**Where does our money come from and what is it spent on?**

**Please find below details of the categories we use to describe the university’s income and expenditure. We have also included some charts showing comparisons between the 2014-15 and 2015-16 academic years. The final section covers the investment we have undertaken in 2015-16.**

**INCOME**

**Tuition fees**

These funds represent fees charged to students for the course they are undertaking. Different fees are charged depending on the level of study, subject and residency. However, the fee that a university can charge to an undergraduate who is classified as Home/EU, is capped by government policy

**Research grants & contracts**

This income represents funding received from various research councils and other external funding bodies including research funding from the European Union.

**Funding Body Grants**

The Higher Education Funding Council for England (HEFCE) distribute public money for higher education to universities and colleges in England.

HEFCE Funds support 3 priorities in higher education

* Learning, teaching and student choice
* Research
* Knowledge exchange with business and the wider community

The amount we receive for teaching is determined by the number of Home/EU students enrolled and the type of subject they study.

Research funding is currently based on the Research Excellence Framework (REF) from 2014 which reviews the quality of our work.

However, HEFCE grants to the universities do not fully meet their costs: they make only a contribution towards teaching, research, knowledge exchange and related activities.

**Other income**

This income represents money from residences, catering, conferences and other services that the university offers to students, staff and the public. This category also covers any donations we receive including major and regular gifts and legacies.

**Endowment & investment income**

This mainly represents income generated from the investment of money or other financial assets that have been bestowed to the university.

The chart below shows the university’s income for each category for this year and last year.

**EXPENDITURE**

**Academic departments**

This covers costs incurred by academic departments including employing academics, departmental support staff and departmental operating costs. Costs directly related to funded research projects are not included here but rather are categorised under research grants and contracts.

**Student services support, recruitment and facilities**

This relates to money spent on providing student support services including, for example, the grant to support the Students’ Union, sports facilities, the careers service, health centre and bus service. Examples of recruitment costs are the running of applicant visit days and the employment of the student admissions team.

**Bursaries and scholarships**

This relates to money spent on fee waivers, scholarships and bursaries awarded to students across the university.

**Residence and catering**

This is expenditure incurred in providing the residence, catering and any conference operations, including the cost of maintenance of residential and catering premises, salaries and any other identifiable costs relating to these operations.

**Premises**

This is expenditure incurred (whether centrally or departmentally) on the management of premises. This includes academic buildings, central academic services, sports buildings, etc and on roads and grounds. Residences and catering are covered by the category above.

**Academic services**

This is expenditure incurred on centralised academic services such as the library, learning resource centres, central computers, etc.

**Research grants & contracts**

These are direct costs attributed to research grants and contracts.

**Central administration & services**

This is expenditure incurred on central administration, staff and student facilities and amenities, and general educational expenditure.

**Other**

These are direct costs attributed to other services used by the university and any expenditure not already covered.

The chart below shows the university’s expenditure for 2014-15 and 2015-16 for comparison purposes.

**INVESTMENT**

The university invests in the future in a number of ways. This includes investing in our equipment, systems, people, processes and buildings. There were a number of significant projects last year including:

1. The Emily Wilding Davison Building, our new library and student services centre – work has been continuing on this development and has progressed throughout the year. We anticipate the project will be completed this year (2017).
2. The George Eliot Residences – just over £8 million was spent in 2015-16 on the new residences, which are due to open in autumn 2017.
3. The Kingswood residences were refurbished at a cost of £3.4 million
4. Work started on the new science building and £1.3 million has been spent so far
5. The new Boilerhouse Café was also created last year which required £1.0m.

There were a number of strategic projects also taking place in the university last year, some of which are still ongoing, for example, Centralised Timetabling, Programme Validation Management. Others have been completed, for example, the introduction of the new direct applications solution RH Direct.

In addition, work is underway on a project that we’re calling Student First. As part of this, we’re improving a number of our systems and processes. In a nutshell, the aim is to provide you with the best possible services, advice and guidance, from booking, which will provide you with everything you need to reach your potential. As we make our improvements, we’re also continually testing them with our [new RH100 panel](https://www.royalholloway.ac.uk/students/news-events/rh-100/home.aspx) to make sure they’ll meet your needs.