Newcastle University Finances
Summary for Students
2019/20

From Newcastle. For the world.
Newcastle University is one of the largest universities in the UK. Our total income in 2019/20 was more than £544 million.

This summary aims to demonstrate where our income comes from and how we use that money to pay our staff, provide financial support to students and cover all other costs required to keep the University running today and in good shape for the future.

The information is prepared using a template developed by Universities UK so all universities provide information on a consistent basis. If you want to know more about us then please visit our Integrated Annual Report and Financial Statements.

Our total expenditure of £486 million in 2019/20 was £58 million lower than our total income. This was heavily influenced by a one-off credit against the future costs of our main pension scheme (USS) and measures taken to reduce expenditure in reaction to the Covid 19 pandemic.

We are a “not for profit” charity so do not pay dividends to shareholders. Any surplus made by the University is used to invest in improving our teaching and research facilities and investing in our colleagues.
Impact of Covid 19

In March 2020, the University reacted swiftly and effectively to protect our financial position in reaction to the Covid 19 pandemic.

As the campus closed and teaching and research activities ceased or moved online, strict controls were employed to reduce all but necessary non-pay expenditure thus protecting staff jobs and preserving cash balances for future years.

Over the summer there was investment in making the campus ‘Covid ready’ for the 2020-21 year and in further developing the online teaching provision. Careful financial control will remain in place to best protect the University throughout the pandemic and secure a healthy financial position for the future.
Value for money

An important element of Newcastle University’s Vision and Strategy is to deliver value for money. The target for management is to enhance the economy, efficiency and effectiveness of all activities and promote a culture of continuous improvement. This approach benefits the experience and delivery for students in many ways, including during 2019-20:

• Increased resource for the Counselling and Mental Health Team, meeting the higher demand for student appointments more quickly
• Growth in our Student Financial Support provision to offer advice, assistance and hardship funding where needed
• Launch of the Student IT Scheme to provide laptops and internet grants to students without sufficient access to IT facilities.
• Continuation of our award winning Careers Service resource creating placement positions for students across the UK and overseas
• Further development of our student facilities across the campus including sports, library and learning resources.

Due to the impact of Covid-19, where appropriate we have been able to swiftly and successfully move our offering online to continue service delivery.
**Investing for the future**

Capital expenditure (investment in buildings, IT, and teaching and research facilities) is not included in the pie charts. The key investments last year are summarised below. They are funded from external grants (usually from Government), donations from benefactors and from surpluses made in prior years.

<table>
<thead>
<tr>
<th>Project</th>
<th>£m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Henry Daysh Building</td>
<td>18.1</td>
</tr>
<tr>
<td>Dame Margaret Barbour Building</td>
<td>12.1</td>
</tr>
<tr>
<td>The Catalyst Building</td>
<td>5.7</td>
</tr>
<tr>
<td>Mostly Government funded</td>
<td></td>
</tr>
<tr>
<td>Capital Equipment</td>
<td>5.2</td>
</tr>
<tr>
<td>Stephenson Building</td>
<td>2.3</td>
</tr>
<tr>
<td>New Sports Centre</td>
<td>2.0</td>
</tr>
<tr>
<td>Other smaller Estates projects</td>
<td>5.6</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>51.0</strong></td>
</tr>
</tbody>
</table>
Where our income comes from

We draw on a variety of income sources to support our work, including government grants, student fees, donations and self generated income through commercial activities.

This chart shows the main sources of income in 2019-20. Student fees, in total, made up about 52% of our income.
How we spend our income

This chart shows how we used our income in 2019/20 to support a wide range of activity including education, cutting-edge research, knowledge exchange and community engagement. *This excludes the pension adjustment described.

Ensuring research led teaching and learning excellence, a quality student experience and student outcome success are at the centre of everything we do at the University.
Explaining the terminology

**Income**

**Government grants:** We receive grants from the Office for Students and UK Research and Innovation to support teaching high cost subjects (science, medicine etc.), to support the costs of our research activity, to help us with widening participation work and to help pay for some of our new buildings (notably in 2018-19, the Catalyst building which was almost entirely government funded).

**Research –other sources:** This is the total of grants received from bodies, other than the UK Government, to support our research work including charities, business and the European Union.

**Endowment and investment:** We have cash in the bank which earns interest and receive donations and legacies from friends of the University to support key areas of research and student experience.

**Intellectual property rights:** Sometimes our research creates results which are valuable to others and they pay us for the rights to use our knowledge.

**Other income:** includes money we receive from the NHS for work that our clinical colleagues do in local hospitals, consultancy work for business, income from our farms, government support from the Coronavirus Job Retention Scheme and many other smaller income streams.

**Expenditure**

**Teaching and research:** Support staff salaries include our laboratory technical and colleagues who work in School offices to support students and staff. Other costs include the day to day running costs of the schools and money they spend to undertake research work (which will be covered by research income from our funders).

**Administration and central services:** includes the costs of colleagues in Finance, People Services, Corporate Affairs, Marketing, NU Advancement and the Executive Office.

**Financial support to students and outreach:** includes the costs of all the bursaries and scholarships which we provide to students: both undergraduate and postgraduate and the costs of the work we have to do to encourage local schoolchildren to want to progress to a University.

**Student and staff facilities:** Includes our financial support to NUSU and the costs of training and developing our staff

**Maintaining campuses:** The costs of heating, lighting, cleaning and maintaining our buildings. It also includes business rates paid to the local council and rent costs for buildings which we don’t own ourselves.

**Accommodation and conferences:** The costs of running our students accommodation and catering services which is fully covered by the income we receive for those services.