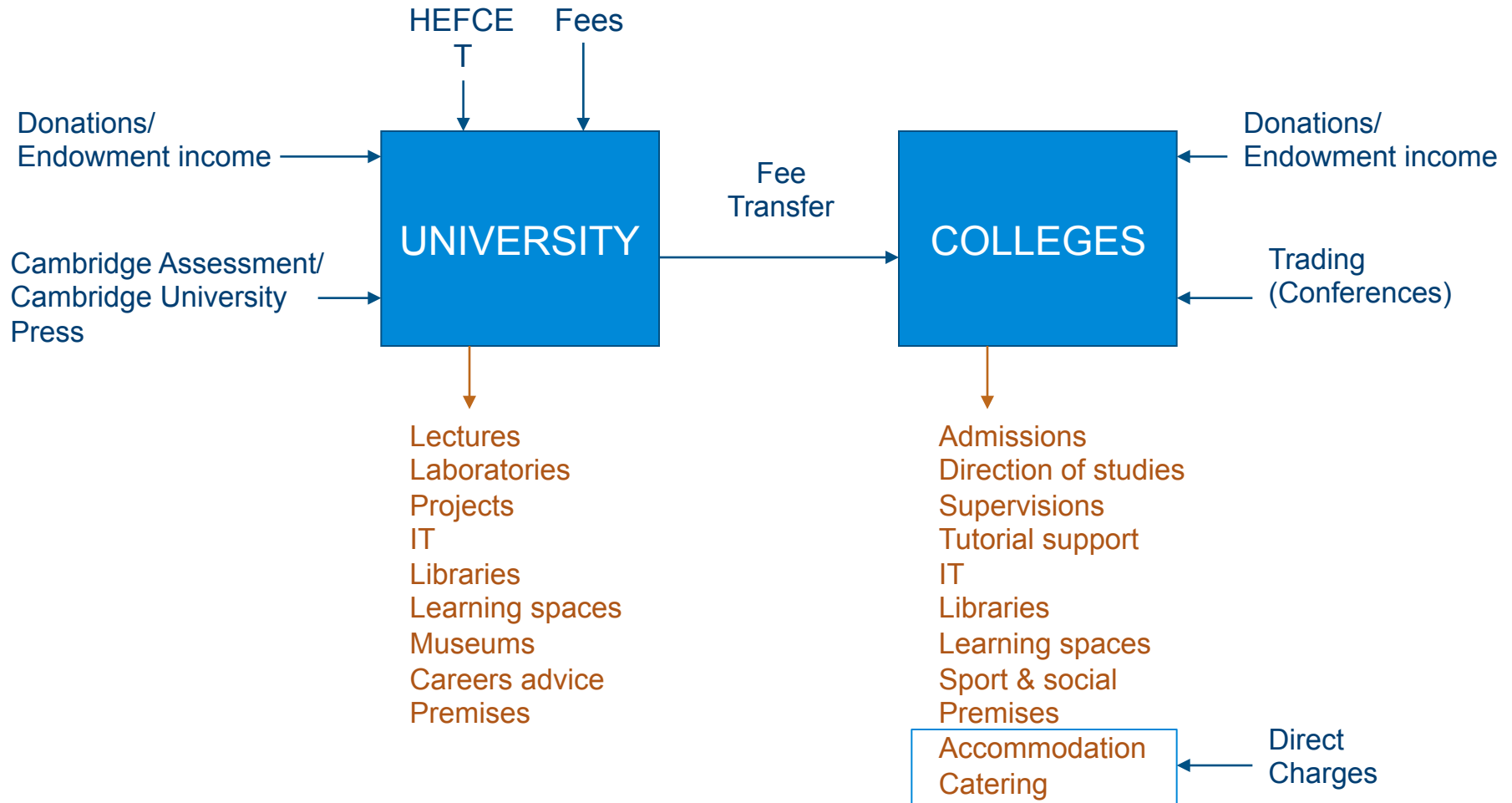


CAMBRIDGE UNDERGRADUATE COSTS

Professor Steve Young, Senior Pro-Vice-Chancellor

4th March 2011

Funding of Home/EU undergraduate education



Costs of undergraduate education

Per student	2008-09 £k	2009-10 £k	2010-11 £k
Baseline	15.7	15.7	16.7
Inflation (HEPPI)		1.0	0.4
Total	15.7	16.7	17.1
<hr/>			
TRAC adjustment	0.8	0.8	0.9
FEC total	16.5	17.5	18.0

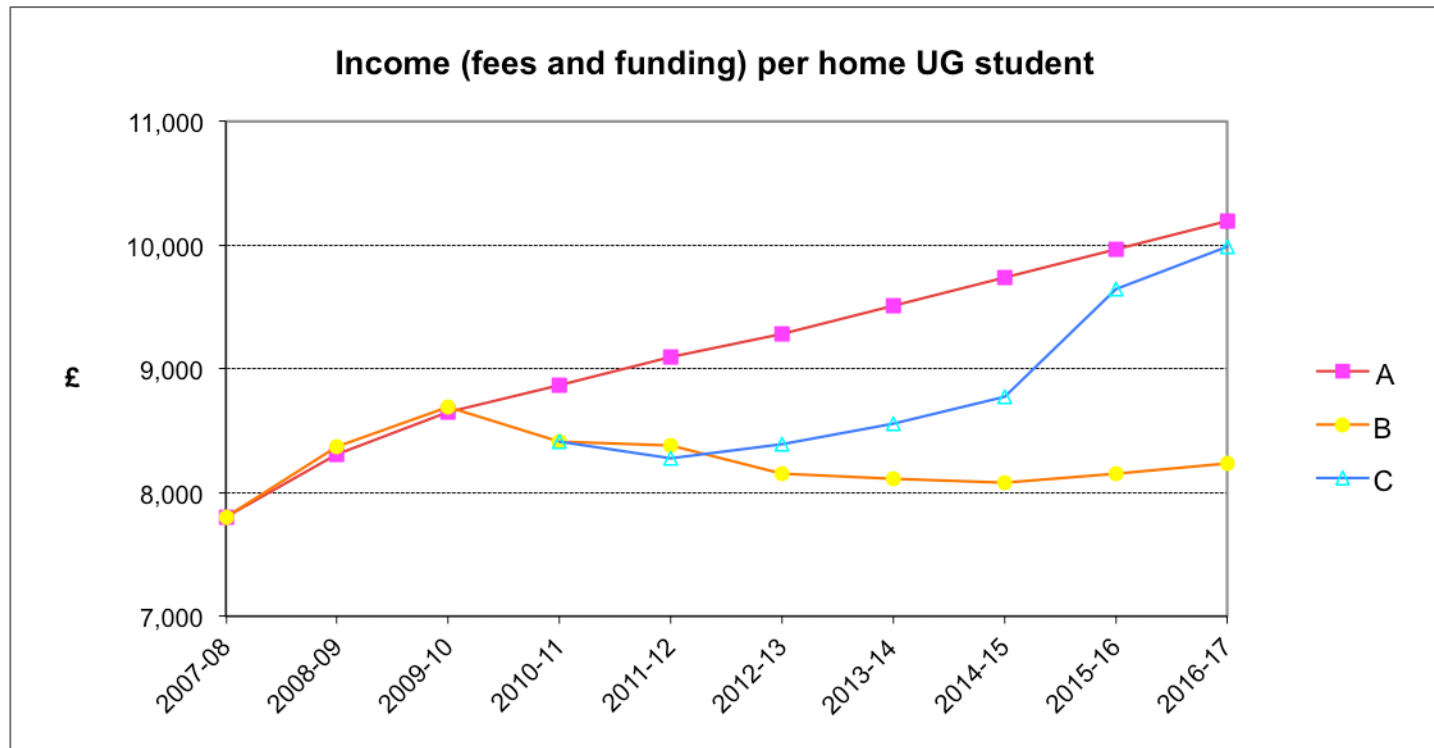
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HESA analysis of expenditure 2008/09

Academic Depts	Academic Services	General Education	Staff & Student Facilities	Admin	Premises
Research based teaching	Libraries	Admissions/WP	Bursaries	General Administration	Historic buildings
Lectures	Academic IT costs	Prizes and Scholarships	Welfare		Special facilities
Supervisions	Museums	Studentship funds	Sports and societies		
Experiments		Travel grants			
Directors of Studies		Development			
Tutors		Small institutional costs			
Administration					
CTOs/UTOs					
7.3k	1.2k	2.3k	0.5k	1.4k	3.0k

Total = 15.7k pa

Fee regime comparison



Key: A – Higher rate of fee introduced in 2006-07; no reductions in T funding

B – Income as projected in University's 2010 Budget Report

C – £9k fee introduced in 2012-13 accompanied by annual reductions in T funding until new baseline is reached

Summary

- Key driver of quality is system of independent colleges
 - competition to admit best students, and to achieve best results
 - personal direction of studies, focussing on individual needs
 - small group supervision system
 - access to very best academic staff (from postdocs to professors)
- But it is expensive
 - UG Education at Cambridge in 10/11 costs approx. 17k per student
 - HEFCE T + fee income in 10/11 is approx. £8.5k per student
 - funding gap of £8.5k per student
 - maximum fee of £9k (plus around £1k from HEFCE) is insufficient
 - charging less than £9k is not viable

Summary continued

- Current Funding gap is filled by
 - unrestricted endowment interest and trading income
 - reducing costs by 10% over next 4 years
 - spending down reserves
 - cross-subsidy from research
- Consequential risks to the institution
 - no centrally funded strategic investment in research
 - under-investment in buildings and equipment
 - reduction in quality of staff and students
 - failure to maintain our international standing