



University of
Nottingham

UK | CHINA | MALAYSIA

A large, high-resolution image of the Earth as seen from space, showing the Western Hemisphere. The Earth is a vibrant blue and green sphere against a dark, star-filled background. A thin white rectangular border is superimposed over the center of the Earth, framing the text.

DVC and CFO Roadshow

Andrew Long
Margaret Monckton
June / July 2021



Introduction

Moving out of COVID into next year and beyond.....

- University performance challenge
- Financial plans to support this



University Strategy

Mission

- We have inspiring campuses in 3 countries, energising us to be a globally engaged university that is also committed to making a difference in our cities and regions
- We empower and support students and staff to collaborate in learning, scholarship and discovery across all realms of knowledge, solving problems and improving lives
- We are stewards of a pioneering and entrepreneurial tradition of creativity and innovation

Our vision is....

To be a university without borders, where we embrace the opportunities presented by a changing world, and where ambitious people and a creative culture will enable us to change the world for the better

Values – In all that we do.....

Inclusivity

Ambition

Openness

Fairness

Respect

Goals

- | | |
|--|--|
| <ul style="list-style-type: none">• Develop the campus experience• Fostering creativity, discovery and experiment• Contributing to sustainable development goals• Embedding collaboration in all that we do | <ul style="list-style-type: none">• Cultivating a global mindset• Solving problems and improving lives• Supporting potential |
|--|--|

Enablers

People

Infrastructure

Governance

Compliance

Financial
sustainability

Risk



Performance Framework

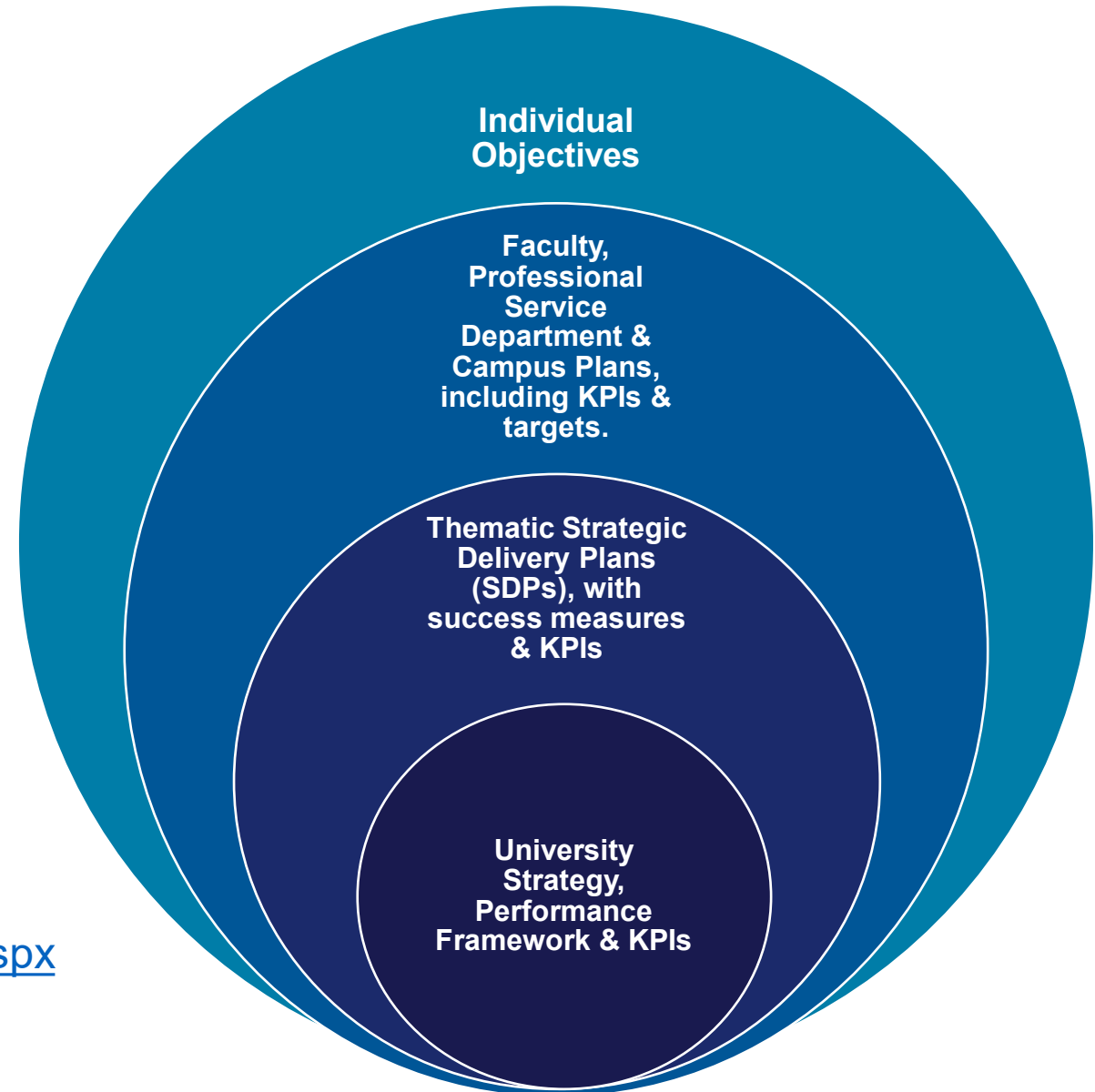
The University Strategy is our foundation, at the heart of all other planning processes.

Each level of planning builds in detail, from the University Strategy, through the SDPs to Business Planning and then links to individual objectives.

The KPIs in the University Performance Framework are linked to the SDPs and cascaded to Business Plans, with appropriate targets agreed at this level.

SDPs will also include a broader set of success measures & targets.

<https://www.nottingham.ac.uk/strategy/home.aspx>





Performance Framework

Potential measurements – to be confirmed by end June 2021:

Individual KPIs

NSS average score
Graduate Outcomes
Share of top 10% cited outputs
Research grant income/academic FTE
Carbon reduction (scope 1 & 2)
HEBCIS income

Composite KPIs – rating of a basket of numeric indicators

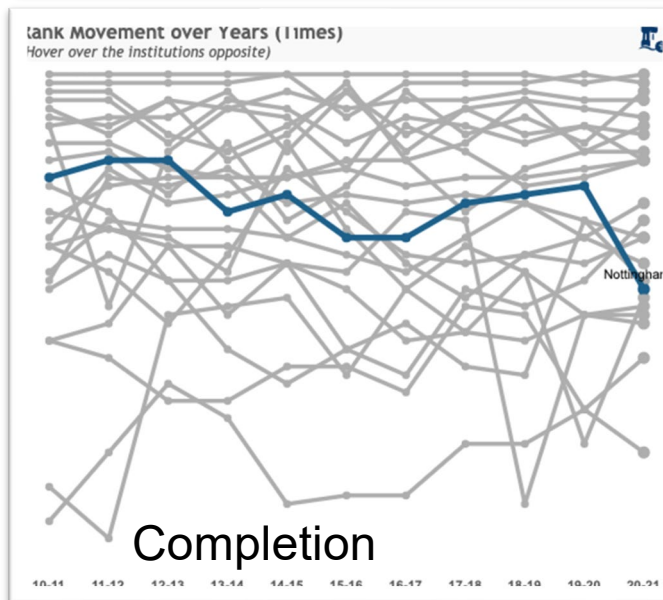
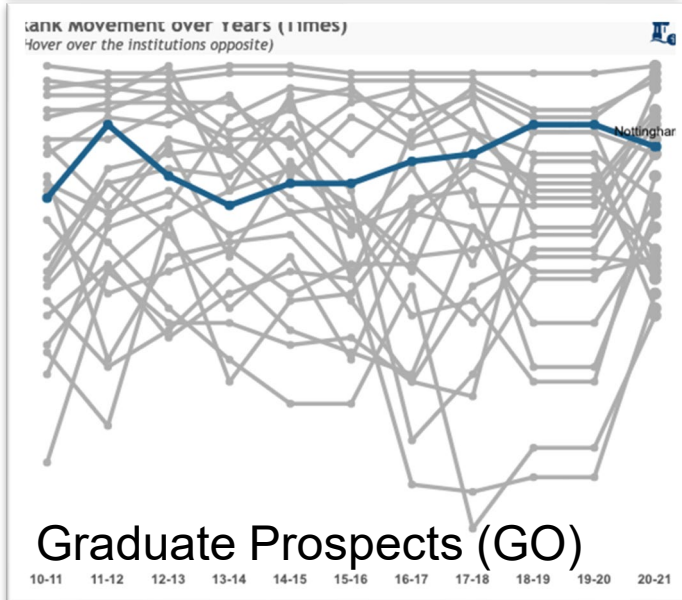
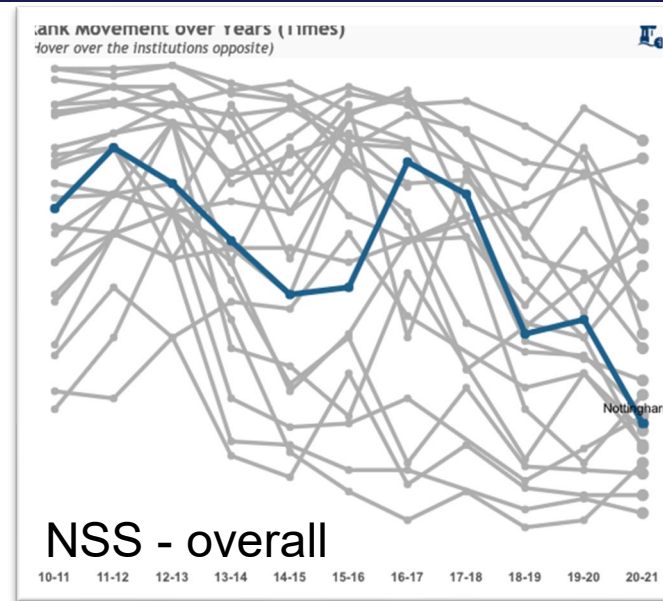
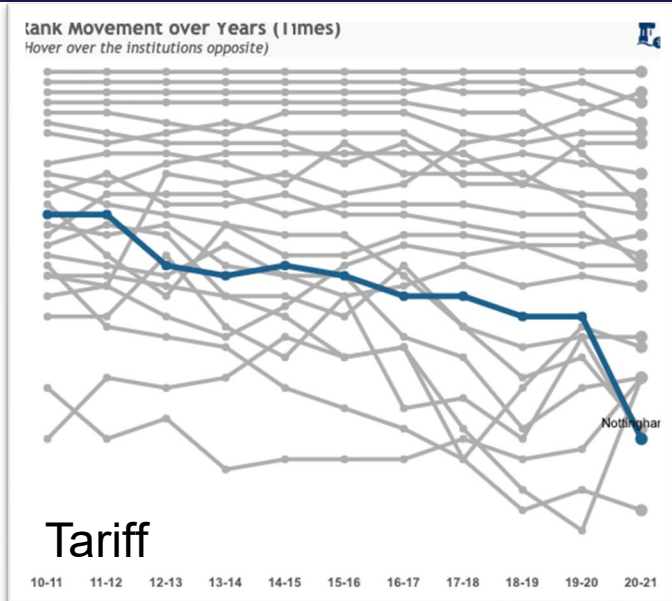
Student recruitment (size & shape)
APP targets
Staff EDI targets
Medium Term Financial Plan

Criteria based assessments – independent rating against agreed criteria

Civic Impact
Global engagement
People – engagement, workload, performance



Performance – Education & Student Experience



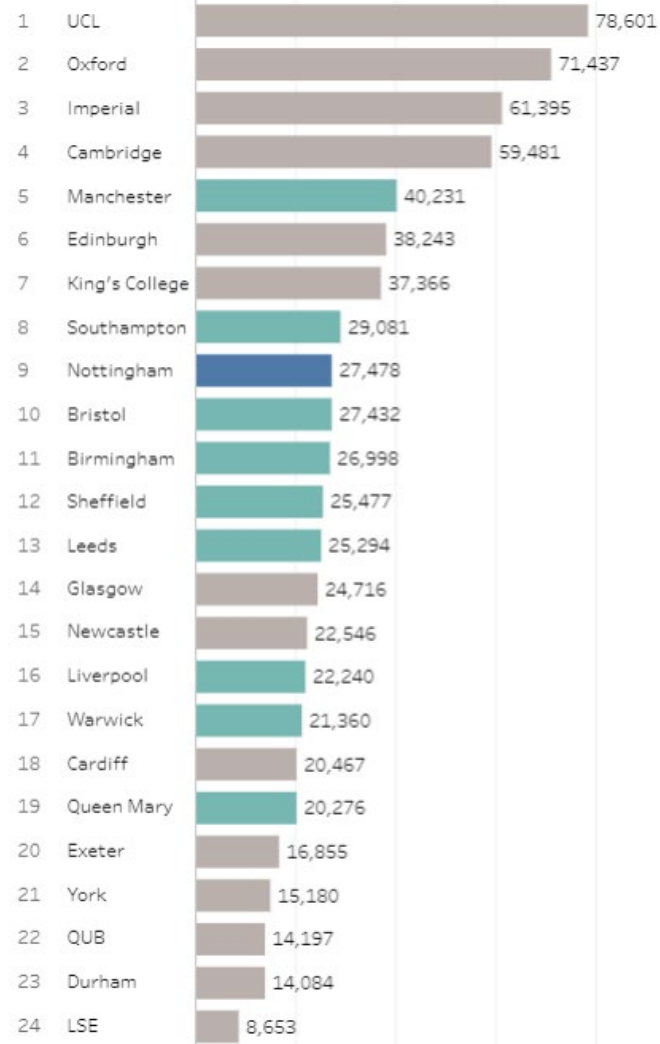
Performance relative to Russell Group universities for period 2010-21. Sourced from the Times/Sunday Times Good University Guide.



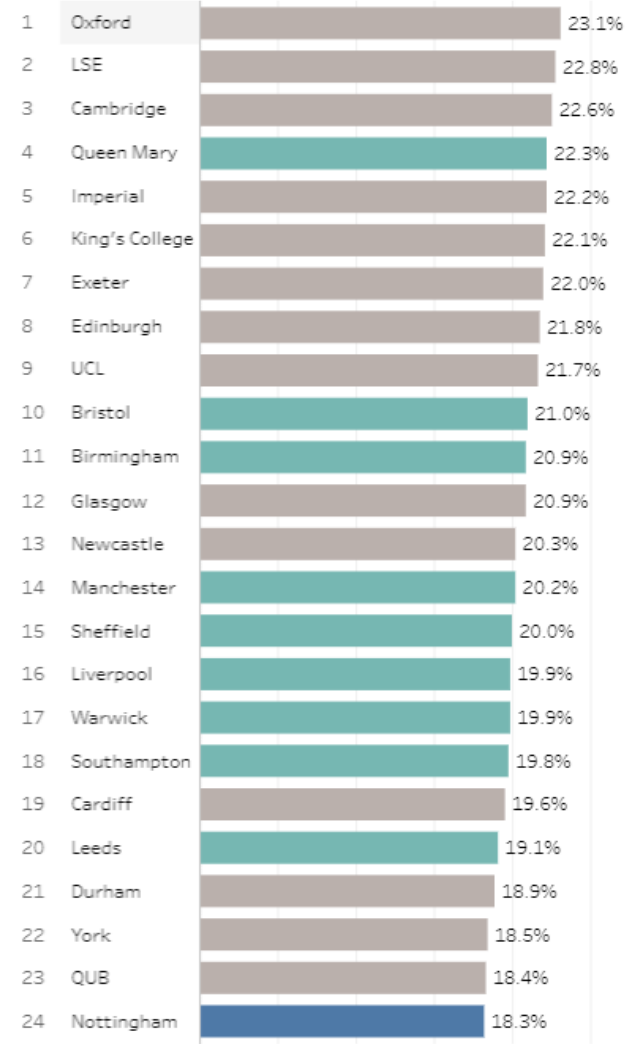
Performance – Research & Knowledge Exchange

Scival Citation Data 2015-2019

Scholarly Output



Outputs in Top 10% Cited (field weighted, %)



UoN, like Birmingham, is a comprehensive institution producing large volume of outputs

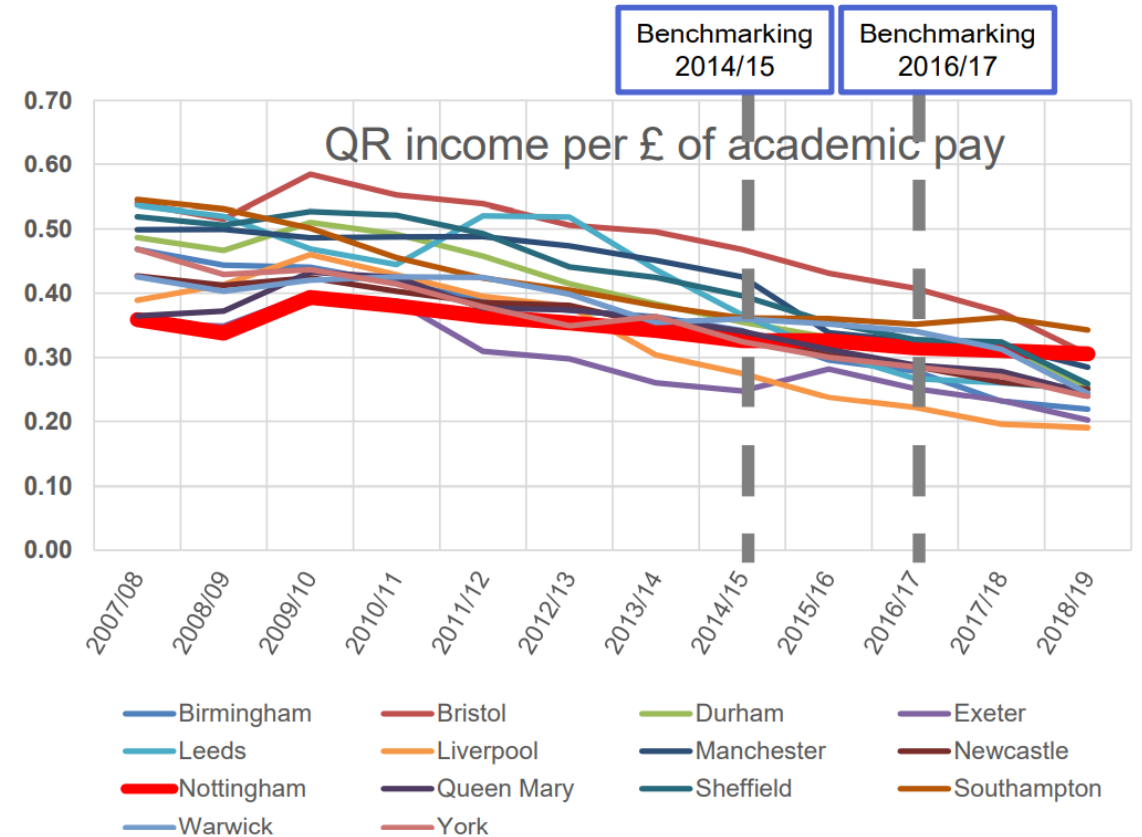
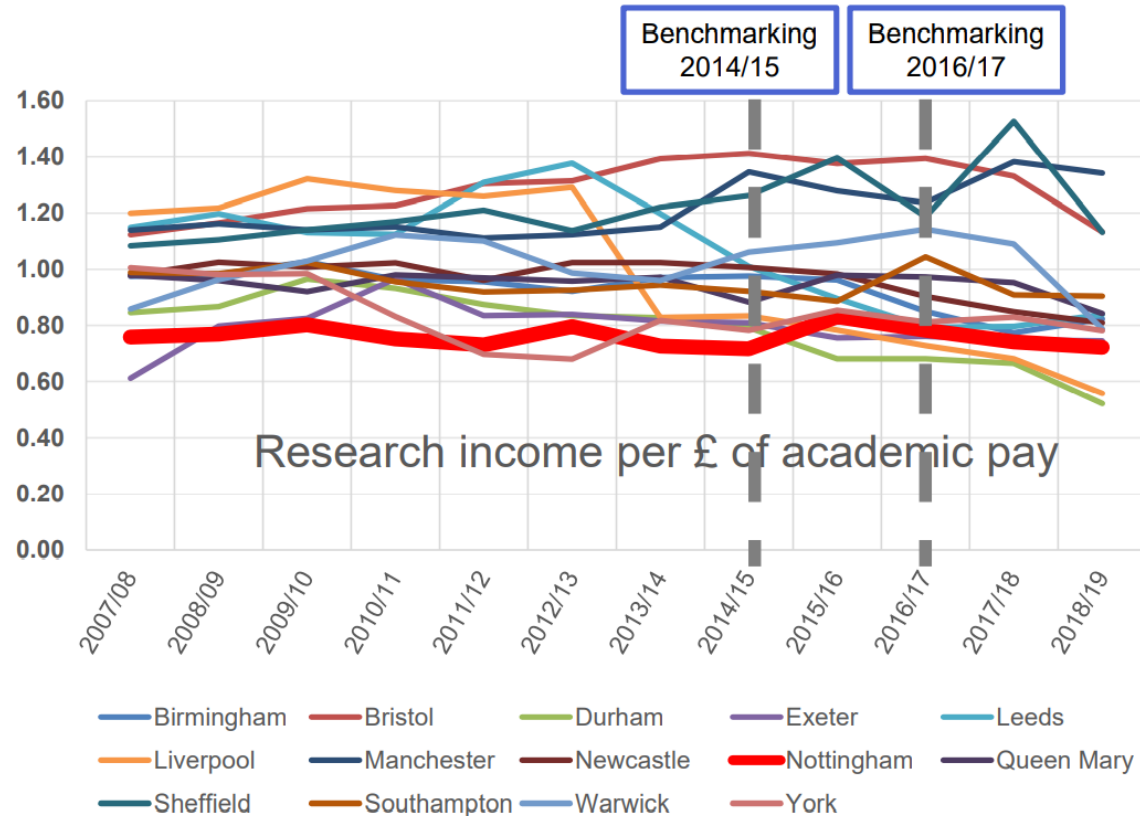
But since 2010s, share of top outputs has plateaued, or fallen

UoN has fallen behind (larger and smaller) RG competitors

As of today, we are mid-table RG for number of outputs, but poor on measures of average or top quality



Performance – Research & Knowledge Exchange



Financial data from HESA for period 2007-19 – comparing research income with costs in terms of academic pay (the picture looks similar for total staff pay). Competitor set is the English Russell Group minus Oxford, Cambridge, Imperial, King's, LSE and UCL.



Performance – Research & Knowledge Exchange

Current Portfolio March 2021



Our portfolio shows a high number of smaller grants,

e.g. awards under £50k make up 37% of our portfolio by count, but only 3% by value.

UoN grant portfolio dominated by high number of lower £-value grants

2018/19 UoN submitted 250 UKRI non-fellowship grants, with lowest average application value per grant in RG.

e.g. Newcastle achieved total grant awards 62% higher than UoN, with same number of grant awards; York achieved same total value of grant awards as UoN, but from half as many grant awards.



We have updated the assumptions for the Medium Term Financial Plan

	19/20 Final	20/21 LRF3	21/22 Budget	22/23	23/24	24/25	25/26
Income	£710m	£700m	£766m	£792m	£842m	£880m	£903m
Surplus	£9m	£14m	£25m	£32m	£45m	£45m	£39m
Surplus % Income Russell Group pre-COVID mean is 5%	1.3%	2%	3.3%	4.0%	5.3%	5.1%	4.3%
Investment	£53m	£54m	£81m	£96m	£99m	£100m	£100m
Cash	£40m	£65m	(£8m)	(£22m)	(£17m)	£0m	£0m
Net Debt (at end of year)	(£66m)	(£35m)	(£108m)	(£122m)	(£117m)	(£100m)	(£100m)



Post-COVID recovery and growth of international student recruitment. Limited UG growth to focus on improving tariff and increasing WP students



Recognise additional ongoing costs of COVID security, testing and additional student and staff support



Recover and grow commercial surpluses post-COVID



Improve research financial performance in line with our Russell Group peer group



Increase pension contributions by £10m per annum from 2021/22



Flex both Faculty and Professional Services allocations in line with student growth. Deliver COVID Related Budget Adjustments



Budget 2021/22

Faculty Operating Cost compared to student number growth				
	Faculty Cost per Student* 2021/22	Faculty Cost per Student* 2020 /21	Cost Base Growth % 2020/21 to 2021/22	Student Number Growth % 2020/21 to 2021/22
Arts	£5.2k	£5.0k	3.9%	-1.0%
Social Sciences	£5.3k	£5.3k	13.8%	14.8%
Science	£7.0k	£6.6k	5.8%	0.0%
Engineering	£7.6k	£7.3k	9.4%	5.3%
Medicine & Health Sciences	£8.8k	£8.7k	7.2%	5.5%
Other Academic Units **	-	-	13.7%	-
Total	-	-	8.8%	5.9%

Budgets for next year include an inflationary increase and additional resource for increased activity.



2020/21 financial performance has been better than budget, but the impact of COVID has been significant

	2020/21 Budget Assumption	2020/21 Expected Position
International Students	Recruit 20% of target	Improved
Home Students	Recruit 105% UG target	Improved
Commercial Income	Limited hotel and conferencing from September	Worsened
Research	£90m income £20m margin	Improved

£m	Budget Assumption	Expected Position
Reduced Income		
Student Recruitment	(80)	(29)
Commercial Income	(14)	(32)
Research	(48)	(21)
Other (Donations and VAT)	(8)	(7)
Increased Costs		
COVID budget		(8)
Additional Faculty budget allocation		(3)
Additional approved spend		(3)
Additional unapproved spend		(3)
Accommodation refund		(10)
Reduce COVID Related Budget Adjustments (15% plan)		(11)
TOTAL	(150)	(127)



Your hard work across the University has enabled us to deliver a strong financial performance this year.

thank you!



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Questions