



## Analysis of income and expenditure by universities

This short report outlines the key income and expenditure statistics for higher education (HE) institutions in the West Midlands for 2008-09, as reported by the Higher Education Statistics Authority (HESA).

### 1 Income of HE Institutions

#### 1.1 Total Income in the West Midlands

The twelve higher education institutions in the West Midlands collectively receive £1.7bn in income, placing the West Midlands sixth out of the nine English regions.

Figure 1: total income of higher education institutions by region

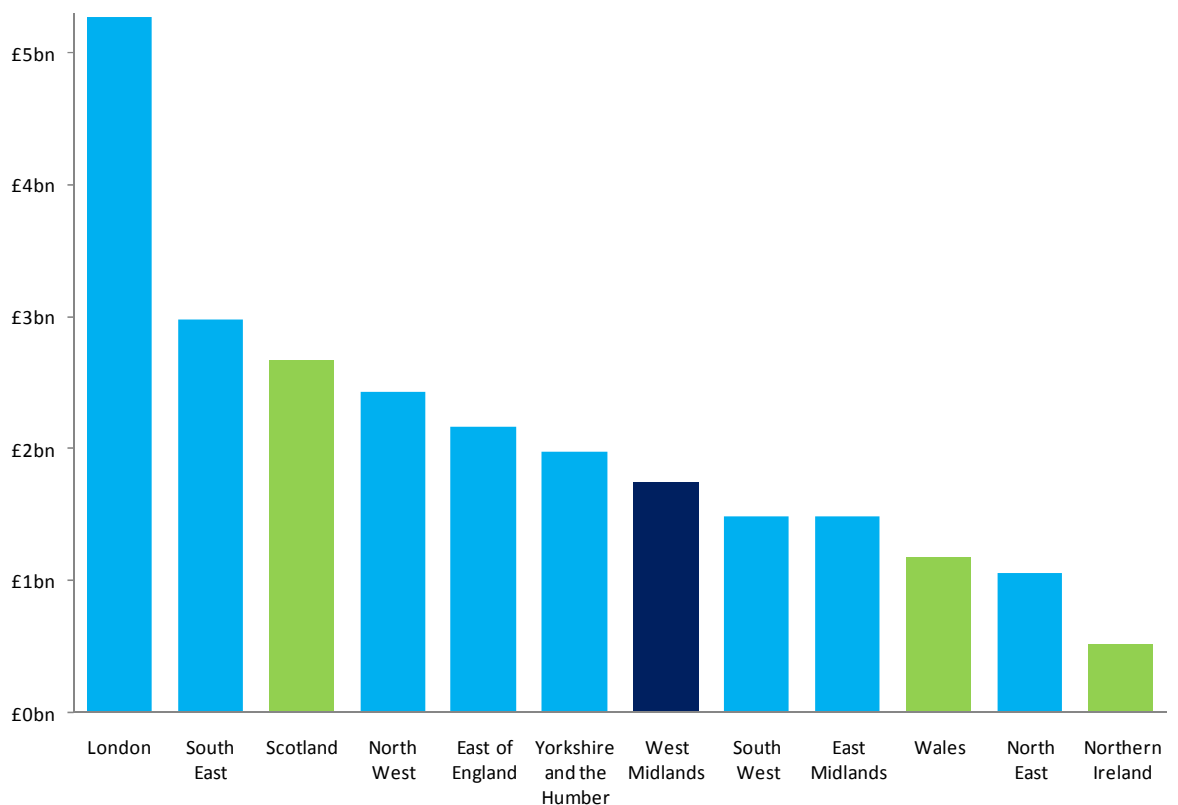
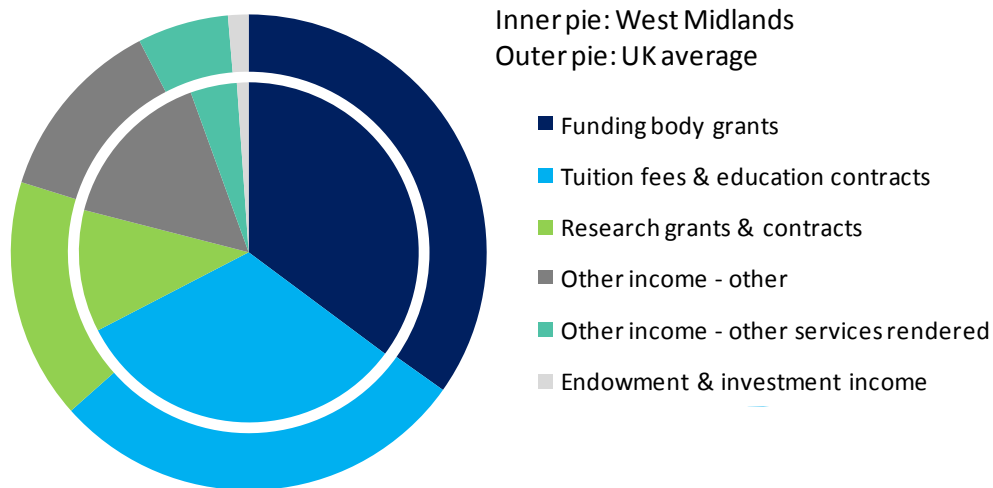


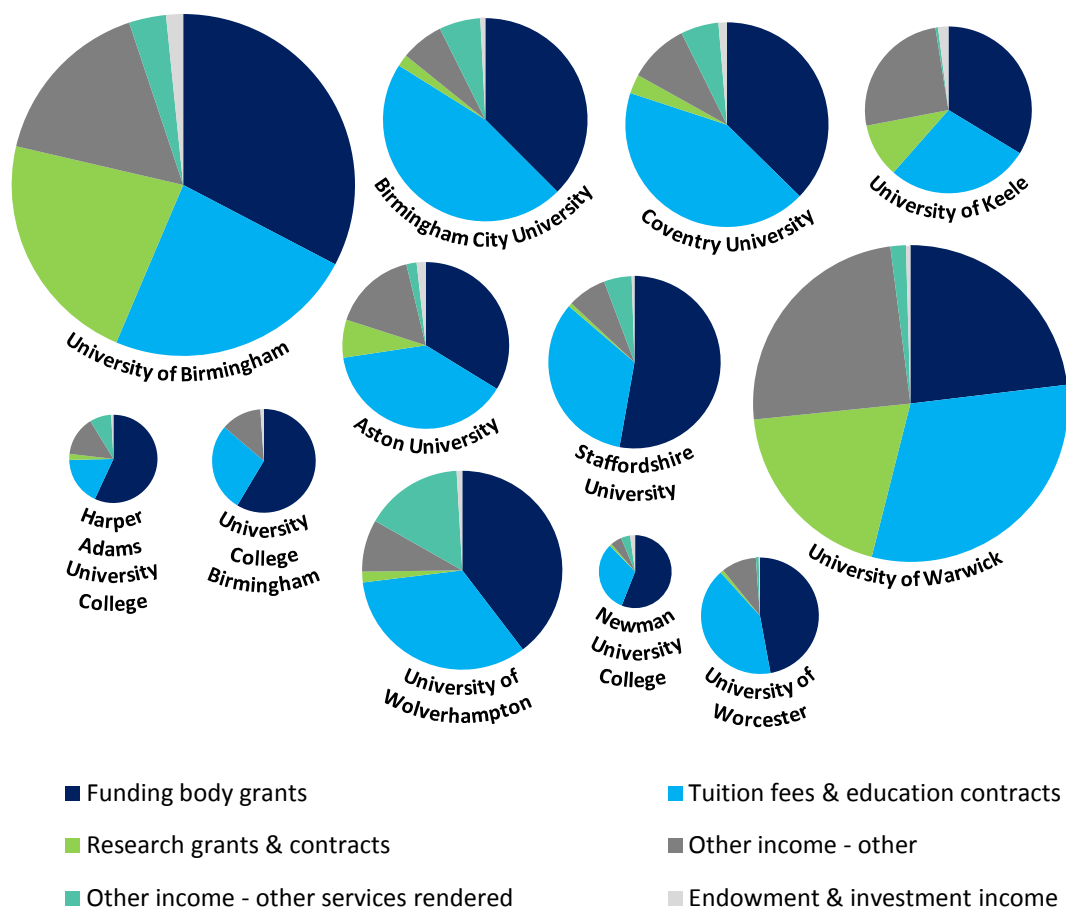
Figure 2: income sources for HEIs



Overall, West Midlands higher education institutions receive their funding from the same distribution of sources as the rest of the UK. The main difference includes receiving less income from research grants and contracts (11.6% in the West Midlands versus 16.4% nationally), and receiving more income from tuition fees and education contracts (32.2% versus 28.6% nationally). However, the differences in these proportions between the nation and the region are very small in comparison to the differences between institutions within the West Midlands (full figures available in Annex A: general income distribution).

## 1.2 Income by Institution in the West Midlands

Figure 3: income proportions for individual West Midlands HEIs



The twelve higher education institutions operating in the West Midlands receive widely differing levels of income: the University of Birmingham has an income of £441m, whereas Newman University College receives £20m. Each institution receives its income from a different distribution of resources.

The two high-income universities of Birmingham and Warwick both receive roughly a fifth of the income from research grants and contracts (well above the regional average), and together account for almost 85% of West Midlands higher education institutions' research income.

Three institutions - Birmingham City University, Coventry University, and the University of Worcester - instead receive over 40% of their income from tuition fees and education contracts.

Four institutions - University College Birmingham, Harper Adams University College, Newman University College and Staffordshire University - receive over 50% of their income from funding body grants.

The University of Wolverhampton is unusual in receiving £24m (15.9%) of its funding from ‘other services rendered’ - twice as great a proportion as, and £8.5m more than, any other institution in the West Midlands. According to [HESA definitions](#), this ‘other services rendered’ category includes “*all income in respect of services rendered to outside bodies, including the supply of goods and consultancies*”.

The University of Warwick receives almost a quarter of its income from ‘other income- other’. Much of this difference arises from the ‘other operating income’ subcategory - not shown separately on the above charts - which HESA define as including “*all other operating income not covered above such as Trans-European Mobility Scheme for University Studies (TEMPUS) and European Community Action Scheme for the Mobility of University Students (ERASMUS) grants.*”

Two universities - Aston and Birmingham City - together accrue over 80% of all intellectual property income amongst the West Midlands’ higher education institutions (also included in the ‘other income - other’ category on the above charts). They are the only institutions for which intellectual property provides more than 1% of total income (almost 3% in Aston’s case).

A full breakdown of income by source for each university can be found in [Annex A](#).

### **1.3 Income from research grants & contracts**

On the whole, the West Midlands receives a similar proportion of its funding from each source compared to HEIs across the UK as a whole. Central and local government, and/or health authorities, supply a larger proportion of West Midlands HEI’s funding (28%) than is provided by such bodies nationally (17%).

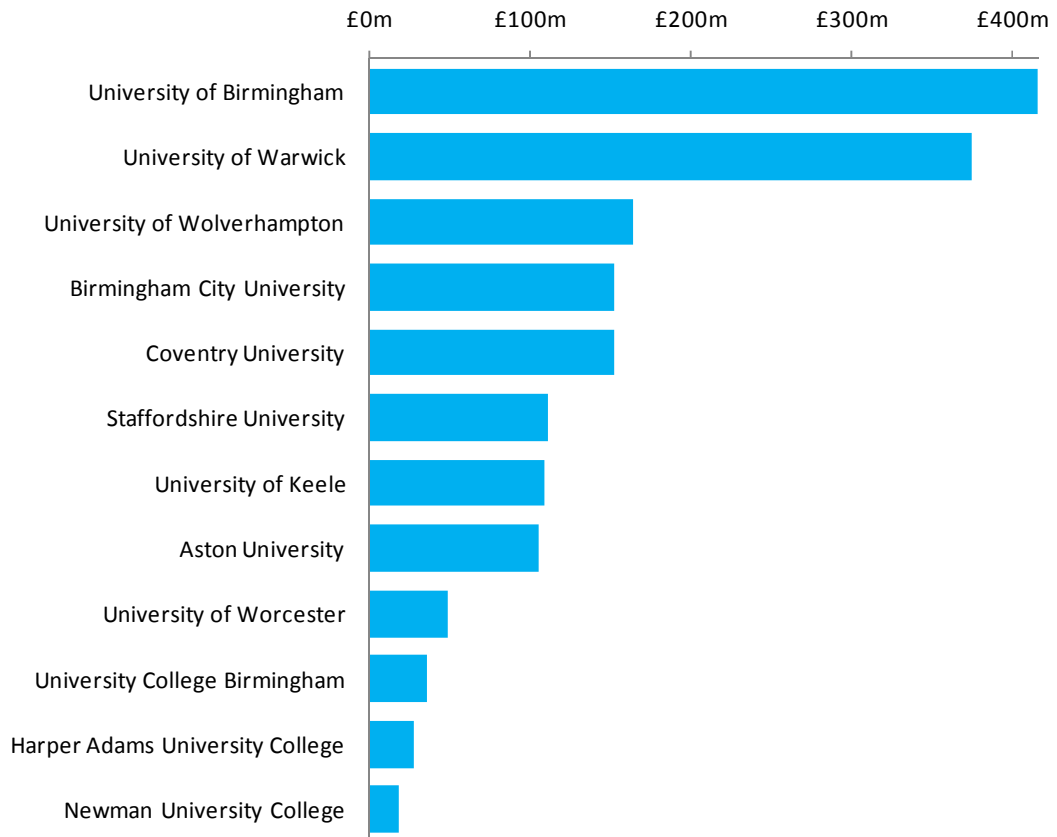
The University of Birmingham and the University of Warwick, as mentioned above, receive the bulk of such income regionally (85% of the total). Of these two institutions, Birmingham’s funding pattern is a close match to the national average (eg 36% from BIS or research councils, 22% from the government bodies mentioned above, and 20% from UK-based charities), whereas Warwick is slightly more dependent on BIS and/or research councils (46%) and government bodies (34%) and proportionately less successful at attracting domestic charitable funding (8%).

A full breakdown of research and contract income for each HEI in the West Midlands can be found in Annex B1: research grant and contract income distribution (absolute values) and Annex B2: research grant and contract income distribution (percentages).

## 2 Expenditure of HE Institutions

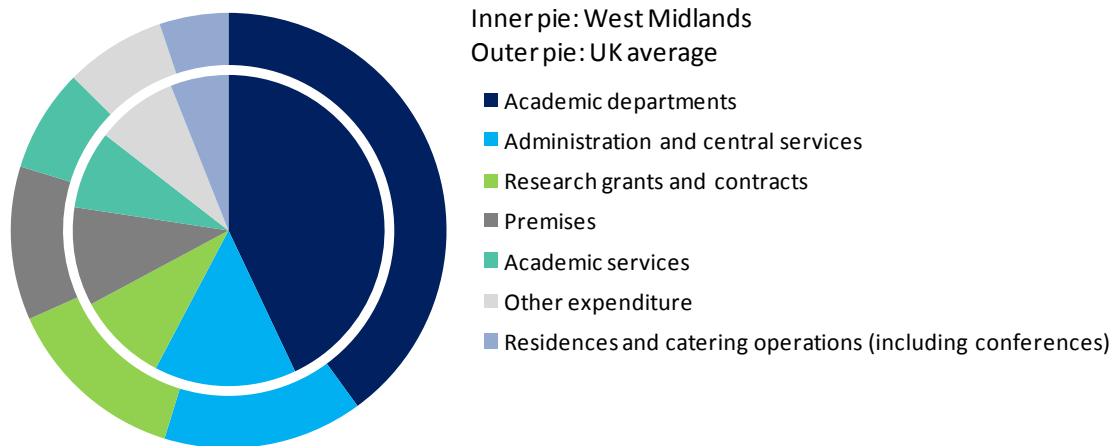
The general pattern of expenditure is much as would be expected from the pattern of income, with expenditure figures of West Midlands HEIs generally only deviating from reported income by a few percentage points either way. Overall, West Midlands HEI expenditure is reported as being 1.5% below income, which is congruent with the national situation (1.6%).

Figure 4: expenditure levels of West Midlands HEIs 2008-2009



The largest expenditure category for West Midlands HEIs (both in total and individually) is expenditure on academic departments. Together, West Midlands spend 43% of their money in this category (compared to 40% nationally), ranging from a third for Harper Adams University College to just over half for Birmingham City University.

Figure 5: expenditure of West Midlands and national HEIs by category



One notable difference is that, nationally, HEIs spend 14% of their money on research grants and contracts; West Midlands HEIs only spend 9% on these, although the University of Birmingham spends much more (18%), as does the University of Warwick (16%). Full expenditures figures are available in Annex C: expenditure distribution.

## Annex A: general income distribution

Income (£ million)	Funding body grants	Tuition fees & education contracts	Research grants & contracts	Other income - other	Other income - other services rendered	Endowment & investment income	Total income
Total UK	8 819 (35%)	7 249 (29%)	4 145 (16%)	3 201 (13%)	1 569 (6.2%)	357 (1.4%)	25 340
<b>West Midlands</b>	<b>613 (35%)</b>	<b>562 (32%)</b>	<b>202 (12%)</b>	<b>269 (15%)</b>	<b>77 (4.4%)</b>	<b>20 (1.1%)</b>	<b>1 743</b>
The University of Birmingham	144 (33%)	105 (24%)	98 (22%)	72 (16%)	15 (3.5%)	7.2 (1.6%)	441
The University of Warwick	87 (23%)	116 (31%)	73 (19%)	92 (25%)	6.0 (1.6%)	1.8 (0.5%)	376
Birmingham City University	59 (37%)	73 (46%)	2.9 (1.9%)	11 (6.8%)	10 (6.6%)	1.2 (0.8%)	157
Coventry University	58 (37%)	67 (43%)	4.8 (3.1%)	15 (9.6%)	9.3 (6.0%)	2.1 (1.3%)	156
The University of Wolverhampton	60 (40%)	50 (33%)	2.6 (1.7%)	13 (8.4%)	24 (16%)	1.4 (0.9%)	151
Staffordshire University	59 (53%)	37 (33%)	0.8 (0.7%)	8.2 (7.3%)	5.8 (5.2%)	0.6 (0.5%)	112
Aston University	35 (34%)	41 (39%)	7.7 (7.4%)	17 (16%)	2.1 (2.0%)	1.9 (1.8%)	105
The University of Keele	35 (34%)	29 (28%)	11 (11%)	27 (25%)	0.5 (0.5%)	2.1 (2.0%)	105
The University of Worcester	24 (47%)	21 (41%)	0.4 (0.9%)	5.0 (9.7%)	0.4 (0.8%)	0.2 (0.4%)	51
University College Birmingham	24 (59%)	11 (28%)	0.0 (0.0%)	5.1 (13%)	0.0 (0.0%)	0.4 (1.1%)	41
Harper Adams University College	17 (57%)	5.2 (18%)	0.7 (2.2%)	4.3 (15%)	2.3 (7.9%)	0.2 (0.7%)	29
Newman University College	11 (56%)	6.4 (32%)	0.2 (1.0%)	1.0 (4.9%)	0.8 (4.1%)	0.5 (2.3%)	20

## Annex B1: research grant and contract income distribution (absolute values)

Research grants and contracts income (£k)	BIS Research Councils, Royal Society, British Academy &c.	UK based charities (open competitive process)	UK based charities (other)	UK central government/local authorities, health & hospital authorities	UK industry, commerce & public corporations	EU government bodies	EU-based charities (open competitive process)	EU industry, commerce & public corporations	EU other	Non-EU-based charities (open competitive process)	Non-EU industry, commerce & public corporations	Non-EU other	Other sources	Total
<b>Total UK</b>	<b>1 531 128</b>	<b>771 733</b>	<b>124 290</b>	<b>706 300</b>	<b>312 514</b>	<b>324 832</b>	<b>6 690</b>	<b>37 143</b>	<b>22 890</b>	<b>87 317</b>	<b>88 772</b>	<b>80 266</b>	<b>50 708</b>	<b>4 144 582</b>
<b>West Midlands</b>	<b>77 638</b>	<b>29 377</b>	<b>3 580</b>	<b>55 837</b>	<b>13 045</b>	<b>14 587</b>	<b>162</b>	<b>1 515</b>	<b>1 082</b>	<b>184</b>	<b>2 932</b>	<b>749</b>	<b>1 554</b>	<b>202 242</b>
The University of Birmingham	35 680	19 915	3 117	21 246	7 453	7 157	133	504	231	8	1 600	123	908	98 075
The University of Warwick	33 449	5 594	45	24 920	3 213	3 790	0	667	2	176	617	288	218	72 979
The University of Keele	3 591	2 243	176	2 985	720	563	0	138	0	0	113	305	188	11 022
Aston University	2 606	758	0	1 745	369	1 350	0	205	0	0	521	0	189	7 743
Coventry University	688	597	164	1 569	280	837	0	0	640	0	0	14	5	4 794
Birmingham City University	504	21	65	1 804	329	240	29	0	96	0	0	0	-139	2 949
The University of Wolverhampton	924	146	0	416	170	557	0	0	110	0	81	0	179	2 583
Staffordshire University	187	25	1	499	64	8	0	1	3	0	0	0	0	788
Harper Adams University College	0	0	9	391	230	0	0	0	0	0	0	19	6	655
The University of Worcester	9	78	0	98	217	42	0	0	0	0	0	0	0	444
Newman University College	0	0	3	164	0	43	0	0	0	0	0	0	0	210
University College Birmingham	0	0	0	0	0	0	0	0	0	0	0	0	0	0

## Annex B2: research grant and contract income distribution (percentages)

Research grants and contracts income	BIS Research Councils, Royal Society, British Academy &c.	UK based charities (open competitive process)	UK based charities (other)	UK central government/local authorities, health & hospital authorities	UK industry, commerce & public corporations	EU government bodies	EU-based charities (open competitive process)	EU industry, commerce & public corporations	EU other	Non-EU-based charities (open competitive process)	Non-EU industry, commerce & public corporations	Non-EU other	Other sources	Total
Total UK	37%	19%	3.0%	17%	7.5%	7.8%	0.2%	0.9%	0.6%	2.1%	2.1%	1.9%	1.2%	100%
West Midlands	38%	15%	1.8%	28%	6.5%	7.2%	0.1%	0.7%	0.5%	0.1%	1.4%	0.4%	0.8%	100%
The University of Birmingham	36%	20%	3.2%	22%	7.6%	7.3%	0.1%	0.5%	0.2%	0.0%	1.6%	0.1%	0.9%	100%
The University of Warwick	46%	8%	0.1%	34%	4.4%	5.2%	0.0%	0.9%	0.0%	0.2%	0.8%	0.4%	0.3%	100%
The University of Keele	33%	20%	1.6%	27%	6.5%	5.1%	0.0%	1.3%	0.0%	0.0%	1.0%	2.8%	1.7%	100%
Aston University	34%	10%	0.0%	23%	4.8%	17.4%	0.0%	2.6%	0.0%	0.0%	6.7%	0.0%	2.4%	100%
Coventry University	14%	12%	3.4%	33%	5.8%	17.5%	0.0%	0.0%	13.4%	0.0%	0.0%	0.3%	0.1%	100%
Birmingham City University	17%	1%	2.2%	61%	11.2%	8.1%	1.0%	0.0%	3.3%	0.0%	0.0%	0.0%	-4.7%	100%
The University of Wolverhampton	36%	6%	0.0%	16%	6.6%	21.6%	0.0%	0.0%	4.3%	0.0%	3.1%	0.0%	6.9%	100%
Staffordshire University	24%	3%	0.1%	63%	8.1%	1.0%	0.0%	0.1%	0.4%	0.0%	0.0%	0.0%	0.0%	100%
Harper Adams University College	0%	0%	1.4%	60%	35.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	2.9%	0.9%	100%
The University of Worcester	2%	18%	0.0%	22%	48.9%	9.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100%
Newman University College	0%	0%	1.4%	78%	0.0%	20.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100%
University College Birmingham	0%	0%	0.0%	0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100%

## Annex C: expenditure distribution

Expenditure (£ million)	Academic departments	Academic services	Administration & central services	Premises	Residences & catering operations (including conferences)	Research grants & contracts	Other expenditure	Total
Total UK	9 959 (40%)	1 907 (7.6%)	3 699 (15%)	2 844 (11%)	1 277 (5.1%)	3 393 (14%)	1 867 (7.5%)	24 944
<b>West Midlands</b>	<b>739 (43%)</b>	<b>139 (8.1%)</b>	<b>253 (15%)</b>	<b>175 (10%)</b>	<b>104 (6.0%)</b>	<b>162 (9.4%)</b>	<b>145 (8.5%)</b>	<b>1 718</b>
The University of Birmingham	182 (44%)	37 (8.8%)	35 (8.4%)	45 (11%)	24 (5.7%)	75 (18%)	18 (4.4%)	416
The University of Warwick	150 (40%)	26 (6.9%)	44 (12%)	33 (8.9%)	26 (7.1%)	58 (16%)	36 (9.7%)	374
The University of Wolverhampton	68 (41%)	15 (9.2%)	28 (17%)	14 (8.7%)	7.3 (4.5%)	2.5 (1.5%)	30 (18%)	164
Birmingham City University	79 (52%)	16 (10%)	22 (15%)	18 (12%)	7.4 (4.9%)	3.3 (2.2%)	6.7 (4.4%)	153
Coventry University	60 (39%)	13 (8.3%)	29 (19%)	18 (12%)	9.2 (6.0%)	4.2 (2.8%)	19 (12%)	152
Staffordshire University	50 (45%)	8.9 (8.0%)	20 (18%)	7.5 (6.8%)	5.2 (4.7%)	0.8 (0.7%)	19 (17%)	111
The University of Keele	49 (45%)	5.7 (5.2%)	18 (17%)	11 (9.9%)	11 (10%)	10 (9.2%)	4.6 (4.2%)	109
Aston University	43 (40%)	8.4 (7.9%)	24 (22%)	14 (13%)	6.5 (6.2%)	6.9 (6.5%)	3.6 (3.4%)	106
The University of Worcester	23 (48%)	4.8 (9.7%)	13 (26%)	5.1 (10%)	0.8 (1.6%)	0.1 (0.3%)	2.3 (4.6%)	49
University College Birmingham	17 (46%)	1.7 (4.7%)	11 (29%)	4.1 (11%)	2.7 (7.5%)	0.0 (0.0%)	0.6 (1.8%)	36
Harper Adams University College	9.3 (33%)	2.1 (7.6%)	4.8 (17%)	2.9 (10%)	2.6 (9.4%)	0.9 (3.1%)	5.4 (19%)	28
Newman University College	9.1 (49%)	1.8 (9.6%)	4.5 (24%)	2.1 (11%)	1.0 (5.1%)	0.2 (1.0%)	0.0 (0.1%)	19