

Survey of fees for postgraduate taught and part-time undergraduate students

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Introduction

1. HEFCE 2003/42, 'Developing the funding method for teaching from 2004-05: consultation', seeks views on proposals to develop our methods for funding teaching and widening access and improving retention for 2004-05 and beyond. One of the proposed changes to the main funding method for teaching is to the assumed fee rates for postgraduate taught and part-time undergraduate students.

2. This report describes the large-scale survey we have undertaken of fee rates actually charged by institutions. The findings underpin the proposals in HEFCE 2003/42.

Background

3. The HEFCE funding method is resource based – that is, it takes account of assumed fee income as well as HEFCE grant per student. These fee assumptions reflect sector-average or regulated fee rates. They do not vary by institution. We take account of fee income because the Government plans the funding of higher education on this basis. The balance of higher education funding between HEFCE grant and tuition fees has changed a number of times over the last 10 years. In this way, the Government is able to vary the recruitment incentives for institutions and/or students. By taking account of assumed fee income, our funding method is not affected when the Government changes the balance between fees and grant.

4. The contribution to tuition fees from public funds is, however, generally limited to full-time undergraduates and other initial teacher training (ITT) students, and those research students supported by the Research Councils. For most part-time undergraduates and many postgraduates, institutions are free to determine their own fee levels. Under the current funding method, we have made uniform assumptions about the fees for these categories of student, although there is likely to be wide variation in the actual fees charged.

5. For 2003-04, the assumed fee per full-time equivalent (FTE) for part-time undergraduates (other than those on ITT courses) is £830; the assumed fee per FTE for postgraduate students is £2,940. If institutions charge higher fees than we assume, then we do not reduce the grant we pay. Equally, we do not provide incentives for institutions not to charge student fees by increasing our funding where actual fee income is less than we assume.

The population

6. In order to test the assumptions we make about fee rates, we conducted a large-scale survey of institutions. We looked to draw conclusions about average fee rates for a particular population of students in the sector, that is, students whose funding is the responsibility of HEFCE and who do not have their fees set by Government. Therefore the following types of students do not fall under the remit of this study:

- a. Students subject to the student support regulations (principally full-time and sandwich undergraduates and students on other ITT courses).
- b. Postgraduate research students (who are largely funded through HEFCE's funding method for research, rather than the funding method for teaching, and whose fees will

commonly be paid by the Research Councils or the Arts and Humanities Research Board).

c. Students who are not fundable by HEFCE, such as overseas students and those funded by other EC public bodies.

7. To make fee assumptions about the selected population of students, we draw from two sources of information:

- a. A stratified sample of non-Open University (OU) students; and
- b. A near complete examination of OU students who fall into the selected population.

8. All students were selected from the Higher Education Statistics Agency (HESA), and Learning and Skills Council (LSC) data returns for 2001-02. They were also within the populations covered by data returns to the Higher Education Student Early Statistics Survey (HESES), and the Higher Education in Further Education: Student Survey (HEIFES).

9. The students are categorised according to three characteristics: what type of institution they attended; what course they were on; and in which subject area. The breakdown of these three characteristics is given below.

Course type:

- full-time and sandwich (FTS) postgraduate taught (PGT) long courses
- FTS PGT standard length courses
- part-time (PT) PGT long courses
- PT PGT standard length courses
- PT undergraduate (UG) first degrees
- PT UG foundation degrees and sub-degree.

Subject area:

- business and management
- creative arts and design, architecture
- combined studies
- education
- humanities and social sciences
- IT, computing and maths
- laboratory-based science and engineering, agriculture
- languages
- law
- medicine, dentistry and veterinary science
- subjects and professions allied to medicine.

Institution type:

- further education college (FEC)
- multi-faculty higher education institution (HEI)
- Open University
- specialist HEI.

This categorisation formed 198 potential strata for our analysis.

Definition of fees for the purpose of this study

10. For each of the students selected for this study, institutions have provided details of the standard fees chargeable in 2001-02 to that student. This will generally be the annual fees for the programme of study, as published in prospectuses or elsewhere, irrespective of who pays the fee or whether the actual fee charged to the individual student has been partly or wholly waived, or remains unpaid.

11. The fees chargeable for the year comprise both what are commonly referred to as 'tuition fees' and 'validation fees':

a. Tuition fees are defined in Section 28 (1) of the Teaching and Higher Education Act 1998 as:

'fees in respect of, or otherwise in connection with, attendance on the course, including admission, registration, tuition and graduation fees but excluding: fees payable to an institution for awarding or accrediting any qualification where the institution does not provide the whole or part of the course and is not a publicly-funded institution; fees payable for board and lodging; fees payable for field trips (including any tuition element of such fees); fees payable for attending any graduation or other ceremony; and such other fees as may be prescribed'.

b. Validation fees are fees payable to an institution or organisation for awarding or accrediting a qualification, where the institution at which the student is registered does not itself have those awarding/accrediting powers. Validation fees may be payable to an HEI, or to organisations such as Edexcel. Where a validation fee is charged in addition to the tuition fee in respect of a student's completion of a qualification, then this has been included in the fees chargeable for the student, but only if the validation fee for the particular student identified in the survey was payable in the 2001-02 academic year.

12. We have included validation fees in this survey, so that we can compare like with like. Some institutions will not charge validation fees because they have degree-awarding powers themselves. There will nevertheless be validation costs for these institutions, arising from their own internal validation processes. Other institutions may not charge validation fees because they have in the past received fee compensation from HEFCE for this purpose, and this is now built into their core HEFCE grant. Therefore we believe that it is right to take validation fees into account when assessing the overall fees payable by home and EC students.

The non-Open University sample

13. The non-OU sample is a stratified sample of all possible students who fall into our selected population, with strata defined by institution type, course type and subject area. In total, therefore, there are $3 \times 6 \times 11 = 198$ strata, although not all contain observations. There are only three institution types in the stratified sample, as OU students were collected separately.

14. We have chosen these strata in order to:

a. Identify categories of institutions, students or subjects where there may be differences in the levels of fees chargeable.

b. Ensure that any differences in fee levels that are observed through the survey could be implemented in the funding method. This requires, for example, consistency in the broad subject groupings with our existing price group structure. We have also taken the view that it would not be acceptable to differentiate, for example, between pre- and post-1992 universities.

c. Ensure an appropriate balance between the number of strata and the number of observations in each stratum.

15. Our target number of observations in each stratum was 120. In strata where there were fewer than 120 students, all students were sampled. The sampling approach within each stratum was simple random sampling.

16. Only a small proportion of the sampled students had missing values returned. Through testing, this was deemed not to be a significant problem when estimating fee levels. Additionally a number of fee levels that were unusually high or low were investigated to check on their validity for inclusion in the study.

The OU collection

17. Due to the nature and size of activity for the students, we decided to treat the OU differently from the other institutions in the study. The OU was asked to provide the fees charged for those modules that were run in the academic year 2001-02. The fees charged for an OU residential school associated with any modules were subtracted before any further calculations took place for each student. This is because such fees include the cost of board and lodging as well as student tuition.

18. Then using HESA data, we calculated a total fee on an individual basis for each OU student identified within our population. This was based on a sum of the fees associated with OU modules they began in 2001-02. Each student was classified using the three strata given in paragraph 9, as with the stratified sample.

19. In the analysis of the results, the OU is not identified separately from the other multi-faculty HEIs.

Fee levels

20. For each student in the non-OU sampled data and OU population, a fee has been collected. This fee is scaled up to a fee per FTE based on the:

a. Derived HESES FTE recorded for those students at the multi-faculty HEIs (excluding the OU) or specialist institutions.

b. Derived HEIFES FTE recorded for those students at FECs.

c. Sum of the module FTEs returned for students studying at the OU.

21. To estimate population fee levels from our stratified sample and OU data, the fee levels returned have been weighted. Annex A describes how this weighting was calculated. Ignoring institution type, subject area of study, or variation in course type, the calculated fee levels in 2001-02 are as follows:

- part-time undergraduates £1,059 (£16)
- full-time and part-time postgraduates £4,271 (£88).

The figures in brackets show standard deviations from the estimated fee levels, taking into account sampling rates from each stratum.

22. Table 1 gives the estimated fee levels depending on level, mode and course length. It shows that the average part-time postgraduate fee (£4,797) is higher per FTE than the average full-time postgraduate fee (£3,664). It also shows that the effect of course length on postgraduate fees chargeable varies depending whether the mode of study is full-time or part-time.

Table 1 Fee levels by level, mode and course length

Level	Mode	Course length	FTEs in population	Fee/FTE	
Postgraduate	Full-time	Long	31,092	£3,464	} £3,664
		Standard	11,248	£4,214	
	Part-time	Long	29,987	£5,547	} £4,797
		Standard	18,799	£3,601	
Undergraduate	Part-time		144,343	£1,059	
Total			235,469		

23. There is some variation in fee levels between subject areas. Table 2 shows the subject area fee levels depending on whether the student is a part-time undergraduate or a postgraduate. The figures given in Table 2 do not take into account the type of institution the student attended.

Table 2 Fee levels by subject area

Subject area	PT UG		PGT	
	Population	FTE Fee/FTE	Population	FTE Fee/FTE
Allied to medicine	6,985	£1,354	4,237	£ 3,008
Business	17,342	£1,240	21,696	£ 6,242
Combined	19,483	£834	2,162	£ 3,074
Creative arts	9,839	£1,081	8,033	£ 3,236
Education	9,366	£1,140	6,927	£ 2,526
Humanities	28,727	£976	16,298	£ 3,686
IT	14,607	£994	6,625	£ 3,777
Laboratory based science	25,466	£1,016	12,303	£ 4,302
Languages	7,979	£939	3,214	£ 2,694
Law	4,517	£1,842	7,828	£ 4,602
Medicine	31	£2,343	1,802	£ 4,528
Total	144,343	£1,059	91,126	£ 4,271

24. The variations in fees per FTE for the different institution types are shown in Table 3. They do not take into account the subject mixes within each institution type. Table 3 shows that the average part-time undergraduate fee level for a multi-faculty HEI is £1,056, which is not significantly different to the overall average of £1,059. Specialist institutions charge the highest fees for both part-time undergraduates and postgraduates. FECs charge fees at a lower level than either multi-faculty HEIs or specialist institutions.

Table 3 Fee levels by institution type

Institution type	PT UG		PGT	
	Population	FTE Fee/FTE	Population	FTE Fee/FTE
FEC	10,985	£998	351	£1,723
Multi-faculty HEI (including OU)	131,136	£1,056	83,465	£4,159
Specialist	2,222	£1,501	7,310	£5,672
Total	144,343	£1,059	91,126	£4,271

25. Table 4 gives the average fee levels separated by level, institution type and subject area. It shows that there are particularly high fee levels for IT and business courses in specialist institutions.

Table 4 Fee levels by institution type and subject area

Institution type	Subject area	PT UG		PGT	
		Population FTE	Fee/FTE	Population FTE	Fee/FTE
FEC	Allied to medicine	227	£861	18	£1,629
	Business	2,610	£961	142	£2,203
	Combined	729	£2,095	80	£887
	Creative arts	2,261	£909	55	£1,989
	Education	655	£986	33	£1,186
	Humanities	359	£678	11	£2,131
	IT	1,271	£890	~	~
	Laboratory-based science	2,838	£924	12	£1,658
	Languages	35	£915	~	~
	Multi-faculty HEI (including OU)	Allied to medicine	5,784	£1,322	3,896
Business		14,634	£1,289	20,453	£5,725
Combined		18,702	£785	1,947	£3,143
Creative arts		6,976	£1,139	6,046	£3,273
Education		8,610	£1,156	6,178	£2,343
Humanities		28,165	£973	14,723	£3,620
IT		13,326	£1,003	6,561	£3,722
Laboratory-based science		22,464	£1,018	11,448	£4,380
Languages		7,938	£938	3,104	£2,711
Law		4,517	£1,842	7,673	£4,587
Medicine		20	£3,055	1,435	£4,228
Specialist	Allied to medicine	974	£1,660	323	£1,932
	Business	98	£1,394	1,101	£16,368
	Combined	53	£752	136	£3,369
	Creative arts	603	£1,049	1,933	£3,159
	Education	101	£765	716	£4,169
	Humanities	203	£1,992	1,564	£4,318
	IT	10	£2,114	64	£9,493
	Laboratory-based science	165	£2,343	843	£3,280
	Languages	~	~	110	£2,207
	Law	~	~	154	£5,319
	Medicine	10	£949	367	£5,700
Total		144,343	£1,059	91,126	£4,271

Note: ~ cells with fewer than 10 FTEs.

Queries

26. Comments or questions about this study should be sent to: Mark Gittoes, tel 0117 931 7052, e-mail m.gittoes@hefce.ac.uk

Annex A

Note

1. For this annex, references to the sample data refer to the combination of the non-OU sample data and the OU collected data.

Weighting of the sample fee levels

2. In order to correctly estimate the actual level in the population, a weight for each observation in our sample data was calculated. The method is given below:

a. Calculate the total FTE in the population separated into the different strata, as defined by course type, institution type and subject area (given in paragraph 9). Let F_i be the total FTE in the population for students in stratum i , as defined by course type, subject area of study and institution type.

b. Calculate the total headcount in the sample data separated into the different strata. Denote S_i as the total sample headcount for stratum i .

c. The weights attached to the j^{th} student in stratum i is W_{ij} and takes the form:

$$\begin{aligned} W_{ij} &= F_i / S_i && \text{if person } j \text{ in stratum } i \text{ was in the sample,} \\ &= 0 && \text{if person } j \text{ in stratum } i \text{ was not in the sample.} \end{aligned}$$

Equation 1

d. A weighted mean population fee per FTE (Pop fee) is then calculated using the associated W_{ij} 's from the sample data and the corresponding fee per FTE. The overall fee level is calculated as follows:

$$\text{Pop fee} = \frac{\sum_{\text{sample}} (W_{ij} * \text{Fee per FTE}_{ij})}{\sum_{\text{sample}} W_{ij}}$$

Equation 2

e. Similar calculations can be done for smaller sub-sets of the population.

Worked example

3. Imagine a world where there are only 3 strata and 8 people in the population. The FTE for each person is known and 4 of the people have had their fees collected. Table 5 shows the form of these data.

Table 5 Example data

Stratum	FTE	Fee	Fee per FTE
1	0.50	£400	£800
1	0.25	?	Not collected
1	1.00	?	Not collected
2	0.50	£600	£1,200
2	0.40	£700	£1,750
2	0.75	?	Not collected
2	0.75	?	Not collected
3	0.75	£750	£1,000

4. We now calculate the total FTE from the population for each stratum:

$$F_1 = 0.50 + 0.25 + 1.00 = 1.75$$

$$F_2 = 0.50 + 0.40 + 0.75 + 0.75 = 2.40$$

$$F_3 = 0.75$$

5. The sample headcounts for each stratum are as follows:

$$S_1 = 1$$

$$S_2 = 2$$

$$S_3 = 1$$

6. The weight for the first person in stratum 1 is

$$W_{11} = F_1 / S_1 = 1.75 / 1 = 1.75$$

For this observation, it represents all of the FTE (1.75) of that stratum in the calculation of population fees.

7. Table 6 shows the calculated weights allocated to each observation.

Table 6 Data with weights attached

Stratum	FTE	Fee	Fee per FTE	Weight
1	0.50	£400	£800	1.75
1	0.25	?	Not collected	0.00
1	1.00	?	Not collected	0.00
2	0.50	£600	£1,200	1.20
2	0.40	£700	£1,750	1.20
2	0.75	?	Not collected	0.00
2	0.75	?	Not collected	0.00
3	0.75	£750	£1,000	0.75

8. The average fee per FTE for the population is then calculated using the fees found in the sample data and the weight attached to that data:

$$\begin{aligned} \text{Pop fee} &= (\text{£}800 * 1.75 + \text{£}1,200 * 1.20 + \text{£}1,750 * 1.20 + \text{£}750 * 0.75) \\ &\quad / (1.75 + 1.20 + 1.20 + 0.75) \\ &= 5690 / 4.90 \\ &= \text{£}1,161 \end{aligned}$$