



BRIEFING PAPER

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Tuition Fee Statistics

By Paul Bolton

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Summary

This note gives a brief summary of statistics on: Aggregate tuition fee liability/payment under the current and previous systems; the impact on student numbers; payment by student characteristics; and the contribution of tuition fees to higher education funding. Some statistics cover England and Wales, although more recent data on variable fees and the post-2012 system is for England only.

The cap on fees in England was increased to £9,000 for new undergraduate students in 2012. The average headline fee in the first year of the new system was around £8,400. It has increased each year since then, despite the cap remaining at £9,000, to just under £8,900 in 2016/17. More detail on the debate around the 2012 changes, variations in fees and impacts of higher fees are given in the notes listed below with a specific 2012 focus.

In 2015 the Government announced that the cap would be increased for universities with a successful performance under the Teaching Excellence Framework (TEF). The cap will be increased annually by inflation from 2017-18 for institutions that meet the TEF standards. The 2017-18 cap is £9,250 for institutions and the average headline fee is expected to increase to £9,100.

The following Library publications give related information:

- [Higher education tuition fees in England](#)
- [Changes to higher education funding and student support from 2012/13](#)
- [HE in England from 2012: Funding and finance](#)
- [HE in England from 2012: Student numbers](#)
- [Higher education and social class](#)
- [Value of student maintenance support](#)
- [Student loans](#)
- [Entrants to higher education](#)
- [The Higher Education Bill \(2004\)](#)
- [The Sale of Student Loans Bill \(2007\)](#)

Details of tuition fee liability and financial help for students from England, Wales, Scotland and Northern Ireland can be found at:

- www.direct.gov.uk/studentfinance
- www.studentfinancewales.co.uk
- www.saas.gov.uk
- www.studentfinanceni.co.uk

The Office for Fair Access (OFFA) publishes regular [reports](#) on fee levels and planned income for each university. These also include analysis of fee-funded spending aimed at improving access for disadvantaged groups.

Universities UK's report [Where student fees go](#) gives useful background on how institutions have spent additional fee income from 2006 onwards.

1. Background

1.1 The new student support arrangements from 1998/99

New student support arrangements were introduced by the Labour Government following the report of The National Committee of Inquiry into Higher Education, the Dearing Report.¹ In the Government's formal response, *Higher Education for the 21st Century*, they stated:²

The Government plans to introduce an annual tuition fee of £1,000, representing about a quarter of the average cost of a course. Tuition will continue to be free for students from lower income families. Other full-time students will pay up to £1,000 per year depending on parental income. The cost of the fees will be balanced by increased loans for maintenance, also related to parental income. The overall effect, as explained below, will be that the total contribution required from the parents will be no greater than it is now.

From autumn 1998 (academic year 1998/99) most new entrants to full-time higher education courses were expected to contribute up to £1,000 a year to the cost of their tuition. The maximum contribution was later increased in line with inflation to £1,225 for students continuing under these arrangements in 2007/08. The actual amount they are liable for depends on their own income and that of their parents or spouse as appropriate. The maximum private contribution to tuition fees was around one quarter of the average total cost of a course.

1.2 Variable fees

The passing of the Higher Education Act 2004 meant that variable fees could be introduced. From 2006/07 institutions in England that had an access plan agreed by the Office for Fair Access (OFFA) could charge new students variable fees of up to £3,000. This was also introduced in Northern Ireland in 2006/07 and Wales in 2007/08. The maximum fee was £3,225 in 2009/10 and could only be increased by inflation until January 2010, and only then with the approval of both Houses of Parliament.³

Students could take out a Tuition Fee Loan to cover the cost of these fees and hence upfront fees were effectively abolished. This loan had the same interest rate and repayment terms as the Maintenance Loan and take-up does not affect eligibility for the Maintenance Loan. This option was also available to cover the (fixed) fees of students who started before 2006/07.

¹ *Higher Education in the learning society*, National Committee of Inquiry into Higher Education 1997

² *Higher Education for the 21st Century: response to the Dearing Report*, DfEE 1998.

³ HC Deb 4 September 2006 c1995w

Institutions that charged fees of more than £2,700 were required to offer bursaries of at least £300 to students who were in receipt of the maximum Maintenance Loan (£2,700 in 2006/07).

1.3 Changes in England from 2012/13

The fee cap has been increased to £9,000 for new entrants from 2012/13. Tuition Fee Loans are available to cover these costs for both full and part-time students. These changes are alongside various modifications to the loan repayment system and cuts in direct public funding for teaching in universities. The note [Changes to higher education funding and student support from 2012/13](#)⁴ outlines these changes and looks at the impact on different groups of students. The cap was kept at £9,000 in 2013/14 and will be kept at this level until at least 2016/17. Despite this the estimated average headline fee has increased from around £8,400 in 2012/13 to almost £8,900 in 2016/17 (around £8,100 to just under £8,900 after fee waivers) as more institutions charge the maximum and many shift spending away from waivers and towards other types of support.⁵

In summer Budget 2015 the Chancellor announced a range of financial reforms to student funding. Alongside the announcement that maintenance grants would be replaced in full by loans for new students in England from 2016/17⁶ he also announced consultations on freezing the loan repayment threshold for five years, allowing some universities to increase fees in line with inflation from 2017, and a review of the discount rate applied to the accounting treatment of loans. The Budget said:⁷

Driving up the quality of higher education is also important, and this Budget announces a number of measures to address this. These include allowing institutions offering high teaching quality to increase their tuition fees in line with inflation from 2017-18, with a consultation on the mechanisms to do this.

This meant that the fee cap remained at £9,000 until 2016/17. It was increased by inflation (2.8%) to £9,250 in 2017/18 for institutions with a Teaching Excellence Framework (TEF) rating of 'Meets Expectations'. A list of those eligible for this higher cap can be found at: [Teaching Excellence Framework eligible providers. Year one](#). More detail on the operation of the TEF and its link to the fee cap are given in the briefing paper: [Higher Education White Paper: Success as a Knowledge Economy](#)

1.4 Scotland

Following the report of the Independent Committee of Inquiry into Student Finance⁸, the Cubie Report, the Scottish Executive made a number of changes to student support arrangements. From 2000/01

⁴ <http://www.parliament.uk/briefing-papers/SN05753>

⁵ [Access agreements for 2016-17: key statistics and analysis](#) (and earlier editions), OFFA

⁶ See Library briefing paper [Value of student maintenance support](#) for more detail.

⁷ [Summer Budget 2015](#), HMT

⁸ *Student finances: Fairness for the future*, Independent Committee of Inquiry into Student Finance 1999

upfront tuition fees were abolished for all eligible full-time Scottish and EU students studying at Scottish institutions. A contribution will be made after graduation in the form of the Graduate Endowment. This was introduced for students who entered higher education from 2001/02 and qualified after completing a degree level course. The level was initially set at £2,000 (£2,289 for those entering in 2006/07) and can be repaid in the same way as income-contingent student loans. Various groups including lone parents, mature/independent students, the disabled and students studying HNC and HNDs were all exempt from the Graduate Endowment.⁹ In summer 2007 the SNP-led Scottish Government announced that the Graduate Endowment would be scrapped.¹⁰ The Graduate Endowment Abolition (Scotland) Bill was approved at the end of February 2008 and meant that no current or future students would pay the endowment and neither would those who graduated on or after 1 April 2007.¹¹

For information on the current system of student support and a comparison of student loans in Scotland and England see the Scottish Parliament Information Centre's [Student Loans and Repayments](#).

2. Payment and liability and fee levels

2.1 Regulated fees

The table below shows the proportion of students who were liable to pay upfront regulated fees, and the average liability.

| TUITION FEE LIABILITY IN ENGLAND AND WALES | | | | | | | | | | | | |
|---|---------|---------|---------|---------|---------|---------|---------|--------------|---------|---------|---------|---------|
| Academic years | | | | | | | | | | | | |
| | 1998/99 | 1999/00 | 2000/01 | 2001/02 | 2002/03 | 2003/04 | 2004/05 | England only | | | | |
| | | | | | | | | 2005/06 | 2006/07 | 2007/08 | 2008/09 | 2009/10 |
| Distribution of fee liability (%) | | | | | | | | | | | | |
| No contribution | 45 | 45 | 42 | 43 | 43 | 43 | 43 | 43 | 39 | 37 | 34 | 19 |
| Partial contribution | 20 | 20 | 19 | 16 | 15 | 14 | 14 | 13 | 12 | 11 | 9 | 4 |
| Full contribution | 35 | 35 | 39 | 41 | 42 | 43 | 43 | 45 | 49 | 52 | 57 | 77 |
| Average private contribution to fees (£) | | | | | | | | | | | | |
| | 410 | 475 | 540 | 545 | 590 | 585 | 590 | 615 | 680 | 725 | 790 | 1,025 |
| Source: SLC statistical first release 6/2011 Student support for higher education in England, Academic year 2011/12 (provisional), and earlier editions | | | | | | | | | | | | |
| HC Deb 18 January 2001 c329w | | | | | | | | | | | | |

In the first two years the percentage of students making no, partial or full contribution remained the same; 45% no contribution, 20% partial and 35% full contribution. Over the following years there was a general shift towards higher contributions. The main shift has been a smaller

⁹ SE press notice 27 January 2000 *Henry McLeish says Student Package the Right Deal For All; Student support: Higher education FAQs*, Scottish Executive http://www.scotland.gov.uk/who/elld/support_he_faq.asp; Students Awards Agency Scotland www.saas.gov.uk

¹⁰ *Graduate fee scrapped*, Scottish Executive news release 13 June 2007

¹¹ *Graduate endowment scrapped*, Scottish Government news release 28 February 2008

proportion making partial and a greater proportion making full payments. The average contribution of eligible students was below half the maximum contribution in 1998/99 and 1999/00, and since then it has increased at a slightly faster rate than tuition fees themselves. In 2005/06 734,000 students in England were eligible for fee support. The exemption from fee contributions for low-income families in England cost the Government around £413 million in 2005/06. The new arrangements in 2006/07 meant that fewer students were liable to pay standard fees and hence this expenditure fell to £257 million, £8 million in 2009/10 and provisionally less than £1 million in 2010/11.¹²

By type of student

The last *Student Income and Expenditure Survey* to fully cover regulated fees¹³ asked a sample of English students about tuition fee support/payment. This found that 81% of full-time students applied to their LEA for fee support and 53% of them were assessed to make some contribution. Among all those assessed the average contribution was £472 (against the then fee level of £1,150) or an overall average of 36% of the total costs of taking their course¹⁴. Students with the following characteristics all made contributions that were much lower than average¹⁵:

- Non-dependent (only 5% made a contribution)
- Aged 25+
- Routine/manual socio-economic groups
- Parental income <£20,000
- Lone parent families
- Non-single people
- Foundation degree students
- PGCE/initial teacher training students

2.2 Variable fees from 2006/07

Data from the Student Loans Company on the take-up of Tuition Fee Loans for variable fees gives a good indication of fee liability. The table below shows the growth in numbers of students¹⁶ taking out these loans since 2006/07. This grew rapidly as each new year's entrants became liable for these higher fees. It is the growth in numbers taking out fee loans which is the main driving force behind the growth in the total value of fee loans. This reached £3.1 billion in 2011/12.

¹² SLC statistical first release 6/211 *Student support for higher education in England, Academic year 2010/11 (provisional)*

¹³ DfES research report RR725, *Student Income and Expenditure Survey 2004/05*

¹⁴ Includes fees, books, equipment, travel, childcare and other similar costs

¹⁵ Less than £300

¹⁶ English domiciled and EU students at English institutions

| TAKE-UP OF TUITION FEE LOANS FOR VARIABLE FEES IN ENGLAND | | | | | | | | | | | | | | | | | |
|---|--------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|----------------------------|---------|---------|---------|---------|---------|
| Full-time students starting from 2006/07 | | | | | | | | | | | | | | | | | |
| | All students | | | | | | | | | | | Post 2012/13 students only | | | | | |
| | 2006/07 | 2007/08 | 2008/09 | 2009/10 | 2010/11 | 2011/12 | 2012/13 | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2012/13 | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 |
| Loans awarded by mid-November each year | | | | | | | | | | | | | | | | | |
| Number (thousands) | 239 | 455 | 683 | 810 | 884 | 948 | 936 | 970 | 980 | 1,008 | 1,027 | 324 | 632 | 905 | 996 | 1,024 | 1,061 |
| Value (£ million) | 650 | 1,287 | 2,014 | 2,458 | 2,755 | 3,064 | 4,634 | 6,231 | 7,637 | 8,357 | 8,652 | 2,612 | 5,129 | 7,387 | 8,317 | 8,317 | 9,144 |
| Average value (£) | 2,710 | 2,830 | 2,950 | 3,030 | 3,120 | 3,230 | 4,950 | 6,430 | 7,790 | 8,290 | 8,430 | 8,050 | 8,120 | 8,170 | 8,350 | 8,440 | 8,620 |
| Loans paid during the whole year | | | | | | | | | | | | | | | | | |
| Number (thousands) | .. | .. | 666 | 782 | 824 | 883 | 926 | 966 | 973 | 1,007 | .. | 327 | 633 | 889 | 994 | 1,030 | .. |
| Value (£ million) | .. | .. | 1,948 | 2,344 | 2,552 | 2,840 | 4,408 | 5,938 | 7,291 | 8,032 | .. | 2,452 | 4,870 | 7,018 | 7,992 | 8,375 | .. |
| Average value (£) | .. | .. | 2,930 | 3,000 | 3,090 | 3,220 | 4,760 | 6,150 | 7,490 | 7,980 | .. | 7,490 | 7,690 | 7,900 | 8,040 | 8,130 | .. |
| Note: The figures from 2008/09 are the amount paid, earlier figures are for the amount awarded | | | | | | | | | | | | | | | | | |
| Source: SLC statistical first release 5/2016 <i>Student support for higher education in England 2016</i> , and earlier editions | | | | | | | | | | | | | | | | | |

The data from 2012/13 are clearly affected by new students taking out much larger loans. These students are looked at in more detail below.

As the average fee loan (above) suggests, a large majority of institutions set their fees at the maximum amount. Universities UK stated that 'Almost all higher education institutions have charged new full-time undergraduate students the maximum fee of £3,000.' Some exceptions are listed in their publication [Variable tuition fees in England: assessing their impact on students and higher education institutions, a first report](#). Their latest report confirmed that in 2009/10 again almost all institutions charged the maximum fee of £3,225.¹⁷

The 2007/08 *Student Income and Expenditure Survey* included data on students liable to pay variable fees for the first time. Nearly all paid the maximum amount (mean payment was £2,900 v maximum fee level of £3,070), as explained elsewhere in this note, so there are no meaningful variations by type of student.¹⁸ The 2011/12 *Student Income and Expenditure Survey* reported very similar findings. The first survey in this series to cover post-2012 students is not expected to be produced until sometime next year.

2.3 Fees from 2012/13

The Government's planning assumption for 2012/13 was that average fees for new students will be around £7,500 per year after fee waivers.¹⁹ OFFA has to approve access agreements for institutions that want to charge fees of over £6,000. Their first analysis of access agreements found that the majority of universities would have a maximum fee of £9,000 and more than one third would have an average of £9,000. They estimated that the average headline fee for new students in 2012/13 would be £8,385. This was reduced to £8,123

¹⁷ *Variable tuition fees in England: assessing their impact on students and higher education institutions A fourth report*, Universities UK

¹⁸ Johnson C et al, *Student Income and Expenditure Survey 2007/08 English-domiciled Students*, (DIUS research report 09/05)

¹⁹ *Higher education funding for 2011-12 and beyond*, BIS (December 2010)

after the fee waivers set out in the agreements were included.²⁰ Analysis of fee levels, use of additional fee income and fee levels by institutions produced by OFFA can be viewed [here](#). In 2015/16 almost 94% of eligible full-time students from England took out a Tuition Fee Loan. Take up among EU students at English institutions was lower at 73%, but both figures were well above 2010/11 and 2011/12 levels.²¹

The maximum fee cap will be kept at £9,000 up to 2016/17 (at least), but despite this average fees have increased in each year. OFFA analysis of subsequent plans show the average headline fee increased to £8,499 in 2013/14 (£8,246 after waivers), £8,647 in 2014/15 (£8,425 after waivers)²² and provisionally £8,844 in 2015/16 (£8,774 after waivers) and £8,905 in 2016/17 (£8,871 after waivers).^{23 24} The increase is due to a combination of increases in headline fee levels (for those charging below £9,000) and a reduction in fee waivers.

All but one university in England will charge £9,000 for one or more course in 2016. Just over one in three will charge £9,000 for all their courses.

139 of the 183 institutions (76%) with 2016-17 access agreements had a maximum headline (pre-waiver) fee of £9,000. The large majority of institutions with lower maximum fees were further education colleges and only one university had maximum fees below £9,000.

47 institutions had an average headline fee of £9,000 and hence planned to charge the maximum for all their courses. All of these were universities, therefore 36% of universities planned to charge £9,000 for all their courses.²⁵

The right hand side of the table on the previous page only covers students liable for fees of up to £9,000. Clearly numbers have grown as more students come under the new regime. The average fee loan awarded to post 2012/13 students (to mid-November) was £8,050 in 2012/13 and increased to £8,440 in 2016/17; somewhat below the OFFA post-waiver fee average for the same year. The total value of fee loans increased to £4.4 billion in 2013/14 and has continued to increase as more students come under the new regime. Provisional data for 2016/17 puts the amount awarded at £8.7 billion, virtually all of which was to students who started in 2012/13 or later.

2017/18

In 2017/18 121 of the 123 higher education institutions with access agreements are planning to charge a maximum headline fee of £9,250. 36 will charge this new higher cap for all courses. The average fee is expected to exceed £9,000 for the first time at £9,110 for higher education institutions or £9,090 after waivers.²⁶

The Government expects that the total annual face value of Tuition Fee Loans will increase from £2.6 billion in financial year 2011-12 to

²⁰ *Access agreements 2012-13: Final data including initial teacher training*, OFFA

²¹ Student Loans Company, [Student Support for Higher Education in England 2017: academic year 2016/17 payments, 2017/18 awards](#)

²² OFFA press release 26 July 2012, [OFFA announces decisions on 2013-14 access agreements](#)

²³ [Access agreements for 2016-17: key statistics and analysis](#), OFFA

²⁴ [2017-18 access agreements: institutional expenditure and fee levels](#), OFFA

²⁵ *ibid.*

²⁶ *ibid.*

£9.0 billion in 2017-18.²⁷ This total has continued to increase even after the large majority of students come under the new regime as more institutions have charged the maximum fee, increases in student numbers linked in part to the 2013 Autumn Statement announcement to remove the cap on student numbers and the new higher cap in 2017/18.²⁸

Alternative providers

All the figures above include loans made to alternative²⁹ as well as public providers.³⁰ From 2012 new students at alternative providers could apply for a fee loan of up to £6,000. Alternative providers are not covered in the earlier OFFA figures which may in part explain why the average loan figures are lower. In 2012/13 the average fee loan paid to students at these providers was around £4,900. This increased to £5,540 in 2016/17. There is some lag in final (payment) data from these providers, but the provisional 2016/17 average paid was £4,600, this compares to an average payment of £8,200 to post-2012 students at public providers in the same year.³¹

EU students

Students from the rest of the EU are eligible for fee loans on the same basis as home students. In 2011/12 £104 million was paid in fee loans to EU students on full-time courses in England, 3.7% of the total. This increased to £403 million in 2016/17. The amount awarded in 2017/18 (up to mid-November) was £455 million. The proportion of the total value awarded has increased to 5.0%.³²

2.4 Use of additional variable fee income

Pre-2012

Access agreements for specifying fee levels alongside the institutions' own financial support/bursary arrangements can be found on the [OFFA website](#). According to Universities UK most institutions offered bursaries above the statutory minimum to students in receipt of the maximum Maintenance Grant. The median level was over £1,000 in 2009.³³ Most institutions also offered a reduced bursary to students who received a partial grant.³⁴

Total additional variable fee income to English institutions was £1.9 billion in 2011/12. £387 million (20%) of this was spent on financial support for lower income students (mainly bursaries) and

²⁷ Higher education funding for 2016-17, and earlier, BIS/HEFCE

²⁸ See [HE in England from 2012: Student numbers](#) for more details

²⁹ A provider of higher education courses designated for student support which does not receive funding from the Higher Education Funding Council for England or equivalent bodies or direct public funding.

³⁰ An institution that provides higher education courses which is in direct receipt of money from HEFCE/equivalents, in receipt of direct public funding or FE colleges.

³¹ Student Loans Company, [Student Support for Higher Education in England 2017: academic year 2016/17 payments, 2017/18 awards](#)

³² Student Loans Company, [Student Support for Higher Education in England 2017: academic year 2016/17 payments, 2017/18 awards](#)

³³ *Variable tuition fees in England: assessing the impact on students and higher education institutions A second report*, Universities UK.

³⁴ *ibid.*

under-represented groups and £57 million (3%) on additional outreach. In that year 442,000 students received a bursary; this was 45% of students who were liable for higher fees. Three-quarters of bursary holders received one because they were in receipt of full state maintenance support.³⁵ The average bursary for new students within this group was £915 in 2011/12. The average bursary for these students fell slightly in 2011/12 as did the percentage of higher fee income spent on access measures. Spending on outreach increased by around a quarter.³⁶

OFFA had earlier found evidence that not all students who were eligible took up a bursary. In 2006/07 12,000 eligible students at the 70% of institutions that distributed their support via the Student Loans Company failed to tick a box on their loan form that would have informed their university about their income. This fell to 6,500 in 2007/08 or an estimated take-up rate of 90%. This increased to 97% in 2009/10 and 98% in 2010/11.³⁷

2012 onwards

Institutions which planned to charge fees of more than £6,000 for new students from 2012/13 had to have an access agreement approved by OFFA. Analysis of access agreements for new students from 2012/13 projected that access spending by higher education institutions would increase from an estimated £400 million in 2011/12 to around £630 million in 2015/16. This would be an increase of around 40% in real terms. Much of the increase in spending was expected to be in fee waivers, outreach programmes and measures to increase retention. The requirement for a minimum bursary for students on a full grant was removed for new students from 2012. Expenditure on bursaries, scholarships and other cash and in-kind measures that directly benefit students were expected to fall by £52 million between 2011/12 and 2015/16, even after funding from the Government's National Scholarship Programme was included.³⁸ This would be a fall of 23% in real terms.³⁹

Analysis of later access agreements has given higher actual spending levels in the first few years of the new regime and continued planned increases in spending to the end of the latest agreements. Spending totalled £725 million in 2014-15 and is planned to be just over £780 million in 2017/18. The balance of expenditure has also shifted from that in 2012/13 and plans made at the time. There was criticism that too much access agreement expenditure was on fee waivers (which can eventually benefit the public sector as much as, or more than, the individual graduate). The 2017/18 spending on waivers is planned to be £20 million and is expected to fall to further in the medium term. These

Institutions have shifted their Access Agreement spending away from fee waivers and other types of financial support and towards schemes to improve access, retention and outcomes

³⁵ Household income of less than £25,000 for continuing students.

³⁶ *Access agreement and widening participation strategic assessment 2011-12 and National Scholarship Programme 2012-13 (in-year) monitoring outcomes*, OFFA/HEFCE

³⁷ *ibid*; *Access agreement monitoring 2009-10*, and earlier, OFFA

³⁸ *Access agreements 2012-13: Final data including initial teacher training*, OFFA

³⁹ Prices adjusted using September 2012 GDP deflators from HM Treasury and OBR projections of GDP deflators.

totals compare with £93 million (from a smaller total spend) in 2012/13. The number of institutions offering waivers fell from 131 in the 2014/15 access agreements to around 50 in the 2017/18 ones.

Overall spending on financial support of all types (including bursaries/scholarships, accommodation discounts and hardship funds) is planned to be £412 million in 2017/18 (53% of total spending). The remainder is to be spent on initiatives to improve access to higher education, retention and outcomes after undergraduate study among disadvantaged groups. It is these latter areas where spending has increased, or is planned to increase. They made up 26% of Access Agreement spending in 2012/13 and are planned to be 51% in 2017/18 and 47% in the longer term.⁴⁰

Spending by institutions to match National Scholarship Programme (NSP) funding (from central Government) is included in post-2012 access agreement spending data above. The first data on this spending was published in June 2013. A total of £131 million had been spent or committed for 2012/13 (central Government plus matched funding from institutions) for an expected 35,000 students. 53% of spending was on fee waivers or discounts. Discounted accommodation or similar institutional services was next most common, but was worth less than half the amount spent on fee waivers. Financial scholarships/bursaries made up 16% of the total. Two thirds of institutions delivered this support to first year students only.⁴¹

The Spending Round 2013 announced that the value of the Government contribution to the NSP would be cut from £150 million in 2014-15 to £50 million in 2015-16 and it would be refocused on postgraduate students.⁴² It will therefore not benefit undergraduate students from that year onwards. Institutions are still expected to meet their commitments set out in their access agreements including 'matched' NSP funding.⁴³

⁴⁰ [2017-18 access agreements: institutional expenditure and fee levels](#), (and earlier), OFFA

⁴¹ *Access agreement and widening participation strategic assessment 2011-12 and National Scholarship Programme 2012-13 (in-year) monitoring outcomes*, OFFA/HEFCE

⁴² [Spending Round 2013](#), HM Treasury

⁴³ [Match-funded NSP ends but sector must still pay](#), Times Higher Education 4 July 2013

3. Impacts on student numbers

The note [Entrants to higher education](#) looks at this subject in more detail, a brief summary only is included here. The chart opposite shows applicants from home students to full-time courses across the UK. The three major falls in this period were in 1998 when tuition fees were introduced, 2006 when variable fees were introduced and 2012 when the cap was lifted to £9,000.

Before the first two falls highlighted here there was a clear increase in applicants and acceptances in the year prior to fees being introduced or increased. This was largely due to

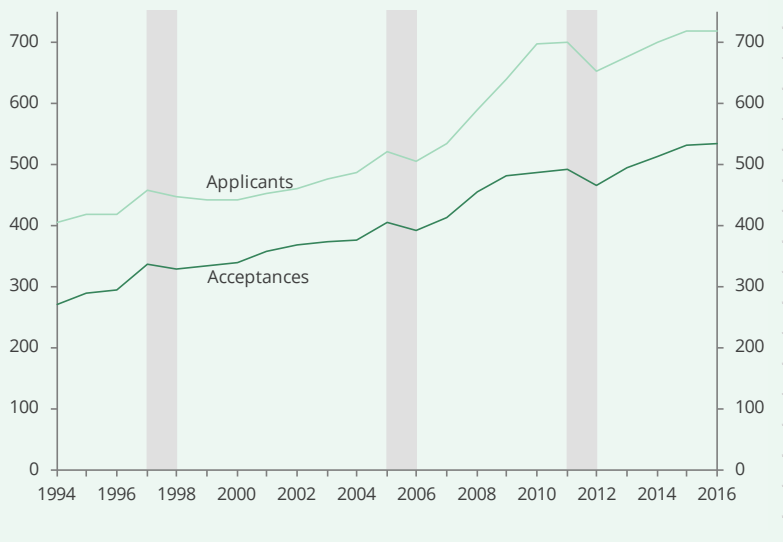
increases in the number of mature students who were able to bring forward the start of higher education and hence avoid fees. There was no evidence of this before the 2012 drop.

Neither of the first two falls changed the overall upward trends, they were dips linked to changes in fees. Applicant numbers recovered more quickly after the introduction of variable fees in 2006. There is no way to assign a set proportion of these changes to tuition fees. Variations in applicants and acceptances across the home countries since 2006 can help focus on the impact of higher fees to some extent. The number of applicants who lived in Scotland (and hence were not liable for variable fees at institutions in Scotland) increased by 2% in 2006, compared to a 4% fall among those living in England. However, after then the increase in applicants has been larger in England and the total increase between 2004 and 2011 was 28% in England compared with 15% in Scotland.⁴⁴

These comparisons are far from perfect as they exclude the impact of underlying demographics and differences in the courses covered by UCAS in each country. They provide no evidence that variable fees caused a major ongoing decline or downward shift in overall numbers of applicants or entrants to higher education in England. Similarly there is no evidence that those from 'lower' socio-economic groups or (deprived) areas with historically low levels of participation have been adversely affected by tuition fees. The proportion of students from these groups has increased over this period. The note [Higher education and social class](#) looks at this subject in detail. A report from the funding council concluded that there have been substantial and sustained increases in participation among young people from disadvantaged⁴⁵ areas in England. More of the increase in participation since the mid-

CLEAR DROP IN STUDENTS WHEN FEES INTRODUCED & INCREASED

Home applicants and acceptances via UCAS, thousands



⁴⁴ UCAS data tables –HE region

http://www.ucas.ac.uk/about_us/stat_services/stats_online/data_tables/herregion

⁴⁵ Whether disadvantage is defined in terms of education, occupation or income.

2000s has been from disadvantaged areas than from advantaged areas.⁴⁶

2012/13 and prospects for later years

The total number of applicants to UK universities in 2012 was down by 6.6%, or 46,500, compared with 2011. There were larger percentage falls in groups directly affected by the fee increase; particularly among students from England, EU students and across all applicants to institutions in England. The smallest decline by age (from all domiciles) was among 18 year olds at 1.9%, although the decline among 18 year olds from England was larger at 4.2%.⁴⁷ The overall fall in applicants took the 2012 total below the levels from the same period in the previous two application cycle, but still well above the 2009 level. However the range of courses covered by UCAS expanded in 2010, so the 2009 and 2012 figures are not directly comparable. The total number of accepted applicants was 664,900 in 2012, 5.5% below the record level from 2011. The patterns of change in applications in 2012 were largely reflected in changes in acceptances.⁴⁸

These figures look at the year when the application was made rather than when the potential student intends to start their course. In the large majority of cases they are the same year, as most applicants do not apply for deferred entry in a later year. When the number of applicants for deferred entry remains broadly the same the change in the number of accepted applicants through UCAS is a good guide to the change in the number of new full-time undergraduate entrants. However, there was a sharp decline in applicants for deferred entry in the 2011 cycle. Home and EU students who applied in 2011 but deferred their entry to 2012 faced much higher fees than if they started in 2011. The number of accepted applicants in 2011 who deferred entry to 2012 fell by just over 16,000.⁴⁹ This would mean a substantial cut in new entrants in 2012/13 even if there were no change in accepted applicants in 2012.⁵⁰ The changes to fees appear to have brought forward a large number of new entrants from 2012/13 to 2011/12. This impact is similar in principle to the increases in mature student applicants and entrants just before the 1998 introduction and 2006 increase in fees.

This UCAS analysis looked at accepted home and EU applicants only (those who are affected by the lifting of the fee cap). Overall acceptances for entry in 2012/13 were 417,400, a fall of 53,300, or 11%, on acceptances for 2011/12 entry. The drop was larger for institutions in England at 13% and Wales at 12%, but numbers were up by 2% in Scotland and 3% in Northern Ireland. While there was a large increase in acceptances for 2011/12, the 2012 total was still below the equivalent totals for 2008/09, 2009/10 and 2010/11. UCAS has also analysed these data by the average level of attainment. Institutions were

⁴⁶ [Trends in young participation in higher education: core results for England](#), HEFCE issues paper 2010/03

⁴⁷ UCAS annual datasets

⁴⁸ [End of cycle report 2012](#), UCAS

⁴⁹ [UCAS online data tables](#)

⁵⁰ Assuming that patterns of deferred entry return to normal levels in 2012

grouped into three bands (high, medium and low) according to the average UCAS tariff points of its entrants. Accepted applicants for 2012/13 were down at all three types of institutions, but the fall was smallest at higher tariff institutions (7%) and largest at lower tariff institutions (14%).⁵¹

The number of home and EU applicants increased in 2013, but remained below the numbers seen in 2010 and 2011. The number of accepted home applicants increased by 6.7% in the 2013 entry cycle to beat the previous (2011) record. The number of acceptances for entry in 2013/14, regardless of when they applied, increased by 9.3% but was still below the peak in 2011/12. The 2011/12 year of entry total was boosted by the large drop in deferred entry to 2012/13 and it is this factor which means the 2013/14 total is not a new record. UCAS analysis of entry *rates* in 2013/14 show new record levels for 18 year olds⁵² from England and among all those aged 19 or under. Entry rates for young people from 'disadvantaged areas' also reached new highs in 2013/14 and closed the gap somewhat on rates among those from other areas.⁵³

2014 and 2015 saw a continuation of this trend with acceptances setting new records in both years and applicants passing their 2011 high for the first time in 2015. There was a small increase in acceptances in 2016 and a very small drop in applicants

Entry *rates* among 18 year olds from England increased from 29.2% in 2013 to 32.5% in 2016, setting new records in each year. The increase among those from the most disadvantaged areas was even greater, up from 15.1% in 2011 and 2012 to 19.5% in 2016. There was also an increase to a new high in the entry rate for 18 year olds formerly eligible for free school meals in each year from 2011 to 2016.⁵⁴

Home/EU applicant numbers are still below their 2011 peak, but acceptances have reached new records as have entry rates among 18 year olds, including those from disadvantaged backgrounds

4. Impact on funding of Higher Education

This section looks at funding up to 2011-12. Home detail on funding from 2012 is given in [HE in England from 2012: Funding and finance](#). In 1997-98 total public funding of higher education institutions in England was around £4.7 billion. All was from grants to the funding bodies or LEA fee payments. By 2001-02 this funding had increased to around £5.7 billion, a 13% increase in real terms. However, if private fee contributions are excluded the real increase was 6% over a period where funded student numbers increased by 7%. In financial year 2009-10 funding to the funding bodies had increased to £7.8 billion. If projected fee income is added then total funding from these sources will be around 50% above 1997-98 levels in real terms, or around 25%

⁵¹ [End of cycle report 2012](#), UCAS

⁵² As a proportion of the population.

⁵³ [2013 Application Cycle: End of Cycle Report](#), UCAS

⁵⁴ [2016 End of Cycle Report](#), UCAS

if private contributions are excluded.⁵⁵ Over this period, funded student numbers have increased by around 20%.⁵⁶

Another way of looking at the impact of these changes is to quantify the shifts in costs from the public to the private sector. Both regulated and variable fees mean the costs of tuition were shared between the public sector and the student/graduate. In 2005/06 regulated fees resulted in a shift in costs of around £550 million⁵⁷ from the public to private sectors after fee grants are accounted for.⁵⁸ This is the value compared to a 100% state funded system with the same unit funding levels and student numbers.

The situation is more complex with variable fees as they are funded by state supported loans. Using official estimates of the cost sharing⁵⁹ of these loans gives a figure of around £1.4 billion in private costs in financial year 2009-10.⁶⁰ This is not the amount paid back but an estimate of the present value of those loans with current repayment terms. It is therefore an approximate estimate of the shift in costs from the public to private sectors. It also assumes that the overall increase in tuition funding received by universities would otherwise have been provided by the public sector. As mentioned earlier some of the additional funding finds its way back to students in the form of bursaries so the net costs to the private sector from all sources would be less.

Central Government funding for *tuition* per student in England remained broadly flat in real terms during the introduction of variable fees and for the following few years.⁶¹ Thus the introduction of variable fees has represented a real increase in overall tuition-related income. The income that institutions receive per student (after the cost of bursaries administration etc. is netted off) has increased in real terms.⁶² Cuts in public funding for teaching in academic years 2010/11 and 2011/12 have totalled around 12% per student in real terms. This does not fully reverse the overall trend in tuition-related income, but it does limit the increases that institutions have received from variable fees.⁶³

In reality higher education institutions receive funding from a wider range of sources and already receive significant income from part-time, postgraduate and overseas student fees. The aim of the earlier calculations is to highlight the balance between core public funding and undergraduate fees. The latest data on English institutions is for

⁵⁵ SLC statistical first release 2/2009; DCSF resource accounts 2008-09; DIUS Departmental report 2009; DfES Departmental Report 2006 and earlier; *Funding higher education in England - Tables showing grants for the higher education sector as a whole 2007-08*, HEFCE; *Grant letter from the Department for Education and Skills to HEFCE*, various years; HM Treasury December 2009 GDP deflators

⁵⁶ Includes students on ITT and their funding in all years to maintain comparability.

⁵⁷ Value in 2009-10 prices.

⁵⁸ *Grant letter from the Department for Education and Skills to HEFCE*, various years; HM Treasury GDP deflators

⁵⁹ 33% of their face value.

⁶⁰ *Departmental report 2009*, DIUS

⁶¹ *DIUS Departmental Annual Report 2009*. Table 16

⁶² Higher education funding 2010-11 -Secretary of State's grant letter of 22 December 2009, HEFCE; DIUS Departmental Report 2009

⁶³ *Recurrent grants for 2011-12*, and earlier, HEFCE

2010/11 when full-time undergraduate fee income (including from EU students) made up 15% of their total income from all sources.⁶⁴

5. International comparisons

The latest OECD [comparisons of tuition fees](#) look at the situation in 2015/16. The complexity of tuition fee liability in many countries (variations by subject, type of course, type of institution, students' circumstances and state support to meet fees) means that direct comparisons are not straightforward.

Students were generally liable to pay tuition fees at public/Government supported higher education institutions in the majority of OECD countries. The headline average undergraduate tuition fee in England at \$11,950 was the highest of any OECD or 'partner' country (for public or government-dependent private institutions). It was only below the average levied at independent private institutions in the US (\$21,200). Average fees for independent institutions in Australia were the next highest behind England at \$10,200, followed by Japan and Korea in the \$8,200 to \$8,400 range.⁶⁵

Average fees in England were the highest of any 'public' system in the OECD

The OECD figures confirm the assessment on page 9 of [Changes to higher education funding and student support from 2012/13](#)⁶⁶ that **average fee levels for new students in England from 2012 were likely to be the highest for public or state-dependent private institutions in the developed world**. England was likely to rank second highest for the average across all types of universities with the US as the highest average across all types of universities.

Other assessments of differences in tuition fee levels and the overall affordability of higher education across the developed world were produced around the time the 2012 changes were announced by the Higher Education Strategy Associates in their [Global Higher Education Rankings 2010](#), Higher Education Information System, Germany's [Social and Economic Conditions of Student Life in Europe](#) and research carried out by BIS: [Review of Student Support Arrangements in Other Countries](#)

⁶⁴ *HE Finance Plus 2010-11*, HESA

⁶⁵ *Education at a Glance 2017*, OECD. Table B5.1

⁶⁶ <http://www.parliament.uk/briefing-papers/SN05753>

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