

Income from startups, spinouts and intellectual property for London universities in 2022-23

A briefing note

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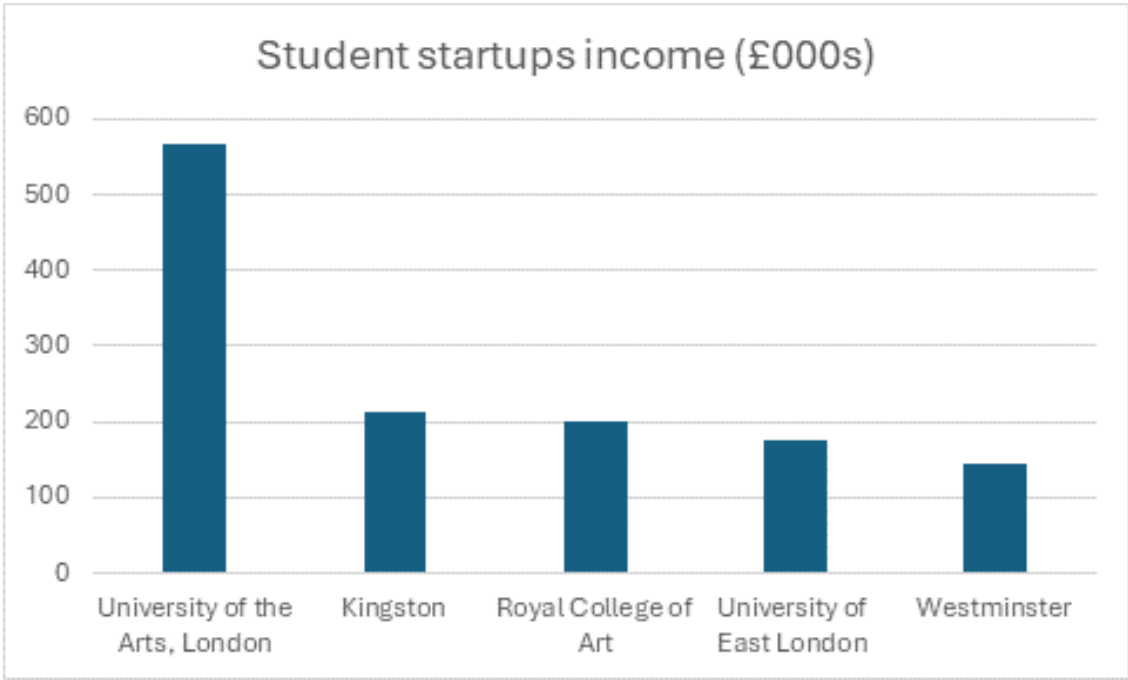


At the start of April 2024, HESA published new data on British higher education institutions' (HEIs) income from a variety of streams related to startups, spinouts and intellectual property in the 2022-23 academic year, including trademarks and patents, software design, and companies started by the institution's staff or students or based on their intellectual property. The data accompanies a consultation from HESA on how, and how often, information on this kind of income should be gathered and shared.

The large dataset shared this month is intended as the start of a conversation, not a conclusion, and to prompt us to think about what we could investigate with similar data in the future. Therefore, we have taken a look at what the data for London's higher education institutions tells us.

A diverse set of stories

Looking at income from intellectual property (including software) and spinouts, we see a multifaceted situation for London. Small and large institutions, as well as specialist and non-specialist institutions, all demonstrated significant capacity to generate income from these types of ventures. Within London Higher membership, it is clear there is no one type of success story.



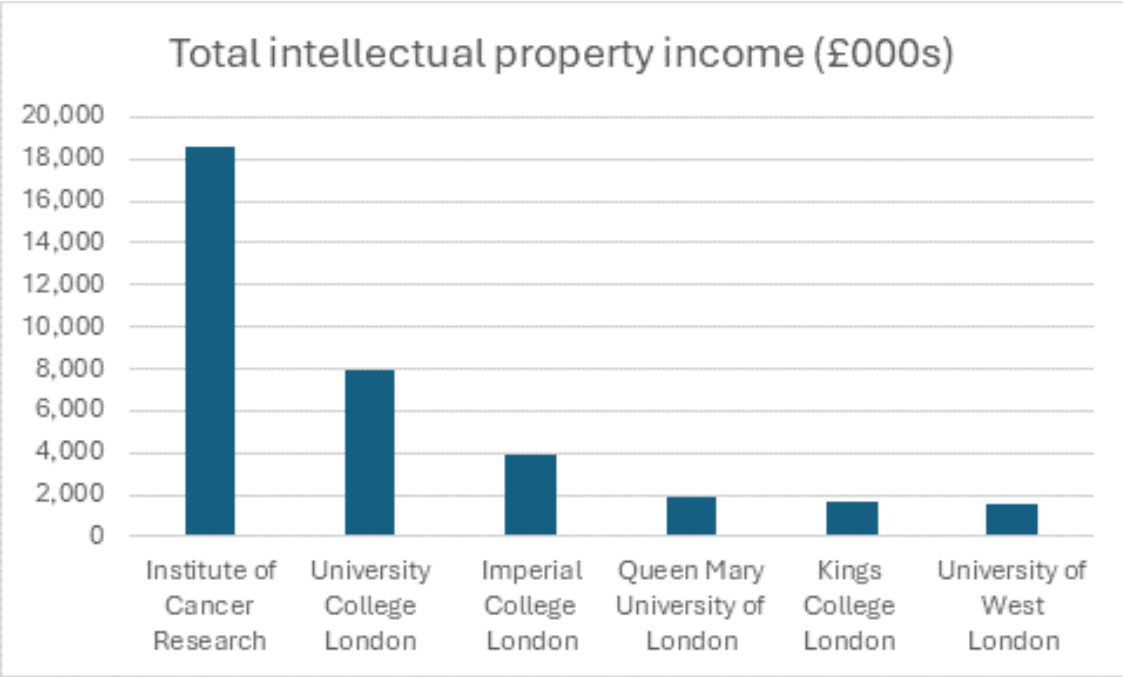
The University of the Arts, London, has the most income generated from student-started spinouts not only in London, but in the whole of the UK. UAL's enviable position in this area tells us something valuable about entrepreneurial, creative students in the capital and the new ideas that are generated in a large, multidisciplinary creative specialist institution. Furthermore, the fact that the Royal College of Art is in third place in this table reinforces the power and capacity of creative institutions.

The large multi-faculty universities who share space on this list are all modern institutions*, reminding us that many provider types in the country's diverse capital city and the many local communities they serve are all incubating high quality, valuable new ventures. Institutions at opposite ends of London, recruiting from their local areas which have different demographic profiles, are united in the quality of the new startups that get started there.

*institutions that are former polytechnics or central institutions that have been given university status through the Further and Higher Education Act 1992, or an institution that has been granted university status since 1992 without receiving a royal charter.

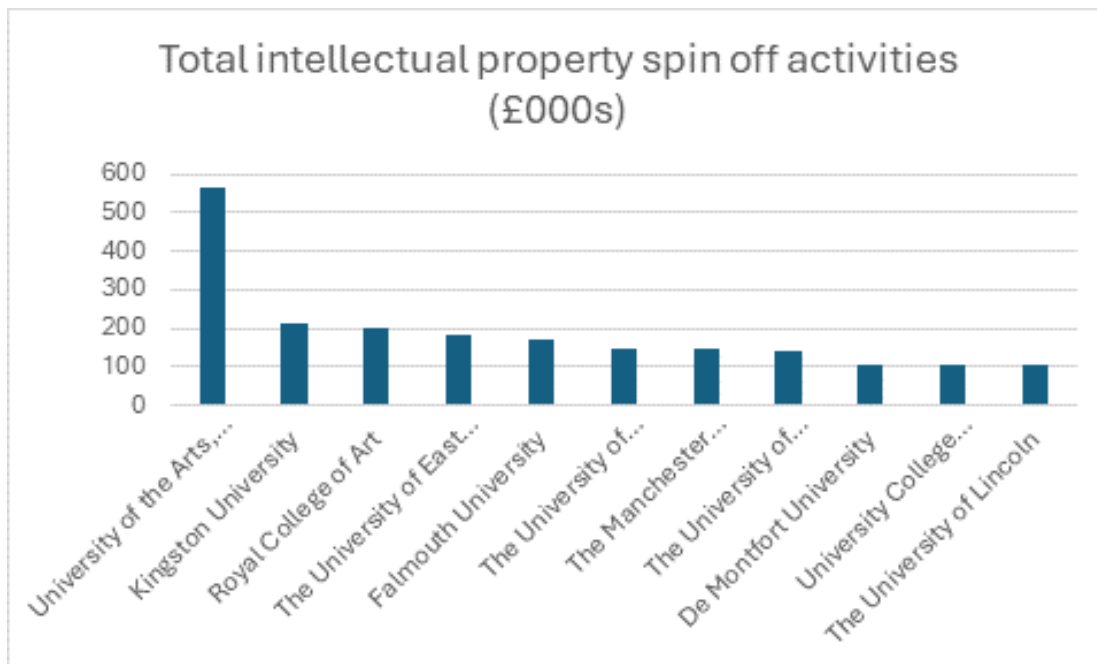
Intellectual property and scientific expertise

The intellectual property income for London institutions is led by the Institute of Cancer Research (ICR), another specialist institution, with under 400 students in the 2021-22 academic year according to other [HESA data](#). The ICR's intellectual property income is more than the combined totals of the five other London institutions that make more than one million pounds of income from combined intellectual property income streams, making it another small but mighty specialist institution.



The presence of two science specialist institutions among the top six London institutions for intellectual property income shows the particular strength that London's higher education and research sectors have in answering the world's most urgent and applicable scientific questions. The capital's large Russell Group providers share space on this list with newer specialists and multi-faculty institutions such as the University of West London.

London and the UK



Among the eleven UK higher education institutions with a total income of more than £100,000 from combined intellectual spin-off properties, we see a strong presence from London HEIs. London institutions hold the top four spots in this list and a further two places in the top eleven. The range of providers represented in this list echoes the same trends we saw above with all types of institutions having the ability to grow their income through intellectual spin-off properties according to these metrics.

It is important, however, not to ignore the other end of the scale. While London is well-represented at the top of this scale, it is also well-represented at the bottom, with many institutions not generating any income at all from these streams in this academic year. Spin-outs and intellectual property income are not the only way to measure the economic impact and value of an institution's innovation in terms of the wider economy, but they are often (according to [WonkHE](#), as one example) taken as a proxy for that. Institutions may be close to the bottom on one metric and close to the top on another – one institution with very little income from intellectual property spin off activities performed much better on patent registrations, for example – and these numbers are highly liable to change year on year.

On the same metric as the table above, UCL overtook seven institutions and grew its spin off activity income from 85,000 to over 100,000 between the 2021-22 and 2022-23 academic years.

Considering this data for London, we must balance pride in the city's many success stories with an awareness that the metrics gathered within this data will only tell a partial story about the economic value of how universities contribute to the world.

London Higher

is the representative body for over 50 universities and higher education colleges across the capital. We are committed to raising the voice of London's higher education and research sector and ensuring our members are making the London higher education experience the best it can be for students and staff from around the world.



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