



Economic Impact of the University of Suffolk 2017/18

Executive Summary

A report to



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EXECUTIVE SUMMARY

This report presents the findings of an economic impact study of the University of Suffolk for the 2017/18 academic year. The institution was established in 2007 as University Campus Suffolk (UCS) and became the University of Suffolk after receiving University Title in 2016. The first cohort of students were admitted to the new University of Suffolk in September 2016, therefore 2017/18 was the second full academic year for the University of Suffolk.

The University's central purpose is to encourage wider participation in higher education across the region, helping to reverse the net export of graduates and the low post-16 participation rate which has adversely affected Suffolk for many years.

Key Quantifiable Impacts

In the academic year 2017/18 the University of Suffolk generated **£103 million Gross Value Added (GVA)** and supported **2,270 jobs** across the UK. Of this:

- **£41 million GVA** and **820 jobs** were in Ipswich;
- **£56 million GVA** and **1,210 jobs** were in Suffolk (including Ipswich); and
- **£67 million GVA** and **1,460 jobs** were in the New Anglia LEP area (including Suffolk).

There will also be significant long-term economic impacts that are realised by the graduates of the University of Suffolk from the class of 2017/18 over the course of their working lives. When these are included, the University of Suffolk generated **£362 million Gross Value Added (GVA)** and supported **2,270 jobs** across the UK. Of this:

- **£128 million GVA** and **820 jobs** were in Ipswich;
- **£243 million GVA** and **1,210 jobs** were in Suffolk (including Ipswich); and
- **£289 million GVA** and **1,460 jobs** were in the New Anglia LEP area (including Suffolk).

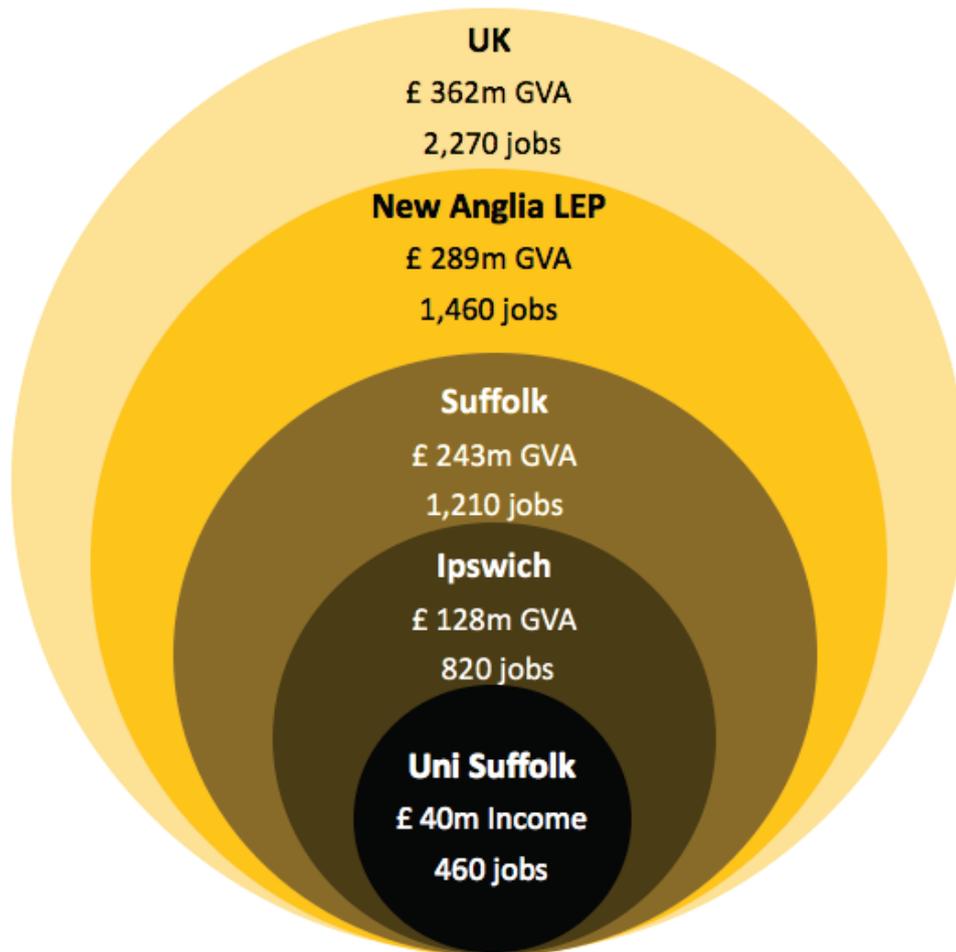
This is a substantial economic impact considering the scale of the University of Suffolk. In 2017/18, the University of Suffolk had a total income of **£40.2 million** and employed **460 members of staff**. This implies that:

- for each **£1** income that the University received it generated **£3 in economic impact** (£9 if long-term impacts are included);
- every person directly employed at the University supported around **5 jobs** throughout the UK; and
- for each **£1 GVA** that the University generated as a result of its direct operations, it supported **£4 GVA** in total benefits throughout the UK economy (£14 GVA if long-term impacts are included).

Compared to other universities, who have considered their economic impact, this impact ratio of 9 to 1 is high and the majority of this impact is driven by the long-term impacts associated with the graduate premium.

Each job at the
University of Suffolk
supports 5 jobs
across the economy

Figure 1-1 – Summary Economic Impact - Including Graduate Premium



Source: BiGGAR Economics (not to scale)

The quantifiable economic impact of the University of Suffolk came from the GVA and jobs created from five main areas of activity, these are: the University’s core operations, students, knowledge transfer, tourism and the graduate premium.

The core activities of the University of Suffolk generated 14% of its total GVA, equal to £51 million GVA and around 950 jobs at a UK level. This activity includes the direct impact of the University, the staff it employs and their spending, and expenditure within the University’s supply chain.

The University of Suffolk’s 4,530 full-time students contributed 13% of its total impact, which is equal to £48.7 million GVA and 1,260 jobs in the UK. This impact is created through student spending, students working part-time while studying and student volunteering.

As well as offering degree courses in tourism, the University of Suffolk also contributed to the tourism economy of the UK by attracting visitors to open days, conferences, events and visits to friends and relatives. This impact is relatively modest at around £0.5 million GVA and around 20 jobs at the UK level.

Graduates are typically more productive in their line of work and those from the University of Suffolk are no exception. The University of Suffolk has a large number of graduates each

**Students spent
£33.2 million in the
Borough of Ipswich**

year relative to its income. This is due to its focus on education, the mix of courses it offers and the way in which they are delivered (including off-site in schools and healthcare settings). As a result, the long-term impacts from learning associated with the University generated 72% of the total impact, equal to £258.8 million GVA. This relates to the premium associated with increased productivity as a result of graduating from the University of Suffolk and accrues over the graduates' working lifetimes. This impact is new to the economy as it did not exist before the University of Suffolk was established. It is also likely to underestimate the full impact as this study does not attempt to estimate the increased profitability and taxation that is associated with the contribution of graduates.

Wider Impact

The full impact of the University of Suffolk extends beyond its quantifiable economic contributions. It has stimulated a wider educational, social, economic and cultural transformation which has had a significant impact on the local economy and the local population. These wider, non-quantifiable impacts include:

The University supports the Public Sector to grow and retain talent in Suffolk

- the catalytic impact created by regenerating a key site on the Ipswich Waterfront. This has fundamentally regenerated the area, making it a more vibrant and attractive place in which to live, work, visit and invest;
- creating a new facility for higher education where none had previously existed;
- facilitating wider access to further and higher education for non-traditional students;
- supporting the delivery of key frontline public services in health and education;
- establishing an education facility that is embedded within the local business community and responsive to its needs.

The University is supporting the county to become more self-reliant in training and education for teachers, nurses and healthcare workers through offering undergraduate degrees, student placements, continuing professional development training and staff time to help deliver services. As well as helping with recruitment issues, this also provides key support in delivering health and education services.

The local business community played a key role in creating the University and this "sense of ownership" continues to grow. As a responsive University it supports industry through educating human capital, producing work-ready graduates, offering innovation support, providing infrastructure through the Ipswich Waterfront Innovation Centre and organising networks and events to strengthen the business community. The University's business support work is continuing to grow and develop, which will further increase its impact in the business community going forwards.

The University of Suffolk helps to put Ipswich on the map, not only by supplying skills and education, but also by increasing the cultural offering of the town through hosting events such as the PhotoEast Festival. The Borough of Ipswich Council's Economic Development Strategy considers the University to be fundamental in achieving the ambitions it has set out for the town.

A recent report¹ placed Ipswich in the Top 5 locations across the UK that created the biggest year-on-year growth in GVA terms in early 2018. This is predicted to continue into 2019. The nature of the town as a hub for highly-skilled jobs in technology and knowledge-based sectors is a key factor in its success and the University of Suffolk plays a significant role in supplying these skills.

The University is committed to widening participation in higher education by attracting, retaining and supporting students from non-traditional groups. This is reflected in the University being ranked third highest in Great Britain in 2016/17 for attracting students from state schools and colleges². Around 25% of the University's students come from a low participation neighbourhood compared to an average for the England of 11%³. It is also attracting a significant proportion of mature students from low participation areas and its targeted work with local schools is also producing successful results in terms of raising aspirations among young people who are then encouraged to enter higher education on leaving school.

One of the highest proportions of mature students in the UK

Both the quantifiable and the wider, non-quantifiable, impacts of the University are equally valid and it is important to consider both aspects when reflecting on the total economic contribution made by the University.

Growth in the Future

The University of Suffolk is a young institution that has ambitions to grow in the future, both in terms of its size and in the scope of its activity. This growth will increase its economic impact. In particular, as the University increases the range of services that it offers to business, and conducts more contract and collaborative research, the economic impact that it will have on these businesses and the wider economy will also grow. It is also contributing a significant social impact on public services through the work of the Suffolk Institute for Social and Economic Research and its applied social research programme. This is helping to inform and deliver key public services across the region and reinforcing the University of Suffolk's position as a key driver of informed development across the economy.

Expected growth in Research Activity and Services to Business will increase economic impact

The impacts that the University of Suffolk will create in the future are likely to be greater and broader than they are currently, as it complements its current teaching focus with additional research activity and income.

¹ Irwin Mitchell, November 2018, UK Powerhouse: The Brexit Economy

² HESA, (1 February 2018) *Widening Participation: UK Performance Indicators, 2016/17*, Table T1

³ *ibid*