



FINANCE STRATEGY 2024 - 2030





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INTRODUCTION

Our Strategic Plan sets an ambitious goal to grow our income to £250m by 2030, from the current baseline of £170m (2023-24).

This target is about more than just financial growth – it is about enabling our world-class teaching and research, investing in our people, enhancing our student experience, and improving our physical and digital infrastructure.

The Finance Strategy supports these goals by establishing a sustainable financial operating environment that secures our long-term success. This Strategy focuses on two key objectives:

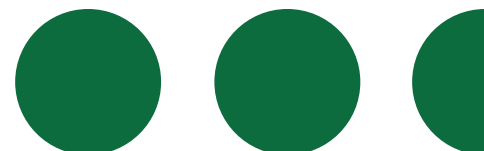
- **Driving Income Growth:** We will focus on expanding our income sources sustainably by attracting more students, boosting research funding, and exploring philanthropic and commercial opportunities.
- **Delivering Financial Sustainability:** We will ensure that our spending is aligned with our income, and resources are used efficiently to support our priorities.

To deliver these objectives we will leverage the following strategic enablers:

- **Financial Agility:** We will be responsive and flexible to adapt to changes in the financial landscape, ensuring we can pivot quickly to new opportunities or challenges.
- **Working Together:** How we work together as a university community will be a key success factor in delivering our Finance Strategy. We will ensure that key finance principles are readily understood to encourage engagement with our financial goals.

Recognising that progress to achieving £250m by 2030 will not be linear, the Strategy is supported by a comprehensive growth plan which outlines key milestones, targeted investments, and initiatives aimed at driving sustainable income growth while adapting to market conditions and opportunities.

- **Measuring Success:** To ensure our Strategy's success, we will implement robust monitoring and evaluation systems focused on the delivery of a set of Key Financial Indicators (KFIs).



DRIVING INCOME GROWTH

To achieve our goal of reaching £250 million in income by 2030, we must expand and diversify our income streams. This requires looking beyond traditional sources of funding and capitalising on new opportunities that align with our mission and values.



By increasing our income, we can reinvest in the five priority areas outlined in our Strategic Plan — students, staff, research, engagement, and health and wellbeing. To deliver income growth, we will: expand student recruitment, increase research and innovation income, and diversify revenue streams.

Expand Student Recruitment

A central pillar of our growth strategy is expanding and diversifying our student population to at least 20,000 across all modes of study. We will achieve this by offering in-demand, high-quality courses that meet the needs of a global student market, bolstering our recruitment and retention efforts, and forging strong partnerships with international institutions. This expansion will be supported by flexible and market-responsive financial processes, including agile and tailored payment schedules for specific markets. We will also analyse financial risks and opportunities within emerging markets to guide leaderships decisions effectively and ensure sustainable growth.

- **International Students:** We will focus on high-growth regions, leveraging our Global Engagement Strategy to attract international students by offering competitive programmes and world-class educational experiences.
- **Unregulated Students (RUK and EU):** To tap into vital markets, we will enhance recruitment efforts in England, Wales, and Northern Ireland through targeted scholarships and tailored programmes. At the same time, we will rebuild our EU student base by emphasising our strong academic reputation, offering attractive fee structures, and developing partnerships with key European institutions.

Increase Research and Innovation Income

A significant part of our growth will come from expanding our research income, aiming to grow it to £40 million annually by 2030.

- **Research Grants:** As outlined in our Research and Innovation Strategy we are seeking to grow our research portfolio significantly, increasing the value of our research and innovation awards and income. In this, we will be supported by the enabling infrastructure of our City Region and Growth Deal Programme, partnerships, and investments.

- **Industry Partnerships:** Building strategic partnerships with businesses will drive innovation and research income. We aim to establish joint research projects, consultancy services, and collaborative initiatives that deliver mutual benefits.

Diversify Revenue Streams

Exploring new income opportunities is crucial for long-term sustainability. We will focus our efforts on initiatives that deliver the highest returns, including commercial activities, philanthropy, and Transnational Education (TNE) activities, to strengthen and diversify our financial base.

- **Commercial Services:** The University already generates income through on-campus commercial activities, including accommodation, catering, and conference services, which directly support student experience and university operations. Going forward, we will enhance these existing services and identify new revenue-generating opportunities that both make a meaningful financial impact and reinforce our academic objectives.
- **Commercial Ventures:** We will focus on growing enterprise activity through leveraging our research strengths and world leading assets to generate additional income, including commercialisation of our research and consultancy services. Additionally, we aim to grow our portfolio of skills development, providing targeted education and training for working professionals and industries.

These initiatives will broaden our financial base while reinforcing our position as a centre for innovation, knowledge transfer, and lifelong learning.

- **Philanthropy and Alumni Engagement:** Strengthening our alumni network and increasing philanthropic contributions will play a critical role in our income growth plans.
- **Transnational Education (TNE):** As part of our strategy to expand the student base, we will also invest in TNE initiatives, establishing partnerships with international institutions to deliver Scottish higher education courses abroad. By growing our TNE offerings, we will increase revenue while broadening the University's global presence and making our education accessible to diverse, international audiences. This approach will contribute to our financial stability and support our mission to make a meaningful impact on global higher education.

Measures of Success

- **Income Growth:** Achieve £250 million annual income by 2030.
- **Student Growth:** Grow student numbers sustainably to 20,000 across all modes of study.
- **Research Income:** Increase research grant capture to £40 million annually by 2030.



DELIVERING FINANCIAL SUSTAINABILITY

While increasing our income is important, managing how we spend our money is equally crucial for long-term financial health. To stay financially stable, we need to make sure we are spending wisely and in ways that support our key priorities.



This also means creating a surplus each year, so we have a financial cushion for investment in our future. To do this, we must make smart decisions and use our resources efficiently. To deliver financial sustainability we will:

- **Align Spending with Strategic Priorities:** To reach our financial goals, we need to ensure that our spending is focused on the areas that matter most to the university's success. This involves careful planning and being flexible enough to adjust when circumstances change.
- **Focus Our Budgeting:** We will direct our budget towards the areas that contribute most to our growth and success. This means investing in courses that are in high demand, research that has strong funding opportunities, and projects that yield the highest returns to improve the experiences of our students and staff.
- **Control Costs:** Keeping our costs under control is key to staying financially stable. We will regularly review what we are spending money on, find areas where we can save without affecting quality, and put those savings into new projects that help us grow.
- **Make the Most of Our Resources:** Using our resources efficiently is essential to reaching our financial targets. This means ensuring our buildings, digital tools, staff, and money are all being used in the best possible way to support our teaching, research, and professional services.
- **Review Our Portfolio:** We will thoroughly review our academic programmes to ensure they meet current needs and are financially viable. Programmes will be evaluated based on student interest, job market trends, and how well it supports our strategic goals. Programmes that are not meeting expectations will be updated or phased out, while those with strong potential will be further developed.
- **Maximise Use of Our Space and Technology:** We will ensure our physical spaces and digital systems are used as efficiently as possible. This includes better use of campus buildings, investing in energy-saving solutions, and making sure our digital tools are reliable and accessible.
- **Manage Our Finances:** We will carefully manage our finances to ensure we have enough money to cover our needs and to invest in our future. This involves smart cash management, focusing on income collection, and making the most of our financial assets to generate additional income.

Measures of Success

We will measure our success in this area through clear, simple targets:

- **Staff Costs:** We will keep staff costs at no more than 58% of our income, ensuring we can afford to retain talented staff while maintaining financial stability.
- **Annual Surplus:** We will aim to generate a yearly surplus of at least 6% of income to ensure we are financially secure. If we fall short, we will make changes to bring spending in line with our income.
- **Cash Availability:** In line with our Treasury Management Policy, we will hold a minimum of 90 days of cash to cover our expenditure.
- **Cash Flow:** To ensure financial stability and meet covenant compliance requirements, we will maintain an operating cash flow of no less than 5% of total income. However, our target is to achieve a cash flow of 10%, providing sufficient funds to support daily operations and invest strategically in key projects that drive long-term growth and sustainability.

STRATEGIC ENABLERS

Delivering Success

Success in achieving our ambitious financial goals hinges on the combined strength of agility and collaboration across our university community. Financial agility allows us to adapt quickly to market shifts, capitalise on opportunities, and address challenges proactively, while our collective efforts – our “Working Together” mindset – ensure that each member of the University is engaged in and empowered by our Finance Strategy. By harmonising these two streams, we create a responsive, resilient environment in which informed, data-driven decisions are seamlessly

supported by transparent communication, innovative ideas, and a shared commitment to ethical and sustainable practices. As we harness advanced technology to streamline processes and promote efficiency, we’re also investing in financial literacy and open dialogue across all levels, enabling every team to play an active role in achieving our strategic objectives. Together, these aligned strategies foster a future-ready approach that empowers us to build a financially sound, socially responsible university.

Enabler One: Financial Agility

To remain competitive and forward-thinking, financial agility is essential. It means being able to respond quickly to market changes, capitalise on opportunities, and address challenges proactively. Achieving this requires a strategic combination of financial management,

technology, and risk management. Aligning with the University’s Digital Strategy will allow us to leverage technology to drive innovation, improve efficiency, and maintain a future-focused approach to financial management.

What We Will Do

- **Harness Technology and Streamline Processes:** Building on our strong financial foundation, we are committed to enhancing all core business systems to support efficiency and effectiveness across the University. Upgrading systems across finance, human resources, student administration, and data management will streamline workflows, improve real-time information access, and enhance reporting capabilities. Simplifying these processes will make them user-friendly and efficient, reducing time spent on routine tasks and allowing teams to focus on high-impact, strategic initiatives that drive the University’s mission forward.
- **Data-Driven Decision Making:** Data will play a central role in guiding our financial planning and decisions. Investing in advanced analytics will provide valuable insights for making smarter, more strategic choices. Financial analytics tools will track performance, forecast trends, and identify growth opportunities, helping us stay proactive in managing our finances.
- **Responsive Decision Making:** By leveraging data-driven insights and maintaining flexible budgeting processes, we can respond swiftly to market changes, unforeseen challenges, and new opportunities. This will keep us agile, allowing us to adjust our financial strategy as needed.
- **Commitment to Community Impact:** Our Finance Strategy also emphasises our responsibility to leverage our position for positive social impact. Using our purchasing power to prioritise sustainable, ethical procurement practices while delivering value for money, addressing issues like modern slavery and supporting community benefits.



Enabler Two: Working Together

Achieving our financial goals requires the collective effort of everyone at the University. We will ensure that all staff are engaged in

our Finance Strategy, understand their role in achieving our targets, and feel empowered to contribute to our success.

What we will do

- **Communication and Transparency:** Clear communication is key to engaging staff in our financial strategy. We will provide regular updates on our progress, share successes, and explain the challenges we face. Transparency in our financial planning and decision-making processes will build trust and foster a sense of shared purpose.
- **Increasing Financial Literacy:** Empowering staff with a strong understanding of financial principles is crucial to fostering a culture of responsibility and sustainability. We will create opportunities for our people to develop core skills related to financial literacy, enabling staff

at all levels to understand how their decisions impact the University's financial health and long-term goals. This collective financial awareness will enhance our ability to achieve sustainable growth.

- **Encouraging Innovation:** Innovation is at the heart of our growth strategy. We will encourage staff to bring forward new ideas for generating income, reducing costs, and improving efficiency. By fostering a culture of innovation, we can harness the creativity and expertise of our staff to drive our University forward.

Measuring Success

- **Managing Risks Effectively:** In a rapidly changing environment, ensuring financial stability and achieving growth targets requires proactive risk management. Aligned with the University's risk management policies and risk register we will conduct regular risk assessments across all areas, identifying potential threats such as market shifts in higher education, operational challenges, and rising costs.

To mitigate these risks, we will diversify income streams, build financial reserves, and maintain flexible financial plans that adapt to unforeseen challenges. By closely monitoring market and operational risks, we can safeguard our financial health and remain resilient to unexpected changes.

- **Ensuring accountability through compliance:** Compliance standards are essential to our Finance Strategy, underpinning accountability, transparency, and trust in all financial activities. By adhering to regulatory and audit requirements, we ensure our university's financial health, uphold our institutional reputation, and mitigate risks associated with financial mismanagement.

Compliance aligns our operations with best practices in higher education finance, including adherence to Generally Accepted Accounting Principles (GAAP), International Financial Reporting Standards (IFRS), and sector-specific guidelines. This commitment

reinforces our internal controls, enhances data accuracy, and provides our stakeholders with the assurance that financial decisions meet rigorous ethical and legal standards.

- **Monitoring and Evaluation:** To ensure our Strategy's success, we will implement robust monitoring and evaluation systems. These mechanisms will track our progress, highlight areas for improvement, and maintain accountability across all levels of the University. Regular performance reviews, feedback loops, and adaptive strategies will allow us to stay agile, addressing challenges and seizing opportunities as they arise.
- **Key Financial Indicators (KFI's):** KFI's will serve as essential benchmarks for assessing our progress and the effectiveness of our initiatives. These indicators are aligned with our strategic goals and provide actionable insights into our performance. We will measure our success by 2030 with the following clear, simple targets:
 - Income Growth: £250 million annual income.
 - Student Growth: 20,000 across all modes of study.
 - Research Income: £40 million annually.
 - Staff Costs: No more than 58% of income.
 - Annual Surplus: 6% of income.
 - Cash Available: At least 90 days expenditure.
 - Cash Flow: 10% of income.



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University of Stirling
Stirling, Scotland, UK, FK9 4LA
stir.ac.uk

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