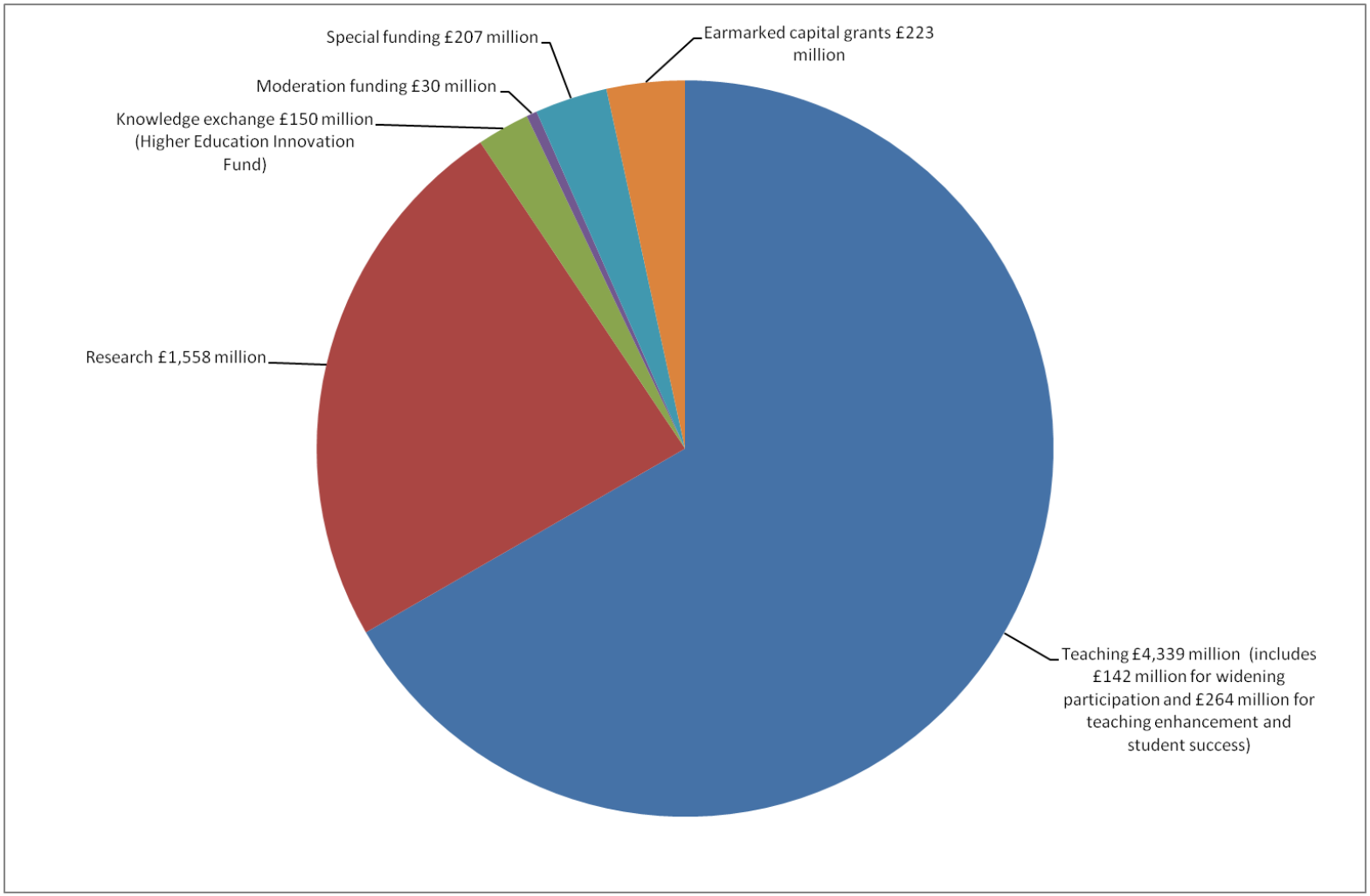
HIGHER EDUCATION FUNDING COUNCIL FOR ENGLAND

# The Higher Education Reforms: Implications for Engineering

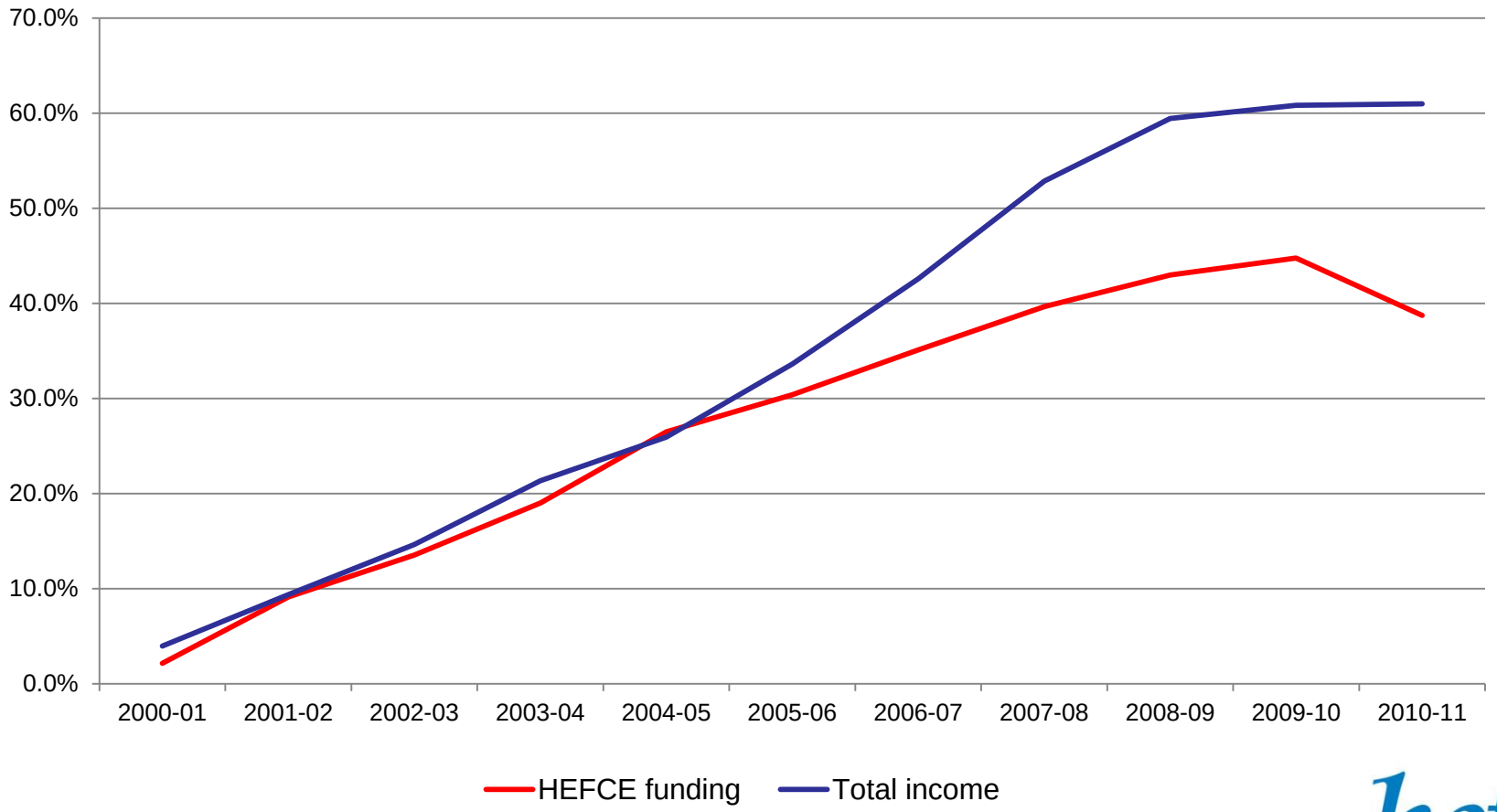
**Engineering Professors' Conference**

**17 April, 2012**

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

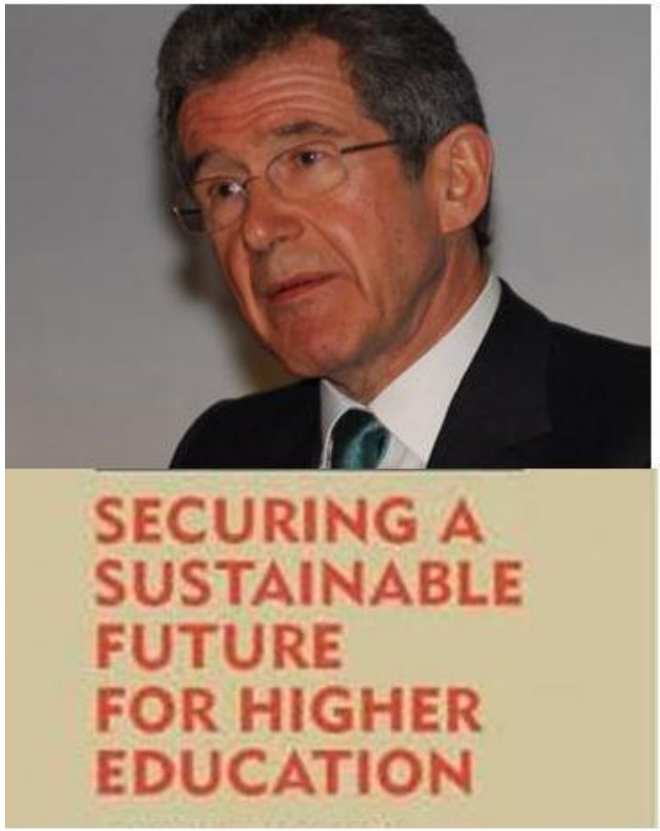


# Real terms growth in HE income




Source: HESA Finance Record and Financial forecasts submitted to HEFCE

# A new financial settlement

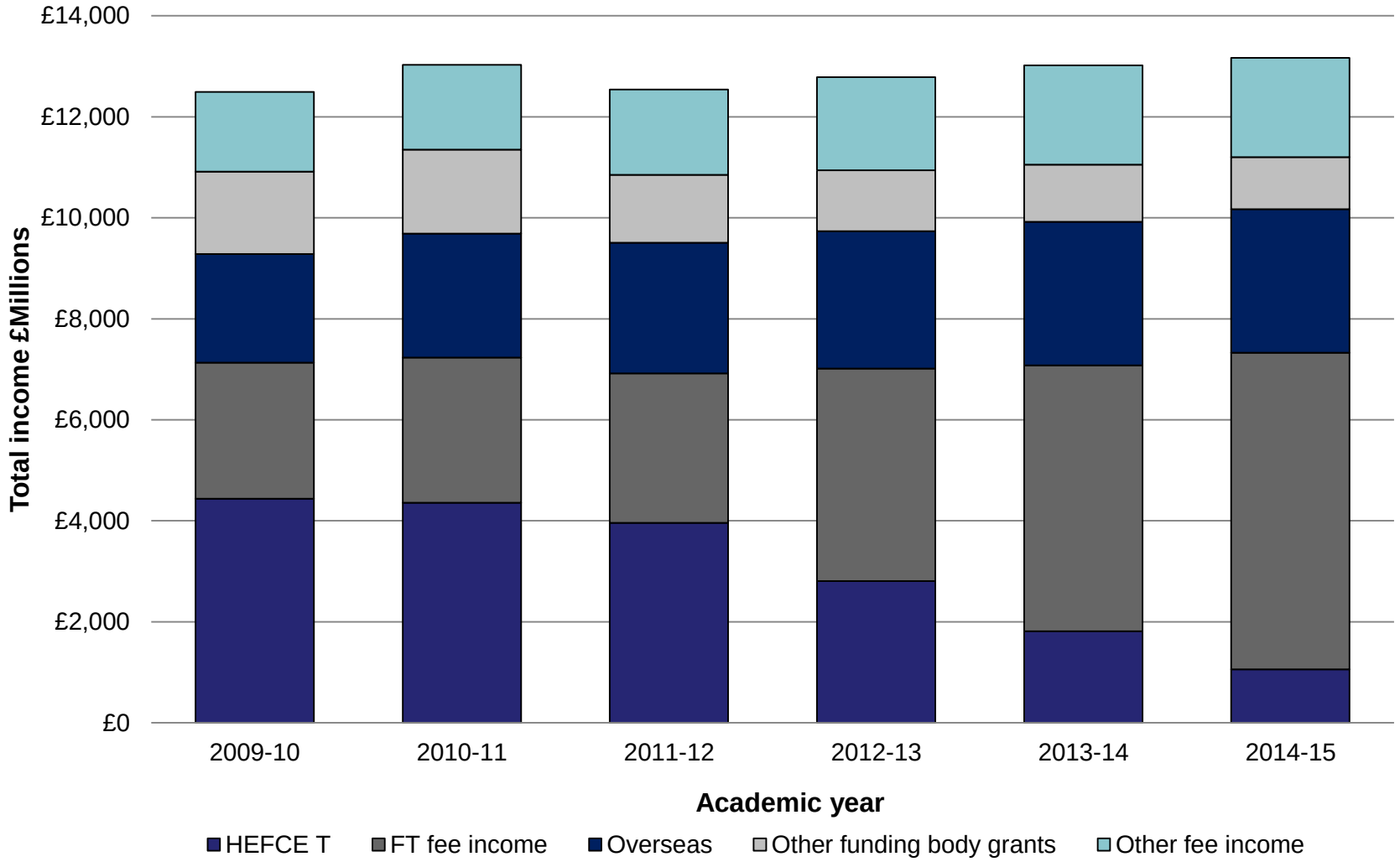


hefce

# 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'

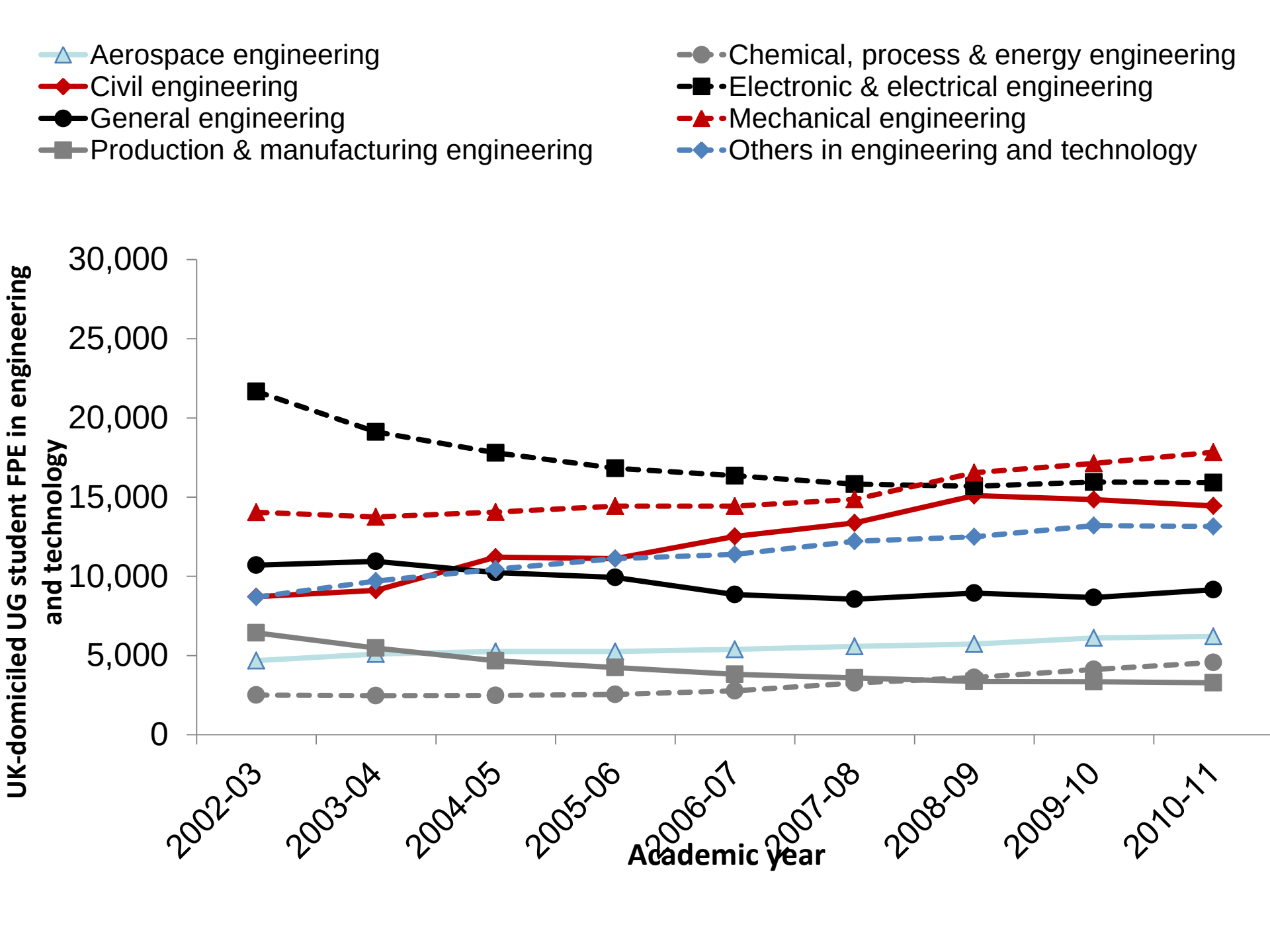
# Also….

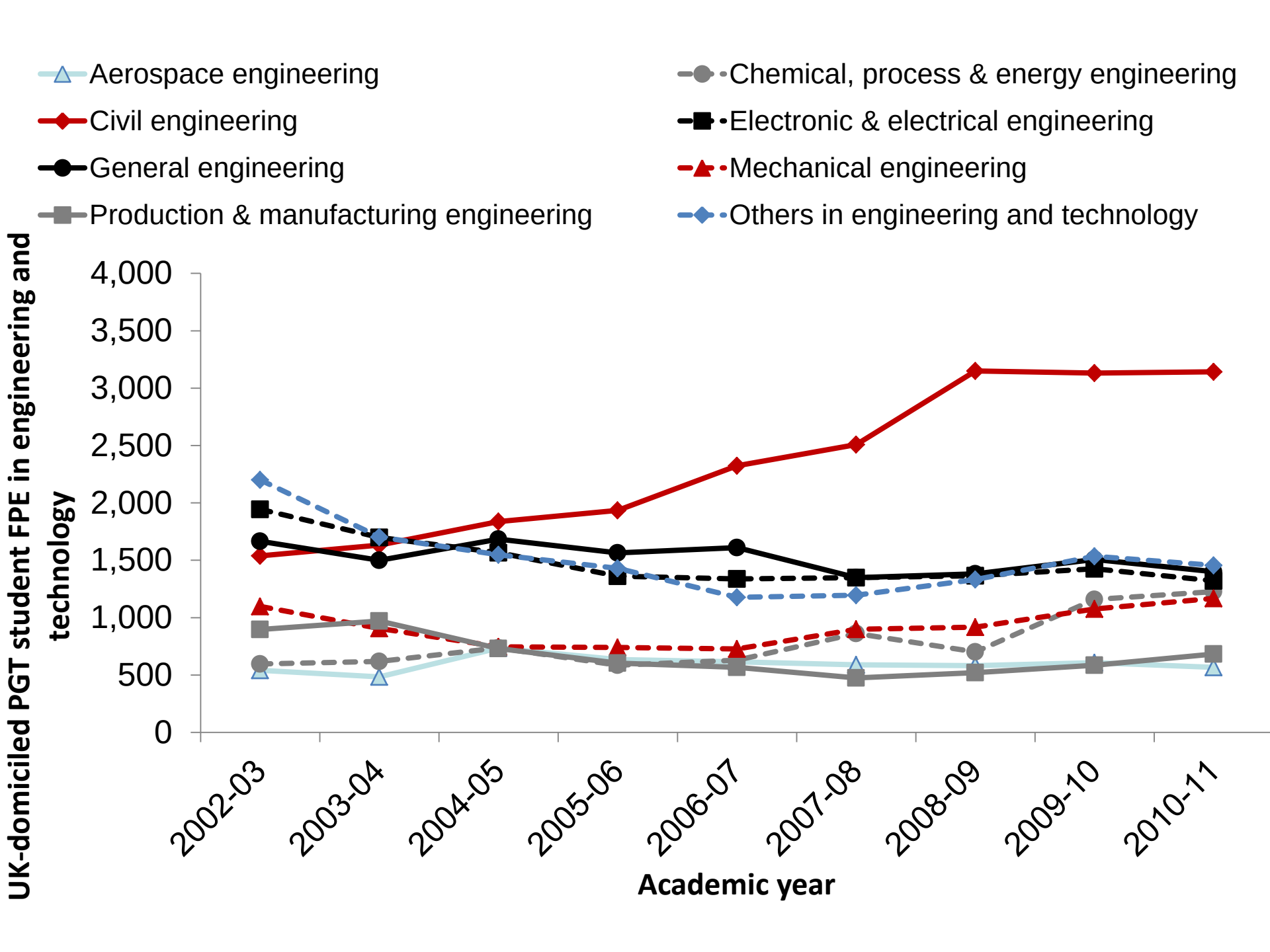
- Continuation of £23m funding for the highest cost STEM subjects
- Protection for chemistry, engineering, maths, physics and MFL within ‘core and margin’
- Additional £39m for postgraduate taught
- QR sustained at 1.6 billion
- Additional £35m for postgraduate research

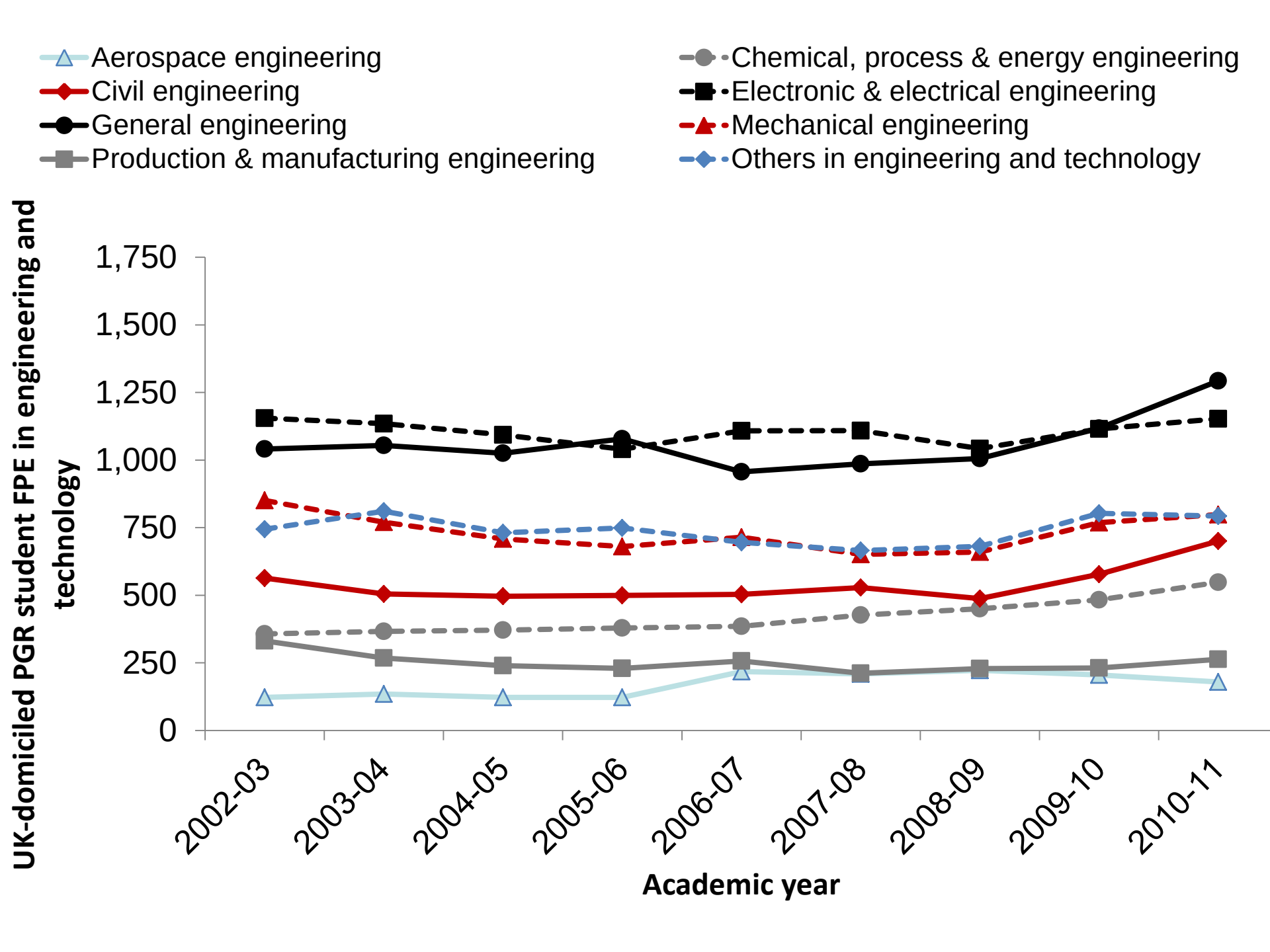
# Financial performance & prospects

| | 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
Chemical, process & energy engineering
Civil engineering
Electronic & electrical engineering
General engineering
Mechanical engineering
Production & manufacturing engineering
Others in engineering and technology
UK-domiciled UG student FPE in engineering and technology
30,000
25,000
20,000
15,000
10,000
5,000
0
2002-03
2003-04
2004-05
2005-06
2006-07
2007-08
2008-09
2009-10
2010-11
Academic year

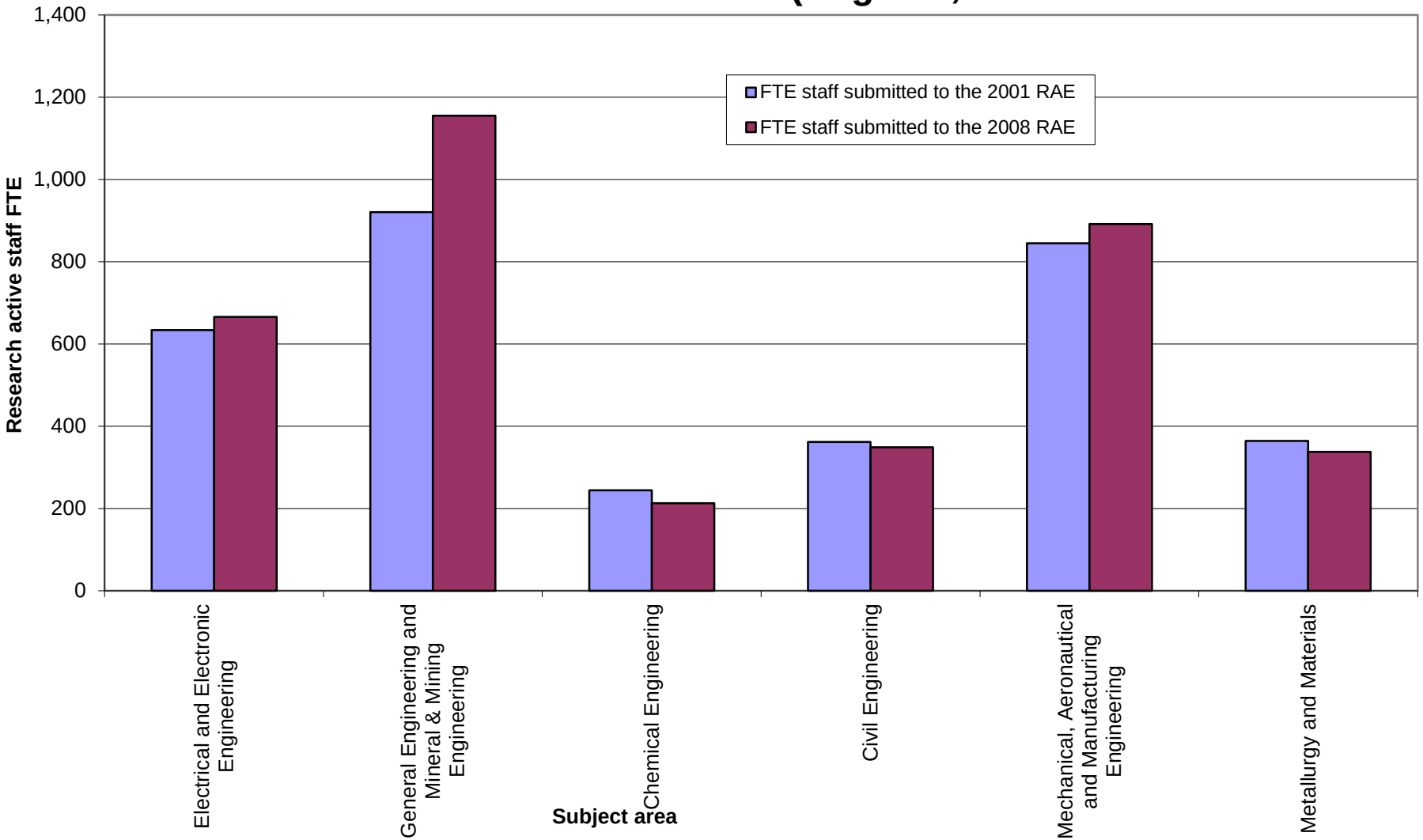

Aerospace engineering
Chemical, process & energy engineering
Civil engineering
Electronic & electrical engineering
General engineering
Mechanical engineering
Production & manufacturing engineering
Others in engineering and technology
UK-domiciled PGT student FPE in engineering and technology
4,000
3,500
3,000
2,500
2,000
1,500
1,000
500
0
2002-03
2003-04
2004-05
2005-06
2006-07
2007-08
2008-09
2009-10
2010-11
Academic year


Aerospace engineering
Chemical, process & energy engineering
Civil engineering
Electronic & electrical engineering
General engineering
Mechanical engineering
Production & manufacturing engineering
Others in engineering and technology
UK-domiciled PGR student FPE in engineering and technology
1,750
1,500
1,250
1,000
750
500
250
0
2002-03
2003-04
2004-05
2005-06
2006-07
2007-08
2008-09
2009-10
2010-11
Academic year

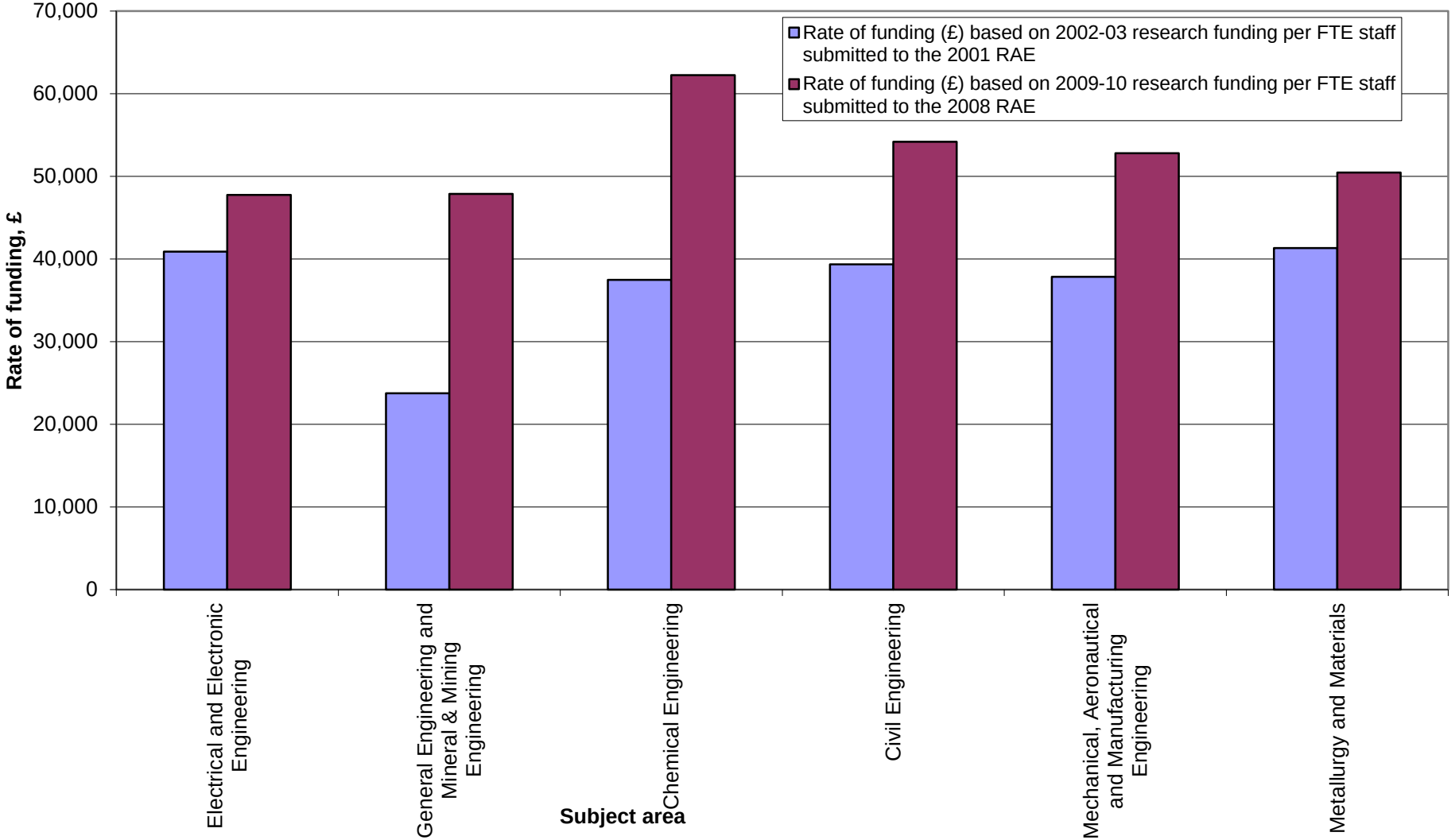
# UCAS – February 2012

| 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 Sciencies, 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% |

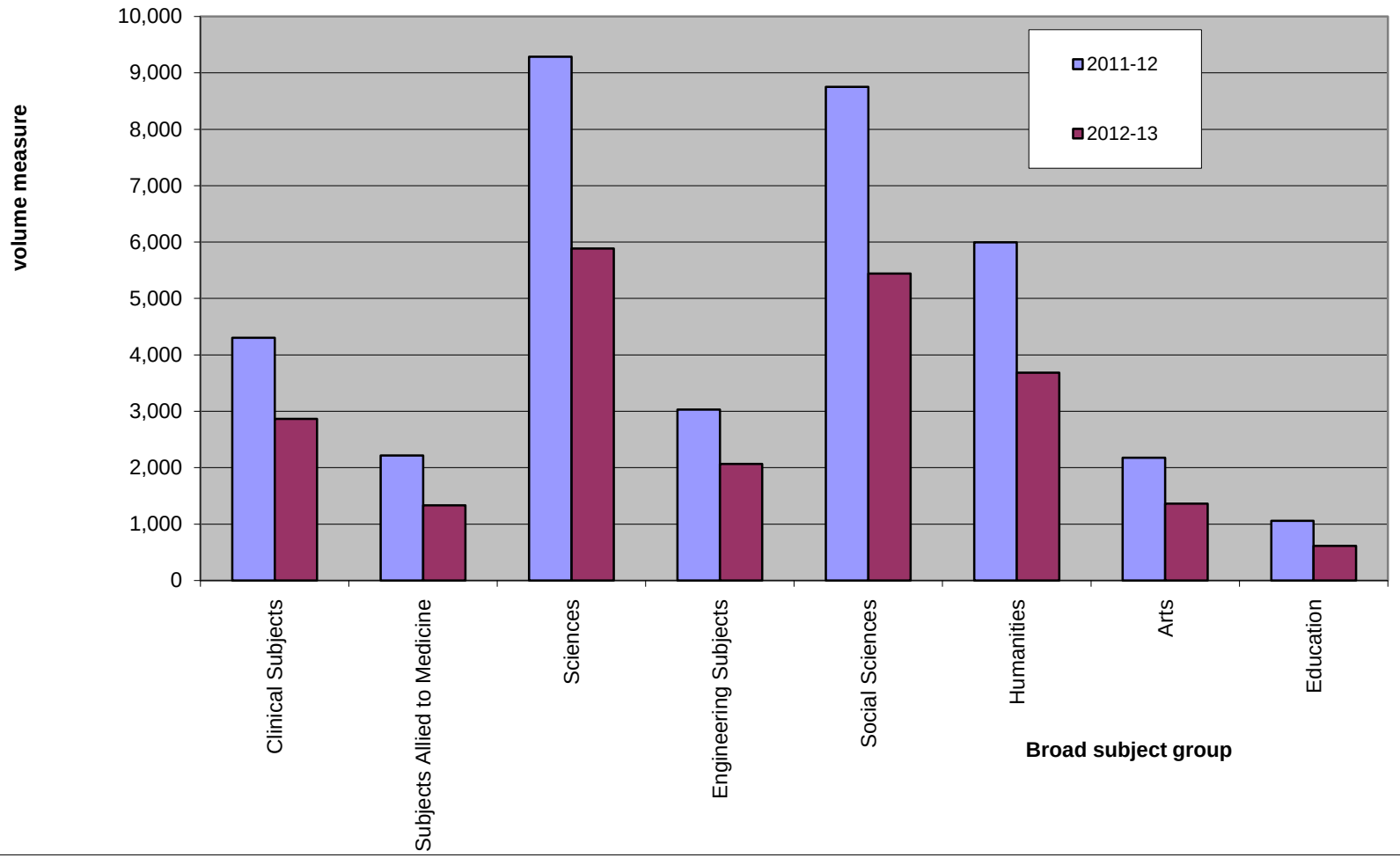
# Research active academic staff FTE submitted in recent RAEs (England)



# 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

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# Thank you for listening

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