

KCL Staff and Financial Trends

What is already known?

- The College is not able to explain factually, using either its own or publically available data, why KCL spends 62% on salaries which is at the higher end for English HEIs
- Historically, and certainly for the last decade or so, KCL has been at this higher end
- Anecdotal evidence from staff suggests that other London HEIs similar to KCL pay higher salaries than KCL

Analytical approach

This report draws on various sources including national data from the Higher Education Statistical Agency (HESA) for full-time staff, King's College London Financial Statements from 2001/2 onwards, house price data for London and rail travel cost data:

- KCL staff ≥ 100 - KCL Financial statements 2002 to 2014 (<http://www.kcl.ac.uk/aboutkings/orgstructure/ps/finance/statements/index.aspx>)
- RPI - KCL UCU, Unite and Unison Joint Weighting Claim 5 June 2015
- Rail fare index London & SE - http://orr.gov.uk/_data/assets/pdf_file/0006/17880/rail-fares-index-jan-2015.pdf
- Inner and outer London median house prices - <http://data.london.gov.uk/dataset/average-house-prices-borough> (accessed 14th September 2015)

Conclusion

We could not find any overriding evidence that King's pays its full-time staff more when compared with other similar London universities (UCL, Imperial College, Queen Mary & Westfield and the London School of Economics) apart from at the higher end ($\geq \text{£}57,032$) and in particular amongst those earning $\text{£}100\text{K}$ or more. In fact King's now (2013/14) employs a higher percentage of academic staff (including researchers) in the lowest three HESA pay bands compared to English and similar London universities (KCL 17.4% vs. England 15.3% vs. similar London universities 9.3%).

The percentage of management, professional and technical staff earning $\geq \text{£}57,032$ has remained the same (11-12%) since 2009/10 but the percentage in the $\text{£}42,476 - \text{£}57,031$ pay band has declined from 29% to 22% and increased from 18% to 24% in the $\text{£}23,586 - \text{£}31,643$ pay band. There are proportionately fewer clerical staff employed in the $\text{£}17,678 - \text{£}23,585$ pay band which is to be welcomed (2009/10: 17% to 2013/14: 9%) but similar London universities employ a higher percentage of clerical staff in the top three pay bands (2013/14: 42% vs. 32%). Similar London universities in 2013/14 also employ fewer manual staff in the lowest pay band compared to KCL (19% vs. 32%). The percentage of total income spent on salaries was lower for the most recent five years (2010-2014 59.0%) than the first five years of the new millennia (2001-2005: 62.2%) despite a substantial increase in salaries for those earning $\text{£}100\text{k}$ or more during the period 2001 to 2014 from $\text{£}9.2$ million in 2001 to $\text{£}32.7$ million in 2014.

Main headlines

- There have been substantial increases in both the number and percentages of staff employed in the third lowest pay band (£23,586 to £31,643) amongst academic and management, professional and technical staff(MPT) from 2009/10 to 2013/14:
 - Academic 280 to 755 (170% increase).
 - MPT 225 to 350 (56% increase).
- The number of clerical staff increased by 10% from 905 to 995.
- The number of manual staff has decreased by 17% from 320 to 265.
- There has been a substantial increase in the number of staff paid £100K or more from 54 in 2002/03 to 229 in 2014/15. The retail price index (RPI) adjusted spend on this group staff has increased from £9.2m to £32.7m; a real-term increase of £23.5m.
- If the spend on salaries paid to staff earning £100,000 or more had remained at £9.2m (RPI adjusted to 2014/15) in 2002/3 then the College would have saved £221m (average of £17m per annum).
- London Russell Group universities and Imperial College London (LRG), in 2013/14, have fewer academic staff employed in the lowest three pay bands than KCL (9.3% vs. 17.4%); LRG universities employed 64.5% of academic staff in the third (\geq £31,644 to $<$ £42,476) and second highest (\geq £42,476 to $<$ £57,032) pay bands in 2013/14 compared to 54.0% at KCL.
- The percentage of MPT staff employed in the second highest pay band (\geq £42,476 to $<$ £57,032) has fallen from 29.2% in 2009/10 to 21.6% in 2013/14.
- LRG universities generally employ MPT staff on higher salaries than KCL in 2013/14 although they have fewer staff in highest pay band (\geq £57,032)(8.9% vs.12.3%).
- LRG universities employ a higher percentage of clerical staff in the top three pay bands in 2013/14 compared to KCL (42.1% vs. 32.2%).
- LRG universities in 2013/14 employed a lower percentage of manual staff on the lowest pay band compared to KCL (19.3% vs. 32.1%).
- London house prices and travel costs are far outpacing national pay awards and the KCL London weighting allowance (which has effectively remained static for almost a quarter of a century).
- The only index that is keeping pace with London house prices and travel costs is the number of KCL staff employed on £100K+.
- National pay awards since about 2010 are falling behind inflation (RPI).
- KCL total income has grown considerably over the last decade (2001/02 to 2014/15) from £319m to £684m, tuition fees & education contracts from £48m to £236m and research income from £91m to £211m.
- Staff salary costs have risen from £202m to £381m. From 2001/02 to 2009/10 salary costs as a proportion of total income ranged from 61.2% to 63.3%. The proportion of total income spent on salaries for the last five years, in chronological order are as follows: 58.7% (2010/11), 58.6% (2011/12), 59.6% (2012/13), 62.4% (2013/14) and 55.7% (2014/15).
- The RPI adjusted salary cost per member of staff (total salary costs \div total number of staff employed) increased from £42k in 2001/02, peaking at £50K in 2009/10 and has been declining ever since (£43K in 2014/15).

KCL Staff Pay

Academics

Overall academic staff numbers have increased by 25% between 2009/10 and 2013/14 with the biggest increase in salary band £23,586 to £31,643 (Table 1a, Figure 1). The number of staff in this band increased by 170% over the period. The smallest increase was observed in the £42,476 - £57,031 band (10%).

Year	Band						Not applicable	Total
	<£17,678	£17,678 - £23,585	£23,586 - £31,643	£31,644 - £42,475	£42,476 - £57,031	≥ £57,032		
2009/10	10	5	280	1060	810	995	330	3485
2010/11	280	50	290	1205	800	1070	35	3740
2011/12	65	40	345	1325	840	1250	55	3920
2012/13	5	5	720	1365	835	1175	0	4105
2013/14	5	0	755	1470	890	1250	0	4370
(%Δ _{09/10 to 13/14})			(170)	(39)	(10)	(26)		(25)

Table 1a Academic staff numbers 2009/10 to 2013/14

2013/14 pay banding used in table. In 2009/10 pay bands were as follows: <£17,026; ≥ £17,026 to < £22,765; ≥ £22,765 to < £30,594; ≥ £30,594 to < £41,118; ≥ £41,118 to < £55,259; ≥ £55,259.

Figure 1 Academic staff numbers 2009/10 to 2013/14

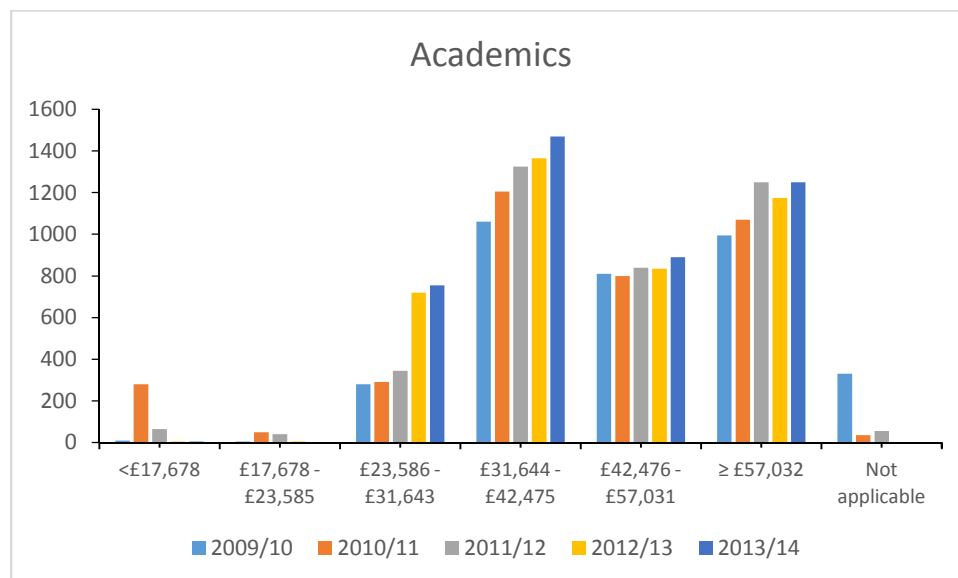


Table 1b shows the distribution of academic staff by pay band in percentage terms. As previously stated, there has been a striking increase in the number of staff employed in the £23,586 - £31,643 pay band and a decrease in the £42,476 - £57,031 pay band from 23% to 20%.

Table 1b Academic staff 2009/10 to 2013/14 (percent distribution)

Year	Band						Not applicable	Total
	<£17,678	£17,678 - £23,585	£23,586 - £31,643	£31,644 - £42,475	£42,476 - £57,031	≥ £57,032		
2009/10	0	0	8	30	23	29	9	100
2010/11	7	1	8	32	21	29	1	100
2011/12	2	1	9	34	21	32	1	100
2012/13	0	0	18	33	20	29	0	100
2013/14	0	0	17	34	20	29	0	100

Management, professional and technical staff

Overall management, technical and professional staff numbers have increased by 17% between 2009/10 and 2013/14 with the biggest increase in salary band £23,586 to £31,643 (Table 2a, Figure 2). The number of staff in this pay band increased by 56% over the period. The £42,476 - £57,031 band observed a decrease in numbers (minus 14%). In terms of how staff numbers are distributed across the pay bands (Table 2b) the percent employed in the £23,586 to £31,643 has increased from 18% to 24%, and decreased in the £42,476 - £57,031 pay band from 29% to 22%.

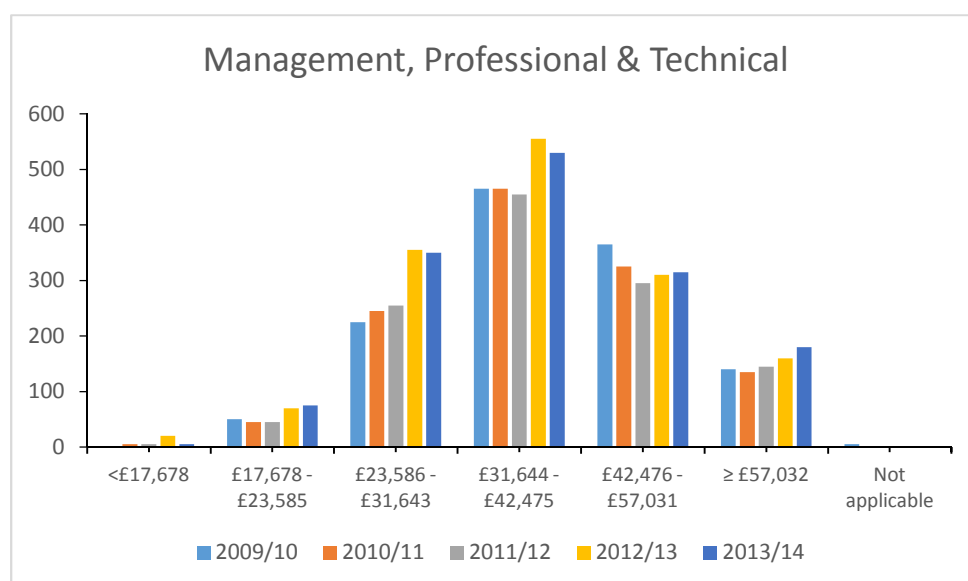
Table 2a Management, professional and technical staff numbers 2009/10 to 2013/14

Year	Band						Not applicable	Total
	<£17,678	£17,678 - £23,585	£23,586 - £31,643	£31,644 - £42,475	£42,476 - £57,031	≥ £57,032		
2009/10	0	50	225	465	365	140	5	1250
2010/11	5	45	245	465	325	135	0	1220
2011/12	5	45	255	455	295	145	0	1195
2012/13	20	70	355	555	310	160	0	1475
2013/14	5	75	350	530	315	180	0	1460
(%Δ _{09/10 to 13/14})			(56)	(14)	(-14)	(29)		(17)

Table 2b Management, professional and technical staff 2009/10 to 2013/14 (percent distribution)

Year	Band						Not applicable	Total
	<£17,678	£17,678 - £23,585	£23,586 - £31,643	£31,644 - £42,475	£42,476 - £57,031	≥ £57,032		
2009/10	0	4	18	37	29	11	0	100
2010/11	0	4	20	38	27	11	0	100
2011/12	0	4	21	38	25	12	0	100
2012/13	1	5	24	38	21	11	0	100
2013/14	0	5	24	36	22	12	0	100

Figure 2 staff numbers 2009/10 to 2013/14



Clerical staff

Clerical staff numbers have increased by 10% between 2009/10 and 2013/14 with the largest increase (28%) in salary band £31,644 to £42,475 (Table 3a, Figure 3). The number of staff in the £42,476 - £57,031 band increased from 25 to 60. In terms of how staff numbers are distributed across the pay bands (Table 3b) the percent employed in the £17,678 to £23,585 salary band has decreased from 17% to 9%.

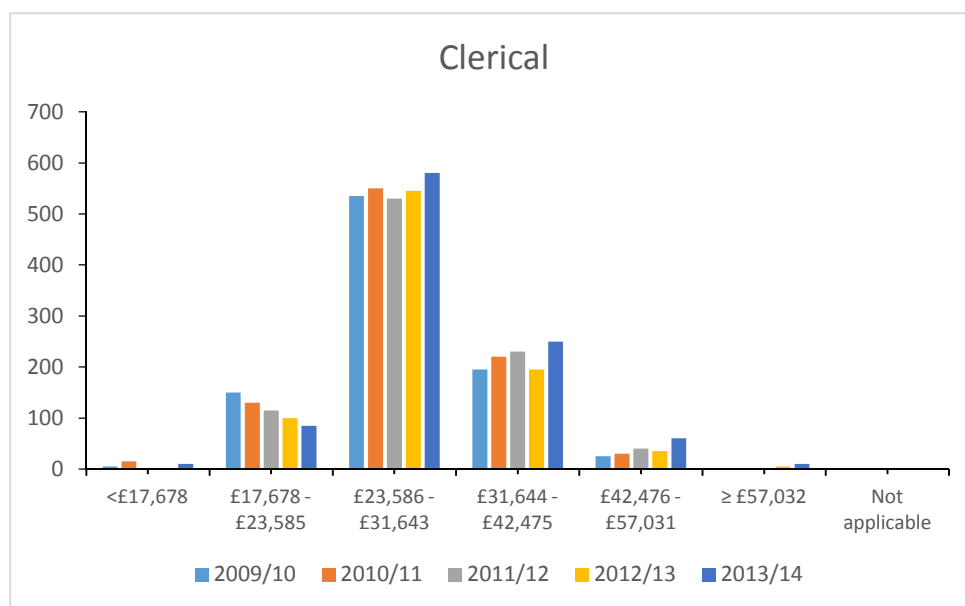
Table 3a Clerical staff numbers 2009/10 to 2013/14

Year	Band						Not applicable	Total
	<£17,678	£17,678 - £23,585	£23,586 - £31,643	£31,644 - £42,475	£42,476 - £57,031	≥ £57,032		
2009/10	5	150	535	195	25	0	0	905
2010/11	15	130	550	220	30	0	0	945
2011/12	0	115	530	230	40	0	0	920
2012/13	0	100	545	195	35	5	0	885
2013/14	10	85	580	250	60	10	0	995
(%Δ _{09/10 to 13/14})		(-43)	(8)	(28)	(140)			(10)

Table 3b Clerical staff 2009/10 to 2013/14 (percent distribution)

Year	Band						Not applicable	Total
	<£17,678	£17,678 - £23,585	£23,586 - £31,643	£31,644 - £42,475	£42,476 - £57,031	≥ £57,032		
2009/10	1	17	59	22	3	0	0	100
2010/11	2	14	58	23	3	0	0	100
2011/12	0	13	58	25	4	0	0	100
2012/13	0	11	62	22	4	1	0	100
2013/14	1	9	58	25	6	1	0	100

Figure 3 Clerical staff numbers 2009/10 to 2013/14



Manual staff

Manual staff numbers have decreased from 320 to 265 (17% fall) between 2009/10 and 2013/14 (Table 4a, Figure 4). Most of these reductions have occurred amongst staff earning less than £23,586.

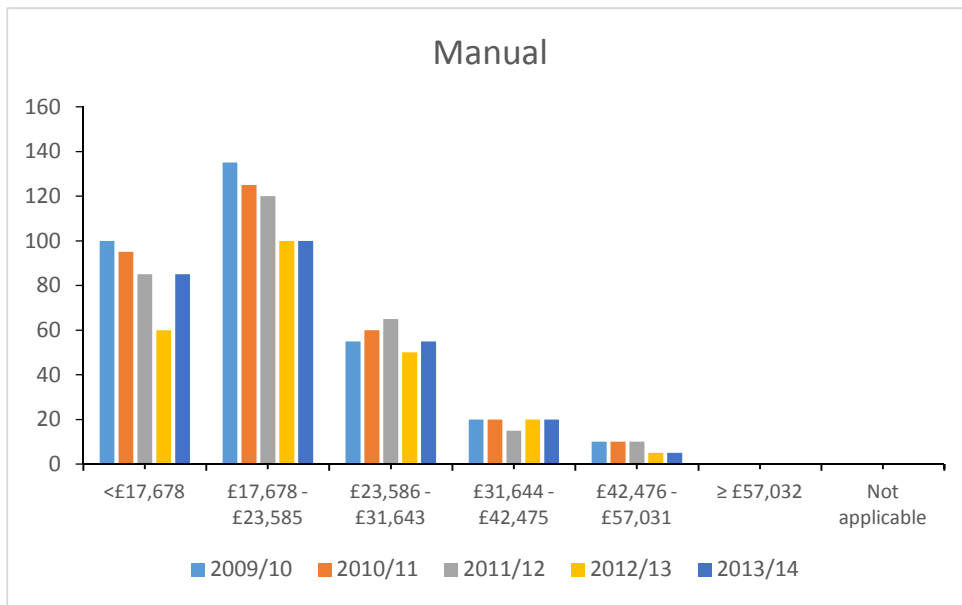
Table 4a Manual staff numbers 2009/10 to 2013/14

Year	Band						Not applicable	Total
	<£17,678	£17,678 - £23,585	£23,586 - £31,643	£31,644 - £42,475	£42,476 - £57,031	≥ £57,032		
2009/10	100	135	55	20	10	0	0	320
2010/11	95	125	60	20	10	0	0	310
2011/12	85	120	65	15	10	0	0	295
2012/13	60	100	50	20	5	0	0	235
2013/14	85	100	55	20	5	0	0	265
(%Δ _{09/10 to 13/14})	(-15)	(-26)	(0)					(-17)

Table 4b Manual staff 2009/10 to 2013/14 (percent distribution)

Year	Band						Not applicable	Total
	<£17,678	£17,678 - £23,585	£23,586 - £31,643	£31,644 - £42,475	£42,476 - £57,031	≥ £57,032		
2009/10	31	42	17	6	3	0	0	100
2010/11	31	40	19	6	3	0	0	100
2011/12	29	41	22	5	3	0	0	100
2012/13	26	43	21	9	2	0	0	100
2013/14	32	38	21	8	2	0	0	100

Figure 4 Manual staff numbers 2009/10 to 2013/14



High salaried staff earning £100,000 and over

The number and spend on staff employed on salaries of £100,000 and over has increased markedly over the last decade (Table 5). Numbers and spend on high salaried staff have increase from 54 (£6.4 million; £9.2 million RPI adjusted) in 2002 to 229 (£32.7 million) in 2014. The College is now spending £23.5 more in real terms on its high salaried staff than it did 12 years ago.

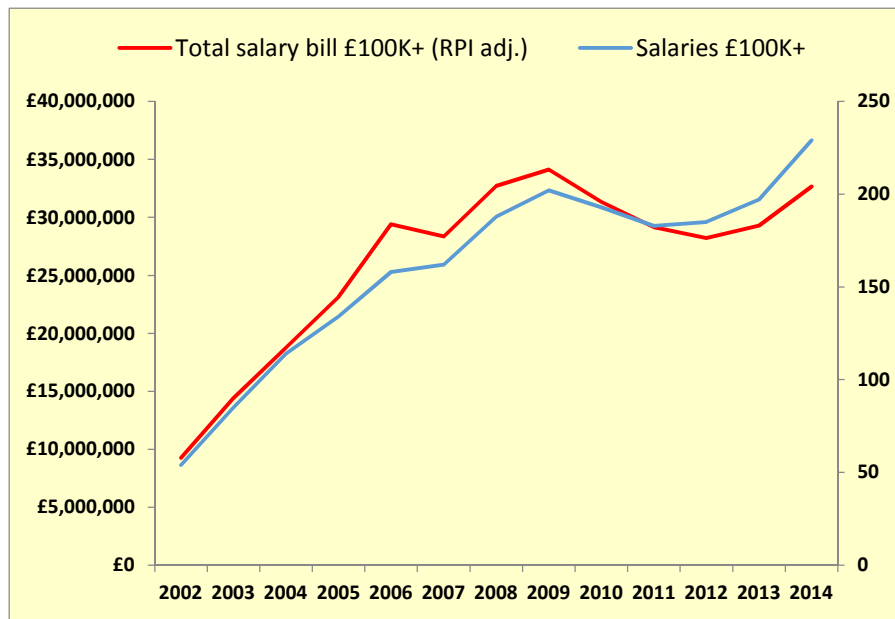
Table 5 Numbers and spend on higher salaried staff (£100K and over) 2002 to 2014

Year	Number	Spend(£)	RPI Adjusted (£)	Additional spend compared to 2002(£)
2002	54	6,360,027	9,254,671	0
2003	85	10,175,043	14,406,946	5,152,274
2004	114	13,670,057	18,777,234	9,522,562
2005	134	17,540,067	23,137,512	13,882,841
2006	158	23,410,079	29,418,674	20,164,003
2007	162	23,160,081	28,366,969	19,112,297
2008	188	26,990,094	32,721,025	23,466,354
2009	202	29,340,101	34,129,745	24,875,073
2010	193	28,055,097	31,340,602	22,085,930
2011	183	26,795,092	29,154,611	19,899,939
2012	185	26,745,093	28,206,076	18,951,405
2013	197	28,545,099	29,307,253	20,052,581
2014	229	32,675,115	32,675,115	23,420,443

Data Source: KCL Annual Financial statements, annual spend based on summation of the number in each pay band multiplied by pay band mid-point e.g. 2002 105,000.50 x 8 + 115,000.50 x 34 + 125,000.50 x 3 + 135,000.50 x 8 + 155,000.50 x 1 = 6,360,0270.00.

The total additional spend (TAS) on higher salaries (RPI adjusted) since 2001/02 is £220,585,702, an average of £16,968,131 per annum, using 2001/02 as our reference year (54 staff paid £6,360,027 in 2002 with RPI uplift = £9,254,671 in 2014/15). According to the College spending £600,000 on the London Weighting Allowance (LWA) would increase LWA by £100 per employee. TAS per annum per member of staff = TAS per annum ÷ 6000 (approximate number of staff currently employed by College) = £2,828.

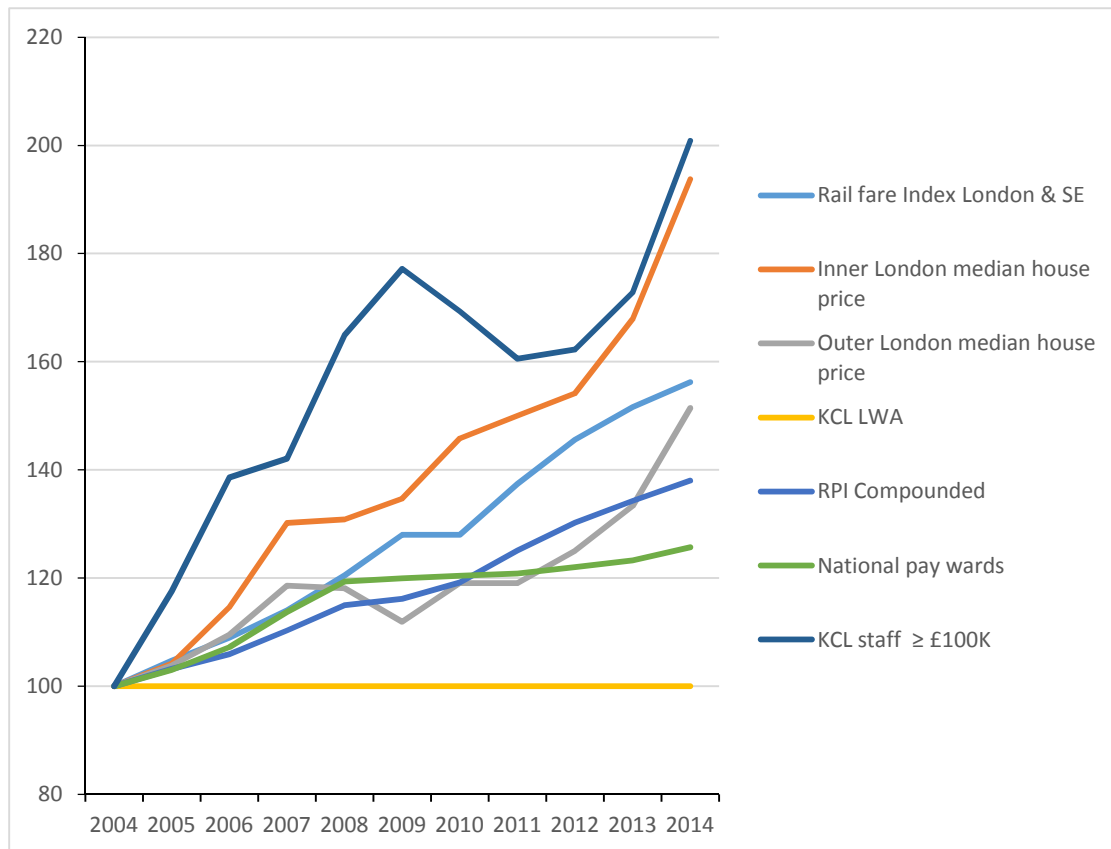
Figure 5 Numbers and spend on higher salaried staff (£100K and over) 2002 to 2014



Cost of living

Various cost of living indices are shown in Figure 6. National pay awards (NPA) were ahead of the retail price index during the period 2004-2009 but have fallen behind since and the difference between NPA and the retail price index (RPI) is currently showing no signs of convergence. Neither RPI nor NPA are keeping pace with the cost of living and working in London. The most remarkable trend on this graph is the number of KCL staff on salaries of £100K and over which is outstripping most other indices apart from the inner London median house price.

Figure 6: House prices, rail travel cost, RPI, national pay wards and salary metrics



Data sources:

KCL staff ≥100 - KCL Financial statements 2002 to 2014

(<http://www.kcl.ac.uk/aboutkings/orgstructure/ps/finance/statements/index.aspx>)

RPI - KCL UCU, Unite and Unison Joint Weighting Claim 5 June 2015

Rail fare index London & SE - http://orr.gov.uk/__data/assets/pdf_file/0006/17880/rail-fares-index-jan-2015.pdf

Inner and outer London median house prices - <http://data.london.gov.uk/dataset/average-house-prices-borough> (accessed 14th September 2015)

National (England) and Russell Group London (including Imperial College) comparison

How does King's College London (KCL) compare with other English Universities (excluding KCL) and London Russell Group (LRG + Imperial College London) Universities (UCL, LSE, Queen Mary & Westfield and Imperial College London)? The data presented graphically below were obtained from the Higher Education Statistical Agency (HESA) for four staff groups:

- Academics
- Management, professional and technical
- Clerical
- Manual

for the academic years 2009/10 through to 2013/14.

Academics

In 2009/10 KCL employed proportionately fewer academic staff across all salary bands except the highest in 2009/10 when compared with English universities (Figure 7). KCL employed fewer staff in the lowest three salary bands than English Universities (8.5% vs. 14.6%). By 2013/14 KCL was employing more staff in the bottom three salary bands (17.4% vs. 15.3%) although KCL only employed five people in the lowest two bands against 3030 (1.9%) in England. The England-KCL gap in the percentage employed in the highest salary band closed by 2.8% between 2009/10 (England 14.6% vs. KCL 28.6%) and 2013/14 (England 17.4% vs. KCL 28.6%).

LRG universities employed a higher percentage of staff in the bottom three bands (10.3% vs. 8.5%), and the fourth band (34.4% vs. 30.4%) in 2009/10 compared to KCL. This remained true for the fourth pay band in 2013/14 (41.9% vs. 33.6%) but not for the lowest three bands (9.3% vs. 17.4%). In 2009/10 KCL and LRG employed similar percentages of academics in the second highest band (23.2% vs. 23.0%). This percentage had fallen in both groups by 2013/14 to 20.4% for KCL and 22.6% for LRG.

Management, professional and technical (MPT) staff

KCL employed proportionately more staff in the higher pay bands than English Universities in 2009/10 (Figure 8). There is some suggestion of the gap beginning to close by 2013/14. In 2009/10 KCL employed 29.2% in the second highest pay band compared to 21.5% for English universities. This has diminished to almost a one percent difference by 2013/14 (England 20.7 % vs. KCL 21.6%). Apart from the highest pay band LRG universities employ MPT staff on higher salaries than KCL. The percentage of staff employed on the third and second highest pay bands in LRG universities has fallen from 67.3% in 2009/10 to 66.6% in 2013/14. The comparable percentages for KCL are 66.4% (2009/10) and 57.9% respectively (2013/14).

Clerical staff

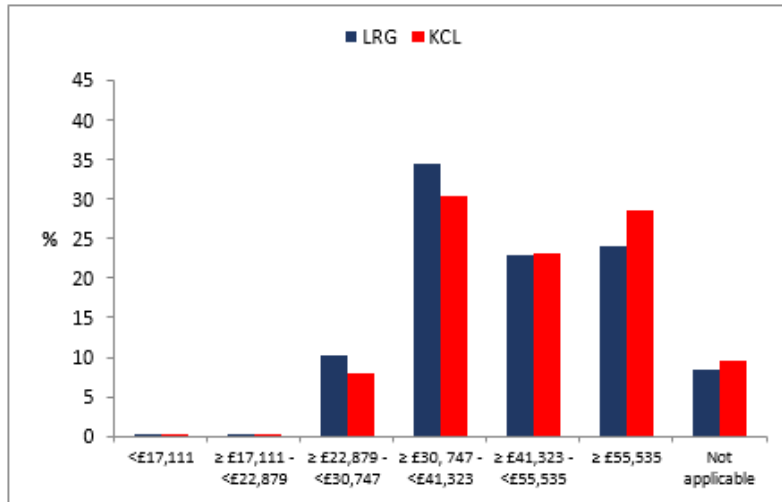
Clerical staff at KCL are employed on higher salaries compared with English universities (Figure 9). KCL employed slightly more staff in the very lowest two pay bands in 2009/10 than LRG universities (17.1% vs. 16.8%). This percentage had decreased to 9.5% (KCL) and 11.9% (LRG) respectively by 2013/14. LRG universities employed a higher percentage of clerical staff in the top three pay bands compared to KCL in both 2009/10 (36.4% vs. 24.3%) and 2013/14 (42.1% vs. 32.2%).

Manual staff

Manual staff at KCL are employed on higher salaries compared with English universities (Figure 10). LRG universities employ manual staff on higher grades than those employed by KCL in 2013/14. In 2009/10 KCL employed fewer staff on the lowest pay band compared to LRG universities (31.3% vs. 33.3%). By 2013/14 the position had been reversed (32.1% vs. 19.3%). LRG universities were now employing more manual staff in the second lowest pay band (2009/10: 28.9% to 2013/14: 44.2%) whereas KCL was employing proportionately fewer in that pay band (42.2% to 37.7%). LRG universities were also employing a higher percentage of staff in the fourth, third and second highest pay bands in 2013/14 compared to KCL (35.8% vs. 30.2%).

Figure 7 Academic staff – distribution across the pay bands 2009/10 and 2013/14

Academics 2009-10



Academics 2013-14

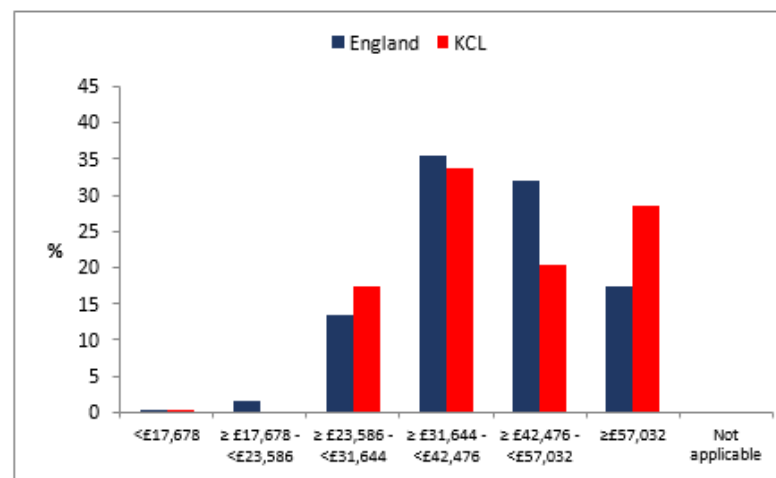
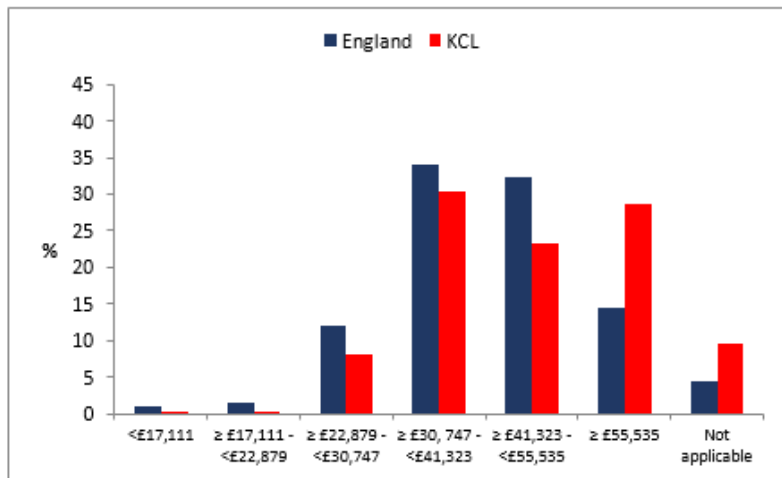
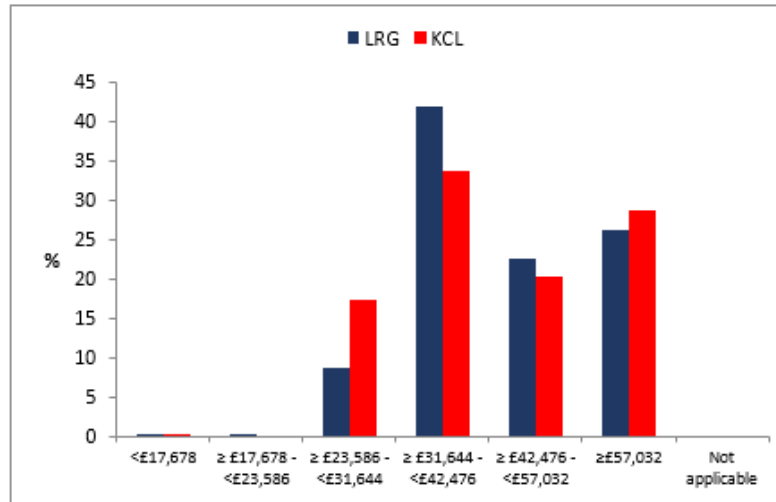
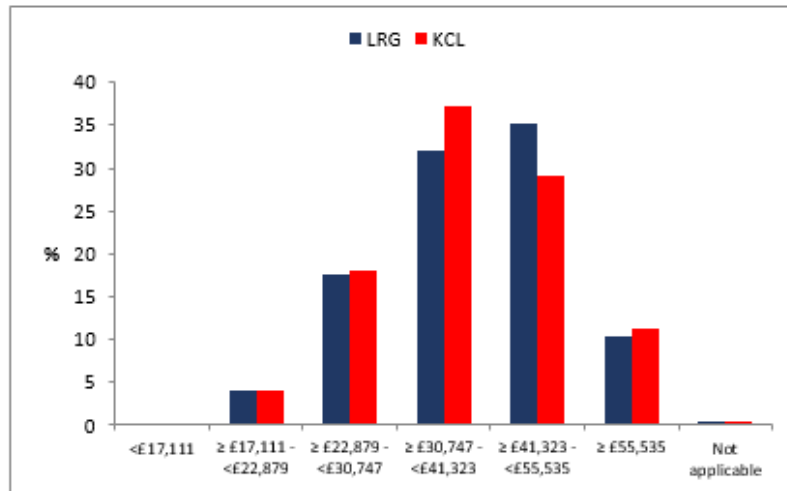


Figure 8 Management, professional and technical staff – distribution across the pay bands 2009/10 and 2013/14

Management, Professional & Technical 2009-10



Management, Professional & Technical 2013-14

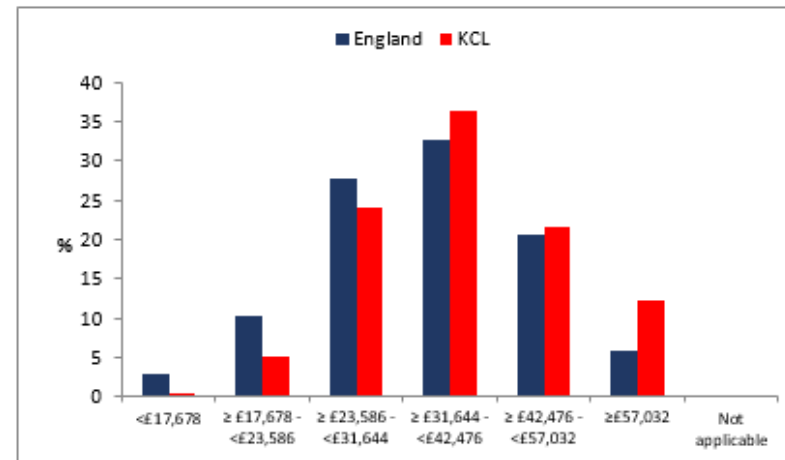
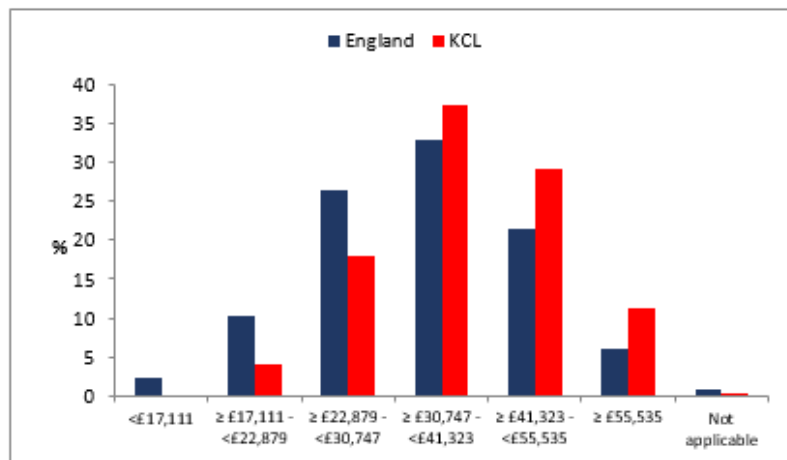
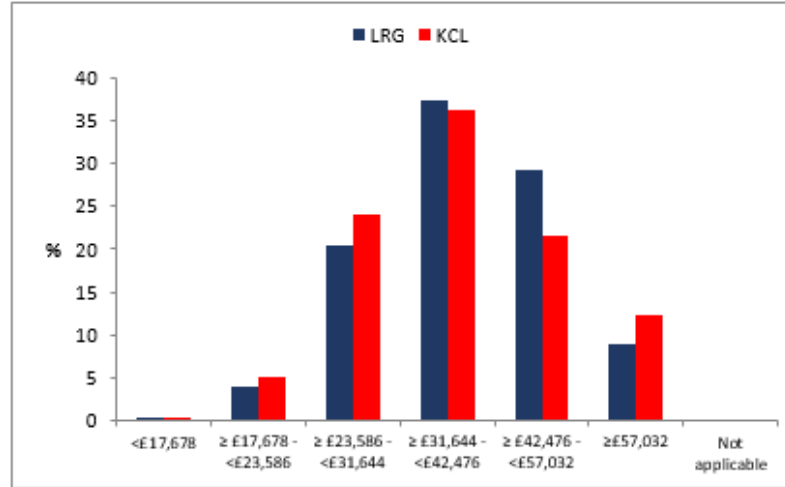
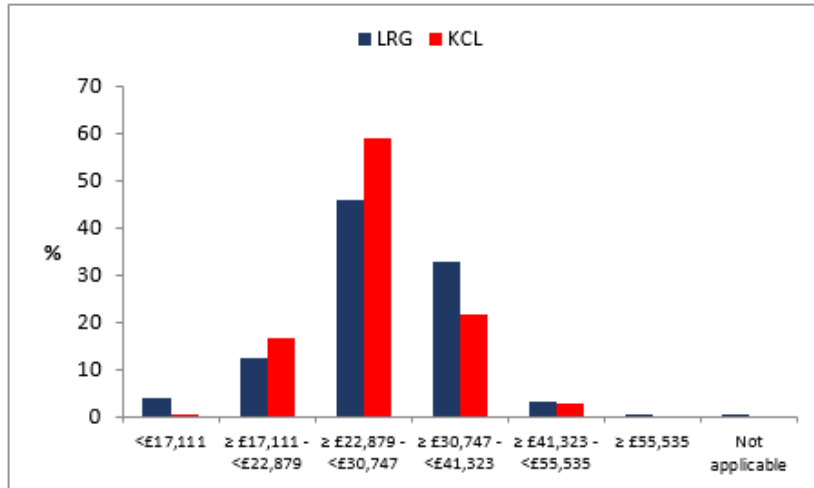


Figure 9 Clerical staff – distribution across the pay bands 2009/10 and 2013/14

Clerical 2009-10



Clerical 2013-14

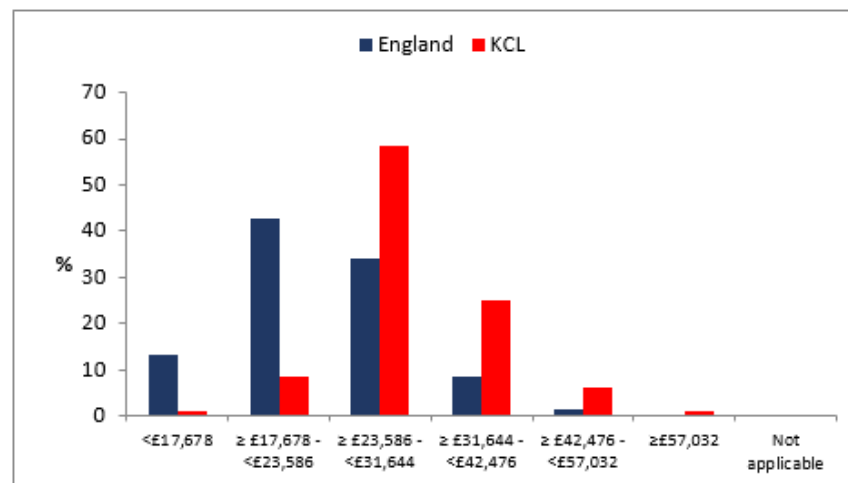
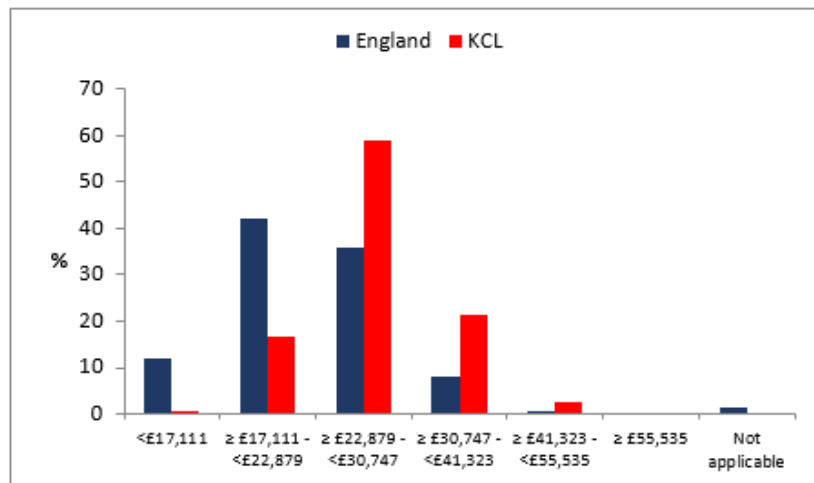
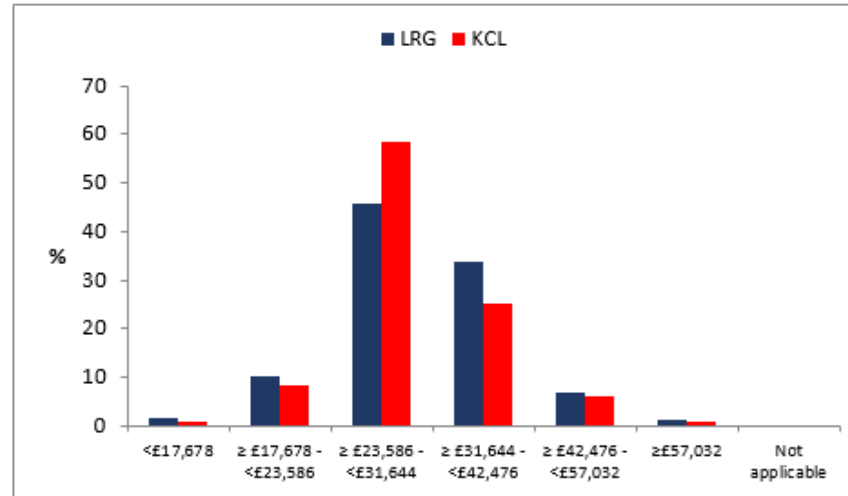
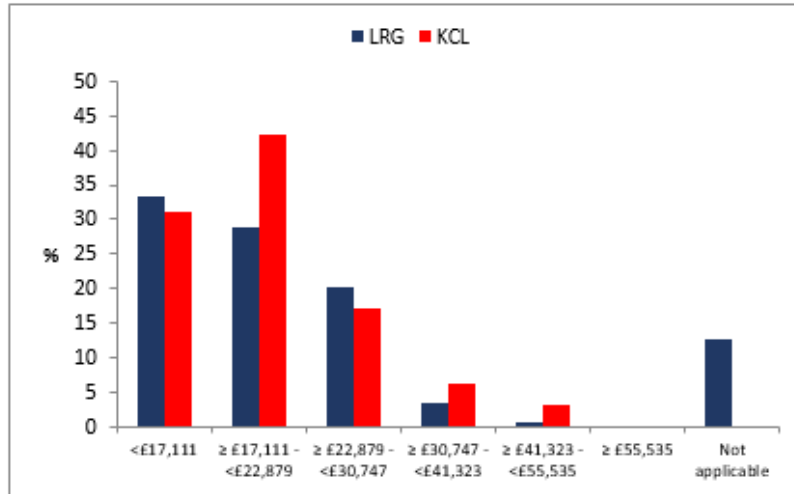
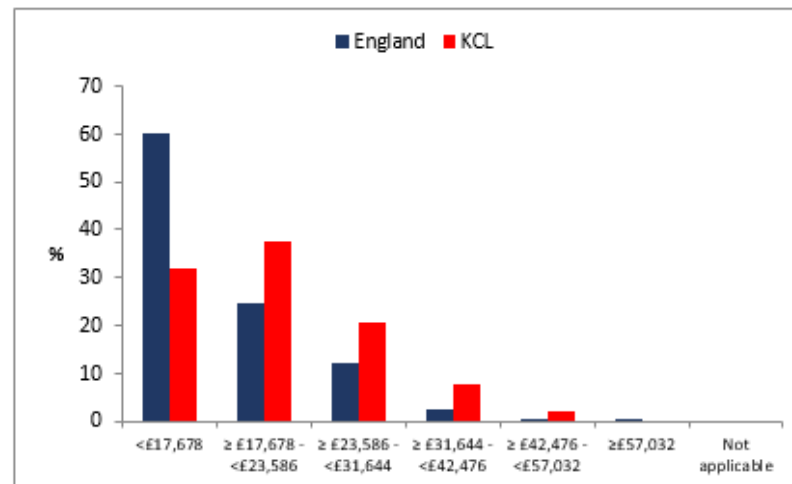
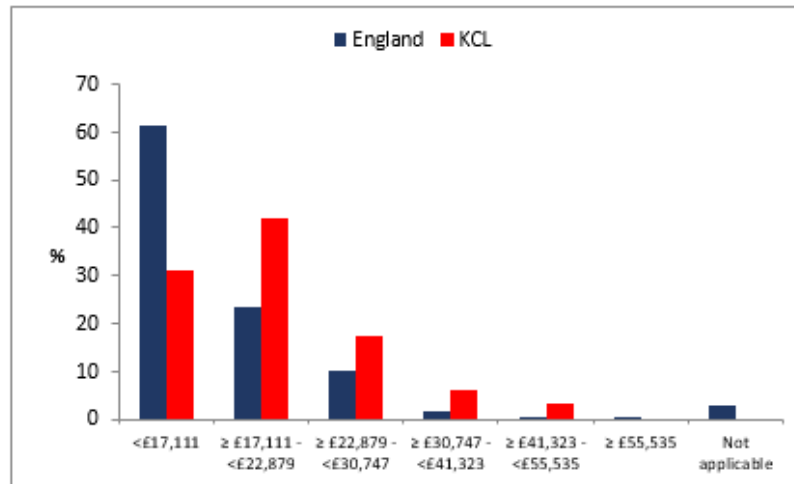
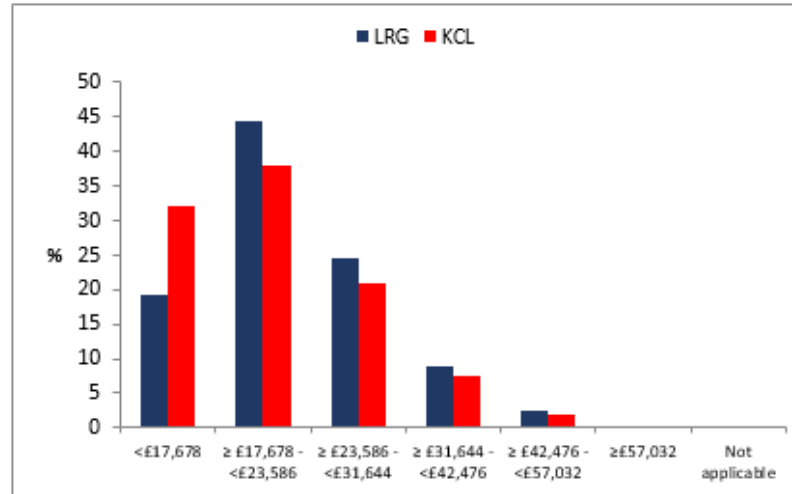


Figure 10 Manual staff – distribution across the pay bands 2009/10 and 2013/14

Manual 2009-10



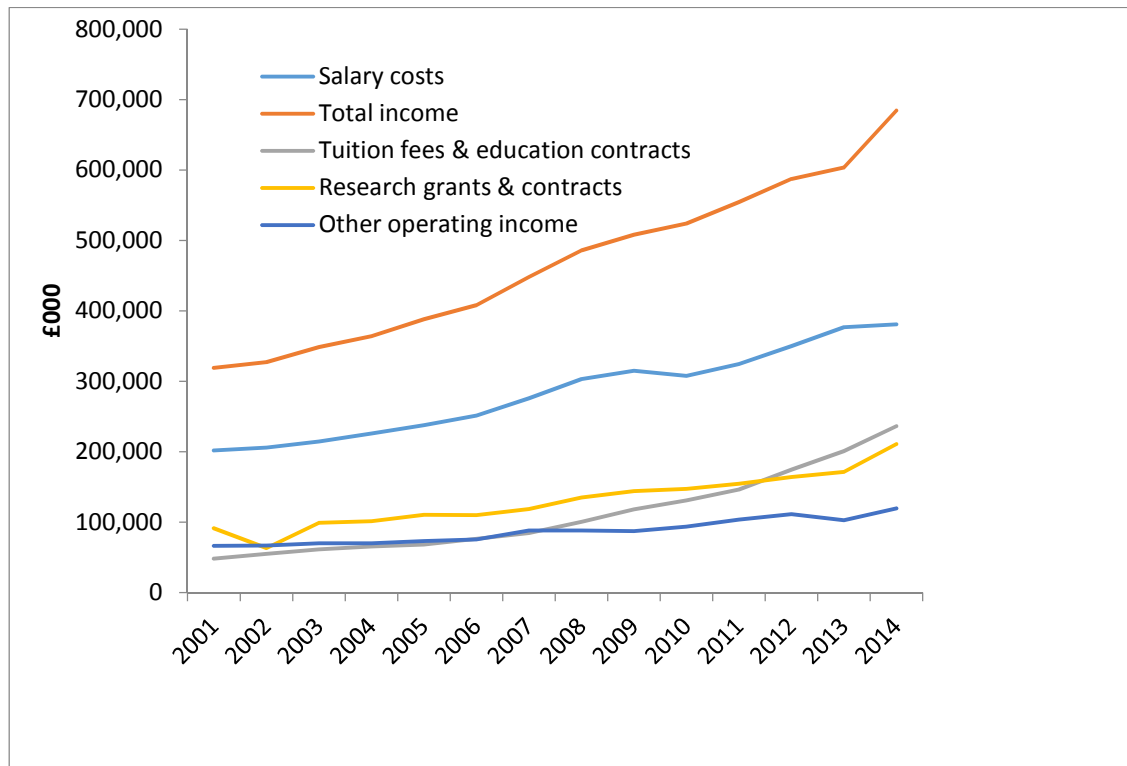
Manual 2013-14



KCL Financial trends

There has been a steady and continuing rise in income over the last decade, with a noticeable increase in tuition fee and education contract income from 2009 onwards (Figure 11).

Figure 11: KCL financial trends 2001 to 2014.



Salary costs kept pace with total income until 2009. Since that year there have been signs of a divergence.

The percentage of income spent on salaries was 60% or higher until 2010 when it dropped below 60% for the first time. In 2013/14 it rose above 60% again but then fell to 55.7% in 2014/15 (Table 6). The salary cost per member of staff (total salary costs ÷ total number of staff employed) increased steadily reaching £60K per member of staff in 2008/9, climbing to £64K in 2013/14. After adjusting this measure for inflation using the retail price index (RPI) the figure peaks in 2009/10 (£50,477) and then declines thereafter (to £43,430 in 2014/15).

Table 6 Salary cost per member of staff

Year†	Salary costs (£000)	Total income (£000)	Salary costs as % of total income	Total number of staff	Salary cost per member of staff‡	Retail price index	Compound RPI	Salary cost per member of staff (RPI adj.)
2001	201,705	318,815	63.3	4,777	42,224		1.000	42,224
2002	205,972	327,416	62.9	4,693	43,889	1.31	1.013	43,322
2003	214,636	348,527	61.6	4,642	46,238	2.67	1.040	44,453
2004	225,984	363,972	62.1	4,534	49,842	2.72	1.068	46,649
2005	237,541	387,951	61.2	4,572	51,956	3.17	1.102	47,133
2006	251,268	408,168	61.6	4,619	54,399	2.67	1.132	48,066
2007	275,665	447,871	61.6	4,823	57,156	4.13	1.178	48,500
2008	303,084	485,622	62.4	4,988	60,763	4.22	1.228	49,472
2009	314,928	508,045	62.0	5,028	62,635	1.03	1.241	50,477
2010	307,698	524,110	58.7	5,141	59,852	2.60	1.273	47,012
2011	324,604	554,220	58.6	5,305	61,188	4.97	1.336	45,786
2012	349,889	586,948	59.6	5,664	61,774	4.13	1.392	44,391
2013	376,770	603,668	62.4	5,859	64,306	3.08	1.434	44,830
2014	380,816	684,225	55.7	5,948	64,024	2.77	1.474	43,430

† Academic year e.g. 2001 = 2001/02, 2002= 2002/03 etc.

‡ total salary costs ÷ total number of staff employed