/asc](http://www.durham.ac.uk/library/asc). Included in these collections are materials in many formats such as paper and parchment manuscripts, printed books, photographs, maps, prints, moving images, museum artefacts etc. The University has not capitalised these assets as obtaining and maintaining valuations for them would be prohibitively expensive due to the extent of the collections.

The Library's collecting policy for its Archives and Special Collections is designed to support the research and teaching of Durham University, and to develop coherent collections which build on existing strengths as a service to scholarship generally. In considering any acquisition, therefore, attention is paid to its scholarly significance, its appropriateness to the University's academic needs and priorities, its relation to the Library's existing collections and to the existing pattern of national and regional collections.

This year's acquisitions were the Hatfield Lioness and the Roma Assemblage.

<b>Heritage asset acquisitions</b>	<b>2020</b>	2019	2018	2017
	<b>£'000</b>	£'000	£'000	£'000
Acquisitions purchased with specific donations	5	686	65	10
Acquisitions purchased with University funds	-	-	-	18
<b>Total cost of acquisitions purchased</b>	<b>5</b>	686	65	28
Value of acquisitions by donation	45	30	-	-
<b>Total acquisitions capitalised</b>	<b>50</b>	<b>716</b>	<b>65</b>	<b>28</b>

### 13. Non-current investments

	Subsidiary companies	Subsidiary investment in spinouts	Other fixed asset investments	Total
	£'000	£'000	£'000	£'000
<b>Consolidated</b>				
At 1 August 2019	-	140	162,258	<b>162,398</b>
Additions	-	-	11,337	<b>11,337</b>
Increase in market value	-	-	674	<b>674</b>
Impairment	-	-	(301)	<b>(301)</b>
Disposals	-	-	(245)	<b>(245)</b>
<b>At 31 July 2020</b>	<b>-</b>	<b>140</b>	<b>173,723</b>	<b>173,863</b>
<b>University</b>				
At 1 August 2019	1,764	140	160,495	<b>162,399</b>
Additions	-	-	11,337	<b>11,337</b>
Increase in market value	-	-	674	<b>674</b>
Impairment	-	-	(301)	<b>(301)</b>
Disposals	-	-	(245)	<b>(245)</b>
<b>At 31 July 2020</b>	<b>1,764</b>	<b>140</b>	<b>171,960</b>	<b>173,864</b>
	<b>Consolidated</b>	<b>University</b>	Consolidated	University
	<b>2020</b>	<b>2020</b>	2019	2019
<b>Other non-current investments consist of:</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Endowment pooled fund investments	<b>56,991</b>	<b>56,991</b>	50,300	50,300
Other pooled fund investments	<b>98,884</b>	<b>98,884</b>	93,549	93,549
Endowment properties	<b>16,085</b>	<b>16,085</b>	16,646	16,646
Other	<b>1,903</b>	<b>1,904</b>	1,903	1,904
	<b>173,863</b>	<b>173,864</b>	<b>162,398</b>	<b>162,399</b>



## 14. Investment in joint venture

The University holds a 12.5% share of N8 Limited, a company limited by guarantee. This is a joint venture company owned equally by eight research intensive Northern Universities. The arrangement is treated as a joint venture and is accounted for using the equity method, such that 12.5% of the company's gross assets and liabilities are incorporated into the consolidated balance sheet of the University and 12.5% of its net income is reported in the University's consolidated income and expenditure account.

	2020	2019
	£'000	£'000
<b>Income and expenditure account</b>		
Income	57	52
Surplus before tax	-	-
<b>Balance Sheet</b>		
Current assets	52	47
Creditors due after more than one year	(52)	(47)
<b>Share of net assets</b>	-	-

The University participates in a number of joint research contracts with other Universities, both as lead institution and in collaboration with another institution as lead. Income from such arrangements during 2020 amounted to £13.9m (2019 £13.8m).

## 15. Investments in subsidiary companies

The companies in which the University has a major interest and whose results are consolidated in these statements are as follows:

Name	Principal Activities	Percentage of Shares and Class
Durham Mount Oswald Limited	Property investment	100% Ordinary shares
Durham University Investments Ltd	Intermediate holding company	100% Ordinary shares
Durham University Developments Ltd*	Property trading	100% Ordinary shares
Durham Women's Football Club Ltd*	Football club activities	100% Ordinary shares

All of the above companies are incorporated in England and Wales

\*These shares are held indirectly through Durham University Investments Limited

The University also held investments in the following companies which have been set up to carry out spin-off businesses. The results of these companies are not included in the consolidated statements.

Pepmotec Ltd ***	27.7% Ordinary shares
FSCAN Ltd ***	24.9% Ordinary shares
GeoEnergy Durham ***	24.9% Ordinary shares
Geospatial Research Ltd ***	24.0% Ordinary shares
Olexys Ltd ***	22.0% Ordinary shares
Concept analyst Ltd ***	20.0% Ordinary share
Magnitude Biosciences Ltd ***	19.3% Ordinary shares
Geoptic Ltd	16.7% Ordinary shares
TPH Surveys Ltd	15.0% Ordinary shares
PB Spectroscopy	15.0% Ordinary shares
Rar-M Therapeutics Ltd	13.3% Ordinary shares
Durham Magneto Optics Ltd	12.75% Ordinary shares
Gamble De Grussa Ltd	10.87% Ordinary shares
Plastech Innovation Ltd	5.2% Ordinary shares
Intogral Ltd	4.45% Ordinary shares
Lightox Ltd	4.35% Ordinary shares
Applied Graphene Materials plc	2.49% Ordinary shares
Goliath Wind Ltd	2.22% Ordinary shares
Kromek plc	0.17% Ordinary shares
P2I Ltd	0.12% Ordinary shares

\*\*\* Not consolidated because at 31 July 2020 the University did not exercise effective control over these companies.

Other companies are not consolidated because the level of shareholding is below 20%

The University also holds investments in companies established jointly by several Universities:

N8 Ltd	Research	12.5% share (company limited by guarantee)
CVCP Properties Plc	Property	0.9% Ordinary shares

The cost of the University's shareholding in the spin-off investments above is recorded within Note 13 Subsidiary investment in spinouts. The market value of the University's shareholding in Applied Graphene Materials plc and Kromek plc is recorded in Note 18 within the heading Short term investment in shares.

	Consolidated	University	Consolidated	University
	2020	2020	2019	2019
	£'000	£'000	£'000	£'000

## 16. Stock

Goods for resale	355	355	376	376
Durham University Developments Ltd – development land for resale	20	-	20	-
	<b>375</b>	<b>355</b>	<b>396</b>	<b>376</b>

## 17. Trade and other receivables

### Amounts falling due within one year:

Research grant receivables	12,294	12,294	11,264	11,264
Other trade receivables	11,708	11,706	8,101	8,100
Prepayments and accrued income	1,166	1,166	2,673	2,673
Amounts due from subsidiary companies	-	2	-	-
	<b>25,168</b>	<b>25,168</b>	<b>22,038</b>	<b>22,037</b>

## 18. Current investments

Short term investment in shares	339	339	877	877
Short term deposits	40,206	40,206	80,139	80,139
	<b>40,545</b>	<b>40,545</b>	<b>81,016</b>	<b>81,016</b>

Deposits are held with banks operating in the London market and licensed by the Financial Services Authority. The short term deposits had more than three months' maturity at 31 July 2020. The interest rates for these deposits are fixed for the duration of the deposit at the time of placement. The weighted average interest rate of these deposits was 0.2% per annum and the remaining weighted average period for which the interest rate was fixed on these balances was 95 days.

## 19. Cash and cash equivalents

	At 1 August 2019	Cash Flows	At 31 July 2020
	£'000	£'000	£'000
Cash and Cash equivalents	107,768	15,438	123,206

## 20. Creditors: amounts falling due within one year

	Consolidated	University	Consolidated	University
	2020	2020	2019	2019
	£'000	£'000	£'000	£'000
Unsecured loans	4,541	4,541	4,541	4,541
Trade payables	9,379	9,373	12,440	12,352
Research grants received on account	36,657	36,657	28,120	28,120
Social security and other taxation payable	12,116	12,116	11,243	11,243
Accruals and deferred Income	40,839	40,747	41,441	41,431
	103,532	103,434	97,785	97,687

### Deferred income

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

	Consolidated	University	Consolidated	University
	2020	2020	2019	2019
	£'000	£'000	£'000	£'000
Donations	1,786	1,786	1,842	1,842

## 21. Creditors: amounts falling due after more than one year

	Consolidated	University	Consolidated	University
	2020	2020	2019	2019
	£'000	£'000	£'000	£'000
Derivatives	32,970	32,970	29,400	29,400
Lease provided over land	18,732	18,732	19,104	19,104
Unsecured loans	277,907	277,907	282,450	282,450
	329,609	329,609	330,954	330,954

	Consolidated	University	Consolidated	University
	2020	2020	2019	2019
	£'000	£'000	£'000	£'000
<b>Analysis of unsecured loans</b>				
Due within one year or on demand	4,541	4,541	4,541	4,541
Due between one and two years	4,541	4,541	4,541	4,541
Due between two and five years	13,622	13,622	13,623	13,623
Due in five years or more	259,744	259,744	264,286	264,286
<b>Total secured and unsecured loans</b>	<b>282,448</b>	<b>282,448</b>	286,991	286,991
Due within one year	(4,541)	(4,541)	(4,541)	(4,541)
<b>Due after more than one year</b>	<b>277,907</b>	<b>277,907</b>	282,450	282,450

**Consolidated reconciliation of net debt**

	<i>£'000</i>
<b>Net debt 1 August 2019</b>	<b>208,623</b>
Movement in cash and cash equivalents	15,438
Loan repayments	4,543
Changes in market value and exchange rates	(3,570)
<b>Net debt 31 July 2020</b>	<b>192,212</b>
Changes in net debt	16,411

**Analysis of net debt**

	Year ended 31 July 2020 £'000	Year ended 31 July 2019 £'000
<b>Cash and Cash equivalents</b>	<b>123,206</b>	107,768
<b>Borrowings: amounts falling due within one year</b>		
Unsecured loans	4,541	4,541
<b>Borrowings: amounts falling due after one year</b>		
Unsecured loans	277,907	282,450
Derivatives	32,970	29,400
	<b>310,877</b>	311,850
<b>Net debt</b>	<b>192,212</b>	208,623

## Loans

On 26 July 2004 the University agreed a loan facility with Barclays Bank plc for £90m. The loan is unsecured and the terms are as follows:

- An existing loan of £41m repayable in equal quarterly instalments over a 30 year period providing finance for capital expenditure.
- An additional loan facility of up to £12m repayable in equal instalments over a 30 year period providing additional finance for capital expenditure. At 31 July 2018 this facility had been fully drawn down.
- A further loan facility of up to £35.5m, plus £1.5m interest added to the principal sum, repayable over a 30 year period commencing on 31 October 2006. The loan is profiled so that the repayments increase during the course of the loan.

All the above loans bear interest at LIBOR but are subject to interest rate hedging arrangements described below.

On 30 June 2014 loan funding was agreed with the North East Local Enterprise Partnership. The loan is for £10m to support IT infrastructure development including high performance computing and data management facilities as phase one of a larger project to develop novel complex data handling and laboratory space. The rate of interest is fixed at 1.9% and the loan is repayable over ten years which commenced 30 June 2019.

In August 2018 the University entered into a private placement to secure funding of £225m to support the delivery of the University Strategy 2017 – 2027:

- £80m is repayable in 2048 and charges annual interest at 2.66%
- £70m is repayable in 2058 and charges annual interest at 2.72%
- £75m is repayable in 2067 and charges annual interest at 2.67%

The loan liabilities have been classified according to the maturity date of the longest permitted refinancing.

## Interest rate hedging

Under the terms of a loan taken out in 2010 the University committed to hedging at least 60% of its loan balances and developed and implemented a hedging strategy to achieve this over the term of the loans with additional protection against interest rate fluctuations for an additional 25% of the outstanding balance until July 2020. The hedging instruments in place at 31 July 2020 were as follows:

- £4.2m amortising to nil by March 2027, fixed at 5.66%
- £22.3m amortising to nil by July 2034, fixed at 5.36%
- £29.6m rising to £30.9m by July 2027 then amortising to £27m by July 2034 and then level until June 2040, fixed at 4.61%

The fair value of the liability represented by these interest rate hedges is disclosed as Derivatives in the note above. These hedges are to remain in place even though some of the related loans were repaid in August 2018.

## 22. Provisions for liabilities

	Obligation to fund deficit on USS Pension £'000	Defined Benefit Obligations (Note 28) £'000	Total Pensions Provisions £'000	Strike deductions £'000	Staff restructure £'000	Total Other £'000
<b>Consolidated</b>						
At 1 August 2019	116,995	53,385	170,380	761	89	850
Utilised in year	(2,061)	-	(2,061)	(286)	(89)	(375)
Additions	2,106	24,626	26,732	-	-	-
Reductions	(62,523)	-	(62,523)	-	-	-
<b>At 31 July 2020</b>	<b>54,517</b>	<b>78,011</b>	<b>132,528</b>	<b>475</b>	<b>-</b>	<b>475</b>

	Obligation to fund deficit on USS Pension £'000	Defined Benefit Obligations (Note 28) £'000	Total Pensions Provisions £'000	Strike deductions £'000	Staff restructure £'000	Total Other £'000
<b>University</b>						
At 1 August 2019	116,995	53,385	170,380	761	89	850
Utilised in year	(2,061)	-	(2,061)	(286)	(89)	(375)
Additions	2,106	24,626	26,732	-	-	-
Reductions	(62,523)	-	(62,523)	-	-	-
<b>At 31 July 2020</b>	<b>54,517</b>	<b>78,011</b>	<b>132,528</b>	<b>475</b>	<b>-</b>	<b>475</b>

### Obligation to fund deficit on USS Pension

The USS scheme is a multi-employer scheme for which the assets are not hypothecated to individual institutions and a scheme-wide contribution rate is set. The University is therefore unable to identify its share of the underlying assets and liabilities of the scheme and, as required by Section 28 of FRS102 'Employee benefits', the scheme is accounted for as if it were a defined contribution scheme.

As part of the 2014 valuation of the USS pension scheme, the trustees determined, after consultation with the employers, a recovery plan to extinguish the shortfall by 31 March 2031. The contributions being paid by the employer include an amount designed to recover the deficit, the rates of which are disclosed in note 28a. In accordance with FRS102 Section 28, a liability is recognised for the contractual commitment to make such deficit contributions, calculated based on the value of deficit contributions over the period of the Recovery Plan discounted to their present fair value using an appropriate discount rate. The increase in the provision includes the amount of recovery contributions payable less the impact of unwinding the discount during 2019.

### Defined Benefit Obligations

The deficit on the University sponsored pension scheme (DUPS) is recognised as a liability. Details of this scheme, including the basis of the accounting valuation and the movement in assets and liabilities and the resulting deficit, are disclosed in Note 28.

### Strike deductions

Some staff participated in national strike action during the year ended 31 July 2018 and deductions were taken from their pay. This sum is earmarked to be spent for the benefit of students and a commitment for such has been given to Durham Students' Union.

## 23. Endowment reserves

Consolidated and University	Restricted Permanent	Unrestricted Permanent	Restricted Expendable	2020 Total	2019 Total
	£'000	£'000	£'000	£'000	£'000
<b>At 1 August 2019</b>					
Capital	37,759	30,629	9,890	<b>78,278</b>	70,970
Accumulated income	3,238	-	421	<b>3,659</b>	3,039
	<u>40,997</u>	<u>30,629</u>	<u>10,311</u>	<b>81,937</b>	<u>74,009</u>
New endowments	1,525	-	575	<b>2,100</b>	4,498
Investment income	848	149	255	<b>1,252</b>	1,516
Expenditure	(175)	(149)	(345)	<b>(669)</b>	(933)
Increase in market value of investments	1,642	427	285	<b>2,354</b>	3,309
Decrease in market value of properties	-	(316)	-	<b>(316)</b>	(1,375)
Transfer from General Funds	-	(245)	-	<b>(245)</b>	628
Transfer from Restricted reserves	-	-	-	<b>-</b>	285
<b>Total endowment comprehensive income for the year</b>	<b>3,840</b>	<b>(134)</b>	<b>770</b>	<b>4,476</b>	<b>7,928</b>
<b>At 31 July 2020</b>	<b>44,837</b>	<b>30,495</b>	<b>11,081</b>	<b>86,413</b>	<b>81,937</b>
<b>Represented by</b>					
Capital	40,956	30,495	10,486	<b>81,937</b>	78,278
Accumulated income	3,881	-	595	<b>4,476</b>	3,659
	<b>44,837</b>	<b>30,495</b>	<b>11,081</b>	<b>86,413</b>	<b>81,937</b>
<b>Analysis by type of purpose:</b>					
Lectureships	472	-	3,196	<b>3,668</b>	3,861
Fellowships	13,349	-	-	<b>13,349</b>	12,466
Scholarships and bursaries	14,085	-	-	<b>14,085</b>	12,151
Research support	7,341	-	4,904	<b>12,245</b>	11,694
Prize funds	2,286	-	-	<b>2,286</b>	2,136
Student facilities	7,304	-	2,981	<b>10,285</b>	9,000
General	-	30,495	-	<b>30,495</b>	30,629
	<b>44,837</b>	<b>30,495</b>	<b>11,081</b>	<b>86,413</b>	<b>81,937</b>
<b>Analysis by asset:</b>					
Fixed assets				<b>16,085</b>	16,646
Current and non-current asset investments				<b>56,991</b>	50,300
Cash and cash equivalents				<b>13,337</b>	14,991
				<b>86,413</b>	<b>81,937</b>



## 24. Connected charitable institutions

A number of charitable institutions are administered by or on behalf of the University and have been established for its general or special purposes. As a result, under paragraph 28 of Schedule 3 to the Charities Act 2011, these connected institutions are exempt from registration with the Charity Commission. The movements in the year on the total funds of all connected institutions were as follows:

	College Trusts £'000	Fellowships £'000	Prizes £'000	Scholarships £'000	Total £'000
<b>Opening balance 1 August 2019</b>	<b>2,401</b>	<b>3,173</b>	<b>41</b>	<b>1,533</b>	<b>7,148</b>
Additions	152	1	-	-	153
Income	48	104	1	31	184
Expenditure	(81)	(104)	(1)	(30)	(216)
Change in market value	113	(125)	2	87	77
<b>Closing balance at 31 July 2020</b>	<b>2,633</b>	<b>3,049</b>	<b>43</b>	<b>1,621</b>	<b>7,346</b>
<b>Number of funds</b>	<b>5</b>	<b>2</b>	<b>2</b>	<b>9</b>	<b>18</b>

## 25. Restricted reserves

Consolidated and University	Unspent Capital Grants £'000	Donations £'000	2020 Total £'000	2019 Total £'000
<b>Balances at 1 August 2019</b>	<b>679</b>	<b>7,343</b>	<b>8,022</b>	10,333
New grants	1,575	-	1,575	580
New donations	-	1,169	1,169	1,826
Transfer to endowments	-	-	-	(285)
Transfer to capital grants	-	(479)	(479)	-
Investment income	-	69	69	95
Capital grants utilised	(637)	-	(637)	(3,414)
Expenditure	-	(898)	(898)	(1,113)
<b>Total restricted comprehensive Income / (expenditure) income for the year</b>	<b>938</b>	<b>(139)</b>	<b>799</b>	(2,311)
<b>At 31 July 2020</b>	<b>1,617</b>	<b>7,204</b>	<b>8,821</b>	8,022

Consolidated and University	Unspent Capital Grants	Donations	2020 Total	2019 Total
	£'000	£'000	£'000	£'000
<b>Analysis of other restricted funds/donations by type of purpose:</b>				
Fellowships	-	507	507	464
Scholarships and bursaries	-	2,571	2,571	2,276
Research support	141	1,476	1,617	1,744
Student facilities	1,476	2,556	4,032	3,456
Prize funds	-	94	94	82
	<b>1,617</b>	<b>7,204</b>	<b>8,821</b>	<b>8,022</b>

## 26. Capital commitments

	Consolidated	University	Consolidated	University
	2020	2020	2019	2019
	£'000	£'000	£'000	£'000
<b>Commitments contracted for</b>	<b>18,977</b>	<b>18,977</b>	<b>37,016</b>	<b>37,016</b>

## 27. Lease obligations

	Land and Buildings	Plant and Machinery	2020 Total	2019
	£'000	£'000	£'000	£'000
<b>Payable during the year</b>	<b>2,118</b>	<b>448</b>	<b>2,566</b>	<b>4,930</b>
<b>Future minimum lease payments due</b>				
Not later than 1 year	2,118	448	2,566	4,930
Later than 1 year and not later than 5 years	8,153	45	8,198	8,526
Later than 5 years	28,013	-	28,013	29,865
<b>Total lease payments due</b>	<b>38,284</b>	<b>493</b>	<b>38,777</b>	<b>43,321</b>

## 28. Pensions

### a. Universities Superannuation Scheme

The total cost of contributions charged to the Income and Expenditure account was £25,695,000 (2019: £21,781,000). This includes £2,195,000 (2018: £1,931,000) outstanding contributions at the balance sheet date.

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

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

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.

<b>Discount rate</b>	<b>Years 1-10:</b> CPI + 0.14% reducing linearly to CPI - 0.73% <b>Years 11-20:</b> CPI + 2.52% reducing linearly to CPI + 1.55% by year 21 <b>Years 21+:</b> CPI +1.55%
<b>Price inflation (CPI)</b>	Term dependent rates in line with the difference between the Fixed Interest and Index Linked yield curves, less 1.3% pa

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:

#### 2018 Valuation

Pre-retirement	
Males members' mortality	71% of AMCO0 (duration 0) for males
Females members' mortality	112% of AFC00 (duration 0) for females
Post-retirement	
Males members' mortality	99.6% of SAPS S1NMA 'light' for males
Females members' mortality	102.7% of RV00 for females

Future improvements to mortality CMI\_2017 with a smoothing parameter of 8.5 and a long term improvement rate of 1.8% pa for males and 1.6% pa for females.

The current life expectancies on retirement at age 65 are:

	2018 Valuation	2017 Valuation
Males currently aged 65 (years)	24.4	24.6
Females currently aged 65 (years)	25.9	26.1
Males currently aged 45 (years)	26.3	26.6
Females currently aged 45 (years)	27.7	27.9

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 pension liability provision reflects this plan. The provision figures have been produced using the following assumptions as at 31 March 2018 and 2019.

	2020	2019
Discount rate	1%	2.44%
Price inflation (CPI)	3%	2.11%

## b. Durham University Pension Scheme

### Introduction

The University sponsors the Durham University Pension Scheme (the Scheme) which is a funded defined benefit pension scheme for qualifying University employees not eligible for membership of Universities Superannuation Scheme. The Scheme is administered by a separate board of Trustees which is legally separate from the University. The Trustees are composed of representatives of both the University and employees. The Trustees are required by law to act in the interest of all relevant beneficiaries and are responsible for the investment policy with regard to the assets plus the day to day administration of the benefits.

Under the Scheme, up to 31 July 2016, employees are entitled to annual pensions on retirement at age 65 of 1/75th of Final Pensionable Salary for each year of service. Final Pensionable Salary is defined as the highest Pensionable Salary received over any one year in the last three years. Benefits are also payable on death and following other events such as withdrawing from active service.

Following consultation with affected members, the University changed the benefits being built up in the Scheme with effect from 1 August 2016. From this date members build up an annual pension of 1/60th of their pensionable salary each year which will be revalued in line with CPI inflation subject to a cap of 2.5% p.a. This pension is payable from the later of age 65 and a member's State Pension Age (under legislation applying when they joined the new benefit scale). Benefits will also be payable on death and following other events such as withdrawing from active service.

No other post-retirement benefits are provided to these employees.

### Profile of the plan

The defined benefit obligation includes benefits for current employees, former employees and current pensioners. At the latest funding valuation at 1 April 2018, 42% of the liabilities were attributable to current employees, 25% to former employees and 33% to current pensioners.

### Funding requirements

UK legislation requires that pension schemes are funded prudently. The last funding valuation of the Scheme was carried out by a qualified actuary as at 1 April 2018 and showed a deficit of £25.2 million. The deficit was expected to be removed by 29 February 2028 through a combination of additional contributions of 3.3% of pensionable salary until 31 March 2020 and £1.9m per annum thereafter and asset outperformance over and above that anticipated in the technical provisions. The trustees will monitor progress against this target. The next funding valuation is due to be carried out as at 1 April 2021, at which time progress towards full-funding will be reviewed. Over the accounting period the University paid contributions of 22.1% of Pensionable Salaries less member contributions in respect of accrual of benefits for current employees.

The University expects to contribute £6,600,000 in the year commencing 1 August 2020.

## Risks associated with the Scheme

The Scheme exposes the University to a number of risks, the most significant of which are as follows:

<b>Asset volatility</b>	The liabilities for accounting purposes are calculated using a discount rate set with reference to corporate bond yields; if assets underperform this yield this will create a deficit. The Scheme holds a significant proportion of growth assets (equities, property and global absolute return fund) which, though expected to outperform corporate bonds in the long-term, create volatility and risk in the short-term. The allocation to growth assets is monitored to ensure it remains appropriate given the Scheme's long term objectives.
<b>Changes in bond yields</b>	A decrease in corporate bond yields will increase the value placed on the Scheme's liabilities for accounting purposes, although this will be partially offset by an increase in the value of the Scheme's bond holdings.
<b>Inflation</b>	The majority of the Scheme's benefit obligations are linked to inflation and higher inflation will lead to higher liabilities (although in most cases caps on the level of inflationary increases are in place to protect against extreme inflation). The majority of the assets are either unaffected by or only loosely correlated with inflation, meaning that an increase in inflation will also increase the deficit.
<b>Life expectancy</b>	The majority of the Scheme's obligations are to provide benefits for the life of the members, so increases in life expectancy will result in an increase in the liabilities.

The University and Trustees have a long-term intention to reduce investment risk as and when appropriate. This could include an asset-liability matching policy which aims to reduce the volatility of the Scheme's funding level by investing in assets such as swaps which perform in line with the Scheme's liabilities so as to protect against inflation being higher than expected. The Trustees insure certain benefits payable on death before retirement.

## Reporting at 31 July 2020

The results of the latest funding valuation at 1 April 2018 have been adjusted to the balance sheet date taking account of experience over the period since 1 April 2018, changes in market conditions, and differences in the financial and demographic assumptions. The present value of the defined benefit obligation and the related current service cost, were measured using the projected unit credit method.

## Assumptions

The plan's liabilities have been calculated using the following principal actuarial assumptions which reflect the nature and term of the Plan's liabilities:

### Main financial assumptions

	2020	2019
	<i>% per annum</i>	<i>% per annum</i>
RPI inflation	2.85	3.20
CPI inflation	2.25	2.20
Long term rate of salary increases	3.00	3.50
Rate of discount for Scheme liabilities	1.40	2.15
Increases to pensions in payment - RPI minimum 3%	3.50	3.60
Increases to pensions in payment - RPI maximum 2.5%	2.05	2.25
Increases to pensions in payment - CPI maximum 2.5%	1.75	1.75

The net pension asset may increase or decrease as a result of the September 2019 UK government proposal to replace RPI with CPIH sometime between 2025-2030. The impact will depend on the scheme's RPI/CPI exposure and its level of hedging as well as how the reform will be implemented. The UK Government intends to consult on this in early 2020. At this stage no adjustment has been made to the RPI assumption to reflect this and given the uncertainty this has not been quantified.

*Non-financial assumptions*

The most significant non-financial assumption is assumed longevity and the mortality assumptions adopted at 31 July 2020 imply the following life expectancies from age 65:

	2020	2019
	years	years
Male currently aged 65	20.5	20.4
Female currently aged 65	22.8	22.6
Male currently aged 45	21.8	21.7
Female currently aged 45	24.4	24.2

The mortality table adopted is the S2PXA table with a scaling factor of 115% for males and 110% for females. An allowance for future improvement has been made in line with CMI 2019 core projections assuming a long term rate of improvement in mortality of 1.25% p.a. for men and women.

*Scheme assets and expected rates of return*

The assets of the Scheme were invested as follows:

	2020	2019
	£'000	£'000
UK equities	1,493	10,409
Overseas equities	37,819	40,195
Absolute return	32,505	33,349
Liability Driven Investments	45,138	26,389
Property	10,777	11,259
Cash / other	5,899	3,871
	<b>133,631</b>	<b>125,472</b>

The expected long term return on corporate bonds is equal to the discount rate used to value the liabilities. This is based on the annualised yield on the Aon Hewitt GBP Select AA Curve at a duration of approximately 20 years.

*Present values of Scheme liabilities, fair value of assets and deficit*

	2020	2019
	£'000	£'000
Present value of Scheme liabilities	(211,642)	(178,857)
Fair value of Scheme assets	133,631	125,472
Net liability	<b>(78,011)</b>	<b>(53,385)</b>

*Reconciliation of opening and closing balances of the present value of Scheme liabilities*

	2020	2019
	£'000	£'000
<b>Present value of Scheme liabilities at 1 August</b>	<b>178,857</b>	159,785
Current service cost	5,722	5,181
Interest cost	3,862	4,486
Contributions by members	92	44
Actuarial losses	27,362	13,027
Benefits paid and death in service insurance premiums	(4,285)	(4,354)
Past service costs	32	688
<b>Present value of plan liabilities at 31 July</b>	<b>211,642</b>	178,857

*Reconciliation of opening and closing balances of the fair value of Scheme assets*

	2020	2019
	£'000	£'000
<b>Fair value of Scheme assets at 1 August</b>	<b>125,472</b>	115,528
Interest income	2,714	3,231
Return on plan assets	5,210	7,883
Contributions by employer	5,435	4,182
Contributions by members	92	44
Benefits paid and death in service insurance premiums	(4,285)	(4,354)
Administration costs	(1,007)	(1,042)
<b>Fair value of Scheme assets at 31 July</b>	<b>133,631</b>	125,472

*Analysis of the charge to the income and expenditure account*

	2020	2019
	£'000	£'000
<b>Analysis of operating charge</b>		
Current service cost	(5,722)	(5,181)
Administration costs	(1,007)	(1,042)
Past service cost	(32)	(688)
<b>Operating charge</b>	<b>(6,761)</b>	<b>(6,911)</b>
<b>Analysis of pension finance cost</b>		
Interest income	2,714	3,231
Interest on plan liabilities	(3,862)	(4,486)
<b>Pension finance cost</b>	<b>(1,148)</b>	<b>(1,255)</b>
<b>Total cost</b>	<b>(7,909)</b>	<b>(8,166)</b>

*Amount recognised in Other Comprehensive Income*

	2020	2019
	£'000	£'000
Return on plan assets	5,210	7,883
Experience gains / (losses) arising on plan liabilities	281	6,200
Change in financial and demographic assumptions underlying the plan liabilities	(27,643)	(19,227)
	<b>(22,152)</b>	<b>(5,144)</b>

*Amounts for the current and previous four years*

	2020	2019	2018	2017	2016
	£'000	£'000	£'000	£'000	£'000
Fair value of assets	133,631	125,472	115,528	108,623	98,736
Present value of Scheme liabilities	(211,642)	(178,857)	(159,785)	(157,815)	(152,566)
Deficit in Scheme	(78,011)	(53,385)	(44,257)	(49,192)	(53,830)



	2020	2019	2018	2017	2016
	£'000	£'000	£'000	£'000	£'000
Experience adjustment on Scheme liabilities	281	6,200	(1,579)	135	(1,055)
Experience adjustment on Scheme assets	5,210	7,883	5,192	7,674	6,526
Effects of changes in the demographic and financial assumptions underlying the present value of the plan liabilities	(27,643)	(19,227)	4,729	266	(22,317)

### (c) Aviva Pensions

In response to the government's requirement for all employers to introduce automatic enrolment into a pension scheme for eligible staff, the University appointed Aviva Pensions to provide its workplace pension scheme for automatic enrolment. Aviva Pensions provides a money purchase scheme which invests employer and employee contributions to provide a member specific fund that will be converted into pension on the member's retirement.

Employer contributions are currently 3% and employees pay 5%. The cost to the University during 2020 was £270,000 (2019: £198,000).

## 29. Access and Participation

Expenditure 2019/20	£'000
Access expenditure only	5,071
Financial support	5,195
Disabled students (including disability support and disability premium)	1,207
Research and evaluation related to access participation	106
<b>Total</b>	<b>11,579</b>

Despite a turbulent financial year as a result of Covid-19, tuition fee income remained broadly in line with forecast and, as a result, so did spend on access and participation.

In our Access and Participation Plan for 2019/20, our target total spend for access, participation and success was set at approximately £11.7m, of which £4.5m and £5.2m were the specific targets for access and financial support respectively. These targets were met.

Staff costs make up approximately 27% of the total access and participation expenditure at £3.1m. In the case of the research and evaluation related to access participation, the majority of this spend relates to academic research that directly informs our Access and Participations plans. All staff costs are already captured in note 7.

We continue to commit to focussed outreach activity as set out in our 2019/20 Access and Participation Plan and its successor. Our interventions are well targeted at underrepresented groups, which ensures they are effective and efficient. This not only demonstrates an outcomes based approach, but equally represents good value for money. We have found particular success in the recruitment of underrepresented groups through action at the point of admission, such as the extensive use of contextual offers. These measures have been part of a major admissions project, 'Recruiting the Next Generation of Students', which is giving a high access return on the investment. In particular, our internal data for 2020 entry demonstrates continuing improvement in the proportion of Low Participation Neighbourhood enrolments.

The 2019/20 Access and Participation Plan is published at: [durham.ac.uk/about/strategy2020/other/access](http://durham.ac.uk/about/strategy2020/other/access). This plan does not form part of the financial statements.

### 30. Total grant and fee income

	Consolidated 2020	University 2020	Consolidated 2019	University 2019
	£'000	£'000	£'000	£'000
Grant income from OfS	7,277	7,277	8,315	8,315
Grant income from other bodies	46,617	46,617	40,837	40,837
Fee income for taught awards	205,927	205,927	186,376	186,376
Fee income for research awards	11,234	11,234	11,237	11,237
Fee income from non-qualifying courses	4,876	4,876	4,267	4,267
<b>Total grant and fee income</b>	<b>275,931</b>	<b>275,931</b>	<b>251,032</b>	<b>251,032</b>





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