

# The Economic Impact of the University of Hull 2011/12

Making all the right moves



Expenditure-based economic  
and employment data analysis

Summary Briefing 2013



The flaming torch is a symbol of education and learning, and can also be interpreted as representing a pioneering spirit.



The white rose was adopted as a device by the first Duke of York, son of Edward III, in 1385 and later became more widely associated with Yorkshire.



The ducal coronet is taken from the coat of arms of the city of Kingston upon Hull, in reference to the Royal Charter granted to the city by King Edward I in 1299.



The fleur de lys is taken from the coats of arms of Lincoln and Lincolnshire, representing their inclusion in the geographical area that the University was established to serve.



The dove, symbolising peace, is taken from the coat of arms of Thomas Robinson Ferens, the University's foremost original benefactor.

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# Contents

<b>Key Findings</b>	<b>2</b>
<b>About the Update</b>	<b>4</b>
<b>Findings</b>	<b>5</b>
<b>The University is a significant employer</b>	<b>5</b>
<b>Direct revenue of £172m</b>	<b>6</b>
<b>Global economic impact worth £590m to UK economy and supports more than 6,100 jobs</b>	<b>7</b>
<b>Export earnings worth £53m and a major contributor to UK's balance of trade</b>	<b>10</b>
<b>Off campus spending by students injects almost £280m into the local economy</b>	<b>10</b>
<b>Additional value leveraged to UK of more than £420m and 4,050 jobs</b>	<b>11</b>
<b>£220m additional output and 2,200 jobs at UK level based on University turnover alone</b>	<b>11</b>
<b>The multiplier effect generated by the University is considerable</b>	<b>12</b>

“The University of Hull is proud of its place at the heart of the region’s educational and economic landscape. Not only are we generating revenue to benefit our community financially, we are raising the intellectual equity and aspiration of its most important asset: people.”

**Professor Calie Pistorius**  
**Vice-Chancellor**



## Key Findings

The global economic impact of the spending and activities of the University of Hull, its employees, students and its business transactions is worth £590m to the UK economy (£475m in Yorkshire and the Humber region) and supports 6,100 FTE jobs (5,200 in Yorkshire and the Humber region).

The University of Hull is a significant employer and one of the largest in the city of Hull and the wider Humber area, providing 2,100 full-time equivalent (FTE) jobs on its campuses in Hull and Scarborough.

The University's revenue of £172.4m is equivalent to 1.2% of the £14.6bn output productivity of the Humber region economy in 2011. At £14.3m, the Scarborough campus represents around 1% of the value of the £1.52bn Scarborough economy.

Two-thirds of the University's revenue is derived from public sector funding, mainly in the form of its core Higher Education Funding Council for England teaching and learning grants, and tuition fees from UK students. The University's international income from international student tuition fees and research grants or contracts is a significant revenue source at 14% of all revenue.

The Scarborough campus generates an estimated £42m to the local economy – around 4% of the value of the Scarborough economy – and supports more than 550 jobs in the local area.

Through its international revenue and spending by international students, the University generates substantial export earnings worth £53m and is a major contribution to the UK's balance of trade.

Off-campus spending by students injects almost £340m into the UK economy (£280m Yorkshire and the Humber region) and supports around 1,900 FTE jobs.

The net effect or value added levered by the University (less its turnover of £172m) is worth £420m and 4,050 jobs to the UK.

Excluding student and visitor spend and based on University turnover alone, results in additional indirect 'knock-on' benefits worth £220m in output and 2,200 jobs at the UK level, with a focus on manufacturing, wholesale and retail, and business.

The multiplier effect generated by the University is considerable, with 25 FTE jobs created at the UK level per £1m handled – comprising 12 jobs directly in the University, 10 additional jobs across Yorkshire and the Humber region, plus three additional jobs across the rest of the UK.

*Humber Bridge, East Yorkshire countryside*





# About the Update

The Economic Impact of the University of Hull was produced for the University in May 2011 in an attempt to understand the unique economic contribution to the local economy of the University and its two campuses in Hull and Scarborough. It comprised a separately commissioned expenditure-based study of economic and employment indicators established by the Universities UK Economic Impact Modelling System using the 2009/10 Financial Statement, produced by Viewforth Consulting (Kelly, McNicoll) in March 2011. It was the first time such a comprehensive account of the direct and indirect economic impact of the

University on the local area had been undertaken. It also captured the extent, richness and interdependencies of its interactions with business, local community, partners and other higher education institutions.

This updated version takes account of the latest available 2011/12 Financial Statement and comprises an expenditure-based analysis of the economic and employment data. To ensure consistency with the earlier report, this analysis adopts the same economic and employment multipliers previously used.

**Figure 1: Output and Employment Multipliers for University of Hull and Scarborough Campus**

Multiplier	Regional	UK	
Output (per £1m)	1.94	2.29	For every £1m of the University's own output, a further £1.29m is generated in other parts of the economy, £0.94m of which is in Yorkshire and the Humber region
Employment (per 100 FTEs)	1.82	2.04	For every 100 FTE jobs at the University, an additional 104 jobs are generated in other UK industries – with 82 of these jobs in Yorkshire and the Humber region

Source: Derived from Universities UK Economic Impact Modelling System 2009, Viewforth Consulting 2009/10

The update was undertaken by Ben Fletcher, an independent policy and research specialist and former Policy and Research Manager at the sub-regional economic development partnership, the Humber Economic Partnership.

The economic multiplier of money handled by the University is considerable. For every £1m turnover handled by the University, a further £1.29m is generated in other parts of the economy, £0.94m of which is in Yorkshire and the Humber region. For every 100 FTE jobs at the University, an additional 104 jobs are generated in other UK industries – with 82 of these jobs in Yorkshire and the Humber region. Estimates for the Scarborough campus are made based on its proportion of University of Hull turnover and numbers of local, rest of UK and international students.

This short summary briefing presents the headline results from the 2011/12 expenditure-based analysis.

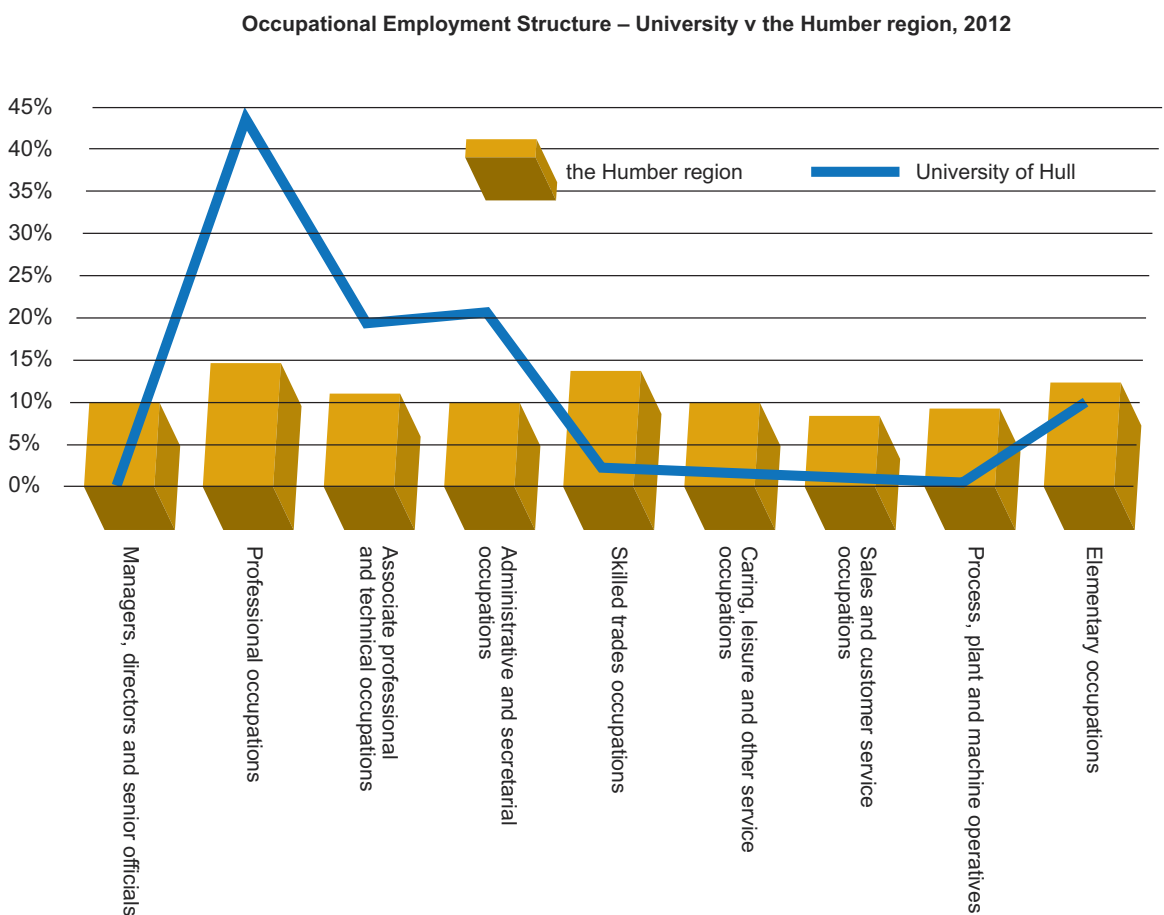
# Findings



## The University is a significant employer

The University of Hull is a significant employer and one of the largest in the city of Hull and the wider Humber area. It directly provided 2,100 FTE jobs on its campuses in Hull and Scarborough during 2011/12. In 2011/12, the University directly employed 224 people<sup>1</sup> at the Scarborough Campus – 10.7% of the University of Hull’s workforce and itself an important local employer.

Figure 2: Occupational Employment Structure, University of Hull and the Humber region, 2012



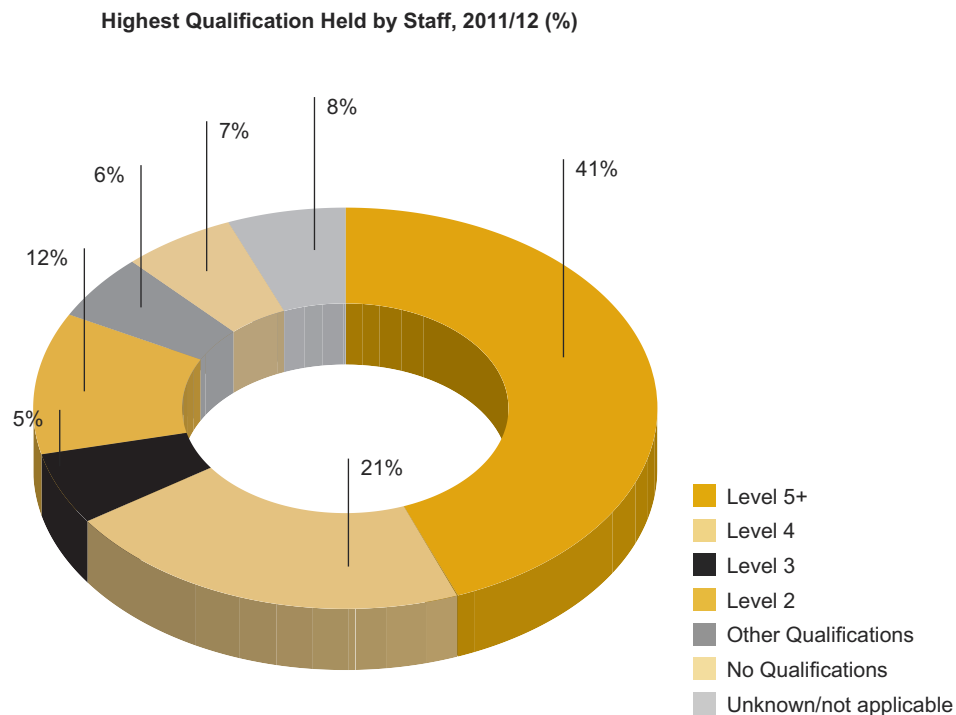
Source: Labourforce Survey, Office for National Statistics, University of Hull HESA Return 2011/12

There is an emphasis on highly skilled academic, professional and management level employment. The University also provides a whole spectrum of other employment roles, including catering, maintenance, administration and security.

Approaching two-thirds of the University staff hold a qualification equivalent to NVQ Level 4 or higher. More than two-fifths are qualified to NVQ Level 5 or above, 12% hold NVQ Level 2 and 7% of staff have no qualifications.

<sup>1</sup>Excludes fee-paid staff

**Figure 3: Qualifications Held By University Staff, 2011/12**



Source: 2011/12 Financial Statement

### Direct revenue of £172m

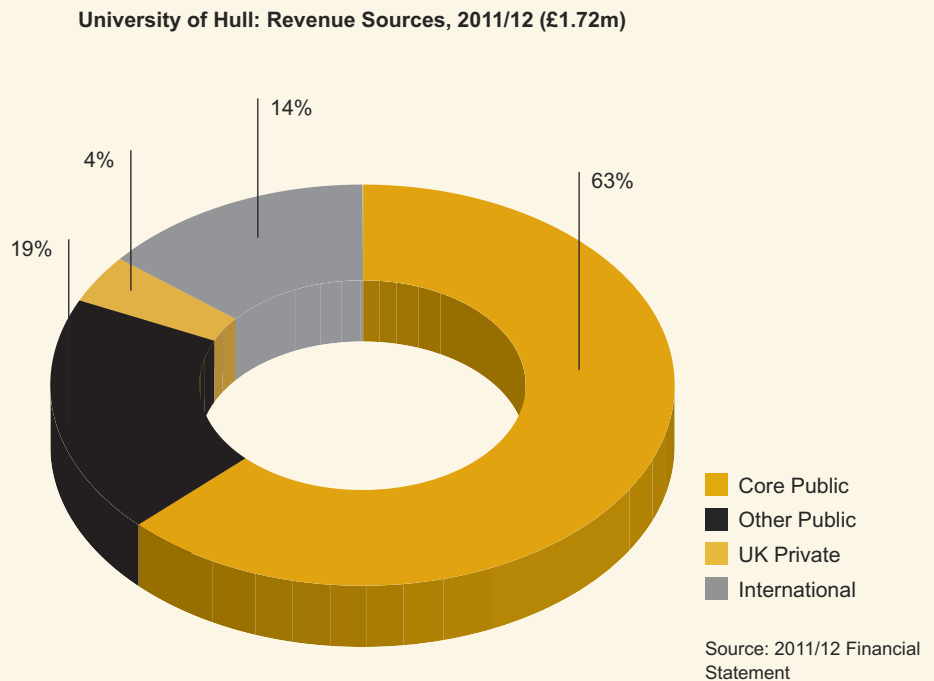
The University's direct output in 2011/12 was £172.4m, equivalent to 1.2% of the total £14.6bn output productivity of the Humber region in 2011. It underlines the significant direct contribution the University makes to the economy. It also contributed around £5.8m in national insurance and social security payments, made direct to the Government in 2011/12.

The turnover or output of the Scarborough Campus in 2011/12 was £14.3m – representing 8.3% of the turnover of the University of Hull Group and just less than 1% of the value of the £1.52bn Scarborough economy. Staff wages and salaries form the largest expenditure heading.

Approaching two-thirds of the University's revenue is derived from public sector funding, mainly in the form of its core Higher Education Funding Council for England teaching and learning grants and from tuition fees from UK students and education contracts. The University's international income, comprising mainly tuition fees from international students and research grants or contracts is a significant revenue source. Although small in comparison to the University's main public revenue sources, its revenue from private-sector sources in the form of tuition fees relating to continuing professional development and skills development paid for by business and employers and as research activities performed for employers represents an important income stream.



**Figure 4: Revenue Sources, 2011/12**



Through its spending and activities, and those of its staff, the University generates an additional 2,200 FTE jobs across the UK, of which, 1,700 (around 80%) are attributable to Yorkshire and the Humber region – a total direct and secondary FTE UK jobs impact of 4,300. This is slightly down on the March 2010-based analysis due to a reduced FTE workforce since 2009/10. The Scarborough Campus expenditure generates around 230 additional jobs across the UK, with 180 jobs directly attributable to the local economy – a total employment impact of almost 460 FTE jobs.

**Global economic impact worth £590m to UK economy and supports more than 6,100 jobs**

The overall value or global impact of the activities and spending of the University of Hull, its employees, students and its business interactions is worth an estimated £590m to the UK economy – representing around 4% of the total value of the Humber region economy and supporting 6,100 UK jobs. Of this, £475m is attributable to the Yorkshire and Humber regional economy and supports 5,200 FTE jobs in the region. The results are impressive and underline the significant economic importance of the University to the region. This is slightly down on the March

2010-based analysis due mainly to slightly reduced student numbers and FTE head of staff with a modest rise in University turnover since 2009/10.

The global impact of the University’s activities and spending at the Scarborough Campus and in the town by its employees, students and through its business interactions is worth an estimated £42m to the local economy plus a further £11m spread across the rest of the UK. This represents around 9% of the total global output generated by the University of Hull Group within the Yorkshire and Humber region and just less than 4% of the total value of the £1.52bn Scarborough economy in 2010.

In terms of the employment impact, the Scarborough Campus spending supports more than 550 jobs in the local area plus a further 100 jobs spread throughout the UK. It comprises around 9% of all HE sector jobs in York and North Yorkshire sub-region and 1.5% of the Scarborough workforce of 39,100. It also accounts for around 10% of the 5,200 jobs in the Yorkshire and Humber region by the University of Hull Group.

It represents an increase in impact since the March 2009/10-based analysis.

Aerial view of the Scarborough Campus



Figure 5: The total impact of University of Hull and Scarborough Campus activity in 2011/12<sup>2</sup>

Category	Direct (£m)	Total Knock-on Impact on UK	Of Which Total Knock-on Impact Accruing to Yorkshire and the Humber region	Total Impact on UK (Direct Plus Knock on)	Total Impact on Yorkshire and the Humber region (Direct Plus Knock on)
<b>Output (£m)</b>					
(1) The University of Hull	172.4	222.3	162.0	394.7	334.4
(1a) Of which, Scarborough Campus (8.3% of UG)	14.3	18.5	13.5	32.8	27.8
(2) Generated by International Students		32.0	22.7	32.0	22.7
(2a) Of which, Scarborough Campus (9% SC student population)		1.8	1.3	1.8	1.3
(3) Generated by UK Students from Outside the Yorkshire and Humber region		68.3	48.5	68.3	48.5
(3a) Of which, Scarborough Campus (35% SC student population)		7.0	4.9	7.0	4.9
(4) Generated by Local Students		98.3	69.8	98.3	69.8
(4a) Of which, Scarborough Campus (56% SC student population)		11.1	7.9	11.1	7.9
<b>(2-4) Total Employment Derived from Student Output, University of Hull</b>		<b>198.5</b>	<b>141.0</b>	<b>198.5</b>	<b>141.0</b>
<b>(2a-4a) Of which, Scarborough Campus (10% of UG)</b>		<b>19.9</b>	<b>14.1</b>	<b>19.9</b>	<b>14.1</b>
<b>Total Combined Impact of University Activity</b>	<b>172.4</b>	<b>420.9</b>	<b>303.0</b>	<b>593.2</b>	<b>475.3</b>
<b>Of which, Scarborough Campus</b>	<b>14.3</b>	<b>38.3</b>	<b>27.5</b>	<b>52.6</b>	<b>41.9</b>



Figure 5 (cont.): The total impact of University of Hull and Scarborough Campus activity in 2011/12<sup>2</sup>

Category	Direct (£m)	Total Knock-on Impact on UK	Of Which Total Knock-on Impact Accruing to Yorkshire and the Humber region	Total Impact on UK (Direct Plus Knock on)	Total Impact on Yorkshire and the Humber region (Direct Plus Knock on)
<b>FTE Employment</b>					
(1) The University of Hull	2090	2174	1714	4264	3804
(1a) Of which, Scarborough Campus (10.7%)	224	233	183	456	407
(2) Generated by International Students	0	302	221	302	221
(2a) Of which, Scarborough Campus (9% SC student population)	0	17	12	17	12
(3) Generated by UK Students from outside the Yorkshire and Humber region		645	472	645	472
(3a) Of which, Scarborough Campus (35% SC student population)		66	48	66	48
(4) Generated by local Students		929	680	929	680
(4a) Of which, Scarborough Campus (56% SC student population)		105	77	105	77
<b>(2-4) Total Employment Derived from Student Output, University of Hull</b>		<b>1876</b>	<b>1373</b>	<b>1876</b>	<b>1373</b>
<b>(2a-4a) Of which, Scarborough Campus (10% of UG)</b>		<b>188</b>	<b>137</b>	<b>188</b>	<b>137</b>
<b>Total Combined Impact of University Activity</b>	<b>2090</b>	<b>4050</b>	<b>3087</b>	<b>6140</b>	<b>5177</b>
<b>Of which, Scarborough Campus</b>	<b>224</b>	<b>420</b>	<b>321</b>	<b>644</b>	<b>545</b>

Source: Derived from Universities UK Economic Impact Model (2009), Viewforth Consulting for University of Hull, March 2011 and updated for latest 2011/12 Financial Statement.

<sup>2</sup> Figures for Scarborough are estimates based on proportions of total revenue at the University of Hull Group and weighted by the composition of the student population at the Scarborough Campus. Figures have been rounded accordingly.



## Export earnings worth £53m and a major contributor to UK's balance of trade

The University generates substantial export earnings and is an important contributor to the UK's balance of trade. Its 'international' revenue<sup>3</sup> of £30.2m from tuition fees from overseas students and other income plus estimated off-campus expenditure of international students worth around £23m – represents around £53m in export earnings. This is slightly up on the previous March 2010-based analysis due to the notable increase in direct international University revenues (tuition fees, research grants, etc) from since 2009/10.

## Off-campus spending by students injects almost £280m into the local economy

Student and visitor spending represents a major economic injection to the local economy. The combined off campus expenditure of the University's international, rest of UK and locally domiciled student population is estimated at £142m. In turn this generates an additional £200m in output across the UK (£141m in Yorkshire and the Humber region) and some 1,900 FTE jobs (1,400 in Yorkshire and the Humber region). The combined impact of University of Hull students injects almost £280m into the local economy. This is slightly down on the March 2010-based analysis due mainly to slightly reduced student numbers since 2009/10.

The impact of the off-campus spending of the student population in Scarborough is considerable. In 2011/12, this was estimated to be around £14m – about 10% of the £142m estimated off-campus student expenditure across the whole University of Hull Group. Through the multiplier effect it is estimated that this generates an additional £14m for the Scarborough area, plus a further £6m across the rest of the UK. The combined impact of students at the Scarborough Campus is estimated at around £28m. This expenditure supports almost 140 jobs in Scarborough and the surrounding coastal settlements, plus a further 50 jobs across the UK.

Locally domiciled students studying at the University represent just less than half of the student population and spent an estimated £70.2m off campus in 2011/12. This generated £98m of output and more than 900 jobs across the UK (£69.8m and 680 jobs across Yorkshire and the Humber region). International students spent an estimated £22.8m off campus in the year, which generated an additional £32m of output and 300 FTE jobs across the UK – of which, £22.7m of output and 220 FTE jobs are attributable to Yorkshire and the Humber region. Notably, students from the rest of the UK – representing more than one-third of the student population – spent an estimated £48.8m off campus leading to £68m of output and 650 jobs across the UK (of which Yorkshire and the Humber region represented £48.5m of output and 470 jobs).

Unsurprisingly, the Scarborough campus has a slightly different student population profile to the main University Group, with a higher representation of locally based students and a lower proportion of international students. Locally domiciled students studying at the Scarborough Campus represent 56% of its student population and spent an estimated £8m off campus in 2011/12. This generated £8m in additional output and almost 80 jobs in Yorkshire and the Humber region, plus £3m and almost 30 FTE jobs across the rest of the UK. International students spent an estimated £1.3m off campus in the year, which generated an additional £1.3m of output and 12 FTE jobs in Yorkshire and the Humber region. Students from the rest of the UK – representing more than one-third of the student population – spent an estimated £5m off campus leading to £5m of additional output and around 50 jobs in the local area (plus a further £2m in output and 18 FTE jobs respectively across the rest of the UK).

<sup>3</sup>International revenue was derived from University of Hull Finance Office data and includes non-EU fees, income from international research and consultancy, together with other services to international customers including, for example, conference accommodation.

### **Additional value leveraged to UK of over £420m and 4,050 jobs**

Removing the University's own direct turnover of £172m from the global value leaves indirect additional knock-on output of £421m and 4,050 FTE jobs across the UK. Within Yorkshire and the Humber region, this represents £303m in output and 3,100 FTE jobs. This is the total net effect or added value generated by the University's presence in the area and is broadly on a par with the March 2010-based analysis.

The Scarborough Campus provides additional added value of £28m in the Scarborough and wider settlements, plus a further £10m across the UK economy. It supports 320 indirect jobs in the local area and 100 further jobs throughout the UK. This is a considerable contribution to the local Scarborough economy and would not occur were the University campus not located in the town.

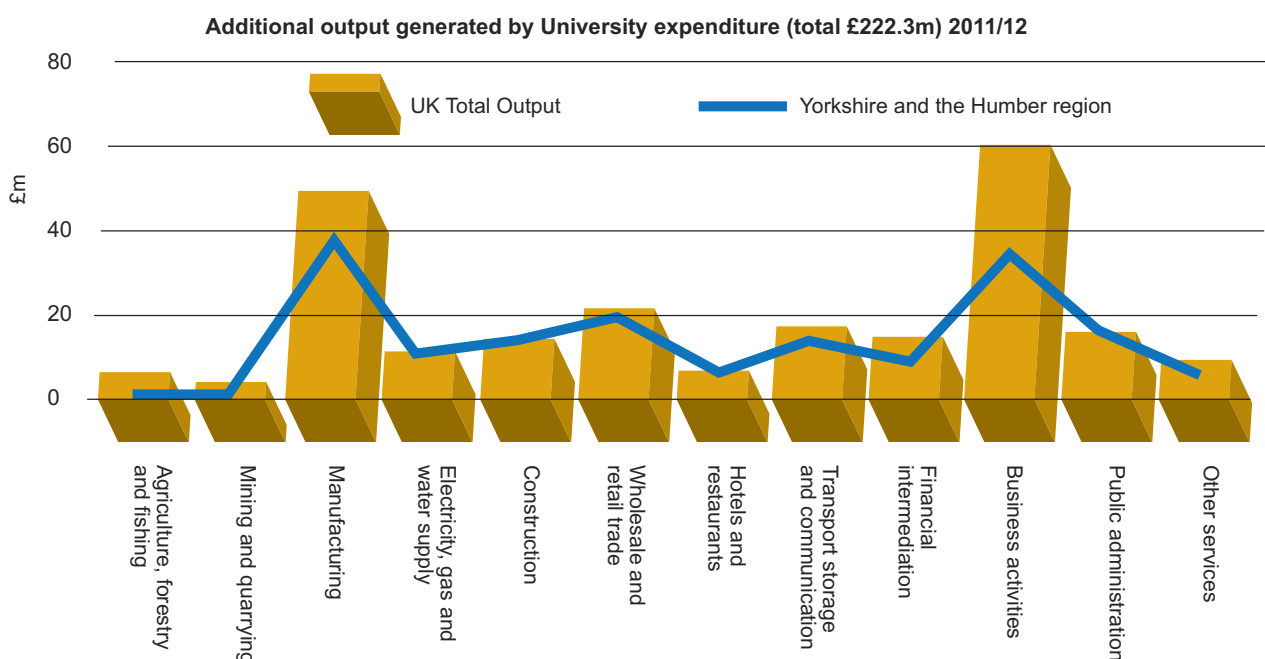
### **£220m additional output and 2,200 jobs at UK level based on University turnover alone**

The University's turnover of £172m in 20011/12, excluding student and visitor spend, itself generates additional indirect knock-on benefits worth £220m to industries across the UK, of which £162m relates to industries in Yorkshire and the Humber region. Manufacturing, wholesale and retail and business activities all feature prominently. It represents a considerable economic impact in terms of employee spend and the purchasing behaviour throughout the University's supply chain. This is slightly up on the previous March 2010-based analysis due to the slight increase in University turnover since 2009/10. Through its spending and activities and those of its staff, the University generates 2,200 jobs across the UK (Yorkshire and the Humber region = 1,700) – a total direct and secondary FTE UK jobs impact of 4,300. This is slightly down on the March 2010-based analysis due to a reduced FTE workforce since 2009/10.





**Figure 6: Additional sectoral output generated by University of Hull expenditure, 2011/12**



Source: Derived from Universities UK Economic Impact Model (2009), Viewforth Consulting for University of Hull, March 2011 and updated for latest 2011/12 Financial Statement.

Direct turnover at the Scarborough Campus of £14.3m in turn is responsible for generating indirect economic benefit worth an additional £13.5m for the Scarborough economy and supports 180 jobs. It also generates a further £5m at the UK level and supports an additional 50 jobs. This results in a total direct and secondary FTE UK jobs impact of almost 460 FTE jobs.

### The multiplier effect generated by the University is considerable

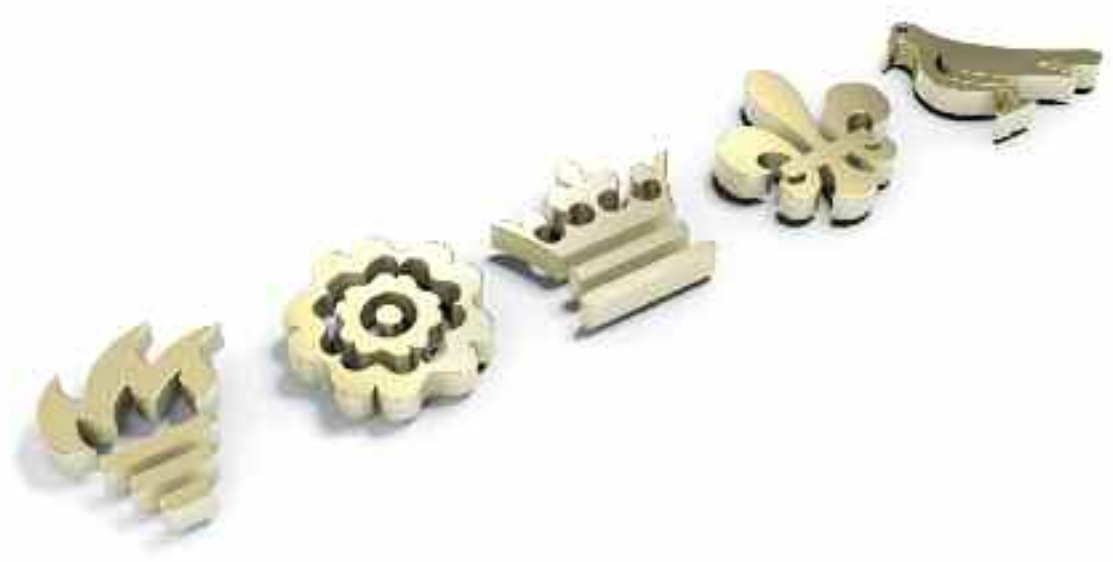
The economic multiplier effect of money handled by the University is considerable. The total UK employment impact per £1m handled by the University is around 25 FTE – comprising 12 FTE jobs directly in the University, 10 FTE additional jobs in the Yorkshire and Humber region, plus three additional jobs in the rest of the UK. This is slightly down on the March 2010-based analysis due to a reduced FTE workforce since 2009/10 but is nevertheless an impressive return on monies vested in the University.

The total UK employment impact per £1m vested in the Scarborough Campus is greater than the University of Hull as a whole at 32 FTE jobs – this comprises 16 direct jobs at the campus, 13 within Scarborough and across the wider Yorkshire and Humber region, plus a further three jobs across the rest of the UK. It points to a slightly greater return on investment but it should be noted that this calculation does not fully reflect the associated costs of the shared corporate services and support and departmental academic and research links provided to the Scarborough Campus which are subsumed by the University of Hull Group.



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The report was produced by Ben Fletcher, an independent policy and research specialist, and former Policy and Research Manager at the sub-regional economic development partnership, the Humber Economic Partnership.

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