

## **UNIVERSITY COLLEGE BIRMINGHAM**

### **REPORT OF THE MEMBERS OF THE CORPORATION FOR THE YEAR TO 31 JULY 2018**

The members present their report and the audited financial statements for the year ended 31 July 2018.

#### **CORPORATION**

The Corporation was established under The Further and Higher Education Act 1992 for the purpose of managing University College Birmingham and was re-established in August 2002 when the institution transferred to the Higher Education Sector. At that point, members of the Corporation were appointed by the Secretary of State. The University is an exempt charity for the purposes of the Charities Act 2011.

#### **PUBLIC BENEFIT STATEMENT**

##### **Mission**

Our mission statement is:

“To promote and provide the opportunity for participation in the learning process by those with the ambition and commitment to succeed and to maintain a learning community that meets the diverse needs of our students, the economy and society at large.”

UCB values and promotes:

- Putting our students first.
- Outstanding teaching and learning.
- Encouragement for as many people as possible to access further and higher education, and lifelong learning.
- Equality of opportunity, freedom of expression and social responsibility.
- Economically valuable skills development which meets the needs of individuals, employers and society.
- Strong and productive links with employers and representatives of the industries to which our programmes relate.
- A highly professional, well qualified staff.
- Continuous improvement in the quality of the estate and specialist facilities.
- A strong international outlook in our recruitment and teaching.
- Sound and effective institutional management and corporate governance.

##### **High Quality Education**

The University's teaching has a wide range of public benefits:

- Enabling students to maximise their potential.
- Widening access to education.
- Enabling students to pursue their chosen career path.

Students are attracted by our excellent academic reputation, our outstanding graduate employment record and the wide array of other opportunities we offer. We offer placement options across our discipline base and our graduates have excellent employment prospects, not only because of their discipline-specific knowledge and skills but also because of the emphasis we place on developing enterprising individuals with high aspirations. As a result, our graduates are well-equipped to obtain jobs in their chosen area, enjoy strong career progression and make a positive social contribution.

## **UNIVERSITY COLLEGE BIRMINGHAM**

### **REPORT OF THE MEMBERS OF THE CORPORATION FOR THE YEAR TO 31 JULY 2018**

We use a detailed set of Performance Indicators to measure the University's success at recruitment, retention and student satisfaction. We recruit internationally and are committed to promoting a diverse student population.

We support social mobility through a range of activities:

- Enhancing student services and support networks to minimise barriers to retention.
- Diversifying our curriculum, delivery methods and modes of learning to attract a wider range of students.
- Promoting access and minimising barriers to progression by working to understand and to mitigate the difficulties some applicants experience in joining the University.
- Raising aspiration and outreach activities for young people from under-represented groups.

We recognise that tuition fees may be a barrier to accessing our teaching and we publicise the comprehensive financial support that we can provide to students through our website and Open Days.

We encourage gifted and talented young people from socio-economic groups under-represented in Higher Education, to raise their educational aspirations. We provide a supportive learning environment, with central student services and academic departments working in partnership. We have an excellent record for supporting students with disabilities to the successful completion of their studies.

#### **Public Detriment**

Whilst we do not believe that there is any direct harm or detriment to the public arising from our corporate goals, we recognise that our activities have environmental consequences and we have made a number of commitments to promote effective environmental management:

- Make the most efficient and effective use of all resources, encouraging members of our community to develop a sustainable approach.
- Develop and implement effective energy and water conservation measures.
- Act in an environmentally and biodiversity-sensitive manner.
- Reduce overall waste production.
- Continually improve our environmental performance as far as the constraints of our physical infrastructure and estate will permit

#### **IMPLEMENTATION OF CORPORATE STRATEGY**

In 2017, the University prepared a Corporate Strategy for the period 2017 to 2020. The Corporation monitors the performance of the University against this strategy. The strategy is reviewed and updated each year.

#### **FINANCIAL OBJECTIVES AND REVIEW OF OUT-TURN FOR THE YEAR**

Since incorporation the University has sought to exercise tight cost control whilst seeking to maximise its income from a variety of sources. This has resulted in very satisfactory surpluses in all accounting periods. The University will continue to accumulate reserves in order to create a contingency fund to improve its stock of both teaching and residential accommodation and to enhance the condition of its buildings in order to strengthen its appeal to students in an increasingly competitive national and international market.

Every November the University reports progress against the Corporate Plan via the Corporate Planning and Annual Monitoring Statement.

## UNIVERSITY COLLEGE BIRMINGHAM

### REPORT OF THE MEMBERS OF THE CORPORATION FOR THE YEAR TO 31 JULY 2018

#### PERFORMANCE INDICATORS

The University sets a wide range of targets for its performance each year and these targets are monitored throughout the year. Reporting of the out-turn against targets and, where possible, benchmarking against appropriate external data is summarised in the University's "Performance Indicators and Targets" document which is produced for Governor review and approval each year. The main areas in which the University sets targets are as follows:

- Governance
- Student Recruitment
- Student Retention
- Achievement Rates
- Destinations
- Equal Opportunities
- Student Satisfaction
- Accommodation
- Finance

#### STUDENT NUMBERS

The University is funded according to the units of activity it generates each year. In 2017/18, the University achieved the following estimated full-time equivalent student recruitment:

	<u>Recruitment</u>
National College for Teaching and Leadership (Full-Time Equivalents)	52
Higher Education: Home and EU (Full-Time Equivalents)	4,462
Further Education: Home and EU (Learner Numbers)	1,508
Further Education Apprenticeships: Rollover from previous year (Learner Numbers)	352
New starts (Learner Numbers)	202
Overseas (Learner Numbers)	796

#### CURRICULUM DEVELOPMENTS

Methods of teaching and learning are under continuous review and development to ensure that the curriculum meets the needs of the local population and the Employment Sectors the University serves.

#### FINANCES

The University generated a surplus before other gains and losses in the year of £5,902,000 (2016-2017: £6,424,000), with total comprehensive income of £13,469,000 (2016-17: £12,210,000). The net cash inflow from operating activities was strong at £10,117,000 (2016-2017: £9,660,000). Net assets and the balance of cash at bank and in hand at 31 July 2017 were £140,232,000 and £30,376,000 respectively (31 July 2017: £126,763,000 and £22,035,000).

## UNIVERSITY COLLEGE BIRMINGHAM

### REPORT OF THE MEMBERS OF THE CORPORATION FOR THE YEAR TO 31 JULY 2018

#### FINANCES *(continued)*

During the year, the University purchased tangible fixed assets of £8,266,000 of which £7,033,000 relates to land and buildings.

The key financial performance indicators for the year to 31 July 2018 are as follows:

Current Ratio	5.1
Operating Surplus as a Percentage of Income	11.6%
Net Liquidity Days	252
External Borrowing as a Percentage of Income	0%

#### POST BALANCE SHEET EVENTS

There were no post balance sheet events.

#### RESOURCES

The University has various resources that it can deploy in pursuit of its strategic objectives.

In addition to the strong financial resources, the University's human resources comprise 539 employees (expressed as full-time equivalents), 323 of whom are teaching staff. The University has an excellent reputation locally, nationally and internationally and considers that maintaining a quality brand is essential for its success at attracting students and external relationships.

#### PRINCIPAL RISKS AND UNCERTAINTIES

The University has undertaken further work during the year to develop and embed the system of internal control, including financial, operational and risk management which is designed to protect its assets and reputation.

Based on the Corporate Plan, the University's Executive Management Team undertakes a comprehensive review of the risks to which the University is exposed. They identify systems and procedures, including specific preventable actions which should mitigate any potential impact on the University. The internal controls are then implemented and the subsequent year's appraisal will review their effectiveness and progress against risk mitigation actions. In addition to the annual review, the Executive Management Team will also consider any risks which may arise as a result of a new area of work being undertaken by the University.

A risk register is maintained at the University level which is reviewed at least annually by the Audit Committee and at each meeting of the full Corporation. The risk register identifies the key risks, the likelihood of those risks occurring, their potential impact on the University and the actions being taken to reduce and mitigate the risks. Risks are prioritised using a consistent scoring system.

Outlined below is a description of the principal risk factors that may affect the University. Not all of the factors are within the University's control. Other factors besides those listed below may also adversely affect the University.

## UNIVERSITY COLLEGE BIRMINGHAM

### REPORT OF THE MEMBERS OF THE CORPORATION FOR THE YEAR TO 31 JULY 2018

#### PRINCIPAL RISKS AND UNCERTAINTIES *(continued)*

a) Student recruitment

The University is reliant upon government funding through the Office for Students (OfS) / Higher Education Funding Council for England (HEFCE) and the Education Skills Funding Agency (ESFA) and upon tuition fees receivable from students. These sources of income are dependent upon meeting student number targets for Higher and Further Education. Failure to meet these targets would therefore have an adverse effect on resources.

This risk is mitigated in several ways. The University offers a generous fee waiver scheme to students and continues to market itself strongly.

b) Significant stock market fall

The University's fixed asset investments comprise holdings in managed funds and covered warrants and are carried at market value. There is therefore a risk of significant reductions in value as a result of fluctuations in market conditions.

c) UK exit from Europe (Brexit)

If EU students become classified as "International" upon the UK's exit from Europe and require similar Tier 4 immigration status there will be a potential impact upon student recruitment numbers and associated tuition fee and accommodation income.

The University is assessing this impact and continually monitors political developments.

#### CHARITABLE AND TAXATION STATUS

The University is an exempt charity for the purposes of the Charities Act 2011 and is not liable to Corporation Tax.

#### STAKEHOLDER RELATIONSHIPS

In line with other universities and colleges, University College Birmingham has many stakeholders. These include:

- Students
- Funding Councils
- Staff
- Local employers (with specific links)
- Local Authorities
- The local community
- Other HE and FE institutions
- Trade Unions
- Professional bodies
- Local Enterprise Partnerships

The University recognises the importance of these relationships and engages in regular communication with them.

## UNIVERSITY COLLEGE BIRMINGHAM

### REPORT OF THE MEMBERS OF THE CORPORATION FOR THE YEAR TO 31 JULY 2018

#### EQUAL OPPORTUNITIES AND EMPLOYMENT OF DISABLED PERSONS

The University is committed to a Policy of Equal Opportunities. The aim of the Policy is to ensure that all applicants, students, employees, all those involved in its work and other users of University facilities receive fair and equal treatment. The University aims to provide a service that, in its teaching, administration and support, actively promotes equality of opportunity and freedom from discrimination on the grounds of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief (including lack of belief), sex, and sexual orientation (The Equality Act 2010, Section 4).

The University continues to have due regard to the need to:

- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act (The Equality Act 2010)
- Advance equality of opportunity between people who share a protected characteristic and those who do not
- Foster good relations between people who share a protected characteristic and those who do not

The University fosters an environment where discrimination is seriously challenged. It is committed to fairness, justice, equality, respect and dignity by attempting to eradicate discrimination in all spheres of its influence (i.e. admissions and access; student assessment and achievement; student guidance and support; teaching and learning; curriculum; staff recruitment; professional development and support; partnerships and community links; procurement and outsourcing; and quality assurance). To this end the University will:

- Develop an awareness of the dangers of discrimination and prejudice in all spheres and the need to counter discrimination, harassment, victimisation, bullying and prejudicial practices
- Provide for the particular educational needs of students, having regard to their protected characteristics
- Prepare students for life in a modern-day society, building on strengths of cultural diversity, mutual tolerance, dignity and respect
- Enable all staff to deliver a quality service by building upon strengths of cultural diversity, mutual tolerance, dignity and respect.

The University considers all applications for employment from disabled persons, whilst considering the aptitudes of the individuals concerned. Where an existing employee becomes disabled every effort is made to ensure that employment with the University continues. The University's policy is to provide training, career development and opportunities for promotion to disabled persons which are, as far as possible, identical to those for other employees.

#### DISABILITY STATEMENT

The University seeks to meet the requirements of the Equality Act 2010 at all times and in particular makes the following commitments to the provision of facilities, equipment and reasonable adjustment:

- As part of the design of new buildings and refurbishment of existing buildings it is installing lifts, ramps, toilets and specific adjustments, so that facilities will allow access to people with a disability;
- There is a range of specialist equipment, lighting and audio facilities which the University makes available for use by students and staff with a disability;

## UNIVERSITY COLLEGE BIRMINGHAM

### REPORT OF THE MEMBERS OF THE CORPORATION FOR THE YEAR TO 31 JULY 2018

#### DISABILITY STATEMENT *(continued)*

- The University has made a significant investment in the appointment of specialist lecturers to support students with learning difficulties and/or disabilities. There are also a number of academic support workers who provide support to meet the needs of the individual learner. There is a continuing programme of staff development to ensure the provision of a high level of appropriate support for students who have learning difficulties and/or disabilities;
- Counselling, occupational health and welfare services support student and staff needs.

To maintain our commitment to equality, independent consultants carry out a detailed annual review of facilities and services offered by the University across all teaching and non-teaching sites. The University remains committed to implementing and maintaining the recommendations of their reports. Staff disability needs are monitored and reviewed annually.

#### STAFF AND STUDENT INVOLVEMENT

The University considers good communications with its staff to be very important and to this end holds regular staff meetings and publishes a newsletter which is available to all staff. The University encourages staff and student involvement through membership of formal committees.

#### DISCLOSURE OF INFORMATION TO AUDITORS

The members who held office at the date of approval of this report confirm that, so far as they are each aware, there is no relevant audit information of which the University's auditors are unaware; and each member has taken all the steps that he or she ought to have taken to be aware of any relevant audit information and to establish that the University's auditors are aware of that information.

#### PROFESSIONAL ADVISERS

##### Internal Auditors:

PricewaterhouseCoopers LLP  
Cornwall Court  
19 Cornwall Street  
Birmingham  
B3 2DT

##### External Auditors:

Moore Stephens LLP  
35 Calthorpe Road  
Edgbaston  
Birmingham  
B15 1TS

##### Principal Bankers:

National Westminster Bank plc	Yorkshire Bank
1 St Philips Place	Temple Point
Birmingham	1 Temple Row
B3 2PP	Birmingham
	B2 5YB

UNIVERSITY COLLEGE BIRMINGHAM

REPORT OF THE MEMBERS OF THE CORPORATION FOR THE YEAR TO 31 JULY 2018

PROFESSIONAL ADVISERS *(continued)*

Principal Solicitors:

Eversheds LLP  
115 Colmore Row  
Birmingham  
B3 3AL

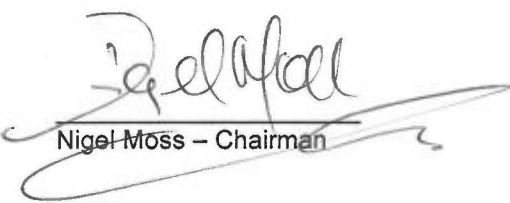
Shakespeare Martineau LLP  
1 Colmore Square  
Birmingham  
B4 6AA

Browne Jacobson LLP  
Victoria Square House  
Victoria Square  
Birmingham  
B2 4BU

Investment Advisors:

UBS AG  
10 Colmore Row  
Birmingham  
B3 2QD

Investec  
Colmore Plaza  
20 Colmore Circus Queensway  
Birmingham  
B4 6AT



Nigel Moss – Chairman



UNIVERSITY COLLEGE BIRMINGHAM

REPORT OF THE MEMBERS OF THE CORPORATION FOR THE YEAR TO 31 JULY 2018

MEMBERS

Name	Date of Current Appointment	Term of Office	Date of Resignation	Status of Appointment	Notes	Committees Served
Mr N Moss	1 August 2017	3 years		Independent Member	Chair of Corporation	Remuneration and Nominations (Chair)
Dr A Antona	1 August 2017	3 years		Independent Member		Finance and General Purposes (Chair) Remuneration and Nominations
Mr G DiVito	1 December 2016	2 years		Teaching Staff Member		Student Services and Standards
Ms S Grant	1 August 2015	3 years	13 October 2017	Independent Member		Audit
Ms C Gates	1 August 2017	1 year	4 May 2018	Student Member		Student Services and Standards
Mr P Griffiths MBE	1 August 2017	3 years		Independent Member		Finance and General Purposes
Prof T Jones	1 August 2018	2 years		Co-opted Member		Ad Hoc
Ms V Lee	16 November 2015	3 years		Independent Member		Student Services and Standards
Prof R Linforth	1 August 2008			Vice-Chancellor & Principal		Finance and General Purposes
Ms L McGinn	1 December 2017	3 years		Independent Member		Audit
Ms C Owen OBE	1 August 2017	3 years		Independent Member		Student Services and Standards (Chair)
Mr J Retailack	15 November 2016	3 years		Independent Member		Audit
Ms L Teague	1 December 2017	3 years		Independent Member	Deputy Chair of Corporation	Finance and General Purposes

UNIVERSITY COLLEGE BIRMINGHAM

REPORT OF THE MEMBERS OF THE CORPORATION FOR THE YEAR TO 31 JULY 2018

MEMBERS (continued)

Name	Date of Current Appointment	Term of Office	Date of Resignation	Status of Appointment	Notes	Committees Served
Ms Y Towe	1 August 2017	3 years		Independent Member		
Mr S Winter	1 August 2017	3 years	5 July 2018	Independent Member		Audit
Mr M Wiseman	1 December 2017	3 years		Independent Member		Audit (Chair) Remuneration and Nominations
Mr R Lovatt	1 August 2018	1 year		Student Member		Student Services and Standards

## UNIVERSITY COLLEGE BIRMINGHAM

### REPORT OF THE MEMBERS OF THE CORPORATION FOR THE YEAR TO 31 JULY 2018

#### MEETINGS OF THE MEMBERS OF THE CORPORATION

The members of the corporation usually serve one or more committees. The committee meetings held during 2017-18 and the main agenda items discussed are listed below.

Committee	Date Convened	Principal Items Discussed
Corporation	15 November 2017	<ul style="list-style-type: none"><li>• HEFCE Annual Accountability Returns, including the Report and Financial Statements, financial results and updated forecast tables</li><li>• Review of the 2017-18 Operating Statement and Risk Register</li><li>• Financial Report for the two months to 30 September 2017</li><li>• Student numbers 2017/18</li><li>• National College for Teaching and Leadership Budget 2017/18</li><li>• Strategic Plan 2018-2020</li><li>• Ofsted Inspection</li><li>• VC &amp; Principal Report from Academic Board</li><li>• Membership Matters</li><li>• Report from Remuneration and Nominations Committee</li></ul>
	21 March 2018	<ul style="list-style-type: none"><li>• Performance Measures and Targets 2017-18 and FE Self-Assessment Report</li><li>• TEF Update</li><li>• Financial Report for the seven months to 28 February 2018</li><li>• Review of Operating Statement and Risk Register</li><li>• Access and Participation Plan 2019/20</li><li>• UCB collaboration with Birmingham University</li><li>• GDPR, Data Protection Policy and Privacy Notice</li><li>• VC &amp; Principal Report from Academic Board</li></ul>
	4 July 2018	<ul style="list-style-type: none"><li>• Financial Report for the ten months to 31 May 2018</li><li>• Annual Accountability Returns 2017 (July Submission)</li><li>• Office for Students Registration Update</li><li>• 2017/18 and 2018/19 Operating Statements</li><li>• VC &amp; Principal Report from Academic Board</li><li>• Membership Matters</li><li>• Report from Remuneration and Nominations Committee</li></ul>