# 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 (HE) institutions 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 1998. 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 broadly follows the pattern of last year's volume, which was concerned with the academic year ending on 31 July 1997.

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 (HEIs), 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 1998 HESA collected finance and staff data from all publicly-funded UK HEIs for the financial year 1997/98 (i.e. the period 1 August 1997 to 31 July 1998). 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 £761 million (7%).
- There have been substantial increases in both short-term borrowing (£348 million) and short-term investments (£278 million).

#### **Income and Expenditure**

- Income during the year amounted to £11.6 billion.
- The surplus of income over expenditure was £283 million.

#### **Sources of Income**

- Funding council grants increased by £136 million or 3% but represent a declining share of total income.
- The proportion of total academic fees & support grants contributed by UK students charged full-time HE
  home fees fell by two percentage points while income from full-time HE students charged overseas and
  other fees rose by one percentage point.
- Research councils provided just under a third of research grants & contracts; the largest, although declining, share of the total.

#### **Expenditure**

- Increases of £232 million in operating expenses and £164 million in staff costs largely accounted for a 4% rise in total expenditure.
- The share of total expenditure represented by academic departments fell and that accounted for by research grants & contracts increased, marginally.

#### **Balance Sheet**

A comparison of the HE sector's balance sheet at 31 July 1998 with that at 31 July 1997 shows a £348 million increase in short-term creditors while amounts due after more than one year have fallen by £141 million. This increase in short-term borrowing was matched by substantial increases in short-term investments (£278 million) and debtors (£74 million). Overall, the ratio of current assets to current liabilities has fallen marginally from 1.6:1 to 1.5:1.

Table A - Balance Sheet

	Balance (£M) as at 31 July			
	1998	1997	Change	(%)
Fixed assets				
Tangible assets	11746	10985	761	6.9%
Investments	373	487	-114	-23.4%
Total	12119	11472	647	5.6%
Endowment asset investments	2485	2201	285	12.9%
Current assets				
Stocks & stores in hand	61	62	-]	-0.9%
Debtors	1210	1136	74	6.5%
Investments	1676	1398	278	19.9%
Cash at bank & in hand	601	594	8	1.3%
Total	3549	3189	360	11.3%
Creditors: amounts falling due within one year	2370	2022	348	17.2%
Net current assets	1178	1167	12	1.0%
Total assets less current liabilities	15783	14839	943	6.4%
Creditors: amounts falling due after more than one year	2141	2282	-141	-6.2%
Provisions for liabilities & charges	680	650	31	4.7%
Total assets less liabilities	12961	11907	1054	8.8%
Deferred capital grants	2537	2380	157	6.6%
Total net assets	10424	9527	897	9.4%
Endowments				
Specific	1999	1749	250	14.3%
General	513	479	34	7.2%
Total	2512	2228	284	12.8%
Reserves				
Revaluation reserve	4501	4344	157	3.6%
Minority interest	2	26	-23	-90.9%
Income & expenditure account	3409	2930	478	16.3%
Total	7912	7299	613	8.4%
Total funds	10424	9527	897	9.4%

Some of the totals do not add up to those shown due to rounding.

A wider perspective, however, shows that investments (other than current assets) have fallen by just under one quarter to £373 million although the value of tangible assets has increased by £761 million (7%).

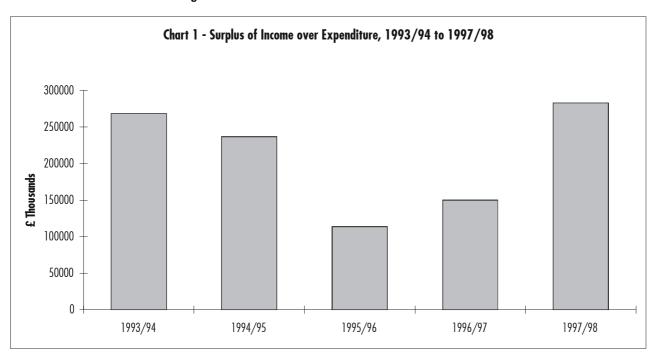
## **Income and Expenditure**

The income of the HE sector totalled £11.6 billion during the financial year to 31 July 1998; this compares with £11 billion for the previous year. The surplus of income over expenditure rose by £133 million to approaching twice its 1996/97 level.

Table B - Total Income and Expenditure, Financial Years 1997/98 and 1996/97

			£ Thousands
	1997/98	1996/97	% change
Income	11616711	11049899	5.1%
Expenditure	11333890	10899818	4.0%
Surplus	282821	150081	88.4%
Surplus as percentage of income	2.4%	1.4%	

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 five years for which HESA now has data. Data were returned to HESA for financial year 1993/94 onwards; figures for previous financial years are set out in earlier editions of this volume.



As the sector's overall surplus continued to rise, so have the number of individual institutions reporting a surplus or breakeven (136 in 1997/98 compared with 120 in 1996/97). Deficits were reported by 39 institutions in 1997/98 compared with 55 institutions in 1996/97. 27 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. Both Welsh and Northern Irish institutions have returned significant surpluses in financial year 1997/98 through growth of income; the former having, in 1996/97, merely broken even and the latter having recorded a deficit amounting to 1% of income.

Table C - Income and Expenditure by UK Country

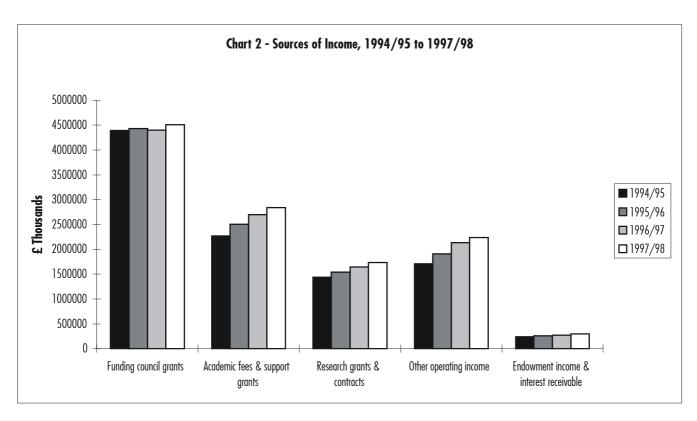
	Fin	ancial Year 1997	/98		Fir	ancial Year 199	6/97	
			Surplus/				Surplus/	
Location of Institution	Income	Expenditure	Deficit	%	Income	Expenditure	Deficit	%
England	9500322	9233224	267098	2.8%	9009315	8860884	148431	1.6%
Wales	555876	544709	11167	2.0%	544671	543919	752	0.1%
Scotland	1326490	1324648	1842	0.1%	1274529	1271314	3215	0.3%
Northern Ireland	234023	231309	2714	1.2%	221384	223701	-2317	-1.0%
Total	11616711	11333890	282821	2.4%	11049899	10899818	150081	1.4%

#### Income

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

997/98	1996/97	% change
1507565	1371811	2.10/
	TU/ 1044	3.1%
2840074	2683173	5.8%
1733279	1613862	7.4%
2238007	2111943	6.0%
297786	269077	10.7%
316711	11049899	5.1%
	2840074 1733279 2238007 297786 <b>616711</b>	1733279     1613862       2238007     2111943       297786     269077



Although funding council grants have shown their first significant increase in the four years under examination, they continue to represent a declining portion of total income, 38.8% in 1997/98 compared with 43.7% in 1994/95. Over this longer period, the drivers of income growth have been other operating income and academic fees & support grants; their shares of total income have increased 2.3 and 1.8 percentage points, respectively.

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 1997/98

		£ Thousands
		% of total
Recurrent - teaching	3094390	68.6%
Recurrent - research	883328	19.6%
Recurrent - other	211549	4.7%
Special initiatives	64495	1.4%
Capital grants - buildings	70798	1.6%
Capital grants - equipment	128589	2.9%
Grants for FE provision (not applicable in Scotland)	54416	1.2%
Total funding council grants	4507565	100%

The 3% overall increase in funding council grants for 1997/98 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 to a little over a half of their 1996/97 level.

#### **Academic Fees and Support Grants**

Within the £2.8 billion total for academic fees & support grants (which grew by 6% in the 1997/98 financial year) the main feature is a decrease in the proportion contributed by UK students charged home fees to 44%, from 46% in 1996/97. Income from students charged overseas and other fees rose as a proportion by one percentage point to 22% of this category.

Table F - Income from Academic Fees and Support Grants

		£ Thousands
		% of total
Full-time HE course fees		
UK domiciled students charged home fees	1253775	44.1%
Non-UK domiciled students charged home fees	77689	2.7%
Students charged overseas & other fees	622085	21.9%
Sub-total full-time HE course fees	1953549	68.8%
Part-time credit-bearing HE course fees	311026	11.0%
Non-credit-bearing course fees	204850	7.2%
FE course fees	15323	0.5%
Other teaching contract courses core activities	333871	11.8%
Research training support grants	21455	0.8%
Total academic fees & support grants	2840074	100.0%

#### **Research Grants and Contracts**

Income from research grants & contracts grew overall by 7% to £1.7 billion. Within the total, however, categories European Union (EU) other and other overseas grew at more than twice this rate and monies contributed by UK industry, commerce & public corporations grew by 10%. Research councils remained the largest providers of research grants & contracts at just under a third of the total although they only increased their funding by 2% for 1997/98.

Table G - Income from Research Grants and Contracts

		£ Thousands
		% of total
OST research councils	533599	30.8%
UK based charities	399216	23.0%
UK govt bodies, health & hospital authorities	306319	17.7%
UK industry, commerce & public corps	207033	11.9%
EU government bodies	143302	8.3%
EU other	26247	1.5%
Other overseas	78711	4.5%
Other sources	38852	2.2%
Total research grants & contracts	1733279	100.0%

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#### **Other Operating Income**

This category grew by 6% during the financial year 1997/98 without any major changes in the percentage contribution by each component. The exception is a fall of 2% in monies from UK government bodies, health & hospital authorities but a rise of 15% in income from health & hospital authorities.

Table H - Other Operating Income

		£ Thousands
		% of total
Other services rendered		
Course validation fees	13680	0.6%
Teaching companies	24951	1.1%
UK government bodies, health & hospital authorities	174945	7.8%
UK industry, commerce & public corporations	123107	5.5%
EU government bodies	50656	2.3%
EU other	11150	0.5%
Other overseas	19755	0.9%
Other sources	215454	9.6%
Sub-total other services rendered	633698	28.3%
Residences & catering operations	820828	36.7%
Grants from local authorities	1307	0.1%
Income from health & hospital authorities	185674	8.3%
Released from deferred capital grants	30507	1.4%
Income from intellectual property rights	21136	0.9%
Other general income	544857	24.3%
Total other operating income	2238007	100.0%

## **Expenditure**

The 4% (£434 million) rise in expenditure to £11.3 billion as shown in the table below was largely made up of an increase of £232 million in operating expenses and £164 million in staff costs.

Table I - Expenditure, Financial Years ending 1997/98 and 1996/97

			Ł Inousanas
	1997/98	1996/97	% change
Staff costs	6479177	6315435	2.6%
Depreciation	496644	471103	5.4%
Other operating expenses	4153081	3921226	5.9%
Interest payable	204988	192054	6.7%
Total	11333890	10899818	4.0%

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 academic departments fell and that accounted for by research grants & contracts increased, marginally. The share of expenditure by individual academic departments increased in the cases of: nursing & paramedical studies, biosciences, general engineering, electrical, electronic & computer engineering and design & creative arts and fell in the cases of agriculture & forestry, general sciences, other technologies and information technologies & systems sciences.

Table J - Distribution of Expenditure by Functional Area

		£ Inousanas
		% of total
Academic departments	4789305	42.3%
Academic services	769710	6.8%
Administrative & central services	1358314	12.0%
Premises	1286346	11.3%
Residences & catering operations	816505	7.2%
Research grants & contracts	1482383	13.1%
Other expenditure	831327	7.3%
Total expenditure	11333890	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 1998 the number of the sector's academic staff grew by 0.4% to stand at 128.076.
- 69% of all full-time posts were wholly financed by the institutions themselves.
- One quarter of all full-time staff were employed in medicine, dentistry & health departments.
- 83% of researchers were funded other than wholly by the institutions themselves.
- Just under a half of all staff were aged over 45 with the average age being 41.
- Some 90% of academic staff were working in the same institution as they were in the previous year.
- 4% of responding staff were known to have a non-white ethnicity and 1% of responding staff were known to have a disability.

#### General

Table A - Summary - Academic Staff in all UK Institutions

**United Kingdom** 

	Full-time	Part-time	Total
Node of employment	110484	17592	128076
Gender			
Female	34230	9064	43294
Male	76254	8528	84782
Principal source of salary			
Wholly institutionally financed	75914	13592	89506
Other sources of finance	34570	4000	38570
Primary employment function			
Teaching/Teaching & research	76687	13560	90247
Research only	33797	4032	37829
Grade '			
Professors	9335	570	9905
Senior lecturers & researchers	19518	1580	21098
Lecturers	43559	6787	50346
Researchers	30155	3511	33666
Other grades	7917	5144	13061
ilinical status			
Non-clinical	104232	16703	120935
Clinical	6252	889	7141

Some 128,076 academic staff were employed by UK HEIs in the academic year to 31 July 1998. The 0.4% increase in staff numbers during the year was more than accounted for by continued growth in the number of those employed part-time (from 16,794 to 17,592) who comprised some 14% of staff.

While only one third of all staff were female, women comprised just over a half 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				
	England	Wales	Scotland	Northern Ireland	Tota
All full-time staff	89115	5324	13481	2564	110484
Female	27842	1541	4114	733	34230
Wholly institutionally financed	17585	1144	2390	474	21593
Non-clinical	17231	1131	2330	472	21164
Clinical	354	13	60	2	429
Other sources of finance	10257	397	1724	259	12637
Non-clinical	9336	378	1619	244	11577
Clinical	921	19	105	15	1060
Male	61273	3783	9367	1831	76254
Wholly institutionally financed	43290	2981	6723	1327	54321
Non-clinical	41810	2907	6417	1323	52457
Clinical	1480	74	306	4	1864
Other sources of finance	17983	802	2644	504	21933
Non-clinical	15522	702	2380	430	19034
Clinical	2461	100	264	74	2899

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 less than a quarter of all full-time staff with clinical status.

Full-time posts held by women were less likely to be funded by the institutions themselves; 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, 42% 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	21593	54321	75914	12637	21933	34570
Medicine, dentistry & health	6104	7390	13494	6849	7532	14381
Agriculture, forestry & veterinary science	398	1384	1782	307	449	756
Biological, mathematical & physical science	2246	11593	13839	3084	7230	10314
Engineering & technology	866	8748	9614	714	4532	5246
Architecture & planning	347	1598	1945	79	190	269
Administrative, business & social studies	4931	11734	16665	972	1294	2266
Language based studies	1985	2805	4790	107	122	229
Other arts	2289	5799	8088	233	359	592
Education	2130	2876	5006	240	171	411
Academic services	197	243	440	43	50	93
Administration & central services	100	150	250	9	4	13
Premises	0	0	0	0	0	0
Residences & catering	0	1	i	0	0	0

Some 38% of the sector's female full-time employees worked in medicine, dentistry & health departments (which account for a quarter of all full-time employees) while biological, mathematical & physical science departments account for a quarter of full-time men (22% of all staff).

50% of full-time staff in departments of medicine, dentistry & health and 43% 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 (8%).

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.

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

**United Kingdom** 

	Principal Source o		
	Wholly institutionally financed	Other sources of finance	Total
Professors	8441	894	9335
Female	763	100	863
Male	7678	794	8472
Senior lecturers & researchers	17293	2225	19518
Female	3367	645	4012
Male	13926	1580	15506
Lecturers	39497	4062	43559
Female	13499	1625	15124
Male	25998	2437	28435
Researchers	4999	25156	30155
Female	1817	9332	11149
Male	3182	15824	19006
Other grades	5684	2233	7917
Female	2147	935	3082
Male	3537	1298	4835
Total	75914	34570	110484

While, overall, 31% of full-time staff were at least partially externally funded, some 83% of researchers were so financed; researchers made up nearly three quarters of all staff for whom finance was received from outside the institution.

As previously observed, posts held by women were slightly more likely to receive external finance than those held by men; this holds for all grades but is particularly evident at the senior lecturers & researchers level.

### Age

(Note: 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** 

	!	Senior lecturers &					
	Professors	researchers	Lecturers	Researchers	Other grades	Total	
Under 26	0	7	291	669	238	1205	
26-30	4	38	3531	1549	498	5620	
31-35	70	548	7300	1077	588	9583	
36-40	422	1836	6971	632	707	10568	
41-45	1084	2856	6430	406	875	11651	
46-50	1963	4230	6676	312	1234	14415	
51-55	2055	3831	4508	216	876	11486	
56-60	1460	2274	2281	90	425	6530	
61-65	660	753	774	29	148	2364	
66+	76	31	42	10	14	173	
Unknown	2	0	6	2	16	26	
Total	7796	16404	38810	4992	5619	73621	

48% of staff were aged over 45 and 20% were aged between 46 and 50. One half of all professors and senior lecturers & researchers were aged from 46 to 55 and two thirds of researchers were aged under 35. The average age of all academic staff was 41 (unchanged from 1996/97).

### Inflow/Outflow

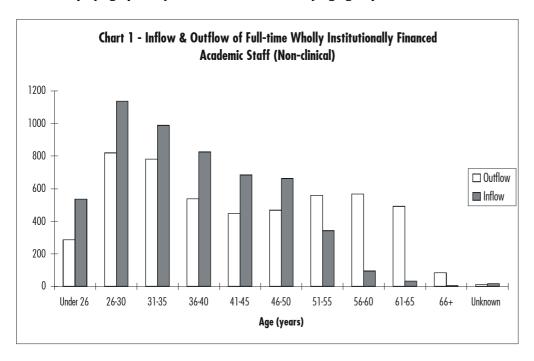
During the academic year to 31 July 1998, 90% of staff were working in the same institution as they were one year earlier and a further 3% were working in another HEI. An inflow of 5,323 staff outnumbered the loss of 5,052 staff in contrast to the previous year's fall in full-time wholly institutionally financed staff levels. 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 Kinadom** 

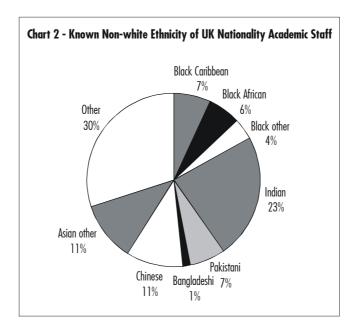
	Total		Total
Employment in the previous year		Destination	
Non-clinical	73621	Non-clinical	73621
Current institution	65944	Current institution	67749
UK other HEI	2354	UK other HEI	820
Inflow	5323	Outflow	5052
UK	2667	UK	586
Overseas	737	Overseas	299
Not in regular employment	124	Not in regular employment	286
Not known	1795	Retirement	1094
		Death	59
		Not known	2728

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



## **Ethnicity**

Although 12% of all academic staff declined to disclose their ethnic group, of those that did 4% (3,790 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	Kina	dom
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	Not known to be disabled	Disabled but not registered	Registered disabled	Total for whom returns were made	Information not provided	Total
<b>Total</b> Full-time	<b>90864</b> 78559	<b>678</b> 556	<b>185</b> 153	<b>91727</b> 79268	<b>10790</b> 9079	102517 88347
Part-time	12305	122	32	12459	1711	14170