Funding

Higher education institutions (HEIs) [1] in England receive funding from a variety of public and private sources. These are summarised in the table below and described in more detail under the subheadings which follow.

Since the introduction of the revised tuition fee regime for students entering higher education (HE) [2] from 2012, an increasingly large proportion of funding for HEIs in England comes from tuition fees. Tuition fees were first introduced in the 1998/99 academic year, reflecting government policy to create a more sustainable HE funding regime.

In 2016/17, HEIs in the UK received their funding from the following sources:

<table>
<thead>
<tr>
<th>Source</th>
<th>£ (000s)</th>
<th>€ (000s)*</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tuition fees and education contracts</td>
<td>£17,742,257</td>
<td>€20,110,237.46</td>
<td>49.7%</td>
</tr>
<tr>
<td>Funding body grants</td>
<td>£5,105,432</td>
<td>€5,7864,831.39</td>
<td>14.3%</td>
</tr>
<tr>
<td>Research grants and contracts</td>
<td>£5,915,926</td>
<td>€6,705,498.44</td>
<td>16.6%</td>
</tr>
<tr>
<td>Other income</td>
<td>£6,067,425</td>
<td>€6,877,217.34</td>
<td>17.0%</td>
</tr>
<tr>
<td>Investment income</td>
<td>£253,554</td>
<td>€287,394.72</td>
<td>0.7%</td>
</tr>
<tr>
<td>Donations and endowments</td>
<td>£585,813</td>
<td>€663,998.86</td>
<td>1.6%</td>
</tr>
<tr>
<td>Total Income</td>
<td>£35,670,407</td>
<td>€40,431,178.23</td>
<td></td>
</tr>
</tbody>
</table>

For England only, the income figures for 2016/17 were:

<table>
<thead>
<tr>
<th>Source</th>
<th>£ (000s)</th>
<th>€ (000s)*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tuition fees and education contracts</td>
<td>£15,640,428</td>
<td>€17,727,886.65</td>
</tr>
<tr>
<td>Funding body grants</td>
<td>£3,570,309</td>
<td>€4,046,822.32</td>
</tr>
</tbody>
</table>

The Office for Students (OfS) is responsible for distributing public funding to HEIs through annual grants. These are based on funding allocations determined each year within a policy framework set by government. The OfS was established under the Higher Education and Research Act 2017 and became operational in April 2018. It is the regulator for higher education in England and is an executive non-departmental public body (NDPB), playing a key role in promoting high quality education and research, and HEIs are accountable to it for their use of government funds. It replaced the Higher Education Funding Council for England (HEFCE) and the Office for Fair Access (OFFA).

While teaching is funded through teaching grants from the OfS, along with tuition fees, research is funded through a dual support system. This includes:

- **Research England** grant funding to support research capacity and infrastructure (such as the salaries of permanent academic staff and premises), and enable institutions to undertake ground-breaking research of their choosing, described under the subheading ‘Funding body grants for research’;

- funding for specific research projects and programmes provided by the seven Research Councils, which is described under the subheading ‘Research grants and contracts’.

Research England and the Research Councils, along with Innovate UK, have formed part of UK Research and Innovation (UKRI) since the passing of the Higher Education and Research Act 2017. In 2018, UKRI and the OfS signed a collaboration agreement confirming how the two organisations work together on shared priorities across teaching and research.

European programmes such as Horizon 2020 have been a significant source of research funds. For example, the predecessor EU programme, the Framework Programme for Research (FP7, 2007–2013), provided an additional 15% on top of the UK Government’s own science and research budget.

This March 2019 House of Commons Library briefing provides further information on the balance and make-up of HE funding in England, and a summary of the changes which have taken place since 2012.

*Exchange rate used: €1 = £0.88, ECB, 29 May 2019.

**Tuition fees and education contracts**

Tuition fees now make a large contribution to each institution’s income. In 2012/13, the Government cut most ongoing direct public funding for tuition (teaching grants), and increased the limit on undergraduate tuition fees for new students to £9000 (€10,201.19*) for institutions which had access agreements in place. This shifted the balance of funding for teaching further away from the state and towards the individual. Students can take out publicly subsided student loans to pay their tuition fees. These loans are paid directly to the institution by the Student Loans Company (SLC).

The tuition fees ‘cap’ (limit) rose further in line with inflation in the 2017/18 academic year. It is now £9250 (€10,484.55*) in those institutions with an access and participation plan and which have a rating under the Teaching Excellence and Student Outcomes Framework (TEF), which encourages high quality teaching. For further information on the operation of tuition fees, see the subheading ‘Fees within public higher education’.

*Exchange rate used: €1 = £0.88, ECB, 29 May 2019.
Funding body grants for teaching

Public funding to universities and other institutions which provide higher education is distributed on the Government’s behalf via annual grants from the Office for Students (OfS).

The OfS divides the government funding it receives into money for teaching, knowledge exchange, funding for national facilities and initiatives, and capital grants. It determines its methodology for distributing funds in line with the policy framework set by the Government in its annual guidance letter [18]. For 2019/20, the Government’s priorities for funding remain consistent with those outlined in 2018/19, as follows:

- protecting funding for science, technology, and engineering subjects and other high-cost subjects;
- protecting funding for widening participation, to ensure that students from disadvantaged backgrounds and under-represented groups can access and successfully participate in higher education;
- protecting funding for small and specialist institutions with world-leading teaching;
- continuing to fund the provision of additional places in medical school;
- ensuring that capital funding is invested where it can have the greatest benefit.

Recurrent funding grants

The Office for Students (OfS) allocates most recurrent public funding by formula, usually based on the numbers and types of students reported by providers. Institutions receive most of this core funding as a block grant, which they are free to spend according to their own priorities, as long as they follow the OfS’ broad guidelines and meet the conditions attached to the funding. These conditions are specified in institutions’ funding agreements with the OfS.

The OfS notifies institutions of their recurrent funding allocations for the coming academic year in spring. In 2019/20, the OfS was directly funding over 300 higher education providers in England, including further education [19] and sixth-form colleges [20] providing prescribed higher education courses.

Recurrent funding for teaching

Reforms of higher education financing mean that institutions’ income for teaching increasingly comes through students’ tuition fees and to a much lesser extent through OfS grant funding. There is no core OfS grant funding to higher education institutions (HEIs) [1] for full-time undergraduate [14] teaching in most subjects. OfS funding focuses on priority areas where tuition fees alone may not meet all costs, or where it is in the public interest that provision receives additional support. This includes high-cost subjects; locations which bring about additional costs; supporting students who may need additional support to succeed; and supporting widening access to under-represented or disadvantaged groups.

The OfS also provides funding in support of medical education (the training of doctors and dentists) and for pre-registration courses in nursing, midwifery and allied health professions, although again finance is largely provided through students’ tuition fees. Some funding in support of undergraduate students on five-year courses in medicine and dentistry comes from the National Health Service. Further information is available online [21].

Recurrent funding for knowledge exchange

Most recurrent funding for knowledge exchange is administered to HEIs through Research England [7] (see ‘Funding body grants for research’ below), although some is administered through the OfS.
teaching grant budget. This funding supports HEIs to work with business, public and third-sector organisations, community bodies and the wider public, with a view to exchanging knowledge and increasing the economic and social benefit of HEIs’ work.

**Allocation of non-recurrent funding**

The remainder of the funding distributed by the OfS is referred to as ‘non-recurrent funding’ and comprises grants for capital projects and other development initiatives, and national facilities and regulatory activities.

**Funding body grants for research**

**Recurrent funding for research**

Public funds for research are provided to higher education institutions (HEIs) under a system known as ‘dual support’, in which HEIs are supported by funds from Research England and also by funds for specific programmes and projects from the Research Councils, both of which form part of UK Research and Innovation (UKRI).

The recurrent public funding for research distributed by Research England aims to contribute to supporting the research infrastructure and to ensure that HEIs have the capacity to undertake high-quality innovative research. Funds are not allocated to any specific activity, but may:

- contribute towards the cost of salaries for permanent academic staff, premises, libraries or central computing;
- support fundamental and ‘blue skies’ research;
- contribute to the cost of training new researchers.

Recurrent funding is targeted where research quality is highest through the ‘quality-related research (QR) funding’ method. This distributes grant money based on:

- the quality of research;
- the volume of research (based on numbers of research-active staff);
- the relative costs of different types of research (reflecting, for example, the fact that laboratory-based research is more expensive than library-based research).

There are also separate calculations to reflect research outputs, environment and impact.

The method used to assess quality is the UK-wide Research Excellence Framework (REF) [22], a metrics-based framework which provides accountability for public investment in research. Submitted research is peer-reviewed by a series of panels comprising UK and international experts and external users of research. The REF operated for the first time in 2014 and has been used to inform funding allocations since 2015/16. The next UK-wide REF will take place in 2021.

**Recurrent funding for knowledge exchange**

Some recurrent funding for knowledge exchange is administered to HEIs through the OfS, but most of it is allocated by Research England through the Higher Education Innovation Fund (HEIF) [23]. This funding supports HEIs to work with business, public and third-sector organisations, community bodies and the wider public, with a view to exchanging knowledge and increasing the economic and social benefit of HEIs’ work. HEIF allocations are performance-based; elements of the Higher Education Business and Community Interaction (HE-BCI) survey [24] are used to inform them. Research England is also developing the Knowledge Exchange Framework (KEF) [25], which is intended to increase
efficiency and effectiveness in use of public funding for knowledge exchange. A consultation on Research England’s proposals for the KEF was held until March 2019 and an analysis of the responses received is due to be published in the summer of 2019.

Funding for initial teacher training

Government funding for initial teacher training programmes is provided by the Department for Education (DfE) [26]; information is available for the 2019/20 [27] academic year. The Office for Students (OfS) has responsibility for other teacher education and training provision outside the schools sector, although finance is largely provided through students’ tuition fees.

Research grants and contracts

The direct costs of specific research projects, plus a fixed percentage to cover indirect costs, are funded by the seven Research Councils, which, since the passing of the Higher Education and Research Act 2017 [28], form part of UK Research and Innovation (UKRI), alongside Research England and Innovate UK [8]. These funds are awarded on the basis of applications made by individual researchers, which are subject to independent, expert peer review. UKRI is a non-departmental public body (NDPB) [6]. The seven UK Research Councils are:

- the Arts and Humanities Research Council (AHRC)
- the Biotechnology and Biological Sciences Research Council (BBSRC)
- the Economic and Social Research Council (ESRC)
- the Engineering and Physical Sciences Research Council (EPSRC)
- the Medical Research Council (MRC)
- the Natural Environment Research Council (NERC)
- the Science and Technology Facilities Council (STFC).

The majority of the combined budget for the Research Councils comes from the Department for Business, Energy and Industrial Strategy (BEIS) [29], through the Science Budget. Some Research Councils also receive income from other government departments, from commercialisation of research and other research funders. UKRI and the seven Research Councils are accountable to the UK Parliament for their activities and finances.

Higher education institutions can also receive direct funding for research from organisations such as the National Institute for Health Research (NIHR) [30], and research and innovation funding from the European Union (EU).

Other income/endowment and investment income

Higher education institutions (HEIs) also receive income from services provided for students (such as residences and catering); through providing conference services; through endowments or charitable donations; sponsorship; or from obtaining commissions for research projects from government departments and agencies, or industrial or commercial firms. The relative importance of these other income streams varies from institution to institution. Many HEIs have established separate companies to market their services with profits covenanted back to the institution.

The Government has encouraged universities to diversify their income streams and has placed a particular focus on increasing voluntary giving to higher education. In 2012, the former Higher Education Funding Council for England (HEFCE) published a Review of Philanthropy in UK Higher Education [31], which highlighted the success of universities and colleges in attracting philanthropic gifts from a diverse range of donors. The review encouraged the development of institutional
Financial autonomy and control

Universities and other higher education institutions (HEIs) which register with and meet the conditions to receive funding from the Office for Students (OfS) are self-governing autonomous institutions. They manage their staff, operational resources and infrastructure, and have the power to decide how to spend OfS block grants, tuition fees and other streams of income according to their own priorities. They are, though, bound by the broad purposes defined by the Further and Higher Education Act 1992. These purposes are:

- providing education and undertaking research;
- providing facilities and undertaking activities that the HEI’s governing body thinks are necessary or desirable for providing education or undertaking research.

The Office for Students has published the terms and conditions for payment of funding to higher education institutions. These conditions reflect the OfS’ responsibility to provide annual assurances to Parliament that:

- funds provided are being used for the purposes for which they were given;
- risk management, control and governance in the higher education (HE) sector are effective;
- value for money is being achieved.

Higher education institutions must also meet the terms and conditions of Research England grants.

Further education (FE) and sixth-form colleges which provide prescribed courses of higher education are accountable to the Education and Skills Funding Agency (ESFA) for their use of OfS funding, but must adhere to the conditions of funding set out by the OfS. The Further and Higher Education Act 1992 specifies that the funding council (OfS) can only fund prescribed courses of higher education in further education and sixth-form colleges; these are named short cycle, first cycle and second cycle degree courses which must be awarded by a UK provider with degree-awarding powers.

The OfS may make certain elements of its grant subject to specific conditions. For example, when it provides capital grants, it expects them to be spent on the capital projects detailed in an institution’s investment plan.

Further information on the arrangements for ensuring that higher education (HE) providers are held to account and regulated is provided in the Regulatory framework for higher education in England (2018).

Fees within public higher education

This section covers those tuition fees which are regulated by government, that is, fees charged to full-time and part-time undergraduate home and EU students in non-private higher education institutions (HEIs). Undergraduate students are those in first cycle higher education (e.g. studying for a bachelor's degree or on short-cycle programmes such as foundation degrees and Higher National Diplomas).

Fees charged to non-EU/EEA overseas students are not regulated and are determined by individual
institutions.

**Fees for full-time undergraduate (first cycle) students**

Tuition fees for full-time undergraduate students are set by individual institutions. The maximum tuition fee which HEIs are able to charge in the 2019/20 academic year is £9250 (€10,484.55*).

Typical fees charged at universities in England (and across the rest of the UK) during the academic year 2018/19 are provided in this [survey](#).[44]

Students are not required to pay fees in advance and can apply for a loan to cover the full fee. For all students who apply for tuition fee loans, the [Student Loans Company (SLC)](#) [16] pays the tuition fees direct to the HEI at which they will be studying. Fees and loans apply to UK and EU students. Tuition fees applying to international students (non-UK, non-EU/EEA students) are unregulated. See the subheading ‘[Financial support for learners](#)’ for more information on loans.

The highest tuition fees (of £9000 or £9250 - €10,201.19* and €10,484.55*) are only chargeable if the institution has an [access and participation plan](#) [17] approved by the [Office for Students (OfS)](#) [4] (or an [access agreement](#) [15] which was approved by the former Office for Fair Access (OFFA) and is still in effect; the OfS replaced OFFA in April 2018). Access and participation plans, like access agreements before them, must be made on an annual basis. They set out the measures (such as outreach and financial support) that individual HEIs are putting in place to improve equality of opportunity for under-represented groups to access, succeed in and progress from higher education. Access and participation plans (and access agreements which are still in effect) are made publicly available [45] by the OfS, which also publishes guidance [46] to assist institutions in producing their plans.

Institutions wishing to charge the maximum fee of £9250 (€10,484.55*) must also meet minimum teaching quality requirements on the [Teaching Excellence and Student Outcomes Framework (TEF)](#) [47], in addition to having an access and participation plan (or access agreement). The TEF is a metrics-based system that recognises excellent teaching in UK higher education providers. It makes an assessment of teaching and learning excellence against a set of common criteria covering teaching quality, the learning environment, and student outcomes and learning gain. To be eligible to charge fees at the maximum permitted level in 2019/20, higher education providers must have achieved at least a TEF rating of Bronze (in a three-level rating of Bronze, Silver and Gold).

If HEIs do not have an approved access and participation plan or access agreement they may not charge fees above £6000 - £6165 (€6800.79* – €6987.81*) per year (the exact amount varies according to their Teaching Excellence and Student Outcomes Framework rating).

The Higher Education and Research Act 2017 [5] allows institutions to charge different tuition fee amounts for accelerated degrees. These give students the opportunity to study the same content and quality of degree as a standard full-time undergraduate programme but over a shorter time period, e.g. over two years rather than three, and with more teaching time per year. Under The [Higher Education (Fee Limits for Accelerated Courses) (England) Regulations 2019](#) [48], institutions may charge up to £11,100 (€12,581.46*) for tuition fees per year.

The fees charged by alternative providers (providers who do not receive recurrent funding from the Office for Students) for full-time undergraduate programmes are not regulated per se. The amount the provider could receive through tuition fee loan payments was limited to £6165 (€6987.81*) in the 2018/19 academic year. See the subheading ‘[Private education](#)’ below.

*Exchange rate used: €1 = £0.88, [ECB](#), 29 May 2019.*
Fees for part-time undergraduate students

For part-time undergraduate students, fees are similarly set by institutions, but are limited to a maximum of £6750 - £6935 (€7650.89* - €7860.58*) in the 2019/20 academic year, depending on the institution's TEF rating. Again, students are not required to pay in advance and can apply for a loan to cover the full tuition fee.

Historical note on the introduction of tuition fees

Full-time undergraduate students beginning a course of higher education in the academic year 1998/99 were required for the first time to pay tuition fees. At the same time, a new student loan scheme was introduced. Students entering higher education since this date have been able to take out income-contingent loans repayable through the tax system.

From 2006/07, under the Higher Education Act 2004[49], institutions in England were allowed to set variable tuition fees for new students of up to £3000 (€3400.39*) per year. Before the Act was passed by Parliament, the Government made a commitment to an independent review of variable tuition fees in England, informed by evidence on the first three years of the regime. The outcome was the 2010 Browne Report, Securing a Sustainable Future for Higher Education[50]. The report's most radical proposal was the reduction in the teaching grant by 80% and its replacement by tuition fees that attract a real rate of interest. The Government accepted most of the report's recommendations on future fees policy and student financial support, and announced its plans for the reform of higher education student finance in November 2010. Changes to the regulations on tuition fees were subsequently approved by Parliament in December 2010 and introduced from the 2012/13 academic year.

Tuition fee loans were extended to part-time students commencing courses in or after September 2012.

Between the 2012/13 and 2016/17 academic years, institutions were able to charge a maximum of £9000 (€10,201.19*) per year for full-time undergraduate courses. In 2017/18, the maximum annual tuition fee which HEIs are able to charge was increased in line with inflation to £9250 (€10,484.55*).

This March 2019 House of Commons Library briefing[12] summarises statistics relating to tuition fees, including their impact on student numbers.


Postgraduate (second and third cycle) tuition fees

Fees charged for postgraduate[51] courses, both taught and research, are unregulated and determined by each institution. They vary widely for taught courses.

When setting fees for postgraduate research students, institutions tend to follow the indicative fee level set by UK Research and Innovation (UKRI)[52]which, for 2019/20, is £4327 (€4904.50*) for full-time postgraduate students. For part-time students, the fees charged are more variable, depending on factors such as the field of study and intensity of study.

*Exchange rate used: €1 = £0.88, ECB[13], 29 May 2019.
Financial support for learners’ families

No financial support is available to families whose children attend a higher education institution (HEI) [1]. However, the financial position of the family has an impact on the financial support available to the learner. This is described in the section on ‘Financial support for learners’ below.

Financial support for learners

The information provided here applies to English students studying in England. Arrangements may differ for students who live in one part of the UK and study in another part.

Financial support for undergraduate students

Responsibility for undergraduate [14] (first cycle) student support in England lies with the Department for Education (DfE) [26], and student loans are administered by the Student Loans Company (SLC) [16], a non-departmental public body (NDPB) [6], which provides financial services to students in all four education systems of the UK. The SLC service for students in England is Student Finance England, which assesses eligibility for student loans, pays tuition fees direct to universities and collects repayments.

Loans

There are two student loans for which undergraduate students may be eligible, as outlined below.

1. **Tuition fee loans** are available to cover the full cost of tuition fees and are paid directly to the institution. They are non-income assessed loans available to both full-time and part-time students, but part-time students must be studying for a minimum of 25% of their time to be eligible.

2. **Maintenance loans** are available to help with the cost of accommodation and other living expenses for full-time and part-time undergraduate students. The exact amount which can be borrowed varies, but the loan includes a non-financially assessed portion which all students who are eligible for the loan receive. It also includes a financially assessed portion which depends on household income (i.e. the combined total income of the student and his / her parents, or the student and the partner they live with); and a portion based on the student’s place of residence (the family home, or away from home). The maximum maintenance loan available for full-time students starting their course in 2019/20 is:

   - £7529 (€8533.86*) for students living at home;
   - £8944 (€10,137.71*) for students living away from home outside London;
   - £11,672 (€13,229.81*) for students living away from home in London;
   - £10,242 (€11,608.95*) for students spending a year of a UK course studying abroad.

Repayment arrangements are the same for both tuition fee loans and maintenance loans. The threshold for when borrowers are required to start making repayments depends on when they studied their course. Students who began their studies after September 2012 begin to repay their loans once they are earning over £25,725 (€29,158.40*) a year. Any loan remaining after 30 years will be cancelled. Payment is collected through the tax system. Student loans accrue interest from the date they are paid out up until they are repaid in full. Repayments are income-contingent and are set at 9% of earnings above the threshold of £25,725; interest rates are Retail Price Index (RPI) (inflation) plus up to 3%.

Note: a system of maintenance grants for students in England with a household income below a
defined threshold also operated for first cycle students until September 2016. This was replaced by larger repayable maintenance loans from 2016.

Guidance on undergraduate student finance and loan repayments is available from the GOV.UK website [53] and the Student Loans Company [54], while this February 2019 House of Commons Library briefing [55] provides student loan statistics.

*Exchange rate used: €1 = £0.88, ECB [13], 29 May 2019.

**Other sources of support**

Individual higher education institutions (HEIs) [1] may provide discretionary support to some students in the form of (non-repayable) bursaries, scholarships or awards. Some institutions provide scholarships for students from local schools and colleges, for example, or offer academic merit-based scholarships.

Some institutions also provide additional funds to individual students experiencing financial hardship. These funds may be paid as non-repayable grants or bursaries, or as repayable loans.

Bursaries are also available for students on some undergraduate medical, dental or healthcare courses, and for some approved social work courses.

Students who are ‘care leavers’ from local authority (LA) [56] care may also apply for a one-off bursary of £2000 (€2266.93*) from their local authority.

In addition to these bursaries and scholarships, the following help may also be available.

1. The Parents’ Learning Allowance [57] – an income-assessed grant for students who have additional costs arising from the care of a child whilst studying. The child must be dependent on the student and the grant does not cover childcare costs.
2. The Childcare Grant, [58] which may reimburse up to 85% of a student’s costs for registered and approved childcare.
3. The Adult Dependants’ Grant (ADG) [59] – an income-assessed grant available to students who have additional costs based on having an adult (aged 18+) who is dependent on them. The student’s income and that of his / her dependants are taken into account.
4. Disabled Students’ Allowances [60], which meet a student’s additional costs which arise from studying with a disability, such as non-medical helpers / support workers, specialist equipment, or travel.

*Exchange rate used: €1 = £0.88, ECB [13], 29 May 2019.

**Financial support for postgraduate (second and third cycle) students**

**Master’s programmes**

In the 2016/17 academic year, the Government introduced a new system of loans for full- or part-time postgraduate [51] students on taught or research-based master’s [61] courses. These loans, which can contribute towards course fees or living costs, cover the whole course. They are set at £10,609 (€12,024.93*) for students beginning courses after 1 August 2019, and are available to postgraduate students under the age of 60.

Before 2016/17, the majority of students following postgraduate programmes were self-financing, with the exception of a few specific disciplines, such as social work, some health professions and
teaching (see the subheading ‘Postgraduate teacher training’ below).

Postgraduate loans are repaid concurrently with undergraduate loans and similar repayment conditions apply. Further information on postgraduate loans is available on the GOV.UK website.

**Support for doctoral students**

In August 2018, the Government introduced non-means tested loans for doctoral students. The amount of the loan for courses beginning on or after 1 August 2019 is £25,700 (€29,130.06*) for full- or part-time postgraduate doctoral students. The loan, which can help with course fees and living costs and is not income-dependent, covers the whole of the student’s doctoral study.

Additional student support depends on the doctoral subject discipline and the institution. Common sources of funding include stipends from the Research Councils which form UK Research and Innovation (UKRI), usually obtained through institutions+; charitable or private funding; employer funding; or merit-based bursary or scholarship schemes offered via individual higher education institutions (HEIs). Some doctoral students self-fund.

*The Research Councils set a minimum level for this stipend which is £15,009 (€17,012.18*) for 2019/20.

**Postgraduate teacher training**

Postgraduate students following a programme leading to Qualified Teacher Status (QTS), or a specified equivalent qualification, are eligible for financial support in the same way as undergraduate students (see ‘Financial support for undergraduate (first cycle) students’ above).

In recent years, when there have been shortfalls in the number of applicants to teacher training, a range of measures, additional to the general financial support available, have been used to improve recruitment to the teaching profession. In 2012/13, the Government introduced targeted training bursaries, designed to make training to teach more attractive to the most talented graduates in shortage subjects. In 2019/20, a graduate with a first class bachelor’s degree (or a master’s or doctorate) training to teach chemistry, for example, will be eligible for a tax-free bursary of £26,000 (€29,470.10*). Bursary amounts vary depending on the shortage subject (which include languages, mathematics, computing, geography, physics, the classics, biology, design and technology, English, history, music and religious education).

Scholarships of between £22,000 (€24,936.24*) and £28,000 (€31,737.03*) are also available to the most gifted trainees in the subject areas of chemistry, computing, geography, languages, maths and physics.

The Get Into Teaching website provides further information.

*Exchange rate used: €1 = £0.88, ECB, 29 May 2019.

**Reviews of higher education funding and value for money**

In February 2018, the Department for Education launched an independent review of post-18 education and funding. The review examined value for money and accessibility, in particular by looking at:

- how students and graduates contribute to the cost of their studies;
- ensuring transparent funding arrangements that don’t prevent people from accessing higher
education; 
- how disadvantaged students can best receive additional financial support from the 
  Government, colleges and universities.

The final report [67] was published in May 2019 and included recommendations to:

- increase flexible learning options and lifetime learning;
- reform and refund the further education college [36] network so it can play a core role in the 
  delivery of higher technical and intermediate level training;
- reduce higher education tuition fees and increase grants directed to disadvantaged students 
  and high value and high cost subjects;
- extend the loan repayment period for future students and freeze the repayment threshold.

The review follows on from the 2017-18 Education Select Committee inquiry [68] into value for money 
in higher education and the 2018 Treasury Committee inquiry [69] into student loans.

The 2017-18 Education Select Committee inquiry examined the use of graduate outcomes and 
destination data; support for disadvantaged students; senior management pay; the quality and 
effectiveness of teaching; and the role of the Office for Students (OfS). The Committee published its 
final report [70] in November 2018, which included key recommendations to:

- require all higher education institutions (HEIs) to publish a breakdown of how tuition fees are 
  spent on their websites;
- review the Teaching Excellence and Student Outcomes Framework (TEF);
- encourage HEIs to enable more part-time, mature and disadvantaged students to study in 
  higher education, and the Government to develop a funding model which allows a range of 
  flexible options;
- instruct HEIs to be transparent about levels of graduate employment.

The Treasury Committee (2018) inquiry examined recent changes to the student loan system, 
including tuition fees, the repayment threshold, interest rates and the impact on university finances. 
Recommendations to government in the final report included:

- reconsidering the interest rate applied to tuition fee loans while students are still at university;
- ensuring that the student loan system is well explained so that prospective students can make 
  well informed decisions;
- establishing an alternative student finance model that comprises loans which would allow all 
  students, no matter their religious background, to use them.


### Private education

Private providers, which are also known as ‘alternative providers’, receive no direct government 
funding. Most private providers of higher education are linked in one way or another to universities 
through, for example, franchise or validation arrangements. There are a small number of private 
higher education institutions (HEIs) [1] with their own degree awarding powers [39]. With the exception 
of the University of Buckingham, which was founded as a private university in 1973, these have been 
granted university title since 2007. There are also some private institutions that can award degrees 
but are not designated as ‘universities’ [72].

Private providers are autonomous and the fees they charge students are not regulated, but providers
themselves are regulated by the Government. Accountability exists in respect of funding for student support. Providers wishing to have their courses designated as eligible for student support must meet criteria of quality, financial sustainability, management and governance, and course eligibility. Specific course designation [73] by the Secretary of State [74] is a process for deciding which courses taught by alternative providers should be eligible for students to access finance (tuition fee and maintenance loans). Students may receive loans for tuition fees of up to £6165 (€6987.81*) in the 2018/19 academic year. Responsibility for specific course designation will be transferred to the OfS from 1 August 2019.

As a condition of specific course designation, and to control student support budgets, the Government imposes controls on the numbers of students alternative providers can recruit to these courses. These student number controls are also linked to the quality of provision / provider performance, with the best providers being able to apply to increase the available numbers of places for students. Private providers with UK degree awarding powers are not subject to student number control mechanisms.

*Exchange rate used: €1 = £0.88, ECB [13], 29 May 2019.

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[12] https://researchbriefings.parliament.uk/ResearchBriefing/Summary/CPB-7973
[14] https://eacea.ec.europa.eu/national-policies/eurydice/content/glossary-74_en#Undergraduate
[16] http://www.slc.co.uk/
[17] https://eacea.ec.europa.eu/national-policies/eurydice/content/glossary-74_en#AccessandParticipationPlan
[20] https://eacea.ec.europa.eu/national-policies/eurydice/content/glossary-74_en#SixthFormCollege
[22] https://www.ref.ac.uk/about/what-is-the-ref/
[23] https://re.ukri.org/knowledge-exchange/the-higher-education-innovation-fund-heif/
[30] https://www.nihr.ac.uk/
[32] https://www.fundraisingregulator.org.uk/code
[34] https://www.officeforstudents.org.uk/publications/terms-and-conditions-of-funding-for-higher-education-institutions/
[36] https://eacea.ec.europa.eu/national-policies/eurydice/content/glossary-74_en#FurtherEducationCollege
[37] https://www.gov.uk/government/organisations/education-and-skills-funding-agency
[38] https://www.officeforstudents.org.uk/publications/terms-and-conditions-of-funding-for-further-education-and-sixth-form-colleges/
[41] https://eacea.ec.europa.eu/national-policies/eurydice/content/glossary-74_en#Bachelor'sDegree
[42] https://eacea.ec.europa.eu/national-policies/eurydice/content/glossary-74_en#FoundationDegree
[51] https://eacea.ec.europa.eu/national-policies/eurydice/content/glossary-74_en#Postgraduate
[52] https://www.ukri.org/skills/funding-for-research-training/
[53] https://www.gov.uk/student-finance