

Research Briefing

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Higher education in the UK: Systems, policy approaches, and challenges



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Summary

The four parts of the UK have a shared history where higher education is concerned, and students and staff flow between them. At the same time, the devolution of responsibility for higher education over the last 30 years has allowed England, Wales, Scotland, and Northern Ireland to take increasingly distinctive paths in how they manage their systems.

This research briefing provides an overview of these four higher education systems and considers where policy approaches align and diverge across the UK. It also sets out a number of challenges facing UK higher education, particularly regarding the funding of teaching, research, and student support.

Management and co-ordination

While colleges play an important role in the provision of higher education, particularly in Scotland, students across the UK primarily study for higher education qualifications in universities. These are autonomous, self-governing institutions, responsible for appointing and employing their own staff and setting their own policies and procedures. However, this autonomy must be understood within a wider policy context set at a national level.

There are currently four contrasting bodies with responsibility for the management of higher education in the UK:

- The [Office for Students](#) (OfS) in England.
- The [Commission for Tertiary Education and Research](#) (CTER, also known as ‘Medr’) in Wales, which has replaced the [Higher Education Funding Council for Wales](#).
- The [Scottish Funding Council](#) (SFC).
- The [Higher Education Division of the Department for the Economy](#) in Northern Ireland.

The regulation-based approach to the management of higher education in England, through the OfS, contrasts with Wales and Scotland, where the SFC and CTER are tasked with developing an overall vision for the higher education systems of their respective nations. In England, any kind of overarching strategic approach is confined to the areas the OfS is tasked with regulating.

Northern Ireland's approach to managing higher education is also distinctive because it is characterised by oversight from a government department, the Department for the Economy, rather than through an intermediary body.

Funding of higher education and student support

Tuition fees and grants are the most significant sources of income for most higher education providers. The [total income of the higher education sector](#) was just over £50 billion in 2022/23. Government spending includes direct funding for teaching and research through grants from national funding bodies, as well as loans and grants paid to students to cover tuition fees and help towards living costs.

Since 2012, funding for teaching has shifted towards increased tuition fees paid by students. In Scotland, the [fees of eligible students are covered by the Scottish Government](#). England differs from the rest of the UK by not providing any maintenance grant support for students, beyond the targeted allowances for students in particular circumstances that are also available in Scotland, Wales, and Northern Ireland.

Following reductions to government grants, and tuition fee caps not keeping pace with inflation over the last decade, the financial sustainability of the higher education sector has come under increasing strain. Recent inflationary pressures have also placed demands on universities in relation to pay settlements, pensions, energy costs, and capital projects. Student maintenance support has not risen in line with recent inflation across the UK either, with real terms cuts to student support [leaving the poorest around £1,250 worse off since 2021/22](#) in England.

Student numbers

There were over two million higher education students in the UK in 2020/21. Nearly 80% were undergraduates and over 80% study in England. In recent years there has been:

- Increasing student numbers everywhere in the UK. Wales has seen the largest percentage increase (although domestic student numbers have slowed in recent years) while Northern Ireland the smallest.
- A substantial increase in postgraduate taught students everywhere in the UK. Wales saw the biggest rise of 44% between 2016/17 and 2020/21.
- Little increase in postgraduate research student numbers.

- A small increase in part-time students, but numbers remain well below their levels from a decade earlier following a fall of 42% between 2009/10 and 2017/18.

Higher education participation differs by socio-economic background, gender, ethnicity, and age across the UK. The challenge of extending access to, and ensuring success in, higher education is approached differently in each part of the UK, but the commitment to improve participation is relatively high by international standards.

Each part of the UK requires certain higher education providers (generally those that want to charge higher tuition fees or ensure their students are eligible for publicly funded student support) to have plans in place setting out what they will do to increase participation in higher education by students from under-represented groups. Governments across the UK also fund outreach projects, which encourage regional collaborations between higher education providers, colleges, and schools with the aim of improving participation among disadvantaged sections of society.

Teaching, learning, and employability

There are around [240,000 academic staff](#) employed in the higher education sector across the UK, and [a similar number of non-academic staff](#) at institutions which provided this information. A report published in March 2022 by the University and College Union (UCU) said [two-thirds of respondents were likely or very likely to leave the university sector](#) in the next five years over pay and working conditions.

Quality assurance is based around a combination of internal review of practices by universities themselves and external review by designated bodies. In the UK, this external role is undertaken by the [Quality Assurance Agency for Higher Education](#) (QAA). From 2023, the QAA has said [it will not continue as the designated body in England](#) because the requirements made by England's current regulatory approach are "not consistent with standard international practice for quality bodies".

As well as a focus on teaching quality, supporting students to achieve positive outcomes after graduation is a priority in all four parts of the UK. England is unique in [setting numerical thresholds on minimum acceptable student outcomes](#) higher education providers must meet. For full-time students studying a first degree, the thresholds are:

- 80% of students to continue their studies
- 75% of students to complete their course
- 60% of students to go on to further study, professional work, or other positive outcomes, within 15 months of graduating.

The majority of students in each part of the UK [question the value for money of higher education](#). The proportion of students who believe their course represents good value for money is lowest in Northern Ireland but highest in Scotland.

UK higher education in an international context

The UK Government's [International Education Strategy](#) includes ambitions to:

- increase the value of education exports to £35 billion per year by 2030;
- increase the total number of international students choosing to study in the UK higher education system each year to 600,000 by 2030.

The latter ambition was [met for the first time in 2020/21](#), with 605,130 international higher education students studying in the UK in universities, further education colleges, and alternative providers.

While the UK is one of the leading countries in the world for attracting international students, far fewer UK students study abroad. [In 2021, this was estimated at 2%](#), which is half the EU average and below levels in Germany and France (both 4%).

Following Brexit, the UK chose to leave the EU's Erasmus+ programme. It has been replaced by the UK-wide [Turing Scheme](#) and, in Wales, the [Taith programme](#). The Scottish Government has said it will develop its own international education exchange programme.

Research funding and output

Support for research led by universities and higher education providers across the four parts of the UK comprises a UK-wide and region-specific approach. University research is publicly funded through what is known as the 'dual support' system:

- [UK Research and Innovation](#) (UKRI) funds specific research projects and programmes through the seven subject-based Research Councils, Innovate UK, and Research England. UKRI is a non-departmental public body sponsored by the Department for Science, Innovation, and Technology (DSIT) with a [national budget of £8.87 billion in 2024-25](#).
- Block grants of public funding are distributed to higher education providers to support their research infrastructure. This is known as quality-related research (QR) funding. It is calculated using the [Research Excellence Framework](#) (REF), which is an exercise held once every seven

years using data provided by universities to consider the quality of their research.

Additional research funding is also available from other sources such as charities, industry, and government departments. The new [Advanced Research and Invention Agency](#) (ARIA) also began work from 2023. With a budget of £800 million, ARIA will exclusively focus on transformational science and technological projects.

Higher education, economy, and society in the UK

The contribution higher education makes to society and individuals can be understood in terms of both [financial/economic benefits and wider “non-market” benefits](#).

According to a [report by the National Centre for Entrepreneurship in Education for Universities UK](#), between 2021 and 2026, the UK’s universities will provide over £11.6 billion of support and services to small enterprises, businesses, and not-for-profits, attract £21.7 billion of national and international public funds to spend on collaborative research with businesses and non-academic organisations, and train more than 191,000 nurses, 84,000 medical specialists, and 188,000 teachers.

The available evidence suggest higher education is a rational choice for the majority of those who enter, at least in financial terms, but economic outcomes do vary depending on where a student comes from, the subject they study, their gender and ethnicity, and their socio-economic background. It has been estimated one in five graduates – or about 70,000 every year – [would have been better off financially had they not gone to university](#).

1 Introduction

An important principle of higher education provision in the United Kingdom is that higher education providers are autonomous institutions, with a high degree of self-governance and financial and academic independence. But this autonomy must be understood within a wider policy context set at a national level.

The four parts of the UK have a shared history where higher education is concerned, and students and staff flow between them. At the same time, the devolution of responsibility for higher education over the last 30 years has allowed England, Wales, Scotland, and Northern Ireland to take divergent paths in how they manage their systems.

In 1992, separate higher education funding councils were established in England, Scotland, and Wales. This was followed six years later by the [Northern Ireland Act 1998](#) and the [Scotland Act 1998](#), which devolved responsibility for higher education to Northern Ireland and Scotland respectively. Wales gained responsibility for higher education following the passage of the [Government of Wales Act 2006](#).

This devolution has led to an increasingly contrasting higher education picture across the UK, with each country responsible for setting policy and the overall regulatory framework for its higher education sector.

Structure of the briefing

This briefing will describe the main characteristics of the higher education systems and policy approaches in the four constituent parts of the UK. It will consider how higher education is both integrated and connected but also separate and distinctive across the UK. The briefing is structured as follows:

- It begins with section two by providing an overview of the size and scale of higher education in each part of the UK before describing the different arrangements and funding and regulatory bodies that exist to manage higher education across the country.
- Section three considers the funding of higher education teaching and learning across the UK, including the financial support made available to students. It also examines financial pressures on universities and considers whether current student support arrangements are sufficient.

- Section four then considers the profile of students who enter higher education, particularly in terms of their socio-economic background, and the different approaches to widening access to higher education taken across the UK.
- Information on teaching, learning, and employability follows in section five, which covers issues such as the academic workforce, quality assurance, student satisfaction, and graduate outcomes.
- Internationalisation is an increasingly important aspect of higher education in the UK. This issue is examined in section six by considering where international students come from, the benefits they bring, the UK students going abroad to study, and the post-Erasmus+ policies of each part of the UK.
- Research activity is at the core of what higher education does and an analysis of the relationship between UK-wide and nation-specific funding and strategies forms the basis of section seven.
- The penultimate section looks at how higher education interacts with the wider UK economy and society.
- Finally, the briefing concludes by considering what the issues facing higher education across the four UK parts might be over the coming years.

2

Providers, systems, and regulators

In England, Wales, and Northern Ireland, higher education (HE) comprises education at [levels 4 to 8](#).¹ In Scotland, it is education at [levels 7 to 12](#).² Across the UK, higher education is generally understood to mean undergraduate and postgraduate degrees taken by students aged 18 years of age (or in Scotland, 16) and older.

Higher education is most commonly pursued in universities and other higher education providers, but may also be offered in colleges alongside further education courses. This is especially true in Scotland. There are around 450 higher education providers across the UK, with over 400 of them in England.

Over the last thirty years, the responsibility for higher education has been devolved to a national level. This has led to different approaches to how higher education is managed, funded, and developed across the UK. There are four distinct bodies with responsibility for the management of higher education:

- The Office for Students in England.
- The Commission for Tertiary Education and Research in Wales.
- The Scottish Funding Council.
- The Higher Education Division of the Department for the Economy in Northern Ireland.

2.1

Higher education providers

Across the UK, students primarily study for higher education qualifications in higher education institutions (most commonly universities). These institutions are autonomous, self-governing bodies, responsible for appointing and employing their own staff and setting their own policies and procedures.

In Scotland, and to a lesser extent Northern Ireland, the number of higher education students in colleges, where further education courses are also provided, is a significant proportion of the total number of higher education students in each part of the UK, as the table below shows.

¹ GOV.UK, [What qualification levels mean](#)

² Scottish Credit and Qualifications Framework, [The SCQF interactive framework](#)

Students enrolled on HE courses by type of provider and home country

All modes and levels of study, home and overseas students

	2017/18	2018/19	2019/20	2020/21	2021/22
England					
HE providers	1,983,480	2,015,110	2,076,245	2,257,580	2,342,775
FE providers	123,235	114,190	107,565	100,540	90,120
Scotland					
HE providers	247,220	253,475	260,490	282,875	301,230
FE providers	49,585	49,185	46,725	49,940	45,025
Wales					
HE providers	127,915	130,500	134,780	143,860	147,910
FE providers	1,670	1,705	1,580	1,305	1,140
Northern Ireland					
HE providers	54,460	55,755	59,075	66,245	69,565
FE providers	11,850	10,705	10,325	10,035	9,780

Source: HESA, [Higher Education Student Statistics: UK, 2021/22 - Student numbers and characteristics \(figure 4\)](#)

In Scotland, 13% of students were studying for higher education qualifications in colleges in 2021/22. Wales in contrast had less than 1% of its higher education students studying in a college.

HE providers in the home nations

England	424
Scotland	36
Wales	10
Northern Ireland	12
Total	482

Sources: OfS, [The OfS register \(accessed 17 June 2024\)](#); SFC, [Higher education students and qualifiers at Scottish institutions 2021-22](#); HEFCW, [Annual Regulatory Report 2021/22](#); NI Department for the Economy, [Higher education division \(accessed 17 June 2024\)](#).

While across the UK now there are now 482 higher education providers, including alternative providers in England and further Education colleges in the rest of the UK that provide higher education. There are twelve times more providers in England than in Scotland and around 40 times more in England than in Wales and Northern Ireland.

The significant difference in the number of providers relates to the respective sizes of each part of the UK, but also how higher education has developed historically, and especially following the devolution of powers to Wales, Scotland, and Northern Ireland in recent decades.

Despite the large number of higher education providers across the UK, and especially in England, there remain several so-called “cold spots” where there are no established providers, such as coastal regions, rural areas in the Southwest, and the English and Welsh border.³

England

The Conservative governments of 2010 to 2024 encouraged the development of a market in higher education in England, with increasing numbers of

³ “[What’s it like to learn in a cold spot?](#)”, Wonkhe, 2 May 2022; “[Private providers leave UK higher education ‘cold spots’ untouched](#)”, 13 April 2021

different providers competing to improve their offer to students.⁴ When the Office for Students (OfS), which regulates higher education in England (see below), was launched in 2018, part of its remit was to develop this competitive market, which has led to a very large number of higher education providers in England (over 400).

The majority of higher education providers in England are small and do not have the right to offer their own degrees. These providers are known as “listed bodies” and provide higher education courses on behalf of the 175 “recognised bodies” across the UK, which have the power to award UK degrees.⁵ The regulation of such arrangements has been criticised in recent years following reports of student loan fraud at some franchised providers.⁶

Wales

Higher education in Wales is provided mainly through ten universities, including the Open University. There are also a further thirteen further education colleges in Wales, two of which are funded to provide higher education courses.⁷

Scotland

There are 19 universities and higher education institutions in Scotland,⁸ but higher education courses (mainly Higher National Certificates and Higher National Diplomas) are also offered by many of Scotland’s 24 colleges.⁹

Scotland has some distinct traditions of higher education. For example:

- Many students move into higher education from the age of 16 (rather than 18, as in the rest of the UK).
- The Scottish higher education system favours a four-year undergraduate degree programme (rather than three years).
- The ancient universities of Scotland (St Andrews, Glasgow, Aberdeen, Edinburgh) issue a Master of Arts as the first degree in humanities.

Northern Ireland

Higher education in Northern Ireland is delivered through two universities (Queen’s University Belfast and Ulster University), two university colleges (St

⁴ National Audit Office, [The higher education market](#), 8 December 2017

⁵ Quality Assurance Agency, [The Right to Award UK Degrees](#), August 2018, p1

⁶ Commons Library Insight, [Student loan fraud in franchised universities and colleges](#), 23 February 2024; National Audit Office, [Investigation into student finance for study at franchised higher education providers](#), 18 January 2024

⁷ HEFCW, [Annual Regulatory Report 2021/22](#); Audit Wales, [A Picture of Higher and Further Education](#), October 2021

⁸ Scottish Funding Council (SFC), [Funding for universities](#)

⁹ SFC, [Colleges we fund](#)

Mary's University College Belfast and Stranmillis University College), and the Open University.¹⁰

Higher education courses are also delivered in the Open University and Northern Ireland's seven further education colleges.¹¹

2.2

UK funding and regulatory bodies

England: The Office for Students

The [Office for Students](#) (OfS) is the higher education regulator in England. It was established by the [Higher Education and Research Act 2017](#), coming into existence in 2018.¹² It is a non-departmental public body of the Department for Education (DfE).

The OfS inherited some of the funding responsibilities of the Higher Education Funding Council for England (research funding responsibilities passed to [UK Research and Innovation](#)) and the Office for Fair Access's responsibility for promoting fair access to higher education. A framework document outlines the OfS' relationship with the DfE.¹³ The DfE sets priorities for the OfS in annual guidance letters, which state how much public money it should distribute to higher education providers.

The OfS aims to ensure that higher education in England delivers positive outcomes for students. It is expected to encourage competition to improve student choice, to intervene when providers are failing in areas such as equal access, and to protect the interests of students, the government, and society at large.

¹⁰ NI Department for the Economy, [Higher education division](#)

¹¹ Nidirect, [Further education \(FE\) colleges](#)

¹² Department for Business, Innovation & Skills, [Case for the creation of Office for Students \(OfS\)](#), 7 June 2016

¹³ Department for Education (DfE) and the Office for Students (OfS), [Office for Students framework document](#), 16 January 2023

Office for Students 2022-25 strategy

The OfS' mission is "to ensure that every student, whatever their background, has a fulfilling experience of higher education that enriches their lives and careers."

The OfS' [2022-25 strategy](#) outlines its goals and objectives for the period, and how it intends to achieve them. The OfS' two areas of focus for 2022-25 are quality and standards and equality of opportunity.

The OfS has said it will deliver its strategy through its regulatory approach:

- The OfS has said while "much of the provision in the English higher education sector is exemplary; our focus as a regulator will be on addressing cases that fall short".¹⁴
- The regulatory baseline is a set of regulatory expectations that represent the minimum performance to which students and taxpayers are entitled. The baseline is predominantly expressed through "[conditions of registration](#)" and all providers are required to satisfy these
- The OfS regulates by reference to this regulatory baseline. It can take action to ensure providers' compliance, for example through monetary penalties.

In contrast to the organisations tasked with funding and managing higher education in the rest of the UK, the OfS is a regulator and competition authority.

The OfS performs its regulatory functions in several ways:

- through the operation of a register of higher education providers
- the application of its [regulatory framework](#)
- the awarding of degree awarding powers and the title of university
- the monitoring of access and participation
- the assurance of quality and standards
- the oversight of data collection and publication

In performing these functions, the OfS must have regard to the need to protect institutional autonomy and academic freedom, promote choice for students, encourage competition between providers, promote value for money and equality of opportunity in connection with access and participation.

¹⁴ OfS, [Office for Students strategy 2022 to 2025](#), 23 March 2022, p2

While the OfS is designated as a regulator, it also has a role as a funder, providing nearly £1.4 billion to higher education providers in 2023-24. This funding mainly supports the teaching of high-cost subjects, such as medicine.¹⁵

The OfS register

Under the [Higher Education and Research Act 2017](#), higher education providers in England must register with the OfS to access public funding, award degrees, and recruit international students.¹⁶ There is no legal requirement to register with the OfS to deliver higher education, but providers must register to access these benefits.

To be included on the [OfS register](#), higher education providers must meet initial and ongoing conditions of registration demonstrating their ability to provide quality higher education. Registration conditions relate to financial sustainability, good governance, and student access, participation, and outcomes.¹⁷ These conditions enable the OfS to exert a degree of control over the quality of higher education provision in England.

Lords Industry and Regulators Committee report

In September 2023, the House of Lords Industry and Regulators Committee published a report critical of the Office for Students, saying “there have been too many examples of the OfS acting like an instrument of the Government’s policy agenda rather than an independent regulator”.¹⁸

The report said the OfS had poor relationships with many of its stakeholders, including both universities and students. It also said the OfS’ approach to regulation often seemed “arbitrary, overly controlling and unnecessarily combative”, and that it was selective in choosing which of its duties to prioritise and liable to giving the impression it sought “to control and micro-manage providers”.

Wales: Commission for Tertiary Education and Research

The Welsh Government sets the overall policy direction for higher education in Wales. From August 2024, it will fund higher education through Medr (Welsh for ‘skill’), which is also known as the [Commission for Tertiary Education and Research](#).

¹⁵ OfS, [Funding for academic year 2023-24](#), 22 June 2023

¹⁶ OfS, [Benefits of registration](#)

¹⁷ OfS, [Conditions of registration](#)

¹⁸ House of Lords Industry and Regulators Committee, [Must do better: the Office for Students and the looming crisis facing higher education](#), 2nd Report of Session 2022-23 HL Paper 246, 13 September 2023

[Research](#) (CTER). The CTER replaced the [Higher Education Funding Council for Wales](#) (HEFCW).

The Commission for Tertiary Education and Research is a non-departmental public body accountable to the Welsh Government. It was established by the [Tertiary Education and Research \(Wales\) Act 2022](#) and was expected to be fully operational from April 2024. However, a phased approach will see HEFCW dissolved in August 2024 and its responsibilities assumed by the CTER from then.¹⁹ The CTER is a unique development in the UK context bringing together:

- further education, including colleges and school sixth-forms
- higher education, including research and innovation
- adult education and adult community learning
- apprenticeships and training

Previously, HEFCW regulated and provided funding for higher education, while the Welsh Government did so for the other tertiary education sectors. The Commission will combine these activities into one body.

Tertiary education

Tertiary education as a concept is sometimes defined in different ways by different organisations, but generally it refers to all post-16 education and training.

The Commission for Tertiary Education and Research will have a wider remit than HEFCW. The Welsh Government published a vision statement in 2020 that said:

We wish to see a joined up TER [tertiary education and research] system in Wales that is easy for all learners to navigate, is valued by the public, creates a highly skilled society, tackles inequalities, is globally renowned for excellent education, training, research and innovation, and has a civic mission at its heart.

Our approach will enable learners to move seamlessly from compulsory to tertiary education, building on our national mission for education reform.²⁰

In the other parts of the UK, the concept of a tertiary education system has been mooted in the past. In England, for example, the 2019 [Post-18 review of education and funding: Independent panel report](#), or Augar report, attempted to frame what a tertiary education system for England could look like, with

¹⁹ Welsh Government, [Written Statement: Commission for Tertiary Education and Research – Update](#), 24 January 2024

²⁰ Welsh Government, [Post-compulsory education and training: Strategic vision](#), November 2020

greater integration of further and higher education.²¹ Some of the Augar report's recommendations about funding have been taken forward in England through the [Lifelong Learning Entitlement](#), but Wales has moved forward with comprehensive structural reform.

The impetus for the changes to Wales regulatory landscape originated from a 2016 review of post-compulsory education, the Hazelkorn Review, which presented the independent evidence base for the introduction of a body like the CTER.²² The review recommended the development of an overarching vision for the post-compulsory education and training sector, and a new arm's-length body responsible for the oversight, strategic direction, and leadership of the sector.

The responsibilities of the Commission will be to:

- Take a whole system approach to research and innovation funding with an ability to provide funding to a wide range of HE and FE institutions.
- Protect the interests of learners, ensuring vocational and academic learning are equally valued.
- Align education and training more closely with the needs of employers.
- Monitor performance and governance whilst protecting the academic freedom of institutions.
- Monitor and promote improvement in education and training providers.
- Increase the availability of Welsh-medium tertiary education and to encourage individuals to learn through the medium of Welsh.²³

The CTER's predecessor, the [Higher Education Funding Council for Wales](#) (HEFCW) was established in May 1992.²⁴ As a funding council, HEFCW was more similar to the Scottish Funding Council than England's OfS. However, given Welsh higher education providers levy tuition fees paid by students from Wales (unlike Scottish students who do not pay tuition fees), HEFCW also described its work in regulatory terms, like the OfS, stating:

We regulate fee levels at higher education providers, ensure a framework is in place for assessing the quality of higher education and scrutinise the performance of universities and other designated providers.²⁵

²¹ DfE, 2019 [Post-18 review of education and funding: Independent panel report](#), 30 May 2019

²² Welsh Government, [Towards 2030: A Framework for Building a World-Class Post-Compulsory Education System for Wales](#), 10 March 2016

²³ Welsh Government, [About the Commission for Tertiary Education and Research \(CTER\)](#)

²⁴ [Further and Higher Education Act 1992](#).

²⁵ HEFCW, [Annual Report and Accounts 2021-22](#), 5 December 2022, p4

It is likely the CTER will follow a similar approach with regards to its higher education functions.

Scotland: Scottish Funding Council

The [Scottish Funding Council](#) (SFC), established by the [Further and Higher Education \(Scotland\) Act 2005](#), is the non-departmental public body charged with funding Scotland's further and higher education institutions, including its 26 colleges and 19 universities.

The Scottish Funding Council's work includes:

- Distributing money to fund tertiary provision and research.
- Planning and aligning funding with other partners.
- Sharing advice and evidence with the Scottish Government, partners, and the wider public.
- Ensuring students' interests are promoted and protected.
- Developing national operational policy for tertiary education and skills, research, innovation, and knowledge exchange.
- Setting expectations, targets, and conditions for funding.
- Scrutinising the governance and financial health of institutions to secure public investment and a sustainable sector.
- Collecting and disseminating data and analysis.

The relationship between the Scottish Government and the SFC is governed by a framework document,²⁶ and the Scottish Government sets out priorities for colleges and universities through guidance letters to the SFC.

The [Financial Memoranda](#) with colleges and universities set out the formal accountability relationship between SFC and institutions, and the requirements that institutions are expected to comply with in return for funding. Individual [Outcome Agreements](#) set out what colleges and universities plan to deliver in return for their funding from the SFC.²⁷

Scottish Funding Council 2022-27 Strategic Plan

The [Scottish Funding Council's strategic plan for 2022-27](#) was published in November 2022. The plan sets out how the SFC will work “to make Scotland an outstanding place to learn, educate, research and innovate - now and for the future.”²⁸

It is structured around four objectives:

- Enabling people to learn and flourish
- Generating new ideas and diffusing knowledge
- Building a responsive, coherent, sustainable system
- Making SFC an excellent organisation.

The plan's objective and priorities are related to the Scottish Government's [National Strategy for Economic Transformation](#).

The Scottish Funding Council differs in several ways to the OfS in England.

- It is a funding council not a regulator.
- It has responsibility for further as well as higher education.
- It funds research-related activity as well as teaching.

As undergraduate students who normally reside in Scotland do not pay tuition fees (they are paid by the Scottish government for them), the funding of learning and teaching for universities and colleges comes pre-dominantly from the Scottish Funding Council. This gives it a critical role in the management of higher education in Scotland.

Withers Review

In June 2023, the report of the Independent Review of the Skills Delivery Landscape was published by James Withers.²⁹ The review considered the skills

functions and remits of Scotland's national public bodies, including the Scottish Funding Council. It made 15 recommendations, including:

- The Scottish Government should assume responsibility for national skills planning from Skills Development Scotland and the Scottish Funding Council (Recommendation 3).
- A new single funding body should be established, bringing together responsibility for all post-school learning and training funding functions from the Scottish Funding Council, Skills Development Scotland, and, potentially, the Student Awards Agency for Scotland (Recommendation 5).

In June 2024, the [Scottish Government launched a consultation](#) on bringing funding for post-16 learner support and apprenticeships together into one place, either within a single funding body (as proposed by Withers) or by changing the responsibilities of the Scottish Funding Council, Skills Development Scotland, and the Student Awards Agency for Scotland.³⁰ The Scottish Government will publish a report in autumn 2024 and pass legislation enacting any changes by March 2026.

Northern Ireland: Department for the Economy, Higher Education Division

In contrast to England, Wales, and Scotland, there is no non-departmental public body responsible for managing and higher education in Northern Ireland. Instead, the [Higher Education Division of the Department for the Economy](#) acts as government department, funding council, and regulator.

The Department for the Economy was established in May 2016, and is also responsible for wider economic policy, the operation of a range of employment and skills programmes, employment law, and the management and operation of a range of EU funding programmes. The role of the Department's higher education division is to formulate policy and administer funding to support education, research, and related activities in the higher education sector. It consists of several branches:

- [Student Support Branch](#)
- [HE Institution Finance Branch](#)

²⁶ Scottish Funding Council, [Framework document](#)

²⁷ Scottish Funding Council, [Outcome agreements](#)

²⁸ Scottish Funding Council, [SFC strategic plan for 2022-27](#), November 2022

²⁹ Scottish Government, [Fit for the Future: developing a post-school learning system to fuel economic transformation](#), 7 June 2023

³⁰ Scottish Government, [Post-school education and skills reform legislation: consultation](#), 25 June 2024

- [Capital and Student Finance Branch](#)
- [Policy and Coordination Branch](#)
- [Research and Knowledge Exchange Branch](#)
- [Quality and Governance Branch](#)

2.3

Comparison of UK approaches

The immediate contrast between England and Wales and Scotland is the existence of a regulation-based approach to how higher education is managed. In Wales and Scotland, the respective bodies are tasked with developing an overall vision for the higher education system. In England, however, any kind of overarching strategic approach is confined to the areas that the Office for Students (OfS) is tasked with regulating. Hence, there is less of an overt connection between higher education and broader social and economic goals, because such work would not be the preserve of a regulator.

This broader role also extends to funding responsibilities and the relationship with further education, which are the two other major areas of contrast between the Office for Students, the Scottish Funding Council (SFC), and, from August 2024, the Commission for Tertiary Education and Research (CTER) in Wales.

The OfS has a remit that excludes research, which is the responsibility of [Research England](#) and [UK Research and Innovation](#) (UKRI). In Scotland, the SFC covers both research and the whole of learning and teaching for Scottish domiciled students. In Wales, the CTER will, as its predecessor the HEFCW did, also fund research. Both the SFC and CTER also have responsibility for further education, facilitating the joined-up management of all post-16/tertiary education.

Northern Ireland presents another variant of the management of higher education, in that it is characterised by oversight from a government department, the Department for the Economy, rather than through an intermediary body. This allows for higher education policy to align with broader economic research and policy. However, this has been undermined in recent years by the lack of a functioning Assembly and Executive in Northern Ireland.

3

How is higher education funded?

Government spending on higher education includes direct funding for teaching and research through national funding bodies, as well as student loans to cover tuition fees and help towards living costs. Governments get some of this spending back in the form of loan repayments from graduates.

Prior to 2012, most funding for teaching provision at UK universities came from a central government grant paid through the national funding councils. In 2012, this grant was reduced, and funding for teaching shifted towards increased tuition fees paid by students instead. In Scotland, [the fees of eligible students are covered by the government](#).

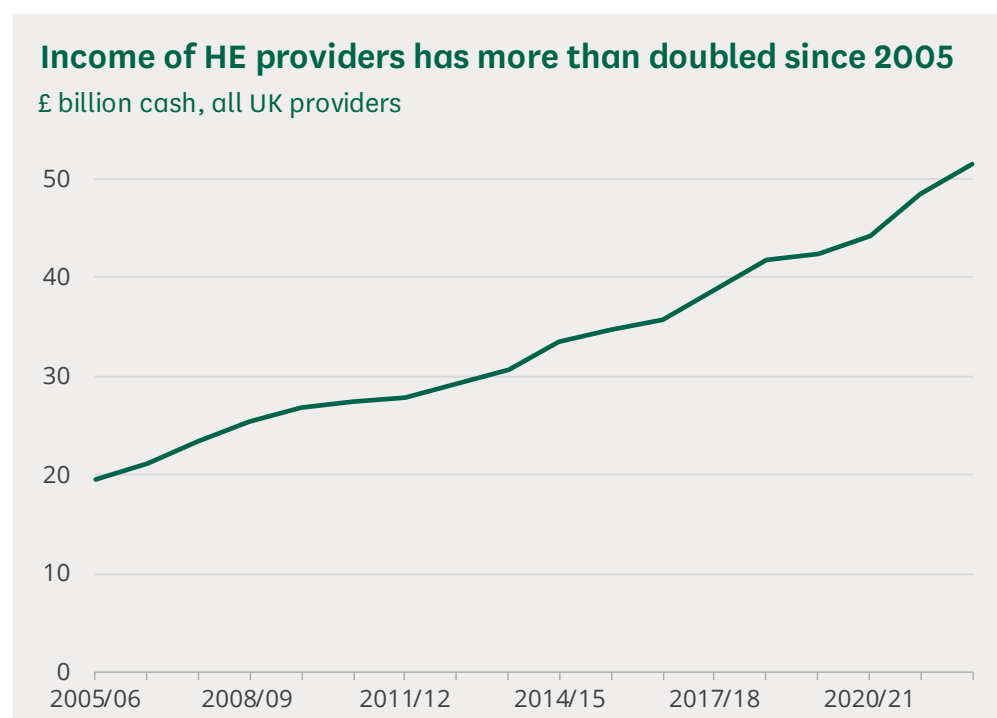
Today, funding for higher education primarily comes from a combination of:

- tuition fees paid by home and international students (or for eligible home students in Scotland, the Scottish Government);
- teaching grants (especially for high-cost subjects such as medicine) and other funding streams (such as for improving student access) from national funding bodies;
- research grants from national funding bodies, the funding councils of [UK Research and Innovation](#), and other organisations such as charities, businesses, and government departments;
- income from private sources, such as endowments and charitable donations;
- investment income from endowment funds;
- capital grants for land, buildings, and equipment from national funding bodies; and
- estate management, such as renting out facilities for conferences and commercial deals with businesses.

Tuition fees and grants for teaching and research are the most significant sources of income for most higher education providers. Despite the different sources and their purposes outlined above, university funding is often managed as a whole. Income from the tuition fees of international students,

which can be much higher than the fees paid by ‘home’ students, cross subsidises teaching and research at many higher education providers.³¹

The [total income of the higher education sector](#) was just over £50 billion in 2022/23. It has grown steadily over time as the chart below shows. The data includes alternative providers in England from 2017/18.



Source: HESA, [What is the income of HE providers?](#) 2022/23 and earlier editions

This growth has been driven by a large increase in fee income particularly in England. Total fee income increased by almost 500% in cash terms over these years due to higher fees and more students. Research income went up by 135% over the same period, while funding body grants fell by 18%.³²

Between 2014/15 and 2022/23 total income grew fastest for English providers at 57% (in cash terms),³³ compared to increases of 41% in Northern Ireland, 38% in Wales, and 37% in Scotland.³⁴

³¹ Higher Education Policy Institute, [From T to R revisited: Cross-subsidies from teaching to research after Augar and the 2.4% R&D target](#), 9 March 2020. Public Accounts Committee, [Financial sustainability of the higher education sector in England](#), 8 June 2022, HC 257 2022-23, pp11-12

³² HESA, [What is the income of HE providers?](#) 2022/23 and earlier editions

³³ Includes alternative providers from 2017/18

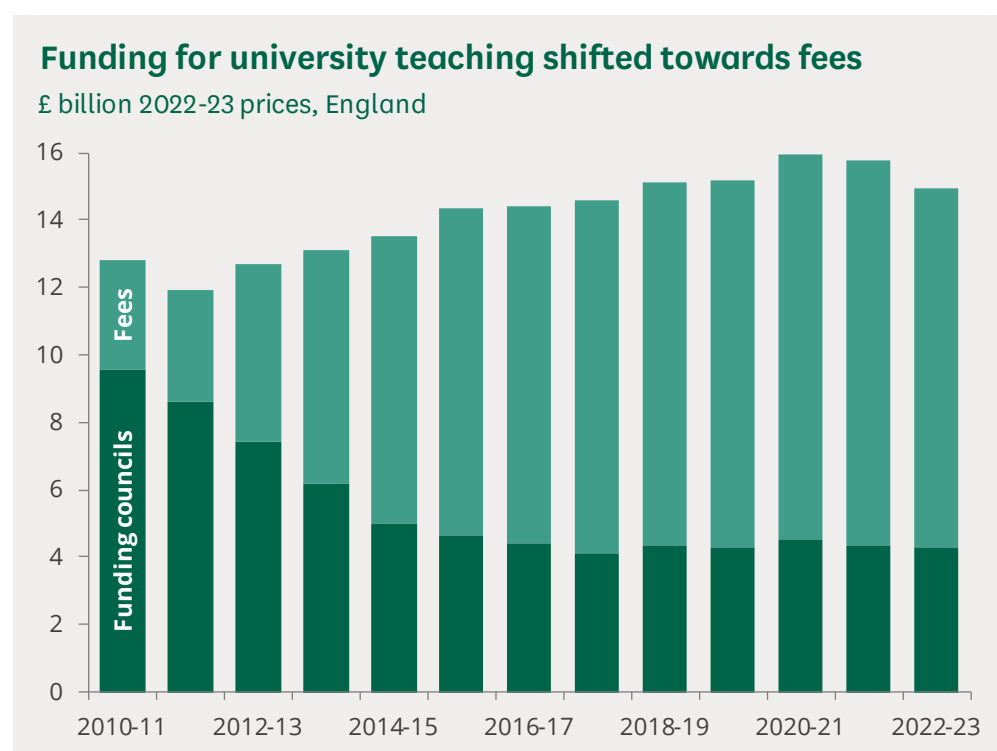
³⁴ HESA, [What is the income of HE providers?](#) 2022/23 and earlier editions

3.1

Funding of teaching

England

Higher education learning and teaching in England is primarily funded by tuition fees paid by students and grant funding from the UK Government. The balance of these two sources of income has shifted over time as shown in the following chart. In 2012, an increase in the maximum tuition fee level from £3,000 to £9,000 was accompanied by a reduction to the teaching grant. Fees in England for ‘home’ students are currently capped at £9,250.



Sources: OfS, [Annual funding letters](#); UKRI, [Annual funding letters](#); DfE, [Student loan forecasts, England: 2021 to 2022](#)

The UK Government provides direct funding to support universities in England through the Office for Students. For the 2023-24 academic year, the overall non-capital funding grant distributed to universities and other higher education providers was £1,439 million.³⁵ Of this, £1,407 million was distributed through ‘recurrent funding’ streams, including:

- £1,038 million in funding for high-cost courses, which helps support the extra costs associated with teaching particular subjects, such as medicine.
- £306 million in funding for student access and success.

³⁵ OfS, [Recurrent funding: Funding allocations](#)

- £58 million in [funding for specialist providers](#).

More information is available in the Commons Library briefing on [higher education funding in England](#), which provides detailed analysis of how the approach to funding has changed over the last 15 years.³⁶

Scotland

Scotland is unique in that tuition fees for eligible students who normally live in Scotland are paid by the Scottish Government. This is because, since coming to power in May 2007, the Scottish National Party has consistently supported a policy of free tuition for a limited number of full-time undergraduate students resident in Scotland.³⁷

The funding that supports the free tuition policy comes mainly from the Scottish Government through a dual funding mechanism.

- The first source is the block teaching grant issued each year by the Scottish Government to the Scottish Funding Council (SFC) to distribute to Scotland's universities. This funding is issued to meet specific policy priorities that are set out in an annual [letter of guidance](#).
- The second source is the tuition fee payment of £1,820 that the [Student Awards Agency Scotland](#) (SAAS) pays directly to universities for each eligible funded student. This funding comes from the Scottish Government and is referred to as a tuition fee payment because it follows each eligible student. There is an annual cap on the number of funded places offered to eligible students, but there is no cap on the number of fee-paying students from the rest of the UK or from overseas.

The Scottish Government announced a reduction in higher education resource funding, which includes the main teaching grant, in the 2024-25 budget.³⁸ This is a cash-terms cut of 6.0% compared with initial planned spending in 2023.³⁹

Wales

Tuition fees make up the bulk of funding for teaching and learning in Wales. From September 2024, fees will increase £250 to a new maximum of £9,250 for 'home' students who normally live in Wales.

As in England, funding is also provided through a government grant for "expensive" subjects, including the clinical elements of medicine and dentistry courses, and "higher cost" subjects, including science, engineering, technology, mathematical sciences, IT, and computing.

³⁶ Commons Library briefing CBP-7973, [Higher education funding in England](#)

³⁷ See an article published by the Scottish Parliament Information Centre (SPICe) for more information on the policy of free tuition in Scotland: [The price of free tuition in Scotland](#), December 2019.

³⁸ Scottish Government, [Scottish Budget: 2024 to 2025](#), 19 December 2023

³⁹ IFS, [Scottish Budget: Higher education spending](#), 20 February 2024

In 2024-25, total revenue and capital funding from HEFCW (or, from August, Medr) will drop to £198.7 million, from £219.3 million in 2023–24.⁴⁰

Northern Ireland

As elsewhere in the UK, higher education in Northern Ireland is primarily funded by a combination of tuition fees and grants from the Department for the Economy.

The tuition fees for an undergraduate student resident in Northern Ireland and studying at a local higher education provider are considerably lower (£4,750 for 2024/25) than if they studied in England, Scotland, or Wales (£9,250). Students from elsewhere in the UK studying in Northern Ireland pay up to £9,250 in fees.

Maximum Aggregate Student Numbers (MASN) cap

Students from Northern Ireland pay lower fees to study in Northern Ireland than elsewhere in the UK. However, the number of local students is controlled using the Maximum Aggregate Student Number (MASN) cap, which uses a formula set by the Department for the Economy that depends on available funding. In 2020, the student cap stood at between 6,000 and 7,000 across Northern Ireland's two universities.⁴¹

The relatively low tuition fee and MASN cap has led to an oversupply of Northern Ireland resident students wishing to study in the country.⁴²

In November 2022, the House of Commons Northern Ireland Affairs Committee said the cap “places a handbrake on the Northern Ireland economy”.⁴³ It recommended the UK Government explore with the Northern Ireland Executive how the cap on university numbers might be raised, “to enable the retention of home-grown talent in Northern Ireland and an expansion of the high-skilled sectors of its economy.”⁴⁴

3.2

Financial pressures on universities

Total UK public and private spending on tertiary education (post-16 further and higher education in colleges and universities) was 2.1% of GDP in 2020. This well above the OECD average of 1.5% and the fourth highest figure in the OECD after Chile (2.7%), the US (2.5%) and Canada (2.4%). However, the

⁴⁰ HEFCW, [W24/13HE: HEFCW's Funding Allocations for Academic Year 2024/25](#), 9 July 2024

⁴¹ “[NI Education: Student number cap acts as 'economic handbrake'](#)”, BBC News, 8 November 2022

⁴² Higher Education Policy Institute, [The cap that doesn't fit: Student numbers in Northern Ireland](#), 18 February 2019

⁴³ Northern Ireland Affairs Committee, [Investment in Northern Ireland](#), 8 November 2022, HC 85 2022-23, p24

⁴⁴ Northern Ireland Affairs Committee, [Investment in Northern Ireland](#), 8 November 2022, HC 85 2022-23, p24

nature of the funding model in much of the UK with most public funding going to students as loans means direct public funding to institutions is much smaller at 0.5% of GDP compared to the OECD average of 1.0% of GDP.⁴⁵

Following reductions to government grants, and tuition fee caps not keeping pace with inflation over the last decade, the financial sustainability of the higher education sector has come under increasing strain. Recent inflationary and cost of living pressures have also placed demands on universities in relation to pay settlements, energy costs, and building projects.⁴⁶ According to one University and College Union branch, more than 50 universities have consequently announced redundancies and course closures.⁴⁷

Cross subsidies from international students

Reductions to teaching grants, the freezing of tuition fee caps, and rising costs have meant many higher education providers have looked to increase their surplus-generating income streams to cover shortfalls elsewhere in budgets.

The tuition fees of international students are a major source of income for many universities. They are not capped in the same way as the fees of 'home' students, and so providers can charge significantly more. For example, undergraduate international fees average around £22,200 per year,⁴⁸ compared with £9,250 for home students in England and Wales, £4,750 in Northern Ireland, and just £1,820.

This has led to some universities significantly expanding the number of international students they recruit. In 2022/23, tuition fees from international students were worth £11.8 billion to UK universities.⁴⁹ This was 23% of total income, up from around 5% in the mid-1990s.⁵⁰ These fees help to subsidise the 'loss-making' activities of research and teaching home students. Such cross-subsidisation is also a feature of higher education funding models in other countries, such as Australia, Canada, and the US.

There are growing concerns about a reliance on international tuition fees, with the House of Commons Public Accounts Committee warning higher

⁴⁵ OECD, [Education at a Glance 2023](#) (Tables C2.1 & C2.3)

⁴⁶ See also a House of Lords Library briefing: [Financial pressures on higher education](#), 21 March 2023, and, among many media reports, see "[Crisis-hit UEA plans redundancies as £23 million deficit looms](#)", Times Higher Education, 18 January 2023; "[UK funding crisis forces three more universities to cut jobs](#)", Times Higher Education, 15 March 2024

⁴⁷ UCU Queen Mary University of London, [UK HE shrinking](#)

⁴⁸ British Council, [Cost of studying in the UK](#)

⁴⁹ HESA, [Tuition fees and education contracts analysed by HE provider, domicile, mode, level, source and academic year 2016/17 to 2022/23](#) (and earlier editions)

⁵⁰ HESA, [Consolidated statement of comprehensive income and expenditure 2015/16 to 2022/23](#); and [Tuition fees and education contracts analysed by HE provider, domicile, mode, level, source and academic year 2016/17 to 2022/23](#) (and earlier editions). Includes income of alternative providers from 2018/19.

education providers are potentially exposing themselves to significant financial risks should assumptions about future growth in international student numbers prove over-optimistic.⁵¹

Following new restrictions on student visas,⁵² international student enrolments fell in January 2024 compared with the year before, according to data from the education software company Enroly.⁵³ The Office for Students has warned lower-than-expected international student recruitment could threaten the financial sustainability of some providers in England.⁵⁴

The declining “unit of resource”

The “unit of resource” is the amount of income per student that universities receive for teaching, principally from tuition fees and Government grants.

In England, tuition fees have been capped at £9,250 since 2017, and they will remain at this level until at least 2025.⁵⁵ The Institute for Fiscal Studies has said up-front spending on teaching resources per higher education student in England is consequently around 18% lower in real terms than in 2012.⁵⁶ Similarly, Universities Wales, which represents the interests of universities in Wales, where fees will be £9,250 from September 2024 but were fixed at £9,000 for many years prior to that, has warned both teaching and research in Wales are no longer covered by the income from tuition fees and grants.⁵⁷

The fee income available to higher education providers in Scotland (£1,820) and Northern Ireland (£4,750) is lower.⁵⁸ In Scotland, the IFS has said real terms spending on teaching per student is now 19% lower than in 2013–14.⁵⁹ This is because the tuition fee has been fixed in cash terms since 2009–10, and the main teaching grant has risen by less than inflation.

Analysis by the Russell Group, which represents 24 research intensive universities across the UK, has estimated the average deficit universities in England incur for teaching each undergraduate student will increase to approximately £4,000 in 2024/25, from £1,750 in 2021/22.⁶⁰ Universities Scotland has estimated that, depending on the subject studied, there is a £4,000 to £7,000 funding gap between what it costs a university to teach a

⁵¹ Public Accounts Committee, [Financial sustainability of the higher education sector in England](#), 8 June 2022, HC 257 2022–23, p3

⁵² Home Office, [Tough government action on student visas comes into effect](#), 2 January 2024

⁵³ Enroly, [CAS and deposits down by a third year-on-year for January intake](#), 27 March 2024

⁵⁴ OfS, [Financial sustainability of higher education providers in England: 2024](#), 16 May 2024

⁵⁵ Department for Education, [Higher education policy statement and reform](#), February 2022, p4

⁵⁶ IFS, [Annual report on education spending in England: 2023](#), updated June 2024

⁵⁷ Universities Wales, [Universities Wales response to Welsh Government’s draft budget for 2023–24](#), December 2022

⁵⁸ Universities UK, [Opening the national conversation on university funding](#), December 2022

⁵⁹ IFS, [Scottish Budget: Higher education spending](#), 20 February 2024. See also Universities Scotland, [Opportunity and inclusive growth in a time of challenge](#), September 2023, p10

⁶⁰ Russell Group, [Russell Group briefing on university teaching deficits](#), 5 May 2022, p2

Scottish-domiciled student and the level of funding they receive from the Scottish Government.⁶¹

Modelling by the Russell Group, which represents research-intensive universities, has suggested if the current funding system remains unchanged, the English higher education sector will be required to find an additional £6.5 billion by 2030 to maintain student numbers and research activity at 2019 levels.⁶²

University deficits

As the unit of resource has declined, the number of universities in England with budget deficits has increased. In England, the proportion of higher education providers with an in-year deficit increased every year between 2015/16 to 2019/20, going from seven (5%) to 80 (32%).⁶³ Over this period the number of providers almost doubled due to the inclusion of alternative (private) providers.

Data from the Higher Education Statistics Agency (HESA) shows that 92 higher education providers in England were in deficit in 2022/23.⁶⁴ This was up from 80 in 2021/22 and 62 in 2020/21. England's higher education regulator, the Office for Students (OfS), has said 40% of all English providers (108) expected to be in deficit by the end of 2023/24.⁶⁵

Elsewhere in the UK there is no clear evidence of an increase in the number of universities with a deficit. Five universities in Scotland had a deficit in 2022/23, the same as in the previous two years. Five universities in Wales had a deficit in 2022/23, up from one in each of the previous two years. No universities in Northern Ireland had a deficit in 2022/23.⁶⁶

Risks facing the sector

In January 2024, the professional services firm PwC published a report, commissioned by Universities UK, on the financial sustainability of the UK's universities.⁶⁷ The report analysed 84 universities in England, Scotland, and Northern Ireland. It noted the higher education sector faced a challenging financial outlook due to a slowdown in grant funding and rising costs

⁶¹ Universities Scotland, [Universities and Scotland: Time to Choose](#), 2022, p10

⁶² L. Bull, "Financial sustainability of higher education institutions", in HEPI, [How should undergraduate degrees be funded? A collection of essays](#), April 2024, p79

⁶³ Public Accounts Committee, [Financial sustainability of the higher education sector in England](#), 8 June 2022, HC 257 2022-23, p3

⁶⁴ HESA, [Higher education provider data: finance - Key Financial Indicators \(KFIs\)](#). This comparison of income and expenditure excludes pension cost adjustments to improve comparability over time. The same statistic is used for the data on numbers in deficit in all parts of the UK.

⁶⁵ OfS, [Financial sustainability of higher education providers in England: 2024](#), 16 May 2024

⁶⁶ HESA, [Higher education provider data: finance - Key Financial Indicators \(KFIs\)](#)

⁶⁷ PwC for Universities UK, [UK Higher Education Financial Sustainability Report](#), January 2024. Research was conducted between July and September 2023, and mainly used data submitted in 2022. The report is discussed by HEPI in a blogpost: [At Amber: The financial position of UK universities](#), 13 January 2024.

(particularly relating to energy, staff, and pensions). The report identified three main risks:

- A reduction in international student numbers
- Increased expenditure
- A reduction in the growth rate of domestic undergraduate students

Universities of all sizes and types are vulnerable to these risks, which could manifest simultaneously, but some are more vulnerable than others. For example, the PwC report notes universities in Scotland would be particularly affected by a reduction in international student numbers.⁶⁸

Some of these risks are very real. Recent visa changes mean most international students are no longer able to bring family members with them to the UK during their studies. This may have an impact on international student numbers and constrain an increasingly important source of income for many universities.⁶⁹

Increased expenditure is also likely. Since April 2024, 80 universities statutorily obliged by the 1992 Further and Higher Education Act to be members of the Teachers' Pension Scheme have been paying pension contributions of 29% for 58,000 members of staff (compared to 16.4% in 2019). This could cost the sector around £125 million a year.⁷⁰

While a number of capital projects were paused during the pandemic, university campuses have expanded significantly since 2010, and repayments for these building projects are now being made in a climate of higher interest rates. The PwC report also notes more capital investment is needed to maintain some university buildings and ensure the sector can meet its net-zero targets.⁷¹

3.3

Student support arrangements

Eligibility for student support varies slightly across the UK. Information is available in the relevant Commons Library casework article for [England](#), [Wales](#), [Scotland](#), or [Northern Ireland](#).

Students apply for support from the student finance body for where they ordinarily reside, regardless of where in the UK they study. These bodies are:

- [Student Finance England](#);

⁶⁸ PwC for Universities UK, [UK Higher Education Financial Sustainability Report](#), January 2024, p17

⁶⁹ Enroly, [CAS and deposits down by a third year-on-year for January intake](#), 27 March 2024

⁷⁰ ["TPS: universities seek respite from £125 million pensions bill"](#), THE, 30 May 2023

⁷¹ PwC for Universities UK, [UK Higher Education Financial Sustainability Report](#), January 2024, p8

- [Student Finance Wales](#);
- [Student Awards Agency Scotland](#);
- [Student Finance NI](#).

Undergraduate student support

Tuition fee support

Tuition fees vary across the UK and are capped by regulations published by the respective government of each part of the UK. Scotland is unique in that tuition fees for eligible students who normally live in Scotland are paid by the Scottish Government.

In England, Wales, and Northern Ireland, students are charged tuition fees, and for eligible students there are publicly funded loans available to cover the cost of these fees.

Maintenance support

The different student funding bodies within the UK also provide living cost support in the form of publicly funded maintenance loans, grants, and bursaries. Additional funding may also be available to students depending on their personal circumstances, for example if they have a disability or childcare costs, or are studying certain courses, such as medicine and nursing.

The maximum amount of maintenance support available to students from each part of the UK in the 2024/25 academic year is shown in the table below.⁷² England differs from the rest of the UK by not providing any maintenance grant support for students. Such support was discontinued in 2016-17.⁷³

⁷² The Commons Library briefing CBP-8237, [Student support for undergraduates across the UK](#), considers student support arrangements in more detail.

⁷³ Commons Library briefing CBP-7258, [Abolition of maintenance grants in England from 2016/17](#).

Full-Time Undergraduate Student Support: UK Summary 2024/25

	Tuition Fee Loan (max)	Maintenance Loans (max)	Maintenance Grants (max)
England	£9,250 (UK)	Living at home: £8,610 Living away from home: £10,227 Living away from home in London: £13,348	£0
Wales	£9,250 (UK)	Living with parents: £9,315 Living away from home: £11,150 Living away from home in London: £14,170	Living with parents: £6,885 Living away from home: £8,100 Living away from home in London: £10,124
Scotland	£0 Paid by the Scottish Government (Scotland) £9,250 (Rest of UK)	Young Students: £9,400 Independent student: £10,400	Young Student: £2,000 Independent Student: £1,000
Northern Ireland (NI)	£4,750 (NI) £9,250 (Rest of UK)	Living with parents: £5,250 Living away from parents: £6,776 Living away from parents in London: £9,492	£3,475

Sources: Gov.UK, [Student Finance](#); Student Finance Wales, [Undergraduate Students](#), Student Awards Agency Scotland, [Full-time undergraduate funding](#); Student Finance NI, [Full-time undergraduate](#), accessed 22 March 2024.

Repayment of loans

As the table above illustrates, publicly funded financial support for students is primarily provided in the form of loans across the UK. These are ‘income-contingent’ loans, which means their repayment is linked to an individual’s salary and they only start to repay them once they are earning above a certain threshold. This contrasts with ‘mortgage-style’ student loans, which are common elsewhere in the world and must be repaid over a given period, regardless of an individual’s earnings.

While students must repay loans following graduation, grants and bursaries do not have to be paid back.

Reforms to undergraduate student support in England

In February 2018, the then-Prime Minister, Theresa May, [announced a wide-ranging review of post-18 education and funding in England](#). The review aimed to create a joined-up post-18 education system, which would facilitate lifelong learning and improve the integration of the further and higher education systems. A desire to improve quality, increase choice, and ensure value for money were also said to be “at the heart” of the review.⁷⁴

In May 2019, an independent panel that formed part of the review published a report (the ‘Augar Report’) with several recommendations, including reducing the undergraduate tuition fee cap to £7,500 from 2020/21 and reintroducing means-tested, non-repayable maintenance grants for disadvantaged students.⁷⁵

In February 2022, the Government published its conclusion of the review, which included a [statement setting out policy interventions and proposals for consultation](#).⁷⁶ With regards to student support arrangements, these policy interventions included:

- Freezing maximum tuition fees at £9,250.
- The annual salary threshold at which student loans are repaid will be lowered to £25,000 and remain at this level until 2027.
- The repayment term of the student loan will be extended from 30 years to 40 years.
- The maximum interest rate on student loans will be set at inflation only, as measured by the rate of the Retail Prices Index (RPI).

The government also launched a consultation on the Lifelong Learning Entitlement (LLE, previously known as the Lifelong Loan Entitlement), which will be introduced from 2025 to replace the current student finance systems for [qualifications at levels 4 to 6](#) in England.⁷⁷ The LLE will comprise the equivalent of four years of post-18 education funding, and is intended to be used flexibly, for full-time or part-time study of modules or full qualifications at levels 4 to 6 in colleges or universities. In addition, loans for living costs and targeted grants will be available for designated courses, including part-time courses. A “residual entitlement” will also be available to learners who have already received publicly funded student support.

⁷⁴ DfE, [Prime Minister launches major review of post-18 education](#), 19 February 2018.

⁷⁵ DfE, [Post-18 review of education and funding: independent panel report](#), 30 May 2019. Commons Library briefing CBP-8577, [The post-18 Education Review \(the Augar review\) recommendations](#).

⁷⁶ DfE, [Higher education policy statement and reform](#), 24 February 2022. See also IFS, [Student loans in England explained and options for reform](#), 20 July 2023

⁷⁷ DfE, [Lifelong loan entitlement consultation](#), 24 February 2022. More information is available in the Commons Library briefing CBP-8577, [The post-18 Education Review \(the Augar review\) recommendations](#). See also the Commons Library briefing [The Lifelong Learning Entitlement](#). DfE, [Lifelong Loan Entitlement: Government consultation response](#), 7 March 2023

Postgraduate student support

Publicly funded student support for master's degrees includes postgraduate loans to help with tuition fees and living costs, and Disabled Students' Allowances (DSA) to cover the extra costs that might arise from a student having a disability.

Each part of the UK offers a slightly different package of postgraduate student support. The support available to new students in 2024/25 is outlined below:

Financial support available across the UK for postgraduate taught courses in 2024/25

England	Loan of up to £12,471 to help with tuition fees and living costs.
Scotland	Loan of up to £7,000 to help with tuition fees, and a loan of up to £6,900 to help with living costs.
Northern Ireland	Loan of up to £6,500 to help with tuition fees.
Wales	Loan of up to £18,950 to help with tuition fees and living costs.

Sources: Student Finance England, [Student Finance Memorandum for the 2024/25 Academic Year](#); SAAS, [Postgraduate Funding](#); NI Direct, [Financing your postgraduate course](#); Student Finance Wales, [Postgraduate Master's courses](#) (accessed 17 June 2024).

At the postgraduate level, more support is also available in the form of scholarships from higher education providers and research councils. More information is in the Commons Library casework article [Finding funding for a Master's degree](#).⁷⁸

3.4

Are current levels of student support sufficient?

As UK household costs and bills have risen, university leaders have warned higher education students are at risk of becoming “the forgotten group in the cost of living crisis”.⁷⁹ A 2023 survey found the average student's monthly living costs have increased by 17% since 2022 to £1,078.⁸⁰ Black students, students aged over 25, and students from lower socio-economic backgrounds

⁷⁸ Commons Library Constituency Casework Article, [Finding funding for a master's degree](#).

⁷⁹ Universities UK, [Don't overlook students in cost of living crisis, say university leaders](#), 20 December 2022

⁸⁰ Save the Student, [Student Money Survey 2023 – Results](#), Updated 5 September 2023. This report results from an online survey with around 1,800 responses and comparisons with results from earlier years. The results are based on students who decided to respond to the survey, so should not be seen as representative of the entire student population.

are likely to be hardest hit by rising costs of food, transport, rent, and energy.⁸¹

Student income and expenditure survey

The most recent survey published by the Department for Education in its Student Income and Expenditure series covers 2021/22. Findings for [England were published on 30 November 2023](#).⁸² Much of the survey fieldwork was carried out between March and June 2022, so while the results captured some of the rise in inflation that began in 2021, they do not account for the peaks seen in late 2022 and early 2023, when [CPI inflation was consistently above 10%](#). The summary report makes comparisons with findings from the previous survey in the series, [which was done in 2014/15](#).⁸³

- In 2021/22, 46% of full-time and 44% of part-time students reported they had faced financial difficulties during their course.
- While median maintenance support for all full-time students rose by 13% in 2021/22 to £5,950, for full-time students eligible for both maintenance loans and grants in 2014/15 – that is to say, the poorest students – median maintenance support effectively decreased by 21% when compared with the median support received solely from maintenance loans in 2021/22 (from £8,932 to £7,100).
- Between the two surveys, the proportion of full-time students working alongside their studies increased (from 52% to 58%). In 2021/22, the median number of hours worked for full-time students in a week was 8, but this rose to 12 for Black British students, 14 for students from routine/manual class backgrounds, and 20 for students aged over 25.
- In 2021/22, nearly half (46%) of part-time students used commercial credit (compared to 14% of full-time students), borrowing a median of £3,100, which was 20% more than part-time students in 2014/15.

Living cost support and recent inflation

In 2022/23, student maintenance support did not rise in line with inflation across the UK.⁸⁴

⁸¹ Million Plus, [Learning with the lights off: students and the cost-of-living crisis](#), October 2022

⁸² Department for Education, [Student income and expenditure survey: 2021 to 2022](#), 30 November 2023, see the [Student Income and Expenditure Survey 2021 to 2022. English Report](#) (PDF), 30 November 2023. The survey was undertaken by the National Centre for Social Research (NatCen) and the Institute for Employment Studies (IES).

⁸³ Department for Education, [Student income and expenditure survey 2014 to 2015](#), March 2018

⁸⁴ Commons Library briefing, [The value of student maintenance support](#).

2022/23 maintenance loan changes

Maximum loan values 2022/23 v 2021/22

	Cash change	Real change
England	+2.3%	-7.2%
Northern Ireland	0.0%	-9.2%
Wales	+3.5%	-6.1%
Scotland	+4.5%	-5.2%

Note: Real changes calculated using all-items CPI inflation in the year to Q1 2023

Sources: [Written statement on Higher Education Student Finance](#); Save the Student, [Student Money Survey 2022](#); ONS, [CPI index 00: All items](#)

In 2023/24 maximum maintenance support increased by more than inflation in Scotland, Wales and Northern Ireland, but less than inflation in England.⁸⁵

According to the Institute for Fiscal Studies (IFS), in England, real terms cuts to student support between 2020/21 and 2023/24 will leave the poorest students around £1,500 worse off.⁸⁶ Two issues with the way student maintenance loans are calculated in England have meant support has not kept up with inflation in recent years.⁸⁷ These are the freezing of the parental earnings threshold below which students can qualify for the maximum support and the use of forecasts which underestimated the actual level of inflation, with no mechanism to adjust for errors.

While maintenance loans increased by 2.8% in the 2023/24 academic year in England,⁸⁸ there was a 40% increase in maximum student maintenance loans in Northern Ireland,⁸⁹ and, in Wales, student living cost support increased by 9.4% for undergraduate students.⁹⁰

The Centre for Research in Social Policy (CRSP) at Loughborough University has calculated that for students from England studying outside of London, and entitled to the maximum level of maintenance support, there is a shortfall of £8,405 between the loan they get and what the CRSP has determined would be a socially acceptable standard of living for students.⁹¹

⁸⁵ See the briefing [Student support for undergraduates across the UK](#) for more details and changes in 2024/25.

⁸⁶ IFS, [Large real cuts to student financial support to become permanent](#), 11 January 2023.

⁸⁷ IFS, [Student loans in England explained and options for reform](#), 20 July 2023

⁸⁸ DfE press release, [Cost of living boost for students](#), 11 January 2023

⁸⁹ NI Department for the Economy, [Lyons announces 40% increase in student maintenance loans from 2023/24](#), 19 October 2022

⁹⁰ Welsh Government, [Welsh Students to Get More Help with Living Costs](#), 19 January 2023

⁹¹ Higher Education Policy Institute, [A Minimum Income Standard for Students](#), 9 May 2024

All-Party Parliamentary Group for Students report

In March 2023, the All-Party Parliamentary Group for Students published a report on the increasing financial pressures students are facing.⁹² It highlighted how the rising cost of living was disproportionately affecting marginalised and under-participating groups of students, including disabled students, black and minority ethnic students, students from lower socio-economic backgrounds, care leavers, and students who are estranged from their families.

The report also highlighted the rise in students working increasing hours in paid employment alongside full-time study, and the possible consequences for their academic results, mental wellbeing, and graduate employment prospects. It called on the government to:

- Provide further hardship funding through universities that targets those most in need.
- Increase student maintenance loans to restore the real value of support, and maintain that value going forward.
- Base future student loan increases on more recent inflation forecasts, and adjust increases when actual inflation levels are known in the following year.
- Consider re-introducing means-tested maintenance grants in England.
- Increase the lower household income threshold for the maximum student loan, which has been frozen by successive governments since 2008.⁹³

For more information, see the Commons Library briefing [Students and the rising cost of living](#).

3.5

Options for reform

In December 2022, Universities UK, which is the representative body for universities from across the UK, launched a “national conversation” on university funding.⁹⁴ In light of the rising cost of living, University UK’s aim was to involve staff, students, consumer groups, employers, politicians, and the wider public in a debate over how teaching and research is funded. In September 2023, Universities UK published its report on sustainable higher education funding, which, among other things, called for:

⁹² All-Party Parliamentary Group for Students, [Report of the Inquiry into the impact of the cost-of-living crisis on students](#) (PDF), March 2023

⁹³ All-Party Parliamentary Group for Students, [Report of the Inquiry into the impact of the cost-of-living crisis on students](#) (PDF), March 2023

⁹⁴ Universities UK, [Opening the national conversation on university funding](#), December 2022

- Increased government teaching grants.
- The tuition fee cap to be indexed from 2025 onwards in England.
- Increased research funding.
- Enhanced maintenance support for students, including the reinstatement of maintenance grants in England.⁹⁵

In response to the risks identified in PwC's report on the financial sustainability of UK higher education funding, Universities UK said providers will need to undertake more restructuring activity, but government action will also be needed to stabilise demand for international students, reduce costs associated with regulation, and offer institutions flexibility around whether to participate in the Teachers' Pension Scheme.⁹⁶

In England, the Institute for Fiscal Studies (IFS) has said allowing the fee cap to rise with inflation would be the "cheapest and most straightforward option" for the government to improve university finances.⁹⁷ If the freezing of the tuition fee cap expires as planned at the end of the 2024/25 academic year, it would be worth £270 million to the sector in the first year and £1.8 billion by 2029/30. Most of this cost would be borne by students through their fee loan repayments. Alternatively, the IFS has said the government could increase per-student teaching grants for universities, but this would be much costlier for the taxpayer than increasing fees.⁹⁸ The IFS' student finance calculators for [England](#) and [Scotland](#) allow the consequences of different funding options to be modelled.

More significant reforms to the higher education funding model have also been proposed and modelled by the consultancy London Economics as part of a collection of essays published by the Higher Education Policy Institute.⁹⁹ These include:

- A graduate levy, which would be paid by organisations that employ graduates. Proponents argue this would share the cost of educating a skilled workforce.
- A stepped student loan repayment system, in which higher earning graduates would make repayments at a higher rate than lower earners.
- A tax on graduates, of which the merits have long been debated, with some commentators arguing it would be a more progressive funding

⁹⁵ Universities UK, [Sustainable university funding. Why it is important and what is needed](#), September 2023

⁹⁶ Universities UK, [Financial sustainability of UK universities: PwC findings](#), 12 January 2024

⁹⁷ IFS, [Higher education finances: how have they fared, and what options will an incoming government have?](#), 22 June 2024

⁹⁸ IFS, [Higher education finances: how have they fared, and what options will an incoming government have?](#), 22 June 2024

⁹⁹ HEPI, [How should undergraduate degrees be funded? A collection of essays](#), April 2024

model and others saying it would be impractical and could politicise higher education funding.¹⁰⁰

¹⁰⁰ [“A graduate tax is still the fairest way for graduates to contribute to the cost of their study”](#), Wonkhe, 30 September 2021; HEPI blogpost, [The Case for a Graduate Tax](#), 29 August 2018; Nick Hillman, [“Owen Smith, know your facts, we don’t want a graduate tax”](#), The Guardian, 5 September 2016

4 Who are the students?

4.1 Student numbers

One way to understand how higher education compares across the UK is to look at the size of the student body in each part.

The table below shows the number of higher education students who ordinarily live in the UK studying in each part by level of study. The data is taken from information submitted to the Higher Education Statistics Agency (HESA) by 285 higher education providers in the UK. Figures for 2022/23 have been delayed and are due to be published in August 2024.

Snapshot of home students across the UK, 2021/22					
	England	Scotland	Wales	Northern Ireland	UK
Undergraduate	1,420,755	172,780	100,505	40,760	1,734,805
Postgraduate taught	311,265	38,915	20,515	10,105	380,795
Postgraduate research	55,550	7,060	2,925	1,430	66,960
Total	1,787,570	218,755	123,950	52,290	2,182,560

Source: HESA, [HE student enrolments by level of study 2017/18 to 2021/22](#)

Some of the main trends for UK-based students since 2017/18 are:

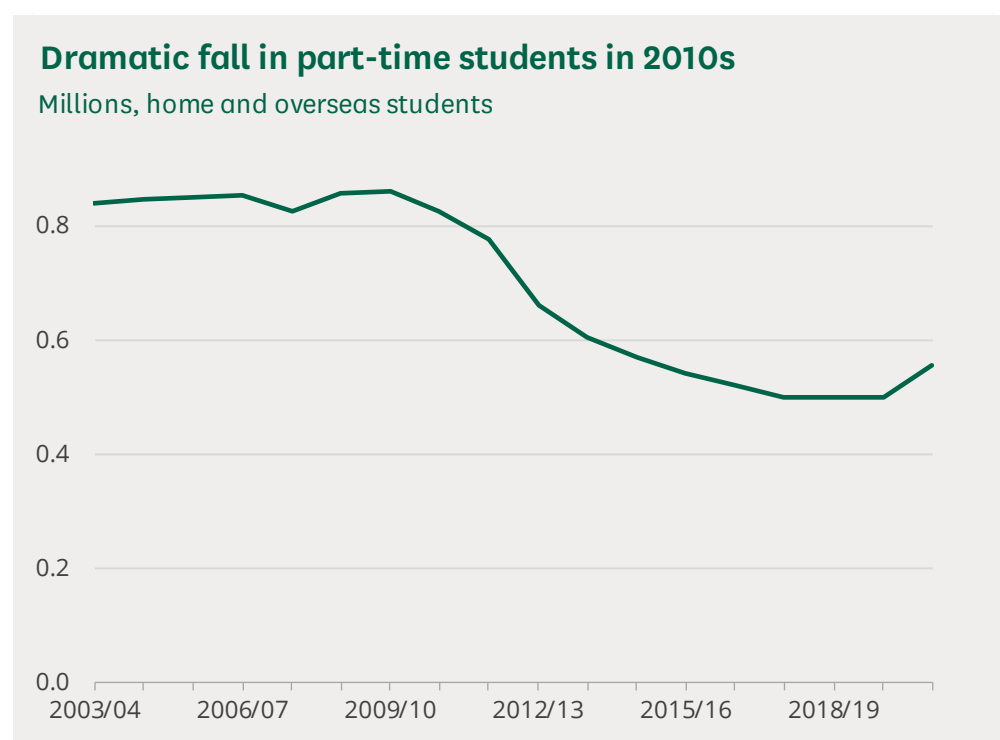
- **Increasing student numbers:** across each nation the overall number of students has increased since 2017/18. Wales has seen the largest percentage increase (although domestic student numbers have slowed in recent years) while Northern Ireland the smallest.
- **Substantial increase in postgraduate taught students:** Each nation has seen student numbers rise here, with Wales in particular experiencing a rise of 44% of this period.
- **Little increase in postgraduate research students:** while there has been a 2% overall increase in the number of postgraduate research students, there was a fall in Northern Ireland and only slight increases elsewhere.

- **Biggest increase in student numbers from 2019/20 to 2020/21:** All parts of the UK experienced their largest increase in student numbers between 2019/20 to 2020/21.¹⁰¹

See the Commons Library briefing [Higher education student numbers](#) for more information and longer-term data.¹⁰²

Part-time students

While overall full-time student numbers have steadily increased over time, the number of part-time students fell by 42% between 2009/10 and 2017/18. Numbers have increased somewhat since then but remain well below their levels from a decade earlier, as shown below.



Source: HESA, [HE student enrolments by level of study 2017/18 to 2021/22](#) (and earlier)

Data for 2021/22 which includes alternative (private) providers shows a further small increase of 3%. In 2021/22 Northern Ireland had the highest proportion of UK students studying part-time at 34%, compared to 32% in Wales, 29% in Scotland and 24% in England.¹⁰³

The Library briefing [Part-time undergraduate students in England](#) looks in more detail at the fall number of these students.¹⁰⁴

¹⁰¹ HESA, [HE student enrolments by level of study 2017/18 to 2021/22](#)

¹⁰² Commons Library briefing CBP-7857, [Higher education student numbers](#)

¹⁰³ HESA, [HE student enrolments by level of study 2017/18 to 2021/22](#)

¹⁰⁴ Commons Library briefing CBP-7966, [Part-time undergraduate students in England](#)

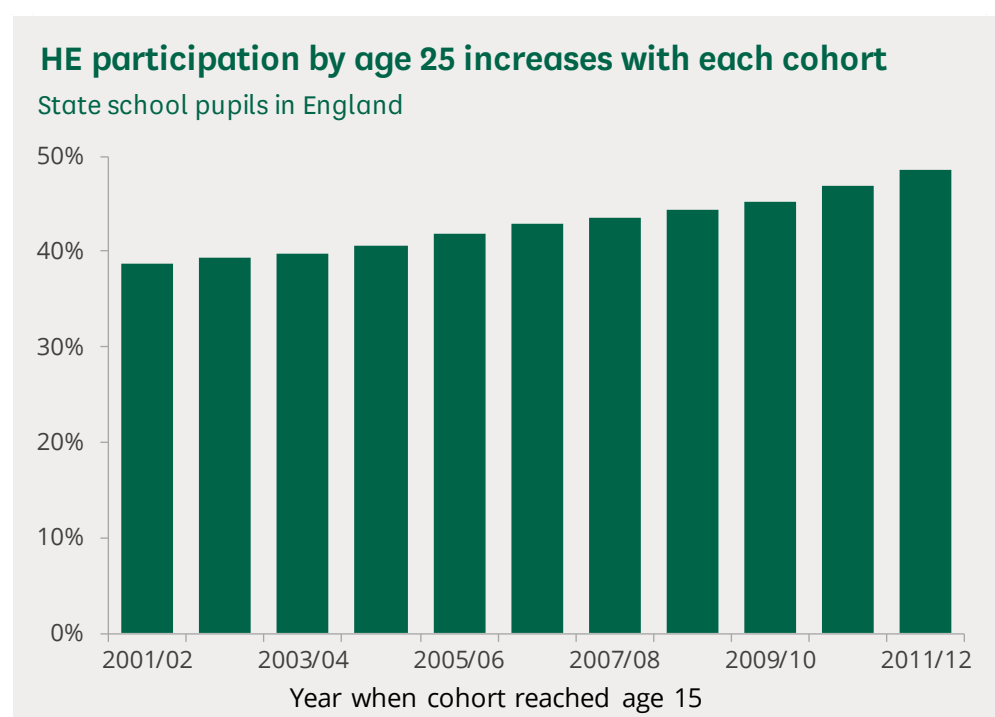
Measuring the proportion of the population that progresses to higher education

The information outlined above relates to the absolute numbers of students in higher education in the UK. Another way of examining participation is to consider the proportion of the population that progress to higher education.

Up until 2023, the Higher Education Initial Participation Rate (HEIPR), which is an estimate of the likelihood of a young person participating in higher education by age 30, was used. It was based on current participation rates published since 2004 in England. The HEIPR is the measure closely associated with the 2000 Labour Government target of 50% of young people to be participating in higher education.¹⁰⁵

In England, the HEIPR has been superseded by a new measure released in early 2023.¹⁰⁶ The Cohort-based Higher Education Participation (CHEP) calculates the proportion of the population aiming to complete a higher education qualification. Cohorts of 15-year-olds can be tracked from 2001/02 in the National Pupil Database, up until their participation in higher education in 2021/22. The focus will be on participation in higher education by age 25.

Trends in this indicator are shown in the chart below.



Source: DfE, [Participation measures in higher education](#)

¹⁰⁵ “[50 per cent participation in higher education](#)”, Times Higher Education, 4 March 2000 (Accessed 20 March 2023)

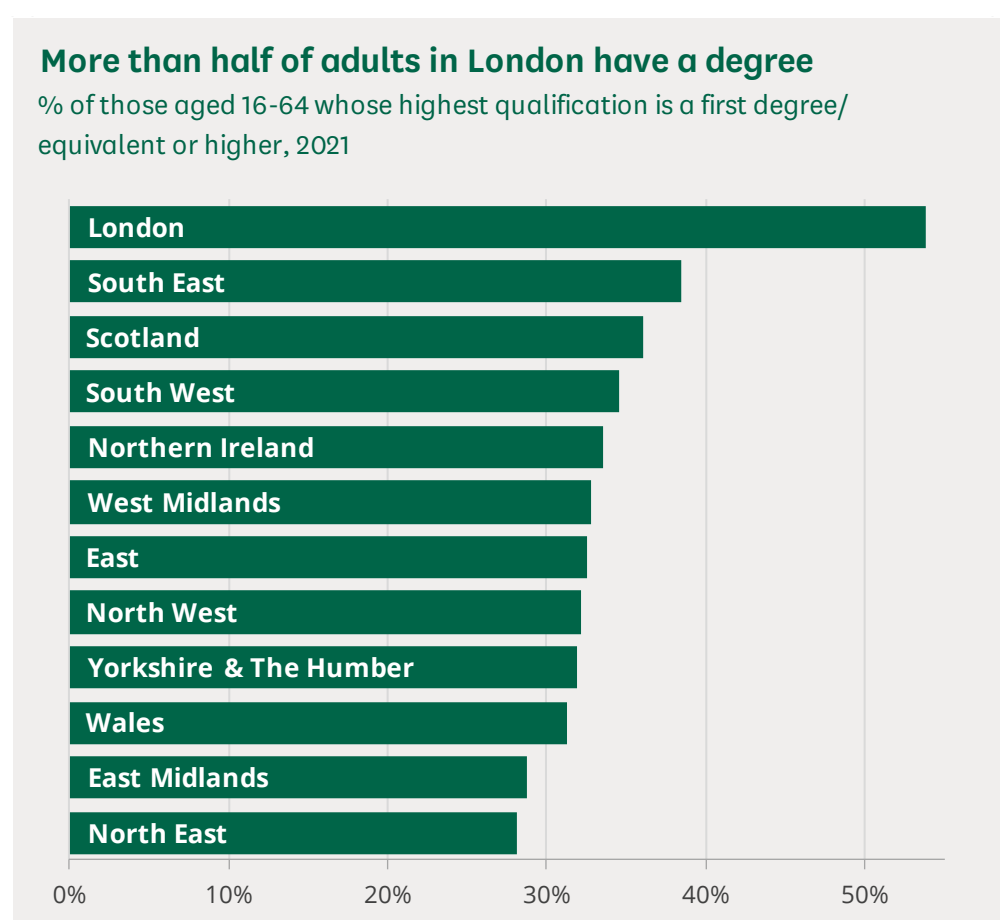
¹⁰⁶ GOV.UK, [Participation measures in higher education. Academic year 2020/21](#), 26 January 2023

While the participation rate is increasing, most young people have not gone into higher education by the age of 25.

48.6% of the cohort who were 15 in 2011/12 had started higher education by age 25 in 2020/21. This was up from 38.8% of the 2001/02 cohort at the same age. The rate for the 2011/12 cohort was 54.1% for female students and 43.3% for male students.¹⁰⁷

The Graduate population

The chart below looks at the proportion of the population who were graduates in 2021 by region and country. London's rate stands out at 54%. The next highest region was the South East at 39%, while the North East was lowest at 28%.



Source: ONS, Annual Population Survey (via www.nomsiweb.co.uk)

The [Library dashboard on education qualifications](#) uses 2021 Census data for England and Wales to show how qualification levels vary between and within Parliamentary constituencies.

¹⁰⁷ DfE, [Participation measures in higher education](#)

4.2

Participation by background

Higher education participation differs significantly by socio-economic background, gender, ethnicity, and age across the UK. There are a range of groups with other characteristics who remain under-represented in higher education:

- Some Black, Asian, and minority ethnic students
- Disabled students
- Care leavers
- Carers
- Students estranged from their families
- Students from Gypsy, Roma and Traveller communities
- Refugees
- Children from military families.¹⁰⁸

Socio-economic background

There has been progress made in widening access to higher education for those from the most socio-economically disadvantaged areas in each of the four parts of the UK. However, substantial gaps in entry rates between different groups persist.

There are different measures of socio-economic disadvantage.¹⁰⁹ The charts below use data on the levels of deprivation in the areas that young people come from and compare entry rates for those from the most and least deprived areas. Entry rates for those from the most deprived areas have generally increased over the last decade in England, Wales, and Northern Ireland. The relative gap between the least and most disadvantaged areas has fallen.¹¹⁰ However, the absolute gap between the least and most disadvantaged areas only fell in England over this time.¹¹¹

There was a noticeable increase in the entry rate for young people from the least deprived areas in 2020 and 2021. This is thought to be linked to the use

¹⁰⁸ Office for Students, [Regulatory notice 1: Access and participation plan guidance](#), September 2021, pp17-18

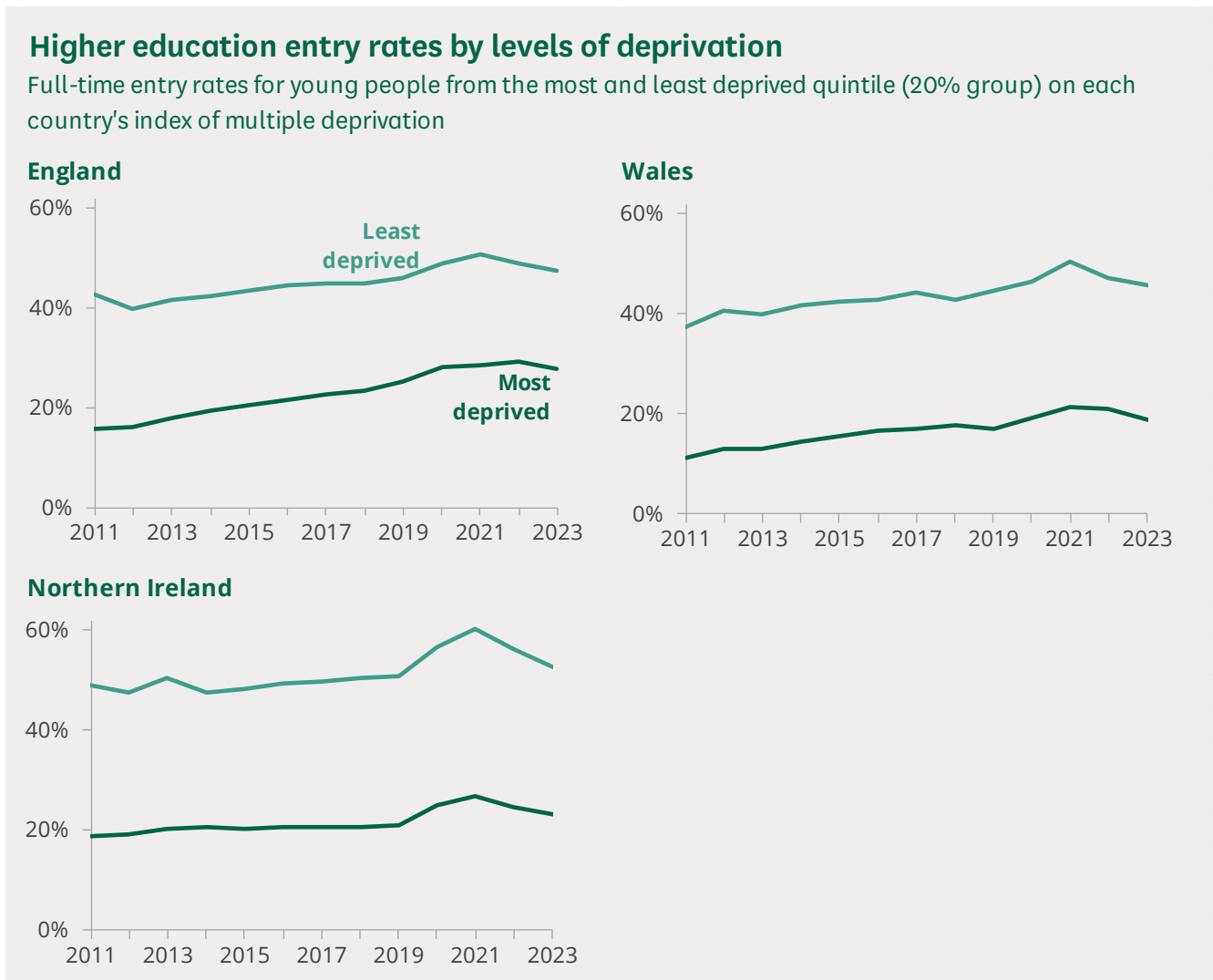
¹⁰⁹ For more detailed analysis of entry rates by socio-economic factors see the Commons Library briefing [Equality of access and outcomes in higher education in England](#).

¹¹⁰ Entry rate for the most disadvantaged as a percentage of the rate for the least disadvantaged.

¹¹¹ The vertical difference between the lines in the charts. Entry rate for the least disadvantaged minus the rate for the most disadvantaged.

of teacher-assessed grades for A Level results in those years, which especially benefitted students from more affluent backgrounds.

England, Wales, and Northern Ireland use different methodologies for their indices of deprivation, so their entry rates shown in these charts should not be directly compared.



Source: UCAS, [End of cycle data resources 2023](#)

Data for Scotland from UCAS underestimates the total numbers in higher education. The Scottish Funding Council publishes its own analysis on widening access. This looks at the proportion of entrants who are from each quintile (20%) group of their deprivation measure, rather than entry rates.

In 2021/22, 16.5% of Scottish entrants to full-time first-degree courses were from the 20% most deprived areas. This rate has increased from 13.7% in 2013-14. Scotland has a target to increase this rate to 20% by 2030%.¹¹²

¹¹² SFC, [Report on Widening Access 2021-22](#)

In addition to being less likely to go to university, students from disadvantaged backgrounds are also less likely to complete their course, less likely to progress to highly skilled employment/further study and earn less than other students/graduates.¹¹³

Ethnic background

In 2021/22, 31% of UK students in England were from a minority ethnic group.¹¹⁴ This rate was much higher than elsewhere in the UK, where 11% of UK students in Scotland, 13% in Wales, and 4% in Northern Ireland were from a minority ethnic group.¹¹⁵

The best way to compare how likely people from different ethnic groups are to go to higher education is to look at entry rates – the estimated proportion of the age group within each ethnic group who start higher education. While data has been published for many years on the total number of higher education students by ethnic background and domicile, estimated entry rates for different ethnic groups are only published for England and Scotland.

In England, entry rates for White young people have long been below those of minority ethnic groups. In 2023, an estimated 30% of White 18-year-olds started full-time higher education. 68% of 18 year olds with a Chinese background started higher education in 2023. This was this highest rate, followed by 50% of Asian, 47% of Black and 36% of those from mixed backgrounds.¹¹⁶ The Commons Library briefing [Equality of access and outcomes in higher education in England](#) gives much more detailed data on access by ethnic group in England.¹¹⁷

Higher education entry rates among school leavers in Scotland showed a similar pattern by ethnicity to the data for England. An estimated 38% of White school leavers in 2022/23 started higher education. This was the lowest rate of any ethnic group. The rate was highest among those with an Indian ethnic background 76% followed by those from Chinese (72%) Pakistani (62%) other Asian (62%), Black (57%), and mixed (56%) backgrounds.¹¹⁸

Disabled Students

Accurate portrayals of the number of disabled students in higher education can be difficult as it depends on students declaring their disability. There has been an increase in students progressing to higher education who are

¹¹³ See the briefing [Equality of access and outcomes in higher education in England](#) for further information.

¹¹⁴ Percentage of students at all levels and modes with a known ethnicity.

¹¹⁵ HESA, [HE student enrolments by personal characteristics 2017/18 to 2021/22](#)

¹¹⁶ UCAS, [End of cycle data resources 2022](#)

¹¹⁷ Commons Library briefing CBP-9195, [Equality of access and outcomes in higher education in England](#)

¹¹⁸ Scottish Government, [Summary Statistics for Attainment and Initial Leaver Destinations, No. 6: 2024 Edition](#). Summary Statistics for Attainment and Initial Leaver Destinations Table L1.4.

disabled over the last decade, which may be connected to students feeling more able to declare their disability.

The Library briefings [Support for disabled students in higher education in England](#) and [Equality of access and outcomes in higher education in England](#) look at how well represented disabled students are, their outcomes from higher education, and how they are supported in England.¹¹⁹

4.3

Widening access to higher education policy approaches

The commitment to supporting access to, and success in, higher education for students from underrepresented groups is relatively high across the UK by international standards. Research undertaken in 2018 looking at widening access policies and success in over 70 countries across the world placed the four parts of the UK in a very small number who had well-established policy commitments in this area.¹²⁰

However, as with the approach to the management of higher education, how the challenge of extending access and ensuring success is tackled differently in each part of the UK. These different approaches are described below.

England

The Office for Students (OfS) is responsible for extending access to higher education and supporting successful outcomes for students from underrepresented groups in England. The OfS inherited this responsibility from the now defunct [Office for Fair Access](#) (OFFA).

A “new approach” to access and participation

In November 2021, the Government announced [a “new approach” to access and participation](#) (PDF). It includes a focus on outcomes for students, universities working with schools and colleges to raise educational standards, and universities increasing the proportion of students taking apprenticeships and higher technical qualifications.¹²²

See the Commons Library briefing [Equality of access and outcomes in higher education in England](#) for more information on the work of the OfS in this area.¹²¹

¹¹⁹ Commons Library briefing CBP-8176, [Support for disabled students in higher education in England](#); Commons Library briefing CBP-9195, [Equality of access and outcomes in higher education in England](#)

¹²⁰ J. Salmi, [All around the world – Higher education equity policies across the globe](#) (PDF), November 2018

¹²¹ Commons Library briefing CBP-9195, [Equality of access and outcomes in higher education in England](#)

¹²² Letter from the DfE to the OfS, [The future of access and participation](#) (PDF), November 2021; DfE press release, [New levelling up plans to improve student outcomes](#), 24 November 2021

In February 2022, the OfS set out its priorities for the next four years in this area.¹²³ They reflected the government’s request for a new approach and called on providers to:

- develop, enhance, and expand partnerships with schools and other local and national organisations, to help raise the pre-16 attainment of young people from underrepresented groups across England;
- develop more diverse pathways into and through higher education through expansion of flexible Level 4 and 5 courses and degree apprenticeships;
- ensure access to higher education for students from underrepresented groups leads to successful participation on high quality courses and good graduate outcomes;
- improve the quality and volume of evaluation of access and participation plan activity;
- make Access and Participation Plans (APPs – see below) more accessible in a way that prospective and current students, their parents, and other stakeholders can easily understand.¹²⁴

The OfS has also introduced an “[equal opportunity risk register](#)”, which identifies 12 sector-wide risks that may affect a student’s opportunity to access and succeed in higher education.¹²⁵ This means providers will have to submit new [Access and Participation Plans](#), which should include more details on the activities that the provider is undertaking to address the risks they have identified, as well as their access and participation targets.

Access and Participation Plans

[Access and Participation Plans](#) (APPs) set out the actions that providers are taking to increase access to, success in, and progression from higher education by students from disadvantaged and under-represented groups. Since 2018, APPs have been a condition of registration for providers in England wanting to charge higher level tuition fees.¹²⁶ They must be approved by the OfS’ Director for Fair Access and Participation.

As part of its “new approach” to access and participation, the government said it wants the OfS to renegotiate current Plans with higher education providers, so they align with the government’s new priorities and give due

¹²³ OfS, [Next steps in access and participation. Speech given by John Blake, the Office for Students’ Director for Fair Access and Participation](#), 8 February 2022

¹²⁴ OfS, [Next steps in access and participation. Speech given by John Blake, the Office for Students’ Director for Fair Access and Participation](#), 8 February 2022.

¹²⁵ OfS, [Equality of opportunity risk register](#)

¹²⁶ [Higher Education and Research Act 2017](#), section 12

consideration to regional inequalities, prior attainment in schools, and the findings of the [white working-class boys report](#).¹²⁷

Uni Connect

Alongside APPs, the other major element of the OfS' access and participation approach is the Uni Connect programme. Uni Connect is the latest in a series of state-funded collaborative outreach programmes dating back to the early 2000s.¹²⁸

Launched in 2017, the programme brings together 29 partnerships of universities, colleges, and local partners. The aim of Uni Connect is to:

- Contribute to reducing the gap in higher education participation between the most and least represented groups.
- Enable young and adult learners from underrepresented groups to make an informed choice about their options in relation to the full range of routes into and through higher education.
- Support local universities, colleges, schools, and other partners to facilitate higher education outreach, enable engagement with attainment-raising activity, and address outreach 'cold spots' for underrepresented groups.
- Contribute to a stronger evidence base around best practice in higher education outreach, and strengthen evaluation practice across the sector.

In February 2024, an independent review and economic analysis of Uni Connect, commissioned by the OfS and conducted by the consultancy Public First, found every £1 spent by the programme in 2020-21 led to between £5 to £9 of economic benefit.¹²⁹ The review also called for improvements in the Uni Connect programme, but acknowledged the concerns of stakeholders around uncertainty of funding year to year.

In April 2024, the government wrote to the Office for Students to say the Uni Connect budget for 2024/25 would be £20 million, down from £30 million in 2023/24, and £60 million in 2020/21.¹³⁰

¹²⁷ Letter from the DfE to the OfS, [The future of access and participation](#) (PDF), November 2021

¹²⁸ The OfS, [Uni Connect](#)

¹²⁹ Public first for the Office for Students, [A review of collaborative support for improving equality of opportunity in access to higher education: Uni Connect](#), 29 February 2024

¹³⁰ [Guidance to the Office for Students from the Secretary of State for Education on the allocation of Strategic Priorities Grant funding for the 2024-25 Financial Year and associated terms and conditions](#) (PDF), 4 April 2024; see "[University access scheme loses third of its budget in latest cuts](#)", Times Higher Education, 4 April 2024

Scotland

Similar to Access and Participation Plans in England, Scotland's [Outcome Agreements](#) between higher education providers and the national higher education body contain widening access commitments. Like England, Scotland also has a centrally funded regional collaborative outreach scheme, the Schools for Higher Education Programme, which is part of the Scottish Funding Council's [National Schools Programme](#).

Scotland also has a [Commissioner for Fair Access](#). While the Commissioner holds a non-statutory role (they are not an ombudsman or regulator and are unable to take forward individual cases), their independence from Government allows them to advocate for access for disadvantaged learners, and hold to account those with a role to play in achieving equal access, including ministers and the Scottish Funding Council.

Commissioner for Fair Access and the 20% target

The role of the Commissioner is to provide impartial policy advice to the Scottish Government and other organisations. The Commissioner works across the entire education system by developing best practice, improving the evidence base, and holding to account those with a role in advancing fair access to higher education.

The introduction of the Commissioner was one of the recommendations of the 2016 report, [A Blueprint for Fairness](#), which was published by the Scottish Government's Commission for Widening Access.¹³¹ The Commission also recommended the target that, by 2030, students from the 20% most deprived backgrounds should represent 20% of entrants to higher education. This target, alongside the other 34 recommendations, was accepted by the Scottish Government.¹³²

Scottish Framework for Fair Access

The Scottish Framework for Fair Access, which launched in May 2019, was developed in response to recommendations from the 2016 Blueprint for Fairness report.

It has been developed to help access practitioners plan and evaluate new ways of helping people from disadvantaged backgrounds access higher education. The framework has been designed for use by schools, colleges, universities, and the third sector. It comprises:

- The [Framework for Fair Access toolkit website](#), which provides evidence on activities universities and others can undertake to support access into and through higher education.

¹³¹ The Commission on Widening Access, [A Blueprint for Fairness: Final Report of the Commission on Widening Access](#), 14 March 2016

¹³² Scottish Government, [Maintaining the Momentum Towards Fair Access: annual report 2022](#), 31 May 2022

- [Scotland's Community of Access and Participation Practitioners \(SCAPP\)](#) forum, which facilitates the sharing and development of best practice in access support across Scotland.

Schools for Higher Education Programme

The Schools for Higher Education Programme (SHEP) was launched in 2010 to support regional collaboration between schools, colleges, and universities in improving progression to higher education in both colleges and universities.

The programme is supported by the Scottish Funding Council and delivered via four regional partnerships covering the whole of Scotland:

- [ASPIRENorth](#) (Aberdeenshire, Highlands, Moray, Orkney and Shetland).
- [LEAPS](#) (Borders, Edinburgh, Forth Valley, the Lothians).
- [LIFT OFF](#) (Dundee and Angus, Fife, Perthshire).
- [FOCUS West](#) (Ayrshire, Dumfries and Galloway, Glasgow, Lanarkshire, the West).

Wales

Under the [Higher Education \(Wales\) Act 2015](#), HEFCW had responsibilities to work with providers to support equality of opportunity and increase the numbers of people under-represented in higher education. This responsibility has now passed to the new Commission for Tertiary Education and Research, with one of its strategic priorities being to “continue and intensify work on widening participation and take steps to ensure a more equitable and excellent system for all”.¹³³

Fee and Access Plans

To be able to charge up to the maximum tuition fee limit (£9,250), and for their students to be eligible for publicly funded financial support, universities in Wales are required to develop a Fee and Access plan.¹³⁴ These plans must set out clearly the groups under-represented in higher education that providers will support with funding to improve equality of opportunity in Wales.

Reaching Wider

Established in the early 2000s, the Reaching Wider programme is a “Wales-wide, regionally focused, collaborative, long-term programme to widen access to higher education and higher-level skills”.¹³⁵ The programme aims to increase participation in higher education by people from underrepresented

¹³³ Welsh Government, [Statement of strategic priorities for tertiary education and research and innovation](#), 28 February 2024

¹³⁴ [The Higher Education \(Fee and Access Plans\) \(Wales\) Regulations 2015](#)

¹³⁵ HEFCW, [Reaching Wider Programme guidance](#) (PDF), 8 December 2021, annex A, p1

groups and communities, with a specific focus on young people and adults who live within the bottom 40% of the Welsh Index of Multiple Deprivation, care experienced young people, and carers.

The programme comprises several regional partnerships across Wales and will receive £5.7 million programme and partnership funding from HEFCW per year in the period 2022/23 to 2024/25.¹³⁶

The Seren Network

The Welsh Government supports the Seren Network, which is aimed at supporting state-educated learners to access higher education. Seren is a fully funded programme available to learners in years 8 to 13 from state schools and further education colleges across Wales, regardless of their economic background, personal situation, or location.¹³⁷

Northern Ireland

Access to success strategy

In Northern Ireland, the Department for the Economy launched its first widening participation in higher education strategy, [Access to Success](#) (PDF), in September 2012.¹³⁸ The Department said:

It supports the aim that any eligible individual in Northern Ireland should be able to gain access to the Higher Education that is right for them, irrespective of their personal or social background.¹³⁹

Widening Access and Participation Plans

[Widening Access and Participation Plans](#) (WAPPs) were introduced in Northern Ireland in 2013. They are an amalgamation of the previous Access Agreements, which were introduced into 2006 as a provision for any provider that wanted to raise its full-time undergraduate tuition fees above the standard level, and Widening Participation Strategic Assessments.

Higher education providers must submit a WAPP to the Department for the Economy 12 to 18 months in advance of the proposed fee year. The agreed WAPPs are published on each institutional website once the relevant approvals have been given by the Department for the Economy.

WAPPs must provide a summary of the provider's widening participation strategy, observations on their past achievement against regional benchmarks, and a detailed programme of anticipated progress each year towards their own targets.

¹³⁶ HEFCW, [Reaching Wider Programme guidance](#) (PDF), 8 December 2021, p3

¹³⁷ Welsh Government, [The Seren Network: an overview](#)

¹³⁸ NI Department for the Economy, [Access to Success](#) (PDF), September 2012

¹³⁹ NI Department for the Economy, [Higher education strategy documents](#), May 2019

5 Teaching, learning, and employability

5.1 The higher education workforce

There are around 240,000 academic staff employed in the higher education sector across the UK,¹⁴⁰ and a similar number of non-academic staff at institutions that reported this data.¹⁴¹

The Higher Education Statistics Agency (HESA), in collaboration with the Department for Education, the Office for Students, the Welsh Government, the Scottish Government, and the Department for the Economy in Northern Ireland publishes statistics on the higher education workforce.¹⁴²

Since the 1980s, the number of UK university professors has grown five times from 4,500 to 22,855.¹⁴³ The professoriate remains predominantly White British and less than a third are female. The table below shows how staff are distributed across the UK by ethnic background.

Ethnic background of academic staff across the UK, 2022/23					
	England	Scotland	Wales	Northern Ireland	UK
White	70%	65%	75%	115%	70%
Black	3%	2%	2%	2%	3%
Asian	12%	10%	8%	13%	12%
Mixed	3%	2%	2%	2%	3%
Other	3%	3%	3%	1%	3%
Not known	10%	18%	10%	7%	10%
All academic staff	199,375	26,745	10,795	2,500	240,420

Source: HESA, [All staff \(excluding atypical\) by personal characteristics 2014/15 to 2022/23](#)

There are significant numbers of Black, Asian, and minority ethnic staff working in higher education overall. However, at the more senior level, there

¹⁴⁰ HESA, [Higher Education Staff Statistics: UK, 2021/22](#), 17 January 2023

¹⁴¹ HESA, [Higher Education Staff Statistics: UK, 2018/19](#), 23 January 2020. Since 2019/20, it has been optional for higher education providers in England and Northern Ireland to report data about staff on non-academic contracts.

¹⁴² HESA, [Higher Education Staff Data](#)

¹⁴³ Higher Education Policy Institute, [The UK Professoriate: male, pale and stale \(and unequal\)](#), 14 February 2023. See National Conference of University Professors, [The role of the UK professoriate](#) (PDF), February 2023.

are issues with representation. For example, in the 2021/22 academic year, fewer than 1% of professors were Black.¹⁴⁴

Changes in staffing patterns

In December 2021, the Nuffield Foundation and King's College London Policy Institute published a report using data from 117 universities, as well as case studies of six English and Scottish institutions, to examine how staffing patterns in UK higher education have changed since 2005.¹⁴⁵

The report found there had been a large increase in the numbers of academic staff on teaching-only contracts in this period. It also revealed a significant expansion in the numbers of managers and non-academic professionals in recent years.

The report highlighted a “growing preoccupation” with student satisfaction rates at universities and argued “student experience” is used as a general justification for increasing numbers of non-academic staff.¹⁴⁶ While it acknowledged increased government regulation and global competition for students may be driving these trends, it also said attempts to make universities more efficient and effective by making governance more business-like have not been entirely successful.¹⁴⁷

Academic staff

With regards to academic staffing, the report found:

- Teaching-only staff numbers rose by more than 80% between 2005-06 and 2018-19 to almost 55,000. This was about five times the 16% increase in staff on traditional teaching and research contracts.
- The numbers of staff on teaching-only contracts grew fastest at universities expanding their student enrolment most rapidly. More than half the growth (14,000 from a total increase of about 25,000) occurred within Russell Group universities.
- The growth in teaching-only staff has lacked strategic direction. It has been more a consequence of “haphazard decisions”, driven by the need to meet teaching demand left by unfilled academic posts, or academics focusing on research and the demands of the Research Excellence Framework (REF).

¹⁴⁴ HESA, [Academic staff by contract level and sex 2014/15 to 2022/23](#)

¹⁴⁵ Nuffield Foundation and KCL Policy Institute, [Managers and academics in a centralising sector. The new staffing patterns of UK higher education](#) (PDF), December 2021. See also HEPI blogpost, [The changing profile and work experiences of higher education staff in the 21st century](#), 18 August 2023

¹⁴⁶ Nuffield Foundation and KCL Policy Institute, [Managers and academics in a centralising sector. The new staffing patterns of UK higher education](#) (PDF), December 2021, p4

¹⁴⁷ Nuffield Foundation and KCL Policy Institute, [Managers and academics in a centralising sector. The new staffing patterns of UK higher education](#) (PDF), December 2021, p78

The report warned the growth in teaching-only contracts, which are often part-time and insecure, may have knock-on effects for quality, operational efficiency, union relations, and reputation.

Non-academic staff

In the case of non-academic staffing numbers, the report found:

- The number of professional staff grew by 16% between 2005-06 and 2017-18.
 - The largest absolute growth was in the numbers of managers and non-academic professionals, which expanded from 32,000 to 51,000 (an increase of around 60%).
 - Staff dealing with the “student experience”, such as welfare workers and career advisers, more than doubled in number from 7,500 to 15,500. They now comprise 7.7% of all support staff.
 - Staff in media, public relations, marketing, and artistic and sports occupations also more than doubled from around 4,250 to 10,230.
 - The number of secretaries, typists, receptionists, and telephonists halved from 17,550 to 8,250,
- Professional services were increasingly centralised during this period, but a lack of expertise on professional service matters led to justifications for creating more posts not being challenged. This contrasted with appointments to academic posts, which were extensively scrutinised.

5.2 Working in higher education

In March 2022, the [University and College Union \(UCU\)](#), which represents over 130,000 staff at further and higher education providers across the UK, published a report based on a survey of almost 7,000 university staff at over 100 institutions that showed nearly 90% of respondents were pessimistic about the future of higher education.¹⁴⁸

The UCU report said two-thirds of respondents were likely or very likely to leave the university sector in the next five years over proposed pension cuts and pay and working conditions.

The UCU has estimated that, since 2009, the value of pay in higher education has fallen by approximately 25% relevant to inflation.¹⁴⁹ It has also estimated around one-third of all academic staff are employed on fixed-term contracts,

¹⁴⁸ UCU, [UK higher education: A workforce in crisis](#) (PDF), March 2022

¹⁴⁹ UCU, [FAQS - Pay and working conditions dispute](#)

including half of teaching-only academics (44%) and over two-thirds (68%) of research-only staff.¹⁵⁰

A report by the Higher Education Policy Institute, published in May 2023, suggested academics do face some conditions that are less good than those in other professions, most notably in regard to the proportion of staff on temporary contracts.¹⁵¹ However, it also said many working conditions in higher education are relatively generous in areas like pensions, leave, sick pay, parental leave, and access to sabbaticals.

Recent industrial action

Since 2018, members of the UCU have participated in several waves of industrial action over a longstanding disagreement over reforms to pensions and several issues related to pay and working conditions.¹⁵² Further industrial action took place in 2023, including a marking and assessment boycott.

In 2020, assessments of the financial health of the Universities Superannuation Scheme (USS),¹⁵³ which is the pension scheme for many university staff, had suggested a significant shortfall between the scheme's income and commitments, and changes would be required to ensure it remained viable. The dispute centred on a proposed reduction in member benefits and increased contributions for employees and employers. There were also disagreements over the way the scheme was valued, since this took place at the start of the COVID-19 pandemic.

In October 2023, it was revealed a £7.4 billion surplus would allow both the reductions to members' pensions benefits and the increase to contributions made by employers to be reversed.¹⁵⁴ As a result, the UCU announced its members had voted to end their pensions dispute with university employers.¹⁵⁵

On pay and working conditions, the UCU, along with the other unions that represent university staff (UNISON, Unite, GMB, and EIS in Scotland) have called for:

- Improved pay offers.
- Nationally agreed action to close gender, ethnic, and disability pay gaps.

¹⁵⁰ UCU, [Precarious work in higher education: Insecure contracts and how they have changed over time](#) (PDF), updated October 2021

¹⁵¹ HEPI, [Comparative Study of Higher Education Academic Staff Terms and Conditions](#), May 2023

¹⁵² UCU, [FAQs – USS pensions dispute](#); [FAQS - Pay and working conditions dispute](#)

¹⁵³ An overview of the pension scheme and its recent issues is provided by the Commons Library briefing CBP-8156, [Universities Superannuation Scheme](#).

¹⁵⁴ USS Employers, [A joint statement on UUK and UCU collaboration towards scheme stability, USS benefit improvements and reduced contribution rates](#), 5 October 2023

¹⁵⁵ UCU, [UCU wins five year long USS pension dispute](#), 20 October 2023

- An agreed framework to eliminate precarious employment practices by universities.
- Nationally agreed action to address excessive workloads and unpaid work, to include addressing the impact that excessive workloads are having on workforce stress and ill-health.¹⁵⁶

However, a UCU ballot to renew the mandate for further action on these issues into 2024 did not meet the legally required turnout threshold of 50%. This meant, despite a majority voting for further action, the ballot was not valid. The unsuccessful ballot followed reports of “[divisions and disillusionment](#)” among UCU members and disagreements over strategy.¹⁵⁷

More information is available in the Commons Library briefing [University strike action in the UK](#).¹⁵⁸

5.3 Quality assurance

Quality assurance has crucial role to play in higher education. It provides the legitimacy required to justify public and private investment as well acting as a mechanism to drive improvements in teaching, learning, and student support.

Quality Assurance Agency

Quality assurance is based around a combination of internal review of practices by universities themselves and external review by designated bodies. In the UK, this external role is undertaken by the independent charity and quality body the [Quality Assurance Agency for Higher Education](#) (QAA). Each UK nation also has its own additional arrangements for ensuring the quality of higher education.

Formed in 1997, the QAA is an independent charity that monitors and advises on standards and quality in UK higher education.¹⁵⁹ The QAA does this primarily through its quality code, which has been developed in conjunction with the [UK Standing Committee for Quality Assessment](#) (UKSCQA).¹⁶⁰ UKSCQA’s membership includes the four UK higher education funding bodies and regulators and sector bodies.

Regional variation

While each part of the UK works with QAA to act as the external review body for their higher education providers, the bodies which oversee the

¹⁵⁶ UCU, [Higher Education Joint Unions' Claim 2022/23](#) (PDF), March 2023

¹⁵⁷ “[Fragmented UCU strikes leave rebalot campaign ‘in the balance’](#)”, Times Higher Education, 25 September 2023

¹⁵⁸ Commons Library briefing CBP-9387, [University strike action in the UK](#)

¹⁵⁹ QAA, [About us](#)

¹⁶⁰ QAA, [The quality code](#)

management of the system, described above in section 2.2, also implement their own distinct sets of arrangements to ensure providers are delivering on objectives and outcomes.

- In England, the Office for Students has a range of conditions that providers have to conform to relating, in particular, to graduate outcomes and degree completion.¹⁶¹ This approach is different to other parts of the UK, where the focus is more on establishing accountability across a range of areas.
- In Scotland, there are the Outcome Agreements, which set out what colleges and universities plan to deliver in return for their funding,¹⁶² and the work of QAA Scotland, which is currently developing a “new enhancement-led external institutional quality review method”.¹⁶³
- Wales has a Quality Assessment Framework for Wales,¹⁶⁴ which aligns with UK-wide quality frameworks, as implemented by the QAA, and also has tailored elements for Wales.
- In Northern Ireland, there is the Annual Provider Review (APR), which is “a desk-based and a low-burden process using existing data analysis and assurance processes”.¹⁶⁵

Changes to quality assurance in England

In July 2022, the QAA said it no longer wished to be the designated quality body for England from March 2023.¹⁶⁶ The QAA will continue to provide advice and support to individual higher education providers, who can receive this by being members of the QAA. The other three parts of the UK will also continue to work with the QAA.

The QAA said it decided not to continue as the designated body in England because the requirements made by the current regulatory approach in England were “not consistent with standard international practice for quality bodies”.¹⁶⁷ Instead, the QAA wanted to remain on the [European Quality Assurance Register for Higher Education](#).

In a statement in March 2023 announcing the de-designation of the QAA, the then-Minister for Skills, Apprenticeships, and Higher Education, Robert Halfon, said the Office for Students would assume the QAA’s functions on an interim basis. The then-Minister said:

Where no body is designated to perform the assessment functions, the functions revert to the OfS. The OfS has confirmed that, from 1 April 2023, it will

¹⁶¹ OfS, [Regulatory advice 20: Regulating student outcomes](#), September 2022

¹⁶² SFC, [Outcome agreements](#)

¹⁶³ QAA Scotland, [Reviewing higher education in Scotland](#)

¹⁶⁴ HEFCW, [Quality Assessment Framework for Wales](#) (PDF), July 2022

¹⁶⁵ NI Department for the Economy, [Higher education quality assurance](#)

¹⁶⁶ QAA, [QAA demits DQB status to focus on sector and students in England](#), 20 July 2022

¹⁶⁷ QAA, [QAA demits DQB status to focus on sector and students in England](#), 20 July 2022

undertake all quality and standards assessment activity on an interim basis pending further consideration of future arrangements. The DfE, OfS and HE stakeholders will work closely to consider options for long-term arrangements for the assessment of quality and standards.¹⁶⁸

The statement also noted 31 of the 47 responses to the consultation on the QAA's decision disagreed with de-designation, but "the majority of responses from representative bodies", such as Universities UK, agreed.¹⁶⁹

Teaching Quality

There have been efforts made across the UK in recent years to improve the quality of teaching available to higher education students.

In Northern Ireland, Scotland, and Wales this is undertaken as part of the overall quality assurance process via the bodies described above. In England, the [Teaching Excellence Framework](#) (TEF) was launched in 2017.¹⁷⁰

The TEF is a national scheme run by the Office for Students that aims to encourage higher education providers to improve and deliver excellence in teaching, learning, and student outcomes (whether students go on to managerial or professional employment, or further study). It does this by assessing and rating universities and colleges for excellence above a set of minimum requirements for quality and standards.

TEF assessments are carried out by a panel of experts in learning and teaching, including academic and student members. The assessment covers undergraduate courses and students, and is based on:

- evidence submitted by the provider;
- an optional student submission;
- a set of indicators produced by the OfS.

TEF rankings of gold, silver, bronze, or requires improvement are issued to providers and the exercise is carried out every four years.

Blended/hybrid learning

For much of the Covid-19 pandemic, university courses were delivered online, with most students learning remotely and living at home rather than their termtime address.

In 2021, the National Student Survey revealed only 47% of students were content with the delivery of learning and teaching during the pandemic.¹⁷¹ A

¹⁶⁸ [HCWS695 \[Designated Quality Body Update\] 30 March 2023](#)

¹⁶⁹ See Department for Education, [Quality Assurance Agency for Higher Education - de-designation: government response](#), 30 March 2023

¹⁷⁰ OfS, [About the TEF](#)

¹⁷¹ OfS, [National Student Survey - NSS](#), 15 July 2021

poll of 2,147 university students in May 2021 also revealed a return to face-to-face teaching was a priority for many in the 2021/22 academic year.¹⁷²

Some students believed there were benefits to remote learning, including flexibility (77%), not having to commute (71%), being able to live somewhere cheaper/nicer (47%), and a better work/life balance (25%). The most popular option (45% of respondents) for delivery of courses from autumn 2021 was “a mostly in person method of delivery with online teaching once or twice per week”.¹⁷³

Blended, or hybrid, learning involves using technology, digital teaching and learning, and online materials for self-study alongside in-person lectures, seminars, small group discussions, tutorials, lab work, and workshops.

Since 2021, most universities have adopted a blended learning approach of in-person seminars and lab work alongside elements of online learning. They argue this is not about saving money, but instead the pandemic has accelerated an existing trend in the use of digital materials and technology to enhance the learning experience of students.¹⁷⁴

A review by the Office for Students of blended learning in English universities found:

- There are examples of high-quality blended approaches and innovation that support students’ learning.
- There are pockets of poor online teaching practice and poor online learning resources.
- The balance between face-to-face and online delivery is not the key determinant of teaching quality.
- Students reported they received less timely and lower quality feedback in online learning settings than in face-to-face settings.
- Students reported feeling isolated studying online during national lockdowns and they identified a negative impact on their sense of belonging to an academic community because of an absence of peer networks and support during periods of isolation.¹⁷⁵

¹⁷² UPP foundation, [Student Futures Commission: Students prioritise a return to face to face teaching from September 2021](#), May 2021

¹⁷³ UPP foundation, [Student Futures Commission: Students prioritise a return to face to face teaching from September 2021](#), May 2021

¹⁷⁴ Russell Group, [Blended approaches used to modernise and enhance teaching and learning at Russell Group Universities](#), 11 January 2022

¹⁷⁵ OfS, [Students should expect high quality teaching, however courses delivered – OfS responds to blended learning review](#), 19 October 2022. See also HEPI blog, [Responding to the challenges of the OfS’s blended learning review](#), 19 December 2022

5.4

Supporting student employability

As well as a focus on teaching quality, supporting students to achieve employment outcomes after graduation is a priority in all four parts of the UK.

England

In England, the Office for Students (OfS) consulted on a new approach to regulating student outcomes between January and March 2022 in order “to crack down on poor quality courses.”¹⁷⁶

Following the consultation, the OfS announced numerical thresholds that would underpin requirements for minimum acceptable student outcomes. The thresholds can broadly be summarised in relation to a course’s continuation, completion, and progress rates. For full-time students studying a first degree, the thresholds are:

- 80% of students to continue their studies;
- 75% of students to complete their course;
- 60% of students to go on to further study, professional work, or other positive outcomes, within 15 months of graduating.¹⁷⁷

Universities and colleges that perform below these thresholds could face investigation so the OfS can understand the reasons for their performance. If, following investigation, performance is not adequately explained by a higher education provider’s context, the OfS has the power to intervene and impose sanctions for a breach of its conditions of registration.

Scotland

Universities in Scotland support students to develop employability skills with an increasing emphasis on work placements, work-related learning and other programmes such as mentoring schemes.¹⁷⁸ Many universities have employability services offering students and graduates advice and information.

Graduate Apprenticeships have also developed in recent years with a focus on developing employability.¹⁷⁹

¹⁷⁶ OfS, [OfS sets out plans to crack down on poor quality courses](#), 20 January 2022. OfS, [A new approach to regulating student outcomes](#), July 2022

¹⁷⁷ OfS, [OfS sets new expectations for student outcomes](#), 30 September 2022

¹⁷⁸ Universities Scotland, [Tomorrow’s People](#), 2019

¹⁷⁹ Scottish Funding Council, [Graduate Apprenticeships](#)

Wales

In Wales, the Higher Education Funding Council for Wales (HEFCW) commissioned AdvanceHE, which is a UK-wide higher education organisation focused on improving learning and teaching, to undertake a report on how well employability was incorporated into higher education courses. This was the first time any part of the UK has undertaken a study of this depth. It surveyed 3,000 students and 575 staff at Welsh universities about how their courses had helped students to develop workplace-related skills and prepare them for their future careers.¹⁸⁰

Published in June 2022, the report found 61% of postgraduate respondents reported their course emphasised employability, compared to 57% of undergraduate respondents overall. Students who were offered work experience as part of their course were more likely to consider their course as contributing to their future employability.

5.5 Student satisfaction

Understanding the views of students and supporting their experience of higher education is a feature of the work undertaken by the funding and regulatory bodies responsible for higher education across the UK.

The Office for Students, on behalf of the Commission for Tertiary Education and Research, the Scottish Funding Council, and the Department for the Economy in Northern Ireland commissions the UK-wide [National Student Survey \(NSS\)](#). The survey is a key component of the quality assurance and wider regulatory landscape in UK higher education. Nearly half a million students participate across the UK each year.

Advance HE, in partnership with the Higher Education Policy Institute (HEPI), also undertakes an annual student experience survey with over 10,000 undergraduate students.¹⁸¹ The survey covers several related topics, including:

- contact hours
- assignments and feedback
- student wellbeing
- access to counselling services

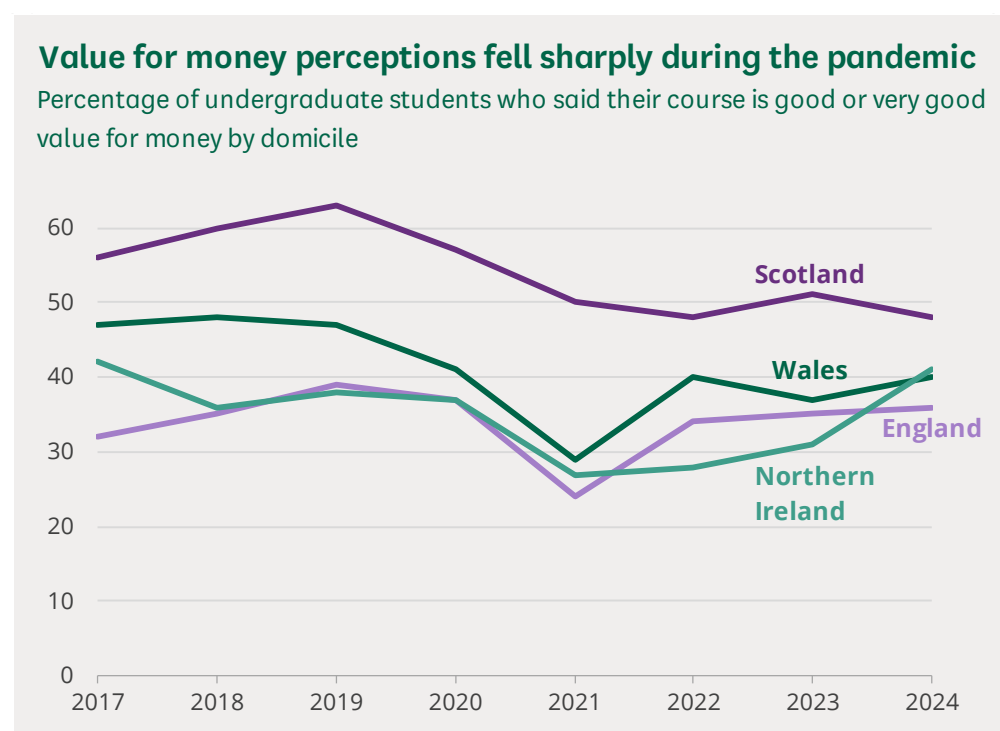
¹⁸⁰ HEFCW, [Advance HE: Employability in the curriculum report](#), June 2022.

¹⁸¹ Advance HE also undertakes surveys and publishes reports on the experiences of postgraduate taught and research students: Advance HE, [Postgraduate Taught Experience Survey \(PTES\)](#); [Postgraduate Research Experience Survey \(PRES\)](#).

- perceptions of value for money.¹⁸²

In 2012 53% of respondents said their course represented good or very good value for money. This fell to 35% in 2017 and recovered somewhat before falling sharply in the pandemic (when teaching was severely disrupted) to a low of 27% . It has recovered since then and was 39% in 2024, but this recovery was said to be slowed by the cost of living ‘squeeze’ from 2022. 26% said their course represented poor or very poor value for money in 2024, the largest gap with good/very good since 2014.¹⁸³

Among home students the perceptions of value for money are highest among students from Scotland, who do not pay tuition fees. However the proportion of students from Scotland saying their course was good/very good value has fallen from more than 60% in 2019 to fewer than 50% in 2024. The good/very good rate was around 40% among those from both Wales and Northern Ireland in 2024 and lowest among English students at 36%.



Source: Advance HE and Higher Education Policy Institute, [Student Academic Experience Surveys](#).

According to the 2024 survey, mental health remains a significant concern among students. For many students, wellbeing concerns increased during the pandemic, and anxiety levels continued to be high in 2024, possibly due to ongoing cost of living concerns. Wellbeing as measured by this survey is below that recorded in official statistics on the population as a whole (of all ages)¹⁸⁴ Issues with their mental health are the most common reason students

¹⁸² Advance HE and Higher Education Policy Institute, [Student Academic Experience Survey \(SAES\)](#).

¹⁸³ Advance HE and Higher Education Policy Institute, [Student Academic Experience Survey 2024](#), 13 June 2024

¹⁸⁴ Advance HE and Higher Education Policy Institute, [Student Academic Experience Survey 2024](#), 13 June 2024, pp68-71

give if they are considering leaving university, but rates for this cause were slightly lower in 2024 than during the pandemic.¹⁸⁵

Overall, most students across the UK are still satisfied with their decision to enter higher education. The survey shows 60% of respondents would choose the same course and university again; although, this is down from 64% in 2019.¹⁸⁶ 25% of students said they would still like to go to university but to a different university/course or defer a year.

Complaining about higher education

There is generally a three-step process to resolve issues if students are unhappy about an aspect of their higher education experience.

1. In the first instance, students are expected to contact their university or college to raise concerns. The appropriate staff members to contact should be clearly signposted by higher education providers, but a students' union or other representative body may also be able to provide advice.
2. If students are still dissatisfied, they can make a formal complaint to their provider.
3. If students are not content with the outcome of a complaint, or if they believe it has been poorly handled, they can contact their relevant higher education ombuds service.¹⁸⁷ Students will generally be expected to have exhausted their university's internal complaints procedures first.

¹⁸⁵ Advance HE and Higher Education Policy Institute, [Student Academic Experience Survey 2024](#), 13 June 2024, pp28-29

¹⁸⁶ Advance HE and Higher Education Policy Institute, [Student Academic Experience Survey 2022](#), 9 June 2022, p22

¹⁸⁷ In England and Wales, the independent student complaints ombuds service for higher education is the [Office of the Independent Adjudicator \(OIA\)](#). In Northern Ireland, the ombuds service for higher education is the [Northern Ireland Public Services Ombudsman \(NIPSO\)](#). In Scotland, it is the [Scottish Public Services Ombudsman \(SPSO\)](#).

6 UK higher education in an international context

The UK Government's International Education Strategy includes ambitions to:

- increase the value of education exports to £35 billion per year by 2030;
- increase the total number of international students choosing to study in the UK higher education system each year to 600,000 by 2030.

The latter ambition was met for the first time in 2020/21, with 605,130 international higher education students studying in the UK in universities, further education colleges, and alternative providers.

While the UK is one of the leading countries in the world for attracting international students, far fewer UK students study abroad. In 2021, this was estimated at 2%, which is half the EU average and below levels in Germany and France (both 4%).¹⁸⁸

Following Brexit, the UK chose to leave the EU's Erasmus+ programme. It has been replaced by the UK-wide Turing Scheme and, in Wales, the Taith programme. The Scottish Government has said it will develop its own international education exchange programme. Through an arrangement with the Irish Government, higher education students in Northern Ireland will continue to have access to the Erasmus+ programme.

For more information on these subjects, see the Commons Library briefings [International students in UK higher education](#) and [The Turing Scheme](#).¹⁸⁹

6.1 International education strategies

In March 2019, the Department for Education and the Department for International Trade launched the [International education strategy: Global potential, global growth](#).¹⁹⁰

The strategy set out the UK Government's ambition to:

- increase the value of education exports to £35 billion per year by 2030;

¹⁸⁸ OECD, [Education at a Glance 2023](#), Table B6.1

¹⁸⁹ Commons Library briefings CBP 7976, [International students in UK higher education: FAQs](#); CBP 9141, [The Turing Scheme](#)

¹⁹⁰ UK Government, [International Education Strategy: Global potential, global growth](#), March 2019

- increase the total number of international students choosing to study in the UK higher education system each year to 600,000 by 2030.

On 6 February 2021, the Government launched an [update to its International Education Strategy](#). It restated the ambitions set out in the original strategy and highlighted progress since 2019, including:

- the appointment of the International Education Champion;
- the introduction of a new Graduate route for international students;
- the introduction of new Student routes;
- the Turing Scheme.¹⁹¹

Scotland

In February 2024, the Scottish Government published its own International Education Strategy, which said it wanted to become more active internationally, and form partnerships “with countries who share our ambitions to alleviate poverty, achieve net zero and be an attractive place to live, work, visit, study and do business.”¹⁹² Some of the actions in the strategy include:

- Work through Brand Scotland and Connected Scotland with universities and colleges to promote Scotland to prospective international students, staff, and researchers.
- Launch a Talent Attraction and Migration Service to provide information and advice for students considering staying in Scotland after graduation.
- Use Scotland’s international offices and programme of Ministerial visits to promote and grow Scotland’s transnational education (TNE).
- Work with the higher education sector to maximise participation in the Horizon Europe programme, monitor Scottish institutions’ performance, and identify areas where further effort is required to improve Scotland’s access to the programme.

Wales

In Wales, the Global Wales programme provides a “strategic, collaborative approach to international higher education and further education”.¹⁹³ It is a partnership between the Welsh Government, Universities Wales, ColegauCymru, British Council Wales, and the Higher Education Funding Council for Wales.

¹⁹¹ UK Government, [International Education Strategy: 2021 update: Supporting recovery, driving growth](#), February 2021

¹⁹² Scottish Government, [Scotland's international education strategy](#), 7 February 2024

¹⁹³ Universities Wales, [Global Wales](#)

Its objectives for 2022 to 2026 are to:

- increase student numbers from priority international markets
- maintain and grow partnerships in priority international markets
- generate additional export earnings for Wales from priority markets
- increase the awareness and reputation of Welsh universities and further education colleges in priority markets.

6.2 International student numbers in the UK

In 2021/22, there were 605,100 overseas students across all types of UK higher education institutions.¹⁹⁴ This was an increase of 109,000 since 2018/19 and meant the UK Government's target of 600,000 international students by 2030 was met a decade early.

The UK's success here shows it is one of the major global hubs where international students are concerned. In 2021, the UK was the second-most popular country for international students with 14% of all students attending a university overseas in the OECD. This was behind the US with 19%.¹⁹⁵

The table below shows how the UK compares to other countries in terms of international student recruitment.

Major destinations for International students OECD and partner countries, 2021	
Country	Thousands enrolled
United States	833
United Kingdom	601
Australia	378
Germany	376
Canada	313
France	253
China	222
Japan	216

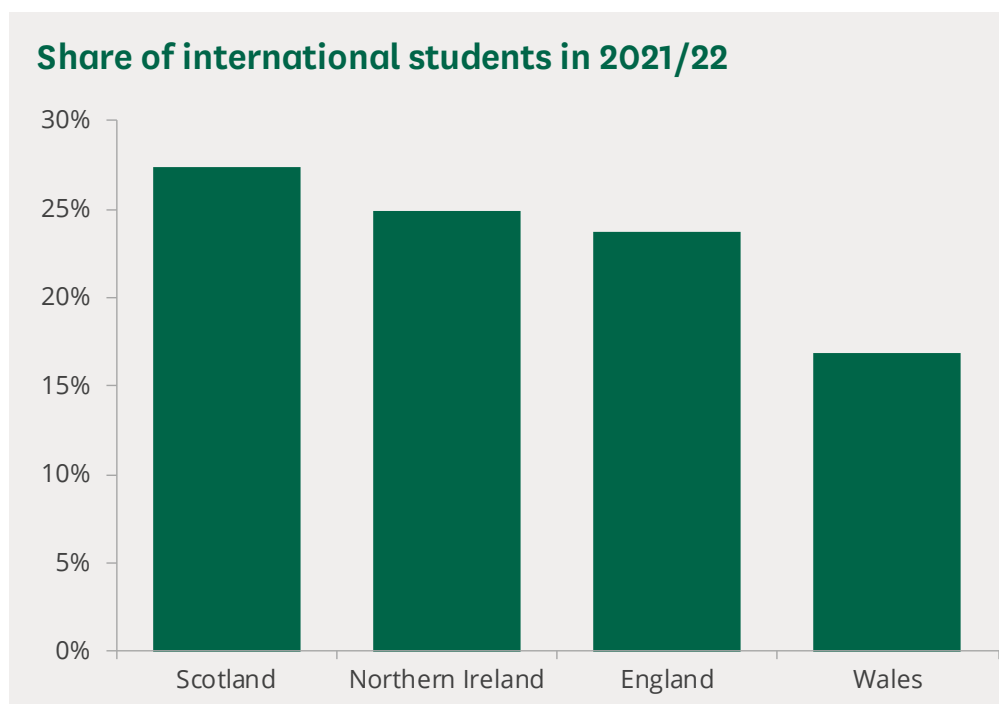
Source: OECD, [Education at a Glance 2023](#), Table B6.1

International students are distributed across the four parts of the UK. As the chart below shows, Scotland has a particularly high percentage of

¹⁹⁴ UK Government, [International Education Strategy: 2022 progress update](#), May 2022

¹⁹⁵ OECD, [Education at a Glance 2023](#), Table B6.1

international students. It compares favourably to the rest of the UK but also to other countries in Europe.



Source: HESA, [HE student enrolments by level of study 2017/18 to 2021/22](#)

Where do international students come from?

Most international students at UK universities come from China. The top ten countries are shown opposite. Some of the key trends in recent years were:

- Chinese student numbers are up by 87% since 2011/12, despite a small drop in 2020/21. Numbers from the US fell in 2019/20 and 2020/21, but increased by 43% in 2021/22 to a record level.
- Indian student numbers fell by 44% between 2011/12 and 2015/16. They increased steadily for the following few years before rising dramatically from 2017/18. The increase since then has been almost 75,000 entrants or almost 400%
- There has been a more recent decline in numbers from Malaysia. New students from Nigeria fell rapidly in 2015/16 and 2016/17 before stabilising, then increasing by 35% in 2019/20, 88% in 2020/21 and 136% in 2021/22.
- There was a general drop in entrants from major EU countries between 2011/12 and 2020/21. This accelerated in 2021/22. Numbers were down over the decade by 71% from Greece, 70% from Cyprus 37%, 64% from Romania, 58% from Germany, and 57% from Poland.

Top 10 countries of origin

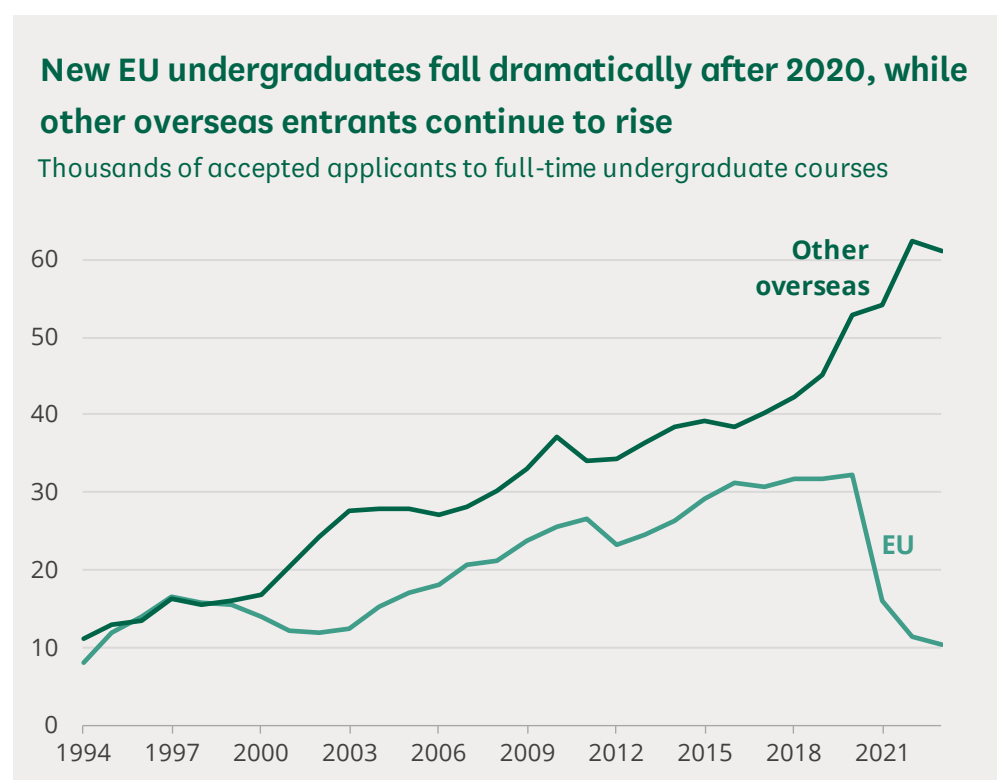
First years 2021/22

China	99,965
India	87,045
Nigeria	32,945
Pakistan	16,550
United States	13,550
Bangladesh	9,170
Hong Kong	8,170
Malaysia	5,665
Ireland	4,415
France	4,355

Source: HESA, [HE Student Data: Where do HE students come from?](#)

- Overall, first year EU student numbers are down by 2% between 2010/11 and 2020/21. Much of this cut happened in 2012/13 and numbers increased during the 2010s. New entrants from the EU were down by 53% in 2021/22 to their lowest level since the current higher education sector was formed in 1994. Undergraduate numbers were down by 63% (reflecting trends in the UCAS data shown earlier), but postgraduate entrants from the EU also fell and were 39% lower than 2020/21.¹⁹⁶

Publication of the 2022/23 data on students at all levels has been delayed until August 2024. The chart below looks at full-time undergraduates only and shows how the country of origin of these international students has undergone a striking change since 2020, with those from the EU falling sharply and non-EU student numbers continuing to increase.



Source: UCAS, [End of cycle data resources 2023](#) (and earlier)

The exception to this pattern was Northern Ireland, where the number of new EU full-time undergraduates has increased since 2020. The increase here between 2020 and 2023 was 78% compared to falls of 79% at Scottish providers, 77% for those in Wales and 68% in England.¹⁹⁷

New students arriving from the EU to start courses from August 2021 are generally no longer eligible for home student status, which means most will pay international fees and not qualify for tuition fee loans. European Economic Area (EEA) and Swiss nationals, and their family members, who have been granted settled or pre-settled status under the EU Settlement

¹⁹⁶ HESA, [HE Student Data: Where do HE students come from?](#)

¹⁹⁷ UCAS, [End of cycle data resources 2023](#).

Scheme, will be eligible for home fee status and student support on broadly the same basis as before Brexit. The rights of Irish residents to study in the UK are preserved under the Common Travel Area arrangement.

Students who started courses on or before 31 July 2021 remain eligible for support for the duration of their course.

6.3 UK students studying abroad

In 2021, an estimated 2% of UK students in higher education were studying abroad. This rate was half the EU average and below levels in Germany and France (both 4%).¹⁹⁸

As the table below shows, far fewer students from the UK study abroad than students from abroad study in the UK. Up to 2018/19, the numbers of students studying abroad was on an upward trajectory for each part of the UK aside from Northern Ireland. The COVID-19 pandemic set this progress into reverse, as did the UK's withdrawal from the EU, which affected the approach of universities in the EU to accepting UK students.

Numbers of UK students abroad peaked in 2018/19

Students studying abroad as part of their UK-based degree, by country of provider

	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
England	32,705	39,115	39,690	28,750	11,425	20,450
Scotland	5,415	1,425	1,460	950	485	885
Wales	2,745	5,455	6,105	4,935	1,680	3,745
Northern Ireland	1,665	3,205	3,620	1,795	410	1,330
Total	42,530	49,200	50,875	36,430	14,000	26,410

Source: Universities UK, [International Facts and Figures 2023. Mobile students by country of UK HE provider](#), 5 December 2023.

The top three destinations for students going abroad to study in 2021/22 were France, Spain, and the US. Together, these countries received half of all mobile students from the UK.¹⁹⁹

¹⁹⁸ OECD, [Education at a Glance 2023](#), Table B6.1

¹⁹⁹ Universities UK, [International Facts and Figures 2023](#), 5 December 2023.

6.4

The post-Erasmus landscape

The Erasmus programme launched in 1987 as an education exchange with 11 participating member states, including the UK.

In 2014, the programme became [Erasmus+](#) and expanded to include apprentices, jobseekers, volunteers, sport, and staff and youth exchanges. Today, Erasmus+ encompasses 33 full members (the 27 EU member states and six non-EU nations) as well as more than 160 other countries around the world.

UK participation in Erasmus+

The last Erasmus+ cycle the UK participated in was 2014-2020. The programme was delivered by the [UK National Agency](#), which reported to the Department for Education.

Organisations, such as schools, universities, and youth groups, applied to the UK National Agency for funding, and then made grants available to their members. Between 2014 and 2020, the UK received €1 billion to fund 6,762 projects.²⁰⁰

Further information about Erasmus+ and the UK's participation in the programme is available in the Library briefing [The Erasmus Programme](#).²⁰¹

The Turing Scheme

On 15 January 2020, the then-Prime Minister, Boris Johnson, told the House of Commons the UK would remain part of the Erasmus+ programme. He said:

There is no threat to the Erasmus scheme, and we will continue to participate in it. UK students will continue to be able to enjoy the benefits of exchanges with our European friends and partners, just as they will be able to continue to come to this country.²⁰²

In December 2020, however, Boris Johnson announced the UK would no longer participate in the Erasmus+ programme, and would establish the Turing Scheme, named after the mathematician Alan Turing, as a replacement.²⁰³

According to the Government, the terms proposed by the EU for continued involvement in Erasmus+ included a participation fee and a GDP-based

²⁰⁰ Erasmus+, [Results and statistics](#)

²⁰¹ Commons Library briefing, CBP-8326, [The Erasmus Programme](#)

²⁰² [HC Deb \[Engagements\] 15 January 2020 c1021](#)

²⁰³ "[UK students lose Erasmus membership in Brexit deal](#)", The Guardian, 24 December 2020

contribution.²⁰⁴ The Government calculated this would have entailed a net cost in the region of £2 billion over the next seven-year cycle, and said it did not believe this offered value for money for the UK taxpayer.²⁰⁵

How does the Turing Scheme work?

The [Turing Scheme](#) funds projects for participants from the UK and British Overseas Territories to undertake a study, work, or training placement in another country (known as an ‘outward mobility’).

The UK Government made £110 million available to cover the administration and activities of the Turing Scheme in the 2021/22 academic year. At the [Autumn Budget and Spending Review 2021](#), the Government confirmed funding for the scheme for the next three years, including £110 million for the 2022/23 academic year.²⁰⁶

Organisations, such as schools, colleges, and universities, apply for funding for Turing Scheme projects on behalf of participants. Projects must focus on four main objectives: global Britain; levelling up; developing key skills; and value for UK taxpayers.

Organisational funding helps cover costs directly linked to the administration and implementation of a project. Funding to cover living costs is also available for all projects. Participants on further education, vocational education and training, and schools projects receive funding towards their travel costs. Additional financial support is also available to participants from disadvantaged backgrounds.

Funding awards

Information about funding awards and the destination countries/territories for placements is [available on the Turing Scheme website](#).

In 2023/24, 112 of the 145 applications for higher education funding were successful and providers will share around £62 million in grant funding.²⁰⁷ This will enable nearly 24,000 participants, over half of whom are from disadvantaged backgrounds, to go on placements. The USA is again the most popular destination for higher education placements in 2023/24, followed by France, Spain, and Germany.²⁰⁸

Around 85% of all Turing Scheme funding was allocated to organisations in England in 2021, 2022, and 2023 (see the table below).²⁰⁹ This compares to an

²⁰⁴ [PQ 132973 \[Turing Scheme\] 13 January 2021](#)

²⁰⁵ [PQ 133977 \[Turing Scheme\] 15 January 2021](#)

²⁰⁶ Treasury, [Autumn Budget and Spending Review 2021](#), October 2021, p98

²⁰⁷ Turing Scheme, [Funding results 2023-24](#)

²⁰⁸ Turing Scheme, [Funding results 2023-24](#)

²⁰⁹ Turing Scheme, Funding results [2021/22](#), [2022/23](#), [2023/24](#)

annual average of 74% under the Erasmus+ programme between 2014 and 2020.²¹⁰

Turing Scheme funding amounts and number of approved projects

Funding amounts in £ million, not adjusted for inflation

	Higher education		Further education		Schools		Total	
	Funding	Projects	Funding	Projects	Funding	Projects	Funding	Projects
2021/22								
England	56.04	111	21.65	101	5.77	106	83.46	318
Wales	3.01	7	1.55	2	0.56	4	5.12	13
Scotland	6.95	17	0.98	7	0.38	5	8.31	29
Northern Ireland	0.94	4	0.65	9	0.00	0	1.59	13
UK total	66.94	139	24.83	119	6.71	115	98.48	373
2022/23								
England	53.06	103	32.01	93	6.93	69	92.00	265
Wales	2.16	8	0.17	1	0.12	1	2.45	10
Scotland	5.81	16	2.65	11	0.56	3	9.02	30
Northern Ireland	1.08	4	1.52	7	0.00	0	2.60	11
UK total	62.11	131	36.35	112	7.61	73	106.07	316
2023/24								
England	53.21	102	30.07	146	9.05	163	92.33	411
Wales	1.77	6	1.18	3	0.28	2	3.23	11
Scotland	5.60	15	2.54	15	0.74	11	8.88	41
Northern Ireland	1.16	4	1.23	10	0.15	3	2.54	17
UK total	61.74	127	35.02	174	10.22	179	106.98	480

Source: Turing Scheme, Funding results [2021/22](#), [2022/23](#), [2023/24](#).

More information on the Turing Scheme, including how it works, recent funding awards, how the scheme compares to the Erasmus+ programme, and the responses of Wales, Scotland, and Northern Ireland, is available in the Library briefing [The Turing Scheme](#).²¹¹

Wales

On 21 March 2021, the Welsh Government announced a new international learning exchange programme to run alongside the Turing Scheme. A press release outlined the rationale for the new programme and highlighted its reciprocity and broader focus. It said:

The new programme will fill the gaps Turing leaves, including, crucially, the commitment to long-term funding, the retention of the principle of two-way exchanges and the inclusion of youth work.²¹²

²¹⁰ Erasmus+, [Results and statistics](#), 2014-2020 Application Results Tables

²¹¹ Commons Library briefing CBP-9141, [The Turing Scheme](#)

²¹² Welsh Government press release, [New International Learning Exchange programme to make good the loss of Erasmus+](#), 21 March 2021

Cardiff University developed the new programme, working with an advisory board of stakeholders with representatives from across the education and youth sectors. These included, among others, the Welsh Government, Universities Wales, the National Training Federation Wales, the Council for Wales of Voluntary Youth Services, and NUS Wales.²¹³

The programme will run from 2022 to 2026. £65 million has been allocated for this period to enable 15,000 participants from Wales to go on overseas mobilities. 10,000 participants will come from overseas to study or work in Wales.²¹⁴

Taith

On 2 February 2022, the Welsh Government officially launched the international learning exchange programme, which is called [Taith](#) (Welsh for ‘journey’).²¹⁵

Taith provides opportunities through three ‘Pathways’. Each Pathway provides funding to support specific activities:

- Pathway 1, ‘Mobility of participants’: projects will deliver physical, virtual, and blended inward and outward mobilities.
- Pathway 2, ‘Partnership and strategic collaboration’: education and training organisations in Wales will lead international collaborative projects.
- Pathway 3, ‘Capacity building’: projects will allow organisations to develop their structures, knowledge base, experience, and staffing to deliver international education activities and exchanges.²¹⁶

The programme covers learners and staff from across Wales involved in schools, further and vocational education, higher education, adult education, and youth work. Funding is made available to organisations operating in these sectors, and in the case of Pathway 1, organisations invite individuals to apply for placement opportunities.

Funding results for 2023 Pathway 1 placements were published in July 2023 and are [available on the Taith website](#).²¹⁷

Scotland

Scotland’s 2021 to 2022 Programme for Government said the Scottish Government would develop its own international education exchange

²¹³ Cardiff University, [International Learning Exchange Programme \(ILEP\)](#), 4 May 2021

²¹⁴ Welsh Government press release, [New International Learning Exchange programme to make good the loss of Erasmus+](#), 21 March 2021

²¹⁵ Welsh Government, [Taith: International Learning Exchange Programme](#), 2 February 2022

²¹⁶ Taith, [Funding opportunities](#)

²¹⁷ Taith, [Taith Pathway 1 2023 funding outcomes](#), 10 July 2023

programme and continue its efforts to re-join Erasmus+. The Programme document said:

We will develop a new strategy for international education, to promote Scotland's education offer globally, increase the number of international students, and maintain our links with the EU. We will also develop a Scottish Education Exchange Programme to support the international mobility of staff and learners, and work to re-secure Scotland's access to the Erasmus + Programme.²¹⁸

The website of the Scottish National Party says the intended Scottish exchange programme will cover higher education, vocational education and training, school education (including early childhood education and care), adult education, youth opportunities, and sport.²¹⁹

The 2023 to 2024 Programme for Government, published in September 2023, reaffirmed the Scottish Government's commitment to launching an exchange programme.²²⁰ It said the programme would prioritise placements for disadvantaged groups and build upon an initial "test and learn project" being delivered in 2023/24. A letter from Scotland's Minister for Higher and Further Education, Graeme Dey, to the Education, Children and Young People Committee said up to £1 million had been made available for the project.²²¹

Northern Ireland

In late 2023, the Irish Government provided more than €2 million to higher education providers in Northern Ireland to enable students to study and undertake internships abroad.²²² Queens University Belfast and Ulster University were allocated €1 million each. Institutions were requested to prioritise student mobilities to Ireland and EU Member States and wider Europe.²²³

The Irish Government had initially intended to develop a scheme that would have allowed students in Northern Ireland to continue to have access to the Erasmus+ programme.²²⁴ The intention was for Northern Irish participants to temporarily register with an Irish higher education institution (HEI) in order to apply for funding to undertake an Erasmus+ placement.²²⁵ However, this was not possible because up to 20% of Northern Irish mobilities are to Ireland and

²¹⁸ Scottish Government, [A Fairer, Greener Scotland: Programme for Government 2021-22](#), 7 September 2021

²¹⁹ SNP, [How are the SNP Scottish Government supporting Higher Education?](#)

²²⁰ Scottish Government, [Programme for Government 2023 to 2024](#), 5 September 2023

²²¹ Scottish Government, [Update on the Scottish Education Exchange Programme- Test and Learn Project](#) (PDF), 27 September 2023

²²² Dáil Éireann, [Questions 595 and 596 Third level education](#), 21 November 2023

²²³ Dáil Éireann, [Questions 595 and 596 Third level education](#), 21 November 2023

²²⁴ "Erasmus: NI students with British passports can access funding", BBC News, 26 December 2020

²²⁵ Seanad Committee on Withdrawal of UK from the EU, [Contribution of Minister Harris, Minister for Further and Higher Education, Research, Innovation and Science](#), 26 April 2021; Irish Government Department of Further and Higher Education, Research, Innovation and Science, [Further and Higher Education and Brexit](#), 30 December 2021

Erasmus mobilities must take place in a country other than the country in which students are registered.

6.5 Transnational education

As well as students entering or leaving the UK to study, another important aspect of internationalisation in higher education is engagement of UK providers in supporting provision in other countries. Transnational education (TNE) is defined by Universities UK as:

The delivery of degrees in a country other than where the awarding providers is based. It can include, but is not limited to, branch campuses, distance learning, online provision, joint and dual degree programmes, double awards, ‘fly-in’ faculty and mixed models.²²⁶

The table below shows the numbers of TNE students attached to higher education providers in each part of the UK.

TNE students across the UK (thousands)						
	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
England	641.7	624.0	592.5	358.2	409.2	454.8
Scotland	40.2	41.4	42.6	44.2	46.0	45.1
Wales	24.6	27.0	30.3	28.7	31.3	30.7
Northern Ireland	1.4	1.4	1.4	1.5	1.7	1.9
Total	707.9	693.7	666.8	432.5	488.1	532.5

Source: HESA, [Aggregate offshore students by HE provider and level of study 2014/15 to 2021/22](#)

Universities UK publishes a report on the scale of UK transnational education in partnership with the British Council. The most recent report, published in December 2023, found in the 2021/22 academic year:

- UK TNE was reported in 228 countries and territories.
- 162 UK higher education providers reported 558,215 students learning through TNE.
- As in previous years, most UK higher education TNE students were studying for undergraduate degrees (66.8%), while 32.0% were studying postgraduate taught programmes.
- 51.1% of students were studying in Asia, 18.5% in Europe, 13.7% the Middle East, and 10.5% in Africa.²²⁷

²²⁶ Universities UK, [The scale of UK transnational education](#), 20 December 2022

²²⁷ Universities UK, [The scale of UK HE TNE 2021—22](#), December 2023

The Office for Students, which regulates higher education in England, has published information on the experiences and outcomes of students living abroad who study with English universities and colleges, as well as how this part of the sector is regulated.²²⁸

6.6 The importance of international education to the UK

There have been various estimates over the years of the value of education and training 'exports' to the UK (overseas students studying in the UK and some training/consultancy abroad) carried out for the government and higher education sector organisations.

These cover a wide range of definitions, years, and methodologies. There is a substantial amount of uncertainty about these figures. They are highly approximate estimates only and are often made by groups with an interest in the sector.

The Department for Education makes annual estimates of the value of education exports and transnational education activity.²²⁹ The total value was put at £27.9 billion in 2021, of which £21.7 billion was for UK higher education. This includes fee income, living expenses and research income. The table below looks at how the real value has changed since 2010 and gives a broad breakdown by type.²³⁰

The overall value of higher education 'exports' increased by 81% between 2010 and 2021. There was much faster growth in exports related to students from outside the EU. Exports linked to EU students fell in 2020 and 2021.

The data on exports related to students can be further broken down into fee income and living costs. In 2021 fee income²³¹ from all overseas students was estimated at £9.1 billion or 42% of total exports. Their living costs were £10.8 million or 50% of total exports.²³²

²²⁸ Office for Students, [Transnational education: Protecting the interests of students taught abroad](#), 25 May 2023

²²⁹ Includes education programmes that take place outside the UK, either through partner institutions, or directly through distance learning or international campuses

²³⁰ DfE, [UK revenue from education related exports and transnational education activity 2021](#)

²³¹ Net of the cost of providing fee loans to EU students

²³² DfE, [UK revenue from education related exports and transnational education activity 2021](#)

Estimated UK revenue from higher education related exports

£ billion 2021 prices^a

	EU students	Non-EU students	Research and other contracts	Other	Total
2010	2.7	8.3	1.0	0.1	12.0
2011	2.8	8.9	1.0	0.1	12.8
2012	2.9	9.3	1.2	0.1	13.4
2013	2.9	9.6	1.3	0.2	13.9
2014	3.0	10.1	1.4	0.2	14.6
2015	3.1	10.4	1.5	0.2	15.1
2016	3.2	10.6	1.5	0.2	15.5
2017	3.5	11.0	1.6	0.3	16.9
2018	4.1	12.3	1.7	0.3	18.4
2019	4.3	13.6	1.7	0.3	19.9
2020	4.1	14.8	1.5	0.3	20.7
2021	3.9	16.0	1.5	0.4	21.7
<i>change</i>					
'10 to '21	+44%	+93%	+53%	+194%	+81%

(a) Prices adjusted using March 2024 GDP deflators with changes in 2021 smoothed to remove the impact of pandemic-related distortions

Source: DfE, [UK revenue from education related exports and transnational education activity 2021](#)

The economic consultancy London Economics has produced estimates for different organisations of the net economic benefits of international students to the UK. These are different from the earlier DfE estimates of 'exports' as they:

- only look at students, not other sources of income
- include the knock-on economic impacts on the wider economy of international student spending
- estimate the benefits linked to friends and families visiting these students
- net off the costs to public services of the students and any dependent children.

[London Economics analysis published on May 2023](#) for the 2021/22 cohort of students estimated that total gross benefits to the UK economy would be £41.9 billion and costs £4.4 billion, making a benefit to cost ratio of 9.4:1. Their net economic benefit was therefore £37.4 billion over the course of their

studies. This figure is around 60% higher in real terms than the 2015/16 cohort, largely due to increases in the number of non-EU students.²³³

The report takes this overall net benefit figure and assigns it to [UK nations and regions](#) in proportion to the number of international students at higher education institutions in each area. The estimated net economic benefit varies just under £1.0 billion in Northern Ireland to £9.6 billion in London. It then goes on to break these regional data down by [constituency](#) using census data on all students (home or overseas) living in each constituency²³⁴

Other reports on this issue include The Migration Observatory's January 2024 report [Student Migration to the UK](#) and the Migration Advisory Committee's 2018 report [Impact of international students in the UK](#).

²³³ London Economics, [The benefits and costs of international higher education students to the UK economy: Analysis for the 2021-22 cohort – May 2023](#)

²³⁴ London Economics, [The benefits and costs of international higher education students to the UK economy: Analysis for the 2021-22 cohort – May 2023](#)

7

Research funding and output

Support for research led by universities and higher education providers across the four parts of the UK comprises a UK-wide and region-specific approach.²³⁵ University research is publicly funded through what is known as the ‘dual support’ system:

- [UK Research and Innovation](#) (UKRI) funds specific research projects and programmes through the seven subject-based Research Councils, Innovate UK, and Research England. These are generally open and competitive grants to which individual academics and institutions apply.
- Block grants of public funding are distributed to higher education providers to support their research infrastructure. This is known as Quality-related Research (QR) Funding. The QR funding universities receive is calculated following the Research Excellence Framework (REF), which uses data provided by universities to consider the quality of their research.

Additional research funding is also available from other sources such as charities, industry, and Government departments.

In March 2023, an independent review of the research and development landscape (the Nurse review) noted longstanding issues around the financial sustainability of public funding for university research.²³⁶ It recommended the government should work with UKRI and the UK’s higher education funding bodies to review the dual support system, and, where necessary, reform or replace funding mechanisms.²³⁷

7.1

UK Research and Innovation (UKRI) funding

Launched in April 2018, [UK Research and Innovation](#) (UKRI) is a non-departmental public body that co-ordinates a UK-wide approach to research funding.

²³⁵ For an overview of all research and development funding in the UK, see the Commons Library briefing CBP-7237, [Research and Development funding policy](#).

²³⁶ Department for Science, Innovation, and Technology and Department for Business, Energy, and Industrial Strategy, [Independent review of the research, development and innovation \(RDI\) organisational landscape: Final report and recommendations](#), 7 March 2023

²³⁷ Department for Science, Innovation, and Technology and Department for Business, Energy, and Industrial Strategy, [Independent review of the research, development and innovation \(RDI\) organisational landscape: Final report and recommendations](#), 7 March 2023, pp36-52

Since February 2023, UKRI has been sponsored by the Department for Science, Innovation, and Technology (DSIT), having previously been the responsibility of the now-dissolved Department for Business, Energy, and Industrial Strategy (BEIS).

UKRI was set up to bring nine discipline-related funding councils closer together. The function of the research councils is to develop, administer, fund, and oversee different research strands/projects in their discipline areas. While working with UKRI, the councils still exist as separate entities. The councils are:

- Arts and Humanities Research Council (AHRC)
- Biotechnology and Biological Sciences Research Council (BBSRC)
- Engineering and Physical Sciences Research Council (EPSRC)
- Economic and Social Research Council (ESRC)
- Innovate UK (the remit of Innovate UK is to fund businesses)
- Medical Research Council (MRC)
- Natural Environment Research Council (NERC)
- Research England
- Science and Technology Facilities Council (STFC)

UKRI's overall budget was set as part of the 2021 Spending Review and rises from £7.9 billion in the 2022-23 financial year, to £8.87 billion in 2024-25.²³⁸

UKRI's research councils, listed above, have their own ongoing programmes of project calls which providers in partnership with each other and/or employers and civil society organisations can bid into.

Postgraduate research funding

As with funding for research activity, postgraduate research is supported through a combination of UK-wide funding through UKRI and allocations made at national level. UKRI provides UK universities with grants – awarded through a competitive process – to cover the fees and living costs of postgraduate students.

²³⁸ UKRI, [UKRI budget allocation confirmed](#), 30 May 2022

7.2

Quality-related Research (QR) funding

Quality-related Research (QR) funding is provided on a formula basis through a UK-wide research assessment exercise in which higher education providers are judged on their relative performance in terms of publications and research impact. This exercise is now known as the Research Excellence Framework (REF). The overall process has three stages:

- **Preparation:** The funding bodies appoint the expert panels, consult the higher education sector and its partners, and publish criteria and guidelines for submission.
- **Submissions:** Universities make their submissions.
- **Assessment:** Expert panels review all submissions, and the results are published.

The results of the REF are used to allocate around £2 billion of public funding for university research. A good outcome in the REF can increase universities' basic research funding and raise their reputation. An institution with 'world leading' research can potentially further boost its income by attracting increasing numbers of researchers and students, and especially higher numbers of overseas/international students who pay higher tuition fees.

Conversely, a poor result in the assessment can see institutional funding reduced, and in some cases, this can lead to departmental restructuring or closures.

157 UK higher education providers submitted 185,594 pieces of research for the 2021 Research Excellence Framework. These outputs were reviewed by 34 expert sub-panels, under the guidance of four main panels, which concluded:

- 36% of all outputs were judged as world-leading (4-star)
- 47% were internationally excellent (3-star)
- 15% were recognised internationally (2-star)
- 2% were recognised nationally (1-star)

Providers can also receive funds through the [Higher Education Innovation Funding \(HEIF\)](#). The HEIF supports knowledge exchange between higher education providers and the wider world that benefits society and the economy.²³⁹ Funds are allocated to institutions on the basis of data on the income received by an institution from its users (businesses, public and third sector services, and the community and wider public).

²³⁹ UKRI, [Higher Education Innovation Funding \(HEIF\)](#), 2 February 2023

7.3

The Advanced Research and Invention Agency (ARIA)

Alongside funding through UKRI, the new [Advanced Research and Invention Agency \(ARIA\)](#) also began its work from 2023.²⁴⁰ ARIA is an independent research body, designed to fund high-risk, high-reward scientific research. It was legally established in January 2023.

With a budget of £800 million, ARIA will exclusively focus on projects with potential to produce transformative technological change, or a paradigm-shift in an area of science. ARIA is intended to fund science in new and innovative ways and is modelled on [DARPA \(Defense Advanced Research Projects Agency\)](#) in the United States.

Although it will work with the Department for Science, Innovation, and Technology (DSIT), ARIA will have autonomy over its research and project choice, its procedures, and its institutional culture. Decisions on the programme portfolio will be set by ARIA – not ministers – and allocation of funding to research projects will be decided by those with relevant technical expertise.²⁴¹

7.4

Research funding policy by nation

Each part of the UK also provides their own research funding to universities. In England, this is also administered via UKRI and allocated through Research England.

England: Research England

Over the period 2022-2025, [Research England](#), which is part of UKRI, will distribute £8 billion of funding to England's universities.²⁴² This includes the Research Excellence Framework allocation to English universities and the HEIF described above, as well as funding for the development of large-scale research infrastructure.

Wales: QR Funding

Previously, HEFCW funded research in higher education providers in Wales primarily through its own Quality Research (QR) stream that provided funds for institutions to pursue their own research goals.²⁴³ In the 2021/22 academic

²⁴⁰ ARIA, Department for Business, Energy, and Industrial Strategy, Department for Science, Innovation, and Technology, [Advanced Research and Invention Agency \(ARIA\): Policy statement](#), 19 March 2021

²⁴¹ DSIT and ARIA, [Advanced Research and Invention Agency framework agreement](#), 17 February 2023

²⁴² UKRI, [Research England £8 billion investment in England's universities](#), 14 July 2022

²⁴³ HEFCW, [HEFCW's Funding Allocations for Academic Year 2022/23](#) (PDF), 28 July 2022, pp6-7

year, HEFCW allocated £81.7 million using a formula based on that used for the Research Excellence Framework (REF). From 2022/23, it allocated funds using a new method that simplified the process and reflected the strategic goals for Welsh higher education.²⁴⁴

The Commission for Tertiary Education and Research will assume responsibility for funding research from August 2024.

Scotland: Research Excellence Grant (REG)

There was £256.3 million provided via the Research Excellence Grant (REG) in the 2024/25 academic year.²⁴⁵ The REG provides allocations to universities on the basis of a formula with three parts that take into account:

- the volume of research active staff;
- the amount of non-charity research income each university receives; and
- the amount of competitively won charity research income each university receives.

Northern Ireland: Department for the Economy QR funding

The Department for the Economy in Northern Ireland provides QR funding for the two universities and university college located there. This amounted to around £43 million in 2022/23, a figure which has remained largely unchanged since 2016/17.²⁴⁶

7.5

UK research funding and the EU

In recent decades, a major source of research funding for the UK higher education sector has been the European Union through its Horizon programme and European Structural and Investment Funds.²⁴⁷

Horizon

The EU's Horizon 2020 programme ran from 2014 to 2020 and provided more than £7 billion to researchers from across disciplines in the UK.²⁴⁸ The

²⁴⁴ HEFCW, [HEFCW's research funding method from AY 2022/23](#) (PDF), 21 July 2022; HEFCW, [HEFCW's Funding Allocations for Academic Year 2022/23](#) (PDF), 28 July 2022, pp6-7

²⁴⁵ Scottish Funding Council, [Research Assurance and Accountability Guidance 2024-25](#), June 2024

²⁴⁶ Department for the Economy, [Higher Education Quality-related Research \(QR\) funding](#)

²⁴⁷ For more information, see a series of three reports published by the Royal Society on [UK research and the European Union](#), in particular, [The role of the EU in funding UK research](#), December 2015.

²⁴⁸ "[Horizon 2020 by the numbers: how €60 billion was divided up among Europe's scientists](#)", Nature, 22 December 2020

successor programme to Horizon 2020 is Horizon Europe, which will run from 2020 to 2027 and provide nearly £100 billion in funding.

After a delay of over two and a half years, formal UK participation in Horizon Europe began on 1 January 2024. Negotiations on UK participation had been underway since 2020, but agreement was hindered by the dispute over the [Northern Ireland protocol](#).

During this time UK researchers were able to apply for Horizon Europe funding, but successful applicants were unable to sign grant agreements to access the funding until UK participation in the Horizon Europe programme was finalised.²⁴⁹ Instead, under a UK Government-backed “[funding guarantee](#)”, successful UK applicants could access the full value of the funding awarded under the Horizon Europe programme, at their UK host institution, for the lifetime of the grant.²⁵⁰ In November 2022, the Sunak government announced a package of £500 million in funding to cover the shortfall from Horizon Europe.²⁵¹

Following the announcement in February 2023 of the ‘Windsor Framework’, which is intended to solve the impasse over the Northern Ireland protocol, the President of the European Commission, Ursula von der Leyen, confirmed she was ready to begin talks on an association agreement to allow UK participation in Horizon Europe.²⁵²

On 7 September 2023, the UK Government announced that it had reached agreement with the EU on UK participation in Horizon Europe and another programme, Copernicus.²⁵³ The revised terms of the agreement include a new financial mechanism which would compensate the UK if researchers received significantly less money than the UK puts into the programmes.

More information is available in Commons Library briefings:

- [The UK and EU programmes: participation delayed](#), November 2022
- [UK participation in EU programmes: Horizon Europe and Copernicus](#), December 2023.²⁵⁴

²⁴⁹ “[Brexit causes collapse in European research funding for Oxbridge](#)”, The Guardian, 4 February 2023

²⁵⁰ Department for Business, Energy, and Industrial Strategy, [Government extends Horizon Europe financial safety net](#), 1 September 2022; Department for Science, Innovation and Technology, [Horizon Europe Guarantee scheme extension to support UK R&D](#), 5 March 2023

²⁵¹ Department for Business, Energy, and Industrial Strategy, [Government commits nearly half a billion pounds for UK research to cover EU shortfall](#), 21 November 2022

²⁵² “[EU ready to start talks on UK participation in Horizon](#)”, University World News, 28 February 2023

²⁵³ Department for Science, Innovation, and Technology, [UK joins Horizon Europe under a new bespoke deal](#), 7 September 2023

²⁵⁴ Commons Library briefing CBP-9664, [The UK and EU programmes: participation delayed](#); CBP-9925, [UK participation in EU programmes: Horizon Europe and Copernicus](#)

European Structural and Investment Funds

In addition to the funding that higher education providers received from Horizon 2020, many were also the beneficiary of European Structural and Investment Funds (ESIF). This is funding targeted especially (though not exclusively) at building capacity in the least economically developed regions of the EU. Much of the funding is spent on infrastructure projects, but support for research and innovation activities is also one of the ESIF's priorities, particularly through the European Regional Development Fund (ERDF).

Projects that were supported by ESIF included 192 university-led projects in England, amounting to £412 million, and a further 53 in Wales, amounting to £300 million investment from ESIF.²⁵⁵ Universities UK has argued these projects provided high quality skills training and supported local employment and productivity growth.²⁵⁶ However, there is some concern regarding what will happen to these projects as there is no guarantee [the Shared Prosperity Fund](#), which has been introduced to replace European structural funds in the UK, will continue to fund them.²⁵⁷

7.6

Who receives research funding?

The 2019 to 2024 government's Levelling Up white paper, published in February 2022 under Prime Minister Boris Johnson, included 12 missions, described as a "targeted, measurable and time-bound objective, or set of objectives, from which a programme of change can then be constructed or catalysed".²⁵⁸ The white paper set out how the government hoped to tackle geographical disparities by increasing productivity, pay, jobs, and living standards.

These geographic disparities are evident in research funding. For example, while all parts of the UK benefit from some UKRI support, the percentage of investment in the Greater Southeast, where there is high concentration of researchers, was 53% in 2019/20 and 54% in 2020/21.²⁵⁹

Mission two of the Levelling Up white paper concerned research and development, and included an ambition to change the balance of how

²⁵⁵ Universities UK, [Hundreds of local jobs, skills and growth on a cliff edge across the UK as funding stalls, 11 January 2023](#), 11 January 2023

²⁵⁶ Universities UK, [Hundreds of local jobs, skills and growth on a cliff edge across the UK as funding stalls, 11 January 2023](#), 11 January 2023

²⁵⁷ Universities UK, [Can we save the research and innovation projects currently supported by European structural funds?](#), 1 March 2023

²⁵⁸ Department for Levelling Up, Housing and Communities, [Levelling Up the United Kingdom](#), 2 February 2022, p117

²⁵⁹ UKRI, [Geographical distribution of UKRI spend report: financial years 2019 to 2020 and 2020 to 2021](#), 12 October 2021, p39.

funding is distributed to enable more providers and researchers outside London and the Southeast to benefit. It stated:

By 2030, domestic public investment in R&D outside the Greater South East will increase by at least 40%, and over the Spending Review period by at least one third. This additional government funding will seek to leverage at least twice as much private sector investment over the long term to stimulate innovation and productivity growth.²⁶⁰

The white paper went on to say the government aimed to invest at least 55% of its total domestic research and development funding outside the Greater Southeast by 2024-25.²⁶¹

A 2022 report by the Centre for Inequality and Levelling Up (CEILUP) at the University of West London analysed the risks posed to each of the levelling-up missions by the rising cost of living.²⁶² It concluded mission two was at high risk, because, in times of recession and high inflation, evidence from the UK and around the world shows investment in both public and private research and development goes down.²⁶³

²⁶⁰ Department for Levelling Up, Housing and Communities, [Levelling Up the United Kingdom](#), 2 February 2022, p130.

²⁶¹ Department for Levelling Up, Housing and Communities, [Levelling Up the United Kingdom](#), 2 February 2022, p173.

²⁶² Centre for Inequality and Levelling Up, [Mission Improbable: How the cost of living crisis will affect levelling up](#), October 2022.

²⁶³ Centre for Inequality and Levelling Up, [Mission Improbable: How the cost of living crisis will affect levelling up](#), October 2022, pp23-25.

8 Higher education, economy, and society in the UK

The contribution higher education makes to society and individuals can be understood in terms of both financial or economic benefits and wider “non-market” benefits.

8.1 The contribution to the economy

There is an increasing amount of research to show higher education contributes to economic growth in the UK. Research by the consultancy London Economics for Universities UK estimated that the Higher Education sector contributed around £130 billion to UK economic output in 2021/22. This includes the direct impact of spending and employment by the institutions themselves, plus estimates of the knock-on impacts through additional spending by their suppliers and employees. The research also estimated that the sector (directly and indirectly) supports more than three-quarters of a million jobs in the UK economy.²⁶⁴

A report by the National Centre for Entrepreneurship in Education (NCEE), published on behalf of Universities UK, which is the main representative body for the higher education sector, has argued that between 2021 and 2026:

- Universities will provide over £11.6 billion of support and services to small enterprises, businesses, and not-for-profits.
- Universities will attract £21.7 billion of national and international public funds to spend on collaborative research with businesses and non-academic organisations.
- More than 191,000 nurses, 84,000 medical specialists, and 188,000 teachers will graduate from UK universities.
- Universities will form 21,650 new companies and charities, including include university spin-offs, social enterprises, and graduate and staff start-ups.

²⁶⁴ London Economics, [The impact of the higher education sector on the UK economy Summary Report for Universities UK](#), August 2023

- Universities will employ 1.27% of all people in employment.²⁶⁵

In England, research suggests universities contribute around £95 billion to the economy and support more than 815,000 jobs.²⁶⁶ While publicly funding undergraduate degrees is expensive, the Institute for Fiscal Studies has estimated the average tax revenues of an individual graduate is around £110,000 per student for men and £30,000 per student for women.²⁶⁷

Scotland's universities made an economic contribution of £15.3 billion to the UK economy in 2019/20, and for every 1,000 graduates, the Scottish Government gains £22.4 million in additional income tax contributions.²⁶⁸ Male graduates represent a net benefit of £51,081 over their lifetime to the Scottish Government, compared to non-graduates with similar characteristics.²⁶⁹ This means a man completing a first degree generates an additional return of £2.50 for every £1 of public investment (compared with a non-graduate).

In Wales, higher education generates over £5 billion of output and constitutes 11.8% of all Welsh service sector export earnings.²⁷⁰ At nearly 62,000 jobs, Welsh universities directly or indirectly generated 1 in every 20 jobs in Wales in 2019/20.²⁷¹ Of these nearly 62,000 jobs, 13,523 (22%) were in parts of Wales that do not have a university presence, suggesting Welsh universities have a positive economic impact across the whole of Wales.²⁷²

It has been argued that Northern Ireland is especially dependent upon the economic and social benefits of higher education, "as it attempts to transform its economy to develop a knowledge-based industrial sector and to encourage FDI [Foreign Direct Investment]."²⁷³ A report by London Economics in 2022 estimated the economic and social impact associated with Queen's University Belfast's activities to be approximately £3 billion.²⁷⁴ Compared to the university's total operational costs of approximately £373 million in 2020/21, this corresponded to a benefit to cost ratio for wider society of 8.2:1.

²⁶⁵ The National Centre for Entrepreneurship in Education (NCEE) for Universities UK, [Universities and the UK's economic recovery: An analysis of future impact](#), May 2021

²⁶⁶ Frontier Economics for Universities UK, [The economic contribution of the higher education sector in England](#) (PDF), 27 September 2021

²⁶⁷ IFS, [The impact of undergraduate degrees on lifetime earnings](#) (PDF), 2020, pp57-63

²⁶⁸ Universities Scotland, [Prosperity and inclusion: Higher education and the wellbeing economy](#), 2022

²⁶⁹ The Scottish Government, [Education and Skills Impact Framework \(ESIF\) - university provision: contextual summary report 2022](#), Return on investment, 2 December 2022

²⁷⁰ Viewforth Consulting Ltd for Universities Wales, [The economic impact of higher education in Wales](#) (PDF), July 2021

²⁷¹ Viewforth Consulting Ltd for Universities Wales, [The economic impact of higher education in Wales](#) (PDF), July 2021

²⁷² Viewforth Consulting Ltd for Universities Wales, [The economic impact of higher education in Wales](#) (PDF), July 2021

²⁷³ Royal Irish Academy, [RIA Advice Paper on the Sustainability of the Northern Ireland Higher Education Sector](#), April 2016, p3

²⁷⁴ London Economics, [The economic and social impact of Queen's University Belfast](#), December 2022

8.2

Economic benefits to individuals

Longitudinal Education Outcomes (LEO) data

Data collected on the benefits of higher education to individuals includes that collected in the early years after students graduate, particularly by the Higher Education Statistics Agency (HESA), and the [Longitudinal Education Outcomes](#) (LEO) data collected by the Department for Education (DfE) in England.²⁷⁵

LEO data is one of the most comprehensive attempts anywhere in the world to understand the earning and employment trajectories of graduates over their lifetime. It shows employment and earnings of higher education graduates at different points after graduation by combining longitudinal education data from the DfE, and employment, benefits, and earnings data from the Department for Work and Pensions (DWP) and His Majesty's Revenue and Customs (HMRC).

The data covers all academic years from 2003/04 onwards and examines information by:

- employment and earnings one, three, five, and ten years after graduation;
- personal characteristics (gender, ethnicity, age);
- university attended;
- subject studied and qualification achieved.

Graduate Earnings

In 2022, the median salary for working-age graduates in England was £38,500. This is £11,500 more than working-age non-graduates (£27,000) but £6,500 less than working-age postgraduates (£45,000).²⁷⁶ Research by the Institute of Fiscal Studies, published in 2020 using the LEO dataset, showed male graduates will be £130,000 better off on average over their working lives after taxes, student loan repayments, and foregone earnings are considered. For women, this figure is £100,000.²⁷⁷

The Scottish Government produced data in 2022, via its new Education and Skills Impact Framework (ESIF), showing the returns on investment for all

²⁷⁵ “[A beginner’s guide to Longitudinal Education Outcomes \(LEO\) data](#)”, Wonkhe, 12 June 2017

²⁷⁶ GOV.UK, [Graduate labour market statistics](#), Headline facts and figures – 2022, 29 June 2023

²⁷⁷ IFS, [The impact of undergraduate degrees on lifetime earnings](#) (PDF), 2020. IFS, [Most students get a big pay-off from going to university – but some would be better off financially if they hadn’t done a degree](#), February 2020

university qualifications were high individuals.²⁷⁸ Male graduates are estimated to earn on average £81,780 more than a comparable non-graduate over their lifetime. This means a man completing their first undergraduate degree receives an average return of £2.60 for every £1 they spend on gaining the qualification, compared to a non-graduate. For women, these figures are £42,305 and a return of £1.90 for every £1 spent.

While the available evidence suggest higher education is a rational choice for the majority of those who enter, at least in financial terms, economic outcomes do vary by, among other things:

- where a student comes from
- the subject they study
- their gender and ethnicity
- their socio-economic background.

For example, students of medicine and law achieve very high returns on average, while those studying creative arts gain significantly less from their degree in financial terms.²⁷⁹ In 2016/17, median earnings for students eligible for free school meals while at school in England were 10% less five years after graduation than those who had not been eligible.²⁸⁰

Earnings tend to increase over a career for graduates, as does seniority and likelihood of entering skilled employment, which makes the data being collected and published by the Department for Education on graduate outcomes five and ten years after graduation particularly important. However, the available data is yet to capture the full career trajectory of graduates.

Are graduates overqualified for their jobs?

There has been concern in recent years that too many university graduates are in non-graduate employment or earning less than their non-graduate counterparts despite having been to university.

- Using its own data alongside data from the Office for National Statistics (ONS) Labour Force Survey, the Chartered Institute of Personnel Development (CIPD) has said 68% of working-age graduates were in ‘high-skilled’ employment in the UK in 2022, compared with 22% of non-

²⁷⁸ The Scottish Government, [Education and Skills Impact Framework \(ESIF\) - university provision: contextual summary report 2022](#), Return on investment, 2 December 2022

²⁷⁹ IFS, [The impact of undergraduate degrees on lifetime earnings](#) (PDF), 2020. IFS, [Most students get a big pay-off from going to university – but some would be better off financially if they hadn’t done a degree](#), February 2020

²⁸⁰ DfE, [Graduate outcomes \(LEO\): Employment and earnings outcomes of higher education graduates by subject studied and graduate characteristics in 2016/17](#), March 2019, p44

graduates. In 1992, however, the figure for graduates in ‘high-skilled employment’ was 75%.²⁸¹

- The ONS has said 25.5% of graduates were over-qualified for their job roles in the UK in 2019/20 compared to 17% of all employees.²⁸²
- The ONS also estimated that in 2022 67% of employed graduates in the UK were in graduate roles.²⁸³
- The IFS has said while 85% of women and around 75% of men who participated in higher education would earn more than non-graduates, one in five graduates – or about 70,000 every year - would have been better off financially had they not gone to university.²⁸⁴

Graduates who feel overqualified in their jobs experience considerably poorer job quality than graduates who feel their qualifications match their roles. This impacts performance and individual wellbeing, which, in turn, can undermine organisational productivity.²⁸⁵ The CIPD have done work looking specifically at Scotland that said over a third (34%) of graduates feel overqualified for their jobs and are more likely to be underemployed, underpaid, or working part-time, than graduates whose jobs match their qualifications.²⁸⁶

However, while these concerns are important, the evidence also shows there is strong demand for graduates in the labour market and, on average, individuals who have participated in higher education are less likely to be unemployed, to earn more, and be in highly skilled work than non-graduates.²⁸⁷

8.3 Wider benefits to society and individuals

In 2013, the Department for Business, Innovation, and Skills published a report on the benefits of higher education participation for individuals and society.²⁸⁸

²⁸¹ CIPD, [What is the scale and impact of graduate overqualification in the UK?](#), 4 November 2022

²⁸² ONS, [Graduates' labour market outcomes during the coronavirus \(COVID-19\) pandemic: occupational switches and skill mismatch](#), 8 March 2021

²⁸³ ONS, [Graduates and non-graduates employed in graduate and non-graduate roles, numbers and proportions for UK countries and regions, 2021 and 2022](#), 31 August 2023

²⁸⁴ IFS, [The impact of undergraduate degrees on lifetime earnings](#) (PDF), 2020. IFS, [Most students get a big pay-off from going to university – but some would be better off financially if they hadn't done a degree](#), February 2020

²⁸⁵ CIPD, [What is the scale and impact of graduate overqualification in the UK?](#), 4 November 2022

²⁸⁶ CIPD, [What is the scale and impact of graduate overqualification in Scotland?](#), 8 November 2022

²⁸⁷ GOV.UK, [Graduate labour market statistics](#), 9 June 2022. Department for Business, Innovation, and Skills, [The Benefits of Higher Education Participation for Individuals and Society: key findings and reports "The Quadrants"](#), October 2013, pp45-50. Universities UK, [Busting graduate job myths](#) (PDF), April 2022. Institute of Student Employers, [Graduate job vacancies 20% higher than pre-pandemic, reports Institute of Student Employers](#), 7 January 2022

²⁸⁸ Department for Business, Innovation, and Skills, [The Benefits of Higher Education Participation for Individuals and Society: key findings and reports "The Quadrants"](#), October 2013

It considered the financial and economic benefits of participation in higher education, but also the wider “non-market” benefits.

For society, it highlighted the following:

- Participation in higher education can bring about greater social cohesion, trust, and tolerance, with universities and colleges helping to shape a regional environment open to new ideas and diversity.
- There is some evidence to suggest an increase in graduate numbers could lead to annual savings through reduced crime costs.
- Educated individuals are more likely to interact in social networks, participate in voluntary and charitable organisations, and engage with local government.²⁸⁹

On the benefits of higher education participation for individuals, the report highlighted:

- Higher education has important consequences for social mobility, not only by improving the life chances of graduates but also through improving outcomes for their children.
- Graduates have a longer life expectancy than non-graduates.
- Graduates are more likely to lead healthier lifestyles and have better health outcomes.
- Higher levels of qualifications, and continued formal and informal learning, have been found to be associated with greater well-being and an ability to cope better with distress.²⁹⁰

²⁸⁹ Department for Business, Innovation, and Skills, [The Benefits of Higher Education Participation for Individuals and Society: key findings and reports "The Quadrants"](#), October 2013, pp7-14

²⁹⁰ Department for Business, Innovation, and Skills, [The Benefits of Higher Education Participation for Individuals and Society: key findings and reports "The Quadrants"](#), October 2013, pp15-35

9

Conclusion

Outside of research policy and activity, it appears the four parts of the UK are taking increasingly divergent higher education paths. From the existence of a regulator to its approach to graduate outcomes and quality assurance, England's higher education system and policies are particularly distinctive.

It is not the only part of the UK plotting its own course, however. Four very different bodies, with contrasting purposes, are already responsible for the management and co-ordination of higher education in their respective part of the UK, and the establishment of the Commission for Tertiary Education and Research in Wales will only exacerbate these differences. Wales is looking to create a genuine tertiary system, where the differences between higher education, further education, and work-related learning complement each other, rather than exist in conflict.

Although there are some commonalities, such as collaborative outreach schemes, approaches to access and participation are also distinct across the UK. Similarly, alongside the establishment of the UK-wide Turing Scheme, Brexit has led to a new student mobility initiative in Wales and plans for one in Scotland.

However, despite these more divergent paths, the four parts of the UK still have much in common:

- Participation of both domestic and international students is increasing at both undergraduate and postgraduate levels.
- Most research funding is still distributed on a UK-wide basis.
- Evidence suggests higher education brings individual and economic benefits across the UK.

As well sharing some common characteristics, there also some common challenges across the UK where higher education is concerned:

- The delivery of higher education courses is being done with diminishing levels of financial resources.
- Staff morale is low and industrial action has been a near constant in recent years.
- Students are concerned about the value for money of their higher education experience and cost of living pressures are undermining current levels of student maintenance support.

These are difficult issues to deal with as the UK Government and the devolved administrations are confronting multiple public finance pressures. However, dealing with them may be crucial to ensure the UK maintains its position as one of the leading higher education systems in the world.

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