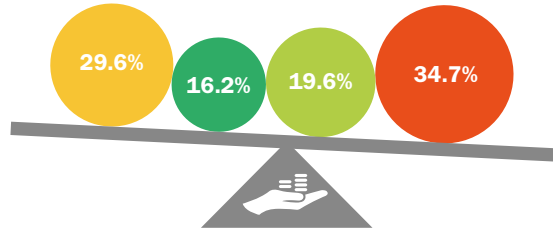


Income and Expenditure in Higher Education

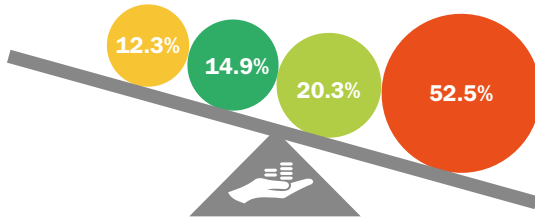
Where does the money come from?

Income

Income in UK HEIs 2011-12 £27.9bn



Income in UK HEIs 2021-22 £46.9bn



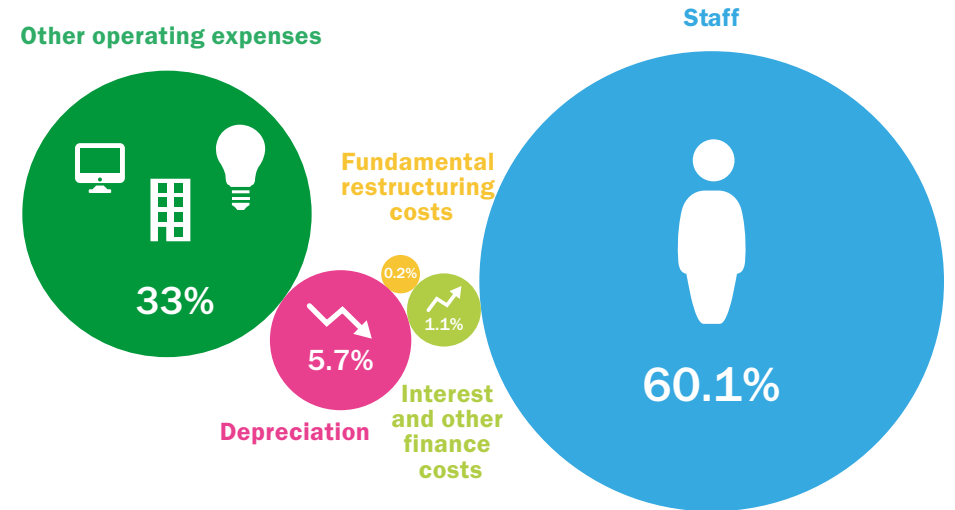
- Funding body grants
- Research grants and contracts
- Other income - including investment income, donations and endowments
- Tuition fees (and education contracts)

Source: HESA.

What do UK HE institutions spend their money on?

Expenditure

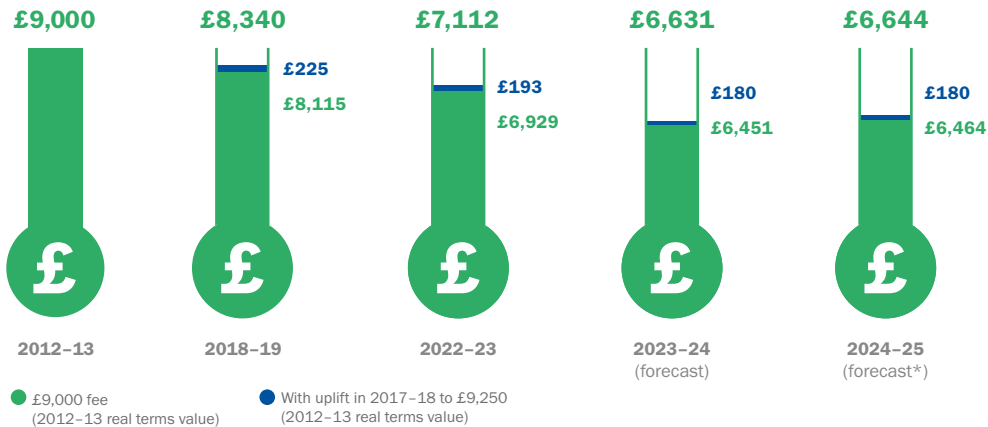
Total expenditure 2021-22



Sources: HESA. Based on 'head counts' numbers (FPE), excluding atypical staff.

What are student fees really worth?

Estimated value of the maximum £9,000 English undergraduate fee from 2012-13



Notes: Estimate based on CPI increases allowed from September 2022 compared to the 2012-13 fee in real terms.
 *The OBR forecasts CPI inflation to fall to -0.2 in Q3 of 2024. This would result in a slight rise in the real value of tuition fees year-on-year.
 Sources: OBR, UCAS and UCEA.

How do UK HE investment increases in staff and capital expenditure compare?



26% increase in expenditure on staff

26% fall in capital expenditure on buildings

29% increase in capital expenditure on equipment

Source: HESA.

Income and Expenditure in Higher Education (2)

How do HE institutions report the complexities of their finances?

HE institutions publish financial information annually. This is compiled from HE institutions' records and is audited by independent auditors against international auditing standards. They are presented in a standard format set out in the FEHE SORP.

See the Universities UK website at www.universitiesuk.ac.uk/what-we-do/policy-and-research/publications/statement-recommended-practice

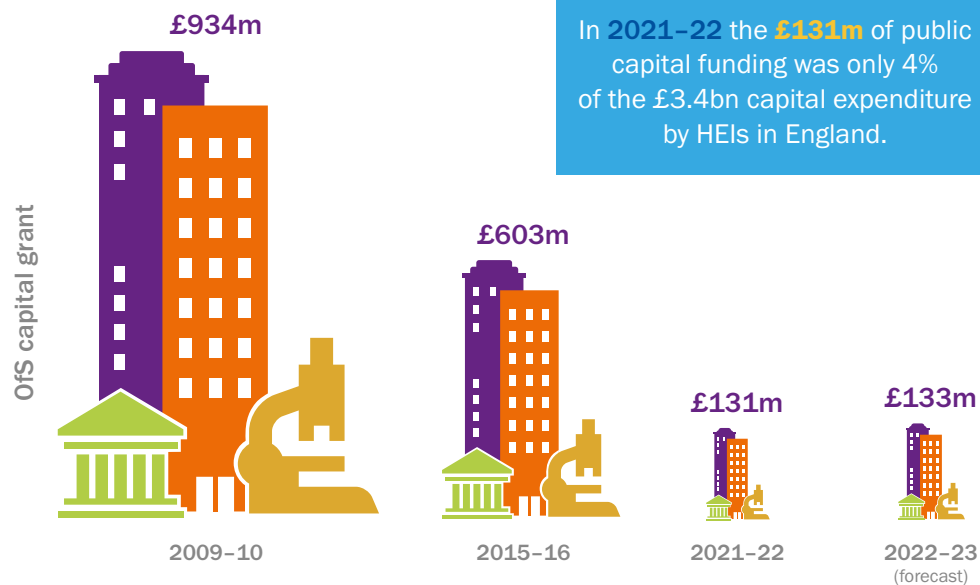
More information about how to read HE institutions' financial information is available on the British Universities Finance Directors Group (BUFDG) website at www.bufdg.ac.uk/knowledge-hub/understanding-finance

You can also find a searchable list of HE institutions' financial statements on the BUFDG website at www.bufdg.ac.uk/the-bufdg-network/financial-statements

How do HE institutions maintain investment in buildings and equipment?

Public capital funding for HE institutions in England

"Many providers rely significantly on the availability of borrowing to fund capital investment programmes and any reduction in the confidence that lenders have in the financial viability and sustainability of the sector could affect the availability and/or cost of borrowing for some providers." OfS

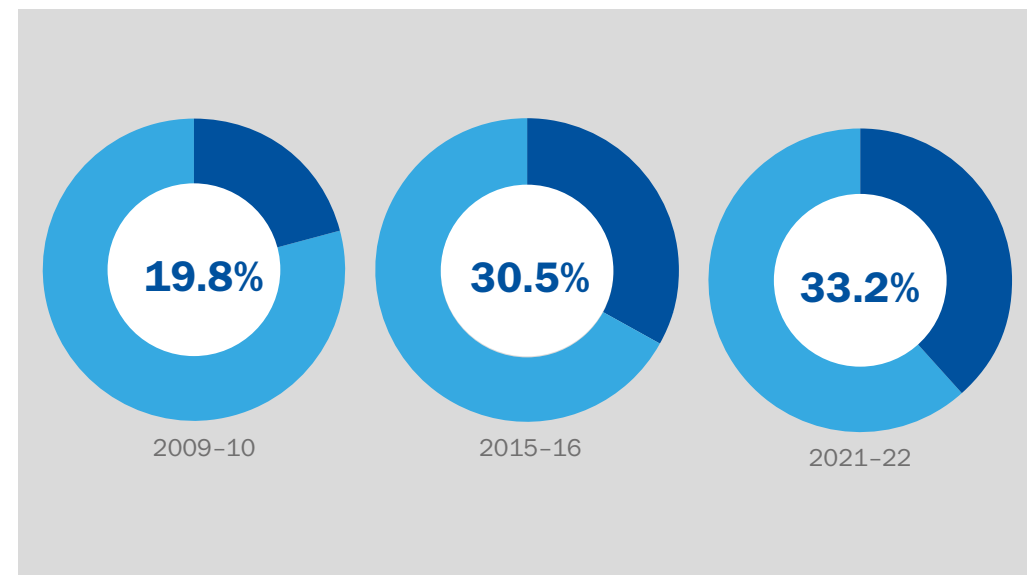


Sources: HEFCE, Office for Students and HESA.

How do HE institutions maintain investment in buildings and equipment?

Borrowing

As capital funding has been reduced, HE institutions have increased borrowing from 19.8% of income to 33.2% of income.



Note: Borrowing considers bank loans and external borrowing, bank overdrafts, obligations under finance leases and service concessions and loans repayable to funding council. Source: HESA.