Report

of the

Sexcentenary Club

Subcommittee

on

Undergraduate Rents

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1. Synopsis

1.1 The rents Subcommittee of the Sexcentenary Club (JCR) was formed at the beginning of Michaelmas Term 1999 to investigate the required level of rent rises at Peterhouse. This Subcommittee is chaired by the current JCR President and this report has been approved by the student body.

1.2 It is generally agreed that since Peterhouse is an academic rather than a profit making institution, Members' rents should be kept as low as is feasibly possible while securing the financial future of the College. The aim of this is to minimise the financial stress on the Members.

1.3 The rents Subcommittee has investigated the income and expenditure on the Internal Revenue Account, which is concerned with the daily running costs of College and into which the rents from College rooms are paid. The Senior Bursar has informed the Subcommittee of his intention to increase conference income to the Internal Revenue Account by at least £407,000. Also, the recent modernisation of College will reduce the expense of maintaining College. Taking these factors into account it has been established that the undergraduates should contribute £356,669 per annum (i.e. £49.54 per week per undergraduate on average) through their rents.

1.4 Historically rents at Peterhouse were among the lowest in Cambridge. As a result of the increases of the past three years, rents at Peterhouse are now average among Cambridge colleges. Accordingly the JCR proposes an increase of 4.2% over each of the next three years to ensure that rents at Peterhouse remain average.

1.5 The Subcommittee observes that adding the final average weekly rent of £49.54 to the Kitchen Fixed Charge (£8.80) gives an average weekly fixed charge of £58.34 for every undergraduate. This figure exceeds the Senior Bursar's proposed average undergraduate rent.

2. Introduction

2.1 We are grateful to Governing Body for allowing us the time to research the issue of undergraduate rents thoroughly and to compile this report, so that we can offer a compromise solution. At the Co-ordinating Committee and Governing Body meetings of the past year on the issue of rent, stress has been repeatedly laid upon the practicalities and particularities of Peterhouse's situation. The Bursars have emphasised the need to cover deficits and to find a solution that makes good economic sense. This report supports this position and is grounded upon the facts and figures made available to us over the past year. We are particularly grateful to the Bursars, Fellows and members of College staff who have helped us in collecting the information that has enabled to compile this report.

2.2 This report has been compiled by a Subcommittee established by the Sexcentenary Club Committee at the beginning of Michaelmas Term 1999, under the chairmanship of the President of the Sexcentenary Club (JCR). The JCR recognises the importance of University-wide issues and understands the further implications that raising rents may have on Cambridge University and Peterhouse as part of the community of colleges. The size of the college has allowed Peterhouse to retreat from the University-wide debate over undergraduate rent and has allowed our student representative body to avoid the rash, confrontational attitudes that have prevailed at several other colleges.

2.3 The compilation of this report has been based upon an examination of the Peterhouse Internal Revenue Account, and in the report the JCR has sought to re-examine and to define accurately the proportion for which undergraduates should be responsible. In doing so we have considered all the sources of income available to the Internal Revenue Account.

2.4 The JCR believes that the recommendations presented in this report represent a compromise solution. With the intention of co-operating to the fullest extent with the Senior Bursar this report will recommend the maximum rent which undergraduates may be expected to pay. In doing so the recommendations in this report have been calculated on the assumptions that:

- the full reduction of the College Fee is immediate (when in fact it is phased to 2008).
- conference income cannot or will not exceed the minimum predicted by the Senior Bursar and his staff.

The JCR has also noted that Peterhouse is currently at the midpoint of a ten-year programme of renovation, redevelopment and modernisation. Measures have been and are being taken drastically to improve residential areas in order to meet health and safety regulations. Much of the work is necessary and is beneficial to students as well as to Peterhouse which is looking to compete with other colleges in attracting conference guests for the vacation periods.

2.5 Although undergraduate rents at Peterhouse were previously low, the JCR notes that over the past three years alone they have already been increased by over 50%[1] to a current average of approximately £44. The JCR is now greatly concerned that the proposed level of rent prices will have a serious impact upon the students and that the method used to calculate the rise rests on a selective interpretation of the figures. The JCR entirely respects the economic pressures upon College but the matter of students' finances is also important. The JCR hopes that as a collegiate academic institution with a responsibility to all its Members, Peterhouse will seek to keep undergraduate rent as low as is reasonably possible.

2.6 Inflation has been excluded from the calculations in this report.

[1] JCR Report to Governing Body June 1999, Appendix V

3. The Origins of the Decision to Raise Rents

3.1 The current desire to increase undergraduate rents in Cambridge has been prompted primarily by the reduction in colleges' income resulting from changes in the provision of the Junior Members Establishment Fees ('College Fee'). This has highlighted the failure of colleges to raise undergraduate rents in accordance with the costs of provision. This problem had developed over the very long term.

3.2 The Government has decided to reduce the level of the College Fee and to change the method of its provision. Control has passed from Local Education Authorities to the Higher Education Funding Council for England (HEFCE). HEFCE has agreed to phase the reduction in funding over a ten year period beginning in 1999-2000 and ending in 2008.[2] The long-term result of the reduction in the College Fee will be a loss to Peterhouse of at most £113,754 per annum from 2008.[3]

3.3 In Peterhouse, the loss of this section of the College Fee is exacerbating a deficit which has developed in the Internal Revenue Account. This has come to be covered by the College Endowment, weakening Peterhouse's long-term financial position. The Bursars have told the JCR that they seek to raise undergraduate rents in order to eliminate this deficit.

[2] Letter of Sir Michael Checkland, Chairman of HEFCE, to the Secretary of State for Education and Employment, November 1988. Paragraphs 19-21, Appendix III.

[3] Termly Room Rent Subsidy Assessment, Appendix VI

4. The Background to the Rent Debate

The response of Cambridge Bursars to concerns over undergraduate rent

4.1 In January 1997 the Resources and Charges Working Group of the Bursars' Committee concluded that average weekly undergraduate rents in Cambridge should be raised to a figure comparable with other institutions in the South East, excluding London. The 1997 figures for average weekly undergraduate rent for the regions quoted in its report were:

South East : £44.89
East Anglia: £41.80

The Working Group also considered private sector rents (i.e. letting out rooms at a profit) in Cambridge. It recommended that average weekly undergraduate rents should be raised over six years to a target figure of £57.00 by 2004/5. The figures on which this calculation was based were not published.[4]

4.2 In 1999 the Working Group submitted its final report, concluding that on the basis of local market rents and The Sunday Times *Survey of University Rents*[5] average weekly undergraduate rents at Cambridge should rise to an 'economic level' of between £56.60 and £62.50 by 2004/5.[6]

Responses to the Working Group reports

4.3 In March 1999 CUSU made the following suggestions in response to the Working Group calculations:

- Undergraduate rents should reflect only the costs incurred by colleges in accommodating students, rather than being compared to private market rents which seek a substantial profit margin.
- Other comparable universities include access to kitchen facilities or canteens in their rents, whereas at Cambridge substantial weekly charges (in the form of the Kitchen Fixed Charge) are levied in addition to rent.

4.4 In September 1999, CUSU published an extensive survey of 47 universities, showing that:

- Average fixed weekly charges (KFC + rent) at Cambridge were in the highest 20% of respondent universities.
- If the planned increases in average weekly undergraduate rents at Cambridge were carried out, it would become the most expensive university nationwide after London in terms of average fixed charges.[7]

Having made these points, CUSU then focused on the issue of Access. Several College JCRs organised rent strikes.

Undergraduate rent rises at Peterhouse

[4] Bursar's Report in Appendix I

[5] Sunday Times 23 August 1998

[6] Appendix I

[7] CUSU website

4.5 In the first Co-ordinating Committee of 1999, the Peterhouse Bursars proposed a rent increase of 48% to be implemented in one year. JCR representatives at that meeting were unprepared for this proposal and at a Finance Committee meeting it was agreed to reschedule the increase to 16% each year for the next three years, to be reconsidered after one year, in Lent Term 2000. The KFC was also raised by 22% last year. The Bursar continues to aim at reaching a figure for average weekly undergraduate rent of £58.00 by 2002.

Comparison of rises at Peterhouse with other colleges

4.6 Last year's 16% rise has raised Peterhouse's previously low undergraduate rents to parity with the majority of other colleges, but at 16% for 3 years, undergraduate rents at Peterhouse are rising faster than at other Cambridge colleges, according to information provided by College JCRs. Many colleges have not announced rent rises so far into the future, and those which have are raising rents at a much lower rate, such as 8% for 5 years at New Hall. Most long-term rent rises have been around 6% per year for 5 or 6 years.

	Announced rent rise	
College	**Annual Rate**	**Number of Years**
Peterhouse	16%	3
Clare	10%	1
Corpus Christi	4.3% + RPI	8
Downing	5% + RPI	1
Emmanuel	4.5%	1
Fitzwilliam	6% + RPI	6
Girton	5% + RPI	3
Kings	8.3%	4
New Hall	8%	5
Newnham	5%	3
Queens	9.7%	1
Robinson	4% + RPI	1
St Catherines	9%	1
Trinity Hall	8%	1

(Source - reports from College JCRs)

Implications of planned rent rises at Peterhouse

4.7 The implications of the Bursar's schedule of rent rises at Peterhouse are therefore that Petrean undergraduates will face steeper rent rises than others in Cambridge, and that once the target rent level is reached Peterhouse will be levying higher average compulsory fixed charges than comparable Higher Education Institutions, excluding London.

An alternative proposal for reducing the deficit in the Internal Revenue Account

4.8 The Senior Bursar has indicated that he intends to raise substantially the College's income from conferences (rooms for which are charged at the market rate) so that the use Peterhouse makes of its facilities becomes comparable to that of other colleges.[8] He has indicated that he expects conference income to be raised by at least £407,000, to be paid into the Internal Revenue Account.

[8] Meeting, 30-11-99. Present: The Senior Bursar, the Chief Clerk, Mr. A.McConnell, Mr G.J.Sutcliffe

5. The Implications of Raising Rent Prices on Access

5.1 The issue of 'access for all' has been at the forefront of the University Students Union campaign against rent increases. CUSU has suggested that making Cambridge an expensive university at which to live and study will exclude some worthy students from the University. While the JCR Subcommittee sees this as an important issue it has noted that, in emphasising the fact that room rents are rising, CUSU may have itself discouraged applicants from lower income backgrounds. We also understand that Cambridge has for many years been cheaper to study at than other universities, so there is certainly scope for some increase in rents. We nevertheless believe that a large increase in the cost of living will dissuade some very worthy students from applying.

5.2 The maintenance grant has been replaced with loans, making it impossible for most people to take a degree without plunging themselves into debt. Some students at other universities alleviate this problem by taking paid employment both during term time and in the vacations. At Cambridge it is well known that students are not allowed to work during full term. It is acknowledged that this is a necessary prohibition given the intense level of academic work expected; this has always been balanced by relatively low rents.

5.3 Even working during vacations can be problematic as there is often a great deal of reading to be done in preparation for forthcoming work or examinations. One worrying consequence emerging from the increase of room rents is thus that students are much more likely to be forced, by financial pressure, to take on work that might obstruct their academic achievement. Another consequence, in danger of being understated, may also be to deny students the opportunity of partaking in extra-curricular activities out of term - activities that undoubtedly benefit College.

5.4 The current maximum student loan is £3635. A hypothetical breakdown shows how a student might spend this money under the proposed scheme of rent increases which will take the average weekly rent up to £58.00 per week:

RENT – £58.00 per week	=	£1740 p/a
KFC – £88 per term	=	£264 p/a
Dinner for nine weeks	=	£160.65 per term
	=	£481.95 p/a
Electricity	=	£12 p/a
Washing (£1 per load, 1 load per week)	=	£27 p/a
TOTAL	=	£2685.60

5.5 This leaves £949.40, which gives £35.16 a week if the student only has to support theirself during term time and £18.25 a week if they have to support theirself all year round. This is also a very basic account of how money is spent. It does not include the cost of breakfast and lunch or the cost of books, clothes and toiletries, money for sporting or leisure activities and many other important constituents of student life. Moreover it is important to remember that taking out a three year student loan means leaving university approximately £11,000 in debt.

5.6 Government access funds exist that are supposed to be available to help students with financial difficulties. The only information freely given indicates that these are available only to students who experience financial difficulties *after* coming into residence and so could not be offered as an incentive to prospective students. Furthermore Peterhouse does not have a policy of giving this money to students:

> "It is the stated policy of the University committee on access funds to assist home students who are already in residence (and might otherwise have to give up their course) and those who have special needs, for example *students with high housing costs,* disabled students, or students with children. As at Peterhouse policy is to house all junior members, students at this College do not benefit greatly from access funds." [9]

5.7 It may be deduced that if room rents rise into line with market prices, then there will be a need for students to claim access funds more regularly. As a result there may need to be a change in College policy to make access funds more available. Yet even this is not an ideal situation. Students should not have to go 'cap in hand' to various university trust funds, just to make ends meet. Those who cannot afford high rent prices without working should not be treated as 'special cases'; they are a growing proportion of Cambridge students and as such should be catered for in mainstream College policy.

5.8 Raising room rents will have further implications to the University than preventing applications from students from lower income backgrounds. It may also affect which subject students will choose to read; if they know they are going to leave with a large debt they may be more likely to choose degrees which will offer the best financial rewards when they leave. It may make going on to do graduate studies an impossibility for some students.

5.9 It is not, however, just the poorest students that may suffer under the proposed increases. Those from middle-income backgrounds will face greater difficulties and will have less help available to them as a result of failing to qualify for the full, means-tested loan or any hardship funds. Since the introduction of tuition fees it is these students who have experienced most difficulty, as the extra £1025 their parents have to pay means they may receive less financial support themselves. When applying to universities such students will be thinking about cost and the possibility of finding part time employment to make ends meet.

5.10 These observations make it clear that student economic hardship cannot be ignored. It is important that Cambridge University as a whole, and more specifically Peterhouse, remains affordable and accessible to all in order to continue to attract the most able students. For these students to succeed academically it is vital that their time at Cambridge is not marred by the stress of unnecessary financial worries.

[9] 'Access Funds' notice. Dr P. Pattenden, October 1999

6. Summary of Accounts

6.1 Summarised below are the current methods used by the Senior Bursar in assessing the total costs attributed to undergraduates in the Internal Revenue Account.

6.2 The total cost of accommodation provided by Peterhouse for undergraduates and Fellows in 1998-9 was £1,265,769, compared to £1,367,406 in 1997-8 and £1,134,732 for 11 months of 1996-7. These costs are attributed to undergraduates, Fellows and, for common parts, graduates, in appropriate proportions on the Internal Revenue Account.

6.3 The proportion of costs attributed to undergraduates' rooms is 51.10%. The proportion attributable to Junior Members for common parts is 23.57%, and to Fellows for both rooms and common parts 25.33%. To reach these figures the Senior Bursar makes several assumptions.

6.4 It is assumed that rooms make up 70% of the College and common parts 30%. There are 240 undergraduates and 45 fellows in Peterhouse. It is assumed that fellows have on average twice the floor space of undergraduates, and so 240/330 of the room space is taken up by undergraduates. It is then assumed that the cost for common parts may be divided between undergraduates and Fellows as shown above, but also proportionally assigned to Peterhouse's (on average) 90 Graduates. Furthermore as undergraduates may not be present for more than 30 weeks of the year without incurring extra costs the undergraduates' combined portion of the cost is then scaled down to 30/52 of its total value. The remaining 22/52 is covered from elsewhere in the account: it represents a period when undergraduates' rooms are available for conference guests.

6.5 The total attributed to undergraduates in term in 1998-9 was £498,814, compared to £538,867 in 1997-8 and £447,175 in 1996-7. In 1998-9 the income from undergraduates' rent was £255,274, compared to £260,319 in 1997-8 and £233,885 in 11 months of 1996-7.

6.6 The accounts themselves are presented fully in the appendix, with a detailed explanation of the calculations.[10]

[10] Appendix VI

7. An Analysis of College Expenditure

7.1 In the course of compiling this report, the Subcommittee has closely examined the audited accounts of College. We recognise the complexity of accounting for the daily running of an institution such as Peterhouse, and we have not sought to find specific savings in most of the Internal Revenue Account.

7.2 Nevertheless, the Subcommittee has observed that:

- the budget for buildings and maintenance comprises, at 35% for 1998-9, the largest subsection of the Internal Revenue Account
- Peterhouse is now drawing towards the conclusion of a long period of renovation and refurbishment
- the last phase of the renovations, and the newly refurbished rooms are likely to require less additional expenditure on maintenance since most of the fittings in College are now very new.

7.3 It would therefore be reasonable to expect a possible fall in the maintenance budget of approximately £30,000, (i.e. 2% of the 1998-9 expenditure on maintenance per year for three years).

8. Recommendations

8.1 The Undergraduates are aware that changing political and financial circumstances mean that it would be unreasonable for them to expect not to pay their way. The JCR realises that CUSU's overall approach to this has been on the whole unhelpful.

8.2 The JCR has three major aims all of which it hopes are shared by Governing Body.

- **The future security of the College**
  The JCR is aware that the financial security of the College requires that Members do not put undue pressure onto the Endowment Account, which is needed for several other purposes such as University Contribution.

- **Accessibility**
  The problem of access is a genuine issue. The cost of studying at University is rising, and it is important that the cost of studying at Cambridge, and at all the Colleges within Cambridge, does not become so high that the best candidates are dissuaded from applying in the first place. The JCR warmly welcomes the Senior Bursar's stated intention that Peterhouse's rents should not exceed the average for universities in the South.

- **Student debt**
  It is now, to all intents and purposes, impossible for all but a small minority of students to complete their university careers without accruing some amount of debt. It is important for students to avoid financial worries during the course. For this reason also the JCR welcomes the Senior Bursar's agreement to ensure that rents at Peterhouse do not exceed the average for the South.

8.3 The major financial pressures on the College at the moment have as their two root causes the 33% phased reduction of the College Fee and the need to preserve the real value of the capital Endowment. The JCR recognises its responsibilities in this area, but reminds Governing Body that there are other ways of making money, of which Conferences are a major part. In 1998-9 the College's Conference and Other income was £79,585.[11] This represents a mere fraction of what a College such as

[11] Source: ***Term Room Rent Subsidy Assessment, 1998-9***, Appendix I

Peterhouse could be making. For example, Corpus Christi, which has a similarly sized student population, has an income of around £1,000,000 from domestic and kitchen fees for conferences. The Senior Bursar has stated that he intends to raise at least another £407,000 from conferences.[12] This would give a total 'conference and other' income of at least £486,585. According to the Schedule D of the Statutes and Ordinances of Cambridge University 1999, this is to be paid into the Internal Revenue Account.

8.4 In the light of this the Subcommittee disputes the need to raise the average Undergraduate rent to the Senior Bursar's suggested figure of £58. The Subcommittee proposes instead that the total undergraduate contribution to the Internal Revenue Account be set at a maximum of £356,669, which, assuming an average of 240 undergraduates, represents an average rent of £49.54 per student per week. This figure is justified below: the calculation is of the maximum rent figure as it assumes the minimum targeted conference income. Given that the Kitchen Fixed Charge covers a resource included in rent at other universities, an average rent of £49.54 together with the KFC at its current weekly rate of £8.80 will ensure that at £58.34 average weekly fixed charges for undergraduates at Peterhouse remain comparable to the average for the South, although slightly exceeding the Bursar's stated target level of reasonable rent.

Implementation of the rent rise

8.5 The Subcommittee believes that the rise in rent should be introduced gradually, in order to spread its effect and remain in line with other colleges, and recommends that it be scaled over a period of three years from the current average rent of £44 per week, along the following plan, representing a total average rise of £166.20:

Year	Weekly Rent (av)	Fixed charges per week	Fixed charges p.a.
1999-2000	£44.00	£52.80	£1584.00
2000-2001	£45.85	£54.65	£1639.50
2001-2002	£47.70	£56.60	£1695.00
2002-2003	£49.54	£58.34	£1750.20

[12] Meeting of 30th November 1999. Present: The Senior Bursar, the Chief Clerk, Mr A.McConnell, Mr G.J.Sutcliffe.

9. Calculation of Undergraduate contribution to the Internal Revenue Account

9.1 The figures used in this calculation represent the situation when the reduction in the College Fee has been completed (a ten year process) and Conference and Other income has been raised to the Senior Bursar's intended minimum level of £486,585 (this will happen as soon as possible). The figures are tabulated on page 19.

Calculation of income which may be derived other than from Members of the College

9.2 The 'conference and other' income is not entirely profit. There are fixed overheads for the conference season in that the gardens and rooms still require maintenance, but the presence of a conference also requires the provision of porters and utility services such as electricity, gas and water. On the grounds that the weekly cost of such services to undergraduates is approximately one fifth of the Conference rate[13] and small allowance for extra maintenance, we have estimated that the Conferences should operate at a 400% profit margin excluding fixed overheads. The 'Conference and Other' profit added to the College Fee represents income derived other than from members.

Calculation of the amount to be paid by Undergraduates to the Internal Revenue Account

9.3 The proportion of total college expenditure which is attributable to the undergraduates is derived from the figures for 1998-9. Total expenditure figures for the past three years are then averaged (the figure given on the *Internal Revenue Statement* for 1997 has been scaled up) and the projected saving on maintenance deducted. The income derived in 7.2 as coming other than from Members is then deducted.

9.4 The total remaining is then covered by the Members, each group of Members paying the same proportion of the total remaining as the proportion of costs attributed to Members for which they are liable (i.e. undergraduates pay for 240/330 * 30/52 * 0.7 for their rooms, and 240/420 * 30/52 *0.3 for common parts, Fellows pay 90/330 * 0.7 for their rooms and 90/420 * 0.3 for common parts and graduates pay 90/420 * 0.3 for common parts – the remainder is more than covered by the 'Conference and other' income).

Calculation of the amount to be paid by each Undergraduate

9.5 The Senior Bursar assumes that there are on average 240 Undergraduates, and there are 30 weeks in an academic year.

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[13] ***Term Room Rent Subsidy Assessment 1998-9*** [TRRSA] A2, A4 (part), B, Appendix I.

				Source
9.2				
	'Conference and other' Income			
	Conferences (1998-9)	£79,585.00	+	TRRSA
	Conferences minimum increase	£407,000.00		Meeting 30/11/99
	Minimum Conference Income	**£486,585.00**		
	'Conference and other' profit margin			
	End term conference income	£486,585.00	*	C6
	Percentage of income which is profit	80.00%		Report p.18
	Profit from 'Conference and other'	**£389,268.00**		
	Total of income not from Members			
	Profit from 'Conference and other'	£389,268.00	+	C11
	College Fee (from 2008-9)	£227,575.33		Report p.5
	Total Income not from Members	**£616,843.33**		
9.3				
	Average total expenditure (last 3 years)			
	Expenditure 1998-9	£1,265,769.00		Int. Revenue A/c
	Expenditure 1997-8	£1,367,406.00		Int. Revenue A/c
	Expenditure 1996-7	£1,237,889.45		Int. Revenue A/c
	Average total expenditure for last 3 years	**£1,290,354.82**		(C22 is scaled up)
	Total expenditure (projected)			
	Average total expenditure	£1,290,354.82	-	C23
	Maintenance saving (projected)	£30,000.00		Report p.14
	Average projected expenditure	**£1,260,354.82**		
	Expenditure to be covered by Members			
	Average projected expenditure	£1,260,354.82	-	C28
	Total 'Conference and Other' Income	£616,843.33		C16
	Expenditure to be covered by Members	**£643,511.48**		
9.4				
	Proportional Liability of Members for costs			
	Costs attributed to Undergraduates	£498,814.00	+	TRRSA G17
	Costs attributed to Graduates	£80,557.00	+	TRRSA F16
	Costs attributed to Fellows	£320,601.00		TRRSA F16
	Total costs attributed to Members	**£899,972.00**		
	Proportional Liability of Undergraduates	**55.43%**		
	Amount to be covered by Undergraduates			
	Percentage of costs to be covered by ugs	55.43%		C42
	Total costs to be covered by Members	£643,511.48		C33
	Amount to be paid by Undergraduates	£356,669.47		
9.5				
	Amount to be paid by each undergraduate			
	Per annum	£1,486.12		C47/240
	Per week	**£49.54**		C52/30

Appendices

APPENDIX I

JUNIOR MEMBERS' ACCOMMODATION CHARGES

Report of the Resources and Charges Working Group of the Bursar's Committee (January 1997)

EXECUTIVE SUMMARY

The Report was prepared for the Bursar's Committee in response to a request by the Colleges' Committee that student rents should be examined with a view to eliminating any subsidy. The Colleges' Committee asked that the arrangements within Colleges for alleviating financial hardship should also form part of the review. FIXME
Subsidy is defined in the Report as the percentage by which existing rents would need to increase in order to equate to economic rent. The Working Group rejected the notion that College rents should automatically incorporate an element of subsidy.
The Working Group sought information to measure existing College rents against: the running costs of providing student accommodation the rents charged to students in other universities market rents for equivalent private sector accommodation in Cambridge The Working Group developed its own methodology for assessing running costs. All Colleges participated in the assessment which calculated the average subsidy at 46%.
A survey of rents at other universities was conducted, with replies from nine institutions. The Working Group also had access to the 1996/97 NUS survey of accommodation costs in 80 universities. The average Cambridge College rent of £36.39 was in the lowest quarter of accommodation costs nationally, and was significantly below comparable local charges. The NUS survey showed average rens of £53.11 for London, £44.89 for the South-east, and £41.89 for East Anglia, while the average rent for students at Anglia Polytechnic University was £48.00. Weekly rents hide the fact that students nationally are required to pay rent on average for 36 weeks each year, against 30 in Cambridge, spending a significantly higher proportion of their income on accommodation than their counterparts in Cambridge Colleges.
Comparing College rents with market rents, the Working Group updates the report prepared by Bidwells in 1992/93 and conducted its own survey of rooms available for private letting within easy distance of the centre of Cambridge. Bidwell's figures suggest that College rents are barely above half the market rent for comparable rooms. The Working Group's survey indicated that an increase of 53% to around £57 per week would be needed to eliminate the difference.
The Working Group conducted an inital survey of the student support funds provided by Colleges. However, it questions the premise that raising room rents to economic levels woul ddeter students of academic merit from applying for admissions to Cambridge.
The Report concludes: The evidence is overwhelming that, despite some catch-up in recent years, the room rents typically charged by Cambridge Colleges to their junior members still include a substantial element of subsidy (and are markedly lower than in most other universities, including Oxford). This conclusion, albeit to a differing

extent, emerges from from each of the measurement approaches taken by the Working Group. The Working Group ... believes its report - suggesting the need for increases of between 45 percent and 60 percent - provides an adequate basis for future dicussion of rents by Bursars and Colleges.

The working party recongnises that colleges will in many cases wish to continue with the agreed consultative processes they have in place with their students, including a number of existing multiyear rent agreements. It has therefore framed its recommendations, as they apply to individual colleges, with sufficient flexibility to enable colleges to pursue different approaches to the elimination of their subsidy, but it believes that all colleges should commit themselves to bringing their average rent withing the targeted range by 2004/2005. A schedule of minimum, maximum and mid-range increases to achieve this, showing the position college by college is attached as Schedule 3

The working group views with particular concern the wide spread that currently exists between the colleges with the highest and lowest average undergraduate rents. In 1998/99 the spread is £13.60 per week, with the highest average rent at £48.60 and the lowest at £35.00. While the colleges concerned may have well-established internal rent-fixing procedures that command the confidence of fellows and students, the working group believes there is a wider interest to be consulted. This applies particularly to colleges with low rents, who are recommended, for the general benefit, to take steps to ensure that the rent spread does not widen further in money terms, implying a narrowing in percentage terms. In arguing for such a narrowing, the working group has in mind not only the possible impact of low rents on the rent negotiations of other colleges, but their potential influence on admissions applications, and on perceptions of the collegiate university by politicians, old members (particularly those solicited for funds), the press and the public.

To have realistic prospects of attaining the targeted range in 6 years, the working group believes each college should increase its rent in 1999/2000 by an amount not less than the minimum annual increase for the colleges shown in schedule 3 (unless committed by an existing agreement).

To ensure progress towards the elimination of subsidies by 2004/2005, the working party recommends that college rents continue to be monitored and that schedule 3 be updated each year to show the minimum annual increase needed over the remaining period by each college if the target is to be achieved. SUMMARY OF RECOMMENDATIONS That a subcommittee of the Bursars' Committee be set up to provide information to bursars on economic and market rents on an ongoing basis.

That colleges raise their average rent to bring it inside the range of economic rents within 6 years.

That colleges with low rents seek to ensure that there is no futher increase in money terms in the gap between their rents and those of colleges with the highest rents.

That all colleges, unless constrained by an existing agreement with junior members, seek to implement in 1999/2000 not less than the minimum increase recommended for their college by the working party.

That progress towards the elimination of rent subsidies be monitored over the next 6 years, and the college-by-college table of target rent increases be revised and recirculated each year.

ADDRESSING THE ROOM RENT SUBSIDY

The Resources and Charges working group of the Bursars' Committee first met in May 1996 to determine the extent to which the rents charged to junior members included an element of subsidy. Its interim report, Junior Members' Accommodation Charges, was submitted to the Bursars' Committee in January 1997, and subsequently received wide circulation amoung senior members of the university.

Junior Members' Accommodation Charges examined in detail three methods of determining economic rent for colleges. These were: i) by comparing college rents with those charged at other universities; ii) by comparing them with open market rents in Cambridge; iii) by comparing them with the colleges' cost of providing and maintaining student accommodation. The report concluded that the economic cost for college accommodation was in a range 45% to 60% above the then prevailing undergraduate rent of £36.40 per week. In other words, to eliminate the subsidy colleges should have been charging rents of between £53 and £58 per week in 1996/97. The executive summary of Junior Members' Accommodation Charges is attached to this paper as Schedule 1.

The Bursars' Committee accepted the conclusions of Junior Members' Accommodation Charges. In further discussions it endorsed the view, spelled out in the Report of the Royal Commission on the Universities of Oxford and Cambridge in 1922, that colleges have a duty not to subsidise junior members' accommodation from public money or from their endowment. There was no basis for arguing that Cambridge undergraduates, who receive the same grants as students at other universities and whose studies are supported by a higher level of public funding, also have an entitlement to subsidised accommodation. On the contrary, the continuance of accommodation subsidies gave a hostage to critics of the Oxbridge system and seriously weakened the university's case in arguing with government for the maintenance of the college fee.

The Bursars' Committee noted a further conclusion of the working group's report that the subsidy was already being reduced by the action of colleges in raising rents by rates greater than inflation. It agreed to continue monitoring the position and postponed any decision on coordinated action until more information was known about the future of the college fee. In May 1998, as details of the college fee settlement became clearer, it invited the working group to reconvene and advise if further steps should now be taken to coordinate rent policy between colleges towards the elimination of the subsidy.

The working group has met on six occasions since May 1998. It submitted a further interim report to the Bursar's Committee on 2 July 1998, and offers the present paper as its final report.

Subsidy Update

The working group has carefully reviewed the three approaches to economic rent used in its earlier paper and confirms its belief that they offer the best objective guide for colleges in setting junior members' rents. Recent information on local market rents and rents charged at other universities (see the Sunday Times table attached as schedule 2) remain consistent with, and fully confirm, the earlier conclusions on the size of the subsidy. The working group has not reworked its estimate of the cost to colleges of providing student accommodation. This involved a detailed exercise for all colleges and the short interval since it was undertaken does not justify repetition. The earlier figures have therefore been adjusted for inflation. Updating the earlier information to October 1998 values, the working group believes the current range of economic rents for college accommodation to be £56.60 to £62.50 per week.

In measuring the current level of subsidy against these economic rents, account has to be taken of the change that has taken place in college rents themselves since January

1997. They have continued to rise at rates well above inflation: in 1998/99 the average college rent is £42.40 per week, a rise of 17% over two years. The level of rent subsidy has therefore reduced from 45%-60% in 1996/97 to 33%-47% in 1998/99.

The working group believes that action to eliminate this subsidy over an agreed period should now be addressed. Its recommendations for doing so are set out in the next section. It is conscious, however, that one of the principal reasons for the subsidy's emergence in earlier years was the lack of accurate, up-to-date figures of the type used by the working party in calculating economic rent. The provision of such data has undoubtedly changed attitudes in Cambridge since the working party began its enquiry. Its first recommendation therefore is that a permanent sub-committee of the Bursars' Committee should be established to maintain such information in future.

Recommendations for Eliminating the Subsidy

At their meeting on 2 July 1998, Bursars agreed that elimination of the subsidy should be accomplished over a period of years, continuing the recent practice of above-inflation increases, and that individual colleges should remain free to implement their own rent policies within the general guidelines approved by the Bursars' Committee. The working party endorses this approach and has framed its recommendations accordingly.

The working party has had to take a view on the appropriate period over which the transition to economic rents should take place. It has sought to be pragmatic, believing, the subsidy should be eliminated over the shortest period compatible with securing acceptance for the increases needed to achieve this transition. Having regard to the level of real rent increases for the past two years, it considers it both realistic and achievable to recommend that subsidies should be eliminated within 6 years, i.e., over the academic years 1999/2000 through 2004/2005. This timescale means typically that no generation of undergraduates will be asked to bear more than half of the adjustment required to bring rents to economic levels, while those already in residence will not face increases greater, on average, than they have recently experienced. The working group believes this to be a fair sharing of the adjustment pain. It is aware that hardship may be occasioned in individual cases, and believes colleges should be alert to this. As with the implementation of rent policies, it will be for colleges to decide for themselves whether and in what ways their existing hardship arrangements need adaptation as the rent adjustment proceeds.

Inflation is a complicating factor in presenting future adjustments where the rate of inflation is unknown. The following illustration is therefore presented in terms of real change. Inflation is excluded, but it is assumed that it will be added to college rent increases over the 6 years at the rate prevailing each year, thereby preserving the integrity of the real increases.

The average college rent in 1998/99 is £42.6 (paragraph 7) and the targeted economic rent lies in a range £56.60 to £62.50 (paragraph 6). The rate of real increase per year needed to raise the average rent to £56.50 over 6 years is 4.8%, and that needed to raise it to £62.50 is 6.6%.

APPENDIX II

CUSU Rents Campaign

Cambridge: The most expensive University outside London by 2004/2005
(Report released 28/9/99)
Cambridge University has recently completed the most comprehensive and up-to-date survey of undergraduate rents and charges in Britain's best Universities.
Of the 47 Universities who replied, this survey shows that, by current trends and plans, Cambridge University will be the most expensive University outside London by 2004/2005.
The main findings are:

- Cambridge's rent rises last year were steeper than 91% of respondents.
- Cambridge's weekly fixed charges are already within the most expensive fifth of respondents.
- By 2004/2005 Cambridge's weekly fixed charges will be the most expensive outside London.
- The argument that Cambridge students are advantaged because others have to spend one or two years in private accommodation is disproved.
- The argument that Cambridge Colleges' cheapest rents provide a cheaper alternative to other universities is disproved.

Cambridge's rent rises this year were steeper than 91% of respondents.
CUSU notes with dismay the nation-wide trend of rising undergraduate rents.
This year's average increase on last year's rents was 3%. 4 universities experienced higher increases than Cambridge (5.7%). Warwick (7%) still has lower rents than Cambridge (even excluding KFC) and anticipates 0% increase next year. York (10%) is working on an agreed programme of increases until the average rent is £56/week. The remaining 2 were Aston (7.9%) and Roehampton Institute (9%).
Cambridge's weekly fixed charges are already within the most expensive fifth.
Cambridge is within the most expensive quarter of respondents including those in London, or the most expensive fifth outside London.
The 'weekly fixed charge' is a calculation based on average rents and any other fixed charges _ including KFC (taken at £9.50/week). It refers only to university-managed accommodation.
The Kitchen Fixed Charge is paid by all undergraduates. College food is not cheaper than self-catering though poor cooking facilities often make this option difficult.
7 other universities charge additional fixed charges, These were: Abertay Dundee (£0.33/week insurance); Aston (£0.25/week); Leicester (£2.33/week JCR fees); LSE (£1.14/week insurance and JCR); QMW (£0.50/week compulsory social cost); Reading (£1.90/week for various things); St.Andrew's (£1.67/week).
By 2004/2005 Cambridge's mean weekly fixed charges will be the most expensive outside London.
If Colleges comply with what the bursars' report describes as, "the middle of the economic rent range" then in 2004/2005 our weekly fixed charges (£69/week) would be the most expensive outside London. The increase due to institutional rent rises in the financial burden on Cambridge students entering University in 2004/2005 would be £1800 over three years compared to those entering in 1999/2000.
If Colleges comply with the top-end of the range (£72/week) then Cambridge's weekly fixed charges would even exceed all but two of the London universities (LSE and QMW).

If Colleges comply with the bottom-end of the range (£66/week) we would be the 6th most expensive outside London.
The above all assumes a 0% increase in KFC.
Our estimate of increases in other universities was calculated as follows. If the reply included an estimate of future increases, we used that. If it did not, we assumed the annual increase over the next five years would be the same as this year's increase. If that information was unavailable, we assumed the annual increase would be the average in the most recent NUS Nationwide rents report (2.25%).
Only one other university has indicated an intended future programme of increases (York is working towards weekly fixed charges of £56).
The argument that Cambridge students are advantaged because others have to spend one or two years in private accommodation is disproved.
CUSU has considered the fact that many students at other universities pay for private accommodation for one or more years. We have looked at utilities costs and also at the lengths of contracts entered into by other students. This has enabled us to find a total fixed cost of studying over a three year period.
Of the 37 universities outside London who provided enough data to perform this analysis, by 2004/2005, Cambridge will be the 9th most expensive. That is, within the top 25%.
This figure is based on the cumulative cost of 3 years' accommodation in 2004-2005. It is dependent on the length of time spent in average-cost university accommodation, and also the normal contract for average-cost private accommodation. Students at all but 5 universities spend one or two years in private accommodation. 55% of these usually get 9- or 10-month contracts. The remaining 45% get 12-month contracts, though almost half of those only pay half-rent over the summer period.
Utilities were estimated to amount to an extra £250/year in private accommodation.
The figures used for Cambridge were 30 weeks/year in College accommodation, and all 3 undergraduate years in College.
For example, the total fixed costs of living over three years in Cambridge is worked out as follows:

Weekly fixed Charges for College Accommodation:	£70
Minimum period in College Accommodation:	30 weeks
Number of years spent in College Accommodation:	3
Total = 70 * 30 * 3 = £6300	

In Cardiff (the 14th most expensive), the total fixed costs are:

Weekly fixed charges for University Accommodation:	£40.32
Minimum period in University Accommodation:	39 weeks
Number of years spent in University Accommodation:	1
Average weekly rent in private sector:	£42
Usual contract length in private sector:	12 months [*]
Number of years spent in private Accommodation:	2
Utilities (per year) in private Accommodation:	£250
Total = 40.32 * 39 * 1 + (42 * 47.5 + 250) * 2 = £6 063.48	

[*] with half rent over summer (therefore total rent of 47.5 weeks per year)
Seven of the nine universities which appear more expensive than Cambridge in this analysis require the student to spend two years in private accommodation. Also, seven of those nine have 12-month contracts; the other two have 9, 10 or 11 months. In this respect, the analysis is unfair. It is common for many students at other institutions to spend their holidays working, and not having to pay extra rent. Many Cambridge

students pay extra rent to work over holiday periods; others cannot afford this risk (while job-hunting) and try instead to find work near their parents' house. For many students, this latter option is unviable, either due to regional unemployment or to the undesirability/impossibility of living with parents.

It is also worth mentioning that many students in Cambridge need to spend more than 30 weeks here in order to complete studies out of term-time. This would add substantially to the figure used in this analysis.

The argument that Cambridge Colleges' cheapest rents provide a cheaper alternative to other universities is disproved by this analysis.

Assuming the mean cheapest rents between all the Cambridge Colleges in 1999-2000 is £33/week, with an additional £9.50 KFC, our cheapest rents are actually already more expensive than 70% of respondents.

APPENDIX III

Documents Relating to the College Fee

1) HEFCE Report (Nov 98)
2) HEFCE Press Release (5/11/97)
3) Advice on Oxford and Cambridge College Fee accepted.

1) Higher Education Funding Council for England

David Blunkett MP
Secretary of State for Education and Employment
Department for Education and Employment
Sanctuary Buildings
Great Smith Street
London SW1P 3BT

November 1998

Oxford and Cambridge College Fees

1. This letter sets out the Council's advice on how Oxford and Cambridge College fees can best be incorporated within the HEFCE's standard funding method.

Background

2. In **November last year* the Council submitted initial advice on the future of the college fee mechanism in the light of the Dearing report. Our advice considered the implications of ending fees, and options for recognising the particular characteristics of Oxford and Cambridge by alternative means within HEFCE grant allocations to the two universities.
3. Your response of 17 March 1998 asked the Council to examine further how an appropriate proportion of the public funds currently allocated through fees might be incorporated within HEFCE grants.
4. We have undertaken this further work in close consultation with the two universities. They have indicated that, within the terms of the current exercise, they understand and accept the advice contained in this letter as representing a satisfactory settlement of the issue.
5. In considering our approach, we have had regard to the following principles:
    a. The universities of Oxford and Cambridge are world-class centres of excellence which the nation needs to protect. Within that, we have sought to identify what are the special characteristics of the two universities and their colleges which might warrant the payment of some supplementary premium over and above the funding which the universities would receive through the application of our basic funding method.
    b. The relationship between the universities and the colleges is unique in higher education. The colleges are not subject to the control or direction of the central universities, but maintain a high level of autonomy to regulate their own affairs. We have sought to respect that

relationship, while ensuring that there is proper accountability for the use of public funds.

c. We have sought to ensure that the principles of our main funding method are not compromised, and that any funding premia are applied equitably across the sector. Where other institutions share the characteristics of the two universities, they will also benefit from the supplements proposed.

d. Although the following advice contains calculations based on data relating to individual colleges, that is purely for the purpose of deriving from bottom up appropriate aggregated funding premia. It is a basic principle of our funding method that we allocate block grants to universities, which they have discretion to spend as they judge best. That principle applies here also. There is no implication that any particular sum should be allocated to any particular college or for any particular purpose, nor even that the total sums relating to the incorporation of college fees should in aggregate be assigned to colleges. It will remain for Oxford and Cambridge to decide for themselves how to use the overall grants assigned to them.

6. We were asked to focus on the incorporation within main funding of the undergraduate college fee, and not the postgraduate fee. The advice that follows is therefore predicated on the assumption that the universities will continue to receive supplementary college fees for postgraduate students, at the same levels and through the same mechanisms as now.
7. However there is a small number of postgraduates who are funded at undergraduate college fee levels and whose fees are paid by LEAs rather than the Research Councils (for example, PGCE students and fourth and fifth year medical students). It is proposed that the fee funding for this sub-set of postgraduate students is assimilated within the HEFCE funding model.

The sums at issue

8. Total public income from college fees (based on the most recent return for the 1997-98 academic year) was £27.9 million to Cambridge and £32.7 million to Oxford.
9. Some teaching and administrative activities undertaken by Oxford and Cambridge colleges are undertaken centrally at other universities. To avoid double-funding, the HEFCE deducts an amount from the universities' recurrent grants which reflects expenditure on activities deemed to be carried out on their behalf by colleges. The effect is that the net funding addition from college fees is reduced to £16.8m for Cambridge and £18.6m for Oxford, or £35.4m in total (£17.2m, £19.1m and £36.3m respectively in 1998-99 prices).
10. The universities will continue to receive postgraduate college fees as now, allocated through the Research Councils and the new Arts and Humanities Research Board. These amount to £4.2m in 1998-99 prices (£2.2m for Cambridge and £2.0m for Oxford). In considering whether, and how far, the universities should continue to receive additional public funding, our calculations assume that that stream of additional funding for postgraduate fees will continue.

Distinguishing characteristics

Research Staff

11. One of the distinguishing characteristics of the two universities is the existence of research academic staff in colleges who are not employed by the university, and who have not hitherto been counted for the purposes of calculating their research grant. This is anomalous, given that these staff would, if employed by any other university to carry out the same research activity, be included in our research grant formula. We therefore propose to allocate funds in respect of those college research staff, applying our standard principles. On the basis of data supplied by the two universities on the number and distribution of the staff, we calculate that additional funding would be justified of £2.9m to Cambridge and £2.6m to Oxford.

Old and Historic Buildings

12. A second distinguishing characteristic is the high proportion of historic buildings in which the two universities and their colleges operate. They are not unique in this: other HE institutions also are housed in old and historic buildings. So we have examined whether there are additional costs associated with operating in old and historic buildings. The evidence we have collected, by means of a Delphi study and a survey of a small sample of HE institutions, is that there are additional costs, which it would be proper to recognise within the funding method. But we do not want thereby to discourage improvements in efficiency or rationalisation of an institution's estate where that is feasible, nor to cut across the principle of our funding method that we do not fund residential accommodation. So the approach we propose is to meet 50 per cent of the identified costs of operating within old and historic buildings, in cases where:
    a. space is used for non-residential purposes; and
    b. they are core holdings which it is not feasible for the institution to dispose of or redevelop.
13. On the basis of data provided by Oxford and Cambridge about the university and college estate, we calculate that it would be justifiable to allocate supplementary funding on this basis of £3.1m to Cambridge and £3.9m to Oxford. We propose to allocate additional funds on the same basis to any HE institution which meets these criteria. We will undertake a full survey of institutions to establish which meet these criteria, with a view to incorporating an appropriate formula element within our funding calculations with effect from next year.

Small Institutions

14. We are committed to supporting diversity within higher education, including diversity of institutional size and type. Our funding method therefore already recognises the additional costs faced by a range of small, specialist HE institutions. On the basis of a study chaired by Sir Stewart Sutherland and published in March this year, we currently allocate funding premia to some 20 institutions, ranging from 10 per cent to over 100 per cent. That study did not seek to distinguish between additional costs arising from smallness and those arising from specialisation. But it is self-evident that there are certain overhead costs which any HE institution must meet in order to operate, which do not

directly correlate with student numbers, and which therefore create diseconomies of scale for small institutions.

15. The feature which above all marks out Oxford and Cambridge is their collegiate structure. The 61 colleges are distinct legal entities in their own right, separate from the central universities. They accordingly incur a range of costs over and above those faced by other HE institutions in order to maintain each college's operation. But it is this collegiate structure which creates the context within which a student experience of exceptionally high quality is sustained.
16. We consider that it would be appropriate to build on the recognition which our funding method already gives to the costs of small, specialist institutions so as to acknowledge more directly the costs of small size, and to apply that factor also to the colleges of Oxford and Cambridge. The approach we propose is to apply a sliding scale premium to those HEIs with 1,000 or fewer students, including each of the colleges as a small institution, with the premium set at a maximum of 20 per cent reducing to zero for the largest of these institutions. On this basis, additional funding of £7.5m would be allocated to the two universities (£3.3 million for Cambridge and £4.2 million for Oxford.)
17. Where other small institutions are already receiving a specialist funding premium of more than the standard 10 per cent, we would not propose to allocate a further premium to these institutions. We would propose to undertake further work to investigate the costs associated with size and specialisation in HE.

Teaching quality

18. At an earlier stage we considered whether it would be justifiable to provide supplementary funding by reference to teaching quality. We have, however, concluded that the best way of encouraging and rewarding excellence in teaching would be through a bidding programme in which institutions could adduce their own evidence of quality, rather than through a formula within the funding calculations driven by standardised data. We are currently consulting the sector on this proposition. If we do proceed with that approach, Oxford and Cambridge will be able to bid for additional funding on the same basis as all other HE institutions. But we have not pursued that factor further for the purposes of the present exercise.

Aggregate result

19. We conclude that these three factors - college research staff, old and historic buildings, and college size - would between them justify supplementary funding of £9.3 million for Cambridge and £10.7 million for Oxford in 1998-99 prices. Combined with the continuation of the postgraduate college fees (see paragraph 6 above), that would represent a continuing flow of additional public funds equivalent to two-thirds of the net additional income which the universities currently receive through college fees. The remaining one-third would be redistributed for the benefit of the rest of higher education, which would receive supplementary funding for old and historic buildings and institutional size.
20. Throughout this exercise both we and the universities have been concerned to ensure that the change of funding should not jeopardise the quality of the student experience. There are marked differences between colleges in the level

of their endowment and other private resources, and therefore in their ability to supplement public funds. In order to ensure that students at the less well-endowed colleges were not disadvantaged as a result of the ending of college fees, we have discussed with the universities the scope to extend the existing arrangements for redistribution of private funds from the richer to the poorer colleges. Both universities, recognising their ultimate responsibility for standards for their students, have provided assurances of sufficient redistribution to ensure that the student experience is safeguarded.

21. As a further assurance towards this objective, we propose that the change in funding is phased over a ten-year period so that the universities and colleges will have ample time to adjust. We propose to start phasing in the one-third reduction in the net college fee income from 1999-2000. The reductions each year will be indexed to track the overall change in total HEFCE grant for the sector. This will limit the reduction in any one year to a maximum of £656,000 in each university, or some 0.7 per cent of their annual HEFCE grant and 0.2 per cent of their total annual income.

Accountability

22. The proposed incorporation of college fee resources within HEFCE grant means that colleges will for the first time receive public funds from the HEFCE grant to the universities. We have therefore also discussed with the universities and colleges the implications of this for our audit procedures, to ensure that public funds are properly accounted for. We have agreed with the two universities an audit memorandum which indicates that HEFCE will continue to treat the university in each case as the primary object of our audit activity, with the university being responsible in its turn for ensuring that it can give all necessary assurances as to the proper use and safeguarding of public funds allocated to colleges.

Conclusion

23. We believe that the approach proposed above strikes an appropriate balance in safeguarding standards at two institutions of international renown by recognising the financial implications of their distinctive characteristics, while still ensuring that consistent funding principles are applied across higher education. We should be happy to discuss the proposals with you in more detail, and look forward to hearing whether or not you wish the Council to proceed on this basis.

Sir Michael Checkland
Chairman, HEFCE

2)*HEFCE PRESS RELEASE

5 November 1997

Advice to the DfEE on the future of college fee funding for Oxford and Cambridge Universities

The Board of the HEFCE today confirmed its support for excellence in teaching and research and agreed that it should do nothing to damage the special character and world class standing of education at Oxford and Cambridge Universities.

The Government has asked for advice from the Board on the issue of the college fees for the two universities to be given in confidence.

In a wide ranging discussion the Board considered a number of options, from maintaining the present system, to replacing college fee income with grant to the universities. If the option chosen led to a reduction in funding, the Council would want to avoid damage to the quality of college teaching and research.

The Council also signalled that it would wish to consider, as one of its new initiatives, introducing a premium for teaching quality. This would be applied across the higher education sector in England, benefiting the two universities and other institutions offering excellent provision.

The Council will provide advice to Government in the form of a commentary on a range of options.

Ends

For further information contact Roger Grinyer or Philip Walker on 0117 931 7339.

Notes for Editors

1. On 4 August 1997 the DfEE wrote to the HEFCE asking for advice on the future of fees for the colleges of Oxford and Cambridge Universities.

2. Under mandatory awards legislation, the colleges may charge a fee for students through local education authorities, in addition to the normal tuition fees paid to the university. Total fee income in the 1997-98 academic year (AY) is £32.5 million to Oxford and £28.2 million to Cambridge.

3. Some teaching and administrative activities undertaken by the colleges of Oxford and Cambridge would be undertaken centrally at other universities. To avoid double-funding, the HEFCE deducts an amount from the universities’ recurrent grants, which reflects expenditure by the colleges on such activities. The proportion of fee income deducted from grant is 43 per cent for Oxford and 40 per cent for Cambridge. Net college fee income in the 1997-98 AY is £18.5 million to Oxford and £16.9 million to Cambridge.

4. In requesting advice, the DfEE asked how the Council’s new funding method for teaching might be applied to these universities and colleges. The principles underlying the method are:

- institutions must be open and accountable in the use of public funds
- similar provision should attract similar levels of funding
- any premium funding should be applied in a way that is transparent and justifiable

- where funds are allocated selectively, this must be against agreed criteria and according to merit.

5. The DfEE also referred to a recommendation by the Dearing Committee (Recommendation 74), which suggests that variations in the level of public funding for teaching, outside modest margins, should occur only where:

- there is an approved difference in the provision;
- or society (through the Secretary of State or his or her agent) concludes that an exceptionally high level of funding represents a good use of resources in relation to other funding needs in higher education.

The Dearing report noted that college fees represent a substantial addition to the standard funding for higher education institutions, and suggested that the Government review them against these two principles.
HEFCE 7/97

3)Advice on Oxford and Cambridge college fees accepted

The Secretary of State for Education and Employment has welcomed the Council's advice on how public funds for Oxford and Cambridge undergraduate college fees can be incorporated within the Council's standard funding method, while ensuring that excellence is maintained.

The DfEE has told the Council that, on the basis of this advice, public funds for undergraduate college fees will be transferred from local education authorities to the HEFCE with effect from 1999-2000. The Secretary of State said he would expect excellence at the two universities to be further safeguarded by the substantial new funding for research provided by the grant settlement.
The Council's advice includes:

- taking account of college research staff in allocating funding for research
- recognising the extra costs of institutions with old and historic buildings, and of small institutions, in the funding method for teaching
- ensuring accountability for the public funds involved
- phasing the changes in over a 10 year period.

In line with the original remit from the Secretary of State, the HEFCE's advice assumes that the two universities will continue to receive postgraduate college fees on the same basis as now, from the Research Councils and the Arts and Humanities Research Board. Both universities are making arrangements to redistribute private funds between colleges, to ensure that the student experience is safeguarded.
Mr Brian Fender, Chief Executive of the HEFCE, said:

> "The universities of Oxford and Cambridge are world-class centres of excellence. We have developed the advice to the Secretary of State in close association with them. I am very pleased we have found a solution which maintains excellence and safeguards the student experience, while also respecting the unique relationship between the universities and the colleges.

> "At the same time we have not compromised the principles of our funding method. The funding premiums which we will apply to Oxford and Cambridge will also relate to other institutions where the same characteristics are found."

The settlement means that there will be a continuing flow of additional public funds to the two universities, in recognition of their distinctive characteristics. The amount of these funds will be reduced over a 10 year period to two-thirds of the net income they currently receive in college fees (£36.3 million).

The Council will start phasing in the one-third reduction in the net college fee income from 1999-2000.

APPENDIX IV

JCR Report on the proposed rent rise for Undergraduates at Peterhouse

This is a preliminary report only: a more detailed report will be prepared over the Long Vacation and Michaelmas Term, based on closer study of the Bursars' Report, and of the effects of the rise which will be implemented in the next academic year.

The JCR recognises the need for rent rises and supports the proposed move away from the present state of indiscriminate subsidy to an assessed rent bursary scheme. We understand that changes in Government policy will increase the cost of Undergraduate life in Cambridge. We also understand that Undergraduates should be expected to foot some of the bill.

We have certain serious reservations. The proposal to increase rents at Peterhouse by 16% over each of the next three years is out of proportion to the steps being taken by other colleges, none of which appear to be implementing rent rises of more than 8-9% per annum for six years. We consider that radically to increase rents at Peterhouse will have several negative effects. Undergraduates will be forced to live out, thereby damaging collegiate life. Perhaps more grave is the issue of admissions. Peterhouse is second from bottom in the league tables and needs to be able to attract the brightest applicants. The vast majority of students at Cambridge have been attracted by the reputation of the University rather than by any particular College within it so Peterhouse is in competition with other colleges for the best candidates: rising rents will not help its cause. The Target Schools policy will be particularly disrupted.

The average room rent in 1996/7 was £29 per week: it is now £38 per week. It is apparent that there has been a sharp cumulative increase over the last few years. The proposed new target of £58 per week, to be achieved within 3 years, would represent a total 100% rise in room rents over a period of six years. The JCR feels that this is asking too much of the students. The JCR has not been shown a breakdown of the calculations which have come to the figure of £58: it would assist greatly in preparing a response if Peterhouse would release these details, as other colleges including Trinity Hall and Churchill have done.

The crux of the problem is that at the moment nobody is quite sure what the effects of the HEFCE changes will be. The JCR's suggestion is that Peterhouse embark on a scheme whereby rents are raised by 8% over the next six years, to be reviewed during the next academic year 1999-2000. The average rent would therefore go up to £41.04 per week rather than £44.08. The total cost to the college for that year would be £3.04/undergraduate/week - a total of around £22,000 assuming that there are, as now, slightly more than 240 undergraduates. The JCR urges the Governing Body to cover this relatively small sum from the endowment fund, seeing it as an investment in a year of caution. Rent rises can then be reassessed in the light of solid data rather than predictions.

APPENDIX V

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The JCR recognises the need for rent rises and supports the proposed move away from the present state of indiscriminate subsidy to an assessed rent bursary scheme. We understand that changes in Government policy will increase the cost of Undergraduate life in Cambridge. We also understand that Undergraduates should be expected to foot some of the bill.

We have certain serious reservations:

- The proposal to increase rents at Peterhouse by 16% over each of the next three years is out of proportion to the steps being taken by other Colleges, none of which appear to be implementing rent rises of more than 8-9% per annum for six years. We consider that increasing rents radically at Peterhouse will have several negative effects most important of which is the possibility that undergraduates will be forced to live out in spite of University regulations. Were this to happen it would seriously damage collegiate life.

- Neither the JCR nor anyone else has seen a thorough breakdown of the calculations leading to the figure of £58. Surely no extreme action can be taken until we have seen this proposed rent justified beyond all doubts. Other Colleges including Trinity Hall and Churchill have produced full length reports; we feel that if we are to receive the heaviest increase then this is the least we can expect. As well as this the impact of HEFCE and the changes in student funding are not yet known. It seems that taking extreme measures is bad policy in the light of such political uncertainty. A moderate rise provisionally held for one year would allow us to reassess the situation from a better position.

- Perhaps more grave is the issue of admissions. Peterhouse is second from bottom in the league tables and needs to be able to attract the brightest applicants. The vast majority of students at Cambridge have been attracted by the reputation of the University rather than by any particular College within it so Peterhouse is in competition with other colleges for the best candidates: rising rents will not help its cause. The Target Schools policy will be particularly disrupted. Comparison of *Figs 1 and 2* shows that a 16% rent rise at Peterhouse would prohibit this project and may indeed affect access considerably.

- The average room rent in 1996/7 was £29 per week: it is now £38 per week. It is apparent that there has been a sharp cumulative increase over the last few years. The proposed new target of £58 per week, to be achieved within 3 years, would represent a total 100% rise in room rents over a period of six years. The JCR feels that this is asking too much of the students.

- Though we are grateful to the college for the Rent Bursaries scheme we are aware that this, like the Government's Maintenance Grant, covers a relatively small percentage of undergraduates. Many students in college have parents whose income falls just outside the threshold, these will be hit hardest by the increase.

The crux of the problem is that at the moment nobody is quite sure what the effects of the HEFCE changes will be. The JCR's suggestion is that Peterhouse embark on a scheme whereby rents are raised by 8% over the next six years, to be reviewed during the next academic year 1999-2000. The average rent would therefore go up to £41.04 per week rather than £44.08. The total cost to the college for that year would be £3.04/undergraduate/week - a total of around £22,000 assuming that there are, as now, slightly more than 240 undergraduates. The JCR urges the Governing Body to cover this relatively small sum from the endowment fund, seeing it as an investment in a year of caution. Rent rises can then be reassessed in the light of solid data rather than predictions. In the light of the data presented below the JCR feels that caution requires the Governing Body to increase rents slowly so that all parties can review the situation next year: this is no time for drastic measures.

College	Current Rent
St Catherines	£450.00
Fitzwilliam	£429.00
Trinity Hall	£429.00
Girton	£426.00
Robinson	£426.00
Christ's	£420.00
Corpus	£404.40
Peterhouse	**£380.00**
Kings	£350.00

Fig 1: Source - CUSU survey

College	% increase in rent	Term (yrs)	Rent 1999/2000	Rent 2000/01	Rent: end of term
Peterhouse*	**16.00%**	**3**	**£440.80**	**£511.33**	**£593.14**
Corpus	4.30%	8	£421.79	£439.93	£566.35
Kings*	8.20%	6	£378.70	£409.75	£561.61
Robinson	7.00%	3	£455.82	£487.73	£521.87
Fitzwilliam	6.00%	3	£454.74	£482.02	£510.95
Christ's	5.63%	3	£443.65	£468.62	£495.01
St Catherines	5.00%	1	£472.50		£472.50
Trinity Hall	8.00%	1	£463.32		£463.32
Girton	4.00%	1	£443.04		£443.04

*Fig 2: Source - CUSU. *NB Figures for Kings and Peterhouse are not yet passed.*
Measures taken to help students include:
Creation of £1,000,000 access fund (Corpus)
Increased Hardship fund (Christ's)
Rent Bursaries (Peterhouse)

The JCR is in the process of collecting data and
should have more figures by Monday’s meeting.

APPENDIX VI

THE ACCOUNTS

Notes to the accounts

Sources

The base figures (those which have been subject to no calculation or formulae) appearing in these accounts are taken from the Peterhouse internal revenue statement. The cost figures do not include the cost of graduate room accommodation. Nor do they include costs of the Ward Library which are debited to the tutorial account.

Definitions

Primarily:

- ***The College has undergraduates', graduates' and Fellows' rooms.***
- ***Graduates' room accommodation is excluded from the calculation of costs attributable to undergraduates' rooms.***
- ***A proportion of costs associated with 'common parts' of college are attributed to graduates.***
- ***The term 'Junior Members' refers to graduates and undergraduates.***

Proportions of cost are thereby calculated:

- ***Common parts** are those parts of College which are for common use, such as staircases and hallways. The costs of common parts are attributed to undergraduates, Fellows and graduates in proportion to numbers and room space. The proportion of the total cost is distributed as follows:*

  30% Common parts

  70% Rooms (Undergraduates and Fellows)

- ***In 1998-9 Peterhouse had 240 undergraduates and 45 Fellows and provided accommodation for both. Fellows, on average, have twice as much square footage of floor space as undergraduates. In order to take this into account, for the purposes of calculating the costs attributable to Fellows and undergraduates, the number of Fellows is doubled to 90. Thus, of room space occupied by undergraduates and Fellows,*** *undergraduates take up 240/330 of the total and Fellows take up 90/330 of the total. Peterhouse also accommodates graduates who numbered 90 in 1998-9.*

- *Undergraduates only live in College and use its facilities during term time. As such, costs associated with common parts are only attributed to undergraduates for 30 weeks of the year. Costs of common parts are attributed to undergraduates, Fellows and graduates in the following proportions, 240/420, 90/420, 90/420 respectively.*

The <u>'Cost/room/week/'</u> column refers to costs attributable to an individual undergraduate room per week.

Key

α *Grand total costs for year in question*

β *Proportion of grand total costs associated with undergraduates' and Fellows' rooms*

= 70% = 0.7

γ *Proportion of grand total costs associated with common parts = 30% = 0.3*

π *Proportion of undergraduates' and Fellows' room space taken by undergraduates*

= (240/330) approximated by 0.73

σ *Proportion of undergraduates' and Fellows' room space taken by fellows =*

(90/330) approximated by (1-0.73) = 0.27

μ *Proportion of members of College made up by undergraduates = 240/420*

ε *Proportion of costs associated with common parts attributed to graduates = 90/420*

δ *Proportion of undergraduates' and graduates' rooms taken by undergraduates =*

240/330 approximated by 0.73

τ *Proportion of costs associated with common parts attributed to Fellows = 90/420*

Formulae

<u>Lines A1-E13</u> show the break down of College expenditure associated with undergraduates' and Fellows' rooms. These lines are shown twice for each year:

- ***Term room rent subsidy assessment (breakdown of the expenditure)***
- ***Per room term room rent subsidy assessment (costs per undergraduate room per week).[i]***

All <u>'per room'</u> figures are calculated by dividing the proportion of the aggregate cost figure attributable to undergraduate rooms by the number of undergraduates and then by the number of weeks over which the cost was accumulated.[ii]

The proportion of undergraduates in the total of undergraduates and fellows, 240/330, has been approximated by 0.73. Thus when calculating the per room figure the aggregate figure is divided by the approximated number of undergraduates, (0.73 $\times$ 330), rather than the actual number of undergraduates, 240.

<u>Costs per U/G room per week :</u>

$$[(\textit{aggregate cost} \times \beta \times \pi + \textit{aggregate cost} \times \mu \times \gamma)/(0.73 \times 330)]/52$$

<u>F14-H20</u> show the members of the college to whom these costs are attributed.

<u>F14</u> Costs attributable to undergraduates' rooms: $\alpha \times \beta \times \pi$

<u>F15</u> Costs to attributable undergraduates for common parts: $[\alpha \times \gamma \times \mu + \alpha \times \gamma \times \varepsilon]\_\ \pi$

<u>F15a</u> Costs of attributable graduates for common parts:

$[\alpha \times \gamma \times \mu + \alpha \times \gamma \times \varepsilon]\_\ \sigma$

<u>F16</u>[iii] Costs attributable to Fellows for rooms and common parts:

$\alpha \times \beta \times \sigma + \alpha \times \gamma \times \tau$

<u>G17</u> Costs attributable to undergraduates in term:

$$(\alpha \times \beta \times \pi + \alpha \times \pi \times (\mu + \varepsilon) \times \gamma) \times (30/52)$$

G17-H19 ***Cost/room/week column is calculated differently to the formula given above.***

Costs per room figures for the lines G17-H19 are divided by 30 weeks rather than by 52 weeks as above. This is because the aggregate figures for these lines are made up of payments or costs over the 30 weeks of term. Costs attributable to undergraduates in term, for example, is calculated so that costs are only attributed to undergraduates during the 30 weeks of term time. Dividing this figure by 30 weeks will thus give a 'per week' figure.

G18 ***Income received by College derived from rents paid by undergraduates***

H19 ***Term rent subsidy to undergraduates:***

G17-G18 ***The 'uplift' in undergraduate room rents required to break even is the***

percentage of that year's room rents by which undergraduate room rents would have to be raised in order to cover the costs attributable to undergraduates in term.

H20 ***Uplift in undergraduate room rents required to break even:***

H19/G18 ***The internal revenue receipts document the income received by College associated with accommodation.***

The difference between the expenditure and receipts is the deficit associated with provision of accommodation to undergraduates and fellows by College.

Executive summary, 1998-99

			Aggregate		Cost per undergraduate room per week	
		12 months to June 30th				
I		**Total costs of accommodation**				
I	1	Buildings and services	£815,864		£44.49	
I	2	Establishment	£142,451		£7.77	
I	3	Administration	£112,930		£6.16	
I	4	Depreciation & amortisation	£194,524		£10.61	
I	5	Total cost		£1,265,769		£69.02
II		**These costs are attributable to:**				
II	1	Undergraduate rooms I5*(proportion of College taken up by rooms)*(proportion of undergraduates' and Fellows' rooms taken by undegraduates)	£646,808		£51.63	
II	2	Junior members (undergraduates and graduates) for common parts I5*(proportion of College taken up by common parts)*(proportion of members of College made up by undergraduates)+I5*(proportion of College taken up by common parts)*(proportion of members of College made up by graduates) The per room figure is for undergraduates only	£298,360		£17.39	
II	3	Fellows for common parts and rooms I5*(proportion of College taken up by rooms)*(proportion of room space taken up by Fellows)+I5*(proportion of College taken up by common parts)*(proportion of members of College made up by Fellows) The per room figure is zero because undergraduates do not pay for costs attributable to Fellows	£320,601		£0.00	
II	4	Total		£1,265,769		£69.02
III		**Costs attributable to undergraduates during term**				
III	1	For common parts II2*(proportion of undergraduates and graduates made up by undergraduates)*(30/52 weeks of the year)	£125,655		£17.39	
III	2	For rooms (II1)*(30/52 weeks of the year)	£373,158		£51.63	
III	3	Total		£498,814		£69.02
IV		**Subsidy analysis**				
IV	1	Income from undergraduates' rent	£255,274		£35.32	
IV	2	Term rent subsidy to undergraduates III3-IV1 The amount of costs attributable to undergraduates in term that is paid for by College	£243,540		£33.70	
IV	3	Uplift to undergraduate rent required to break even IV2/IV1 Percentage rise in income from undergraduates' rent required to cover costs attributable to undergraduates during term	95.40%		95.40%	

Term room rent subsidy assessment, 1998-9

Broken down costs (year ending 30th June 1999)

						Grand total
		Buildings and services		Sub-total	Total	Grand total
A	1	**Maintenance and repairs**				
		Decoration-internal	£5,588			
		Maintenence of establishment	£92,062			
		College repairs-payments	£156,809			
		College repairs-wages&salaries	£155,552			
		Soft furnishing/furniture repairs	£15,227			
		Chapel maintenance	£13,328			
				£438,566		
	2	**Domestic**				
		Wages&salaries-cleaners, nurse, housekeepers	£130,067			
		Furniture purchases (under £1000)	£54,731			
				£184,798		
	3	**Gardens**				
		Garden expenditure		£70,008		
	4	**Porters**				
		Wages&salaries-gate porters		£122,492		
					£815,864	
		Establishment				
B	5	**Fuel, power and water**				
		Gas	£17,041			
		Electricity	£58,820			
		General rates	£11,986			
		Water rates	£27,932			
				£115,779		
	6	**Insurances**				
		Insurance-college buildings		£11,226		
	7	**Miscellaneous**				
		Miscellaneous expediture		£15,446		
					£142,451	
		Administration				
C	9	**Bursary apportionment**				
		College officers' stipends	£43,568			
		Office salaries (19% of college office staff)	£38,934			
		Office expenses (20% of total)	£19,154			
				£101,656		
	10	**Miscellaneous**				
		Staff pension fund		£11,274		
					£112,930	
		Depreciation & amortisation				
D	11	**Buildings and improvements**				
		Amortisation-new works-buildings		£181,419		
	12	**Furniture**				
		Furniture depreciation		£13,105		
					£194,524	
E	13	**Grand total**				£1,265,769

Per room term room rent subsidy assessment, 1998-9

Broken down costs (year ending 30th June 1999)

						Cost/room/
		Buildings and services		Sub-total	Grand total	week
A	1	**Maintenance and repairs**				
		Decoration-internal	£5,588			£0.30
		Maintenence of establishment	£92,062			£5.02
		College repairs-payments	£156,809			£8.55
		College repairs-wages&salaries	£155,552			£8.48
		Soft furnishing/furniture repairs	£15,227			£0.83
		Chapel maintenance	£13,328			£0.73
				£438,566		£23.91
	2	**Domestic**				
		Wages&salaries-cleaners, nurse, housekeepers	£130,067			£7.09
		Furniture purchases (under £1000)	£54,731			£2.98
				£184,798		£10.08
	3	**Gardens**				
		Garden expenditure		£70,008		£3.82
	4	**Porters**				
		Wages&salaries-gate porters		£122,492		£6.68
						£44.49
		Establishment				
B	5	**Fuel, power and water**				
		Gas	£17,041			£0.93
		Electricity	£58,820			£3.21
		General rates	£11,986			£0.65
		Water rates	£27,932			£1.52
				£115,779		£6.31
	6	**Insurances**				
		Insurance-college buildings		£11,226		£0.61
	7	**Miscellaneous**				
		Miscellaneous expediture		£15,446		£0.84
						£7.77
		Administration				
C	9	**Bursary apportionment**				
		College officers' stipends	£43,568			£2.38
		Office salaries (19% of college office staff)	£38,934			£2.12
		Office expenses (20% of total)	£19,154			£1.04
				£101,656		£5.54
	10	**Miscellaneous**				
		Staff pension fund		£11,274		£0.61
						£6.16
		Depreciation & amortisation				
D	11	**Buildings and improvements**				
		Amortisation-new works-buildings		£181,419		£9.89
	12	**Furniture**				
		Furniture depreciation		£13,105		£0.71
						£10.61
E	13	**Grand total**			£1,265,769	£69.02

Term room rent subsidy assessment, 1998-9

		Costs attributable to undergraduates and Fellows			Cost/room/ week
F	14	Costs attributable to undergraduates' rooms	£646,808		£51.63
	15	Costs attributable to undergraduates for common parts	£217,803		£17.39
	15a	Costs attributable to graduates for common parts	£80,557		£0.00
	16	Costs attributable to Fellows for rooms and common parts	£320,601		£0.00
				£1,265,769	£69.02
G	17	Costs attributable to undergraduates in term	£498,814		£69.02
	18	Rent income from undergraduates	£255,274		£35.32
H	19	Term subsidy to undergraduates	£243,540		£33.70
	20	Uplift in undergraduate rents to break even	95.40%		95.40%

Internal revenue receipts, 1998-9

I	21	Establishment fees, junior members	£341,263	
	22	Establishment fees, Fellows	£85,536	
	23	Room rents, undergraduates	£255,274	
	24	Domus room rents, Fellows	£164,670	
	25	Room rents, conferences	£19,140	
	26	Theatre	£14,147	
	27	Guest rooms/room hire	£21,502	
	28	Vacation residence	£17,280	
	29	Garden rental and sale of plants	£684	
	30	Registration fees	£1,603	
	31	Miscellaneous receipts	£3,653	
	32	New works buildings fund-deferred income (4%)	£1,576	
	33	Total receipts		£926,328
J	34	Total expenditure	£1,265,769	
	35	Difference between expenditure and receipts	(£339,441)	

Executive summary, 1997-98

		12 months to June 30th	Aggregate		Cost per undergraduate room per week	
I		**Total costs of accommodation**				
I	1	Buildings and services	£857,539		£46.76	
I	2	Establishment	£152,676		£8.33	
I	3	Administration	£118,366		£6.45	
I	4	Depreciation & amortisation	£238,825		£13.02	
I	5	Total cost		£1,367,406		£74.56
II		**These costs are attributable to:**				
II	1	Undergraduate rooms	£698,744		£55.78	
		I5*(proportion of College taken up by rooms)*(proportion of undergraduates' and Fellows' rooms taken by undegraduates)				
II	2	Junior members (undergraduates and graduates) for common parts	£322,317		£18.78	
		I5*(proportion of College taken up by common parts)*(proportion of members of College made up by undergraduates)+I5*(proportion of College taken up by common parts)*(proportion of members of College made up by graduates)				
		The per room figure is for undergraduates only				
II	3	Fellows for common parts and rooms	£346,344		£0.00	
		I5*(proportion of College taken up by rooms)*(proportion of room space taken up by Fellows)+I5*(proportion of College taken up by common parts)*(proportion of members of College made up by Fellows)				
		The per room figure is zero because undergraduates do not pay for costs attributable to Fellows				
II	4	Total		£1,367,406		£74.56
III		**Costs attributable to undergraduates during term**				
III	1	For common parts	£135,745		£18.78	
		II2*(proportion of undergraduates and graduates made up by undergraduates)*(30/52 weeks of the year)				
III	2	For rooms	£403,122		£55.78	
		(II1)*(30/52 weeks of the year)				
III	3	Total		£538,867		£74.56
IV		**Subsidy analysis**				
IV	1	Income from undergraduates' rent	£260,319		£36.02	
IV	2	Term rent subsidy to undergraduates	£278,548		£38.54	
		III3-IV1				
		The amount of costs attributable to undergraduates in term that is paid for by College				
IV	3	Uplift to undergraduate rent required to break even	107.00%		107.00%	
		IV2/IV1				
		Percentage rise in income from undergraduates' rent required to cover costs attributable to undergraduates during term				

Term room rent subsidy assessment, 1997-8

Broken down costs (year ending 30th June 1998)

				Sub-total	Total	Grand total
		Buildings and services				
A	1	**Maintenance and repairs**				
		Decoration-internal	£3,707			
		Maintenence of establishment	£95,769			
		College repairs-payments	£170,285			
		College repairs-wages&salaries	£151,243			
		Soft furnishing/furniture repairs	£19,256			
		Chapel maintenance	£11,028			
				£451,288		
	2	**Domestic**				
		Wages&salaries-cleaners, nurse, housekeepers	£120,456			
		Furniture purchases (under £1000)	£100,750			
				£221,206		
	3	**Gardens**				
		Garden expenditure		£71,114		
	4	**Porters**				
		Wages&salaries-gate porters		£113,931		
					£857,539	
		Establishment				
B	5	**Fuel, power and water**				
		Gas	£13,773			
		Electricity	£78,030			
		General rates	£9,904			
		Water rates	£31,870			
				£133,577		
	6	**Insurances**				
		Insurance-college buildings		£11,057		
	7	**Miscellaneous**				
		Miscellaneous expediture		£8,042		
					£152,676	
		Administration				
C	9	**Bursary apportionment**				
		College officers' stipends	£41,255			
		Office salaries (19% of college office staff)	£33,957			
		Office expenses (20% of total)	£19,696			
				£94,908		
	10	**Miscellaneous**				
		Staff pension fund		£23,458		
					£118,366	
		Depreciation & amortisation				
D	11	**Buildings and improvements**				
		Amortisation-new works-buildings		£224,926		
	12	**Furniture**				
		Furniture depreciation		£13,899		
					£238,825	
E	13	**Grand total**				£1,367,406

Per room term room rent subsidy assessment, 1997-8

Broken down costs (year ending 30th June 1998)

		Buildings and services		Sub-total	Grand total	Cost/room/ week
A	1	**Maintenance and repairs**				
		Decoration-internal	£3,707			£0.20
		Maintenence of establishment	£95,769			£5.22
		College repairs-payments	£170,285			£9.29
		College repairs-wages&salaries	£151,243			£8.25
		Soft furnishing/furniture repairs	£19,256			£1.05
		Chapel maintenance	£11,028			£0.60
				£451,288		£24.61
	2	**Domestic**				
		Wages&salaries-cleaners, nurse, housekeepers	£120,456			£6.57
		Furniture purchases (under £1000)	£100,750			£5.49
				£221,206		£12.06
	3	**Gardens**				
		Garden expenditure		£71,114		£3.88
	4	**Porters**				
		Wages&salaries-gate porters		£113,931		£6.21
						£46.76
		Establishment				
B	5	**Fuel, power and water**				
		Gas	£13,773			£0.75
		Electricity	£78,030			£4.25
		General rates	£9,904			£0.54
		Water rates	£31,870			£1.74
				£133,577		£7.28
	6	**Insurances**				
		Insurance-college buildings		£11,057		£0.60
	7	**Miscellaneous**				
		Miscellaneous expediture		£8,042		£0.44
						£8.33
		Administration				
C	9	**Bursary apportionment**				
		College officers' stipends	£41,255			£2.25
		Office salaries (19% of college office staff)	£33,957			£1.85
		Office expenses (20% of total)	£19,696			£1.07
				£94,908		£5.18
	10	**Miscellaneous**				
		Staff pension fund		£23,458		£1.28
						£6.45
		Depreciation & amortisation				
D	11	**Buildings and improvements**				
		Amortisation-new works-buildings		£224,926		£12.26
	12	**Furniture**				
		Furniture depreciation		£13,899		£0.76
						£13.02
E	13	**Grand total**			£1,367,406	£74.56

Term room rent subsidy assessment, 1997-8

					Cost/room/ week
		Costs attributable to undergraduates and Fellows			
F	14	Costs attributable to undergraduates rooms	£698,744		£55.78
	15	Costs attributable to junior members for common parts	£322,317		£18.78
	16	Costs attributable to Fellows for rooms and common parts	£346,344		£0.00
				£1,367,406	£74.56
G	17	Costs attributable to undergraduates in term	£538,867		£74.56
	18	Rent income from undergraduates	£260,319		£36.02
H	19	Term subsidy to undergraduates	£278,548		£38.54
	20	Uplift in undergraduate rents to break even	107.00%		107.00%

Internal revenue receipts, 1997-8

I	21	Establishment fees, junior members	£336,738	
	22	Establishment fees, Fellows	£71,820	
	23	Room rents, undergraduates	£260,319	
	24	Domus room rents, Fellows	£95,000	
	25	Room rents, conferences	£41,145	
	26	Theatre	£6,837	
	27	Guest rooms/room hire	£20,449	
	28	Vacation residence	£16,633	
	29	Garden rental and sale of plants	£1,679	
	30	Registration fees	£1,703	
	31	Miscellaneous receipts	£4,268	
	32	New works buildings fund-deferred income (4%)	£1,524	
	33	Total receipts		£858,115
J	34	Total expenditure	£1,367,406	
	35	Difference between expenditure and receipts	(£509,291)	

Executive summary, 1996-97

			Aggregate		Cost per undergraduate room per week	
		11 months to June 30th				
I		**Total costs of accommodation**				
I	1	Buildings and services	£789,808		£43.07	
I	2	Establishment	£140,818		£7.68	
I	3	Administration	£88,021		£4.80	
I	4	Depreciation & amortisation	£116,085		£6.33	
I	5	Total cost		£1,134,732		£61.88
II		**These costs are attributable to:**				
II	1	Undergraduate rooms	£579,848		£46.29	
		I5*(proportion of College taken up by rooms)*(proportion of undergraduates' and Fellows' rooms taken by undegraduates)				
II	2	Junior members (undergraduates and graduates) for common parts	£267,473		£15.59	
		I5*(proportion of College taken up by common parts)*(proportion of members of College made up by undergraduates)+I5*(proportion of College taken up by common parts)*(proportion of members of College made up by graduates)				
		The per room figure is for undergraduates only				
II	3	Fellows for common parts and rooms	£287,411		£0.00	
		I5*(proportion of College taken up by rooms)*(proportion of room space taken up by Fellows)+I5*(proportion of College taken up by common parts)*(proportion of members of College made up by Fellows)				
		The per room figure is zero because undergraduates do not pay for costs attributable to Fellows				
II	4	Total		£1,134,732		£61.88
III		**Costs attributable to undergraduates during term**				
III	1	For common parts	£112,647		£15.59	
		II2*(proportion of undergraduates and graduates made up by undergraduates)*(30/52 weeks of the year)				
III	2	For rooms	£334,528		£46.29	
		(II1)*(30/52 weeks of the year)				
III	3	Total		£447,175		£61.88
IV		**Subsidy analysis**				
IV	1	Income from undergraduates' rent	£233,885		£32.36	
IV	2	Term rent subsidy to undergraduates	£213,290		£29.51	
		III3-IV1				
		The amount of costs attributable to undergraduates in term that is paid for by College				
IV	3	Uplift to undergraduate rent required to break even	91.19%		91.19%	
		IV2/IV1				
		Percentage rise in income from undergraduates' rent required to cover costs attributable to undergraduates during term				

Term room rent subsidy assessment, 1996-7

Broken down costs (11 months ending 30th June 1997)

		Buildings and services		Sub-total	Total	Grand total
A	1	**Maintenance and repairs**				
		Decoration-internal	£2,930			
		Maintenence of establishment	£76,119			
		College repairs-payments	£189,180			
		College repairs-wages&salaries	£136,681			
		Soft furnishing/furniture repairs	£46,228			
		Chapel maintenance	£10,662			
				£461,800		
	2	**Domestic**				
		Wages&salaries-cleaners, nurse, housekeeper	£108,385			
		Furniture purchases (under £1000)	£62,805			
				£171,190		
	3	**Gardens**				
		Garden expenditure		£59,999		
	4	**Porters**				
		Wages&salaries-gate porters		£96,819		
					£789,808	
		Establishment				
B	5	**Fuel, power and water**				
		Gas	£11,192			
		Electricity	£73,572			
		General rates	£9,964			
		Water rates	£25,009			
				£119,737		
	6	**Insurances**				
		Insurance-college buildings		£12,271		
	7	**Miscellaneous**				
		Miscellaneous expediture		£8,810		
					£140,818	
		Administration				
C	9	**Bursary apportionment**				
		College officers' stipends	£31,240			
		Office salaries (19% of college office staff)	£27,968			
		Office expenses (20% of total)	£18,307			
				£77,515		
	10	**Miscellaneous**				
		Staff pension fund		£10,506		
					£88,021	
		Depreciation & amortisation				
D	11	**Buildings and improvements**				
		Amortisation-new works-buildings		£102,315		
	12	**Furniture**				
		Furniture depreciation		£13,770		
					£116,085	
E	13	**Grand total**				£1,134,732

Per room term room rent subsidy assessment, 1996-7

Broken down costs (11 months ending 30th June 1997)

				Sub-total	Grand total	Cost/room/ week
		Buildings and services				
A	1	**Maintenance and repairs**				
		Decoration-internal	£2,930			£0.16
		Maintenence of establishment	£76,119			£4.15
		College repairs-payments	£189,180			£10.32
		College repairs-wages&salaries	£136,681			£7.45
		Soft furnishing/furniture repairs	£46,228			£2.52
		Chapel maintenance	£10,662			£0.58
				£461,800		£25.18
	2	**Domestic**				
		Wages&salaries-cleaners, nurse, housekeeper	£108,385			£5.91
		Furniture purchases (under £1000)	£62,805			£3.42
				£171,190		£9.33
	3	**Gardens**				
		Garden expenditure		£59,999		£3.27
	4	**Porters**				
		Wages&salaries-gate porters		£96,819		£5.28
						£43.07
		Establishment				
B	5	**Fuel, power and water**				
		Gas	£11,192			£0.61
		Electricity	£73,572			£4.01
		General rates	£9,964			£0.54
		Water rates	£25,009			£1.36
				£119,737		£6.53
	6	**Insurances**				
		Insurance-college buildings		£12,271		£0.67
	7	**Miscellaneous**				
		Miscellaneous expediture		£8,810		£0.48
						£7.68
		Administration				
C	9	**Bursary apportionment**				
		College officers' stipends	£31,240			£1.70
		Office salaries (19% of college office staff)	£27,968			£1.53
		Office expenses (20% of total)	£18,307			£1.00
				£77,515		£4.23
	10	**Miscellaneous**				
		Staff pension fund		£10,506		£0.57
						£4.80
		Depreciation & amortisation				
D	11	**Buildings and improvements**				
		Amortisation-new works-buildings		£102,315		£5.58
	12	**Furniture**				
		Furniture depreciation		£13,770		£0.75
						£6.33
E	13	**Grand total**			£1,134,732	£61.88

Term room rent subsidy assessment, 1996-7

					Cost/room/ week
		Costs attributable to undergraduates and Fellows, 11 months to June 1997			
F	14	Costs attributable to undergraduates rooms	£579,848		£46.29
	15	Costs attributable to junior members for common parts	£267,473		£15.59
	16	Costs attributable to Fellows for rooms and common parts	£287,411		£0.00
				£1,134,732	£61.88
G	17	Costs attributable to undergraduates in term	£447,175		£61.88
	18	Rent income from undergraduates	£233,885		£32.36
H	19	Term subsidy to undergraduates	£213,290		£29.51
	20	Uplift in undergraduate rents to break even	91.19%		91.19%

Internal revenue receipts, 1996-7

I	21	Establishment fees, junior members	£349,390	
	22	Establishment fees, Fellows	£72,459	
	23	Room rents, undergraduates	£233,885	
	24	Domus room rents, Fellows	£62,640	
	25	Room rents, conferences	£20,799	
	26	Theatre	£3,102	
	27	Guest rooms/room hire	£23,174	
	28	Vacation residence	£12,264	
	29	Garden rental and sale of plants	£1,149	
	30	Registration fees	£1,534	
	31	Miscellaneous receipts	£4,263	
	32	New works buildings fund-deferred income (4%)	£1,269	
	33	Total receipts		£785,928
J	34	Total expenditure	£1,134,732	
	35	Difference between expenditure and receipts	(£348,804)	

[i] It should be noted that the figures from 1996-7 (appendix) are for 11 months not 12 months
[ii] The number of undergraduates, 240, is accurate for the year 1998-9, but not for the comparative years in the appendix (1996-7 and 1997-8). However, any inaccuracy arising from this is small enough to be negligible.

[iii] **The per room figure for line F16, costs attributable to Fellows for rooms and common parts, is £0.00 because costs attributed to Fellows cannot also be attributed to undergraduates so no cost appears in the 'Cost/room/week' column.**