How UCL uses your tuition fees

This overview document shows how much of UCL’s income comes from tuition fees, and how UCL spends that income to ensure students enjoy the best possible student experience.

UCL income

In 2017-18 UCL earned £1,405m. The sources of this income is shown below:

- Tuition fees: 37%
- Government funding for teaching: 4%
- Government funding for research: 9%
- Research grants: 34%
- Other income: 16%

The income from tuition fees is the largest source of income for UCL, although it only makes up around 37% of the total income. The rest of the income comes from government funding, research grants and other income which includes things such as rent for UCL accommodation, donations and income from investments. Some of this other income is matched to specific expenditure, for example income we receive to reimburse us for the services some of our medical academics provide to the NHS.

The term tuition fees is misleading because the fees are used not only to pay for top quality academic staff but also to provide all the other academic and student services that students use, such as the library, IT facilities, advisory and welfare services, teaching support, and sports facilities as well as the running costs for the buildings in which these services are located.

About two-thirds of the government funding for teaching represents extra top-up funding in respect of taught courses, mainly in medicine and the sciences, where the fees charged to UK and EU students do not cover the full costs. The remaining third goes towards the costs of teaching and training UK and EU postgraduate research students.
UCL expenditure

In 2017-18 UCL spent a total of £1,292m, split as shown:

- **Academic Departments**: 42%
- **Research grants**: 31%
- **Premises**: 11%
- **Library & IT**: 6%
- **Central Services**: 9%
- **Interest**: 1%

The largest spend is on academic departments, and around 70% of these costs represent the salary costs of academic and administrative support staff.

The expenditure on research grants is covered by the research grant income. UCL competes with other universities for these research grants, and so the high level of research grant income indicates the world-class quality of UCL’s research. This directly impacts the quality of UCL’s teaching and is one of the reasons why employers value UCL graduates.

The central administration services include UCL’s management, human resources, finance, planning and communications. These provide a support service to the teaching, research and other activities.

UCL tries as far as possible to offset some of the costs it incurs on its buildings and residences by letting them out during vacations. It also uses some of its research facilities to undertake work for external clients, and this also helps to cover costs.
UCL expenditure on teaching

We are able to split down the expenditure figures shown in the chart above into those which relate to each of teaching, research, and other activities. This allows us to show more clearly the costs which are covered by your fees.

The academic staff portion shows the cost of the time academics spend teaching, as opposed to research and activities such as consultancy, and the departmental administrative staff costs are derived in a similar manner. The non-staff departmental running costs represent items such as laboratory supplies and field trips. For different departments the share of costs relating to teaching will vary; the chart shows the total for UCL overall.

UCL corporate costs are those central costs which do not relate to any one particular activity, such as teaching or research, but which cover costs such as staff management, running the financial and other reporting systems, and the fundraising and Provost’s offices. The central teaching administration relates to admissions, examinations, the Portico system, and degree ceremonies.

The share of premises costs relating to teaching are relatively low, since research, at least for scientific and medical subjects, tends to require a lot of laboratory space which is more expensive to run than most teaching spaces.

The student advisory services include the careers service as well as the various counselling services.
Frequently asked questions

Why doesn't UCL spend all its income?

UCL, like other universities in the UK, is a charity so has no shareholders or owners to which it has to pay out money. Instead, all the surplus of income over expenditure is re-invested so that it pays for new buildings, refurbish older buildings, excellent academics and improved student services.

So am I paying for new buildings which will only be completed after I have graduated?

Yes, to some extent. Some of the money being spent on new buildings is in fact coming from bank loans, but of course current students are enjoying the benefits of building improvements, such as those to the Wilkins building, which were partly financed by fees paid by past students.

Are my fees good value?

UCL maintains an excellent record for job outcomes and has once again been ranked in the top 4% of institutions in the world for employability. And of course, there are benefits from a UCL education which cannot be quantified in purely financial terms, such as the opportunities offered for volunteering, entrepreneurship, personal development and global awareness.

How are the fees set?

Fees for UK and EU undergraduate and initial teacher training students are set by the UK Government. The fee for 2017-18 new starters was set at £9,250. This remains fixed for 2018-19. The Government is currently undertaking a review of funding on the funding of post-18 education but the conclusions from this will not have any impact until 2020-21 at the earliest.

The fee status of EU students may be subject to review once the UK leaves the European Union, though the government confirmed in July 2018 that students from the EU starting courses in England in the 2019-20 academic year will continue to be eligible for home fee status.

UCL itself sets fees for international UG students, and for all postgraduate taught and research students. These fees are reviewed annually, taking into account the level of demand, the fees charged by UCL’s nearest competitors, and the costs of teaching. For example, postgraduate taught course fees are usually higher than those for undergraduate students, as the academic year for these programmes are longer.

Why are international students charged so much more than UK and EU students?

The Government provides funds for some of the teaching costs for UK and EU students, particularly in respect of those subjects, such as sciences and medicine, which require laboritories and special equipment. Also UCL provides extra regulatory and support services for international students, for example help with immigration.