

**RUC**

**Annual  
report  
2018**



## Key figures and financial ratios

# Annual report 2018

<b>Income statement</b> (DKK 1,000 current prices)	<b>R 2016</b>	<b>R 2017</b>	<b>R 2018</b>
<b>Revenue</b>			
Government grants (the Danish Appropriation Act)	632.075	663.736	<b>647.149</b>
Subsidised areas	88.749	86.513	<b>85.549</b>
Sale of goods and services	39.319	37.244	<b>43.081</b>
<b>Revenue</b>	<b>760.143</b>	<b>787.493</b>	<b>775.779</b>
<b>Ordinary operating costs</b>			
Salaries	497.551	478.740	<b>521.347</b>
Amortisation, depreciation and impairment charges	4.240	5.538	<b>5.385</b>
Other costs	254.404	255.895	<b>240.612</b>
<b>Operating costs</b>	<b>756.195</b>	<b>740.173</b>	<b>767.345</b>
<b>Operating income/EBI</b>	<b>3.948</b>	<b>47.320</b>	<b>8.434</b>
<b>Financial items</b>			
Financial income	5.636	3.736	<b>3.575</b>
Financial costs	1.928	2.121	<b>3.762</b>
<b>Financial items</b>	<b>3.708</b>	<b>1.614</b>	<b>-187</b>
<b>Net income</b>	<b>7.656</b>	<b>48.935</b>	<b>8.246</b>
<b>Balance</b> (DKK 1,000 current prices)	<b>R 2016</b>	<b>R 2017</b>	<b>R 2018</b>
Non-current assets	16.702	12.295	<b>10.715</b>
Current assets	341.352	348.253	<b>368.445</b>
Equity	73.889	122.823	<b>131.070</b>
Long-term debt	2.232	450	<b>94</b>
Short-term debt	259.377	225.924	<b>241.481</b>
<b>Key financial ratios</b>			
Profit margin	1,0%	6,2%	<b>1,1%</b>
Percentage grants	83,2%	84,3%	<b>83,4%</b>
Liquid ratio	176,4%	209,6%	<b>212,9%</b>
Solvency ratio	20,6%	34,1%	<b>34,6%</b>
Financing ratio	13,4%	3,7%	<b>0,9%</b>
<b>Staff information</b>			
Number of FTEs	934	882	<b>912</b>
Average price for one FTE (DKK 1,000)	533	543	<b>571</b>
Percentage payroll cost	65,5%	60,8%	<b>67,2%</b>
<b>Student enrolled</b>			
Number of students enrolled (Oct.)	8.193	8.516	<b>7.907</b>









# 1 Report 2018



## 1.1 roskilde university

Roskilde University is an independent government-funded institution under the supervision of the Danish Ministry of Higher Education and Science. Roskilde University is governed by Consolidating Act no. 172 of 27 February 2018 (the Danish University Act).

### Profile and Strategy

At Roskilde University, we aim to help move the university and society forward through new and experimental forms of learning, research and development. A university like Roskilde University should not just keep up with the development or try to understand it: we must also play a part in shaping it. In cooperation with the outside world, we must ask those questions that no one currently knows the answers to, questions that enable us to create sustainable solutions to the huge challenges we face in the future, not just in our own country, but also on a global scale, in terms of environment, inequality, democracy, health and cultural encounters. Asking the right questions requires time and in-depth knowledge, and it requires free creative thought. This is what we teach our students to do, and what our researchers immerse themselves in: being able to identify current issues and future ones – and helping to solve them.

At the core of Strategy New RUC lies the premise that we must continue to develop RUC as an open, experimental and socially committed university. At the same time, with both RUC and the world around us undergoing extensive changes, it is increasingly important to stay focused on our core tasks. Strategy New RUC addresses four basic challenges:

- **We must strengthen the quality of RUC's research, education and interaction with the surrounding world.**
- **We must strengthen the synergy and connection between education and research.**
- **We must strengthen RUC's financial platform to benefit both research and education.**
- **We must strengthen RUC as a workplace shared by students, researchers and administrative staff.**

### RUC's strategic framework agreement 2018 – 2021

RUC's strategic framework agreement was approved and signed by the Chairman of the Board and the Minister for Higher Education and Science in July 2018. The framework agreement is to a large extent a continuation of Strategy New RUC. The strategy and the framework agreement tie together research and education and create cohesion between the strategic efforts and RUC Administration, as well as the work of the departments and the strategic process at RUC. A number of initiatives in the framework agreement are linked to RUC's ongoing development agendas, such as the development of RUC's educational model PPL (Problem-oriented Project Learning), employability, research quality and communication, parts of the development programme and the focus of the outside world. Other initiatives in the framework agreement are new and work is being initiated. Overall, the nature and level of detail of the six main goals are different with respect to effort, progress and evaluation.

In the autumn of 2018, the Executive University Management went through a comprehensive process regarding the establishment of a governance structure with regard to implementing the framework agreement action plan. The Rector is responsible for the general follow-up of the strategic framework agreement. It is of utmost importance that broad ownership of the agreement is created at RUC. It has therefore been decided that the agreement must be embedded both in the departments and in the administration. Starting next year, the tasks and responsibilities of the departments will be implemented in department reports, which is a new concept for follow-up of the strategic framework agreement. The project owners of the individual initiatives under the six goals are the Rector, the Pro-rector and the University Director. The Rector's Office is the project co-ordinator for the work with the individual goals, and is responsible for the overall reporting and follow-up. The Executive University Management is the management committee for the overall work with the framework agreement, and discusses the status, progress and any adjustments to the general action plan. In the autumn, projects descriptions were also prepared for the individual initiatives in the action plan, as well as an annual wheel for follow-up on the initiatives in the action plan. The annual wheel is co-ordinated with external deadlines and a number of internal processes and annual wheels that must be mutually coherent in order to generate good results. In the coming year, focus will be on initiating activities related to the individual goals.



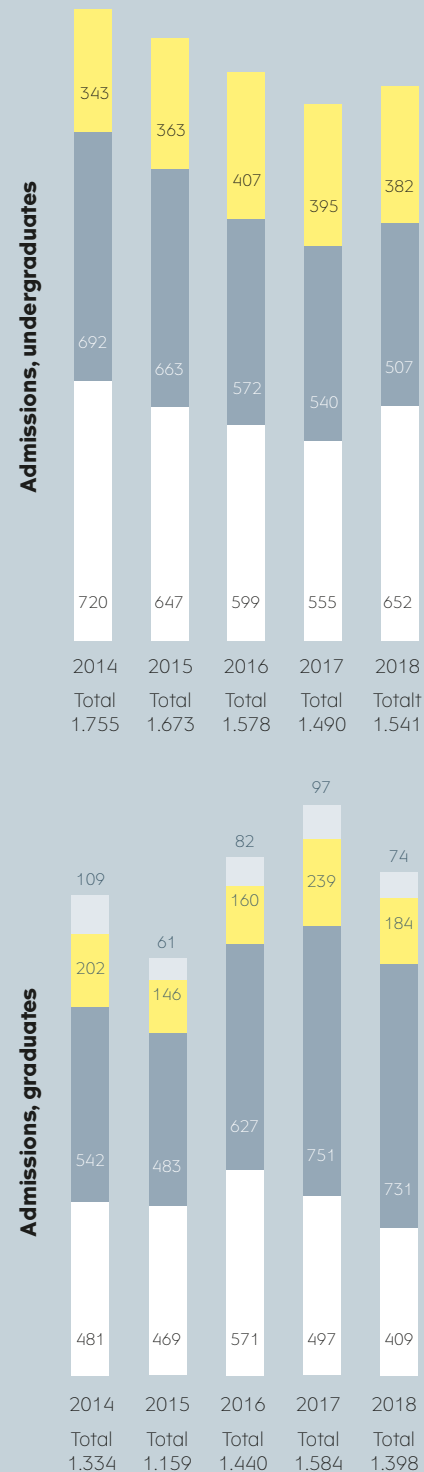
Pro-rector Peter Kjær  
Rector Hanne Leth Andersen  
University Director Peter Lauritzen



## 1.2 general academic performance for the year

**Figure 1.1**  
**Admissions**

■ SUND  
■ TEK/NAT  
■ SAM  
■ HUM



Source: STADS. The figure uses the definitions in Universities Denmark's key figures.

### Education

#### The institutional accreditation

In the past year, RUC has undergone most of the institutional accreditation process that has been in preparation for several years. RUC submitted a self-evaluation report after the summer holidays and over the following months, a number of teachers, study board members and managers prepared for the first panel visit, which took place in November. The mutual impression was that the panel visit had been a success and that the preparatory work had resulted in many good realisations, which RUC may use in future development of study programmes and research. RUC then received notification of the four audit trails, for which documentation was submitted at the end of January. They comprise RUC's monitoring and reporting system, the research-based teaching in the study programmes, evaluation of study programmes with external experts, and the relevance of the study programmes. The institutional accreditation ends with a panel visit in April 2019, and RUC will then receive a draft report, which may be commented on if relevant. We will receive the final decision in December 2019.

#### Employment initiative

In 2016, RUC launched a targeted cross-disciplinary employability initiative for the purpose of raising the employability of RUC graduates and helping new graduates find a job more quickly. RUC graduates obtain employment to the same extent as graduates of other Danish universities, but it generally takes a little longer for new RUC graduates. In 2017 and 2018, the focus has been on initiating specific activities which help equip students better for their transition to the labour market. The activities included improved system support in order to improve quality and efficiency, development of programme regulations and teaching, and efforts to strengthen and improve the University's collaboration with employers, alumni and recruiters.

Recruiter panels and other external players are regularly involved in the development of RUC's study programmes, with a view to better prepare students for the labour market, professionally as well as personally. With regard to guidance on student choice of subjects for bachelor programmes and choice of study programmes when moving to a master's programme, the job market perspective is a key element for students, just as it is a part of the ongoing skills specification throughout their studies.

#### Student admission

RUC's undergraduate admissions totalled 1,541 at the start of the 2018 academic year. This is an increase of approx. 3 percent compared to the 2017 admissions. In 2018, graduate admissions totalled 1,398, which is a decrease of approx. 12 percent compared to the 2017 admissions. Part of the explanation for this is that, at the end of

2018, approx. 2/3 of RUC's graduate programmes are subject to the Ministry's restriction on admissions. This means that there is only a limited number of study places that may be offered to students without a legal entitlement to admission to a graduate programme.

#### RUC has seen an increase in first-priority applications

RUC received 1,943 first-priority applications in 2018. RUC thus had the second-largest growth in terms of percentage among universities, based on the application numbers from the Ministry of Higher Education and Science. This increase is a continuation of the positive development in recent years, which is good news.

#### New study programmes in 2018

##### Nordic Urban Planning Studies

In 2018, the new graduate programme, Nordic Urban Planning Studies, was approved. The study programme was ready to be launched at end of the year and student recruitment could begin. The new study programme will commence in September 2019. The study programme, which is offered in English, is the result of a collaboration between three partner universities: Roskilde University, Malmö University and Tromsø – The Arctic University of Norway. The study programme focuses on the special Norwegian perspective of city planning and development.

Students of the study programme will start their educational programme at RUC, which is the host university, and may then alternate between lectures at all three universities, one semester at a time. This allows students to benefit from the different research and learning environments of the three partner universities, which all have their own strengths with respect to Nordic urban planning education.

Graduates from Nordic Urban Planning Studies are expected to be able to hold positions as, for example, project managers and innovators within urban consulting, managers and planners of urban development in international planning, design and consultancy firms and advisors for public and private enterprises and organisations.

In addition, the following two study programmes may be highlighted. The study programmes will replace previous combination study programmes, and will strengthen the study programmes in natural science on offer at RUC, which are characterised by being integrated with the Master's degree programs, which also recruit external students easier.

##### Mathematical Computer Modelling

In 2018, RUC has been offering an English-speaking subject-integrated Master's degree program, Mathematical Computer Modelling, which focuses on giving students skills in organising, managing and planning software development and modelling projects, where the development and use of mathematical models is particularly central.

The study program aims to qualify students to work within sectors such as IT, telecommunications, electronics, as well as the pharmaceutical and financial sector as data scientists, IT developers, consultants, computer programmers or IT architects, business developers or project managers, i.e. in connection with technical software within occupations using exact and quantitative methods.

##### Mathematical Physical Modelling

The English-speaking, subject-integrated master's programme in natural science, Mathematical Physical Modelling, links the abstract world of mathematics with the hands-on approach of physics.

Students are taught to develop and implement experimental studies, simulations and mathematical models. Graduates from Mathematical Physical Modelling are expected to occupy positions in high-tech companies within industries such as electronics, pharmaceutical or IT, as well as in insurance, pension and consultancy firms.

#### Research

To strengthen the quality and impact of research is a crucial part of RUC's strategy, and RUC works to disseminate its research findings on a global scale in various ways. Researchers publish their articles in recognised journals nationally and internationally, and the research they conduct addresses specific social challenges, contributes to the public debate and information, and involves many collaborations at a regional, national and international level.

#### Open Access: RUC in fifth place

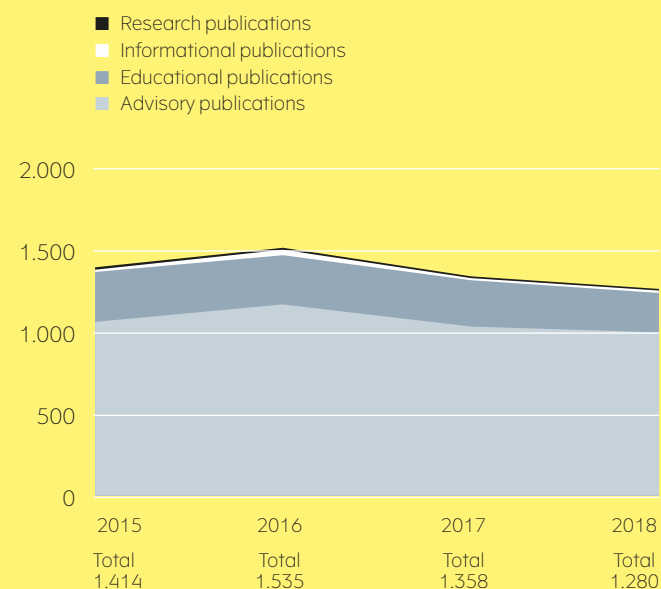
Every year, a Danish Open Access barometer is published that indicates the percentage of Danish university publications that are available in an Open Access format. The 2016 results were published before the summer holidays in 2018, and the average for the universities is 36 percent. The figure for RUC is 39 percent, which puts it in fifth place among the Danish universities. It is assessed that approximately 60 percent of RUC's research publications can be published in an Open Access format. Fifth place is a satisfactory result, but a more targeted effort is required in the coming years in order to fully realise RUC's Open Access potential.

#### Research report

In 2018, and for the second year in a row, a major research report was prepared describing RUC's research profile, with an overview of its academic staff, PhD studies, external research funding, scientific production, ranking and benchmarking, the social impact of research, as well as students and research.

The research report is intended as an analytical tool in the ongoing strategic development work, as it portrays a current and accurate image of the research at Roskilde University - and that is

**Figure 1.2**  
Development in the number of publications  
2015-2018



also why it is updated on an annual basis and debated in various forums at the university.

#### Publication

RUC produced 1,280 publications in 2018 and more than 75 percent of these were research publications. The rest are primarily informational publications. In 2017, this figure was 1,358 publications. The research publication category for 2018 includes both BFI-approved and non-BFI-approved publications. It is not possible to determine how many publications will earn BFI points at the time of the Annual Report, as these publications will be screened and verified during the course of 2019.

#### Honorary doctorates and awards

In 2018, RUC granted three honorary doctorates at the annual party in September 2018 to: Professor Michael Shanks, Stanford University, Professor Boaventura de Sousa Santos, University of Coimbra, and Professor Erik Swynedouw, Manchester University. The three professors were granted honorary doctorates for their scientific contributions and as a token of appreciation for their collaboration with RUC.

Each year, the Danish Association of Masters and PhDs (Dansk Magisterforening) grants two research awards in recognition of brilliant research work. In 2018, the award for natural science and technology was granted to Professor (MSO) Kristine Niss of the Department of Science and Environment, and the award for social science and humanities was granted to Professor Lasse Horne Kjældgaard of the Department of Communication and Arts.

8 researchers from the Department of Science and Environment were awarded for a long-term collaboration between RUC and University of Science in Ho Chi Minh City in Vietnam. The collaboration project was originally financed by DANIDA in 2003. The collaboration has resulted in approx. 100 scientific articles on various subjects within chemistry and biology.

#### Establishment of two new centres

In 2018, RUC established two new centres that accentuate RUC's strategic ambitions:

##### Centre for Virtual Learning Technologies

In December 2017, RUC received an additional grant of DKK 20 million from the Ministry of Higher Education and Science towards virtual learning technologies. This led to RUC establishing the Centre for Virtual Learning Technologies in 2018, which will become an important part in our virtual reality (VR) work. The centre will focus on researching and integrating virtual learning technologies, in particular VR, in a teaching context at RUC's Bachelor's degree in natural science. The centre also shares knowledge and collaborates with other Danish universities as well as regional, national and international parties. Tommy Ahlers, the Minister of Higher Education and Science, paid a visit to RUC in November 2018, in connection with the opening of the centre and the announcement of RUC as the first European university to use VR laboratory simulations for teaching purposes.

##### The Research Centre for Problem-Oriented Project Learning (RUC PPL)

In the autumn of 2018, RUC took an important step to enhance RUC's profile and highlight its strong connection between research and learning by opening RUC-PPL: The Research Centre for Problem-Oriented Project Learning. Project-oriented Project Learning (PPL) is the backbone of RUC's learning model, and it is the consistent form of research-based education that students at RUC mainly use in their group projects. In these projects, students work with real professional, scientific or practical issues that they themselves identify.

The new research centre will contribute to the national and international research in both the theoretical and practical aspects of problem-oriented project learning. Collaborations with relevant partners will be a priority, and particularly Danish and international educational institutions that work with similar approaches towards learning will be invited to participate in the research work.

RUC has improved its communication of PPL so that guests, students and staff members can stay updated on what RUC's thoughts and ambitions are for PPL. This was done by wording the seven PPL principles in a slightly lighter format in the book "RUC on the go", and then placing banners around the campus so that everyone could

read a bit more about each principle. Finally, in connection with Open House 2019, posters were prepared that describe elements of our motivation for the seven PPL principles, including a poster that combines all principles into one overall list.

##### Center for Interdisciplinary Research and Education in Circular Economy and Sustainability (CIRCLES)

The interdisciplinary research centre CIRCLES was established in 2017, and has had a number of important activities during 2018. The centre focuses on circular economy and sustainable development based on the UN sustainable development goals. The centre, which has researchers from all four departments, has not only hosted the international two-day conference 'Transforming for Sustainability' in co-operation with UN City, but has also offered workshops and seminars with participation by internationally recognised researchers. CIRCLES also grants seed-money to relevant seed projects, and several of these have developed into major externally funded projects with RUC as either project manager or partner.

##### External research funding

One of the goals of the strategic framework agreement (2018-2021) is to increase the intake of external research funding. For a number of years, the total public funds for research have decreased, which has intensified competition for government and private funding. RUC has therefore continued the strategic work that started in 2016, to support researchers' applications for public and private competitive funding. In 2018, staffing was increased in this area, and the departments and RUC's central Research Support Office were more closely connected in order to support the application work further. This work will help to ensure more and better advisory services and thus increase RUC's external financing.

As in 2017, 2018 has been a good year for RUC with respect to obtaining external financing to enhance the research quality. RUC obtained more than DKK 90 million. These funds reflect a major recognition of the positive development in RUC's research quality, which bodes well for RUC's research in the coming years.

It is especially worth noting that in 2018, RUC received grants from all councils under the Danish Council for Independent Research, with a total of more than DKK 20 million. In addition, a 'Semper Ardens' grant from the Carlsberg Foundation and four grants from the Velux and Villum Foundation, with a total of approx. DKK 14 million, should also be emphasised.

The following important grants should also be mentioned: Professor (MSO) Olivier Rubins, ISE, has received a grant of DKK 5.2 million from FSE (Exploring the policy dynamics of global antimicrobial resistance initiatives). Associate Professor Thomas Skou Grindsted, IMT, has received a grant from Nordea Foundation (DKK 11.2 million)

for the project: New roads for Naturpark Åmosen. Associate Professor Kristian Syberg, Associate Professor Annemette Palmqvist, and Associate Professor Farhan Khan, INM, participate in the project Marine-Plastic, which is an interdisciplinary and cross-institutional research centre with focus on plastic pollution of the oceans. It is supported by a grant from the Velux Foundation of approx. DKK 20 million.

RUCopSTART is a centrally administered pool, intended to intensify and support researchers' participation in major applications for external research financing. Funds of DKK 25,000-75,000 will be distributed during the period 2018-2020. A year on, it is evident that the funds are in great demand, and currently funds have been granted for 18 major research applications.

#### PhD studies

Roskilde Doctoral Schools (RDS) is the common forum for the PhD programs at RUC, managed by four PhD directors and a Pro-rector. In 2018, RDS has continued the effort to ensure quality and development within PhD education.

A PhD graduate questionnaire has been prepared and is forwarded each year to the PhD graduates of the past year. The questionnaire contributes to better key figures and provides a user perspective on various aspects of the PhD education, such as the quality of guidance and courses. Furthermore, the data generates increased knowledge of the career opportunities for our PhD graduates.

RDS has also revised the common rules for the PhD degrees at RUC, which are expected to enter into force mid-2019, and prepared a role and responsibility specification and guidance for the PhD review committees, in order to ensure a better and more uniform quality of the PhD reviews.

In 2018, 43 new PhD students were enrolled, which is in line with the 2017 level. RUC awarded 40 PhD degrees in 2018.

#### Ranking

In 2018, RUC was included in the prestigious Times Higher Education (THE) World University Rankings for the third time, and was ranked in the range between 601-800 among 1,250 universities ranked. This is a decrease compared to 2017. The number of ranked universities increased from 1,100 to more than 1,250 from 2017 to 2018 and competition thus intensified, which somewhat explains the decrease. An analysis of data from THE has subsequently been initiated to compare RUC to the selected Danish and European universities.

Based on data from the previous year's ranking, THE also published its Young University Rankings 2018, which ranks the 250 best universities that are less than 50 years old. RUC has been ranked as no. 97.

THE also published a number of 'subject rankings'. RUC kept its ranking in the range of 251-300 in social sciences. Social sciences



include communication and media studies, politics and international studies (including development studies), sociology and geography. A total of 666 universities appear in the ranking.

### Administration and organisation

As part of the financial recovery plan that was initiated in 2016, the administration at RUC has undergone a number of changes in all areas. Partnership models were set up to organise tasks and co-operation between the new joint administration and the departments, and between the various offices of the new joint administration: RUC Administration. The goal is to use fewer resources and keep a service oriented, specialised, professional, and holistic approach, in order to use the administrative resources available in the best possible way to benefit the whole of RUC, and to make the administration of RUC more coherent.

In the autumn of 2018, the management established an internal status for this challenging goal. This status shows that the administrative management is only experiencing ambiguity in connection with responsibilities and tasks in a few areas. Each administration manager has carried out a self-evaluation to see if their team meets the seven objectives for the RUC administration: service-oriented, specialised and professional, standardised, digitalised, coherent, with a clear and co-ordinated management between departments and the joint RUC Administration, and to be clear in its priorities and matching of expectations.

The self-evaluation indicates that the administrative re-organisation has come a long way, and is the correct framework for the organisation of RUC. Background, purpose and goals for the re-organisation have thus been reconfirmed. Initially, the self-evaluation will be followed up by more thorough work and analysis of the framework, terms and support by the study management, with a view to assessing and proposing improvements. It is the administrative management group and its director that will focus on and are responsible for RUC fulfilling its goals. This is where specific challenges and long-term strategic goals are discussed before being presented to the Executive University Management.

### New organisation in RUC Administration

In 2018, RUC has had increasing focus on digitisation of all the university's tasks. In order to emphasise and prioritise the strategic importance of the area for the university as a whole, and the need to think in terms of digitalisation across the administration, research and education areas, a job opening has been posted for the position of Deputy Director of Digitalisation and IT (RUC Digital) to head the new independent department.

Similarly, in order to emphasise the overall strategic aims of the entire RUC Administration, the rectorship has also decided to change

the title of the other department heads to Deputy Director: Deputy Director for Finance and Campus, Deputy Director for HR, Deputy Director for Communication, Rector Office and Research Support Office, and Deputy Director for Education and Students.

### Regional anchoring and value creation

In 2018, the university has created a solid foundation in order to strengthen regional collaboration and value creation in a targeted and co-ordinated way on a long-term basis. At the beginning of the year, RUC's Committee for External Collaborations (Udvalg for eksterne samarbejder) prepared "Strategy for regional collaboration", in which three strategic goals are established:

- **That RUC contributes actively to ensuring that Region Zealand reaches the national targets for the percentage of young people who must complete a graduate study programme, and that the number of applications for admission to RUC from Region Zealand increases.**
- **That RUC contributes with skilled labour to the region, which is a prerequisite for innovation and growth, and that the share of new graduates from RUC employed in Region Zealand increases.**
- **To contribute to the development of Region Zealand through regionally anchored research and development projects, especially within healthcare, sustainability, business development, education, and public governance and communication.**

RUC will pursue the strategic goals by professionalising external relations through strategic partnerships with regional players, that set up frameworks for and raise the interaction from individual projects to an organised collaboration with shared goals and safeguarding of interests. RUC has productive collaborations with Roskilde Municipality, Næstved Municipality and Guldborgsund Municipality already. Furthermore, the collaboration with Zealand Institute of Business and Technology and the University College Absalon in Uddannelsesalliance Sjælland (Education Alliance Zealand) has intensified. In the coming years, RUC will continue to strengthen the external safeguarding of interests by entering into new strategic collaborations with municipalities in Region Zealand and the Capital Region of Denmark - in particular with municipalities in Vestegnen, which is situated close to RUC.

Through the Knowledge project, which strengthens companies in the Capital Region (ViIRS), RUC has established collaborations with a number of private companies through the following initiatives: Students as knowledge and growth drivers in companies, Growth through knowledge collaboration between researchers and companies, and Knowledge-based entrepreneurial businesses.



# Grupperrum



## 1.3 financial results for the year

The financial result for 2018 shows a profit of DKK 8.2 million, which is an increase of DKK 34.2 million compared to the budget for 2018, corresponding to a deviation of 4.4 percent relative to the revenue for the year. The improvement of the 2018 result relative to the budget from November 2017, as adopted by the Board, was expected in connection with the two extensive financial follow-ups - after April and August 2018, respectively. The first financial follow-up after April 2018 showed an improvement of the result for the year of DKK 15.2 million. This was expected relative to the original budget, as the result for the year was expected to be a loss of DKK 10.8 million. At the second financial follow-up after August 2018, the result for the year was expected to be a further improvement relative to the budget with a loss of DKK 0.4 million.

The difference between the financial result for the year and the budgeted result is largely due to reduced payroll costs, which was expected in the yearly follow-ups, and a rent exemption of DKK 4.2 million in connection with the renovation of building 03, where there was no final agreement in place until January 2019.

In 2018, the payroll costs totalled DKK 521.3 million, which is an increase of DKK 42.6 million compared to the 2017 result of DKK 478.7 million. This is a decrease of DKK 13 million compared to the budgeted costs of DKK 534.3 million.

The significant increase from 2017 to 2018 is first and foremost a consequence of unusually low costs in 2017, due to a high staff turnover and many vacant positions. A low staff turnover in 2018, as well as the establishment of a number of temporary positions as part of the strategic focus areas, has resulted in an increase in FTEs - and thus also payroll costs - from 2017 to 2018. From 2017 to 2018, FTEs have increased by approx. 31 FTEs, which are equally distributed between VIP (scientific) and TAP (administrative) FTEs.

There are two main reasons for the lower payroll costs compared to the budget.

The first reason concerns the wage and price indexation stipulated in the Danish Finance Act. The budgeting was, as always, based on the Danish Ministry of Finance's price and wage index for 2018 of 2.7 percent. This was assessed as very high already at the budgeting stage. However, the level set by the Danish Ministry of Finance was maintained in the budget, but treated as a reserved pool due to upcoming collective agreements. The pool was written down in connection with prognosis 1 after April.

The second reason is the co-financing of the PhD studies, which had DKK 28.6 million in payroll costs allocated in the 2018 budget. The realised costs were DKK 20.8 million.

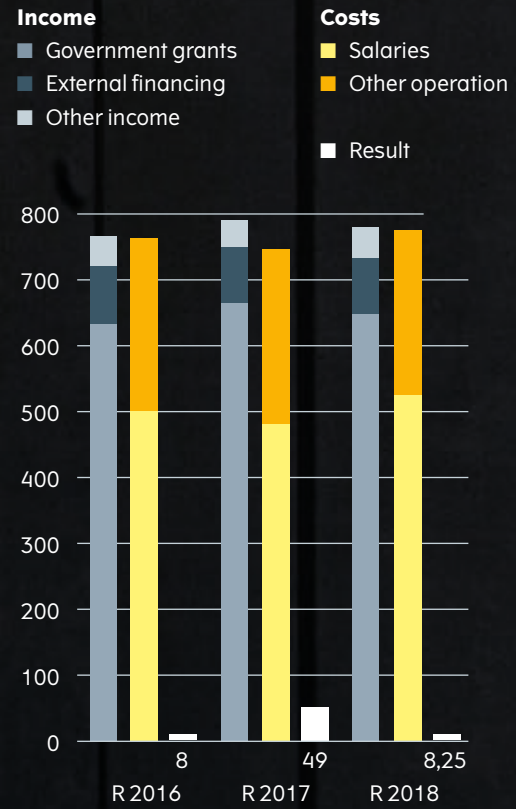
**Table 1.1**  
Budget and results 2018

DKKm	R 2018	B 2018	Follow-up after Aug.	Deviation relative to B 2018	Deviation relative to Aug. follow-up
Income	779,4	771,0	769,7	8,4	9,7
Salaries	521,3	534,3	508,0	13,0	-13,3
Costs	249,8	262,6	262,1	12,8	12,3
<b>Profit/loss for the year</b>	<b>8,2</b>	<b>-26,0</b>	<b>-0,4</b>	<b>-34,2</b>	<b>-8,6</b>

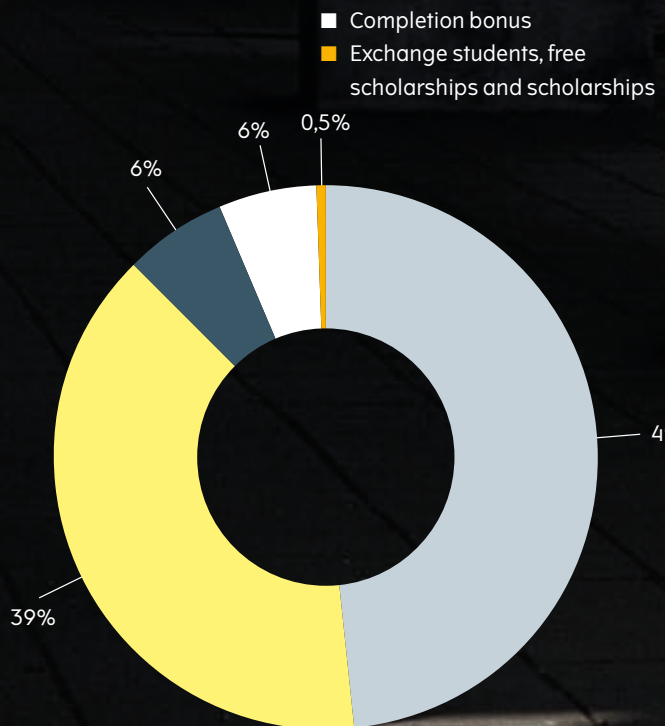
Round-offs may result in variations in the final figure of the sum



**Figure 1.3**  
Income, expenses and results 2016-2018



**Figur 1.4**  
Government appropriations 2018  
DKK 647.1 million



**Results for the year relative to 2017**

From 2017 to 2018, the income has decreased by DKK 11.7 million. This is mainly due to a high income level in 2017 due to extraordinary grants under the government budget totalling DKK 23.8 million. The total costs have increased by DKK 27.2 million, of which the payroll costs have increased by DKK 42.6 million and the other operating costs have decreased by DKK 15.4 million. The financial items for 2018 amounted to net costs of DKK 0.2 million. By comparison, the 2017 financial items amounted to a net income of DKK 1.6 million. RUC had no extraordinary income or expenses in 2018.

**Figur 1.5**  
Development in equity  
by December 13th (DKK million)







### Equity

At the 2018 year-end, RUC's equity totalled DKK 131 million. Figure 1.5 illustrates the changes in equity. RUC retains its objective of previous years that equity must represent five percent of the revenue.

For 2018, five percent of the revenue was DKK

39 million. Thus, equity constituted 16.9 percent of the revenue at the 2018 year-end. According to RUC's long-term budgeting leading up to 2022, the equity at the 2021 year-end is expected to be 2.7 percent of the revenue.

### Financial management

In its financial management, RUC is continually focused on its sources of income and how resources are utilised. Student FTE (full-time equivalents) income represents a major share of RUC's overall income, and this activity-driven income is therefore monitored on a monthly basis to uncover any potential financial risks. These monthly student FTE follow-ups are used in the financial management and preparation of the two annual forecasts after the close of April and August.

Over the past few years, RUC has been very aware of the financial challenges that can result from the resizing of a number of education programmes, falling taximeter rates, and major spending cuts in the education sector.

RUC's income basis is mainly composed of income from the government budget – 80-85 percent of the income may be attributed to the government budget each year. Education income represents more than half of this. The annual two percent budget cut, through the reprioritisation contribution as compared to the resizing of a number of education programmes, puts pressure on RUC's income basis.

RUC has previously been able to counterbalance the drop in income from the declining rates by an increasing FTE production – resulting in a need for efficiency improvements. Now, the resized education programmes have caused the previous annual increases to drop from approx. 1.5 percent annually to approx. 0.5 percent, making the need for continuous efficiency improvements more urgent.

In RUC's new strategic framework agreement, there is a major focus to ensure that the increased need for efficiency improvement does not cause a decrease in quality of research and the study programmes, and in creating a basis for better graduate employment and reducing the redundancy period of its graduates.

RUC is working purposefully with a long-term plan to adjust its finances, which will enable the implementation of a number of long-term savings targets by using RUC's equity as a buffer. However, there is also a great deal of awareness that the equity must also be utilised for continuous investment in the further development of RUC.

RUC's financial recovery plan from 2016 contains 11 savings initiatives to be implemented during the period 2017-2019. These initiatives vary in terms of weight and content, but they were all sele-

cted based on a desire to combine the need for cuts with a focus on initiatives to support RUC's strategy and further development.

At the end of 2018, only the major savings initiative regarding the building area remains. The total savings target within the building area is a rent reduction of DKK 28 million annually through termination of leases for a large number of buildings. With the relocation and the termination of the lease for building 30 in 2017, more than half of the savings target has been reached. However, the last half of the savings target is not expected to be reached until 2023-2024.

The main reason for the delay in reaching the savings targets is that the process of terminating additional building leases has awaited the preparation of a comprehensive plan to be used by Roskilde Municipality in its deliberations on the need for new local development plan for the RUC Campus area. The comprehensive plan is prepared in co-operation with the Danish Building and Property Agency and Roskilde Municipality. RUC and the Danish Building and Property Agency have engaged Arkitema Architects to be responsible for preparing a comprehensive plan.

A plan has been drawn up at the beginning of 2019, stating which building leases are to be terminated and which buildings are to remain. A plan is currently being drawn up in co-operation with the Danish Building and Property Agency to functionally renovate several of the remaining, original tower blocks. The functional renovation should ensure modern teaching and office facilities for RUC students and employees, as well as buildings that are open to the rest of the campus and RUC facing the district of Trekroner/outside world.

Work on the recovery plan also had an impact on the continued development and optimisation of the financial management, which was focused on the follow-up processes and especially on long-term finances through the introduction of forecasting for the next budget year and for the next three budget years, which mirrors the term of the government budget.

In the autumn of 2018, Deloitte carried out an analysis of RUC's budget follow-up and forecasting processes based on the follow-up work after August 2018. The purpose was to assess whether the processes are sufficiently robust and whether there are possibilities for improvement. The analysis concluded that the forecast is generally well-researched, that suitable methods have been applied, and that a number of relevant controls have been conducted to ensure the reliability of the forecast. The forecasting process is robust but there are possibilities for improvement.

Based on the analysis conclusion, a maturity analysis of RUC's entire finance function, centrally as well as locally, was initiated in January-February 2019.



## 1.4 financial outlook

As mentioned, RUC is focusing much attention on how to cut costs while also remaining committed to implementing its strategy with the changes and focus areas addressed in Strategy New RUC.

Based on the good progress made on the recovery plan and the concomitant work on a number of strategic focus areas, a number of targeted initiatives within five strategic areas of priority in 2018-2020 were decided in the autumn of 2017. In the autumn of 2018, funds were appropriated for the implementation of an organisational change in RUC Administration with the department RUC Finance, IT and Technical Service being divided into two departments at 1 March 2019: RUC Finance, Campus, and RUC Digital.

The purpose of the division is to emphasise the strategic significance of the IT area for the entire university and the need to integrate digitisation across administration, research and education.

In November 2018, RUC's budget for 2019 was adopted with an expected deficit of DKK 35.1 million. The deficit is due to the implementation of a number of savings initiatives (an improvement of approximately DKK 8.8 million), but also to the targeted efforts relating to the implementation of specific cuts (a deterioration of approximately DKK 6 million). Lastly, the deficit is also due to the above-mentioned new strategic priorities (a deterioration of approximately DKK 19.3 million), as well as an operating deficit of DKK 19 million.

## 1.5 tendering and procurement

The Danish Ministry of Higher Education and Science has asked all universities to incorporate a separate report into their annual report for 2018, on how they are providing organisational and managerial support to ensure that procurement takes place according to the applicable rules and in the best and least expensive manner.

In 2017, tenders and procurement were in focus again, since one of the 11 savings initiatives of the financial recovery plan assumes savings of DKK 5 million on procurement. The savings target is a net target, since any further savings could be used to increase staffing in this area.

RUC's procurement policy builds on four objectives: compliance, tenders, contract management and responsible procurement. In the annual procurement strategy, the four objectives of the procurement policy are implemented in specific initiatives/goals for the year. Four of the nine initiatives/goals in the procurement strategy for 2019 are: Active use of compliance measurement, further implementation of the contract management system and focus on circular economies. The procurement strategy for 2018 also includes a follow-up on the procurement strategy for 2017-2018. It may be noted, that an estimated annual cost reduction of DKK 3.3 million has been obtained from centrally concluded purchase agreements during this period, and that five of the eight initiatives/goals established for the period have been fulfilled, two have been partly fulfilled and one has not been fulfilled.

The central tender and procurement function is a strategic procurement function that concludes framework agreements and carries out EU tenders and other relevant tenders in accordance with the annual tender plan. In addition, the central procurement function supports

compliance with the procurement policy, the interdisciplinary procurement forum, and provides procurement analyses. The central tender and procurement function has two employees.

The operational procurement function is a decentralised unit that makes specific purchases in accordance with the guidelines issued and handles management of the contracts for which they are responsible.

## 1.6 conclusion

The year 2018 was yet another year marked by financial challenges and a focus on the work to adjust RUC's expenses to a lower level in order to resist the long-term pressure on its sources of income.

Progress in the implementation of the savings initiatives of the recovery plan is monitored closely, and we concentrate on the necessity of consistent financial management and continuous adjustment of the savings targets in accordance with the ongoing changes in the conditions underlying the RUC's finances, both in the long-term and for the current financial year.

Overall, the improved result creates better opportunities for countering the financial challenges and strategic investments leading up to 2020/2021.





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