



# RESEARCH INCOME FOR BUSINESS AND MANAGEMENT

Analysis of HESA data 2010/2011-2015/2016

March 2017

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## Source of data:

The data used in this survey, unless otherwise stated, is from the Higher Education Statistics Agency, finance records 2010/11 to 2015/16. Copyright Higher Education Statistics Agency Limited. The analysis was undertaken by the Chartered Association of Business Schools in March 2017.

## Advice on full comparability with prior years:

From 1 January 2015 the financial reporting for universities changed in line with Financial Reporting Standards (FRS) 102. Due to these changes, absolute comparability with HESA finance records pre and post 2014/15 and 2015/16 may not be possible.

## Disclaimers:

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While the Chartered ABS strives to make the information in this report as accurate as possible, the Chartered ABS makes no claims, or guarantees about the accuracy or completeness of the data obtained from HESA.

# INTRODUCTION

This annual report provides analysis of research income in the field of Business and Management. This year's report looks at the six-year period from 2010/11 to 2015/16, using data from HESA (Higher Education Statistics Agency).

This report has found a total decrease of 8.2% in research income for Business and Management research over the six-year period since 2010/11. In real terms, when inflation is considered, this equates to a decrease of 19%.

In contrast, total research income for higher education institutions as a whole has increased by a third from £4.4 billion to £5.9 billion. Business and Management's share of research income for the HEI sector has decreased from 1.6% to 1.1%, a proportional decrease of 30%.

## UK sources in decline

The main cause of the decline in research income for Business and Management can be attributed to a decrease in funding from UK sources. Income from UK sources declined by 19.2% overall, or 28.4% in real terms. At £43.3m, income for Business and Management from UK sources was £10m less in 2015/16 than in 2010/11. Allowing for inflation, this is a reduction of £17m in real terms for business schools.

In 2015/16 income from UK government bodies and UK industry bucked this trend with a slight increase, but funding from major UK research bodies continued to decrease. The four-year period between 2010/11 and 2014/15 saw the most significant decreases from UK sources, in particular, 36% from UK government bodies, 11% from UK research bodies, and 37% from UK industry. Meanwhile, from the same sources, HEIs as a whole experienced increases of 19% from UK government bodies, 15% from UK research bodies, and 14% from UK industry.

## Growth from international sources, but for how long?

Income from EU and non-EU sources for Business and Management research, have generally improved over the five-year period with total increases of 20% and 113% respectively. In fact, in both 2013/14 and 2014/15, Business and Management received more research funding from EU government bodies than the UK central government. However, funding from EU sources fell in 2015/16 by over £2m, caused mainly by a 9.5% decrease from EU government bodies.

Given that the EU Referendum took place at the end of this period it is too early to judge what impact Brexit will have on research income using HESA data. Our own research undertaken in our 2016 Annual Membership survey found that since the EU referendum, 10% of business schools responding to the survey had already lost research partners or shelved planned bids for EU research funding. A third of business schools expected to lose planned research funding from the EU and EU research partners within the next 12 months.<sup>1</sup>

The steadiest growth in the last four years has come from non-EU industry and other non-EU sources. However, with a total value of £3.6m in 2015/16, and just 5.6% of total income for the field, this represents a small, but growing, income stream.

## Opportunities through interdisciplinary research

Although less than 1% of total university research funding from UK sources went to Business and Management research in 2015/16, there are opportunities for the sector to play a valuable role in the government's pursuit of commercialising STEM research and its plans to boost productivity.

In 2016's Autumn statement, the government announced plans for a National Productivity Investment Fund, concentrating on innovation and infrastructure, which will allocate £2billion to research and development in the next 5 years. The 2017 Industrial Strategy emphasises the need for R&D funding to stimulate areas of high potential. Whilst the areas identified in the Strategy are in STEM sectors, there is a concurrent government agenda, borne of the Nurse and Stern Reviews, to realise the commercial benefits of research. As Sir Paul Nurse said in his review, the complex "path from scientific discovery to the marketplace...often needs to draw on research from a range of disciplines." Lord Stern has also proposed that the 2021 Research Excellence Framework more explicitly recognise interdisciplinary research.

Whilst the government's Industrial Strategy makes no direct reference to Business and Management research, there is an opportunity for universities to realise, through interdisciplinary approaches, the commercial benefits across the long list of STEM industries where the Strategy suggests R&D funding should be spent. Bringing together STEM research with the capabilities of Business and Management research should better enable the translation of discovery and invention into innovation and commerciality.

## Highlights contained in this report

1. Overall income for Business and Management research is declining year on year, primarily due to a decline in funding from UK sources. This is accentuated by a real term decrease of 19%.
2. Income from international sources has grown overall for the period but funding from the EU decreased in 2015/16. Non-EU sources are a small but growing area of research income.
3. Whilst STEM subjects received between 15-30% more funding in 2015/16 than in 2010/11, Business and Management received 8% less. There are, however, opportunities for these disciplines to collaborate to support the government's objectives for R&D funding and national productivity.
4. London and the South East regions have the largest share of income but also have the largest number of business schools. Yorkshire and Humberside has shown the most consistent growth.
5. Research income continues to be concentrated in Russell Group institutions and business schools not affiliated to any mission group.

1. Chartered Association of Business Schools, Annual Membership Survey 2016, November 2016, <https://charteredabs.org/wp-content/uploads/2016/11/Chartered-ABS-Annual-Membership-Survey-2016.pdf>

## SOURCES OF RESEARCH INCOME (UK, EU, OVERSEAS)

In 2015/2016, total research income for the subject of Business and Management was £63.9m. This followed a general yearly decline in research funding since 2010/11 when it was £69.6m, a decline of more than £5.5m. In real terms, considering inflation, this represents a decline of nearly £15m.

Funding from BIS Research Councils, The Royal Society, British Academy, and the Royal Society of Edinburgh reached its lowest level in 2015/16. At roughly £16.4m, this was more than £3.5m less than their contribution in 2010/11, which was just under £20m.

Funding from UK industry, commerce and public corporations rose by 12% between 2014/15 and 2015/16. However, at just over £7m, this was 29% lower than the near £10m received from UK industry in 2010/11.

Funding from the UK central government rose from £12.9m to £14.7m between 2014/15 and 2015/16, a significant increase of 14%. However, because of year on year decreases in the years prior, research funding from UK central government was still 28% lower, or £5.6m less, in 2015/16 than in 2010/11.

More positively, funding from UK based charities (from both *open competitive processes* and *other sources*) has generally grown from £3.3m over the period, reaching a combined total of over £5m in 2014/15 and 2015/16.

Research funding from EU government bodies has generally increased over the period, from just under £11m to £13.4m in 2015/2016. However, it decreased in 2015/16 by £1.4m. Funding from EU industry decreased in both 2014/15 and 2015/16, however, at just under £1.2m in 2015/16, EU industry funding remained nearly twice as high than in 2010/11.

Contributions from non-EU industry, commerce, and public corporations has increased steadily since 2010/2011 when it was £610,000, to £1.1m in 2015/2016.

Contributions from non-EU 'other' sources saw a slight decrease between 2010/2011 and 2011/12, but has since then increased significantly year on year to nearly £2.5m in 2015/2016, more than double what it was in 2010/11.

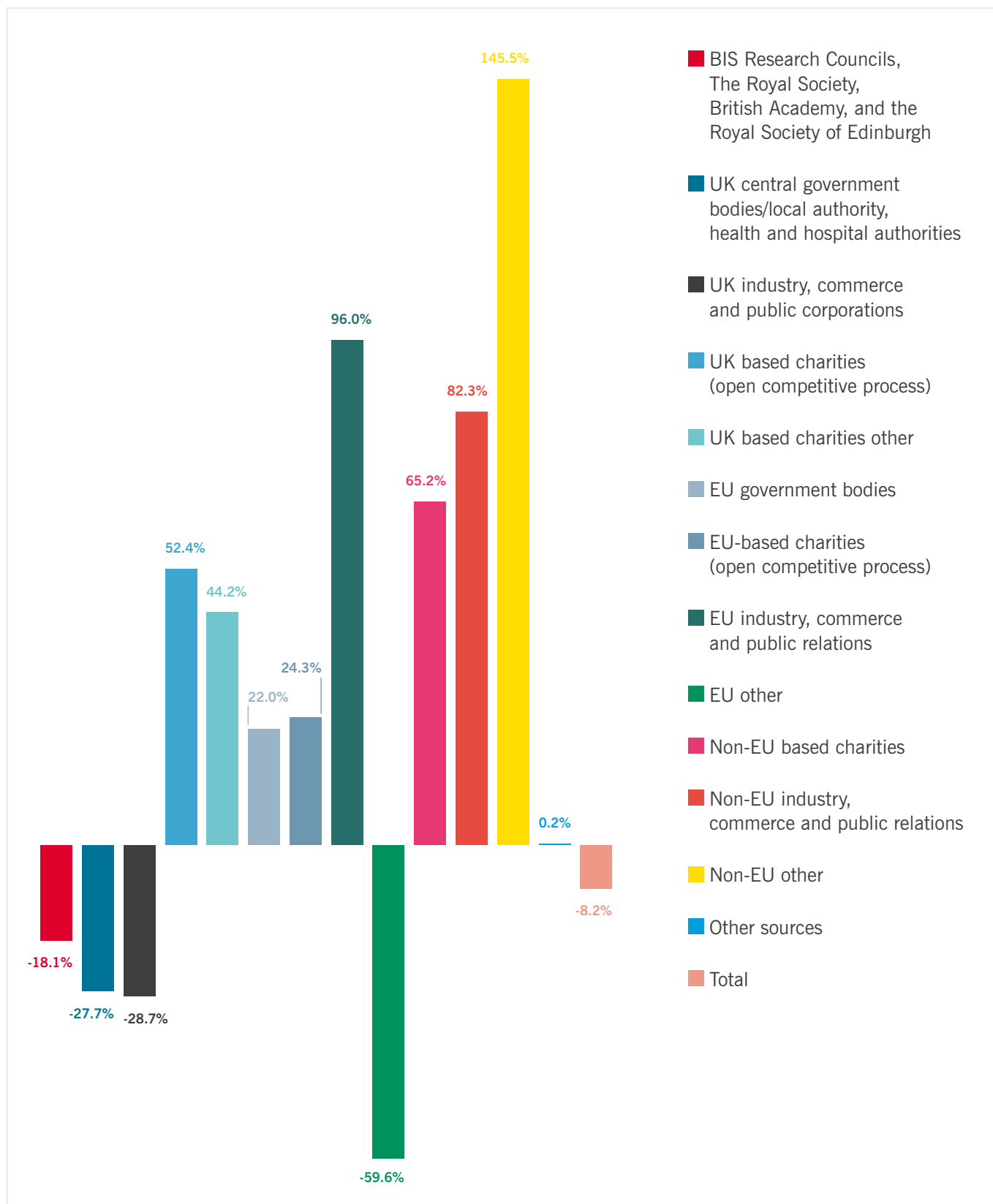
**Table 1**

Research income sources 2010/11 to 2015/16 (FY = 1 August – 31 July), figures in (£000's)

Source of Income	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2010/11 to 2015/16 % change
BIS Research Councils, The Royal Society, British Academy, and the Royal Society of Edinburgh	19,986	19,308	18,236	19,127	17,699	16,377	
		-3.4%	-5.6%	4.9%	-7.5%	-7.5%	-18.1%
UK central government bodies/local authority, health and hospital authorities	20,405	18,814	16,601	13,032	12,926	14,762	
		-7.8%	-11.8%	-21.5%	-0.8%	14.2%	-27.7%
UK central government tax credits for research and development expenditure					196	107	
						-45.4%	
UK industry, commerce and public corporations	9,900	9,426	8,884	6,369	6,248	7,054	
		-4.8%	-5.8%	-28.3%	-1.9%	12.9%	-28.7%
UK based charities (open competitive process)	2,405	2,881	2,776	2,609	4,246	3,666	
		19.8%	-3.6%	-6.0%	62.7%	-13.7%	52.4%
UK based charities other	938	977	1,123	973	1,457	1,353	
		4.2%	14.9%	-13.4%	49.7%	-7.1%	44.2%
EU government bodies	10,947	11,692	11,614	13,306	14,765	13,360	
		6.8%	-0.7%	14.6%	11.0%	-9.5%	22.0%
EU-based charities (open competitive process)	74	30	14	105	38	92	
		-59.5%	-53.3%	650.0%	-63.8%	142.1%	24.3%
EU industry, commerce and public relations	599	611	1,083	1,593	1,481	1,174	
		2.0%	77.3%	47.1%	-7.0%	-20.7%	96.0%
EU other	908	1,029	791	905	868	367	
		13.3%	-23.1%	14.4%	-4.1%	-57.7%	-59.6%
Non-EU based charities	276	410	838	666	832	456	
		48.6%	104.4%	-20.5%	24.9%	-45.2%	65.2%
Non-EU industry, commerce and public relations	610	649	724	744	963	1,112	
		6.4%	11.6%	2.8%	29.4%	15.5%	82.3%
Non-EU other	1,005	877	987	1,548	2,074	2,467	
		-12.7%	12.5%	56.8%	34.0%	18.9%	145.5%
Other sources	1,588	2,429	3,137	2,757	1,506	1,591	
		53.0%	29.1%	-12.1%	-45.4%	5.6%	0.2%
Total	69,641	69,133	64,808	63,734	65,299	63,947	
		-0.7%	-6.3%	-1.7%	2.5%	-2.1%	-8.2%

**Figure 1:**

**Source of income for the subject of Business and Management: comparison of percentage income increases/decreases 2010/2011 – 2015/2016**





## COMPARISON WITH OTHER SUBJECT AREAS

Following a year on year decline, total research income for Business and Management in 2015/16 was 8.2% lower than in 2010/11. In comparison, income for all STEM subjects has risen substantially year on year for the five years between 2010/2011 and 2014/15. While several STEM subjects saw a decrease in funding in 2015/16, every STEM subject received at least 15% more research funding in 2015/16 than in 2010/11.

When adjusting for inflation, every STEM subject has still seen a general increase in research funding since 2010/11 compared with a real term decrease of 18.6% for Business and Management.

Figure 3:

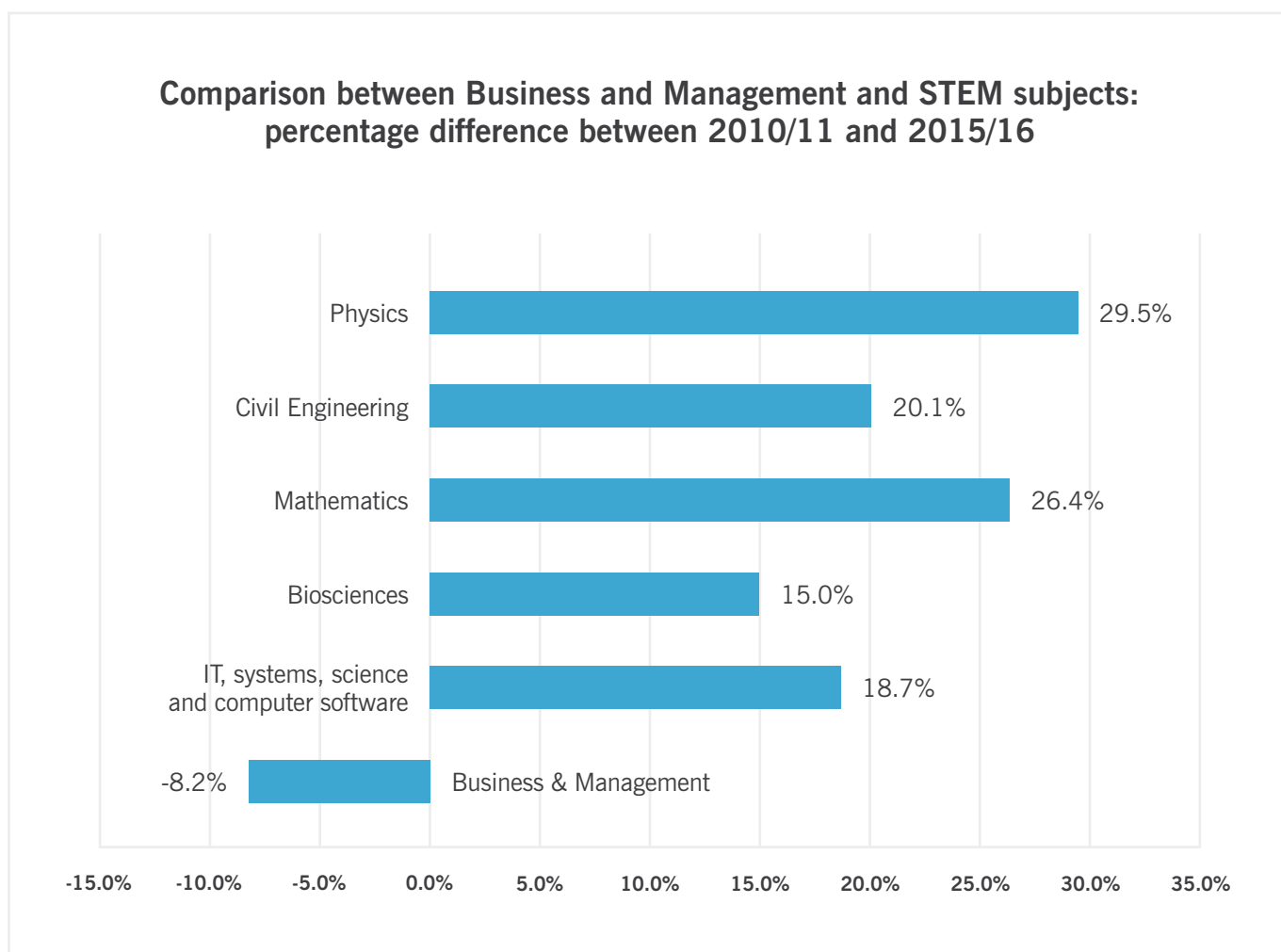




Figure 4:

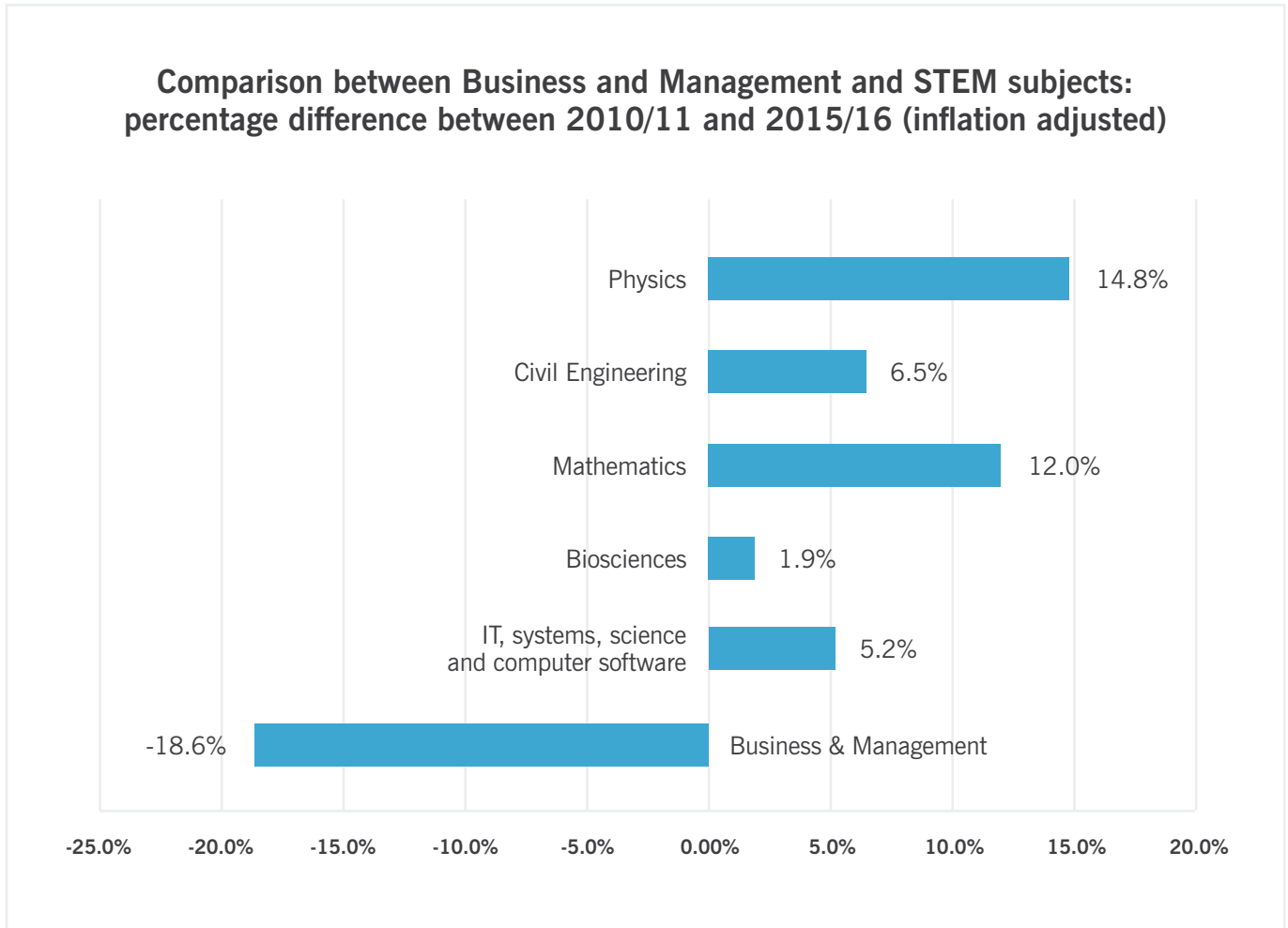


Table 2:

Comparison between the subject of Business and Management and STEM subjects: increases or decreases between 2010/2011 and 2015/2016, figures in (£000's)

	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	% increase/ decrease between 2010 and 2016
Business and Management Studies	69,641	69,133	64,808	63,734	65,299	63,947	-8.2%
IT, systems, science and computer software	130,385	125,602	134,541	150,535	156,617	154,793	18.7%
Biosciences	569,923	563,073	574,995	645,251	706,433	655,308	15.0%
Mathematics	77,914	83,927	88,019	96,650	97,056	98,503	26.4%
Civil Engineering	49,315	51,099	54,778	56,989	64,731	59,232	20.1%
Physics	275,350	267,783	279,854	285,189	333,806	356,495	29.5%
<b>HEIs Total (£000,000's)</b>	<b>4,432</b>	<b>4,510</b>	<b>4,769</b>	<b>5,084</b>	<b>5,912</b>	<b>5,886</b>	<b>32.80%</b>

## TOTAL RESEARCH INCOME BY REGIONS

When looking at research income for Business and Management by region, the picture is in keeping with the national trend - most regions received less research income in 2015/16 than in 2010/11.

Performance between years can fluctuate in some regions. Yorkshire and Humberside and the South East stand out as the regions which have more consistently shown growth.

London and the South East have consistently received the most research funding, accounting for a combined total of £26m in 2010/11, and £26.5m in 2015/16. The South East and West Midlands receive the highest income based on the concentration of business schools in those regions.

**Table 3:**

**Calculation for income by Business and Management by regions 2010/2011 – 2015/2016: increases or decreases by total research income. Figures in (£000's).**

Region (Number of business schools in the region in brackets)	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	Difference 2014/15 and 2015/16	Difference 2010/11 and 2015/16
East (8)	3,328	3,326	5,036	3,467	3,487	3,346	-4.04%	0.54%
East Midlands (8)	3,733	3,009	2,219	1,891	2,328	2,145	-7.86%	-42.54%
London (22)	15,083	15,230	13,831	14,906	13,779	14,047	1.94%	-6.87%
North East (5)	1,280	1,040	741	866	1,031	1,029	-0.19%	-19.61%
North West (12)	8,880	10,381	8,537	6,863	6,150	6,513	5.90%	-26.66%
Northern Ireland (2)	1,134	1,655	1,357	1,075	1,083	1,349	24.56%	18.96%
Scotland (15)	7,094	7,175	7,966	7,666	7,250	6,286	-13.30%	-11.39%
South East (17)	10,706	10,966	10,031	10,919	12,500	12,430	-0.56%	16.10%
South West (11)	4,417	3,159	2,961	2,858	3,117	3,602	15.56%	-18.45%
Wales (8)	2,109	2,737	2,205	1,893	2,147	1,248	-41.87%	-40.83%
West Midlands (11)	9,046	7,247	6,891	8,063	8,341	7,775	-6.79%	-14.05%
Yorkshire and Humberside (10)	2,831	3,178	3,033	3,267	4,068	4,177	2.68%	47.55%

Figure 5:

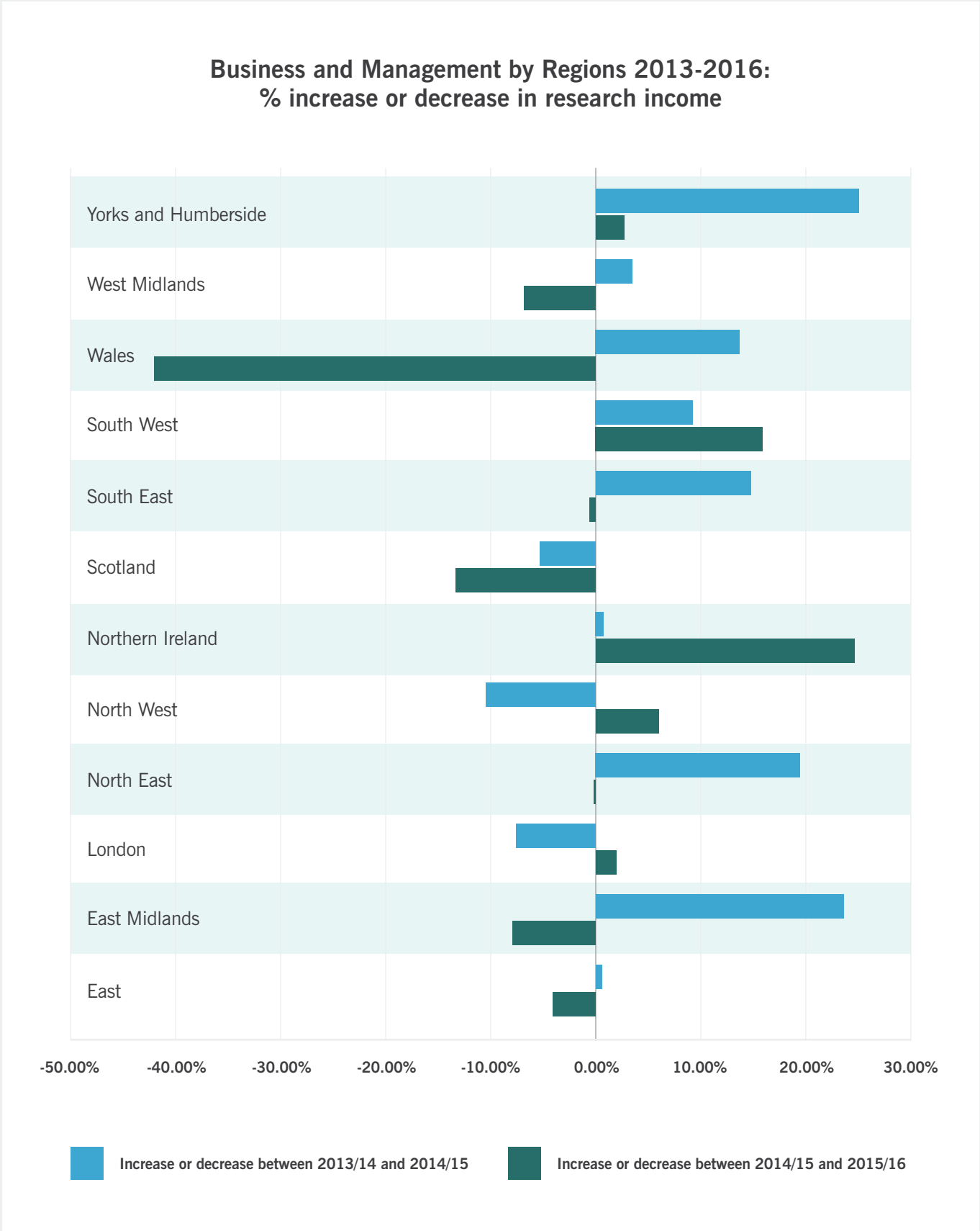
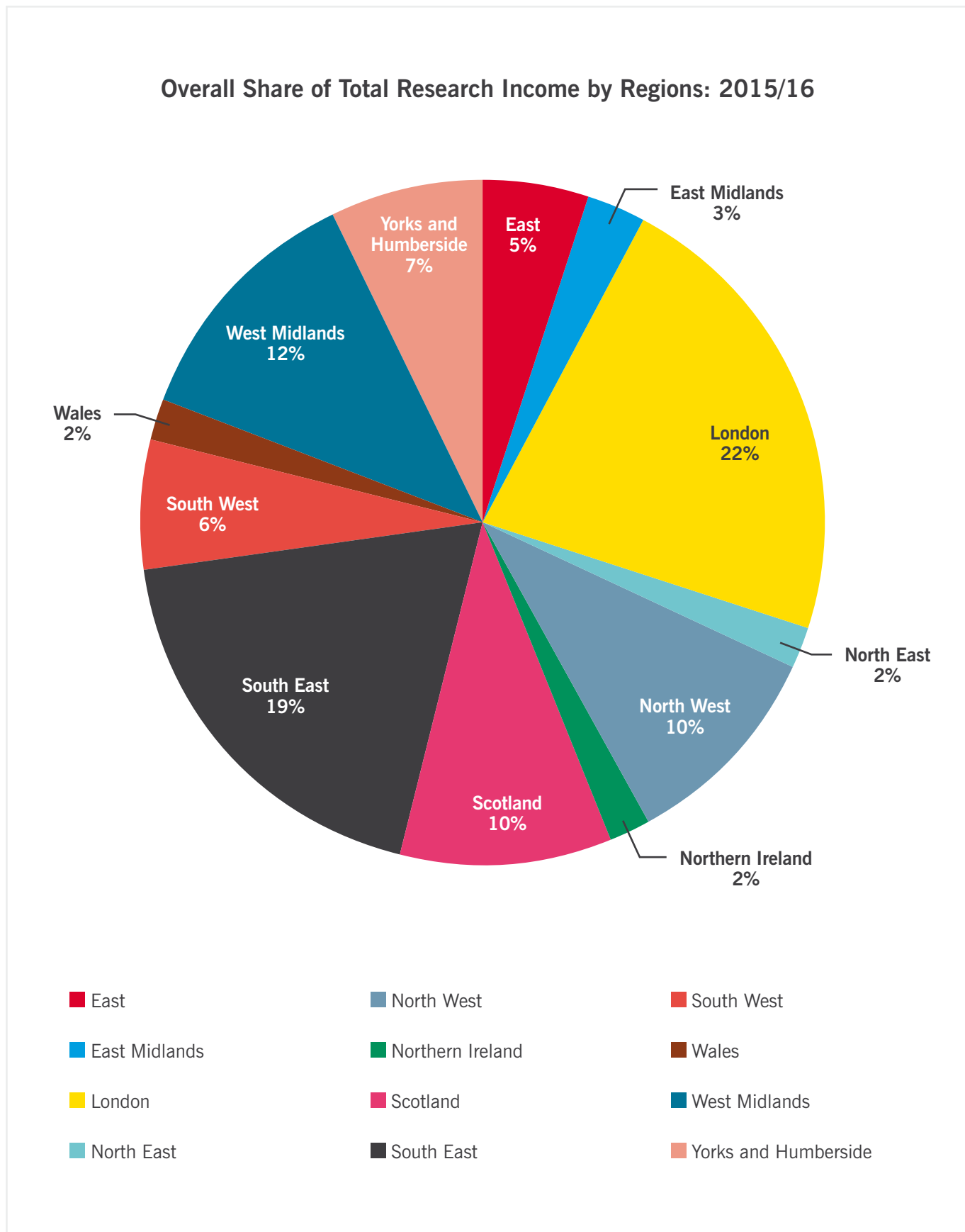


Figure 6:



## BUSINESS SCHOOLS BY RESEARCH INCOME

The table below shows the 14 business schools which received over £4m in total research income over the last three years.

The four highest earning business schools are Russell Group institutions, as are the London School of Economics and the University of Leeds. The other business schools are not part of any mission group. These non-affiliated institutions accounted for over £46m of research income over the period. Non-affiliated business schools as a whole saw their share of research income go up from 41% to 44% between the periods 2010/11 to 2012/13 and 2013/14 to 2015/16.

**Table 4:**

Ranking of business schools by income above £4 million between 2013/14 and 2015/16 (£000's).

Institution	2013/14	2014/15	2015/16	Total
The University of Warwick	4,735	5,051	5,103	14,889
Imperial College of Science, Technology & Medicine	4,314	3,879	3,602	11,795
The University of Manchester	2,877	2,914	4,134	9,925
The University of Oxford	2,660	3,396	3,230	9,286
The University of Sussex	2,380	2,941	2,840	8,161
The University of Strathclyde	2,529	2,325	2,409	7,263
London School of Economics and Political Science	2,717	1,744	2,639	7,100
The University of Lancaster	3,160	1,982	1,443	6,585
The University of Reading	2,211	1,757	2,362	6,330
The University of Leeds	1,749	1,988	1,883	5,620
London Business School	1,577	1,608	1,685	4,870
The University of Stirling	1,664	1,443	1,384	4,491
City University London	1,688	1,582	1,179	4,449
Aston University	1,355	1,703	1,145	4,203

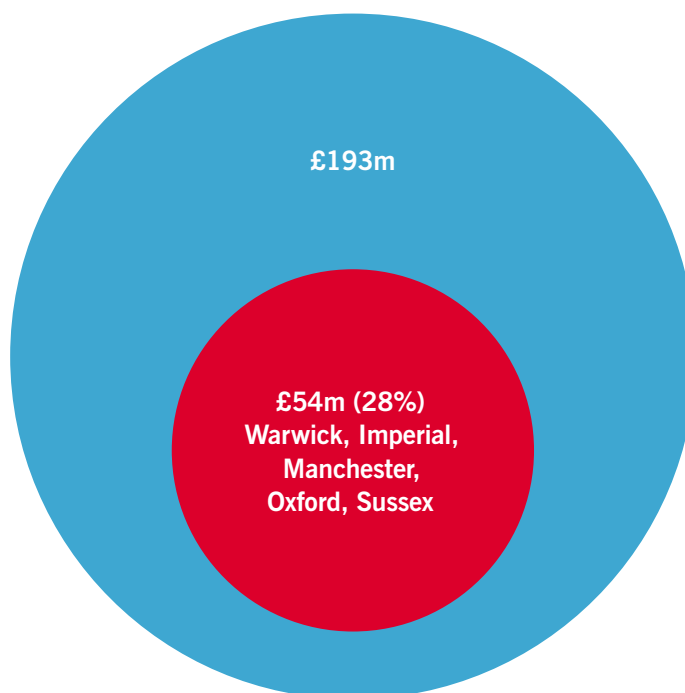
## Research Funding Concentration 2013/14 to 2015/16

**Figure 7:**

**% of total research income for the period 2013/2014 to 2015/2016 by 5 highest earning business schools**

The five highest earning business schools in the 2013/14 to 2015/16 period secured a total of £54m in research funding, equal to 28% of the total for all UK business schools.

This is a lower concentration of research income than in the previous period between 2010/11 and 2012/13, when 30% of research funding went to the five highest earning business schools.

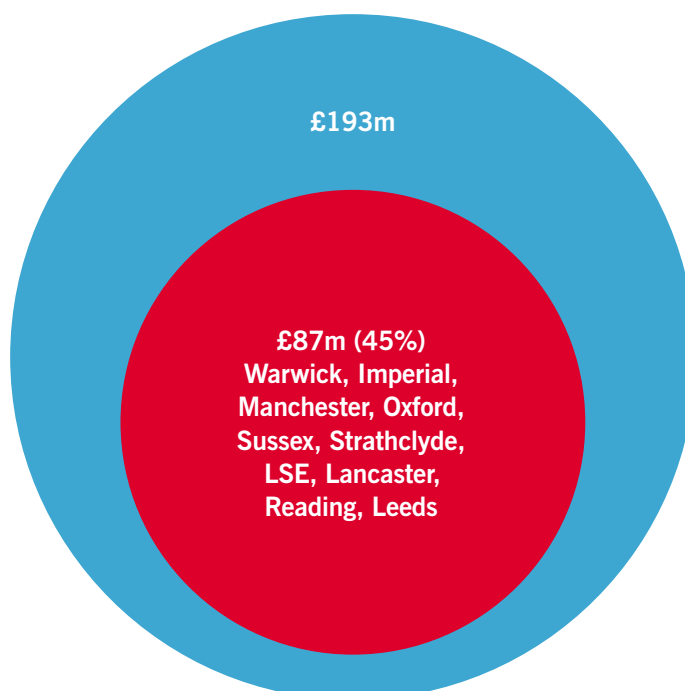


**Figure 8:**

**% of total research income for the period 2013/2014 to 2015/2016 by 10 highest earning business schools**

The ten highest earning business schools secured £87m in research funding between 2013/14 and 2015/16, equal to 45% of the total for all UK business schools.

The 20 highest earning business schools received £123m research funding over the period, equivalent to 64% of total research income for business schools.

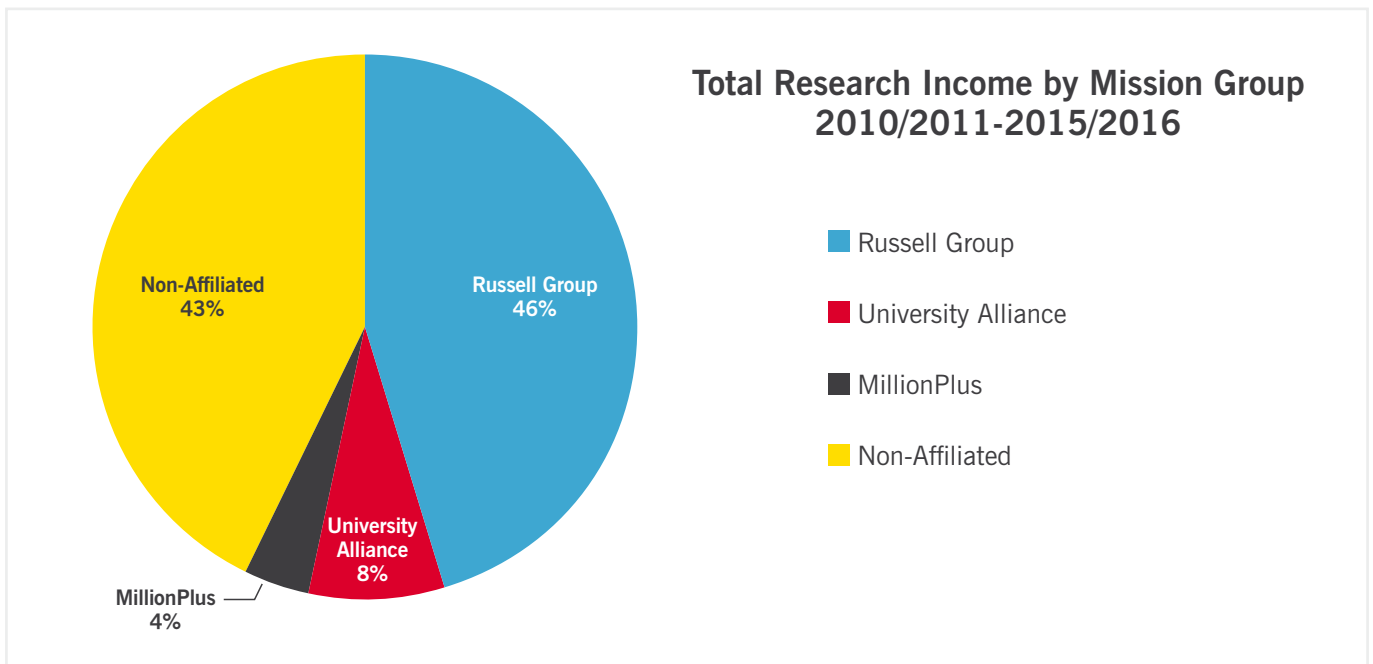


# RESEARCH INCOME BY MISSION GROUP

The Russell Group institutions have maintained the largest share of research income during the six year period. Non-affiliated institutions were gaining a greater share of research income until 2015-16, following an increase in membership of the University Alliance. (see figure 10).

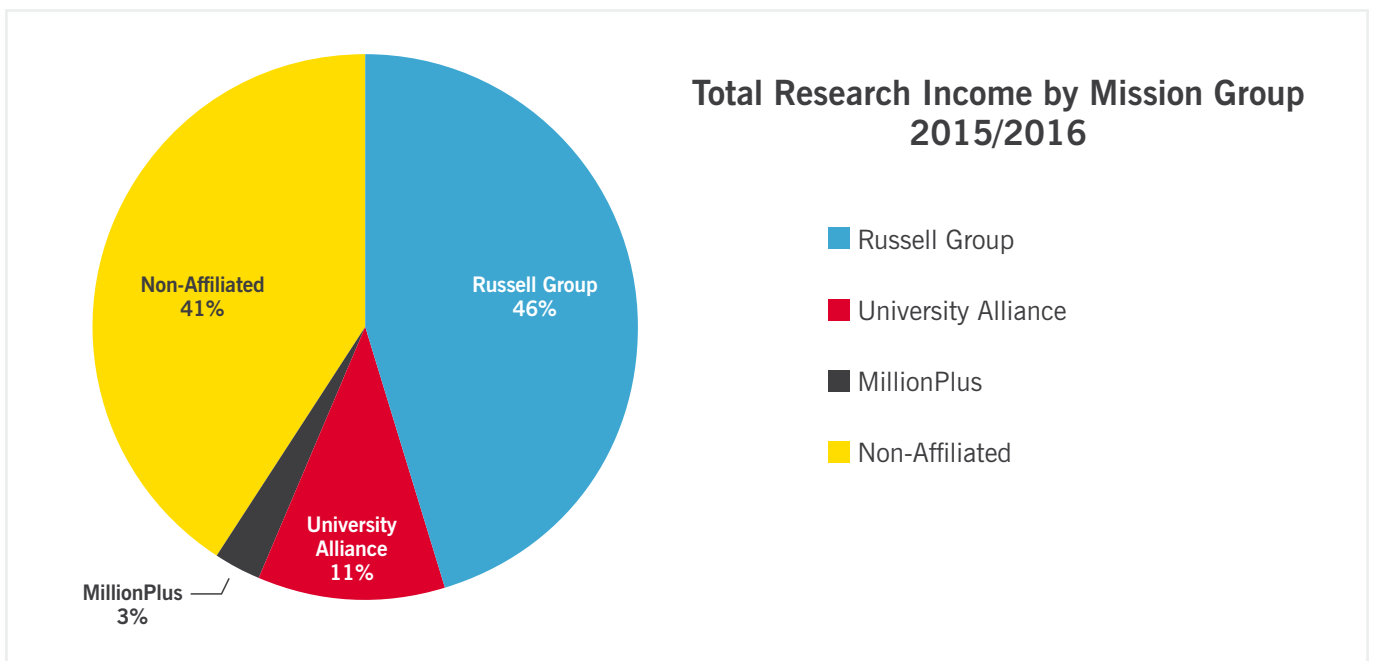
**Figure 9:**

Please note that as a result of rounding, the figures do not add up to 100%.



**Figure 10:**

Please note that as a result of rounding, the figures do not add up to 100%.



## RUSSELL GROUP

Russell Group institutions received £182m in research funding between 2010/11 and 2015/16. This was 46% of the total research income received by business schools over the period. They experienced a significant decrease in research funding between 2011/12 and 2012/13 from £33.8m to £28.4m, and have since then consistently received less than £30m in research funding every year.

**Table 5:**

**Russell Group: Research income from Business and Management (£000's)**

Institution	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	Sum 2010-16
Imperial College of Science, Technology and Medicine	6,097	6,328	5,579	4,314	3,879	3,602	29,799
The University of Warwick	4,537	4,537	3,730	4,735	5,051	5,103	27,693
The University of Manchester	5,495	4,465	4,048	2,877	2,914	4,134	23,933
The University of Oxford	2,421	2,689	2,282	2,660	3,396	3,230	16,678
London School of Economics and Political Science	1,438	1,360	1,406	2,717	1,744	2,639	11,304
The University of Leeds	967	1,608	1,579	1,749	1,988	1,883	9,774
University of Nottingham	2,217	1,707	1,329	770	921	882	7,826
The University of Cambridge	1,599	1,495	1,510	1,166	856	1,001	7,627
Cardiff University	52	2,106	1,412	1,110	1,279	826	6,785
The University of Exeter	1,528	1,099	1,213	1,145	1,070	600	6,655
The University of Sheffield	656	610	479	902	924	987	4,558
King's College London	1,513	1,710	345	372	247	161	4,348
The University of Birmingham	934	642	577	581	575	763	4,072
The University of Southampton	631	564	555	678	708	782	3,918
The University of Edinburgh	852	616	530	447	604	571	3,620
The University of Glasgow	745	278	454	306	429	521	2,733
University of Newcastle-upon-Tyne	555	358	154	322	495	512	2,396
University of Durham	439	401	375	420	344	310	2,289
The Queen's University of Belfast	349	589	352	270	270	363	2,193
The University of Liverpool	463	493	301	296	263	78	1,894
Queen Mary University of London	138	107	93	288	285	362	1,273
The University of York	143	26	-15	24	58	39	275
University College London	0	0	147	101	0	9	257
Bristol					56	10	66
<b>Total</b>	<b>33,769</b>	<b>33,788</b>	<b>28,435</b>	<b>28,250</b>	<b>28,356</b>	<b>29,368</b>	<b>181,966</b>



## UNIVERSITY ALLIANCE

University Alliance business schools received a total of £32m in research funding between 2010/11 and 2015/16. In 2015/16 they received nearly £7m, a marked increase on the years before, which may be a reflection of the addition of new members - the Open University, University of Brighton and University of Central Lancashire.

**Table 6:**

**University Alliance: Research income from Business and Management (£000's)**

Institution	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2010-2016
University of the West of England, Bristol	757	576	519	644	763	1,121	4,380
Coventry University	205	388	467	1,128	664	516	3,368
The University of Salford	1,110	1,518	136	198	125	65	3,152
The University of Greenwich	154	386	463	549	671	797	3,020
University of Plymouth	350	157	202	264	622	793	2,388
Kingston University	765	682	408	254	98	155	2,362
The Manchester Metropolitan University	220	369	445	143	653	517	2,347
The Open University	-	-	-	-	752	1,152	1,904
Oxford Brookes University	478	387	205	129	327	123	1,649
University of Hertfordshire	316	255	168	242	267	308	1,556
The Nottingham Trent University	259	357	80	85	126	127	1,034
The University of Portsmouth	140	370	198	85	80	139	1,012
Sheffield Hallam University	254	180	146	69	90	109	848
The University of Lincoln	219	164	162	23	106	106	780
The University of Huddersfield	19	17	192	65	104	187	584
The University of Brighton	-	-	-	-	-	558	558
University of South Wales	0	79	142	94	105	-62	358
The University of Central Lancashire	-	-	-	-	-	184	184
Teesside University	116	49	6	0	0	0	171
Liverpool John Moores University	89	28	20	4	4	1	146
Cardiff Metropolitan University	52	3	57	0	21	0	133
<b>Total</b>	<b>5,503</b>	<b>5,965</b>	<b>4,016</b>	<b>3,976</b>	<b>5,578</b>	<b>6,896</b>	<b>31,934</b>

## MILLIONPLUS

MillionPlus business schools received nearly £14m in research funding between 2010/11 and 2015/16. Their research income was at its highest in 2012/13 when they received over £3m, despite this being when total research income for Business and Management declined most sharply.

**Table 7:**

**MillionPlus: Research income from Business and Management (£000's)**

Institution	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	SUM 2010-2016
Middlesex University	737	758	618	465	883	997	4,458
Anglia Ruskin University	341	492	1,114	743	368	167	3,225
Edinburgh Napier University	274	400	382	338	73	167	1,634
London South Bank University	728	361	114	55	11	11	1,280
The University of the West of Scotland	72	85	102	99	96	88	542
London Metropolitan University	144	44	132	122	38	59	539
University of Abertay Dundee	32	14	288	-1	0	43	376
University of Cumbria	0	30	24	75	106	83	318
The University of Sunderland	53	72	56	27	30	63	301
Canterbury Christ Church University	14	14	48	105	50	18	249
Staffordshire University	53	110	72	11	0	0	246
University of the Highlands and Islands	139	81	0	0	0	0	220
The University of East London	0	6	46	62	10	45	169
University of Bedfordshire	0	13	20	7	44	30	114
Southampton Solent University	10	9	54	11	29	0	113
The University of West London	30	24	4	0	0	0	58
Bath Spa University	5	9	23	0	0	0	37
The University of Bolton	-3	20	0	0	12	0	29
Leeds Trinity University	-	-	-	-	-	2	2
<b>Total</b>	<b>2,629</b>	<b>2,542</b>	<b>3,097</b>	<b>2,119</b>	<b>1,750</b>	<b>1,773</b>	<b>13,910</b>

## NON-AFFILIATED BUSINESS SCHOOLS

The total income for all non-affiliated business schools between 2010/11 and 2015/16 was £168.8m, equal to 43% of total research income for business schools.

The 11 business schools in the table below are the highest earning business schools which do not belong to any mission group. Their highest levels of research income were in 2012/13 and 2013/14 when they received over £19m in total, despite research income for business schools in general declining over these years.

**Table 8:**

**Sum of income of business schools which do not belong to any mission group. Selection based on average income of over £4m (£000's)**

Institution	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	SUM 2010-2016
The University of Lancaster	1,396	3,322	3,364	3,160	1,982	1,443	14,667
The University of Strathclyde	1,702	2,099	2,216	2,529	2,325	2,409	13,280
The University of Reading	1,683	2,113	2,219	2,211	1,757	2,362	12,345
Cranfield University	2,768	2,896	1,892	1,000	1,205	1,003	10,764
The University of Sussex	7	26	2,089	2,380	2,941	2,840	10,283
London Business School	1,475	1,463	1,464	1,577	1,608	1,685	9,272
The University of Stirling	1,080	1,437	1,469	1,664	1,443	1,384	8,477
Aston University	1,348	1,125	1,736	1,355	1,703	1,145	8,412
City University London	813	1,108	1,363	1,688	1,582	1,179	7,733
University of Ulster	785	1,066	1,005	805	813	986	5,460
Queen Margaret University, Edinburgh	728	934	1,143	900	771	8	4,484
<b>Total</b>	<b>13,785</b>	<b>17,589</b>	<b>19,960</b>	<b>19,269</b>	<b>18,130</b>	<b>16,444</b>	<b>105,177</b>



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