

Mind the gap: Comparing public funding in higher and further education

Resource benchmarking across education sectors in the United Kingdom

Final Report for the University and College Union



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Executive Summary

Scope, summary methodology and caveats

Scope

London Economics were commissioned by the University and College Union (UCU) to provide an independent assessment of the level of public funding allocated to learners undertaking higher and further education across the United Kingdom.

The analysis provides detailed estimates of the public funding per eligible learner enrolled in **higher education** across the four Home Nations of the United Kingdom (at both undergraduate and postgraduate level, as well as on a full-time or part-time basis). Given the different funding rules associated with cross-border flows, the analysis also considers the funding available for those higher education students enrolled in a Higher Education Institution (HEI) outside of their own home domicile. This analysis is further disaggregated according to the source of funding (i.e. whether funding is provided in the form of **student support** or directly to Higher Education Institutions through **block grant funding** for teaching, research and other activities via the relevant funding body).

Given the differing granularity of available information available across the four Home Nations, an analysis of the per capita funding associated with **Adult Skills** (i.e. learners aged 19 or above) is presented for learners in England only (broken down according to whether the learner is enrolled in apprenticeship or non-apprenticeship training). Finally, the report also presents comparable information on public funding levels associated with **16-19 learners** in Further Education Colleges, again focusing on England only.

Methodology

In terms of the methodological approach, the entire analysis has been undertaken using budgetary and student number information available in the public domain. The main information sources include Statistical First Releases and reports from central government departments, funding agencies, Non-Departmental Public Bodies and Executive Agencies of the government in each of the Home Nations.

There are **two fundamental clarifications** required at the outset.

First, the analysis covers students and learners in two academic years: 2012/13 and 2013/14. The analysis addresses the level of public funding available to *all* students in each academic year, rather than consideration of a *cohort* of students passing through the system in different academic years. As such, depending on the education sector of interest, there may be (proportions of) students that are funded in different ways and at different levels within a given academic year; however, our analysis presents the **average level of funding** across these differing funding policy regimes.

Secondly, the analysis throughout considers the level of public funding available to **all eligible students**, and not the public funding per *funded* student. In other words, we assume that the relevant public funding in a particular component of the education budget is shared equally across the entire student body (distinguishing by a range of key student characteristics) rather than just on those that actually receive the funding. Taking an example, rather than 90% of HE students in England taking up 90% of the tuition fee loan on average (and receiving the public subsidy

associated with that loan), we assume that 100% of students take up 81% of the loan. This approach is crucial in allowing some comparability across the Home Nations, as well as between different education sectors.

Caveats

For the sake of transparency, there are several caveats presented throughout the report. Most fundamentally, the analysis is based on public information sources that contain varying degrees of information, but also contain evidence gaps - on occasion in terms of the population of learners eligible for different streams of public funding, but also in relation to the characteristics of the intended recipients of public support. These evidence gaps are sometimes exacerbated by reporting differences across the Home Nations, but also as a result of the focus of the analysis being on specific academic years (containing students/learners in receipt of different levels and types of funding). As such, some simplifying assumptions have been made throughout the analysis.

Main findings

Figure 1 presents our key findings on the level of funding per student associated with higher education students across the Home Nations, and students undertaking Adult Skills (19+) and 16-19 learning in England.

Higher Education

- Within the higher education arena, there are relatively sizeable differences in the level of public funding per eligible higher education student enrolled in a Higher Education Institution in their *own* home country. In 2013/14, the total public funding associated with a full-time English undergraduate student studying in England stood at **£8,870** compared to **£9,456**, **£9,016** and **£7,721** for comparable Welsh, Scottish and Northern Irish students. In percentage terms, compared to English students studying in England, there is a **6.6%** funding surplus associated with Welsh students studying in Wales; a **1.6%** funding surplus associated with Scottish students studying in Scotland; and a **13.0%** funding deficit associated with Northern Irish students studying in Northern Ireland.
- There are large differences in the funding mechanisms across the Nations. For full-time undergraduate Welsh domiciled students studying in Wales, approximately **81%** of public funding is provided through student support (in the form of tuition fee and maintenance grants and loans), with the remaining **19%** allocated through the funding council. For English domiciled students in England, **68%** of public funding is provided through the student support system. However, in Scotland and Northern Ireland, the majority of public funding to support higher education is allocated through the relevant Funding Council/central government department (**63%** for Scottish domiciled students in Scotland and **54%** for Northern Ireland domiciled students in Northern Ireland, respectively).
- Given these differences in the means of allocation, and the resulting *portability* of public funding through student support arrangements, higher education students enrolled in Higher Education Institutions outside of their own Home Nation are associated with markedly different levels of funding. Specifically, as a result of the fact that Welsh students receive extensive tuition fee and maintenance support (irrespective of where they study), Welsh higher education students enrolled in England receive approximately **£10,298** in public funding (compared to **£9,456** associated with Welsh students studying at home). Reflecting the fact that higher education funding in Scotland and Northern Ireland is predominantly delivered through the relevant funding body directly to Higher Education Institutions, the funding associated with a Northern Irish or Scottish student enrolled in England stands at **£7,873** and **£5,046** respectively. In the sense that Welsh domiciled students are significantly more incentivised to enrol anywhere across the UK, they are more *valuable* to English HEIs compared to students domiciled in any other Home Nation (including England).

Adult Skills and 16-19 apprentice and non-apprentice training

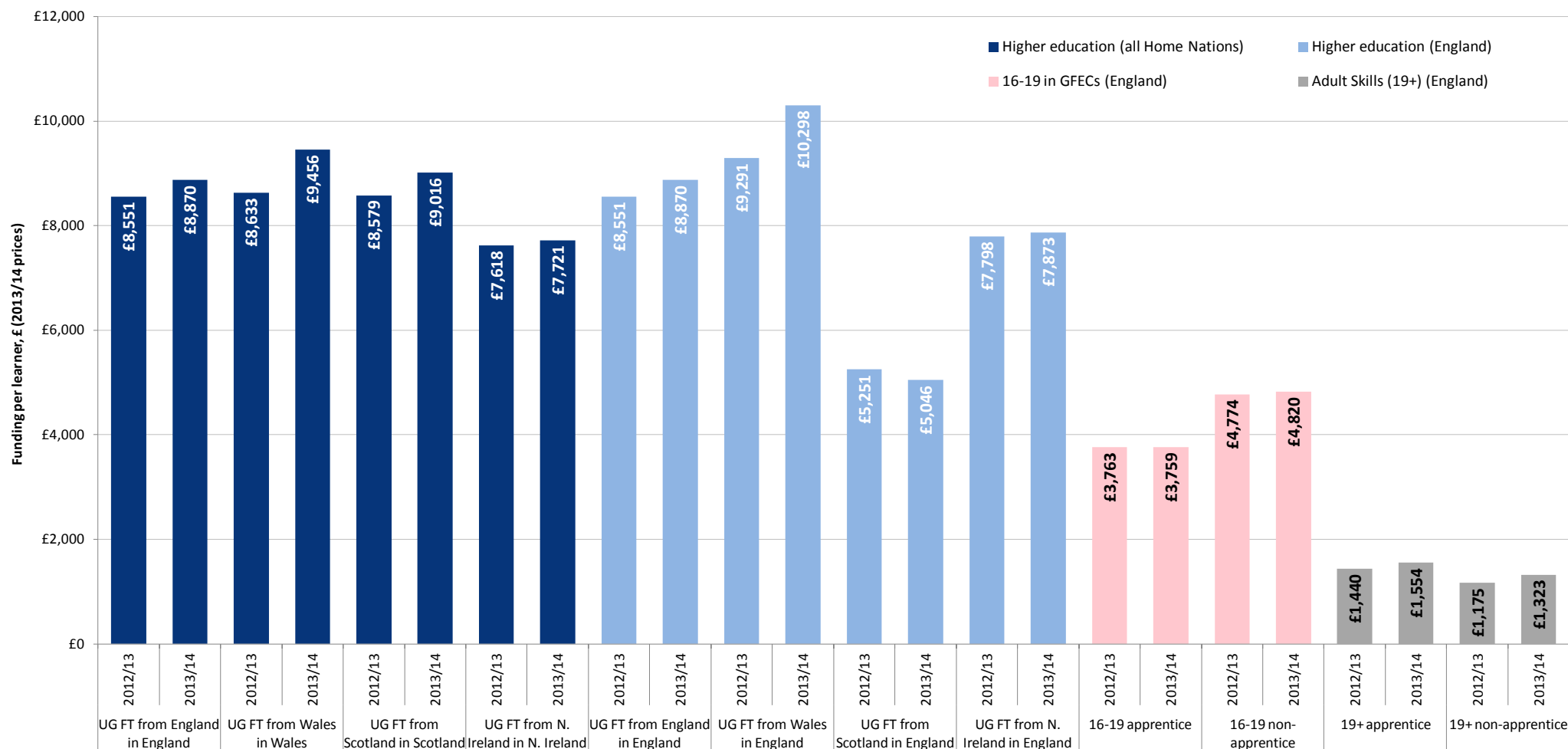
- Funding per student within the Adult Skills system is extremely low in comparison to the level of funding associated with higher education participation (in spite of some increases between 2012/13 and 2013/14). Specifically, funding per apprentice aged 19 or above amounts to **£1,554** per annum, equivalent to **18%** of comparable higher education funding, while funding per non-apprentice learner stands at **£1,323** (equivalent to **15%** of annual funding per full-time undergraduate student from England attending HEIs in England in 2013/14).
- Funding for 16-19 education in General FE Colleges, though noticeably larger than comparable figures within the Adult Skills system, is still considerably smaller than funding for higher education students. Funding per 16-19 apprentice stands at **£3,759** per annum (equivalent to **42%** of higher education funding), while funding per 16-19 non-apprentice was estimated to be **£4,820** per learner per annum (equivalent to **54%** of the total public funding per full-time undergraduate student from England studying in England in 2013/14).

Annual changes in public funding per student/learner between 2012/13 and 2013/14

- The analysis suggests that the resource gap across higher education students has widened during the period under review. Specifically, there was a **9.5%** increase in public funds received per eligible full-time Welsh undergraduate attending a Welsh Higher Education Institution between 2012/13 and 2013/14. This compares to a **5.1%** increase for Scottish domiciled students in Scotland; a **3.7%** increase for English domiciled students in England; and a **1.4%** increase for Northern Irish students in Northern Ireland.
- Furthermore, as a result of changes in the proportion of total public funding awarded to Higher Education Institutions by the relevant public body (as opposed to direct funding for the student through student support), the variation in growth in public funding available to cross-border students studying in England is even greater. Specifically, there was a **10.8%** year on year increase in public funds received per eligible full-time Welsh undergraduate attending an English Higher Education Institution. This compares to a **1.0%** increase associated with Northern Irish students (in England), and a **3.9%** decline associated with Scottish students.
- Across sectors (in England), between 2012/13 and 2013/14, there has been a **widening of the gap in annual funding between eligible higher education students and 16-19 funding** (for both apprenticeships and non-apprenticeships). Compared to the **3.7%** year on year increase in public funds received per eligible full-time English undergraduate attending an English Higher Education Institution, there was a **1.0%** year on year increase in 16-19 non-apprenticeship funding and a **0.1%** decline in 16-19 non-apprenticeship funding.
- There has been a narrowing of the funding gap between per capita Adult Skills funding and per capita higher education funding (particularly amongst non-apprentices). Specifically, there was a **7.9%** year on year increase in 19+ per capita apprenticeship funding compared to a **12.7%** increase in 19+ non-apprenticeship funding (although this does not reflect the recently proposed cuts to total Adult Skills funding)¹. However, despite this, learners funded through the Adult Skills still receive the lowest funding per eligible learner amongst all education sectors and age groups considered.

¹ The estimates presented here relating to 2012/13 and 2013/14 do not take into account the fundamental changes in the Adult Skills Budget that was announced in February 2014. Specifically, it was announced that the funding available within the Adult Skills Budget would decline from **£2.468bn** in 2013/14 to **£2.258bn** in 2014/15 and **£2.004bn** in 2015/16 (alongside an increase in the nominal face value of Advance Learning Loans from **£129 million** in 2013/14 to **£398 million** in 2014/15 and **£498 million** in 2015/16 ([here](#))).

Figure 1 Public funding per student for HE students attending HEIs in home domicile and across England; 16-19 students attending General FE Colleges, and Adult Skills (19+) students in England (2013/14 prices), by academic year



Source: London Economics' analysis of relevant sources (see Table 1, Table 8 and Table 10) and Office for National Statistics (2015).

1 Introduction and scope of the analysis

London Economics were commissioned by the University and College Union (UCU) to provide an independent assessment of the level of public funding allocated to learners undertaking higher and further education across the United Kingdom, to enable a comparison of public resources across the Home Nations within each education sector, as well as a comparison of funding between the different sectors.

The analysis focuses on **three major strands** of public funding associated with higher and further education students (see Figure 2).

Higher Education

The first strand of funding concerns the public resource associated with **higher education** across all four Home Nations of the United Kingdom, focusing on two key sources of funding:

- **Student support funding** to cover students' tuition fees and maintenance costs (and other types of additional funding) associated with higher education attendance. Across the Home Nations, student support is provided by Student Finance England, Student Finance Wales, Student Finance Northern Ireland and the Student Awards Agency for Scotland, and administered in collaboration with the Student Loans Company.
- **Block grant funding for teaching, research and other activities** (e.g. capital funding or strategic funding) allocated directly to Higher Education Institutions and Further Education Colleges by the Higher Education Funding Council for England (HEFCE), the Higher Education Funding Council for Wales (HEFCW), the Scottish Funding Council (SFC) and the Department for Learning and Employment Northern Ireland (DELNI).

Given the different funding rules associated with higher education students, the analysis distinguishes between funding for students studying at different levels (i.e. undergraduate vs. postgraduate students), study modes (i.e. full-time vs. part-time), from different domiciles (i.e. each UK Home Nation and EU domiciled students), undertaking higher education courses in different Home Nations (i.e. distinguishing by country of study), and with different types of providers (differentiating between Higher Education Institutions and Further Education Colleges).

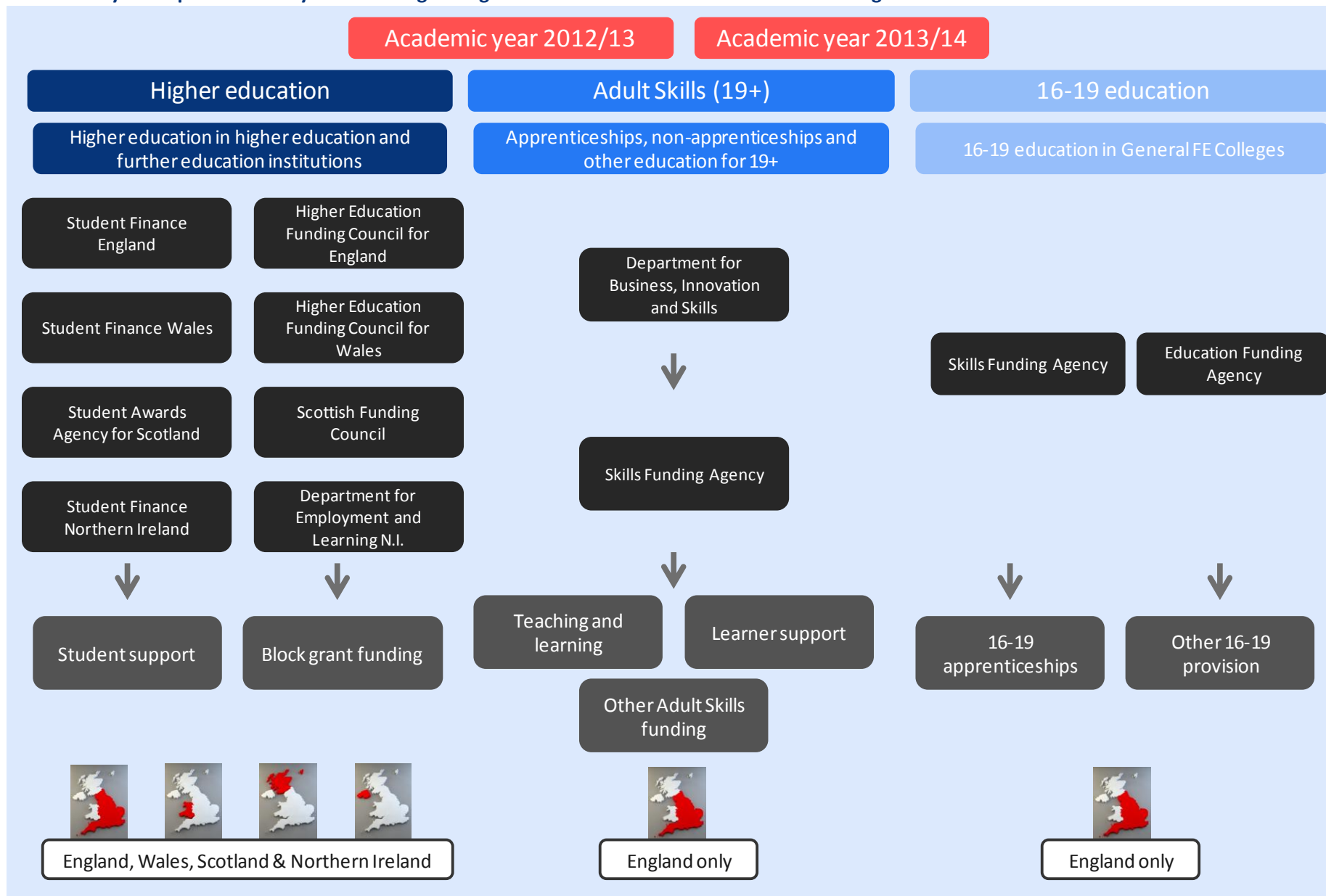
Adult Skills

The second strand of funding relates to the public resources associated with **Adult Skills**, covering a wide range of learners aged 19 or above undertaking apprenticeship training, class-room based education or other types of further education and training. Given the differing granularity of available information available across the four Home Nations, the analysis of Adult Skills funding focuses exclusively on learners in **England**, where Adult Skills funding levels are set by the Department for Business, Innovation and Skills (BIS) and administered by the Skills Funding Agency (SFA). Adult Skills funding in England includes funding for **teaching and learning** (mainly provided through the Adult Skills Budget), **student/learner support** and other funding to support the sector and the skills infrastructure (e.g. through capital grants).

16-19 provision

The third funding strand relates to the public budget associated with **16-19 provision** (including both apprenticeship and non-apprenticeship learning) in General Further Education Colleges. As with Adult Skills funding, the level of disaggregation of the information available across the Home Nations results in the analysis again being restricted to the funding associated with learners in **England** only.

Figure 2 Summary of scope of the analysis of funding for higher and further education in the United Kingdom



Source: London Economics' analysis

Funding for 16-19 apprenticeship learners attending FE Colleges in England (as well as most learners aged 19+) is managed by the Skills Funding Agency, while responsibility for funding non-apprenticeship programmes with the 16-19 phase of education rests with the Education Funding Agency (EFA).

The analysis of the above funding strands is based on a range of data sources on relevant funding allocations and learner numbers available in the public domain, including information published by central government departments, funding agencies, Non-Departmental Public Bodies and Executive Agencies of the government in each of the Home Nations.

To put the analysis and resulting estimates into context, **two fundamental methodological clarifications** are necessary.

First, the analysis covers students and learners in two academic years: 2012/13 and 2013/14. The analysis addresses the level of public funding available to *all* students in each academic year, rather than consideration of a *cohort* of students passing through the system in different academic years. As such, depending on the education sector of interest, there may be (proportions of) students that are funded in different ways and at different levels within a given academic year; however, our analysis presents the **average level of funding** across these differing funding policy regimes.

Secondly, the analysis throughout considers the level of public funding available to **all eligible students**, and not the public funding per *funded* student. In other words, we assume that the relevant public funding in a particular component of the education budget is shared equally across the entire student body (distinguishing by a range of key student characteristics) rather than just on those that actually receive the funding. Taking an example, rather than 90% of HE students in England taking up 90% of the tuition fee loan (and receiving the public subsidy associated with that loan), we assume that 100% of students take up 81% of the loan. This approach is crucial in allowing some comparability across the Home Nations as well as between different education sectors.

Finally, for the sake of transparency, there are several **caveats** presented throughout the report. Most fundamentally, the analysis is based on public information sources that contain varying degrees of information, but also contain evidence gaps - on occasion in terms of the population of learners eligible for different streams of public funding, but also in relation to the characteristics of the intended recipients of public support. These evidence gaps are sometimes exacerbated by reporting differences across the Home Nations, but also as a result of the focus of the analysis being on specific academic years (containing students/learners in receipt of different levels and types of funding). As such, some simplifying assumptions have been made throughout the analysis.

2 Higher Education

2.1 Methodological approach

2.1.1 Primary sources of public funding

Our analysis of the public funding for Higher Education provision across the United Kingdom focuses on two key sources of funding. The first funding strand relates to the **student support funding** provided through the public purse that is intended to cover students' tuition fees and maintenance costs (and other types of special funding, as applicable) associated with higher education attendance. This source of funding can be paid either to students themselves or directly to their Higher Education provider on students' behalf (e.g. in case of tuition fee loans). Across the United Kingdom, student support funding is provided by **Student Finance England, Student Finance Wales, Student Finance Northern Ireland and the Student Awards Agency for Scotland**; however, in all four Home Nations, the funding is administered in collaboration with the Student Loans Company, which compiles and publishes key statistics on funding levels and funded student numbers.

Specific types of student support available to eligible students include:

- **Tuition fee grants;**
- **Tuition fee loans;**
- **Maintenance grants;**
- **Maintenance loans;**
- **Disabled Students' Allowance (DSA);** and
- **Other targeted support** (e.g. childcare support or Dependants Grants).

Across all Home Nations (and depending on specific eligibility rules), student support is available to UK *and* EU domiciled applicants and students participating in a designated Higher Education course at a University, Further Education College or Alternative Provider in the United Kingdom. For students from the United Kingdom, the key distinguishing characteristic determining which students are covered by the different student support funding arrangements is their **domicile** (i.e. students domiciled in England studying anywhere in the United Kingdom are covered by the English student support system, etc). In contrast, EU domiciled students can apply for tuition fee support based on the funding rules and arrangements prevalent in the UK Home Nation in which they study (i.e. where their Higher Education provider is located). As such, European Union students studying in England receive tuition fee support on the same basis as English students enrolled in English HEIs etc.

The second main source of Higher Education funding for United Kingdom institutions relates to the **block grant funding** that is allocated directly to Higher Education Institutions (HEIs) and Further Education Colleges (FECs) across the UK via the **Higher Education Funding Council for England (HEFCE)**, the **Higher Education Funding Council for Wales (HEFCW)**, the **Scottish Funding Council (SFC)**, and the **Department for Employment and Learning (DELNI)** in Northern Ireland. In particular, these funding bodies' allocations include:

- **Teaching funding;**
- **Research funding** (including quality-related research funding);

- **Higher Education Innovation Funding** and **non-recurrent funding** provided by HEFCE (where non-recurrent funding is based on the themes of learning, teaching and student choice, research, information, investment, and partnership);
- **Strategy and Initiative Allocations** and Innovation and Engagement Funding allocated by HEFCW;
- **Strategic funding, research capital** and **capital maintenance** funding allocated by SFC and funding for additional places funded by the Scottish Government (but included in the SFC's funding allocations);
- **Capital funding** (DELNI)².

Each of the higher education funding bodies provides funding to higher education providers located within the particular Home Nation in which the funding body operates (i.e. HEFCE funds providers located in England, etc.). Hence, the key distinguishing characteristic determining the block grant funding associated with different types of students is these students' **country (i.e. Home Nation) of study**.

2.1.2 Data sources considered in the analysis

Student support

Table 1 provides a list of the range of information sources which we have used to undertake an analysis of the total public resources (and associated resources per student) associated with higher education provision in the UK.

To assess the level of **tuition, maintenance and other support** paid to students during the 2012/13 and 2013/14 academic years, we analysed **Statistical First Releases** published by the Student Loans Company (for England, Wales, and Northern Ireland) and the Student Awards Agency for Scotland (SAAS) on **total level of support** and **number of funded students** in each Home Nation. Note that while the relevant publications indicate finalised student support allocations for 2012/13, data for the 2013/14 academic year remain provisional, and may be subject to change in future publications of this type. Further note that whereas the data sources for England, Wales and Northern Ireland (as provided by the Student Loans Company) are largely similar in format and content, the data for Scotland provided by the Student Awards Agency for Scotland display significant differences with respect to funding rules, structure and level of detail of the information available. This will be further discussed below, outlining some of the key differences, and our approach to consolidating them to ensure consistency across the Home Nations³.

² There is relatively limited disaggregated information on the constituent funding strands included in the funding allocations to institutions in Northern Ireland provided by DELNI; the relevant sources of information used throughout the analysis (Department for Employment and Learning, 2013 and 2015) appear to mention only capital funding as a separate funding allocation item (in addition to teaching and research funding).

³ Further note that student support in England excludes relatively small amounts (£0.1m to £0.2m) of HE grants and tuition fee grants based on previous (pre-2012) funding systems, with no further detail provided in the relevant data (Student Loans Company, 2014a). We have excluded similar negligible amounts of student support previously available in Wales (Student Loans Company, 2014b) and Northern Ireland (Student Loans Company, 2014c).

Table 1 Key data sources used for analysis of funding for Higher Education

Reference	Home Nation	Year(s)	Data description	Source	
Student support	Student Loans Company (2014a)	England	2012/13 & 2013/14 ¹	Student support funding for England domiciled students studying in all Home Nations, and EU domiciled students studying in England	http://www.slc.co.uk/media/855703/slcsfr052014.pdf
	Student Loans Company (2014b)	Wales	2012/13 & 2013/14 ¹	Student support funding for Wales domiciled students studying in all Home Nations, and EU domiciled students studying in Wales	http://www.slc.co.uk/media/855703/slcsfr052014.pdf
	Student Awards Agency for Scotland (2014)	Scotland	2012/13 & 2013/14 ¹	Student support funding for Scotland domiciled students studying in all Home Nations, and EU domiciled students studying in Scotland	http://www.saas.gov.uk/forms/statistics_1314.pdf
	Student Loans Company (2014c)	N. Ireland	2012/13 & 2013/14 ¹	Student support funding for Northern Ireland domiciled students studying in all Home Nations, and EU domiciled students studying in Northern Ireland	http://www.slc.co.uk/media/5425/slcsfr072014.pdf
Funding Council allocations	Higher Education Funding Council for England (2014)	England	2012/13	Recurrent funding allocations for HEIs and Higher Education provision in FEIs located in England	http://www.hefce.ac.uk/media/hefce/content/publics/2014/201427/HEFCE2014_27.pdf
	Higher Education Funding Council for England (2012)	England	2012/13	Non-recurrent funding allocations for HEIs and Higher Education provision in FEIs located in England	http://www.hefce.ac.uk/pubs/year/2012/201208/
	Higher Education Funding Council for England (2015)	England	2013/14	Recurrent funding allocations for HEIs and Higher Education provision in FEIs located in England	http://www.hefce.ac.uk/funding/annalocns/1314/
	Higher Education Funding Council for England (2013)	England	2013/14	Non-recurrent funding allocations for HEIs and Higher Education provision in FEIs located in England	http://www.hefce.ac.uk/pubs/year/2013/201305/
	Higher Education Funding Council for Wales (2012)	Wales	2012/13 ²	Breakdown of <i>provisional</i> funding allocations for HEIs and Higher Education provision in FEIs located in Wales for 2012/13	http://www.hefcw.ac.uk/documents/publications/circulars/circulars_2012/w12%2010he%20funding%20allocations%202012_13.pdf
	Higher Education Funding Council for Wales (2013)	Wales	2012/13, 2013/14 ²	Total <i>final</i> funding allocations for HEIs and Higher Education provision in FEIs in Wales (2012/13); breakdown of <i>provisional</i> funding allocations for HEIs and Higher Education provision in FEIs in Wales (2013/14)	https://www.hefcw.ac.uk/documents/publications/circulars/circulars_2013/W13%2009HE%20HEFCW%20Funding%20Allocations%202013_14.pdf
	Higher Education Funding Council for Wales (2014)	Wales	2013/14 ²	Total <i>final</i> funding allocations for HEIs and Higher Education provision in FEIs in Wales for 2013/14	https://www.hefcw.ac.uk/documents/publications/circulars/circulars_2014/W14%2018HE%20HEFCW%20funding%20allocations%202014_15.pdf
	Scottish Funding Council (2012a)	Scotland	2012/13	Funding allocations for HEIs located in Scotland	http://www.sfc.ac.uk/communications/Circulars/2012/SFC0512.aspx
	Scottish Funding Council (2012b)	Scotland	2012/13	Additional capital maintenance funding added to capital funding for 2012/13 for HEIs located in Scotland	http://www.sfc.ac.uk/communications/Circulars/2013/Circulars_SFC012013.aspx
	Scottish Funding Council (2013)	Scotland	2013/14	Funding allocations for HEIs located in Scotland	http://www.sfc.ac.uk/funding/OutcomeAgreements/OutcomeAgreements1314.aspx
	Department for Employment and Learning (2013)	N. Ireland	2012/13	Total recurrent funding allocated to HEIs in Northern Ireland	http://www.delni.gov.uk/del-resource-accounts-for-the-year-ended-31-march-2013.pdf
	Department for Employment and Learning (2014)	N. Ireland	2013/14	Total recurrent funding allocated to HEIs in Northern Ireland	http://www.delni.gov.uk/annual-report-2013-14-revised.pdf
	Department for Employment and Learning (2015)	N. Ireland	2012/13 & 2013/14	Recurrent research funding allocated to HEIs located in Northern Ireland	http://www.delni.gov.uk/index/publications/pubs-higher-education/university-recurrent-research-grant-summary-tables.htm
All	Higher Education Statistics Agency (2015)	All	2012/13 & 2013/14	UK Higher Education student enrolments in HE providers by cohort, domicile, study mode, study level and provider location; enrolments in FE providers by study mode, study level and location	https://www.hesa.ac.uk/pr/3349-statistical-first-release-210

Note: Years covered refer to the years of focus for the current analysis, i.e. the 2012/13 and 2013/14 academic years.

¹ Values for some of the funding items for the 2013/14 academic year are provisional and subject to potential revision in future publications by the Student Loans Company/Student Awards Agency for Scotland.

² Total allocations are based on final allocation as indicated in following year's publication, e.g. final allocations for 2012/13 are based on funding announcement for 2013/14. Detailed breakdowns by provider type are only indicated in the provisional allocation for each year. **Source: London Economics' analysis of relevant sources**

Funding Council allocations

The analysis of **block grant Funding Council allocations** for higher education provision relies on information published by the relevant funding bodies, i.e. HEFCE, HEFCW, the SFC and the DELNI.

To assess the level of funding allocated to Higher Education Institutions and Further Education Colleges in **England**, we included in the analysis information published by HEFCE on the level of final *recurrent* funding allocations for teaching, research and knowledge exchange by provider, as well as the total level of *non-recurrent* allocations for the 2012/13 academic year⁴. While the data in relation to recurrent funding thus allows for an exact breakdown of the level of HEFCE funding allocated to Higher Education Institutions and Further Education Colleges separately⁵, the information on non-recurrent HEFCE funding does not provide the necessary detail for a comparable breakdown. Given that the large majority of students at undertaking higher education undertake their studies at HEIs rather than FECs (with between 92% and 93% of UK higher education students attending HEIs in 2012/13 and 2013/14, respectively), we assume that *all* non-recurrent funding in both academic years is allocated to HEIs only (i.e. FECs receive no non-recurrent funding).

Considering block grant funding in **Wales**, similar assumptions were necessary to achieve a distinction in the level of funding allocated across HEIs and FECs, again based on information published by the Higher Education Funding Council for Wales⁶. In particular, the data provide no breakdown of HEFCW's Strategy and Initiative Allocations or its funding for Innovation and Engagement. Similar to the analysis for England, we assume that the total funding under both of these themes applies to Higher Education Institutions only, with no funding granted to Further Education Colleges⁷. In addition, rather than considering direct measures, it was necessary to estimate the breakdown of some teaching funding streams allocated to HEIs and FECs in Wales. Specifically, only HEFCW's provisional funding allocations (published before the beginning of the relevant academic year) distinguish the amount of teaching funding earmarked per provider. In contrast, the final allocations (published following the end of the relevant academic year) present total funding levels, without the required breakdown across HEIs and FECs. As a result, where necessary (i.e. in cases of differences between provisional and final HEFCW allocations for a given academic year), we estimated the breakdown of *final* teaching funds allocated to HEIs and FECs based on the distribution of funds across providers in the *provisional* allocations.

Based on information provided by the Scottish Funding Council, it was not possible to identify the level of SFC block grant funding allocated to Further Education Colleges in **Scotland**; instead, the analysis of block grant funding was undertaken for Higher Education Institutions only. The SFC publishes detailed separate information on the funding that it provides to universities and colleges in each academic year. However, the data for FE Colleges do not allow for an assessment of the specific level of funding that is associated with higher education activities compared to other levels or types of education offered to students attending Scottish Colleges. As a result, based on the relevant information, the analysis of SFC allocations includes only the funding (allocated for the

⁴ Note that while we used information on *final* (i.e. revised) HEFCE funding allocations for recurrent funding, non-recurrent funding allocations are instead announced alongside *initial* recurrent funding allocations and student number controls, and do not appear to be revised from their initial level throughout the academic year.

⁵ Note that Further Education Colleges do not receive any funding allocations for research or knowledge exchange (i.e. Higher Education Innovation Funding).

⁶ Note that the funding allocations by HEFCW include estimates of the level of fee grant payments made to students in each academic year. To avoid double counting with the analysis of student support funding, we exclude these fee grant payment estimates from the analysis of HEFCW's block grant funding allocations to FEIs and HEIs located in Wales.

⁷ Again, HEFCW does not allocate any research funding to Further Education Institutions in Wales.

areas of teaching, research and knowledge exchange, strategy, capital⁸ and additional places⁹) for Higher Education Institutions located in Scotland.

Finally, compared to the data published for England, Wales and Scotland, it appears that the information available on the block grant funding allocated to institutions in **Northern Ireland** is significantly less detailed. To the knowledge of the authors, DELNI does not publish information on the different types of funding it allocates to HEIs and FECs in Northern Ireland at the comparable level of detail available for other Home Nations. Instead, based on publicly available information, it was only possible to source information on the **combined** level of recurrent research funding and total recurrent funding allocated to HEIs in Northern Ireland in the academic years of interest. As with the data for Scotland, the lack of detailed information precludes the detailed analysis of the DELNI block grant funding associated with HE provision in Further Education Colleges.

As outlined in the last row of Table 1, as the final key source of information for the analysis of the level of UK higher education funding, we make use of data published by the Higher Education Statistics Agency (HESA) on the number of UK higher education student enrolments in HEIs and FECs¹⁰. This information is crucial in determining the level of funding per *eligible student* (as opposed to *funded student*) by student characteristic, as discussed in further detail in the next section.

2.1.3 Eligibility for funding and allocation of funding to eligible students

The objective of this higher education funding analysis across the United Kingdom is to compare the **funding per HE student** (of varying characteristics) across the four UK Home Nations. Given the significant differences in the particular funding rules operating in England, Wales, Scotland and Northern Ireland, the key to establishing a like-for-like comparison across the Home Nations is to calculate the level of funding per student based on a common denominator.

The Statistical First Releases for HE student support in each Home Nation provide details on the total amount of funding awarded or paid, as well as the number of students funded, separately for different types of support. Typically, where available, the publications also present the average amount of support per **funded student** (i.e. the average amount per student in receipt of a particular type of support). However, the use of funded students as the denominator makes the comparison of the resulting level of support per student across the different Home Nations difficult, as a student in receipt of a certain stream of funding in England may not be subjected to the same criteria as students receiving the corresponding stream of funding in other Home Nations (i.e. a funded student in England is not necessarily comparable to a funded student in Wales, Scotland or Northern Ireland). Similarly, the use of 'funded students' complicates further comparison of funding levels with other types of 16+ education provision, where funding rules and levels differ considerably from the HE funding system. As a result, to facilitate comparability across

⁸ For completeness, we include a further £2.5 million of in-year additional capital allocations provided by the SFC in the 2012/13 academic year.

⁹ This relates to ring-fenced funding for additional places (for medicine, dentistry, initial teacher education and nursing and midwifery pre-registration to obtain additional students studying for these professions) funded by the Scottish Government and included in the SFC's funding allocations.

¹⁰ In particular, the HESA data indicate the number of students in Higher Education studying at UK publicly funded Higher Education Institutions and a number of alternative providers (collectively referred to in the data as 'Higher Education Providers', as well as summary statistics on students at HE level in further education colleges. The HESA information on HE student enrolments in Higher Education Institutions provides a breakdown of such students by cohort, domicile (at Home Nation level), level of study, country (i.e. Home Nation) of study and study mode; in contrast, the information on HE enrolments in Further Education Institutions is relatively limited, with a breakdown of such students only available by level, country and mode of study.

16+ education systems and across Home Nations within the higher education funding system, we calculate funding per student based on the **total higher education student body** as published by HESA (2015).

The estimation of the level of funding per student in each Home Nation in this way necessitates a categorisation of students according to several key characteristics influencing what type of funding they might be (theoretically) eligible for. For example, students studying at undergraduate degree level can apply for different types of support during their studies as compared to postgraduate level students. It is therefore necessary to undertake an assessment of the **overall eligibility rules** or **funding allocation mechanism** underpinning each of the different types of student support available in each Home Nation. For the purposes of this analysis, the level of disaggregation of the funding allocation mechanism (and hence the accuracy) depends on the level of detail available in the relevant data sources used throughout the analysis of HE funding (i.e. the more detailed the breakdown of funding available for a given Home Nation, the more refined the resulting funding allocation mechanism will be (and subsequently, the accuracy of the analysis)).

Student support

The format and structure of the data on the level of student support in higher education published by the Student Loans Company (for England, Wales and Northern Ireland) and the Student Awards Agency (for Scotland) allows for a distinction of funding eligibility by:

- **Type of support** (i.e. tuition fee loans, tuition fee grants, maintenance loans, maintenance grants, Disabled Students' Allowance, and other targeted support);
- **Domicile** (where each publication covers students from that Home Nation studying anywhere in the UK, as well as EU students studying in that Home Nation). Note that we exclude from the analysis any students who are categorised in the HESA student data (see HESA, 2015) as 'other UK' or 'UK unknown', as well as any students with an international (i.e. non-EU) domicile; it is thus assumed that there is no public funding associated with students with these domiciles.
- **Country of study** (i.e. Home Nation in which the relevant provider is located);
- **Level and mode of study**, where we distinguish undergraduate full-time, undergraduate part-time, postgraduate full-time, and postgraduate part-time students (based on the categorisation of student numbers in the HESA (2015) data on student enrolments¹¹); and
- **Cohort**, defined separately for each academic year of interest, given the significant differences in the funding rules applying to students depending on the academic year in which they started their higher education course. For instance, for the analysis of funding in the 2012/13 academic year, we distinguish between students who started their study prior to 2012/13 (i.e. the pre-2012/13 cohort) or in 2012/13 (i.e. the 2012/13 cohort); a similar distinction was undertaken for the 2013/14 academic year (where we categorised students into the pre-2013/14 and 2013/14 cohorts)¹².

¹¹ Considering study level and mode, the distinction by undergraduate full-time, undergraduate part-time, postgraduate full-time and postgraduate part-time in the HESA data might include some students who are technically not eligible for funding; for example, postgraduate level funding is typically only available to students on particular postgraduate courses. Similarly, there are some exceptions where the categories on study level and mode do not align with the particular eligibility rules for certain types of student support (e.g. postgraduate students in Initial Teacher Training in England are covered by undergraduate full-time regulations). For simplicity and consistency, these exceptions are not taken account of in the analysis.

¹² Note that there is a range of additional characteristics (e.g. household income) which, in reality, affect whether a particular learner is eligible for different types of student support funding. However, it is not feasible to distinguish eligibility rules at this level of detail,

To assess eligibility based on the above characteristics, we also accessed information on student support funding rules published by Student Finance England, Student Finance Wales, the Student Awards Agency for Scotland, the Scottish Government, and Student Finance Northern Ireland.

Table 2 summarises the resulting eligibility rules for and specific types of support available to higher education students¹³ for English domiciled students studying in England, Welsh domiciled students studying in Wales, Scottish domiciled students studying in Scotland, and Northern Irish domiciled students studying in Northern Ireland (i.e. students on the ‘**main diagonal**’). The information is based on students enrolled in the 2013/14 academic year who started their studies either before or in that academic year, broken down by study level and mode.

Table 2 outlines noticeable differences between the student support funding available to students across the different Home Nations, as well as across different study levels and modes of study (i.e. part-time and full-time). Considering **undergraduate full-time students**¹⁴, the support available to students domiciled and studying in England includes tuition fee loans, maintenance loans and maintenance grants, Disabled Students’ Allowance, and other targeted support¹⁵. Mirroring funding regulations for English students, a similar funding framework (though not necessarily levels of funding) apply to undergraduate full-time students domiciled and studying in Northern Ireland. In Wales, although students are similarly eligible for maintenance and other targeted support as in the English and Northern Irish systems, the available tuition fee support includes both a non-means tested tuition fee loan (of up to £3,465 per annum), as well as a Tuition Fee Grant. The Tuition Fee Grant was introduced for Welsh domiciled students who started higher education courses from 2012/13 onwards, providing up to £5,535 per student per annum in grant funding in order to cover the difference between the tuition fee loan and the newly increased tuition fees of up to £9,000 per year¹⁶.

Compared to the funding rules applicable to students from England, Wales, and Northern Ireland, the Scottish student support funding regime exhibits fundamental key differences with respect to the type of funding available, the specific funding rules, as well as the format and structure with which student support funding levels are reported:

- While Scottish students who study outside of Scotland can apply for tuition fee loans to cover their fees, Scottish students (and EU domiciled students) who study in Scotland are

given the available information upon which the analysis is based (e.g. the HESA data do not provide information on student enrolments by household income).

¹³ Note that we assume the same eligibility rules for higher education students irrespective of whether they undertake their learning at a Further Education College or Higher Education Institution in the relevant Home Nation.

¹⁴ Note that although certain students are undertaking studies at postgraduate level, they are funded through undergraduate funding schemes in some instances. For example, postgraduate English domiciled students undertaking Initial Teacher Training are covered by full-time undergraduate regulations instead of the relevant postgraduate funding regime. For consistency, the analysis does not take account of such exceptional cases, e.g. we assume that funding rules for undergraduate full-time students in England do not apply to postgraduate students of any type.

¹⁵ Other targeted support includes Adult Dependents Grants, Parents Learning Allowances, Childcare Grants and Travel Grants. For simplicity, and across all Home Nations, we assume that these other types of support only apply to undergraduate full-time students who study in the same Home Nation in which they are domiciled.

¹⁶ A tuition fee grant for Welsh domiciled students was also available for those students who entered the HE sector between 2006/07 and 2009/10, but applying only to Welsh domiciled students (and EU domiciled students) studying in Wales. In contrast, the tuition fee grant introduced in 2012/13 is available to all Welsh domiciled full-time undergraduate students irrespective of their country of study (as well as EU domiciled students studying in Wales).

Note that the pre-2013/14 cohort as defined in the analysis includes a (expectedly small) students who started their course before 2010/11 and who would receive the previous tuition fee grant available to students studying in Wales only, as well as students who started in 2012/13 and who are in receipt of the new grant for students studying in all Home Nations. For lack of a more detailed breakdown of student numbers in the HESA (2015) student data, we assume that *all* students in the pre-2013/14 cohort were covered by the new Welsh tuition fee grant scheme, i.e. were in receipt of a tuition fee grant irrespective of their country of study.

entitled to non-repayable tuition fee grants to cover (parts or all of) their tuition fee costs.

- There are several different types of maintenance grants available to students covered by the Scottish funding system, depending on the students' particular characteristics. In 2013/14, maintenance grants for Scottish domiciled full-time undergraduate students included the *Young Students' Bursary* and the *Independent Students' Bursary*. Further, prior to 2013/14, the *Students Outside Scotland Bursary* was available to Scottish domiciled students studying anywhere else in the United Kingdom. This bursary was abolished in 2013/14, so that all Scottish domiciled students (both new and continuing) would receive the standard package of maintenance grants (i.e. either the Young Students' Bursary or the Independent Students' Bursary) from 2013/14 onwards.
- There are a range of other designated grants included in the higher education student support data published by the Student Awards Agency for Scotland¹⁷ that do not fit any of the main categories of student support. These include the Scottish Government Directorate Health Bursary (abolished after 2013/14), the Dependants' Grant, the Lone Parents' Grant, Ad hoc Payments, and the Nursing and Midwifery Student Bursary scheme. For consistency with the approach across other Home Nations, these grants were grouped into a single category of 'other targeted support'¹⁸.

In general across the Home Nations, **undergraduate part-time students** are entitled to a tuition fee grant, a maintenance grant, and Disabled Students' Allowance. As a notable exception, since 2012/13, the previous part-time fee grant scheme for English domiciled students has been replaced by a tuition fee loan available to students from England who entered Higher Education in the 2012/13 academic year and onwards (depending on the level of study intensity). Further, and again underlining differences between the Home Nations, Scottish domiciled undergraduate part-time students are not entitled to a maintenance grant, but instead can access support through a tuition fee grant or the Disabled Students' Allowance¹⁹.

Finally, given their relative maturity compared to students studying at undergraduate level, **postgraduate students** are entitled to a relatively limited range and low level of student support funding. Postgraduate full-time and part-time students with an English, Welsh or Northern Irish domicile only have access to funding under the Disabled Students' Allowance Scheme. Again, the funding regime for Scottish domiciled students constitutes an exception to this rule, providing tuition fee support to Postgraduate Diploma students through the Postgraduate Students' Allowances Scheme (PSAS). Previously awarded as a non-repayable tuition fee grant, the PSAS was changed to a repayable tuition fee loan for students entering higher education in the 2012/13 academic year.

¹⁷ See Student Awards Agency for Scotland (2014).

¹⁸ Again, we assume that this other targeted support is available to undergraduate full-time students studying in the Home Nation in which they are domiciled only.

¹⁹ Note that the data on HE student support in Scotland (Student Awards Agency for Scotland, 2014) do not include an indication of the level of funding allocated to part-time undergraduate students through the Disabled Students' Allowance scheme.

Table 2 Assumptions on types of student support available to UK HE students in 2013/14 (by domicile, country of study, level and mode)

Level	Generic support category	Support scheme by domicile and country of study			
		English domiciled students in England	Welsh domiciled students in Wales	Scottish domiciled students in Scotland	N. Ireland domiciled students in N. Ireland
Undergraduate full-time	Tuition fee loan	Tuition fee loan	Tuition fee loan	- ¹	Tuition fee loan
	Tuition fee grant	-	Tuition fee grant	UG FT fee support: Full/half/other fees	-
	Maintenance loan	Maintenance loan	Maintenance loan	Living cost loan	Maintenance loan
	Maintenance grant	Maintenance and Special Support Grants	Welsh Government Learning Grant and Special Support Grants	Young Students' Bursary, Independent Students' Bursary ²	Maintenance and Special Support Grants
	Disabled Students Allowance	Disabled Students Allowance	Disabled Students Allowance	Disabled Students Allowance	Disabled Students Allowance
	Other targeted support	Adult Dependants Grant, Parents Learning Allowance, Childcare Grant and Travel Grant	Adult Dependants Grant, Parents Learning Allowance, Childcare Grant and Travel Grant	Scottish Government Health Directorate Bursary (not after 2012/13), Dependants Grant, Lone Parents Grant, Ad hoc Payments, Nursing and Midwifery Student Support	Adult Dependants Grant, Parents Learning Allowance, Childcare Grant and Travel Grant
Undergraduate part-time	Tuition fee loan	Part-time tuition fee loan (2012/13 onwards)	-	-	-
	Tuition fee grant	Part-time tuition fee grant (pre-2012/13 only)	Part-time tuition fee grant	Part-time tuition fee grant	Part-time tuition fee grant
	Maintenance loan	-	-	-	-
	Maintenance grant	Part-time course grant (pre-2012/13 only)	Part-time course grant and Grants for Dependants	-	Part-time course grant
	Disabled Students Allowance	Part-time Disabled Students Allowance	Part-time Disabled Students Allowance	Part-time Disabled Students Allowance ³	Part-time Disabled Students Allowance
	Other targeted support	-	-	-	-
Postgraduate full-time	Tuition fee loan	-	-	Postgraduate Students' Allowances Scheme (2012/13 onwards)	-
	Tuition fee grant	-	-	Postgraduate Students' Allowances Scheme (pre-2012/13 only)	-
	Maintenance loan	-	-	-	-
	Maintenance grant	-	-	-	-
	Disabled Students Allowance	Postgraduate Disabled Students Allowance	Postgraduate Disabled Students Allowance	Disabled Students Allowance	Postgraduate Disabled Students Allowance
	Other targeted support	-	-	-	-
Postgraduate part-time	Tuition fee loan	-	-	Postgraduate Students' Allowances Scheme (2012/13 onwards)	-
	Tuition fee grant	-	-	Postgraduate Students' Allowances Scheme (pre-2012/13 only)	-
	Maintenance loan	-	-	-	-
	Maintenance grant	-	-	-	-
	Disabled Students Allowance	Postgraduate Disabled Students Allowance	Postgraduate Disabled Students Allowance	Disabled Students Allowance	Postgraduate Disabled Students Allowance
	Other targeted support	-	-	-	-

Note: We assume that other targeted support is only available to undergraduate full-time students domiciled in the same Home Nation in which they are undertaking their studies (i.e. English students studying in England, Welsh students studying in Wales, etc.). Further, we assume that the same eligibility rules apply to Higher Education students studying in Further Education Colleges as to students studying in Higher Education Institutions.

¹ Note that Scottish domiciled students outside of Scotland are not eligible for tuition fee grants, but can instead apply for repayable tuition fee loans to cover the costs of their studies outside of Scotland.

² While Scottish domiciled students studying in *Scotland* are eligible to receive the Young Students' Bursary or Independent Students' Bursary, until 2013/14, Scottish students studying in *other Home Nations* outside of Scotland instead received the Students' Outside Scotland Bursary. From 2013/14 onwards, the Students' Outside Scotland Bursary was abolished, and Scottish students studying outside of Scotland were instead eligible for the standard support packages.

³ Note that although Scottish domiciled undergraduate part-time students are eligible to receive Disabled Student Allowance funding, the relevant data publication for Scotland (see Student Awards Agency for Scotland, 2014) does not provide any information on the level or number of students in receipt of this funding. We have thus excluded this funding from the analysis.

Source: London Economics' analysis of Student Loans Company (2014a, 2014b, 2014c) and Student Awards Agency for Scotland (2014).

Funding Council allocations

As outlined above, the block grant funding allocated by the relevant Higher Education Funding Council (or equivalent funding body) in each Home Nation is granted directly to higher education providers located within that Home Nation. Importantly, some of the particular funding strands (e.g. funding for research) cannot be explicitly allocated to particular parts of the student body, but are rather allocated to providers as a whole to finance their other (non-teaching activities). Hence, 'eligibility' of a given type of student for a given type of block grant here refers to whether this funding is assumed to be **applicable** to students (i.e. whether the funding received by institutions is allocated in our calculations across a given type of student or all students).

In addition, there is a relative lack of consistency in the level of detail reported in official statistical publications on the level of block grant funding paid by the HE Funding Councils across the Home Nations (as well as across different funding streams within each Home Nation). To calculate funding levels per student as accurately as possible, we therefore assessed eligibility of students based on the detail available in each of the relevant funding allocations published for each Home Nation:

- **Teaching funding²⁰:**
 - Funding allocations by the **Higher Education Funding Council for England** distinguish between funding for *old-regime* students (i.e. those who started their studies pre-2012/13) and *new-regime* students (i.e. those who entered HE from 2012/13 onwards), allowing for a breakdown of this funding by cohort. All other types of teaching funding were reported at an aggregate level, and are thus applied to students of all characteristics studying in England (i.e. across-the-board, irrespective of study level, mode, cohort, and domicile²¹).
 - Allocations by the **Higher Education Funding Council for Wales** allow for a breakdown of teaching funding by study level and mode, based on the distinction in the data between undergraduate full-time students (funded by the Public Investment Fund) and funding for undergraduate part-time and postgraduate taught students.
 - Data on teaching funding in **Scotland** (as allocated by the **Scottish Funding Council**) do not provide a required breakdown by student characteristics; as a result, and similar to England, we again assume that teaching funding for Scottish Higher

²⁰ It is important to note here that the level of disaggregation with which the block grant funding allocations are reported by each relevant Funding Council crucially influence the level of funding per student estimated across students studying in each Home Nation. Teaching funding allocations for HEIs in England do not allow for a delineation of the level of funding associated with students studying at different levels (i.e. undergraduate compared to postgraduate) and study modes (i.e. part-time vs. full-time). As a result, the allocation mechanism with which we calculate funding per student apportion total teaching funding across students at *all* levels. In reality, however, it is expected that the level of teaching funding per postgraduate student is considerably lower than the teaching funding per student at undergraduate level; hence, the across-the-board allocation mechanism underpinning our analysis results in an **overestimation of the level of teaching funding per postgraduate student**, and an **underestimation of the level of funding per undergraduate student**. If we assumed that *no* teaching funding was allocated to postgraduate students in England, the estimated average level of teaching funding per undergraduate full-time student from England studying in England increases by **£379** in 2012/13, and by **£289** in 2013/14). This is also the case for block grant funding allocations to institutions located in Scotland and Northern Ireland, given the relative lack of detail in the funding allocations reported by the Scottish Funding Council and the Department for Employment and Learning Northern Ireland. In contrast, funding allocations by the Higher Education Funding Council in Wales provide a relatively detailed breakdown of the funding associated with students studying at undergraduate or postgraduate level, on a part-time or full-time basis. As a result, the estimated level of funding per student studying in Wales provide a relatively more accurate reflection of the level of funding attached to different types of students as compared to the comparable estimates for students in other Home Nations.

²¹ Note that across all Home Nations, we assume that funding is applicable to students studying at institutions within that relevant Home Nation who are domiciled either within the UK or the EU. Hence, as with student support allocations, we exclude any students with an international, 'UK unknown' or 'other UK' domicile, assuming that no UK public funding is associated with these students.

Education Institutions is applicable to all students studying in Scotland (i.e. we apportion total teaching funding across all students in Scotland).

- The information on Higher Education funding provided by the **Department for Employment and Learning Northern Ireland** is comparatively limited, presenting only one aggregate value of (recurrent) grant funding without a breakdown into teaching, research or other types of funding. Hence, as a result of the lack of detail, we assume that this total funding is apportioned across all students studying in Northern Ireland.
- **Research and other funding** (e.g. strategic or capital funding administered by HEFCE, HEFCW, SFC and DELNI²²): Where available²³, across all Home Nations, funding was assumed to be applicable to all students studying in that Home Nation (i.e. again irrespective of study level, mode, cohort²⁴ and domicile).

Table 3 outlines the resulting Funding Council (or equivalent funding body) allocations applicable to higher education students by type of funding, country of study (where funding is assumed to be independent of a student's domicile), study mode and study level (i.e. HEFCE, HEFCW, SFC and DELNI).

Note again that the above information relates to higher education students studying at **Higher Education Institutions only**. As outlined in Section 2.4, it was not possible to distinguish the Higher Education funding received by Further Education Colleges located in Northern Ireland and Scotland. Further, based on the available breakdown of higher education funding allocations by institution type in England and Wales, it is assumed that FEIs located in England and Wales receive only teaching funding (i.e. no research or other higher education funding allocations), using the same eligibility/applicability rules as for students undertaking higher education courses at Higher Education Institutions.

²² Note that Funding Council allocations incorporate block grant funding for research, teaching and other specific funding administered by HEFCE, HEFCW, SFC and DELNI; however, this does not incorporate any funding allocated by the Research Council UK (RCUK) strategic partnership (e.g. Economic and Social Research Council, Arts and Humanities Research Council, Natural Environment Research Council etc).

²³ i.e. excluding Northern Ireland, where only a total amount of HE funding allocation is provided without further breakdown by type of funding or theme.

²⁴ Note that some particular items were terminated (e.g. Widening Participation funding by HEFCE) or introduced (e.g. Ser Cymru research funding by HEFCW) in 2012/13 or 2013/14, allowing for a distinction of applicability of this funding by student cohort (i.e. pre-2012/13 vs. 2012/13, and pre-2013/14 vs. 2013/14).

Table 3 Assumptions on Funding Council block grants applicable to UK HE students in 2013/14 (by domicile, country of study, level and mode)

Funding type	Country of study			
	Student in England	Student in Wales	Student in Scotland	Student in N. I.
Undergraduate full-time	Funding for old-regime students (pre-2012/13 only)	Public Investment Fund per capita funding	General Fund Teaching for 'core' places	Total DELNI funding allocations for HE sector (no breakdown available)
	High-cost funding for new regime students (2012/13 onwards)	Public Investment Fund Access and Retention premium	General Fund Teaching for 'strategic' places	
	Student opportunity ¹	Public Investment Fund Welsh Medium premium		
	Other targeted allocations	Public Investment Fund Disability premium		
	Other recurrent teaching grants	Public Investment Fund expensive subjects		
Research ²	Quality Related (QR) research funding	Quality Related (QR) research funding, Postgraduate Research funding, Ser Cymru ² and Research Initiatives	Research Excellence Grant, Research Postgraduate Grant, Knowledge Transfer Grant	
Other	Higher Education Innovation Fund, and non-recurrent allocations	Funding for Strategy and Initiative ³ , and Innovation and Engagement	Strategic funding, capital funding, and funding for additional places	
Undergraduate part-time	Funding for old-regime students (pre-2012/13 only)	Credit-based teaching funding – PT/PGT	General Fund Teaching for 'core' places	Total DELNI funding allocations for HE sector (no breakdown available)
	High-cost funding for new regime students (2012/13 onwards)	Per capita based teaching funding – PT/PGT	General Fund Teaching for 'strategic' places	
	Student opportunity ¹	Part-time premium		
	Other targeted allocations	Access and Retention premium – PT UG		
	Other recurrent teaching grants	Welsh Medium premium – PT/PGT		
Research ²	Quality Related (QR) research funding	Quality Related (QR) research funding, Postgraduate Research funding, Ser Cymru ² and Research Initiatives	Research Excellence Grant, Research Postgraduate Grant, Knowledge Transfer Grant	
Other	Higher Education Innovation Fund, and non-recurrent allocations	Funding for Strategy and Initiative ³ , and Innovation and Engagement	Strategic funding, capital funding, and funding for additional places	
Postgraduate full-time	Funding for old-regime students (pre-2012/13 only)	Credit-based teaching funding – PT/PGT	General Fund Teaching for 'core' places	Total DELNI funding allocations for HE sector (no breakdown available)
	High-cost funding for new regime students (2012/13 onwards)	Per capita based teaching funding – PT/PGT	General Fund Teaching for 'strategic' places	
	Student opportunity ¹	Welsh Medium premium – PT/PGT		
	Other targeted allocations	Disability premium – PT/PGT		
	Other recurrent teaching grants			
Research ²	Quality Related (QR) research funding	Quality Related (QR) research funding, Postgraduate Research funding, Ser Cymru ² and Research Initiatives	Research Excellence Grant, Research Postgraduate Grant, Knowledge Transfer Grant	
Other	Higher Education Innovation Fund, and non-recurrent allocations	Funding for Strategy and Initiative ³ , and Innovation and Engagement	Strategic funding, capital funding, and funding for additional places	
Postgraduate part-time	Funding for old-regime students (pre-2012/13 only)	Credit-based teaching funding – PT/PGT	General Fund Teaching for 'core' places	Total DELNI funding allocations for HE sector (no breakdown available)
	High-cost funding for new regime students (2012/13 onwards)	Per capita based teaching funding – PT/PGT	General Fund Teaching for 'strategic' places	
	Student opportunity ¹	Part-time premium		
	Other targeted allocations	Welsh Medium premium – PT/PGT		
	Other recurrent teaching grants	Disability premium – PT/PGT		
Research ²	Quality Related (QR) research funding	Quality Related (QR) research funding, Postgraduate Research funding, Ser Cymru ² and Research Initiatives	Research Excellence Grant, Research Postgraduate Grant, Knowledge Transfer Grant	
Other	Higher Education Innovation Fund, and non-recurrent allocations	Funding for Strategy and Initiative ³ , and Innovation and Engagement	Strategic funding, capital funding, and funding for additional places	

Note: ¹ Student Opportunity funding was introduced in 2013/14, replacing previous funding streams for widening participation, teaching enhancement, and student success.

² The Ser Cymru programme was introduced in 2013/14. ³ This includes additional allocations for the University of the Heads of the Valleys (UHoV) in 2013/14. ² Research funding does not include Research Council Funding (i.e. the nine research councils within the Research Councils UK (RCUK) partnership). **Source: London Economics' analysis of Student Loans Company (2014a, 2014b, 2014c) and Student Awards Agency for Scotland (2014).**

2.1.4 Characteristics of the Higher Education student body

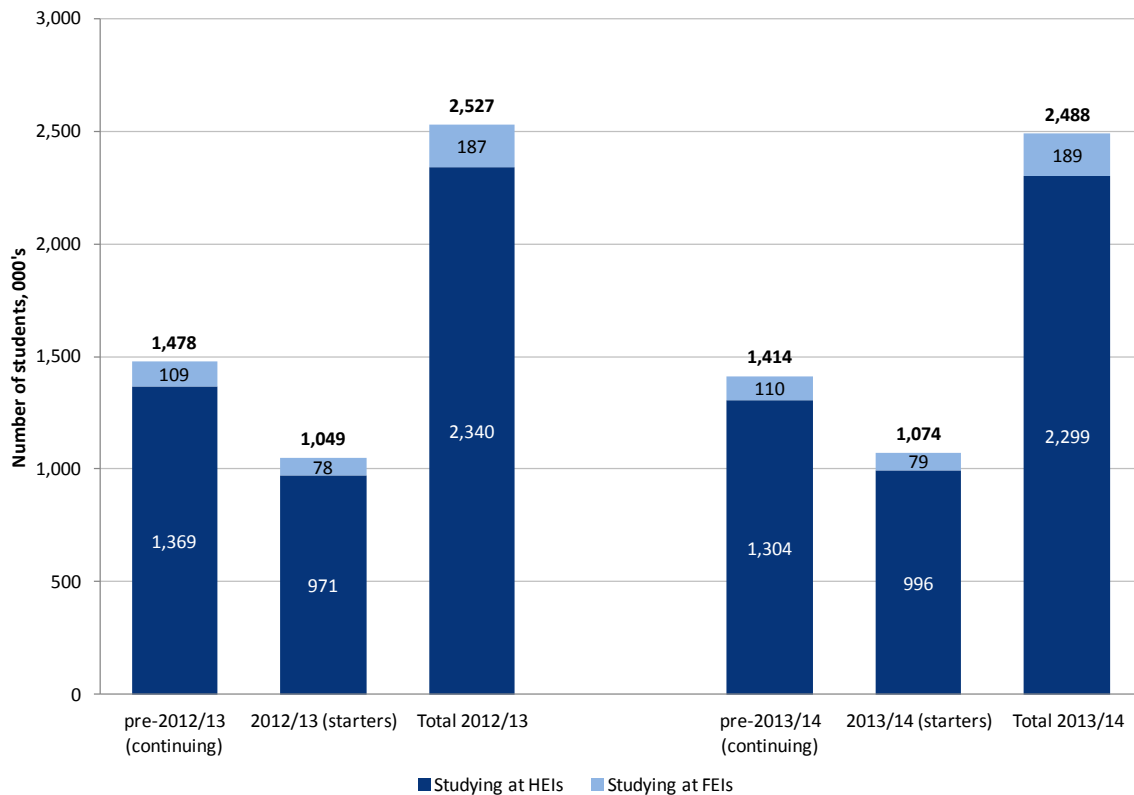
To estimate the level of funding per student based on the various student characteristics and the associated eligibility rules, we made use of detailed information on the total number of student enrolments in 2012/13 and 2013/14 provided by the Higher Education Statistics Agency (2015). In order to achieve the required breakdown of student enrolments in each academic year (by cohort, domicile, country, level and mode of study), several adjustments to the HESA information were necessary:

- The original HESA data on HEI enrolments provide the total number of student enrolments in a given academic year, as well as first year enrolments in that academic year. While first year enrolments constitute the relevant cohort of HE **starters** in each year (e.g. the students entering Higher Education in 2013/14), the number of **continuing** students (e.g. students who entered Higher Education prior to 2013/14) was calculated by deducting first year enrolments from total enrolments in each academic year.
- The original HESA information on students by location of HEI separates out students enrolled at **The Open University**. For the purpose of this analysis, we assumed that UK domiciled students studying with The Open University are enrolled at the OU National Centre corresponding to the student's domicile (e.g. students with an English domicile are assumed to study with the OU in England, etc). Furthermore, European Union and International students enrolled with The Open University, as well as all students with an 'other UK' or 'UK unknown' domicile, are assumed to be enrolled with the OU in England.
- Compared to information on HEI enrolments, the HESA data on **Higher Education students enrolled with Further Education Institutions** is less detailed. In particular the information on enrolments in FEIs²⁵ only provides a breakdown of students by academic year, country, level and mode of study, without a distribution by domicile or cohort. We thus **estimate** the full breakdown of higher education students attending FEIs according to all of these characteristics. First, we assume that all students studying in a particular Home Nation are domiciled within that Home Nation (i.e. HE students studying in FEIs in England are domiciled in England, etc.). This implicitly presumes that there are no EU domiciled, 'other UK', 'UK unknown' or international domiciled students studying HE courses at FEIs in the UK. Secondly, we then estimate the breakdown by cohort based on the distribution of HE students attending HEIs from the same (assumed) domicile, studying in the same country of study at the same level/mode.

Figure 3 displays the resulting number of higher education student enrolments in Further Education Colleges and Higher Education Institutions in the United Kingdom, separated into cohorts (i.e. pre-2012/13 and 2012/13 starters, and pre-2013/14 and 2013/14 starters) for each academic year of interest. The total number of Higher Education students in 2013/14 stood at approximately **2.488 million**, representing a decrease of approximately **2%** from **2.527 million** students in 2012/13. The overall net decline was driven by a decrease in the number of students attending HEIs (from **2.340 million** to **2.299 million**), while the number of students enrolled with FEIs displayed a small increase. The vast majority of higher education students were enrolled in courses provided by Higher Education Institutions rather than Further Education Colleges (**93%** and **92%** of total HE students enrolled in 2012/13 and 2013/14, respectively). Considering the breakdown into new and continuing students, between **42%** and **43%** of students in each academic year were assessed to be new starters (i.e. first year enrolments in the HESA data).

²⁵ As published in HESA (2015), Table 1b.

Figure 3 Number of Higher Education students enrolled in 2012/13 and 2013/14, by cohort and type of institution (in 000's)



Note: Student numbers in HESA (2015) are rounded to the nearest five, which might result in some slight discrepancies between the total student numbers indicated in the original data and the row and column number totals calculated for the purpose of the analysis. In addition, the data provided by HESA (2015) only include a breakdown of HE students studying in Further Education Colleges by year, country of study, level of study and mode of study (i.e. without the required breakdown by cohort or domicile). Hence, to be able to apply the same eligibility rules for higher education students attending FECs as for students attending HEIs, we needed to *estimate* the full breakdown of higher education students attending FEIs into all of the above characteristics. First, we assume that all students studying in a particular Home Nation are domiciled within that Home Nation (i.e. HE students studying in FECs in England are from England, etc.; this implicitly presumes that there are no European Union domiciled, 'other UK', 'UK unknown' or international domiciled students studying higher education courses at FECs in the UK). Second, we then estimate the breakdown by cohort based on the distribution by cohort of higher education students attending HEIs from the same (assumed) domicile, studying in the same country of study and at the same level/mode.

Source: *London Economics' analysis of HESA (2015).*

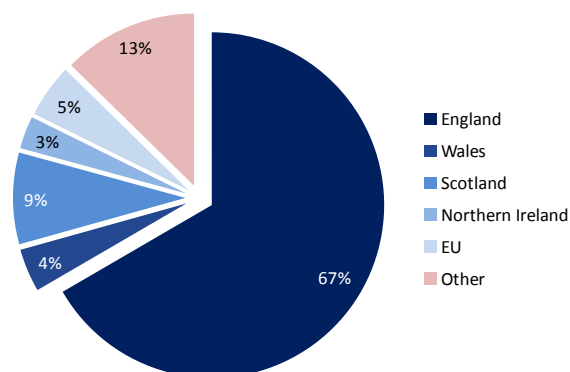
Considering the geographical distributions of students, Table 4 presents the number of higher education students (attending either HEIs or FECs) by country of study (columns) and domicile (rows) for the 2013/14 academic year. The cells shaded in blue highlight the 'main diagonal' of students, capturing those individuals who attend providers within the Home Nation in which they are domiciled. Of the total of **1,657,535** English domiciled students undertaking higher education courses in 2013/14, **96% (1,595,705)** students) attended HE providers in England. This compares to only **73% (73,595)** of Welsh students studying in Wales, and **79% (59,845)** of students from Northern Ireland studying in Northern Ireland. Relatively large proportions of students domiciled in Wales (**26%**) and Northern Ireland (**15%**) choose to undertake their studies in England. In contrast (and reflecting the financial advantages of remaining in Scotland), Scottish students are relatively less likely to attend providers outside of Scotland, with the percentage of Scottish domiciled students studying in England standing at only **5%**. Across all domiciles, a total of **80%** of students study in England (see Figure 5).

Table 4 Number of HE students by domicile and country of study, 2013/14 (headcount)

Domicile ↓	Country of study				Total
	England	Wales	Scotland	N. Ireland	
England	1,595,705	37,420	22,535	1,875	1,657,535
Wales	26,320	73,595	785	70	100,770
Scotland	9,785	405	203,360	195	213,745
N. Ireland	11,520	590	4,185	59,845	76,140
Other UK	3,575	195	215	30	4,015
UK unknown	615	15	60	5	695
EU	97,155	5,645	19,750	2,750	125,300
International	258,430	19,960	28,615	3,200	310,205
Total	2,003,105	137,825	279,505	67,970	2,488,405

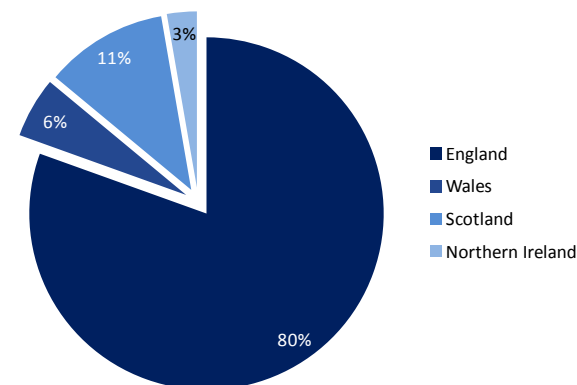
Note: Student numbers in the data are rounded to the nearest five, which might result in some slight discrepancies compared to the total student numbers indicated in the original data. For the purpose of the analysis, UK domiciled students studying at The Open University are assumed to study at The OU's National Centre based on their domicile, e.g. students with an English domicile are assumed to study with The OU in England, etc. EU and International students, as well as all students with an 'other UK' or 'UK unknown' domicile are assumed to be enrolled with The OU in England. Source: London Economics' analysis of HESA (2015).

Figure 4 Distribution of HE students by domicile, 2013/14



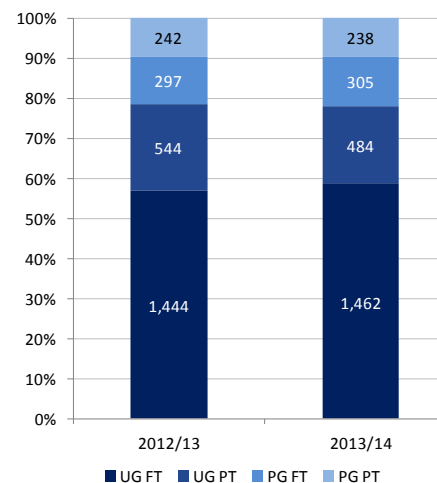
Note: 'Other' includes international students as well as those with an 'other UK' or 'UK unknown' domicile. Source: London Economics' analysis of HESA (2015)

Figure 5 Distribution of HE students by country of study, 2013/14



Note: For the purpose of the analysis, UK domiciled students studying at The Open University are assumed to study at the OU's National Centre based on their domicile (e.g. students with an English domicile are assumed to study with the OU in England, etc.) European Union and International students, as well as all students with an 'other UK' or 'UK unknown' domicile are assumed to be enrolled with the OU in England. Source: London Economics' analysis of HESA (2015)

Figure 6 Number of HE students by study level and mode (in 000's), 2012/13 and 2013/14



Source: London Economics' analysis of HESA (2015)

Finally, Figure 6 presents the distribution of higher education student enrolments in 2012/13 and 2013/14 by study level and mode, providing further insight into the above-observed overall decline of the total student body between the two years. The number of students studying at part-time level decreased by a total of **8%**, driven by a **11%** decline in the number of part-time students at undergraduate level, and **2%** at postgraduate level. This decline was only partially counteracted by a **2%** increase in the number of full-time students (**1%** in respect of undergraduate full-time students, and **3%** in respect of full-time postgraduate students).

For more detailed information of higher education students by academic year, type of institution, cohort, domicile, country, level and mode of study, please refer to Annex 2.

2.1.5 Calculating funding per student

To estimate the level of public higher education student support and block grant funding per student, we combined the information on eligibility rules (Table 2 and Table 3) and the higher education student body (Table 4) to calculate the total number of students to which each funding item applied (i.e. tuition fee grants and loans etc for student support, and HE block grant funding for teaching, research and other activities). We thus arrived at the average level of funding per *eligible/applicable* student across the entire relevant higher education student body (in contrast to the average level of funding per *funded* student). More detail on the distinction between these measures, along with an example calculation, is provided in Box 1.

Box 1 Calculating funding per student

Figure 7 contrasts estimates of **funding per funded student** and **funding per eligible student** in the case of maintenance loans paid to English domiciled full-time undergraduate students in the 2012/13 academic year. As outlined on the left of the figure (derived from information from the Student Loans Company's Statistical First Release (2014a)), the total amount of maintenance loans paid to these students amounted to **£3,557.8 million**, of which **£2,231.1 million** was awarded to continuing students (i.e. the pre-2012/13 cohort), and **£1,326.6 million** was associated with students who entered higher education in 2012/13. Combined with information on the number of funded students in that year (**613,300** continuing students, and **318,700** entrants, see part A of the figure), **funding per funded student** is estimated at **£3,638** per continuing student, and **£4,163** per entrant in 2012/13.

The lower panel (part B) of the figure outlines the calculation of **funding per eligible student** (i.e. per student irrespective of whether they actually take up the loan or otherwise). Based on the relevant eligibility rules, undergraduate full-time students domiciled in England can apply for a maintenance loan to support their living costs irrespective of where they study; this applies both to higher education students studying at **HEIs and FECs**. In this case, the relevant information on (the same) total undergraduate full-time maintenance loans paid (i.e. **£3,557.8 million**) is allocated across all potentially eligible students when calculating the level of funding per student²⁶.

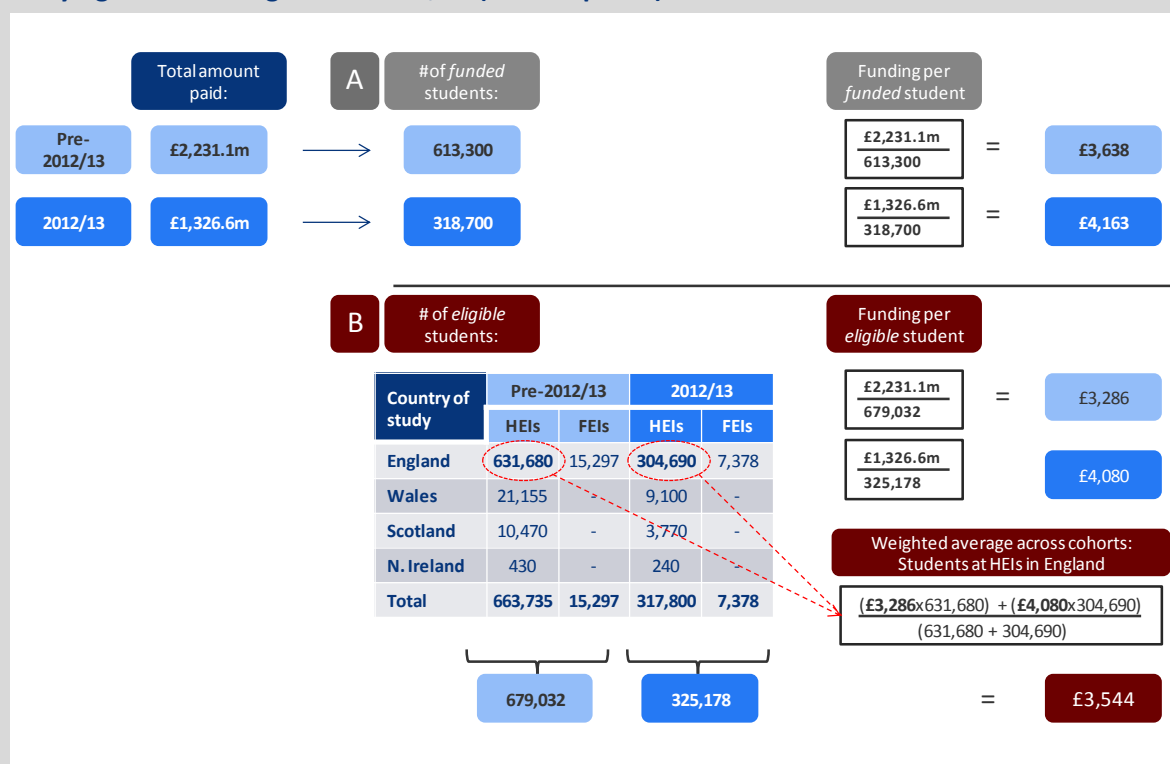
This is outlined in the table included in part B of the figure, presenting the total number of students eligible for maintenance loans under undergraduate full-time regulations in England, separately by country of study, cohort, and type of provider. The total number of eligible continuing students (i.e. the pre-2012/13 cohort)

²⁶ Note that a full breakdown of student support funding based on all of the above-mentioned student characteristics (i.e. cohort, domicile, country of study, level and mode of study) is only available in some instances (e.g. the statistics on student support in England (Student Loans Company, 2014a) indicate the total amount of tuition fee loans awarded to undergraduate full-time students from England by country of study and cohort). In all other instances, the allocation of students for a particular type and amount of student support was undertaken based on the most detailed level available, in order to capture all students covered by each total funding amount indicated in the relevant statistics.

amounts to approximately **679,000** students, while the number of eligible entrants amounts to approximately **325,000** students. This implies that, separately by cohort, the level of maintenance loan funding associated with eligible English domiciled students (studying at HEIs or FEIs located anywhere across the UK) amounts to **£3,286** per continuing student, and **£4,080** per new student in 2012/13. Given the fact that 'eligibility' is a broader measure than 'funding', the level of funding per *eligible* student is lower than the level of funding per *funded* student (i.e. we assume that instead of 90% of students taking up 90% of the available loan, we assume that 100% of students take up 81% of the available loan).

Finally, we calculate the weighted average level of funding across both student cohorts (i.e. across the pre-2012/13 and 2012/13 estimates). Here, we provide the calculation for **English domiciled full-time students studying at Higher Education Institutions in England in 2012/13**. As displayed in the table, approximately **632,000** students of this type were continuing their studies in 2012/13, while an additional **305,000** started their course in that academic year. We calculated a weighted average (weighted by student enrolments per cohort) of the above estimates of funding per student by cohort (i.e. **£3,286** per continuing student, and **£4,080** per entrant), estimating that the average maintenance loan funding paid to English domiciled undergraduate full-time students studying at HEIs in England in 2012/13 amounts to **£3,544** per student.

Figure 7 Calculating maintenance loan per English domiciled undergraduate full-time student studying at HEIs in England in 2012/13 (current prices)



Note: Whereas the information on levels of student support as indicated by the Student Loans Company (2014a, 2014b, 2014c) and the Student Awards Agency for Scotland (2014) provides rounded estimates of the average support amount paid per funded student, our calculations rely on unrounded levels of funding per funded students. Note that the original data typically report total funding in £m, and the number of funded students in 000s; this results in (usually) small differences between the unrounded levels of funding per student which we calculate, compared to the original rounded levels indicated in the data.

Further note that the breakdown of HE students studying at FEIs by domicile and cohort is estimated; for further detail, please refer to 2.1.4.

Source: London Economics' analysis of relevant sources (please refer to Table 1)

2.1.6 Specific methodological issues

Adjusting for loan repayment

As discussed above, tuition fee loans and maintenance loans constitute key elements of higher education funding systems across all Home Nations. These types of student support are *repayable*, (i.e. students are expected to pay back the loans (plus interest) to the public purse following the completion of their studies)²⁷. As a result, an analysis of the **net public funding** per higher education student needs to take account of the amount of the nominal *face value* of the loan that is expected to be repaid by each student.

The extent of the net (public purse) loan subsidy provided to students is measured by the **Resource Accounting and Budgeting charge (RAB charge)**, which estimates the proportion of the nominal face value of the loan that would not be expected to be repaid (in present value terms). Under the current student support regime, non-repayment occurs as a result of debt forgiveness after 30 years, or in the case of permanent disability or death. The Department for Business, Innovation and Skills (BIS) carries responsibility for calculating the RAB charge in England.

The RAB charge is expressed in percentage terms. For example, a RAB charge of 45% implies that for every £1,000 in loans that are provided by the public purse, approximately £550 would be expected to repaid (in present value terms), with the remaining £450 being 'lost' to the public purse as a result of write-offs (thereby constituting the net public subsidy to the student).

The treatment of the RAB charge is important as it fundamentally distinguishes between the **total (public and private) resource** that might be linked to a particular student and the **public resource** (only). For instance, if a student is in receipt of a £2,000 maintenance grant and £15,000 in combined tuition fee and maintenance loans, while the Higher Education Institution is in receipt of £4,000 Teaching and Research funding, the total (public and private) resource associated with the student stands at **£21,000**. However, from an economic perspective, assuming a RAB charge of 45%, the total public resource stands at **£12,750** ($=£2,000 + (0.45)*£15,000 + £4,000$) and comprises the maintenance grant, the block funding to the HEI and (only) the proportion of the loan that is written off by the Exchequer. In contrast, the private contribution (i.e. the amount of maintenance and tuition fee loans to be repaid by the graduate²⁸) stands at **£8,250** ($= (1 - 0.45)*£15,000$).

Estimates of the RAB charge depend on the different Home Nations where students originate, as well as where they study. While a student's domicile determines the level and type of student support available to them, the Home Nation in which they study affects the level of tuition fees that will be charged (the total value of the loan received and, subsequently, the proportion of the loan balance repaid). In addition, the RAB charge is dependent on students' study mode, with the expectation that the RAB charge is significantly lower for part-time students than for students undertaking their studies on a full-time basis. This difference in the relevant RAB charge occurs as a result of the fact that a significantly higher proportion of part-time learners are in employment and start repaying their loan obligations immediately.

²⁷ There is *some* flexibility in relation to the repayment terms across each Home Nation. For instance, although certain elements such as the earnings threshold for repayment or the interest rate applied to graduates are relatively fixed, some Home Nations offer partial cancellation of loan balances upon first loan repayment.

²⁸ Note that the actual costs to the student of undertaking a higher education course will exceed the amount of the loans that will be repaid, assuming that students' total living and maintenance costs of attending university are larger than the average amount of maintenance loan awarded to them.

Table 5 presents the assumptions on the value of the RAB charge used throughout our analysis to derive funding levels per student adjusted for loan repayment, with separate assumptions by domicile, country of study, level and mode of study, and type of student support loan (i.e. tuition fee or maintenance loan, where applicable)²⁹.

For **full-time students**, the relevant RAB charge applied to each type of student and funding type are based on the following set of overarching assumptions:

- In terms of **tuition fee loans**, for students who take out tuition fee loans based on the 'high' fee levels of £9,000 introduced in 2012/13, we assume a RAB charge of **45%** based on the most recent Department for Business, Innovation and Skills' estimates³⁰ (this applies, for example, to English domiciled undergraduate full-time students studying in England). In contrast, a RAB charge of **34%** is expected to apply to students who take out relatively 'low' fee loans, as is the case for Northern Irish domiciled students studying in Northern Ireland (whose maximum tuition fees were capped at around £3,500 per annum in 2012/13 and 2013/14)³¹, as well as Welsh domiciled students studying anywhere in the UK (who, can receive a tuition fee grant for the majority of their £9,000 tuition fees)³².
- For **maintenance loans**, the RAB charge for students with access to maintenance loans but *no* fee loans (i.e. Scottish domiciled undergraduate full-time students studying in Scotland) is estimated at **29%**. For students who are eligible for both tuition fee loans and maintenance loans, we use the same assumptions based on high fee loans (**45%**) and low fee loans (**34%**) as outlined above.

For all **part-time students** (irrespective of the level of study), it is expected that the RAB charge is **0%** (i.e. it is assumed that part-time students repay the full value of their nominal fee loans)³³, given the fact that part-time students are significantly more likely to be in employment during their studies, and are thus expected to start repaying their loans almost immediately.

²⁹ We assume that the same RAB charges apply to higher education students attending Higher Education Institutions as to higher education students enrolled attending Further Education Institutions.

³⁰ See Department for Business, Innovation and Skills (2015).

³¹ In contrast to the lower fee cap applicable to Northern Irish students studying in Northern Ireland, students from the rest of UK studying in Northern Ireland pay up to £9,000 in tuition fees per year. A similar special lower tuition fee cap applies to Scottish domiciled students studying in Scotland.

³² Note that there have been changes for postgraduate full-time Scottish domiciled students studying throughout the United Kingdom, and EU domiciled students studying in Scotland, who are covered by the Scottish Postgraduate Students' Allowances Scheme (PSAS) for eligible postgraduate diploma courses. Although before 2012/13, student support funding under this scheme was paid as a non-repayable tuition fee grant, the PSAS was converted to a repayable tuition fee loan in 2012/13. Hence, we would expect a 0% RAB charge associated with students in the pre-2012/13 cohort, but a positive RAB charge associated with students in the 2012/13 cohort. However, for simplicity, we assume a 34% RAB charge across all cohorts, based on the expectation that only a relatively small proportion of students in the 2012/13 academic year are continuing students (i.e. would receive tuition fee grants rather than loans).

³³ The estimate of the RAB charge associated with part-time undergraduate study is derived from analysis undertaken by London Economics for Million+ (2013).

Table 5 Assumed RAB charge for study level and mode, country of study, domicile and type of loan

Level	Country of study	Type of loan	Domicile				
			England	Wales	Scotland	N. Ireland	EU
Undergraduate full-time	England	Fee	45%	34%	45%	45%	45%
		Maintenance	45%	34%	45%	45%	-
	Wales	Fee	45%	34%	45%	45%	34%
		Maintenance	45%	34%	45%	45%	-
	Scotland	Fee	45%	34%	-	45%	-
		Maintenance	45%	34%	29%	45%	-
	Northern Ireland	Fee	45%	34%	45%	34%	34%
		Maintenance	45%	34%	45%	34%	-
Undergraduate part-time	England	Fee	0%	-	-	-	0%
		Maintenance	-	-	-	-	-
	Wales	Fee	0%	-	-	-	-
		Maintenance	-	-	-	-	-
	Scotland	Fee	0%	-	-	-	-
		Maintenance	-	-	-	-	-
	Northern Ireland	Fee	0%	-	-	-	-
		Maintenance	-	-	-	-	-
Postgraduate full-time	England	Fee	-	-	34%	-	-
		Maintenance	-	-	-	-	-
	Wales	Fee	-	-	34%	-	-
		Maintenance	-	-	-	-	-
	Scotland	Fee	-	-	34%	-	34%
		Maintenance	-	-	-	-	-
	Northern Ireland	Fee	-	-	34%	-	-
		Maintenance	-	-	-	-	-
Postgraduate part-time	England	Fee	-	-	-	-	-
		Maintenance	-	-	-	-	-
	Wales	Fee	-	-	-	-	-
		Maintenance	-	-	-	-	-
	Scotland	Fee	-	-	0%	-	-
		Maintenance	-	-	-	-	-
	Northern Ireland	Fee	-	-	-	-	-
		Maintenance	-	-	-	-	-

Note: “-” indicates instances in which the relevant type of support does not apply, e.g. Scottish students studying in Scotland cannot apply for a tuition fee loan (but are instead supported through tuition fee grants).

Source: See Department for Business, Innovation and Skills (2015) for estimates of the RAB charge associated with English full-time undergraduate tuition fee and maintenance loans (45%). For the remaining estimates of RAB charge by Home Nation and mode of attendance, London Economics’ own analysis.

Caveats

In interpreting and comparing the results to be outlined in the following sections, it is important to keep in mind that:

- The eligibility/applicability assumptions applied to higher education student support funding and the block grant funding by the Funding Councils constitute simplifications of the actual rules and methodologies with which the relevant funding bodies allocate funding to students and higher education providers (e.g. maintenance loans for living costs across the Home Nations typically depend on a student's household income, and whether the student lives at home or not). Again, this is because the level of disaggregation of the funding allocation mechanism (and hence the accuracy) is restricted by the level of detail available in the relevant data sources used throughout the analysis of HE funding (i.e. the more detailed the breakdown of funding available for a given Home Nation, the more refined the resulting funding allocation mechanism will be (and subsequently, the accuracy of the analysis)).
- As a result of discrepancies in the level of detail reported across the different Home Nations' data publications (for instance, in relation to the level at which funding across different student groups can be distinguished), there will be some underlying differences in the various funding estimates. For instance, in relation to Funding Council allocations across the Home Nations, although there is detailed breakdown of teaching funding in Wales (by Higher Education Institution), for all other Home Nations, it is only possible to undertake across-the-piece estimations across all students).
- There are a number of discrepancies in relation to the type of funding included in the allocations of block grant funding through the relevant higher education Funding Council (or equivalent funding body); however, throughout the analysis, we have attempted to include the most comprehensive list of all types of Funding Council allocations in each Home Nation.
- Some of the funding items included in the analysis, such as the research funding allocated by the higher education Funding Councils, are not explicitly allocated to particular parts of the student body, but are rather allocated to providers as a whole to finance their non-teaching activities. Where this was the case, we apportioned the relevant funding item across all students studying in a particular Home Nation (i.e. across-the-board, irrespective of study level, mode, cohort and domicile³⁴).
- RAB charges constitute estimates, which are subject to change on an annual basis as the labour market outcomes of graduates and postgraduates improve or worsen. Furthermore, RAB charges are generally estimated by student cohort, which means that within a particular academic year, there will be students who received different levels and different types of student support, and in consequence will have different loan balances and different RAB charges associated with them. For the most-part, these differences are relatively small (for instance, pre-2012/13 undergraduate full-time students in England are associated with a slightly lower RAB charge than students who entered higher education in 2012/13), or apply to a relatively small number of students (for instance in the case of postgraduate students in Scotland whose fee support under the PSAS was converted from a grant to a loan). However, going forward, further changes to the student support regime will result in additional differences by cohort (for instance, the removal of maintenance grants in England and their replacement by loans).

³⁴ Note again that across all Home Nations, we assume that funding is applicable to students studying at institutions within that relevant Home Nation who are domiciled either within the UK or the EU. Hence, as with student support allocations, we exclude any students with an international, 'UK unknown' or 'other UK' domicile, assuming that no UK public funding is associated with these students.

2.2 Findings: Total funding for students attending HEIs

Figure 9 and Figure 10 present the levels of **total funding** associated with students attending Higher Education Institutions by funding type (i.e. student support or Funding Council related) and academic year, **before** and **after** adjusting for the above-discussed RAB charge. As displayed in the figures, aggregate funding - *before* loan repayment - increased significantly from approximately **£17.89 billion** in 2012/13 to **£18.89 billion** in 2013/14, equivalent to a **6%** increase in real terms. The rise in total funding was largely driven by the level of nominal student support allocated by Student Finance England and Student Finance Wales (an increase of **16%** and **20%** between the two academic years, respectively) as a consequence of an increasing proportion of students in receipt of higher tuition fee loans. At the same time, the level of block grant funding provided by the Higher Education Funding Councils for England and Wales declined by **17%** and **14%**, respectively.

These differences reflect the introduction of the new fees and funding regime for England and Wales in the 2012/13. The changes to the funding systems implied that, for the cohort of students entering in 2012/13, an increasing share of total funding per student was paid through student loans (to support the higher fees), with a corresponding decrease in the level of block grant funding for teaching, research and other activities allocated by the Funding Councils. This redistribution of funding from teaching grant to tuition fee loans was repeated in the 2013/14 academic year, as an additional cohort of students entered Higher Education under the new funding rules.

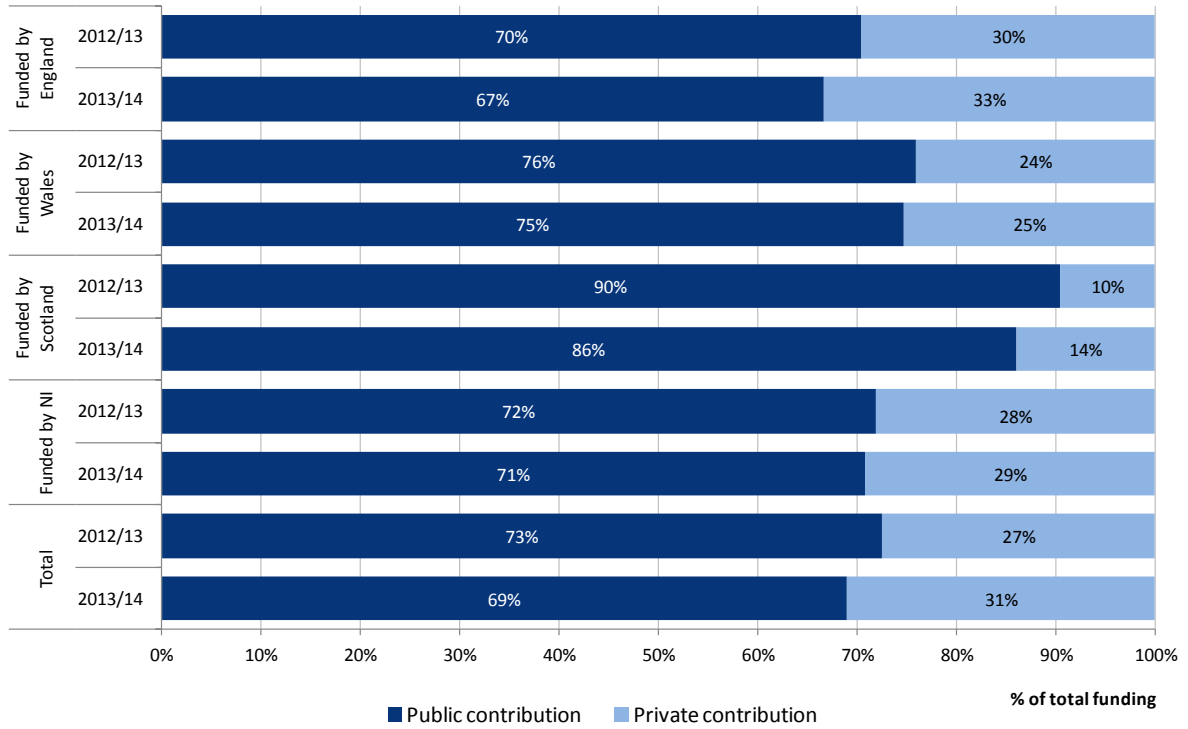
The increase in aggregate public resources across the Home Nations is less pronounced *after* adjusting tuition fee loans and maintenance loans for the RAB charge. Total public funding increased by less than **1%** (in real terms) between 2012/13 and 2013/14 (from **£12.97bn** to **£13.04bn**). Note that the adjustment for the RAB charge resulted in an estimated decrease in total public funding allocated through the English higher education funding system (from **£10.53bn** to **£10.44bn**), while the total private contribution (i.e. students' maintenance and tuition fee loan repayments) increased from **£4.44bn** to **£5.22bn**).

2.2.1 Public and private contributions to education funding

In terms of the balance of public and private funding across Home Nations across all higher education students studying at Higher Education Institutions, the analysis indicates that in 2012/13, approximately **70%** of total education funding in England was contributed by the public purse, compared to **30%** through private contributions (i.e. through student loan repayment). However, with the increasing proportion of higher education students being funded through tuition fee loans, the public contribution had decreased to **67%** in 2013/14. With the combination of additional 'new' regime students in 2014/15, as well as the proposed replacement of maintenance grants with maintenance loans in England, it would be expected that the proportion of total education funding contributed by public purse would further decline going forward.

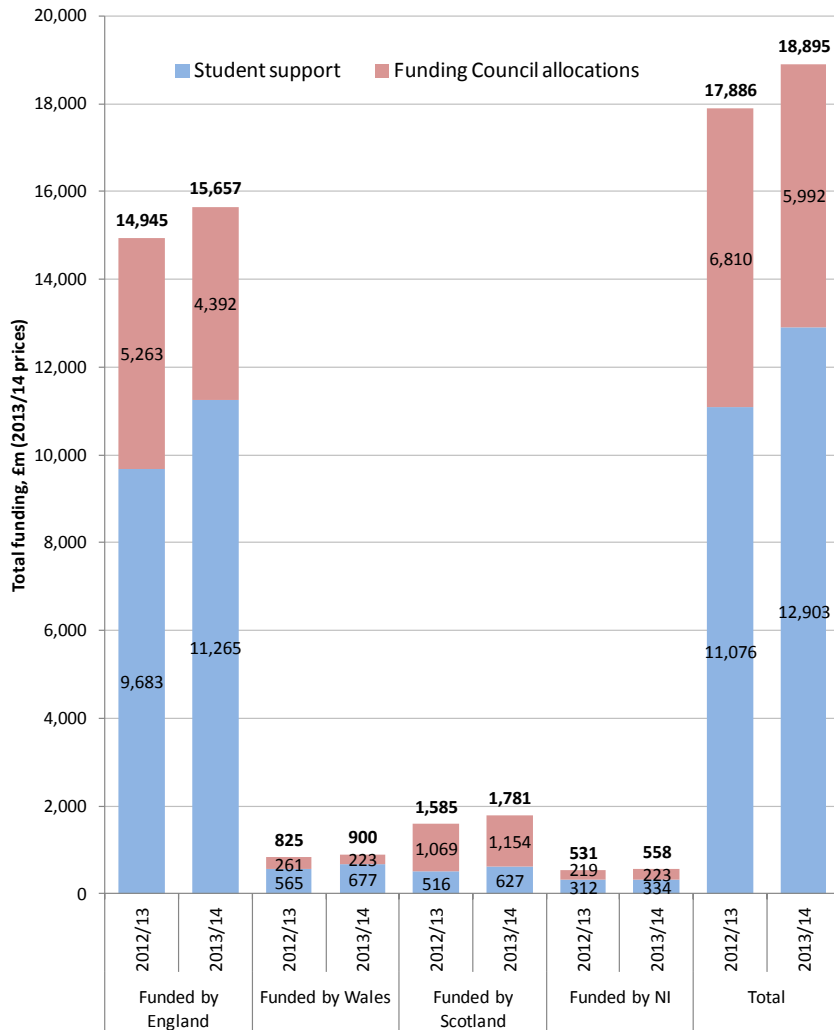
Compared to England, the public contribution to education is greater in proportionate terms in Scotland and Wales (and relatively comparable in Northern Ireland). Specifically, the analysis indicates that the public purse contribution to total education funding stands at approximately **76%** in Wales (and has remained relatively stable between 2012/13 and 2013/14), whilst in Scotland, the extent of public contributions has decreased from **90%** to **86%** in the period under consideration.

Figure 8 Proportion of total education funding contributed from public and private sources, 2012/13 and 2013/14



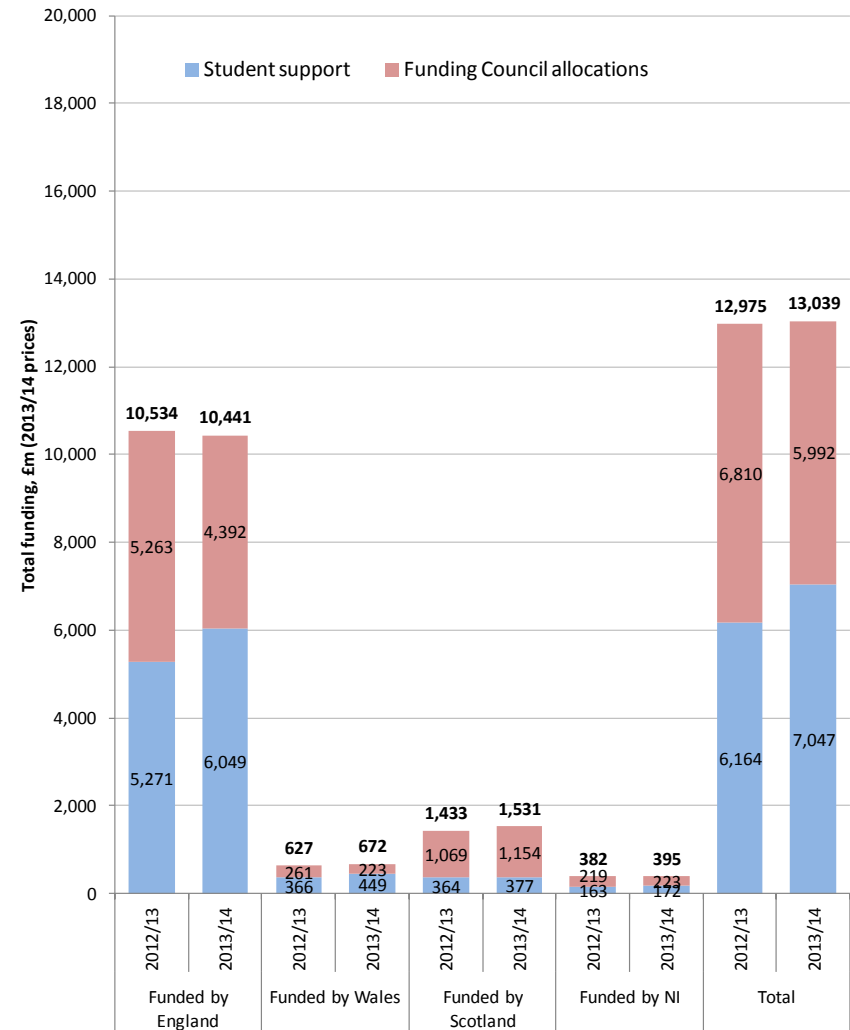
Source: London Economics' analysis of relevant sources (see Table 1) and Office for National Statistics, 2015

Figure 9 Total funding before loan repayment, by funding source and academic year (£m 2013/14 prices)



Source: London Economics' analysis of relevant sources (see Table 1) and Office for National Statistics, 2015

Figure 10 Total funding after loan repayment, by funding source and academic year (£m 2013/14 prices)



Source: London Economics' analysis of relevant sources (see Table 1) and Office for National Statistics, 2015

2.3 Findings: Funding per student in Higher Education Institutions

In the presentation of resulting estimates of funding per student (before and after loan repayment) to follow, we focus on the funding per student associated with full-time undergraduate students attending Higher Education Institutions. Additional information relating to higher education students enrolled with Further Education Colleges is provided in Section 2.4, while detailed tables for students (including EU students) enrolled with Higher Education Institutions are presented in Annex 3.

Note that all estimates are calculated based on total *eligible* students (i.e. funding per eligible student) rather than *funded* students (see Section 2.1). All estimates are presented in 2013/14 prices, where estimates for the 2012/13 academic year were adjusted for inflation using Consumer Price Inflation Indices published by the Office for National Statistics (2015)³⁵.

Total resources associated with higher education participation by domicile

Figure 11 presents estimates of the average total funding **before loan repayment** per undergraduate full-time student studying in Higher Education Institutions within the Home Nation in which they are domiciled (i.e. students on the 'main diagonal'), separately by academic year and funding item. **Before** accounting for the proportion of fee loans and maintenance loans expected to be repaid (where applicable), it is estimated that, on average, the highest level of funding per student is associated with English students studying in England, standing at **£12,881** in 2012/13 and **£13,983** in 2013/14. In contrast, funding per student is estimated to be lowest for Scottish students studying in Scotland, with estimates standing at **£9,976** and **£11,310** in 2012/13 and 2013/14, respectively. These differences are driven by discrepancies in the level of tuition fee support between these students, which clearly reflects differences in the tuition fees charged for students from different domiciles and studying in different Home Nations.

The relative source of the funding (in terms of either student support funding or block grant funding from the Funding Councils) is of particular interest. In the case of Scottish students studying in Scotland, the analysis suggests that a relatively large proportion of total funding is received directly by Higher Education Institutions through Funding Council grants, while for Welsh students studying in Wales, the dominant means of allocating public funding is via the student in the form of tuition fee and maintenance grants and loans.

Public resources associated with higher education participation by domicile

As presented in Figure 12, the estimates of public funding per student across all student types and years decrease significantly after taking account of expected fee and maintenance loan repayment. Reflecting the 45% estimate of the RAB charge for English students studying in **England**, the largest changes between total resources and public resources are observed for these students (as described in Section 2.1.6), where the adjustment for loan repayment decreases total funding per student by between **34%** and **37%** (in 2012/13 and 2013/14, respectively³⁶). Compared to total funding (including public and private contribution) per student of **£12,881** in 2012/13 and

³⁵ In particular, we calculated inflation based on the difference in the Consumer Price Index between September 2013 (126.8) and August 2014 (128.3), arriving at an estimate of inflation of **1.2%** between the end of the 2012/13 academic year and the end of the 2013/14 academic year.

³⁶ Note that the estimate of the RAB charge for pre 2012/13 cohorts stood at 42% compared to 45-46% (see Department for Business, Innovation and Skills, 2014b) for post 2012/13 cohorts. Although the estimates of the RAB charge are very similar, the significant reduction in the level of public funding in England is associated with the increasing value of the loan balance introduced in 2012/13 (from approximately £10,000 to £15,000 per student per annum (alongside the corresponding withdrawal of the teaching grant funding)).

£13,983 in 2013/14, the **total level of public funding** was estimated to be **£8,551** in 2012/13 and **£8,870** per student in 2013/14.

Of this amount, in 2013/14, approximately **£4,200** relates to the fee and maintenance loan interest rate subsidies, a further **£1,574** is associated with maintenance grant provision, while approximately **£300** is associated with specific support for students with disabilities or other targeted support. In terms of public resources directed at the Higher Education Institution, the analysis indicates that approximately **£1,475** was received in teaching grant (reflecting the significant decline in the teaching grant following the move towards higher tuition fees), with a further **£966** per student associated with research grant funding and **£360** generated from other Funding Council income streams.

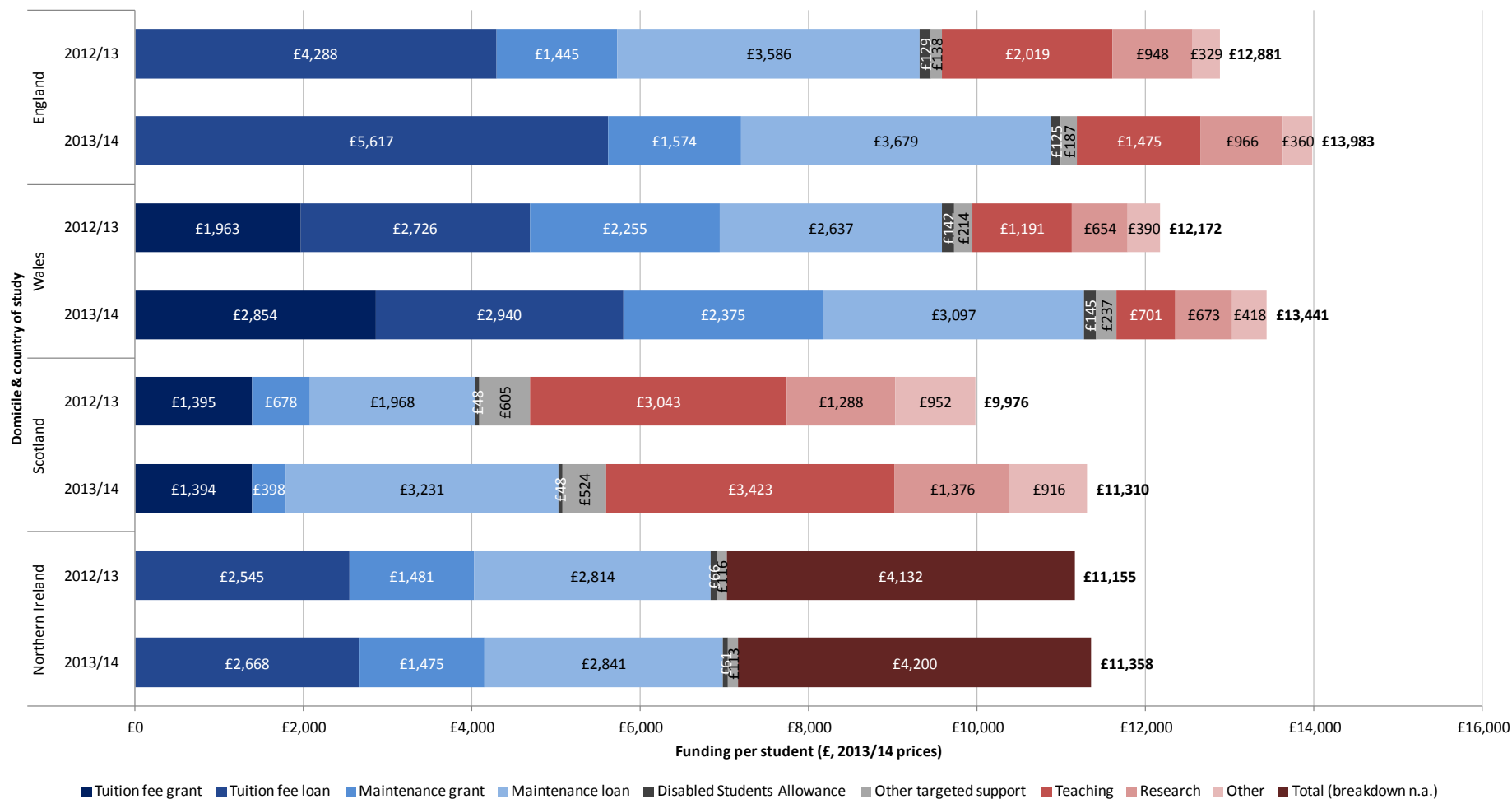
In comparison, with the introduction of the non-means tested tuition fee grant, the level of public funding for Welsh students studying in **Wales** increased significantly (from **£8,633** in 2012/13 to **£9,456** per student in 2013/14). The non-means tested tuition fee grant accounted for **£2,854** of aggregate public funding, while a further **£2,375** per annum on average was available through maintenance grants. Reflecting the lower loan balances of Welsh students in Wales (as a result of the higher average fee and maintenance grants, as well as the different loan repayment criteria), the public resource associated with tuition fee and maintenance loans in Wales stood at **£1,000** and **£1,053** respectively. Finally on the student support side, a further **£382** was available to support students with disabilities or other targeted support. Of the remaining **£1,792** in public funding associated with Welsh domiciled students studying in Wales, **£701** per student is associated with HEFCW teaching grant funding, compared to **£673** per student in research related block grant funding and **£418** related to other targeted funding.

Following a shift from maintenance grants to repayable maintenance loans in Scotland in 2013/14³⁷, the analysis indicates that the average level of public funding per Scottish student in **Scotland** increased from **£8,579** in 2012/13 to **£9,016** in 2013/14. The tuition fee grant accounted for **£1,394** of aggregate public funding, while a further **£398** per annum was available through maintenance grants in 2013/14 (a decrease from **£678** in 2012/13). Reflecting the significantly lower loan balances of Scottish students in Scotland, the public resource associated with maintenance loans stood at **£937** in 2013-14 (compared to an average of **£571** in 2012/13). A further **£572** was available to support students with disabilities or other targeted support (the most generous across any of the Home Nations). Unlike the funding systems operating in England or Wales, the Scottish Funding Council directs a significantly larger proportion of total public resource directly to Higher Education Institutions rather than indirectly to HEIs through student support mechanisms. Of the remaining **£5,717** in public funding associated with Scottish domiciled students studying in Scotland, **£3,423** per student is associated with SFC teaching grant funding, compared to **£1,376** per student related to research grant funding and **£916** related to other targeted funding.

Finally, for Northern Irish students studying in **Northern Ireland**, the total level of public funding stood at **£7,618** and **£7,721** in the 2012/13 and 2013/14 academic years, respectively. In terms of student support, in 2013/14, **£907** and **£966** was associated with tuition fee and maintenance loan subsidies, while a further **£1,475** was associated with maintenance grant support (and **£174** in other targeted support). The level of public resource delivered directly to Higher Education Institutions by the Department for Education and Learning Northern Ireland stood at **£4,200** per student in 2013/14.

³⁷ In particular, in 2013/14, changes to the funding system operated by the Student Awards Agency for Scotland resulted in greater access to maintenance loans, as well as a simplification of grants and bursaries paid to students based on household income. For more information, please refer to Student Awards Agency for Scotland (2014).

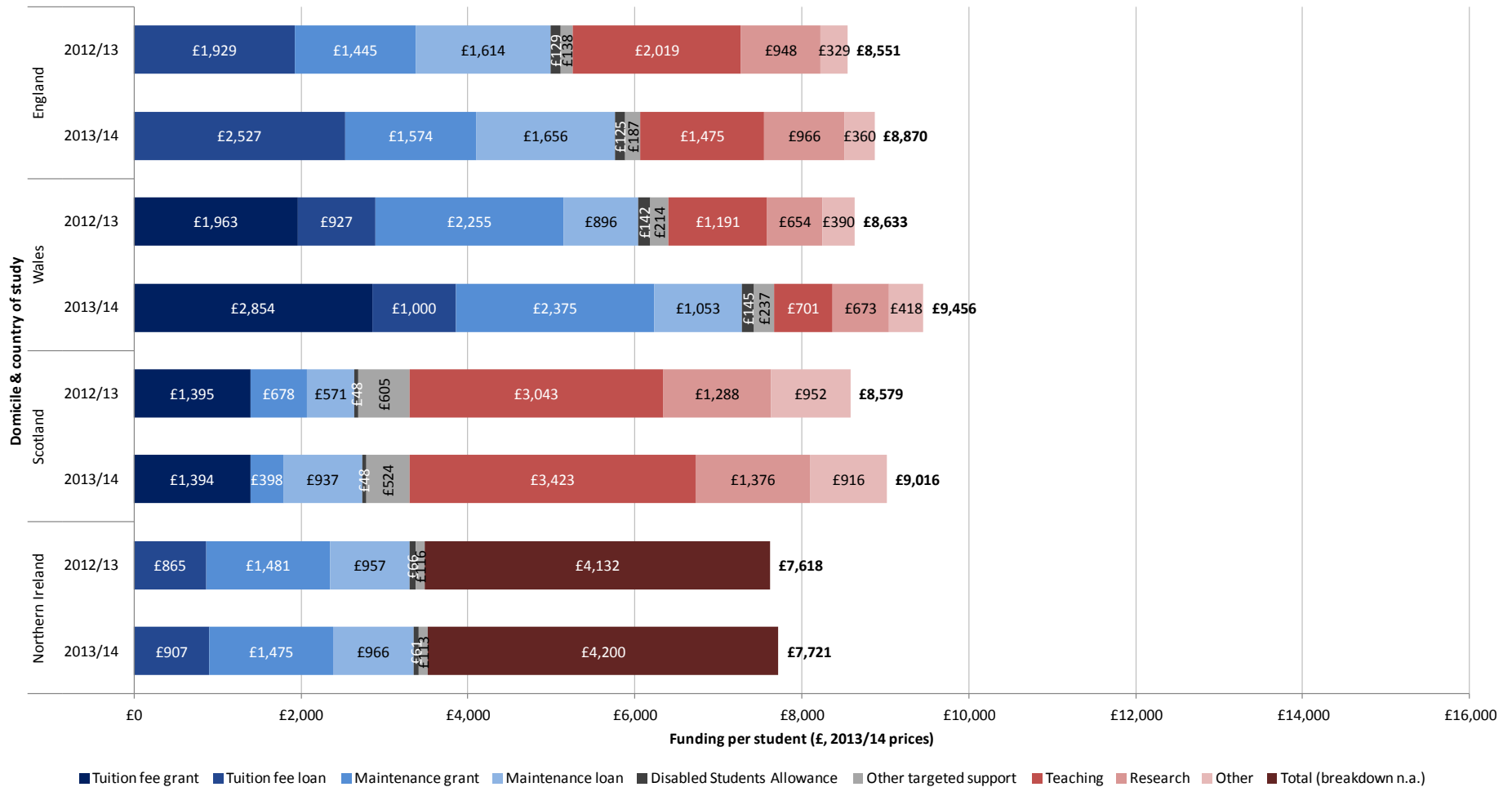
Figure 11 Funding before loan repayment: Funding per undergraduate full-time student studying at HEI by domicile, country of study, funding item and year (£, 2013/14 prices)



Note: We assume that other targeted support is only available to undergraduate full-time students domiciled in the same Home Nation in which they are undertaking their studies (i.e. English students studying in England, Welsh students studying in Wales, etc.). Further, we assume that the same eligibility rules apply to Higher Education students studying in Further Education Institutions as to students studying in Higher Education Institutions.

Source: London Economics' analysis of relevant sources (see Table 1) and Office for National Statistics (2015)

Figure 12 Funding after loan repayment: Funding per undergraduate full-time student studying at HEI by domicile, country of study, funding item and year (£, 2013/14 prices)



Note: We assume that other targeted support is only available to undergraduate full-time students domiciled in the same Home Nation in which they are undertaking their studies (i.e. English students studying in England, Welsh students studying in Wales, etc.). Further, we assume that the same eligibility rules apply to Higher Education students studying in Further Education Institutions as to students studying in Higher Education Institutions.

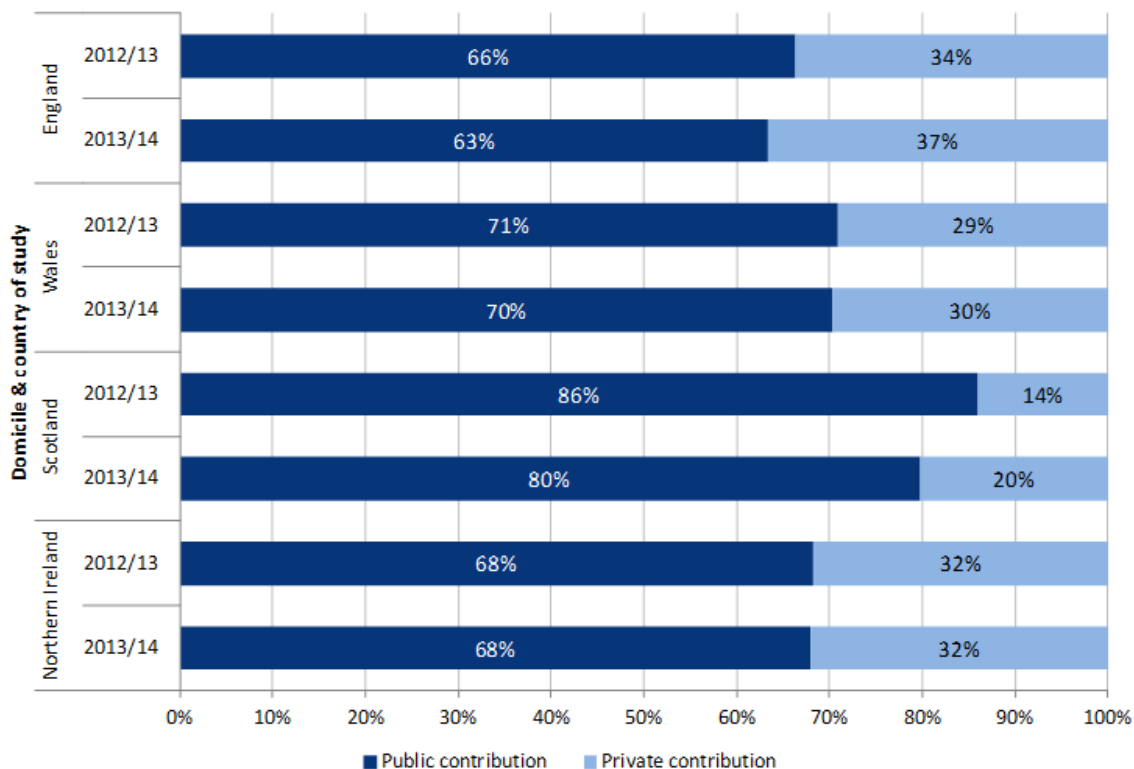
Source: London Economics' analysis of relevant sources (see Table 1) and Office for National Statistics (2015)

Distribution of funding by public and private contribution for full time undergraduates

For full time undergraduates studying in their home domicile, the analysis indicates that in 2012/13, approximately **66%** of total education funding in England was contributed by the public purse, compared to **34%** through private contributions (i.e. through student loan repayment). However, with the increasing proportion of higher education students being funded through tuition fee loans, the public contribution had decreased to **63%** in 2013/14. This proportion is expected to decline further

Compared to England, the public contribution to education is greater in proportionate terms in Scotland and Wales (and relatively comparable in Northern Ireland). Specifically, the analysis indicates that the public purse contribution to full time undergraduate study stood at approximately **70%-71%** in Wales between 2012/13 and 2013/14), whilst in Scotland, the extent of public contributions has decreased from **86%** to **80%** over the period.

Figure 13 Percentage breakdown of funding per undergraduate full-time student studying in home domicile, by domicile, type of contribution and year



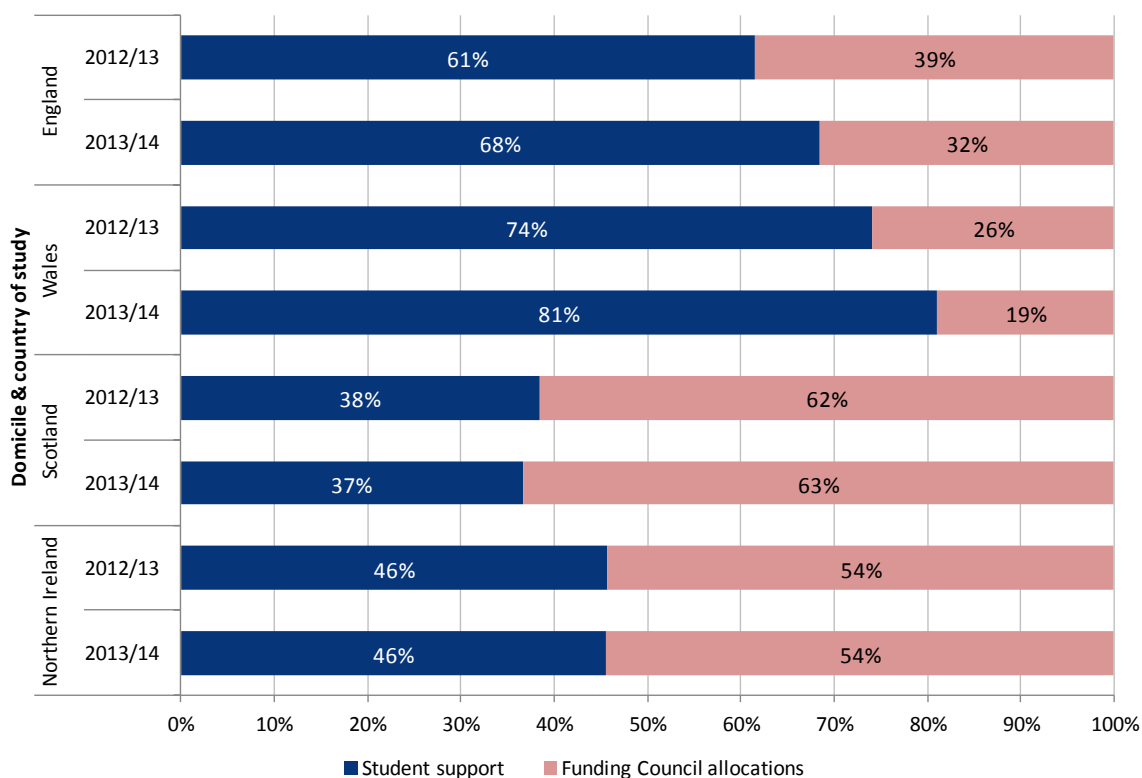
Note: Private contribution refers to the level of tuition fee and maintenance loans (where applicable) which is expected to be repaid by students based on the assumed RAB charge (see Section 2.1.6).

Source: London Economics' analysis of relevant sources (see Table 1)

Distribution of public funding by primary route of allocation

Figure 14 presents a percentage breakdown of funding per student **after** loan repayment, distinguishing between student support typically paid to students³⁸, and Funding Council allocations paid directly to Higher Education Institutions. The figure reflects the introduction of the newly introduced fees and funding regime for England and Wales in the 2012/13 academic year, implying that an increasing share of total funding per student was paid in student support (to support the higher tuition fees), with a corresponding decrease in the level of block grant funding allocated by the Funding Councils. In 2013/14, with an additional cohort of students entering higher education under the new regime, the percentage of funding per student contributed through the student support system subsequently increased from **61%** to **68%** for every full-time undergraduate English domiciled student studying in England, and from **74%** to **81%** for every full-time Welsh domiciled undergraduate student enrolled in Wales³⁹. This is equivalent to an increase of total student support funding of **16%** for English students in England, and **20%** for Welsh students in Wales between 2012/13 and 2013/14 in real terms. However, at the same time, the relevant Funding Council block grant per student decreased by **15%** for English students and **20%** for Welsh students.

Figure 14 Funding after loan repayment: Percentage breakdown of funding per undergraduate full-time student by domicile, country of study, funding type and year



Source: London Economics' analysis of relevant sources (see Table 1)

³⁸ Or to HE institutions on behalf of the student, e.g. in case of tuition fee grants.

³⁹ As outlined in HEFCW (2013, p.4), 'the overall level of Public Investment Fund allocations is substantially lower than would have been allocated in the past through the teaching grant. This is due to the introduction of the new fees and funding regime and the requirement on HEFCW to meet the costs of fee grants for Welsh and EU domiciled students at institutions in Wales and for Welsh domiciled students at institutions in the rest of the UK'.

The prevalence of student support funding in England and Wales stands in sharp contrast to Scottish students studying in Scotland, where the majority of the funding per student (between **62%** and **63%** in 2012/13 and 2013/14, respectively) is contributed through block grant allocations by the Scottish Funding Council directly to Higher Education Institutions. This difference reflects the lower fees charged to Scottish students studying at Scottish HEIs, and the resulting lower level of fee grants paid by the Student Awards Agency for Scotland.

Analysis of cross-border funding arrangements

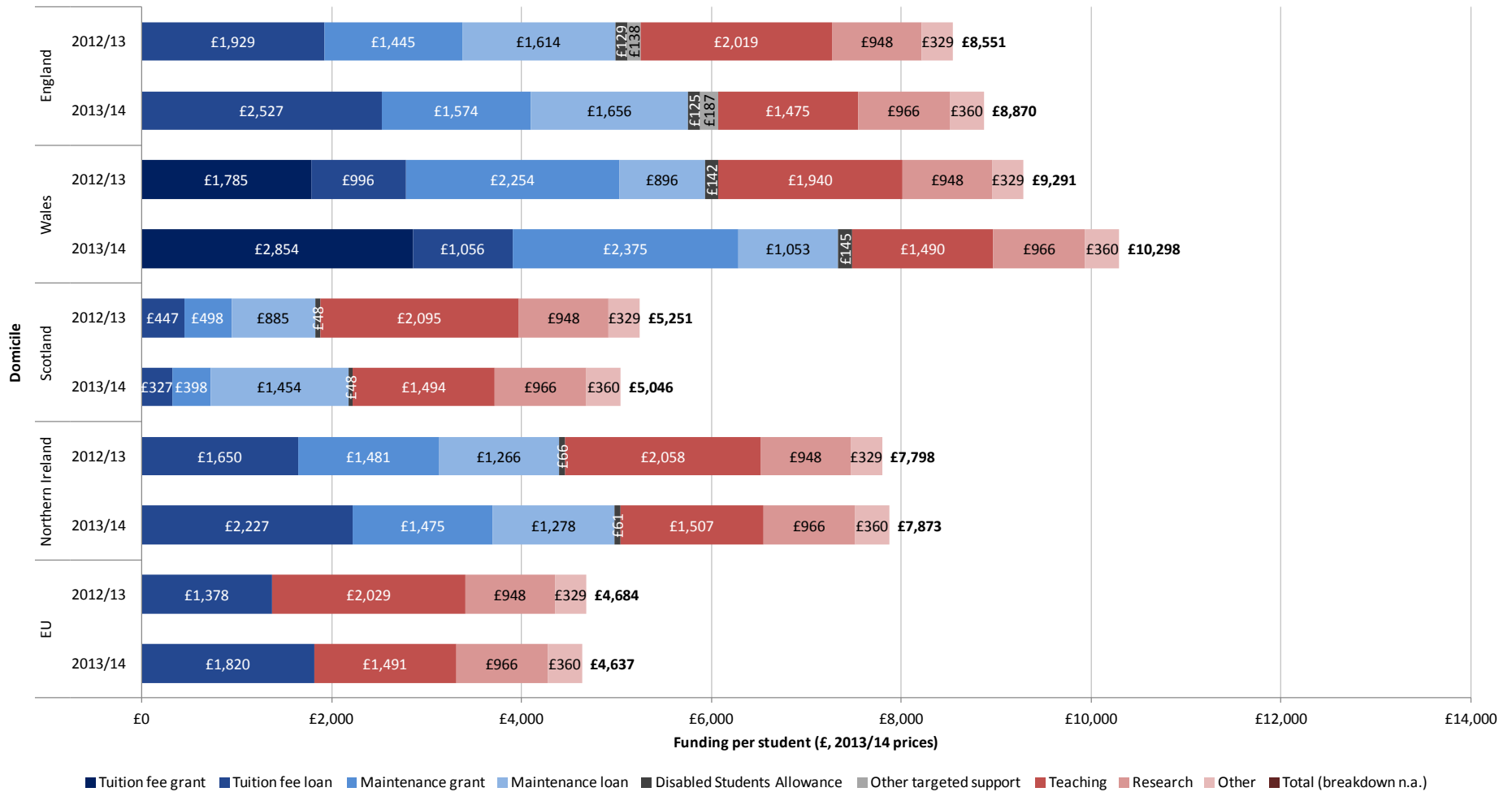
In Figure 15 to Figure 18, we compare funding per undergraduate full-time student after loan repayment across students from *all* domiciles (including EU students) studying in *each* of the Home Nations (i.e. ‘main diagonal’ and ‘off-diagonal’), thus expanding from the previous focus on students studying in the Home Nation in which they are domiciled only (i.e. ‘main diagonal’ students).

Considering differences by **country of study**, an important overall observation is that across students from all UK Home Nations, average funding levels per student are *highest* for students attending HE institutions in **Scotland**, ranging between **£9,016** per Scottish domiciled student and **£12,916** per Welsh domiciled student studying in Scotland in 2013/14 (see Figure 17). This observation is driven by comparatively high levels of funding provided directly to Scottish HEIs by the Scottish Funding Council. In contrast, funding associated with students from all UK domiciles is *lowest* for students attending HE institutions in **Wales**, with estimates ranging between **£4,020** per student from Scotland and **£9,456** per student from Wales in 2013/14 (see Figure 16). Again, this is driven by the relatively low Funding Council allocations paid directly to providers in Wales. Specifically, HEFCW has a lower allocation of funding for teaching, research and other activities than any other Funding Council across the Home Nations in both academic years of interest; however, this is ameliorated by the provision of significant tuition fee grants to all Welsh students.

In particular, when considering differences by **student domicile**, the average total funding per student is *highest* for **Welsh domiciled** students compared to students from other domiciles, *irrespective* of where they study in the United Kingdom. This is based on relatively large levels of student support received by students from Wales, who receive *both* portable non-means tested tuition fee grants and tuition fee loans (and are assumed to pay back a relatively large proportion of their tuition fee and maintenance loans). In contrast, again irrespective of the country of study considered, the *lowest* levels of funding per student across all domiciles are estimated for **Scottish domiciled** students⁴⁰. These contrasting results underline the overall trade-off within the different higher education funding systems between the provision of funding to students through the student support regime, and the direct funding provided to HE institutions by the Funding Councils (or equivalent funding bodies).

⁴⁰ Note that one driver of the relatively low levels of funding estimated for Scottish domiciled students is the fact that the Student Awards Agency for Scotland’s (2014) information on student support levels does not allow for a distinction of the funding paid to Scottish domiciled full-time undergraduate students and postgraduate students, but instead provides combined data for both types of student. However, the Scottish Postgraduate Student Allowance Scheme is considerably different from the funding provisions for undergraduate students, as it provides significantly lower levels of support to a particular group of students studying on eligible postgraduate diploma courses. Necessitated by the lack of distinction of the two funding schemes in the relevant student support information, our calculation of total funding per student thus calculates an *average* level of funding across undergraduate full-time, postgraduate full-time and (some) postgraduate part-time students. This results in a potential *underestimate* of the funding associated with undergraduate full-time students, and a possible *overestimate* of the funding per postgraduate full-time or part-time student.

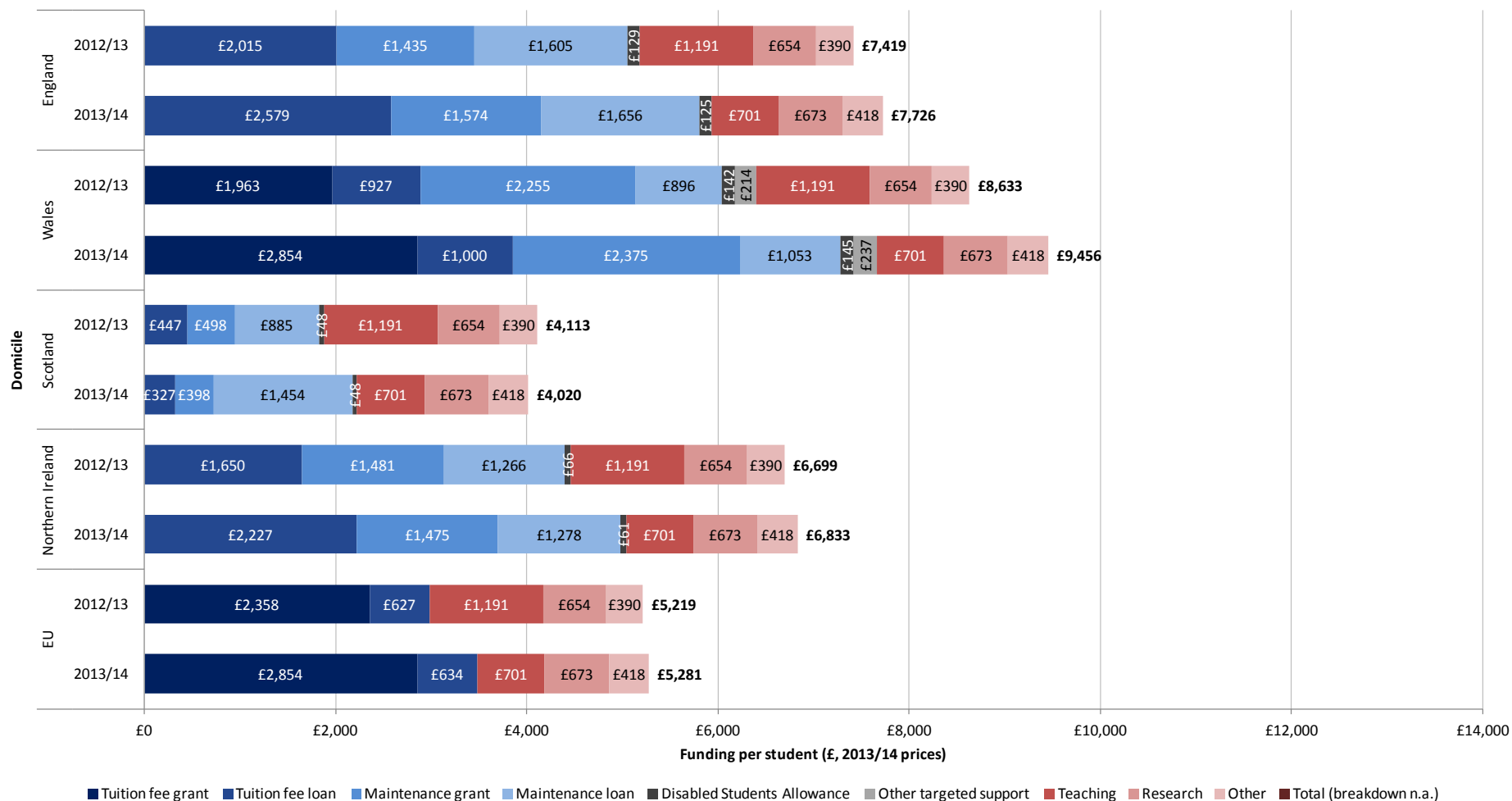
Figure 15 Funding after loan repayment: Funding per undergraduate full-time student studying at HEI in England, by domicile, funding item and year (£, 2013/14 prices)



Note: We assume that other targeted support is only available to undergraduate full-time students domiciled in the same Home Nation in which they are undertaking their studies (i.e. English students studying in England, Welsh students studying in Wales, etc.). Further, we assume that the same eligibility rules apply to Higher Education students studying in Further Education Institutions as to students studying in Higher Education Institutions.

Source: London Economics' analysis of relevant sources (see Table 1) and Office for National Statistics (2015)

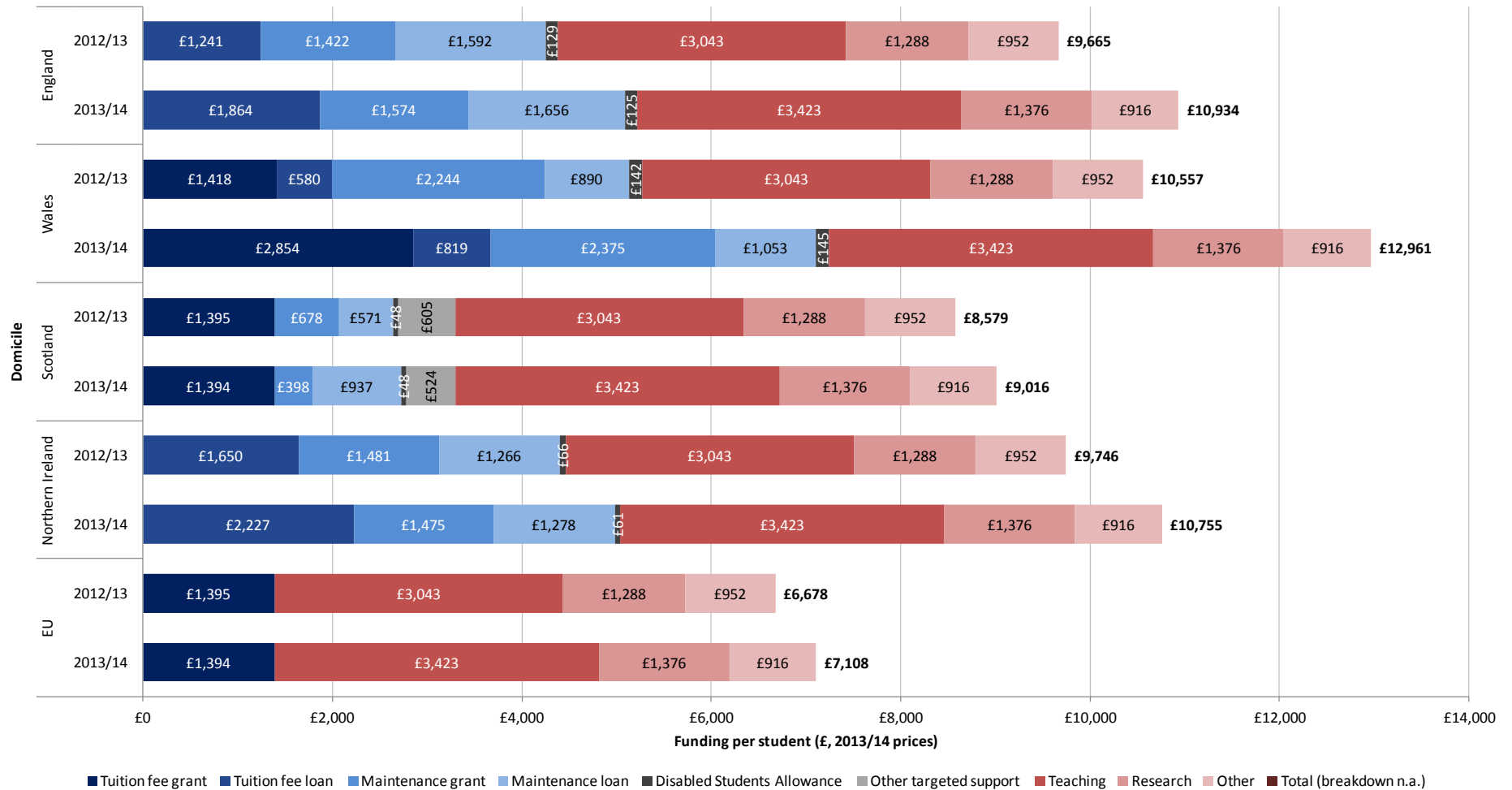
Figure 16 Funding after loan repayment: Funding per undergraduate full-time student studying at HEI in Wales, by domicile, funding item and year (£, 2013/14 prices)



Note: We assume that other targeted support is only available to undergraduate full-time students domiciled in the same Home Nation in which they are undertaking their studies (i.e. English students studying in England, Welsh students studying in Wales, etc.). Further, we assume that the same eligibility rules apply to Higher Education students studying in Further Education Institutions as to students studying in Higher Education Institutions.

Source: London Economics' analysis of relevant sources (see Table 1) and Office for National Statistics (2015)

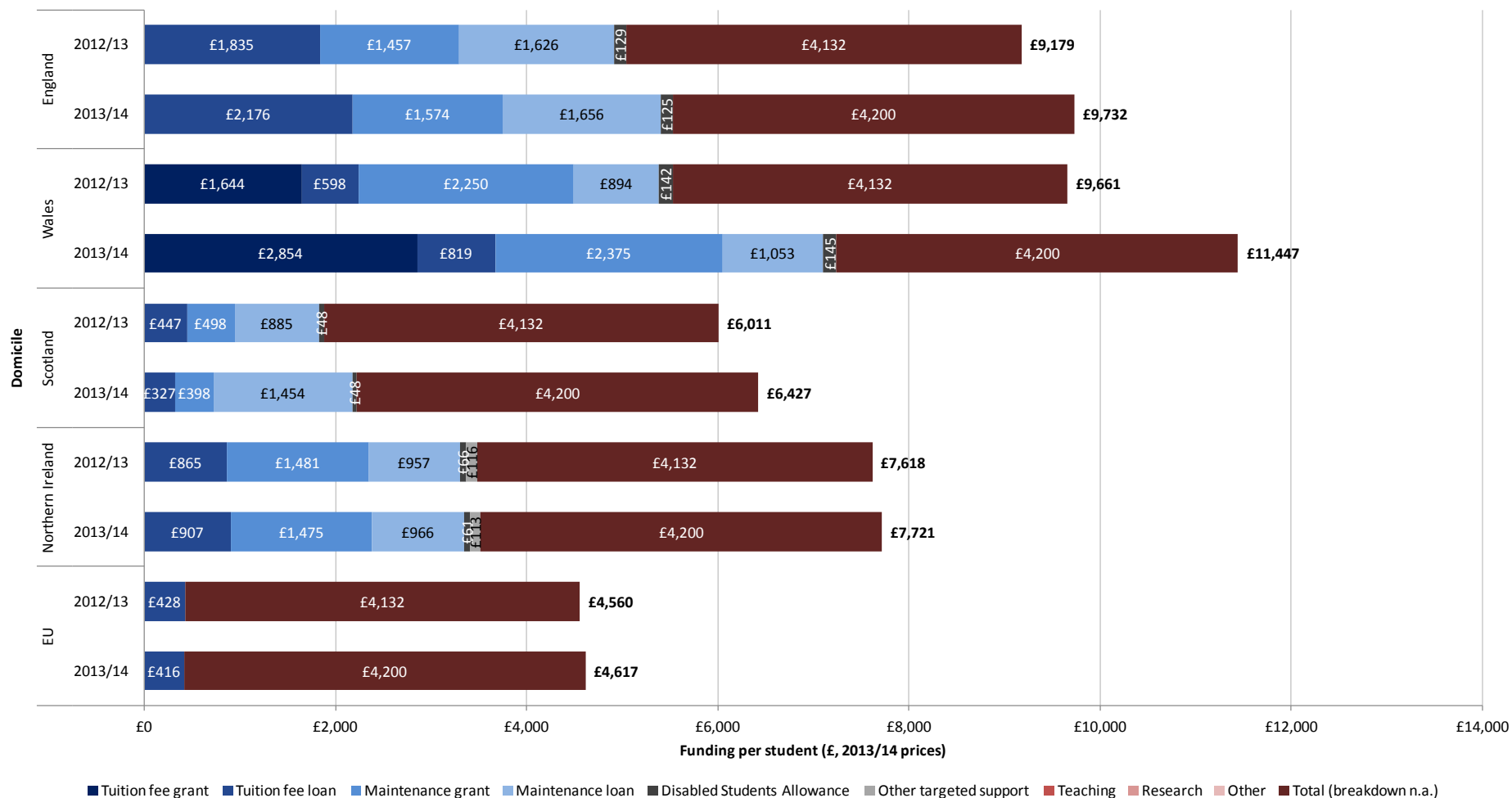
Figure 17 Funding after loan repayment: Funding per undergraduate full-time student studying at HEI in Scotland, by domicile, funding item and year (£, 2013/14 prices)



Note: We assume that other targeted support is only available to undergraduate full-time students domiciled in the same Home Nation in which they are undertaking their studies (i.e. English students studying in England, Welsh students studying in Wales, etc.). Further, we assume that the same eligibility rules apply to Higher Education students studying in Further Education Institutions as to students studying in Higher Education Institutions.

Source: London Economics' analysis of relevant sources (see Table 1) and Office for National Statistics (2015)

Figure 18 Funding after loan repayment: Funding per undergraduate full-time student studying at HEI in Northern Ireland, by domicile, funding item and year (£, 2013/14 prices)



Note: We assume that other targeted support is only available to undergraduate full-time students domiciled in the same Home Nation in which they are undertaking their studies (i.e. English students studying in England, Welsh students studying in Wales, etc.). Further, we assume that the same eligibility rules apply to Higher Education students studying in Further Education Institutions as to students studying in Higher Education Institutions.

Source: London Economics' analysis of relevant sources (see Table 1) and Office for National Statistics (2015)

Cross border resource flows

The information presented in Table 4 demonstrates that there are significant cross border flows of students between the Home Nations. However, to understand the resource flows that accompany these students, it is necessary to consider only those elements of funding that are portable – specifically the **student support components**. The rationale for this is that Funding Council resources allocated through block teaching and research grants are allocated to the Higher Education Institution in which the HEI is located – and do not move alongside the migrating student.

In other words, for a Welsh student studying in England, the resources ‘leaving’ Wales consist only of the student support elements (Tuition Fee Grant and tuition fee loan, and maintenance grants and loans). In parallel, HEFCE will allocate the appropriate level of teaching and research funding directly to the English Higher Education Institution. Table 6 presents the level of **student support funding** per under-graduate student attending a Higher Education Institution in different Home Nations and from different (UK) domiciles.

Table 6 Cross border resource flows per student associated with student support funding for UK-domiciled full-time undergraduate students attending HEIs, 2013/14

Domicile ↓	Country of study			
	England	Wales	Scotland	N. Ireland
England	£6,070	£5,934	£5,219	£5,531
Wales	£7,483	£7,664	£7,246	£7,246
Scotland	£2,227	£2,227	£3,301	£2,227
N. Ireland	£5,041	£5,041	£5,041	£3,521

Source: London Economics’ analysis of relevant sources (see Table 1) and Office for National Statistics (2015).

Considering full-time undergraduate students, the information in Table 7 below indicates that approximately **£152.8 million** of resources flow from Wales to England (associated with **20,415** students attending HEIs in England), while **£181.9 million** of resources flow from England to Wales (associated with **30,660** students). Although the average level of student support funding per student associated with English students attending Welsh HEIs (**£5,934**) is *lower* than the level of funding per Welsh student attending English HEIs (**£7,483**) (see Table 6), the number of English students enrolled in Welsh Higher Education Institutions significantly *exceeds* the number of Welsh students enrolled in English Higher Education Institutions. This difference in student flows results in the level of resource outflow from Wales to England (**£152.8 million**) being *less than* the resource inflows from England into Wales (**£181.9 million**).

The same phenomenon is demonstrated in terms of English/Scottish cross border flows. For Scottish domiciled students, the significant difference in the costs of attending Scottish or English Higher Education Institutions means that there is a relatively limited flow of students from Scotland to England (**4,695** students). In contrast, the fact that student support arrangements have no differentiating effect on where English student enrol, results in a significantly higher number of English students enrolled in Scottish HEIs (**13,975** students). In addition, the average level of support funding per Scottish student attending HEIs in England stands at only **£2,227**, compared to **£5,219** per English student studying in Scotland. The result is that approximately **£10.5 million** of resources flow from Scotland to England, while **£72.9 million** of resources flow from England to Scotland.

Table 7 Aggregate cross border resource flows associated with student support funding for UK-domiciled full-time undergraduate students attending HEIs in other Home Nations, 2013/14

Domicile ↓	Country of study				Resource Outflows
	England	Wales	Scotland	N. Ireland	
England	5,655.7	181.9	72.9	4.2	259.1
Wales	152.8	267.4	2.9	0.1	155.8
Scotland	10.5	0.4	317.4	0.1	11.0
N. Ireland	46.5	2.3	18.3	101.4	67.1
Resource inflows	209.7	184.6	94.2	4.5	493.0

Source: London Economics' analysis of relevant sources (see Table 1) and Office for National Statistics (2015).

Undergraduate part-time and postgraduate students

The comparable findings in relation to part-time undergraduate students and postgraduate students (both full-time and part-time) undertaking courses at Higher Education Institutions are presented in Figure 19, Figure 20, and Figure 21.

Looking at **undergraduate part-time students**, the immediate difference in the level of public funding associated with these higher education students (across all Home Nations) is the relatively limited student support that appears to be available. However, this is in part driven by the fact that the assumption in relation to the RAB charge associated with part-time students is very different from full-time students. Specifically, in England, rather than assuming that the proportion of the loan written off stands at **45%**, in this instance, we have assumed that the RAB charge stands at **0%**⁴¹, essentially reflecting the older age profile of these students, but also the fact that a high proportion of learners are combining work with study; are earning in excess of the repayment threshold; and as a consequence, will start repaying their loans at a much earlier stage than full-time undergraduate students.

Given this, considering part-time students domiciled in the same Home Nation as the Higher Education Institution attended, the analysis indicates that for English part-time undergraduate students studying in England, the total level of public resource stood at approximately **£3,204** in 2012/13 compared to **£2,775** in 2013-14. This corresponds to a **13%** decline, reflecting the annual reduction in the proportion of students funded through the block teaching grant since 2012/13, but also (to a smaller extent) the replacement of tuition fee grants and maintenance grants available to students in previous cohorts by tuition fee loans for students entering higher education from 2012/13 onwards. Comparable levels of funding were available for Welsh students studying in Wales, although as with full-time students in Wales, a greater proportion of the public funding allocated was through the provision of student support (fee and maintenance grants). In Scotland (and Northern Ireland), the level of funding allocated to part-time students was significantly higher, with the total level of public funding standing at **£5,345** in 2012/13 but increasing to **£5,918** in 2013/14 (a **10%** increase). The difference in the level of funding between Scottish and English part-time students reflects the significantly greater resources allocated through block grant teaching funding in Scotland.

In relation to **postgraduate study** (both part-time and full-time), a comparable picture emerges, with the level of public funding associated with full-time postgraduate students in England estimated to be **£2,610** in 2012/13 and **£2,358** in 2013/14. Note that the dominant source of

⁴¹ This estimate of the RAB charge for part-time students is based off several pieces of modelling and analysis undertaken (for instance, see Million+ (2014)). For a more detailed discussion of our RAB charge assumptions, please refer to Section 2.1.6.

public resource linked to postgraduate student reflects the block grant funding (for teaching, research and other activities⁴²) allocated to Higher Education Institutions in England during this period. The relatively low levels of funding also reflect the fact that the postgraduate market-place is essentially unregulated, and the very limited support that might be available to prospective students in the form of tuition fee or maintenance support (with the exception of individuals undertaking qualifications associated with Initial Teacher Training, who are typically funded under undergraduate full-time funding regimes). It is important to note that despite the announcement of the introduction of £10,000 postgraduate (fee and maintenance) loans, this picture should remain relatively unchanged (given the repayment criteria and the expectation that the RAB charge on these loans will approximate zero).

In contrast, the public funding associated with postgraduate full-time study in Scotland is significantly higher than in England (estimated to be **£6,034** in 2012/13 and **£6,459** in 2013/14). However, in addition to the greater block teaching and research funding allocated through the Scottish Funding Council⁴³, approximately **12%** of total funding (**£745** in 2013/14) is provided as student support (through the Scottish Postgraduate Student Allowance Scheme)⁴⁴.

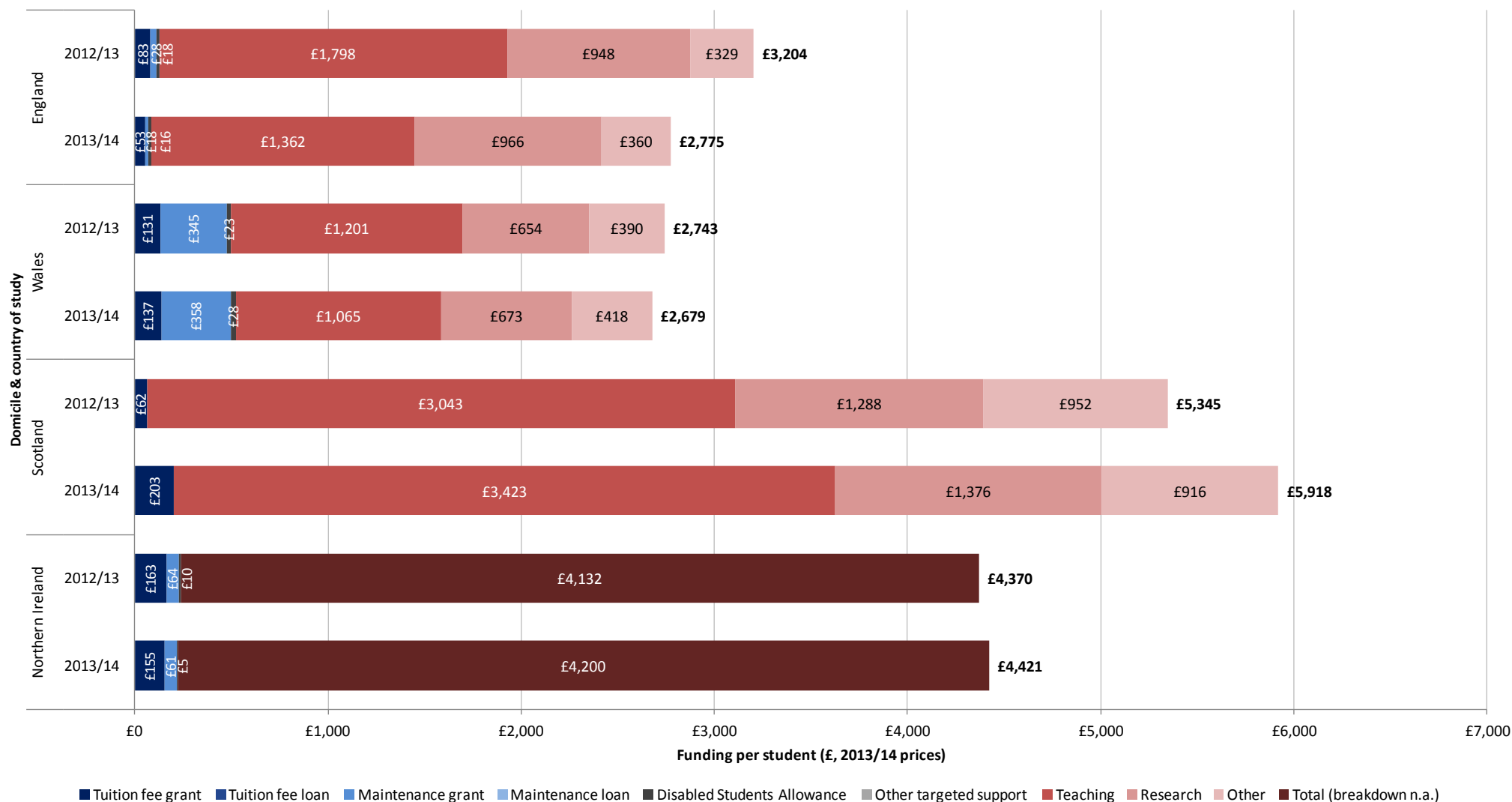
⁴² In this respect, it is important to note that the lack of disaggregation for teaching funding in England (as well as Scotland and Northern Ireland) by study level (and mode) results in an **overestimation** of the level of teaching funding per postgraduate student attending higher education courses in England. For a more detailed discussion of this issue, please refer to Section 2.1.3.

⁴³ Again, the lack of disaggregation for teaching funding in Scotland (as well as England and Northern Ireland) by study level (and mode) results in an **overestimation** of the level of teaching funding per postgraduate student attending higher education courses in Scotland. For a more detailed discussion of this issue, please refer to Section 2.1.3.

⁴⁴ Again, as noted above (see Section 2.1.3), teaching funding allocations for HEIs in England and Scotland do not allow for a delineation of the level of funding associated with students studying at different levels (i.e. undergraduate compared to postgraduate) and study modes (i.e. part-time vs. full-time). As a result, the allocation mechanism with which we calculate funding per student apportion **total teaching funding** across students at **all** levels. In reality, however, it is expected that the level of teaching funding per postgraduate student is considerably lower than the teaching funding per student at undergraduate level; hence, the across-the-board allocation mechanism underpinning our analysis results in an **overestimation of the level of teaching funding per postgraduate student**, and an **underestimation of the level of funding per undergraduate student**.

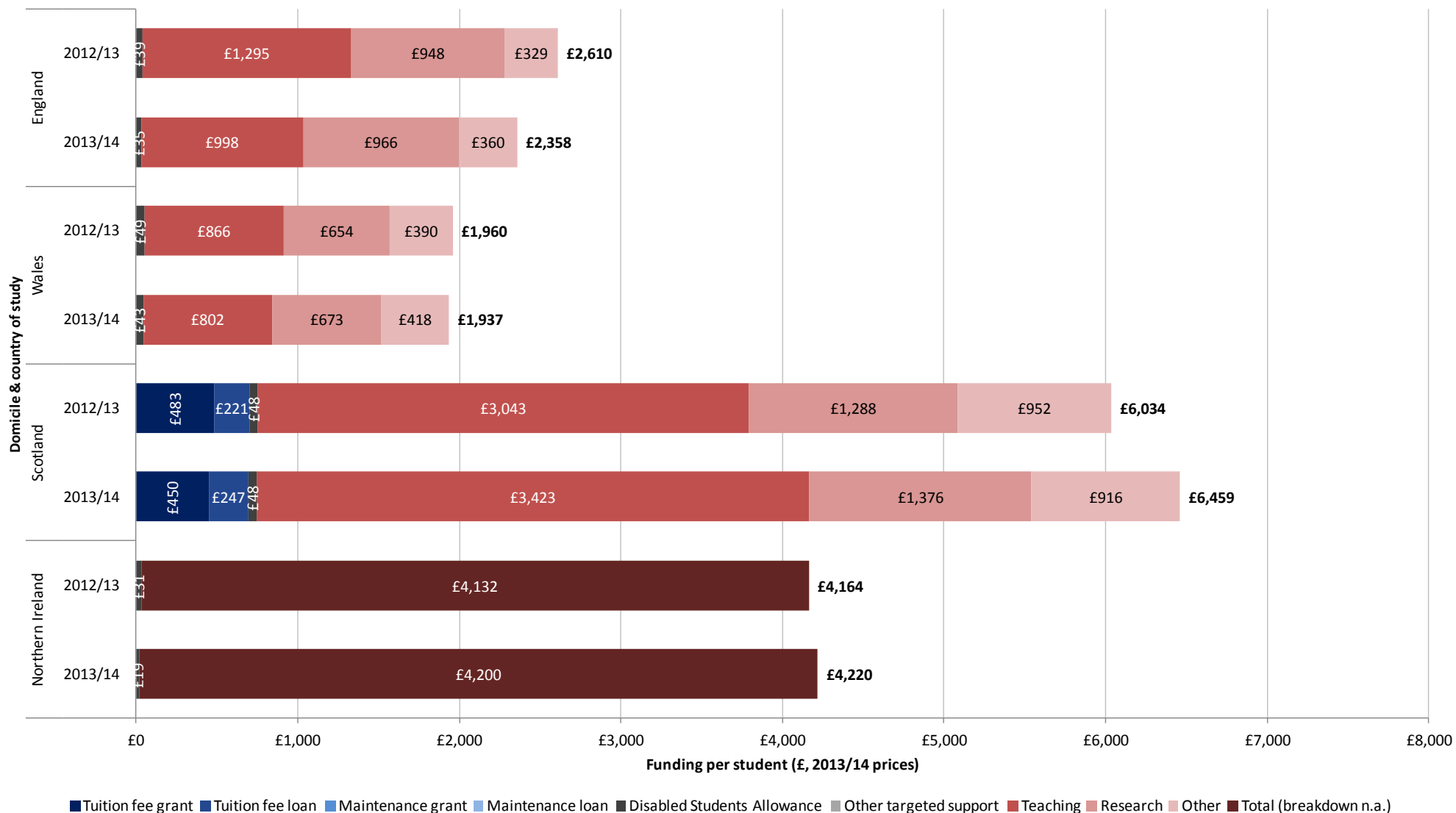
If we assumed that *no* teaching funding was allocated to postgraduate students in England or Scotland, the estimated average level of teaching funding per *undergraduate* full-time student from England studying in England increases by **£379** per student in 2012/13, and by **£289** per student in 2013/14). The comparable increases per student from Scotland studying in Scotland stand at **£692** per student in 2012/13 and **£802** per student in 2013/14. Under this same assumption, the level of total funding per postgraduate full-time student from England in England would decrease to **£1,316** per student in 2012/13 and **£1,360** per student in 2013/14, while the respective funding levels for Scottish domiciled students in Scotland would decrease to **£2,991** in 2012/13 and **£3,036** in 2013/14.

Figure 19 Funding after loan repayment: Funding per undergraduate part-time student studying at HEI by domicile, country of study, funding item and year (£, 2013/14 prices)



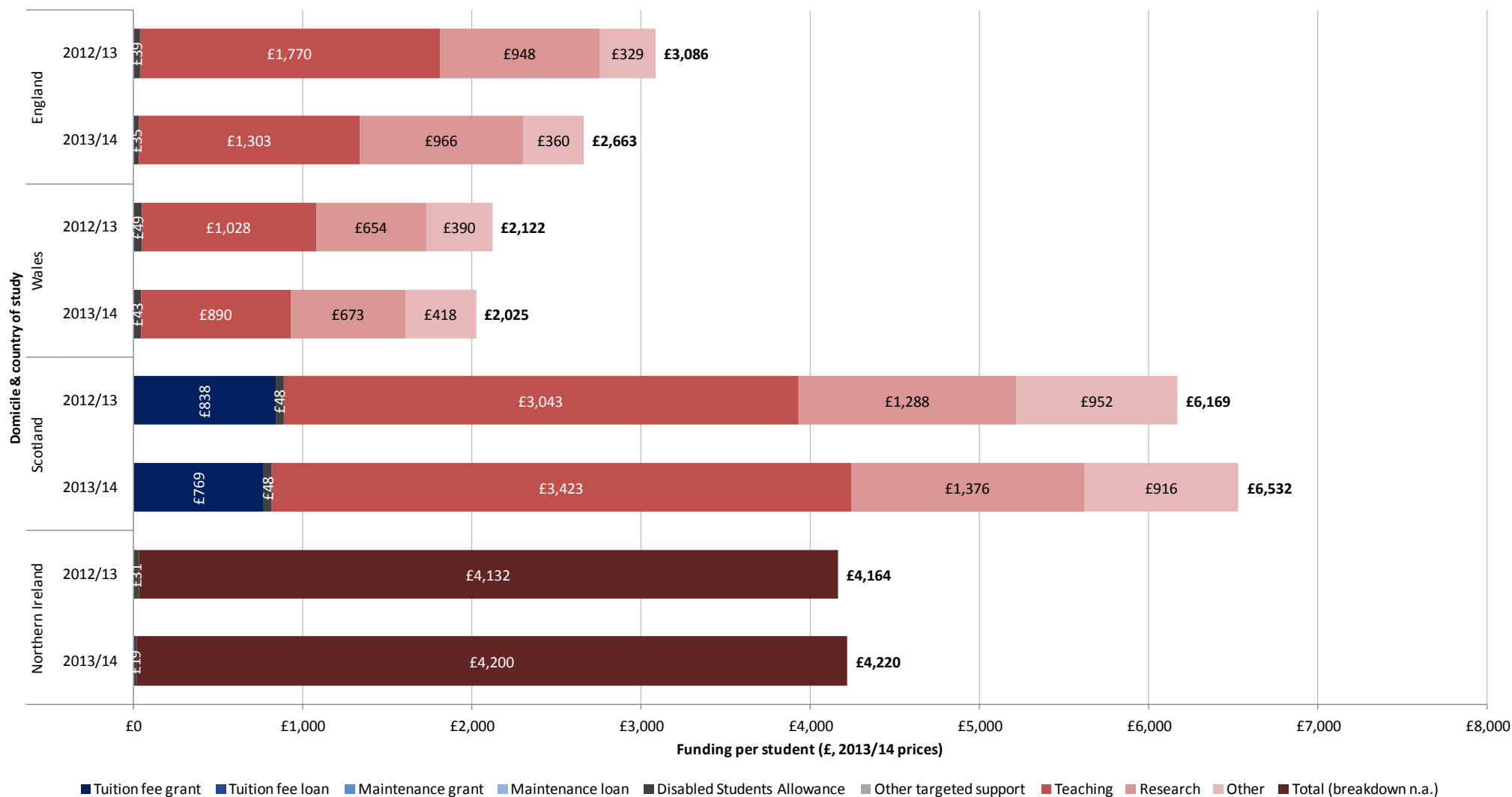
Note: Gaps may arise where there is 0% RAB charge (for part-time students); where students are ineligible for a given type of funding; or where there are zero students in a particular category. *Source: London Economics' analysis of relevant sources (please refer to Table 1).*

Figure 20 Funding after loan repayment: Funding per postgraduate full-time student studying at HEI by domicile, country of study, funding item and year (£, 2013/14 prices)



Note: Gaps may arise where there is 0% RAB charge (for part-time students); where students are ineligible for a given type of funding; or where there are zero students in a particular category. **Source: London Economics' analysis of relevant sources (please refer to Table 1).**

Figure 21 Funding after loan repayment: Funding per postgraduate part-time student studying at HEI by domicile, country of study, funding item and year (£, 2013/14 prices)



Note: Gaps may arise where there is 0% RAB charge (for part-time students); where students are ineligible for a given type of funding; or where there are zero students in a particular category. **Source: London Economics' analysis of relevant sources (please refer to Table 1).**

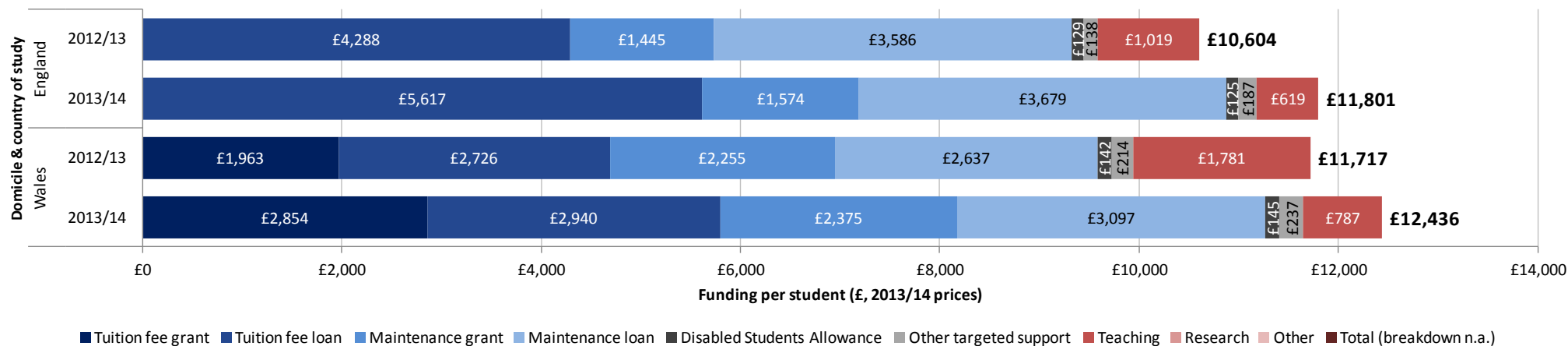
2.4 Findings: Funding per student in FEIs

In this section, we present estimates of the funding relating to higher education students attending Further Education Colleges (as opposed to Higher Education Institutions). As discussed in Section 2.1, the information on the block grant funding allocated to FE Colleges in Scotland and Northern Ireland (allocated by the SFC and DELNI, respectively) does not allow for a distinction of the funding related to students attending FE Colleges undertaking HE qualifications as compared to other types of qualifications. As a result, the analysis of funding per higher education student attending FECs focuses on the funding arrangements for students studying in England and Wales only.

Figure 22 and Figure 23 present estimates of average funding per full-time undergraduate English domiciled student attending FE Colleges in England, and full-time undergraduate Welsh domiciled students studying in Wales, before and after loan repayment. All estimates of tuition fee, maintenance and other student support (per student) mirror the results for students enrolled with HE institutions (presented in Figure 11 and Figure 12). This is due to the same assumptions being applied to students attending FECs as those attending HEIs, in particular in relation to funding rules, the distribution of students by cohort, and the extent of loan non-repayment (i.e. the RAB charge). However, the levels of HEFCE and HEFCW block grant funding per student in English and Welsh FECs are noticeably lower than the comparable estimates for HEI students, given that Further Education Colleges are generally not expected to receive any allocations for funding of non-teaching activities from their respective Funding Councils.

The differences in block grant funding allocated to HEIs and FECs by HEFCE and HEFCW result in lower estimates of total funding per student for higher education students in Further Education Colleges than comparable students enrolled with Higher Education Institutions. The level of total funding per English domiciled student (after loan repayment) attending an English FE College was estimated at **£6,688** in 2013/14 (compared to **£8,870** for a similar student studying at a HE institution). For Welsh domiciled students, the respective estimates stand at **£8,451** per student enrolled in a higher education course with a FE College compared to **£9,456** per HEI student.

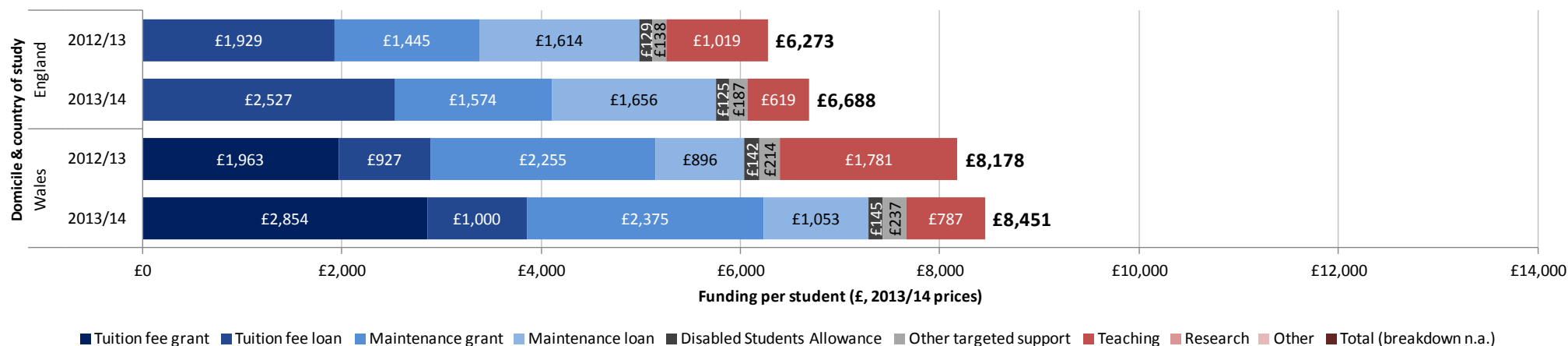
Figure 22 Funding before loan repayment: Funding per undergraduate full-time student studying at FEI by domicile, country of study, funding item and year (£, 2013/14 prices)



Note: We assume that other targeted support is only available to undergraduate full-time students domiciled in the same Home Nation in which they are undertaking their studies (i.e. English students studying in England, Welsh students studying in Wales, etc.). Further, we assume that the same eligibility rules apply to Higher Education students studying in Further Education Institutions as to students studying in Higher Education Institutions.

Source: London Economics' analysis of relevant sources (see Table 1) and Office for National Statistics (2015)

Figure 23 Funding after loan repayment: Funding per undergraduate full-time student studying at FEI by domicile, country of study, funding item and year (£, 2013/14 prices)



Note: We assume that other targeted support is only available to undergraduate full-time students domiciled in the same Home Nation in which they are undertaking their studies (i.e. English students studying in England, Welsh students studying in Wales, etc.). Further, we assume that the same eligibility rules apply to Higher Education students studying in Further Education Institutions as to students studying in Higher Education Institutions.

Source: London Economics' analysis of relevant sources (see Table 1) and Office for National Statistics (2015)

3 Adult Skills

Compared to the public resources dedicated to higher education analysed in the previous chapter, funding for Adult Skills (supporting non-HE learners aged 19+ and over) encompasses a wide range of activities and institutions, including Further Education Colleges as well as other providers, across the country. In this respect, Adult Skills cannot be equated simply with Further Education, but is much broader in scope. At the same time, Further Education funding is not restricted to Adult Skills funding, but also includes the public resources targeted at younger students attending Further Education Colleges (importantly for this analysis, the funding targeted at 16-19 students that is discussed in Section 4).⁴⁵

3.1 Methodological approach

3.1.1 Primary sources of public funding

In **England**, responsibility over determining the public budget committed to Adult Skills provision lies with The Department for Business, Innovation and Skills (BIS), with the resulting allocations being published in the Department's respective Skills Funding Statement⁴⁶ for each academic year. The Skills Funding Statement sets out the funding available for Adult Skills in terms of:

- Funding for **teaching and learning**, including:
 - The **Adult Skills Budget**, incorporating funding for *classroom-based provision, adult apprenticeships, other workplace training, City Deals*, and the *Growth and Innovation Fund*⁴⁷. The Adult Skills Budget is administered by the Skills Funding Agency (SFA) on behalf of the Department for Business, Innovation and Skills (BIS)⁴⁸;
 - The **Employer Ownership Pilot**;
 - 24+ **Advanced Learning Loans**, newly introduced in 2013/14 to support learners aged 24 and over studying at Level 3 and above;
 - The **Offender Learning and Skills Service – OLASS4** (administered by the SFA for BIS);
 - **Community Learning** (administered by the SFA for BIS);
 - The **European Social Fund** (administered by the SFA for the Department for Work and Pensions);
- **Student/learner support**, including *Learner Support*⁴⁹ funding and the *National Careers Service* (both granted to the SFA by BIS);
- Funding to support the **Skills Infrastructure** (administered by the SFA for BIS);
- Funding to support the **FE and Skills Sector**; and
- **Capital grants** (administered by the SFA for BIS).

⁴⁵ For further detail, please refer to Wolf (2015).

⁴⁶ See Department for Business, Innovation and Skills (2012a and 2014b).

⁴⁷ According to the Skills Funding Agency's Annual Accounts 2013/14 (see Skills Funding Agency, 2014a), it was estimated that there was no funding associated with the Growth and Innovation Funding in the 2013/14 academic year.

⁴⁸ Note that the Adult Skills Budget includes some funding to be transferred to the Education Funding Agency for 19-24 year old learners with Learning Difficulties Assessments and Education, Health and Care Plans. This funding is taken account of in the analysis of the funding associated with 16-19 funding in General FE Colleges, as analysed in Section 4. The inability to exclude this funding from either the Adult Skills Budget or the funding for 16-19 provision (due to a lack of the required detail in either dataset) results in some overlap between the funding levels associated with both types of provision throughout our analysis.

⁴⁹ This includes Discretionary Learner Support, the learner support element of the 24+ Advanced Learning Loan Bursary Fund, the Professional and Career Development Loan scheme, and Dance and Drama Awards for young adults.

Whereas the information published in England allows for a detailed analysis of the funding aimed at 19+ Adult Skills, to our knowledge, no comparable information is available for Scotland, Wales or Northern Ireland. Based on the (more limited) information provided by funding bodies outside England, there is no way of delineating the funding within other Home Nations between Further Education students aged 16-18 compared to those aged 19 or above. Given these difficulties in comparability across the Home Nations, the analysis of Adult Skills funding at hand necessarily focuses on the funding provided to institutions in **England only**.

3.1.2 Data sources considered in the analysis

Table 8 lists the underlying data sources employed throughout the analysis of Adult Skills funding in England. To assess the total public resources allocated under each of the above-listed Adult Skills funding themes, we used aggregate funding levels provided in the Skills Funding Statements published by the Department for Business, Innovation and Skills (2012a and 2014b). In addition to these aggregate values, it is important to understand the breakdown of the Adult Skills Budget into the above-listed components (i.e. classroom-based provision, adult apprenticeships, etc.). As BIS' Skills Funding Statements do not include such a more detailed breakdown, we **estimated** the level of funding associated with each of the components of the Adult Skills Budget. For this, we used information from the Skills Funding Agency's Annual Accounts on Agency expenditure by programme in each of the relevant academic years⁵⁰.

Similar to the estimation of funding per student attending higher education, we estimated the funding per student by allocating the funding for Adult Skills across the entire 19+ student body in the system. For this, we made use of data on Further Education & Skills participation amongst learners aged 19 or above published by the Skills Funding Agency and the Department for Business, Innovation and Skills⁵¹.

Table 8 Key data sources used for analysis of funding for Adult Skills (England only)

	Reference	Year(s)	Data description	Source
Adult Skills	Department for Business, Innovation and Skills (2012a)	2012/13	Total Adult Skills Budget and other funding for 19+ adult FE and skills learners	https://www.gov.uk/government/publications/skills-funding-statement-2012-2015
	Department for Business, Innovation and Skills (2014b)	2013/14	Total Adult Skills Budget and other funding for 19+ adult FE and skills learners	https://www.gov.uk/government/publications/skills-funding-statement-2013-to-2016
	Skills Funding Agency (2013)	2012/13	Breakdown of expenditure by programme (i.e. breakdown of Adult Skills Budget)	https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/229128/0237.pdf
	Skills Funding Agency (2014a)	2013/14	Breakdown of expenditure by programme (i.e. breakdown of Adult Skills Budget)	https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/322531/SFA_Annual_Report_2013_to_2014.pdf
	Skills Funding Agency and Department for Business, Innovation and Skills (2015)	2012/13 & 2013/14	Number of adult (19+) FE and skills apprenticeship and non-apprenticeship learners *	https://www.gov.uk/government/statistics/learner-participation-outcomes-and-level-of-highest-qualification-held

Note: *The total number of adult FE and skills learners includes some students in FE Colleges undertaking HE courses (at Level 4+). According to the data, the total number of adult FE and skills students at Level 4+ amounts to between 1% and 2% of total adult (19+) FE and skills participation in 2012/13 and 2013/14. The data do not provide a detailed breakdown of these Level 4+ students by education path (i.e. HE courses vs. other types of Level 4+ FE and skills education (e.g. Higher Level Apprenticeships, Level 4+ Workplace Learning)). This prevents us from excluding HE students in FE Colleges from the total learner count, which would ideally be required to avoid double-counting the number of students at Higher Education level attending their course at a Further Education Institution.

Source: London Economics' analysis of relevant sources

⁵⁰ See Skills Funding Agency (2013), p. 71 (for 2012/13) and Skills Funding Agency (2014a), p. 73 (for the 2013/14 academic year).

⁵¹ See SFA and BIS (2015).

3.1.3 Eligibility for funding and allocation of funding to eligible students

Again similar to the analysis of higher education funding outlined above, the assessment of funding for Adult Skills in England necessitates a distinction of the funding applicable to different types of learners participating in the Adult Skills system. In this respect, we distinguish between learners undertaking **apprenticeships** and learners participating in other types of Adult Skills provision in England, separately for each academic year. Based on this categorisation, Table 9 summarises our assumptions regarding the types of funding applicable to these two groups of learners. These assumptions underpin our calculation of the funding per student associated with each group, allocating total funding under each heading across *all* relevant students for whom the particular funding stream applies to.

Table 9 Assumptions on Adult Skills funding applicable to apprenticeship and non-apprenticeship learners in 2012/13 and 2013/14

	Type of funding	Type of learner	
		Apprenticeship	Non-apprenticeship
Adult Skills Budget	Classroom-based provision		✓
	Adult Apprenticeships	✓	
	Other workplace training		✓
	City Deals		✓
	Growth and Innovation Fund		✓
Other teaching and learning	Employer Ownership	✓	✓
	24+ Advanced Learning Loans *	✓	✓
	Offender Learning and Skills Service		✓
	Community Learning		✓
	European Social Fund	✓	✓
Student support	Learner Support	✓	✓
	National Careers Service	✓	✓
Other funding	Skills Infrastructure	✓	✓
	FE and Skills Sector	✓	✓
	Capital grants	✓	✓

Note: We apply the same assumptions on funding applicability across students in both the 2012/13 and 2013/14 academic years.

* 24+ Advanced Learning Loans were introduced in the 2013/14 academic year, and were thus not applicable to 2012/13.

Source: London Economics' analysis of Department for Business, Innovation and Skills (2012a and 2014b) and Skills Funding Agency (2013 and 2014a).

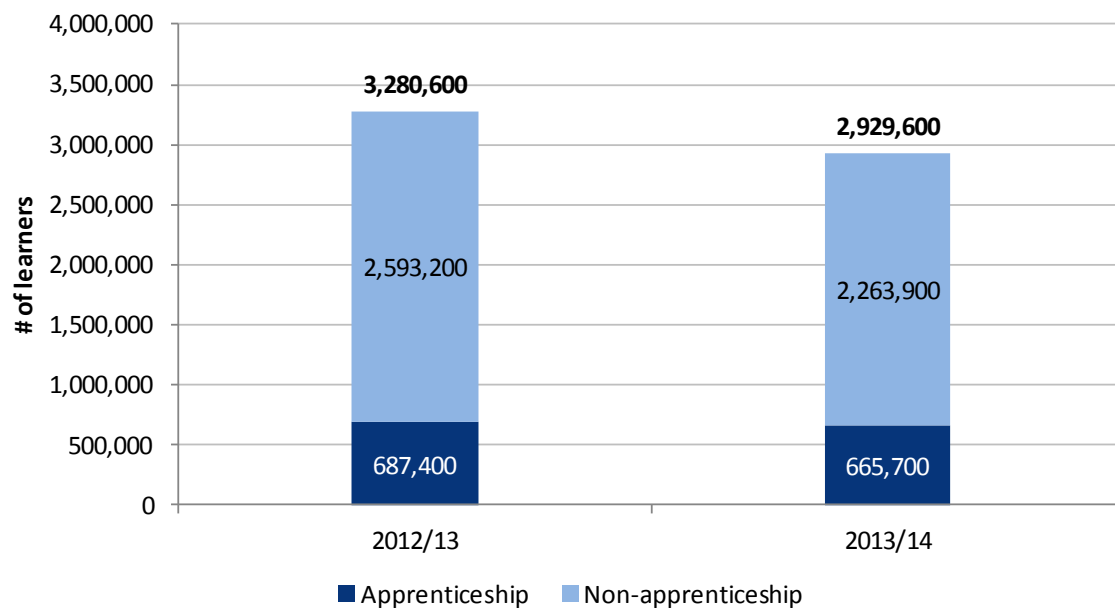
3.1.4 Number of learners in the Adult Skills system

As discussed above, the funding for Adult Skills encompasses funding for a wide range of student and provider types. Data on the total number of participants in the Adult (19+) FE & Skills system (based on Skills Funding Agency (2015) in Figure 24) include participants in apprenticeships, Workplace Learning, Community Learning and Education and Training provision (including Offenders' Learning and Skills Service (OLASS4)) at General FE Colleges, Sixth Form Colleges, Special Colleges⁵², Specialist Colleges and external institutions. Figure 24 illustrates an **11%** decline in the number of 19+ learners from approximately **3.3 million** in 2012/13 to **2.9 million** in 2013/14. The contraction in the student body was especially pronounced among learners on non-apprenticeship programmes, decreasing (by **13%**) from approximately **2.6 million** in 2012/13 to

⁵² This includes Agricultural and Horticultural Colleges and Art and Design Colleges)

2.3 million in 2013/14; this compares to a **3%** decline in the number of + apprentices aged 19 or above, who account for between **21%** and **23%** of the total Adult Skills system in each year.

Figure 24 19+ FE and Skills participation by learner type, 2012/13 and 2013/14

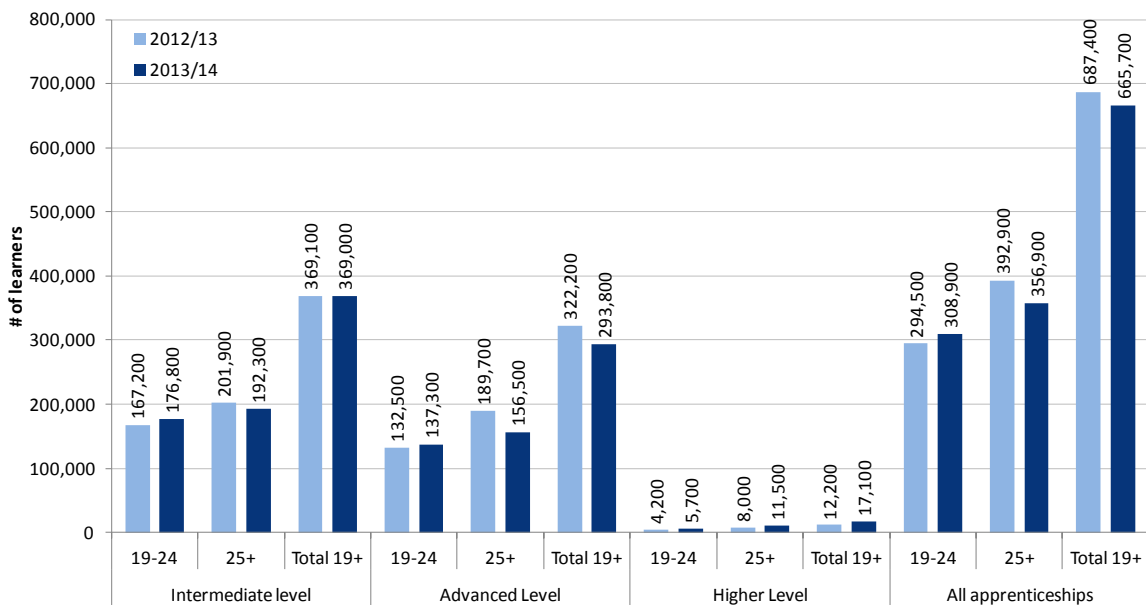


Note: The distinction between apprenticeship and non-apprenticeship learners implicitly assumes that there are no learners undertaking an apprenticeship programme as well as other types of learning, i.e. that no apprenticeship learner appears in any other learner category.

Source: London Economics' analysis of Skills Funding Agency and Department for Business, Innovation and Skills (2015).

More detailed information on apprenticeship learners is provided in Figure 25, which presents a breakdown of adult apprenticeship participation by level and age band for each academic year of interest. The number of young apprentices aged 19-24 increased across all levels, from a total of **294,500** to **308,900** between 2012/13 and 2013/14. This increase in the number of young apprentices was outweighed by a significant decline in the number of apprentices aged 25 and over at Intermediate and Advanced Level (by **42,800 learners**). However, to place this in context, this reduction in the number of apprentices aged 25 or above reverses the previous trend between 2009/10 and 2011/12 when there was a substantial increase in the number of apprenticeship starts from approximately **50,000** to **200,000** amongst this age group⁵³.

⁵³ See London Economics (2013) analysis on behalf of the Low Pay Commission.

Figure 25 19+ apprenticeship participation by level and age band, 2012/13 and 2013/14

Note: Numbers across all apprenticeships do not add up to the total across different levels of apprenticeships, as the 'all apprenticeships' counts each learner only once regardless of how many programmes they participated in. In contrast, learners on more than one apprenticeship programme will be counted in the totals for each apprenticeship level they participated in.

Source: London Economics' analysis of Skills Funding Agency and Department for Business, Innovation and Skills (2015).

3.1.5 Specific methodological issues

Adjusting for loan repayment

As with student support funding for students undertaking higher education, the existence of 24+ Advanced Learning Loans in Adult Skills funding necessitates a consideration of the extent to which such loans are expected to be repaid (i.e. the RAB charge). The assumed loan non-repayment rate used throughout the analysis of Adult Skills funding is based on an ex-ante impact assessment of the introduction of 24+ Advanced Learning Loans published by the Department for Business Innovation and Skills (2012b). The estimate of the RAB charge associated with such loans stands at **60%**. This implies that students are expected to repay **40%** of the nominal face value of the loans (in present value terms), compared to an anticipated **55%** repayment rate for English higher education students studying in England. According to the Department's analysis, and despite the fact that the average loan balance for learners with Advanced Learning Loans is less than the representative student in higher education, the RAB charge is greater than that for the higher education student loan book because of the lower average income of FE learners⁵⁴.

Caveats

As with the analysis of the funding associated with higher education students, there are a number of limitations to the analysis of Adult Skills funding (the results of which are presented below) that should be kept in mind:

- Based on the (more limited) information provided by funding bodies outside England, there is no way of delineating the funding within other Home Nations between Further

⁵⁴ See Department for Business, Innovation and Skills (2012b), p. 40.

Education students aged 16-18 compared to those aged 19 or above. As a result, the analysis of Adult Skills funding at hand necessarily focuses on the funding provided to institutions in **England only**.

- Compared to data on the funding associated with higher education students, the information on Adult Skills funding in England as published by the Department for Business, Innovation and Skills (2012a and 2014b) is significantly less detailed. This necessitates a simplification of the mechanism with which we allocate funding between apprentices and non-apprentice learners aged 19+. This is because the level of detail in the relevant data sources limits the level of disaggregation (and accuracy) with which funding for apprentices and non-apprentices can be distinguished.
- The level of detail in the Adult Skills funding statements further suggests that some double-counting of the funding associated with high needs learners aged 19-24 will occur. The Adult Skills Budget includes some funding that has been transferred to the Education Funding Agency to fund the higher costs associated with 19-24 year olds with Learning Difficulties Assessments and/or Education, Health and Care Plans (EHCPs). However, this funding is also taken account of in the analysis of the funding associated with 16-19 funding in General FE Colleges, as analysed in Section 4. The inability to exclude this funding from either the Adult Skills Budget or the funding for 16-19 provision (due to a lack of the required detail in either dataset) results in some overlap between the funding levels associated with both types of provision throughout our analysis.
- Finally, the available data on Adult Skills students⁵⁵ imply some double-counting (to a small extent) of the number of students attending higher education courses at Further Education Colleges. In particular, the total number of adult FE & Skills learners used in the analysis of Adult Skills Funding includes students in FE Colleges undertaking HE courses (at Level 4+). According to the data, the total number of adult FE and skills students at Level 4+ amounts to between 1% and 2% of total adult (19+) FE & Skills participation in 2012/13 and 2013/14. The data do not provide a detailed breakdown of these Level 4+ students by education path (i.e. HE courses vs. other types of Level 4+ FE & Skills education (e.g. Higher Level Apprenticeships, Level 4+ Workplace Learning)). This prevents us from excluding HE students in FE Colleges from the total learner count, which would ideally be required to avoid double-counting the incidence of higher education in FE.

3.2 Findings: Funding in Adult Skills

Findings: Total funding for Adult Skills

Figure 26 and Figure 27 present the levels of total Adult Skills funding in England by type of funding and academic year, again **before** and **after** adjusting for the relevant RAB charge (associated with 24+ Advanced Learning Loans). Comparing funding levels – before loan repayment (which reflects the total public and private contribution)

The total level of Adult Skills funding before loan repayment increased from **£4.036 billion** in 2012/13 to **£4.081 billion** in 2013/14, which corresponds to a **1%** increase in total funding (both public and private). However, there were significant changes in the share of the different sub-

⁵⁵ See Skills Funding Agency and Department for Business, Innovation and Skills (2015).

categories of funding across the two academic years, which are likely to undergo further significant change going forward⁵⁶.

Specifically, between 2012/13 and 2013/14, the analysis indicates that there has been a **£275 million** reduction (**10%**) in the Adult Skills Budget (from **£2.743 billion** to **£2.468 billion** in real terms). In more detail, the Adult Skills Budget which accounted for **68%** of total Adult Skills funding in the 2012/13, which declined to **60%** of total funding in the 2013/14 academic year.

In terms of other funding streams, the introduction of a range of new policies (such as the *Employer Ownership Pilot*) resulted in some increases in funding (**£46 million**) in 2013/14, while the level of capital grants for Adult Skills providers increased by **65%** (from **£0.276 billion** to **£0.450 billion**) across the two academic years. However, the largest change in the level of resource available within the Adult Skills budget came through the introduction of the 24+ Advanced Learning Loans in 2013/14, which was associated with **£0.129 billion** of additional (public and private) funding to Adult Skills funding in that academic year.

The adjustment for the RAB charge for 24+ Advanced Learning Loans again drives a wedge between the total (i.e. private and public) resources associated with Adult Skills (see Figure 26) and the total public funding *only* (see Figure 27) – though to a much lesser extent than was observed for higher education funding (given the relative limited volume of Advanced Learning Loans compared to other sources of Adult Skills funding, as well as the relatively high RAB charge associated with these loans).

However, of interest is that fact that following the adjustment for loan repayment, the analysis suggests that there has been a small real terms reduction (by less than **1%**) in the public resources allocated for Adult Skills provision, from **£4.036 billion** in 2012/13 to **£4.030 billion** in 2013/14.

Findings: Adult Skills funding per student

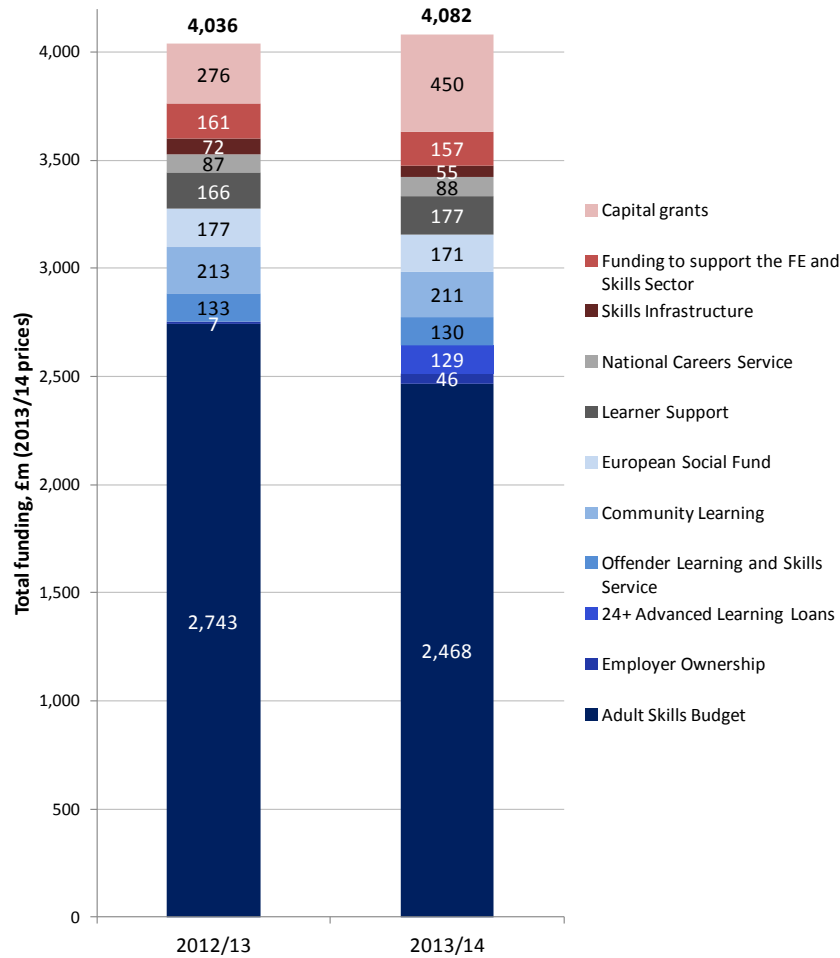
Figure 28 presents the resulting estimates of the funding per Adult Skills learner, separately for apprenticeship and non-apprenticeship learners, by academic year and funding item. The total level of Adult Skills funding per student is relatively comparable across both adult apprenticeship learners (standing at **£1,554** per student in 2013/14) and students attending non-apprenticeship programmes (standing at **£1,323** per student in 2013/14). In addition, both the estimates of the funding per apprenticeship and non-apprenticeship learner displayed an increase between 2012/13 and 2013/14, with funding per adult apprentice increasing by **9%** (from **£1,440**), and funding per adult non-apprentice rising by **14%** (from **£1,175**) in real terms.

In spite of these similarities in the absolute level of funding per student, the relative importance of different types of funding varies noticeably across the two types of adult learners (see Figure 29). In 2012/13, the Adult Skills Budget contributed to **80%** of total funding – after repayment - per adult apprenticeship learner, compared to **64%** of funding per non-apprenticeship learner. Following the reduction of the Adult Skills Budget in the 2013/14 academic year, these percentages declined to **73%** for apprenticeship and **57%** for non-apprenticeship learners.

At the same time, the increase in capital grants implied an increase in the proportion of funding per Adult Skills learner accounted for by these grants (from **6%** to **10%** for apprentices, and from **7%** to **12%** for non-apprenticeship learners).

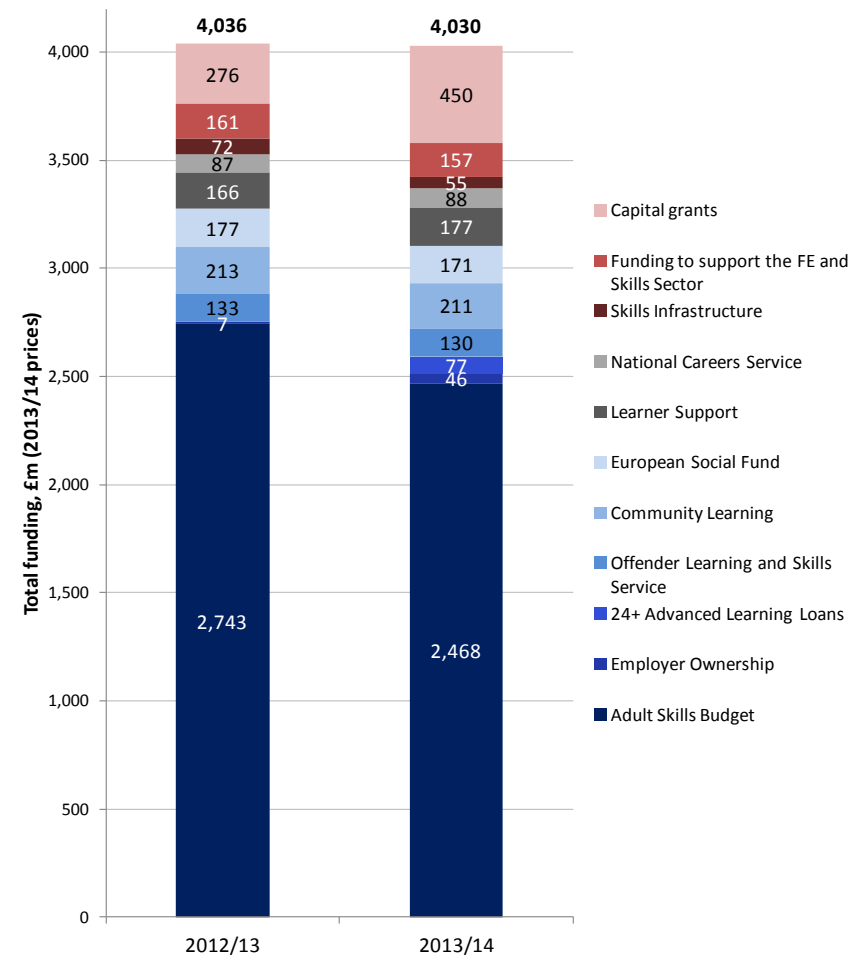
⁵⁶ In February 2014, it was announced that the funding available within the Adult Skills budget would decline from **£2.468bn** in 2013/14 to **£2.258bn** in 2014/15 and **£2.004bn** in 2015/16 (alongside an increase in the nominal face value of Advance Learning Loans from **£129 million** in 2013/14 to **£398 million** in 2014/15 and **£498 million** in 2015/16 ([here](#))).

Figure 26 Total funding for Adult Skills *before* loan repayment (£million, 2013/14 prices)



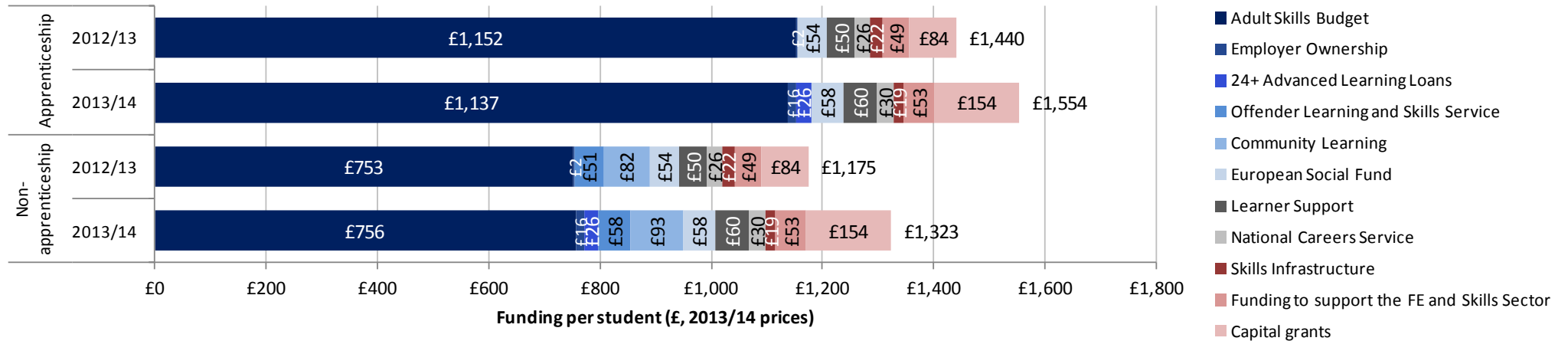
Source: London Economics' analysis of relevant sources (see Table 8) and Office for National Statistics (2015)

Figure 27 Total funding for Adult Skills *after* loan repayment (£million, 2013/14 prices)



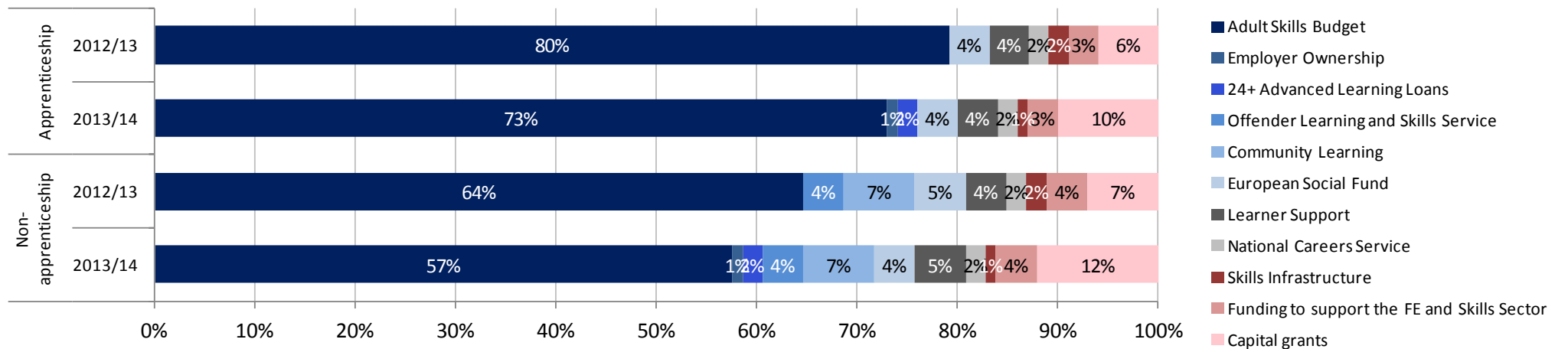
Source: London Economics' analysis of relevant sources (see Table 8) and Office for National Statistics (2015)

Figure 28 Funding after loan repayment: Funding per adult (19+) apprenticeship and non-apprenticeship learner in England (2013/14 prices)



Note: We apply the same assumptions on funding applicability across students in both the 2012/13 and 2013/14 academic years.
 Source: London Economics' analysis of relevant sources (see Table 8) and Office for National Statistics (2015)

Figure 29 Funding after loan repayment: Percentage breakdown of funding per adult (19+) apprenticeship and non-apprenticeship learner in England, by type of funding



Note: We apply the same assumptions on funding applicability across students in both the 2012/13 and 2013/14 academic years.
 Source: London Economics' analysis of relevant sources (see Table 8) and Office for National Statistics (2015)

4 16-19 provision

Having outlined the public funding associated with students in the FE and Skills sector aged 19 and over, in the following section, we provide a summary of our analysis of the public resources allocated to Sixth Form provision for Further Education students aged 16-18 (and 19 year old continuing students). Throughout the analysis, we focus on 16-19 education in General Further Education Colleges (including tertiary), excluding other provider types from the analysis.

4.1 Methodological approach

4.1.1 Primary sources of public funding

As outlined in Section 3.1.1, the differences in Further Education funding regimes across the Home Nations imply that the funding information available from relevant funding bodies in Wales, Scotland and Northern Ireland does not distinguish between the funding associated with 16-18 year olds as opposed to adult (19+) students (as is available in England). Again, given these issues concerning comparability and consistency of reporting across the Home Nations, similar to the examination of Adult Skills, the analysis of 16-19 funding in General FE Colleges focuses on the public resources allocated to institutions in **England only**.

General FE Colleges located in England receive public funding for 16-19 provision from two key sources, depending on the type of programme. Again, as with the funding associated with Adult Skills, we distinguish between students undertaking apprenticeship programmes and students undertaking learning outside of the apprenticeship system. While funding for learners aged 16-19 engaged on apprenticeships (as well as most learners aged 19+, as discussed above) is managed by the Skills Funding Agency, responsibility for funding non-apprenticeship programmes with the 16-19 phase of education rests with the Education Funding Agency (EFA)⁵⁷.

4.1.2 Data sources and calculation of funding per student

Non-apprenticeship learning

To assess the level of funding associated with 16-19 **non-apprenticeship** learning, we used data on the EFA's 16-19 allocations at institutional level for the 2012/13 and 2013/14 academic years.

Total 16-19 EFA funding allocations in **2012/13** (see EFA, 2012) include *total programme funding* for students aged 16-19 (including *Additional Learning Support* and additional funding for disadvantaged students); *funding for students with high needs aged 19-24* (again including *Additional Learner Support*)⁵⁸; and *16-19 Bursary Funding*.

The funding items included in the EFA's allocations changed in the **2013/14** academic year (see EFA, 2013), based on alterations to the funding system for post-16 students in that year.

⁵⁷ Note that 16-18 apprenticeships are also funded by the Education Funding Agency, but the Skills Funding Agency is responsible for managing this funding.

⁵⁸ As outlined in Section 3.1.1, this funding is allocated to the EFA as part of the Adult Skills Budget. However, it is not feasible to separate this funding within the Adult Skills Budget (i.e. to exclude it from funding for 19+ Adult Skills learners) in both academic years of interest, or to separate it within the EFA's 16-19 funding allocations for 2013/14 (given changes to the EFA's allocation mechanisms in the 2013/14 academic year). Hence, this particular type of funding (though the 2012/13 allocations data indicate that it is relatively low) is double counted across the analysis of 16-19 funding and funding associated with Adult Skills, for both academic years.

Specifically, the newly introduced funding formula for post-16 students combined previous funding streams for 16-19 Additional Learning Support and 19-24 high needs students (i.e. those with a Learning Difficulty Assessment or an Education and Health Care Plan) into a single funding stream for high needs students.

As a result, the funding for high needs students aged 19 to 24 with a learning difficulty and / or disability is no longer reported separately in the 2013/14 allocations. Instead, the allocations distinguish between *total programme funding* (consisting of pro-rated student volumes, a student retention factor, programme costs, disadvantage funding and area costs), funding for *Element 2 High Needs* (to meet the additional costs for high needs students) and *Discretionary Bursary Funding*. Note that we exclude from the analysis any funding items (i.e. Residential Bursaries and special Dance and Drama Awards) that are not included within the Education Funding Agency's core allocation data for 16-19 provision.

To assess the total funding per relevant 16-19 non-apprentice learner, we then divided the aggregate level of funding for General FE Colleges allocated in each year by the total number of students attending these providers, which are reported alongside the funding allocations. Note that the Education Funding Agency's funding regime operates on a lagged basis, i.e. funding allocations are based on institutions' learner count in the previous academic year. As a result, the student count indicated in the funding allocations in each academic year reflects values for the previous academic year.

Table 10 Key data sources used for analysis of funding for 16-19 provision (England only)

	Reference	Year(s) covered	Data description	Source
16-19 provision	Education Funding Agency (2012)	2012/13	Funding allocations and learner numbers for students aged 16 to 19 and high cost 19-24 Additional Learning Support students	http://webarchive.nationalarchives.gov.uk/20131216163513/http://www.education.gov.uk/aboutdfe/executiveagencies/efa/funding/funding/b00204972/16-19-allocations/fe-2012-13
	Education Funding Agency (2013)	2013/14	Funding allocations and learner numbers for students aged 16 to 19 and high needs students aged 16 to 24	http://webarchive.nationalarchives.gov.uk/20131216163513/http://www.education.gov.uk/aboutdfe/executiveagencies/efa/funding/funding/b00204972/16-19-allocations/allocations-for-2013-14
	Skills Funding Agency (2014b)	2012/13	Final funding for 16-18 apprenticeships by provider	https://www.gov.uk/government/publications/sfa-funding-allocations-2012-to-2013
	Skills Funding Agency (2014c)	2013/14	Final funding for 16-18 apprenticeships by provider	https://www.gov.uk/government/publications/sfa-funding-allocations-to-training-providers-2013-to-2014
	Skills Funding Agency (2014d)	2012/13	16-18 apprenticeship participation by provider, funding stream, learner and learning characteristics	https://www.gov.uk/government/statistical-data-sets/fe-data-library-local-authority-tables
	Skills Funding Agency (2014e)	2013/14	16-18 apprenticeship participation by provider, funding stream, learner and learning characteristics	https://www.gov.uk/government/statistical-data-sets/fe-data-library-local-authority-tables

Source: London Economics' analysis of relevant sources

Apprentice learning

To undertake an analysis of the public resources associated with **apprentices** in England, we used data on Skills Funding Agency allocations for apprenticeships by provider (see Skills Funding Agency, 2014b and 2014c)⁵⁹, merged with information on the number of learners undertaking

⁵⁹ The allocations constitute final, end-of-year financial positions per institution.

apprenticeships by provider/institution (again published by the Skills Funding Agency, 2014d and 2014e). The merging of the datasets was required as a result of the lack of information on *provider type* in the Skills Funding Agency's allocations data, preventing a distinction of General FE Colleges within the funding allocations. Separately for each academic year, using the unique UK Provider Reference Number (UKPRN) to identify Colleges across both data sources, the funding allocations data were merged with the information on student numbers (where the latter dataset indicates the provider type)⁶⁰. Based on the merged dataset, we then divided the aggregate level of funding for General FE Colleges by the total number of apprentices (aged under 19) attending these institutions, thereby arriving at the level of funding per student in each academic year.

4.1.3 Caveats

As with the analysis of the funding associated with higher education and Adult Skills, several limitations to the analysis of 16-19 funding in General FE Colleges should be highlighted:

- Based on the (more limited) information provided by funding bodies outside England, there is no way of delineating the funding within other Home Nations between Further Education students aged 16-18 compared to those aged 19 or above. As a result, the analysis of 16-19 funding necessarily focuses on the funding provided to General FE Colleges in **England only**.
- The Adult Skills Budget includes some funding that is transferred to the Education Funding Agency to fund the higher costs associated with 19-24 year olds with Learning Difficulties Assessments and/or Education, Health and Care Plans. This is also included in the funding for 16-19 non-apprenticeship provision allocated by the Education Funding Agency. The EFA's allocations indicate that this funding amounted to approximately **£57.4 million** in that year for General FE Colleges (corresponding to approximately **2%** of the total funding associated with 16-19 non-apprenticeship learners in GFECs); however, the lack of detail available in the EFA's funding allocations data for 2013/14 prevents a similar assessment of the size of this budget for the 2013/14 academic year. The inability to exclude this funding from either the Adult Skills Budget or the funding for 16-19 provision (due to a lack of the required detail in either dataset) results in some double-counting of the funding levels associated with both types of provision throughout our analysis⁶¹.
- The results in relation to funding associated with 16-19 apprenticeship provision in General FE Colleges (as allocated by the Skills Funding Agency) is based on a subset of all Colleges. The restriction of the analysis to general FE Colleges required merging information on 16-19 apprenticeship learners, which included an indication of the type of provider, with the Skills Funding Agency's final resource allocation data. Due to some gaps in these allocations data, we were only to identify information on funding in the allocations data for **215** out of **219** colleges in 2012/13, and for **202** out of **218** colleges in 2013/14.
- Finally, the Education Funding Agency's funding rules operate on a lagged basis, i.e. the Agency's funding allocations for 16-19 non-apprenticeship provision for each academic year corresponding to student numbers in the previous year. To derive estimates of the

⁶⁰ Note that the funding allocations data for each year exclude General FE Colleges whose funded position has not been finalised at the time of data publication. As a result, for 2012/13, we were unable to find a match in the funding data for 4 (i.e. 2%) out of the 219 colleges included in the information on learner numbers; in 2013/14, there was no match for a total of 16 (7%) of the 218 colleges included in the student data.

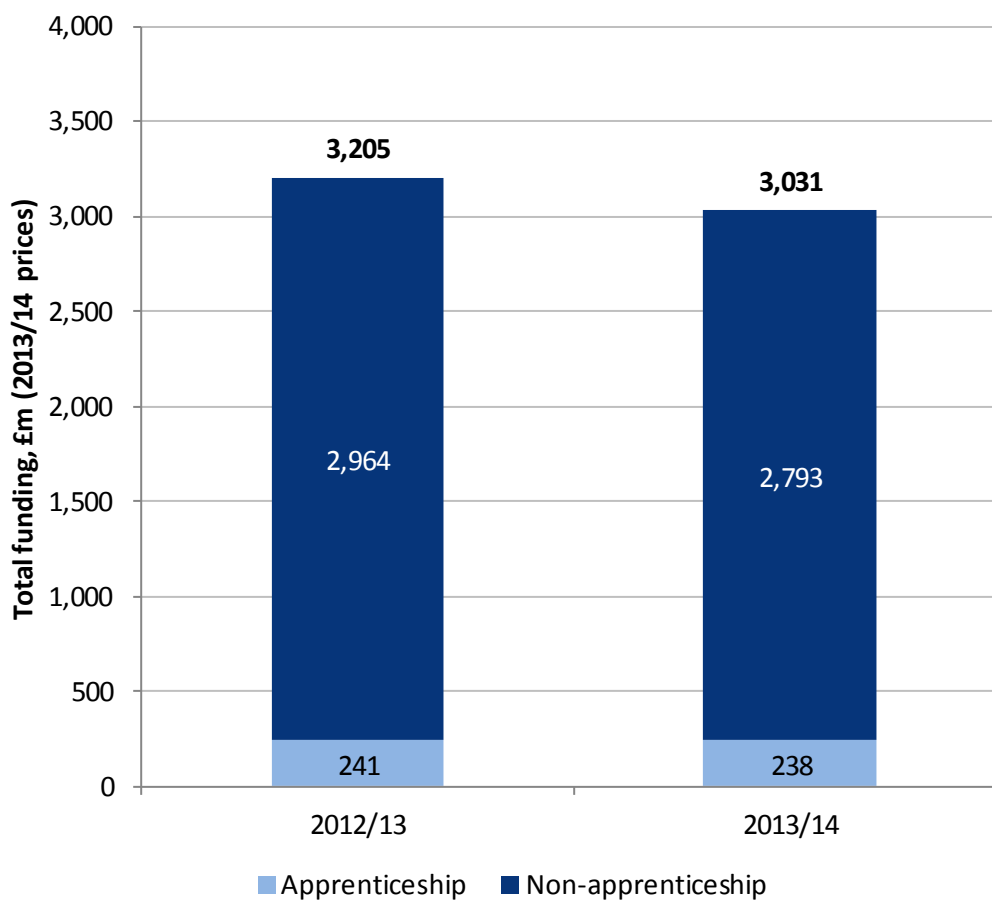
⁶¹ For consistency across the academic years, we have allowed for this double counting in 2012/13 as well as 2013/14 (though the 2012/13 information would be sufficiently detailed to prevent the overlap).

funding per 16-19 non-apprenticeship learner, we divide total EFA funding for General FE Colleges by the (lagged) learner numbers included in the funding allocations for each given academic year, resulting in (small) potential inaccuracies in the actual level of funding per student in each year.

4.2 Findings: Funding associated with 16-19 learning

In Figure 30, we present aggregate levels of public funding associated with learners aged 16-19 undertaking both apprenticeship and non-apprenticeship programmes at General FE Colleges in 2012/13 and 2013/14. The findings illustrate a decline between the two academic years in both the total level of funding associated with apprentices as well as non-apprenticeship learners.

Figure 30 Total funding associated with 16-19 learners attending apprenticeship and non-apprenticeship programmes (£m, 2013/14 prices)



Note: Some FE colleges are excluded from the Skills Funding Agency's funding data for apprenticeships, as their financial positions had not been finalised at the time of data publication. Funding for apprentices is thus based on a total of 215 out of 219 General FE Colleges in 2012/13, and on 202 out of 218 Colleges in 2013/14.

Funding for non-apprenticeship learners under 19 includes funding for high needs students aged 19-24.

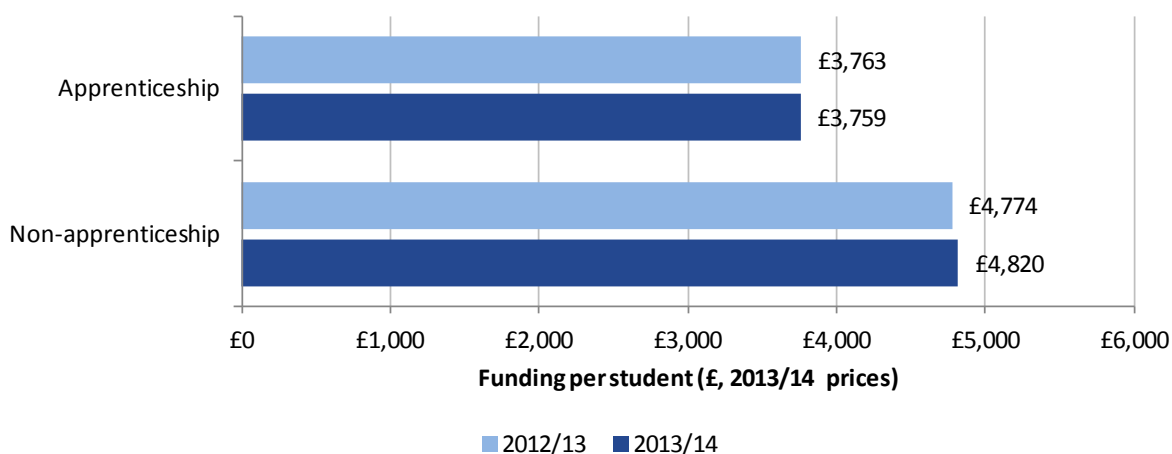
Source: London Economics' analysis of relevant sources (see Table 10) and Office for National Statistics (2015).

The total public funding for learners undertaking non-apprenticeship programmes, accounting for **92%** of total 16-19 funding for General FE Colleges in each academic year, reduced from approximately **£2.964 billion** to **£2.793 billion** in 2013/14 (a **6%** real decline). This compares to a **1%** decrease in the funding associated with 16-19 apprenticeships. The total funding associated with 16-19 provision in General FE Colleges (including both apprenticeship and non-apprenticeship

programmes) decreased from **£3.205 billion** to **£3.031 billion** between the two academic years of interest; however, this essentially reflects the decrease in the total number of 16-19 learners (from **685,000** in 2012/13 compared to **643,000** in 2013/14).

When considering funding per student (see Figure 31), although the level of funding per 16-19 apprentice remained almost constant between the two years (standing at **£3,763** in 2012/13 and **£3,759** in 2013/14 (in constant prices)), the estimated funding per non-apprentice learner increased slightly (by approximately **1%**, from **£4,774** to **£4,820** per student). This is due to an underlying reduction in the number of 16-19 students attending non-apprenticeship education at General Further Education Colleges (declining from **621,000** in 2012/13 to **579,000** in 2013/14). As a result of these changes, there was a slight increase in the gap between funding for 16-19 non-apprenticeship learners as compared to apprentices, with the funding per non-apprenticeship learner being **27%** to **28%** higher than the comparable funding per apprentice in 2012/13 and 2013/14, respectively.

Figure 31 Funding per 16-19 apprenticeship and non-apprenticeship learner in England (2013/14 prices)



Note: Some FE colleges are excluded from the Skills Funding Agency's funding data for apprenticeships, as their financial positions had not been finalised at the time of data publication. Funding for apprentices is thus based on a total of 215 out of 219 General FE Colleges in 2012/13, and on 202 out of 218 Colleges in 2013/14.

Funding for non-apprenticeship learners under 19 includes funding for high needs students aged 19-24.

Source: *London Economics' analysis of relevant sources (see Table 10) and Office for National Statistics (2015).*

5 Comparison across sectors

In Figure 32, we present information on the total level of public funding⁶² associated with higher education students enrolled in a Higher Education Institution in their own domicile (i.e. English students studying in England, Welsh students studying in Wales etc), as well as the comparable information for England on the total public funding per eligible learner undertaking apprenticeship or non-apprenticeship training (further disaggregated by age group).

In Figure 33, we replicate this information, but present a comparison of the total public funding per eligible student undertaking higher education in *England* irrespective of their domicile, as well as the comparable information for England on the total public funding per eligible learner undertaking apprenticeship or non-apprenticeship training (again disaggregated by age group).

Higher Education

- Within the higher education arena, there are relatively sizeable differences in the level of public funding per eligible higher education student enrolled in a Higher Education Institution in their *own* home country. In 2013/14, the total public funding associated with a full-time English undergraduate student studying in England stood at **£8,870** compared to **£9,456**, **£9,016** and **£7,721** for comparable Welsh, Scottish and Northern Irish students.
- There are large differences in the funding mechanisms across the Home Nations. For undergraduate full-time Welsh domiciled students studying in Wales, approximately **81%** of public funding is provided through student support (in the form of tuition fee and maintenance grants and loans), with the remaining **19%** allocated through the funding council. For English domiciled students in England, **68%** of public funding is provided through the student support system. However, in Scotland and Northern Ireland, the majority of public funding to support higher education is allocated through the relevant Funding Council/central government department (**63%** for Scottish domiciled students in Scotland and **54%** for Northern Ireland domiciled students in Northern Ireland, respectively).
- Given these differences in the means of allocation, and the resulting *portability* of public funding through student support arrangements, higher education students enrolled in Higher Education Institutions outside of their own Home Nation are associated with markedly different levels of funding. Specifically, as a result of the fact that Welsh students receive extensive tuition fee and maintenance support (irrespective of where they study), Welsh higher education students enrolled in England receive approximately **£10,298** in public funding (see Figure 33). Reflecting the fact that HE funding in Scotland and Northern Ireland is predominantly delivered through the relevant funding body directly to Higher Education Institutions, the funding associated with a Northern Irish or Scottish student enrolled in England stands at **£7,873** and **£5,046** respectively.

Adult Skills and 16-19 apprentice and non-apprentice training

- Funding per student within the Adult Skills system is extremely low in comparison to the level of funding associated with higher education participation (in spite of some increases between 2012/13 and 2013/14). Specifically, funding per apprentice aged 19 or above amounts to **£1,554** per annum, equivalent to **18%** of comparable higher education

⁶² i.e. funding after loan repayment.

funding, while funding per non-apprentice learner stands at **£1,323** (equivalent to **15%** of annual funding per full-time undergraduate student from England attending HEIs in England in 2013/14).

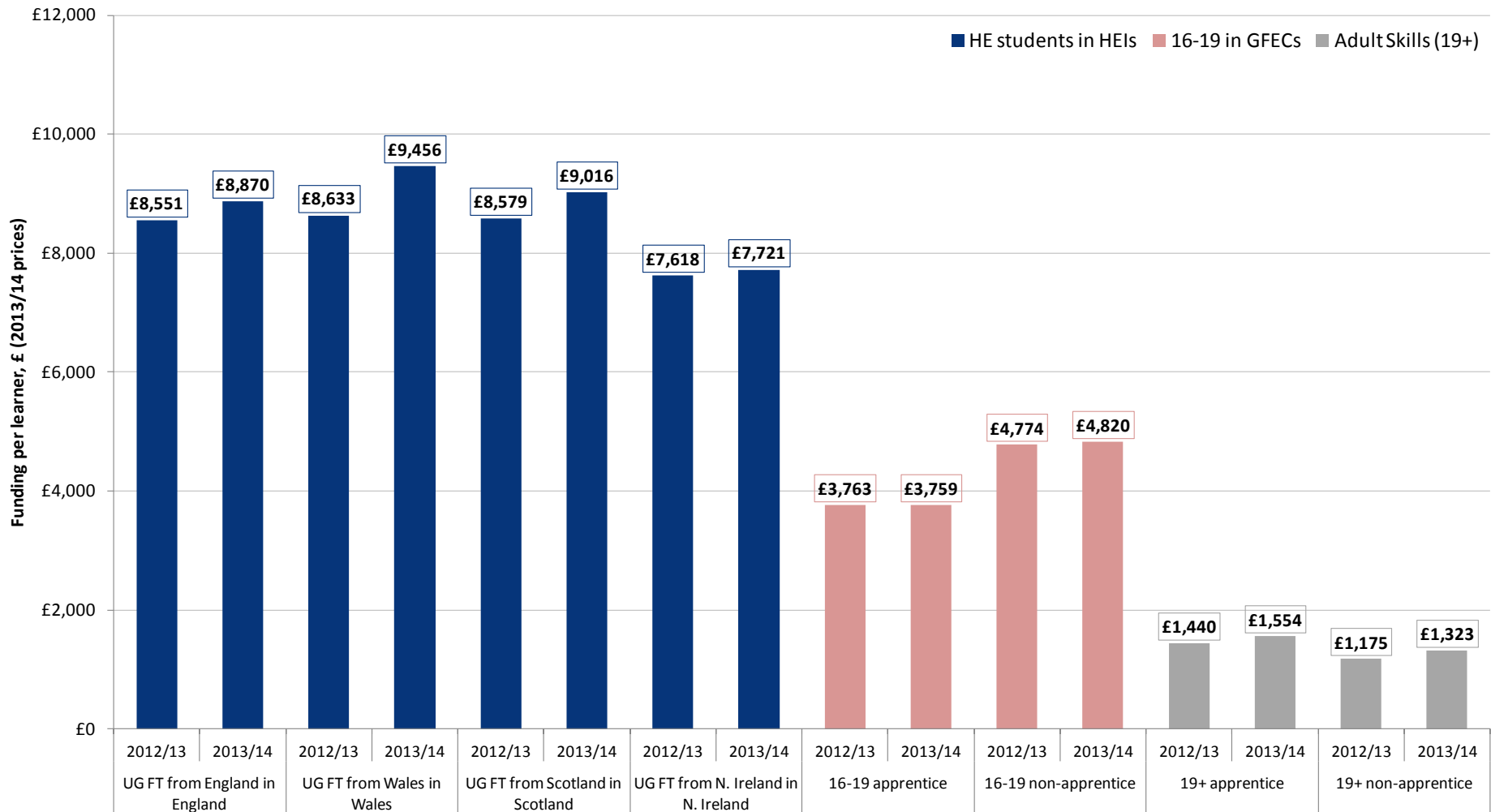
- Funding for 16-19 education in General FE Colleges, though noticeably larger than comparable figures within the Adult Skills system, is still considerably smaller than funding for higher education students. Funding per 16-19 apprentice stands at **£3,759** per annum (equivalent to **42%** of higher education funding), while funding per 16-19 non-apprentice was estimated to be **£4,820** per learner per annum (equivalent to **54%** of the funding per full-time undergraduate student from England studying in England in 2013/14).

Annual changes in public funding per student/learner between 2012/13 and 2013/14

In Figure 34 and Figure 35, we present information on the year on year change in public funding allocated to different learners.

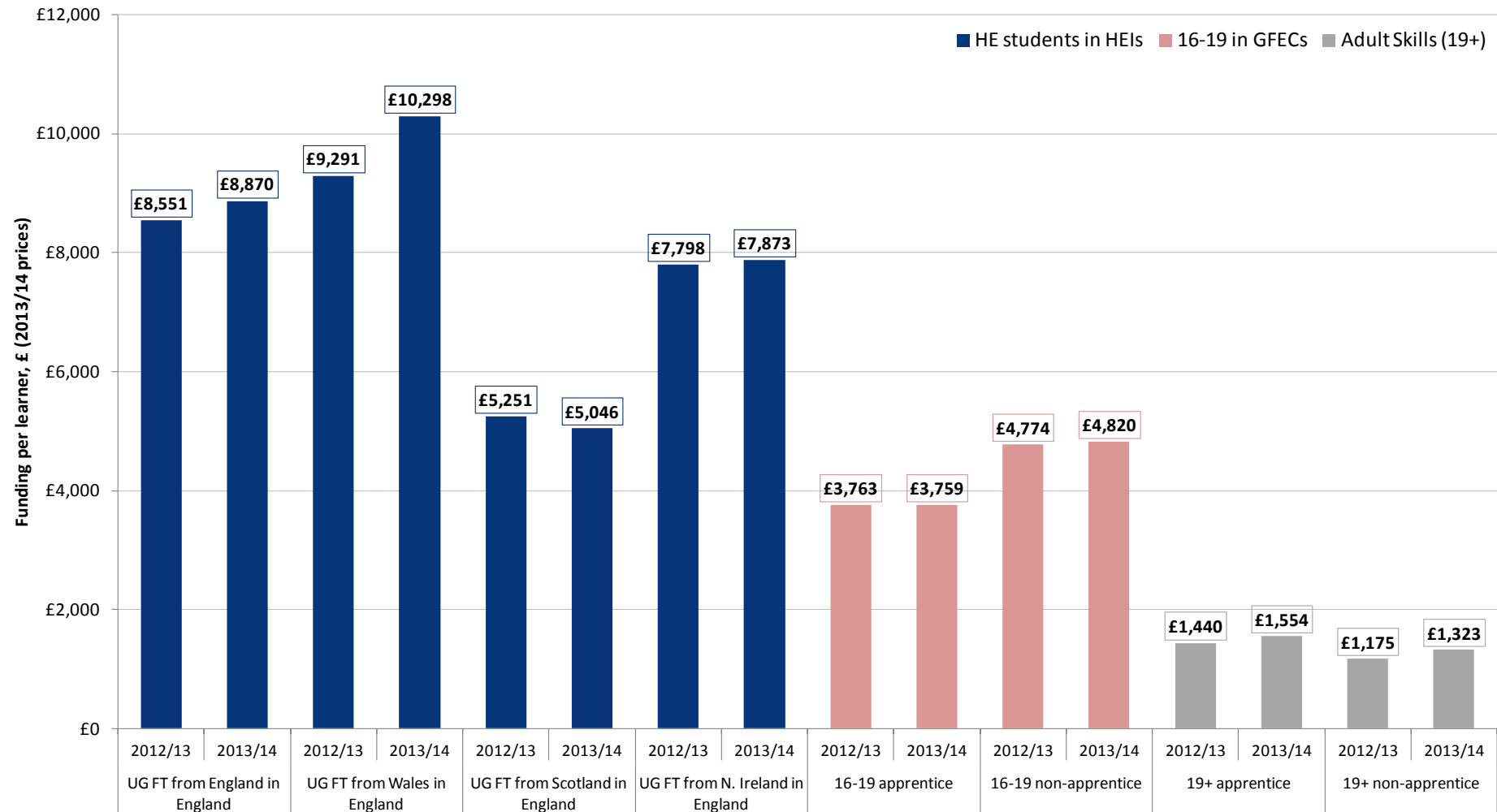
- The analysis suggests that the resource gap across higher education students is **widening**. Specifically, there was a **9.5%** increase in public funds received per eligible full-time Welsh undergraduate attending a Welsh Higher Education Institution between 2012/13 and 2013/14. This compares to a **5.1%** increase for Scottish domiciled students in Scotland; a **3.7%** increase for English domiciled students in England; and a **1.4%** increase for Northern Irish students in Northern Ireland.
- Furthermore, as a result of changes in the proportion of total public funding awarded to Higher Education Institutions by the relevant public body (as opposed to direct funding for the student through student support), the variation in growth in public funding available to cross-border students studying in England is even greater. Specifically, there was a **10.8%** year on year increase in public funds received per eligible full-time Welsh undergraduate attending an English Higher Education Institution. This compares to a **1.0%** increase associated with Northern Irish students (in England), and a **3.9%** decline associated with Scottish students.
- Across sectors (in England), between 2012/13 and 2013/14, there has been a **widening of the gap in annual funding between eligible higher education students and 16-19 funding** (for both apprenticeships and non-apprenticeships). Compared to the **3.7%** year on year increase in public funds received per eligible full-time English undergraduate attending an English Higher Education Institution, there was a **1.0%** year on year increase in 16-19 non-apprenticeship funding and a **0.1%** decline in 16-19 non-apprenticeship funding.
- There has been a narrowing of the funding gap between per capita Adult Skills funding and per capita higher education funding (particularly amongst non-apprentices). Specifically, there was a **7.9%** year on year increase in 19+ per capita apprenticeship funding compared to a **12.7%** increase in 19+ non-apprenticeship funding. However, despite this, learners funded through the Adult Skills still receive the lowest funding per eligible learner amongst all education sectors and age groups considered.

Figure 32 Funding after loan repayment: Funding per student for HE students attending HEIs in home domicile; 16-19 students attending General FE Colleges, and Adult Skills (19+) students in England (2013/14 prices), by academic year



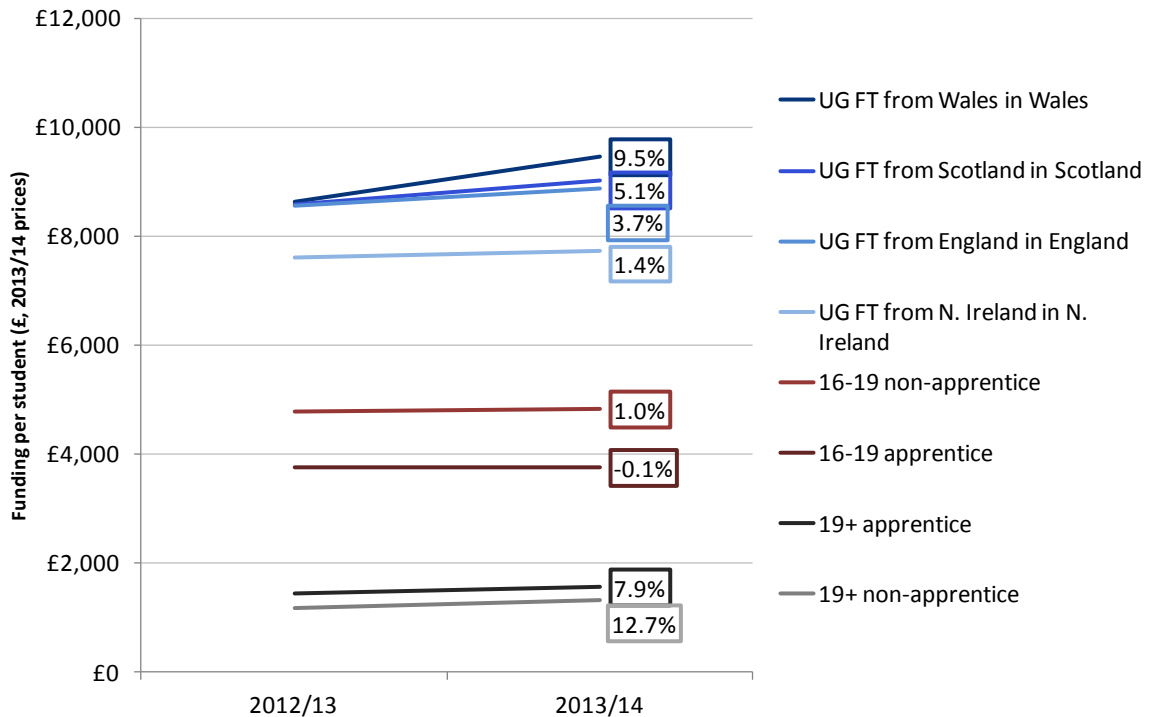
Source: London Economics' analysis of relevant sources (see Table 1, Table 8 and Table 10) and Office for National Statistics (2015)

Figure 33 Funding after loan repayment: Funding per student for HE students attending HEIs in England; 16-19 students attending General FE Colleges, and Adult Skills (19+) students in England (2013/14 prices), by academic year



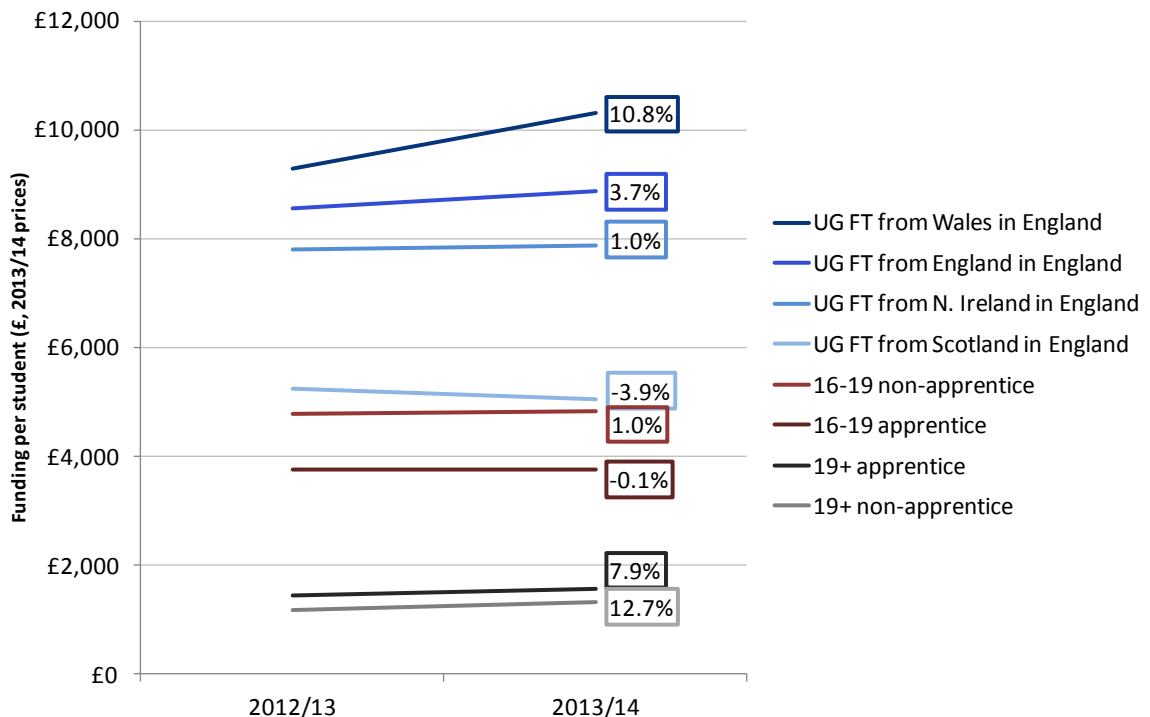
Source: London Economics' analysis of relevant sources (see Table 1, Table 8 and Table 10) and Office for National Statistics (2015).

Figure 34 Funding *after* loan repayment: Year-on-year real growth of funding per student attending HEIs in home domicile, and 16-19 in General FE Colleges or Adult Skills (19+) education in England only



Source: London Economics' analysis of relevant sources (see Table 1, Table 8 and Table 10) and Office for National Statistics (2015).

Figure 35 Funding *after* loan repayment: Year-on-year real growth of funding per student attending HEIs in England, 16-19 in General FE Colleges or Adult Skills (19+) education in England



Source: London Economics' analysis of relevant sources (see Table 1, Table 8 and Table 10) and Office for National Statistics (2015).

6 Emerging themes and options for further research

As far as we are aware, this piece of analysis is the first time that a *whole system* assessment has been undertaken of the public resources allocated across higher and further education - by Home Nation - that has included any consistent interrogation of cross border movements. Although the entire analysis is based off publicly available information and has been presented transparently, the variation in the availability of relevant statistical information has resulted in some documented assumptions being made, and as a result, some inaccuracies. However, despite this, we believe this report to provide a useful benchmarking tool for stakeholders in the education arena.

The analysis has illustrated a number of key funding differences across the different phases of education and across Home Nations, as well as a number of questions that might be addressed in the future, either through the replication of the current analysis as subsequent information becomes available, or through potential enhancements. We outline a number of these below:

- There are a significant number of changes being proposed or introduced in England in relation to the reduction in the Adult Skills Budget; the introduction of postgraduate loans for tuition fees and/or maintenance; the removal of undergraduate maintenance grants and their replacement with income contingent maintenance loans; and the potential freeze in the threshold for loan repayment. As all of these policies are likely to reduce the level of per capita public funding, further analysis should be undertaken to assess the specific impact of the policies - both on students in England - but also in relation to the funding gaps across comparable students across the Home Nations.
- Amongst the funding gaps identified (for instance in relation to postgraduate funding in Scotland), it would be beneficial to undertake a more detailed analysis to ascertain the extent to which some of these gaps are real or a product of the evidence gaps and (necessary) assumptions underpinning the analysis.
- Further analysis could be undertaken to assess the levels of public funding for different learners using more 'macroeconomic' measures (such as total public funding as a proportion of GDP). Although this type of analysis is sometimes undertaken (for instance by organisations in their headline publications (i.e. OECD *Education at a Glance*), the distinction between the headline level of *total* (public and private) *resource* and *total public resource* (only) is generally not investigated or considered.

Alongside a more refined analysis across the United Kingdom, a comparable analysis in some of the UK's major European or international counterparts would be a worthwhile exercise. There are large funding gaps across the UK Home Nations but also at different levels in the education spectrum.

The combination of these analyses would provide a more accurate assessment of education funding in an international perspective - at both an aggregate and a disaggregated level

- The analysis here has focused on higher education (undergraduate and postgraduate) delivered in HE Institutions; higher education delivered in FE Colleges; Adult Skills and 16-19 education. It would be potentially worthwhile to extend the analysis to consider compulsory schooling, as well as Early Years education, to complete the picture.

-
- The analysis to date has considered the level and change in public resource associated with different aspects of education. However, there has been no assessment of the different costs of provision. In other words, worthwhile research questions include developing an assessment of **education expenditure** to better understand where both private and public resources are consumed, but also to understand the extent to which the level of public and private resource is sufficient to deliver a worthwhile curriculum.

Different countries within the United Kingdom have adopted very different approaches to the funding of education – in terms of the level of funding associated with different phases of education; the extent to which private contributions are expected to play a role (and how this might change over time); as well as the means by which public funding is allocated. Given the fact that the different Home Nations have adopted different approaches, some consideration needs to be given on how to compare the outcomes of learners *and* institutions in the midst of such differing funding environments.

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Annex 2 Information on student numbers

In the following, we provide a detailed breakdown of students undertaking higher education courses at Higher Education Institution by cohort, domicile, country of study, and level and mode of study. Tables are provided separately by cohort and in total for each year, where Table 11 to Table 13 focus on enrolments in the 2012/13 academic year (i.e. distinguishing between pre-2012/13 cohorts and the 2012/13 cohort of starters), and Table 14 to Table 16 present enrolments in the 2013/14 academic year. Finally, Table 17 to Table 19 (focusing on 2012/13) and Table 20 to Table 22 (for 2013/14) present similar detailed tables for higher education students enrolled with Further Education Institutions.

A2.1 Number of HE students studying at Higher Education Institutions, 2012/13

Table 11 Number of HE students studying in Higher Education Institutions: Continuing students in 2012/13 (by domicile, country of study, level and mode of study)

	Country of study	Domicile								Total
		England	Wales	Scotland	Northern Ireland	Other UK	UK unknown	EU	International	
UG FT	England	631,680	12,325	3,390	6,490	2,025	150	37,855	61,580	755,495
	Wales	21,155	21,995	115	315	135	5	1,505	3,795	49,020
	Scotland	10,470	285	65,170	2,785	125	10	7,790	6,945	93,580
	N.I.	430	10	30	19,275	15	10	705	835	21,310
	Total	663,735	34,615	68,705	28,865	2,300	175	47,855	73,155	919,405
UG PT	England	177,405	900	755	370	140	165	2,295	3,565	185,595
	Wales	885	9,815	20	10	5	10	85	210	11,040
	Scotland	515	15	15,570	70	10	0	190	360	16,730
	N.I.	55	0	10	4,585	0	5	225	20	4,900
	Total	178,860	10,730	16,355	5,035	155	180	2,795	4,155	218,265
PG FT	England	34,075	640	735	220	55	60	9,150	32,025	76,960
	Wales	735	1,390	25	5	0	10	395	2,255	4,815
	Scotland	965	30	3,345	70	5	10	1,220	4,090	9,735
	N.I.	50	0	10	1,055	0	5	345	435	1,900
	Total	35,825	2,060	4,115	1,350	60	85	11,110	38,805	93,410
PG PT	England	94,650	1,470	1,055	485	135	335	6,005	10,305	114,440
	Wales	1,510	3,825	60	30	15	5	345	515	6,305
	Scotland	3,765	125	8,150	135	25	35	625	1,085	13,945
	N.I.	275	15	35	2,285	0	0	440	40	3,090
	Total	100,200	5,435	9,300	2,935	175	375	7,415	11,945	137,780
Total	England	937,810	15,335	5,935	7,565	2,355	710	55,305	107,475	1,132,490
	Wales	24,285	37,025	220	360	155	30	2,330	6,775	71,180
	Scotland	15,715	455	92,235	3,060	165	55	9,825	12,480	133,990
	N.I.	810	25	85	27,200	15	20	1,715	1,330	31,200
	Total	978,620	52,840	98,475	38,185	2,690	815	69,175	128,060	1,368,860

Note: Student numbers in the data are rounded to the nearest five, which might result in some slight discrepancies between the total student numbers indicated in the original data and the row and column number totals calculated for the purpose of the analysis.

Source: London Economics' analysis of Higher Education Statistics Agency (2015)

Table 12 Number of HE students studying in Higher Education Institutions: New students in 2012/13 (by domicile, country of study, level and mode of study)

	Country of study	Domicile								Total
		England	Wales	Scotland	Northern Ireland	Other UK	UK unknown	EU	International	
UG FT	England	304,690	6,990	1,385	2,880	980	10	17,875	50,295	385,105
	Wales	9,100	12,790	55	150	50	5	1,240	4,640	28,030
	Scotland	3,770	115	29,255	875	45	0	4,450	3,970	42,480
	N.I.	240	5	20	9,075	5	0	340	965	10,650
	Total	317,800	19,900	30,715	12,980	1,080	15	23,905	59,870	466,265
UG PT	England	132,645	860	935	375	115	20	2,745	8,020	145,715
	Wales	1,025	18,770	15	15	0	5	1,050	515	21,395
	Scotland	715	40	22,015	45	20	25	640	1,180	24,680
	N.I.	75	5	10	7,510	0	0	465	50	8,115
	Total	134,460	19,675	22,975	7,945	135	50	4,900	9,765	199,905
PG FT	England	66,365	1,160	915	635	160	100	18,870	79,555	167,760
	Wales	1,335	3,025	45	25	15	-5	685	5,920	11,045
	Scotland	1,305	40	6,315	135	0	20	3,305	10,150	21,270
	N.I.	55	5	10	1,795	0	0	335	785	2,985
	Total	69,060	4,230	7,285	2,590	175	115	23,195	96,410	203,060
PG PT	England	74,560	1,255	840	345	100	55	3,130	4,285	84,570
	Wales	1,240	3,250	75	20	5	5	245	1,025	5,865
	Scotland	1,975	80	5,410	80	10	40	425	525	8,545
	N.I.	530	30	45	2,245	5	0	320	30	3,205
	Total	78,305	4,615	6,370	2,690	120	100	4,120	5,865	102,185
Total	England	578,260	10,265	4,075	4,235	1,355	185	42,620	142,155	783,150
	Wales	12,700	37,835	190	210	70	10	3,220	12,100	66,335
	Scotland	7,765	275	62,995	1,135	75	85	8,820	15,825	96,975
	N.I.	900	45	85	20,625	10	0	1,460	1,830	24,955
	Total	599,625	48,420	67,345	26,205	1,510	280	56,120	171,910	971,415

Note: Student numbers in the data are rounded to the nearest five, which might result in some slight discrepancies between the total student numbers indicated in the original data and the row and column number totals calculated for the purpose of the analysis.

Source: London Economics' analysis of Higher Education Statistics Agency (2015)

Table 13 Number of HE students studying in Higher Education Institutions: Total students in 2012/13 (by domicile, country of study, level and mode of study)

	Country of study	Domicile								Total
		England	Wales	Scotland	Northern Ireland	Other UK	UK unknown	EU	International	
UG FT	England	936,370	19,315	4,775	9,370	3,005	160	55,730	111,875	1,140,600
	Wales	30,255	34,785	170	465	185	10	2,745	8,435	77,050
	Scotland	14,240	400	94,425	3,660	170	10	12,240	10,915	136,060
	N.I.	670	15	50	28,350	20	10	1,045	1,800	31,960
	Total	981,535	54,515	99,420	41,845	3,380	190	71,760	133,025	1,385,670
UG PT	England	310,050	1,760	1,690	745	255	185	5,040	11,585	331,310
	Wales	1,910	28,585	35	25	5	15	1,135	725	32,435
	Scotland	1,230	55	37,585	115	30	25	830	1,540	41,410
	N.I.	130	5	20	12,095	0	5	690	70	13,015
	Total	313,320	30,405	39,330	12,980	290	230	7,695	13,920	418,170
PG FT	England	100,440	1,800	1,650	855	215	160	28,020	111,580	244,720
	Wales	2,070	4,415	70	30	15	5	1,080	8,175	15,860
	Scotland	2,270	70	9,660	205	5	30	4,525	14,240	31,005
	N.I.	105	5	20	2,850	0	5	680	1,220	4,885
	Total	104,885	6,290	11,400	3,940	235	200	34,305	135,215	296,470
PG PT	England	169,210	2,725	1,895	830	235	390	9,135	14,590	199,010
	Wales	2,750	7,075	135	50	20	10	590	1,540	12,170
	Scotland	5,740	205	13,560	215	35	75	1,050	1,610	22,490
	N.I.	805	45	80	4,530	5	0	760	70	6,295
	Total	178,505	10,050	15,670	5,625	295	475	11,535	17,810	239,965
Total	England	1,516,070	25,600	10,010	11,800	3,710	895	97,925	249,630	1,915,640
	Wales	36,985	74,860	410	570	225	40	5,550	18,875	137,515
	Scotland	23,480	730	155,230	4,195	240	140	18,645	28,305	230,965
	N.I.	1,710	70	170	47,825	25	20	3,175	3,160	56,155
	Total	1,578,245	101,260	165,820	64,390	4,200	1,095	125,295	299,970	2,340,275

Note: Student numbers in the data are rounded to the nearest five, which might result in some slight discrepancies between the total student numbers indicated in the original data and the row and column number totals calculated for the purpose of the analysis.

Source: London Economics' analysis of Higher Education Statistics Agency (2015)

A2.2 Number of HE students studying at Higher Education Institutions, 2013/14

Table 14 Number of HE students studying in Higher Education Institutions: Continuing students in 2013/14 (by domicile, country of study, level and mode of study)

	Country of study	Domicile								Total
		England	Wales	Scotland	Northern Ireland	Other UK	UK unknown	EU	International	
UG FT	England	600,655	13,360	3,085	6,135	1,985	50	36,255	64,235	725,760
	Wales	20,430	21,955	110	310	125	5	1,505	4,130	48,570
	Scotland	9,920	290	64,910	2,675	130	-5	8,650	7,100	93,670
	N.I.	505	15	40	19,065	15	5	670	1,045	21,360
	Total	631,510	35,620	68,145	28,185	2,255	55	47,080	76,510	889,360
UG PT	England	153,290	800	610	245	110	65	1,945	3,255	160,320
	Wales	805	10,130	15	15	0	5	150	110	11,230
	Scotland	520	25	15,360	60	15	0	215	315	16,510
	N.I.	35	0	5	4,680	0	5	155	25	4,905
	Total	154,650	10,955	15,990	5,000	125	75	2,465	3,705	192,965
PG FT	England	32,860	600	670	205	70	80	9,185	31,860	75,530
	Wales	655	1,255	30	10	0	10	410	2,565	4,935
	Scotland	985	30	3,370	55	0	10	1,365	4,305	10,120
	N.I.	60	5	10	1,045	0	5	255	600	1,980
	Total	34,560	1,890	4,080	1,315	70	105	11,215	39,330	92,565
PG PT	England	87,385	1,435	1,040	440	130	215	5,975	9,755	106,375
	Wales	1,525	3,990	65	25	10	5	295	575	6,490
	Scotland	3,050	135	7,710	135	20	45	645	875	12,615
	N.I.	280	15	40	2,425	5	-5	425	65	3,250
	Total	92,240	5,575	8,855	3,025	165	260	7,340	11,270	128,730
Total	England	874,190	16,195	5,405	7,025	2,295	410	53,360	109,105	1,067,985
	Wales	23,415	37,330	220	360	135	25	2,360	7,380	71,225
	Scotland	14,475	480	91,350	2,925	165	50	10,875	12,595	132,915
	N.I.	880	35	95	27,215	20	10	1,505	1,735	31,495
	Total	912,960	54,040	97,070	37,525	2,615	495	68,100	130,815	1,303,620

Note: Student numbers in the data are rounded to the nearest five, which might result in some slight discrepancies between the total student numbers indicated in the original data and the row and column number totals calculated for the purpose of the analysis.

Source: *London Economics' analysis of Higher Education Statistics Agency (2015)*

Table 15 Number of HE students studying in Higher Education Institutions: New students in 2013/14 (by domicile, country of study, level and mode of study)

	Country of study	Domicile								Total
		England	Wales	Scotland	Northern Ireland	Other UK	UK unknown	EU	International	
UG FT	England	331,150	7,055	1,610	3,080	935	5	19,075	54,250	417,160
	Wales	10,230	12,935	65	150	50	-5	1,390	4,255	29,070
	Scotland	4,055	105	31,225	965	25	5	4,180	4,290	44,850
	N.I.	260	5	15	9,740	10	-5	310	810	11,145
	Total	345,695	20,100	32,915	13,935	1,020	0	24,955	63,605	502,225
UG PT	England	116,265	760	900	335	100	25	2,395	6,440	127,220
	Wales	1,030	16,425	15	15	0	0	950	840	19,275
	Scotland	775	30	18,765	55	5	0	800	1,240	21,670
	N.I.	125	5	20	6,835	0	0	205	20	7,210
	Total	118,195	17,220	19,700	7,240	105	25	4,350	8,540	175,375
PG FT	England	68,200	1,215	950	740	145	90	19,065	84,615	175,020
	Wales	1,295	2,865	40	30	5	-5	730	6,720	11,680
	Scotland	1,430	80	7,070	135	10	10	3,465	9,960	22,160
	N.I.	85	10	15	1,905	0	0	390	615	3,020
	Total	71,010	4,170	8,075	2,810	160	95	23,650	101,910	211,880
PG PT	England	77,795	1,095	920	340	100	85	3,260	4,020	87,615
	Wales	1,450	3,365	65	35	5	0	215	765	5,900
	Scotland	1,800	90	6,260	105	10	-5	430	530	9,220
	N.I.	525	15	50	2,580	0	0	340	20	3,530
	Total	81,570	4,565	7,295	3,060	115	80	4,245	5,335	106,265
Total	England	593,410	10,125	4,380	4,495	1,280	205	43,795	149,325	807,015
	Wales	14,005	35,590	185	230	60	-10	3,285	12,580	65,925
	Scotland	8,060	305	63,320	1,260	50	10	8,875	16,020	97,900
	N.I.	995	35	100	21,060	10	-5	1,245	1,465	24,905
	Total	616,470	46,055	67,985	27,045	1,400	200	57,200	179,390	995,745

Note: Student numbers in the data are rounded to the nearest five, which might result in some slight discrepancies between the total student numbers indicated in the original data and the row and column number totals calculated for the purpose of the analysis.

Source: London Economics' analysis of Higher Education Statistics Agency (2015)

Table 16 Number of HE students studying in Higher Education Institutions: Total students in 2013/14 (by domicile, country of study, level and mode of study)

	Country of study	Domicile								Total
		England	Wales	Scotland	Northern Ireland	Other UK	UK unknown	EU	International	
UG FT	England	931,805	20,415	4,695	9,215	2,920	55	55,330	118,485	1,142,920
	Wales	30,660	34,890	175	460	175	0	2,895	8,385	77,640
	Scotland	13,975	395	96,135	3,640	155	0	12,830	11,390	138,520
	N.I.	765	20	55	28,805	25	0	980	1,855	32,505
	Total	977,205	55,720	101,060	42,120	3,275	55	72,035	140,115	1,391,585
UG PT	England	269,555	1,560	1,510	580	210	90	4,340	9,695	287,540
	Wales	1,835	26,555	30	30	0	5	1,100	950	30,505
	Scotland	1,295	55	34,125	115	20	0	1,015	1,555	38,180
	N.I.	160	5	25	11,515	0	5	360	45	12,115
	Total	272,845	28,175	35,690	12,240	230	100	6,815	12,245	368,340
PG FT	England	101,060	1,815	1,620	945	215	170	28,250	116,475	250,550
	Wales	1,950	4,120	70	40	5	5	1,140	9,285	16,615
	Scotland	2,415	110	10,440	190	10	20	4,830	14,265	32,280
	N.I.	145	15	25	2,950	0	5	645	1,215	5,000
	Total	105,570	6,060	12,155	4,125	230	200	34,865	141,240	304,445
PG PT	England	165,180	2,530	1,960	780	230	300	9,235	13,775	193,990
	Wales	2,975	7,355	130	60	15	5	510	1,340	12,390
	Scotland	4,850	225	13,970	240	30	40	1,075	1,405	21,835
	N.I.	805	30	90	5,005	5	-5	765	85	6,780
	Total	173,810	10,140	16,150	6,085	280	340	11,585	16,605	234,995
Total	England	1,467,600	26,320	9,785	11,520	3,575	615	97,155	258,430	1,875,000
	Wales	37,420	72,920	405	590	195	15	5,645	19,960	137,150
	Scotland	22,535	785	154,670	4,185	215	60	19,750	28,615	230,815
	N.I.	1,875	70	195	48,275	30	5	2,750	3,200	56,400
	Total	1,529,430	100,095	165,055	64,570	4,015	695	125,300	310,205	2,299,365

Note: Student numbers in the data are rounded to the nearest five, which might result in some slight discrepancies between the total student numbers indicated in the original data and the row and column number totals calculated for the purpose of the analysis.

Source: London Economics' analysis of Higher Education Statistics Agency (2015)

A2.3 Number of HE students studying at Further Education Institutions, 2012/13

Table 17 Number of HE students studying in Further Education Institutions: Continuing students in 2012/13 (by domicile, country of study, level and mode of study)

	Country of study	Domicile								Total
		England	Wales	Scotland	Northern Ireland	Other UK	UK unknown	EU	International	
UG FT	England	15,297	0	0	0	0	0	0	0	15,297
	Wales	0	117	0	0	0	0	0	0	117
	Scotland	0	0	21,627	0	0	0	0	0	21,627
	N.I.	0	0	0	2,672	0	0	0	0	2,672
	Total	15,297	117	21,627	2,672	0	0	0	0	39,712
UG PT	England	57,753	0	0	0	0	0	0	0	57,753
	Wales	0	343	0	0	0	0	0	0	343
	Scotland	0	0	6,810	0	0	0	0	0	6,810
	N.I.	0	0	0	2,811	0	0	0	0	2,811
	Total	57,753	343	6,810	2,811	0	0	0	0	67,718
PG FT	England	112	0	0	0	0	0	0	0	112
	Wales	0	0	0	0	0	0	0	0	0
	Scotland	0	0	0	0	0	0	0	0	0
	N.I.	0	0	0	0	0	0	0	0	0
	Total	112	0	0	0	0	0	0	0	112
PG PT	England	1,214	0	0	0	0	0	0	0	1,214
	Wales	0	8	0	0	0	0	0	0	8
	Scotland	0	0	9	0	0	0	0	0	9
	N.I.	0	0	0	53	0	0	0	0	53
	Total	1,214	8	9	53	0	0	0	0	1,284
Total	England	74,376	0	0	0	0	0	0	0	74,376
	Wales	0	468	0	0	0	0	0	0	468
	Scotland	0	0	28,446	0	0	0	0	0	28,446
	N.I.	0	0	0	5,536	0	0	0	0	5,536
	Total	74,376	468	28,446	5,536	0	0	0	0	108,826

Note: The data provided by HESA (2015) include only a breakdown of HE students studying in Further Education Institutions by year, country of study, level of study and mode of study (i.e. without the required breakdown by cohort or domicile). Hence, to be able to apply the same eligibility rules for HE students attending FEIs as for students attending HEIs, we needed to *estimate* the full breakdown of HE students attending FEIs into all of the above characteristics. First, we assume that all students studying in a particular Home Nation are domiciled within that Home Nation (i.e. HE students studying in FEIs in England are from England, etc.; this implicitly presumes that there are no EU domiciled, 'other UK', 'UK unknown' or international domiciled students studying HE courses at FEIs in the UK). This is indicated by the **grey shaded cells**. Second, we then estimate the breakdown by cohort based on the distribution by cohort of HE students attending HEIs from the same (assumed) domicile, studying in the same country of study and at the same level/mode. Note further that student numbers in the original data are rounded to the nearest five, which might result in some slight discrepancies between the total student numbers indicated in the original data and the values estimated for the purpose of the analysis.

Source: *London Economics' analysis of Higher Education Statistics Agency (2015)*

Table 18 Number of HE students studying in Further Education Institutions: New students in 2012/13 (by domicile, country of study, level and mode of study)

	Country of study	Domicile								Total
		England	Wales	Scotland	Northern Ireland	Other UK	UK unknown	EU	International	
UG FT	England	7,378	0	0	0	0	0	0	0	7,378
	Wales	0	68	0	0	0	0	0	0	68
	Scotland	0	0	9,708	0	0	0	0	0	9,708
	N.I.	0	0	0	1,258	0	0	0	0	1,258
	Total	7,378	68	9,708	1,258	0	0	0	0	18,413
UG PT	England	43,182	0	0	0	0	0	0	0	43,182
	Wales	0	657	0	0	0	0	0	0	657
	Scotland	0	0	9,630	0	0	0	0	0	9,630
	N.I.	0	0	0	4,604	0	0	0	0	4,604
	Total	43,182	657	9,630	4,604	0	0	0	0	58,072
PG FT	England	218	0	0	0	0	0	0	0	218
	Wales	0	0	0	0	0	0	0	0	0
	Scotland	0	0	0	0	0	0	0	0	0
	N.I.	0	0	0	0	0	0	0	0	0
	Total	218	0	0	0	0	0	0	0	218
PG PT	England	956	0	0	0	0	0	0	0	956
	Wales	0	7	0	0	0	0	0	0	7
	Scotland	0	0	6	0	0	0	0	0	6
	N.I.	0	0	0	52	0	0	0	0	52
	Total	956	7	6	52	0	0	0	0	1,021
Total	England	51,734	0	0	0	0	0	0	0	51,734
	Wales	0	732	0	0	0	0	0	0	732
	Scotland	0	0	19,344	0	0	0	0	0	19,344
	N.I.	0	0	0	5,914	0	0	0	0	5,914
	Total	51,734	732	19,344	5,914	0	0	0	0	77,724

Note: The data provided by HESA (2015) include only a breakdown of HE students studying in Further Education Institutions by year, country of study, level of study and mode of study (i.e. without the required breakdown by cohort or domicile). Hence, to be able to apply the same eligibility rules for HE students attending FEIs as for students attending HEIs, we needed to *estimate* the full breakdown of HE students attending FEIs into all of the above characteristics. First, we assume that all students studying in a particular Home Nation are domiciled within that Home Nation (i.e. HE students studying in FEIs in England are from England, etc.; this implicitly presumes that there are no EU domiciled, 'other UK', 'UK unknown' or international domiciled students studying HE courses at FEIs in the UK). This is indicated by the **grey shaded cells**. Second, we then estimate the breakdown by cohort based on the distribution by cohort of HE students attending HEIs from the same (assumed) domicile, studying in the same country of study and at the same level/mode. Note further that student numbers in the original data are rounded to the nearest five, which might result in some slight discrepancies between the total student numbers indicated in the original data and the values estimated for the purpose of the analysis.

Source: London Economics' analysis of Higher Education Statistics Agency (2015)

Table 19 Number of HE students studying in Further Education Institutions: Total students in 2012/13 (by domicile, country of study, level and mode of study)

	Country of study	Domicile								Total
		England	Wales	Scotland	Northern Ireland	Other UK	UK unknown	EU	International	
UG FT	England	22,675	0	0	0	0	0	0	0	22,675
	Wales	0	185	0	0	0	0	0	0	185
	Scotland	0	0	31,335	0	0	0	0	0	31,335
	N.I.	0	0	0	3,930	0	0	0	0	3,930
	Total	22,675	185	31,335	3,930	0	0	0	0	58,125
UG PT	England	100,935	0	0	0	0	0	0	0	100,935
	Wales	0	1,000	0	0	0	0	0	0	1,000
	Scotland	0	0	16,440	0	0	0	0	0	16,440
	N.I.	0	0	0	7,415	0	0	0	0	7,415
	Total	100,935	1,000	16,440	7,415	0	0	0	0	125,790
PG FT	England	330	0	0	0	0	0	0	0	330
	Wales	0	0	0	0	0	0	0	0	0
	Scotland	0	0	0	0	0	0	0	0	0
	N.I.	0	0	0	0	0	0	0	0	0
	Total	330	0	0	0	0	0	0	0	330
PG PT	England	2,170	0	0	0	0	0	0	0	2,170
	Wales	0	15	0	0	0	0	0	0	15
	Scotland	0	0	15	0	0	0	0	0	15
	N.I.	0	0	0	105	0	0	0	0	105
	Total	2,170	15	15	105	0	0	0	0	2,305
Total	England	126,110	0	0	0	0	0	0	0	126,110
	Wales	0	1,200	0	0	0	0	0	0	1,200
	Scotland	0	0	47,790	0	0	0	0	0	47,790
	N.I.	0	0	0	11,450	0	0	0	0	11,450
	Total	126,110	1,200	47,790	11,450	0	0	0	0	186,550

Note: The data provided by HESA (2015) include only a breakdown of HE students studying in Further Education Institutions by year, country of study, level of study and mode of study (i.e. without the required breakdown by cohort or domicile). Hence, to be able to apply the same eligibility rules for HE students attending FEIs as for students attending HEIs, we needed to *estimate* the full breakdown of HE students attending FEIs into all of the above characteristics. First, we assume that all students studying in a particular Home Nation are domiciled within that Home Nation (i.e. HE students studying in FEIs in England are from England, etc.; this implicitly presumes that there are no EU domiciled, 'other UK', 'UK unknown' or international domiciled students studying HE courses at FEIs in the UK). This is indicated by the **grey shaded cells**. Second, we then estimate the breakdown by cohort based on the distribution by cohort of HE students attending HEIs from the same (assumed) domicile, studying in the same country of study and at the same level/mode. Note further that student numbers in the original data are rounded to the nearest five, which might result in some slight discrepancies between the total student numbers indicated in the original data and the values estimated for the purpose of the analysis.

Source: London Economics' analysis of Higher Education Statistics Agency (2015)

A2.4 Number of HE students studying at Further Education Institutions, 2013/14

Table 20 Number of HE students studying in Further Education Institutions: Continuing students in 2013/14 (by domicile, country of study, level and mode of study)

	Country of study	Domicile								Total
		England	Wales	Scotland	Northern Ireland	Other UK	UK unknown	EU	International	
UG FT	England	21,933	0	0	0	0	0	0	0	21,933
	Wales	0	47	0	0	0	0	0	0	47
	Scotland	0	0	21,539	0	0	0	0	0	21,539
	N.I.	0	0	0	2,687	0	0	0	0	2,687
	Total	21,933	47	21,539	2,687	0	0	0	0	46,206
UG PT	England	51,673	0	0	0	0	0	0	0	51,673
	Wales	0	229	0	0	0	0	0	0	229
	Scotland	0	0	7,557	0	0	0	0	0	7,557
	N.I.	0	0	0	3,014	0	0	0	0	3,014
	Total	51,673	229	7,557	3,014	0	0	0	0	62,473
PG FT	England	218	0	0	0	0	0	0	0	218
	Wales	0	0	0	0	0	0	0	0	0
	Scotland	0	0	0	0	0	0	0	0	0
	N.I.	0	0	0	0	0	0	0	0	0
	Total	218	0	0	0	0	0	0	0	218
PG PT	England	1,346	0	0	0	0	0	0	0	1,346
	Wales	0	0	0	0	0	0	0	0	0
	Scotland	0	0	0	0	0	0	0	0	0
	N.I.	0	0	0	46	0	0	0	0	46
	Total	1,346	0	0	46	0	0	0	0	1,392
Total	England	75,170	0	0	0	0	0	0	0	75,170
	Wales	0	276	0	0	0	0	0	0	276
	Scotland	0	0	29,096	0	0	0	0	0	29,096
	N.I.	0	0	0	5,747	0	0	0	0	5,747
	Total	75,170	276	29,096	5,747	0	0	0	0	110,289

Note: The data provided by HESA (2015) include only a breakdown of HE students studying in Further Education Institutions by year, country of study, level of study and mode of study (i.e. without the required breakdown by cohort or domicile). Hence, to be able to apply the same eligibility rules for HE students attending FEIs as for students attending HEIs, we needed to *estimate* the full breakdown of HE students attending FEIs into all of the above characteristics. First, we assume that all students studying in a particular Home Nation are domiciled within that Home Nation (i.e. HE students studying in FEIs in England are from England, etc.; this implicitly presumes that there are no EU domiciled, 'other UK', 'UK unknown' or international domiciled students studying HE courses at FEIs in the UK). This is indicated by the **grey shaded cells**. Second, we then estimate the breakdown by cohort based on the distribution by cohort of HE students attending HEIs from the same (assumed) domicile, studying in the same country of study and at the same level/mode. Note further that student numbers in the original data are rounded to the nearest five, which might result in some slight discrepancies between the total student numbers indicated in the original data and the values estimated for the purpose of the analysis.

Source: *London Economics' analysis of Higher Education Statistics Agency (2015)*

Table 21 Number of HE students studying in Further Education Institutions: New students in 2013/14 (by domicile, country of study, level and mode of study)

	Country of study	Domicile								Total
		England	Wales	Scotland	Northern Ireland	Other UK	UK unknown	EU	International	
UG FT	England	12,092	0	0	0	0	0	0	0	12,092
	Wales	0	28	0	0	0	0	0	0	28
	Scotland	0	0	10,361	0	0	0	0	0	10,361
	N.I.	0	0	0	1,373	0	0	0	0	1,373
	Total	12,092	28	10,361	1,373	0	0	0	0	23,854
UG PT	England	39,192	0	0	0	0	0	0	0	39,192
	Wales	0	371	0	0	0	0	0	0	371
	Scotland	0	0	9,233	0	0	0	0	0	9,233
	N.I.	0	0	0	4,401	0	0	0	0	4,401
	Total	39,192	371	9,233	4,401	0	0	0	0	53,197
PG FT	England	452	0	0	0	0	0	0	0	452
	Wales	0	0	0	0	0	0	0	0	0
	Scotland	0	0	0	0	0	0	0	0	0
	N.I.	0	0	0	0	0	0	0	0	0
	Total	452	0	0	0	0	0	0	0	452
PG PT	England	1,199	0	0	0	0	0	0	0	1,199
	Wales	0	0	0	0	0	0	0	0	0
	Scotland	0	0	0	0	0	0	0	0	0
	N.I.	0	0	0	49	0	0	0	0	49
	Total	1,199	0	0	49	0	0	0	0	1,248
Total	England	52,935	0	0	0	0	0	0	0	52,935
	Wales	0	399	0	0	0	0	0	0	399
	Scotland	0	0	19,594	0	0	0	0	0	19,594
	N.I.	0	0	0	5,823	0	0	0	0	5,823
	Total	52,935	399	19,594	5,823	0	0	0	0	78,751

Note: The data provided by HESA (2015) include only a breakdown of HE students studying in Further Education Institutions by year, country of study, level of study and mode of study (i.e. without the required breakdown by cohort or domicile). Hence, to be able to apply the same eligibility rules for HE students attending FEIs as for students attending HEIs, we needed to *estimate* the full breakdown of HE students attending FEIs into all of the above characteristics.. First, we assume that all students studying in a particular Home Nation are domiciled within that Home Nation (i.e. HE students studying in FEIs in England are from England, etc.; this implicitly presumes that there are no EU domiciled, 'other UK', 'UK unknown' or international domiciled students studying HE courses at FEIs in the UK). This is indicated by the **grey shaded cells**. Second, we then estimate the breakdown by cohort based on the distribution by cohort of HE students attending HEIs from the same (assumed) domicile, studying in the same country of study and at the same level/mode. Note further that student numbers in the original data are rounded to the nearest five, which might result in some slight discrepancies between the total student numbers indicated in the original data and the values estimated for the purpose of the analysis.

Source: London Economics' analysis of Higher Education Statistics Agency (2015)

Table 22 Number of HE students studying in Further Education Institutions: Total students in 2013/14 (by domicile, country of study, level and mode of study)

	Country of study	Domicile								Total
		England	Wales	Scotland	Northern Ireland	Other UK	UK unknown	EU	International	
UG FT	England	34,025	0	0	0	0	0	0	0	34,025
	Wales	0	75	0	0	0	0	0	0	75
	Scotland	0	0	31,900	0	0	0	0	0	31,900
	N.I.	0	0	0	4,060	0	0	0	0	4,060
	Total	34,025	75	31,900	4,060	0	0	0	0	70,060
UG PT	England	90,865	0	0	0	0	0	0	0	90,865
	Wales	0	600	0	0	0	0	0	0	600
	Scotland	0	0	16,790	0	0	0	0	0	16,790
	N.I.	0	0	0	7,415	0	0	0	0	7,415
	Total	90,865	600	16,790	7,415	0	0	0	0	115,670
PG FT	England	670	0	0	0	0	0	0	0	670
	Wales	0	0	0	0	0	0	0	0	0
	Scotland	0	0	0	0	0	0	0	0	0
	N.I.	0	0	0	0	0	0	0	0	0
	Total	670	0	0	0	0	0	0	0	670
PG PT	England	2,545	0	0	0	0	0	0	0	2,545
	Wales	0	0	0	0	0	0	0	0	0
	Scotland	0	0	0	0	0	0	0	0	0
	N.I.	0	0	0	95	0	0	0	0	95
	Total	2,545	0	0	95	0	0	0	0	2,640
Total	England	128,105	0	0	0	0	0	0	0	128,105
	Wales	0	675	0	0	0	0	0	0	675
	Scotland	0	0	48,690	0	0	0	0	0	48,690
	N.I.	0	0	0	11,570	0	0	0	0	11,570
	Total	128,105	675	48,690	11,570	0	0	0	0	189,040

Note: The data provided by HESA (2015) include only a breakdown of HE students studying in Further Education Institutions by year, country of study, level of study and mode of study (i.e. without the required breakdown by cohort or domicile). Hence, to be able to apply the same eligibility rules for HE students attending FEIs as for students attending HEIs, we needed to *estimate* the full breakdown of HE students attending FEIs into all of the above characteristics. First, we assume that all students studying in a particular Home Nation are domiciled within that Home Nation (i.e. HE students studying in FEIs in England are from England, etc.; this implicitly presumes that there are no EU domiciled, 'other UK', 'UK unknown' or international domiciled students studying HE courses at FEIs in the UK). This is indicated by the **grey shaded cells**. Second, we then estimate the breakdown by cohort based on the distribution by cohort of HE students attending HEIs from the same (assumed) domicile, studying in the same country of study and at the same level/mode. Note further that student numbers in the original data are rounded to the nearest five, which might result in some slight discrepancies between the total student numbers indicated in the original data and the values estimated for the purpose of the analysis.

Source: London Economics' analysis of Higher Education Statistics Agency (2015)

Annex 3 Funding for Higher Education: Supplementary findings

In Table 23 to Table 26, we present detailed estimates for undergraduate full-time, undergraduate part-time, postgraduate full-time and postgraduate part-time students (respectively) enrolled in Higher Education Institutions, by academic year, domicile, country of study and type of funding. These detailed tables include students on the main diagonal as well as those who do not study within the Home Nation in which they are domiciled (including EU domiciled students). In each table, the relevant estimates for students on the 'main diagonal' are highlighted for reference. All estimates constitute funding levels *after* loan repayment (i.e. total public investment), and are presented in 2013/14 prices.

Table 24 Funding *after* loan repayment: Funding per undergraduate part-time HEI student by domicile, country of study, funding item and year (£, 2013/14 prices)

	Domicile →	England		Wales		Scotland		N. Ireland		EU	
	Type of funding ↓	2012/13	2013/14	2012/13	2013/14	2012/13	2013/14	2012/13	2013/14	2012/13	2013/14
HEI in England	Tuition fee grant	£83	£53	£131	£137	-	-	£163	£155	£66	£42
	Tuition fee loan	-	-	-	-	-	-	-	-	-	-
	Maintenance grant	£28	£18	£345	£358	-	-	£64	£61	-	-
	Maintenance loan	-	-	-	-	-	-	-	-	-	-
	Disabled Students Allowance	£18	£16	£23	£28	-	-	£10	£5	-	-
	Other targeted support	-	-	-	-	-	-	-	-	-	-
	Teaching	£1,798	£1,362	£1,666	£1,279	£1,527	£1,116	£1,635	£1,144	£1,545	£1,182
	Research	£948	£966	£948	£966	£948	£966	£948	£966	£948	£966
	Other	£329	£360	£329	£360	£329	£360	£329	£360	£329	£360
	Total (breakdown n.a.)	-	-	-	-	-	-	-	-	-	-
Total	£3,204	£2,775	£3,441	£3,127	£2,804	£2,441	£3,149	£2,690	£2,888	£2,549	
HEI in Wales	Tuition fee grant	£67	£41	£131	£137	-	-	£163	£155	£131	£137
	Tuition fee loan	-	-	-	-	-	-	-	-	-	-
	Maintenance grant	£23	£14	£345	£358	-	-	£64	£61	-	-
	Maintenance loan	-	-	-	-	-	-	-	-	-	-
	Disabled Students Allowance	£18	£16	£23	£28	-	-	£10	£5	-	-
	Other targeted support	-	-	-	-	-	-	-	-	-	-
	Teaching	£1,201	£1,065	£1,201	£1,065	£1,201	£1,065	£1,201	£1,065	£1,201	£1,065
	Research	£654	£673	£654	£673	£654	£673	£654	£673	£654	£673
	Other	£390	£418	£390	£418	£390	£418	£390	£418	£390	£418
	Total (breakdown n.a.)	-	-	-	-	-	-	-	-	-	-
Total	£2,353	£2,227	£2,743	£2,679	£2,245	£2,156	£2,483	£2,377	£2,376	£2,293	
HEI in Scotland	Tuition fee grant	£61	£37	£131	£137	£62	£203	£163	£155	-	-
	Tuition fee loan	-	-	-	-	-	-	-	-	-	-
	Maintenance grant	£21	£13	£345	£358	-	-	£64	£61	-	-
	Maintenance loan	-	-	-	-	-	-	-	-	-	-
	Disabled Students Allowance	£18	£16	£23	£28	-	-	£10	£5	-	-
	Other targeted support	-	-	-	-	-	-	-	-	-	-
	Teaching	£3,043	£3,423	£3,043	£3,423	£3,043	£3,423	£3,043	£3,423	£3,043	£3,423
	Research	£1,288	£1,376	£1,288	£1,376	£1,288	£1,376	£1,288	£1,376	£1,288	£1,376
	Other	£952	£916	£952	£916	£952	£916	£952	£916	£952	£916
	Total (breakdown n.a.)	-	-	-	-	-	-	-	-	-	-
Total	£5,382	£5,781	£5,780	£6,237	£5,345	£5,918	£5,520	£5,935	£5,283	£5,714	
HEI in N. Ireland	Tuition fee grant	£61	£20	£131	£137	-	-	£163	£155	£163	£155
	Tuition fee loan	-	-	-	-	-	-	-	-	-	-
	Maintenance grant	£21	£7	£345	£358	-	-	£64	£61	-	-
	Maintenance loan	-	-	-	-	-	-	-	-	-	-
	Disabled Students Allowance	£18	£16	£23	£28	-	-	£10	£5	-	-
	Other targeted support	-	-	-	-	-	-	-	-	-	-
	Teaching	-	-	-	-	-	-	-	-	-	-
	Research	-	-	-	-	-	-	-	-	-	-
	Other	-	-	-	-	-	-	-	-	-	-
	Total (breakdown n.a.)	£4,132	£4,200	£4,132	£4,200	£4,132	£4,200	£4,132	£4,200	£4,132	£4,200
Total	£4,232	£4,244	£4,630	£4,723	£4,132	£4,200	£4,370	£4,421	£4,295	£4,355	

Note: Gaps may arise where there is 0% RAB charge (for part-time students); where students are ineligible for a given type of funding; or where there are zero students in a particular category. Funding for students on the 'main diagonal' is highlighted in red. *Source: London Economics' analysis of relevant sources (please refer to Table 1).*

Table 25 Funding after loan repayment: Funding per postgraduate full-time HEI student by domicile, country of study, funding item and year (£, 2013/14 prices)

	Domicile →	England		Wales		Scotland		N. Ireland		EU	
	Type of funding ↓	2012/13	2013/14	2012/13	2013/14	2012/13	2013/14	2012/13	2013/14	2012/13	2013/14
HEI in England	Tuition fee grant	-	-	-	-	£621	£577	-	-	-	-
	Tuition fee loan	-	-	-	-	£187	£247	-	-	-	-
	Maintenance grant	-	-	-	-	-	-	-	-	-	-
	Maintenance loan	-	-	-	-	-	-	-	-	-	-
	Disabled Students Allowance	£39	£35	£49	£43	£48	£48	£31	£19	-	-
	Other targeted support	-	-	-	-	-	-	-	-	-	-
	Teaching	£1,295	£998	£1,330	£1,006	£1,524	£1,130	£1,118	£837	£1,267	£998
	Research	£948	£966	£948	£966	£948	£966	£948	£966	£948	£966
	Other	£329	£360	£329	£360	£329	£360	£329	£360	£329	£360
	Total (breakdown n.a.)	-	-	-	-	-	-	-	-	-	-
Total	£2,610	£2,358	£2,656	£2,375	£3,658	£3,327	£2,426	£2,182	£2,544	£2,324	
HEI in Wales	Tuition fee grant	-	-	-	-	£498	£597	-	-	-	-
	Tuition fee loan	-	-	-	-	£217	£247	-	-	-	-
	Maintenance grant	-	-	-	-	-	-	-	-	-	-
	Maintenance loan	-	-	-	-	-	-	-	-	-	-
	Disabled Students Allowance	£39	£35	£49	£43	£48	£48	£31	£19	-	-
	Other targeted support	-	-	-	-	-	-	-	-	-	-
	Teaching	£866	£802	£866	£802	£866	£802	£866	£802	£866	£802
	Research	£654	£673	£654	£673	£654	£673	£654	£673	£654	£673
	Other	£390	£418	£390	£418	£390	£418	£390	£418	£390	£418
	Total (breakdown n.a.)	-	-	-	-	-	-	-	-	-	-
Total	£1,950	£1,928	£1,960	£1,937	£2,674	£2,786	£1,942	£1,913	£1,911	£1,893	
HEI in Scotland	Tuition fee grant	-	-	-	-	£483	£450	-	-	£376	£394
	Tuition fee loan	-	-	-	-	£221	£247	-	-	£247	£247
	Maintenance grant	-	-	-	-	-	-	-	-	-	-
	Maintenance loan	-	-	-	-	-	-	-	-	-	-
	Disabled Students Allowance	£39	£35	£49	£43	£48	£48	£31	£19	-	-
	Other targeted support	-	-	-	-	-	-	-	-	-	-
	Teaching	£3,043	£3,423	£3,043	£3,423	£3,043	£3,423	£3,043	£3,423	£3,043	£3,423
	Research	£1,288	£1,376	£1,288	£1,376	£1,288	£1,376	£1,288	£1,376	£1,288	£1,376
	Other	£952	£916	£952	£916	£952	£916	£952	£916	£952	£916
	Total (breakdown n.a.)	-	-	-	-	-	-	-	-	-	-
Total	£5,321	£5,749	£5,332	£5,758	£6,034	£6,459	£5,314	£5,734	£5,905	£6,355	
HEI in N. Ireland	Tuition fee grant	-	-	-	-	£698	£558	-	-	-	-
	Tuition fee loan	-	-	-	-	£169	£247	-	-	-	-
	Maintenance grant	-	-	-	-	-	-	-	-	-	-
	Maintenance loan	-	-	-	-	-	-	-	-	-	-
	Disabled Students Allowance	£39	£35	£49	£43	£48	£48	£31	£19	-	-
	Other targeted support	-	-	-	-	-	-	-	-	-	-
	Teaching	-	-	-	-	-	-	-	-	-	-
	Research	-	-	-	-	-	-	-	-	-	-
	Other	-	-	-	-	-	-	-	-	-	-
	Total (breakdown n.a.)	£4,132	£4,200	£4,132	£4,200	£4,132	£4,200	£4,132	£4,200	£4,132	£4,200
Total	£4,171	£4,235	£4,182	£4,244	£5,047	£5,053	£4,164	£4,220	£4,132	£4,200	

Note: Gaps may arise where there is 0% RAB charge (for part-time students); where students are ineligible for a given type of funding; or where there are zero students in a particular category. Funding for students on the 'main diagonal' is highlighted in red. *Source: London Economics' analysis of relevant sources (please refer to Table 1).*

Table 26 Funding *after* loan repayment: Funding per postgraduate part-time HEI student by domicile, country of study, funding item and year (£, 2013/14 prices)

	Domicile →	England		Wales		Scotland		N. Ireland		EU	
	Type of funding ↓	2012/13	2013/14	2012/13	2013/14	2012/13	2013/14	2012/13	2013/14	2012/13	2013/14
HEI in England	Tuition fee grant	-	-	-	-	-	-	-	-	-	-
	Tuition fee loan	-	-	-	-	-	-	-	-	-	-
	Maintenance grant	-	-	-	-	-	-	-	-	-	-
	Maintenance loan	-	-	-	-	-	-	-	-	-	-
	Disabled Students Allowance	£39	£35	£49	£43	£48	£48	£31	£19	-	-
	Other targeted support	-	-	-	-	-	-	-	-	-	-
	Teaching	£1,770	£1,303	£1,727	£1,360	£1,764	£1,305	£1,824	£1,355	£1,982	£1,479
	Research	£948	£966	£948	£966	£948	£966	£948	£966	£948	£966
	Other	£329	£360	£329	£360	£329	£360	£329	£360	£329	£360
	Total (breakdown n.a.)	-	-	-	-	-	-	-	-	-	-
Total	£3,086	£2,663	£3,054	£2,728	£3,089	£2,679	£3,132	£2,700	£3,259	£2,804	
HEI in Wales	Tuition fee grant	-	-	-	-	-	-	-	-	-	-
	Tuition fee loan	-	-	-	-	-	-	-	-	-	-
	Maintenance grant	-	-	-	-	-	-	-	-	-	-
	Maintenance loan	-	-	-	-	-	-	-	-	-	-
	Disabled Students Allowance	£39	£35	£49	£43	£48	£48	£31	£19	-	-
	Other targeted support	-	-	-	-	-	-	-	-	-	-
	Teaching	£1,028	£890	£1,028	£890	£1,028	£890	£1,028	£890	£1,028	£890
	Research	£654	£673	£654	£673	£654	£673	£654	£673	£654	£673
	Other	£390	£418	£390	£418	£390	£418	£390	£418	£390	£418
	Total (breakdown n.a.)	-	-	-	-	-	-	-	-	-	-
Total	£2,111	£2,016	£2,122	£2,025	£2,121	£2,029	£2,104	£2,001	£2,073	£1,981	
HEI in Scotland	Tuition fee grant	-	-	-	-	£838	£769	-	-	-	-
	Tuition fee loan	-	-	-	-	-	-	-	-	-	-
	Maintenance grant	-	-	-	-	-	-	-	-	-	-
	Maintenance loan	-	-	-	-	-	-	-	-	-	-
	Disabled Students Allowance	£39	£35	£49	£43	£48	£48	£31	£19	-	-
	Other targeted support	-	-	-	-	-	-	-	-	-	-
	Teaching	£3,043	£3,423	£3,043	£3,423	£3,043	£3,423	£3,043	£3,423	£3,043	£3,423
	Research	£1,288	£1,376	£1,288	£1,376	£1,288	£1,376	£1,288	£1,376	£1,288	£1,376
	Other	£952	£916	£952	£916	£952	£916	£952	£916	£952	£916
	Total (breakdown n.a.)	-	-	-	-	-	-	-	-	-	-
Total	£5,321	£5,749	£5,332	£5,758	£6,169	£6,532	£5,314	£5,734	£5,283	£5,714	
HEI in N. Ireland	Tuition fee grant	-	-	-	-	-	-	-	-	-	-
	Tuition fee loan	-	-	-	-	-	-	-	-	-	-
	Maintenance grant	-	-	-	-	-	-	-	-	-	-
	Maintenance loan	-	-	-	-	-	-	-	-	-	-
	Disabled Students Allowance	£39	£35	£49	£43	£48	£48	£31	£19	-	-
	Other targeted support	-	-	-	-	-	-	-	-	-	-
	Teaching	-	-	-	-	-	-	-	-	-	-
	Research	-	-	-	-	-	-	-	-	-	-
	Other	-	-	-	-	-	-	-	-	-	-
	Total (breakdown n.a.)	£4,132	£4,200	£4,132	£4,200	£4,132	£4,200	£4,132	£4,200	£4,132	£4,200
Total	£4,171	£4,235	£4,182	£4,244	£4,180	£4,248	£4,164	£4,220	£4,132	£4,200	

Note: Gaps may arise where there is 0% RAB charge (for part-time students); where students are ineligible for a given type of funding; or where there are zero students in a particular category. Funding for students on the 'main diagonal' is highlighted in red. *Source: London Economics' analysis of relevant sources (please refer to Table 1)*



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