

Statement on Value for Money for Students

Introduction	2
Background to Resourcing and Delivering Value for Money	2
The University's Approach to Delivering Value for Money.....	3
How Resources and Income Are Used	3
Remuneration of Staff.....	4
Notification	5
What Can I Do If I Have a Question?	5

Introduction

1. This Statement on Value for Money for Students (Statement) is designed to show clearly how the University's resources and income are used and the steps taken to ensure that Northeastern University - London (the University) delivers value for money. This Statement sets out how money is used to ensure that student experiences are as beneficial as possible, both immediately and throughout their lives.
2. The benefits of gaining a degree are numerous, both in terms of future career prospects but also in terms of a student's personal development and the wider contribution they can make to society. Considering these lifetime advantages, the value for money of studying for a degree in the UK is clear.
3. This Statement has been submitted to the [Office for Students](#) (OfS) and is available to all current and prospective students.

Background to Resourcing and Delivering Value for Money

4. The founding concept of the University is to provide a world-class education establishment, and this conception is articulated in the University's Mission Statement:

'Northeastern University London is where the power of learning and discovery through limitless global connections are unleashed. This will be manifested by building on the institution's current foundations to build differentiation in the UK market, to be a laboratory for global innovation and to become the European hub for the Northeastern network.'

5. Since its inception, the University has followed a strategy to deliver the vision articulated by Professor Grayling. This approach is made up of a three-phased staged approach.
 - 5.1. The first phase established the University through its foundation and as it started to teach. It saw the creation of a high-quality educational institution, educating students who were then able to pursue meaningful career choices. This required significant investment by a core group of shareholders.
 - 5.2. The second phase focuses on the University achieving self-sustainability. This phase includes the growth of student numbers and attainment of taught degree awarding powers. This growth goes hand in hand with retaining the current

student learning opportunities as well as the teaching and learning culture that delivers a high-quality experience, which translates into excellent National Student Survey scores.

- 5.3. The third phase is building on the first two stages with the further expansion of students and resources to teach them, and the capacity to replicate and adapt the University's approach to student learning to deliver a self-sustaining financial picture.
6. The University is owned by a well-established American university, Northeastern University (NU). NU's wealth of experience and the alignment to the University's mission will enable the University to further develop its vision.

The University's Approach to Delivering Value for Money

7. Since its inception the University has focused on the student experience and the benefits derived from that for its students.
8. The University aims to achieve its Mission through the appropriate use of resources, which are directed towards teaching and learning costs.
9. The location of the University in Central London means that, where possible, it looks to source resources on a cost-to-use basis rather than an investment basis. For example, in relation to library services, the University has an arrangement with the [City of London Corporation](#) for its staff and students to access their resources.
10. The process to allocate the University's resources is set out in the [Resource Allocation Policy](#), and how that allocation is then managed/governed is set out in the [Financial Management Strategy](#).
11. The University regularly seeks students' views on this Statement as part of its student feedback processes.

How Resources and Income Are Used

12. The figures below relate to the financial year 2022-23.
13. The resources of the University are made up of a combination of fees paid by students either directly or via the Student Loans Company and by [Northeastern University](#). These resources added up to approximately £44.3m.
14. These resources were used to deliver the University's excellent student learning experience in the following ways:

14.1. The overall delivery costs were £35.7m:

14.1.1. Academic costs of University degrees and the Diploma Program (including salaries of academic staff and student and academic support teams): £19.1m

14.2. The other major areas of cost totalled £16.62m

14.2.1. Direct student financial support and widening participation investment (scholarships, bursaries, etc): £0.17m

14.2.2. Professional staff costs: £5.7m

14.2.3. Marketing and recruitment costs: £1.25m – this is currently relatively high while the University makes prospective students aware of its excellent degrees and student experience and builds its reputation in the marketplace and with potential employers.

14.2.4. Building costs: £6.63m (including depreciation)

14.2.5. Other operating costs: £2.87m

Cost	Quantum	Percentage/costs
Academic – salary costs	£6.55m	18%
Academic – non salary costs	£12.55m	35%
Student Financial Support	£0.17m	0.5%
Professional staff - salary costs	£5.7m	16%
Marketing and Recruitment	£1.25m	3.5%
Building costs	£6.63m	19%
Operational other	£2.87m	8%

Remuneration of Staff

15. Northeastern London Board is responsible for the setting of budgets, and delegates the responsibility to executing the budgets to the Executive Committee (ExCo).
16. Northeastern London Board is focused on delivering value for money for students, and balances that need to ensure costs are controlled against the imperative of securing staff with the necessary skills to maintain the

University's excellent student experience. Following the Committee of University Chairs Higher Education Code of Governance, the University has remuneration committees to consider and determine staff remuneration. The University's Terms of Reference - Remuneration Committee outlines the membership, roles and responsibilities of the remuneration committees. The [Governance Structure diagram](#) demonstrates that the University has two remuneration committees:

- 16.1. Remuneration Committee (ExCo) – membership comprises members of the Northeastern London Board who are not employees of the University.
- 16.2. Remuneration Committee (Staff) – membership comprises all members of Executive Committee, and the Director of Finance, and the HR Director.
17. The Remuneration Committees refer to internal and/or external benchmarks or systems to inform the setting of remuneration, benefits and performance pay. The Committees can also obtain external advice when necessary.
18. As part of this exercise, the University monitors the multiple of the highest paid member of staff's basic salary divided by the median basic salary of all the permanent members of staff. This is an exercise recommended by the Committee of University Chairs' code of remuneration. For the University, this is a multiple of 5.3, which compares favourably to the [sector average](#) of between 6 and 8 times.

Notification

19. The University community will be notified of any fundamental changes to this Statement, which will be updated annually.

What Can I Do If I Have a Question?

20. If you have any questions or concerns about the contents of this document, you can raise them either by email or in person with the Chief Executive Officer.
21. If you believe that they have tried to answer your question or concern honestly or fully but not to your satisfaction, you can raise the issue with the [Office of the Independent Adjudicator](#) once you have exhausted the University's [Complaints Procedure for Students](#).

Version History

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3.0	April 2020	April 2020	CEO	April 2021
2.0	February 2019	February 2019	COO	February 2020
1.0	April 2018	April 2018	COO	April 2019
Referenced documents	Governance Structure Terms of Reference; Governance Structure Diagram ; Complaints Procedure for Students			
External Reference Point(s)	Committee for University Chairs HE Code of Governance ; OfS information on senior staff remuneration data 2019/20 ; Office of the Independent Adjudicator			