

Introduction

This publication is one of four reference volumes from the Higher Education Statistics Agency (HESA), which present statistics about the publicly-funded higher education institutions (HEIs) of the United Kingdom (UK).

This volume draws on HESA's collection of data about finance and staff in HE in the financial year ending 31 July 1999. Tabulations are included which record and analyse the income and expenditure of universities and colleges (with data shown at institution level) and also about the characteristics of academic staff (including gender balance within academic subject departments, ethnicity, etc.). The volume follows the pattern of last year's volume, which was concerned with the academic year ending on 31 July 1998.

The other reference volumes published by HESA are:

Students in Higher Education Institutions - which contains statistical data about all aspects of students in higher education institutions, including their examination results. Tabulations also cover subjects of study at undergraduate and postgraduate levels. This publication is aimed at those seriously interested in finding out about issues concerning students in HE.

First Destinations of Students Leaving Higher Education Institutions - which includes statistics about the first destinations of graduates, including employment rates, participation in further education (FE) and training, etc. A summary tabulation at institution level is included.

Higher Education Statistics for the United Kingdom - which is published in conjunction with the Government Statistical Service and which presents an overview of HE from a statistical perspective, including statistics about applications, participation, institutional finance and staffing and student awards and loans.

The Agency also makes available a number of other related products, including an electronic data source 'HE Finance Plus' about finance in higher education institutions, available on CD ROM. A series of Research Datapacks provides in depth coverage of items of special interest. More information about HESA's other publications is set out at the end of this volume.

While HESA publishes, and commissions others to publish, extensively from the data it collects, it is recognised that specific requirements by some interested parties may not be addressed. Therefore, the Agency undertakes to provide a service to answer enquiries about the data collected, for which a charge will normally be levied.

In 1999 HESA collected finance and staff data from all publicly-funded UK HEIs for the financial year 1998/99 (i.e. the period 1 August 1998 to 31 July 1999). This information was collected uniformly from all of the universities and HE colleges in the UK.

This commentary summarises and analyses the data contained within the main tables and presents summary statistics and key points for the finance data and staff data in turn.

Finance Data

It should be noted that where comparisons are made between the latest financial year and a previous year, the previous year's figures are as re-stated in the most recent financial statements available. They are not therefore necessarily reconcilable with figures for that year published in previous HESA volumes. However, it is understood that all such figures can be reconciled to the published accounts of the institutions.

On Finance Tables some of the totals do not add up to those shown due to rounding.

Key Points:

Balance Sheet

- Tangible assets have increased by £853 million (7%).
- There have been substantial decreases in both short-term borrowing (-£60 million) and short-term investments (-£237 million).

Income and Expenditure

- Income during the year amounted to £12.1 billion, a 4.1% rise from 1997/98.
- The surplus of income over expenditure was £188 million.

Sources of Income

- Funding council grants increased by £404 million or 9%.
- The amount of income received from academic fees & support grants decreased by 4.5%. UK and European Community (EC) domiciled students charged full-time HE course home fees accounted for 41.6% of income from academic fees & support grants.
- Research councils provided just under a third of research grants & contracts; the largest share of the total.

Expenditure

- Increases of £185 million in operating expenses and £410 million in staff costs largely accounted for a 5.4% rise in total expenditure.
- Staff Costs increased by 6.3%.

Balance Sheet

A comparison of the HE sector's balance sheet at 31 July 1999 with that at 31 July 1998 shows a £60 million decrease in short-term creditors while amounts due after more than one year have climbed by £192 million. This decrease in short-term borrowing was matched by a substantial decrease in short-term investments (-£237 million).

Table A - Balance Sheet

	Balance (£M) as at 31 July			
	1999	1998	Change	(%)
Fixed assets				
Tangible assets	12586	11733	853	7.3%
Investments	361	368	-6	-1.7%
Total	12948	12101	847	7.0%
Endowment asset investments	2724	2499	225	9.0%
Current assets				
Stocks & stores in hand	62	62	0	-0.6%
Debtors	1356	1228	128	10.4%
Investments	1446	1683	-237	-14.1%
Cash at bank & in hand	576	590	-14	-2.3%
Total	3441	3563	-123	-3.4%
Creditors: amounts falling due within one year	2326	2386	-60	-2.5%
Net current assets	1114	1177	-63	-5.3%
Total assets less current liabilities	16786	15777	1009	6.4%
Creditors: amounts falling due after more than one year	2337	2145	192	8.9%
Provisions for liabilities & charges	349	355	-6	-1.8%
Total assets less liabilities	14100	13277	823	6.2%
Deferred capital grants	2632	2532	100	3.9%
Total net assets	11468	10745	724	6.7%
Endowments				
Specific	2157	2004	152	7.6%
General	594	522	72	13.8%
Total	2751	2526	224	8.9%
Reserves				
Revaluation reserve	4622	4483	139	3.1%
Minority interest	3	2	0	13.2%
Income & expenditure account	4093	3733	360	9.6%
Total	8717	8218	499	6.1%
Total funds	11468	10745	724	6.7%

A wider perspective, however, shows that investments (other than current assets) have fallen by only 1.7% in comparison to last year's decrease of 23.4%. The value of tangible assets has increased by £853 million (7.3%).

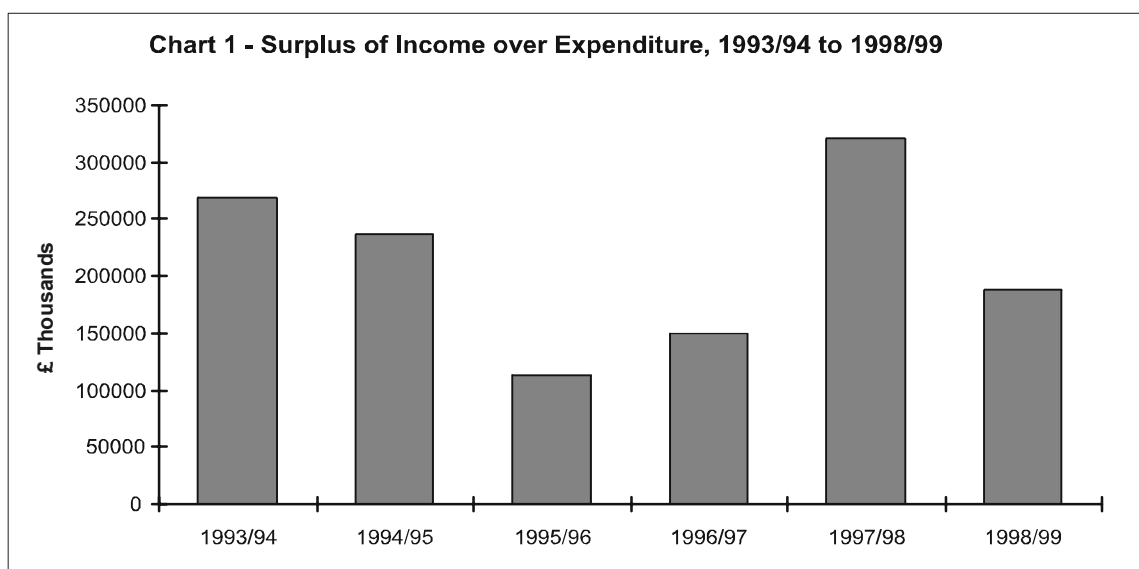
Income and Expenditure

The income of the HE sector totalled £12.1 billion during the financial year to 31 July 1999; this compares with £11.6 billion for the previous year. The surplus of income over expenditure decreased by £133 million.

Table B - Total Income and Expenditure, Financial Years 1998/99 and 1997/98

	£ Thousands		
	1998/99	1997/98	% change
Income	12112740	11631973	4.1%
Expenditure	11925045	11311063	5.4%
Surplus	187695	320910	-41.5%
Surplus as percentage of income	1.5%	2.8%	

To provide the context for these figures, Chart 1 shows the HE sector's surplus (re-based and re-calculated as appropriate) for each of the six years for which HESA now has data. Data were returned to HESA for the financial year 1993/94 onwards; figures for previous financial years are set out in earlier editions of this volume.



The number of individual institutions reporting a surplus or breakeven was 123 in 1998/99 compared with 132 in 1997/98. 47 institutions in 1998/99, compared with 38 institutions in 1997/98 reported deficits. 28 institutions reported deficits in both financial years.

The final table in this section aggregates figures for institutions funded by each of the four UK countries' funding councils. It should be noted that in this and other tables, The Open University is counted as an institution based in England, and funded by the Higher Education Funding Council for England.

Table C - Income and Expenditure by UK Country

Location of Institution	Financial Year 1998/99				Financial Year 1997/98			
			Surplus/ Deficit	%			Surplus/ Deficit	%
	Income	Expenditure			Income	Expenditure		
England	9914965	9741094	173871	1.8%	9521572	9226991	294581	3.1%
Wales	570583	566118	4465	0.8%	555790	543511	12279	2.2%
Scotland	1390019	1380286	9733	0.7%	1320588	1312523	8065	0.6%
Northern Ireland	237173	237547	-374	-0.2%	234023	228038	5985	2.6%
Total	12112740	11925045	187695	1.5%	11631973	11311063	320910	2.8%

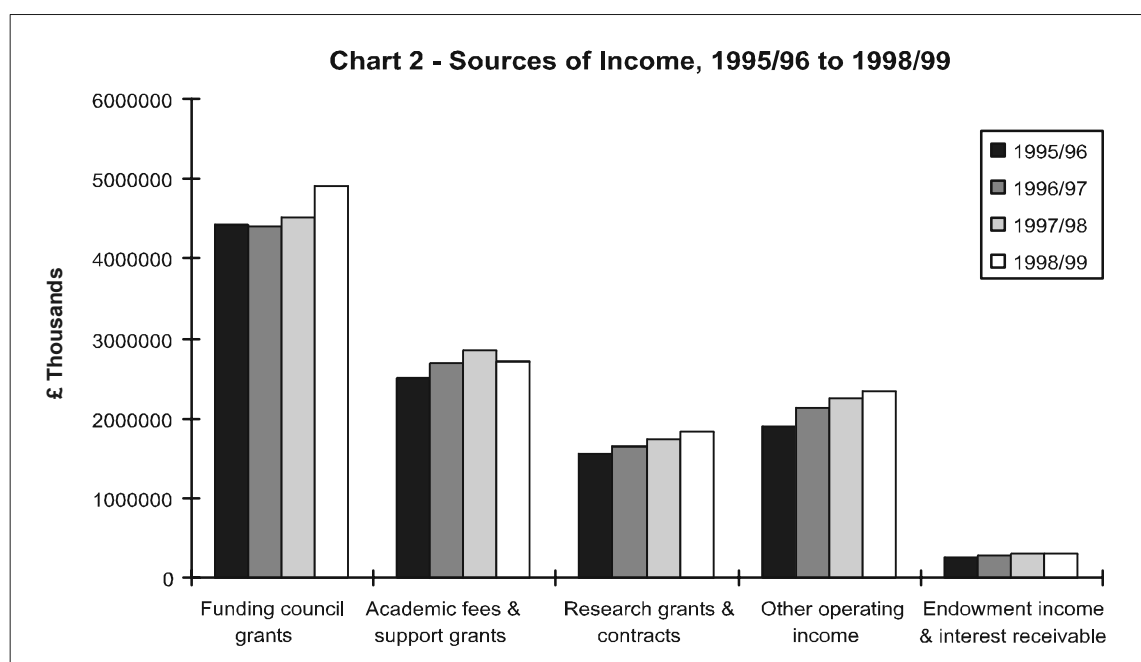
Income

It should be noted that 1998/99 saw a change in tuition fee arrangements which has resulted in a shift of income from academic fees & support grants to income from the higher education funding councils.

The table and chart below summarise institutions' sources of income in terms of proportions contributed by and the growth or otherwise of each source over time.

Table D - Sources of Income

	£ Thousands		
	1998/99	1997/98	% change
Funding council grants	4918452	4514330	9.0%
Academic fees & support grants	2717499	2846258	-4.5%
Research grants & contracts	1834692	1733939	5.8%
Other operating income	2350809	2239751	5.0%
Endowment income & interest receivable	291288	297695	-2.2%
Total	12112740	11631973	4.1%



Funding council grants have shown a second consecutive increase this year of 9%, and have also increased by almost two percentage points as a proportion of total income.

The following paragraphs look at these various income sources in more detail.

Funding Council Grants

Institutional funds for academic and other purposes are allocated primarily by the higher education funding councils for England, Wales and Scotland, and by the Department of Education for Northern Ireland acting as a funding agency for the two Northern Ireland universities. Some funds are also provided by the Teacher Training Agency, and further education funding councils in England and Wales in relation to some categories of FE teaching. (In Scotland it is impossible to disaggregate the funding of FE teaching.)

Table E - Breakdown of Funding Council Grants 1998/99

		£ Thousands
		% of total
Recurrent - teaching	3505464	71.3%
Recurrent - research	1011835	20.6%
Recurrent - other	136611	2.8%
Special initiatives	71537	1.5%
Capital grants - buildings	50390	1.0%
Capital grants - equipment	78795	1.6%
Grants for FE provision (not applicable in Scotland)	63820	1.3%
Total funding council grants	4918452	100.0%

The 9% overall increase in funding council grants for 1998/99 was more than accounted for by increases in grants for teaching and research - which also rose as a proportion of all funding council grants by more than one percentage point each. Capital grants for equipment, however, fell again to a little over a half of their 1997/98 levels.

Academic Fees and Support Grants

The total income for academic fees & support grants decreased this year from £2.8 billion in 1997/98 to £2.7 billion, a fall of 4.5%. Income from overseas students provided just under a quarter (23.4%) of this category's income.

Table F - Income from Academic Fees and Support Grants

	£ Thousands	
		% of total
Full-time HE course fees		
UK and EC domiciled students charged standard fees	1130828	41.6%
UK and EC domiciled students charged non-standard fees	336424	12.4%
Overseas (Non-EC)	635644	23.4%
Sub-total full-time HE course fees	2102896	77.4%
Part-time credit-bearing HE course fees	342159	12.6%
Non-credit-bearing course fees	229860	8.5%
FE course fees	20388	0.8%
Research training support grants	22196	0.8%
Total academic fees & support grants	2717499	100.0%

Research Grants and Contracts

Income from research grants & contracts grew overall by 5.9% to £1.8 billion. Within the total, however, other overseas grew at more than twice this rate. Research councils remained the largest providers of research grants & contracts at just under a third of the total and they increased their funding by 4.9% for 1998/99.

Table G - Income from Research Grants and Contracts

	£ Thousands	
		% of total
OST research councils	559606	30.5%
UK based charities	429163	23.4%
UK govt bodies, health & hospital authorities	316413	17.2%
UK industry, commerce & public corps	221188	12.1%
EU government bodies	155435	8.5%
EU other	28218	1.5%
Other overseas	91071	5.0%
Other sources	33598	1.8%
Total research grants & contracts	1834692	100.0%

Other Operating Income

This category grew by 5% during the financial year 1998/99 without any major changes in the percentage contribution by each component. The exceptions are a fall of 27.7% in monies from teaching companies and a 9.7% decline from UK industry, commerce & public corporations but a rise of 28.9% from EU government bodies.

Table H - Other Operating Income

	£ Thousands	
		% of total
Other services rendered		
Course validation fees	14499	0.6%
Teaching companies	18049	0.8%
UK government bodies, health & hospital authorities	181044	7.7%
UK industry, commerce & public corporations	111202	4.7%
EU government bodies	65298	2.8%
EU other	6974	0.3%
Other overseas	16665	0.7%
Other sources	227018	9.7%
Sub-total other services rendered	640749	27.3%
Residences & catering operations	851350	36.2%
Grants from local authorities	424	0.0%
Income from health & hospital authorities	210343	8.9%
Released from deferred capital grants	31959	1.4%
Income from intellectual property rights	14594	0.6%
Other general income	601390	25.6%
Total other operating income	2350809	100.0%

Expenditure

The 5.4% (£614 million) rise in expenditure to £11.9 billion as shown in the table below was largely made up of an increase of £410 million in staff costs and £185 million in other operating expenses.

Table I - Expenditure, Financial Years ending 1999 and 1998

	£ Thousands		
	1999	1998	% change
Staff costs	6891123	6481071	6.3%
Depreciation	521937	497392	4.9%
Other operating expenses	4311561	4126249	4.5%
Interest payable	200424	206351	-2.9%
Total	11925045	11311063	5.4%

The distribution of expenditure within the total (as set out in the following table) has changed little from the previous year although the share taken by premises fell and that accounted for by administrative & central services, increased marginally. The share of expenditure by individual academic departments increased in the cases of: nursing & paramedical studies, business & management studies, librarianship, communication & media studies, French, Spanish & German modern languages, and computer software engineering and fell in the cases of social studies and design & creative arts.

Table J - Distribution of Expenditure by Functional Area

	£ Thousands	
		% of total
Academic departments	5070751	42.5%
Academic services	849252	7.1%
Administrative & central services	1488878	12.5%
Premises	1288297	10.8%
Residences & catering operations	828883	7.0%
Research grants & contracts	1580688	13.3%
Other expenditure	818296	6.9%
Total expenditure	11925045	100.0%

Staff Data

Analysis by 'staff grade' is only meaningful where institutions have reported their staff within nationally recognised grade structures or within internal grade structures which facilitate differentiation on a similar basis. Several institutions, including some large post-1992 universities, report their staff on a single grade structure, and therefore, for example, the number of professors is significantly under-counted for these institutions, and for the sector as a whole. This under-counting will have a consequential effect on the proportions of professors within particular subject areas and cost centres, and also probably by gender, since grade distribution varies by subject. The Agency therefore advises caution in analysis of staff by grade.

Key Points:

- During the academic year to 31 July 1999 the number of the sector's academic staff grew by 2.4% to stand at 131,136.
- 69% of all full-time posts were wholly financed by the institutions themselves.
- The number of female academic staff increased by 5% in comparison to a less than 1% increase of men.
- 26% of all full-time staff were employed in medicine, dentistry & health departments.
- 82% of researchers were funded other than wholly by the institutions themselves.
- Just under a half of full-time non-clinical wholly institutionally financed staff were aged over 45.
- The average age of all academic staff was 41, unchanged for two years.
- 88% of full-time wholly institutionally financed non-clinical academic staff were working in the same institution as they were in the previous year.
- 4% of responding UK nationality staff were known to have a non-white ethnicity and 1% of responding staff of UK nationality were known to have a disability.

General

Table A - Summary - Academic Staff in all UK Institutions

United Kingdom			
	Full-time	Part-time	Total
Mode of employment	112374	18762	131136
Gender			
Female	35727	9907	45634
Male	76647	8855	85502
Principal source of salary			
Wholly institutionally financed	77080	14470	91550
Other sources of finance	35294	4292	39586
Primary employment function			
Teaching/Teaching & research	77811	14354	92165
Research only	34563	4408	38971
Grade			
Professors	10187	623	10810
Senior lecturers & researchers	19835	1677	21512
Lecturers	43185	6930	50115
Researchers	30964	3969	34933
Other grades	8203	5563	13766
Clinical status			
Non-clinical	106057	17981	124038
Clinical	6317	781	7098

Some 131,136 academic staff were employed by UK HEIs in the academic year to 31 July 1999. The 2.4% increase in staff numbers during the year was more than accounted for by continued growth in the number of those employed part-time (from 17,592 to 18,762) who comprised some 14% of staff.

While just over one third (35%) of all staff were female, women comprised just over a half (53%) of those working part-time.

69% of full-time posts were wholly financed by the institutions themselves, this proportion rising to over 77% for part-time posts. This is the same as the proportions of full-time and part-time posts which include teaching as a primary employment function.

Region and Clinical Status

Table B - Full-time Academic Staff in all UK Institutions by Location of Institution

United Kingdom					
	Location of Institution				Total
	England	Wales	Scotland	Northern Ireland	
All full-time staff	90194	5419	14210	2551	112374
Female	28961	1603	4397	766	35727
Wholly institutionally financed	18321	1187	2444	535	22487
Non-clinical	17972	1172	2377	534	22055
Clinical	349	15	67	1	432
Other sources of finance	10640	416	1953	231	13240
Non-clinical	9740	397	1829	213	12179
Clinical	900	19	124	18	1061
Male	61233	3816	9813	1785	76647
Wholly institutionally financed	43377	2980	6900	1336	54593
Non-clinical	41921	2905	6555	1336	52717
Clinical	1456	75	345	0	1876
Other sources of finance	17856	836	2913	449	22054
Non-clinical	15403	741	2589	373	19106
Clinical	2453	95	324	76	2948

Overall, 63% of full-time clinical posts were financed other than by the institutions themselves; this compares with an average of 30% for all posts. Women made up 24% of all full-time staff with clinical status.

Full-time posts held by women were less likely to be funded by the institutions themselves compared to men; 37% of such female staff were funded other than wholly by the institution compared with 29% of males. There was some variation at UK country level, most notably, 44% of full-time women employed in Scottish institutions were at least in part externally funded.

Departmental Cost Centres, Principal Source of Salary and Grade

Table C - Full-time Academic Staff in all UK Institutions by Principal Source of Salary, Gender and Departmental Cost Centre

United Kingdom

	Wholly Institutionally Financed			All Other Sources of Finance		
	Female	Male	Total	Female	Male	Total
Departmental cost centres	22487	54593	77080	13240	22054	35294
Medicine, dentistry & health	6340	7611	13951	7225	7697	14922
Agriculture, forestry &	448	1420	1868	301	431	732
Biological, mathematical &	2228	11117	13345	3217	7200	10417
Engineering & technology	1061	9176	10237	780	4528	5308
Architecture & planning	343	1544	1887	78	201	279
Administrative, business &	5154	11880	17034	966	1268	2234
Language based studies	2041	2799	4840	122	134	256
Other arts	2279	5656	7935	258	368	626
Education	2276	2973	5249	238	183	421
Academic services	218	262	480	41	35	76
Administration & central	99	154	253	14	9	23
Premises	0	0	0	0	0	0
Residences & catering	0	1	1	0	0	0

Some 38% of the sector's female full-time employees worked in medicine, dentistry & health while biological, mathematical & physical science departments account for almost a quarter (24%) of full-time men (21% of all staff).

52% of full-time staff in departments of medicine, dentistry & health and 44% in biological, mathematical & physical science were financed other than wholly by the institutions themselves. Departments with the fewest partially or wholly externally funded staff were in the areas of language based studies (5%), other arts (7%) and education (7%).

Departments of agriculture, forestry & veterinary science and education show the greatest differences in the gender ratios for staff who were wholly institutionally funded and those who were not. Among those in education departments receiving external funding, women outnumber men, the reverse being true for those whose posts were wholly funded by the institution.

The total number of full-time academic staff in the departments of architecture & planning (-2%), biological, mathematical & physical science (-2%), and other arts (-1%) have all decreased.

While overall, 31% of full-time staff were at least partially externally funded, some 82% of researchers were so financed; researchers made up nearly three quarters (72%) of all staff for whom finance was received from outside the institution.

The number of female full-time wholly institutionally financed professors increased 22% from the 1997/98 academic year (from 763 to 934).

As previously observed, posts held by women were slightly more likely to receive external finance than those held by men.

Table D - Full-time Academic Staff in all UK Institutions by Principal Source of Salary, Grade and Gender

United Kingdom

	Principal Source of Salary		Total
	Wholly institutionally financed	Other sources of finance	
Professors	9217	970	10187
Female	934	107	1041
Male	8283	863	9146
Senior lecturers & researchers	17524	2311	19835
Female	3670	672	4342
Male	13854	1639	15493
Lecturers	38905	4280	43185
Female	13526	1791	15317
Male	25379	2489	27868
Researchers	5474	25490	30964
Female	2121	9750	11871
Male	3353	15740	19093
Other grades	5960	2243	8203
Female	2236	920	3156
Male	3724	1323	5047
Total	77080	35294	112374

Age

(Note: unless otherwise stated, the figures in this and the following section relate only to full-time non-clinical staff, wholly financed by the institution.)

Table E - Full-time Non-clinical Wholly Institutionally Financed Academic Staff by Grade and Age

United Kingdom

	Professors	Senior lecturers & researchers	Lecturers	Researchers	Other grades	Total
Under 26	1	2	265	707	237	1212
26-30	3	68	3432	1686	478	5667
31-35	103	663	7229	1206	551	9752
36-40	501	1887	6986	712	740	10826
41-45	1145	2907	6341	458	932	11783
46-50	1953	3894	6096	323	1217	13483
51-55	2394	4102	4796	235	1083	12610
56-60	1617	2307	2254	92	446	6716
61-65	738	810	807	37	161	2553
66+	63	23	39	6	17	148
Unknown	2	0	4	1	15	22
Total	8520	16663	38249	5463	5877	74772

Of those staff whose age was known 48% were aged over 45 and 18% were aged between 46 and 50. Almost one half (49%) of all professors and senior lecturers & researchers were aged from 46 to 55 and two thirds (66%) of researchers were aged under 35. However, the average age of **all** academic staff was 41 (unchanged for two years).

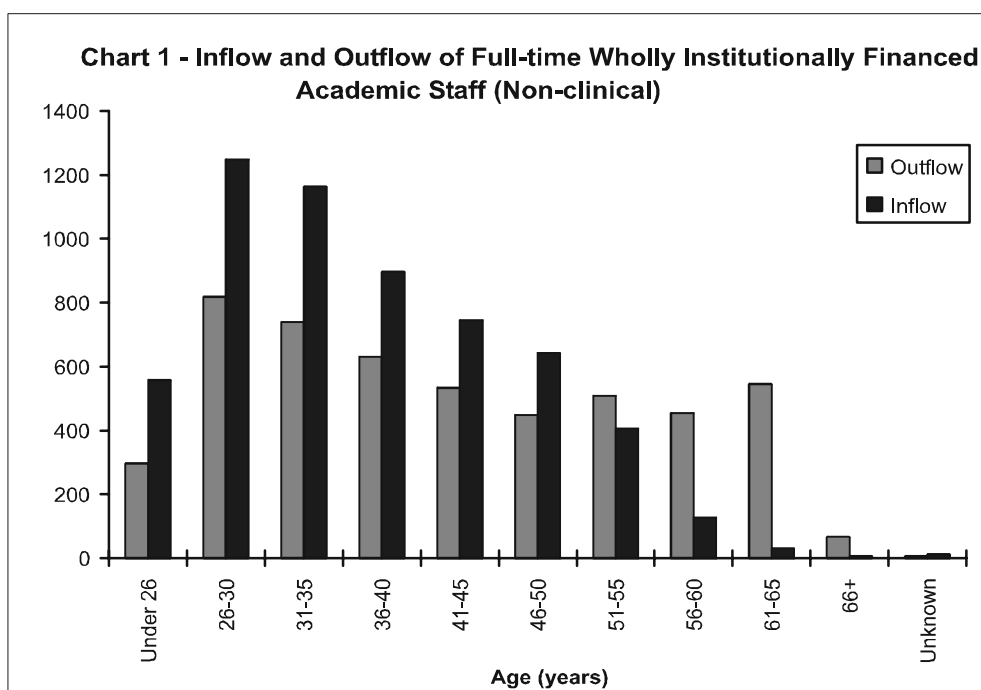
Inflow/Outflow

During the academic year to 31 July 1999, 88% of staff were working in the same institution as they were one year earlier and a further 4% were working in another HEI. An inflow of 5,836 staff outnumbered the loss of 5,052 staff. Retirement was the largest single known reason for departures and the sector gained more staff from overseas than left to work overseas. Caution should be exercised when further analysing staff flows on account of the size of the unknown category.

Table F - Full-time Wholly Institutionally Financed Academic Staff by Employment in the Previous Year and Destination

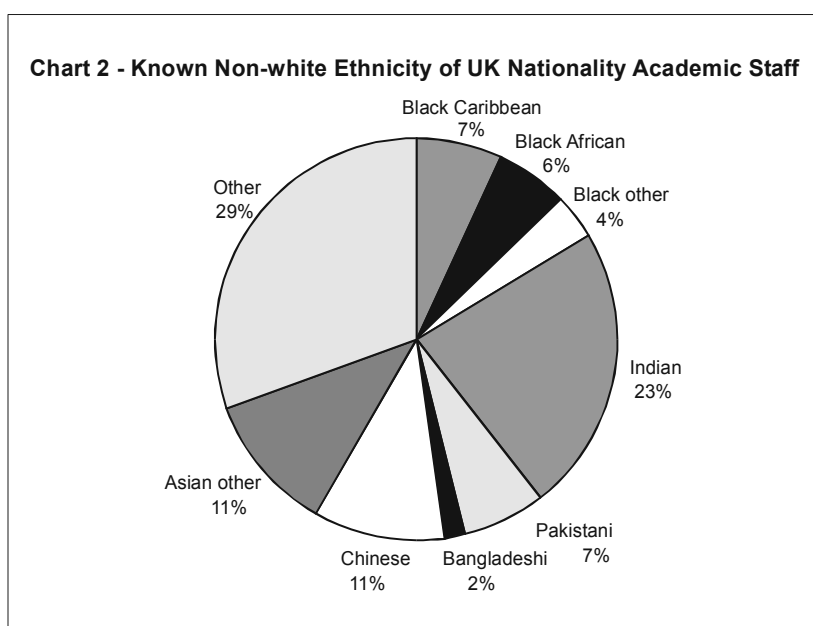
United Kingdom			
	Total		Total
Employment in the previous year		Destination	
Non-clinical	74772	Non-clinical	74772
Current institution	65992	Current institution	68661
UK other HEI	2944	UK other HEI	1059
Inflow	5836	Outflow	5052
UK	3185	UK	561
Overseas	976	Overseas	294
Not in regular employment	110	Not in regular employment	283
Not known	1565	Retirement	823
		Death	76
		Not known	3015

Chart 1 displays graphically the inflow and outflow by age groups.



Ethnicity

Although 11% of academic staff of UK nationality declined to disclose their ethnic group, of those that did 4% (4,032 staff) were of non-white ethnicity. Chart 2 shows the percentages of those of non-white ethnicity represented by each visible ethnic minority group.



Disability

Of the 90% of staff who disclosed this information, just under 1% were known to be disabled. For part-time staff this figure was marginally higher as is the proportion of non-disclosures.

Table G - Academic Staff of UK Nationality by Disability Status and Mode of Employment

United Kingdom

	Not known to be disabled	Disabled but not registered	Registered disabled	Total of known disability status	Information not provided	Total(1)
Total	92907	722	204	93833	10162	103995
Full-time	79663	599	168	80430	8586	89016
Part-time	13244	123	36	13403	1576	14979

(1) See note 4 in Notes on Tables.