Funding

Higher education institutions (HEIs) in Northern Ireland receive their funding from a variety of public and private sources. These are summarised in the tables below and described in more detail under the subheadings which follow.

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

<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>€5,786,831.39</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%</td>
</tr>
<tr>
<td>Investment income</td>
<td>£253,554</td>
<td>€287,394.71</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 Northern Ireland 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>£180,413</td>
<td>€204,491.92</td>
</tr>
<tr>
<td>Funding body grants</td>
<td>£201,1582</td>
<td>€238,687.44</td>
</tr>
</tbody>
</table>

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


In contrast to England and Wales, where the largest component of higher education funding now comes from student tuition fees, in Northern Ireland, government grants still make up a significant proportion of higher education funding, and contribute more than student tuition fees. These annual grants are allocated and distributed directly by the Department for the Economy (DfE) [3].
While teaching is funded through government grants and student tuition fees, research is funded through a dual support system, including:

- government funding to support research infrastructure and enable institutions to undertake research of their choosing, described under the subheading ‘Government grants’;
- funding for specific research projects and programmes provided by UK Research and Innovation (UKRI) [4] Research Councils, which is described under the subheading ‘Research grants and contracts’.

European programmes such as Horizon 2020 [5] and funds such as the European Regional Development Fund [6] have also been a significant source of research funds in Northern Ireland. For example, the Framework Programme for Research (FP7, 2007–13), the predecessor EU programme to Horizon 2020, provided an additional 15% on top of the UK Government’s own science and research budget.

**Tuition fees and education contracts**

Tuition fees make a meaningful contribution to each institution’s income. They are set by individual higher education institutions (HEIs), but for full-time undergraduate students in Northern Ireland, are limited to (‘capped at’) £4275 (€4845.56*) for the 2019/20 academic year. Students can take out publicly subsided student loans to pay their tuition fees. The loans are paid directly to the institution by the Student Loans Company (SLC) [8]. For further information on the operation of tuition fees, see the subheading ‘Fees within public higher education’.

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

**Government grants**

Northern Ireland has no separate higher education funding body due to the relatively small size of the sector. Instead, the Department for the Economy (DfE) distributes public money for teaching and research to institutions providing higher education.

Northern Ireland’s two universities [9], along with the Open University [10], two university colleges [11] and six regional further education colleges receive funding in support of the provision of higher education from the DfE. This is provided in the form of a block grant. While these institutions have responsibility for how they make use of their funding according to their own strategic priorities, DfE funding allocations for higher education are made in the context of the following policy [12] aims:

- to enhance universities’ research capabilities and research quality;
- to support universities in achieving long-term sustainability;
- to exploit fully the contribution which universities can make to the economy and, in particular, to increase their responsiveness to the needs of business and the community;
- to increase participation and widen access, particularly from groups who are under-represented in higher education;
- to improve quality and standards of teaching and learning alongside promoting greater flexibility in delivery;
- to ensure effective governance of all university affairs.

**Grant funding for teaching and research**

The amount of teaching grant received by individual institutions from the DfE corresponds to the number of students being taught and the subjects those students are taking. Subjects such as
medicine and dentistry and laboratory-based subjects attract higher levels of resource.

Public funds for research are provided under a system known as ‘dual support’, in which institutions are also supported by funds for specific programmes and projects from the UK Research and Innovation (UKRI) [4] Research Councils. See the subheading ‘Research grants and contracts’ below for further information.

The core public funding for research distributed by the DfE aims to contribute to supporting the research infrastructure and to ensure that institutions 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.

The funding is targeted where research quality is highest through the Quality-related Research (QR) [13] funding scheme, which distributes funding based on:

- the quality of research;
- the volume of research (based on numbers of research-active staff);
- the relative costs (reflecting, for example, 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) [14], 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.

The DfE also provides grant funding for knowledge exchange [15] through the Northern Ireland Higher Education Innovation Fund (NI HEIF). This aims to support the higher education sector to increase its capability to respond to the needs of business and the wider community, with a view to improving innovation, raising productivity, promoting wealth creation and delivering economic growth.

**Capital funding** for teaching and research is provided by the DfE primarily through the Higher Education Research Capital (HERC) [16] fund.

**Research grants and contracts**

The direct costs of specific research projects, plus a fixed percentage to cover indirect costs, are funded by the Research Councils, which, since the passing of the Higher Education and Research Act 2017 [17], form part of UK Research and Innovation (UKRI) [4]. These funds are awarded on the basis of applications made by individual researchers, which are subject to independent, expert peer review. The seven 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 UK Government’s science budget, which is administered through the Department for Business, Energy and Industrial Strategy (BEIS) [18]. Some Research Councils also receive income from other UK government departments, from commercialisation of research, and from other research funders. The Research Councils are accountable to the UK Parliament for their activities and finances.

Higher education institutions can also receive research and innovation funding from the European Union (EU), through programmes such as Horizon 2020 [5] and funds including the European Regional Development Fund. [6]

**Other income / endowment and investment income**

Higher education institutions also receive income from services provided for students (such as residences and catering); through providing conference services; through endowments or charitable donations; via 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. Some institutions have established separate companies to market their services, with profits covenanted back to the institution.

In diversifying their income streams, higher education institutions can also encourage voluntary giving. In 2012, the former Higher Education Funding Council for England (HEFCE) published a Review of Philanthropy in UK Higher Education [19], which highlighted the success of universities and colleges in attracting philanthropic gifts from a diverse range of donors. All fundraising activity must follow the Code of Fundraising Practice for the UK [20] established by the Fundraising Regulator [21].

**Financial autonomy and control**

Universities [9] and university colleges [11] providing higher education in Northern Ireland have the power to decide how to spend Department for the Economy (DfE) [3] block grants, tuition fees and other streams of income according to their own priorities. This must, though, be within the broad purposes defined by Section 30 of the Education and Libraries (Northern Ireland) Order 1993 [22].

These purposes are:

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

Although institutions receive public funding from the DfE as a block grant to spend as they see fit, there are parameters within which this happens. These include policy parameters determined by the DfE (see the subheading ‘Government grants’ above), and terms and conditions of grant payment, which are set out in a Financial Memorandum between the individual institution and the DfE. This details the terms of payment of the DfE grant and usually includes conditions such as:

- funds will be used for the purposes for which they were given;
- institutions have appropriate arrangements in place for internal control and governance (including financial management and reporting);
- value for money is being achieved.
The DfE also has a statutory duty, under the Education and Libraries (Northern Ireland) Order 1986 (Section 102), to make provision for the assessment of the quality of the provision that it funds. The article on ‘Quality Assurance in Higher Education’ provides further information.

Northern Ireland’s six regional further education colleges, which receive funding from the DfE in respect of the higher education courses they provide, are executive non-departmental public bodies (NDP Bs). Each has a governing body, appointed by and accountable to the Minister for the Economy for the college’s performance. The DfE advises the Minister on an appropriate framework of objectives for each college, on how well the college is achieving its objectives, and whether it is delivering value for money.

Fees within public higher education

This section covers those tuition fees which are regulated by government, i.e. fees charged to full-time undergraduate home and EU students, who are 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. It also covers fees for part-time and postgraduate students, which are not regulated.

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

Undergraduate (first cycle) tuition fees

Tuition fees for full-time undergraduate students are set by individual institutions. The maximum tuition fee which institutions in Northern Ireland are able to charge in the 2019/20 academic year is £4275 (€4845.56*). These fees apply to students from Northern Ireland, the Republic of Ireland and the EU (excluding England, Scotland and Wales).

Typical fees charged at universities in Northern Ireland (and across the UK) during the academic year 2018/19 are provided in the Reddin survey of university tuition fees.

Students are not required to pay fees in advance and can apply for a tuition fee loan to cover the full fee. For all students who apply for tuition fee loans, the Student Loans Company (SLC) pays the tuition fees direct to the institution at which they will be studying. The subheading ‘Financial support for learners’ provides more information on loans.

The maximum tuition fee is only chargeable if the institution has a widening access and participation plan approved by the Department for the Economy (DfE). Widening access and participation plans, which must be made on an annual basis, set out the measures (such as outreach and financial support) that institutions have put in place to improve access and student retention. They include the actions the institution will take and the targets it has set for improving representation from under-represented groups (in particular, students from disadvantaged backgrounds and those with learning difficulties and disabilities) in the coming year. Once approved, the plans are published on the DfE’s website.

The fees charged for full-time undergraduate programmes offered by private providers of higher education are not regulated per se, but the amount the provider may receive through tuition fee loan payments is limited to £4275 (€4845.56*) in the 2019/20 academic year.

Tuition fees for part-time undergraduate students are also set by individual institutions. However, there are no regulations governing the maximum amount institutions can charge for part-time
courses. Students are not required to pay fees in advance and can apply for a tuition fee grant, course
grant or tuition fee loan (of up to £3206.25, or €3634.17*) to contribute towards their fees. The
subheading ‘Financial support for learners’ provides more information.

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

Teaching Excellence Framework

The UK Government has introduced the Teaching Excellence and Student Outcomes Framework (TEF)
[34] to recognise and reward excellent teaching and learning in higher education. Higher education
institutions in Northern Ireland are able to opt into the TEF, which aims to provide clear information to
students about where the best provision can be found, and to drive up the standard of teaching. While
in England, performance on the TEF is linked to the level of fees that institutions may charge
students, this is not the case in Northern Ireland, and the (then) Minister announced [35] in November
2016 that there were no plans to do so.

Historical note on the introduction of tuition fees

Under the Teaching and Higher Education Act 1998 [36], full-time undergraduate students beginning a
course in the academic year 1998/99 were required for the first time to pay tuition fees. In the
academic year 2005/06, fees in Northern Ireland were £1175 (€1331.82*). From 2006/07, under the
Higher Education (Northern Ireland) Order 2005 [37], variable deferred tuition fees for new students of
up to £3000 (€3400.39*) per year began to be introduced. Following the introduction of changes to
the fee regime in England in 2012/13, the First and Deputy Ministers in Northern Ireland confirmed
that there would not be large increases in university tuition fees for students commencing courses
that year. Since that date, tuition fees in Northern Ireland have gone up with the rate of inflation. In
practice, the majority of institutions charge the maximum allowable fee.

Postgraduate (second and third cycle) tuition fees

Fees charged for postgraduate 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)
[38], which for 2019/20 is £4327 (€4904.5*) for full-time postgraduate students. For part-time research
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 [1], 29 May 2019.

Financial support for learners’ families

No financial support is available to families whose children attend an institution providing higher
education. However, household income has an impact on the financial support available to the
learner. The subheading on ‘Financial support for learners’ below provides further information.

Financial support for learners

This information applies to Northern Irish students studying in Northern Ireland. Arrangements differ
for students who live in one part of the UK and study in another part.

Support for new undergraduate higher education students in 2019/20 includes loans, grants, bursaries
and scholarships, and other forms of support. The subheadings which follow provide further
Responsibility for undergraduate student support lies with the Department for the Economy (DfE), and student loans and grants are administered by the Student Loans Company (SLC), a non-departmental public body (NDPB) which provides financial services to students in all four education systems of the UK. The SLC service for students in Northern Ireland is Student Finance Northern Ireland, which assesses eligibility for student loans and grants, pays tuition fees direct to institutions and collects loan repayments.

The Student Finance NI website provides further information on the support available to full- and part-time undergraduate (and postgraduate) students.

Financial support for full-time undergraduate (first cycle) students

Full-time students may apply for a tuition fee loan to cover the full amount of tuition fees that their institution is charging, up to the maximum allowable tuition fee amount of £4275 (€4845.56*) per year in 2019/20. Tuition fee loans are paid directly to the institution by the Student Loans Company / Student Finance Northern Ireland. Interest rates on tuition fee loans are indexed to inflation and borrowers repay, in real terms, broadly the same amount as that borrowed.

A full-time undergraduate student can also apply for a maintenance loan to help with living costs. The exact amount which can be borrowed depends on several factors, including household income, where the student lives during term time, any amount received as a maintenance grant (see below), and the year of study. Student Finance Northern Ireland assesses applications and administers the loans.

The maximum maintenance loan available for students starting their course in 2019/20 who are living with their parents and attending university in Northern Ireland is £3750 (€4250.49*) per year. Students can take out around 75% of the maximum maintenance loan regardless of household income (the non-income-assessed part of the loan). The remaining 25% of the available loan is income-assessed (depends on household income).

Repayment arrangements are the same for both tuition fee loans and maintenance loans. Borrowers are not required to begin to repay their loans until they have completed their course and are earning over £18,935 (€21,462.17*) a year. Payments are set at 9% of earnings above this threshold. Any loan remaining after 25 years will be written off (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.

Full-time undergraduate students can also receive either a non-repayable maintenance grant or special support grant.

The amount of grant available, which is the same for both grants, depends on household income (i.e. the student’s income and that of the parents or partner they live with). The maximum amount available in 2019/20 is £3475 (€3938.79*) per year for students with an annual household income of less than £19,203 (€21,765.93*). Students with an income over £41,065 (€46,545.76*) are not eligible for the grant, and those with incomes between £19,204 (€21,767.07*) and £41,065 (€46,545.76*) receive a partial grant, on a sliding scale.

Students in receipt of maintenance grant receive a reduced amount of maintenance loan (see above). Those in receipt of special support grant (students who are eligible for certain state benefits, for example) do not have their maintenance loan reduced.
Financial support for part-time undergraduate students

In the 2017/18 academic year, the Department for the Economy extended the student support package and made tuition fee loans available to part-time undergraduate and full-time distance learning students. In 2019/20, the maximum repayable loan of £3206.25 (€3634.17*) per year for part-time students is non-means tested (non-income assessed). The fee loan can’t be more than the actual tuition fee charged by the institution, and students must be studying at no less than 25% intensity of the same full-time course in any academic year to be eligible for the loan. Repayment arrangements are the same as those for full-time students (see above).

Part-time undergraduate students may be eligible for two forms of non-repayable grant, entitlement for which depends on household income.

1. The tuition fee grant contributes towards the costs of fees and is paid direct to the institution. The level of tuition fee grant available depends on course intensity, household income and fee costs. Since 2017/18, part-time undergraduate students in receipt of tuition fee grant have also been able to apply for a tuition fee loan, but the level of loan they receive will be reduced by the amount of fee grant they are receiving in that year.

2. The course grant is paid to the student and contributes up to £265 (€300.36*) towards the cost of books, travel and other course-related expenses.

A maximum tuition fee grant of £1230 (€1394.16*) is available to students whose household income is below £16,843 (€19,090.96*) and who are studying at 75% course intensity. It is not available to students whose household income is above £25,420 (€28,812.69*). A partial grant is available on a sliding scale between these two levels, down to a minimum grant of £50 (€56.67*).

A maximum course grant of £265 (€300.36*) is payable to students studying at 50% course intensity and above. Students whose household income is below £26,029 (€29,502.97*) receive the maximum course grant, and those whose income is above £28,068 (€31,814.11*) do not receive any course grant. A partial course grant is available, on a sliding scale, to those whose income is between these two levels.

Bursaries, scholarships and other forms of support

Some institutions provide discretionary support [41] to some students in the form of non-repayable bursaries, scholarships or awards. These may be offered on the basis of academic merit or on a needs basis.

In instances where institutions provide support to individual students experiencing financial hardship [42], or who may need extra financial support in order to remain in higher education, these funds may be paid as non-repayable grants, or as short-term repayable loans. They can be used to meet course and living costs which are not already being met from other grants. Such payments are typically made to students with children, often lone parents; mature students with existing financial commitments; students from low-income families; students who are in receipt of Disabled Students’ Allowances (see below); and students who have been in the care of public authorities, or who have been homeless.

Universities and colleges in Northern Ireland must offer a minimum bursary payment of 10% of the...
tuition fee to full-time undergraduate students who receive the full maintenance grant or special support grant (see ‘Financial support for full-time undergraduate (first cycle) students’ above), and who are paying the maximum tuition fee. Although such bursaries are usually provided in the form of direct payments to students, some institutions provide support ‘in kind’, such as discounts on accommodation or on books.

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

A number of trusts and charities provide higher education students with financial help. One example is the All Ireland Scholarship Scheme [43], which awards scholarships to high achieving Northern Ireland students from low-income households who are undertaking an undergraduate course in the UK or Republic of Ireland.

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

1. The Parents’ Learning Allowance is 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 may reimburse up to 85% of a student’s costs for registered and approved childcare.
3. The Adult Dependants’ Grant (ADG) is 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 is taken into account.
4. Disabled Students’ Allowances meet a student’s additional costs which arise from studying with a disability, such as non-medical helpers / support workers, specialist equipment, or travel.
5. The Travel Grant helps cover reasonable costs for travel for study-related periods abroad.

Student Finance NI [44] provides further information on these.

Financial support for postgraduate (second and third cycle) students

Postgraduate tuition fee loans

In August 2017, the Department for the Economy (DfE) [45] introduced tuition fee loans for postgraduate students following taught or research master’s [46] programmes, postgraduate [30] diplomas or certificates. The maximum amount available is £5500 (€6234.06*) per course, and the loan is not income-assessed. Similar repayment conditions apply as for undergraduate loans (see the subheading ‘Financial support for full-time undergraduate (first cycle) students’ above). Student Finance NI provides further information on postgraduate tuition fee loans [47].

Before the 2017/18 academic year, the majority of students following taught postgraduate programmes were self-financing, with the exception of a few specific disciplines, such as social work, some health professions and teaching.

Postgraduate students following a teacher training programme are eligible for financial support in the same way as undergraduate students (see the subheading ‘Financial support for full-time undergraduate (first cycle) students’ above).

For students on doctoral study programmes, the availability of funding depends on the subject discipline and the institution. The most common sources of funding include the following:

- UK Research and Innovation (UKRI) [38] Research Council funding (stipends), which are usually
obtained through the institution - the Research Councils set a minimum level for this stipend of £15,009 (€17,012.18*) for 2019/20;

- institutional funding: institutions may have fee waiver, bursary or scholarship schemes, usually allocated on merit via an open application process;
- charitable or private funding;
- collaborative funding arrangements: in some cases doctoral studentships are offered in partnership between an institution or research organisation and an external body, for example an industrial company (details of such arrangements are likely to be provided in particular studentship advertisements);
- employer funding: some employers will co-fund employees to undertake doctoral study, either as part of an organisation-wide staff development policy or on an ad-hoc basis;
- self-funding: self-funding, which covers private loans or paid employment, is more common in some disciplines than others.

### Other forms of support

Certain postgraduate students who have a disability, a long-term health condition, mental health condition or specific learning difficulty may also be eligible for Disabled Students’ Allowances (DSAs) [48]. The maximum allowance available is £10,469 (€11,866.25*) per year to help pay for additional costs that are a direct result of the student’s disability.

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

### Reforms to student support

The tuition fee loans for part-time students, full-time distance learning students and postgraduate students, introduced on 1 August 2017, followed a consultation [49] which ran from June to September 2015. This focused on students following taught programmes and the outcome indicated considerable support for the introduction of the loans. The consultation took place in the context of a wider review of higher education funding in Northern Ireland launched in 2015. The Big Conversation [50] is examining the overall sustainability of the model for funding higher education. The Government is yet to make recommendations following this review.

### Private education

There are no private universities in Northern Ireland.

There are four small religious colleges that are classed as alternative providers of higher education [51], as they receive no direct funding from the Department for the Economy (DfE) [3] for either higher or further education [52] provision. They do, however, have an affiliation with the publicly funded Queens University Belfast, for which they deliver some higher education programmes. These four religious colleges are:

- Belfast Bible College
- Irish Baptist College
- Edgehill Theological College
- Union Theological College.

Article last reviewed June 2019.