



Department
for Education

Higher Education Tuition Fee Prices

Using 2016/17 Student Loan Company data to estimate headline tuition fee prices in the Higher Education sector by provider and qualification type

May 2019

Summary

This note uses academic year (AY) 2016/17 Student Loan Company (SLC) data to analyse fee setting behaviour within the Higher Education Sector. It finds that 98% of English domiciled, full-time students, in receipt of a student loan, enrolled on a bachelor degree course, at a Higher Education Institution (HEI) in 2016/17 had a headline tuition fee of £9,000.

Data source

SLC data on individual level tuition fee loans made in 2016/17.

Defining the Student Population used in the Analysis

This analysis considers the following student population: full-time, UK domiciled, first-year students in receipt of a SLC fee loan, enrolled at an English Higher Education Provider (HEP). These students are further identified by provider and qualification type.

Providers in the SLC data are split into three groups:

- Higher Education Institutions (HEIs),
- Further Education Colleges with Access Agreements¹ (FECs – AA), and
- Further Education Colleges without Access Agreements (FECs – No AA).

Groups are defined using the Higher Education Funding Council for England (HEFCE) register².

Some Alternative Providers (APs), which are providers that receive no public grant funding, are included in the SLC data. Such providers had a £6,000 loan cap in AY 16/17, but no fee cap. We exclude APs from our analysis because of the uncertainty with the data they submitted to the SLC, specifically, it was not clear if these providers

¹ Before the OfS was created, HEPs that wanted to charge the higher fee cap (£9,000 in 2016/17) were required to have 'access agreements', which set out how the provider planned to sustain or improve access, student success and progression among people from underrepresented and disadvantaged groups. If a provider received public funding from HEFCE but did not have an access agreement in place the highest fee they could charge in 2016/17 was £6,000.

² The register was correct as of 2nd May 2018. Manual checks were performed to ensure that HEPs that changed status between 2016/17 and 2018 were included in the correct group. A provider is defined as a HEI if it answers "Yes" on the HEFCE register for the question "Is a Higher Education Institution (HEI)". A provider is defined as a FEC if it answers "Yes" on the HEFCE register for the question "Is in the further education sector". A FEC is defined as with (without) an Access Agreement if it answers "Yes" ("No") on the HEFCE register for the question "Has an access agreement for the current academic year"

recorded their fee or the loan amount. In total, 4% of students in the data were enrolled at APs

Qualifications are split into four groups: First Degree, Foundation Degree, Higher National Certificate (HNC) and Higher National Diploma (HND). “Other” qualifications (such as Graduate Diplomas), which make up less than 1% of students in the SLC data set, are not included in the analysis. The grouping are shown in Table 1 below³.

Table 1: Qualification groupings

| Qualification | Group | Level |
|-----------------------------------|-------------------|-------------|
| Bachelor Degree | First degree | Level 6 |
| Graduate Diploma | Other | Level 6 |
| Foundation Degree | Foundation degree | Level 5 |
| Higher National Diploma | HND | Level 5 |
| Diploma of Higher Education | Other | Level 5 |
| Higher National Certificate | HNC | Level 4 |
| Certificate of Higher Education | Other | Level 4 |
| Diploma in Education and Training | Other | Level 4 - 6 |
| Graduate Certificate | Other | None |

Overall, the size of the population used in our analysis is 330,000 students. The table below shows these students split by provider and qualification type.

Table 2: Population number by qualification and provider type (rounded to the nearest 100)

| Student Numbers | | | | | |
|-----------------|-----------------|-------------------|-------|-------|---------|
| | Bachelor Degree | Foundation Degree | HNC | HND | Total |
| HEI | 293,700 | 6,800 | 200 | 900 | 301,700 |
| FEC (AA) | 7,600 | 7,700 | 1,100 | 1,600 | 18,000 |
| FEC (No AA) | 1,800 | 3,000 | 1,300 | 4,200 | 10,400 |

³ See <https://www.gov.uk/what-different-qualification-levels-mean> for more detail on qualification levels.

| Student Numbers | | | | | |
|-----------------|-----------------|-------------------|-------|-------|---------|
| | Bachelor Degree | Foundation Degree | HNC | HND | Total |
| Total | 303,200 | 17,500 | 2,600 | 6,700 | 330,000 |

The analysis does not include those HE participants who do not take out a student loan to pay their fees. It is estimated that this represents ~93% of all students eligible for a student loan⁴. Given HE providers do not charge differently according to funding source, it is not expected that this will significantly influence our findings.

Analysis

The analysis calculates the average fee price and the distribution of fee prices across our population of interest. The analysis uses the headline fee price, as collected by SLC. This is the 'sticker price' of each student's course, which is not necessarily the price they pay. It does not include any fee waivers, for example. Our analysis uses this variable to explore price differentiation in the HE sector, we are interested in how providers set fee prices, not on how they make individual concessions of the fee they eventually charge.

Table 3 calculates the average headline fee of the population by provider and qualification type. Over all providers and qualification types, the average headline fee price of full-time, UK domiciled, first-year students in receipt of a SLC fee loan was £8,730 in 2016/17, which is £270 short of the £9,000 fee cap for those providers with an Access Agreement in place.

Overall, across each qualification type, the average headline fee price is higher in HEIs. FECs with no Access Agreement have the lowest averages. The results suggest that the tuition fee cap for bachelor degrees in HEIs is influencing pricing, but not in FECs with Access Agreements or in sub-degree provision (which were subject to the same £9,000 cap). Although FECs without an Access Agreement were not subject to a price cap, attendees were only able to access up to £6,000 in tuition fee loans and this appears to influence pricing in a similar way to an actual price cap.

⁴ See SLC statistics at <https://www.slc.co.uk/media/10179/slcsp052018.xlsx>

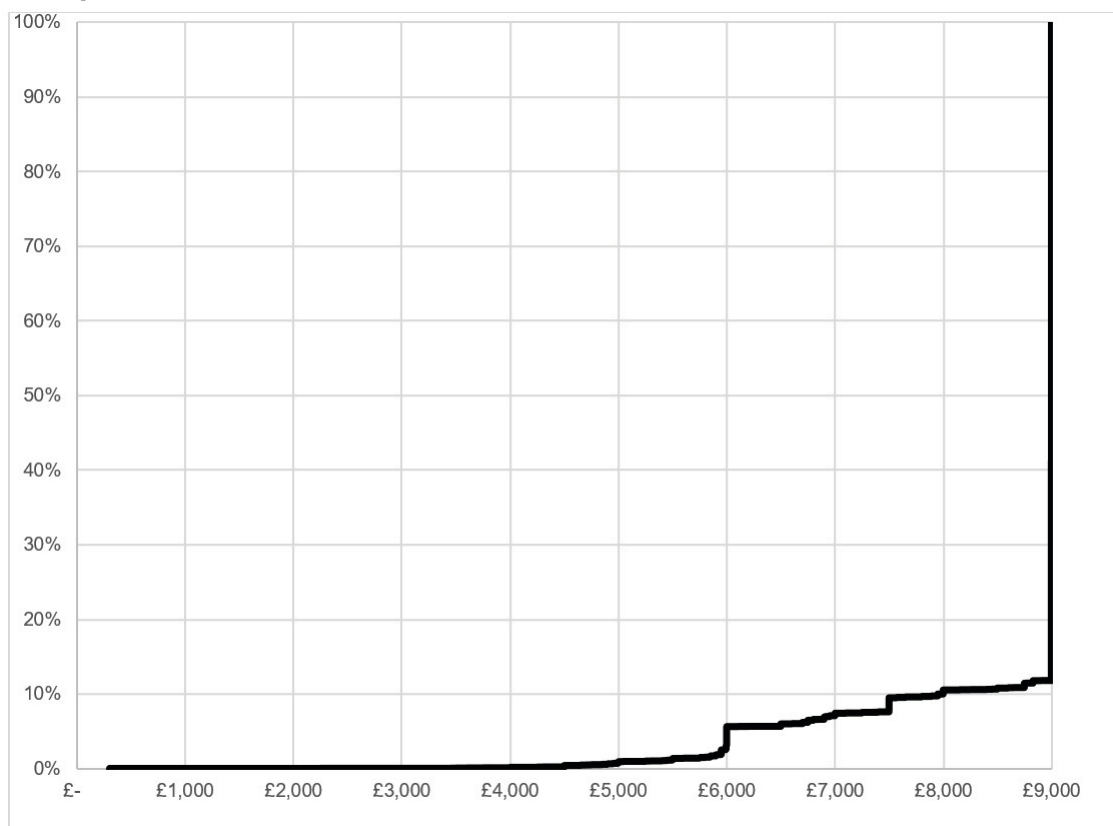
Table 3: Mean headline fee income of population by provider and qualification type (rounded to nearest £10)

| Mean Headline Tuition Fee | | | | | |
|---------------------------|-----------------|-------------------|--------|--------|--------|
| | Bachelor Degree | Foundation Degree | HNC | HND | Total |
| HEI (AA) | £8,960 | £7,510 | £7,860 | £7,160 | £8,920 |
| FEC (AA) | £7,490 | £7,240 | £5,910 | £6,180 | £7,170 |
| FEC (No AA) | £6,180 | £6,010 | £5,350 | £5,620 | £5,800 |
| Total | £8,910 | £7,140 | £5,780 | £5,970 | £8,730 |

The following charts in this section are cumulative distribution plots showing how the proportion of students paying less than or equal to a particular headline tuition fee increases as that tuition fee rises.

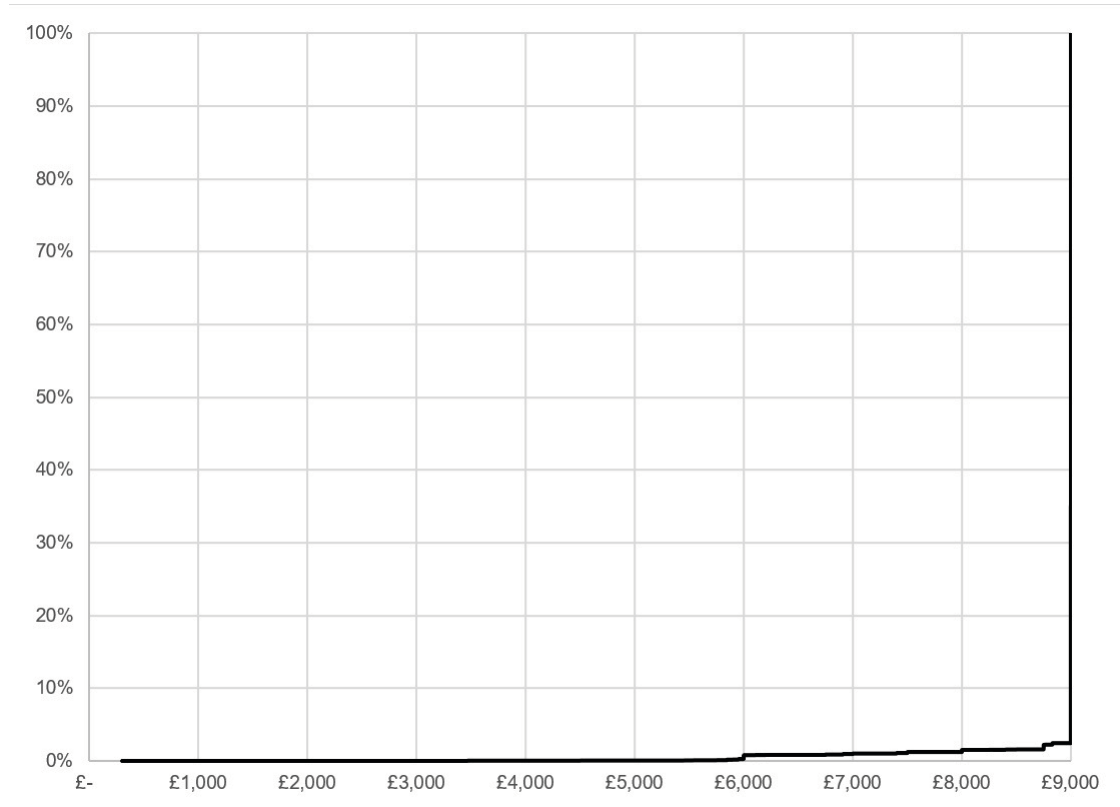
Figure 1 shows that in 2016-17, 88% of English domiciled, full-time students, in receipt of a student loan, enrolled at an English Higher Education Provider (of any type and qualification) EP, had a headline tuition fee of £9,000. The median headline fee was £9,000, which was the fee cap in 2016/17.

Figure 1: Cumulative distribution plot of headline student fee, all provider types and qualifications. N=330,000.



For the largest group of students, bachelor degree students at HEIs, the distribution of headline fees is shown in Figure 2. It shows that in 2016-17, 98% of English domiciled, full-time students, in receipt of a student loan, enrolled on a bachelor degree course, at an English HEI had a headline tuition fee of £9,000.

Figure 2: Cumulative distribution plot of headline student fee, HEIs and Bachelor degree only. N=293,700.





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