

Research report

The future size and shape of the higher education sector in the UK: demographic projections



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This report is the first output of a major project that Universities UK initiated in 2007. The project is intended to provide a basis for assessing the size and shape of the UK higher education sector in 20 years' time. Its analysis takes account of differences between the four UK countries. The project aims to improve understanding of the factors that may influence the growth of the sector and the position of universities (and groups of universities) within it. The findings of the project will support the development of Universities UK policy and provide new insights for those responsible for the strategic management of institutions.

This first report analyses the demographic data on the age groups most relevant to the future demand for higher education. The analysis leads to a set of demand-based projections for the four countries of the UK for 2027. This report provides an initial analysis of what the key uncertainties and drivers might be for the different student markets that higher education institutions currently operate in. As the authors emphasise, the projections are not intended to be forecasts of what will happen, but to provide an initial baseline for subsequent work. There are a number of external factors that could have a significant impact – both positive and negative – on future student demand over the next 20 years.

The subsequent phases of the project will take account of the potential impact of known and readily foreseeable policy developments as well as the external drivers. It needs to be recognised that many of the policy developments are likely to change more than once over the next 20 years. From this analysis a small number of scenarios for the size and shape of the sector in 2027 will be developed and the differential impact for different types of higher education institution will be considered.

This report provides some fascinating new material and a valuable baseline for the next stage in our study. Our thanks go to Brian Ramsden and Nigel Brown for their hard work in preparing it.

Sir Muir Russell

Chair, Project Steering Group and
Principal, University of Glasgow

Nature and purposes of this study

- 1 This report presents the outcome of the first phase of the project to develop a basis for assessing the size and shape of the higher education sector in 20 years time. The first phase was concerned with analysing demographic data on the age groups most relevant to the future demand for higher education and their articulation with actual entry to higher education.
- 2 This analysis leads to a set of demand based projections for higher education for the four countries of the United Kingdom (UK) for 2027. The second and third phases of the project will develop a small number of scenarios for the higher education sector based around key uncertainties and drivers for change. These scenarios will then be used to build from the demographic demand based projections a range of models of the size and shape of the sector in 2027 and the differential impact for different types of higher education institution. The final part of this report provides an initial analysis of what those key uncertainties and drivers might be for the different student markets that higher education institutions currently operate in.
- 3 It is important to understand that the projections in this report are not forecasts of what **will** happen, but are rather a starting point for the subsequent work of Phases 2 and 3 that can set on one side demographic change – the factor that is least susceptible to public policy changes. Past experience suggests that perceived demographic threats can lead to the development of new student markets by higher education institutions. The analysis presented in this report complements and builds on the series of reports published by the Higher Education Policy Institute (HEPI)¹. However, the HEPI analysis relates only to demand in England and is primarily about demand for full-time undergraduate higher education.
- 4 The demand based projections presented in this report are broken down by mode and level of study (full-time and part-time; postgraduate and undergraduate), domicile (home, European Union [EU] and international [outside the EU]) and main qualification aim (postgraduate research, postgraduate taught and for part-time undergraduate between first degree and other qualifications).
- 5 It is also important to note that the starting point for the projections is the number of students in each of the categories in 2005/06 as recorded by the Higher Education Statistics Agency (HESA). This excludes students who were on directly funded programmes in further education colleges in 2005/06. These represented around eight per cent of the total of higher education students across the UK, but nearer 18 per cent for Scottish domiciled students in 2005/06. Data on these students are collected by the funding bodies for further education institutions and cannot be directly compared with the HESA data. However, indirectly funded students on higher education programmes in further education colleges franchised by a higher education institution are included since they are registered at the higher education institution. Furthermore, many of the directly funded students on higher education programmes in further education colleges, especially those in Scotland, will be counted in due course as they progress onto degree programmes at a higher education institution. Nevertheless, to an extent, both the baseline and the projections understate the total number of higher education students in the system. One of the uncertainties for consideration in Phases 2 and 3 of the study is whether higher education institutions might experience increased competition for directly funded higher education students from further education colleges.
- 6 The report analyses demographic changes for key age groups in the four countries of the UK and the EU. In this report, we have drawn on the latest published demographic information for the UK – the 2006 based population projections. It should be recognised that these were only very recently published, in October 2007, and have indeed not yet been set into context by the Office for National Statistics (ONS). An article on these projections will be published by ONS in *Population Trends* 131, in March 2008.
- 7 The report does not analyse demographic change in countries outside the EU, but assumes a common percentage increase in international students from outside the EU based on work published by the British Council². The demand for overseas study within a global market is, however, one of the key uncertainties that will be addressed in Phase 2 of the project.

Key demographics

- 8** The key demographics are the changes in the 18–20 year old population across the four countries of the UK and the EU and changes to the population of older groups. Young people aged 18–20 represented 71 per cent of the UK-domiciled new entrants to full-time undergraduate higher education in 2005/06. Full-time undergraduates were 46 per cent of all students in higher education in 2005/06³. The underlying demographics affect not only the level of entry to full-time undergraduate programmes, but also – with a lag – entry to postgraduate programmes. The pattern of demographic change for older age groups is important for entry to part-time undergraduate programmes since the majority of entrants to such programmes are over 30. However, there is a distinction between part-time first degree programmes where two thirds of the entrants are aged under 40 and part-time undergraduate programmes, other than first degrees, where only about half the entrants are aged under 40.
- 9** Table 1 shows the projected percentage change in the population of 18–20 year olds from 2006 to 2027 for the UK as a whole, for the four constituent countries of the UK and for the rest of the EU.
- 10** These figures mask a substantial decline between 2009 and 2020 but do illustrate that England is projected to show a small increase in its young population over the period under review, while the other countries of the UK face a significant demographic decline in the relevant age group. The figures for the rest of the EU also mask a much more substantial decline in young people aged 18–20 of around 40 per cent in certain countries, especially the new accession states of Eastern Europe, and a more modest decline or even an increase in other countries, mostly in Western and Northern Europe. The Republic of Ireland shows the largest increase in the 18–20 year old population of any EU country over the period 2006 to 2027.
- 11** The UK figures have the current projections (2006 based) from ONS of net migration by age group into the UK built into them.
- 12** The population projections show in most cases a narrowing of the gender imbalance between males and females especially during the period of sharpest decline in the 18–20 year old population. This will tend to aid overall participation given the greater propensity of qualified females to enter higher education. Although the analysis is more experimental, there is also evidence to suggest that the proportion of minority ethnic individuals in the 18–20 year old population will rise. This too may aid overall participation.
- 13** The other major factor that has a significant influence on higher education participation is the social class mix of the population. HEPI has undertaken considerable analyses of this issue, which suggest that there will be a shift in the socio-economic mix of 18–20 year olds in England over the next 20 years. The birth rate amongst those born to parents from the lowest socio-economic categories IIIIM–V has been declining more rapidly than for those in the highest social categories I–IIIN. This factor would tend to increase participation and as HEPI has shown, would offset some of the fall expected from the demographic decline in the 18–20 year old population between now and 2020. However, as HEPI emphasises, “It is differential school achievement that determines participation in higher education. Social class is not the issue here – the disparity of entry to higher education simply reflects differences in school achievement.”⁴
- 14** In the light of this analysis we have not sought to build possible changes in the social class make up of the population into the projections. Furthermore the necessary data for other parts of the UK are not readily available. However, we will give further consideration to this issue in Phase 2.

Table 1
Percentage change in the 18–20 year old population 2006 to 2027 for the UK, its constituent countries and the rest of the EU

	UK	England	Scotland	Wales	Northern Ireland	Rest of EU
Percentage change in population of 18–20 year olds 2006 to 2027	+0.3	+2.4	-11.0	-9.0	-11.0	-14.1

Source: ONS and Government Actuary's Department (GAD), 2007

15 As noted above, the majority of demand for part-time undergraduate higher education is from people aged 21 and over. Analysis of the demographic projections by age group shows a complex variation with troughs and peaks moving through the age groups over the next 20 years. Overall there is likely to be a modest increase in the relevant age groups, especially amongst 30–39 year olds from which the highest proportion of part-time undergraduate students is drawn, across the period for the UK as a whole. This trend is matched in England and Northern Ireland and to a lesser extent in Wales, but in Scotland, there is a slight decline in 30–39 year olds across the 20 year period.

Articulation of level 3 qualifications and demand for higher education

16 The major route into full-time higher education among UK-domiciled students is through level 3 qualifications, in particular A-levels and Scottish Highers.

17 The relationship between level 3 qualifications and entry to higher education in England has been explored in depth in the reports published by HEPI referred to above. HEPI’s conclusion⁵, based on Department for Education and Skills (DfES) statistics for England is: “Overall, the proportion of the 17 year old population achieving two A-levels increased steadily, from 24.6 per cent in 1994 to 34.2 per cent in 2002, when the increase stalled. Although the 2006 level was above that of the previous year, it was barely different from 2002. There is no evidence here that achievement at the key point in the supply chain is improving in a way that suggests that participation will increase in the future.” This conclusion is valid notwithstanding the annual news stories of ever increasing A-level achievements by students.

18 A similar picture is presented in Scotland by looking at the percentage of leavers with five or more qualifications at level 6 or better within the Scottish Credit and Qualifications Framework (SCQF). Although it is difficult to obtain data on a comparable basis there is, however, evidence of a modest increase in the number of 17 year olds gaining level 3 qualifications in Wales.

19 We have assumed for the basis of the projections included in this report that there will be no significant increase in the proportion of young people gaining level 3 qualifications. However, over the 20 years being considered, this is a key uncertainty that will be addressed in Phase 2 of the project.

Tentative projections

20 Tables 2 and 3 show summary projections of the changes in enrolments in higher education institutions for 2026/27 for the UK and for the four constituent countries respectively⁶. The key factors underlying these projections are the demographic projections by age for UK and EU students. As already noted we have incorporated projected changes in the gender balance and ethnic make up of the 18–20 year old population and trends in the transfer rates of full-time undergraduates into postgraduate study but otherwise the projections reflect neither the potential impact of policy changes nor possible long-term changes in other key variables. The impact of these possible changes will be considered in Phase 2.

Table 2

Summary of tentative projection of changes in enrolments in UK higher education institutions, 2005/06 to 2026/27

	2005/06	2026/27	Percentage change
Full-time undergraduate	1,198,800	1,208,800	0.8%
Part-time undergraduate	589,800	617,800	4.7%
Full-time postgraduate	234,300	240,400	2.6%
Part-time postgraduate	258,500	262,900	1.7%
Total	2,281,000	2,330,000	2.1%
Of which home and EU domiciled	2,090,200	2,131,300	1.9%
Of which international (non-EU) domiciled	191,000	198,700	4.0%

Table 3**Summary of tentative projection
of changes in enrolments in
higher education**

		Undergraduate	Postgraduate	Total
England	Enrolments 2005/06	1,450,400	414,700	1,865,100
	Enrolments 2026/27	1,509,300	425,900	1,935,200
	Percentage change	4.1%	2.7%	3.8%
Wales	Enrolments 2005/06	117,500	21,800	139,300
	Enrolments 2026/27	114,400	22,000	136,400
	Percentage change	-2.6%	0.9%	-2.1%
Scotland	Enrolments 2005/06	174,300	46,100	220,400
	Enrolments 2026/27	160,500	45,400	205,900
	Percentage change	-7.9%	-1.5%	-6.6%
Northern Ireland	Enrolments 2005/06	46,400	10,200	56,600
	Enrolments 2026/27	42,400	10,000	52,400
	Percentage change	-8.6%	-2.0%	-7.4%

- 21** These summary tables show that enrolments among full-time undergraduates are not projected to increase significantly by the end of the next 20 years, and indeed are likely to reduce in all countries of the UK except England. The disaggregated figures assume no change from the current pattern of cross-border flows. The potential impact of differential demographic change may encourage more active recruitment from those domiciled in other countries of the UK by Scottish higher education institutions in particular.
- 22** Such growth as may realistically be projected is among part-time undergraduates, as a result of the assumed increase in the population aged 30–39.
- 23** However, we note two important caveats here. The first is that in the period between 2009 and 2020, there is a very significant projected downturn in the relevant young populations in all four countries of the UK, and this provides perhaps the greatest demographic challenge to higher education institutions.
- 24** The second is that the population projections are highly sensitive to changes in one component, namely migration. We have had an opportunity to compare the implications for higher education against both the 2004 based and 2006 based principal population projections from ONS, and are aware of the very considerable differences between the two. Net inward migration is an issue of significant political interest, and therefore might conceivably be subject to governmental action over the next 20 years.
- 25** We are also conscious that the principal ONS projections, on which we have based our own calculations, are intermediate between other variant projections produced by ONS, and that some variant projections would produce different outcomes.

Key uncertainties and drivers

- 26** As a starting point for Phases 2 and 3 of this project we have identified a series of key uncertainties and associated drivers that may have significant impacts on student demand over the next 20 years. In taking forward this analysis, it is important to bear in mind the relative sizes of the different student markets in which higher education institutions operate. In 2005/06 just over half of all student enrolments were on full-time undergraduate programmes, around a quarter were on part-time undergraduate programmes and one quarter on postgraduate programmes. Of total enrolments, around 4.5 per cent were from EU (non-UK) domiciled students and just under 10 per cent were from outside the EU. This last group contained a higher proportion of postgraduate than of undergraduate enrolments. Different types of institution are differentially engaged in these various markets and Phase 3 will examine how prospective developments might be expected to have a differential impact on those different types of institution.
- 27** The key uncertainties for **full-time home undergraduate enrolments** are the proportion of young people gaining level 3 qualifications and their propensity to enter higher education, which is much lower for those with vocational level 3 qualifications than those with A-level or Scottish Highers. The main drivers for increased participation are increased demand for graduates from employers (as highlighted by the Leitch report as being necessary⁷) and a continuation of the perceived net benefit of undertaking an undergraduate course over entering the labour market immediately. It will also be necessary to consider the possibility of increased competition in the UK undergraduate market from non-traditional providers, from overseas universities and from the development of 'borderless' higher education. Much will depend here on whether there is further liberalisation of the quality assurance regime. The extension of foundation degree awarding powers to further education colleges already offers the prospect of increased competition from that source in the longer term.
- 28** **Part-time undergraduate higher education** comprises a number of different markets. The part-time first degree market shares many of the characteristics of the full-time first degree market and is primarily driven by the demand for graduates from employers and the perceived net financial benefits of a degree. The part-time other undergraduate qualifications market consists of a number of different strands including professional and vocational sub-degree qualifications, including foundation degrees. The response from government, employers and higher education institutions to the Leitch agenda will be critical to the level of demand for this type of programme. There appears to be more opportunities for increased competition in the part-time undergraduate market, given the more varied types of provision, than for full-time undergraduate study.
- 29** However, a significant proportion of part-time undergraduates already have higher education qualifications. The Government's very recent decision that in future public funding support for students in England undertaking a higher education qualification at an equivalent or lower level should be withdrawn will have a significant impact on part-time undergraduate demand, at least in the short term. This issue and its longer term impact will be addressed further in Phase 2 of the project.
- 30** The demand for **postgraduate taught programmes from UK students** is driven by the demand in the economy for the highest level skills and the availability of financial support from employers or from elsewhere, especially as graduates emerge with increased amounts of student debt.
- 31** The demand for UK higher education programmes, but especially postgraduate study from **international students** will depend heavily on: the continued high reputation of UK higher education; the development of domestic higher education in the countries mainly concerned; and the UK's ability to compete in what is likely to be an increasingly tight global student market.

- 32** This paper reports on the work undertaken for the first phase of the Universities UK project concerned with the future expansion of the higher education sector in the United Kingdom (UK) over the next 20 years.
- 33** This report is heavily weighted towards the demographic factors which underlie participation in higher education, and which are subject to significant change over the next 20 years. The study is thus a demand side rather than a supply side one. Changes in policies and practices may of course cause changes in the overall scenario over the 20 year period.
- 34** The report also provides an initial assessment of some of the other key uncertainties affecting demand and the drivers underlying those uncertainties for the main student markets, in which the publicly funded higher education sector in the UK operates: these will provide a basis for the subsequent stages in the project.
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- The role of Phase 1 of the project**
- 35** The general purpose of this phase of the project is to provide a quantitative underpinning for the subsequent two phases.
- 36** The first phase, as outlined in the project specification, will look at the different types of teaching and learning activities. Also, the sources of demand for teaching and learning in higher education institutions from UK and European Union (EU) students and how those might be expected to change under current policies and prospective and projected demographic change over the next 20 years. This includes:
- the establishment of a baseline of demand for differing markets within higher education – full-time young undergraduate, part-time undergraduate (degree and other), postgraduate (part-time and full-time) and lifelong learning, including continuing professional development;
 - the identification of the key variables that influence demand in these areas, in particular demographics (including changes to social mix), prior educational attainment, employment demand for qualifications/ training; and
 - the trending forward of demand in different markets using these key variables and projections. (It will be assumed for the purposes of Phase 1 that there will be no major changes to policy such as the financial support arrangements for individuals or changes in the financial incentives to employers to support staff development.)
- 37** This will provide a baseline projection against which to measure the potential impact on demand of policy and other external changes.
- 38** Consideration is also given to demand from students from countries outside the EU, since they are dominant in some subjects and levels of study and a crucial source of income for many institutions. Furthermore, UK higher education institutions operate in an increasingly global student market that, in addition to overseas higher education institutions, includes an increasing number of global players using the internet and other communications technologies to deliver higher education programmes on a global basis (“borderless” higher education).
- 39** The overall objective therefore, is to provide a forward-looking 20 year perspective for the demand for the teaching and learning offered by higher education institutions in the UK⁸. Although simply stated, this is a non-trivial exercise, even when applying a status quo view of the main uncertainties. Its importance lies in providing a quantitative baseline against which to measure the impact of significant change in the key variables to be used in Phases 2 and 3 of the study.
- 40** The last two years have seen a comparatively high level of turbulence in higher education demand, especially in England, arising from the introduction of the variable fees regime for full-time home and EU undergraduates. The extent to which this policy change will impact on student enrolments is the subject of another investigation⁹.

- 41** The turbulence generated by policy changes within England may also have an impact on student enrolments in the other countries of the UK: and of course there are related changes in progress within Wales, Scotland and Northern Ireland. We should emphasise that this report is concerned with the whole of the United Kingdom (and separately with the four constituent countries), within which there are some very different higher education policies and very different projections of future population trends. Although the changing policies may have differential impacts in the four countries – and we will consider this in Phases 2 and 3 of the project – the underlying demographics and the differentials in them between the four countries are fixed to a much greater extent.
- 42** For these reasons, many of the statistics in this report may appear to be at variance with some other projections which have been published, and which have been concerned only with the situation in England.
- 43** The overall context within which the higher education sector operates is also in a period of major change, not least because of the developments in technology over the last two decades. These changes have provided both opportunities and threats for UK higher education. They are disruptive in both a positive and a negative sense, and have implications not only for the organisation and administration of universities, but also at a fundamental level for the teaching and research functions. We will consider the potential impact of technology further in Phase 2 of the study.
- 44** The international context of higher education in the UK is also changing, with the successive enlargements of the EU, which impact both on enrolments from other countries and immigration. The context is also affected by changes in the wider international market for higher education students and the globalisation of that market, both among the providers and among potential students.
- 45** The analysis of student populations in this report does not include students enrolled on directly funded higher education courses in further education colleges¹⁰, or in private institutions that are not included in HESA¹¹ data. This is inevitable given the different arrangements for the collection of data about higher education students in further education colleges in the four countries of the UK, which do not allow the same level of analysis as is for students enrolled in higher education institutions. Directly funded higher education students in further education colleges constitute approximately eight per cent of all higher education students. Many are enrolled on a part-time basis. The proportion of higher education students enrolled on directly funded programmes in further education colleges has been generally declining in recent years. However, directly funded places constitute approximately 17 per cent of higher education full-time equivalent enrolments in Scotland, where they often represent the first stage of an articulation from further education colleges into universities. Plainly, students within further education colleges are subject to the same changes resulting from demographic factors as other students within the UK. However, both the baseline and the projection will understate the total numbers of higher education students in the system. Furthermore, one of the uncertainties for consideration in Phases 2 and 3 of the study is whether higher education institutions might experience increased competition for directly funded higher education students from further education colleges.
- 46** As noted above, the final part of this report provides a brief analysis, in preparation for Phases 2 and 3 of the study, of the principal uncertainties for the different market segments within the baseline projection. This section of the report considers the materiality of each market segment to overall student load. It also provides a broad-brush initial assessment of the key uncertainties and drivers for each of the markets and the main areas of perceived risk across the 20 year time scale.

47 In order to provide a context for the comparative statistics quoted elsewhere in this report, Tables 4–9 show the currently estimated and projected total populations of the four countries of the UK. Also, the numbers and proportions of current students in each of the four countries of the UK by mode and level of study, gender (by country and by level of study), ethnicity (for first year home domiciled students) and domicile by level of study (for full-time students) and age of first year students (for those studying part-time). Table 10 provides a limited analysis of students following higher education programmes within further education colleges in Scotland, in view of the current significance of those students within the Scottish higher education system.

Table 4

Estimated and projected populations (thousands) of the UK, by country, 2006 and 2027

	Year 2006	Year 2027	Percentage change	Percentage of UK, 2006	Percentage of UK, 2027
England	50,714	59,047	16.4%	83.8%	84.8%
Scotland	5,108	5,367	5.1%	8.4%	7.7%
Wales	2,977	3,259	9.5%	4.9%	4.7%
Northern Ireland	1,733	1,973	13.9%	2.9%	2.8%
UK	60,532	69,646	15.1%	100.0%	100.0%

Source: ONS and GAD, 2007

Table 5

All higher education students¹² in higher education institutions, by mode and level of study, 2005/06

Location of institution	Mode of study	Postgraduate Research	Postgraduate Taught	First Degree	Other Undergraduate	Total
England	Full-time and sandwich	50,980	145,750	867,520	109,295	1,173,550
	Part-time, writing up and other	43,095	214,610	183,355	321,815	762,870
Total England		94,080	360,360	1,050,875	431,110	1,936,420
Wales	Full-time and sandwich	2,435	7,775	60,240	4,540	74,990
	Part-time, writing up and other	2,785	12,285	5,030	34,150	54,245
Total Wales		5,215	20,060	65,265	38,690	129,230
Scotland	Full-time and sandwich	6,355	16,935	115,560	9,975	148,825
	Part-time, writing up and other	5,655	25,045	12,710	23,600	67,005
Total Scotland		12,010	41,980	128,270	33,575	215,830
Northern Ireland	Full-time and sandwich	1,375	2,615	30,455	1,235	35,675
	Part-time, writing up and other	1,255	6,425	3,995	7,275	18,950
Total Northern Ireland		2,630	9,040	34,445	8,510	54,625
Total		113,930	431,435	1,278,860	511,885	2,336,110

Source: HESA

Table 6

Gender distribution by UK country and level of study, 2005/06

	Total postgraduate students	Postgraduates			Total undergraduate students	Undergraduates		
		Female	Male	Percentage female		Female	Male	Percentage female
Total UK	545,370	291,315	254,055	53%	1,790,740	1,047,860	742,885	59%
Total England	454,435	242,720	211,715	53%	1,481,985	865,255	616,730	58%
Total Wales	25,275	13,215	12,065	52%	103,955	59,465	44,490	57%
Total Scotland	53,985	28,610	25,375	53%	161,845	96,725	65,120	60%
Total Northern Ireland	11,670	6,770	4,900	58%	42,960	26,415	16,545	61%

Source: HESA

Table 7

Percentage ethnic minority students among first year home undergraduate students, 2005/06

Country	Percentage from minority ethnic groups among first year students in higher education institutions, 2005/06
UK	16%
England	18%
Wales	6%
Scotland	5%
Northern Ireland	2%

Source: HESA

Table 8

Full-time higher education students by domicile and level of study, 2005/06

Domicile	Postgraduate Research	Postgraduate Taught	First Degree	Other Undergraduate	Total
UK	31,570	85,820	849,405	110,655	1,077,450
Other EU	8,695	19,875	40,890	3,205	72,665
International	20,870	67,100	68,545	7,160	163,675
Total	61,135	172,795	958,840	121,020	1,313,790
Percentage of total					
UK	52%	50%	89%	91%	82%
Other EU	14%	12%	4%	3%	6%
International	34%	39%	7%	6%	12%
Total	100%	100%	100%	100%	100%

Source: HESA

Table 9

Age of first year part-time higher education students, 2005/06

Age group	England	Wales	Scotland	Northern Ireland	Total
17 years and under	3,055	1,740	490	30	5,315
18–21	24,530	2,825	2,050	260	29,665
22–25	37,375	3,095	2,490	850	43,810
26–29	33,915	2,075	2,140	750	38,880
30–39	77,385	4,745	5,220	1,710	89,070
40–49	60,760	4,155	4,920	1,455	71,290
50–59	27,550	2,190	2,565	715	33,020
60 years and over	16,015	1,645	1,880	625	20,165
Unknown	4,315	330	180	375	5,200
Total	284,900	22,795	21,940	6,780	336,415

Source: HESA

Table 10

First year students (full-time equivalent) on higher education programmes in further education colleges in Scotland, 2005/06

Ages of students (start of academic year)	Gender	Full-time	Part-time	Total
16–18	Male	3695	435	4130
	Female	3979	121	4100
19–24	Male	3148	927	4075
	Female	3250	662	3912
25–59	Male	1810	1711	3521
	Female	2919	3113	6032
60–64	Male	8	18	26
	Female	6	19	25
65 and over	Male	2	12	14
	Female	0	8	8

Source: Scottish Funding Council

48 This report considers the factors that influence the demand for higher education in the UK, and how the various components of demand may change over the coming 20 years – assuming no changes in overall policies, or other major changes arising as a result of unpredictable events¹³ (which will be addressed in Phases 2 and 3 of the study).

49 We focus on the following factors:

- high level demographic trends, in the UK as a whole and in its constituent countries; and also in other countries within the EU. We have not, however, considered demographic trends in countries outside the EU since, as we discuss below, there are other issues affecting future demand that may be more immediately relevant than pure demography;
- subsets of demography within the four countries of the UK, including not only the changing age balance, but also the changing gender balance, ethnicity and social class; and
- the articulation between level 3 qualifications and entry to higher education.

50 To apply all of these factors to all aspects of higher education participation would be supererogatory: it would also generate a report that would be unwieldy and unhelpful. We have, therefore, concentrated on providing a detailed analysis of the demographic and other issues in relation to the young population of the UK, which is the major source of demand for full-time undergraduate programmes and also contributes substantially, either directly or indirectly, to postgraduate demand. We have, however, undertaken a somewhat less detailed analysis of the forecast demographic changes in relation to the older populations over the next 20 years. As Table 9 demonstrates entrants to part-time higher education are drawn substantially from the population aged over 30.

A contextual note

“In 2004, there were just over 0.5 million (5 per cent) more children aged under 16 than people of state pensionable age.

However, from 2007, the population of state pensionable age is projected to exceed the number of children and by 2031 is projected to exceed it by almost 4 million (34 per cent).”

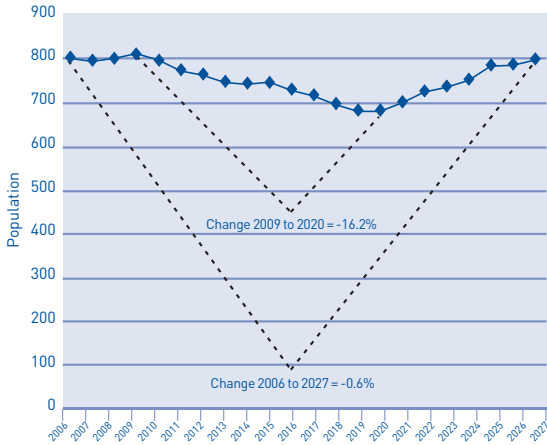
*Office for National Statistics*¹⁴

- 51** The major factor that influences the demand for higher education and which applies consistently and irreversibly over time is the demography of the population of the home country. Of course, the effects of demographic changes may be mitigated or amplified by policy changes or other factors, but the underlying demography is of prime importance.
- 52** Within the high level demography – that is, the numbers of persons in the population – there are other factors that are important for an assessment of the implications of demographic change on the higher education sector. The most important of these is the age distribution of the population, although there are others – gender, ethnicity, and perhaps social class – that also impact on the demand for higher education.
- 53** In this report, we have drawn on the latest published demographic information for the UK – the 2006 based population projections. It should be recognised that these were only published very recently, in October 2007, and have indeed not yet been fully set into context by the Office for National Statistics (ONS). An article on these projections will be published by ONS in *Population Trends* 131, in March 2008. In preparation for this analysis, we also interrogated the previous 2004 based estimates and are therefore able to compare these significantly different principal projections.
- 54** We set out in the following paragraphs and associated figures the **principal projections** of the population of the four countries of the UK, and of the UK as a whole, beginning with the year 2006 (which best equates with the latest available data about higher education), and continuing until the year 2027, 20 years on from the time of writing.¹⁵
- 55** It should be noted that there are several variant projections which are also calculated and published by the Government Actuary’s Department (GAD) and ONS; for example high migration, low migration, high fertility, and so on. While we have used the principal projections, we recognise that these are a mid point between extremes in relation to specific parameters. However, since this report covers a 20 year period, we believe that it would be unreasonable to adopt variant projections over such a long timescale, and that there is no theoretical model that would justify the adoption of different variant projections for individual years within the overall timescale. We have therefore not included in this report additional, and potentially confusing, alternative scenarios based on the variant projections. Phase 2 of this project will address potential changes to the baseline projections contained within this report.

Young population of the UK as a whole

- 56** We consider first the projections of the young population of the UK, since young people aged 18–20 are the major source of demand for full-time higher education at undergraduate level. In the most recent year, 44 per cent of the first year¹⁶ UK-domiciled students in full-time undergraduate higher education in the UK were aged 18. A further 21 per cent were aged 19 and seven per cent were aged 20. In total, these make up 71 per cent of first year full-time UK-domiciled undergraduate students.
- 57** We therefore look initially at the projected UK population aged 18 and then the projected population aged 18–20 in order to assess the overall context of change over the next 20 years, in respect of young full-time undergraduate entrants. We recognise that in Scotland there is a different expectation of the usual age of transition from school to higher education with Scottish Highers being taken by pupils at the age of 17 plus.
- 58** Chart 1 shows the projected number of people in the population of the UK, aged 18, from 2006 to 2027.

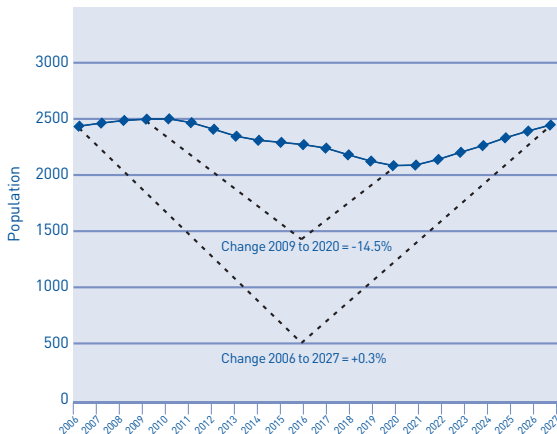
Chart 1
Projected population of the UK
(thousands) aged 18, 2006 to
2027



Source: GAD

- 59** It is clear from Chart 1 that there will be, on the basis of these projections, a significant reduction in the 18 year old population of the UK between 2009 and 2020, followed by a recovery thereafter, almost to 2006 levels by 2027.
- 60** At a more detailed level, the period up to the year 2009 shows comparative stability in the 18 year old population, followed by a steep decline between 2009 and 2020 followed again by a quite rapid increase thereafter. The major “dip” – ie the projected percentage reduction in the UK population aged 18 between 2009 and 2020 – is 16.2 per cent, and represents more than 100,000 people aged 18.
- 61** Chart 2 shows the equivalent for the 18–20 age group.

Chart 2
Projected population of the UK
(thousands) aged 18–20, 2006 to
2027



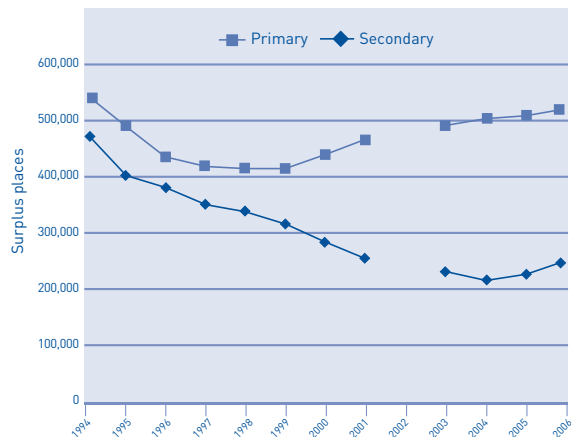
Source: GAD

- 62** The overall picture is very similar although, as one would expect, the chart shows a somewhat smoother transition over time.
- 63** Again, we see an increase in the population after the year 2020, following eleven years of decline. In this case, the projected percentage reduction in the UK population aged 18–20 between 2009 and 2020 is 14.5 per cent.
- 64** The starting position then for assessing the projected future number of higher education students, is that across the UK as a whole between 2009 and 2020 there will be a double digits percentage reduction among the population, which currently provides 72 per cent of first year full-time UK-domiciled undergraduate students, but with an expectation of improvement towards current levels thereafter.

A note about the relationship with schools statistics

- 65** Such demographic impacts on the higher education sector are of course not a new phenomenon. Moreover, they have been replicated in the past – and indeed the present – in the primary and secondary sectors of education, and are no better represented than by the data about unfilled school places in England.
- 66** Chart 3 shows the number of unfilled places in primary and secondary schools in England in the period 1994 to 2006.

Chart 3
Unfilled places in primary and
secondary schools in England,
1994 to 2006



Source: DfES – data for 2002 are not available

67 The release of this data led to a headline in the press in mid 2007¹⁷ reporting:

“Empty school places reach 758,000

The number of surplus school places in England has risen to 758,000 – the highest level since 1998.

This is the equivalent of more than 2,000 average-sized primary and 250 secondary schools lying empty.

The government says falling pupil numbers are a chance for local authorities to “completely reassess how they organise their schools”.

The empty places have been created by a declining birth rate, a shifting population and parental choice.”

68 The news story was – as far as can be ascertained – entirely accurate; but the figure of 758,000 unfilled places, while indeed being the highest since 1998, was markedly lower than the number of unfilled places in earlier years: the peak in recent years was in 1994, when the number of unfilled places was over 1 million.

69 In fact the trend in the chart shows nothing more than the inevitable effects of demography; which may only be changed by the introduction of genuinely new elements into the demographic calculations: for example a change in fertility, or in the mortality rate, or in respect of immigration or emigration.

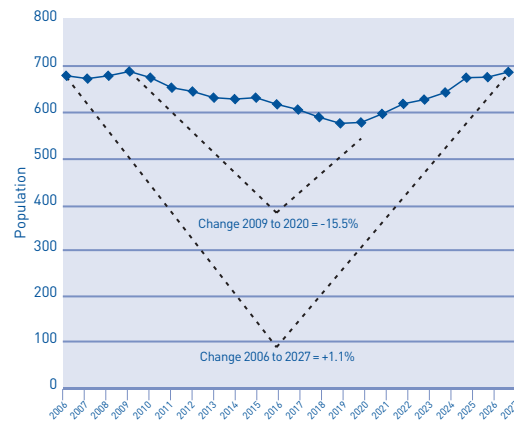
70 These are all issues that affect the population from which the higher education sector draws its students, and they underlie the work of this report. Indeed, the demographic trend shown in the chart of unfilled school places is the most fundamental factor that underlies any projection of higher education enrolments in the next 20 years.

71 In the following paragraphs, we present more detailed information on the demographic trends in each of the four countries of the UK, and additional elements will be added into the overall picture. Clearly, in view of the contextual statistics set out earlier, gender is a major factor to be taken into account. Ethnicity is considered only in relation to England, where, as the contextual statistics show, minority ethnic groups are three times as prominent among first year students in higher education institutions as in other UK countries.

Young population of England

72 We first consider the young population of England, which accounted for well over half of all entrants to full-time undergraduate education in 2005/06. Charts 4 and 5 show the projected population, firstly at age 18 and secondly aged 18–20.

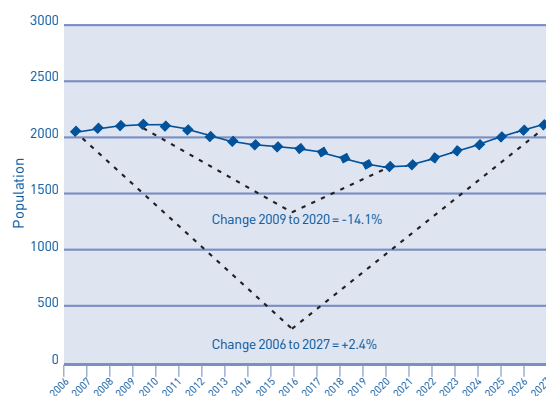
Chart 4
Projected population of England (thousands) aged 18, 2006 to 2027



Source: GAD

73 The overall shape of this chart is broadly similar to the equivalent chart for the UK as a whole, as one would expect, since the population of England constitutes 84 per cent of the UK population. However, the overall change over the 22 year period is slightly more positive. The 22 year projection shows a marginal increase although the major dip between 2009 and 2020 is 15.5%, which is slightly less severe than the projected reduction for the UK as a whole.

Chart 5
Projected population of England (thousands) aged 18–20, 2006 to 2027



Source: GAD

74 Here again the chart shows broadly the same overall characteristics as the equivalent chart for the UK as a whole. There is a modest increase over the whole period, but a dip between 2009 and 2020 of 14.1 per cent, which is slightly lower than the overall UK projection.

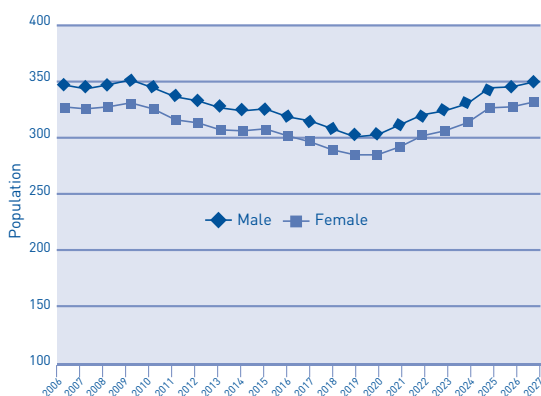
75 We now examine some of the components of the young population of England, and their relevance to the trending forward of demand.

Gender

76 The first, and perhaps most significant, issue is the gender balance of the population, since, as we have noted among the contextual statistics above, females constitute a significant majority of the undergraduate student body. Chart 6 shows the projected change in the balance between male and female people aged 18 in the population of England over the next 22 years.

Chart 6

Projected population of England (thousands) at age 18 by gender



Source: GAD

77 There are some signs here that the gender gap is projected to narrow slightly over the next 20 years, with a slight increase in the proportion of females at age 18. Overall, the male population is projected to increase by 0.9 per cent and the female population by 1.4 per cent.

78 Given the known higher propensity of females to enter higher education, this is – taken at face value – a positive indication, in terms of participation in higher education.

79 However, it does not carry over to the other younger ages, which show a disproportionate increase in the male population aged 19 and 20.

80 At a later point in this report, we shall use the gender calculations to underpin projections for participation in higher education.

Ethnicity

A contextual note

“Overall by 2020 some 11.5 per cent of the UK population will be minority ethnic. For children the minority ethnic share will be 17.1 per cent and in the labour force ages the share will be 12.8 per cent, while the elderly share will be only 5 per cent.

The differences in ethnic mix by age show that this process of transition from a largely white population will continue well beyond 2020, as a result of demographic momentum, even if all net immigration ceased.”

*Rees and Parsons, 2006*¹⁸

81 It is not within the scope of this project to add to the extensive literature about the potential methodologies for projecting forward the minority ethnic component of the population of the countries of the UK.

82 Only comparatively recently have experimental figures been published by the Office for National Statistics (ONS) in order to estimate the actual numbers of people from non-white ethnicities in the population in the years since the 2001 census.

83 However, given the comparatively large numbers of students coming from minority ethnic groups into higher education at undergraduate level in, especially, English higher education institutions, it is appropriate for us to seek to apply the best available broad projections of trends in the young minority ethnic population.

84 Table 11 shows the known trends since the last census, using the experimental figures published by ONS.

Table 11

Estimated population of England
(thousands) 2001 to 2004 by
ethnic group

	2001	2002	2003	2004	Percentage change 2001–2004
All people	49,450	49,647	49,856	50,093	0.4%
White: British	42,926	42,845	42,777	42,709	-0.2%
White: Irish	629	620	611	601	-1.5%
White: Other White	1,342	1,399	1,445	1,524	4.3%
Mixed: White and Black Caribbean	234	242	250	257	3.2%
Mixed: White and Black African	78	84	90	95	6.7%
Mixed: White and Asian	187	198	209	220	5.5%
Mixed: Other Mixed	154	162	171	180	5.3%
Asian or Asian British: Indian	1,046	1,077	1,116	1,168	3.7%
Asian or Asian British: Pakistani	720	743	770	803	3.7%
Asian or Asian British: Bangladeshi	282	292	304	315	3.8%
Asian or Asian British: Other Asian	244	262	279	294	6.4%
Black or Black British: Caribbean	570	575	581	585	0.9%
Black or Black British: African	491	534	584	624	8.3%
Black or Black British: Other Black	97	100	104	107	3.1%
Chinese or other ethnic group: Chinese	227	259	288	312	11.2%
Chinese or other ethnic group: Other Ethnic Group	222	256	279	299	10.3%

Source: ONS

85 It is clear here that, with the exception of White Irish, the minority ethnic groups have seen an increase in their total estimated population within England in the period between 2001 and 2004, while the White British component has declined slightly.

86 However, the estimated increase among the minority groups varies substantially: the major growth has been seen in the Chinese community (largely through immigration) but there are also significant increases among the Asian and Black African ethnicities.

87 This information can be carried over into a projection for the future, although this has to be approached with caution.

88 Table 12 shows a projection¹⁹ of the percentage breakdown of the very young population of England (aged 0–15) between the 2001 census and 2020.

Table 12

Projected percentage persons
aged 0–15 by broad ethnic group,
2001, 2010 and 2020

Aged 0–15	2001	2010	2020
White	88.20	85.60	82.90
Mixed	2.80	3.80	5.00
Asian	5.60	6.80	7.80
Black	2.50	2.80	2.90
Chinese and Other	0.80	1.10	1.40

Source: Rees and Parsons

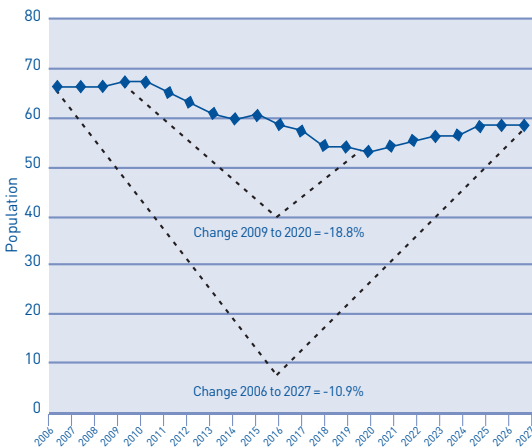
89 It is clear from this projection that a reduction in the young white population of England in this period will be counter balanced by increases in the population of young people from mixed ethnicities, Asian, Chinese and other ethnicities.

90 In terms of projected participation in higher education, this projection, and others showing similar shifts in the ethnic balance of the young population, are positive indicators, in view of the higher propensity of young Asian people to enter higher education.

Young population of Scotland

91 We now consider the projections of Scotland's young population. Chart 7 shows the projections of the 18 year old population.

Chart 7
Projected population of Scotland (thousands) aged 18, 2006 to 2027



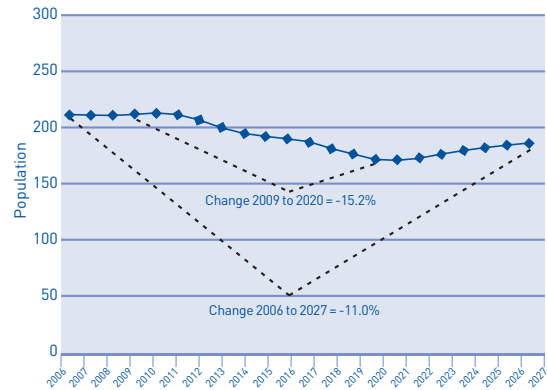
Source: GAD

92 While the 18 year old population of England is projected to diminish and then recover over the 22 years under consideration, the 18 year old population of Scotland is projected to decline at the end of the period by 11 per cent, having dipped by close to 19 per cent between 2009 and 2020.

93 It is important also to note here that, while the projections for England and for the UK as a whole show a significant "bounce" after the decline to 2020, this is not so clearly the case in Scotland.

94 Similarly, the trend is clear in Chart 8, which shows a consistent reduction in the population aged 18–20 in Scotland over the period 2006 to 2027, with a more modest recovery than for the UK as a whole after the major "dip" between 2009 and 2020.

Chart 8
Projected population of Scotland (thousands) aged 18–20, 2006 to 2027

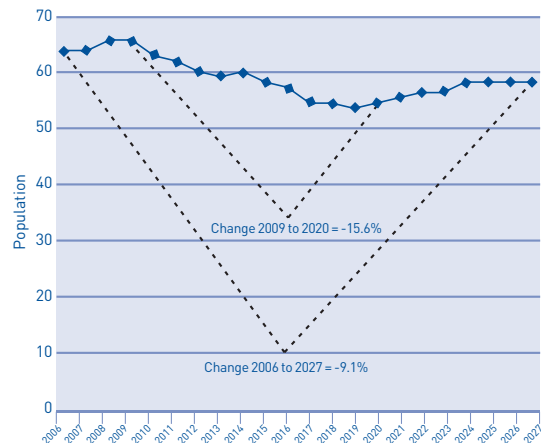


Source: GAD

95 While these charts have been produced according to a common definition across the UK, it is important to recognise here that entry to higher education in Scotland often takes place at age 17 rather than 18 because of the different examination system in Scotland.

96 Chart 9, therefore, shows the projected population of Scotland aged 17 over the period from 2006 to 2027.

Chart 9
Projected population of Scotland (thousands) aged 17, 2006 to 2027



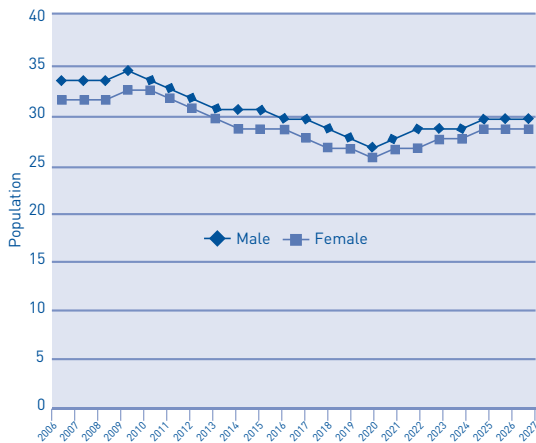
Source: GAD

97 The overall pattern of the population at age 17 is very similar over the period in question, although the overall reduction is slightly less than that of the 18 year old population.

Gender

98 Chart 10 shows the projected population at age 18 of Scotland split by gender.

Chart 10
Projected population of Scotland
(thousands) at age 18 by gender



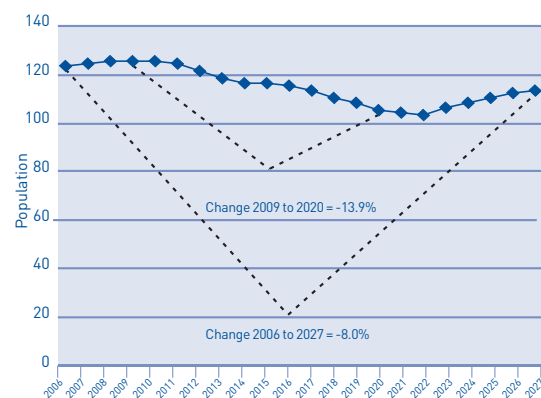
Source: GAD

99 As in England the projections show a narrowing of the gender gap between males and females in the population aged 18, and for Scotland the narrowing is markedly clearer, with equality between the genders projected for the year 2019 and only a very slight widening of the gender gap thereafter. Overall, the male population is projected to decline by 12 per cent and the female population by 10 per cent over the period.

101 Chart 11 shows that the population of Wales at age 18 is projected, as in Scotland, to decline over the whole period under review, but with a very marked “dip” between 2009 and 2020, projected to be 16.2 per cent, after which the population will increase slightly.

102 Chart 12 is the equivalent chart for the population aged 18–20.

Chart 12
Projected population of Wales
(thousands) aged 18–20, 2006 to
2027



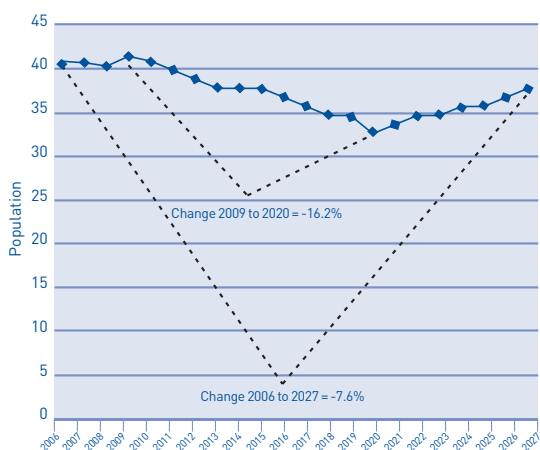
Source: GAD

103 Again, Chart 12 shows a significant rate of decline in the 18–20 year old population of Wales with a notable “dip” within the coming decade.

Young population of Wales

100 The projections of the 18 year old population of Wales over the period are shown in Chart 11.

Chart 11
Projected population of Wales
(thousands) aged 18, 2006 to
2027

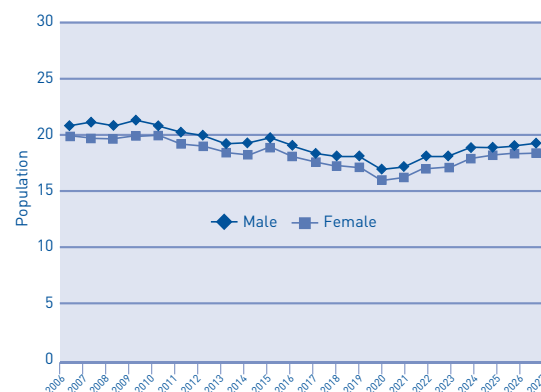


Source: GAD

Gender

104 Chart 13 shows how the balance between the numbers of young men and women in the population of Wales is projected to change over the next 20 years.

Chart 13
Projected population of Wales
(thousands) at age 18 by gender

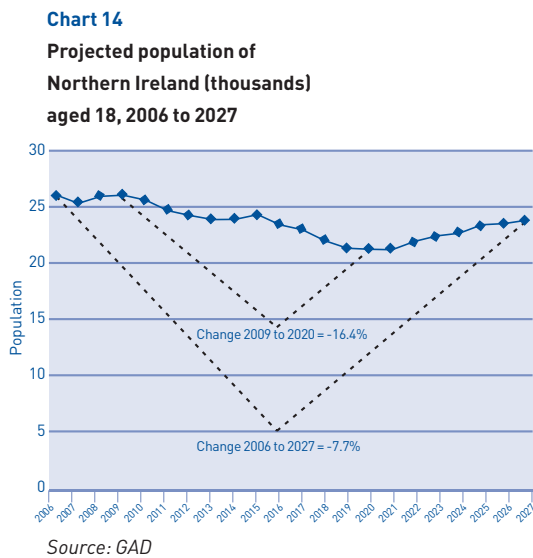


Source: GAD

105 In Wales, unlike England and Scotland, there is no detectable significant narrowing of the gender gap: indeed it is virtually identical at both the beginning and the end of the time series, although with some variations in the interim years, including a widening of the gender gap in the next two years.

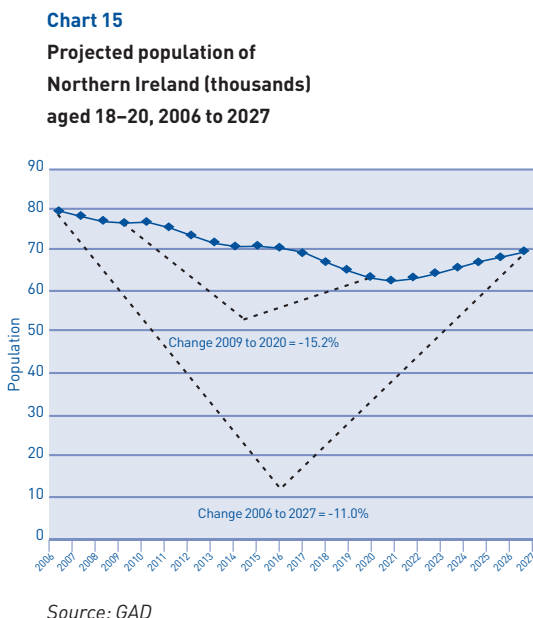
Young population of Northern Ireland

106 Chart 14 shows the projected population of Northern Ireland aged 18.



107 The 18 year old population of Northern Ireland is projected to reduce by almost eight per cent over the period under consideration, with a major dip of 16.4 per cent between 2009 and 2020.

108 Chart 15 shows the equivalent projection of the population of Northern Ireland aged 18–20.

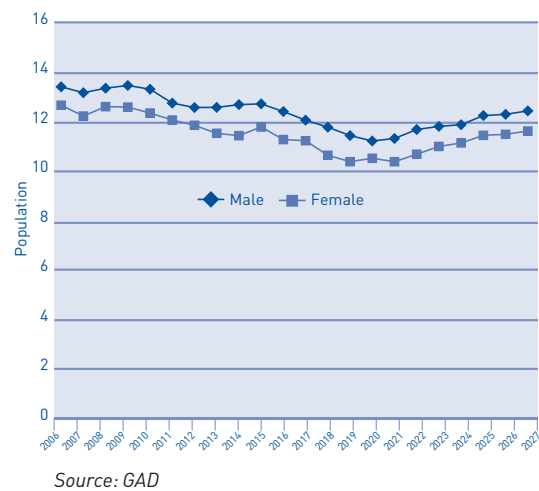


109 There is a consistent reduction in the 18–20 year old population from the present until the year 2027, as shown in Chart 15, with an overall reduction of 11 per cent.

Gender

110 Chart 16 shows the projected gender split among the young population of Northern Ireland.

Chart 16
Projected population of Northern Ireland (thousands) at age 18 by gender



111 Chart 16 shows a modest narrowing of the gender gap in the numbers of 18 year olds in the population over the 22 years under review: the male population declines by 8.2 per cent compared with a 7.2 per cent reduction in the female population.

Issues of migration and fertility

112 Demographical trends based on birth rates are immutable, and constitute very robust statistics. The only factors that can impact on those statistics are migration, fertility and mortality rates.

113 For the purposes of this exercise, we can effectively ignore mortality rates; but we should briefly consider the extent to which migration and fertility rates may affect the overall projections.

Migration

A contextual note

“There is now a broad recognition that available estimates of migrant numbers are inadequate for managing the economy, policies and services.”

Karen Dunnell, National Statistician, May 2006

- 114** The major uncertainty affecting the projections of the population of the UK, and therefore the demand for higher education from home students, is the potential immigration (offset by emigration) over the period.
- 115** Table 13 shows the Office for National Statistics' short and long term assumed **annual** net rate of migration into the UK and its constituent countries from 2007.

Table 13

Annual net migration assumptions, UK and constituent countries (thousands)

	United Kingdom	England	Wales	Scotland	Northern Ireland
Total net migration					
2006-07	195.0	153.5	11.0	20.5	10.0
2007-08	240.0	210.1	11.0	16.0	2.9
2008-09	230.0	202.5	10.5	14.0	3.0
2009-10	221.4	197.4	10.5	11.5	2.0
2010-11	211.4	189.4	10.0	10.5	1.5
2011-12	201.4	180.9	10.0	9.5	1.0
2012-13 & 2013-14	191.4	172.9	9.5	8.5	0.5
Long-term assumption (2014-15 onwards)	190.0	171.5	9.5	8.5	0.5
<i>International migration assumption for 2006-07</i>					
2006-07	195.0	171.0	3.5	12.0	8.5
<i>International migration assumption (long-term)</i>					
2007-08 onwards	190.0	183.0	2.0	4.5	0.5
<i>Allowance for additional net migration from accession countries</i>					
2007-08	50.0	41.5	1.5	4.5	2.5
2008-09	40.0	33.0	1.0	4.0	2.0
2009-10	30.0	24.5	1.0	3.0	1.5
2010-11	20.0	16.5	0.5	2.0	1.0
2011-12	10.0	8.0	0.5	1.0	0.5
<i>Cross-border migration</i>					
2006-07	0	-17.5	7.5	8.5	1.5
2007-08	0	-15.5	7.5	7.0	1.0
2008-09	0	-13.5	7.5	5.5	0.5
2009-10 onwards	0	-11.5	7.5	4.0	0.0
<i>Returning Armed Forces from Germany (including dependants)</i>					
2009-10 to 2013-14 (annual)	1.4	1.4	0	0	0
<i>Reduction in Northern Ireland Armed Forces</i>					
2007-08	0	1.1	0	0	-1.1

Source: ONS

116 Table 13 shows that there is a major projected net inflow into the UK, particularly within the next five years, but also continuing annually at an assumed rate of 190,000 per annum. More than 90 per cent of the net increase occurs in England, despite the fact that England shows a projected net outflow to other UK countries throughout the period.

117 Table 14 shows the breakdown of the projected 190,000 net immigrants in the longer term.

Table 14
Assumed annual long-term net migration by age and gender, UK (thousands)

Age group	2014–15 onwards		
	Persons	Males	Females
0–4	5.2	1.4	3.8
5–9	1.7	1.2	0.5
10–14	2.4	3.2	-0.8
15–19	41.5	23.5	18.0
20–24	81.6	36.8	44.8
25–29	53.3	27.9	25.4
30–34	12.9	3.9	9.0
35–39	6.5	4.2	2.4
40–44	2.1	0.8	1.2
45–49	-2.2	-1.9	-0.2
50–54	-1.3	0.1	-1.4
55–59	-4.8	-2.9	-1.9
60–64	-6.3	-4.7	-1.7
65–69	-2.0	-0.2	-1.8
70–74	-1.6	-1.4	-0.2
75 and over	1.0	0.6	0.5
All ages	190.0	92.5	97.5

Source: ONS

118 The notable factor here is that more than half of the projected immigration is within the age range 15–24: it is therefore directly relevant to the projection of entry to higher education.

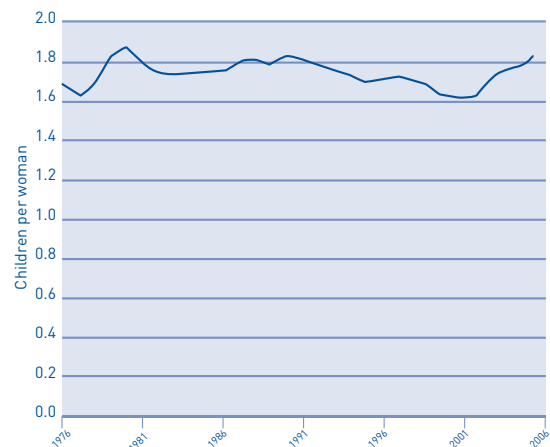
119 It is, of course, impossible to predict the exact extent to which this continuing immigration of young people may affect the enrolments into higher education institutions, but it is important to recognise that these immigration projections have already been factored in to the projections of the future changes in the population of the UK.

120 We recognise also that the level of inward migration into the UK over the next 20 years is one of the key uncertainties in the projection of higher education student numbers. Some commentators suggest that the net inward migration, principally economic migration, into rich western countries will increase substantially over the next 20 years fuelled by the impact of climate change and further deterioration in the political situation of many poorer countries. As most economic migrants tend to be young, such increased migration could have substantial impact on the demand for higher education. We will consider this issue in greater depth in Phase 2 of the study.

Fertility

121 Chart 17 shows the trend in fertility rates. Although it is not the most important feature of the overall scenario, we should pause briefly to consider this trend. Within England and Wales, from 1980 to 2000, the trend was clearly downward. In the last five years, there has been a marked upward turn.

Chart 17
Total fertility rate (TFR) in England and Wales, 1976 to 2006



Source: ONS

122 ONS reports that:

- provisional fertility rates for 2006 give an average number of 1.87 children per woman in England and Wales. This is an increase of nearly 4.0 per cent since 2005 (1.80) and is the fifth consecutive annual increase from a low point in 2001 where the total fertility rate (TFR) was 1.63. The last time the TFR reached the 2006 rate was 26 years previously in 1980;
- there was a continued rise in the proportion of births to mothers born outside the UK: 21.9 per cent in 2006 compared with 20.8 per cent in 2005. In 1996, just 12.8 per cent of births were to non-UK born mothers; and
- a general assumption of fertility at the rate of 1.84 is built into the most recent population projections.

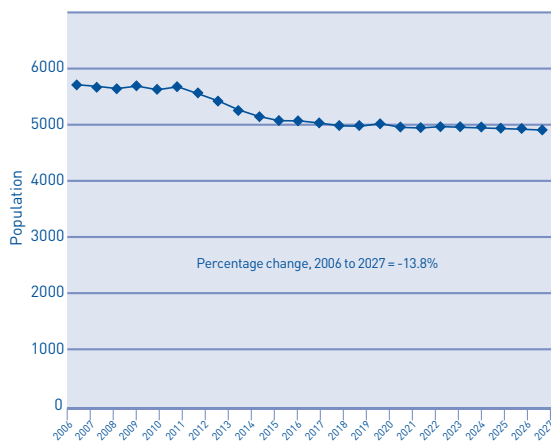
123 These most recent assumptions by ONS in relation to migration and fertility have had the effect of increasing the overall projected population of the UK considerably. Overall, the 2006 based projections lead to an estimated increase in the total population of the UK in 2027 of 3.4 million – from 66.2 million in the 2004 projections to 69.6 million in the 2006 projections: a change of more than five per cent.

124 This change, based on only two different projections two years apart, demonstrates how volatile the area of population projections is, especially when faced with inward migration at the levels recently experienced by the UK, and therefore how sensitive the projection of participation in higher education is.

- 125** UK higher education institutions draw significantly on demand from students in other countries of the EU in relation to both undergraduate and especially postgraduate provision. This section of the report examines the demographic trends across the countries of the EU over the next 20 years.
- 126** In the following paragraphs we present population data for the other countries of the EU on a basis that is consistent with the equivalent data for the UK. We recognise that the historic data suggests that entrants to full-time first degrees from other EU countries have had a slightly older age profile. However, in the context of a very dynamic situation, it is appropriate to confine our analysis to the same age ranges as are used for UK-domiciled students. If it should continue to be the case that non-UK EU entrants have an older age profile than UK-domiciled students, the projection which is set out below would show a more negative prediction: however the difference is within the margin of error of the overall projections.
- 127** The contextual statistics presented earlier showed that 4.0 per cent of full-time first degree students in the UK come from other EU countries.
- 128** Chart 18 shows the projected population aged 18 of all EU countries up to 2027.

Chart 18

Projected population of all EU countries (thousands), aged 18, 2006 to 2027

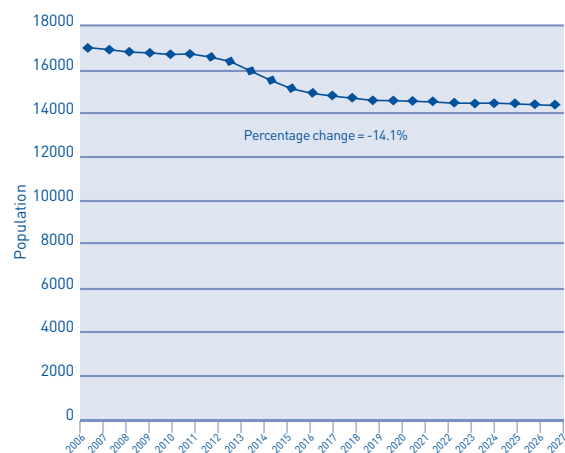


Source: Eurostat

- 129** Chart 18 shows a generally similar picture to the UK population projections that have been presented above. After a short period of stability, there is a significant reduction in the population aged 18.
- 130** Chart 19 shows the projected population aged 18–20 of all EU countries up to 2027.

Chart 19

Projected population of all EU countries (thousands), aged 18–20, 2006 to 2027



Source: Eurostat

- 131** While these charts appear to present a similar picture to that presented earlier for the UK, there are some very significant differences between the individual countries of the EU. Table 15 shows the estimated/projected populations of each country at age 18 in 2006 and 2027, together with the percentage increase/decrease.

Table 15

Projected percentage change in age 18 population of other EU countries, 2006 to 2027

	2006	2027	Percentage change
Austria	96,464	83,104	-14%
Belgium	123,816	116,041	-6%
Bulgaria	102,219	59,319	-42%
Cyprus	11,080	9,107	-18%
Czech Republic	129,826	94,309	-27%
Denmark	60,021	62,154	4%
Estonia	21,921	13,711	-37%
Finland	61,529	58,531	-5%
France	779,481	759,423	-3%
Germany	973,693	755,658	-22%
Greece	118,779	115,609	-3%
Hungary	125,141	97,746	-22%
Ireland	59,035	65,340	11%
Italy	567,678	554,874	-2%
Latvia	37,793	22,468	-41%
Lithuania	55,414	31,379	-43%
Luxembourg	5,292	6,023	14%
Malta	5,704	5,120	-10%
Netherlands	198,164	196,382	-1%
Poland	583,047	352,258	-40%
Portugal	118,298	116,374	-2%
Romania	352,702	210,423	-40%
Slovakia	82,275	50,863	-38%
Slovenia	25,722	18,857	-27%
Spain	466,927	484,660	4%
Sweden	113,663	111,475	-2%

Source: Eurostat

132 Perhaps the most significant figures in Table 15 are those for the Republic of Ireland, which shows a significantly positive trend over the next 20 years – an increase of 11 per cent in the population aged 18. Other countries show projected changes that vary widely, but are generally – and in some instances seriously – negative. For example, the twelve countries admitted to the EU from 2004 show on these projections a 37 per cent reduction in the number of 18 year olds from over 1.5 million in 2006 to under 1 million by 2027.

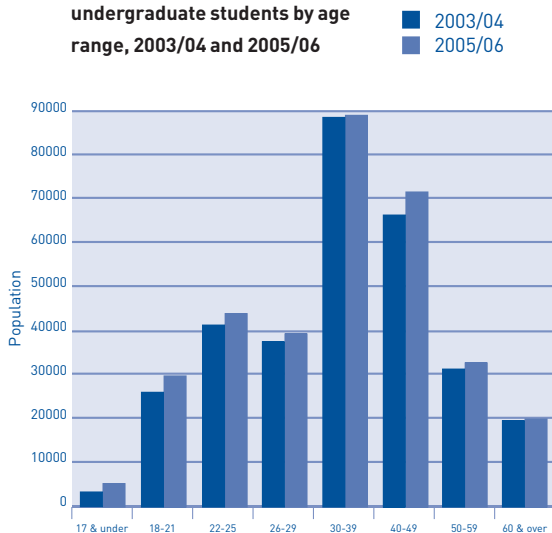
133 We consider in the next section how the demographic trends projected for other EU countries might affect enrolments within UK higher education institutions.

134 While the younger population provides a very significant majority of the entrants to full-time undergraduate study, it is the older population that is the major market for part-time study at undergraduate level. It must be recognised here that changes in policy, for example in relation to the limitation on public funding support for those undertaking a second or subsequent higher education qualification at an equivalent or lower level, may have an effect in this area.

135 The contextual statistics presented at the beginning of this report show that the range of students' ages on entry to part-time undergraduate study is wide. Chart 20 shows this range, which compares the first year enrolments in 2005/06 with the figures for 2003/04, in order to identify the latest trend.

Chart 20

First year part-time undergraduate students by age range, 2003/04 and 2005/06



Source: HESA

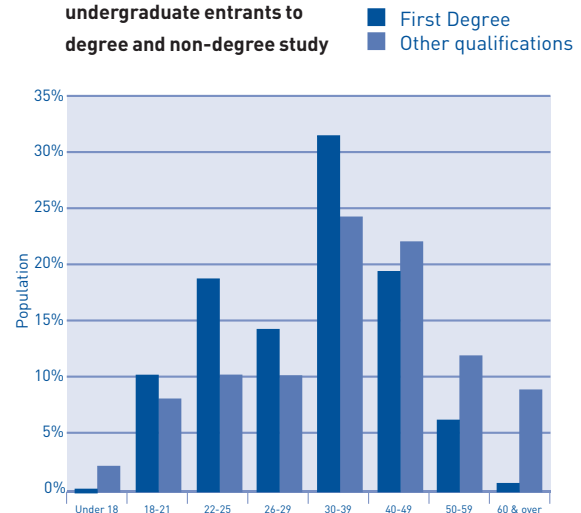
136 It is notable that the greatest percentage increase over the three years in question is among the 18–21 year old first year part-time undergraduate student population. In this age range the first year students have increased by around 20 per cent, and now number approximately 30,000 – some nine per cent of all first year part-time undergraduate students. It remains to be seen how this trend will be affected by the changes to the financial support arrangements for full-time undergraduates, including the deferral of fee payments, introduced from 2006/07.

137 However, as previous research²⁰ has made clear, the undergraduate part-time students in higher education in the UK are a heterogeneous group, following a wide range of qualification aims, including first degrees, higher national certificates, foundation degrees, certificates, diplomas and institutional credits. It is also the case that the age range of students varies widely between these qualification aims, some of which are designed to provide an initial academic or professional qualification, while others provide professional updating or provide for more general personal development.

138 Although it is a simplification of a very complex area, it is broadly the case that the age range of initial entrants to part-time undergraduate study can be differentiated between those who are studying towards a degree, and other students. Chart 21 shows the age distribution of these two groups.

Chart 21

Age distribution of part-time undergraduate entrants to degree and non-degree study



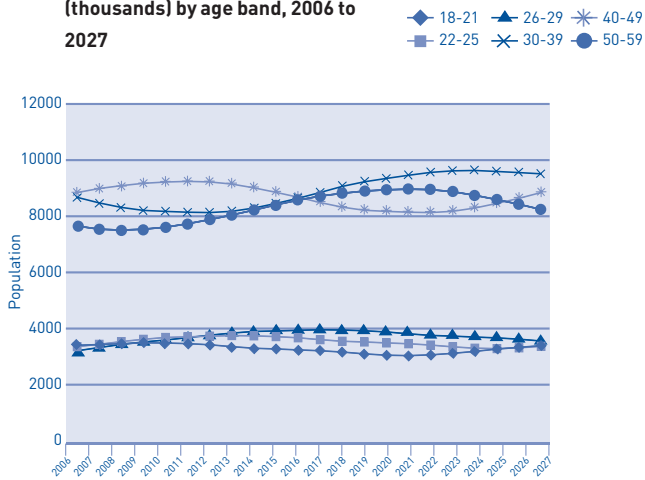
Source: HESA

139 It will be noted that students following programmes leading to first degrees are more prominent in the younger age groups; and that the situation is reversed in the age ranges 40–49 and upwards.

140 In this context it will be of interest now to consider the projected population in each of these age bands over the next 20 years; we shall however, for convenience, discount the two extreme bands, age 17 and under and 60 and over, since they are unlimited in scope. Chart 22 shows the projection for the UK as a whole.

Chart 22

Projected population of the UK (thousands) by age band, 2006 to 2027



Source: GAD

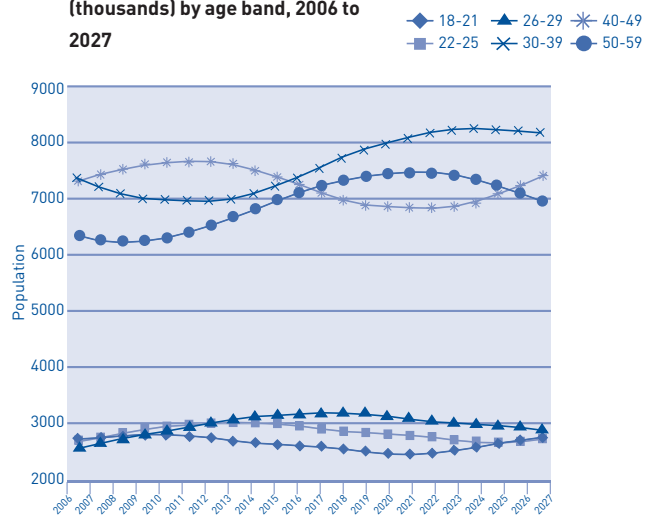
141 We see here a re-statement of the earlier projections in relation to the young population, showing a decline followed by a modest recovery over the period in question, and note that the slightly older population in the 22–29 age range will compensate within the middle years of the projections. The projections for the older population are themselves of great interest. They show the population aged 40–49 increasing for six years and then decreasing before recovering. There is an exactly opposite shape to the chart for the 50–59 year old population, and overall these two segments of the analysis broadly balance each other out in population terms, although not necessarily in terms of enrolments in higher education.

142 Perhaps more significantly, the population aged 30–39 which, as we have seen, provides a significant proportion of entrants to part-time study, is projected to dip until the year 2014 and then to move back up above its current level by the year 2027.

143 Charts 23–26 show the equivalent projections for each of the four countries of the UK.

Chart 23

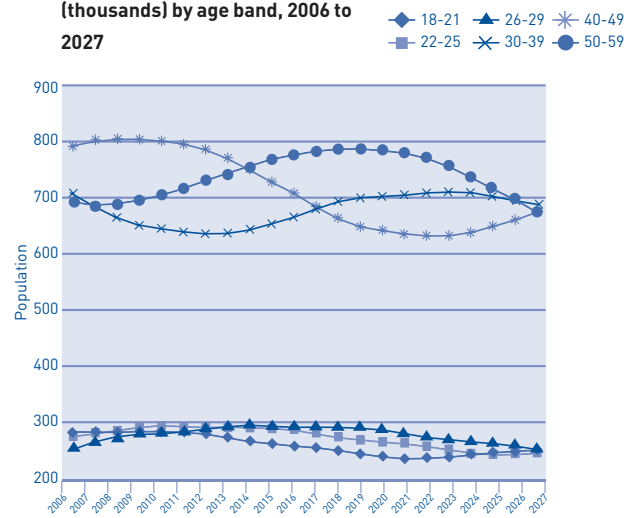
Projected population of England (thousands) by age band, 2006 to 2027



Source: ONS, GAD

Chart 24

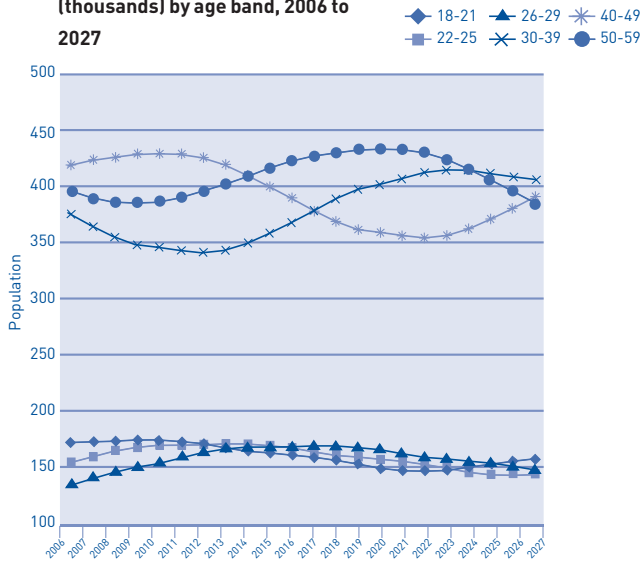
Projected population of Scotland (thousands) by age band, 2006 to 2027



Source: ONS, GAD

Chart 25

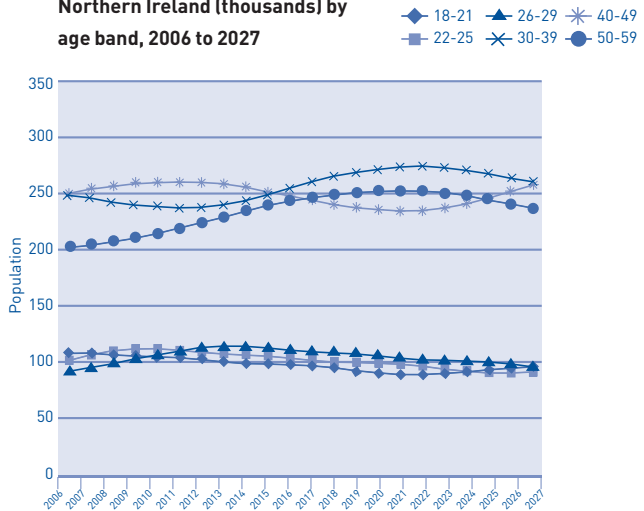
Projected population of Wales (thousands) by age band, 2006 to 2027



Source: ONS, GAD

Chart 26

Projected population of Northern Ireland (thousands) by age band, 2006 to 2027

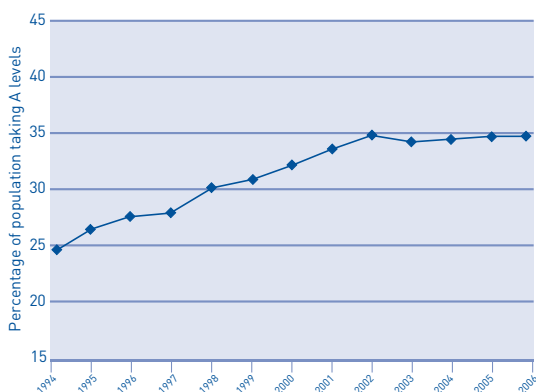


Source: ONS, GAD

144 In England, Wales and Northern Ireland, there is a projected upturn among the 30–39 age range, which will have an overall positive effect in enrolments in higher education, especially among part-time first degree students. That upturn is, however, generally associated with a downturn in other age ranges.

- 145** The major route into full-time higher education among UK-domiciled students is through level 3 qualifications, in particular A-levels and Scottish Highers.
- 146** The relationship between level 3 qualifications and entry to higher education has been explored in depth in a number of reports published by the Higher Education Policy Institute (HEPI) in relation to England, and its analysis will not be repeated here. However, it should be noted that the reports demonstrate that the principal driver is achievement (in England at least) of five or more GCSE grades A to C at age 16 linked to staying in education to age 17 and beyond.
- 147** HEPI's conclusion²¹, based on DfES statistics for England is: "Overall, the proportion of the 17 year old population achieving two A-levels increased steadily, from 24.6 per cent in 1994 to 34.2 per cent in 2002, when the increase stalled. Although the 2006 level was above that of the previous year, it was barely different from 2002. There is no evidence here that achievement at the key point in the supply chain is improving in a way that suggests that participation will increase in the future."
- 148** Chart 27 shows how this conclusion is supported.

Chart 27
Percentage of English population taking A-levels, 1994 to 2006



Source: DfES Statistical First Release SFR 02/2007, reproduced from HEPI report

- 149** A similar picture is presented in Scotland. Traditionally, the relevant school leaver qualification has been the percentage of leavers with five or more passes at level 6 or better within the Scottish Credit and Qualifications Framework (SCQF). Table 16 shows these percentages for the last three years with little significant change.

Table 16
Leavers from Scottish schools with five or more passes at SCQF level 6 or better

	2003/04	2004/05	2005/06
Percentages with 5+ passes at SCQF level 6 or better	19.4	19.2	19.9

Source: Scottish Government

- 150** However, we understand that the school leaving qualification seen as the most relevant for university entry is now closer to three Highers. Over the last few years the percentage of leavers with three Highers has remained close to 30%.
- 151** Although it is difficult to extract data on a comparable basis, it appears to be the case that in Wales, over the last five years, there has been a modest increase in the proportion of the 17 year old population undertaking level 3 qualifications.
- 152** At present there appears to be no evidence to suggest that overall across the UK there is any significant increase in the proportion of the young population taking and securing level 3 qualifications. However, in looking forward 20 years, the proportion of the young population taking and securing level 3 qualifications is a key uncertainty.

- 153** In this section we provide an initial tentative projection of demand over the next 20 years for higher education in UK higher education institutions, ***in the context of assumed zero change in policies or unpredictable external factors.***
- 154** Although the earlier part of this report has concentrated primarily on demand for undergraduate higher education, this section also considers demand for postgraduate study, in order to provide an initial baseline overview of how the sector may look in the academic year 2026/27 on a largely demographic driven basis.
- 155** It is not the purpose of this report to provide 'hard' projected numbers: it will do no more than to offer an approximate prediction of trends over this long period, and then a tentative base projection of student numbers based around those trends. As already noted, when reviewed in 20 years' time, it will undoubtedly prove to be wrong. However, it provides an essential baseline to build on in the impact of key uncertainties, including possible changes in policy over the next 20 years.
- 156** While the overall demography is clear and largely immutable for most of the period under consideration, there are some contingent areas where there is uncertainty. However, some of these balance each other out. For example, it is possible to predict the inflow of students from many of the recent EU accession countries on the basis of recent experience: however, it is also relevant that there is actual immigration from those same countries, which is counted within the projected domiciled population of the UK. In terms of projections of higher education enrolments, it does not matter whether the students in the year 2027 are, for example, resident in Poland and studying in England, or are resident in England, having migrated from Poland.
- 157** Some other issues that are relevant to the projections follow and the final part of the report starts the analysis of the key uncertainties that will form the central part of the work to be undertaken in Phases 2 and 3 of the study.

Full-time undergraduate students

- 158** The change in the gender balance of the population of the UK, which we have noted above, leading to an increased proportion of females in the young population, can be expected to have a small but positive effect on the enrolments of young students on full-time undergraduate programmes.
- 159** We have also noted that there is a projected increase in the proportion of young Asian people in the population of the UK, and this again can be expected to have a similarly small but positive effect on participation.
- 160** As noted above, the Higher Education Policy Institute (HEPI) has published a series of reports that analyse, *inter alia*, the underlying impacts on demand for full-time undergraduate higher education from a number of factors. However, these reports are limited to demand for higher education only in England, and their findings, while important, are not directly comparable with the UK-wide data in this report.
- 161** These reports draw attention in particular to the possible impact from potential changes in the social class balance within the population of England and the possible impact of these changes on entry to full-time undergraduate courses. The analysis is based on analysing the social class at birth of English people over time. HEPI provides evidence that the birth rate amongst those born to parents from the lowest socio-economic categories IIM–V has been declining more rapidly than for those in the highest social categories I–IIIN. While HEPI allows for this factor in its projection of entrants to higher education aged 18–21 up to 2020/21, this factor is not included in the projections in this report, which constitutes baseline projections across the UK as a whole, and across all modes and levels of study.
- 162** The HEPI projections for England, if realised and followed also in the other countries of the UK would lead to an increase in the projected student numbers presented below. HEPI's latest estimate is that the increase in full-time undergraduate enrolments, arising from the change in the balance of social classes within the population of England and the differing propensities of young people from the different social classes to enter higher education, would be around 37,000 by 2020/21 compared with a pure demographic projection. This would however, be contingent on the assumption that the increasing numbers born into families of a higher social class would adopt the same patterns of staying in education beyond age 16, obtaining level 3 qualifications and entering higher education as previous cohorts within the same socio-economic group. It is, in our view, premature to make a judgement about this.

163 The key difference remains however, the lower propensity of those from the lower socio-economic groups to remain in education beyond age 16 and secure level 3 qualifications. Improved staying on rates and achievement at level 3 by those from the lower socio-economic groups would have a significant impact on demand for higher education. We will examine this issue further in Phase 2 of the study. In particular, we will seek to analyse the changes in socio-economic make-up of the populations in the other countries of the UK. Also, the extent to which these follow the observed position in England, and how they might change over the next 20 years.

EU domiciled students

164 We noted earlier that the population of the other countries of the EU aged 18–20 is projected to decline by approximately 14 per cent during the 22 years. The projected change also varies very markedly between the individual countries of the EU. Furthermore, the observed propensity of individuals to study in the UK also varies by country.

165 Appendix 1 shows the current and projected number of undergraduate students in higher education institutions in the UK from each EU country adjusted by the projected change in the 18 year old population of the individual countries.

166 It should be noted that in several instances a projected steep decline in enrolments from a particular country may be related to immigration into the UK by residents of that country. The projected immigration figures are incorporated into the demographic projections and hence into the projections of student numbers for the future years.

167 It is also worth noting that there are particular patterns of higher education enrolments of students from other countries of the EU in the four different countries of the UK, and that this affects the projections on an individual country basis within the UK. The most notable of these in the past has been the high level of enrolments of students from the Republic of Ireland into higher education institutions in Northern Ireland, although this has declined since the abolition of tuition fees in the Republic in 1997 and the introduction of variable deferred fees in Northern Ireland in 2006.

Non-EU domiciled students

168 The enrolments of non-EU students in institutions within the UK is unpredictable, and is not in any clear way related to the demography of those countries: rather it is related to an external global market, within which the UK competes with other countries for the enrolments of those students of other countries who seek higher education experience abroad. Thus, although it is undoubtedly the case that India will experience a large and continuing increase in the numbers of young people qualified to enter higher education over the coming decades, it is not possible to quantify the impact on global demand let alone demand from Indian young people for higher education places in the UK.

169 In 2004, the British Council published an assessment of the potential demand for higher education in the UK from individuals not resident within the EU²². This assessment identified baseline projections, having regard to the global market. The base projection was that the UK market for international students would increase by 4.7 per cent between 2002/03 and 2019/20. Since the timeframe for this report is longer – and since some of that 4.7 per cent increase has already been taken up – we have thought it advisable to adopt a slightly more modest projection of 4.0 per cent at all levels.

Part-time undergraduate students

170 We have noted above that part-time undergraduates are a heterogeneous group, who need to be considered in different categories. The specification of this project requires us to consider first degree students and others, and this will constitute the basis for projections, although we note that this limited degree of differentiation is perhaps simpler than might optimally be the case. This issue is considered further below.

171 In the following estimates, we have taken the 2005/06 part-time undergraduate population divided into the two categories of first degree students and those following other qualification aims. The known age ranges of entrants to those programmes has then been related to the projected changes in the age population of the UK. The enrolled numbers of students on part-time first degree courses is predicted to increase by 4.9 per cent, while the numbers following other undergraduate courses is predicted to increase by 4.7 per cent.

- 172** However, as noted above this does not take into account the likely impact on the demand for part-time higher education arising from the Government's decision announced in September 2007. The decision is that in future public funding should not in general be available to support those undertaking higher education programmes at a level equivalent to or at a lower level than a qualification they already possess. A significant proportion of part-time undergraduates currently fall into this category. The Government's decision might therefore be expected to reduce demand for part-time undergraduate education. On the other hand, higher education institutions might be expected to respond to this threat by seeking out new markets. This issue will be addressed further in Phase 2 of the study.
- 173** We have, in calculating projections for individual countries of the UK, re-assigned students of the Open University (which is recorded as an "English" institution in HESA data) into the individual countries, on an estimated basis.

Postgraduate taught students

- 174** The demand for postgraduate study largely follows the home-domiciled undergraduate market, and also reflects to the trends in other EU countries, which supply 11.5 per cent of full-time taught postgraduates. There is a clear trend however in a higher rate of conversion from undergraduate study to postgraduate study, within the UK, and this may be expected to apply also among EU entrants to postgraduate study. As an example only, in the year 2000, the number of UK-domiciled students entering the first year of a full-time postgraduate course in England was 26.7 per cent of the numbers who obtained a first degree in that year. By 2005, that conversion rate had reached 29.8 per cent (although it had in fact been slightly higher in the previous two years).
- 175** In the following projections the trends among the young population of both the UK and the EU will be used as a basis for projecting enrolments on taught postgraduate courses, but the trends have been projected on the assumption of a continuing increase in the conversion rate, at a similar level to that which has recently been experienced.

Postgraduate research students

- 176** Although they are an important component of the overall student body of UK higher education institutions, we have not found a basis for predicting any change in their postgraduate research student enrolments within UK higher education institutions over the next 20 years.
- 177** We have however applied a 4.0 per cent increase to the current numbers in respect of full-time non-EU international students, which we consider to be a very modest prediction of the future expansion in this area.

Disaggregation by country of the UK

- 178** We have attempted a disaggregation of the base projection for the UK as a whole between the four countries of the UK. It is important to recognise that factors that are robust at the level of the whole of the UK may be less robust when considered in the context of the smaller units.
- 179** We have attempted to have regard for this: for example, in considering the enrolments of students from other EU countries, we have adjusted the figures to reflect the very different patterns of enrolments from each EU country into the individual countries of the UK.

180 Tables 17–21 show a tentative base projection of student numbers in higher education institutions in the year 2026/27 in the UK as a whole and in the four countries of the UK separately²³. Essentially, the base projection follows known (or officially projected) demographic trends in relation to populations by age, gender, ethnicity and country of study. The assumptions underlying this projection are set out in Appendix 2.

181 We have prepared separate projections for the individual countries of the UK, but in this process have not factored in any assumptions about changes in cross-border flows. It is possible that, under the influence of differential demographic changes and different tuition fee and student support regimes, the pattern of cross border flows could change. The tuition fee policies being adopted by the Scottish Government and the Welsh Assembly Government could be argued to be a precursor of increased competition for full-time undergraduate students between the countries of the UK.

182 Table 17 shows the base projection for the UK as a whole.

Table 17

Tentative projection of change in enrolments in UK higher education institutions, 2005/06 to 2026/27

	2005/06	Tentative projection, 2026/27	Percentage change, 2005/06 to 2026/27
Full-time undergraduate			
Home	1,066,900	1,076,900	0.9%
EU	48,800	45,400	-6.9%
Other international	83,200	86,500	4.0%
Sub total full-time undergraduates	1,198,800	1,208,800	0.8%
Part-time undergraduate			
Degree	204,200	214,300	4.9%
Non-degree	385,600	403,500	4.7%
Sub total part-time undergraduates	589,800	617,800	4.7%
Full-time postgraduate taught			
Home	86,000	89,400	4.1%
EU	19,900	19,100	-4.1%
Other international	67,200	69,900	4.0%
Sub total full-time postgraduate taught	173,100	178,400	3.1%
Part-time postgraduate taught			
Home	205,600	209,100	1.7%
EU	9,600	9,800	1.6%
Other international	15,800	16,400	4.0%
Sub total part-time postgraduate taught	231,000	235,300	1.9%
Full-time postgraduate research			
Home	31,600	31,600	0.0%
EU	8,700	8,700	0.0%
Other international	20,900	21,700	4.0%
Sub total full-time postgraduate research	61,100	62,000	1.4%
Part-time postgraduate research			
Home	20,800	20,800	0.0%
EU	2,700	2,700	0.0%
Other international	4,000	4,100	4.0%
Sub total part-time postgraduate research	27,400	27,600	0.6%
All students	2,281,300	2,330,000	2.1%

183 The base projection set out in Chart 17 suggests that, on the basis of current policies and expectations, there would be an increase of approximately 2.1 per cent in the numbers of students enrolled in UK higher education institutions in 2027 as compared with the most recent year. That largest rate of increase would be among part-time undergraduates, and it arises because of the changing demographic projections.

- 184** The projection has regard to the projected increase in the number of females in the young population and also to the increase that is projected in the numbers of young Asians.
- 185** The projection does not however make any assumptions about the social class issues, which have been addressed by the Higher Education Policy Institute in its reports. Changes in the social class make up of the population could significantly limit the reduction in home full-time undergraduate numbers based on demography alone.
- 186** The projection in relation to part-time students at undergraduate level recognises the different types of part-time study and the age ranges of the people who pursue them. More details about these assumptions are given in Appendix 2.
- 187** Tables 18–21 show the same base projection for the UK as a whole disaggregated by the four individual countries of the UK. The disaggregated projections show the more severe impact of the demographic downturn in Scotland, Wales and Northern Ireland than in England. As noted above this may lead to increased cross border flows especially to higher education institutions in Scotland and Wales as they seek to sustain their student numbers.

Table 18
Tentative projection of change in enrolments in England, 2005/06 to 2026/27

	2005/06	Tentative projection, 2026/27	Percentage change, 2005/06 to 2026/27
Full-time undergraduate			
Home	865,600	893,800	3.3%
EU	38,400	35,100	-8.6%
Other international	72,800	75,800	4.0%
Sub total full-time undergraduates	976,800	1,004,700	2.9%
Part-time undergraduate			
Degree	164,000	175,100	6.8%
Non-degree	309,600	329,500	6.4%
Sub total part-time undergraduates	473,600	504,600	6.5%
Full-time postgraduate taught			
Home	71,100	75,500	6.2%
EU	17,200	16,400	-5.0%
Other international	57,500	59,800	4.0%
Sub total full-time postgraduate taught	145,800	151,600	4.0%
Part-time postgraduate taught			
Home	174,400	178,300	2.3%
EU	7,500	7,600	2.1%
Other international	12,900	13,400	4.0%
Sub total part-time postgraduate taught	194,700	199,300	2.4%
Full-time postgraduate research			
Home	25,800	25,800	0.0%
EU	7,300	7,300	0.0%
Other international	17,900	18,600	4.0%
Sub total full-time postgraduate research	51,000	51,700	1.4%
Part-time postgraduate research			
Home	17,600	17,600	0.0%
EU	2,200	2,200	0.0%
Other international	3,400	3,600	4.0%
Sub total part-time postgraduate research	23,200	23,300	0.6%
All students	1,865,000	1,935,300	3.8%

Table 19

Tentative projection of change in enrolments in Wales, 2005/06 to 2026/27

	2005/06	Tentative projection, 2026/27	Percentage change, 2005/06 to 2026/27
Full-time undergraduate			
Home	59,000	55,700	-5.5%
EU	2,200	2,200	-2.0%
Other international	3,600	3,700	4.0%
Sub total full-time undergraduates	64,800	61,600	-4.9%
Part-time undergraduate			
Degree	18,200	18,600	1.9%
Non-degree	34,500	34,200	-0.7%
Sub total part-time undergraduates	52,700	52,800	0.2%
Full-time postgraduate taught			
Home	4,200	4,100	-2.7%
EU	600	600	-0.7%
Other international	2,900	3,000	4.0%
Sub total full-time postgraduate taught	7,800	7,800	0.0%
Part-time postgraduate taught			
Home	8,900	8,900	0.6%
EU	500	500	-0.2%
Other international	900	900	4.0%
Sub total part-time postgraduate taught	10,300	10,400	0.9%
Full-time postgraduate research			
Home	1,500	1,500	0.0%
EU	300	300	0.0%
Other international	700	700	4.0%
Sub total full-time postgraduate research	2,400	2,500	1.1%
Part-time postgraduate research			
Home	1,000	1,000	0.0%
EU	100	100	0.0%
Other international	200	200	4.0%
Sub total part-time postgraduate research	1,300	1,300	0.5%
All students	139,300	136,300	-2.1%

Table 20

Tentative projection of change in enrolments in Scotland, 2005/06 to 2026/27

	2005/06	Tentative projection, 2026/27	Percentage change, 2005/06 to 2026/27
Full-time undergraduate			
Home	113,000	102,400	-9.3%
EU	6,300	6,100	-3.6%
Other international	6,300	6,500	4.0%
Sub total full-time undergraduates	125,500	115,000	-8.4%
Part-time undergraduate			
Degree	16,900	15,600	-7.7%
Non-degree	31,900	29,900	-6.3%
Sub total part-time undergraduates	48,800	45,500	-6.8%
Full-time postgraduate taught			
Home	8,800	8,200	-6.6%
EU	1,600	1,600	-0.7%
Other international	6,500	6,800	4.0%
Sub total full-time postgraduate taught	16,900	16,600	-2.0%
Part-time postgraduate taught			
Home	17,900	17,400	-2.6%
EU	700	700	-2.1%
Other international	1,900	1,900	4.0%
Sub total part-time postgraduate taught	20,500	20,100	-1.9%
Full-time postgraduate research			
Home	3,400	3,400	0.0%
EU	1,000	1,000	0.0%
Other international	2,000	2,100	4.0%
Sub total full-time postgraduate research	6,400	6,400	1.3%
Part-time postgraduate research			
Home	1,700	1,700	0.0%
EU	200	200	0.0%
Other international	300	300	4.0%
Sub total part-time postgraduate research	2,300	2,300	0.6%
All students	220,400	205,900	-6.6%

Table 21

Tentative projection of change in enrolments in Northern Ireland, 2005/06 to 2026/27

	2005/06	Tentative projection, 2026/27	Percentage change, 2005/06 to 2026/27
Full-time undergraduate			
Home	29,400	25,000	-15.0%
EU	1,800	2,000	12.2%
Other international	500	500	4.0%
Sub total full-time undergraduates	31,700	27,500	-13.1%
Part-time undergraduate			
Degree	5,100	5,000	-1.8%
Non-degree	9,600	9,900	3.0%
Sub total part-time undergraduates	14,700	14,900	1.4%
Full-time postgraduate taught			
Home	1,900	1,600	-12.4%
EU	400	500	12.2%
Other international	300	300	4.0%
Sub total full-time postgraduate taught	2,600	2,400	-6.4%
Part-time postgraduate taught			
Home	4,500	4,400	-0.6%
EU	900	900	1.0%
Other international	200	200	4.0%
Sub total part-time postgraduate taught	5,500	5,500	-0.2%
Full-time postgraduate research			
Home	900	900	0.0%
EU	200	200	0.0%
Other international	300	300	4.0%
Sub total full-time postgraduate research	1,400	1,400	0.9%
Part-time postgraduate research			
Home	500	500	0.0%
EU	100	100	0.0%
Other international	100	100	4.0%
Sub total part-time postgraduate research	700	700	0.4%
All students	56,600	52,500	-7.3%

188 In summary, these projections show a downturn in projected student numbers over the next 22 years in Scotland, Wales and Northern Ireland, compared with a modest increase at the end of the period in England.

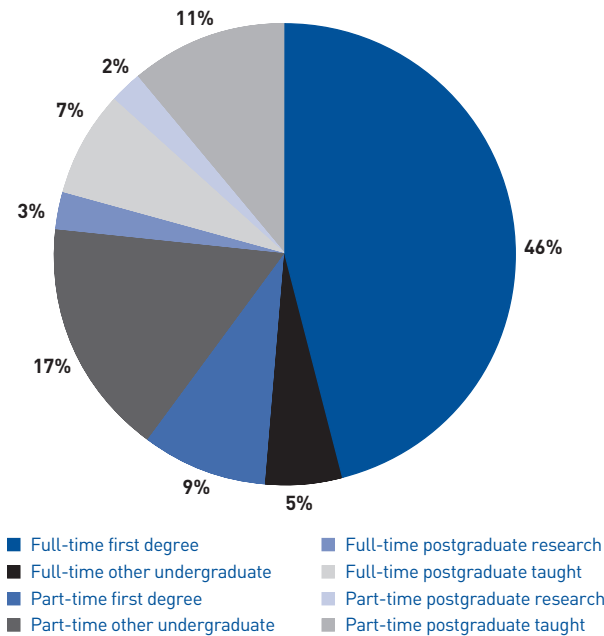
189 As previously noted, we have also had the opportunity to look at the previous projections, by the Government Actuary's Department, based on the 2004 population. It is worthy of mention that these earlier projections, if realised, would lead to a reduction in higher education student enrolments in all four countries of the UK, with the overall rate of reduction being 2.6 per cent. We consider that it is important to draw attention to this different projection. It illustrates the sensitivity of the situation in relation to higher education enrolments. The major change between the 2004 and 2006 projections is in relation to net migration. This is an issue of significant political interest, which might conceivably be subject to governmental action over the next 20 years.

190 Finally, it is worth repeating that the projected population at the end of the period is higher than is likely to be the case in the interim. The most serious demographic change in the next 22 years is expected to occur between the years 2009 and 2020. During that period, all four countries of the UK will see percentage reductions in the 18–20 year old population in double digits. In the same period, as the earlier charts have shown, the population in the middle age ranges will increase, and that increase will somewhat offset the drop in the young population. Overall, however, by the year 2020 it is to be expected that, on current enrolments patterns, the full time undergraduate student population of UK higher education institutions would decline from its current level by 4.6 per cent, offset only partially by an increase in the part-time undergraduate population of 4.4 per cent. This represents perhaps the greatest demographic challenge to the higher education sector during the next 20 years.

Introduction

- 191** This part of the report identifies and offers an initial analysis of the key factors affecting demand for the principal segments of the overall higher education student market for UK higher education institutions and the main sources of uncertainty surrounding the demographic based projections of higher education numbers in the UK, as shown earlier. It also seeks to identify some of the principal drivers of change. This will provide an important starting point for the more detailed analysis of these factors in Phases 2 and 3 of this project. The paper looks at the individual segments in turn.
- 192** It is important when considering the possible impact of external changes on student demand within different market segments to bear in mind the relative importance of those different segments to the sector. Chart 28 summarises the relative student numbers in the different market segment in 2005/06.

Chart 28
Share of total student numbers by market segment 2005/06



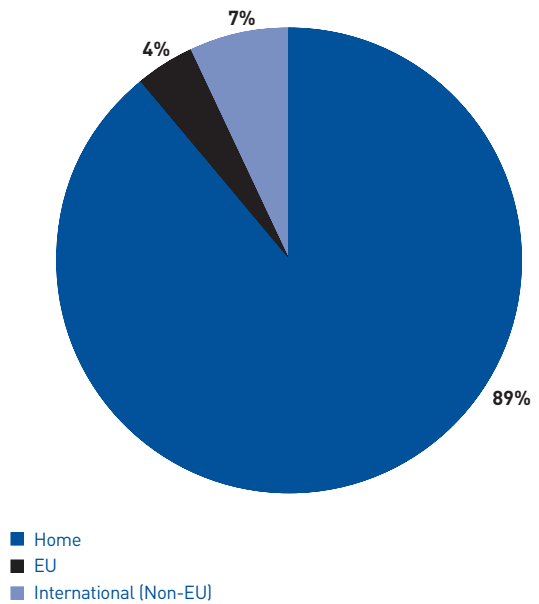
Source HESA

- 193** Chart 28 provides some feel for the relative importance of the different segments to the overall size of the sector. In particular, it shows that full-time undergraduates continue to represent over half of the total numbers of students in the sector.

Full-time undergraduates

- 194** Full-time undergraduates are the single largest student market. Chart 29 shows that, in 2005/06 89 per cent of full-time undergraduates were home domiciled, 4.0 per cent were from other EU countries and seven per cent were international students from outside the EU.

Chart 29
Domicile of full-time undergraduate students in UK higher education institutions 2005/06



Source: HESA

- 195** Given the high proportion of home full-time undergraduates in the overall student population and their importance to the finances of most higher education institutions, it is critical to the whole study to understand and analyse fully the uncertainties that could have a significant impact on demand from UK domiciled individuals for full-time undergraduate education. The demand for full-time undergraduate study from EU nationals and from international students (from outside the EU) is considered separately below. As already noted, HEPI has produced a series of reports projecting demand for full-time undergraduate higher education in England, looking in some depth at the key factors which drive demand. In addition to demography these include in particular:
- Level 3 qualification rates – particularly A-levels and Scottish Highers, which are driven, in England at least, by GCSE achievements and staying on rates in education at ages 16 and 17. A-level qualification rates have remained stable in the last few years. Proposals to keep young people in education or training up to age 18 could lead to an increase in the proportion of 18 year olds gaining level 3 qualifications. However, an improvement in the achievement rates of boys in particular at GCSE and level 3 could be even more significant;
 - the propensity to enter higher education with level 3 qualifications. For 18 year olds with A-levels, the vast majority enter higher education. This proportion may have been increasing slightly, and there is therefore little additional demand available from this source. For other level 3 qualifications, particularly vocational level 3 qualifications, the propensity to progress to higher education is much lower because the expected progression with these qualifications is directly into relevant employment. Furthermore, there is a limited range of direct progression opportunities within full-time undergraduate higher education;
 - the perceived costs and benefits of entering higher education as compared to taking a job immediately. In particular, perceptions about the rate of return from a degree against the costs of taking out and repaying student loans. Thus, the key factors would appear to be the balance between the demand for high level skills in the economy versus the expected level of individual contributions to the costs of higher education. The responses from Government, employers and higher education institutions to the Leitch report²⁴ could therefore have a significant impact on demand from this source;
 - a significant proportion of full-time undergraduate provision is directly related to professional employment in the public sector, in particular the NHS and the education service, and is separately funded. The future of that relationship with major public sector employers is a key uncertainty.
- 196** It is also important to take into account the possibility of increased competition in the home full-time undergraduate market both from non-traditional UK providers (including the for profit sector) and from overseas universities, recruiting either to the institutions abroad or to offshore campuses established in the UK. The further development of borderless higher education could also increasingly compete with traditional delivery as could the open access software movement.
- 197** External competition for the home undergraduate market is at present very limited in part because of the key quality assurance requirements for degree awarding powers and access to the public funding that reduces the costs to individuals. It is, however, interesting to note that universities in the United States for example, are increasingly courting able UK undergraduates with substantial financial aid packages to study for their internationally recognised qualifications.

- 198** The key drivers are the globalisation of undergraduate higher education market, particularly in the face of similar demographic pressures in many developed countries, and the possibility of commercial opportunity in certain popular parts of the UK market. This could arise either from the liberalisation of the UK's quality assurance regime or from existing higher education institutions entering into partnership with for profit providers, as much of the higher education provision in further education colleges is currently provided in partnership with one or more higher education institutions. However, this development appears in the first instance to be a greater risk in the part-time undergraduate market.
- 199** Two other factors, both driven to an extent by students' financial considerations, could **reduce** overall full-time undergraduate numbers beyond any reduction for demographic reasons. Firstly, more young entrants could decide to study part-time rather than full-time. The proportion of young entrants who choose to undertake undergraduate study on a part-time basis is very small, but has been rising steadily. This may reflect a desire to minimise debt, but part-time undergraduate fees may represent a significant cost to individuals for which public support and employer support are limited. The contrast with the level of financial support available for full-time students, even though much is in the form of loans, is marked.
- 200** Secondly, more students may decide initially at least to enrol on shorter undergraduate programmes, such as foundation degrees or fast track two-year degrees currently being piloted through the pathfinder programme funded by the Higher Education Funding Council for England (HEFCE). Alternatively, individuals may increasingly choose, within a fully credit based system, to undertake only particular elements of longer programmes which were seen to have particular attractions in the current labour market. These kinds of change would have the effect of shortening the average length of study and lead to a reduction in overall numbers for the same number of initial entrants, unless all such students very quickly topped up their initial qualifications to honours degrees.

EU and international full-time undergraduates

- 201** As Chart 29 shows, students from other EU countries and from outside the EU form a small but significant proportion of full-time undergraduate students. EU nationals from outside the UK currently account for 4.1 per cent of the full-time undergraduate population. The demographic based projection already factors in the impact of falling populations across the EU on demand. However, these falls in population should be expected further to increase competition across the EU for students as countries seek to protect their higher education systems. Financial support for students, including whether or not tuition is free, may be an increasingly important driver.
- 202** Full-time undergraduates from outside the EU currently account for seven per cent of the full-time undergraduate population and the income from these international students is very important to the financial health of some higher education institutions. The key developments here are competition from other countries; from borderless higher education; and the development of the local higher education infrastructures in the countries where the UK has traditionally recruited well. The key drivers are on the one hand the globalisation of the higher education student market and increased identification of higher education as a sign of national standing. However, in this area external political developments such as government responses to threats from global warming and terrorism may have an important bearing on student mobility over the next 20 years, and the risks from these external political developments need to be factored into the assessments developed in Phases 2 and 3 of this project.

Part-time undergraduates

- 203** Part-time undergraduates in 2005/06 represented 26 per cent of all students and just under a third of all undergraduates, although on a full-time equivalent basis, they were around 15 per cent of total students. However, these figures exclude those students studying on non-credit bearing programmes. In 2003/04, they amounted to 669,000 enrolments covering both undergraduate and postgraduate levels, which for a few institutions are substantial sources of business. This market is considered here alongside part-time undergraduate study although much of it may be postgraduate in level.

- 204** Credit bearing part-time undergraduate programmes encompass several different markets, including:
- second chance undergraduate study, including individuals within the widening participation group;
 - recent graduates acquiring more job specific skills;
 - updating study for those in employment wishing to sustain, enhance or change their careers;
 - continuing professional development; and
 - non-vocational continuing education including third age learning for those 60 and over.
- 205** There is clearly some overlap between those on credit based programmes in the last two groups and those on non-credit bearing programmes of study.
- 206** It is also important to note in this context that less than 20 per cent of part-time undergraduates in 2003/04 were on programmes leading to professional or vocational qualifications while over 80 per cent were on programmes leading to first degrees, other certificates or diplomas, or institutional credit. Part-time undergraduate study is also concentrated in a relatively small number of institutions in the sector, with some specialist part-time providers. Changes in part-time undergraduate markets would have a disproportionate impact on these institutions.
- 207** Students from other countries of the EU and from outside the EU constitute a smaller proportion of the total of part-time undergraduates than they do of full-time undergraduates. In 2003/04, 1.3 per cent of part-time undergraduates were domiciled in other countries of the EU and 2.5 per cent were domiciled outside the EU. Overseas demand for part-time undergraduate study is less important than it is for full-time undergraduate study.
- 208** The drivers of demand for part-time first degree and for vocational other undergraduate study are likely to be very similar to those for full-time undergraduate study. They reflect the demand for higher level skills in the economy and the balance between future financial benefits and the costs of studying. The responses by Government, employers and higher education institutions to the recommendations and aspirations of the Leitch report are likely to be critical factors in increasing demand for part-time undergraduate higher education. Many of those in part-time undergraduate higher education are in public sector employment, and the attitude of major public sector employers to the provision made by higher education institutions is a key uncertainty.
- 209** However, as already noted in the first part of this report, unlike full-time undergraduate students, a significant proportion of entrants to part-time undergraduate programmes already have higher education qualifications. In 2003/04, around nine per cent of entrants to part-time first degree programmes already had degrees or higher level qualifications and for some sub-degree programmes the proportion already having higher education qualifications was as high as 25 per cent. The decision announced in September 2007 by the Government to require HEFCE to cease funding student places for those studying for qualifications at an equivalent or lower level (ELQ) than qualifications that they have already achieved is likely therefore in the short-term to have a significant negative impact on part-time undergraduate demand. We will consider in Phase 2 the longer term implications of this policy and how the higher education institutions most affected by it will be likely to respond over time to replace this reduction in one of their principal markets.
- 210** Financial support arrangements for part-time students, whether provided by employers or from public funding, are very important, as is the level of part-time tuition fees. Most part-time undergraduate students have little choice but to study part-time to fit with their employment and/or domestic circumstances.

- 211** Demand for part-time undergraduate higher education in publicly funded higher education institutions would appear to be more at risk from private competition than full-time undergraduate provision. Although it is difficult to quantify the actual numbers of students receiving high level education and training currently from private sector providers, the market is thought to be substantial. There is probably greater overlap with non-credit bearing provision by higher education institutions than publicly funded part-time undergraduate provision. However, in those areas that rely on external examination and assessment by a professional qualifying body such as finance and accountancy, there is already a range of for profit providers who are able to compete effectively with higher education institutions.
- 212** Publicly available data also show that employers spend less than 10 per cent of their total expenditure on training in paying fees to publicly funded higher education institutions and further education colleges. Many large firms either provide high level training using in-house resources or draw on a range of private sector providers that specialise in this field. This is one of the markets at which HEFCE's new employer engagement initiative is aimed as a contribution to the development of increased business for higher education institutions in England.
- 213** It is interesting to note in this context that around a third of enrolments on non-credit bearing programmes in 2003/04 were in clinical medicine, nursing and paramedical studies, social studies and education. This suggests that public sector employers may prefer to rely on continuing professional development programmes based around the publicly funded infrastructure.
- 214** The main factors affecting demand for adult and continuing education would appear to be:
- the increased number of recently retired people with more leisure time;
 - developments in the knowledge economy, requiring re-skilling etc, not only for professional purposes but also for personal development; and
 - the price charged.
- 215** However, since adult and continuing education students are amongst the most likely to have an existing higher education qualification, demand is likely to be substantially reduced as the public subsidy for these students is withdrawn following the Government's decision no longer to fund equivalent or lower level qualifications.
- 216** In Phase 2 of the study we will seek to adduce evidence of the impact of the ageing population and changes in personal communication and working patterns on demand for credit based non-vocational undergraduate higher education. We will assess whether this could presage a significant increase in demand over the next 20 years.
- 217** As public subsidies for local authority and further education college providers of adult and continuing education are reduced and the fees charged are forced to rise, higher education institution providers may enjoy an increase in demand at their expense, although many institutions are also putting up their prices in response to the introduction of variable fees for full-time undergraduates. However, this market may also be expected to experience increased competition from non-traditional providers such as educational publishers delivering material online.
- 218** It is clear that demand for part-time undergraduate study is an important element of total demand for higher education. However, the numbers of different markets within part-time undergraduate provision means that it will be essential to differentiate the impact of the different scenarios that emerge for demand in the different types of part-time undergraduate provision.

Full-time postgraduate students

- 219** Full-time postgraduate students represented around 10 per cent of all higher education students in 2005/06. They were therefore an important element in the total pattern of higher education enrolments, and especially so for a number of institutions. Just over a quarter of full-time postgraduate students were studying for postgraduate qualifications by research and the remainder were on postgraduate taught programmes or other postgraduate study.

220 However, for full-time postgraduate study the balance between home and overseas students (including those from the EU) was very different to that for full-time undergraduate study. Fourteen per cent of full-time postgraduate research students and 12 per cent of full-time postgraduate taught students were from other EU countries in 2005/06. Over a third of full-time postgraduate research students and 39 per cent of full-time postgraduate taught students were from outside the EU in 2005/06. Postgraduate students were 39 per cent of all full-time students from other EU countries and 53 per cent of all full-time students from outside the EU. In business and management which is as one would expect one of the biggest subject areas for full-time postgraduate study 68 per cent of all postgraduate students in 2005/06 were from outside the EU, presumably mainly on MBA programmes. For several institutions, these international students are critical sources of income and essential to the financial sustainability of the programmes.

221 The drivers for demand from EU and international students are as important as the drivers for demand from UK students for full-time postgraduate study. The demand from UK domiciled students for postgraduate taught provision is likely to be driven primarily by the requirements of the employment market and the willingness of employers to pay for their employees to attend. Fees for taught masters programmes tend to be so high, even for EU and UK domiciled students, that individuals without employer support will probably need to borrow commercially (on top of their existing student loans) to meet the cost of the fees.

222 The drivers for EU and international demand would appear to be much more related to the reputation of the institution, of the relevant department (and its research record) and of the individual programme. Global competition is clearly an issue as with EU and international demand for full-time undergraduate provision. The outcome of the Bologna Process could have important consequences for the demand from EU students for full-time taught Masters programmes since the European norm for such programmes is currently two years compared to one year in the UK.

223 It will clearly be important in Phase 2 of the project to model EU and international demand for postgraduate provision within the context of the scenario planning exercise. Potential external political developments over the next 20 years will also need to be factored in.

Part-time postgraduate students

224 In 2005/06, part-time postgraduate students were 13.9 per cent of all enrolments and 35 per cent of all part-time enrolments. Seventeen per cent of part-time postgraduate enrolments were postgraduate research students, including those writing up, and 83 per cent postgraduate taught students. Nearly 70 per cent of part-time postgraduate taught enrolments were in four subject areas – nursing and professions allied to medicine; social studies; business and management; and education – with around half of all part-time taught postgraduate enrolments in just two subject areas: business and management; and education.

225 EU and international students are a smaller but still significant percentage of part-time postgraduate students than they are of all full-time postgraduate students. In 2003/04 students from other countries of the EU were 10 per cent of part-time postgraduate research students and 4.6 per cent of part-time taught postgraduate students. Students from outside the EU were 21 per cent of part-time postgraduate research students and 8.9 per cent of part-time taught postgraduate students. It seems likely that demand from EU and international students for part-time postgraduate study will be subject to the same drivers as full-time postgraduate study relating to the reputation of institutions, departments and individual courses as noted above and similarly subject to global competition.

226 Demand for part-time postgraduate taught programmes from UK students is driven by the size of the graduate population, and indirectly linked to the total demand for undergraduate study. It is also driven by the demand for the highest level skills in the economy from individuals wishing to progress their careers, and from employers. However, since tuition fees for part-time taught postgraduate study, as for full-time postgraduate study, are often high, the availability of financial support from employers is a key factor in demand. It is scarcely surprising that taught postgraduate programmes relating to public sector employment have high levels of demand since students are likely to receive financial support.

227 In the study we undertook in 2005/06 of part-time provision in UK higher education institutions, a number of institutions reported to us that they saw the postgraduate level of continuing professional development as the most strategically important area of part-time provision. As with part-time undergraduate study, a good deal of demand in this area currently relates to those in public sector employment. If demand for such programmes from those in private sector employment increases, possibly in response to the Leitch agenda, higher education institutions should expect significant competition from commercial providers.

228 The part-time postgraduate research market is less clear cut. It covers those who are senior practitioners in the public sector and those who are employed within the institutions as research staff while studying for doctorates or other research qualifications. It will also include students working on collaborative research projects with industry who are also employed. There is no obvious subject bias within this group. They may, however, include a significant proportion of those seeking an academic career within the sector alongside full-time postgraduate research students. With the increased level of debt, which most undergraduates will incur with the introduction in England and Wales of deferred fees, it is possible that a smaller number of graduates will feel able to study full-time in doctorate programmes, and may choose part-time study instead as discussed above for home undergraduates.

- 229** This report presents an initial baseline, largely demographically-driven, projection of higher education student numbers in 2027, and begins the central task of identifying the drivers of the main variables affecting student demand over the next 20 years in the different segments within UK higher education. The analysis in this report identifies a number of external factors that could have a significant impact – both negative or positive – over the next 20 years which form the starting point for the scenario planning work to be undertaken in Phase 2 of the project.
- 230** The analysis in this report is deliberately largely policy free. However, as part of the work of Phases 2 and 3 of the project, we will seek to build in the potential impact of known and readily foreseeable policy developments as well as the external drivers. However, we will need to recognise that many if not all of the policy developments are likely to change at least once over the next 20 years. Furthermore, as is already happening under the current devolution arrangements there are increasing policy divergences between the different countries of the UK. Further devolution, including the possibility of an independent Scotland, will have to be accommodated in the further analysis.

**Appendix 1:
Projection of EU students on full-time first
degree courses**

	Students in UK higher education institutions, 2005/06	Students in UK higher education institutions, projected, 2026/27	Percentage change
Austria	665	573	-13.8%
Belgium	1,445	1,354	-6.3%
Bulgaria	250	145	-42.0%
Cyprus	4,385	3,604	-17.8%
Czech Republic	455	331	-27.4%
Denmark	670	694	3.6%
Estonia	220	138	-37.5%
Finland	1,155	1,099	-4.9%
France	5,765	5,617	-2.6%
Germany	5,735	4,451	-22.4%
Greece	4,965	4,832	-2.7%
Hungary	350	273	-21.9%
Ireland	7,785	8,616	10.7%
Italy	1,580	1,544	-2.3%
Latvia	300	178	-40.5%
Lithuania	600	340	-43.4%
Luxembourg	550	626	13.8%
Malta	95	85	-10.2%
Netherlands	975	966	-0.9%
Poland	2,055	1,242	-39.6%
Portugal	1,240	1,220	-1.6%
Romania	145	87	-40.3%
Slovak Republic	355	219	-38.2%
Slovenia	70	51	-26.7%
Spain	2,515	2,611	3.8%
Sweden	2,070	2,030	-1.9%
All	46,395	42,926	-7.5%

Full-time undergraduate students

It is assumed that home-domiciled students enrol in the same percentages within each country, age band and gender as at present, and that therefore the numbers are directly related to the demographic changes. The projected change in the gender balance is therefore built into the projection. An adjustment factor has been applied to recognise the projected increase in the proportion of the population of Asian ethnicity, who are – on current evidence – more likely to participate in higher education than other ethnicities. No allowance is made for the potential effects of change in social class, or improved staying on rates in schools leading to larger numbers taking level 3 qualifications. The potential effect of these and other possible developments are set out in the HEPI reports. Either of these effects might lead to a more favourable outcome.

It is assumed that EU students will also continue to enrol according to the demographic changes in each individual country, as set out in Appendix 1. As previously noted, there is a potential crossover between the enrolments of EU domiciled students and the enrolments of UK-domiciled students migrating from other EU countries.

It is assumed that enrolments of non-EU international students on full-time first degree courses will increase by 4.0 per cent over the 22 years in question, this being a modest projection compared with the British Council's assumption of a 4.7 per cent increase by 2020.

Part-time undergraduate students

It is assumed that part-time students will enrol in the same proportions to the overall population as they do at present. This will lead to a change in the age balance of part-time undergraduates, although the overall number of enrolled students will be very similar, since, as we have noted, increases in some age bands will be counter-balanced by reductions in others. We have taken the 2005/06 part-time undergraduate population divided into the two categories identified earlier: first degree students; and those following other qualification aims. The known age range of entrants to those programmes has then been related to the projected change in the age population of the UK. The enrolled numbers of students on part-time first degree courses is predicted to increase by 0.38 per cent, while the numbers following other undergraduate courses is predicted to increase by 0.47 per cent.

Postgraduate taught students

There is no logical way to predict enrolments on taught postgraduate courses, other than to follow the trend in undergraduate enrolments, since these provide the entry route for most, though not all, taught postgraduate students. However, of course, postgraduate students do not in many instances immediately commence their studies on completion of a first degree. There is a time lag, which varies according to the circumstances of the individual (and also according to the nature of the first degree). For the purposes of this exercise, we have projected the trend in enrolments of home students on full-time postgraduate taught programmes as being related to the trend in undergraduate programmes, thus taking account of the changing demography, but subject to an increasing conversion rate from undergraduate to postgraduate study.

As regards non-EU international students we have (subjectively) projected a 4.0 per cent increase, close to the British Council's projection.

Research postgraduates

We have assumed a continuation of the current levels of enrolments of students from the UK and the EU on research postgraduate programmes.

We have adopted our general assumption of a 4.0 per cent increase among non-EU international students.

- 1 The latest report on demand for higher education by HEPI, *Demand for Higher Education to 2020 and beyond* was published in June 2007 and is available at www.hepi.ac.uk
- 2 <http://www.britishcouncil.org/eumd-information-research-vision-2020.htm>
- 3 *Students in Higher Education Institutions 2005/06*, HESA March 2007
- 4 HEPI June 2007 op.cit
- 5 HEPI June 2007 op.cit.
- 6 Note that these projections exclude students writing up a thesis or dissertation after full-time or part-time study: they are not therefore directly comparable with the overall summary of all students contained in Table 5 in the contextual statistics.
- 7 *Prosperity for all in the global economy – world class skills*. HM Treasury, December 2006
www.hm-treasury.gov.uk/independent_reviews/leitch_review
- 8 For the purposes of this exercise higher education institution is defined as any institution that currently returns student number data to the Higher Education Statistics Agency (HESA) and whose student numbers are included in the 2005/06 data used as a starting point for the projection. By and large this is the publicly funded system of higher education, but includes the University of Buckingham. However, it excludes directly funded higher education delivered by further education colleges.
- 9 *Variable tuition fees in England: assessing their impact on students and higher education institutions fees: first report* (Universities UK, February 2007); second report (Universities UK, June 2007)
- 10 The baseline and the projection do, however, include provision (and the associated student numbers) franchised out from higher education institutions to further education colleges.
- 11 The student population is defined in endnote 8 above.
- 12 All domiciles – Home, EU and international students
- 13 The work to be undertaken in Phase 2 may identify some potential changes to the external environment that are more certain to occur than others, although their impact may be uncertain at this stage.
- 14 Chris Shaw, 2004-based national population projections for the UK and constituent countries, at http://www.gad.gov.uk/Documents/Population_Trends_123.pdf
- 15 The population of the UK across the 22 year period from 2006 to 2027 has been mapped using projections generated by the Government Actuary's Department, and published and maintained now by the Office for National Statistics.
- 16 This is, of course, not the same as "new entrants".
- 17 BBC News Online, 4 June 2007, and also followed up in other media in similar terms.
- 18 Philip Rees and John Parsons, University of Leeds/Joseph Rowntree Foundation, 2006
- 19 Rees and Parsons, op.cit.
- 20 *Part-time students and part-time study in higher education in the UK Strand 1*: Universities UK November 2006 available from universitiesuk.ac.uk/show
- 21 *Demand for Higher Education to 2020 and beyond*. Higher Education Policy Institute, June 2007 available at <http://www.hepi.ac.uk/pubdetail.asp?ID=234&DOC=reports>
- 22 <http://www.britishcouncil.org/eumd-information-research-vision-2020.htm>
- 23 Note that these projections exclude students writing up a thesis or dissertation after full-time or part-time study: they are not therefore directly comparable with the overall summary of all students in Table 5 in the contextual statistics.
- 24 HM Treasury. December 2006, op.cit



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