



RESEARCH INCOME FOR BUSINESS AND MANAGEMENT:

Analysis of HEIDI data 2010/2011-2013/2014

March 2016

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Introduction

Over 130 British business schools currently educate over 380,000 students, and employ over 14,000 staff to do so. Over one in every four (27%) of social scientists in the UK are in the field of Business and Management studies. In the last decade the number of faculty in this field has grown, as has the number of students we teach, but this report shows that research funding for this important area of scholarship has fallen. Not only has research income for Business and Management studies declined by almost 8.5 percent in the past 4 years but, significantly, funding from the UK Government has declined by over 36 percent during this period. At the same time research funding from EU sources has increased markedly.

A strong Government policy emphasis on science and technology, innovation and productivity improvements as key drivers of economic growth has translated into increased research funding for STEM subjects. In particular, civil engineering and IT & computer science have benefitted from a 15 percent increase in research funding from 2010/11 to 2013/14.

But funding STEM subjects alone will not have the desired effect. The root causes of the UK's productivity gap with OECD counterparts stem from a lack of investment (from public and private sectors) into management training, skills shortages and a structural failure to bridge STEM + management research and expertise. Invention is not innovation. Process, product and service innovation all rely on managerial, operational and organisational innovation. The commercialisation of our science and technology base and the growth of technology-based start-ups also require business and management research and expertise to shape technological developments.¹

Moving beyond industry and business, the same applies to the 'grand challenges' we face nationally and globally. From low carbon futures to health and well-being, developments in science and technology only provide part of the answer. A deeper understanding of markets and pricing dynamics, new business models, consumer adoption patterns and a wide range of business and management related phenomena is needed to better-understand the true potential of different technological opportunities as they emerge. More research funding for Business and Management is needed to drive this.

This report highlights:

1. Declining research income for Business and Management...

- Down overall by almost 8.5 percent between 2010/2011 and 2013/2014
- With a particularly marked decline in research funding from "UK central government bodies/local authorities, health and hospital authorities"; by 36.13 percent, a drop of over £7.3 million from 2010/11 to 2013/14
- UK industry is also funding less research in this field (down over 35% in this period)

¹ As outlined in the Innovation Task Force Report: "The Role of UK Business Schools in Driving Innovation in the Domestic Economy", published by the Chartered Association of Business Schools (<http://charteredabs.org/publications/>). This features a range of impact case studies showing how business schools raise productivity and support the development of innovation-related capabilities in UK industry.

- A significant increase in the proportion of funding coming from EU sources
2. Greater regional concentration of research funding in London and the South-East
 - While all other regions experienced declines or little change, London and the South-East increased their share of the Business and Management funding from 37 percent of all research income in 2010/11 to 40 percent in 2013/14
 3. A concentration of research income in a small number of leading business schools
 - Five business schools secured almost 30 percent of the total (£198 million) in the period 2011/2012 to 2013/2014.
 - Ten business schools account for £88 million or 44 percent of the total research income earned by all business schools in this period.

Total Research income by source (UK, EU, Overseas): 2010/11-2013/2014

In the financial year of 2013/2014, the total research income for the subject of business and management was £63.7 million. This represents the lowest level of total research income during the period between 2010/2011 and 2013/2014. The highest level of total research income was achieved in 2010/2011 and was of a value of £69.6 million. Overall, between 2010/2011 and 2013/2014 total research income decreased by 8.48%. (See Tables 1 and 2 and Figures 1 and 2)

Research income from BIS Research Councils and the learned societies, which represents one of the largest portions of research income, decreased only in the period 2011/2012 and 2012/2013 and the drop was of 3.4% and 5.6% respectively. This fall did not continue in the financial year 2013/2014, rather it increased by 4.9%. (See Table 2)

The sharpest drop in research income came from the source defined as “UK central government bodies/local authorities, health and hospital authorities”. The maximum level of income from this source was achieved in 2010/2011 and was for the sum of £20.4 million. The lowest level of income was £13 million and occurred in the period 2013/2014, which is equal to a drop of £7million in the four year period (See Table 1 and Figure 1). Overall, between 2010/2011 and 2013/2014 total research income from UK central government bodies/local authorities, health and hospital authorities” declined by 36.13%. (See Table 2 and Figure 2)

The second largest drop in research income occurred from the source classified as “UK industry, commerce and public corporations”. It reached a value of £9.9 million in 2010/11 and then dropped to £6.3 million by 2013/2014, which is equivalent to a decrease of 35.6%. (See Tables 1 and 2)

The most significant increase in income was from EU government bodies. The maximum level of income from this source was achieved in the financial year 2013/2014 and was of a value of £13 million. Overall, between 2010/2011 and 2013/2014 total research income from EU government bodies increased by 165.95%. (See Tables 1 and 2 and Figures 1 and 2)

The source of income classified as “Non-EU industry, commerce and public corporations” increased its revenue slightly. Income from this source was £610,000 in 2010/2011 and rose to £724,000 in 2013/2014.

Table 1

HESA RESEARCH INCOME DATA 2010/2011 TO 2013/2014 (FY = 1 August - 31 July)							
in (£000s)							
Source of Income	2010/11	2011/12	2012/13	2013/14	MAX	MIN	Range
BIS Research Councils, The Royal Society, British Academy and The Royal Society of Edinburgh	19,986	19,308	18,236	19,127	19,986	18,236	1,750
UK-based charities (open competitive process)	2,405	2,881	2,776	2,609	2,881	2,405	476
UK-based charities (other)	938	977	1,123	973	1,123	938	185
UK central government bodies/local authorities, health & hospital authorities	20,405	18,814	14,601	13,032	20,405	13,032	7,373
UK industry, commerce and public corporations	9,900	9,426	8,884	6,369	9,900	6,369	3,531
EU government bodies	10,947	11,692	11,614	13,306	13,306	10,947	2,359
EU-based charities (open competitive process)	74	30	14	105	105	14	91
EU industry, commerce & public corporations	599	611	1,083	1,593	1,593	599	994
EU other	908	1,029	791	905	1,029	791	238
Non-EU-based charities (open competitive process)	276	410	838	666	838	276	562
Non-EU industry, commerce & public corporations	610	649	724	744	744	610	134
Non-EU other	1,005	877	987	1,548	1,548	877	671
Other sources	1,588	2,429	3,137	2,757	3,137	1,588	1,549
Total	69,641	69,133	64,808	63,734	69,641	63,734	5,907

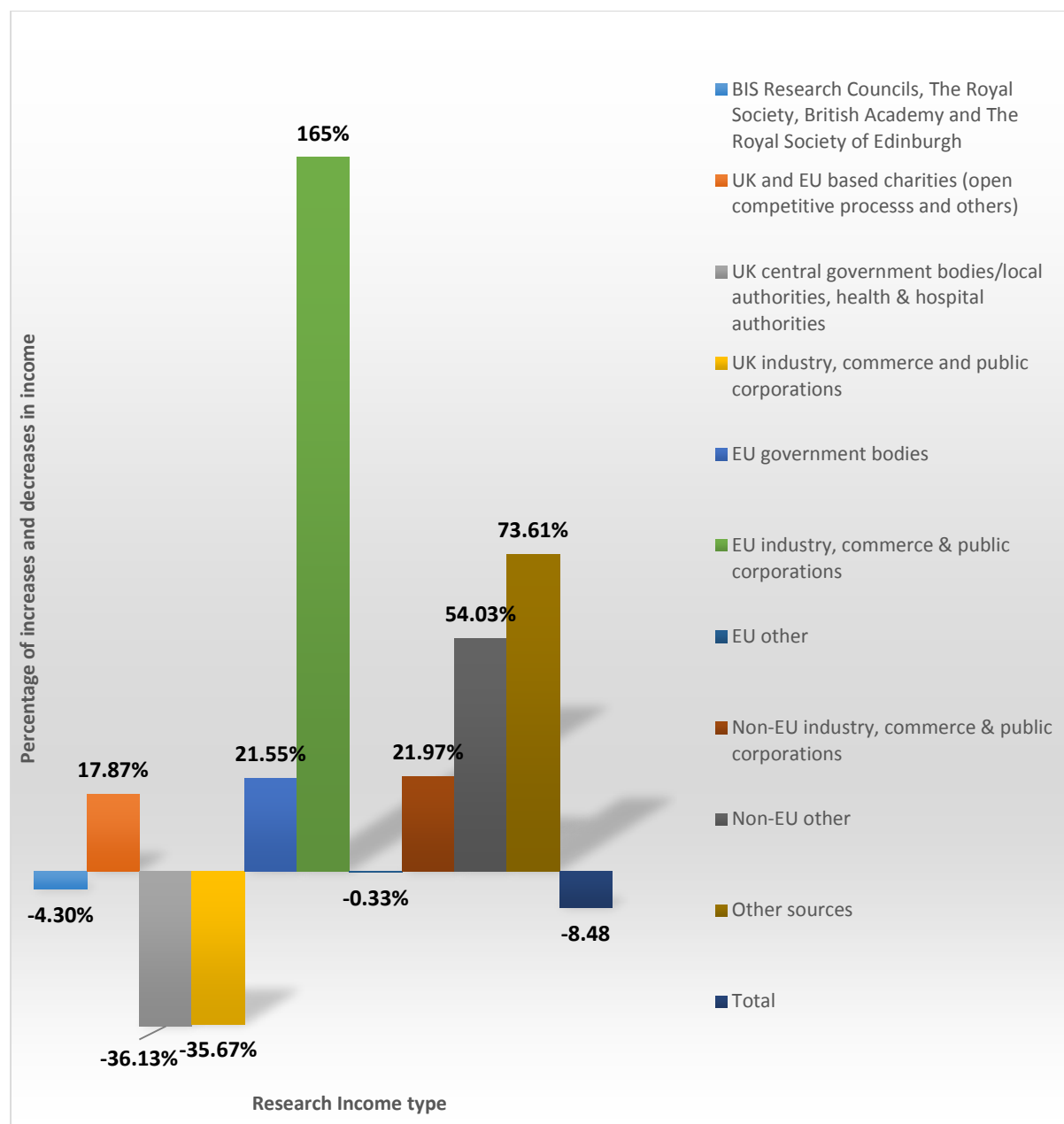
(Source: HEIDI data, analysis by max, min and range undertaken by Chartered ABS)

Table 2: Source of income for the subject of business and management: comparison of percentage income Increases/Decreases 2010/2011 - 2013/2014

Source of Income	% difference between 2010/2011 and 2013/2014
BIS Research Councils, The Royal Society, British Academy and The Royal Society of Edinburgh	-4.30%
UK and EU based charities (open competitive process and others)	17.87%
UK central government bodies/local authorities, health & hospital authorities	-36.13%
UK industry, commerce and public corporations	-35.67%
EU government bodies	21.55%
EU industry, commerce & public corporations	165.94%
EU other	-0.33%
Non-EU industry, commerce & public corporations	21.97%
Non-EU other	54.03%
Other sources	73.61%
Total	-8.48%

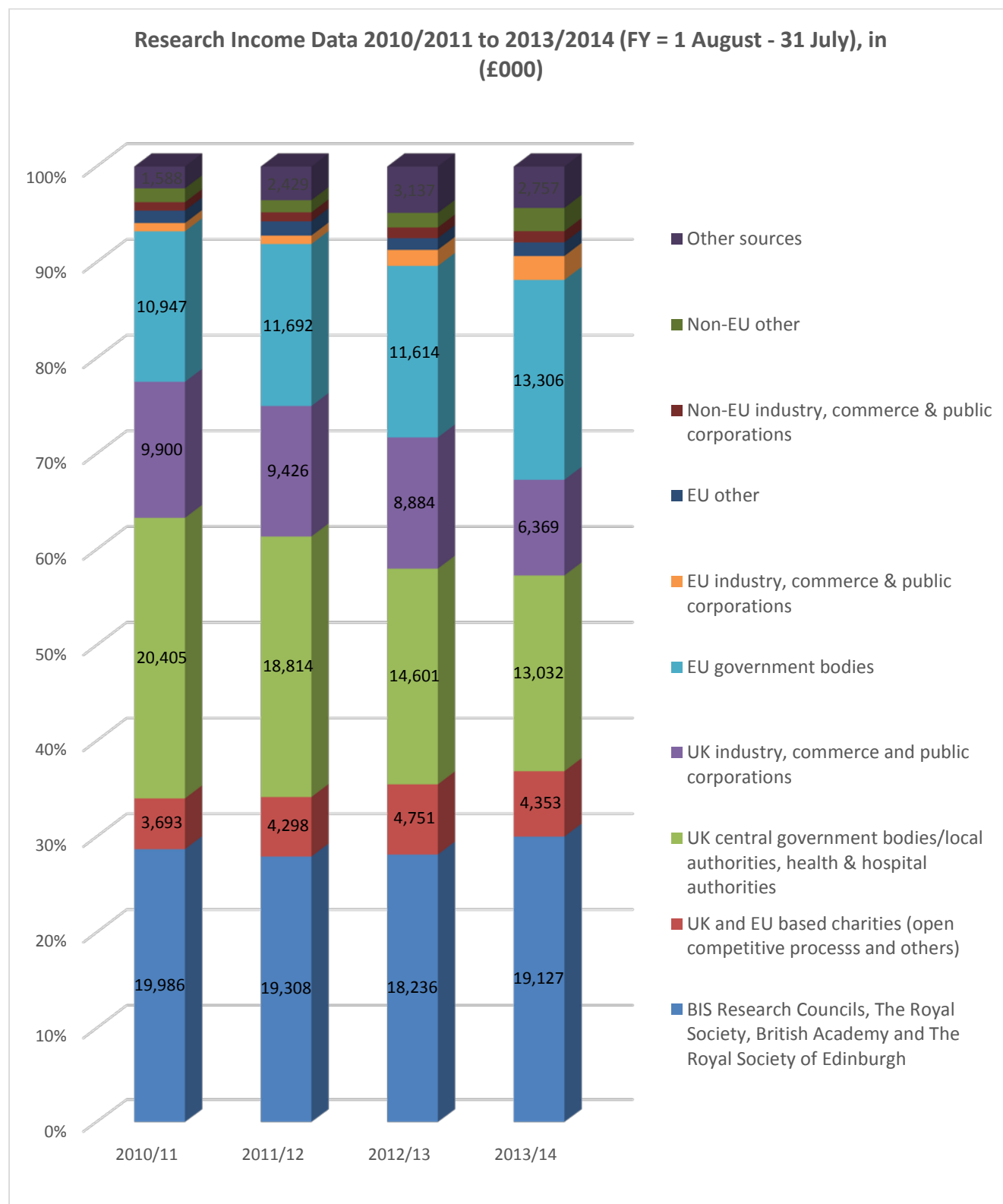
(Source: HEIDI data, analysis of % difference undertaken by Chartered ABS)

Figure 1: Source of income for the subject of business and management: comparison of percentage income increases/decreases 2010/2011 - 2013/2014



(Source: HEIDI data, analysis by percentage of income increases/decreases undertaken by Chartered ABS)

Figure 2



(Source: HEIDI data, representation of data as given in the chart undertaken by Chartered ABS)

Table 3

HESA RESEARCH INCOME DATA 2010/2011 TO 2013/2014 (FY = 1 August - 31 July)							
in (£000s)							
Source of Income	2010/11	2011/12	% difference between 2010/11 and 2011/2012	2012/13	% difference between 2011/12 and 2012/2013	2013/14	% difference between 2012/13 and 2013/2014
BIS Research Councils, The Royal Society, British Academy and The Royal Society of Edinburgh	19986	19308	-3.4%	18236	-5.6%	19127	4.9%
UK-based charities (open competitive process)	2405	2881	19.8%	2776	-3.6%	2609	-6.0%
UK-based charities (other)	938	977	4.2%	1123	14.9%	973	-13.4%
UK central government bodies/local authorities, health & hospital authorities	20405	18814	-7.8%	14601	-22.4%	13032	-10.7%
UK industry, commerce and public	9900	9426	-4.8%	8884	-5.8%	6369	-28.3%
EU government bodies	10947	11692	6.8%	11614	-0.7%	13306	14.6%
EU-based charities (open competitive process)	74	30	-59.5%	14	-53.3%	105	650.0%
EU industry, commerce & public corporations	599	611	2.0%	1083	77.3%	1593	47.1%
EU other	908	1029	13.3%	791	-23.1%	905	14.4%
Non-EU-based charities (open competitive process)	276	410	48.6%	838	104.4%	666	-20.5%
Non-EU industry, commerce & public corporations	610	649	6.4%	724	11.6%	744	2.8%
Non-EU other	1005	877	-12.7%	987	12.5%	1548	56.8%
Other sources	1588	2429	53.0%	3137	29.1%	2757	-12.1%
Total	69641	69133	-0.7%	64808	-6.3%	63734	-1.7%

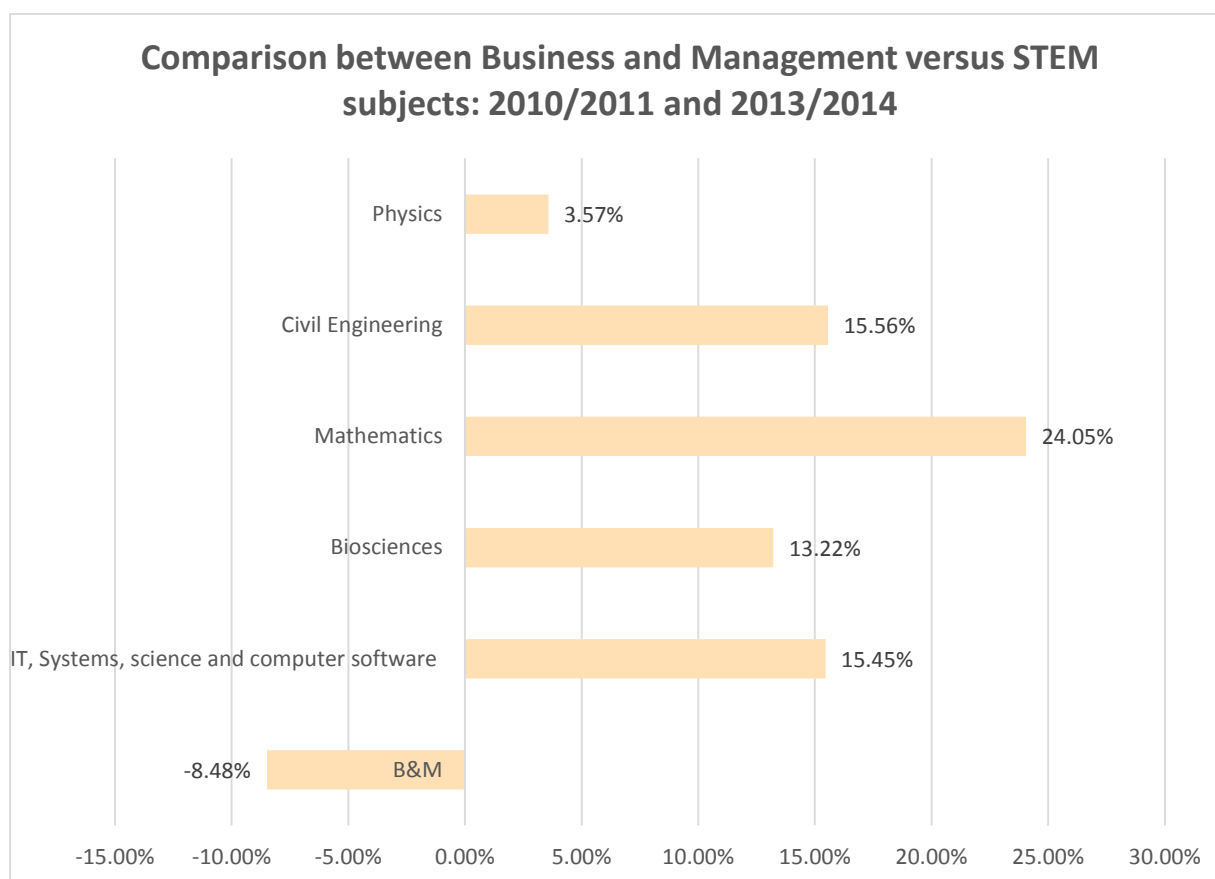
(Source: HEIDI data, analysis of % differences by year undertaken by Chartered ABS)

Comparison with other subject areas

We have compared the total research income for business and management studies from 2010/11 to 2013/2014 with STEM subjects such as IT, systems science and computer software; biosciences; mathematics; civil engineering and physics and the following observations could be made.

Whilst the subject of business and management experienced a decline in income of 8.48%, all STEM subjects experienced an increase in research income. The most highly performing STEM subject was mathematics: it increased its research income by 24%, followed by civil engineering (15.56%) and IT, systems science and computer software (15.45%).

Figure 3



(Source: HEIDI data, analysis of increases/decreases by % and creation of chart undertaken by Chartered ABS)

Table 4: Comparison between the subject of Business and Management (B&M) and STEM subjects: increases or decreases between 2010/2011 and 2013/2014, figures in (£000)

	2010/2011	2011/2012	2012/2013	2013/2014	% increases or decreases: 2010/2011 and 2013/2014
B&M	69,641	69,133	64,808	63,734	-8.48%
IT, Systems, science and computer software	130,385	125,602	134,541	150,535	15.45%
Biosciences	569,923	563,073	574,995	645,251	13.22%
Mathematics	77,914	83,927	88,019	96,650	24.05%
Civil Engineering	49,315	51,099	54,778	56,989	15.56%
Physics	275,350	267,783	279,854	285,189	3.57%

(Source: HEIDI data, analysis by % increases or decreases undertaken by Chartered ABS)

Total Research Income by Regions

In the period between 2010/2011 and 2013/2014, research income by regions, calculated as a percentage of total UK research income for the subject of business and management, increased in five UK regions. London and the South East were the regions that experienced the sharpest increases: 2.42% and 2.19% respectively.

The York and Humberside region increased its share of total UK income for the subject of business and management by 0.98%. The East Midlands and Wales regions increased their share of research income by 0.56% and 0.50% respectively.

All other regions saw their total UK share of research income decrease. The East region experienced the sharpest fall: its total research income declined by 2.36%. (See Table 5 and Figure 4)

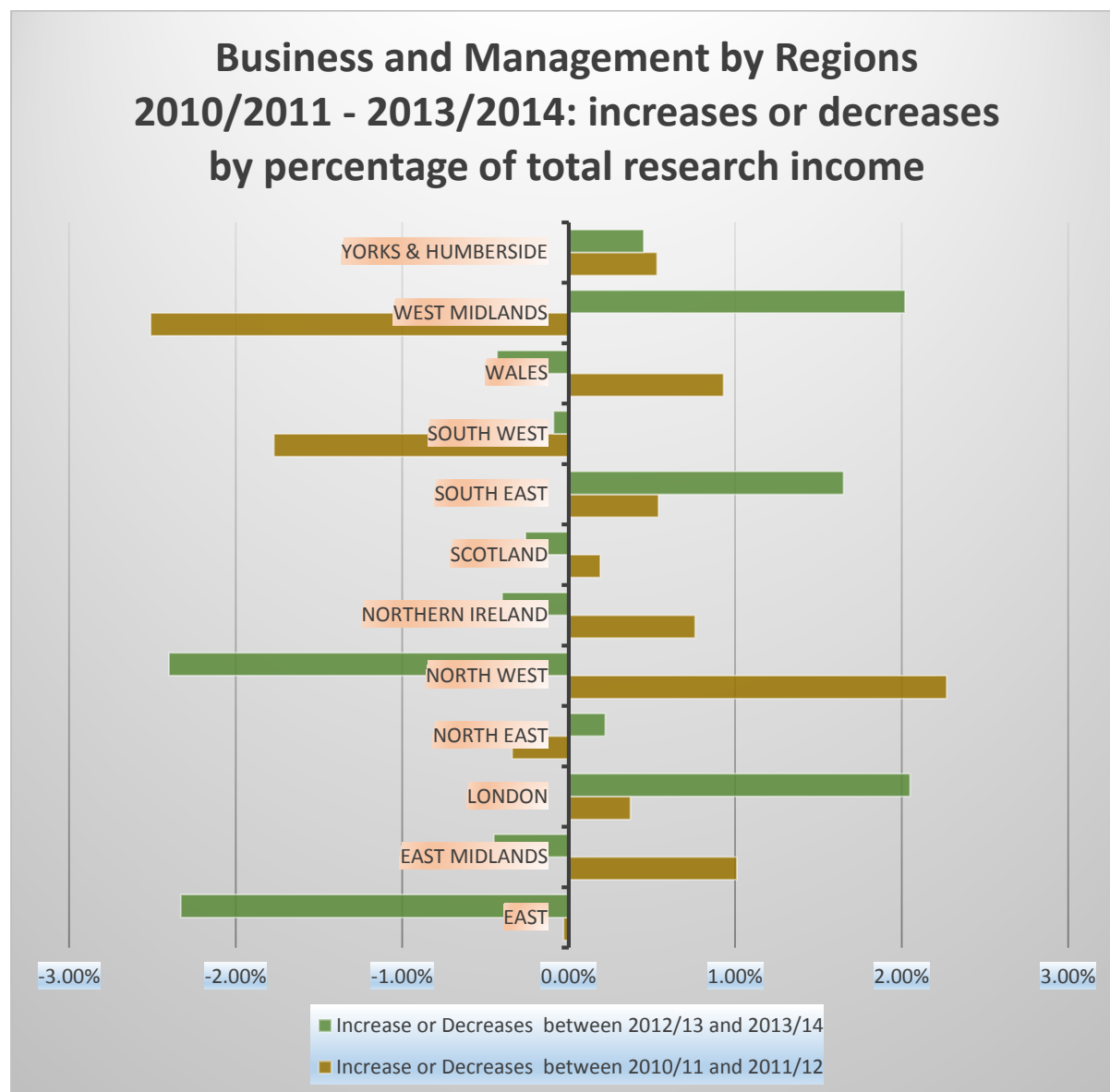
Table 5: Calculation for income by business and management by regions 2010/2011 – 2013/2014: increases or decreases by percentage of total research income.

Analysis of Regions	2010/2011	2010/2011	2011/2012	Percentage of total research income % 2011/2012	Increase or Decreases by % between 2010/11 and 2011/12	2012/13 (£000s)	2012/13 (£000s)	Percentage of total research income % 2012/2013	2013/14 (£000s)	Percentage of total research income % 2013/2014	Increase or Decreases between 2012/13 and 2013/14	Overall rate of growth as % of total research income 2010-2014
East	3,328	4.78%	3,326	4.81%	-0.03%	5,036	5,036	7.77%	3,467	5.44%	-2.33%	-2.36%
East Midlands	3,733	5.36%	3,009	4.35%	1.01%	2,219	2,219	3.42%	1,891	2.97%	-0.45%	0.56%
London	15,083	21.66%	15,230	22.03%	0.37%	13,831	13,831	21.34%	14,906	23.39%	2.05%	2.42%
North East	1,280	1.84%	1,040	1.50%	-0.34%	741	741	1.14%	866	1.36%	0.22%	-0.12%
North West	8,880	12.75%	10,381	15.02%	2.27%	8,537	8,537	13.17%	6,863	10.77%	-2.40%	-0.13%
Northern Ireland	1,134	1.63%	1,655	2.39%	0.76%	1,357	1,357	2.09%	1,075	1.69%	-0.40%	0.36%
Scotland	7,094	10.19%	7,175	10.38%	0.19%	7,966	7,966	12.29%	7,666	12.03%	-0.26%	-0.07%
South East	10,706	15.37%	10,996	15.91%	0.54%	10,031	10,031	15.48%	10,919	17.13%	1.65%	2.19%
South West	4,417	6.34%	3,159	4.57%	-1.77%	2,961	2,961	4.57%	2,858	4.48%	-0.09%	-1.86%
Wales	2,109	3.03%	2,737	3.96%	0.93%	2,205	2,205	3.40%	1,893	2.97%	-0.43%	0.50%
West Midlands	9,046	12.99%	7,247	10.48%	-2.51%	6,891	6,891	10.63%	8,063	12.65%	2.02%	-0.49%
Yorks & Humberside	2,831	4.07%	3,178	4.60%	0.53%	3,033	3,033	4.68%	3,267	5.13%	0.45%	0.98%

(Source: HEIDI data, analysis of percentage increases or decreases undertaken by Chartered ABS)

Note: Red = negative performance, blue = positive performance

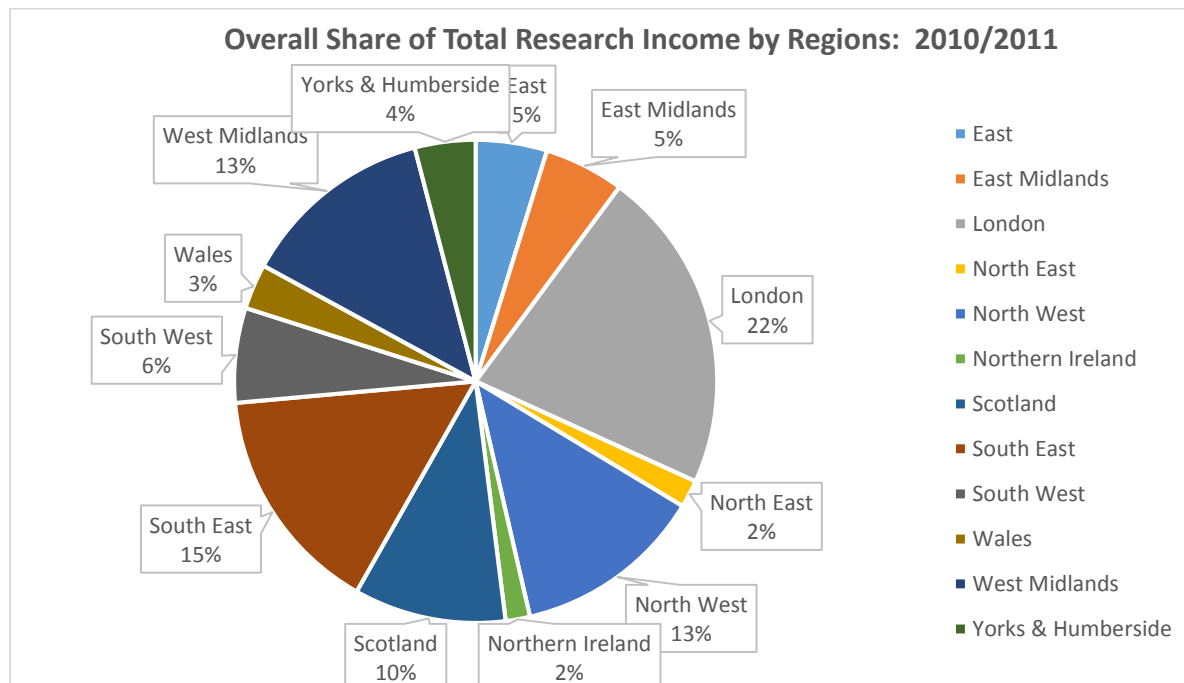
Figure 4



(Source: HEIDI data, analysis of percentage increases and decreases undertaken by Chartered ABS)

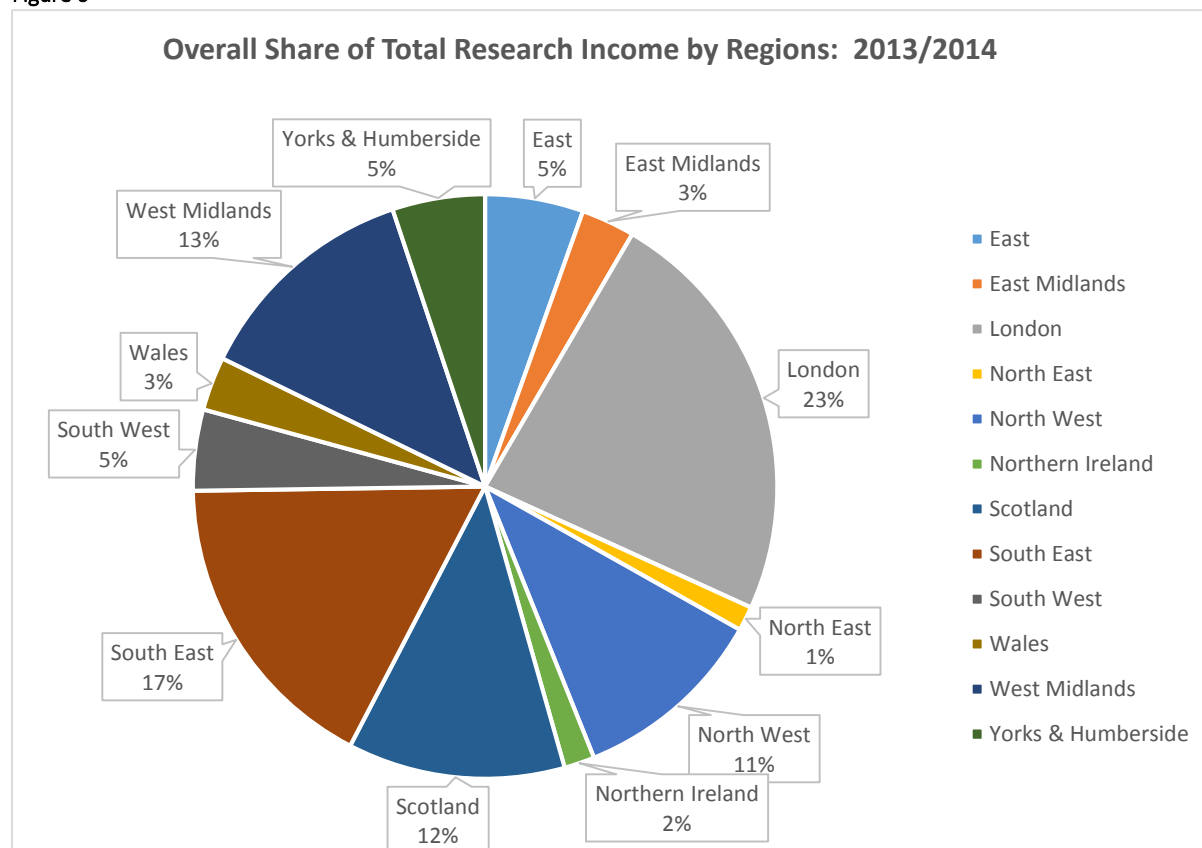
If we compare total UK income for the subject of business and management by regions, in the period 2010/2011 with the period 2013/2014, London, the South East increased slightly their share of income. In 2010/2011 they had a combined share of 37% of total income. In 2013/2014, this had increased to 40%. In contrast, the North West, the North East, the East Midlands and the South West saw their share of total income decrease slightly.

Figure 5



(Source: HEIDI data, analysis of percentage by total research income undertaken by Chartered ABS)

Figure 6



(Source: HEIDI data, analysis of percentage by total research income undertaken by Chartered ABS)

Business Schools by Research Income

Table 6 shows the performance of business schools according to research income by examining financial figures for a 3 year period - covering the reporting years 2011/2012, 2012/2013 and 2013/2014. In addition, we have ranked institutions by adding the total research income for these years.

Table 6

Ranking of Business Schools by income above 3 million between 2011/12 & 2013/14					
Values					
Green: Above £4 million					
Institutions		2011/12 Total Research Grants and Contracts (£1000s)	2012/13 Total Research Grants and Contracts (£1000s)	2013/14 Total Research Grants and Contracts (£1000s)	Sum 2011- 2014
1	Imperial College of Science, Technology and Medicine	6,328	5,579	4,314	16,221
2	The University of Warwick	4,537	3,730	4,735	13,002
3	The University of Manchester	4,465	4,048	2,877	11,390
4	The University of Lancaster	3,322	3,364	3,160	9,846
5	The University of Oxford	2,689	2,282	2,660	7,631
6	The University of Strathclyde	2,099	2,216	2,529	6,844
7	The University of Reading	2,113	2,219	2,211	6,543
8	Cranfield University	2,896	1,892	1,000	5,788
9	London School of Economics and Political Science	1,360	1,406	2,717	5,483
10	The University of Leeds	1,608	1,579	1,749	4,936
11	Cardiff University	2,106	1,412	1,110	4,628
12	The University of Stirling	1,437	1,469	1,664	4,570
13	London Business School	1,463	1,464	1,577	4,504
14	The University of Sussex	26	2,089	2,380	4,495
15	Aston University	1,125	1,736	1,355	4,216
16	The University of Cambridge	1,495	1,510	1,166	4,171
17	The City University	1,108	1,363	1,688	4,159
18	University of Nottingham	1,707	1,329	770	3,806
19	The University of Exeter	1,099	1,213	1,145	3,457

(Source: HEIDI data, sum analysis and ranking of data undertaken by Chartered ABS)

Research Funding Concentration: 2011/2012 to 2013/2014

Research funding is concentrated. In the reporting period 2011/2012 to 2013/2014, five business schools – Imperial College, Warwick, Manchester, Lancaster and Oxford – secured a total income of £58 million, which is equivalent to 29% of the total research income for all schools listed (see Figure 7). Within these 5 business schools, there are however some differences in performance. Imperial, the University of Warwick and the University of Manchester all managed to earn annual incomes of over £4 million for two out of these three years.

Figure 7: % of Total Research Income for the period 2011/2012 and 2013/2014 by top 5 business schools



Source: HEIDI data, Chartered ABS analysis of percentage of total income.

The top ten highest earning business schools listed in Figure 8, obtained a total income of approximately £88 million, which is equivalent to 44% of total research income. The top 20 highest earning business schools received a total research income of approximately £129 million, which is equivalent to 65% of total research income.

Figure 8: % of Total Research Income for the period 2011/2012 and 2013/2014 by top 10 business schools



Source: HEIDI data, Chartered ABS analysis of percentage of total income.

As outlined in the *Innovation Task Force Report: "The Role of UK Business Schools in Driving Innovation in the Domestic Economy"*, published by the Chartered Association of Business Schools (<http://charteredabs.org/publications/>). This features a range of impact case studies showing how business schools raise productivity and support the development of innovation-related capabilities in UK industry.

Research Income by Mission Group

Analysis of total research income for the period between 2011/2012 and 2013/2014 by business schools belonging to mission groups shows that there is a concentration of research income between the business schools belonging to the Russell Group and some business schools in universities that do not belong to any formal group at present.

In the four years under analysis, the business schools in the Russell Group obtained an income in excess of £90 million.

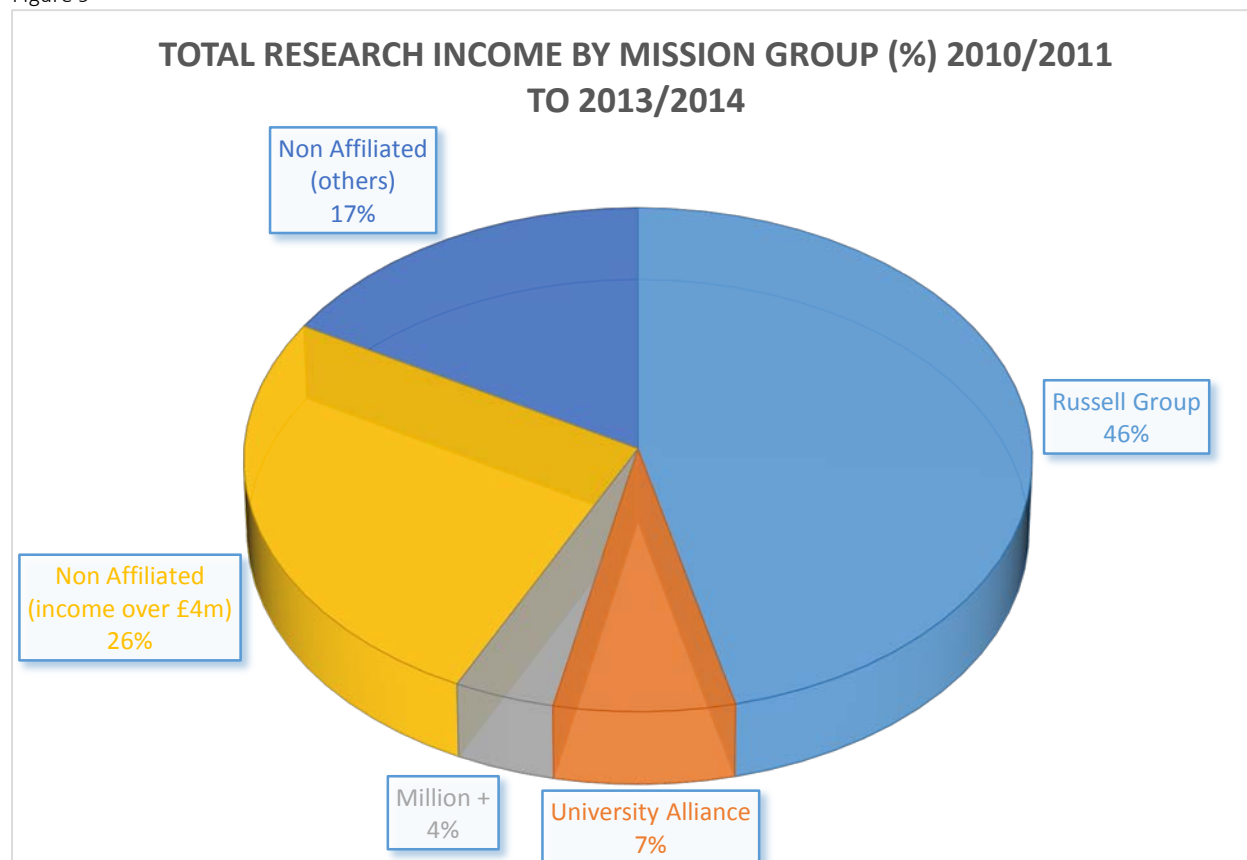
Another group of business schools in universities that are not affiliated to any mission group obtained an income in excess of £50 million. This group is composed of the following nine business schools.

- University of Lancaster;
- University of Strathclyde;
- University of Reading;
- Cranfield University;
- University of Stirling;
- London Business School;
- University of Sussex;
- Aston University;
- City University.

Data for the performance of this group is given in the table below (see Table 8 and 9, universities highlighted in red). Another group of non-affiliated universities obtained an income of £32m. The University Alliance Group achieved an income of £13m and the Million Plus group an income of £7m.²

² The figures here provided exclude those business schools/departments of business and management with less than £20K income over the four year period under analysis.

Figure 9



(Source: HEIDI data, Chartered ABS analysis of total research income by mission group undertaken in-house)

Table 7: Russell Group: Research Income from Business and Management (£000)

Russell Group: Institution	2011/12	2012/13	2013/14	Sum 2011-2014
Imperial College of Science, Technology and Medicine	6,328	5,579	4,314	16,221
The University of Warwick	4,537	3,730	4,735	13,002
The University of Manchester	4,465	4,048	2,877	11,390
The University of Oxford	2,689	2,282	2,660	7,631
London School of Economics and Political Science	1,360	1,406	2,717	5,483
The University of Leeds	1,608	1,579	1,749	4,936
Cardiff University	2,106	1,412	1,110	4,628
The University of Cambridge	1,495	1,510	1,166	4,171
University of Nottingham	1,707	1,329	770	3,806
The University of Exeter	1,099	1,213	1,145	3,457
King's College London	1,710	345	372	2,427
The University of Sheffield	610	479	902	1,991
The University of Birmingham	642	577	581	1,800
The University of Southampton	564	555	678	1,797
The University of Edinburgh	616	530	447	1,593
The Queen's University of Belfast	589	352	270	1,211
University of Durham	401	375	420	1,196
The University of Liverpool	493	301	296	1,090
The University of Glasgow	278	454	306	1,038
University of Newcastle-upon-Tyne	358	154	322	834
Queen Mary University of London	107	93	288	488
University College London	0	147	101	248
The University of York	26	-15	24	35
	33,788	28,435	28,250	90,473

(Source: HEIDI data, sum analysis and ranking undertaken by Chartered ABS)

Table 8: University Alliance: Research Income from Business and Management (£000)

University Alliance: Institutions	2011/12	2012/13	2013/14	Sum 2011-2014
Coventry University	388	467	1,128	1,983
The University of Salford	1,518	136	198	1,852
University of the West of England, Bristol	576	519	644	1,739
The University of Greenwich	386	463	549	1,398
Kingston University	682	408	254	1,344
The Manchester Metropolitan University	369	445	143	957
Oxford Brookes University	387	205	129	721
University of Hertfordshire	255	168	242	665
The University of Portsmouth	370	198	85	653
University of Plymouth	157	202	264	623
The Nottingham Trent University	357	80	85	522
Sheffield Hallam University	180	146	69	395
The University of Lincoln	164	162	23	349
University of South Wales	79	142	94	315
The University of Huddersfield	17	192	65	274
Cardiff Metropolitan University	3	57	0	60
Teesside University	49	6	0	55
Liverpool John Moores University	28	20	4	52
	5965	4016	3976	13,957

(Source: HEIDI data, sum analysis and ranking undertaken by Chartered ABS)

Table 9: Million +: Research Income from Business and Management (£000)

Institutions	2011/12	2012/13 L	2013/14	Sum 2011- 2014
Anglia Ruskin University	492	1,114	743	2,349
Middlesex University	758	618	465	1,841
Edinburgh Napier University	400	382	338	1,120
London South Bank University	361	114	55	530
University of Abertay Dundee	14	288	-1	301
London Metropolitan University	44	132	122	298
The University of the West of Scotland	85	102	99	286
Staffordshire University	110	72	11	193
Canterbury Christ Church University	14	48	105	167
The University of Sunderland	72	56	27	155
University of Cumbria	30	24	75	129
The University of East London	6	46	62	114
University of the Highlands and Islands	81	0	0	81
Southampton Solent University	9	54	11	74
University of Bedfordshire	13	20	7	40
Bath Spa University	9	23	0	32
The University of West London	24	4	0	28
The University of Bolton	20	0	0	20
	2,542	3,097	2,119	7,758

(Source: HEIDI data, sum analysis and ranking undertaken by Chartered ABS)

Table 10

Sum of income of a group of business schools which do not belong to a mission group. Selection based on average income of over £4M

	Income 2010/2011 to 2013/2014 in (£000)
The University of Lancaster	9,846
The University of Strathclyde	6,844
The University of Reading	6,543
Cranfield University	5,788
The University of Stirling	4,570
London Business School	4,504
The University of Sussex	4,495
Aston University	4,216
The City University	4,159
Total	50,965

(Source: HEIDI data, sum analysis and ranking undertaken by Chartered ABS)

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