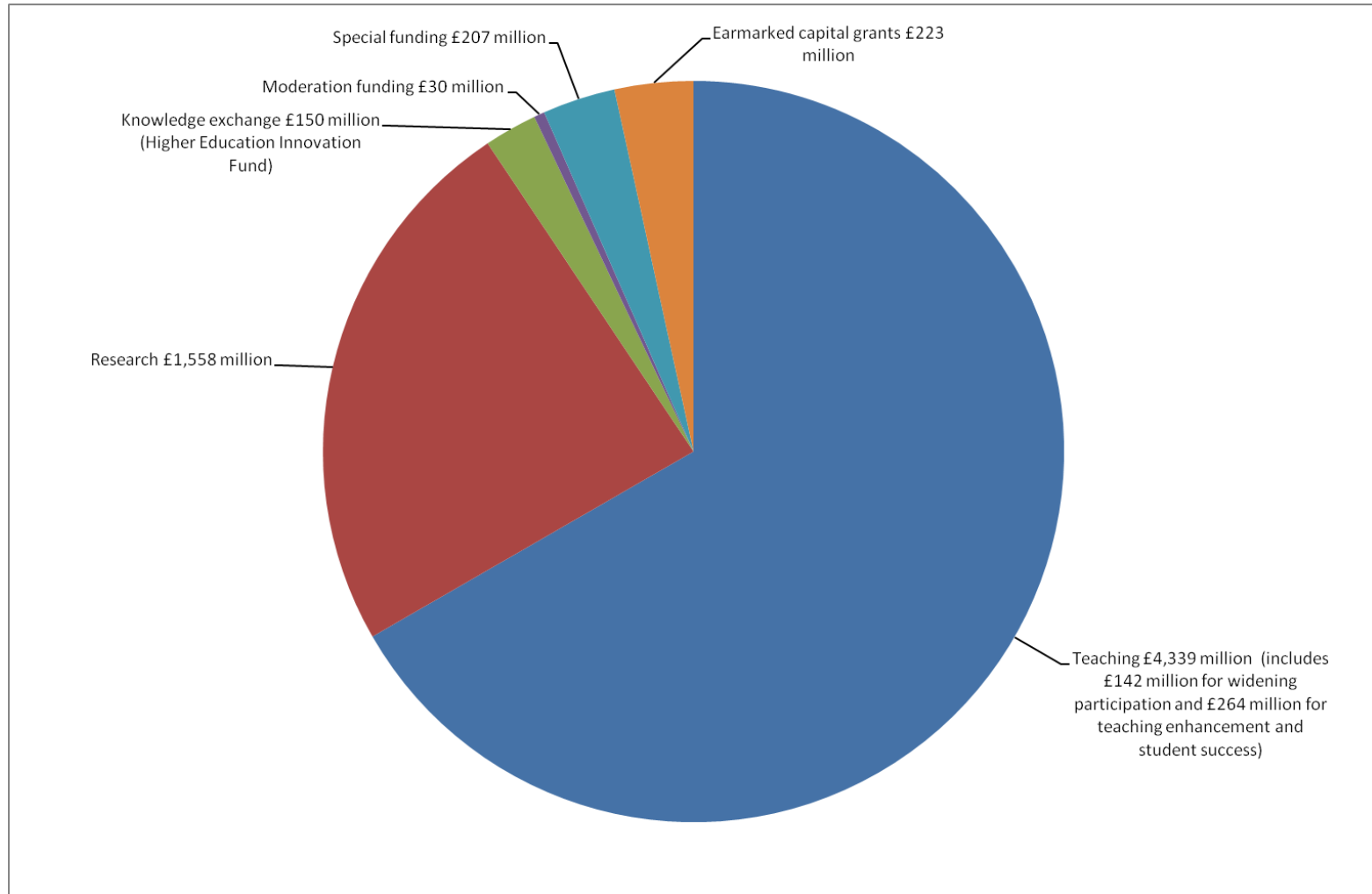




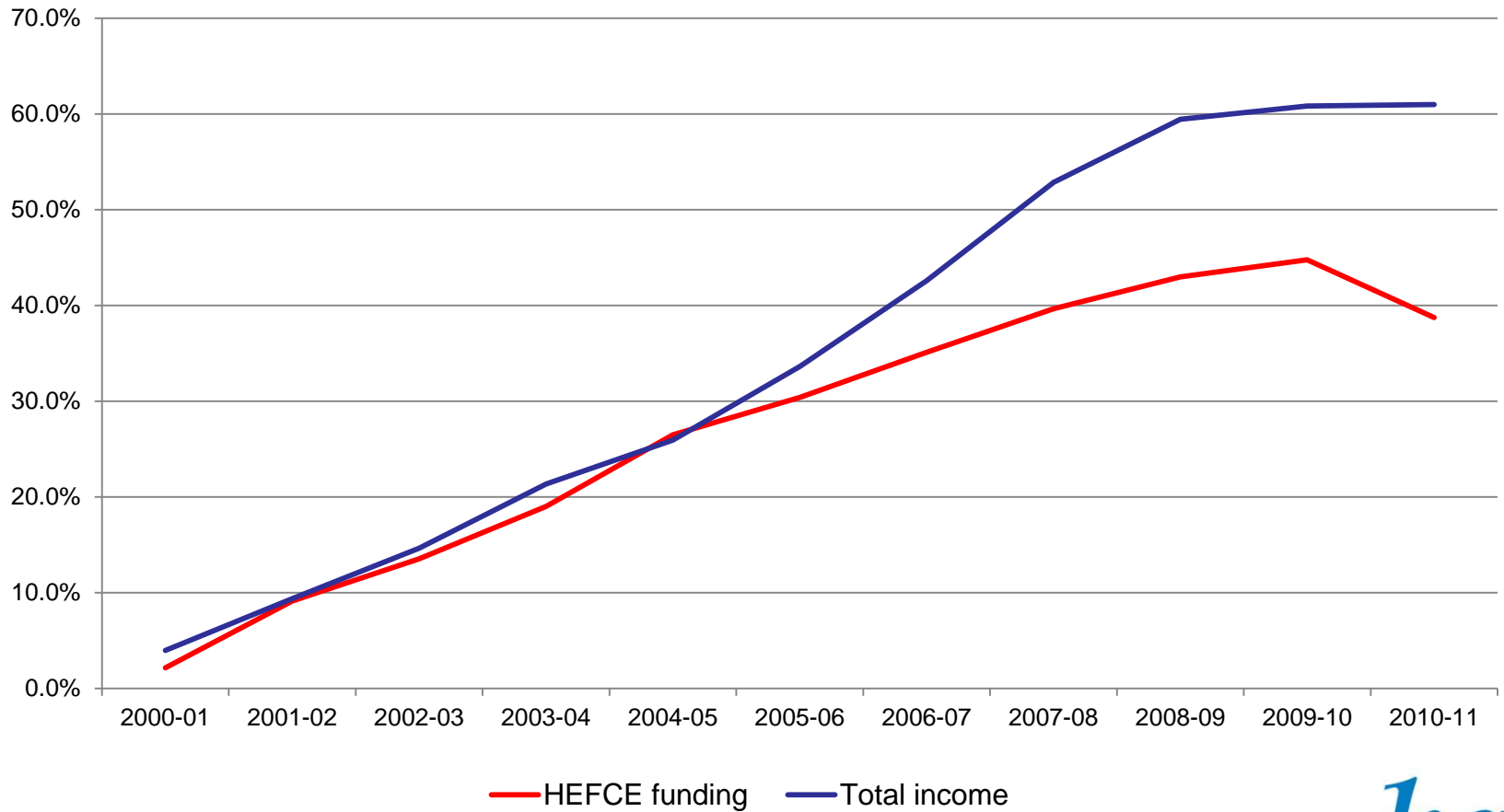
The Higher Education Reforms: Implications for Engineering

Engineering Professors' Conference
17 April, 2012

HEFCE grant for 2011-12: total £6,507m



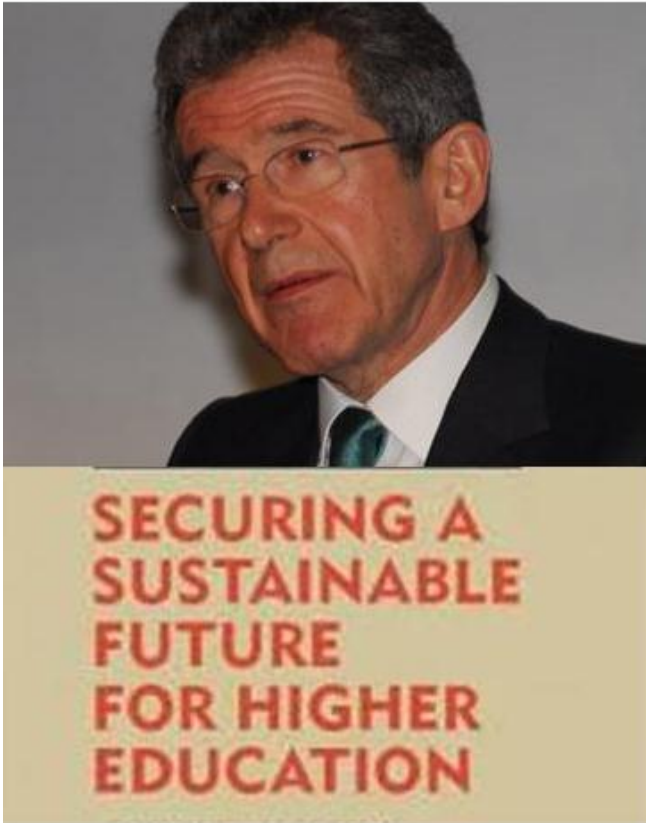
Real terms growth in HE income



Source: HESA Finance Record and Financial forecasts submitted to HEFCE



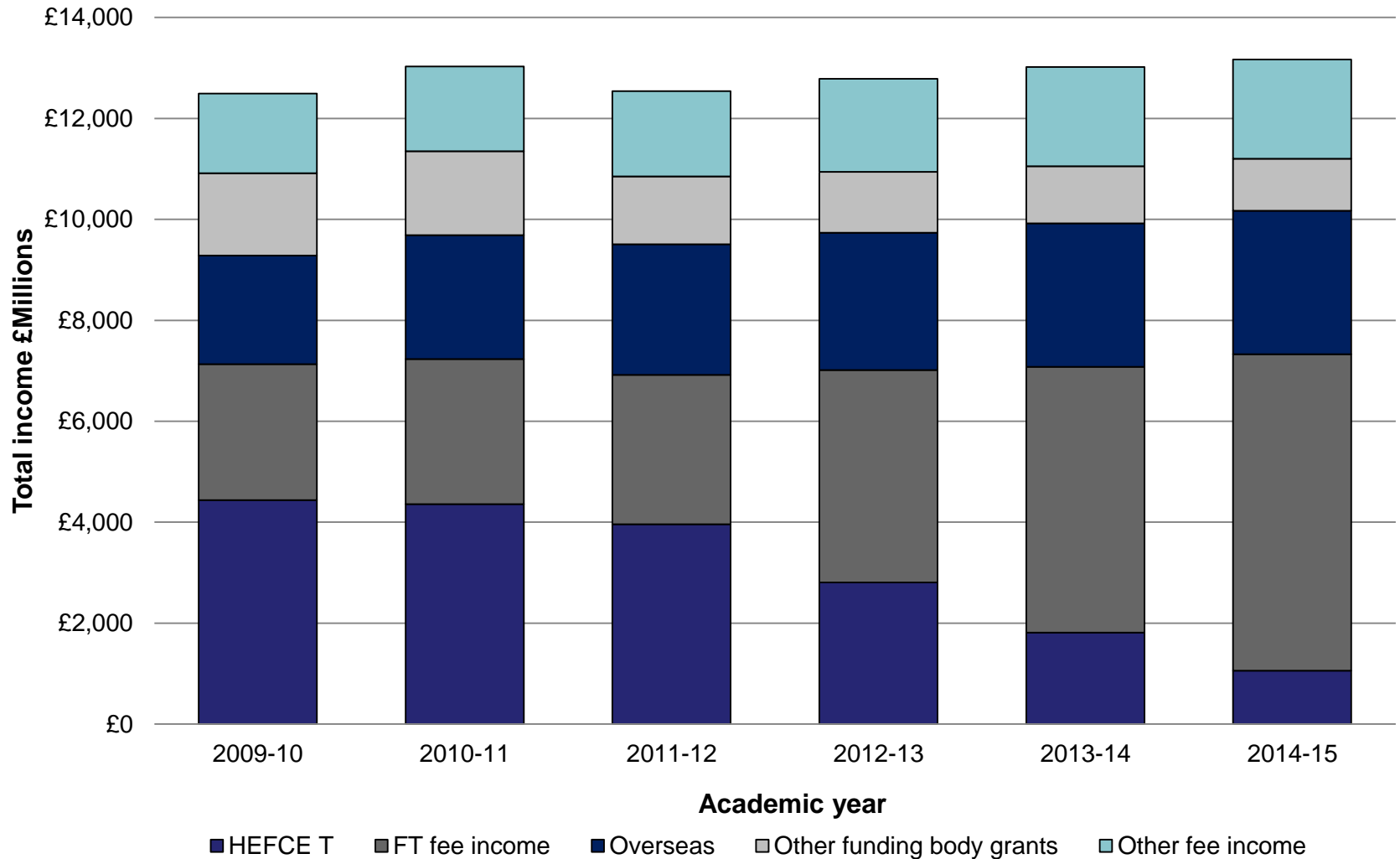
A new financial settlement



Key milestones

- Browne review (November 2010)
- Comprehensive spending review (November 2010)
- Parliament approves £6-9K fee limit (December 2010)
- Higher Education White Paper: Students at the heart of the system (June 2011)
- BIS Technical Consultation on new regulatory framework for higher education (August 2011)
- HEFCE's consultations on funding for teaching and student number allocation in 2012-13, and 2013-14 and beyond (June 2011 and February 2012)
- BIS grant letter to HEFCE (January 2012)
- HEFCE grant allocations to institutions (March 2012)

Projected levels of teaching income



All data expressed in 2009-10 prices

HEFCE grant plus fees for new full-time undergraduates*

2011-12	A Clinical years of study	B Laboratory- based subjects	C Intermediate cost subjects	D Classroom- based subjects
HEFCE T-grant	£13,335	£4,894	£3,426	£2,325
Max fee	£3,375	£3,375	£3,375	£3,375
Total	£16,710	£8,269	£6,801	£5,700
2012-13	A Clinical years of study	B Laboratory- based subjects	C Intermediate cost subjects	D Classroom- based subjects
HEFCE T-grant	£9,804	£1,483	£0	£0
Max fee	£6-9,000	£6-9,000	£6-9,000	£6-9,000
Total	£15,804 - £18,804	£7,483 - £10,483	£6,000 - £9,000	£6,000 - £9,000

* Refer to paragraph 43 of 'Recurrent grants and student number controls for 2012-13'

Also....

- Continuation of £23m funding for the highest cost STEM subjects
- Protection for chemistry, engineering, maths, physics and MFL within 'core and margin'
- Additional £39m for postgraduate taught
- QR sustained at 1.6 billion
- Additional £35m for postgraduate research

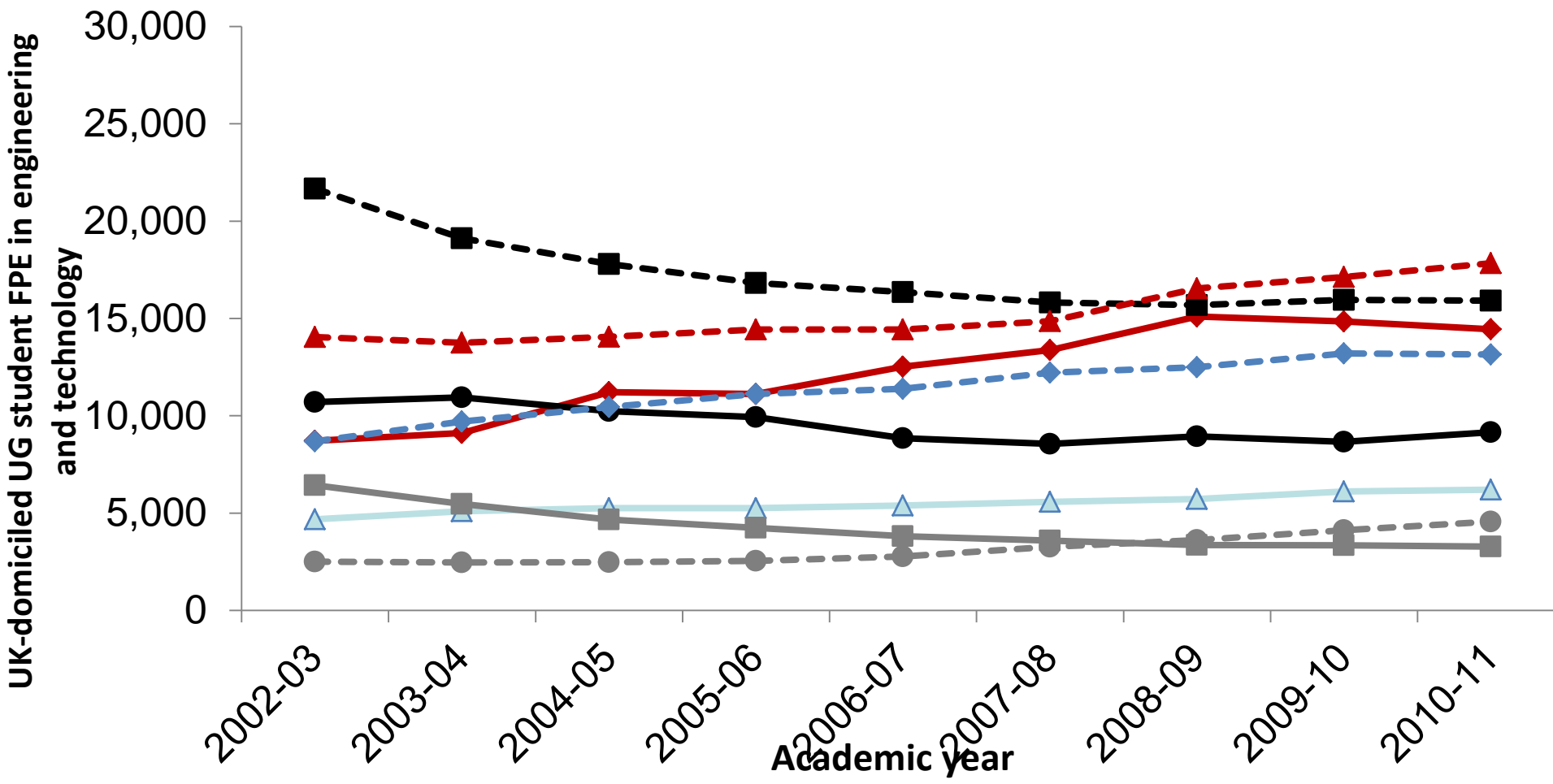
Financial performance & prospects

	2009-10 actual	2010-11 actual	2011-12 forecast
Total income	£22,221M	£22,923M	£22,749M
Operating surplus	£708M (3.2%)	£1,062M (4.6%)	£270M (1.2%)
HC surplus	£805M (3.6%)	£1,314M (5.7%)	£458M (2.0%)
Net liquidity	98 days	109 days	88 days
Borrowing	£4,686M (21%)	£5,040M (22%)	£5,442M (24%)
Reserves	£10,226M (46%)	£11,720M (51%)	£12,314M (54%)

Engineering is strategically important...

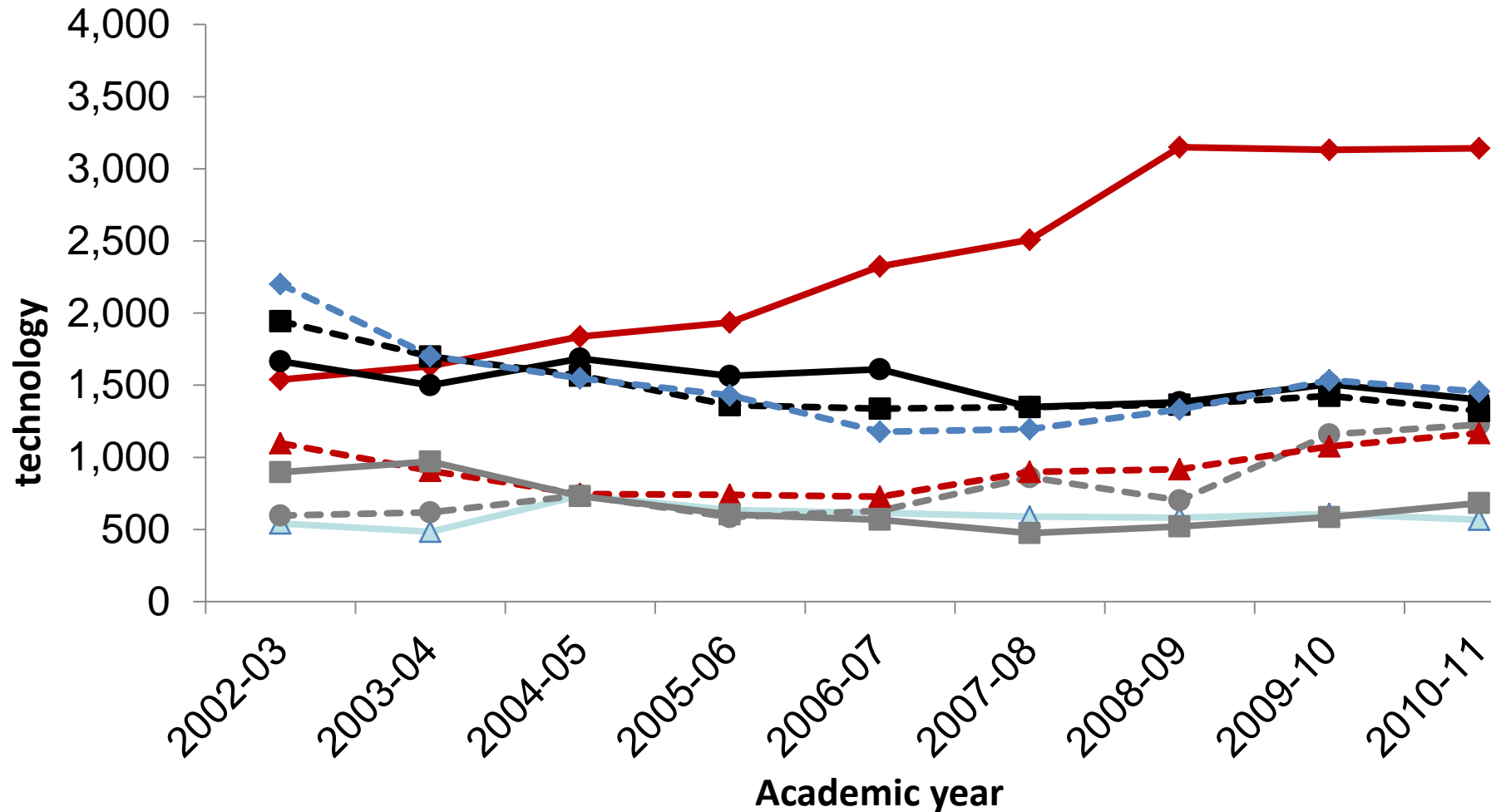


- ▲ Aerospace engineering
- ◆ Civil engineering
- General engineering
- Production & manufacturing engineering
- Chemical, process & energy engineering
- Electronic & electrical engineering
- ▲ Mechanical engineering
- ◆ Others in engineering and technology



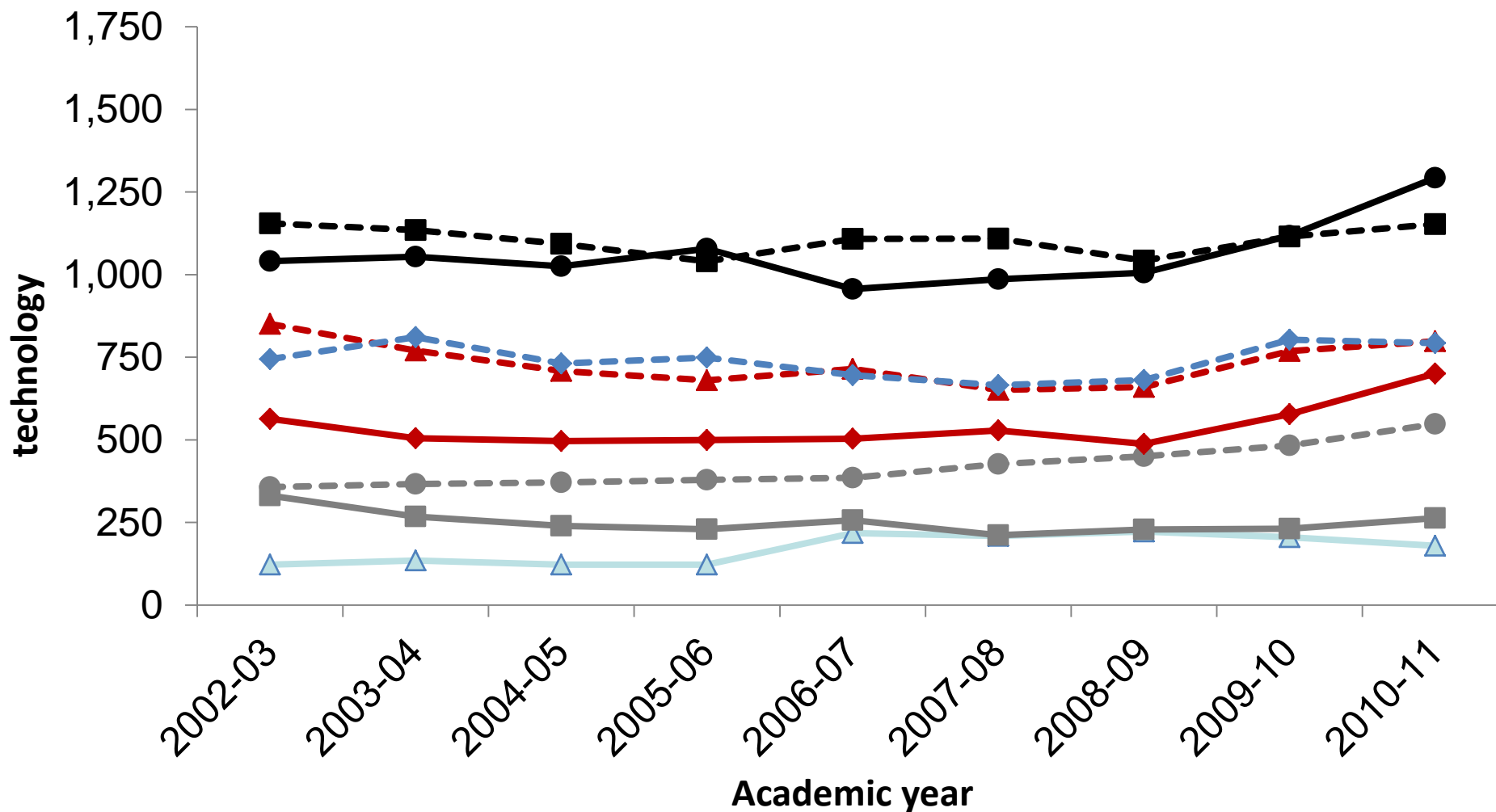
UK-domiciled PGT student FPE in engineering and technology

- △— Aerospace engineering
- ◆— Civil engineering
- General engineering
- Production & manufacturing engineering
- Chemical, process & energy engineering
- Electronic & electrical engineering
- ▲— Mechanical engineering
- ◆— Others in engineering and technology



- ▲ Aerospace engineering
- ◆ Civil engineering
- General engineering
- Production & manufacturing engineering
- Chemical, process & energy engineering
- Electronic & electrical engineering
- ▲ Mechanical engineering
- ◆ Others in engineering and technology

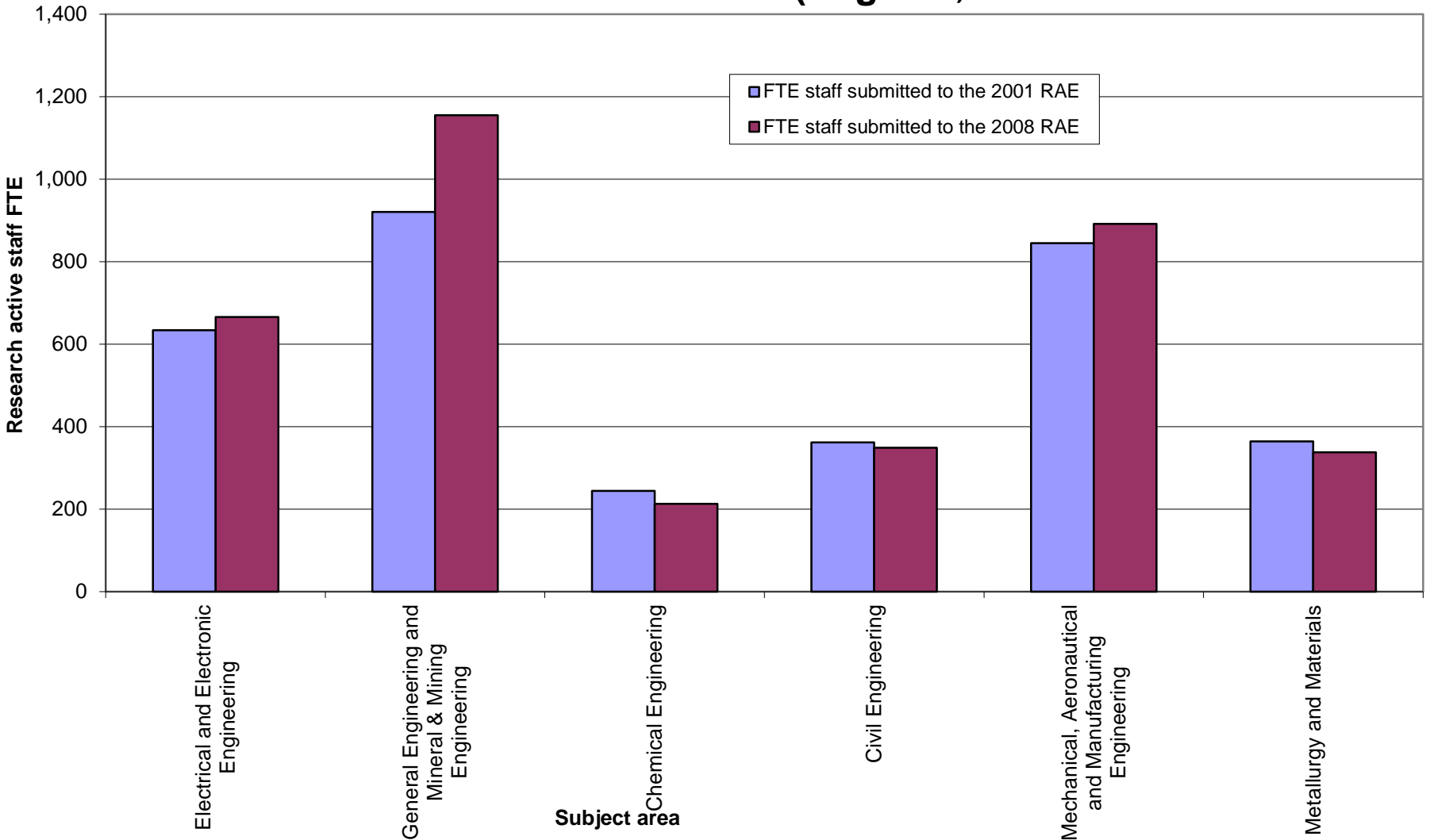
UK-domiciled PGR student FPE in engineering and technology



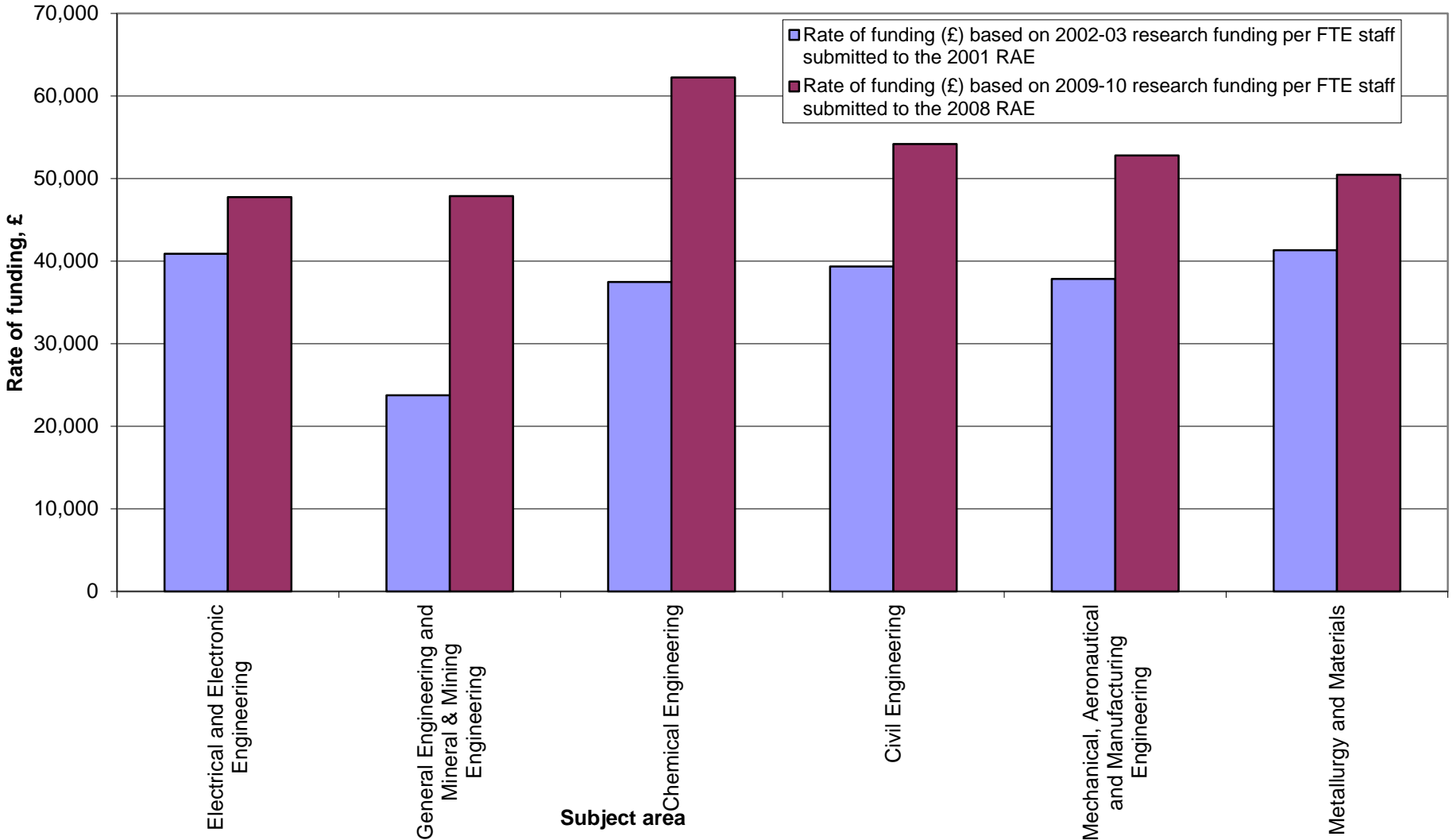
UCAS – February 2012

Subject Group	2009-10	2010-11	2011-12	2010-12
Medicine & Dentistry	12.9%	3.1%	-3.0%	0.0%
Allied to Medicine	43.7%	7.3%	-1.4%	5.9%
Biological Sciences	18.1%	4.2%	-4.3%	-0.3%
Vet Sciences, Ag & related	26.6%	7.6%	-2.6%	4.8%
Physical Sciences	14.0%	7.6%	-0.5%	7.1%
Mathematical Sciences	10.8%	2.6%	-2.5%	0.0%
Engineering	14.1%	3.7%	-0.7%	3.0%
Computer Sciences	18.6%	6.1%	-5.4%	0.4%
Grand Total	20.4%	2.9%	-7.3%	-4.6%

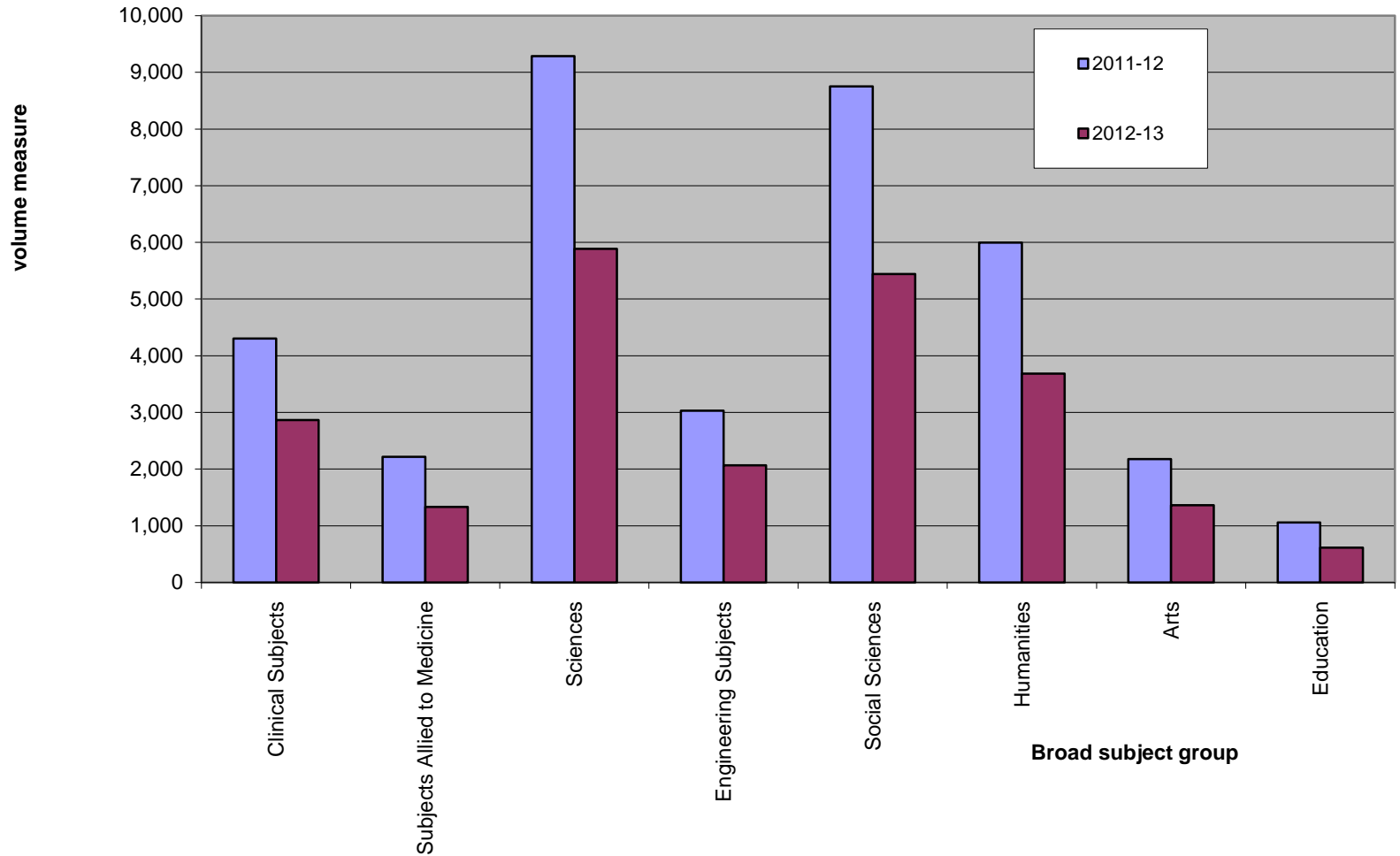
Research active academic staff FTE submitted in recent RAEs (England)



Rates of HEFCE research funding per research active academic staff FTE submitted in recent RAEs (England)



Eligible volume for HEFCE mainstream QR funding



...will it be vulnerable?

- High cost
- Long courses (e.g. M Eng)
- Progression from FE and into PG
- Work placements
- Employer sponsorship
- Part-time study
- International students
- Postgraduates
- Research



Thank you for listening

c.millward@hefce.ac.uk