

**Yorkshire Universities**  
The regional voice for higher education

**ANNUAL REPORT AND  
ACCOUNTS  
2017-18**

# **Yorkshire Universities**

Company No. 03467035

Charities No. 1109200

The Company is both a charity and company limited by guarantee and is incorporated in the United Kingdom and registered in the United Kingdom. The address of the registered office is 22 Clarendon Place, Leeds, LS2 9JY. The role of Yorkshire Universities is to promote Yorkshire's higher education sector regionally, nationally and internationally.

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# Chair's Introduction

In another year of political and economic uncertainty, Yorkshire Universities (YU) has continued to provide a vehicle for collaboration between Yorkshire's universities and higher education institutions, and other partners.

As we report later, the changing external environment prompted the YU Board to review the organisation's strategic direction, and in particular to sharpen YU's commitment towards supporting place-based development (and to pivot YU's capacity for influencing national and regional policy on this). By the end of the year we had approved an operational plan to help implement the new strategy.



In 2017-18, we congratulated Leeds College of Music on its designation as a higher education institution.

We welcomed Professor Susan Lea as a new member of the Board, following her appointment as Vice-Chancellor of the University of Hull. Looking ahead, we note the imminent change at the University of Sheffield; Professor Sir Keith Burnett retires as President and Vice-Chancellor and we thank him for his (and the University of Sheffield's) contributions to YU during his time as a member of the Board.

Also, in this year, our Board member Professor Chris Husbands was awarded a knighthood in the Queen's Birthday honours' list, and we congratulate him on his deserved recognition. At the end of my term of office as YU Chair, the Board elected Sir Chris as the new Chair. His leadership experience in the sector – not only as Vice-Chancellor at Sheffield Hallam University, but also at a national and international level – provides an excellent base for taking forward the new YU strategy.

We have appointed a new Executive Director; Dr Peter O'Brien took up the post in April 2018. We congratulate Peter on his appointment, and the Board looks forward to working with him. For a period, Professor Roger Lewis took over the role of Interim Executive Director and we thank him for his contributions and support during the transition period. YU remains healthy both in financial terms and in management and governance.

A strong regional voice for higher education in Yorkshire remains more important than ever, especially as we enter a new political climate and higher education landscape. In particular, regional collaboration is essential as we move towards delivery of the government's Industrial Strategy. A place-based approach to investment requires Yorkshire's universities to work closer together, within and across our towns and cities, to help individuals, communities and businesses realise new opportunities.

A handwritten signature in black ink, appearing to be 'K. Lamberts', written in a cursive style.

**Professor Koenraad Lamberts**  
**Chair, Board of Yorkshire Universities**

# Trustee's report

Welcome to the Yorkshire Universities (YU) trustees' report for the year ending 31 July 2018. The role of YU is to promote Yorkshire's higher education (HE) sector regionally, nationally and internationally. In addition, by facilitating greater collaboration and dialogue between HE institutions (HEIs) in the region and with other partners, YU ensures that new and emergent economic and social opportunities are identified and maximised.

Founded in 1987, YU is a charity and a company limited by guarantee. The vice-chancellors and principals of Yorkshire's HEIs are the members of the company and form its board of directors. (Note that throughout this report we use the terms 'universities' and 'higher education institutions' interchangeably; please note also that a list of acronyms is included as Annex 1.)

YU represents twelve institutions in Yorkshire: the universities of Bradford, Huddersfield, Hull, Leeds, Leeds Arts, Leeds Beckett, Leeds Trinity, Sheffield, Sheffield Hallam, York, York St John, together with Leeds College of Music.

Members of the various YU groups, and details of the Executive Team, can be found later in this report.

YU engages with a wide range of partners. In 2017-18, we have worked with the four local enterprise partnerships (LEPs) and combined authorities (CAs) based in Yorkshire, the Department for Business, Energy and Industrial Strategy (BEIS), the Cities and Local Growth Unit, the White Rose Consortium, the Higher Education Funding Council for England (HEFCE), the Office for Students (OfS), UK Research and Innovation (UKRI), Research England (RE), Innovate UK, Yorkshire and the Humber Academic Health Science Network (AHSN), the NHS Confederation, the Confederation of British Industry (CBI) (national and Yorkshire and the Humber region), the Trades Union Congress (TUC), the Civic University Commission, Universities UK (UUK), the Joseph Rowntree Foundation, the N8 Research Partnership, the All Party Parliamentary Group (APPG) for Yorkshire and Northern Lincolnshire, and Think Yorkshire.

During the year, YU's strategy was adapted to take account of changing circumstances (as set out in 'Achievements and performance', below). The Board confirmed the importance of 'place' to the work of YU and agreed a new operational plan (for 2018-19) structured around three key priorities:

- Economics of place
- Governance of place
- Civic culture of place.

See ['Future plans'](#) section for more detail of the operational plan.

## Objectives of the charity

Our objectives are 'to promote, market and secure further recognition of universities in Yorkshire and The Humber locally, regionally, nationally and internationally' and other activities related to the public benefit of HE, such as the continuous development of more effective services and products through collaboration.

## Organisational structure

The charity is incorporated by guarantee (Registered No 03467035). Our governing documents are our memorandum and articles, which were last amended on 2 December 2003.

### The Board

The Board consists of twelve trustees. Note that the trustees are also directors of YU for the purposes of company law. Thus, the names of Board members are also the names of the trustees and directors of the company. The Chair and officers of the Board are appointed by the trustees from among their number. The Board meets three times a year. Sub-committees and ad-hoc task sub-groups of the Board are convened to expedite the execution of duties. Current sub-committees are governed by their own terms of reference and delegated duties are approved by the full Board. Sub-committees are served by trustees and co-opted appointees.

YU brings together Yorkshire's higher education leaders to create an environment in which current and future issues can be explored.

The Board's regular meetings provide a space for collaboration, and a vehicle for members to discuss challenges to the sector and agree strategic priorities. The Board keeps YU members in touch with their peers in Yorkshire, stimulating the exchange of ideas, plans and strategies, and creating a culture of mutual support.

Through a programme of invited speakers, Board members are alerted to emerging issues and developments affecting the HE sector. Networking and special interest groups help members to develop new knowledge and maintain and extend valuable contacts drawn from public, private and voluntary sectors, as well as from HE.

During the year, speakers at Board meetings have included:

- Nicola Dandridge, Chief Executive, Office for Students
- Alexandra Jones, Director of Industrial Strategy, Department for Business Energy and Industrial Strategy
- Richard Brabner, Director, University Partnerships Programme

The Board has two sub-committees: the Audit Committee and the Human Resources Committee; see '[Achievements and performance](#)' section for more information on the role of these two committees and the modifications to the role of the Audit Committee following the disbanding of the Executive Management Group (EMG).

## **Board members 2017-18**

**Professor Sir Keith Burnett, Vice-Chancellor**  
University of Sheffield

**Professor Brian Cantor, Vice-Chancellor**  
University of Bradford

**Professor Bob Cryan, Vice-Chancellor**  
University of Huddersfield

**Mr Gerry Godley, Principal**  
Leeds College of Music

**Professor Margaret House, Vice-Chancellor**  
Leeds Trinity University

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

**Professor Koenraad Lamberts, Vice-Chancellor**  
University of York (Chair of the Board)

**Sir Alan Langlands, Vice-Chancellor**  
University of Leeds

**Professor Susan Lea**  
University of Hull

**Professor Peter Slee, Vice-Chancellor**  
Leeds Beckett University

**Professor Karen Stanton, Vice-Chancellor**  
York St John University

**Professor Simone Wonnacott, Vice-Chancellor**  
Leeds Arts University

## Knowledge Transfer Directors' Group

The Knowledge Transfer Directors (KTDs) Group has facilitated collaboration between member institutions and demonstrated partnership working in practice. It has been a forum for policy discussion, identifying priority issues in universities' strategic engagements with government, business and the broader economy. Over recent years it has moved from the limited 'knowledge transfer' arena to a wider sphere of operation. KTDs have shaped YU's responses to consultations, such as the Industrial Strategy Green Paper and the proposed replacement for European Structural and Investment Funds (ESIF).

At their meetings during the year the group has discussed:

- YU's potential contribution to shaping a post-ESIF investment mechanism
- YU's response to the government's consultation on 'Financing growth in innovative firms'
- YU's response to the OfS consultation on the Draft Regulatory Framework
- UUK's discussion paper on 'The economic case for flexible learning in HE', focusing on how increased provision of flexible learning could improve productivity

During the year external speakers at KTDs meetings have included:

- Beckie Hart, Regional Director, Yorkshire and the Humber, CBI
- Harry Anderson, Policy Adviser (Higher Education), CBI
- Jovan Luzajic, Senior Policy Analyst, UUK

In addition to regular meetings, the KTDs (or sub-sets of KTDs) have met to share practice on key aspects of institutional activity and to explore new developments, such as the proposed Knowledge Exchange Framework (KEF). In June, Professor Richard Jones (Professor of Physics, University of Sheffield, and Chair of the KEF Metrics Technical Advisory Group) was the guest speaker at a special KTD meeting.

Following the decision to refocus YU's strategic activity towards place-based development – and pivot towards widening and deepening YU's engagement with industrial policy and strategy – the Board agreed to establish and confirm the terms of reference for a new 'Industrial Strategy' Group to replace the KTD Group. The new group, which will begin operating on 1 August 2018, is expected to build on the good practice of its predecessor, but to also provide a more visible, enhanced and effective mechanism to enable member institutions to come together to strengthen YU's engagement with the different themes, policies and interventions arising from national and local industrial strategies.

## **Knowledge Transfer Directors' Group 2017-18 membership**

**Simon Baldwin**

Leeds Beckett University

**Andrew Jones**

Leeds Arts University

**Dr Stuart Page**

York St John University

**Ian Rowe**

Leeds Trinity University

**Amanda Selvaratnam**

University of York

*(Replacing Dr Mark Mortimer as the University of York's representative in May 2018)*

**Lloyd Snellgrove**

Sheffield Hallam University

**Dr Liam Sutton**

University of Bradford

**Professor Liz Towns-Andrews**

University of Huddersfield

**Bill Walker**

University of Hull

**Dr Craig Walker**

White Rose University Consortium

**Dr Sarah Want**

University of Sheffield

**David Warren**

Leeds College of Music

**Dr Ceri Williams**

University of Leeds

## Task and finish groups

Collaboration between members enables them to work more effectively for this purpose, YU sets up task and finish groups, where appropriate. The number and nature of these groups depends on particular issues. For example, such groups have met for a number of purposes including:

- Influencing policy development
- Promoting Yorkshire's HE sector and institutions
- Building professional expertise
- Responding to consultations
- Developing collaborative projects
- Sharing good practice.

External speakers are invited to stimulate discussion

## YU Executive Team



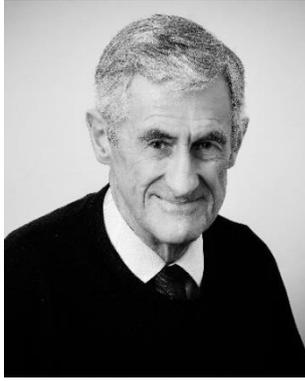
**Dr Peter O'Brien, Executive Director**

Peter O'Brien took up the post of YU Executive Director in April 2018. Previously, he was Deputy Local Growth Consultant at the Higher Education Funding Council for England (HEFCE). He is also a Senior Research Fellow at the Centre for Urban and Regional Development Studies (CURDS), Newcastle University, where he specialises in, and has published widely on, issues relating to urban and regional development and governance, and infrastructure funding and financing. Peter has worked at a senior level in local and regional government in the north of England during the past decade.



**Monika Antal, Executive Manager**

Monika Antal joined YU as Executive Manager in January 2018. She worked for the EU Policy Lab at the Joint Research Centre of the European Commission in Brussels for three years before making her way back to Yorkshire.



### **Professor Roger Lewis, Associate**

Roger Lewis is an Associate for YU. He has worked for YU, since 2010, in various capacities, including Chief Executive (2010-2013) and Interim Executive Director (2017-2018). Before that he was HEFCE Regional Consultant for Yorkshire (and other northern regions) between 1998-2009. His main academic interests are in student learning and how this can best be fostered by both individual academics and by the institutional environment. Within this his specialism (as both researcher and practitioner) has been open, distance and e-learning; this is his main area of publication. He was BP Professor of Learning Development at what is now the University of Lincoln (1992-1998). He is on the editorial boards of 'Open Learning' and 'Active Learning'.



### **Mark Hill, Accountant**

Mark Hill acts as the YU accountant, where he provides financial administration and advice to the organisation. He runs an accounting practice with mainly commercial clients. He is a former City of York Councillor.



### **Emma Dick, Executive Assistant**

Emma Dick joined YU in March 2017, as Executive Assistant and Office Manager. Emma supports YU as an Associate of Virtual Hand, a virtual assistant services and business support organization. Emma also has her own company and, prior to working at YU, provided virtual assistance on a business growth programme supported by the European Regional Development Fund (ERDF), at the University of Bradford.



### **Jo Barham, Development Manager (left YU in Nov 2017)**

Jo Barham joined YU in March 2014 with over ten years of research and policy experience of working in both higher education and the private sector. Jo previously worked as a research manager for a UK consultancy firm where she supported and managed delivery of a range of research and evaluation projects for clients in the public, private and voluntary sectors. Jo worked for YU on policy analysis and project development; she provided support to YU's key networks and groups. She left YU in November 2017 to take up a policy post with the West Yorkshire Combined Authority.

# Achievements and performance

In this section, which records activity during 2017-18, we cover:

- The genesis of a revised YU strategy
- Implementing the chosen option for change
- Three key place-based priorities
- Decisions made at the November 2017 Board meeting
- Appointment of an Executive Director (and other YU staffing)
- Reconfiguring YU structures
- YU activity during the year, including responses to consultations and contributions to conferences and other events
- YU's work with members and external partners

## Genesis of a revised strategy

In July 2016, the Board approved YU's three-year strategic plan setting out the aims and objectives for the organisation during 2016-19. In the 'Future plans' section of the 2016-17 annual report we reported that a consultation amongst members of the Board had begun in May 2017 to consider the future direction of YU.

This was prompted by a series of external developments that had occurred since the existing strategy had been approved, including the vote for the UK to leave the European Union, a change of prime minister and the 2017 General Election. Following the EU referendum, the publication of the Industrial Strategy Green Paper, in January 2017, signalled a deliberate policy shift by the Government towards implementing a greater place-based approach to productivity and (inclusive) growth, coupled with an enhanced recognition of the added value of universities to regional economies and local communities, especially those places said to have been 'left behind' by recent economic, labour market and technological changes. Such external trends continue to have had a cumulative and profound impact on the HE sector.

At the same time, we saw the departure of the Executive Director, Emily Wolton, in July 2017, who took up a new post with a member institution. Roger Lewis (a YU associate and former acting head of YU between June 2010 and January 2014) was asked to assume the position of Interim Executive Director once Emily had left YU, which therefore enabled the organisation to maintain continuity.

The Board took the opportunity of changing external and internal circumstances to review the future direction for YU. Initial consultations suggested that Board members recognised the value of YU as a regional network for sharing intelligence, information and good practice, and for promoting the economic, social and cultural contributions of Yorkshire's universities in the region.

YU was also seen as a unique mechanism for enabling discussion and collaboration across mission groups and acting as a collective advocate for the HE sector on common agendas. YU offered external partnerships (such as the combined authorities, local enterprise partnerships, NHS and MPs) a direct route to communicating with all HEIs in the region. It was acknowledged that a 'single voice' was highly-valued by partners and allowed the sector to be represented effectively on appropriate bodies, locally and regionally. There was an emerging consensus amongst the Board that YU's core function should be to lobby and promote HE interests relating to the place-based agenda in Yorkshire; but that this needed to be more firmly-articulated than it had been in the 2016-19 strategy.

Following an initial set of discussions, and a focused exchange of views between members of the Board in July 2017, further consultations with the Board took place, based on an options paper that proposed two operating structures for the future direction of YU. The Board agreed that YU should adopt the second option, which set out a more detailed structure. The YU Executive Team was asked to produce a further paper illustrating how option two would operate in practice, ready for consideration at the November 2017 Board meeting.

## **Implementing the chosen option for change**

The task was to focus future activity that would enable YU to influence the policy agenda for HE in Yorkshire, in relation to place-based development, and which would involve intelligence gathering, analysis and proactively working with partners at national, regional and local levels. In practice, this would mean reviewing the current YU structure and groups, ending some project development and management activity, and ceasing to bid for project funding that was additional to members' subscriptions, as this was seen as diluting the core mission and objectives of YU.

In strengthening the place-leadership role of YU, the Executive Team would need to assume greater responsibility for sourcing and deriving intelligence and analysis; foresight and information planning; predicting themes and events; responding quickly and flexibly when issues emerged; and encouraging and supporting the development of strategic relationships and collaboration between universities and public, private and community-based actors. The focus of these activities would be on place-based policy, including: devolution; the role of universities as 'anchor institutions in place-making; the opportunities and challenges of Brexit for HE in Yorkshire; regional development funding mechanisms (including the replacement for ESIF), and Yorkshire HEIs' role in the Industrial Strategy at national and regional levels. This would differentiate YU from other sector-based membership bodies.

## **Three place-based priorities**

The proposal was for future YU activity to be structured around three place-based priorities:

- Economic
- Governance
- Civic and cultural.

The Executive Team was asked to map out the case for making interventions in each of the three priorities.

### **Economic place-making**

Yorkshire, with its population and distinct economic profile, has a significant and particular contribution to make to the long-term economic success of the north of England and the UK as a whole. Territorial funding for economic development (particularly in relation to regeneration, infrastructure, skills and innovation) has been crucial, and universities in Yorkshire can help to design the successor funding mechanism to ESIF. Here, YU has briefed members in advance of a formal government consultation expected in late 2018 on the UK Shared Prosperity Fund, and it will continue to work with HEIs and others to ensure the region benefits from future public and private investment. YU is well-placed to shape the economic development agenda with key partners and stakeholders regionally and nationally to ensure that policies and strategies are developed in such a way as to align with universities' and HEI priorities. YU will, for example, work with partners to help produce and implement new local industrial strategies in Yorkshire.

## **The governance of place-making**

As place-making grows in significance there is an increased recognition of and understanding about the consequences of disparities between regions and localities and the need for more place-sensitive interventions. YU has been clear about the need to address the problem of over-centralisation in the UK political economy, and the requirement for greater forms of devolution in Yorkshire (irrespective of the possible structures to achieve this). YU continues to work in the interests of members to ensure that Yorkshire's universities influence the national and local discussions on devolution (and to benefit from the proposals and engage with the structures that emerge going forward).

The governance of place-making will require YU to continue to engage with partners and stakeholders in the region to help build on the existing models of sub-national economic governance led currently by combined authorities, LEPs and the new Metro Mayor in the Sheffield City Region. YU facilitates meetings of stakeholders and members, providing information and intelligence to develop these agendas. YU will also develop strategic relationships within the place-based agenda with national organisations and central government. This will form part of YU's 'influencing' role, more relevant than ever when government policy is uncertain, and Brexit remains the overriding priority for ministers.

## **Civic and cultural place-making**

Universities have a broader role in shaping the social, community and cultural environments in which they are located. YU has begun to identify and highlight ways in which universities influence this agenda, supporting the lives of individuals and communities at a time when the sector (nationally) is facing criticism from different quarters.

Universities are unique anchor institutions in that they possess the scale, resources and capacity to connect with diverse sections of the local community and build relationships with a variety of stakeholder groups. YU can support its members by strengthening and promoting this activity, building upon the existing innovative work underway within individual institutions.

YU should continue to scope the important role of students within the place-making agenda, particularly from a graduate labour market perspective, where cities and towns in Yorkshire need to nurture, grow and retain a diverse range of talent emerging from within the region's universities.

## **Decisions at the November 2017 Board**

A paper on implementing the preferred option (two) for the future direction of YU, and potential interventions against three priorities, was taken to the Board meeting in November 2017. The paper outlined YU's role as a regional grouping within the national landscape, with a specific focus on influencing industrial policy and representing the totality of Yorkshire's HE in areas where 'place' is of significance.

The Board approved the approach outlined in the paper. It noted the impact of work undertaken to date on the economic agenda and asked that this be prioritised under any new arrangements. It was recognised that the region still had ground to make up in relation to devolution; and HEIs were in a position to support this. The Board also noted that the third strand (civic and cultural place-making) needed further definition, including strengthening the links between civic engagement and economic development.

The Board also agreed to appoint a new Executive Director. The Chair was asked to oversee further work on these dimensions, with the HR Committee steering the recruitment process, supported by the Executive Team led by the Interim Executive Director.

## **Appointment of a new Executive Director**

YU undertook a full external recruitment process to appoint a new Executive Director. Nearly fifty applications were received, including many from individuals with senior-level experience of working in HE, in partnership organisations, in research councils or in other membership bodies. The recruitment process culminated in February 2018 with Dr Peter O'Brien being appointed as the new Executive Director.

Peter has significant experience and expertise in local and regional governance in the north of England. He is a specialist in urban and regional development (particularly infrastructure funding and financing). Prior to his appointment, Peter worked for the Higher Education Funding Council for England (HEFCE) Local Growth Team. He is also a Senior Research Associate at the Centre for Urban and Regional Development Studies (CURDS), Newcastle University, and was commissioned in February 2017 as a YU Associate, leading YU's economic development activity.

On taking up post in April 2018 Peter undertook 1-2-1 consultations with YU Board members on the development of a 2018/19 operational plan, based on the three identified place-based strategic priorities identified by the Board. These discussions, together with other meetings with external partners helped to inform the final 2018-19 operational plan, which was approved by the Board in July 2018 (see '[Future plans](#)' section).

### **Other YU staff**

The YU Executive Team (as of 31 July 2018) also includes Monika Antal, Executive Manager. Other members of the Executive Team are contractors: Mark Hill (Accountant), Professor Roger Lewis (Associate) and Emma Dick (virtual PA). A distinctive feature of the YU Team is its flexibility. Most members work virtually, and this contributes towards a more agile and productive working arrangement, and provides the basis for the Team to be more responsive to member requirements.

## **Reconfiguring YU structures**

In November 2017, the YU Board asked that a review be undertaken into YU's other groups to ensure that they remained 'fit for purpose'. In particular, the role of the Executive Management Group (EMG) was reviewed. The EMG did not meet during 2017-18, pending decisions by the Board on YU's future strategy.

It soon became apparent that the EMG – initially established as the strategic and operational interface between the YU Board and the wider YU membership – would no longer be part of the future YU structure. Going forward, the 'steer' given by EMG on strategic and operational matters – and its monitoring of the governance of the organisation (including its finances) – would be undertaken in future by the Board or by one of its two sub-committees (i.e. the Audit Committee and the Human Resources (HR) Committee). This would simplify the YU structure and make better use of members and officers' time.

The Board's purpose ('to ensure the furtherance of its objects relating to higher education in Yorkshire'), and its structure, remained unchanged during the course of the year.

## **Audit Committee**

The decision to disband the EMG as a formal group meant that changes were needed to the existing remit of the Audit Committee (AC). Revised terms of reference for the AC were agreed by the Board in July 2018. The AC is responsible for overseeing YU's independent examination (or audit, whichever applies); reviewing management accounts and other standard business items; and receiving reports of changes to financial procedures and procurement policies. The Board decided that the AC should not be tasked with recommending an annual budget to the Board. Instead, the ED, with the advice of the YU Accountant, should have responsibility for preparing and presenting an annual budget to the Board. The AC would scrutinise and review how YU funds were spent and make recommendations to the Board if required. (This is a further example of the Board wanting both a simpler set of processes and also more direct involvement with the organisation, rather than delegating responsibilities to other groups).

## **Other groups**

The HR Committee's remit remained unchanged. It advises on recruitment (especially of the Executive Director, where it oversees the recruitment process and makes a recommendation to the Board). The Committee also reviews the performance and objectives of the Executive Director and it sets the Executive Director's remuneration. It also advises as necessary on HR issues.

The Communication Directors' Group (CDG) (set up in the 2016-17 reporting year) will be convened as necessary, on a task and finish basis, with colleagues approached to support particular YU activities in relation to the YU communications plan.

## **YU's influencing activity: consultations and events**

In parallel with the steps made to re-shape YU's strategic approach, the organisation has been active during the year to influence policies and strategies of interest to members, the HE sector and other partners in Yorkshire.

### **Responses to consultations**

YU has taken an active interest in shaping the parameters and content of the government's emergent Industrial Strategy. At the start of the year we consulted with members on the Industrial Strategy Green Paper and submitted a detailed response to the public consultation, emphasising the importance of a place-based approach to long-term industrial policy and the key role of universities in delivery of specific interventions. YU has begun to develop proposals on the implications of Brexit for universities, including starting work on an outline framework for how post-EU regional development funding (in the form of the UK Shared Prosperity Fund) could work within Yorkshire.

YU submitted written evidence to the Patient Capital Review's work on how best to finance innovative, high-growth firms.

YU responded in the autumn to the Science and Technology Select Committee's Inquiry into the 'Science Budget and Industrial Strategy'; and in January to the Migration Advisory Committee's call for evidence on the economic contribution of international students. Towards the end of 2017, it also submitted evidence to the OfS consultation on the draft regulatory framework (stressing, in particular, the role and value of 'place' within the new HE regulatory system).

YU has engaged with the UUK and CBI higher education national flexible skills review into part-time study and technical education (offering Yorkshire case studies and examples of place-based interventions) and proposing recommendations.

In relation to HEFCE's KEF technical consultation exercise, YU convened a meeting of the KTD Group to discuss the KEF, and drafted text for use in institutions' individual submissions. This contribution emphasised a flexible approach to measuring knowledge exchange, reflecting institutional and geographical context.

### **Contributions to conferences and other events**

YU staff took part in workshops on topics, including the UK Shared Prosperity Fund, inclusive growth, the Leeds City Region Industrial Strategy, innovation and skills.

YU spoke at a plenary session on 'Universities' engagement with local and regional development' at an event 'Moving beyond devolution – A look forward to 2030', organised by Leeds Beckett University and the Regional Studies Association.

The Executive Director spoke at a conference on 'the university estate', organised by the Built Environment Network, and Peter O'Brien also delivered a presentation at Leeds Beckett University's inaugural 'Research and Enterprise' conference. He also gave a presentation on the Industrial Strategy to the senior management team at Leeds Trinity University, and attended the Annual Meetings of the Humber LEP and the York, North Yorkshire and East Riding LEP.

YU participated in many other conferences (and similar events) during the year, including those relevant to the wider cultural and social mission of HE, such as 'Cultural transformations' (on the impact of Hull's year as City of Culture), 'What's next for Leeds 2023', the 'North and Brexit' and a national conference on degree apprenticeships hosted by Sheffield Hallam University.

## **Work with members and external partners**

### **Student mobility**

YU was a partner in a year-long project on student mobility and credit transfer, led by the University of Sheffield; five other member institutions were also participants. The project produced a report 'Should I stay or should I go? Student demand for credit transfer and recommendations for policy and practice'. The focus of the study was Yorkshire. Sir Keith Burnett (then President and Vice-Chancellor of the University of Sheffield) wrote the introduction to the report. He commented that the number of students needing to move institution seems small and usually results from changes in students' personal and social circumstances, but universities do need to make such arrangements possible and the report sets out recommendations on how to achieve this.

### **Working with LEPs and Combined Authorities**

With the publication of the Industrial Strategy Green and White Papers, YU has intensified its engagement with LEPs, combined authorities, business and other stakeholders to help members strengthen and embed the role of universities as place-makers and place-leaders within the different component economies of Yorkshire. The objectives and themes within the Industrial Strategy, particularly those related to the importance of place-based economic development and leadership, have provided the rationale for more intensive policy and strategy development work in recent months.

This activity has been most evident in the Leeds City Region (LCR), home to eight YU members, where YU took an active role to co-ordinate the HE contribution to the development of local industrial strategies and to support existing local growth projects and programmes. Regular meetings took place between KT directors and the LCR LEP/CA. Two meetings also took place with LCR vice-chancellors and the LCR LEP Board Chair (with senior LEP and WYCA staff). YU took part in meetings of the LCR Business Innovation and Growth Panel and in round tables convened by UUK, the CBI and the LCR LEP and West Yorkshire Combined Authority.

In partnership with UUK, YU convened a roundtable in July on the national and local industrial strategies for all YU members, LEPs and CAs in Yorkshire, and invited UKRI, RE and Innovate UK to attend the event. The meeting attracted considerable attention from government officials working on the industrial strategy, and a report of the roundtable was published in the Department for Business, Energy and Industrial Strategy national Industrial Strategy newsletter. YU also briefed speakers from Yorkshire taking part in a Knowledge Transfer Partnership national conference.

YU convened a joint meeting with the LCR LEP to disseminate findings from the Science and Innovation Audits (SIAs) in LCR (which had been led by the universities of Leeds and York) and secured agreement with the LCR LEP and the WYCA for YU to take a pro-active role in informing the development of the LCR local Industrial Strategy. At the end of the year, the Peter O'Brien was invited to join an expert Inclusive Growth Advisory Group convened by the West Yorkshire Combined Authority. YU maintained its role within the LCR Access Innovation advisory group and technical assistance networks.

### **Government review of LEPs**

Towards the end of 2017-18 the government published its conclusions on the ministerial review of LEPs. The review reflected upon whether the governance, geographies and remit of LEPs remained fit for purpose eight years after their establishment. In addition, the government was mindful of providing clarity on the future operation and expectations of LEPs, given the pivotal role they were being given in leading on local industrial strategies and against the background of the proposed UK Shared Prosperity Fund.

The review confirmed the role of LEPs in enhancing productivity through local industrial strategies. In looking to remove geographic overlaps, the government will seek to ensure that LEPs are operating over a sufficient scale to provide the strategic direction and efficient delivery of future programmes. LEP chairs and local stakeholders have been asked to come forward with considered proposals by autumn 2018 on the geographies that best reflect 'real functional economic areas', on how to remove overlaps and duplication of membership of local authorities and, where appropriate, to propose wider changes, such as mergers. Future capacity funding for LEPs will be dependent on the changes being enacted.

The findings from the policy review have potential implications for public and private sector institutions in Yorkshire, including universities. Given that universities in Yorkshire are significant anchor institutions, there is a case for strengthened university engagement with LEPs, especially as the government has afforded universities a pivotal role within national and local industrial strategies. The issue of future LEP geographies will attract attention in Yorkshire, where over half of the region's local authorities are in more than one LEP.

The Executive Director has briefed the YU Board on these changes and potential implications. Universities are major value creators and key civic actors in cities, towns and communities within and across Yorkshire. As such, they need to play a strategic role in the development of national and local industrial strategies, working with LEPs, Metro Mayors and other agencies in shaping and strengthening national, regional and local economies.

## Future plans

This section covers two main developments: the appointment of a new Chair of the YU Board and the operational plan for the forthcoming year (2018-2019).

### New Chair of the Board

Professor Koenraad Lamberts' two-year term of office ended on 31 July 2018. The Board elected Professor Sir Chris Husbands, Vice-Chancellor of Sheffield Hallam University, as the new Chair, from 1 August 2018.

Sir Chris' responsibilities as Chair will include steering YU's relationships with national, regional and local government, business and public sector partners in implementing YU's new strategy. On taking up his post, Sir Chris drew attention to the role of universities as major anchor institutions in local and regional communities and economies.

Sir Chris has served as Vice-Chancellor of Sheffield Hallam University since January 2016. A Fellow of the Academy of Social Sciences, he has undertaken senior roles in universities for over fifteen years, as Head of the Institute of Education at Warwick University (2000-03), as Dean of Education and Lifelong Learning at the University of East Anglia (2003-07), as Dean of Faculty and then Director of the Institute of Education (2007-15) and as Vice-Provost at University College London (2014-15). In 2018, Sir Chris was awarded a knighthood in the Queen's Birthday Honours for services to higher education.

Professor Husbands' academic expertise lies in education policy and practice; his work has been developed in fifteen books and over four hundred papers and presentations. He has advised local and national governments in the UK and internationally, across four continents.

Sir Chris graduated with a double starred First in History from the University of Cambridge, where he went on to complete a doctorate in Geography. He was a teacher and senior manager in urban secondary comprehensive schools before becoming a university lecturer.

In 2016, Sir Chris was appointed by the Government as the Inaugural Chair of the Teaching Excellence and Student Outcomes Framework (TESOF), heading the assessment panel making decisions on awards; he was subsequently re-appointed as Chair until August 2021. The TESOF has been introduced to ensure excellent teaching and student job prospects are at the heart of HE and will, for the first time, place the significance of teaching on a par with research.

### YU operational plan 2018-19

The 2018-19 operational plan illustrates how YU intends to implement the new strategic approach agreed by the Board in November 2017.

The plan focuses upon three key priorities and a series of cross-cutting objectives. The three priorities – economics of place; governance of place; and civic culture of place – concentrate on activity that falls within the overall framework of 'place-based development'. The plan is an iterative document, and the Board will receive regular updates on implementation and performance. It will form the basis of work programmes for the new YU Industrial Strategy Group and the YU Executive Team.

The key measures of success on which the plan will be evaluated, include the contribution it makes towards:

- Enhancing the reputation and brand of YU
- Increasing YU's profile nationally and within and across Yorkshire
- Increasing member and partner engagement with YU
- Building a stronger role for YU in influencing policy and strategy
- Complementing and adding value to the core objectives of members

## Priority 1: Economics of Place

Objective	Activities (Progress)	Lead(s)	Timescales	Outcome(s)
To increase YU's influence over the content and implementation of national and local industrial strategies	Host a joint YU-UUK Industrial Strategy roundtable and instigate follow up actions. Inform the UUK-CBI Flexible Learning Review.	YU Executive Team and YU Industrial Strategy Group	Aug-Oct 2018	YU and its members are identified as influential and effective actors in industrial policy and strategy
	Participate in local industrial strategy development and implementation groups.		Aug 2018-July 2019	
	Engage regularly with BEIS, MHCLG, DfE and agencies (e.g. UKRI, OfS, RE and Innovate UK).		Aug 2018-July 2019	
To raise awareness amongst YU members of investment opportunities aligned to the industrial strategy	Hold events and share briefings for YU members on investment opportunities (e.g. Strength in Places Fund, skills, enterprise and infrastructure).	YU Executive Team and YU Industrial Strategy Group	Aug 2018-July 2019	There is increased awareness amongst and potential for YU members to leverage investment aligned to national and local industrial strategies.
	Map YU member interests in elements of industrial strategy.		Aug-Dec 2018	
To influence the economics of Brexit within Yorkshire, including the governance and operation of the Shared Prosperity Fund (SPF) as a successor mechanism to EU Structural and Investment Funds	Work with YU members and UUK to define principles for the SPF.	YU Executive Team and YU Industrial Strategy Group	Aug-Oct 2018	The case is made for continued investment and resources in the run-up to and post-Brexit to support Yorkshire's economy; the HE sector's priorities in relation to Brexit are realised.
	Respond to formal HMG consultation on the SPF and other funding mechanisms.		Autumn 2018	
	Work with Yorkshire's LEPs/CAs, APPG and public and private partners on economic planning for Brexit.		Aug 2018-March 2019	

## Priority 1: Economics of Place

Objective	Activities (Progress)	Lead(s)	Timescales	Outcome(s)
To strengthen YU's collective engagement with national institutions and Yorkshire's LEPs/CAs, DEMMs, business/industry organisations and public and private partners.	Hold Board-level LEP/CA and VC meetings.	YU Board, Executive Team and Industrial Strategy Group	Aug 2018- July 2019	There is increased awareness of YU, with the reputation and influence of YU amongst its peers in the region and elsewhere enhanced.
	YU Industrial Strategy Group to meet regularly with LEPs/CAs.		Aug 2018- July 2019	
	Engage with LAs, CBI, Chamber, FSB, EEF, NHS, TUC and FE regional groups.		Aug 2018- July 2019	
	YU ED to join Y&H AHSN Strategic Advisory Board.		August 2018	
	Contribute to LEP/CA/DEMMs groups.		Aug 2018- July 2019	

## Priority 2: Governance of Place

Objective	Activities (Progress)	Lead(s)	Timescales	Outcome(s)
To increase YU's influence over devolution and decentralisation within Yorkshire	Actively engage with government, APPG Yorkshire and North Lincolnshire, MPs, LAs, etc.	YU Executive Team	Aug 2018- July 2019	HE in Yorkshire gains more leverage over devolution and decentralisation – increasingly important in the run-up to and beyond Brexit.
	Actively engage with Think Yorkshire and other think-tanks.		Aug 2018- July 2019	
To add value to the process and pattern of decentralisation to the north of England	Actively engage with the Northern Powerhouse Minister, IPPR North, Northern Powerhouse Partnership, and other pan-northern organisations.	YU Executive Team	Aug 2018- July 2019	YU members collectively exert influence over initiatives relating to HE and place that are being developed and/or implemented at a pan-regional (northern) level.
To strengthen universities and other HEIs' collective engagement with Yorkshire's 'devolved' institutions	Strengthen relationships between YU and LEPs/CAs/DEMMS in Yorkshire.	YU Board and Executive Team	Aug 2018- July 2019	YU is regarded as a valuable, and influential actor/partner for Yorkshire's 'devolved' institutions.
	Support HE's relationships with Yorkshire's devolved institutions by strengthening YU's contribution to national, pan-regional and regional debates on devolution.		Aug 2018- July 2019	

## Priority 2: Governance of Place

Objective	Activities (Progress)	Lead(s)	Timescales	Outcome(s)
To raise awareness of the role of universities and other HEIs as place-makers and place-based leaders	Draw upon and disseminate research evidence and encourage action-based learning (e.g. Leading Places) identifying the practical role of HEIs in regional, city-regional and local development.	YU Executive Team	Aug 2018- July 2019	There is greater recognition of the distinct role of universities and HEIs in the regional and local governance of Yorkshire and how they can help to realise sustainable and inclusive economic, social and environmental development.
	Work with the LGA, NHS Confederation, business and other actors.		Aug 2018- July 2019	
	Contribute to parliamentary inquiries.		Aug 2018- July 2019	

### Priority 3: Civic Culture of Place

Objective	Activities (Progress)	Lead(s)	Timescales	Outcome(s)
To increase awareness of Yorkshire's universities and other HEIs as civic actors	Engage with and seek to influence the work and recommendations of the Civic University Commission, Wales Civic Mission, public value and impact work, etc.	YU Board and Executive Team	Aug-Dec 2018	There is greater awareness of and support for the civic role that Yorkshire's universities and HEIs play within cities, towns and local communities. YU and its members have influenced recommendations from the Civic University Commission report submitted to government.
	YU ED to give keynote speech at civic university conference in Australia.		October 2018	
	Engage with, and add value to, initiatives examining the public value of universities.		Aug 2018-July 2019	
To identify and raise awareness of the significance of universities and other HEIs as anchor institutions.	Support and facilitate YU member engagement with 'anchor institution' programmes in Leeds City Region and elsewhere in Yorkshire.	YU Board and Executive Team	Aug 2018-March 2019	Universities and HEIs in Yorkshire are involved with and/or influencing programmes designed to use the capacity of anchor institutions to support inclusive growth objectives in the region.
	Draw upon and disseminate international and national good practice on universities as anchor institutions.		Aug 2018-July 2019	

### Priority 3: Civic Culture of Place

Objective	Activities (Progress)	Lead(s)	Timescales	Outcome(s)
To raise awareness of the significance of universities and other HEIs in shaping the culture of specific places	Work with YU member institutions to draw on and disseminate good practice in relation to universities and culture and creativity.	YU Board, appropriate task and finish groups and Executive Team	Aug 2018- July 2019	YU provides added value to work undertaken nationally and regionally to illustrate the cultural role of universities and HEIs within regions, cities and towns.
	Engage with universities and places in Yorkshire developing cultural programmes to impart a distinct HE perspective.		Aug 2018- July 2019	
To increase the HE sector's role and influence in promoting Yorkshire to national and international investors	Work with YU member institutions, regional partners and government to consider the practical role HEIs can contribute towards place promotion.	YU Board, Industrial Strategy Group and Executive Team	Aug 2018- Jan 2019	There is greater awareness amongst government, regional and local partners of the quality and diversity of the HE sector in Yorkshire, and how it is vital to the place promotion of Yorkshire to potential investors.

## Cross-cutting Objectives

Objective	Activities	Lead(s)	Timescales	Outcome
To communicate the value of Yorkshire's HE sector	Increase the quantity and quality of articles, blogs and commentary pieces, drawing upon local case studies, which illustrate the value of the HE sector.	YU Executive Team	Aug 2018- July 2019	The 'positive' contribution of Yorkshire's universities and HEIs to jobs, skills and building prosperous and resilient local economies and communities in Yorkshire is more widely disseminated.
	Seek more speaking roles at international, national and regional conferences.		Aug 2018- July 2019	
	Convene 'information sharing' events for members and other partners.		Aug 2018- July 2019	
To improve and strengthen YU's use of research, evidence and intelligence	Use regional, national and international networks to draw upon leading research and analysis to inform priorities and activities.	Industrial Strategy Group, task and finish groups and Executive Team	Aug 2018- July 2019	YU is seen as an authoritative actor, informing national and regional industrial policies and strategies. YU is seen as a thought-leader and source of innovation, ideas and new initiatives.
	YU Executive Team to use HESA and other data sources in a more strategic, systematic and analytical way.		Aug 2018- July 2019	
	Explore convening a regional research forum around the theme of Industrial Strategy.		Aug- Oct 2018	

## Cross-cutting Objectives

Objective	Activities	Lead(s)	Timescales	Outcome
To ensure YU remains organisationally fit for purpose	Continue to instigate robust and transparent corporate governance and financial planning arrangements.	YU Board, Audit Committee, HR Committee and Executive Team	Aug 2018- July 2019	YU's organisational structure, capacity and resources are utilised effectively and efficiently to implement the YU Strategy.
	Support independent examination of YU by auditor		Aug- Nov 2018	
	Establish YU Industrial Strategy Group.		August 2018	
	Use task and finish groups to generate ideas and implement actions.		Aug 2018- July 2019	
	Invest in organisational development to build collective leadership within YU.		Aug 2018- July 2019	
	Improve the YU website and social media platforms.		Aug- Oct 2018	
	YU Executive Team to make better use of new technologies		Aug 2018- July 2019	

# Public benefit and accountability

## Reporting on public benefit

The trustees confirm that they have complied with the duty in Section 4 of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit, 'Charities and Public Benefit'. The structure of the trustees' annual report allows us to report on each of our strategic aims, our activities and achievements during the year and our plans for 2018-19 within each of these areas. We have embedded examples of how YU meets the public benefit requirement throughout our report.

## Financial review

Membership subscriptions continued to form the majority of our voluntary income for 2017-18 alongside a £25k grant from HEFCE, although with the abolition of HEFCE at the end of March 2018 this funding is no longer available. Restricted fund grants have been received from the European Regional Development Fund (ERDF) programme, and these are declared in 'Other incoming resources'. All this restricted funding has been spent. During the year, YU received £179k in general funding and £1k in designated funding totalling £180k in funding. YU expenditure incurred was £184k (in 2017 it was £250k).

At the end of the year we are taking forward £139k (2017: £128k) of general reserves. Members have also funded our 'Engaging with the economy' activity declared in 'Activities for generating funds'. The use of funds is described in note 9 in '[Notes to the financial statements](#)'. YU's funded activities are described in detail in the '[Achievements and performance](#)' section. Our designated economy fund was £13k as at 31st July 2018 (2017: £28k).

We hold £184k (2017: £137k) of these balances in deposit accounts, well in excess of the actual fund balances. Funds are invested on bank deposit at the best rate obtainable, with recognised financial institutions and banks.

## Reserves policy

In 2010, the EMG approved a reserves policy setting unrestricted reserves to be held to meet the working capital requirements of the organisation, to meet unexpected costs (e.g. staff cover for illness and maternity leave) and to meet contractual liabilities should the organisation have to close. The YU reserves policy requires the organisation's unrestricted reserves to be between a fifth and a sixth of its unrestricted budget expenditure. This is between £36k and £43k for anticipated unrestricted costs in 2018/19 (2017/18: between £38k and £46k). Our general reserves comfortably exceeded the target at the last year end. At the end of the current year 31 July 2018 at £139k (July 2017 £128k).

As explained in pension costs note 3 in '[Notes to the financial statements](#)' we also carry a long-term pension provision of £28k (2017: £14k), which the Board does not expect to crystallise.

## Major risks

For membership organisations, such as YU, the principal risks and uncertainties relate to maintaining strong member engagement and sufficient income levels for the charity to continue and develop its work.

Additionally, risks are posed by major changes in the external political, policy and external environment. '[Achievements and performance](#)' section shows YU's capacity to review these changes in the external environment and to act accordingly in developing a new strategy and an appropriate organisational structure to implement it.

Major risks (including reputational) are reviewed and mitigating actions are put in place where necessary. Consideration is given to enacting appropriate procedures and policies, which support effective management and governance. The Board and its sub-committees review the organisation's activities and financial position and ensure the organisation maintains strong senior-level strategic engagement with its members.

The Audit Committee (comprising representatives from the Board) oversees the organisation's independent examination, and it provides advice to the Board on any follow-up actions.

YU has a business continuity plan in place. This identifies potential threats to the organisation and provides a framework for maintaining resilience and capability, to ensure an effective response. This process safeguards the interests of YU and its members. The plan is reviewed and updated on a regular basis.

## **Board induction and training**

Trustees are appointed to the Board ex-officio as a result of their membership. New trustees are inducted via a meeting with the Chair of the Board and the Executive Director, together with any further preparation agreed on an individual basis. YU maintains a handbook, which includes relevant policies, procedures, governance information and job descriptions; this is regularly updated.

YU monitors attendance at the Board and the ED reports on this to the Chair of the Board; the Chair and ED decide on any necessary action. The Board monitors progress regularly; informal Board discussions are held at least three times a year, usually after each formal Board meeting.

## **Management**

Day-to-day management of YU is delegated to the ED. Performance and risks are monitored against strategic objectives. As of 31 July 2018, YU has two employees and three contractors. More information is set out in the '[Achievements and performance](#)' section. Accountancy support is provided by Simple Accounting.

## **Investment policy**

Funds are invested on bank deposit at the best rate obtainable, with recognised financial institutions and banks.

## Statement of trustees' responsibilities

The trustees are responsible for preparing the annual report in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities Statement Of Recommended Practice (SORP);
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements and other information included in annual reports may differ from legislation in other jurisdictions.

In preparing this report the Trustees have taken advantage of the small companies exemption provided by s415A of the Companies Act 2006.

By order of the Board



**Professor Koenraad Lamberts**  
**Chair, Board of Yorkshire Universities**

*26 November 2018*

# Statement of financial activities

(including the income and expenditure account)

for the year ended 31 July 2018

<b>Income</b>	<b>General funds 2018 £</b>	<b>Designated funds 2018 £</b>	<b>Total funds 2018 £</b>	<b>Total funds 2017 £</b>
General subscriptions income	176,900	-	176,900	176,900
Economy subscriptions income	-	-	-	61,341
Investment income: bank interest	2,174	-	2,174	2,181
Other incoming resources	-	894	894	2,606
<b>Total income</b>	<b>179,074</b>	<b>894</b>	<b>179,968</b>	<b>243,028</b>
<b>Expenditure</b>				
<b>Total resources expended</b>	<b>167,799</b>	<b>16,687</b>	<b>184,486</b>	<b>249,548</b>
Net (expenditure) / income and movement in funds for the year	11,275	(15,793)	(4,518)	(6,520)
<b>Reconciliation of funds</b>				
Total funds brought forward	127,596	28,360	155,956	162,476
Funds carried forward	138,871	12,567	151,438	155,956

The Statement of financial activities includes all gains and losses recognised in the year. All incoming resources and all resources expended are in the current year.

# Balance sheet

As at 31 July 2018	Notes	2018 £	2017 £
Tangible assets	5	2	2
<b>Current assets</b>			
Debtors	6	912	15,111
Cash at bank		13,512	29,782
Cash on deposit		184,405	137,329
<b>Total current assets</b>		<b>198,829</b>	<b>182,222</b>
<b>Liabilities:</b>			
Creditors: Amounts falling due within one year	7	(19,523)	(12,268)
<b>Net current assets</b>		<b>179,306</b>	<b>169,954</b>
Creditors: Amounts falling due after one year	7	(27,870)	(14,000)
<b>Net assets</b>		<b>151,438</b>	<b>155,956</b>
The funds of the Charity Unrestricted revenue accumulated funds			
General fund	9	138,870	127,596
Designated fund	9	12,567	28,360
<b>Total funds</b>		<b>151,438</b>	<b>155,956</b>

For the year ended 31 July 2018 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

## Trustees responsibilities

The trustees have prepared financial statements in accordance with section 398 of the Companies Act 2006 and section 138 of the Charities Act 2011. These accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act relating to small companies and constitute the annual accounts required by Companies Act 2006 and are for circulation to the members of the company. The financial statements were approved by the Board of Yorkshire Universities and authorised for issues on 26 November 2018.



**Professor Koenraad Lamberts**  
Chair, Board of Yorkshire Universities

The section '[Notes to the financial statements](#)' forms part of these accounts.

# Notes to the financial statements

## 1. Accounting policies

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the financial statements.

### a) General information

The Company is a Charity and company limited by guarantee and is incorporated in the United Kingdom. The registered office is 22 Clarendon Place, Leeds, LS2 9JY. The principal activity and role of the Company is detailed in the Trustee's Report on page XX. The function and reporting currency of the Company is sterling'

### b) Basis of preparation of accounts

The financial statements have been prepared under the historical cost convention and in accordance with section 1a of Financial Reporting Standard 102, the financial reporting standard applicable in the UK and Republic of Ireland, and the Statement of Recommended Practice – “Accounting and Reporting for Charities: revised 2015” (Charities SORP 2015 (FRS102)) and the Companies Act 2006. YU meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

The Trustees have considered the forecast results for a period up to 12 months from the accounts sign off date. They consider that Yorkshire Universities is able to meet its liabilities as they fall due. As such Trustees consider it appropriate to prepare the financial statements for the year ended 31 July 2018 on a going concern basis.

### c) Fund accounting

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of YU. Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for a specific purpose. Designated funds are funds which have been set aside from unrestricted funds by the trustees for specific purposes. General Subscriptions income represents member subscriptions and unrestricted grants. There are no restricted funds.

### d) Incoming resources

All income (including grants) is accounted for as soon as YU has entitlement to the income, there is certainty of receipt and the amount is quantifiable. Subscriptions are accounted for in the year to which they apply.

### e) Resources expended

All expenditure is accounted for on an accruals basis and has been listed under headings that aggregate all the costs related to that activity. Where costs cannot be directly attributed they have been allocated to activities on a basis consistent with the use of the resources. Direct costs, including directly attributable salaries, are allocated on an actual basis to the key strategic areas of activity. Overheads, governance costs and other salaries are allocated between expense headings on the basis of time spent. Governance costs include the costs of governance arrangements, which relate to the general running of the charity.

## f) Pension Fund

The charity participates in Universities Superannuation Scheme (USS). The scheme is a hybrid pension scheme, providing defined benefits (for all members), as well as defined contribution benefits. The assets of USS are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the assets are not attributed to individual institutions and a scheme-wide contribution rate is set. The charity is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. As required by section 28 of FRS 102 "Employee benefits", the charity therefore accounts for the scheme as if it were a wholly defined contribution scheme. As a result, the amount charged to the Statement of financial activities represents the contributions payable to the scheme. Since the charity has entered into an agreement (the Recovery Plan) that determines how each employer within the scheme will fund the overall deficit, the charity recognises a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and therefore an expense is recognised.

## g) Fixed assets

Individual assets with an individual or aggregate cost when acquired in excess of £2k, and which are intended to be of ongoing use to YU in carrying out its activities, are capitalised as fixed assets. Depreciation is charged on tangible fixed assets at 25% of cost per annum, so as to write them off over their expected useful lives. Computer assets are fully depreciated in the year of purchase.

## h) Key judgements and sources of estimation

In the application of the accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. As a member of the USS, the estimates of future discounted cash flows required from the Company to participate in the Recovery Plan and the associated contributions payable are considered to be significant.

## 2. Employee information

The full-time equivalent number of staff employed at the end of the year was 2 (2017:1). Note that contractor costs are not included in staff costs. There was one employee whose emoluments for the year exceeded £60k. Total employee costs during the year were £71k (2017: £147k) broken down as follows (all figures in £000s):

	2018	2017
Salaries	51	120
Social security costs	5	12
Employer pension	9	20
Change in pension shortfall accrual	14	-
Change in leave outstanding at year end	2	(2)
Employment allowance	(3)	(3)
<b>Total</b>	<b>78</b>	<b>147</b>

### 3. Pension costs

The total cost charged to the statement of financial activities is £9k (2017: £20k) as shown in Note 2. The latest available full actuarial valuation of the scheme was at 31 March 2014 (the valuation date), which was carried out using the projected unit method. The valuation as at 31 March 2017 is underway but not yet completed.

Since the charity cannot identify its share of Retirement Income Builder Section of the scheme assets and liabilities, the following disclosures reflect those relevant for the scheme as a whole. The 2014 valuation was the third valuation for USS 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 £41.6 billion and the value of the scheme's technical provisions was £46.9 billion indicating a shortfall of £5.3 billion. These figures will be revised once the 2017 Scheme Valuation is complete.

Defined benefit liability numbers for the USS for accounting purposes have been produced using the following assumptions as at 31 March 2017 and 2018:

	2018	2017
Discount rate	2.64%	2.57%
Pensions increases (CPI)	2.02%	2.41%
Scheme assets	£63.6bn	£60.0bn
Total scheme liabilities	£72bn	£77.5bn
FRS 102 total scheme de cit	£8.4bn	£17.5bn
FRS 102 total funding level	88%	77%

In accordance with FRS102 an accrual has been made for the amortised anticipated costs of pension shortfall recovery payments that might be anticipated now but be payable in future years. We made a charge of £14k to the staff costs in 2016. The accrual has been revalued in 2017/18 to £28k (2017: £14k).

More details of the costs and valuations for the USS pension scheme are available from: <https://www.uss.co.uk/how-uss-is-run/valuation>

### 4. Resources Expended

a) Analysis of resources expended / £000s	Staff costs	Support costs	Total 2018	Total 2017
Core (incl. governance)	78	90	168	214
Economy (Designated)	-	16	16	33
Other (Designated fund)	-	-	-	3
Technical Assistance (Restricted)	-	-	-	-
<b>Total expended</b>	<b>78</b>	<b>106</b>	<b>184</b>	<b>250</b>

## Resources expended (continued)

b) Analysis of support costs / £000s	Core (including governance)	Economy designated	Total 2018	Total 2017
Independent examination	3	-	3	3
Director insurance	1	-	1	1
Premises	11	-	11	13
Self-employed administrator & consultants	47	16	63	45
Phone, office and website	7	-	7	9
Travel costs	6	-	6	9
Depreciation	-	-	0	0
Meetings	2	-	2	3
Advertising and promotion	1	-	1	5
Professional fees	12	-	12	11
Staff development	-	-	-	4
<b>Total</b>	<b>90</b>	<b>16</b>	<b>106</b>	<b>103</b>

## 5. Tangible Fixed Assets

	Office equipment £	Fixtures & fittings £	Total £
<b>Asset cost</b>			
At 1st Aug 2017	6,103	2,739	8,842
Additions	-	-	-
Disposals	(3,375)	(1,111)	(4,486)
At 31st July 2018	2,728	1,628	4,356
<b>Accumulated depreciation</b>			
At 1st Aug 2017	6,102	2,738	8,840
Charge for the year	0	0	0
Released on disposal	(3,375)	(1,111)	(4,486)
At 31st July 2018	2,727	1,627	4,354
<b>Net book value</b>			
At 31st July 2017	1	1	2
At 31st July 2018	1	1	2

## 6. Debtors

	2018 £	2017 £
Trade debtors	210	12,981
Accrued income	74	649
Prepaid expenses	243	1,122
Other debtors	385	359
<b>Total</b>	<b>912</b>	<b>15,111</b>

## 7. Creditors and commitments

Short Term	2018 £	2017 £
Trade creditors	5,444	11,707
Credit cards	1,240	-
Accrued expenses	6,200	561
Employment allowance	2,000	-
Pension Scheme due	2,135	-
PAYE /NI due	2,504	-
<b>Total</b>	<b>19,523</b>	<b>12,268</b>
Long term		
Pension shortfall accrual	27,870	14,000
<b>Total</b>	<b>47,393</b>	<b>26,268</b>

YU has quarterly commitments of £2,479 for the rent of office accommodation. This is subject to a property licence from the University of Leeds, which has no long-term commitment. The Pension shortfall accrual is the only liability greater than one year and is explained in detail under the note entitled 'Pension Costs' above.

## 8. Related party transactions

There were no transactions with related parties undertaken during the year such as are required to be disclosed in detail (2017: none). No remuneration was paid to any trustee during the year (2017: £Nil). There were transactions with the institutions represented by the charity's members that were all undertaken at arm's length, or at nil profit. Principal among these are receipts from University of Leeds (for grants paid from HEFCE for the benefit of the charity), and costs from University of Leeds for accommodation and supplied services.

## 9. Analysis of movement in funds

All figures in £000s	Brought forward	Incoming	Outgoing	Total 2018	Represented at bank (see below)
General funds: Unrestricted funds	128	179	(168)	139	185
Designated fund: Economy project	28	1	(16)	13	13
Restricted fund: Technical assistance	-	-	-	-	-
<b>Total</b>	<b>156</b>	<b>180</b>	<b>(184)</b>	<b>152</b>	<b>198</b>

The analysis of funds shows our funds are largely available in cash. The unrestricted general fund held as part of our bank balances is now £185k (2017: £165k).

There are general fund liabilities in the form of deferred income and trade creditors of £46k (2017: £26k) and £1k (2017: £1k) of debtors in the form of prepayments, leaving £185k (2017: £165k) in cash.

Our unrestricted general fund benefited from a £25k donation from HEFCE (2017: £25k). This grant was fully received and spent during the year.

The Economy Designated fund (which supports our Engaging with the economy activity) connects universities with the regional LEPs to improve HEI support for their local economies. There is £13k (2017: £28k) remaining in this Designated Funds of which £1k is held in the form of debtors, £1k in the form of creditors and £13k in cash.

We hold no restricted funds.

# Independent examiner's report to the trustees of Yorkshire Universities

I report to the charity's Trustees on the accounts of the company for the year ended 31 July 2018, which are set out from page 2.

This report is made solely to the charity's trustees, as a body, in accordance with Regulation 31 of the Charities (Accounts and Reports) Regulations 2008. My work has been undertaken so that I might state to the charity's trustees those matters I am required to state to them in an independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity's trustees as a body, for my work, for this report, or for the statement I have made.

## Responsibilities and basis for report

As the charity's trustees of the Company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5) (b) of the 2011 Act.

## Independent examiner's statement

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the Company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities [applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)].

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Signed:

*BDO LLP*

**Hamid Ghafoor**  
**BDO LLP**  
**3 Hardman Street,**  
**Manchester, M3 3AT**

*6/12/2018*

# Annex 1: List of acronyms

AHSN: Academic Health Science Network  
APPG: All Party Parliamentary Group (APPG) (for Yorkshire and Northern Lincolnshire)  
CBI: Confederation of British Industry  
DBEIS: Department for Business, Energy and the Industrial Strategy  
DfE: Department for Education  
CA: Combined Authority  
CBI: Confederation of British Industry  
CDG: Communication Directors Group  
DEMM: Directly Elected Metro Mayors  
ED: Executive Director  
EEF: Engineering Employers' Federation (now known as 'The Manufacturers' Association)  
EMG: Executive Management Group  
ESIF: European Structural and Investment Funds  
FE: further education  
FRS: Financial Reporting Standard  
FSB: Federation of Small Businesses  
GAAP: Generally Accepted Accounting Principles  
HE: higher education  
HEFCE: Higher Education Funding Council for England  
HEI: higher education institution  
HESA: Higher Education Statistics Agency  
HMG: Her Majesty's Government  
KE: knowledge exchange  
KEF: Knowledge Exchange Framework  
KT: knowledge transfer  
KTD: knowledge transfer director  
KTDG: Knowledge Transfer Directors' Group  
LA: Local Authority  
LEP: local enterprise partnership  
LCR: Leeds City Region  
LGA: Local Government Association  
MCA: Mayoral Combined Authority  
MHCLG: Ministry of Housing, Communities and Local Government  
MP: Member of Parliament  
NHS: National Health Service  
NP: Northern Powerhouse  
OfS: Office for Students  
RE: Research England  
SIA: Science and Innovation Audit  
SORP: Statement Of Recommended Practice  
SPF: Shared Prosperity Fund  
TA: Technical Assistance  
TESOF: Teaching Excellence and Students Outcomes Framework  
TUC: Trades Union Congress  
VC: Vice-Chancellor  
UKRI: United Kingdom Research and Innovation  
UPP: University Partnerships Programme  
USS: University Superannuation Scheme  
UUK: Universities UK  
WYCA: West Yorkshire Combined Authority  
YU: Yorkshire Universities  
YUTA: Yorkshire Universities Technical Assistance (Project)

