



# Integrated Annual Report 2020-21

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## Our **2020-21 Integrated Annual Report**

- provides an overview of the University and our strategic objectives
- summarises our value creation model
- describes our key stakeholders and partnerships
- explains our approach to materiality and risk
- outlines key factors influencing performance
- reports on relationships and resources
- describes our governance structure
- reviews financial performance over the past year

We are working to be at the forefront of integrated thinking and reporting in the higher education sector. Our Annual Report is informed by the Integrated Reporting framework developed by the Value Reporting Foundation (VRF). This framework has been adopted across the globe to make more effective use of resources, improve decisions and enhance accountability, stewardship, transparency and trust. We use the framework to help us understand the strategic enablers and co-dependencies that materially affect our ability to create value for our colleagues, students and external partners, and thereby to deliver our Vision and Strategy.

In relation to the VRF Framework for integrated reporting, we confirm that Executive Board and Council have been involved in the development of this Integrated Annual Report. Council acknowledges its overall responsibility for the accuracy and integrity of the report's contents.

We have assessed compliance of this report against the January 2021 revision of the International Integrated Reporting Framework and believe that we are fully compliant with all but three of the requirements of the Framework, and mostly compliant with the other three. This assessment has been informed by external peer reviews in previous years.

# Highlights of the year



## August 2020

Shakespeare expert Dr. Emma Whipday wins coveted Shakespeare's Globe Book Award 2020 for 'impressive' first book.



## September 2020

Newcastle scientists discover an enzyme released by bacteria living on seaweed that is being used to revolutionise the way we wash.



## October 2020

Experts at Newcastle University successfully detect traces of coronavirus in sewage, providing an early warning for local outbreaks across the country.

## November 2020

The University and Swiss train-builder, Stadler, agree to work together on a range of initiatives for the Tyne and Wear Metro new trains programme.



## December 2020

Sumaiya Aziz and Hooman Valizadeh are the first Newcastle architecture undergraduates to be awarded bursaries from the Building Futures programme.



## January 2021

Newcastle University research is used to shape how dentistry can be carried out safely during the Covid-19 pandemic.





### February 2021

Newcastle medical students volunteer on the frontline during lockdown to support the North East Ambulance Service and one of the region's largest vaccination hubs. (Picture taken pre-Covid-19).

### May 2021

Film Practices graduate Alec Boyd wins the non-scripted category at the Royal Television Society North East & the Borders Student Television Awards.



### June 2021

The University joins forces with the North of Tyne Combined Authority to deliver the region's inaugural Green Economy Summit.



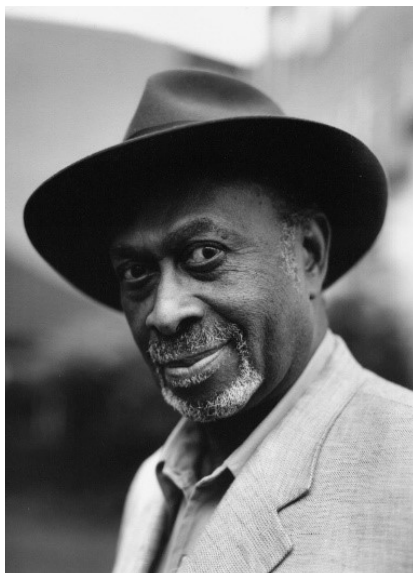
### March 2021

The £8m Hub for Biotechnology in the Built Environment will creatively harness biotechnology to develop a new generation of sustainable 'living buildings'.



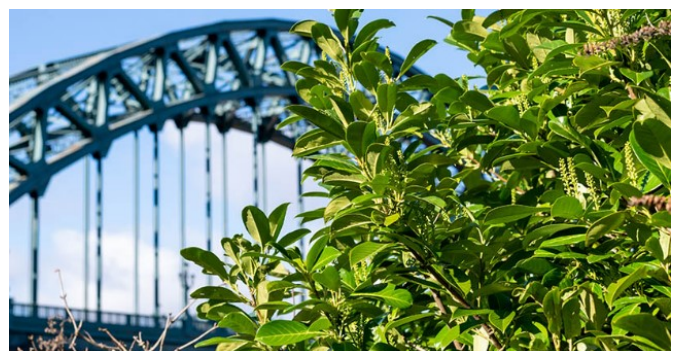
### April 2021

Newcastle University's Centre for Literary Arts and Bloodaxe Books team up to create The James Berry Poetry Prize for young and emerging black and minority ethnic poets.



### July 2021

Newcastle and Northumbria universities launch the Collaborative Newcastle Universities Agreement to support the economic and social recovery of our region post-Covid.



# Introduction from the Chair of Council

It is a remarkable achievement that despite the significant operational disruption presented by Covid-19 we have been able to maintain high levels of research income, deliver high quality education to nearly 30,000 students, maintain our strong financial position, protect and support our colleague base and keep momentum with our capital and academic investment programmes.

**Paul Walker** Chair of Council and Pro-Chancellor

Last year was another very challenging year for the University and the whole of the UK Higher Education sector, with significant uncertainty, the considerable impact of Covid-19 on delivering research and education and an increasingly turbulent, uncertain and adverse political environment.

I would like to thank my Council colleagues, the Executive team and the wider University community of students, staff and external partners for navigating the University through this complexity; delivering a fantastic set of outcomes alongside protecting the foundations for delivering longer-term strategic impact.

The year was particularly tough for our students, participating in a very different university experience to the one they were expecting. Whilst the University reacted very quickly to deliver high-quality online learning and teaching; the overall University life experience was impacted considerably by Covid-19.

Student survey results have sent the University a very clear message that our students expect to see improvements. Covid-19 had a disproportionate impact upon our international students, with travel and quarantine restrictions constraining their ability to fully participate in the Newcastle

experience. The University is also prioritising its commitment to supporting graduate level skills in the North East and reducing the attainment gaps for students from lower participation neighbourhoods.

We worked hard to ensure that the compass our strategy, values and principles provide helped us to take the right decisions when faced with significant risks, challenges and disruption. This included accelerating efforts to become net carbon zero by 2030, ceasing to offer Newcastle academic programmes in London, modifying our Student Protection Plan, reinforcing our commitment to reducing the gender pay gap, navigating the financial strategy through the pandemic and investment in cyber security and campus IT infrastructure.

The pandemic has been a catalyst for adopting new ways of working and delivering our education and we have been able to put in place plans, guided by our strategy, culture and values that will support our colleagues and students in rebuilding the spirit and vibrancy of University-life on our campuses. There is a strong commitment to returning to an excellent on-campus experience immersed in the City and all it has to offer.

**Overall  
Student Satisfaction  
2020-21**

National Student Survey

**69%**

Postgraduate Taught  
Experience Survey

**71%**

Postgraduate Research  
Experience Survey

**78%**

[Read more pages 30-32](#)



Our rapid and decisive action to protect our strong financial position, with strong cash balances and without having to take any short term actions that would damage the longer-term position, has enabled the University to maintain momentum and strategic investment in academic priorities and key capital projects. Strong growth and recovery plans are in place for all of our faculties that will increase international students, invest in academic colleagues and address staff-student ratios, increase the proportion of postgraduate students and diversify the international student population. Our investment in strategic academic and capital development continues at pace with the Farrell Centre, the Stephenson Engineering Building project and the Advanced Engineering Research Hub all in development.

We continue to play a leading role in stimulating and supporting the economy and championing social justice. Our position as the lead in Driving the Electric Revolution Innovation Centre project positions

us to play a significant role in the economic development of the NE centred around the UK's first battery-making giga-factory. Our contribution to sustainable development goals is reflected in our world-leading position (15th) in the UN Sustainable Development Goal based THES Impact World League tables.

Council will continue to keep a close eye on the strategic risks which we face. The Government's position on the funding of the Higher Education sector (and the funding of arts and humanities), coupled with uncertainty around the speed of recovery of international student markets, are likely to increase the financial pressures we face in delivering student education. We continue to invest in protecting the University against key infrastructure risks in relation to carbon net-zero, cyber-security, and alignment of our estate with new ways of working. Pensions and skills shortages are key staffing risks we are monitoring closely.

I would particularly like to thank the outgoing members of the Executive (Professor Suzanne Cholerton, Richard Dale and Professor Philip Wright) and Stephen Lightley, the former Treasurer, for the immense contributions they have made to the success of the University. Justin Cole, Nick Collins, Professor Stephanie Glendinning and Professor Tom Ward have all joined the Executive Team, strengthening our capability in leading the University through the next phase as we build back stronger.

As we move into 2021-22, my priorities are to ensure that the University continues to accelerate its strategic development, growth and recovery. We will face into our opportunities and risks with the confidence and strength of a University community invested in our strategy and values. As Chair of Council, it is my pleasure to present to you this report on behalf of all those who contribute to the ongoing success of Newcastle University.

# Conversation with the Vice-Chancellor and President

Professor Chris Day reflects on the highs and lows of the past 12 months.

**The whole of the last academic year has been severely disrupted by Covid-19. How do you feel the University has coped over the past 12 months?**

We cannot get away from the fact that the pandemic has stretched all of our personal, physical and mental reserves to the limit. I want to start by thanking all our students and colleagues who pulled together, supported one another and kept our University going throughout the most challenging period in our recent history.

Against all our hopes, Covid-19 restrictions meant that the majority of our education this year had to be delivered online. The start of the academic year also coincided with an increase in cases and periods of local lockdown, so many of the students who had made their way back to Newcastle for the start of term found themselves largely confined to their accommodation. It was especially hard for our international students, who had to deal with travel restrictions and quarantine requirements.

As ever, though, our Newcastle community rose to the challenge, with colleagues rallying to deliver essential supplies and grocery vouchers to self-isolating students. I was incredibly proud of their efforts, those of students and colleagues who volunteered to operate telephone and email helplines to support students in need and, in particular, our estates and security teams who worked hard on campus throughout the pandemic to keep our community and buildings safe.

We faced another unexpected hurdle when our IT system was hit by a serious cyberattack at the start of the year. It was a major setback for our already stretched IT services, but thanks to their prompt response we were able to



safeguard our valuable data and keep the majority of our systems running while they worked to address the breach.

Despite all of this, I think we can all be really proud of our collective response to the challenges of the last 12 months. One of the stand-out features for me has been the way we've all adapted to working remotely. I'm told that between July 2020 and August 2021, the University held nearly 593,000 meetings on Zoom, involving almost four million attendees!

A significant number of these meetings were in fact virtual lectures and tutorials. Moving education entirely online and finding new and creative ways to engage students in the absence of in-person teaching took an enormous amount of effort on the part of our academic colleagues. Thanks to their dedication, our students were able to achieve the outcomes required by their degree programme, and I really want to pay tribute to all of them.

These efforts were rewarded in July when we were able to welcome many final year students back to take part in a series of photography days in lieu of a

graduation ceremony. Seeing so many students happy to be back on campus, wearing their gowns and celebrating their achievements with family and friends was really inspiring. We will offer all those whose graduation ceremony was postponed due to Covid the opportunity to attend a ceremony in person in the coming year.

**Are there any highlights that have stood out particularly for you during the year?**

There have been many outstanding examples of individual and collective achievement across the University that have given us cause for celebration.

Despite all the challenges they have faced, our students have stepped up to support their local community. They expanded the Helping Hands network of volunteers providing help with childcare, shopping and even pet care for under-pressure frontline workers. Our First Responders, a dedicated team of medical students who volunteer to support the North East Ambulance Service, have become so indispensable that they have been given £20,000 to buy a new hybrid-electric vehicle for their emergency calls.

A particular highlight was the significant progress in our values-led work. We were recognised as a University of Sanctuary for our ongoing work with refugees and asylum seekers, and successfully renewed our institutional Athena Swan Silver accreditation which recognises our commitment to Equality, Diversity and Inclusion. We also launched our Climate Action Plan, which sets out our ambitious plans to achieve net-zero carbon emissions by 2030.

I was also very proud to present the first Engagement and Place Awards, which recognise and celebrate the many innovative collaborations between our colleagues and partner organisations, and the contribution they are making to the social, cultural and economic wellbeing of our city and region.

We rounded the year off in style when two of our graduates, rowers Tom Ford and James Rudkin, helped propel Team GB to a Bronze medal in the men's eights final at the Tokyo Olympic Games.

### **Covid notwithstanding, would it be fair to say that it has been another turbulent year for the higher education sector?**

While we might have expected higher education to be out of the spotlight as the government focused on dealing with the pandemic and bolstering the economy, the reality is that, politically speaking, our sector is more contentious than ever.

We're still waiting for the consultation on the Augar review, on the reform of higher education funding, but we do know that the government has made it clear that it intends to keep public spending on higher education under control. They will be considering a range of options to help them achieve this, so collectively as a sector, it is going to be increasingly vital that we do everything we can to emphasise the importance of universities to the country's social and economic recovery from the pandemic. It means making the most of opportunities like Universities UK's #GettingResults campaign to demonstrate the value of our research and skills development, our support for

business, our student and graduate start-up companies and our role as major employers and key partners, to our cities and regions.

We're acutely aware that as it grapples with the pandemic, the government has had to make some very difficult decisions. Nonetheless, their announcement in March 2021 that Official Development Assistance funding was to be cut by half came as a shock. Among other things, ODA funding supports UKRI's Global Challenges Research Fund Hubs. We were very proud to be awarded two of these hubs, which support 94 partners in 24 countries and involve many hundreds of researchers around the world. In the short term, we have stepped in to cover some of the shortfall resulting from the cuts, but the future remains uncertain as, despite the universal outcry, the decision is unlikely to be overturned.

Again, despite strong objections, the Office for Students announced in July that it was going ahead with plans to cut subsidies for arts and humanities courses by half. This is worrying for us, because it affects a number of our most popular degree programmes. But more worrying still is the short-sightedness of the government in devaluing the UK's vital cultural sector at a time when it is needed the most.

### **Last year you were 'cautiously optimistic' about the future – has that hope come to fruition? And if you could look into the future...**

The one thing we all hope for is a return to a more traditional university experience for our students, with the resumption of in-person teaching and activities on campus.

We were obviously disappointed by our poor performance in the most recent National Student Survey, and while we can look to Covid as a reason up to a point, the message from our students is loud and clear. We need to do better in terms of how we engage with them as individuals and our immediate priority has to be on making sure we are far more student-focused in our thinking. I'm confident that we can achieve this under the leadership of Professor Tom Ward,

our newly appointed Pro-Vice-Chancellor for Education.

One of our great advantages as a strongly place-based institution is the strength of our regional partnerships with business and industry, local government, the NHS and the voluntary sector. Coupled with our key research expertise in energy, data and transport, which align closely with this government's priorities, we are ideally placed to support their stated ambition of levelling up the country and – crucially – to spearhead our region's social and economic recovery from the pandemic.

We are entering a period of real opportunity to establish the University, and our region, at the forefront of the green economy and as the driving force behind the transition to Net Zero, in particular through our national role as lead for the Driving the Electric Revolution Industrial Centre project.

Britishvolt has begun development of a 95-hectare site in Blyth for the UK's first battery-making gigafactory. This is one of the UK's biggest-ever industrial investments, and the largest in the North East of England since the arrival of Nissan in 1984. Nissan itself has recently announced a £1bn investment in partnership with Envision AESC to create a second gigafactory in the region, close to its car plant in Sunderland. Together these two proposals could create over 4,500 direct jobs and a further 9,500 in the wider supply chain.

There is no doubt in my mind that one of the factors behind these decisions is the proximity to the University as a provider of world-leading research and innovation, CPD and skills development, and access to a ready-made highly talented graduate workforce.

While we have perhaps faced more challenges than ever before, and we're certainly not out of the Covid woods yet, there are exciting times ahead. I have every confidence that with our return to campus our Newcastle University community will go from strength to strength in the months and years to come.

## Faculty highlights

### Medical Sciences

Despite the challenges of Covid-19, we have been agile and creative in ensuring that our students were able to qualify, including those in professionally regulated subject areas. Nominations in eight of nine Newcastle University Students' Union Teaching Excellence Award (TEA) categories reflected the appreciation of our students, with our colleagues winning in four of these categories. Dr Liz Evans won the Solidari-TEA award, a unique award for 2020. We also celebrated two new National teaching Fellows (Clare Guilding and Iain Keenan).

Research undertaken by Dental Sciences in bioaerosol production meant that up to 400,000 undergraduate-led dental appointments per annum could restart in the UK. Nationally, we secured key worker status for health care students, allowing them to continue in placements and receive early vaccination. Colleagues in Malaysia fought a hard battle against a late wave of coronavirus to get our final year medical students 'over the line' and into assistantships in the midst of a national lockdown.

We were delighted to secure renewal of our Cancer Research UK Drug Discovery programme against a harsh funding backdrop for charities. Colleagues also secured renewed membership of our NIHR School for Public Health Research (FUSE) until 2027 and renewal of our Wellcome Trust Centre for Mitochondrial Research.

After two new Academy of Medical Sciences Fellows in 2019, we celebrated a further four Academy fellows this year (Steve Clifford, Heather Cordell, Tracy Palmer and Joris Veltman), whilst Volker Straub was awarded NIHR Senior Investigator status. Our colleagues also received several prestigious individual awards from charities and specialist societies.

Our pipeline to develop new research talent is strong, thanks to success in two MRC Doctoral

Training Programmes (Discovery Medicine North and Trials Methodology). Both applications were highly ranked against strong national competition.

Working with our NHS partners, the regional Academic Health Science Network and the City Council has been a major activity in 2020. Much of this work has been led through our Academic Health Science Centre, Newcastle Health Innovation Partners (NHIP). Through NHIP, we have contributed to the success of the Integrated Covid Hub North East. We have also played a major part in shaping plans for the development of the Campus for Ageing and Vitality.



***'I would like to acknowledge the efforts of all of our colleagues, and professional services colleagues in particular, for their efforts in 2020-21 to ensure that our Faculty has remained strong in such turbulent times'***

**Professor David Burn,**  
PVC Medical Sciences

### Humanities and Social Sciences

The Covid-19 pandemic meant that much of the Faculty's activity in the 2020-21 academic year was delivered online. Colleagues created innovative synchronous and asynchronous content for 1,600 modules, facilitated virtual placements and exchanges both in the UK and internationally, and supported our students to adapt successfully to this new learning environment and to achieve exceptional outcomes. In many of our practical disciplines we were able to ensure access to studio spaces as government restrictions eased, as well as facilitating online exhibitions and recitals of student work.

In March 2021 the faculty made its submission to the Research Excellence Framework (REF). This marked the culmination of over seven years' work, and saw the number of research-active colleagues submitted grow by 70% since REF 2014. 1,400 outputs and 59 impact case studies were submitted across 16 Units of Assessment. The range of impact case studies submitted – from work on improving the quality of life for dementia patients through museums and the arts to improving education for Roma families – evidences the faculty's commitment to the living lab concept where our research, often interdisciplinary, and teaching develops within and responds to real world environments.

The faculty continues to be a powerful national advocate for the value of collaboration between SHAPE (Social Sciences, Humanities and the Arts for People and the Economy) and STEM (Science, Technology, Engineering and Mathematics) disciplines, and is the home for the University's new cross-disciplinary and cross-faculty academic unit – School X – which will provide a platform for strengthening our interdisciplinary and challenge-led education and research.

We were delighted to see the work of colleagues recognised nationally: Professor Emerita Linda Anderson was awarded an OBE in the New Year Honours list;

Professor Emeritus Anders Holmberg was elected Fellow of the British Academy; and Professors Rose Gilroy, Danny McKinnon, John Pendlebury and Tracy Shildrick were elected as Fellows of the Academy of Social Sciences.

The largest capital investment for the faculty is now reaching conclusion with Phase 2 of the Henry Daysh Building which opened in September. Work on the Farrell Centre has resumed with a projected completion date in late 2022. The Farrell Centre takes its inspiration from alumnus Sir Terry Farrell's recommendation that every city should have an 'urban room' where citizens can actively engage with their city's past, present and future, and will feature exhibition, workshop and start-up incubator spaces.



***'We continue to be a powerful national advocate for the value of collaboration between SHAPE (Social Sciences, Humanities and the Arts for People and the Economy) and STEM disciplines'***

**Professor Nigel Harkness,**  
PVC Humanities and Social Sciences

## Science, Agriculture and Engineering

We all worked hard in this challenging year to ensure our students had the best experience possible and colleagues had the support they needed to continue their teaching and research. This was highlighted with an Outstanding Contribution to Teaching award from the Teaching Excellence Awards to Dr Roy Sanderson. We also celebrated Dr Mathew Brown who became a Fellow of the Royal Academy of Engineering, Dr Ian Buxton was awarded an MBE in the Queen's Birthday Honours List, Professor Sue Grimmond was awarded the Royal Meteorological Society's prestigious Symons Gold Medal, and Professor Hayley Fowler was named as one of top 1,000 influential climate scientists worldwide by Reuters.

2021 is a pivotal year as we celebrate the 150th anniversary of the establishment of the College of Physical Science. We plan to highlight just how far we've come in 150 years and look ahead to what can be achieved with our commitment to social justice and inclusivity.

Alongside our new flagship Engineering Flexible Stage 1 programme, our ambitious plans continue with the redevelopment of the Stephenson Building to help keep us at the forefront of engineering teaching and research.

With a £1.2m EPSRC grant, we worked with our partners Northumbrian Water to open Europe's largest wastewater treatment research facility, BEWISe - Biological Engineering; Wastewater Innovation at Scale.

We're leading the Driving the Electric Revolution Industrial Centres with a £30m government fund to enable faster collaborative research and development of electric machines - including cars, planes and ships.

Our faculty support for the pandemic response was outstanding. Colleagues led research ranging from the

production of electrochemical sensors for SARS-CoV-2 detection to 3D printing of PPE for the NHS which led to winning the Dynamites North East Business IT and Technology award 2020 'Project of Year/Not-for-profit' in September 2020.

Our Singapore campus successfully negotiated a new five year Collaborative Agreement with the Singapore Institute of Technology to teach three joint undergraduate engineering degrees, further strengthening our Global Strategy.

In June 2021 we appointed Stephanie Glendinning as Faculty Pro-Vice-Chancellor. Stephanie brings with her a wealth of experience which will help the faculty achieve its full potential.



***'I am delighted to have been asked to lead the Faculty as Pro-Vice-Chancellor and share my wealth of experience to reach our full potential and support colleagues in their professional ambitions.'***

**Professor Stephanie Glendinning,**  
PVC Science, Agriculture and Engineering

# Overview

Newcastle University can trace its origins to a School of Medicine and Surgery, established in Newcastle in 1834, and to the College of Physical Science, later Armstrong College, founded in the city in 1871.

These two colleges formed one division of the federal University of Durham, the Durham Colleges forming the other division. The Newcastle Colleges merged to form King's College in 1937 and, in 1963, when the federal University was dissolved, King's College became the University of Newcastle upon Tyne, latterly trading as Newcastle University.

We were a founding member of the Russell Group, comprising the UK's leading research-intensive universities.

The University:

- is home to almost 30,000 students
- offers undergraduate, postgraduate taught and research degrees in over 60 subject areas
- undertakes world-leading research, spanning a wide range of activity with a strategy to address major global societal challenges
- enjoys strong research links with many European and other international universities
- is one of the largest employers in the North East of England, with 6,500 colleagues (5,900 full-time equivalents)
- sits in the heart of Newcastle city centre with campuses in Malaysia and Singapore

Our Vision and Strategy is to be a world-leading university, advancing knowledge, providing creative solutions and solving global problems.



The Vision is supported by four core strategies covering:

- Education for Life
- Research for Discovery and Impact
- Engagement and Place
- Global

Strategic leadership of each of these is provided by our Deputy Vice-Chancellor and Provost, four 'cross-cutting' Pro-Vice-Chancellors (PVCs) and a number of Deans with University-wide remits. We collaborate with a range of partners on strategic initiatives, helping to extend the University's influence and reinforce our ties with the city, region and beyond. These include Newcastle City Council, North of Tyne Combined Authority, local NHS Trusts, North East Local Enterprise Partnership and partner universities in the North East of England.

Delivery of the core academic functions occurs in our three faculties, each led and managed by a PVC:

- Faculty of Humanities and Social Sciences
- Faculty of Medical Sciences
- Faculty of Science, Agriculture and Engineering

Each faculty consists of a number of academic units, typically schools or research institutes, each led and managed by a head or director. The core academic functions and line-management structures combine to form the academic map of the University in which we envisage the faculties as vertical columns, with the core functions as cross-cutting institutional activities.

Interdisciplinary and cross-disciplinary activities are coordinated and supported by the cross-cutting PVCs. The academic enterprise is supported by a number of corporate activities within the Professional Services teams.

# The University at a glance 2020-21

More  
on

<b>Students</b>	<p>29,872 students, up 1% on 2019-20</p> <p>25% of UK taught students on postgraduate courses</p> <p>17% of UK taught students from outside the EU</p> <p>19% of new undergraduate students from the North East</p> <p>1,876 students at our Singapore and Malaysia campuses</p> <p>69% National Student Survey overall satisfaction</p>	<p><i>Pages</i> 42-44</p>
<b>Graduates</b>	<p>80% of those in employment in graduate level jobs</p> <p>244,840 alumni in 187 countries</p>	<p><i>Pages</i> 30-32</p>
<b>Research</b>	<p>£115m of new awards</p> <p>£100m research income</p> <p>4,912 research publications during the year</p> <p>58% of research publications internationally co-authored</p>	<p><i>Pages</i> 33-35</p>
<b>Finance</b>	<p>£536m income, down 1% on 2019-20</p> <p>£52m EBITDA (9.7% of income), down 11% on 2019-20</p> <p>£207m year end gross cash balances</p> <p>£33m capital expenditure</p>	<p><i>Pages</i> 55-60</p>
<b>Colleagues</b>	<p>5,878 full time equivalent at 31st July, down 90 on 2020</p> <p>46% in academic and research roles</p> <p>Underlying staff costs 58% of income</p>	<p><i>Pages</i> 45-47</p>
<b>World rankings</b>	<p>134th in QS World University Rankings, up 18 places on last year</p> <p>66th in Leiden ranking</p> <p>146th in THE World University Rankings, up 32 places on 2020</p> <p>15th in THE Impact Rankings</p>	<p><i>Page</i> 39</p>

# Our principal stakeholders

An organisation as diverse as the University naturally works with a wide range of stakeholders. The principal stakeholders are listed here together with a summary of how we seek to engage with them.

## Students

We have almost 30,000 students from more than 140 different countries and they are key to our work. Their activity and success is described in more detail on pages 42-44. The student voice and student engagement are important features of our governance and strategic planning processes. As active members of the University community, students trained by Newcastle University Students' Union contribute through our consultation system as course representatives and student chairs of student staff committees.

Council, Senate, Court and many key University committees and groups include student members. In 2020-21, they contributed more than half of our total income through tuition fees and accommodation payments, either directly or via the Student Loans Company or sponsors.

## Colleagues

We have 6,500 colleagues drawn from 95 countries, including some 555 from the European Union, and they are critical to our success. Their activities and successes are described in more detail throughout this report, and in particular, on pages 45-47. There are formal opportunities for colleagues to be represented in the University's governance processes through elected membership of Council and Senate and through engagement with our three recognised trade unions: University and College Union, Unison and Unite. There is also an extensive internal communications programme.

## Alumni

We have 244,840 alumni in 187 countries worldwide and are looking forward to celebrating the graduation of the 250,000th member of the alumni community in early 2022.

Recognising the changing needs of our alumni community and the need to increase substantially our digital engagement, in 2020 we enhanced and refocussed our alumni offer into the following main areas:

- **Newcastle Connect**

Supporting Newcastle graduates in expanding their professional and social networks and providing the community with updates and news from their university and their fellow alumni.

- **Newcastle Develop**

Delivering professional and career development to the global alumni community.

- **Newcastle Discover**

Providing intellectual and personal development for alumni. Focusing on our key areas of research and big society topics, we actively encourage alumni to get involved in key issues that align with the values of the University.

In October 2020, we held our first Alumni Day of Action on the theme of One Planet. This replaced the alumni weekend with the aim of bringing our global alumni community together in collective action to tackle key societal issues.

During 2020-21, we hosted a further 41 events with attendees from 42 different countries. Despite the challenges of the pandemic, the shift to digital events has enabled a much broader reach of the alumni events programme and greater global inclusivity.

We remain grateful for the support of alumni volunteers who have supported the PARTNERS programme to recruit widening participation students, spoken at University and alumni events and offered practical mentoring support to students and recent graduates.

## The local community

We recognise the importance of engagement with our local community and businesses and have key partnerships with civic organisations such as Newcastle City Council, Newcastle upon Tyne Hospitals Trust and Northumbria University. These partnerships are vital in our plans to the recently launched Civic Universities Agreement.

We have a formal partnership with Newcastle City Council through the Newcastle Helix partnership and we work with Northumbria University and our respective students' unions to promote good relations between our students and the local community. We are members of the Confederation of British Industry and the North East Chamber of Commerce and have a regular programme of engagement with businesses and voluntary organisations in the region.

We are particularly proud of our partnerships with local cultural organisations including Tyne and Wear Archives and Museums, Seven Stories, Northern Stage, The International Centre for Life and Sage Gateshead. We have a wide programme of engagement with local schools and colleges. The Great North Museum was a major visitor attraction pre-Covid with around half a million visitors a year and we expect visitors to return in great numbers post pandemic. The University has twice-yearly meetings of Court, with around 40 lay members representing business, politics, the arts, local government and the voluntary and community sectors.

### Funders and regulators

The Office for Students (OfS) is the principal regulator for higher education providers in England. Its responsibilities include promoting wider participation in higher education for disadvantaged groups. Given its regulatory role, our engagement with the OfS is predominantly formal and they regard the Vice-Chancellor and President, as the Accountable Officer, as their principal contact.

UK Research and Innovation (UKRI) is our principal research funder supporting a large number of research projects and providing recurring and capital funding to the University. They also manage the Research Excellence Framework (REF) which seeks to measure research quality and impact across the sector.

More than 500 funders, drawn from government, the third sector and the private sector, contributed £99.6m of research income to the University in 2020–21. Many of these funders have formal programmes of engagement and assurance with the University as well as a wide range of informal relationships.

### Partner organisations

We work with universities in the UK, Europe and across the world to further our research interests.

However, it is in the nature of the higher education sector that we compete and collaborate at the same time. Our principal competitors are research-intensive universities in the UK and, to a lesser extent, other universities in the North East.

We work closely with other universities in the region to promote widening access to higher education through the Uni Connect programme, which we lead in the North East. We also work with them on a range of research and engagement initiatives.

We are members of Universities UK, the Russell Group (comprising the 24 leading research-intensive universities) and the N8 Research Partnership (of eight research intensive universities in the north of England), as well as numerous sector-wide bodies that work to promote shared services and common understanding.

We have strategic partnerships with several universities including Groningen in the Netherlands, Pittsburgh in the USA and Monash in Australia.



# Charity Status and Public Benefit Statement

For the year ended 31 July 2021

In developing and overseeing the University's strategy and activities, Council has had due regard to the Charity Commission's guidance on public benefit.

It is also aware that, because the University is charging high fees, it must make provision for those from lower income backgrounds to have the opportunity to benefit from the services provided. The principal beneficiaries of the University's services are our students and the public at large.

The Office for Students is the principal regulator for most English higher education institutions under the Charities Act 2011 and is the regulator for this University.

Our statutes define the object of the University as 'for the public benefit, to advance education, learning and research'. Public benefit is embedded in our Vision and Strategy. The University takes seriously its commitment to ensure that it satisfies the Charity Commission's public benefit test that there be identifiable benefits and that the opportunity to benefit must not be unreasonably restricted. We have a range of schemes to encourage participation in our academic programmes by students from under-represented socioeconomic groups and those from low income households.

We alert all prospective and current students to the financial support opportunities, through our website, brochures, talks, workshops, mail shots, email, social media, and plasma screen reminders throughout the year.

In addition, we have committed £34.2m through our Access and Participation Plan to student financial support.

In 2020-21 we provided £2.4m in means-tested scholarships to



support 1,391 new undergraduate students from low income families who might otherwise have been unable to afford the costs of going to university. This constituted 24.3% of our 5,735 full-time UK and EU undergraduate entrants in 2020. We also paid a further £5.5m to support 3,194 undergraduates continuing their studies. Total undergraduate financial support of £7.9m for 4,585 students in 2020-21 was broadly in line with the financial support paid in 2019-20.

We supported 53 mostly full-time taught postgraduates from widening participation backgrounds with scholarships of up to £5,000, to supplement the Postgraduate Masters' Loans available from the Student Loans Company.

During 2020-21 we awarded more than 9,500 undergraduate and postgraduate degrees.

We are the largest research university in the North East. During the calendar year 2020 our academic colleagues published 4,912 research articles, books, book chapters and conference proceedings, a decrease from 5,607 in 2019, likely reflecting the adverse impact of the Covid-19 pandemic on research activity and conference proceedings.

## Philanthropy

Over the year, the need for philanthropic support has never been greater. The University's alumni and supporter community showed great generosity in response to the Covid-19 pandemic, providing over £100,000 in financial aid to Newcastle students and over £200,000 towards research to tackle the impact of the pandemic. In total, over £3.8m has been

donated or pledged as future support in addition to donations of over £4m from the University's Development Trust. Notable support has also been received from corporate and foundation donors including Santander Universities, Ubisoft, Bernard Sunley Foundation and the Ruth and Lionel Jacobson Charitable Trust.

The Charities (Protection and Social Investment) Act 2016 requires charities to state the approach taken in fundraising. We seek, steward and accept benefactions in support of our charitable objective. We do so under the leadership of the Director of Advancement. In our fundraising activities we follow the Principles of Practice for Fundraising Professionals at Educational Institutions approved by the Council for Advancement and Support of Education's Board of Trustees in July 2014. This sets out ethical principles of personal

integrity, confidentiality and public trust. We complied with these standards in 2020–21.

We expect that useful knowledge acquired through research will be disseminated to the public and others able to benefit from such research. We normally expect that any private (non-charitable) benefit will be legitimately incidental to the achievement of our charitable aims for public benefit. The terms and conditions of all externally funded research activity are assessed prior to acceptance in terms of the public benefit test for charitable purpose.

More information on our work and the way it fulfils our charitable purpose is included in this report and on our website [ncl.ac.uk](http://ncl.ac.uk).

We were also proud to hold an official opening ceremony for the Dame Margaret Barbour Building, named in honour of Dame Margaret for her enduring generosity

towards the University and to causes across the North East of England.

As a legacy to the kindness shown by many people in response to the impact of the pandemic on our students, we launched the Newcastle Student Fund, to support students at every stage from admission through to the graduate job market. A number of our most generous donors and supporters have come together to pledge a match fund of £100,000.

As well as supporting students and Covid related research, donors have continued to back major University priorities including research into climate change through the ONE Planet Fund and research into cancer through the Newcastle University Cancer Fund.



*Dame Margaret Barbour Building opening ceremony, May 2021*

# Our Value Creation Model

We exist for the public benefit to advance education, learning and research. In this section, we use a value creation model to describe how we create and sustain value for our many stakeholders.

## Inputs

### Our resources and relationships

The University utilises the following inputs to create financial and non-financial value

#### People



#### Infrastructure



#### Networks and Partnerships



#### Environmental



#### Financial



## How we create value

To advance education, learning and research for the public benefit, we have created a world class learning environment in Newcastle city centre with national and international bases.

We work with partners to identify the challenges that face society, the skills requirements for new graduates and the study interests of prospective students.

Our research addresses global challenges and our graduates make a significant contribution to society.

Annual surplus is reinvested to support delivery of our Vision.

We recruit the best colleagues from around the world who undertake both blue-skies and applied research, often funded externally and delivered in partnership with other organisations.

Students pay tuition fees, and we also generate income from formula-driven government grants, the licensing of IP, commercial operations, investment income and donations and endowments.

Our research-led teaching is a distinguishing feature that helps us to attract the brightest students from across the UK and around the world, regardless of background.

Our Vision and Value Creation model is assured by effective governance

**Read more:**

Our Vision and Strategy pages **28-29**  
 Corporate Governance pages **61-66**  
 Financial Review pages **55-60**  
 Independent Auditor's Report to Council pages **70-72**



**Aspirational Outputs**

Outputs can be measured in a number of different ways. For more information on how we measure success, see pages 28-29

**Student Satisfaction**

Excellent scores in student satisfaction surveys across all disciplines

**Graduate Destinations**

High rates of graduate employment in professional jobs or further study

**Colleague Engagement**

Excellent results in our colleague engagement survey

**Research outputs**

High proportion of research outputs rated world-leading or internationally excellent

**Reputation**

Enhanced global reputation for education and research

**Balance sheet**

Strong cash balances to invest for the future and ensure financial sustainability

**The value shared**

The financial and non-financial value we create is reinvested to support delivery of our Vision and to the benefit of our stakeholders.

**Local community**

We develop over £800m pa in GVA contribution to the Northern region and work with local communities to attract jobs and investment to the region.

**Students**

We reinvest in our teaching and learning facilities for current and future generations of students.

**Alumni**

As we support graduates into professional employment or further study, we create and sustain a global network of engaged alumni.

**Colleagues**

We develop and reward our colleagues and seek to grow our academic base by reinvesting in facilities and new appointments.

**Funders and regulators**

We work with research funders and government agencies to share the value we create and to develop new opportunities to address societal challenges.

**Partner organisations**

We nurture and develop close partnerships with employers and other universities to leverage additional value.

# Social and environmental justice

Newcastle University has placed social and environmental justice at the heart of its thinking and its values. This year, even in the context of the pandemic, we were able to progress a number of really important initiatives.

Following detailed and ambitious conversations with University-wide teams including our student representatives and our Council, we agreed to bring our net-zero target forward to 2030. As a result, we published our Climate Action Plan this year – our roadmap for change at pace. This whole university effort has been recognised with a national Green Gown award nomination. We were also actively involved in regional and national task forces contributing to sector-wide initiatives and policy change in the run up to COP26 in Glasgow in late 2021.

Equally meaningful in terms of our social justice activity and recognising another whole university commitment is our University of Sanctuary of accreditation. The award acknowledges huge achievements not least by our student volunteers in NEST (North East Solidarity in Teaching), a thriving student

society that works to support refugees and asylum seekers in our region. The efforts of our student wellbeing team as well as our educational commitment through the provision of Sanctuary Scholarships and our socially engaged academic research all contributed to receiving accreditation. We now have an action plan for the next three years and we are proud to say that our work with the Council of At Risk Academics (CARA) meant we were able to respond with speed and compassion as an institution to the unfolding situation in Afghanistan situation this year.

The University's alignment of this mission-critical work to the UN Sustainable Development Goals (SDGs) was once again recognised by a very strong showing in the Times Higher Education Impact Rankings in 2021 which measures achievements across the four broad categories of research, stewardship, outreach and teaching. For SDG 12: Responsible Consumption Newcastle was placed 2nd in the world and we were joint 15th overall for SDG 11: Sustainable Cities and Communities.

This recognition is for us just a brilliant outcome of doing the deep work we all care about in our different areas of responsibility and practice, from education to volunteering, from research to the practical challenge of how we manage our sites and buildings to the personal accountability of all our teams to reduce inequalities and make a positive difference. It is something to be truly proud of and has been a north star for the institution in challenging times, providing our moral compass and helping us to keep focussed on benefitting society and working together to respond to global challenges and shape a better future for all.



*'Our students have been a shining light in this work and that gives us real hope. Their leadership in social and environmental justice will help shape a better future for all.'*

**Professor Julie Sanders**  
Deputy Vice-Chancellor and  
Provost



# Sustainable Development Goals

Key to the post pandemic recovery is rebuilding more sustainably and in this section we highlight some of the ways our University is contributing to the United Nations Sustainable Development Goals (UNSDGs), towards peace and prosperity for people and the planet.

## Education for life

### Newcastle Student Climate Change Summit

In March 2021, in collaboration with Northumbria University and Newcastle City Council, we hosted Newcastle's first Student Climate Change Summit where students learned about commitments to climate action in the city and actions that they can take to help tackle the climate emergency. The Summit was followed by a week long Net-Zero Innovation Challenge where teams of students worked to generate ideas that could have meaningful impact on carbon reduction in the city.



### Newcastle offers Climate Change scholarships for women in South Asia

In January 2021 the University and the British Council announced seven fully funded scholarships for female students from Afghanistan, Bangladesh, India, Nepal, Pakistan, and Sri Lanka interested in pursuing master's studies in the field of Climate Change. The scholarships cover full tuition fees, monthly stipends, a return economy class ticket and other study-related costs. The scholarships are available from September 2021 for one year, and are part of the British Council's programme to support women and girls in STEM around the world.



### Integrating sustainable development in the curriculum

In March 2021 we hosted an interactive workshop for colleagues at the University which explored the ways in which Higher Education can integrate social responsibility and sustainable development issues into the curriculum.



## Research for discovery and impact

### Mathematical model predicts the movement of microplastics in the ocean

Research led by Dr Hannah Kreczak has identified the process that underpins the trajectories of microplastics below the ocean surface. The new model has the potential to understand the distribution of fouled plastics in the ocean and therefore the ecological impact, particularly in areas of high concentration. We hope that the research can be a constructive step in understanding the impact plastic pollution has below the surface and aid the effort towards a more sustainable ocean.



### Transforming crop and timber production could reduce extinction by 40%

Research, led by the IUCN Species Survival Commission with Dr Louise Mair as lead author, has found that ensuring sustainability of crop and timber production would mitigate the key drivers of terrestrial wildlife decline. The results were generated using a new metric, the STAR methodology, which allows business, governments and civil society to assess their potential contributions to stemming global species loss, and can be used to calculate national, regional, sector base-based or institution specific targets. The STAR metric will be available in time to inform major international negotiations for nature in 2021.



### Climate Change to bring more intense storms across Europe

Climate experts, led by Dr Abdullah Kahraman from our School of Engineering, have shown there will be a significant future increase in the occurrence of slow-moving intense rainstorms. The scientists estimate that these slow-moving storms may be 14 times more frequent across land by the end of the century. It is these slow-moving storms that have the potential for very high precipitation accumulations, with devastating impacts, as we saw in Germany and Belgium. The researchers used very detailed climate model simulations at the UK Met Office Hadley Centre. They found that slower storm movement acts to increase the amount of rainfall that accumulates locally, increasing the risk of flash floods across Europe beyond what has been expected based on previous studies.



## Europe's largest wastewater treatment research facility using bacteria

Based at Northumbrian Water's sewage treatment plant near Gateshead, the Biological Engineering: Wastewater Innovation at Scale (BEWISe) facility will host researchers from around the world to help speed up the translation and uptake of new innovations by the water sector. It will do this by speeding up the transition from existing energy-intensive treatment processes to low carbon alternatives with lower running costs.



## Engagement and place for society

### Net-zero Newcastle

The University's climate action work is well connected to plans in the city and region. The University is a founder member Newcastle's Net-Zero Taskforce which is co-chaired by the leader of Newcastle City Council, and our Professor of Climate Change Impacts, Hayley Fowler. The Taskforce has created a space for shared development and implementation of the respective climate action plans of the anchor institutions in the city including the universities, Council and our local NHS Trust. Collaborative climate action towards net zero in the city was recognised in November 2020 by climate research provider CDP when it became one of only four places in the UK to receive the top 'A' grade for its work to date towards reducing carbon emissions.



### 'Climate Change Catastrophe!' Theatre Project

In May 2021 a six-part online series was released called 'Climate Change Catastrophe!' which gives inspiring perspectives on climate change. The show was a joint project between theatre company Cap-a-Pie and our School of Engineering, and involved scientists and engineers working with hundreds of Key Stage 2 students from across the North of England to shape ideas for the production. The project sought to raise awareness of climate change amongst children and parents and in doing so, involved working with a number of local cultural organisations and freelance artist professionals to develop a fun and thought-provoking piece of original theatre.



### Utilising the SDGs to shape local policy

A team from Newcastle University, led by Dr Emily Clough and Dr Graham Long, have been looking at the relevance of the UN's Sustainable Development Goals (SDGs) for Newcastle. Working in partnership with the City Council, they identified a set of local indicator metrics that reflected SDG targets in the Newcastle context. This work has shown that the SDGs can be used to frame a comprehensive overview of Newcastle's challenges and progress and offer a framework from which to reflect on what is missing from currently available local data.



## Global

### The Role of universities in sustainable, just and inclusive cities

In January 2021 Newcastle University and the University of Pittsburgh hosted a two-day virtual conference on the role universities play in building sustainable, just and inclusive cities. An initiative of the International Place-Based University Network, the goal of the conference was to share best practices for community and civic engagement as well as to explore potential international collaborations for academically based community engagement.



### Applied health research at NUMed

Applied Health Research at NUMed, Malaysia continues to work to address public health problems in Malaysia and global health problems affecting low and middle income countries. It is centred around addressing challenges set through the UNSDGs and include partners in Malaysia, Indonesia, Cambodia, Vietnam, India, Myanmar, Thailand, Tanzania, Columbia, Ethiopia and will soon include The Philippines, Brazil, South Africa and Kenya. Ongoing projects include the Water Security Hub, Dementia Prevention and Enhanced Care (DEPEC) and Paediatric musculoskeletal research.



### Sanctuary scholarships:

We are proud to support equal access to higher education and we are pleased to offer Sanctuary scholarships consisting of full tuition fee support and a bursary for living expenses for applicants wishing to study at the University. The scholarships have been designed to enable students from asylum-seeker and refugee backgrounds to progress to higher level study.



# Materiality and risk

**This section (pages 23-27) describes our approach to risk management, our key risks and opportunities and how we seek to manage them.**

Risk Management in higher education has never been more important. Students view themselves as consumers, there is an increased level of scrutiny around value for money and our reputation significantly impacts our ability to attract students, colleagues and much needed funding. Like all organisations, we are affected by internal and external risks that could have a material impact on our ability to create value. In line with Integrated Reporting guidance, our approach to materiality is driven by the views of our stakeholders.

Having an effective risk management framework allows us to address risks proportionately, Risks cannot be eliminated entirely and therefore our approach is to be risk aware rather than risk averse. Taking risk is part of our normal process, and effective risk management is key to ensuring that we achieve our strategic objectives.

We regard effective risk management to be the systematic identification, evaluation and control of risks that threaten the strategic objectives, service delivery and assets of the University. The systems and procedures that we have put into place will allow the risks we face to be identified and understood so they can be better managed in order to reduce the likelihood of occurrence and the potential impact.

## Student Experience

**Stakeholders impacted: Students, Colleagues, Our local community**

Our students expect a consistent and high-quality experience to enable them to succeed and thrive as a result of their studying. The impact of the Covid-19 pandemic was unprecedented and, together with some of our response, was reflected in disappointing student satisfaction results. Providing opportunities for students to engage in their learning experience and supporting student mental health and wellbeing remains paramount but has been difficult due to imposed restrictions.

### Risks

### Opportunities

- |  |   |
|--|---|
| <ul style="list-style-type: none"> <li>• Decline in student satisfaction relative to the sector will result in a lack of confidence in our education provision.</li> <li>• If we do not offer a high quality education experience we risk a loss of market share.</li> <li>• Students may not feel the overall experience is what they expected.</li> <li>• Lost fee income following full or partial compensation claims from students.</li> <li>• We fail to offer opportunities to those from disadvantaged backgrounds.</li> </ul> | <ul style="list-style-type: none"> <li>• Our education and learning experience will equip students with the skills they need to succeed.</li> <li>• Students bring with them a broad range of economic, social and environmental benefits to our region.</li> <li>• Our Graduate Framework aims to ensure that our graduates achieve appropriate graduate level employment and shape the societies in which they live.</li> <li>• We are working to ensure that students from a wide range of diverse backgrounds are able to access a university education, thrive and feel a sense of belonging.</li> </ul> |
|--|---|

### Impact on our strategy

- The priority of our education strategy is to provide all of our students with an education for life, that helps them fulfil their potential both while they are studying with us and once they have graduated.
- Through our Education and Engagement and Place strategies we aim to provide an inclusive and collaborative learning community which can improve the social mobility of people from under-represented and disadvantaged backgrounds.

## Threats to research power and intensity

### Stakeholders impacted: Students, Colleagues, Our local community, Our partners

Through our research we are creative and make discoveries that benefit society and the economy, and we train the next generation of researchers and innovators. Although the UK Government has signalled increased future spending on research, the Covid-19 pandemic and the UK's withdrawal from the EU have constrained the available funding for research and exposed intrinsic weaknesses in the cross-subsidy of research from other University income that might undermine our continued success.

Risks	Opportunities
<ul style="list-style-type: none"> <li>• Research funding available from charities, business partners, the government's international aid budget and the EU is lost or markedly reduced.</li> <li>• Our colleagues are unable to devote time to research in the face of other demands.</li> <li>• We are unable to attract or retain research-active colleagues responsible for attracting grant income and delivering research and impact.</li> <li>• We are unable to invest in our research infrastructure.</li> <li>• We are unable to grow our international research and research networks.</li> </ul>	<ul style="list-style-type: none"> <li>• We are mitigating the impact of the government's international aid budget cuts to sustain important global research and partnerships.</li> <li>• Our research culture roadmap will seek to release quality time for research and create a thriving research environment allowing us to attract, retain and nurture the University's research community.</li> <li>• We continue to frame our research portfolio (e.g. through creation of Newcastle University Centres of Research Excellence) to shape strategic investment in our research and talent pipeline.</li> <li>• Our NUFutures initiative will strengthen our capacity to win research funding, work across disciplines and nurture agility and innovation.</li> </ul>

### Impact on our strategy

We retain the ambition of our Research Strategy to grow research power and intensity but will adjust our anticipated trajectory for growth if necessary as the Covid-19 pandemic plays out. We will continue to implement the priority actions of the Research Strategy, while supporting new ways of working and communicating for researchers. We are prioritising our efforts on major projects and adjusting some of our processes and teams to ensure that we can support new styles of challenge-led research funding.

## Student recruitment

### Stakeholders impacted: Students, Colleagues, our local community

Competition in the university sector has increased in recent years. Added to this the UK's withdrawal from the EU and the Covid-19 pandemic have created further pressure points for both home and international student recruitment. The 2022-23 student recruitment cycle will be difficult to predict with uncertainty regarding how exam grades will be awarded, student mobility and what the student experience will look like.

Risks	Opportunities
<ul style="list-style-type: none"> <li>• Continued decline in domestic league tables and other metrics may reduce the perceived value of our educational offer as well as our attractiveness for domestic and international recruitment.</li> <li>• Failure to achieve the right mix of recruitment and fee levels will impact our long-term sustainability.</li> <li>• Lack of diversity and exposure to political conflicts created by a failure to attract and recruit international students from multiple countries.</li> <li>• Failure to adapt our portfolio to student demand.</li> </ul>	<ul style="list-style-type: none"> <li>• We are reviewing our portfolio to ensure it is well placed to meet future market opportunities.</li> <li>• We will leverage changes brought about by the pandemic in how we deliver our education and will continue to develop digital and blended learning.</li> </ul>

### Impact on our strategy

We aim to attract the very best students and to support them to achieve their full potential, regardless of background.

## UK political environment

### Stakeholders impacted: Students, Colleagues, Funders, Regulators

The importance of universities and their contribution to the economy is recognised but, with increased regulation and intervention, the political environment continues to be challenging. The response to the Augar Review which recommended a cut in tuition fees, student number caps and minimum entry requirements and how lost funding will be replaced has still to be confirmed. A number of other government policies including the freedom of speech legislation, levelling up, social mobility and research concentration are also expected to have an impact upon universities in the coming years.

#### Risks

#### Opportunities

- |   |   |
|---|---|
| <ul style="list-style-type: none"> <li>• Introduction of legislation which is difficult to apply or at odds with other legislation within a university setting.</li> <li>• Lost fee income following a reduction in student fees or numbers will not be replaced in full.</li> <li>• Students and tax payers do not perceive a university education as good value for money.</li> <li>• Limiting student numbers or imposing high minimum entry requirements will adversely impact equality, diversity and inclusion, and widening access.</li> </ul> | <ul style="list-style-type: none"> <li>• We will ensure that via membership of various national bodies, we are acting effectively, and that we are constantly seeking opportunities that allow the University and the region's voice to be heard on a national scale.</li> <li>• We will protect our core values and ensure that a diversity of opinions and healthy debate is available to our students.</li> <li>• We will work to address any gaps in equality and opportunity to improve the social mobility of people from under-represented and disadvantaged backgrounds, ensuring our education is accessible as widely as possible.</li> </ul> |
|---|---|

### Impact on our strategy

Our Engagement and Place Strategy continues to develop cross-university academies which equip academic and professional colleagues with the skills to influence policy debates locally and globally.

## Colleague engagement and culture

### Stakeholders impacted: Students, Colleagues, Our local community

We have a commitment to promote a positive and inclusive culture that encourages our colleagues and students to engage and excel. Students expect a high quality provision and this depends upon our ability to attract, develop and retain a diverse and high quality workforce. The impact of matters such as USS pension scheme, pay and workload alongside the transition back to campus may cause challenges in the coming year. We continue to work together, always seeking to engage positively with colleagues, with the overarching aim of minimising any negative impact on our students.

#### Risks

#### Opportunities

- |   |   |
|---|---|
| <ul style="list-style-type: none"> <li>• Colleague engagement may be impacted by transition back to campus.</li> <li>• Challenges to recruit and retain talent due to poor university performance and wider economic issues.</li> <li>• Colleague satisfaction and engagement may be affected by issues relating to parity of esteem between activities and functions, and perceived inaction around poor behaviours.</li> <li>• Constraints on budgets may reduce development options for our colleagues, impacting skills and satisfaction.</li> <li>• Proposed changes to USS and national pay negotiations may negatively impact colleague satisfaction and lead to industrial action.</li> </ul> | <ul style="list-style-type: none"> <li>• Colleague development work will continue to focus on culture, values and behaviour.</li> <li>• Attracting talented people from more diverse backgrounds to broaden and strengthen our colleague community.</li> <li>• Changing the way we work via blended working, enhanced by investment in new systems.</li> <li>• Modernising our people systems to deliver a more efficient colleague experience.</li> <li>• Responding positively to matters that impact our colleagues including Phase 2 of the casualisation agenda, the gender/ethnicity pay gap and the future shape of the USS pension scheme.</li> </ul> |
|---|---|

### Impact on our strategy

Our clearly articulated People Strategic Enabler, supported by our people plan, helps us attract and retain the best people regardless of background and aims to create a culture of innovation and aspiration.

### Climate and ecological crises

#### Stakeholders impacted: Students, Colleagues, Partner Organisations, Society – regionally and globally

Climate change is a risk to global health and equality. We stand with our students, colleagues and people across the world in recognising the climate emergency as the most important challenge of our lifetime. We are committed to achieving net-zero carbon within our activities and, through our education and research, to working with our partners on solutions for a net-zero future. As one of the first universities in the UK to declare a climate emergency and set a net-zero carbon target we aim to be visibly leading the sector.

#### Risks

#### Opportunities

- |   |  |
|---|--|
| <ul style="list-style-type: none"><li>• Failure to meet environmental targets - impacts on stakeholder relationships, environment, reputation, recruitment.</li><li>• Risk of climate change impacts eg intense weather events affects financial and environmental performance and impacts on student experience.</li><li>• Failure to secure funding streams adequate to the scale of the net-zero challenge.</li><li>• Failure to equip our students with the knowledge and skills to make a difference in their futures in work and society.</li></ul> | <ul style="list-style-type: none"><li>• National net-zero target will result in funding streams enabling investment in the estate, and research funding available in the area is also likely to grow.</li><li>• Regional partnerships eg Net-zero Newcastle allow innovative solutions within city-scale projects.</li><li>• We will ensure that our research is addressing real world problems including climate change.</li><li>• Research into energy systems, applied ecology, behavioural change etc. matter more than ever and we are well placed to lead on this agenda.</li><li>• Demonstrating that we live our values, including environmental and social justice, supports student and colleague recruitment.</li></ul> |
|---|--|

#### Impact on our strategy

Our Research Strategy aims to transform society through the application of our research and the UN Sustainable Development Goals Committee provides leadership in identifying and responding to societal needs.

### IT Capability, infrastructure and cyber security

#### Stakeholders impacted: Students, Colleagues, Partner organisations

Our students and colleagues need secure, reliable and performant IT services. In late August 2020 we suffered a cyber-attack that caused significant disruption and recovery took several weeks. Digital transformation has been high on the agenda for some time now but the pace of transformation increased when we adapted to remote teaching and working as a result of the pandemic. Significant investment has been made into continuing to evolve and secure our IT service organisation and offerings.

#### Risks

#### Opportunities

- |   |   |
|---|---|
| <ul style="list-style-type: none"><li>• Investment in IT infrastructure protects but may not be perceived to enhance student or colleague experience.</li><li>• Improvements in cyber security cannot mitigate all areas of vulnerability completely.</li><li>• Additional governance and cyber security controls impair service user experience and may lead some users to attempt to operate outside the scope of the secured IT services.</li><li>• Our digital infrastructure cannot support blended learning and working effectively everywhere.</li></ul> | <ul style="list-style-type: none"><li>• Learnings from the cyber-attack can encourage more secure behaviour and better cyber-awareness from service users.</li><li>• Full commitment to make the necessary investments in our cyber security architecture and capability.</li><li>• New services will enhance our effectiveness, protecting service users and intellectual property and improving the educational experience for students, and the digital working environment. A balanced, efficient and effective cyber-posture can become an operational differentiator.</li></ul> |
|---|---|

#### Impact on our strategy

IT is an essential enabler for all aspects of our strategy. We are investing in our cyber security and network functionality to ensure that the University can function in a cyber-safe way.

Good governance can only be achieved if risk management is part of the internal control framework and is embedded into our culture. Our colleagues and governing body recognise risk management is an integral part of our activities. Our risk governance arrangements seek to ensure that we have visibility and alignment of principal risks and material issues supported by effective communication. Key to the success of our risk management is collaboration between risk management, sustainability, business continuity, health and safety, finance and internal audit. It is through strong collaboration with both internal and external stakeholders that we are able to identify our principal risks and assess their materiality.

	Role	Responsibility
<b>Council</b>	Oversight	Approves the risk strategy and risk appetite.
<b>VC and Executive Board Members</b>	Ownership	Owns and reviews effectiveness of the risk management strategy.
<b>Audit, Risk and Assurance Committee</b>	Challenge	Reviews the effectiveness of their approach with individual risk or control owners.
<b>Internal Audit</b>	Assurance Testing	Reports on the effectiveness of the risk management strategy and process.
<b>Risk Management Adviser</b>	Coordination Advice	Promotes implementation of the risk management strategy and maintains and develops systems to support risk management.
<b>All colleagues</b>	First line of defence	Comply with risk management policies and procedures.

As an organisation, we identify risks and assess their material significance through regular discussion of our strategic risk register at Executive Board, Audit, Risk and Assurance Committee and Council. This, and ongoing communication with other stakeholders, has enabled us to identify the material issues that are most likely to affect value creation. We have a risk management adviser, whose remit includes coordination of the risk management strategy, review and maintenance of the strategic risk register, tracking of control measures and ongoing review of risk indicators. Health and safety risks are discussed in more detail on pages 64-65 and treasury risk on pages 59-60.



# Our Vision and Strategy

The Strategic Review (pages 28-41) describes our Vision and Strategy, maps progress made during 2020-21 and looks ahead to the future.



We exist for the public benefit to advance education, learning and research. Our Vision is to build on this core purpose to address global problems through excellence in education, research and engagement and, in doing so, provide new knowledge and creative solutions that make a positive impact on the society we serve. Our Vision expresses our collective sense of purpose and our aim to work collaboratively to shape brighter futures, grow the economy and champion social justice.

## Values

Newcastle University is known for its longstanding commitments to equality, diversity, inclusion, respect and environmental and social justice. Our new Vision builds on these core values and identifies three aspirational values that inform everything we do and which guide us as we develop and grow as an institution.

- Excellence** Enabling our colleagues to realise their twin ambitions of leading the way globally in their areas of research expertise while also providing an outstanding educational experience for our students.
- Creativity** Being creative and innovative to advance knowledge and engage with society to address global problems.
- Impact** Working in partnership with governments, industry, the creative and cultural sector and community groups to identify the current and future challenges faced by society and to provide innovative ideas and solutions that make a difference.

## Guiding Principles

Our guiding principles have been identified from the key characteristics of our high-performing academic and professional units. They underpin the objectives of each of our core strategies.

<b>Working together</b>	Our aim is to be recognised for effective partnership working; this refers to working together internally – colleagues and students, academic and professional colleagues, across and between disciplinary boundaries and faculties – and externally with our various stakeholders.
<b>Visibly leading</b>	We are recognised globally for a number of strengths including Ageing and Health, One Planet, Data, Cities, and Culture and Creative Arts. In all of our activities our aim is to promote and support these existing strengths while facilitating the development of emerging areas of world-leading education and research.
<b>Freedom and opportunity to succeed</b>	Our people, colleagues and students – past, present and future - are at the heart of our strategy. Our aim is to support their ambitions and allow them to reach their full potential by providing them with environments and opportunities that inspire excellence, creativity and impact.
<b>Responding to current and future challenges</b>	Our priorities in both education and research will respond more proactively to the demand side of the knowledge economy and be guided by the societal challenges facing the world now and in the future.

## Core strategies





Underpinning our new Vision and Strategy, we have four interconnected strategies. These cover our core functions of Education and Research and the contexts in which we work to improve the economy, health and social wellbeing and cultural richness of the places in which we operate, and to influence globally.

In the following sections we describe the progress that has been made in 2020–21 against the headings of our core strategies, and we look ahead to the future.

		<b>Read more</b>
<b>Education for Life</b>	Engaging, challenging and supporting students to discover and fulfil their potential.	Pages 30-32
<b>Research for Discovery and Impact</b>	Catalysing transformative research within and between disciplines.	Pages 33-35
<b>Engagement and Place for Society</b>	Improving the economy, health and social wellbeing and cultural richness of the places in which we operate.	Pages 36-38
<b>Global</b>	Being a globally inclusive institution.	Pages 39-41

We summarise our progress overall and for specific key indicators using traffic light ratings.

The key to these ratings is:

-  **Green: Good** – progressing well against our objectives
-  **Yellow: Satisfactory** – broadly on track but some issues to address
-  **Amber: Medium Risk** – some material issues and risks to be addressed
-  **Red: High Risk** – serious concerns

# Education for life

Engaging, challenging and supporting students to discover and fulfil their potential.

Overall  
Assessment  
**Medium Risk**



## Priorities

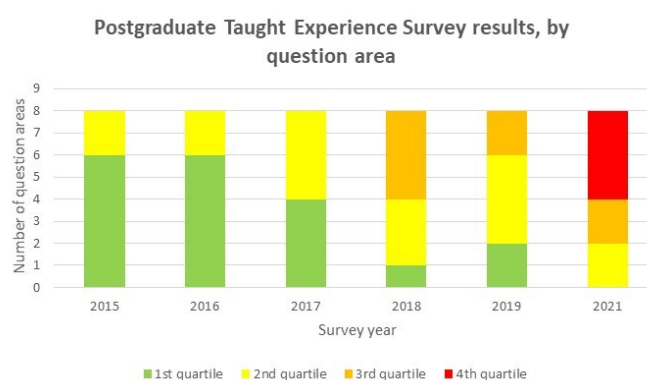
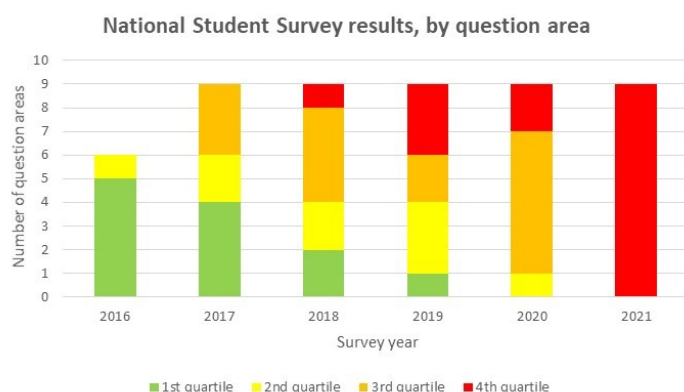
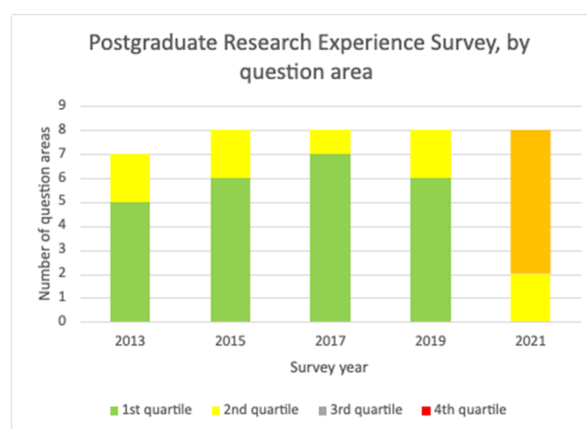
We have one priority for the education we offer, wherever or however delivered: to provide all our students with an education for life, that engages, challenges and supports our students to discover and fulfil their potential both while they are studying with us and once they have graduated. To deliver this commitment, our strategic educational aims are to:

- Provide an outstanding educational experience rooted in strong disciplines and enhanced by a broad range of experiences.
- Encourage and promote opportunities for multi- and interdisciplinary encounters.
- Maintain and promote the academic rigour and stretch of our programmes.
- Inspire, challenge, support and care for our students.
- Provide an inclusive and international collaborative learning community.
- Empower our students to be creative, innovative, enterprising and global in their outlook.

## Measuring success

Indicator	Target	Status
<b>Student feedback:</b> the feedback from students across all levels of study and at each campus location	<ul style="list-style-type: none"> <li>• Top quartile of UK HEIs in each of the domains in student surveys: NSS, PTES and PRES by 2025/26 with similar targets at subject level</li> </ul>	
<b>Student continuation:</b> continuation and completion rates of students who choose to study with us regardless of background	<ul style="list-style-type: none"> <li>• Top 10% of UK HEIs for undergraduate continuation and taught postgraduate completion with similar targets to at subject level</li> <li>• Submission rates for research degrees to be at least 80% within 4 years for full-time students and 65% within 7 years for part-time students</li> </ul>	
<b>Graduate destinations:</b> what our graduates do and the proportion in graduate-level employment	<ul style="list-style-type: none"> <li>• Top 10% of UK HEIs for graduates progressing to graduate level employment or further study with similar targets to be reflected at subject level</li> </ul>	
<b>Awarding gap:</b> supporting student success and progression irrespective of background	<ul style="list-style-type: none"> <li>• Reduce the awarding gap between black and white students by 10% from 19.4% in 2017-18 to 9% or below by 2024-25</li> <li>• Continue to narrow the awarding gap between students from Low Participation Neighbourhoods (LPN) quintiles 1 and 2 and students from LPN quintile 5.</li> </ul>	

A key measure of success is student satisfaction. In 2021 we participated in all three of the major national surveys. All universities are required to participate annually in the National Student Survey (NSS), and we choose to participate in the Postgraduate Taught Experience Survey (PTES), and the Postgraduate Research Experience Survey (PRES). The established pattern of our PRES participation is biennial. We chose not to participate in PTES 2020 due to the Covid pandemic, so that we could focus on the delivery and support of education and students. Each of these national surveys asks questions across a number of areas (e.g. teaching, assessment, learning resources). The charts show where we are placed against other full service universities in terms of the quartile of this comparator group:



### Progress during the past year

NSS overall satisfaction fell from 82% to 69%, placing us 97th among full-service universities (67th in 2020) and 22nd in the Russell Group (12th in 2019; only 22 Russell Group universities generated NSS results this year).

The downward trend in NSS results at undergraduate level, evident since 2017, has further accelerated in 2021. This resulted in the University appearing in the fourth quartile for all question domains, compared both to other full-service universities and the Russell Group.

This marked deterioration in performance is also clearly evident in PTES and PRES, though as in previous years our performance at postgraduate levels compared to other universities was stronger than it was at undergraduate level.

Institutional performance in these national surveys was undoubtedly influenced significantly by the impact of the Covid-19 pandemic, particularly by the resultant low levels of in-person teaching, support and access to resources that the University was able to deliver. However, the pandemic also affected other universities in similar ways.

Our very disappointing performance in the 2021 surveys when compared to other universities, combined with the clear evidence set out in the charts above of falling scores over a number of years, demonstrates that there are significant challenges that need to be addressed if we are to deliver the high-quality educational experience to which we are committed. This will require significant changes in our institutional culture, approach, and actions.

Opportunities to develop graduate attributes and mindsets are embedded within our programmes, and our co- and extra-curricular activity. The public health situation had an impact on the levels of activity in some of these areas but engagement with them has remained strong.

In 2020-21, 292 students undertook one of our career development modules (338 in 2019-20) while 75 students (92 in 2019-20) completed one of our enterprise modules. Students undertaking a placement year fell from 479 in 2019-20 to 327 in 2020-21. Participation in these activities in 2020-21 undoubtedly reflects to some extent the impact of the public health situation.

National Student Survey Question Area	2021		2020	
	Overall score	Peer group quartile	Overall score	Peer group quartile
Overall satisfaction	69	4	82	3
The teaching on my course	77	4	83	3
Learning opportunities	75	4	82	3
Assessment and feedback	57	4	64	4
Academic support	69	4	77	4
Organisation and management	61	4	73	3
Learning resources	69	4	88	2
Learning community	60	4	74	3
Student voice	61	4	73	3



563 students completed the ncl+ award in 2020-21, and a further 186 completed one of our five ncl+ advanced awards (778 and 176 respectively in 2019-20). Nominations for the Pride of Newcastle Awards remained strong at 936, compared to 846 nominations in 2018-19 and 1,066 in 2019-20.

We believe that it is essential to promote and support student and graduate entrepreneurship as a viable career option alongside employment. We want to develop new employers and occupations as well as new employees. Our teaching, innovation challenges, researcher training and full-service start-up support all take account of these needs and have helped to position us in the top five of UK universities for the turnover and levels of investment raised by our start-up businesses.

In terms of measuring career outcomes, there has been a significant national change from the Destination of Leavers from Higher Education Survey (6 months post-graduation) to the Graduate Outcomes Survey (15 months post-graduation). This has led to a gap in the availability of career outcomes data, but data is now available for 2017-18 graduates. Using the latest data, The Guardian league table has calculated a Graduate Prospects score of 84.3% for Newcastle, while The Sunday Times league table has calculated that 81.4% of this cohort of graduates had a positive career outcome. These are good scores in absolute terms, but represent a decline in our relative performance against other universities.

### Key priority actions

In 2020-21 we focused on four key priority actions:

#### **Delivering our education in line with the key principles set out in the education resilience frameworks for taught and research degree programmes**

We planned for a blended approach to learning, teaching and assessment across all our programmes, seeking to deliver our commitments to prioritise both the health and well-being of students and colleagues, and the provision of a quality educational experience. The significant deterioration in the public health situation in autumn and winter, which continued into the spring, prevented delivery of in-person teaching. Through the combined efforts and commitment of students and colleagues, however, amended approaches were rapidly implemented within the key principles we had set ourselves in our frameworks. This allowed to support the learning of our students to progress in, or complete, their programmes.

#### **Enhancing the support provided to students, through an extended offer of academic study skills support, and a modified model of personal tutoring**

As well as moving our academic study skills provision from an in-person to online mode of delivery, we expanded the scope and content of the sessions that we run and the online resources we make available to our students. We invested in a new academic skills team within Academic Services, which since its establishment has worked with existing teams working in this area to help deliver the expansion and enhancement of our provision. Alongside this we also put in place a revised model of personal tutoring, with new and increased minimum expectations, and enhanced training and online resources to support those colleagues serving as personal tutors. While there has been progress in both these areas over the last year, there remains much work to do and these are continuing priority areas for the University in 2021-22.

#### **Implementing and embedding enhanced approaches to digital learning, with a particular emphasis on blended and online learning and assessment**

This was the first year of full use of Canvas, our new Virtual Learning Environment. The increased capabilities of Canvas allowed colleagues across the University to deliver the majority of our learning, teaching and assessment online. Our significant investment over the last three years in support for the development of digital learning has enabled new, creative and innovative approaches to online delivery. Excellent practice in digital learning has been identified and disseminated. These advances are being consolidated and built upon in preparation for 2021-22. We will adopt a blended approach to programme delivery that continues to utilise the most effective elements of the digital learning approaches we have developed over the last year, alongside the significant return to in-person, on-campus teaching. We have moved to a default of online submission and marking of assessed work, wherever it is feasible. We will continue to promote innovation in online assessment, supported by a new digital assessment system.

#### **Implement the commitments in the University's approved Access and Participation Plan in respect of student success and progression**

We undertook work on all the Access and Participation Plan (APP) strategic measures for success and progression, giving priority to those which were most critical in the context of the University's response to the pandemic. These included Induction, Personal Tutoring, Student Wellbeing and the expansion of the Career Insights Programme. Faculty pilot projects have begun with a priority placed on narrowing the awarding gap between black and white students in Engineering; this aligns closely with our student-centred work for the Race Equality Charter. We established the Inclusive Newcastle Knowledge Centre for APP evaluation and work on this is well underway.

# Research for discovery and impact

Catalysing transformative research within and between disciplines.

Overall  
Assessment  
**Medium Risk**



## Priorities

Through a dozen Priority Actions, our University's Research Strategy provides a set of tactics to reach our ambition as a world-class, research-intensive University. We have been making good progress implementing these, which puts us in a stronger position to maintain research capacity as we emerge from the Covid-19 crisis.

Our research strategy sets the ambition for growth of people and resources that will allow us to deliver our aims to:

- Nurture excellent research and innovation that expands fundamental knowledge, addresses societal and global needs, supports sustainable economic growth and promotes health and wellbeing.
- Equip colleagues and students at all career stages with the skills to contribute to research and development in the academic, commercial, public and voluntary sectors.
- Foster inter-disciplinary approaches and partnerships with businesses and external agencies that extend the reach and impact of our research.

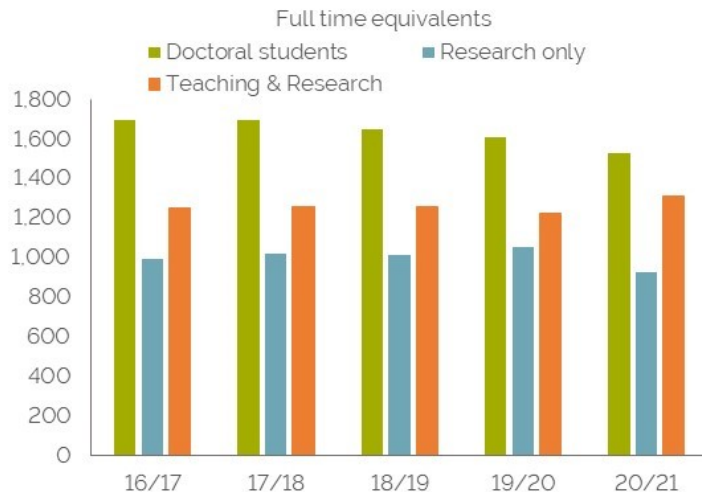
## Measuring success

Following a period of disruption to research, our ambition is undiminished and we are confident that we are restoring our trajectory for growth of people and resources. Our researchers have sustained a healthy rate of applications and awards, we have continued to recruit to NUAcT, and PGR market share has risen. The indicators and targets below were set prior to the Covid-19 pandemic and we recognise that we may need to recalibrate the timescales as the pandemic continues to play out.

Indicator	Target	Status
<b>Research intensity:</b> winning competitive funding befitting our status as a research-intensive institution	<ul style="list-style-type: none"> <li>• Grow research income as a percentage of total income to the average of our peer group over five years</li> </ul>	
<b>Research power:</b> the number of colleagues who are research active and producing high quality research	<ul style="list-style-type: none"> <li>• Increase the total number of Teaching and Research academic employment headcount on a trajectory to grow by 20% between 2018 and 2028</li> </ul>	
<b>Research environment:</b> the development of a thriving research culture	<ul style="list-style-type: none"> <li>• Increase the number of PGR entrants (with a focus on those funded externally) by 35% by 2024/25</li> <li>• Knowledge Exchange quality index - HEBCIS and KEF metrics evidencing collaboration with external partners for research and skills provision</li> <li>• Research culture index, comprising a basket of indices (primarily qualitative)</li> </ul>	

We will know that we are achieving our ambition if we have the characteristics of a typical institution in the Russell Group, the network of world-leading research-intensive UK universities of which we are a founding member. Trends against Russell Group comparators are shown in the graphs below.

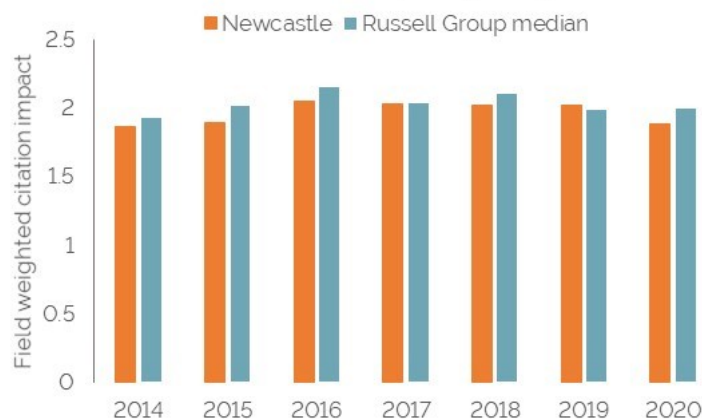
### Numbers of researchers



### Research grants and contracts



### Research output quality



### Progress during the past year

During the year we submitted our return to REF2021, the Research Excellence Framework. The number of researchers in our return has grown by 54% since 2014, compared with a sector average growth of 47%. The results will be published in May 2022.

We also participated in the first ever Knowledge Exchange Framework, highlighting many strengths as well as areas for development in realising impact from our research.

Alongside this, we have made substantial progress in implementing our University Research Strategy.

#### Newcastle University Academic Track (NUAcT)

We are growing our research community by recruiting and retaining early career researchers with high potential. Through two hugely popular open calls and other targeted calls, we have appointed nearly 50 NUAcT Fellows and are supporting their development as future research leaders. To date, the scheme and its fellows have leveraged eight external fellowships, >£3m research grants, and co-funding from major strategic awards (eg Dyson, UKRI).

#### NU Centres of Research Excellence (NUCoREs)

We are developing a strong portfolio of NUCoREs in areas where we have excellent research that will benefit from growing diverse teams across disciplines. Our NUCoREs help us to tell a visible story about our leading research, enable our researchers to pursue challenge-led research missions and inform our priorities for investment. During 2020-21 we have expanded the portfolio of NUCoREs to include Centres for Transformative Neuroscience, Rare Disease, Climate and Environmental Resilience, and Landscape.

#### NU Academies

We have established two new Newcastle University Academies – the Enterprise and Skills Academies - to coordinate provision of career pathways and training, catalyse interactions between academics and professional services colleagues from diverse backgrounds, and disseminate best practice.

The Enterprise Academy held its first events to bring academics and commercial innovators together with the business development team.

The Skills Academy is being developed with colleagues across all career stages from doctoral trainees to established faculty. Led by Prof Candy Rowe as Dean for Research Culture & Strategy, we are also responding to the challenges of nurturing a healthy research culture.

## Major new research programmes

Our portfolio of National Innovation Centres has been added to with Newcastle being awarded funding by Research England, to work alongside founding partners Warwick, Gloucestershire and Royal Agricultural Universities, to host the National Innovation Centre for Rural Enterprise (NICRE) which aims to unlock potential in the UK's rural economies.

The Centre for Digital Citizens award by the Engineering and Physical Sciences Research Council was one of only six centres to be funded as part of a £29m investment from UK Research and Innovation. The centre is exploring how digital technologies can support areas such as public health and wellbeing, community engagement, citizen safety and technology-enhanced lifelong learning.

The NIHR awarded Newcastle £9m in order to fund one of 15 new Applied Research Collaborations (ARCs), which will join up some of the country's best universities, leading innovators and local authorities to solve some of the biggest issues facing health and social care over the next five years.

The University leads a £33m award for a national network of centres addressing the Driving the Electric Revolution challenge. Alongside our participation in the Faraday Institution for batteries, this research will underpin the North East's leading position in the electrification of transport.

University researchers have contributed in many ways to the Covid-19 crisis, including by supporting Newcastle's Integrated Covid Hub North East, where innovations in testing and monitoring of the pandemic are being evaluated and put into practice.

## Successes for our researchers

Many of our researchers have been recognised through prizes and fellowships of national academies:

Our NUACT cohort has been particularly successful in this regard including Dr Chris Stewart being awarded a Wellcome Trust/Royal Society Sir Henry Dale Fellowship and Lister Prize to support his research on 'the microbiome' in our guts.

We have also enjoyed success in the UKRI Future Leader Fellowships competition, with four awarded recently to Dr Chris Harrison, Dr Peter Taylor, Dr Laura Young and Dr Yujiang Wang.

Dr Mathew Brown celebrated success with the award of a Royal Academy of Engineering Research Fellowship. His project exploits viral ecology to engineer better biological wastewater treatment. (under embargo at present)

Dr Tom McAlister received a five year Royal Society University Research Fellowship in 'glycobiology', developing new ways to understand how carbohydrates interact with proteins and affect their function.

Dr Paul Donaghy was awarded a MRC Clinician Scientist Fellowship for 5 years to study brain inflammation in dementia with Lewy Bodies, a disease discovered here in Newcastle.

Professors Steve Clifford, Heather Cordell, Tracy Palmer and Joris Veltman have been elected as Fellows of the Academy of Medical Sciences.

## Looking ahead

The UK Government continues to signal its ambition for greater investment in research, and has published a number of relevant strategies. The next year will tell us a lot about whether and how this will be achieved. We will need to adapt to new styles of challenge-led funding for research, support the 'levelling up' agenda with an even sharper focus on delivering social and economic benefits from our research, and continue to lobby for the importance of Arts, Humanities and Social Science research without which the successes of 'STEM' researchers would truly ring hollow.

We demonstrated our resilience and adaptability during the worst of the Covid-19 pandemic, including providing in excess of £5m in additional funding to protect research projects, partnerships and people. However, many of our researchers have yet to regain full momentum in their research. So, the importance of nurturing a positive research culture that gives everyone the freedom and opportunity to succeed has never been greater. In 2021-22, we will be launching a Research Culture Roadmap, which will set out our vision and action plan to nurture research in a post-pandemic world.

The beginning of a new seven year REF cycle is always an opportunity to refresh research plans and accelerate the delivery of research. With a stronger narrative and portfolio of our research strengths now in place, we are planning for how we will build upon and resource our areas of strength. To that end, we will be launching a 'Newcastle University Futures' initiative to grow the ranks of more experienced academics in clusters including Ageing and Health, Data and Digital, and Energy and Sustainability.



*'If Covid-19 has taught us nothing else, it is that capability in research and innovation is vital to a resilient economy and society. The University is well-placed to demonstrate this time and again in the year to come.'*

**Professor Brian Walker**  
PVC Research Strategy and Resources

# Engagement and Place for society

Improving the economy, health and social wellbeing and cultural richness of the places in which we operate.

Overall Assessment  
**Good**



## Priorities

Our Engagement and Place Strategy sets our approach to engagement in six key areas:

- Engaging for economic benefit
- Engaging for societal benefit (including improving the health and wellbeing of our place)
- Engaging from local to global
- Engaging for cultural benefit
- Engaging with policy and practice
- Engaging for access and participation

We recognise that these are artificial boundaries and that innovation in engagement happens across all of these areas. We are therefore committed to cross-sectoral working in the implementation of the strategy.

The Covid-19 pandemic continues to impact our communities and throughout this academic year we have worked closely with our partners ranging from businesses, schools, voluntary and community organisations to local authorities, the NHS and the cultural and creative sector, to support recovery and renewal.

## Measuring success

Indicator	Target	Status
<b>Inclusive Growth:</b> the University's contribution to inclusive growth in the North East and develop a more prosperous economy and more equitable society	<ul style="list-style-type: none"> <li>• Increase our research income while supporting greater diversity in R&amp;D investment in the North East</li> <li>• Increase the number of sustainable start-ups, jobs created and investment raised by our start-up businesses based in the North East</li> <li>• Increase the number and percentage of graduates who progress to graduate-level employment in the North East</li> </ul>	
<b>Social Mobility:</b> improving social mobility by making our education and research as accessible as possible	<ul style="list-style-type: none"> <li>• Increase the proportion of new entrants from low participation neighbourhoods to achieve the target in our Access and Participation Plan</li> <li>• Increase progression to higher education from low participation neighbourhoods and widening participation students from the North East in collaboration with NECOP partners</li> </ul>	
<b>Mutually beneficial partnerships:</b> the strength and breadth of our mutually beneficial partnerships	<ul style="list-style-type: none"> <li>• Targets to measure mutual benefits eg via stakeholder survey, creation of collaborative doctoral awards and KTPs, collaborative grant successes etc</li> <li>• Increase the number of student placements and volunteering with partners</li> </ul>	

## Progress during the past year

We are currently undergoing the Engage Watermark, an award granted by the National Coordinating Centre for Public Engagement to higher education institutions to recognise strategic support for public engagement and their commitment to improve the support offered. Their report showed that we have made significant progress in recent years with strong leadership, robust governance and excellent relationships with our partners. The report also identified areas for development and we have an action plan to address the areas highlighted. Based on this we will be awarded our Engage Watermark in December 2021.

In May 2021 we held our inaugural Engagement and Place Awards to celebrate the great engagement projects delivered by our students, colleagues and partners. The award categories reflected the six areas of the Engagement and Place Strategy and we received over 70 nominations, all of an extremely high standard.

We redeveloped our Engagement and Place Fund for 2020-21 based on feedback from colleagues. The fund supports colleagues to deliver successful projects which enable the benefits of our research and teaching to be shared outside the University. We now offer two tiers of funding and this year we asked for applications that delivered engagement projects and events responding to COP26.

We funded eight projects ranging from 'Singing the Seascape: exploring the implications of climate change and the experience of young people through sea-shanties' to 'Amplifying women's voices and the role of women change-makers in the climate change debate'.

### Engaging for economic benefit

We made our first submission to the Knowledge Exchange Framework in October 2020. This aims to increase efficiency and effectiveness in the use of public funding for knowledge exchange and to further a culture of continuous improvement in universities. The results placed us

in the top 10% in our peer group for working with the public and third sector, and the top 20% for our public and community engagement work and research partnerships. We were also in the top 40% for IP and commercialisation, and working with business.

Our two flagship programmes to support and develop the regional economy – Northern Accelerator, which supports the creation of new tech companies based on university research, and Arrow, which supports the growth of existing businesses by matching university academics with innovative regional SMEs – have delivered significant impact this year. Northern Accelerator's continued success has attracted a two year funding extension from Research England, while an external mid-term concluded that 'Arrow is having a positive economic impact on a range of business growth indicators, with beneficiary businesses reporting actual or expected increases in turnover and employment.'

We signed up to the principles contained in the Knowledge Exchange Concordat. This seeks to enhance knowledge exchange within universities through the exchange of good practice and act as a catalyst for collaboration between universities and with employers. We have undergone a self-evaluation exercise and gap analysis from which we have created an action plan..

### Engaging for societal benefit

We are playing a leading role in a number of key projects already underway, including; Net-zero Newcastle and Newcastle Health Innovation Partners (our Academic Health Science Centre) – discovering, developing and delivering new solutions in healthcare to improve the health of people living in the North of England. The new IntoUniversity centre will support more young people to fulfil their potential. It opened in October 2021 and will provide invaluable academic support, soft-skill development and experience of the world of work.

Building on last year's programme we have committed to deliver three years of the Newcastle 150

programme in partnership with Common Purpose, a leadership programme for young people. Newcastle 150 convened a diverse group of leaders, aged 18-25, from across Newcastle to ask the question 'What will the legacy of our generation be?'

We funded four projects to address our identified priority themes of social justice. These included funding to enable community organisations to help develop our engaged learning offer, support for an oral histories project around Covid-19 mutual aid groups, supporting the Millin charity develop their business-to-business marketing, and support of the Everyday Islamophobia project which looks to capture the experiences of children and families.

### Engaging from local to global

We launched our Civic University Agreement in July 2021. The Collaborative Newcastle Universities Agreement is a new partnership with Northumbria University that brings together the world-leading expertise of both organisations for the benefit of our communities.



*'Our Civic University Agreement is a living partnership with the aim of bringing together the collective 'power' of both universities – over 10,000 colleagues and 50,000 students - to support the health, wealth and wellbeing of people living in Newcastle and beyond.'*

**Professor Jane Robinson**  
PVC Engagement and Place

The Newcastle Helix site remains in development but is already home to more than 2,300 jobs across 60 different organisations, 11 University spin out companies and a district energy scheme that will save more than 30,000 tonnes of carbon emissions. We continue to work closely with our partners at Newcastle City Council and Legal and General to deliver coordinated marketing and communications for the site.

### Engaging for cultural benefit

We launched 'Wor culture' a forum for discussing issues relating to the culture and creative sectors in the North East, and to contribute to shaping its future. We strongly encourage cultural partners, freelancers and communities to propose topics for discussion, join in the debate, or offer to lead a session. We convened 11 'Wor culture' events and will evaluate the programme in the autumn.

### Engaging with policy and practice

We are working closely with regional and national partners and government both to help shape policies to underpin economic rebuilding and to deliver many of those policies. We are proud to be working closely, for example, with Britishvolt and to be leading the national 'Driving the Electric Revolution' initiative, which places the region at the heart of the UK's net zero challenge.

We have created NU Policy as our overarching brand to capture the wide range of support and initiatives in place to strengthen our policy engagement work. As well as enabling us to communicate our strategic and regional policy engagement, our aim is to build up a resource that will enable us to respond swiftly and effectively to emerging government priorities. The Academy runs a programme of cross-cutting activities to connect research, policy and practice. The programme helps academic and professional colleagues from different disciplines to learn how to engage with policymakers and exchange knowledge and expertise. Our Global Challenges Academy supports many networks, projects and people engaged in research with low-middle income

countries with the aim of tackling today's global challenges, supporting the UN Sustainable Development Goals.

### Engaging for access and participation

We joined the national Lifelong Education Commission as a commission member and are proactively shaping the direction of the government's lifelong learning and skills agendas. At regional level we have forged a strategic partnership with Newcastle College Group the aim of developing a coherent education offer as a catalyst for economic growth.

Following an internal review on Lifelong Learning and CPD, we have created the Lifelong Learning and Apprenticeship Hub which has been established to support lifelong learning, CPD and apprenticeship activities across our University. We launched an interim landing web page for CPD in September 2021. Our suite of apprenticeship programmes has been enhanced further by the Senior Leaders Level 7 apprenticeship offer in our Business School and Level 7 MSc Digital Technology Solutions with specialism in Software Engineering.

### Looking ahead

Our priorities for the next few years include:

#### Policy engagement

In the light of Covid-19, now more than ever leaders of local authorities, governments and international organisations are looking to academic experts to provide solutions-focused evidence that can inform policy development. Individual experts, teams and research centres across our University have been contributing to regional, national and international policy making for many years. But with UK government signalling its commitment to levelling-up and with so many of our areas of thematic research strength clearly aligned with current priorities, this year we have focused on strategic policy engagement to ensure we are positioned as a go-to provider of expertise within the corridors of

power. We will build on our policy engagement work using NU Policy as a platform to raise visibility of our work both internally and externally.

### Key strategic sites

Both Newcastle Helix and the Campus for Ageing and Vitality provide a wealth of engagement opportunities. We are working with British Volt and other partners in Blyth and the success of the Blyth Town Deal, focussing on innovation and skills development linked to renewable energy. Through collaboration with academics, industry, communities and cultural partners we will design a programme of engagement activity for these key sites.

### CPD and Lifelong Learning

Establishment of the Lifelong Learning and Apprenticeship Hub as well as the storefront/web page development for Lifelong Learning and CPD will be operational priorities. Our regional and national lifelong learning and skills policy activities will continue, and a greater emphasis will be set on the development of a new and enhanced lifelong learning and CPD offer.

### Social mobility and student engagement

We will build on our extensive track record in widening participation work and development of our Inclusive Newcastle Initiative to maximise opportunities for engagement across our student community.

### Continue to embed engagement across the institution

We will be developing a combined Knowledge Exchange and Engagement Action Plan to align the Engage Watermark and the Knowledge Exchange Concordat action plans to create a strategic plan for engagement and knowledge exchange across our University.

# Global

Being a globally inclusive institution.

Overall  
Assessment  
**Satisfactory**



## Priorities

Our Global Strategy will extend the international impact of our education and research.

To deliver this, our strategic aims include:

- Enhancing the global impact and visibility of our research, education, and engagement.
- Fostering global culture, competency, and opportunities that will enable us to attract, empower and inspire a diverse community of students, colleagues, and partners.
- Expanding our global reach, connectivity and presence by building and strengthening our portfolio of strategically aligned and mutually beneficial international partnerships and relationships.

## Measuring success

Indicator	Target	Status
<b>Global research profile:</b> the profile of our internationally excellent and impactful research	<ul style="list-style-type: none"> <li>• Increase the number / percentage of internationally co-authored papers</li> <li>• Maintain (or improve) our market-share of non-UK research grant income</li> </ul>	
<b>International student community:</b> the diversity and volume of our international student community across all campus locations	<ul style="list-style-type: none"> <li>• Increase the diversity of the non-EU student population by growing the number of countries where the student population is &gt;50 from 12 to 20</li> <li>• Grow the number of non-EU students to at least 20% of the overall Newcastle-based population</li> <li>• Increase student mobility for UG students and work towards a target of 25% benefiting from an international experience</li> </ul>	
<b>Global networks:</b> building our international partnerships, improving colleague mobility and enhancing alumni engagement	<ul style="list-style-type: none"> <li>• Engage at least 5% of the global alumni population in key programmes and ensure visibility of diverse alumni community</li> <li>• Improve colleague mobility through our Global, Skills, Policy and Enterprise academies to grow capacity and raise the global profile of the region</li> <li>• Develop our presence in South East Asia with sustainable growth targets and develop our portfolio of strategic partnerships in other regions</li> </ul>	

World University Ranking Tables	2017	2018	2019	2020	2021
Leiden	105	132	91	78	66
QS World University Rankings	161	141	146	152	134
Times Higher Education	175	171	201-250	178	146

### Progress during the past year

Before the pandemic, we saw very clear evidence for a year-on-year rise in international students. Covid-19 lockdowns and travel restrictions limited recruitment activity significantly. This was mitigated by our expanded in-region presence in China, India and West Africa, and through online recruitment activities. Projections of international student numbers and revenues were initially cut by 50%. However, September 2020 undergraduate enrolments were up by 10% compared to 2019, and postgraduate taught enrolments were down by 20% over the same period. We have refreshed our International Student Recruitment Strategy and continue to focus on building diversity and recovering our pre-Covid growth levels.

### Enabling international collaboration

Fundamental to our Global Strategy is the nurturing of an environment that places international ambition and activities at the centre of our everyday thinking and working. We continue to see evidence that our collaborations and operations outside of Newcastle allow us to develop partnerships, perspectives, innovations and solutions for education and research that we could not achieve in Newcastle alone. In addition to our two overseas campuses, we share more than 300 collaborative agreements with universities and institutions around the world and welcome colleagues from over 90 countries.

During the past year, we have signed Memoranda of Understanding with global university partners including the University of Cape Town (South Africa), Indiana University (USA), and the Indian Institute of Technology, Patna; and with private, governmental and charitable organisations including the Permanent Mission of Barbados at Geneva, and the National Institutes of Health, Malaysia. Whilst in-person travel has not been possible, we have continued to find innovative ways of sustaining and developing collaborations with our partners. In January 2021 we delivered the inaugural joint conference with the University of Pittsburgh, taking place online and focusing on 'The Role of Universities in Sustainable, Just & Inclusive Cities'. The second event in this series will take place in March 2022.

We have expanded our Regional Interest Groups, convening eight since July 2020 and involving more than 120 participants from across the University. These groups are helping us to harness our community's insight, networks and ambition to develop more impactful engagement plans for specific world regions. We will launch NCL Europe, a new hub enabling us to capitalise on, develop and publicise our work on, in and with Europe, in Autumn 2021.

### Building national and international networks in our areas of strength

We have continued to implement our new International Partnerships Framework which supports the continued strengthening of our partnership portfolio. The Framework is helping us to ensure global partnerships are aligned with our research, education, and engagement priorities, and underpinned by the University's core values. We are actively seeking to diversify our Spotlight Partners model and proactively develop major, multi-Faculty international partnerships with civil society, 3rd sector and/or non government organisations that align with our social justice, decolonisation, and public benefit agendas.



*'We have seen a rise in three major world rankings in 2021. The QS position is based on worldwide academic and employer reputation, and the Leiden ranking is exclusively based on research.'*

**Professor Richard Davies**  
Pro-Vice-Chancellor Global



NU Alumni in Shanghai, 2021

In 2020-21, the THE ranked us 15th in the world (5th in Europe) for our commitment to addressing the UN Sustainable Development Goals.

We have enhanced our engagement with the Association of Commonwealth Universities, taking on the role of co-chair of its Higher Education SDGs Network and delivering SDG-focused workshops for a large international audience at the British Council's Going Global conference. Cuts to the UK's overseas aid budget have endangered many of our collaborations with partners in the Global South; nevertheless, we remain the only UK institution to have won two prestigious GCRF Hubs — the GCRF Water Security and Sustainable Development Hubs — and these remain flagship, impactful, ongoing collaborations.

### Encouraging mobility and international outlook

Each year, we welcome a diverse community of students from over 140 different countries. The ongoing impact of Covid-19 has prompted the cancellation of some parts of our mobility portfolio but, despite this, 51 students undertook a period abroad in 2020/21 and 59 students undertook a virtual placement to replace their physical mobility. In addition, we have accelerated the development of virtual exchange (VE) opportunities to maintain our provision, expand access to mobility programmes amongst all student groups, and meet our sustainability objectives.

This has included new activities developed in partnership with institutions in Europe, North America, Africa, Latin America, and Asia. We hosted the International Virtual Exchange Conference in September, a sector-leading event providing a forum for an instructors, administrators and educational

leaders from institutions around the world interested in technology, international education, and intercultural and transnational learning.

We have been awarded £1.45 million for 2021-22 via the inaugural Turing Scheme call, the UK's successor programme to Erasmus+. This will enable us to expand our mobility destinations as well as offering enhanced support for disadvantaged students. Our Erasmus+ activities will also continue for another two years, supported by funding of €1.8m in total, and we expect this to enable 370 students to undertake a period abroad in 2021-22.

We support more than 200 Erasmus+ student and colleagues exchange partnerships with 150 European institutions as well as over 67 non-EU student exchange partnerships. Recent additions to our exchanges portfolio over the past year include Singapore Management University and University of California Davis.

### Global networks

As a global university, we provide a relevant and compelling offer that encourages international alumni

and supporters to maintain their connection to the University and each other. We also actively build programmes to encourage alumni and supporter participation and contribution to support current students, fellow alumni, and the University's global reputation.

Over a quarter of our graduates are based outside the UK, in more than 200 countries across the world. During the global pandemic, we have taken our alumni programmes online, which has in turn contributed to a greater global reach and engagement from our alumni body.

### Our locations

Our sites in Malaysia and Singapore continue to build and strengthen.

We successfully fulfilled the criteria for EduTrust status for our campus in Singapore, allowing us to recruit international students into the country. We have signed a five year extension to our partnership agreement with the Singapore Institute of Technology to teach joint degrees.



Location	Provision	Students at 1 December 2020
Malaysia	Undergraduate Medicine (MB BS), a BSc in Biomedical Sciences and some professional development provision	838 undergraduate
Singapore <i>in collaboration with Singapore Institute of Technology</i>	Programmes in marine engineering, naval architecture, offshore engineering, mechanical design and manufacturing engineering, electrical power engineering and chemical engineering	949 undergraduate
Singapore	A growing portfolio of postgraduate programmes	89 postgraduate

# Relationships and resources

This section (pages 42-54) identifies the strategic enablers, or inputs, we draw upon to support our core activities of education and research.

## Our People: students and colleagues

Our ambition is to be recognised as a forward thinking and people centric organisation which attracts outstanding students and colleagues. The people strategic enabler is built on the robust foundations of our guiding principles and core values. The values of equality, diversity and inclusion, social justice and academic freedom encourage excellence and creativity with the desired impact in our colleagues and students. We place a strong focus on colleague development and progression based on the current and future requirements of the University's vision, goals and aspirations.



OUR PEOPLE

### Students

Over the past 18 months, the global Covid pandemic has fundamentally challenged how we deliver education and the student experience. UK Covid restrictions, outbreaks, and successive lockdowns resulted in an almost-overnight change from being a vibrant, campus-based University community, to providing almost all our programmes, services and support to students online and remote from campus. Newcastle University students have been based in Newcastle, throughout the UK, and across the world, spanning many different time zones.

As a result of Covid, many of the elements of university life that enrich our students' experience were simply not possible: connecting with peers on their programme of study and as part of an academic school community; meeting a personal tutor or supervisor in person; the opportunity to get to know academics and/or research groups; field trips and visits in the UK or

abroad; sport; working or volunteering in person; and simply just enjoying social activities in Newcastle city or on campus. This created challenges for all our students, but particularly so for new students in 2020-21.

However, whilst there have been daily, weekly and monthly challenges inherent in dealing with the impact of the pandemic, there have also been opportunities for development and change. We have been reminded of just how agile, innovative and responsive we can be when we work together as one University with a clear focus on supporting our students. In addition to developing new approaches to service provision as well as a range of additional Covid-related support, we have accelerated our plans in a number of areas to further develop an outstanding and inclusive experience for our students.



*'We must build on the learning from the challenges we have faced over the past year; our response to Covid-19 has been a springboard for innovation, creativity and collaboration and has demonstrated the power of working together to deliver an inclusive student experience with students at the centre.'*

**Dr Colin Campbell**  
Executive Director  
Academic Affairs

Total students at 1 December	2020			2019	Change
	Full-time	Part-time	Total	Total	%
<b>Undergraduate</b>					
Home and EU	18,789	47	18,836	18,286	3%
Overseas	1,963		1,963	2,029	-3%
Total	<b>20,752</b>	<b>47</b>	<b>20,799</b>	<b>20,315</b>	<b>2%</b>
<b>Postgraduate</b>					
Home and EU	2,713	1,394	4,107	4,006	3%
Overseas	2,534	132	2,666	3,050	-13%
Total	<b>5,247</b>	<b>1,526</b>	<b>6,773</b>	<b>7,056</b>	<b>-4%</b>
<b>Other locations</b>					
London	394	22	416	572	-27%
Malaysia	838		838	770	9%
Singapore	964	82	1,046	917	14%
Total	<b>2,196</b>	<b>104</b>	<b>2,300</b>	<b>2,259</b>	<b>2%</b>
<b>Total</b>	<b>28,195</b>	<b>1,677</b>	<b>29,872</b>	<b>29,630</b>	<b>1%</b>

## Supporting our students through Covid

### Understanding students' needs

Our overarching priority was to support our students through the pandemic, focusing particularly on those who were most vulnerable – disabled students, students with mental health concerns, students from a care background or those in need of financial support. Working with our committed team of sabbatical officers, we ran surveys and online listening sessions and consulted with a diverse range of students to understand their needs and ensure our responses were rapid, effective, tailored and inclusive. Particular challenges that our students have faced included IT provision and internet access; mental health issues; financial concerns and social isolation.

### Access to education and support

There has never been a year in which we have been so dependent on our online systems and support, so a major cyber-attack in August 2020 was particularly challenging at a critical time in the run up to the new academic year. Our colleagues and students were not able to use our normal online systems for registration. It was credit to a committed team effort that we were able to deliver workarounds in order to successfully register 27,000 students in time for the start of term.

### International arrivals

Significant numbers of international students, particularly from China, faced difficulties travelling to Newcastle. We collaborated with other northern universities and Hainan airlines to charter flights from China into Manchester. As part of this, we adapted and extended our 'Meet and Greet' service with colleagues travelling to Manchester to meet students and accompany them safely to their accommodation in Newcastle.

### Supporting self-isolation

Many students had to quarantine on arrival in Newcastle or as a result of outbreaks over the course of the year. As a response, we pulled together a Covid-19 Support Package - a comprehensive range of support that mobilised colleagues from across the University aimed at addressing the particular challenges. The support included: food vouchers and deliveries; 24 hour support for wellbeing and mental health through our Talk 24/7 wellbeing app; access to online library services and a 'click and deliver' system for books and a suite of virtual on-demand exercise classes.

A key part of the offer and a central point of co-ordination was our Covid Call Centre, staffed by trained students. This provided a one-stop shop for students in need of help. All self-isolating students had personal contact from one of our friendly student callers who

checked on them and provided support tailored to individual needs. Students in need of extra help, or those who indicated they had a disability, were prioritised for calls, and our wellbeing team made follow up calls and visits to provide additional professional support where needed. Overall, the Covid-19 Support Package helped over 7,000 students with the Call Centre managing over 11,000 calls. 5,500 food vouchers were provided and 400 emergency food parcels were delivered to students in their accommodation.

Our students supported by an on campus lateral flow testing centre, set up to ensure Covid transmission on campus was kept to a minimum. In parallel, we initiated a campaign to encourage students to get vaccinated in order to help keep our community safe.

### IT and financial support

To address student issues of IT and online access, we set up a new IT Support Scheme for students who needed support so that they could quickly access laptops or grants worth up to £700. Over 1,300 students benefited from the scheme. A newly-developed 'virtual desktop' meant that they could remotely access the software they needed for their course, regardless of their UK or international location. For students in financial hardship, we offered emergency loans and grants through a fast track application system.

### Student engagement and connection

Successive lockdowns meant that many students were isolated and unable to benefit from their normal social connections with other students. We worked with our Students' Union to encourage students to engage with clubs and societies, volunteer, and take part in a wide range of virtual classes ranging from cookery demonstrations, self-walking tours, film nights, language lessons to a range of employability and careers workshops.

### Accelerating our plans to support our students

Opportunities arising from the Covid pandemic have enabled us to accelerate our plans for supporting our students in key areas. These included our approach to improving our communication and engagement, adapting our support services to be flexible, personalised and inclusive, and putting the students at the centre of all our decision making.

### Communication

In the face of such a fast-changing environment, and with students studying remotely, we worked hard to keep students informed and engaged. We delivered the first phase of our vision to transform our student communication and engagement which included a new student homepage and student-informed blogs. Constantly-updated Covid FAQs and regular communication from the Academic Registrar provided students with updates on the situation and the University's response, signposting students to help and support. In phase 2, we will move to a school-based communications delivery approach, in order to help students connect with their subject area and academic school.

### Flexible digital approaches tailored to student need

We moved to a model for counselling and wellbeing where students could choose to attend appointments online or in person. This proved popular with students who have appreciated the flexibility and individuality of the approach,

and we have been able to support more students owing to fewer missed appointments. We have undertaken online student vivas to assess our research students and our careers team swapped in-person careers fairs to new on-line employer events which included over 100 employer-led webinars.

Working with our students we will develop, extend and embed this move to blended, student-centred services to enhance their student experience.

### Building back better

Our students demonstrated great resilience and resourcefulness, our Students' Union sabbatical officers were the very best of critical friends, and our University colleagues went over and above throughout the course of the year to respond to the challenges of supporting our students.

Together, we must build on what we have learned, put the students firmly at the centre of our decision making, and work collaboratively to deliver an outstanding experience for our students.



## Colleagues

Full-time equivalent colleagues were 5,878 (6,474 colleague headcount) as of 31 July 2021, a decrease of 90 FTE (1.5%) from 31 July 2020.

During the year, the business case for the next phase of our transformational My NU programme was approved. This resurrects the investment in our People Services Systems infrastructure following a pause during the Covid-19 pandemic. We will take forward this next phase of digital transformation towards a fully integrated suite of people systems, providing the organisation with easily accessible and better-quality data in a more consumable format. Most importantly, this is to provide our people with a much more customer friendly experience.

Following our Covid-19 and wellbeing survey in 2020, we have identified a clear need for more focus on colleague wellbeing. In the last year we agreed a business case for the establishment of a small colleague health and wellbeing support team. This team will be populated during the coming year and will establish a calendar of training and events focused on colleague wellbeing and mental health. During 2020-21 we extended the Report and Support system beyond students to our colleagues in order to provide an avenue to capture incidents of hate crime and sexual violence in the colleague population.

We are continuing the work of the For Families project and in line with this we have supported the extension of the Returners Support Programme to Professional Services colleagues and are working on the review and implementation of a range of enhanced family friendly policies.

### Recruitment

Recruiting highly talented colleagues locally, nationally, and internationally, through inclusive recruitment practices continues to be one of our top priorities and features heavily in our Race Equality Charter and Athena Swan accreditation action plans.

The transition period in relation to the UK's departure from the EU ended on 31 December 2020 and the deadline for applications to the EU settlement scheme expired on 30 June 2021. We continued to support colleagues and hiring managers through these challenging periods with many briefing sessions to outline the key aspects of the new immigration system, particularly the introduction of the new skilled-worker route from 1 December 2020.

The new immigration system has led us to change our model of support to current and prospective colleagues and hiring managers. There is now dedicated support at an early stage in the recruitment or contract extension process, ensuring the applicant can meet the more complex requirements under the new system.

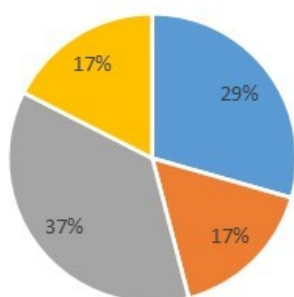
We have provided support to colleagues since the EU referendum in June 2016 and this has continued during the last year. Support via information on our intranet such as Frequently Asked Questions; regular reminders to colleagues about the EU Settlement Scheme; Brexit networking/listening events; and a dedicated email address for Brexit queries have been provided.

The proportion of the new colleagues we attract into research and academic positions from EU/EEA countries has been impacted since the referendum in 2016. During our financial year 2016-17, 35% of newly hired or returning research colleagues and 30% of our new or returning academic colleagues were from EU/EEA countries. Those numbers have declined since the peak in 2016-17 with the 2020/21 figures showing that 19% and 20% of our new or returning research and academic colleagues respectively were from EU/EEA countries.

### Colleague development

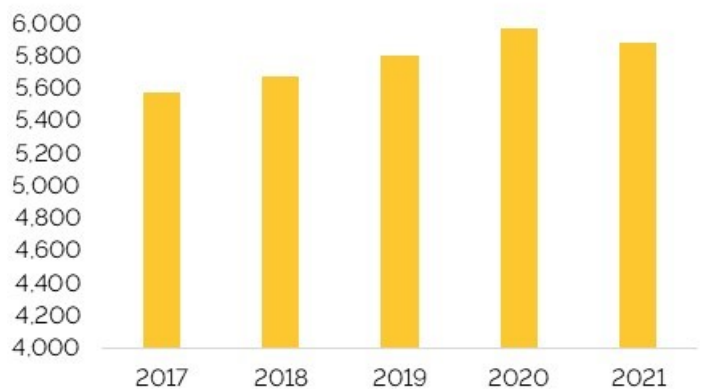
Our focus on culture, values and behaviour has continued this year. We have piloted 'Managers Essentials' a set of 20 modules and supporting online materials for new managers to have all of the foundations when new to management at the University, this includes skills modules such as coaching skills and communication as well as knowledge modules such as 'how to support wellbeing' and 'how to create inclusive environments'.

Colleague category - Full time equivalent as at 31 July 2021



■ Academic ■ Research ■ Professional ■ Other

Full time equivalent colleagues as at 31 July



## Relationships and resources

We have also designed and piloted 'Leading through values', a new three-day leadership programme for all leaders focused on culture, values and behaviour. Both programmes will be formally launched in the new academic year, when our VC and DVC will attend one of the first three cohorts delivered to visibly sponsor the programme. We have also refreshed and reviewed our approach to induction and on-boarding and have established a group of induction co-ordinators across the University.

Our submission for the HR Excellence in Research, in November 2021 was successful with the University retaining the European Commission HR Excellence in Research Award at the 10-year internal review point. We are also one of the first of 31 organisations and institutes in the UK to become signatories of the new Researcher Development Concordat, committing to improve the support provided for our research colleagues. As a signatory we are developing an action plan to support implementation and will report annually on progress.

Whilst University spending on training and development has been curtailed this year, due to the restraints imposed on non-discretionary spend, utilisation of the apprentice levy has continued to grow from the 2019-20 spend of £322,000 to £448,000. This covers 117 apprentices ranging from Level 2 to Level 7 across 19 different training providers. This year also saw us work on our first transfer of apprentice levy, transferring £96,500 of our unspent levy funds during this financial year to support apprenticeships in the local Health and Social Care sector.

In December 2020 the Technician Commitment Self-Assessment and a three year action plan was submitted to the Science Council for assessment. The feedback from the Science Council review panel was excellent and overwhelmingly positive. The action plan is both forward thinking and challenging and builds on previous successes. Embedding technicians in University initiatives has been a particular success over the last 12 months. Some notable examples are technical representation in both

the enterprise and skills academies, Athena SWAN self-assessment, the innovation and work of NUCoRE's, research culture co-ordination group, COP26 steering group and colleague networks has been hugely welcome by technical colleagues. In response to a technical skills survey carried out in 2019, technical colleagues now have access to a wide range of online resources specifically curated to meet their development needs. We have devised and delivered training on HEA associateship/fellowship recognising technicians who teach.

### Equality, Diversity and Inclusion

Equality, Diversity and Inclusion (ED&I) remains one of our core values. We continue to make progress on our Race Equality Charter work and have now produced the first draft of our action plan ahead of submission in 2022.

We developed and piloted new training around White Privilege and Allyship. We piloted the first in a series of equity initiatives in March 2021 with a cohort of 25 racially minoritised colleagues participating in our Inclusive Futures Leadership (BAME) Programme. The programme has a tailored package of additional support including career coaching for participants, which was developed in collaboration with our Race Equality Charter self-assessment team and special interest groups.

In addition, for our institutional Athena SWAN work, we have identified work stream leads and are moving forward with the delivery of our action plan.

We continue to strengthen relationships with our EDI Networks and now have regular EDI Network Chairs meetings to ensure our networks are consulted on a range of new and existing policies, systems, and processes. More precisely in the last year we have focused on people policies where the impact of Covid 19 may be particularly felt such as promotion and reward. We have begun to monitor the data from these processes to ensure that we can identify and act on any disproportionate impacts. EDI was an important consideration in 2021

Research and Excellence Framework submission and we undertook a REF Equality Impact Assessment and supported colleagues in the REF Special Circumstance process.

We continue to support the Council for At Risk Academics by funding three CARA fellows and are particularly proud of our Sanctuary Scholarships which support equal access to higher education and offer full tuition fees and a bursary for living expenses for applicants wishing to study at the university.

### Covid-19

Colleagues overseas were supported to manage their safe return to the UK and colleagues in difficult circumstances have been supported to remain overseas with appropriate safety and compliance measures in place. Where new colleagues have been unable to commence their employment with us in the UK, where appropriate, support has been provided to enable colleagues to commence work overseas.



*'We have supported our colleagues during the pandemic, through our Occupational Health team and Employee Assistance Programme. After extensive consultation, we are changing to a blended working style for most colleagues, however we aim to have colleagues on campus the majority of the time.'*

**Adrienne McFarland**  
Executive Director People Services

Notable awards during the year	
Professor Muzlifah Haniffa (NIHR Newcastle Biomedical Research Centre) and Professor Sophie Hambleton (Deputy Dean of Translational and Clinical Research Institute), were elected to Fellowship of the Academy of Medical Science.	Dr Jen Bagelman (School of Geography, Politics and Sociology), Dr Lisa-Marie Shillito and Professor Sam Turner (School of History, Classics and Archaeology) were awarded the European Commission Marie Skłodowska-Curie Actions Fellowship.
Professor Rose Gilroy (Professor of Ageing, Policy and Planning), Professor Danny MacKinnon (Professor of Regional Development and Governance), Professor Tracy Shildrick (Professor of Inequalities) and Professor Sally Shortall (Duke of Northumberland Chair of Rural Economy) were made Fellows of the Academy of Social Sciences.	Professor Jennifer Richards (School of English Literature, Language and Linguistics) won the European Society for the Study of English award for her most recent monograph. She also received a London Renaissance Seminar Contribution Award, which recognises excellent research in the field, and also collegiality, creativity, openness to ideas beyond the mainstream, and mentorship.
Professor Ian Haynes (Professor of Archaeology) was elected as a Fellow of the Academia Europaea.	Professors Linda Anderson was elected Honorary Fellow of the Royal Society for Literature and Professor Jackie Kay was elected as a Vice-President.
Dr Emma Whipday (School of English Literature, Language and Linguistics) won the Shakespeare's Globe Book Award 2020.	Professor Sinead Morrissey (Director of the Newcastle Centre for Literary Arts), was awarded the Gdansk European Poet of Freedom Literary Award 2020.
Dr Peter Taylor (School of Computing) and Dr Laura Young (School of Biomedical, Nutritional and Sport Sciences) were awarded UKRI Future Leader Fellowships.	Vicki Hedley (John Walton Muscular Dystrophy Research Centre) was awarded an Eurordis European Leadership Award 2021 for her contribution to European cooperation in the rare disease field.
Professor Phil Blythe (Professor of Intelligent Transport Systems, and Chief Scientific Adviser, Department of Transport), was made a Fellow of the Royal Academy of Engineering.	Dr Rob Forsyth (Senior Lecturer in Child Neurology), was awarded a £1.15m grant from the NIHR's Efficacy and Mechanism Evaluation Programme for work on seizure control.
Professor Fiona Matthews (Professor of Epidemiology, Ageing and Geroscience) and Professor John Pendlebury (Professor of Urban Conservation) were made Fellows of the Academy of Social Sciences.	Dr Sara Walker (Director of the National Centre for Energy Systems Integration) and Dr Stephen Elstub (School of Geography, Politics and Sociology) joined the oversight panel for the North of Tyne Citizens' Assembly on climate change.
Professor Andy Husband (Head of the School of Pharmacy) was appointed Chair of the Royal Pharmaceutical Society of Great Britain Education and Standards Committee.	Professor Matthias Trost was recognised for excellence in biosciences, winning the Industry and Academic Collaboration Award in the annual Biochemical Society Awards.
Jude Heed and Dr Adam Rathbone (School of Pharmacy) and Dr Andrea Myers and Dr Dominic Johnson (School of Medical Education) were awarded Senior Fellowships with the Higher Education Academy.	Dr Clare Guilding (Dean of Academic Affairs, NUMed), Professor Simon Tate (School of Geography, Politics and Sociology) and Dr Iain Keenan (School of Medical Education), were made National Teaching Fellows, the second consecutive year three Newcastle academics were elected as fellows.
Professors Helen Reeves and Fiona Oakley, in collaboration with Dr Marco Zaki from Minia University, Egypt, won the 2020 Newton Prize for their international study into liver cancer.	Professor Steve Clifford, Professor Heather Cordell, Professor Tracy Palmer and Professor Joris Veltman were awarded fellowship of the Academy of Medical Sciences.
Dr Fadzilah Hasan (Clinical Associate Professor at NUMed) was elected to serve on the National Council of the Malaysian Medical Council.	Professor Volker Straub (Translational and Clinical Research) was awarded NIHR Senior Investigator status for four years.
Dr Sarah Pickett (Wellcome Trust Career Re-Entry Fellow), was announced as winner of the For Women in Science 2020 award in Life Sciences for her research on the mutation of mitochondria.	Professor Ruth Plummer (Translational and Clinical Research) won the European Targeted Anticancer Therapies award, which is given to distinguished cancer drug development experts.
Dr Benjamin Houston (School of History, Classics and Archaeology) and Professor Shirley Jordan (School of Modern Languages) were awarded one-year Leverhulme Research Fellowships.	Professor Helen Foster (Population Health Sciences Institute) was invited to serve as a member of the World Health Organisation External Review Group on chronic primary low back pain in adults.
Dr Christopher Stewart (Translational and Clinical Research Institute) was awarded a prestigious Lister Institute research prize.	Dr Fionnghuala Sweeney (School of English Literature, Language and Linguistics) was awarded a British Academy/Leverhulme Senior Research Fellowship.

# Infrastructure



## INFRASTRUCTURE

### Estate

This year has seen huge contrasts in the way the physical and virtual estate has been used, maintained and developed. Despite the resource pressures of the pandemic, we have continued to invest in our estate through our capital, improvements and long-term maintenance projects.

Many projects were paused but have recently recommenced and the on-going development of our estate has continued. Refurbishment of the Henry Daysh Building has continued following a short hiatus in April of 2020. The first phase has been extremely well received and was completed in September 2021.

The Dame Margaret Barbour Building which was first delayed by the collapse of the main contractor in December 2019 and then by the pandemic lockdowns was completed in December 2020. The

three lower floors were made available for student use at the start of the 2020-21 academic year with colleagues occupying the upper floors in January 2021. The building has been extremely well used and has been one of the focal points of student activity on campus.

The Stephenson Building and Sir Terry Farrell Building projects which were paused due to the pandemic have now restarted. The Stephenson Building works commenced on site in May 2021 and enabling works on the Sir Terry Farrell Building project started on site in August 2022.

Throughout the pandemic our colleagues in Estates and Facilities have continued to support and maintain our estate ensuring that the necessary safety precautions are in place to manage the threat of the virus. Utilisation of the estate

has been sporadic however that has not reduced the maintenance workload. We continue to achieve high percentages for the quality and functional suitability of our estate (90% and 95% respectively). Estates Management Record data has not yet been published, however we are confident both of these will continue to be well above the Russell Group benchmark and sector norm.

The effective closure of the estate with the first lockdown highlighted the high electrical baseload of the estate, this running at approximately 50% of operational peaks. Some of this has been identified as increased mechanical ventilation to combat the spread of the virus however opportunities for energy reduction especially in the areas of laboratory equipment, fume cupboards and specialist freezer have been identified and work is on-going in this area.

*'Our estate and wider infrastructure supports all aspects of education and research. Our physical and virtual learning environments facilitate creativity and engagement between students, colleagues and our external partners. Both our physical and virtual environments have needed to make major changes in the past two years to react to the challenges of Covid-19 and I am proud of the work of colleagues in our key service units to enable that change to happen so quickly and effectively'*

**Dr John Hogan**  
Registrar



The projects delivered this year include:

Main projects delivered and in progress	
Sports Centre	Major refurbishment of existing sports centre on campus completed February 2021
Dame Margaret Barbour Building	Home to the School of Psychology and the School of Sports, Exercise and Nutritional Sciences the building also provides high quality teaching and learning spaces – Phase 1 completed October 2020, Phase 2 December 2020. Official opening May 2021
Advanced Engineering Research Hub	Research facilities on the banks of the Tyne at Walker supporting the work of the Design Unit in Electric Drive technology
Stephenson Building	Planning permission approved and work started on site May 2021
King's Gate Photovoltaic Installation	Main installation completed in September 2020 with additional panels added in July 2021

With the completion of the Dame Margaret Barbour Building and Sports Centre the operational estate area has once again increased year on year and at July 2021 was 245,000m<sup>2</sup> (net internal area), an increase of 11,750m<sup>2</sup> on the previous year. The floor area is estimated to increase further to 249,050m<sup>2</sup> by July 2022 as the Henry Daysh refurbishment becomes operational.

Capital investment in our estate has continued at a pace during the year with almost £30m invested. The more open approach to interdisciplinary working and changes to teaching and working practices have had an influence on the development and integration of the physical and virtual estate with a significant shift towards collaborative spaces and digitally enabled facilities. It is expected that this will continue as colleagues and students alike adapt to new ways of working.

We continue to work closely with Newcastle City Council, Newcastle upon Tyne Hospitals Trust and other key partners to develop the vision and masterplan for the former Newcastle General Hospital site. The masterplan, which will see the site developed as a world leading facility for development and promotion of healthy ageing, has been submitted for outline planning permission and the tendering has commenced to appoint a development partner for the site.

Following extensive debate, our net-zero carbon target has been revised from 2040 to 2030. This has increased the focus on the

development of environmental sustainability projects such as the King's Gate photovoltaic (PV) project. Further PV installations have been completed on the roofs of Cassie, Drummond and Great North Museum and external funding has been awarded for the progress of the biofuel CHP project in Merz Court and energy efficiency upgrades in Great North House.

2021-22 and 2022-23 are likely to be challenging years financially so continued investment in capital and long-term maintenance projects will be difficult in the short term. This strategic investment in the estate is however a priority in the longer term to maintain our estate condition at the high levels we have achieved and continue to provide high quality learning, teaching and research facilities.

Working groups have been established to develop pilot projects to trial blended working and blended teaching environments. Collaborations between facility users, Estates and Facilities, NUIT and People Services are crucial to the success of these pilot projects and the development of the estate in the future.

The establishment of a new net zero carbon target of 2030 will require increased investment in energy efficiency and generation projects if we are to meet this target. £15m a year over the next eight years has been incorporated into the capital investment plan and this will be supported by external funding bids and use of the Salix revolving green fund.

The development of a masterplan for the Campus for Ageing and Vitality site has progressed well, and the planning application for outline planning permission has been submitted with a decision expected in October 2021. We have established a community engagement group to develop a Community Engagement Strategy Action Plan which is designed and owned by local communities.

### Student residential accommodation

The Covid safety measures reduced our on campus residential capacity as some areas were mothballed to help manage the transmission of the virus. We directly managed 3,032 rooms (approximately 900 down on the previous year) and had nomination agreements with three Purpose Built Student Accommodation providers for 1,635 rooms across the city, an increase of approximately 600 compensating for the loss of managed beds.

The accommodation helpline ran for a second successful year during August 2020 with volunteers helping to answer a high volume of calls and live chat requests which increased due to concerns around the Covid pandemic. The helpline operated longer than anticipated into October to allow for changes to Centre Assessed Grades, travel corridors and the impact of the cyber-incident. Our student intake was successful, again operating over a longer period, to allow for social distancing measures across residences.

## Relationships and resources

The £4.2m Marris House refurbishment project, completed for 2019 intake, has received excellent feedback due to the quality of the living accommodation, value for money and location. This has been demonstrated by the number of students who in their application have made this their first choice (800+ for 192 rooms). The sale of St Mary's College, generating a capital receipt of £2.55m, was completed in September 2020.

Plans for the potential development of Windsor Terrace were halted as we realised that the development would not be commercially viable. Castle Leazes redevelopment is being considered again with discussions with the city planners ongoing. Our aim is to demolish the current site and rebuild with en-suite flats, townhouses and a central hub and catering facility.

Our inclusive ResLife programme saw impressive student participation numbers in excess of 100,000 engagements, operating entirely across virtual platforms, compared to 25,562 the previous year. Engagement in events, activities and the educational curriculum around developing life skills indicate the range, variety and quality ResLife offer has put students at the heart of all we do.

Covid impacted on the planned long term maintenance works for the year. The reduction in investment will need to be addressed in future years to ensure that we continue to maintain the accommodation stock to required standards.

Covid impacted on tenancies and rental income, with flexibility offered around start dates for residents unable to travel for the start of term, or isolating prior to arrival. Rent rebates were offered for the two week travel window in December 2020 and also for the January 2021 lockdown period. We lost £2.7m income, with the University also covering an additional amount of £1.6m to reimburse students living in our nominations rooms.



## Information Technology

### Evolution of IT services

In July 2021, we launched a new structure within the IT Service. This transformation forms part of Evolution, a key strategic programme to re-shape our University IT Services.

Our people have remained at the centre of this change. By investing in their knowledge and harnessing their experience, we can ensure we have the skills to serve the complex demands of our world-class University.

The new structure ensures we are flexible, so we can adapt our ways of working to meet future requirements. It will also allow us to take a more structured approach when managing and prioritising demand. We aim to achieve a cultural change that enhances collaboration, promotes good practice and adds value.

### Online learning and teaching

We deployed Microsoft Azure Virtual Desktop to enable students and colleagues to attend and deliver classes remotely. IT colleagues coordinated with counterparts in Malaysia and Singapore to architect a global solution serving 29,000 students. The Virtual Desktop service has become a key tool to support the delivery of online student learning activities. It gives up to 4,500 users a day secure remote access to university computing through their own device. The auto scale feature in Azure adjusts the system to the number of users. This means we only power active resources, saving 50% of previous electricity use.

In August 2020, we utilised Azure Lab Services to provide secure labs in the cloud for classroom collaboration and development. Lab Services have enabled us to provide specialised software and environments, remotely and on-demand. The service can be adapted, scaled and personalised efficiently and cost-effectively making it ideal for short-term modules.

### Remote working

Access to University resources and software have remained essential to the continuity of our learning, teaching, research and operational activities. During 2020-21 we:

- equipped 998 colleagues with IT hardware to support home working.
- distributed a further 378 laptops to students who were struggling with access to IT facilities.
- extended Adobe Creative Cloud licensing to include use on personal devices for students needing the software.
- made ClaroRead accessibility software available at no personal cost to students; downloads exceeded 200.
- awarded a 3-year contract to provide Canvas VLE 24/7 support direct to students and colleagues worldwide.
- upgraded some 7,500 colleague accounts to provide Power BI Pro as standard, at no cost.

Essential remote working services, like Microsoft Teams and Zoom, showed significant usage growth. They allow users to create virtual teams, share files, chat and make video/audio calls. University active users of Microsoft Teams increased by 27% to 31,700 in 2021. Between 1 June and 31 July 2021, members of the University conducted 152,156 meetings in Microsoft Teams, including 1-1 and group calls, a 73% increase on the previous year.

Renewal of a University site licence for Zoom enabled colleagues and students to set up unlimited time and multi-participant meetings. From 1 August 2020 to 31 July 2021 the number of meetings increased by 282% on the previous year to 592,841, participants exceeded 3.9 million (355% increase) and meetings lasted for 228.8 million minutes (328% increase), the equivalent of just over 435 years.

A blended approach enabled us to maintain core IT support functions despite restrictions. IT Service Desk colleagues continued to work remotely, responding to email, self-service and telephone requests. A core set of IT colleagues remained on campus, adopting Covid secure practices to deliver essential in-person services.

### Clearing and Registration

Covid-19 impacted all university activities, including the recruitment and registration of our 2020-21 student intake.

Clearing 2020 required a hybrid model of remote delivery alongside an on-campus event. A Voice over Internet Protocol (VoIP) telephony solution enabled us to route calls securely over the internet, without the need for a traditional phone line. This, combined with Live Chat, and an innovative Microsoft Teams solution for internal queries, enabled over 180 volunteers to take approximately 6,000 calls and 1,100 live-chats on the first day.

Remote registration was enabled for the 2020-21 student intake. The development of the Newcastle University App allowed new students to create a digital Smartcard until they arrived in Newcastle and were able to collect a physical card.

### Cyber Security

In August 2020, the University suffered a significant cyber incident, affecting many of our IT systems. We used the lessons learned to inform our cyber-security programme and further strengthen network security.

An upgrade to our Microsoft licenses has provided more intensive security management, additional analytics tools and advanced compliance. March 2021 saw the introduction of Multi-Factor Authentication (MFA) for all University IT accounts. MFA makes a login more secure. It requires an extra security step, like an app notification or a code, to sign in to core University IT services. All colleague and student accounts are now registered for MFA. This has significantly improved our cybersecurity posture. We have changed the University registration process to ensure all new accounts have the added protection of MFA.

### Library and archives

The Academic Skills Kit (ASK) website has been redesigned and refreshed to present this important collection of self-directed learning resources to students in a more engaging and dynamic format. We have established a new Academic Skills team to further support students in their development of academic skills. Together with the Writing Development Centre and Academic Liaison Team, they are working with academic colleagues to expand and embed our teaching activity in this important area.

The Peer Mentoring Scheme, which transferred to the Library in 2019, has really proved its worth this year. Because of the pandemic, all training and support was delivered online, however, evaluation and feedback suggests that mentees still benefited significantly from the scheme: '[my peer mentor] has been a bright shining light guiding us through the whole of the first term ... I couldn't have asked for someone more caring and supportive.' Peer mentors also derive considerable benefit from participating in the scheme with 81% of respondents reporting that they felt the role was useful or extremely useful to their personal and professional development.

Whilst delivery of on-campus library services was inevitably disrupted this year, we worked creatively and responsively to introduce new online services. Our teams used a mixture of non-synchronous learning materials embedded in Canvas together with a variety of live online activities to teach on over 140 different undergraduate modules and all three Faculty PGR development programmes. Our covid-secure booking service for study spaces provided over 200,000 seat bookings for students whilst the new Click and Collect and Click and Post services facilitated access to more than 55,000 print books. These services will have a positive legacy, for example, we envisage seat bookings helping in managing peak demand during assessment periods and retaining a more blended approach to our teaching will provide more flexibility and choice for our students.



# Environmental sustainability

In April 2020, we became one of the first universities in the UK to declare a climate emergency, which has provided the context for a university-wide review of our environmental policy, objectives and targets to accelerate our response to the climate crisis. Our renewed policy commits us to visibly leading on environmental sustainability at local, national and international scales in line with our Vision and Strategy, and we continue to deepen the reach of our Environmental and Energy Management Systems, which are certified against ISO14001 and ISO50001 respectively.



ENVIRONMENTAL  
SUSTAINABILITY

Over the last year, we have accelerated our climate action, working at speed to evolve our roadmap to net-zero and to ensure that key projects are underway towards meeting our goal. This builds on over 10 years of work to embed sustainability across the University. In the year of COP26 when, after a year's delay due to the pandemic, world leaders will gather in Glasgow to agree urgent action to tackle climate change, our progress has never been more vital.

We agreed to bring forward the University's net zero target from 2040 to 2030 in April 2021, in recognition of the need to act with pace and commitment as the science of climate change becomes ever clearer.

In June 2021 we launched our climate action plan, developed through work with various stakeholders including colleagues, students and key partners in the city including the NHS and Newcastle City Council. The plan represents a further raising of ambition in our leading carbon reduction work which in 2020-21 saw us achieve our longstanding target of a 43% reduction in carbon emissions against a 2005-06 baseline and meet the BEIS Carbon Pledge of a 30% emissions reduction against a 2009-10 baseline. The ambitious and holistic nature of the plan led to us being shortlisted for a 2021 Green Gown Award in the '2030 Climate Action' category by the Environmental Association of Universities and Colleges.

Our ongoing projects include increasing on-site renewable energy generation via our solar photovoltaic (PV) programme, which will cover available roof space on the estate with solar panels. In October 2020 we commissioned our largest solar PV array to date on the King's Gate building, and further extended this in July 2021 to 284 panels with an installed capacity of 113kWp, almost doubling our total installed PV capacity to 243kWp across the estate. The next phase of the programme will see capacity double again to over 500kWp.

In May 2021 we secured grant funding from the BEIS Public Sector Decarbonisation Scheme for a heat pump led project to decarbonise our Great North House Building – one of many projects required on the road to net zero. Implementing our sustainable construction specification, which is aligned to the UN Sustainable Development Goals, we are also progressing our plan to extend and decarbonise our district energy networks. This will include the installation of biofuel combined heat and power plant in Merz Court energy centre, funded in part by a £2.9m loan from the BEIS Heat Network Investment Programme. This will provide heating for the redeveloped Stephenson Building and will allow us to target net zero for the Stephenson project as a whole – a first for a University capital project.

With leadership from our Environment and Sustainability Committee, we have built huge

momentum towards a more sustainable future within our university community over the last year, hosting a number of student and colleague facing events including a webinar on what the SDG's mean for our university and the actions students can take to tackle the climate crisis. To maintain this momentum will require ongoing engagement with students, colleagues and stakeholders within a programme of cultural change. COP26 provides a unique moment and opportunity to focus this activity, and we look forward to developing further transformative initiatives in the coming year.



# Networks and partnerships

The Covid-19 pandemic has shown how quickly universities like us can respond to global emergencies and develop practical solutions to help. We have been key in driving forward research into analysing life-saving vaccines and instrumental in our support for local communities and businesses at the most challenging of times.

As we emerge from the intensity of the pandemic, the civic role of universities cannot be underestimated and is more important than ever in helping communities recover economically and socially. By bringing together academics, industry, the public sector and citizens, we will step up to the many challenges ahead on a local, national and global level.

## Collaborative Newcastle Universities Agreement

We have joined with Northumbria University for an innovative new partnership to support the economic and social recovery of our region post-Covid-19.

This new partnership brings together the world-leading expertise of both organisations for the benefit of the communities of Newcastle and beyond.

As part of our commitment to Collaborative Newcastle, we are working closely with partners in the public, private, voluntary and cultural sector and focus on three key areas: People, Planet and Prosperity.

## Improving the nation's health

We are part of Newcastle Health Innovation Partners (NHIP), one of only eight Academic Health Science Centres in the UK, bringing together the region's leading research, NHS and city partners to address health inequalities.

Never before has it been more important to work together as health issues in the North East are

among the most challenging in the country, with high rates of poverty, unemployment, poor health and early death.

In our work with NHIP, we are striving to translate research and innovation into real world benefit and focus on key areas, such as ageing and long-term conditions, rare disease, diagnostics and advanced therapeutics.

The Academic Health Science Centres are awarded for five years and have been jointly chosen by the NIHR, NHS England and NHS Improvement. The centres are intended to speed up the time it takes the NHS to access new, better-quality treatments and approaches to improving health due to the unique partnerships between researchers and NHS staff working on the frontline.

## Driving the electric revolution

We're leading a national network of cutting-edge centres to enable faster collaborative research and development of electric machines - including cars, planes and ships.

The Driving the Electric Revolution Industrialisation Centres are backed by £30m government funding to provide open access facilities with leading equipment, bringing together the UK's technology and manufacturing expertise in electrification research and development. Our aim is to propel UK manufacturing to the forefront of global efforts to tackle climate change and ensure the UK can reach net zero emissions in the future.

## Programme for creative graduates

A pioneering programme we set up in partnership to support the next generation of artists and creatives in the region has gone from strength-to-strength. The Collective Studio is a collaboration between Newcastle University and

artist-led community, The Newbridge Project. The studio focuses on personal, creative, and professional development. Up to 20 artists, photographers, architects, filmmakers and other creative professional graduates are supported each year.

## Commitment to combatting climate change

In November 2021, the 26th UN Climate Change Conference of the Parties (COP26) took place in Glasgow which presented an opportunity for us to showcase our vital work around social and environmental justice. In the run up to COP26, we worked with a range of regional, national and international partners. They share our commitment to combatting climate change.

We are a member of the COP26 Universities Network. It is a growing group of more than 55 UK-based universities and research centres. We work to raise ambition for tangible outcomes from the UN COP26 Climate Change Conference. The Network's mission is to ensure the UK academic sector plays its role in a successful COP26. We want to get all players on track to deliver a zero-carbon, resilient world.

We have established a COP26 Steering Group to take forward ideas, and focus on key projects related to climate change going on across our University and wider community. In June we joined forces with the North of Tyne Combined authority to host the region's inaugural Green Economy Summit. By bringing together global experts, industry and, public and social sector leaders who are already driving change, the event explored how our region can lead the charge towards net-zero and an economy powered by clean jobs and growth.

# Effectiveness and financial sustainability

In March 2020 in response to the national lockdown, we paused all discretionary spend and activities, including Business Change projects that were not business critical, to concentrate on the demands that the response to the pandemic required for our students and colleagues.

Our response included:

Agreeing an Outbreak Response Plan with the Director of Public Health at Newcastle City Council.

We developed and implemented a Covid-19 early warning system.

We sourced, purchased, and provided safety packs for all students and colleagues (35,000 people in total) to aid the return to campus following lockdown. We worked with OHSS, Estates and local PHE officials to develop and arrange implementation of Covid-19 controls and infrastructure across the university estate. We sourced, bulk purchased and distributed critical Covid-19 specific PPE, cleaning, and hygiene products to all units across campus, including to the NHS, Local Authority and Singapore.

We have worked with NHS Test and Trace and the Local Authority to establish a Covid-19 test centre at Castle Leazes, the centre is available for use by the university and local community. This centre has been available from November 2020. Arrangements have been developed with partners at the Castle Leazes Test Centre to enable free PCR tests to students and colleagues for international travel.

We developed the infrastructure, systems, and resources to provide effective student support, both in our accommodation and elsewhere.

In response to a significant outbreak in student accommodation and multiple

lockdowns which prevented students from accessing on campus services, we put in place a Covid-19 Support Offer which included access to online library and sports services, 24-hour support for wellbeing and mental health through our Talk 24/7 app, virtual desktop services and an IT support scheme.

We also launched an enhanced support package for those in quarantine and self-isolation. This offer mobilised services from across the institution to work together and ensure that students received a comprehensive and holistic package of support.

To coordinate this offer and target support for students in self-isolation, we set up a the Covid Call Centre. As well as acting as a first port of call and one stop shop for students in need of assistance, the call centre also provided students in self-isolation or quarantine with personalised contact from one of our friendly student callers.

The Call Centre was managed by colleagues seconded from other roles and staffed by student callers employed through JobSoc. The whole project was managed by a Change Manager from the Change Team and overseen by the Head of Strategic Student Services Projects. Most colleagues we reassigned from their day-to-day roles to coordinate the pandemic support, but many continued to deliver their core duties in addition to the Covid-19 response.

We ensured that we created an offer that was truly inclusive, by giving students full control over their food choices through £50 vouchers for our on-campus Co-Op ensuring quick and convenient delivery as well as supporting the Students' Union. Emergency food parcels were sourced from local, sustainable businesses to ensure that we were also supporting the local economy.

Overall, the scheme supported over 7,000 students with the call centre managing over 11,000 calls and referring to relevant support. We issued about 5,500 Co-op vouchers and over 400 food parcels were distributed to students for immediate support. Through the IT scheme we provided 1308 students from disadvantaged backgrounds with equipment to support their learning remotely during the pandemic.

We operated an asymptomatic test centre on campus from November 2020 – June 2021, in total 29,897 tests were carried out. This centre was manned and operated by volunteer colleagues, re-purposed furlough colleagues and student workers.

We are now taking part in the HEI LFD Collect system providing Covid home test kits to all students and colleagues from multiple distribution points across campus. We are working with DHSC on a Covid research project, the Waste Water Epidemiology study will monitor sewage from student accommodation blocks to help identify asymptomatic Covid outbreaks, the work being done has great potential and could inform future work to aid the identification of other infectious disease outbreaks.

From August 2021, we have provided facilities to host the NHS Covid-19 vaccine bus on campus, vaccines are available to both university colleagues and students and local communities.

We have hosted several multi agency tabletop exercises for the five North East universities and partner agencies, learning from these exercises has allowed universities to align approaches to key issues, we continue to collaborate with partner agencies and colleagues at all North East Universities.

# Financial Review

*'The Financial Review (pages 55-60) analyses our financial performance during the past year, summarises our financial strategy and the future outlook.*

*The operating circumstances and uncertainties faced since March 2020 have, for obvious reasons, been extremely challenging and given that environment the solid financial results delivered provide a strong platform for us to take into future years.'*



**Richard Dale**  
Executive Director  
Finance

## Highlights

	2020-21	2019-20	Change
<b>Income (£m)</b>	536	544	-1%
<b>Adjusted EBITDA (£m)</b>	52	57	-11%
<b>Adjusted EBITDA as % income</b>	10%	10%	n/m
<b>Year-end cash balance (£m)</b>			
Cash and short-term deposits	207	140	+48%
Net balance	81	15	n/m

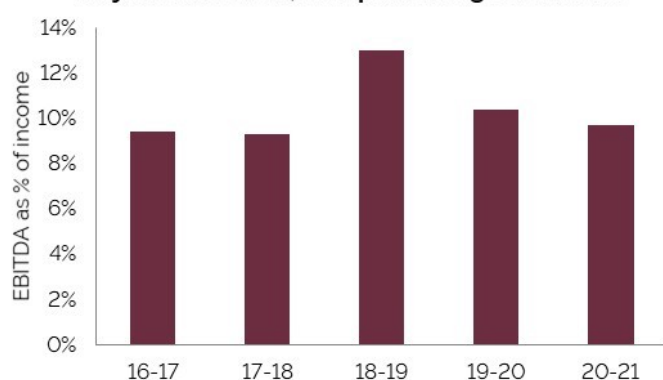
## Introduction

As is common with most of the sector, our key financial sustainability metric is earnings before FRS 102 pension adjustments, interest, tax, depreciation and amortisation (Adjusted EBITDA – see Note 28). We choose to focus on this as the best measure of our ability to generate cash as it is less susceptible than total surplus to movements in equity values and changes in discount rates. During normal operating conditions we would aim for Adjusted EBITDA to be at least 6% of income, excluding one-off items.

Despite income falling by 1% from £544.2m to £536.4m, Adjusted EBITDA remained well above target at £51.6m (9.6% of income) compared to £56.8m (10.4% of income) in 2019-20,

Our tuition fee income remained consistent with the prior year, although the mix of fees moved more in favour of home students as international student recruitment faced clear challenges. Research income increased by 2% as the research and laboratory facilities began to open across the year and our income from funding body grants grew by over 7%, driven mainly by the benefit of specific awards. Income from our accommodation, catering and hospitality operations suffered significantly through enforced periods of lockdown, falling from £17.3m to £13.1m as students were advised to stay away from Newcastle and were refunded for periods of absence, with catering outlets remaining closed for many months. Total expenditure, excluding pension adjustments, fell a further 1.8% in 2020-21 as careful cost management of both our recruitment activity and non-pay expenditure in the first half of the year was maintained until confidence grew in our financial outlook for the year.

**Adjusted EBITDA, as a percentage of income**



Capital additions during the year were £29.5m of land and buildings and £3.8m of equipment and infrastructure. The rate of spend was impacted by a pause in all but essential projects in the first part of the financial year. As confidence in our financial position has grown, several projects have now been restarted and a more ambitious plan of capital investment is expected in future years

Gross cash and short-term deposit balances increased significantly from £140.3m to £207.0m and net balances, which include the impact of loans and finance leases, increased from £15.0m to £81.0m. These figures are inflated by a one-off value of £25.3m held at year end to be distributed to collaborating research partners during 2021-22.

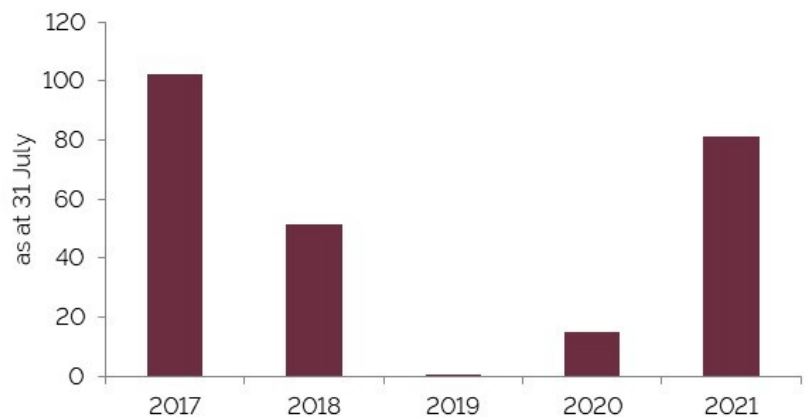
The growth in market value of our endowments has been impressive, increasing by £15.1m over the financial year. The impact on the results from movements in the value of our pension schemes has been less significant than recent years with a charge of £8.5m almost entirely in respect of our RBP scheme. The University ended its joint venture arrangement with INTO Newcastle University London on 30 November 2020.

Despite the uncertainty facing into 2020-21 and the number of challenges arising throughout the year, we were able to deliver a good EBITDA result and build strong year end cash balances that stand us in good stead to restart selected capital investment, navigate the road to sustained financial recovery and deliver on our desire to build and improve our education programmes, invest in research and provide a first class student experience.

The reopening of the campus and the return of students and colleagues to offices, laboratories, classrooms and facilities will provide a positive boost to achieving our ambitions. Student recruitment in 2021-22 will again be affected by the ability to enrol international students and we will need to take continued care over expenditure commitments and be ready to react to any further developments in the pandemic.

In the

Net cash balance (£m)



medium term, we face uncertainties from potential changes to fees and funding for our students as the government consider recommendations from the Post-18 education and funding review and further impact from Brexit.

**Going concern**

Council confirms that it has reasonable expectation that the University has adequate resources to continue in operation for the foreseeable future. For this reason, it continues to adopt the going concern basis for preparing the financial statements. In reaching this conclusion, Council has considered:

- its approval in July 2021 of a robust and prudent three-year financial plan for the period from 2021-22 to 2023-24 which would ensure continued financial strength and strong cash balances
- student recruitment and registration results for 2021: although these are slightly short of target, the impact is well within the contingency included in the budget for 2021-22
- updated financial forecasts for 2021-22 and 2022-23 which show that adjusted EBITDA and year end cash balances will be better than budget
- the robust measures in place to monitor and manage cash balances
- the impact of past and future financial performance on banking covenants

- consideration of the key financial risks including stress testing their cumulative impact on cash balances

Council has reviewed the sustainability of the University and is satisfied that the strategies, plans and processes in place will help the University move towards the achievement of its strategy. In particular, it is satisfied that academic strategies take account of the environment in which the University is operating as an institution and are financially sustainable. The following are the key elements that give Council assurance in this area:

- regular reviews of the University's performance using a number of key performance indicators in areas that are relevant to institutional sustainability
- returning to an agreed long-term target adjusted EBITDA margin of 6% of income (with a minimum of 4% in any one year) to reflect the need to generate cash to manage the University now and in the future
- regular review of the University's strategic risk register by Audit, Risk and Assurance Committee

## Income

Total income in 2020–21 was £536.4m, a decrease of 1% from £544.2m earned in 2019-20 with the result from both years being affected by the Covid-19 pandemic. The key areas in income are summarised below.

Income from academic fees grew by 1.7% from £288.2m to £292.9m, reflecting a 1% increase in overall student numbers but a change in our student mix, influenced by the recruitment cycle during the pandemic, where we saw a 3% growth in home fee paying students and a 8% reduction in our international population.

Our Undergraduate headcount rose by 3% in 2020-21, but Postgraduate Taught numbers, where we see a higher proportion of International students, fell by 10%. Fees from our overseas campuses in Singapore and Malaysia were £1.0m or 7% higher than prior year.

Funding body grants increased by 7% from £75.8m to £81.1m, driven primarily by a rise in specific grant funding to support selected research overseas and investment in our laboratory facilities. As a percentage of total income, funding body grants increased to 15.1% in 2020-21.

Research income has been significantly affected since the start of the Covid-19 pandemic as research projects have been affected by access to campus and research facilities, the ability to travel and colleagues placed on furlough where they were unable to continue to work.

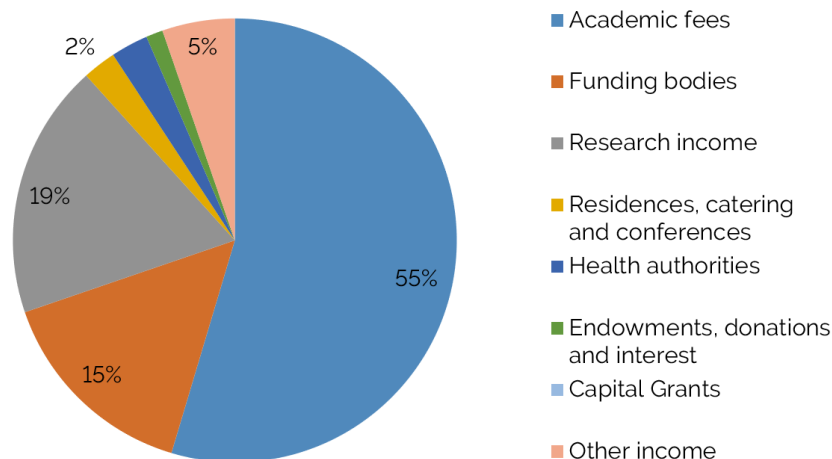
As 2020-21 progressed, there was a gradual increase in research activity and by year end an income increase of 2% from £97.7m to £99.6m. This result includes £1.7m from UK Research and Innovation for support for research projects directly affected by the pandemic and the impact of cuts to Overseas Development Assistance funding from April 2021. Funding of employment related activity grew by 2% to £54.5m to £53.6m and there was a 10% recovery in non-pay activity from £25.5m to £28.0m although this is still short of expectations under normal operating conditions. Our contribution to overheads fell by 9% from £18.7m to £17.1m. Across a 12-month period to July 2021, applications for new grants increased in value, and the value and volume of new awards in the period, which is a lead indicator for future income, decreased slightly from £113.1m to £115.1m.

There was a significant fall in other operating income from £72.5m to £56.1m, partly due to 2019-20 including £8.1m capital grant income related to the Catalyst building, where we house our Centres for Innovation. Our income earned from residences, catering and conferences fell by 24%, the second year in succession of significant reduction as periods of lockdown resulted in students being refunded for times of absence from University and partner accommodation. Many catering outlets remained closed throughout the year and conference opportunities were scarce.

We claimed £1.1m in 2020-21 through utilisation of the Coronavirus Job Retention Scheme to protect our colleagues in areas that were unable to continue operating during the pandemic (2019-20: £2.1m).

In a difficult year for philanthropic activity, our level of donations and endowments income decreased by £2.1m to £6.0m from £8.1m, mainly due to the benefit of a single unrestricted donation of £3.3million in the comparative year. Within these figures, the University received strong support from the Development Trust which increased its contribution by £2m from prior year.

## Our income



## Expenditure

Total expenditure, excluding pension adjustments, in 2020-21 was £522.0m, a decrease of 1.8% from £531.3m in 2019-20. Significant uncertainty during the budget setting process for 2020-21 resulted in establishing cautious non-pay expenditure parameters and careful control over recruitment and staff costs. Although we were able to relax some measures during the year, the impact on our cost base has contributed significantly to the EBITDA result.

The University's target for the measure of underlying staff costs as a percentage of income is 55%, which was achieved in the years prior to the pandemic. In the last two financial years, reduced income as a result of Covid-19, coupled with an ambition to protect the core staff base has pushed up this ratio to 58.2% (2019-20 57.8%).

Our overall full time equivalent (FTE) employment numbers have remained very consistent throughout the year as we have gradually relaxed recruitment controls within a tight budget framework. From July 2020, our FTE number of 5,966 dropped swiftly to just under 5,900 as fixed term contracts came to an end in line with the 2019-20 academic year ending and continued at this level right through to July 2021, ending the year at 5,876 with an average FTE fall across the year of approximately 100 colleagues.

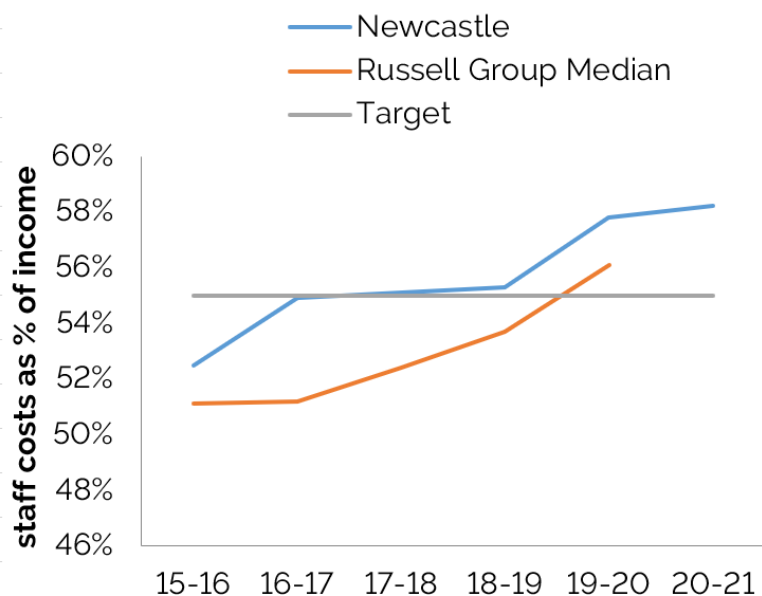
Non-academic salaries were increased by 1.7% from 1 August 2020 with higher increases for lower paid colleagues arising from implementation of the Real Living Wage. USS employer contributions remained at 21.1% and RBP employer contributions increased from 17.25% to 21.95% from 1 April 2020.

Tight budgetary controls ensured that non-pay expenditure was constrained in the first half of the financial year until there could be confidence in the financial outlook. Though restrictions were released, prioritising strategically important initiatives, the ability to increase expenditure was still contained by circumstances dictated by the

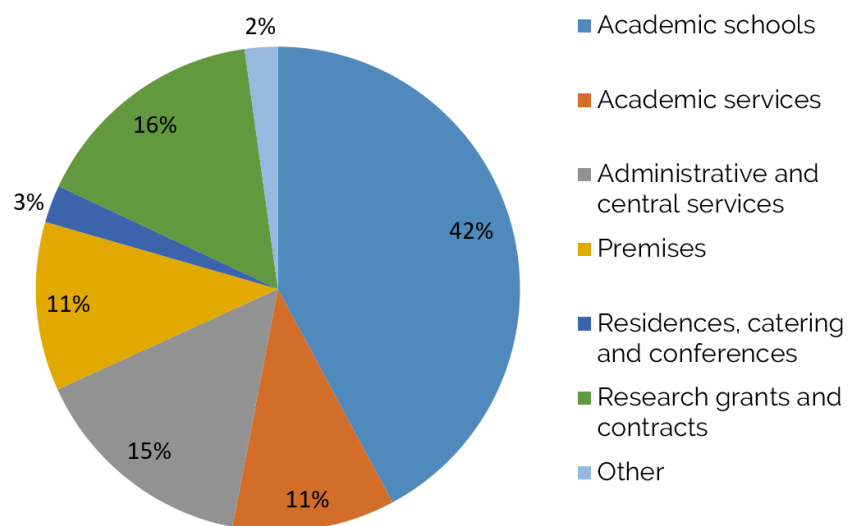
### Reported employment costs comprise:

	2020-21	2019-20
	£m	£m
Underlying costs	<b>312.3</b>	<b>309.7</b>
Increase in accrued holiday pay	2.7	4.7
Severance costs	0.5	0.7
USS pension cost adjustment	0.1	(52.9)
Local scheme pension cost adjustment	8.5	7.7
Reported costs	<b>324.1</b>	<b>269.9</b>
Underlying income (see note 28)	536.2	536.1
Underlying costs as % of income	58%	58%

### Underlying staff costs as percentage of underlying income: Target - ca 55% of underlying income



### Our expenditure



N.B. Chart excludes pension adjustments

pandemic including the ability to travel, the much reduced footfall on campus and the time to progress orders and investment before the end of the financial year. As a result, our non-pay expenditure fell by 5% to £167.9m (2019-20: £177.0m), with both years significantly under costs realised in 2018-19 (£199.4m).

Staff-related expenses again fell significantly in 2020-21 from £18.1m to £7.2m (and for reference from £26.5m in 2018-19) reflecting the impact of the Covid-19 pandemic on the ability for staff to travel as well as incur associated accommodation and conference costs. Our operating lease costs returned to expected levels in 2020-21 after a £6m onerous lease provision for INTO Newcastle London was posted in the prior year.

### Other items

The growth in market value of our investments, notably relating to our endowments, has exceeded all expectations increasing by 16.9% to £104.7m over the financial year.

Depreciation increased by 4% from £31.6m to £32.8m, reflecting continued investment in estate, equipment and infrastructure as well as the full year impact of significant capital spend in prior years.

It has been a difficult year for our joint ventures and associates which made an aggregate deficit in the year of £2.2m. Within this result, INTO Newcastle University, which relies on offering education and residential accommodation to international students, has faced obvious challenges on student recruitment and has posted a deficit of £0.6m, which was better than initially budgeted. The University ended its joint venture arrangement with INTO Newcastle University London on 30 November 2020, recording a deficit of £0.7m. Students based in London will be taught out of their programmes in London and Newcastle in 2021-22.

### Pensions

As the USS is a multi-employer scheme with no basis to identify accurately our share of the assets and liabilities, we do not make a

balance sheet provision for our share of the deficit. However, as required by FRS 102, we make a balance sheet provision for the discounted future obligation to make deficit recovery payments of 2% of pensionable salaries to September 2021 and 6% to March 2028.

The March 2020 valuation was not concluded until October 2021 and the revised statement of contributions and deficit recovery plan are being reported as non adjusting post balance sheet events. This matches the treatment of the delayed March 2018 valuation.

On current calculations, if the statement of contributions had been agreed by 31st July 2021, there would have been a charge to the accounts of circa £141m to make a total provision of £216m.

The most recent triennial valuation of the RBP was at 1 August 2019. This recorded a surplus of £18.0m relative to the technical provisions (7% of liabilities), which reflects outstanding investment management in the past few years as well as recent mortality experience. However the valuation identified a significant increase in the cost of future accrual. Following consultations with impacted colleagues on how to address this increase, the existing final salary scheme was closed on 31st October 2021 and replaced with a new Career Revalued Benefits scheme. As required by FRS 102, employment costs were increased by £8.5m in 2020-21

(2019-20 £7.7m), net interest costs were increased by £1.9m (2019-20 £3.6m) and an actuarial gain of £27.4m (2019-20 £8.1m loss) was recognised to reflect the FRS 102 valuation of the scheme.

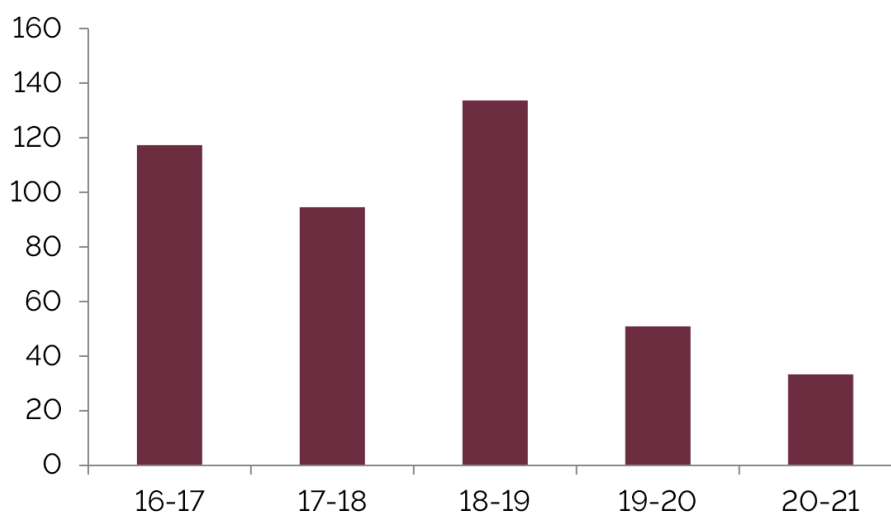
### Balance sheet

Capital additions during the year were £33.3m (2019-20 £51m), comprising £29.5m of land and buildings and £3.8m of equipment and infrastructure. The immediate pause to most capital projects in March 2020 resumed for selected schemes once the student recruitment position and financial picture became clear. An increase in capital expenditure is planned from 2021-22, including progressing the redevelopment of the Stephenson building and investing in our net carbon zero aims across the estate. Noteworthy land and buildings expenditure in 2020-21 included :

- continued redevelopment of the Henry Daysh building and completion of the Dame Margaret Barbour building.
- completion of improvements to our sport centre facilities and investment in the Advanced Engineering Hub.
- initial costs towards major redevelopment of the Stevenson Building.

There were no significant disposals of University assets during the year.

### Capital expenditure (£m)



As at 31 July 2021, there were £60.6m of contracted capital commitments (2020: £23.9m), with authorised but not yet contracted projects totalled £27.3m (2020: £91.9m), reflecting the restart of selected capital investment.

As a result of measures taken to guide the University through the pandemic, including the reduction in capital investment, gross cash and short term deposit balances increased from £140.3m to £207.0m and net balances, which include the impact of borrowing activity and leases, increased from £15m to £81.0m. The net balance includes an additional Heat Network Investment Project (HNIP) loan of £2.9m specifically to fund our investment in a CHP facility within our net carbon zero strategy. Both gross and net cash balances also include £25.3m held at year end to be distributed to collaborating research partners during 2021-22.

### Treasury

At 31 July 2021, we had £72.1m of short-term liquid deposits (2020: £44.1m). The level of deposits fluctuates throughout the year with materially higher balances between September and December and between May and July due to the timing of tuition fees and OfS and Research England grants. Although this does not create short-term liquidity issues, it does restrict our flexibility on optimising investment returns. Our investments are controlled by our counterparty policy, which is agreed by Finance Committee with advice from brokers. We only place our money with banks and building societies which we consider to be secure, based on external benchmarks. We regularly review our investments and take rapid action if we believe there is any deterioration in risk.

Our endowment-related investments have realised substantial growth of 16.9% across the year, reaching a value at 31 July 2021 of £104.4m compared to £89.3m twelve months previously. We seek to invest 80% of our endowment funds in equities and 20% in other asset classes. During 2020-21, we used Baillie Gifford and Royal London Asset Management (active equity managers) and Royal London and

Aviva (ethical alternative asset funds) to manage our investments.

We receive monthly performance reports from all our managers and Finance Committee meets formally with our active managers at least annually to review progress. Our ethical investment policy provides a mechanism whereby students or colleagues can challenge how we invest our funds and also requires our investment managers to subscribe to the United Nations Principles for Responsible Investment (UNPRI). We give priority to investment managers who preferentially invest in progressive companies that are working towards low carbon solutions.

Following extensive market research, we have agreed that all future selection processes for investment managers will require an exclusion on investment in fossil fuel extracting companies.

### Outlook

Having survived the challenging period since March 2020 in good financial shape, we are realistic that the path to normality will continue to be difficult and the pandemic will have a prolonged influence on both financial and operational performance in 2021-22 and beyond. Once again we face uncertainty around our international recruitment and the pause on colleague recruitment, expenditure and capital investment has built a demand that will take careful prioritisation to ensure that we can deliver on our strategic aims and provide increased support to student and colleagues who have endured a difficult year.

In addition we remain concerned about the impact of Brexit and any potential changes to fees and funding for home undergraduate students. Work continues to understand and mitigate all these threats.

Despite the operating environment, our financial position allows us to prepare for the next few years with confidence. We have well developed plans for the future to invest in academic colleagues, student experience, research and IT infrastructure and our aim to be net carbon zero by 2030.

We also continue to improve our academic estate and have restarted significant building projects where it is most important to do so, notably the new Stephenson engineering building.

The key strategic risks which may impact financial sustainability are:

- failure to react effectively to the ongoing Covid-19 pandemic
- failure to maintain a financially sustainable pensions provision
- failure to respond effectively to the decision to leave the European Union which could impact student recruitment, research income and colleague recruitment and retention
- failure to meet home and international student recruitment targets
- failure to maintain the estate as functionally suitable and have an appropriate information strategy and control of data
- failure to ensure proper conduct of business and be able to respond to severe business disruption events.

# Corporate Governance Statement

The Corporate Governance Statement (pages 61–66) provides an overview of the governance of the University, processes for ensuring the student voice is heard and for management of risk, Council's responsibilities and the arrangements to ensure sound internal controls are in place. As Chair of Council, I take a lead role in ensuring good governance is exercised by the University.

## Paul Walker Chair of Council and Pro-Chancellor

Newcastle University conducts its business in accordance with the seven principles identified by the Committee on Standards in Public Life (selflessness, integrity, objectivity, accountability, openness, honesty and leadership), and with the guidance to universities from the Committee of University Chairs.

The University is an independent corporation whose legal status derives from the Universities of Durham and Newcastle upon Tyne Act 1963 which, with its supporting statutes and schedules, sets out the University's objectives, powers and framework of governance. The statutes require the University to have a number of separate bodies, each with clearly defined functions and responsibilities, to oversee and manage its activities. Academic Board is a meeting of all academic and Professional Services colleagues on Grade E and above and receives an annual report from the Vice-Chancellor and President. Convocation is a meeting of the alumni and is the body that appoints the Chancellor.

The Registrar acts as secretary of Council and Senate. Any enquiries about the constitution and governance of the University should be addressed to the Registrar. The University maintains a Register of Interests of Members of Council and Senior Officers, which are available online.

### Senate

Senate is the academic authority of the University and draws its membership predominantly from academic colleagues and students. Its role is to direct and regulate the teaching and research work of the University. Senate met six times during 2020–21 all using a virtual meeting platform.

### Court

Court is not part of the University's day-to-day decision-making processes, but plays an important and influential role on behalf of the University's stakeholders. Its membership is representative of the University, the local community and other organisations with an interest in the work of the University. It meets twice a year to receive a report from the Vice-Chancellor and President and to discuss any matters relevant to the interests and wellbeing of the University.

### Council

Council is the supreme governing body, responsible for the finance, property, investments and general business of the University, and for setting the general strategic direction of the institution. It is also responsible for the University's system of internal control and for reviewing its effectiveness, including the appropriateness of its arrangements for risk management and value for money.

It keeps under regular review the performance of the University and makes use of key performance indicators to assist in this task. A statement of Council's primary responsibilities is provided on pages 63–64.

Council undertakes regular reviews of its effectiveness using guidance given in The Higher Education Code of Governance.

The University complies with all six key elements in the Code of Governance published by the Committee of University Chairs in September 2020 and the compulsory requirements. This code develops some of the points articulated in the 2018 version. Members of Council subscribe to the Office for Students' Public Interest Governance Principles.

In line with the code, Council appointed a Senior Independent Governor, Claire Morgan, in February 2021. The Senior Independent Governor helps to support good governance by advising the Chair and acting as an intermediary for other Board members.

Council has a majority of members from outside the University (lay members) including three lay officers; Chair, a Vice-Chair and Treasurer. Members also include staff of the University and the student body. None of the lay members receive any payment, apart from reimbursed expenses, for the work they do for the University.

Members of Council during 2020–21 were:

Paul Walker (Chair)<sup>1</sup>  
 Professor Catherine Biggs<sup>2</sup>  
 David Bird<sup>1</sup>  
 Tom Caulker<sup>1</sup>  
 Dorothy Chirwa<sup>3</sup>  
 Linda Conlon<sup>1</sup>  
 Professor Chris Day<sup>2</sup>  
 Sian Dickie<sup>3</sup> (until May 2021)  
 Dr Stacy Gillis<sup>2</sup>  
 Jonathan Glass<sup>1</sup>  
 Teresa Graham<sup>1</sup>  
 Stephen Lightley (Treasurer)<sup>1</sup>  
 Dr Phillip Lord<sup>2</sup>  
 Bill MacLeod<sup>1</sup>  
 Claire Morgan<sup>1</sup>  
 Heidi Mottram (Vice-Chair)<sup>1</sup>  
 Dianne Nelmes<sup>1</sup>  
 Professor Sir Mike Rawlins<sup>1</sup>  
 Angela Russell<sup>1</sup>  
 Professor Julie Sanders<sup>2</sup>  
 Professor Daniel Siemens<sup>2</sup>  
 Nitin Shukla<sup>1</sup>  
 Professor David Thwaites<sup>2</sup>  
 Angela Woodburn<sup>2</sup>  
 Vicky Wright<sup>1</sup>

<sup>1</sup> Lay member

<sup>2</sup> Employee of the University

<sup>3</sup> Student representative

Council met six times during 2020–21. Amongst other matters and, in consultation with Senate, Council agreed to:

- accelerate the University's efforts to become net carbon zero in tier one and two emissions with a new target date of 2030
- cease to offer Newcastle academic programmes from London. This involved ending one partnership. There will be a teach-out period to ensure students currently on programmes can complete successfully
- modifications to the Student Protection Plan, in part arising from the pandemic
- re-enforced the commitment to reducing the gender pay gap
- the financial strategy to navigate through the pandemic
- make a major investment in our cyber security and campus IT infrastructure

Much of the detailed work is routed through committees of Council.

The following five committees are formally constituted as committees of Council with written terms of reference and specified membership, including a significant proportion of lay members. The decisions of these committees are reported to Council and, where relevant, Senate.

### Audit, Risk and Assurance Committee

Audit, Risk and Assurance Committee is a committee of Council, comprising three lay members of Council and additional lay members. It meets five times each year with the University's internal auditors (and, where relevant, external auditors) in attendance.

The committee reviews the University's strategic risk management and the effectiveness of internal control systems by considering detailed reports together with recommendations for improvement, management responses and implementation plans. As part of its annual opinion, it also gives assurance about the management and quality of data to the OfS, Higher Education Statistics Agency and other public bodies.

During the year the work of the committee was externally reviewed by SUMS Consulting. This review took full account of the Committee of University Chairs' Higher Education Audit Committees Code of Practice (2020) and benchmarked against best practice both inside higher education and outside. The conclusions were positive with a set of helpful recommendations which are being implemented.

Members during 2020–21 were:

Jonathan Glass (Chair)  
 (lay member of Council)  
 David Bird  
 (lay member of Council)  
 Dave Foreman  
 (lay member from April 2021)  
 Dr Mike Goodwin (lay member)  
 Angela Woodburn  
 (lay member of Council)  
 Dean White  
 (lay member from April 2021)

### Finance Committee

Finance Committee considers and recommends to Council the financial strategy for the University and advises on investments, determines the level of funding to be made available to support the annual budget allocations, approves the accounting policies and considers the financial statements. It also has overall responsibility for ensuring the appropriate management of taxation within the University.

Members during 2020–21 were:

Stephen Lightley (Chair)  
 (lay member of Council)  
 Dorothy Chirwa  
 (President of the Students' Union)  
 Professor Chris Day  
 Bill MacLeod  
 (lay member of Council)  
 Angela Russell  
 (lay member of Council)  
 Professor Julie Sanders  
 Paul Walker (Chair of Council)

### Nominations Committee

Nominations Committee makes recommendations to Council in respect of the appointment of lay members of Council, the offices of Chair and Vice-Chair of Council, Honorary Treasurer and members of the committees of Council.

Members during 2020–21 were:

Paul Walker (Chair)  
 (Chair of Council)  
 Professor Chris Day  
 Heidi Mottram  
 (Vice-Chair of Council)  
 Dianne Nelmes  
 (lay member of Council)  
 Fiona O'Connor  
 (appointed by Court)  
 Professor Julie Sanders  
 Sarah Stewart (appointed by Court)  
 Rob Williamson  
 (appointed by Court)

Council, in June 2021, revised its strategy for the appointment of new lay members which Nominations Committee implements on its behalf. The intention remains to appoint high-calibre individuals with specific skills that are of value to the University and a commitment to the principles and future success of the University.

Prior engagement with the University via a committee or similar is an advantage before an individual joins the governing body but we will actively seek to make appointments to improve our diversity and expertise using search agents where it is judged to be appropriate. Council benefits from a diversity of members and actively seeks to promote equality and diversity throughout the institution. It is committed to the aims of the 30% Club, a global campaign to increase gender diversity at board and senior management level.

### Remuneration Committee

Remuneration Committee considers the remuneration and terms and conditions of senior colleagues. More detail on the work of this committee is provided on pages 67-69.

### University/Students' Union Partnership Committee

The University and the Students' Union have a joint Partnership Committee, constituted as a sub-committee of Council, chaired by the Vice-Chair of Council, Heidi Mottram. It meets regularly to discuss matters of common interest. This committee also discharges the University's obligations with regards to the Students' Union under the terms of the Education Act 1994 on behalf of Council.

### Executive Board

Executive Board is the senior management team of the University and is formally designated as a joint committee of Council and Senate. It keeps under review the University's strategy and makes recommendations on the development of the strategy to Senate and Council. It develops and regularly reviews the activities, assesses the risks related to the delivery of these and ensures that appropriate measures are in place to assure the financial sustainability of the University. Executive Board reports on these matters regularly to Council. Through the monitoring undertaken by its Financial Monitoring and Budget Scrutiny Group and Budget Setting Group, Executive Board is also responsible for the use of resources and

financial performance of all budgetary units. It has particular responsibility for value for money.

The principal academic and administrative officer of the University is the Vice-Chancellor and President who has general responsibility for maintaining and promoting the efficiency and good order of the University. Under OfS registration conditions, the Vice-Chancellor and President is the accountable officer of the University. In that capacity he and the Chair of Council can be summoned to appear before the Public Accounts Committee of the House of Commons. The Vice-Chancellor and President is also responsible for assuring the quality and accuracy of University data provided to the OfS, The Higher Education Statistics Agency (HESA) and other public bodies. As chief executive of the University, the Vice-Chancellor and President exercises considerable influence upon development of University strategy, the identification and planning of new developments, and shaping of the institutional ethos. The Deputy Vice-Chancellor and Provost, Pro-Vice-Chancellors and senior administrative officers all contribute in various ways to these aspects of the work, but the ultimate responsibility for what is done rests with Council.

Members of Executive Board during 2020-21 were:

Professor Chris Day  
(Vice-Chancellor and President)

Professor Julie Sanders  
(Deputy Vice-Chancellor and Provost)

Professor David Burn (Pro-Vice-Chancellor – Medical Sciences)

Colin Campbell (Executive Director of Academic Affairs)

Professor Suzanne Cholerton  
(Pro-Vice-Chancellor – Education until March 2021)

Richard Dale  
(Executive Director of Finance)

Professor Richard Davies  
(Pro-Vice-Chancellor – Global)

Professor Stuart Edwards  
(Acting PVC Science, Agriculture and Engineering – March-June 2021)

Professor Stephanie Glendinning  
(Pro-Vice-Chancellor – Science, Agriculture and Engineering from June 2021)

Professor Nigel Harkness  
(Pro-Vice-Chancellor – Humanities and Social Sciences)

John Hogan (Registrar)

Professor John Kirby (Acting PVC Education – March-May 2021)

Adrienne McFarland (Executive Director of People Services)

Professor Jane Robinson (Pro-Vice-Chancellor – Engagement and Place)

Professor Brian Walker (Pro-Vice-Chancellor – Research Strategy and Resources)

Professor Tom Ward (Pro-Vice-Chancellor – Education from May 2021)

Professor Phillip Wright (Pro-Vice-Chancellor – Science, Agriculture and Engineering until March 2021)

### Council: Statement of Primary Responsibilities

Council is the supreme governing body of the University, subject to the provisions of the University's statutes. The primary responsibilities of Council have been revised in light of the statement of primary responsibilities taken from the Higher Education Code of Governance published in September 2020 and are:

- to set and agree the mission, strategic vision and values of the institution with the Executive.
- to agree long-term academic and business plans and key performance indicators and ensure that these meet the interests of stakeholders, especially colleagues, students and alumni.
- to ensure that processes are in place to monitor and evaluate the performance and effectiveness of the institution against the strategy, plans and approved key performance indicators, which should be, where possible and appropriate, benchmarked against other comparable institutions.

- to delegate authority to the Head of Institution for the academic, corporate, financial, estate and human resource management of the institution, and to establish and keep under regular review the policies, procedures and limits within such management functions as shall be undertaken by and under the authority of the Head of Institution.
- to ensure the establishment and monitoring of systems of control and accountability, including financial and operational controls, risk assessment, value for money arrangements and procedures for handling internal grievances and managing conflicts of interest.
- to establish processes to monitor and evaluate the performance and effectiveness of the governing body itself.
- to conduct its business in accordance with best practice in HE corporate governance and with the principles of public life drawn up by the Committee on Standards in Public Life.
- to safeguard the good name and values of the institution.
- to appoint the Head of Institution as Chief Executive and to put in place suitable arrangements for monitoring their performance.
- to appoint a Secretary to the governing body and to ensure that, if the person appointed has managerial responsibilities in the institution, there is an appropriate separation in the lines of accountability.
- to be the employing authority for all colleagues in the institution and to be accountable for ensuring that an appropriate human resources strategy is established.
- to be the principal financial and business authority of the institution, to ensure that proper books of account are kept, to approve the annual budget and financial statements, and to have overall accountability for the institution's assets, property and estate.
- to be the institution's legal authority and, as such, to ensure systems are in place for meeting all the institution's legal obligations, including those arising from contracts and other legal commitments made in the institution's name. This includes accountability for health, safety and security and for equality, diversity and inclusion.
- to receive assurance that adequate provision has been made for the general welfare of students.
- to act as trustee for any property, legacy, endowment, bequest or gift in support of the work and welfare of the institution.
- to ensure that the institution's constitution is always followed, and that appropriate advice is available to enable this to happen.
- to promote a culture which supports inclusivity and diversity across the institution.
- to maintain and protect the principles of academic freedom and freedom of speech legislation.
- to ensure that all students and colleagues have opportunities to engage with the governance and management of the institution.

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

In accordance with the University's statutes, Council is responsible for the administration and management of the affairs of the University and is required to present audited financial statements for each financial year. Council is responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time, the financial position of the University and to enable it to ensure that the financial statements are prepared in accordance with the University's statutes, the Statement of Recommended Practice – Accounting for Further and Higher Education Institutions and accounting instructions prepared by the OfS. The University

prepares financial statements for each financial year, which give a true and fair view of the state of affairs of the University and of the surplus or deficit and cash flows for that year.

In causing the financial statements to be prepared, Council has ensured that:

- suitable accounting policies are selected and applied consistently
- judgements and estimates are made that are reasonable and prudent
- applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- financial statements are prepared on the going concern basis

Council has taken reasonable steps to:

- ensure that funds from the OfS and Research England are used only for the purposes for which they have been given and in accordance with the OfS Terms and conditions of funding 2020-21 and any other conditions which the OfS or Research England may from time to time prescribe
- ensure that there are appropriate financial and management controls in place to safeguard public funds and funds from other sources
- safeguard the assets of the University and prevent and detect fraud
- secure the economical, efficient and effective management of the University's resources and expenditure

### Health, safety and wellbeing

2020–21 saw a decrease in both the total accident rates for students and colleagues and the RIDDOR (Reporting of Injuries, Diseases and Dangerous Occurrences Regulations) accident rate. These are within normal fluctuations for an organisation of our size and we have investigated causes for this.

One action in the five-year Health and Safety Strategic Plan has been carried forward while all others programmed, six, are complete. Health, safety and wellbeing has been a major focus during the Covid-19 pandemic. We continually review and update our guidance on how to control the risks of transmission and have produced risk assessments and checklists to ensure controls identified are implemented. Inductions are provided for both students and colleagues and we have provided Covid-secure premises throughout the pandemic to control risks to the health, safety and wellbeing of all.

There has also been continued progress in health and wellbeing including developing a new team specifically looking at the further progression of the Health and Wellbeing Strategic Plan.

Sickness absence rates decreased slightly from 2.1% for 2019-20 to 1.8% in 2020-21. The rate for operational colleague sickness has marginally increased from 5.4 % in 2019-20 to 5.5% in 2020-21.

### Trade Union Facility Time

The Trade Union (Facility Time Publication Requirements) Regulations 2017 require us to collect and publish, on an annual basis, a range of data in relation to our usage of and spend on Trade Union facility time in respect of our colleagues who are Trade Union representatives. The following information relates to the 12 months ended 31 March 2021.

42 colleagues acted as trade union representatives during that period. Forty-one spent between 1% and 50% of their working hours on facility time and one spent between 51-99% of their working hours on facility time. This totalled 2,353 hours and a total cost of £49,559 (0.02% of total staff costs). 745 hours were spent on paid trade union activities (31.66% of total facility time).

### Slavery and human trafficking

The University has a responsibility to ensure that slavery and human trafficking are not taking place in our business or in our supply chains. Our Slavery and Human Trafficking Statement can be

accessed on our external website at [www.ncl.ac.uk/foi/publication-scheme/policies](http://www.ncl.ac.uk/foi/publication-scheme/policies)

### Statement on internal control

Council is responsible for maintaining a sound system of internal control that supports the achievement of policies, aims and objectives, while safeguarding the public and other funds and assets for which it is responsible. The University's arrangements for the prevention and detection of fraud, bribery, corruption and other irregularities are designed to manage rather than eliminate the risk of failure to achieve policies, aims and objectives and can, therefore, only provide reasonable and not absolute assurance against material misstatement or loss.

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

- clear definitions of, and the authority delegated to, heads of academic units and heads of administrative services
- a comprehensive medium and short-term planning process, supplemented by detailed annual income, expenditure, capital and cash flow budgets
- clearly defined and formalised requirements for approval and control of expenditure
- comprehensive Financial Regulations, detailing financial controls and procedures, approved by Council and Finance Committee
- key performance and risk indicators, which are monitored by the senior management team (through Executive Board) on a regular basis. Appropriate action is taken to address performance issues and the outcome reported to Council

The approach to internal control is risk-based. There is an ongoing process designed to:

- identify the principal risks (whether business, operational, compliance or financial) to the achievement of policies, aims and objectives

- evaluate the nature and likelihood of principal risks becoming a reality, and the potential impact
- take steps to manage risks efficiently, effectively and economically
- review high-ranking risks (in terms of likelihood and impact) during the year
- make regular reports on internal control and risk to Council (as well as Executive Board and Audit, Risk and Assurance Committee) to assure it that procedures are in place for the identified risks to be managed

The University requires colleagues and all its lay members to act honestly and with integrity and to safeguard the public resources for which they are responsible. The University has a Policy and Procedure on Public Interest Disclosure (Whistleblowing) which encourages and enables employees to call out when they encounter or suspect malpractice. It provides protection for those making such disclosures who act in good faith consistent with the Public Interest Disclosure Act.

During 2020-21 there was one whistleblowing case raised internally. This concerned the alteration of forms used as part of our redundancy process (to record notes from the consultation meetings) after they had been signed. This matter was carefully investigated by the Internal Audit Service. The report identified the cause of the mistake. There had been a human error but there was no intention to commit fraud or any deliberate dishonesty. Various recommendations were made to ensure the process would prevent any repeat of this error.

Council is of the view that the University's risk management response has been appropriate while recognising that some of the Covid-19 risks are beyond our ability to prevent and the mitigations might only be able to cover part of the impact arising.

The effectiveness of the system of internal control is regularly reviewed by Council and accords with the internal control guidance

for directors in the Combined Code as deemed appropriate for higher education. It is informed also by a professional Internal Audit team, which complies with the professional standards of the Chartered Institute of Internal Auditors. Internal Audit co-ordinate their work appropriately with the External Auditors and other assurance providers to help improve our internal controls and support the delivery of value for money. Senior management and Audit, Risk and Assurance Committee have also reviewed the performance of Internal Audit and are satisfied with it.

The Internal Audit strategy and plan is approved by the Audit, Risk and Assurance Committee. The senior management team and Audit, Risk and Assurance Committee receive regular internal audit reports (which include recommendations and actions for improvement) and an Internal Audit annual report, which is provided to Council. The Internal Audit annual report for 2020–21 includes the opinion that the University's arrangements for risk management, internal control, corporate governance and value for money are generally adequate and operating effectively, and can be relied upon by Council. A small number of fundamental findings have either been addressed or are being addressed by management.

We notified the OfS of four reportable events. Two related to the decision to cease our operation in London. One concerned a cyber-attack on Blackbaud, a third-party service provider that hosts some of our alumni data. This impacted on a large number of organisations and was widely reported at the time. The other report was on the cyber-attack on the University which affected a large number of systems and required extensive recovery work. None affected our legal form or business model, and/or our willingness or ability to comply with our conditions of registration.

### Public disclosure

Council membership, agenda, unreserved papers and minutes are all made publicly available on the University website [ncl.ac.uk](http://ncl.ac.uk).

### Major incidents during the year

The Covid-19 virus continued to be the most challenging threat to business continuity. The start of the academic year was difficult with a large number of students in both University accommodation and private accommodation falling ill with many more having to quarantine. Extensive measures were put in place to support all our students and follow all the health and safety protocols that were necessary. Our campuses in London, Malaysia and Singapore faced identical challenges and responded in similar ways. Our educational provision switched for much of the year to online with in-person teaching continuing in only a limited range of subjects. Meetings were typically held using online platforms as most colleagues worked from home for much of the year. Our key committees also moved to an online platform with good levels of participation and engagement. We have made extensive efforts to communicate to students, colleagues and stakeholders throughout the pandemic about the steps we are taking to maintain our provision of services, fulfil our primary purpose and maintain a safe environment.

At the request of the OfS, we conducted a self-assessment of our communications with new and returning students about how teaching and assessment would be delivered in 2020-21 and whether students received the teaching and assessment in the autumn term that they were promised and might reasonably have expected to receive based on the information provided. While clearly the student experience was badly impacted by the pandemic, the review found that there was no risk of non-compliance with the OfS ongoing condition of registration relating to consumer protection law.

We have continued to pay particular attention to safety, wellbeing, academic delivery, student experience, student recruitment, finances and IT. This approach was discussed with and agreed by Council who paid special attention to issues of safe working, the student experience and financial sustainability.

Essential work around the campus has continued. We have been able to continue much of our research and the in-person teaching provision that we have been permitted to deliver has been undertaken in a Covid-secure manner. We have had a very small number of Covid cases associated with work or study on the campus. Virtually all cases for students and colleagues have been associated with residential or social activities.

The University suffered a severe external attack on its IT systems in August 2020. This was a criminal ransomware attack which caused major disruption to some of our IT systems. The recovery process involved protecting our systems from further attack and removing the malware. This in turn required more systems to be taken offline temporarily before being restored. The attack was reported to the police and the National Cyber Security Centre as well as to the OfS. With external assistance, including Jisc and Microsoft, all our systems were recovered. Our cyber-security experts worked closely with business leads to agree a priority order for the restoration of systems with the Vice-Chancellor chairing Gold Command. No ransom was paid.

The attack has led to a heightened awareness of the risks and improved the prevention and mitigation measures in place, especially a more aggressive patching programme and use of multi-factor authentication. Given the escalation in cyber crime, more remains to be done with Council agreeing a major capital investment over the next five years in July 2021. We have been reviewing business continuity plans in light of the incident. Audit, Risk and Assurance Committee has commenced a review of our cyber governance which will involve external input.

# Remuneration Report

For the year ended 31 July 2021

*'This Remuneration Report (pages 67-69) provides an overview of our approach to rewarding the members of the Executive Board of Newcastle University and contains audited information required in line with the Accounts Direction issued by the Office for Students.'*

*This year's Remuneration Report has been compiled having regard to guidance from the Committee of University Chairs (CUC) regarding pay policies and practices in British universities in relation to senior colleagues.*

*The University has now published its fourth Gender Pay Gap report and developed a detailed action plan to mitigate against either conscious or unconscious gender bias in pay determination. The Remuneration Committee will seek assurance that the University will continue to make positive steps to reduce the Gender Pay Gap of those colleagues within its remit.'*



**Vicky Wright**  
Chair of  
Remuneration Committee

## Unaudited information

### Remuneration Committee

Remuneration Committee membership was revised to ensure alignment with the CUC Code. The members at the end of the financial year were:

- Vicky Wright  
lay member of Council (Chair)
- Paul Walker  
Chair of Council
- Stephen Lightley  
ex-officio member
- Claire Morgan  
lay member of Council
- Nitin Shukla  
lay member of Council

Adrienne McFarland, Executive Director of People Services is Secretary to the committee, The Vice-Chancellor and President is not a member of the Committee, but regularly attends meetings by invitation.

### Remuneration Policy for Executive Board

The Remuneration Committee sets the remuneration of the members of Executive Board. In doing so, the Committee takes account of a range of factors, including

- roles and responsibilities
- university performance
- individual performance
- market conditions
- the negotiated remuneration settlement for colleagues
- internal pay relativities

The Committee recognises the need for greater transparency of the approach to determining senior remuneration.

The Committee makes use of a number of reliable information sources to help guide decisions on Executive Board remuneration including:

- the annual Russell Group survey of senior pay (produced by Korn Ferry)
- the Universities and Colleges Employers Association Senior Salary Survey
- the annual CUC survey of Vice-Chancellors' remuneration

The work of the Committee was restricted during 2020-21 as a result of the Covid-19 pandemic. However, they did consider and approve the following:

- revisions to their terms of reference to ensure appropriate governance arrangements for senior base salary proposals for colleagues exceeding £120k
- the University's planned Equal Pay Audit to be undertaken during 2020-21
- 2020 Gender Pay Gap report
- professorial pay levels and decisions reached by the Merit Awards Committee.
- proposals in relation to Executive Board and Vice-Chancellor pay increases

### Overall pay costs

The table below shows the growth in total colleague costs over the past three years (costs exclude agency staff but include employer pension contributions). We aim to keep this at broadly 55% of underlying total income but this is unlikely to be achieved in the short term future as we recover from the impact of the Covid-19 pandemic.

	Underlying colleague costs £m	Total underlying income £m	Underlying colleague costs as % of Income
2018-19	290.5	526.1	55.2%
2019-20	309.7	536.1	57.8%
2020-21	312.3	536.2	58.2%

### Gender pay gap

We are in the fourth year of gender pay gap reporting, which also includes data on ethnicity and disability pay gaps. Our 2020 report indicated a further reduction of 0.4% in our mean gender pay gap from 18.5% to 18.1% whilst our median gender pay gap remained static at 17%. Whilst the improvement was disappointing and lower than last year, the overall direction of travel remains a positive one as we move towards a 3% improvement from 2017. This remains broadly consistent with other Russell Group universities. Our overall mean bonus pay gap reduced slightly from 79% to 77.5% and median overall increased from 47% to 50%. Clinical Excellence awards (CEAs) made to our colleagues by the local NHS Trust impacts this level. Our mean bonus pay gap (excluding CEAs) reduced from 42% to 25% whilst our median bonus pay gap was 0% (2019: 46%).

Our commitment to taking an intersectional approach to pay gap reporting means we continue to report and analyse both mean ethnicity and disability pay gaps; this is beyond what is asked for by the government.

Our 2020 data indicates that our ethnicity pay gap for non-clinical academic colleagues has increased slightly to 14.8% from 14.5% in 2019 and for professional services colleagues, has reduced slightly to 5.0% from 5.4% in 2019. Whilst our mean pay gap for

colleagues who have declared a disability has narrowed by 1.8% to 12.9% (2019: 14.7%) and the median reduced 2.7% to 5.7% (2019: 8.4%).

The key actions we have taken during the last academic year to address our pay gaps include the following:

- we continued our approach of self-application through our academic promotions process to encourage more women to apply - indications are that this has been successful with an increase in female professors from 29% in 2019 to 31% against a target of 35% by 2023
- we developed an academic pay review process, which will enable colleagues to apply for pay increase or bonus opportunities in recognition of achieving excellence
- we conducted a review of starting salary practice for all professorial and senior managerial appointments and made recommended improvements to the appointments process including provision of more transparent and informed insights into internal and external pay relativities to enable balanced and equitable decisions on starting salaries
- we engaged with specific search partners for senior appointments who fully share our values and commitment to Equality, Diversity and Inclusion

and who were able to demonstrate this within our search partner selection process

- we created robust and targeted data reporting on our recruitment activity to ensure we continue to successfully attract and retain women into the University at all levels (and males where they are underrepresented)
- we supported the ongoing development of our senior women and academic leaders through delivery of strategic leadership training and provision of access to mentoring and coaching
- in line with our commitment to the Researchers Development Concordat, we continued to deliver bespoke training for our researchers to support career progression
- through our 'For Families' project we have continued to work towards ensuring being family friendly is embedded into our organisational culture. Specific initiatives have included the implementation of enhanced provision of supportive benefits for parents of premature babies reflected in our achievement of the Employer with Heart Charter. We were also one of the first Universities to become members of 'Employer for Carers (EFC)', which aims to raise the profile, and lived experience of unpaid carers.

## Audited Information

### Payments to key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the University. Colleague costs shown in the accounts include compensation paid to key management personnel. We define key management personnel as the members of our Executive Board. For the year ended 31 July 2021, Executive Board consisted of 14 full-time members (2020: 13) including the Vice-Chancellor and President.

	2020-21 £m	2019-20 £m
Key management personnel compensation: Salary and benefits (including employer's pension contributions)	2.6	2.6

### Severance payments

We pay due regard to the Guidance on decisions taken about severance payments in HEIs published by the Committee of University Chairs (CUC), we paid £0.7m to 147 former colleagues in respect of loss of office (2019-20: £0.7m to 113 former colleagues). This included severance payments of £0.3m to 27 colleagues from Newcastle University London, following the closure of the London campus.

## Remuneration Report

### Remuneration for the Vice-Chancellor and President

The Remuneration Committee reviews the remuneration of the Vice Chancellor and President annually. This follows a review of personal and institutional performance undertaken by the Chair of Council. Professor Day's salary is determined according to a number of factors including but not limited to:

- the breadth of leadership responsibilities for one of the UK's largest universities consisting of almost 30,000 students based in campuses across the UK, Malaysia and Singapore;
- the financial responsibilities of an institution with annual income of more than £535m and almost 6,500 colleagues
- the accountability for sustaining a high quality educational experience for students and a world-leading research portfolio

Professor Day, as with all colleagues, did not receive a salary increase in August 2020 in line with the UCEA JNCHES National Pay Bargaining decision of no cost of living increase and the pausing of discretionary pay reviews within the University. From 1 January 2018, Professor Day ceased active membership of the USS under their enhanced opt-out arrangements. As a result, he receives an allowance equivalent to the employer's contribution for future accrual (subject to the normal deductions of income tax and National Insurance). The University is also required to pay a deficit recovery contribution of 2.1 % of salary to USS (shown as following pension contributions).

The Vice-Chancellor and President's basic salary is 9.4 times the median basic salary of colleagues (2019-20: 9.6) where the median basic salary is calculated on a full-time equivalent basis for the salaries paid by the University of its colleagues.

The Vice-Chancellor and President's total remuneration is 9.2 times the median total remuneration of colleagues (2019-20: 9.4) where the median total remuneration is calculated on a full-time equivalent basis for the total remuneration by the University of its colleagues.

### Higher paid colleagues

The number of colleagues with a full-time equivalent basic salary of over £100,000 per annum (excluding the Vice-Chancellor and President), broken down into bands of £5,000, is shown below.

Pay Band	Clinical	Non-Clinical	2020-21 Total	2019-20 Total
£100,000-£104,999	7	19	26	35
£105,000-£109,999	6	12	18	20
£110,000-£114,999	21	9	30	15
£115,000-£119,999	16	6	22	10
£120,000-£124,999	11	8	19	8
£125,000-£129,999	7	4	11	12
£130,000-£134,999	2	1	3	11
£135,000-£139,999	4	4	8	13
£140,000-£144,999	7	4	11	5
£145,000-£149,999	6	3	9	5
£150,000-£154,999	4	1	5	1
£155,000-£159,999	0	1	1	1
£160,000-£164,999	1	1	2	2
£165,000-£169,999	2	2	4	3
£170,000-£174,999	0	1	1	1
£175,000-£179,999	0	2	2	1
£190,000-£194,999	1	0	1	0
<b>Total</b>	<b>95</b>	<b>78</b>	<b>173</b>	<b>143</b>

	2020-21 £000	2019-20 £000
Salary	323.1	323.1
Allowance in lieu of pension contributions	50.5	50.3
Benefits in kind	0.0	0.0
Employer Pension Contributions	6.5	6.5
<b>Total staff costs</b>	<b>380.1</b>	<b>379.9</b>
Salary waived	0.0	-12.9
<b>Net total</b>	<b>380.1</b>	<b>367.0</b>

# Independent Auditor's Report

to the Council of Newcastle University

## Opinion

We have audited the financial statements of Newcastle University ('the Parent Institution') and its subsidiaries (the 'Group') for the year ended 31 July 2021 which comprise Consolidated and University Statement of Comprehensive Income, Consolidated and University Statement of Changes in Reserves, Consolidated and University Balance Sheet, Consolidated Cash Flow Statement and the related notes 1 to 33, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the Group's and of the Parent Institution's state of affairs as at 31 July 2021, and of the Group's and Parent Institution's income and expenditure, gains and losses and changes in reserves and of the Group's cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the Statement of Recommended Practice: Accounting for Further and Higher Education, relevant legislation and Office for Students requirements.

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the group and parent institution in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Conclusions relating to going concern

In auditing the financial statements, we have concluded that the University Council's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group and Parent Institution's ability to continue as a going concern for a period up to 31 July 2023 from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the University Council with respect to going concern are described in the

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

## Other information

The other information comprises the information included in the Integrated Annual Report 2020-21, other than the financial statements and our auditor's report thereon. The University Council is responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

### Opinion on other matters prescribed by the Office for Students

In our opinion, based on the work undertaken in the course of the audit, in all material respects:

- funds from whatever source administered by Newcastle University have been properly applied to those purposes and managed in accordance with relevant legislation;
- funds provided by the Office for Students and UK Research and Innovation (including Research England) have been applied in accordance with the applicable terms and conditions attached to them; and
- the requirements of the Office for Students accounts direction for the relevant year's financial statements have been met.

### Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Office for Students require us to report to you where:

- the University's grant and fee income, as disclosed in note 1 to the financial statements, has been materially misstated
- the University's expenditure on access and participation activities for the financial year has been materially misstated.

### Responsibilities of the University Council

As explained more fully in the Statement of the Responsibilities of Council in the Preparation of the Financial Statements, set out on page 64, the University Council is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the University Council determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the University Council is responsible for assessing the Group's and the Parent Institution's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the University Council either intend to liquidate the group or the parent institution or to cease operations, or have no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high

level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

### Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the institution and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the University and determined that the most significant are FRS 102, the Statement of Recommended Practice for Further and Higher Education and the Office for Students Regulatory Advice 9: Accounts Direction.
- We understood how Newcastle University is complying with those frameworks by understanding the incentive, opportunities and motives for non-compliance, including inquiring of management, internal audit and those charged with governance and obtaining and reviewing documentation relating to the procedures in place to identify, evaluate and comply with laws and regulations, and whether they are aware of instances of non-compliance. We corroborated this through our review of the University's Council minutes, through enquiry of employees to verify University policies, and through the inspection of employee handbooks and other information.
- We assessed the susceptibility of the University's financial statements to material misstatement, including how fraud might occur by understanding the potential incentives and pressures for management to manipulate the financial statements, and performed procedures to understand the areas in which this would most likely arise. Based on our risk assessment procedures, we identified management override of control and improper recognition of

revenue through the timing of recognition of tuition fee & education contracts income, research income and residences, catering & conference income as our fraud risks.

- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved the following:
  - ◇ To address our fraud risk of management override of controls we tested specific journal entries identified by applying risk criteria to the entire population of journals. For each journal selected, we tested specific transactions back to source documentation to confirm that the journals were authorised and accounted for appropriately. We reviewed significant accounting estimates for management bias and noted that we did not identify any significant unusual transactions in the financial statements.
  - ◇ To address our fraud risk of improper recognition of revenue we used our data analytics tools to test the full population of tuition fee income and focused our testing on those items of income that fell outside of the usual posting patterns. We tested a sample of research income and education contracts (including any associated deferred income) to assess performance related conditions and recognition in the correct year. For a sample of deferred income items (also covering

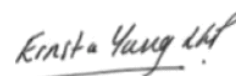
additions and releases), we confirmed that income had been recognised in the correct financial year and that conditions had been met. We also tested a sample of income transactions before and after the year end to confirm that they had been recorded in the correct financial year.

A further description of our responsibilities for the audit of the financial statements is located on the

Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### Use of our report

This report is made solely to the Council of Newcastle University, as a body, in accordance with the Charters and Statutes of the University. Our audit work has been undertaken so that we might state to the University Council those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Newcastle University and the University Council as a body, for our audit work, for this report, or for the opinions we have formed.



**Ernst & Young LLP**  
Edinburgh

14 December 2021

# Statement of Principal Accounting Policies

## 1. Accounting convention

The Consolidated and University financial statements have been prepared in accordance with United Kingdom Accounting Standards, including Financial Reporting Standard 102 (FRS 102) and the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education (2019 edition). They have also been prepared in accordance with the 'carried forward' powers and duties of previous legislation (Further and Higher Education Act 1992 and the Higher Education Act 2004) and the new powers of the Higher Education and Research Act 2017 during the transition period to 31 July 2019, the Royal Charter, the Accounts Direction issued by the Office for Students (OfS), the terms and conditions of funding for higher education institutions issued by the Office for Students and the terms and conditions of the Research England grant.

The University is a public benefit entity and therefore has applied the relevant public benefit requirement of the applicable UK laws and accounting standards.

## 2. Basis of preparation

The financial statements are prepared under the historical cost convention (modified by the revaluation of certain financial assets and liabilities at fair value).

The University's principal operations, together with the factors likely to affect its future development and financial position are noted in the strategic review, materiality and risk, relationships and resources and financial review sections.

The Financial Review also describes the financial position of the University, its cash flows, liquidity position and borrowing facility. At 31 July 2021 the Group held cash, cash equivalents and short term deposits of £207.0m,

which had increased to £260.9m at 31 October 2021. Borrowings and lease obligations were £126.1m (as detailed in notes 18, 19 and 27). This includes £102.9m of long term loans which are repayable between 2021 and 2046. At 30 November 2021, we had no further borrowing in place. We complied with all covenant requirements for existing borrowing at 31 July 2021 and forecast significant headroom in covenant compliance at 31 July 2022 and 31 July 2023.

Student recruitment in 2021 is broadly in line with the budget set for the year and current projections are that Adjusted EBITDA and year end cash balances will be better than budget. Although inflationary pressures give cause for concern, the impact is not material in the short term. We are forecasting significant liquidity throughout the period July 2023 and in the years beyond that date.

Council has reviewed financial forecasts, including plans for future student recruitment, and is satisfied that the University and Group is expected to be able to meet its commitments and obligations until at least 31st July 2023.

On this basis, Council continues to adopt the going concern basis of accounting in preparing the annual financial statements. The basis for that decision is described more fully on page 56.

The financial statements are prepared in sterling which is the functional currency of the group and rounded to the nearest one hundred thousand (£0.1m) except when otherwise indicated.

## 3. Exemptions under FRS 102

The University has taken the exemption under section 3.3 of the SORP (1.12(b) of FRS 102) to not produce a cash flow statement for the University in its separate financial statements.

## 4. Basis of consolidation

The consolidated financial statements include the financial statements of the University and all its subsidiaries together with the share of the results of joint ventures and associates for the financial year to 31 July 2021. Intra-group transactions are eliminated on consolidation.

Gains or losses on any intra-group transactions are eliminated in full. Amounts in relation to debts and claims between undertakings included in the consolidation are also eliminated. Balances between the University and its associates and joint ventures are not eliminated.

Normal trading transactions that are not settled by the year-end date are included as current assets or liabilities. Any gains or losses are included in the carrying amount of assets of either entity, the part relating to the University's share is eliminated.

The consolidated financial statements do not include the results of Newcastle University Students' Union as the University does not exert control or dominant influence over policy decisions.

The consolidated financial statements do not include the results of the University of Newcastle upon Tyne Development Trust as it is a separate charity which manages its funds independently of the University. Although the University nominates some of the trustees, it has no control over the Trust's decisions.

Associated companies and joint ventures are accounted for using the equity method.

### 5. Income recognition

Income from the sale of goods or services is credited to the Consolidated Statement of Comprehensive Income when the goods or services are supplied to the external customers or the terms of the contract have been satisfied.

Tuition fee income is stated gross of any expenditure which is not a discount and credited to the Consolidated Statement of Comprehensive Income over the period in which students are studying. Where the amount of the tuition fee is reduced, by a discount for prompt payment, income receivable is shown net of the discount. Bursaries and scholarships are accounted for gross as expenditure and not deducted from income.

Education contracts are recognised when the University is entitled to the income, which is the period in which students are studying, or where relevant, when performance conditions have been met.

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

#### Grant funding

Grant funding including funding council block grant, research grants from government sources and grants (including research grants) from non-government sources are recognised as income when the University is entitled to the income and performance-related conditions have been met. Income received in advance of performance-related conditions being met is recognised as deferred income within creditors in the Statement of Financial Position and released to income as the conditions are met.

#### Donations and endowments

Non-exchange transactions without performance-related conditions are donations and endowments.

Donations and endowments with donor imposed restrictions are

recognised in income when the University is entitled to the funds. Income is retained within the restricted reserve until such time that it is utilised in line with such restrictions at which point the income is released to general reserves through a reserve transfer.

Donations with no restrictions are recognised in income when the University is entitled to the funds.

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

There are four main types of donations and endowments identified within reserves:

- restricted donations – the donor has specified that the donation must be used for a particular objective
- unrestricted permanent endowments – the donor has specified that the fund is to be permanently invested to generate an income stream for the general benefit of the University
- restricted expendable endowments – the donor has specified a particular objective other than the purchase or construction of tangible assets, and the University has the power to use the capital
- restricted permanent endowments – the donor has specified that the fund is to be permanently invested to generate an income stream to be applied to a particular objective.

Donations of tangible assets are included within income. The income recognised is valued using a reasonable estimate of their gross value or the amount actually realised. Donated tangible assets are valued and accounted for as tangible assets under the appropriate asset category.

Income from expendable endowments is recognised to the extent of the related expenditure during the year. Permanent

endowments are managed on a total return basis. The entire investment return is included in the Statement of Comprehensive Income to the extent of the related expenditure during the year.

#### Capital grants

Capital grants are recognised in income when the University is entitled to the funds subject to any performance-related conditions being met.

### 6. Accounting for retirement benefits

The two principal pension schemes for the University's colleagues are the Universities Superannuation Scheme (USS) and the University of Newcastle upon Tyne Retirements Benefits Plan (1971) (RBP) which is an Exempt Approved Scheme under the Finance Act 1970. RBP is a defined benefit scheme. USS is a hybrid pension scheme, providing defined benefits (for all members), as well as defined contribution benefits. The assets of both RBP and USS are held in trustee-administered funds. Each fund is valued every three years by professionally qualified independent actuaries.

A small number of colleagues remain in other pension schemes.

The USS is a multi-employer scheme. Due to the mutual nature of the scheme, it is not possible to identify the assets and liabilities of the scheme to University members on a consistent and reasonable basis. Therefore, as required by Section 28 of FRS 102 'Employee benefits', the scheme is accounted for as if it were a wholly defined contribution scheme. As a result, the amount charged to expenditure represents the contributions payable to the scheme in respect of the accounting period. Since the University has entered into a recovery plan agreement to fund past deficits, a liability is recorded within provisions for the contributions payable that arise from the agreement, to the extent that they relate to the deficit, and the resulting expense is recognised as expenditure.

The RBP scheme's assets are included at market value and scheme liabilities are measured on an actuarial basis using the projected unit method; these liabilities are discounted at the current rate of return on AA corporate bonds. The post-retirement benefit surplus or deficit is included on the University's Statement of Financial Position, net of the related amount of deferred tax. Surpluses are only included to the extent that they are recoverable through reduced contributions in the future or through refunds from the scheme. The current service cost and any past service costs are included in expenditure within staff costs. The interest income on the scheme's assets, net of the impact of the unwinding of the discount on scheme liabilities, is included within investment income or interest and other finance costs. Actuarial gains and losses are recognised in Other Comprehensive Income.

## 7. Employment benefits

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

## 8. Finance leases

Leases in which the University assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. Leased assets acquired by way of finance lease and the corresponding lease liabilities are initially recognised at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease.

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

## 9. Operating leases

Costs in respect of operating leases are charged on a straight-line basis over the lease term. Any lease premiums or incentives are spread over the minimum lease term.

## 10. Foreign currency

### University

Transactions denominated in foreign currencies are recorded at the rate of exchange ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at year-end rates. Foreign exchange differences arising on translation are recognised as a surplus or deficit.

### Group

The assets and liabilities of foreign subsidiary undertakings are translated to sterling at the rate of exchange ruling at the year-end date. The revenues and expenses of foreign subsidiary undertakings are translated at an average rate for the year where this rate approximates to the foreign exchange rates ruling at the dates of the transactions. The exchange difference arising on the retranslation of opening net assets is taken to Other Comprehensive Income. All other exchange differences are recognised as a surplus or deficit for the year.

## 11. Property, plant and equipment

### Land and buildings

Land and buildings are stated at cost/deemed cost less accumulated depreciation and accumulated impairment losses. Freehold land was revalued to fair value on transition to the 2015 SORP, and is measured on the basis of deemed cost, being the revalued amount at the 31 July 2014 transition date.

Costs incurred in relation to land and buildings after initial purchase or construction, are capitalised to the extent that they increase the expected future benefits to the University.

Freehold land is not depreciated as it is considered to have an indefinite useful life. Buildings and major

refurbishments are depreciated on a straight line basis over their expected useful lives to the University, by components (where appropriate) as follows:

Structure	50 years
Fit-out	20 years
Mechanical/ electrical services	15 years

Expenditure relating to subsequent replacement of components is capitalised as incurred.

Short-leasehold buildings are depreciated over the shorter of the lease term and the expected life of the asset.

No depreciation is charged on assets in the course of construction.

### Equipment

Equipment costing less than £25,000 per individual item or group of related items and all software costs are recognised as expenditure. All other equipment is capitalised.

Capitalised equipment is stated at cost and depreciated over its expected useful life, as follows:

Research vessel	25 years
General equipment	4 to 10 years
Equipment acquired for specific research projects	project life (generally 3 years)

Leases equipment period of lease

Depreciation methods, useful lives and residual values are reviewed at each year-end.

### Impairment

A review for potential indicators of impairment is carried out at each reporting date. If events or changes in circumstances indicate that the carrying amount of the property, plant and equipment may not be recoverable, a calculation of the impact is completed and arising impairment values charged against the asset and to the SOCIE.

### Borrowing costs

Finance costs which are directly attributable to the construction of land and buildings are not capitalised as part of the cost of

## Statement of Principal Accounting Policies

those assets but are recognised as expenditure in the period in which they are incurred.

### 12. Intangible assets

Intangible assets created within the business are not capitalised and expenditure is charged against profits in the year in which it is incurred. Intangible assets purchased are initially recognised at cost and amortised on a straight line basis over five years representing the estimated useful life of the assets. They are subject to periodic impairment reviews as appropriate.

### 13. Investments

Non-current asset investments that are not listed on a recognised stock exchange are carried at historical cost, less any provision for impairment in their value.

Investments in jointly controlled entities, associates and subsidiaries are carried at cost less impairment in the University's separate financial statements.

### 14. Stock

Stock is valued at the lower of cost and estimated selling price less costs to complete and sell.

### 15. Cash and cash equivalents

Cash includes cash in hand, deposits repayable on demand and overdrafts. Deposits are repayable on demand if they are in practice available within 24 hours without penalty.

Cash equivalents are short term (maturity being less than three months from the placement date), highly liquid investments that are readily convertible to known amounts of cash with insignificant risk of change in value.

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

### 16. Short-term liquid deposits

Short-term liquid deposits are term deposits maturing more than three months after placement.

### 17. Provisions

Provisions are recognised in the financial statements when:

- the University has a present obligation (legal or constructive) as a result of a past event
- it is probable that an outflow of economic benefits will be required to settle the obligation and
- a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

### 18. Accounting for joint operations, jointly controlled assets and jointly controlled operations

The University accounts for its share of joint ventures using the equity method.

The University accounts for its share of transactions from joint operations and jointly controlled assets in the Consolidated Statement of Comprehensive Income.

### 19. Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is provided in full on timing differences that exist at the reporting date and that result in an obligation to pay more tax, or a right to pay less tax in the future. The deferred tax is measured at the rate expected to apply in periods in which the timing differences are expected to reverse, based on the tax rates and laws that are enacted or substantively enacted at the reporting date. Unrelieved tax losses and other deferred tax assets shall be recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax assets and liabilities are not discounted.

The University is an exempt charity within the meaning of Part 3 of the Charities Act 2011. It is therefore a charity within the meaning of Paragraph 1 of Schedule 6 to the Finance Act 2010 and accordingly, the University is potentially exempt from UK corporation tax in respect of income or capital gains received within categories covered by Sections 478–488 of the Corporation Tax Act 2010 (CTA 2010) or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied to exclusively charitable purposes.

The University receives no similar exemption in respect of Value Added Tax (VAT). Irrecoverable VAT on expenditure (revenue and capital) is included in the costs of such expenditure. Any irrecoverable VAT allocated to fixed assets is included in their cost.

The University's subsidiary companies are subject to corporation tax and VAT in the same way as any commercial organisation.

### 20. Financial instruments

The University applies the provisions of Sections 11 and 12 of FRS 102 in full. The University's financial assets and liabilities all meet the criteria for basic financial instruments prescribed within FRS 102 Section 11.8.

### 21. Reserves

Reserves are classified as restricted or unrestricted. Restricted endowment reserves include balances which, through endowment to the University, are held as a permanently restricted fund which the University must hold in perpetuity. Other restricted reserves include balances where the donor has designated a specific purpose and therefore the University is restricted in the use of these funds.

## 22. Critical accounting estimates and judgements

The preparation of the University's financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses. These judgements, estimates and associated assumptions are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results.

Management consider the areas set out below to be those where critical accounting judgements have been applied and the resulting estimates and assumptions may lead to adjustments to the future carrying amounts of assets and liabilities:

### RBP pension scheme

The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long term nature of the plan, such estimates are subject to significant uncertainty. The assumptions used by the actuary are included in note 29 to the accounts.

### USS pension scheme

The University is satisfied that USS meets the definition of a multi-employer scheme and has therefore recognised a provision for the discounted fair value of the contractual contributions under the recovery plan in existence at the year-end date. This recovery plan was agreed in September 2019 and is based on the 2018 valuation.

The University has used the deficit modeller provided by the British Universities Finance Director's Group (BUFDG) in order to calculate the liability.

We have applied our own assumptions:

- future staff increases based on our five year forecast with nil growth after that period
- salary inflation based on our five year forecast with an annual 3% increase after that period
- discount rate 0.89% based on guidance produced for BUFDG by Mercer Limited

Changes in assumptions impact the liability. A 1% per annum increase in the future staff or salary inflation assumption would increase the provision by £3.0m. A 1% increase to the discount rate used would decrease the provision by £2.8m.

Since the year end, the 2020 valuation has been completed and a new deficit recovery plan has been agreed as set out in note 29. In the judgement of the University, it remains appropriate to account for the USS deficit obligations in accordance with the plan in place at the year-end date and so, the significant adjustment arising from the new plan will be reflected in the University's Financial Statements for the year-ended 31 July 2022.

### Holiday pay

The holiday pay accrual is calculated on a sample basis from the holiday records of staff in six schools/services. For year ended 31 July 2021, the sample provided coverage of 12%, with at least 8% coverage across all staff categories. Holiday balances are costed separately for each staff category, using a rate per day based on the payroll cost and FTE for the month of July.

### Useful lives of property, plant and equipment

Property, plant and equipment represent a significant proportion of the University's total assets. Therefore, the estimated useful lives can have a significant impact on the depreciation charged and the University's reported performance. Useful lives are determined at the time the asset is

acquired and reviewed regularly for appropriateness. The lives are based on historical experience with similar assets as well as anticipation of future events.

### Access and participation plan

Expenditure relates to work in support of underrepresented groups. This includes expenditure funded by the OfS Premium to support successful student outcomes and the OfS Disabled Students' premium.

Staff costs have been included where these are intrinsic to the delivery of access and participation activities.

Work to improve access and participation is embedded in the core activities of the University, so judgement is required in apportioning some staff and non-staff costs. The University has apportioned some costs based on the proportion of home undergraduate students from underrepresented groups. The expenditure does not include overhead recovery or expenditure funded under the National Collaborative Outreach Programme (NCOP).

The expenditure on disability excludes expenditure on the estate where we have a duty to do this under the Equality Act.

### Impairments

Management make judgements as to whether any indicators of impairment are present for any of the University's assets.

# Consolidated and University Statement of Comprehensive Income

for the year ended 31 July 2021

	Note	Consolidated		University	
		2021 £m	2020 £m	2021 £m	2020 £m
<b>INCOME</b>					
Tuition fees and education contracts	2	292.9	288.2	276.3	273.2
Funding body grants	3	81.2	75.8	81.2	75.8
Research grants and contracts	4	99.6	97.7	99.6	97.7
Other income	5	56.1	72.5	60.0	76.1
Investment income	6	1.1	1.9	1.0	2.0
Donations and endowments	7	5.5	8.1	5.5	8.1
Total income		<b>536.4</b>	<b>544.2</b>	<b>523.6</b>	<b>532.9</b>
<b>EXPENDITURE</b>					
Staff costs excluding movement in USS pension liability	8	324.0	322.8	316.0	315.1
Movement in USS pension liability	20	0.1	(52.9)	0.1	(52.9)
Total staff costs	8	324.1	269.9	316.1	262.2
Other operating expenses	9	167.9	177.0	167.4	173.1
Depreciation	13	32.8	31.6	31.6	30.2
Interest and other finance costs	10	5.8	7.6	3.8	5.5
Total expenditure	11	<b>530.6</b>	<b>486.1</b>	<b>518.9</b>	<b>471.0</b>
<b>Surplus before other gains / losses and share of deficit of joint ventures and associate</b>		<b>5.8</b>	<b>58.1</b>	<b>4.7</b>	<b>61.9</b>
Gain on disposal of tangible assets		0.1	3.5	0.1	3.5
Loss on impairment of non-current assets		0.0	(1.7)	0.0	(16.5)
Gain on investments	21	17.2	3.6	17.2	3.6
Share of Deficit in joint ventures	15	(2.1)	(11.7)	0.0	0.0
Share of Deficit in associate	16	(0.1)	0.0	0.0	0.0
<b>Surplus before tax</b>		<b>20.9</b>	<b>51.8</b>	<b>22.0</b>	<b>52.5</b>
Taxation	12	0.2	(0.7)	0.0	0.0
<b>Surplus for the year</b>		<b>21.1</b>	<b>51.1</b>	<b>22.0</b>	<b>52.5</b>
<b>OTHER COMPREHENSIVE INCOME</b>					
Actuarial gain/( loss) in respect of pension scheme	29	27.4	(8.1)	27.4	(8.1)
<b>Total comprehensive income for the year</b>		<b>48.5</b>	<b>43.0</b>	<b>49.4</b>	<b>44.4</b>
<b>Represented by:</b>					
Endowment comprehensive income for the year	21	14.6	2.1	14.6	2.1
Restricted comprehensive income for the year	22	0.2	0.0	0.2	0.0
Unrestricted comprehensive income for the year		33.7	40.9	34.6	42.3
<b>Attributable to the University</b>		<b>48.5</b>	<b>43.0</b>	<b>49.4</b>	<b>44.4</b>

All items of income and expenditure arise from continuing operations.

# Consolidated and University Statement of Changes in Reserves

for the year ended 31 July 2021

Consolidated	Income and expenditure account			Total excluding non-controlling interest	Non - controlling interest	Total
	Endowment	Restricted	Unrestricted			
	£m	£m	£m	£m	£m	£m
<b>Balance at 1 August 2019</b>	<b>85.1</b>	<b>0.6</b>	<b>313.3</b>	<b>399.0</b>	<b>0.1</b>	<b>399.1</b>
Surplus for the year	5.4	12.1	33.6	51.1	0.0	51.1
Other comprehensive income	0.0	0.0	(8.1)	(8.1)	0.0	(8.1)
Release of endowment and restricted funds spent	(3.3)	(12.1)	15.4	0.0	0.0	0.0
<b>Total comprehensive income for the year</b>	<b>2.1</b>	<b>0.0</b>	<b>40.9</b>	<b>43.0</b>	<b>0.0</b>	<b>43.0</b>
<b>Balance at 1 August 2020</b>	<b>87.2</b>	<b>0.6</b>	<b>354.2</b>	<b>442.0</b>	<b>0.1</b>	<b>442.1</b>
Surplus/(deficit) for the year	17.9	6.0	(2.8)	21.1	0.0	21.1
Other comprehensive income	0.0	0.0	27.4	27.4	0.0	27.4
Release of endowment and restricted funds spent	(3.3)	(5.8)	9.1	0.0	0.0	0.0
<b>Total comprehensive income for the year</b>	<b>14.6</b>	<b>0.2</b>	<b>33.7</b>	<b>48.5</b>	<b>0.0</b>	<b>48.5</b>
<b>Balance at 31 July 2021</b>	<b>101.8</b>	<b>0.8</b>	<b>387.9</b>	<b>490.5</b>	<b>0.1</b>	<b>490.6</b>
University	Income and expenditure account			Total excluding non-controlling interest	Non - controlling interest	Total
	Endowment	Restricted	Unrestricted			
	£m	£m	£m	£m	£m	£m
<b>Balance at 1 August 2019</b>	<b>85.1</b>	<b>0.6</b>	<b>323.7</b>	<b>409.4</b>	<b>0.0</b>	<b>409.4</b>
Surplus for the year	5.4	12.1	35.0	52.5	0.0	52.5
Other comprehensive income	0.0	0.0	(8.1)	(8.1)	0.0	(8.1)
Release of endowment and restricted funds spent	(3.3)	(12.1)	15.4	0.0	0.0	0.0
<b>Total comprehensive income for the year</b>	<b>2.1</b>	<b>0.0</b>	<b>42.3</b>	<b>44.4</b>	<b>0.0</b>	<b>44.4</b>
<b>Balance at 1 August 2020</b>	<b>87.2</b>	<b>0.6</b>	<b>366.0</b>	<b>453.8</b>	<b>0.0</b>	<b>453.8</b>
Surplus/(deficit) for the year	17.9	6.0	(1.9)	22.0	0.0	22.0
Other comprehensive income	0.0	0.0	27.4	27.4	0.0	27.4
Release of endowment and restricted funds spent	(3.3)	(5.8)	9.1	0.0	0.0	0.0
<b>Total comprehensive income for the year</b>	<b>14.6</b>	<b>0.2</b>	<b>34.6</b>	<b>49.4</b>	<b>0.0</b>	<b>49.4</b>
<b>Balance at 31 July 2021</b>	<b>101.8</b>	<b>0.8</b>	<b>400.6</b>	<b>503.2</b>	<b>0.0</b>	<b>503.2</b>

# Consolidated and University Statement of Financial Position

As at 31 July 2021

		Consolidated		University	
	Note	2021	2020	2021	2020
		£m	£m	£m	£m
<b>NON-CURRENT ASSETS</b>					
Tangible assets	13	615.3	616.3	597.9	596.7
Investments	14	104.7	89.6	108.4	93.3
Investment in joint ventures	15	4.3	5.8	0.0	0.0
Investment in associate	16	0.4	0.5	0.0	0.0
		<b>724.7</b>	<b>712.2</b>	<b>706.3</b>	<b>690.0</b>
<b>CURRENT ASSETS</b>					
Assets held for sale		0.0	2.5	0.0	2.5
Stocks in hand		1.1	1.0	1.1	1.0
Trade and other receivables	17	49.2	47.0	63.3	61.0
Short-term liquid deposits		72.1	44.1	72.1	44.1
Cash and cash equivalents	23	134.9	96.2	125.2	87.7
		<b>257.3</b>	<b>190.8</b>	<b>261.7</b>	<b>196.3</b>
<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>					
PROVISIONS	18	(201.1)	(145.3)	(195.8)	(139.8)
		(0.7)	(2.8)	(0.7)	(2.8)
<b>NET CURRENT ASSETS</b>		<b>55.5</b>	<b>42.7</b>	<b>65.2</b>	<b>53.7</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>780.2</b>	<b>754.9</b>	<b>771.5</b>	<b>743.7</b>
<b>CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</b>					
PENSION PROVISIONS	19	(136.7)	(139.8)	(115.4)	(116.9)
OTHER PROVISIONS	20	(152.9)	(169.8)	(152.9)	(169.8)
		0.0	(3.2)	0.0	(3.2)
<b>TOTAL NET ASSETS</b>		<b>490.6</b>	<b>442.1</b>	<b>503.2</b>	<b>453.8</b>
<b>RESTRICTED RESERVES</b>					
Income and expenditure reserve - endowment reserve	21	93.4	79.9	93.4	79.9
Income and expenditure reserve - restricted reserve	22	0.8	0.6	0.8	0.6
<b>UNRESTRICTED RESERVES</b>					
Income and expenditure reserve - endowment reserve	21	8.4	7.3	8.4	7.3
Income and expenditure reserve - unrestricted reserve		387.9	354.2	400.6	366.0
		<b>490.5</b>	<b>442.0</b>	<b>503.2</b>	<b>453.8</b>
<b>NON-CONTROLLING INTEREST</b>					
<b>TOTAL RESERVES</b>		<b>490.6</b>	<b>442.1</b>	<b>503.2</b>	<b>453.8</b>

The accompanying statement of principal accounting policies and notes 1 to 33 form part of these financial statements.


The financial statements were approved by Council on 13th December 2021 and signed on its behalf by:



**CP Day**  
Vice-Chancellor and President



**AM Russell**  
Treasurer



**RC Dale**  
Executive Director of Finance

# Consolidated Cash Flow Statement

for the year ended 31 July 2021

	Note	2021 £m	2020 £m
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Surplus before taxation		20.9	51.8
Taxation		0.2	(0.7)
Surplus after taxation		<u>21.1</u>	<u>51.1</u>
<b>Adjustment for non-cash items</b>			
Depreciation	13	32.8	31.6
Gain on investments	21	(17.2)	(3.6)
Increase in stock		(0.1)	(0.1)
(Increase) / decrease in debtors		(0.1)	4.6
Increase in creditors		46.0	1.8
(Decrease) / increase in provisions		(5.3)	6.0
(Decrease) / increase in pension provision		10.5	(41.6)
Share of deficit in joint ventures	15	2.1	11.7
Share of deficit in associate	16	0.1	0.0
<b>Adjustment for investing or financing activities</b>			
Investment income	6	(1.1)	(1.9)
Interest payable		3.9	4.0
Endowment income	21	(0.1)	(0.9)
Gain on disposal of tangible assets		(0.1)	(3.5)
Impairment of non-current assets		0.0	1.7
Capital grant income		(2.3)	(12.2)
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>		<u><b>90.2</b></u>	<u><b>48.7</b></u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from sales of tangible assets		2.8	7.2
Capital grants receipts		2.3	12.1
Proceeds from sale of endowment investments		7.1	27.2
Payments made to acquire endowment investments		(5.0)	(29.4)
Investment income		1.2	2.1
Profit distribution from joint venture		3.0	0.8
Payments made to acquire tangible assets		(33.3)	(51.0)
New investment in joint ventures and associate		(0.1)	(2.0)
(Increase)/decrease in short-term liquid deposits		(28.0)	31.2
		<u><b>(50.0)</b></u>	<u><b>(1.8)</b></u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Interest paid		(1.9)	(1.9)
Interest element of finance lease		(2.5)	(1.6)
Endowment cash received	21	0.0	0.9
New unsecured loan		2.9	0.0
		<u><b>(1.5)</b></u>	<u><b>(2.6)</b></u>
<b>INCREASE IN CASH AND CASH EQUIVALENTS IN THE YEAR</b>		<u><b>38.7</b></u>	<u><b>44.3</b></u>
Cash and cash equivalents at beginning of the year	23	96.2	51.9
Cash and cash equivalents at end of the year	23	134.9	96.2

## Notes to the Financial Statements

### 1 Source of grant and fee income

The source of grant and fee income, included in Notes 2 and 3 is as follows:

	Consolidated		University	
	2021	2020	2021	2020
	£m	£m	£m	£m
Grant income from the OfS	29.3	28.2	29.3	28.2
Grant income from other bodies	51.9	47.6	51.9	47.6
Fee income for taught awards	274.5	266.9	258.0	252.0
Fee income for research awards	12.4	14.6	12.3	14.5
Fee income from non-qualifying courses	6.0	6.7	6.0	6.7
	<b>374.1</b>	<b>364.0</b>	<b>357.5</b>	<b>349.0</b>

### 2 Tuition fees and education contracts

	Consolidated		University	
	2021	2020	2021	2020
	£m	£m	£m	£m
Full-time students	178.9	169.9	178.3	170.8
Full-time students charged overseas fees, UK taught	89.2	94.6	89.2	94.8
Full-time students charged overseas fees, overseas taught	16.0	15.0	0.0	0.0
Part-time fees	2.8	2.0	2.8	0.9
Research training support grants	4.4	4.4	4.4	4.4
Short courses	1.6	2.3	1.6	2.3
	<b>292.9</b>	<b>288.2</b>	<b>276.3</b>	<b>273.2</b>

### 3 Funding body grants

	Consolidated and University	
	2021	2020
	£m	£m
Recurrent grant	63.7	63.0
Specific grants	11.4	7.2
Capital Investment Framework (CIF) grants	6.1	5.5
National College for Teaching and Leadership specific grant	0.0	0.1
	<b>81.2</b>	<b>75.8</b>

Funding was provided by the Office for Students and Research England.

### 4 Research grants and contracts

	Consolidated and University	
	2021	2020
	£m	£m
Research Councils	31.7	34.2
UK charities	24.1	24.3
UK government	22.9	18.2
European Commission	10.4	11.2
Other grants and contracts	10.5	9.8
	<b>99.6</b>	<b>97.7</b>

## 5 Other income

	Consolidated		University	
	2021	2020	2021	2020
	£m	£m	£m	£m
Residences, catering and conferences	13.1	17.3	13.1	17.3
Other services rendered	18.5	21.0	18.5	21.0
Health authorities	8.0	8.2	8.0	8.2
Other capital grants	0.2	8.1	0.2	8.1
Other income	16.3	17.9	15.4	16.7
Income from subsidiary companies	0.0	0.0	4.8	4.8
	<b>56.1</b>	<b>72.5</b>	<b>60.0</b>	<b>76.1</b>

Contained within other income is an amount of £1.2m (2020: £2.1m) which relates to income received under the Coronavirus Job Retention Scheme and an amount of £133,280 (2020: nil) received from the Department of Health and Social Care under the project Covid costs for Undergraduate Dental Students.

## 6 Investment income

	Consolidated		University	
	2021	2020	2021	2020
	£m	£m	£m	£m
Investment income on endowments (note 21)	0.6	0.9	0.6	0.9
Other investment income	0.5	1.0	0.4	1.1
	<b>1.1</b>	<b>1.9</b>	<b>1.0</b>	<b>2.0</b>

## 7 Donations and endowments

	Consolidated and University	
	2021	2020
	£m	£m
New endowments net of transfers out from expendable endowments (note 21)	0.1	0.9
Donations with restrictions	5.4	3.9
Unrestricted donations	0.0	3.3
	<b>5.5</b>	<b>8.1</b>

## 8 Staff

	Consolidated		University	
	2021	2020	2021	2020
	£m	£m	£m	£m
<b>Staff Costs</b>				
Salaries	230.9	233.8	223.1	226.3
Social security costs	23.0	22.9	22.8	22.7
Other pension costs (Note 29)	61.6	58.4	61.6	58.4
RBP Pension service cost adjustment (Note 20)	8.5	7.7	8.5	7.7
<b>Total before USS pension adjustments</b>	<b>324.0</b>	<b>322.8</b>	<b>316.0</b>	<b>315.1</b>
Movement on USS pension provision (Note 20)	0.1	(52.9)	0.1	(52.9)
	<b>324.1</b>	<b>269.9</b>	<b>316.1</b>	<b>262.2</b>

Further audited information and disclosures as required by the OfS Accounts direction are included in the Remuneration Report on pages 67-69.

	2021	2020
	Average FTEs	Average FTEs
<b>Staff Numbers</b>		
Academic	1,726	1,715
Support	3,158	3,189
Research	977	1,056
	<b>5,861</b>	<b>5,961</b>

9 Other operating expenses

	Consolidated		University	
	2021 £m	2020 £m	2021 £m	2020 £m
Professional fees and bought in services	50.3	49.6	49.6	49.1
Staff-related expenditure	7.2	18.1	9.0	16.9
Student scholarships, bursaries and prizes	25.4	25.2	25.3	25.1
Consumables and laboratory expenditure	14.4	12.5	14.1	12.2
Non-capitalised equipment purchases and maintenance	18.1	15.0	18.1	14.5
Operating lease rentals - land and buildings	6.9	13.1	6.7	12.9
Rents, rates and insurance	3.8	3.8	2.9	3.1
Heat, light, water and power	9.9	9.6	9.7	9.2
Building maintenance	7.0	7.5	7.2	7.4
Books and periodicals	6.9	6.9	7.0	6.8
NHS and agency staff	4.5	4.5	4.5	4.5
Communications, advertising and publicity	2.3	2.5	1.9	2.0
Students' Union annual subvention	2.4	2.2	2.4	2.2
Other expenditure	8.8	6.5	9.0	7.2
	<b>167.9</b>	<b>177.0</b>	<b>167.4</b>	<b>173.1</b>

Professional fees and bought-in services include auditor's remuneration in respect of audit services for the Group of £159,760 to Ernst & Young LLP (2020: £199,686) and for the University of £118,200 (2020: £118,200) as well as £21,600 for the Group to mha Tait Walker (2020: nil). In respect of non-audit services remuneration amounted to £11,880 to Ernst & Young LLP (2020: £7,920) for the Group and University.

Operating lease rentals - land and buildings includes an amount of nil (2020: six million pounds) in relation to a provision made in respect of an onerous lease at INTO Newcastle University London LLP.

10 Interest and other finance costs

	Consolidated		University	
	2021 £m	2020 £m	2021 £m	2020 £m
Loan interest	1.9	1.9	1.9	1.9
Finance lease interest	2.0	2.1	0.0	0.0
Net charge on pension schemes (note 29)	1.9	3.6	1.9	3.6
	<b>5.8</b>	<b>7.6</b>	<b>3.8</b>	<b>5.5</b>

11 Analysis of 2020-21 expenditure by activity

Consolidated	Staff Costs £m	Other Operating Expenses £m	Depreciation and Amortisation £m	Interest and Other Finance Costs £m	2019-20	
					Total £m	Total £m
Academic schools	177.7	31.3	5.2	0.0	214.2	215.4
Academic services	29.1	26.2	1.0	0.0	56.3	55.3
Administration and central services	33.0	47.7	0.1	0.0	80.8	79.6
Premises	11.6	30.0	18.6	2.0	62.2	66.9
Residences, catering and conferences	4.0	4.8	4.1	0.0	12.9	16.0
Research grants and contracts	54.5	28.2	0.0	0.0	82.7	79.0
Other expenditure	14.2	(0.3)	3.8	3.8	21.5	(26.1)
Total per Statement of Comprehensive Income	<b>324.1</b>	<b>167.9</b>	<b>32.8</b>	<b>5.8</b>	<b>530.6</b>	<b>486.1</b>

Administration and central services and research grants and contracts include £23.3m (2020: £23.0m) and £2.0m (2020: £2.2m) respectively in respect of payments made for bursaries, prizes, scholarships or other similar awards.

**11 Analysis of 2020-21 expenditure by activity (continued)**

University	Staff Costs £m	Other Operating Expenses £m	Depreciation and Amortisation £m	Interest and Other Finance Costs £m	Total £m	2019-20
						Total £m
Academic schools	169.7	29.7	4.0	0.0	203.4	205.6
Academic services	29.1	27.0	1.0	0.0	57.1	55.3
Administration and central services	33.0	48.4	0.1	0.0	81.5	79.6
Premises	11.6	29.5	18.6	0.0	59.7	61.8
Residences, catering and conferences	4.0	4.9	4.2	0.0	13.1	16.0
Research grants and contracts	54.5	28.2	0.0	0.0	82.7	79.0
Other expenditure	14.2	(0.3)	3.7	3.8	21.4	(26.3)
Total per Statement of Comprehensive Income	<b>316.1</b>	<b>167.4</b>	<b>31.6</b>	<b>3.8</b>	<b>518.9</b>	<b>471.0</b>

Administration and central services and research grants and contracts include £23.3m (2020: £23.0m) and £2.0m (2020: £2.2m) respectively in respect of payments made for bursaries, prizes, scholarships or other similar awards.

**12 Taxation**

	Consolidated		University	
	2021	2020	2021	2020
	£m	£m	£m	£m
Republic of Singapore corporation tax at 17%	0.0	(0.1)	0.0	0.0
Republic of Singapore withholding tax at 17%	0.0	0.0	0.0	0.0
Malaysian corporation tax at 24%	0.3	0.4	0.0	0.0
United Kingdom corporation tax at average rate of 19%	(0.5)	0.4	0.0	0.0
	<b>(0.2)</b>	<b>0.7</b>	<b>0.0</b>	<b>0.0</b>

**13 Tangible assets**

Consolidated	Land and Buildings					
	Freehold £m	Leasehold Long £m	Short £m	Assets under Construction £m	Equipment £m	Total £m
<b>Cost</b>						
Balance at 1 August 2020	578.5	156.1	21.5	44.7	112.6	913.4
Additions	0.0	0.0	0.0	29.5	3.8	33.3
Foreign exchange retranslation	0.0	(1.1)	0.0	0.0	0.0	(1.1)
Transfers from assets under construction	39.3	0.0	0.0	(39.3)	0.0	0.0
Disposals	(0.2)	0.0	0.0	(0.2)	0.0	(0.4)
Balance at 31 July 2021	<b>617.6</b>	<b>155.0</b>	<b>21.5</b>	<b>34.7</b>	<b>116.4</b>	<b>945.2</b>
<b>Depreciation</b>						
Balance at 1 August 2020	112.4	78.5	11.7	0.0	94.5	297.1
Charge for year	18.5	4.4	1.0	0.0	8.9	32.8
Balance at 31 July 2021	<b>130.9</b>	<b>82.9</b>	<b>12.7</b>	<b>0.0</b>	<b>103.4</b>	<b>329.9</b>
<b>Net Book Value</b>						
At 31 July 2021	<b>486.7</b>	<b>72.1</b>	<b>8.8</b>	<b>34.7</b>	<b>13.0</b>	<b>615.3</b>
At 1 August 2020	466.1	77.6	9.8	44.7	18.1	616.3

At 31 July 2021, freehold land and buildings included £79.4m (2020: £79.5m) in respect of freehold land which is not depreciated.

The net book value of assets held under finance leases at 31 July 2021 is £15.5m (2020: £17.3m) and the related depreciation charge for the year was £0.8m (2020: £0.9m).

13 Tangible assets (continued)

University	Land and Buildings			Assets under Construction	Equipment	Total
	Freehold	Leasehold	Short			
	£m	£m	£m	£m	£m	£m
<b>Cost</b>						
Balance at 1 August 2020	577.4	133.4	19.4	44.6	110.8	885.6
Additions	0.0	0.0	0.0	29.5	3.7	33.2
Transfers from assets under construction	39.3	0.0	0.0	(39.3)	0.0	0.0
Disposals	(0.2)	0.0	0.0	(0.2)	0.0	(0.4)
Balance at 31 July 2021	<b>616.5</b>	<b>133.4</b>	<b>19.4</b>	<b>34.6</b>	<b>114.5</b>	<b>918.4</b>
<b>Depreciation</b>						
Balance at 1 August 2020	112.4	73.1	10.8	0.0	92.6	288.9
Charge for year	18.5	3.7	0.7	0.0	8.7	31.6
Balance at 31 July 2021	<b>130.9</b>	<b>76.8</b>	<b>11.5</b>	<b>0.0</b>	<b>101.3</b>	<b>320.5</b>
<b>Net Book Value</b>						
At 31 July 2021	<b>485.6</b>	<b>56.6</b>	<b>7.9</b>	<b>34.6</b>	<b>13.2</b>	<b>597.9</b>
At 1 August 2020	465.0	60.3	8.6	44.6	18.2	596.7

The University holds a number of collections, exhibits and artefacts, most of which have been donated or bequeathed to the University. These assets are not considered Heritage Assets as defined in the SORP and therefore have no value attributed to them in the financial statements.

14 Non-current investments

	Consolidated		University	
	2021	2020	2021	2020
	£m	£m	£m	£m
Shares in subsidiary undertakings at cost less amounts written off				
At 1 August	0.0	0.0	3.6	19.1
Other movements in the year	0.0	0.0	0.1	(15.5)
At 31 July	<b>0.0</b>	<b>0.0</b>	<b>3.7</b>	<b>3.6</b>
Other investments other than loans at cost				
At 1 August	0.3	1.0	0.4	0.4
Other movements in the year	0.0	(0.7)	(0.1)	0.0
At 31 July	<b>0.3</b>	<b>0.3</b>	<b>0.3</b>	<b>0.4</b>
Fixed interest stock and equities relating to endowments	104.4	89.3	104.4	89.3
Total fixed asset investments	<b>104.7</b>	<b>89.6</b>	<b>108.4</b>	<b>93.3</b>

## 14 Non-current investments (continued)

### Shares in Subsidiary Undertakings

Details of the companies, all registered in England and Wales (unless otherwise stated), in which Newcastle University holds an interest are as follows:

Name of Company	Holding of Ordinary Shares %	Nature of Business
NUMed Malaysia sdn bhd	100	A company incorporated in Malaysia for the provision of tertiary courses focusing on medical education.
NUInternational Singapore pte Limited	100	A company incorporated in Singapore for collaborative teaching and research.
Newcastle Research & Innovation Institute pte Ltd.	100	A company incorporated in Singapore for postgraduate teaching and research.
Newcastle University Holdings Limited	100	Operates as a holding company only.
Newcastle University Ventures Limited	100	Provides support for the commercial development of research and consultancy.
Newcastle University Developments Limited	100	Provides construction services to the University.
Newcastle University Pension Trustee (1971) Limited	100	Provides a corporate trusteeship for the University Retirement Benefits Plan.
Newcastle ISC Limited	100	Acts as a holding company for the joint ventures INTO Newcastle University LLP and INTO Newcastle University London LLP.
Newcastle University Enterprises Limited (*)	100	This company is dormant.
NUINTO Limited	51	Provides teaching of English language skills.
Zero Carbon Futures (UK) Limited	100	Provides green energy solutions.

(\*) For the year ended 31 July 2021 Newcastle University Enterprises Limited (CRN:06331269) was exempt from the requirement to prepare individual accounts by virtue of section 394A of the Companies Act 2006 relating to dormant subsidiaries.

### University membership in companies limited by guarantee:

The Russell Group  
 Newcastle Science Company Limited  
 Universities UK  
 North East Universities Purchasing Consortium (NEUPC)  
 Centre for Innovation Excellence in Livestock  
 Centre for Crop Health and Protection  
 The Academic Health Science Network for the North East and North Cumbria

### Other investments other than loans

	Voting Rights	Consolidated		University	
		2021 £m	2020 £m	2021 £m	2020 £m
CVCP Properties PLC	1.3%	0.3	0.3	0.3	0.4
		<b>0.3</b>	<b>0.3</b>	<b>0.3</b>	<b>0.4</b>

The University has direct minor shareholdings in a number of other companies, including spin outs, which are not material to these financial statements. Shares in associated undertakings and other investments held by subsidiary companies are disclosed in the financial statements of those companies.

15 Investments in joint ventures

INTO Newcastle University LLP is a joint venture between the University and INTO University Partnerships Limited. A 49% share of the LLP's net assets and liabilities is included in the University's Consolidated Balance Sheet and 49% of its operating profit or loss is reported in the University's Consolidated Statement of Comprehensive Income. INTO Newcastle University LLP's principal activity is the provision of pre-University education and residential accommodation for international students. At the year end an amount of £283,174 (2020: £166,660) was due from INTO Newcastle University LLP to the University.

INTO Newcastle University London LLP is a joint venture between the University and INTO University Partnerships Limited (IUP). On the 30th November 2020 IUP retired and passed its interest in the joint venture to Newcastle University Holdings Ltd. A 50% share of the losses incurred in the LLP to 30th November is reported in the University's Consolidated Statement of Comprehensive Income as a Share of deficit in joint ventures and from 1st December 2020 onward, the LLP has been treated as a subsidiary and their results consolidated accordingly. The LLP's principal activity is the provision of education and residential accommodation for students, the University intends to dissolve the LLP during the year 2021/22 once its teach-out and other remaining obligations have been discharged.

Newcastle Science Central LLP and Newcastle Science Central Management LLP are joint ventures between the University and Newcastle City Council. The principal activity of these joint ventures is the sale and lease of land for the development of the Newcastle Helix site in Newcastle upon Tyne. During the year the University made impairments of £0.7m (2020: £14.6m) to its investments to reflect its share of their net assets and this is reported in the University's Consolidated Statement of Comprehensive Income and the University's interest in the net assets and liabilities of both LLPs is included in the University's Consolidated Balance Sheet. At the year end an amount of £nil (2020: £nil) and £nil (2020: £39,569) was due from each entity respectively to the University.

Newcastle Science Central Developments LLP is a joint venture between the University, Newcastle City Council and Legal & General which aims to market the Newcastle Helix site to create a global centre for urban innovation in Newcastle. A 1/3rd share of the loss of this LLP to date is reported in the University's Consolidated Statement of Comprehensive Income and the University's interest in the net assets and liabilities is included in the University's Consolidated Balance Sheet.

	2021 £m	2020 £m
<b>Share of operating surplus / (deficit):</b>		
INTO Newcastle University LLP	(0.6)	2.8
INTO Newcastle University London LLP	(0.6)	0.2
Newcastle Science Central LLP	(0.1)	0.0
Newcastle Science Central Management LLP	(0.7)	(14.6)
Newcastle Science Central Developments LLP	(0.1)	(0.1)
	<b>(2.1)</b>	<b>(11.7)</b>
<b>Share of gross assets:</b>		
INTO Newcastle University LLP	6.2	11.6
INTO Newcastle University London LLP	0.0	2.4
Newcastle Science Central LLP	2.5	2.5
Newcastle Science Central Management LLP	5.6	5.7
Newcastle Science Central Developments LLP	0.7	0.6
	<b>15.0</b>	<b>22.8</b>
<b>Share of gross liabilities:</b>		
INTO Newcastle University LLP	(6.7)	(8.6)
INTO Newcastle University London LLP	0.0	(5.3)
Newcastle Science Central LLP	(2.4)	(2.3)
Newcastle Science Central Management LLP	(1.0)	(0.3)
Newcastle Science Central Developments LLP	(0.6)	(0.5)
	<b>(10.7)</b>	<b>(17.0)</b>
<b>Share of net assets / (liabilities):</b>		
INTO Newcastle University LLP	(0.5)	3.0
INTO Newcastle University London LLP	0.0	(2.9)
Newcastle Science Central LLP	0.1	0.2
Newcastle Science Central Management LLP	4.6	5.4
Newcastle Science Central Developments LLP	0.1	0.1
	<b>4.3</b>	<b>5.8</b>

**16 Investments in associate**

The University has a 24% holding in Tyne Pressure Testing Limited, whose principal activity is the creation of a Centre of Excellence for Hyperbaric Testing in the Newcastle area. This holding has been treated as an associated undertaking. A 24% share of the company's losses to date is reported in the University's Consolidated Statement of Comprehensive Income and a 24% share of the company's net assets is shown in the University's Consolidated Balance Sheet. At the year end an amount of £471,000 (2020: £500,000) was due from Tyne Pressure Testing Limited to the University.

	<b>2021</b>	<b>2020</b>
	<b>£m</b>	<b>£m</b>
Share of operating deficit	(0.1)	0.0
Share of gross assets	2.4	2.4
Share of gross liabilities	(2.0)	(1.9)
Share of net assets	<b>0.4</b>	<b>0.5</b>

**17 Trade and other receivables**

	<b>Consolidated</b>		<b>University</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Research grants receivable	19.5	15.1	19.5	15.1
Other trade receivables	15.2	19.4	15.0	19.2
Amounts owed by subsidiary undertakings	0.0	0.0	17.2	17.1
Prepayments and accrued income	11.3	10.5	10.9	8.7
Other debtors	3.2	2.0	0.7	0.9
	<b>49.2</b>	<b>47.0</b>	<b>63.3</b>	<b>61.0</b>

Contained within consolidated other debtors is an amount of £412,000 (2020: £475,000) due from Tyne Pressure Testing Limited which is repayable after more than one year.

**18 Creditors: amounts falling due within one year**

	<b>Consolidated</b>		<b>University</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Obligations under finance leases (note 27)	2.0	2.6	0.0	0.0
Fixed-term, unsecured loan repayable by 2046	4.1	0.0	4.1	0.0
Research collaborator creditors	52.4	23.3	52.4	23.3
Other creditors	6.5	3.5	6.2	3.6
Social security and other taxation payable	11.1	11.4	11.0	10.8
Holiday pay accrual	18.1	15.4	18.1	15.4
Accruals and deferred income	106.9	89.1	104.0	86.7
	<b>201.1</b>	<b>145.3</b>	<b>195.8</b>	<b>139.8</b>

**Deferred income**

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

	<b>Consolidated</b>		<b>University</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Research grants received on account	53.9	48.1	53.9	48.1
Tuition fees and education contracts	0.6	0.8	0.6	0.8
Funding body grants	1.2	1.3	1.2	1.3
Other income	15.3	11.6	15.3	11.6
Donations	0.1	0.2	0.1	0.2
	<b>71.1</b>	<b>62.0</b>	<b>71.1</b>	<b>62.0</b>

## 19 Creditors: amounts falling due after more than one year

	Consolidated		University	
	2021	2020	2021	2020
	£m	£m	£m	£m
Fixed-term, unsecured loan repayable by 2046	98.8	100.0	98.8	100.0
Accruals and deferred income	16.7	17.1	16.6	16.9
Obligations under finance leases (note 27)	21.2	22.7	0.0	0.0
	<b>136.7</b>	<b>139.8</b>	<b>115.4</b>	<b>116.9</b>

The fixed term unsecured loan is repayable in accordance with the following profile:

	Effective Interest Rate %	Consolidated and University	
		2021	2020
		£m	£m
Infrastructure and refurbishment loan due after one year but not more than five years	1.87%	16.0	16.0
Heat networks investment project loan due after one year but not more than five years	0.19%	0.4	0.0
		<b>16.4</b>	<b>16.0</b>
Infrastructure and refurbishment loan due after more than five years	1.87%	80.0	84.0
Heat networks investment project loan due after more than five years	0.19%	2.4	0.0
		<b>98.8</b>	<b>100.0</b>

## 20 Pension provisions

	Consolidated and University		
	Obligations to fund deficit on USS Pension (note 29)	RBP defined benefit obligation (note 29)	Total pension provisions
	£m	£m	£m
At 1 August 2020	74.2	95.6	169.8
Increase in staff costs	0.1	8.5	8.6
Pension finance interest charge	0.5	1.4	1.9
Actuarial gain	0.0	(27.4)	(27.4)
At 31 July 2021 (note 29)	<b>74.8</b>	<b>78.1</b>	<b>152.9</b>

## USS deficit

The obligation to fund the past deficit on the Universities Superannuation Scheme (USS) arises from the contractual obligation with the pension scheme to make deficit payments in accordance with the deficit recovery plan. In calculating this provision, management have estimated future staff levels and salary inflation for the duration of the contractual obligation.

Since the year end, following completion of the 2020 actuarial valuation, a new deficit recovery plan has been agreed of which more detail is given in Note 29. If the new plan had been agreed before the year end, and assuming all other assumptions used to calculate the provision remain unchanged, this would have resulted in a revised provision at 31 July 2021 of £216.2m, an increase of £141.4m from the current year end provision.

## Other provisions

The University made an onerous lease provision of £6.0m in 2019-20 in respect of its London premises. £0.7m of this provision remained at 31st July 2021 and is due to be paid in 2021-22.

## 21 Endowment reserves

	Consolidated and University				2021 Total £m	2020 Total £m
	Unrestricted Permanent £m	Restricted Permanent £m	Restricted Expendable £m	Restricted Total £m		
At 1 August						
Capital	2.8	18.5	17.0	35.5	38.3	37.2
Unapplied return	4.5	30.3	14.1	44.4	48.9	47.9
	<u>7.3</u>	<u>48.8</u>	<u>31.1</u>	<u>79.9</u>	<u>87.2</u>	<u>85.1</u>
New endowments	0.0	0.0	0.1	0.1	0.1	1.0
Transfer out from expendable endowments	0.0	0.0	0.0	0.0	0.0	(0.1)
Increase in market value of investments	1.3	9.7	6.2	15.9	17.2	3.6
Income	0.0	0.4	0.2	0.6	0.6	0.9
Expenditure	(0.2)	(2.2)	(0.9)	(3.1)	(3.3)	(3.3)
	<u>1.1</u>	<u>7.9</u>	<u>5.6</u>	<u>13.5</u>	<u>14.6</u>	<u>2.1</u>
At 31 July	<b><u>8.4</u></b>	<b><u>56.7</u></b>	<b><u>36.7</u></b>	<b><u>93.4</u></b>	<b><u>101.8</u></b>	<b><u>87.2</u></b>
<b>Analysis by type of purpose:</b>						
Regional Chairs Benefaction	0.0	27.2	0.0	27.2	27.2	23.7
Chairs, fellowships, lectureships	0.0	6.7	2.3	9.0	9.0	7.5
Research support	0.0	3.0	9.8	12.8	12.8	7.7
Lectures	0.0	0.3	1.6	1.9	1.9	2.0
Scholarships and bursaries	0.0	8.7	11.9	20.6	20.6	22.9
Prizes and travel awards	0.0	4.6	8.2	12.8	12.8	9.6
General	8.4	6.2	2.9	9.1	17.5	13.8
	<b><u>8.4</u></b>	<b><u>56.7</u></b>	<b><u>36.7</u></b>	<b><u>93.4</u></b>	<b><u>101.8</u></b>	<b><u>87.2</u></b>
<b>Analysis by asset</b>						
Fixed interest stock and equities					104.4	89.3
Cash and cash equivalents					0.0	0.0
Other current balances					(2.6)	(2.1)
					<b><u>101.8</u></b>	<b><u>87.2</u></b>

## 22 Restricted reserves

Reserves with restrictions are as follows:	Capital grants and donations	Other grants and donations	2021 Total £m	2020 Total £m
	£m	£m		
Balances at 1 August 2020	0.2	0.4	0.6	0.6
New grants	0.5	0.1	0.6	8.2
New donations	0.1	5.3	5.4	3.9
Capital grants utilised	(0.6)	0.0	(0.6)	(8.2)
Expenditure	0.0	(5.2)	(5.2)	(3.9)
Total restricted comprehensive income for the year	<u>0.0</u>	<u>0.2</u>	<u>0.2</u>	<u>0.0</u>
At 31 July 2021	<b><u>0.2</u></b>	<b><u>0.6</u></b>	<b><u>0.8</u></b>	<b><u>0.6</u></b>

**23 Cash and cash equivalents**

	Consolidated		University	
	2021	2020	2021	2020
	£m	£m	£m	£m
Cash at bank and in hand	47.4	22.7	37.7	14.2
Investments maturing less than three months after placement	87.5	73.5	87.5	73.5
	<u>134.9</u>	<u>96.2</u>	<u>125.2</u>	<u>87.7</u>

**24 Consolidated reconciliation of net cash**

	At 1 August	Cash	Other	At 31
	2020	Flows	Changes	July
	£m	£m	£m	2021
				£m
Cash at bank and in hand:				
Endowment asset investments (note 21)	0.0	0.0	0.0	0
Others	96.2	38.7	0.0	134.9
	<u>96.2</u>	<u>38.7</u>	<u>0.0</u>	<u>134.9</u>
Short-term investments	44.1	28.0	0.0	72.1
Debt due within one year	0	(0.1)	(4.0)	(4.1)
Debt due after one year	(100.0)	(2.8)	4.0	(98.8)
Finance leases due within one year	(2.6)	0.0	0.6	(2.0)
Finance leases due after one year	(22.7)	0	1.5	(21.2)
	<u>15.0</u>	<u>63.8</u>	<u>2.1</u>	<u>80.9</u>

**25 Capital commitments**

	2021	2020
	£m	£m
Commitments contracted at 31 July	<u>65.8</u>	<u>23.9</u>

**26 Contingent liabilities**

The University has two nomination agreements relating to student accommodation. The expiry dates and nominated rooms are: 586 beds in July 2022. It is impracticable to estimate the full financial effect of these agreements but it is considered to be zero as the cash outflows should be reimbursed by the receipt of student residential income.

**27 Lease obligations**

	Consolidated	
	2021	2020
	£m	£m
Amounts due under finance leases		
Amounts payable		
Within one year	2.0	2.6
In two to five years	8.6	8.9
In more than five years	39.0	43.9
	<u>49.6</u>	<u>55.4</u>
Less: finance charges allocated to future periods	(26.4)	(30.1)
	<u>23.2</u>	<u>25.3</u>
Annual rentals under operating lease commitments are as follows:		
	2021	2020
	£m	£m
Leases expiring:		
In two to five years	0.3	0.4
Over five years	5.7	5.6
	<u>6.0</u>	<u>6.0</u>

**28 Adjusted EBITDA and underlying income**

	<b>Consolidated</b>	
	<b>2021</b>	<b>2020</b>
	<b>£m</b>	<b>£m</b>
<b>Adjusted EBITDA</b>		
Surplus before tax	20.9	51.8
Gain on investments (note 21)	(17.2)	(3.6)
Movement on USS provision (note 20)	0.1	(52.9)
RBP Pension service cost adjustment (note 20)	8.5	7.7
Interest and other finance costs (note 10)	5.8	7.6
Depreciation (note 13)	32.8	31.6
Impairment of investment in joint venture (note 15)	0.7	14.6
Adjusted EBITDA	<b>51.6</b>	<b>56.8</b>
	<b>2021</b>	<b>2020</b>
	<b>£m</b>	<b>£m</b>
<b>Underlying income</b>		
Total income	536.4	544.2
Capital grants	(0.2)	(8.1)
Underlying income	<b>536.2</b>	<b>536.1</b>

**29 Pension Arrangements**

The University participates in two main pension schemes, the Retirements Benefits Plan (1971) (RBP) and Universities Superannuation Scheme Limited (USS).

The University also has a small number of staff in the National Health Service Pension Scheme (NHSPS) and in Nest (the Government's auto enrolment scheme). The total cost of NHSPS was £2.2m (2020: £2.3m). The total cost of Nest was £0.2m (2020: £0.2m)

The total pension cost for the University was:

	<b>2021</b>	<b>2020</b>
	<b>£m</b>	<b>£m</b>
Contributions to USS	49.5	48.2
Contributions to RBP	9.7	7.7
Contributions to other pension schemes	2.4	2.5
Other pensions cost (note 8)	61.6	58.4
Movement on USS provision	0.1	(52.9)
RBP Pension service cost adjustment	7.0	6.1
*GMP equalisation	0.1	0.0
Administration costs	1.4	1.6
Pensions costs included in staff costs	<b>70.2</b>	<b>13.2</b>
Pension finance interest (notes 10 and 20))	2.0	3.6
Pension cost including pension finance interest	72.2	16.8
Actuarial (gain)/ loss relating to the RBP scheme	(27.4)	8.1
Total pension cost	<b>44.8</b>	<b>24.9</b>

\*Guaranteed Minimum Pension (GMP) is a portion of pension that was accrued by individuals who were contracted out of the State Second Pension prior to 6 April 1997. The High Court case on 26 October 2018 confirmed that GMPs should be equalised between males and females. This ruling covered current members in the Plan at that time and an estimate of £1.6m for the potential cost of GMP equalisation was included as a past service cost in 2019. A further High Court case held on 20 November 2020 ruled that equalisation should also apply to former members that have transferred out of the Scheme and an additional estimated cost of £0.1m is included as a past service cost in 2021.

**RBP**

RBP is an Exempt Approved Scheme under the Finance Act 1970 and provides benefits based on final pensionable salary; it is established under irrevocable trusts and its assets are kept strictly separate from those of the University. It is a defined benefit scheme. The total pension cost (excluding interest) to the University was £18.2m (2020: £15.4m).

29 Pension Arrangements (continued)

The contribution payable by the University was 17.25% of pensionable salaries until 31st March 2021 and 21.95% from 1st April 2021. This was reduced to 17.4% with effect from 1st November 2021. There were no outstanding contributions at the balance sheet date. Active members pay a contribution of 6.75% of pensionable salaries. The expected employer contribution to the Plan during the next accounting year is £9.2m and the expected current service cost is £17.5m.

A full actuarial valuation was carried out as at 1 August 2019 and updated to 31 July 2021 by a qualified independent actuary. The major assumptions used by the actuary were:

	31 July 2021	31 July 2020
Discount rate at year end	1.70%	1.55%
Future salary increases	3.20%	2.90%
RPI inflation	3.00%	2.80%
CPI inflation	2.50%	2.20%
Life expectancy of female current pensioners (age 65)	22.8	22.8
Life expectancy of male current pensioners (age 65)	19.6	19.5
Life expectancy of female future pensioners (age 45 currently)	24.1	24.0
Life expectancy of male future pensioners (age 45 currently)	20.6	20.6

The assets in the scheme were:

	Value at 31 July 2021 £m	Asset Allocation %	Value at 31 July 2020 £m	Asset Allocation %
Equities	142.2	42	116.5	37
Bonds	103.3	30	95.3	30
Property	11.8	3	11.2	4
Absolute return fund	69.8	20	64.7	21
Cash	15.7	5	25.1	8
Fair value of assets	<b>342.8</b>		<b>312.8</b>	
Present value of obligations	(420.9)		(408.4)	
Funded status	<b>(78.1)</b>		<b>(95.6)</b>	
Net pension liability	<b>(78.1)</b>		<b>(95.6)</b>	

<b>Analysis of the amount shown in the Balance Sheet</b>	<b>2021 £m</b>	<b>2020 £m</b>
Present value of obligations	420.9	408.4
Fair value of plan assets	342.8	312.8
Funded status	<b>(78.1)</b>	<b>(95.6)</b>

<b>Analysis of the amount charged to operating surplus</b>	<b>2021 £m</b>	<b>2020 £m</b>
<b>Operating cost</b>		
Current service cost	16.7	13.8
Administration costs	1.4	1.6
Past service cost	0.1	0.0
<b>Financing cost</b>		
Interest on net defined benefit liability	1.4	1.6
<b>Total operating charge</b>	<b>19.6</b>	<b>17.0</b>

## 29 Pension Arrangements (continued)

<b>Amounts recognised in Other Comprehensive Income (OCI)</b>	<b>2021</b>	<b>2020</b>
	<b>£m</b>	<b>£m</b>
Asset gains arising during the year	25.5	16.3
Liability gains/(losses) arising during the year	1.9	(24.4)
<b>Actuarial gain/(loss) recognised in OCI</b>	<b>27.4</b>	<b>(8.1)</b>
<b>Change in defined benefit obligation</b>	<b>2021</b>	<b>2020</b>
	<b>£m</b>	<b>£m</b>
Opening defined benefit obligation	408.4	372.5
Service cost	16.7	13.8
Interest cost	6.3	7.7
Actuarial (gains)/losses	(1.9)	24.4
Past service cost	0.1	0.0
Contribution by members	0.3	0.4
Benefits paid	(9.0)	(10.4)
<b>Closing defined benefit obligation</b>	<b>420.9</b>	<b>408.4</b>
<b>Change in fair value of plan assets</b>	<b>2021</b>	<b>2020</b>
	<b>£m</b>	<b>£m</b>
Opening fair value of plan assets	312.8	294.3
Gains on assets	25.5	16.3
Interest income on plan assets	4.9	6.1
Contributions by employer	9.7	7.7
Contributions by employees	0.3	0.4
Administration costs incurred	(1.4)	(1.6)
Benefits paid	(9.0)	(10.4)
<b>Closing fair value of plan assets</b>	<b>342.8</b>	<b>312.8</b>

**USS**

USS is a hybrid pension scheme, providing defined benefits (for all members), as well as defined contribution benefits. The assets of the scheme are held in a separate trustee-administered fund.

Because of the mutual nature of the scheme, the scheme's assets are not attributed to individual institutions and a scheme-wide contribution rate is set. The University is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. As required by Section 28 of FRS 102 'Employee benefits', the University therefore accounts for the scheme as if it were a wholly defined contribution scheme. As a result, the amount charged to the statement of comprehensive income represents the contributions payable to the scheme in respect of the accounting period. Since the University has entered into an agreement (the 'Recovery Plan') that determines how each employer within the scheme will fund the overall deficit, the University 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.

The latest available complete actuarial valuation of the Retirement Income Builder (defined benefits) section of the Scheme was at 31 March 2018 (the valuation date) which was carried out using the projected unit method.

As at the year end, a valuation as at 31st March 2020 was underway but not yet complete.

Since the University cannot identify its share of the defined benefits section of the scheme assets and liabilities, the following disclosures reflect those relevant for the section as a whole.

The 2018 valuation was the fifth 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 £63.7 billion and the value of the scheme's technical provisions was £67.3 billion indicating a shortfall of £3.6 billion. The assets therefore were sufficient to cover 95% of the benefits which had accrued to members after allowing for expected future increases in earnings.

29 Pension Arrangements (continued)

The key financial assumptions used in the 2018 valuation are described below.

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

The main demographic assumption used relates to the mortality assumptions. These assumptions are based on analysis of the scheme's experience carried out as part of the 2018 actuarial valuation:

Pre retirement	
Male members' mortality	71% of AMCOO (duration 0)
Female members' mortality	112% of AFCOO (duration 0)
Post retirement	
Male members' mortality	97.6% of SAPS S1NMA 'light'
Female members' mortality	102.7% of RFV00

To allow for further improvements in mortality rates the CMI\_ 2017 projections with a smoothing parameter of 8.5 and with a 1.8% pa long-term rate for males and a 1.6% pa long-term rate for females were also adopted.

The current life expectancies on retirement at age 65 are:

	2021	2020
Males currently aged 65 (years)	24.6	24.4
Females currently aged 65 (years)	26.1	25.9
Males currently aged 45 (years)	26.6	26.3
Females currently aged 45 (years)	27.9	27.7

The deficit recovery plan in existence at the year end date was agreed in September 2019 and is based on the 2018 valuation. This requires payment of 2% of salaries to 30 September 2021 and then 6% of salaries from 1 October 2021 to 31 March 2028. In accordance with the requirements of FRS102 and the SORP, the University has made a provision for the contractual commitment to fund the past deficit.

Key assumptions used are:

	2021	2020
Discount rate	0.89%	0.74%
Pensionable salary growth	3.54%	3.02%

The University has used the deficit modeller developed by the British Universities Finance Directors' Group (BUFDG) and USS to calculate the provision to be made for the future obligation to make deficit recovery payments. The liability has increased from £74.2m to £74.8m as set out in Note 20. The total pension contribution cost for the University was £49.5m (2020: £48.2m). There were £4.3m (2020: £4.3m) outstanding contributions at the balance sheet date.

The 2020 valuation was finalised after the year end and indicated a shortfall of £14.1 billion based on proposed benefit reforms being executed by 28 February 2022 and a shortfall of £18.4 billion should the benefit reforms not be executed.

Since the year end, following the completion of the 2020 actuarial valuation, a new deficit recovery plan has been agreed. This amends the existing deficit recovery plan as set out in the 2018 valuation Schedule of Contributions. Provided the proposed benefit reforms are executed by 28 February 2022, the new plan requires no deficit payments from 1 October 2021 to 31 March 2022 and then payments of 6.3% of salaries from 1 April 2022 to 31 March 2038. As at 31 July 2021, and assuming all other assumptions used to calculate the provision remain unchanged, this would have resulted in a revised provision of £216.2m, an increase of £141.4m from the current year end provision and a £141.4m higher charge to the Statement of Comprehensive Income. If the proposed benefit reforms are not executed by 28 February 2022, an alternative plan comes into force which requires no deficit payments from 1 October 2021 to 30 September 2022, followed by payments of 3% of salaries from 1 October 2022, which then rise by 3% every 6 months until 1 October 2025 when they are held at 20% to 31 July 2032. As at 31 July, and assuming all other assumptions used to calculate the provision remain unchanged, this would have resulted in a revised provision of £345.3m, an increase of £270.5m from the current year end provision and a £270.5m higher charge to the Statement of Comprehensive Income.

### 30 Related Parties

Due to the nature of the University's operations and the composition of its Council (being drawn from local public and private sector organisations) it is inevitable that transactions will take place with organisations in which a member of Council may have an interest. All transactions involving organisations in which a member of Council or Executive Board may have an interest are conducted at arm's length and in accordance with the University's financial regulations and normal procurement procedures. Details of transactions, where material, are shown below.

	(Income)/ Expenditure		Debtor/(creditor) balance		Nature of transaction/relationship
	2021 £m	2020 £m	2021 £m	2020 £m	
<b>Joint ventures, associates and spin outs</b>					
INTO Newcastle University LLP	2.1	0.7	0.3	0.2	Net fees for English language support and other services
Newcastle Science Central Management LLP	0.0	(0.8)	0.0	0.0	Recharges for Infrastructure works
Demuris Limited	0.1	0.1	0.0	0.0	Loan to spin out and trading
Alcyomics Limited	0.0	(0.1)	0.0	0.0	Loan to spin out and trading
INEX Microtechnology Limited	(0.1)	0.0	0.1	0.1	Loan to spin out and trading
<b>Other organisations</b>					
Newcastle University Students' Union	2.1	1.9	0.0	0.0	Students' Union subvention and fees for other services
The University of Newcastle upon Tyne Development Trust	(4.1)	(2.2)	0.0	0.0	Endowment income distribution
The Newcastle upon Tyne Hospitals NHS Trust	(7.3)	(6.9)	1.5	3.0	NHS/academic staff recharges
International Centre for Life	3.0	3.1	0.0	0.0	Rentals payable
<b>Council and Executive Board members</b>					
Russell Group	0.1	0.1	0.0	0.0	Subscription
Universities UK	0.1	0.1	0.0	(0.1)	Subscription/Science Without Borders
Parkinson's UK	(0.3)	(0.2)	0.0	0.1	Research Funding
Northern Health Science Alliance Ltd	0.6	0.3	0.0	0.0	Research Funding
British Heart Foundation	(0.5)	(0.8)	0.0	0.2	Research Funding
Medical Research Council	(8.6)	(8.7)	0.0	0.1	Research funding
Wellcome Trust	(8.0)	(0.0)	2.2	0.0	Research Funding
EPSRC	(10.7)	(17.5)	0.0	0.0	Research funding
Academy of Medical Sciences	(0.4)	(0.2)	0.2	0.0	Research Funding

Council members did not receive any remuneration in respect of their service to Council during the year. The amount paid to lay members of Council in respect of out of pocket expenses during the year amounted to £211 (2020: £4,101).

The University does not have any connected institutions, as defined by the Charities Act 2011, Schedule 3, paragraph 28.

### 31 Access and Participation

	Consolidated		University	
	2021 £m	2020 £m	2021 £m	2020 £m
Access Investment	3.4	4.7	3.4	4.7
Financial Support	8.9	9.0	8.9	9.0
Disability Support (excluding expenditure included in the two categories above)	2.3	1.6	2.3	1.6
Research and Evaluation	0.3	2.6	0.3	2.6
	<b>14.9</b>	<b>17.9</b>	<b>14.9</b>	<b>17.9</b>

All of the expenditure is included in the financial statements and other notes. £4.4m of these costs (2020: £6.5m) are staff costs included within note 8.

### 31 Access and Participation (continued)

Research and Evaluation expenditure for year ended 31 July 2020 includes £2.4m expenditure on student success and progression

Expenditure on student success and progression is not included in Access and Participations plans from 2020-21 onwards

Our Access and Participation Plan for 2020-21 can be found on our [website](#).

### 32 Events after the reporting period

As set out in Note 29, in respect of the USS pension scheme, a new Schedule of Contributions and deficit recovery plan based on the March 2020 actuarial valuation was agreed in October 2021. This is a two-fold plan, the outcome of which is dependent on whether proposed benefit reforms are executed by 28 February 2022. Provided the benefit reforms are executed by this deadline, and assuming all other assumptions used to calculate the deficit recovery provision remain unchanged, this would have resulted in a revised provision at 31 July 2021 of £216.2m, an increase of £141.4m from the current year end provision and a £141.4m higher charge to the Statement of Comprehensive Income. If the proposed benefit reforms are not executed by the deadline, an alternative plan comes into force. As at 31 July 2021, and assuming all other assumptions used to calculate the deficit recovery provision remain unchanged, this alternative plan would have resulted in a revised provision of £345.3m, an increase of £270.5m from the current year end provision and a £270.5m higher charge to the Statement of Comprehensive Income. The appropriate adjustment will be reflected in the University's Financial Statements for the year ended 31 July 2022.

On 1st November 2021, the Retirements Benefits Plan (1971) (RBP) changed the basis for future accrual of benefits from final salary to Career Revalued Benefits. This followed a statutory consultation exercise with scheme members and those eligible to become members. A new Statement of Contributions came into effect at the same time reducing the employer's contribution from 21.95% to 17.4%. The impact of this change on the deficit recorded in the University's accounts will be included in the 2021-22 financial statements but, all other things being equal, it is likely to result in a small reduction in the deficit.

### 33 US Department of Education Financial Responsibility Supplemental Schedule

In satisfaction of its obligations to facilitate students' access to US federal financial aid, Newcastle University is required, by the US Department of Education, to present the following Supplemental Schedule in a prescribed format.

The amounts presented within the schedules have been:

- prepared under the historical cost convention, subject to the revaluation of certain fixed assets;
- prepared using United Kingdom generally accepted accounting practice, in accordance with Financial Reporting Standard 102 (FRS 102) and the Statement of Recommended Practice: Accounting for Further and Higher Education (2019 edition). With the exception of FRS102 adjustments made in respect of pensions and holiday accrual which are excluded for these purposes;
- presented in pounds sterling

The schedules set out how each amount disclosed has been extracted from the financial statements. As set out above, the accounting policies used in determining the amounts disclosed are not intended to and do not comply with the requirements of accounting principles generally accepted in the United States of America.

#### Net Income Ratio

*Change in net assets without donor restrictions/Total revenues and gains without donor restrictions*

	Note	2021 £m	2020 £m
<b>Change in net assets without donor restrictions</b>	A	<b>32.9</b>	<b>(8.8)</b>
<b>Total revenues and gains without donor restrictions</b>			
Total operating revenue - unrestricted	B	530.3	538.6
Less:			
Investment return appropriated for spending (other investment income)	6	(0.5)	(1.0)
Sale of fixed assets	Page 78	0.1	3.5
		<b>529.9</b>	<b>541.1</b>

**33 US Department of Education Financial Responsibility Supplemental Schedule (continued)****Primary Reserve Ratio***Expendable net assets/Total expenses and losses without donor restrictions*

	Note	2021 £m	2020 £m
<b>Expendable net assets</b>			
Net assets no restriction	C	489.3	451.2
Net assets with donor restriction	C	94.2	80.5
Less:			
Endowments restricted in perpetuity	21	(56.7)	(48.8)
PPE	13	(599.8)	(599.0)
Lease – right of use, net	13	(15.5)	(17.3)
RBP pension liability	20	78.1	95.6
Notes payable	18 & 19	102.9	100.0
Lease – right of use asset liability	18 & 19	23.2	25.3
		<u>115.7</u>	<u>87.5</u>
<b>Total Expenses and Losses without donor restrictions</b>			
Total operating expenses	D	515.5	522.0
Other components of net RBP periodic pension costs	20	(18.9)	15.8
Other (gains)/losses	E	0.8	9.6
		<u>497.4</u>	<u>547.4</u>

**Equity Ratio***Modified net assets/modified assets*

	Note	2021 £m	2020 £m
<b>Modified net assets</b>			
Net assets without donor restriction	C	489.3	451.2
Net assets with donor restriction	C	94.2	80.5
		<u>583.5</u>	<u>531.7</u>
<b>Modified assets</b>			
Total Assets	Page 80	982.0	903.0
		<u>982.0</u>	<u>903.0</u>

**Notes to the ratios**

	Note	2021 £m	2020 £m
<b>Note A: Change in net assets without donor restrictions</b>			
Total comprehensive income for the year	Page 78	48.5	43.0
Move on USS Pension liability	20	0.6	(50.9)
Holiday pay accrual	18	2.7	4.9
Gains on restricted endowments	21	(15.9)	(3.3)
Restricted endowment expenditure	21	3.1	3.1
Restricted donations	7	(5.5)	(4.8)
Investment income on restricted endowments	21	(0.6)	(0.8)
		<u>32.9</u>	<u>(8.8)</u>
<b>Note B: Total operating revenue - unrestricted</b>			
Total income	Page 78	536.4	544.2
Restricted donations	7	(5.5)	(4.8)
Investment income on restricted endowments	21	(0.6)	(0.8)
		<u>530.3</u>	<u>538.6</u>

**33 US Department of Education Financial Responsibility Supplemental Schedule (continued)**

	<b>Note</b>	<b>2021 £m</b>	<b>2020 £m</b>
<b>Note C: Net assets without restrictions</b>			
Net assets per Balance Sheet	Page 80	490.6	442.1
Less: net assets with donor restrictions			
Restricted endowments	21	(93.4)	(79.9)
Restricted reserves	22	(0.8)	(0.6)
Add FRS 102 adjustments			
USS Pension liability	20	74.8	74.2
Holiday pay accrual	18	18.1	15.4
		<u><b>489.3</b></u>	<u><b>451.2</b></u>
<b>Note D: Total Expenses without donor restrictions</b>			
Total expenditure	Page 78	530.6	486.1
Less:			
RBP pension service cost adjustment	8	(8.5)	(7.7)
Restricted endowment expenditure	21	(3.1)	(3.1)
Taxation	12	(0.2)	0.7
Less: FRS 102 adjustments			
Movement on USS Pension liability	20	(0.6)	50.9
Holiday pay accrual	18	(2.7)	(4.9)
		<u><b>515.5</b></u>	<u><b>522.0</b></u>
<b>Note E: Other (gains)/ losses</b>			
Share of deficit in joint ventures	15	2.1	11.7
Share of deficit in associate	16	0.1	0.0
Loss on impairment of non-current assets	Page 78	0.0	1.7
Gains on unrestricted endowments	21	(1.3)	(0.3)
Gains on disposal of tangible assets	Page 78	(0.1)	(3.5)
		<u><b>0.8</b></u>	<u><b>9.6</b></u>



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Newcastle University  
Newcastle upon Tyne  
NE1 7RU  
United Kingdom

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The University of Newcastle upon Tyne trading as Newcastle University

