

University of X 2002-3

The financial information here is largely based on past accounts and funding circulars. **See attached table for details.** Some financial information is not currently available – the most valuable being X's budget for the current year and forecasts for future years. We recommend that the Local Association obtains a copy of these. The information that follows identifies key elements of X's budgeting process, but it cannot predict assumptions and decisions that result in the final budget.

Finance

- Total income increased by 9.3% on the previous year, to £126.3 million.
- Total expenditure increased by 10.6% on the previous year, to £124.7 million.
- Staff costs were £72.5 million, which was 58.2% of total expenditure. Expenditure on total staff costs increased by 11.4% on the previous year. In UK HE as a whole in 2002-3, total expenditure on staff costs was 58.5%. By contrast, in 1976-77 the proportion of total expenditure going on staff costs in UK higher education as a whole was 70%.
- In 2002-3 X's academic staff costs were £52.7 million, which was 42.3% of total expenditure. In UK higher education as a whole, academic staff costs were 33.3% of total expenditure.
- The operating surplus simply from income and expenditure of £1.66 million was 1.3% of total income. The operating surplus after tax and other items was £1.71 million, which was 1.4% of total income.¹
- In 2004-5 X's income from HEFCE grant and home & EU tuition fees will be £45.7 million, an increase of £2.8 million, or 6.5%, on the previous year.
- Under Round I of the HEFCE Rewarding and Developing Staff Initiative, X was allocated £594,163 in 2001-2, £896,460 in 2002-3 and £1.4 million in 2003-4. This funding was additional to HEFCE grants for teaching and research; it is being consolidated into the main HEFCE grant for teaching from 2004-5. Additional RDSI funding, under Round II of the initiative, will be available in 2004-5 and 2005-6.

Pay

- The average salary of full-time academics at X increased by 4.7% on the previous year to £32,084. In UK HE as a whole, the average full-time academic salary in 2002-3 was £33,931.²
- Full-time female academics earned 84.7% of the salary of their male colleagues (a gender pay gap of 15.3%, compared with 14.9% in the UK overall).
- Full-time non-white academics – of UK nationality – earned 88.0% of the salary of their white colleagues (an ethnicity pay gap of 12.0%, compared with 6.2% in the UK overall).

¹ The HEFCE guideline is that institutions should have a surplus on income & expenditure after tax, minority interest, disposal of assets, and historical cost revaluation (if any), of 3% to 5% of total income. See HEFCE 2002/34 section B para 1.4

² All average salary data used here for full-time academic staff is provided by the Higher Education Statistics Agency. Average salaries for other staff are not currently available.

Information in this datafile on average salaries is for AUT purposes within the LA. It may not be passed on to any third party or be published in any form (except for internal institution newsletters). Please contact stephen.court@aut.org.uk if you want to publish on a website. HESA does not take responsibility for any inferences derived from the data.

- There is a variety of reasons for the existence of gender and ethnicity pay gaps at institutions, including the subject mix, and the proportion of research-only staff. The information here is given as a broad indication of whether there are potential problems that need to be further examined through, for example, an institutional pay audit.

How much is available for more spending on pay?

- The AUT's preferred model for expenditure on academic and related staff pay involves an estimated increase of 11.1% on pay expenditure over two years from August 2003. The implementation of the UCEA Framework Agreement by 2006 is estimated to cost an additional 8.4% over two years.
- Given that institutions in England as a whole are planning for a 7.8% increase in staff costs in 2003-4, and a 4.6% increase in staff costs in 2004-5,³ an increase in staff costs of around 11% over two years should be within budgetary expectations.
- In 2002-3, total staff costs at X were £72.5 million, with £52.7 million spent on academic staff costs.⁴ 11% of academic staff costs - the approximate cost of the AUT's preferred model – is £5.8 million. A large proportion of this additional expenditure should already have been built into X's financial forecasts for the period.
- In 2002-3 X had an overall increase in income of £10.8 million on the previous year. In 2004-5, X will receive additional income of £2.8 million from funding council grant and UK and EU tuition fees, compared with 2003-4. It is worth noting that only 28.9% of X's total income in 2002-3 was from funding council grant.

University of X	01-2 to 02-3		00-1 to 01-2		
	% change	2002-3	% change	2001-02	2000-01
Income					
Funding Council grants £000	11.2%	£36,468	8.8%	£32,809	£30,153
Academic fees & support grants £000	5.8%	£23,600	4.4%	£22,309	£21,376
Research grants & contracts £000	15.9%	£32,246	8.5%	£27,811	£25,635
Other operating income £000	5.9%	£33,353	18.8%	£31,503	£26,517
Endowment & investment income £000	-40.2%	£656	20.7%	£1,097	£909
Total income £000	9.3%	£126,323	10.5%	£115,529	£104,590
Funding Council grants as % of total income		28.9%		28.4%	28.8%
Academic fees & support grants as % of total income		18.7%		19.3%	20.4%
Research grants & contracts as % of total income		25.5%		24.1%	24.5%
Expenditure					
Staff costs £000	11.4%	£72,508	8.4%	£65,092	£60,061
Depreciation £000	24.8%	£6,168	64.3%	£4,944	£3,009
Other operating expenses £000	7.4%	£44,348	10.0%	£41,296	£37,540
Interest payable £000	21.4%	£1,633	10.4%	£1,345	£1,218
Total expenditure £000	10.6%	£124,657	10.7%	£112,677	£101,828
Staff costs as % of total expenditure		58.2%		57.8%	59.0%

³ HEFCE 2004/04, Annex B

⁴ Academic related staff costs are not separately published.

Information in this datafile on average salaries is for AUT purposes within the LA. It may not be passed on to any third party or be published in any form (except for internal institution newsletters). Please contact stephen.court@aut.org.uk if you want to publish on a website. HESA does not take responsibility for any inferences derived from the data.

ASSOCIATION OF UNIVERSITY TEACHERS
Finance and pay datafile

3

Academic staff costs £000		£52,695		£46,886	£41,968
Academic staff costs as % of total expenditure		42.3%		41.6%	41.2%
	01-2 to 02-3		00-1 to 01-2		
	% change	2002-3	% change	2001-02	2000-01
Surplus/(deficit) from operating activities# £000	-41.6%	£1,666	3.3%	£2,852	£2,762
Surplus/(deficit) from operating activities# as % of total income		1.3%		2.5%	2.6%
Surplus/(deficit) from operating activities# after tax & minority interest £000	-44.7%	£1,711	14.3%	£3,094	£2,706
Surplus/(deficit) from operating activities# after tax & minority interest, as % of total income		1.4%		2.7%	2.6%
Historical cost surplus/(deficit)~~ after tax & minority interest £000		n/a		n/a	n/a
Historical cost surplus/(deficit)~~ after tax & minority interest, as % of total income					
	03-4 to 04-5		02-3 to 03-4		
	% change	2004-5	% change	2003-4	2002-3
HEFCE grant & fee income £000 **	6.5%	£45,716	9.2%	£42,917	£39,313
	01-2 to 02-3		00-1 to 01-2		
	% change	2002-3	% change	2001-02	2000-01
Pay					
Full-time academic salary £	4.7%	£32,084	2.3%	£30,643	£29,956
Full-time female academic salary £	4.0%	£28,511	2.9%	£27,403	£26,619
Full-time male academic salary £	5.0%	£33,667	2.1%	£32,079	£31,433
Female academic salary as % of male		84.7%		85.4%	84.7%
Full-time non-white!! academic salary £	12.0%	£29,948	-2.7%	£26,748	£27,501
Full-time white!! academic salary £	4.7%	£34,031	3.3%	£32,502	£31,456
Non-white academic salary as % of white!!		88.0%		82.3%	87.4%

Notes

ie income & expenditure

~~ Historical cost relates to the original cost of the property and the related depreciation charge in the financial statements is designed to reflect the use of that asset over its estimated useful life. The revaluation of such assets to reflect the current value of the property normally increases the depreciation charge in the financial statements (where property values are increasing). The value by which the property exceeds the original historical cost is credited to a revaluation reserve and that reserve is released over the remaining useful life of the asset or when the property is sold. The value included in financial statements for the revalued property should be professionally evaluated regularly (by way of interim valuations) and, unless it represents investment property, at least every five years. Property that is revalued in this way reflects only an accounting adjustment and the revaluation reserve will not be realised as a recognised gain unless the property is actually sold at a value equal to or exceeding the amount that it is included in the financial statements (the carrying value).

** Total resource, Table 1, HEFCE recurrent grants circular,

March, series

!! UK nationality only

Sources

University of X financial statements (series); HESA HE Finance Plus (series); average salary data from HESA Information Provision Service - HESA does not take any responsibility for any inferences or conclusions derived from the data

Information in this datafile on average salaries is for AUT purposes within the LA. It may not be passed on to any third party or be published in any form (except for internal institution newsletters). Please contact stephen.court@aut.org.uk if you want to publish on a website. HESA does not take responsibility for any inferences derived from the data.