Universities UK

Supply and demand for high-cost subjects and graduate progression to growth sectors

Analysis by Universities UK

May 2025

Scope of analysis

This analysis explores changes in supply and demand of undergraduate provision for UK-domiciled students at UK higher education institutions.

It focuses on subjects classed as 'high-cost' by the university regulator, which are courses that cost more to run than the standard domestic tuition fee – for example, because they require specialist equipment, or small class sizes. Universities receive a grant from government to cover these extra costs.

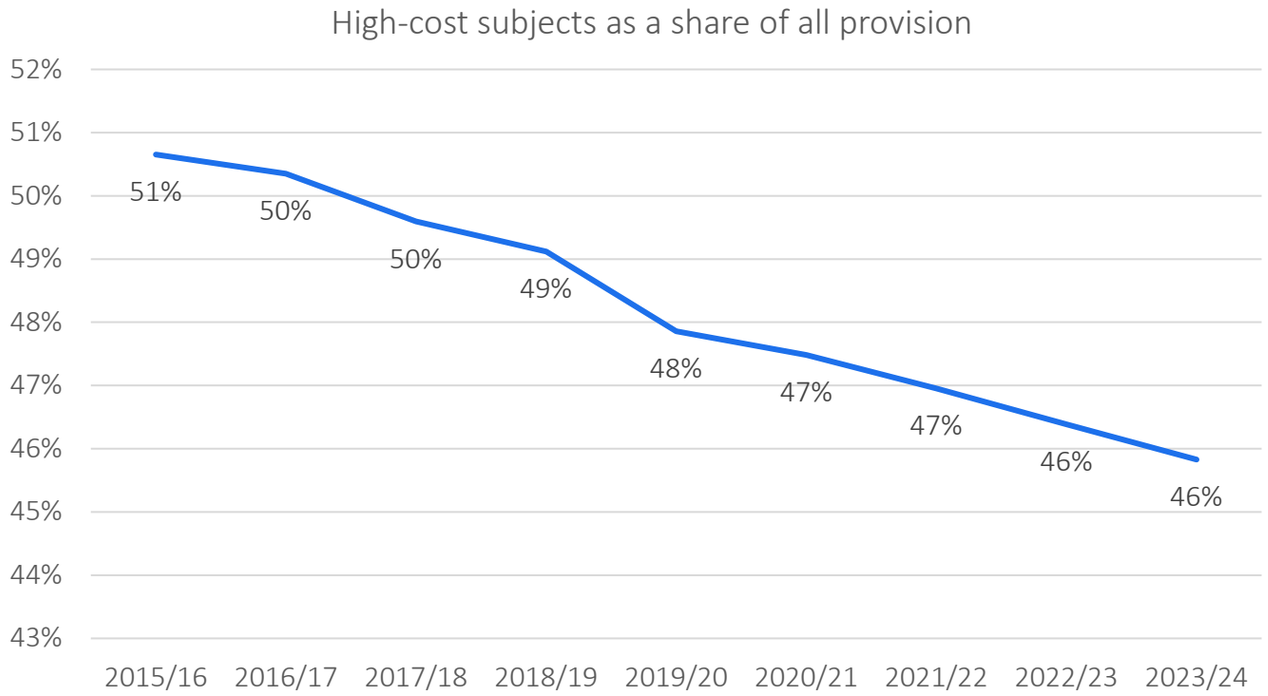
Further analysis looks at the link between these courses and the eight industrial strategy growth sectors that are central to the governments growth mission.

The following slides set out key findings from this analysis, with a technical annex providing further detail on sources and methodology.

Patterns and trends in supply and demand of high-cost provision

Supply of high-cost subject provision is declining in relative terms

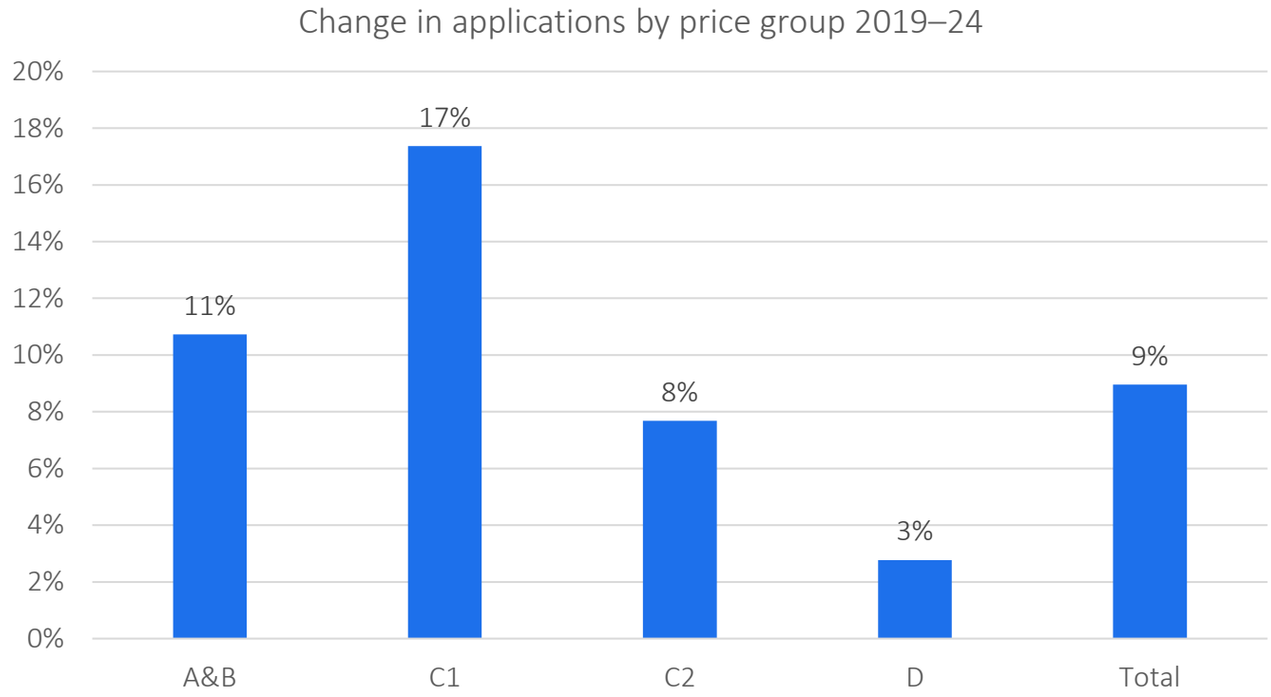
Between 2015–16 and 2023–24, subjects which receive high-cost funding declined as a proportion of total provision across UK providers (for UK, undergraduate, full-time entrants) from **52% to 47%,** while lower-cost subjects expanded.



Methodology note:
The high-cost subjects are the total of A&B and C1, while the low-cost subjects are C2 and D. The total number of applications in high-cost subjects in 2019 and 2024, respectively, are 1,117,265 and 1,271,620, while for low-cost subjects in 2019 and 2024, respectively, are 1,036,675 and 1,075,225. Therefore, the percentage change in demand for high-cost subjects between 2019 and 2014 is 14% and for low-cost subjects is 4%.

This is despite demand growing fastest for high-cost subjects

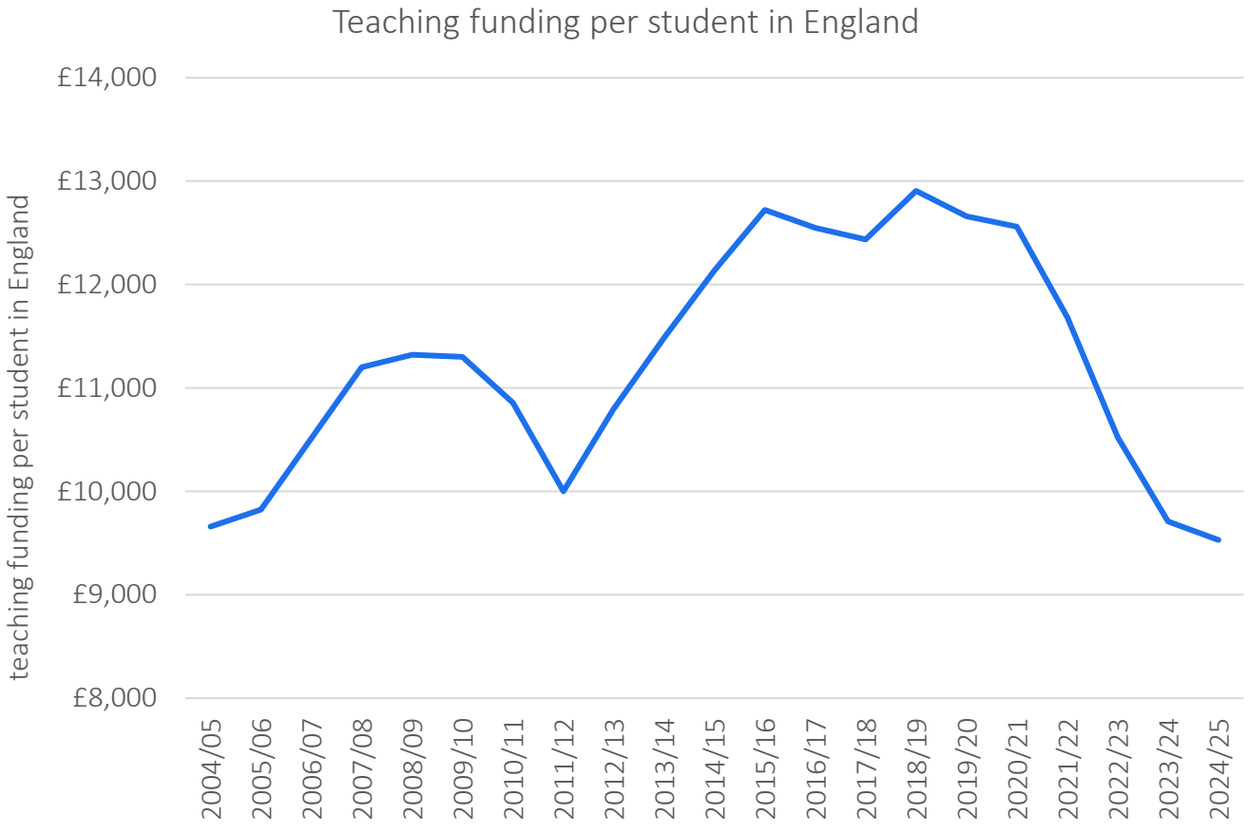
From 2019 to 2024, UK student applications to higher cost subjects **grew by 14%,** outpacing lower-cost subjects, which only grew by 4%. These now account for 57% of all UK applications (from 54% in 2019).



Funding hasn't kept pace with costs

The Strategic Priorities Grant, which supports high-cost subject provision, has **declined by 18.4% in real terms between 2018–19 and 2025–26.**

Combined with the decline in the real-terms value of the tuition fee, this underfunding means universities are less able to expand courses that are expensive to deliver.

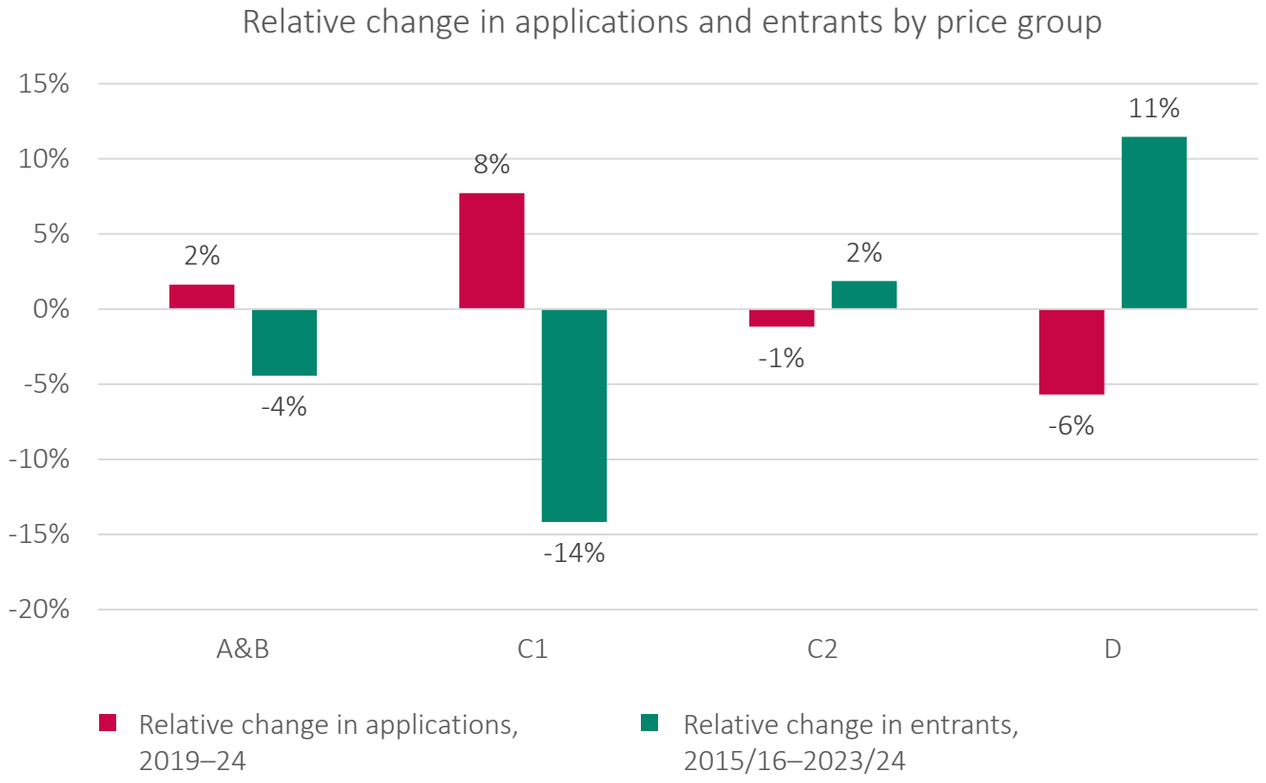


Source: Universities UK, 'Opportunity, growth and partnership: a blueprint for change': The UK higher education system in an international context

This has contributed to in a mismatch between the supply and demand for high-cost subjects

Price groups A&B and C1 both saw an **increase in applications of 12% and 17% respectively between 2019 and 2024.** These price groups receive funding as high-cost subjects via the SPG (in England).

Price groups C2 and D saw **increases in entrants of 8% and 3% respectively between 2019 and 2024.** These price groups do not receive funding as high-cost subjects.



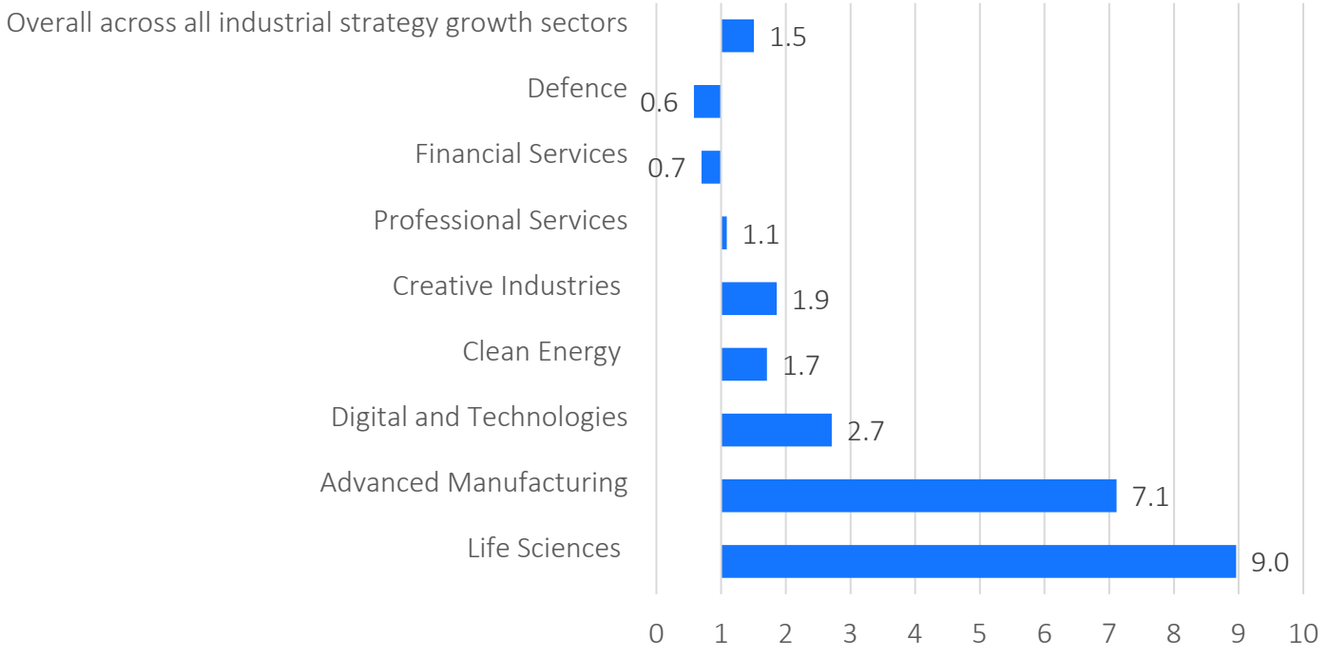
Graduate progression from high-cost subjects to growth sectors

High-cost subjects* align with national priority sectors identified in the industrial strategy

Overall, graduates from high-cost courses are **1.5 times more likely than those from other courses** to be working in one of the government's industrial strategy growth sectors three years after graduating.

UUK analysis found that graduates of high-cost courses were **1.7 times as likely** to be employed in the clean energy sector, while employment into advanced manufacturing was **seven times more likely** for graduates of high-cost degrees.

Likelihood graduates in high cost subjects are working in 'growth sectors' three years after graduation compared to other subjects



**Excludes highly vocational subjects aligned to public health sector (see technical annex for further detail)*

Technical annexe

Sources and methodology: Supply and demand for provision

The data used for this analysis was taken from three main sources:

- HESA Student record (https://www.hesa.ac.uk/data-and-analysis/students/what-study). Data was extracted from Heidi Plus – Subject of study (36 categories) – Provider – Academic Year (2015/16-2022/23) – Region
  - This data has been filtered: first degree/other undergraduate, first year, FT, UK domiciled
- Price groups and Student Outcomes data – OfS (https://www.officeforstudents.org.uk/data-and-analysis)
- Applications by subject were taken from UCAS Data and Analysis (https://www.ucas.com/data-and-analysis)

Sources and methodology: Progression to industrial strategy growth sectors

- The data used for this analysis was downloaded from the Department for Education's 'LEO Graduate and Postgraduate Outcomes' website (https://explore-education-statistics.service.gov.uk/find-statistics/leo-graduate-and-postgraduate-outcomes/2021-22).

- This data provided information for tax year 2021–22 covering English first degree graduates in employment three years after graduation across the UK, by industrial sector of employment and subject of study.

- This data was coded and mapped based on information in the following slides, with level or progression for high-cost subjects (excluding highly vocational subjects linked to public health sector: allied health, medicine and dentistry, nursing and midwifery, and other highly vocational courses such as veterinary sciences).

Sources and methodology: Subject groups

- In the absence of a consistent and comparable definition of high-cost subjects across UK providers, due to devolved funding arrangements for UK students, this analysis is based on the classification used by the OfS in allocation of their teaching grant (http://officeforstudents.org.uk/publications/guide-to-funding-2024-25/). While not exactly the same, this is similar to approach used in Wales, Scotland and Northern Ireland where high-cost subjects receive additional grant funding.

- The following slide set outs mapping of subjects against price groups, with high-cost subjects in the analysis defined as price groups A, B and C1.

Subject groups

Subject (CAH level 1)	Price group assigned	Cost group
(01) Medicine and dentistry	A&B	High cost
(02) Subjects allied to medicine	A&B	High cost
(03) Biological and sport sciences	A&B	High cost
(04) Psychology	C2	Lower cost
(05) Veterinary sciences	A&B	High cost
(06) Agriculture, food and related studies	C2	Lower cost
(07) Physical sciences	A&B	High cost
(09) Mathematical sciences	C2	Lower cost
(10) Engineering and technology	C1	High cost
(11) Computing	C1	High cost
(13) Architecture, building and planning	C2	Lower cost
(15) Social sciences	D	Lower cost
(16) Law	D	Lower cost
(17) Business and management	D	Lower cost
(19) Language and area studies	D	Lower cost
(20) Historical, philosophical and religious studies	D	Lower cost
(22) Education and teaching	D	Lower cost
(23) Combined and general studies	D	Lower cost
(24) Media, journalism and communications	C1	High cost
(25) Design, and creative and performing arts	C1	High cost
(26) Geography, earth and environmental studies	C1	High cost

Industrial sector groupings

- In the absence of UK government definitions of the eight industrial strategy growth sectors, we have developed the groupings of Standard Industrial Classification 2007 codes based on established groupings, and in the absence of these, our own informed assessment of reasonable groupings.

- The following slides set out the mapping of growth sectors to three digit Standard Industrial Classification (SIC) codes, and where relevant, sources that informed these groupings.

Mapping of SIC 2007 codes to Industrial strategy growth sectors

Industrial strategy growth sector	SIC 2007 three-digit code	Source
Advanced manufacturing	201, 202, 203, 204, 205, 211, 212, 261, 262, 263, 264, 265, 266, 267, 271, 272, 273, 274, 275, 279, 281, 282, 283, 284, 289, 291, 292, 293, 301, 302, 303, 304, 309, 325, 331, 332	UUK assessment of industrial groups based on Coast to Capital, 'Advanced Manufacturing and Engineering' (https://www.coast2capital.org.uk/storage/downloads/advanced_engineering_and_manufacturing_sector_report-1475583406.pdf)
Clean Energy	272, 351, 352, 353	UUK assessment of industrial groups
Creative industries	321, 581, 582, 591, 592, 601, 602, 620, 702, 711, 731, 741, 742, 743, 900, 910	Department for Culture, Media and Sport classification (https://assets.publishing.service.gov.uk/media/5c178a5340f0b60c69a28c93/Appendix_B.pdf)