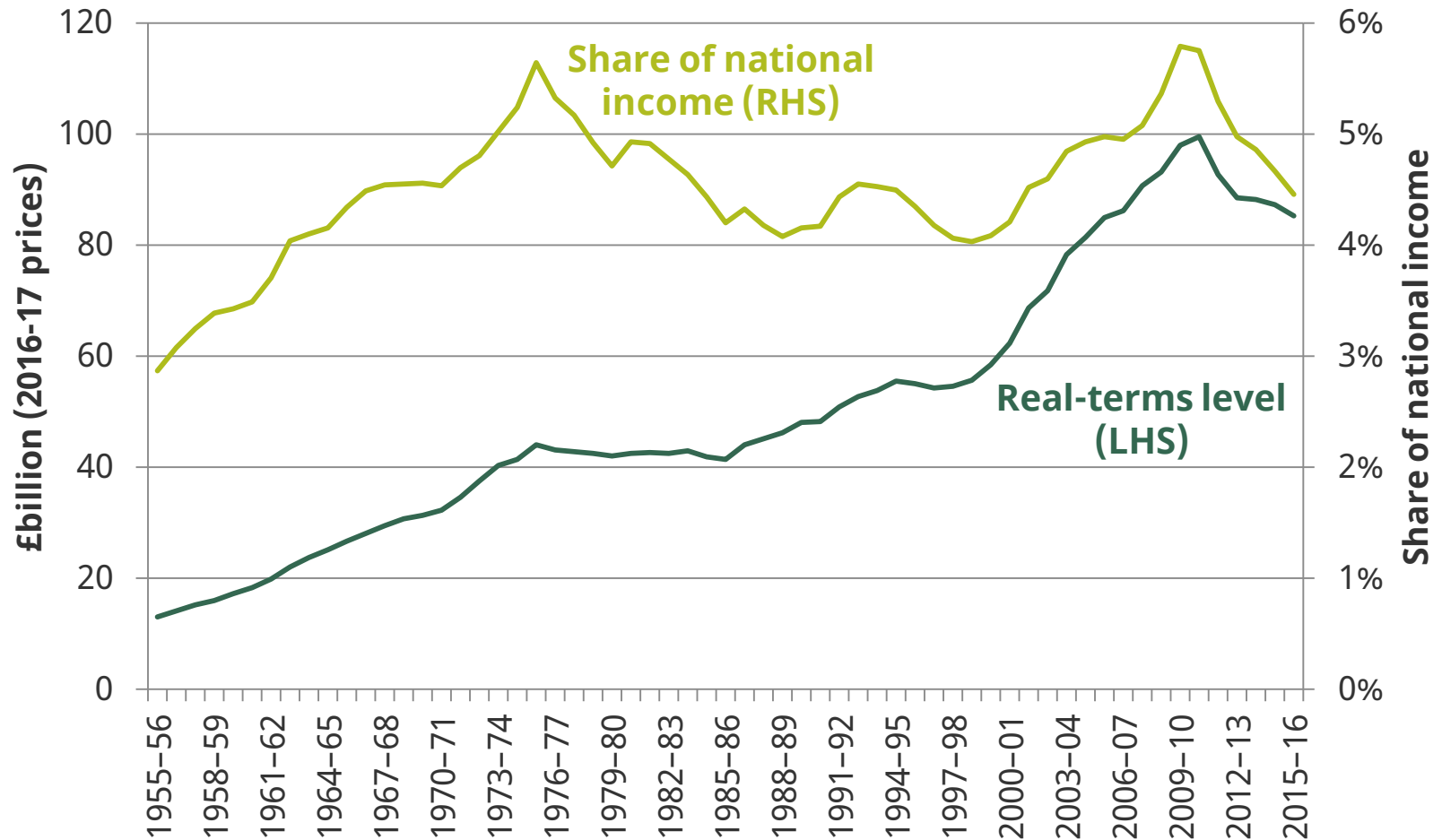


Long-Run Comparisons of Spending per Pupil across Different Stages of Education

Chris Belfield
Luke Sibieta

Introduction

Education spending over the long-run



Importance of understanding long-run trends in spending per pupil at different stages

Trends in overall education spending can mask changing spending priorities across different phases

How have funding reforms and changing participation levels affected spending per student at different stages?

How do current changes compare with past changes?

Important to understand given empirical evidence showing differential effectiveness of investments at different ages

Not currently possible to track spending across different stages over long-run and in a consistent manner

Aim: create consistent series of spending per pupil or student across main stages of education over long period, which we can update annually

Overall framework for creating measuring of spending per pupil

Focus on day-to-day spending in England only

- Aim to incorporate capital spending and UK-wide comparisons in the future

Examine education spending from early years to higher education

- Early years – ages 3-4
- Schools- ages 5-16
- Further education and sixth forms – ages 16-18
- Higher education – ages 18-21

All figures presented in 2016-17 price and all changes are in real-terms

Early Years

Policymaker focus on early years spending

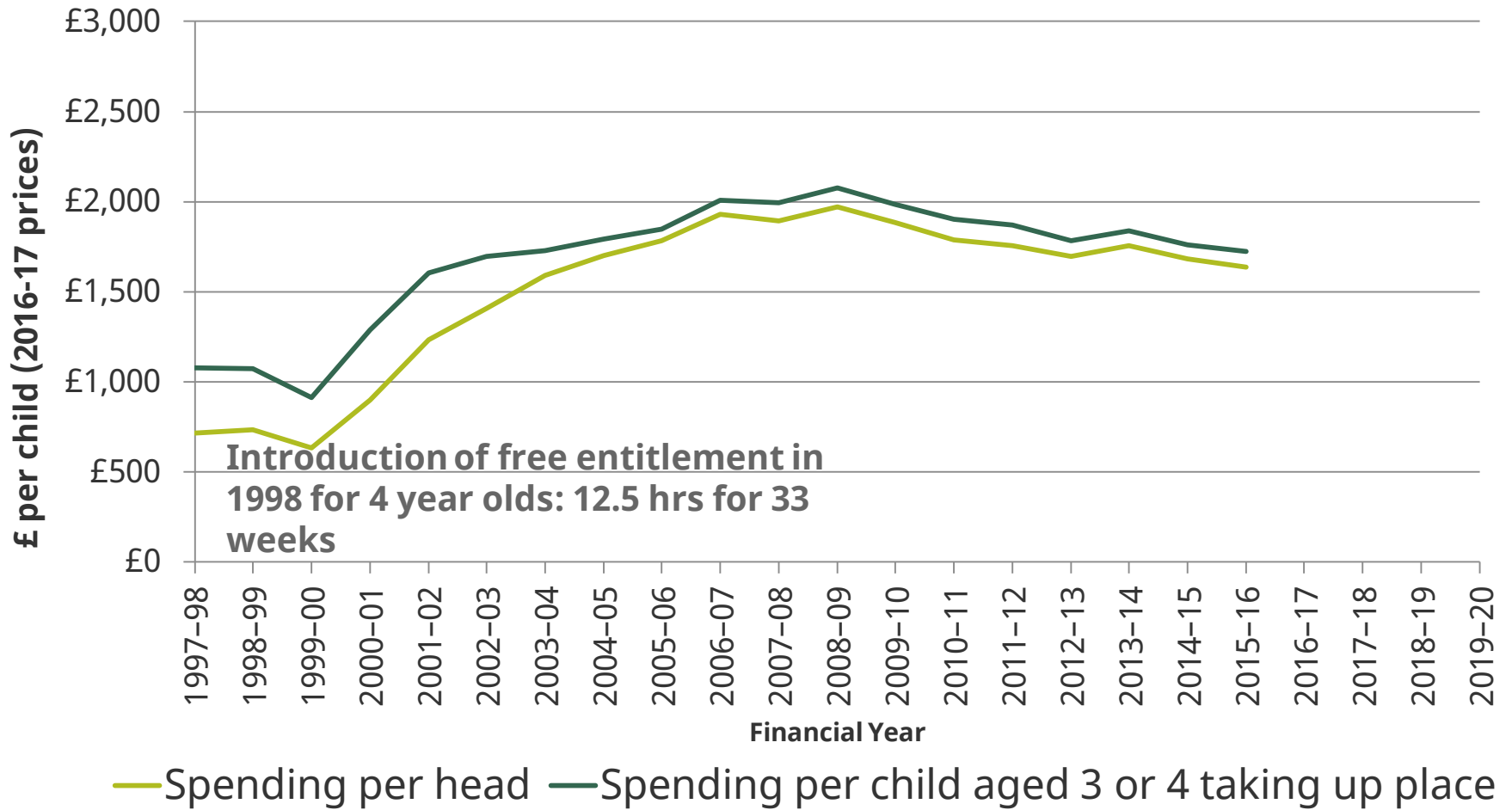
Increasing focus on early years education as means to increase maternal employment and improve child outcomes

Total spending up from less than £100m in early 90s to £5.4bn in 2015-16

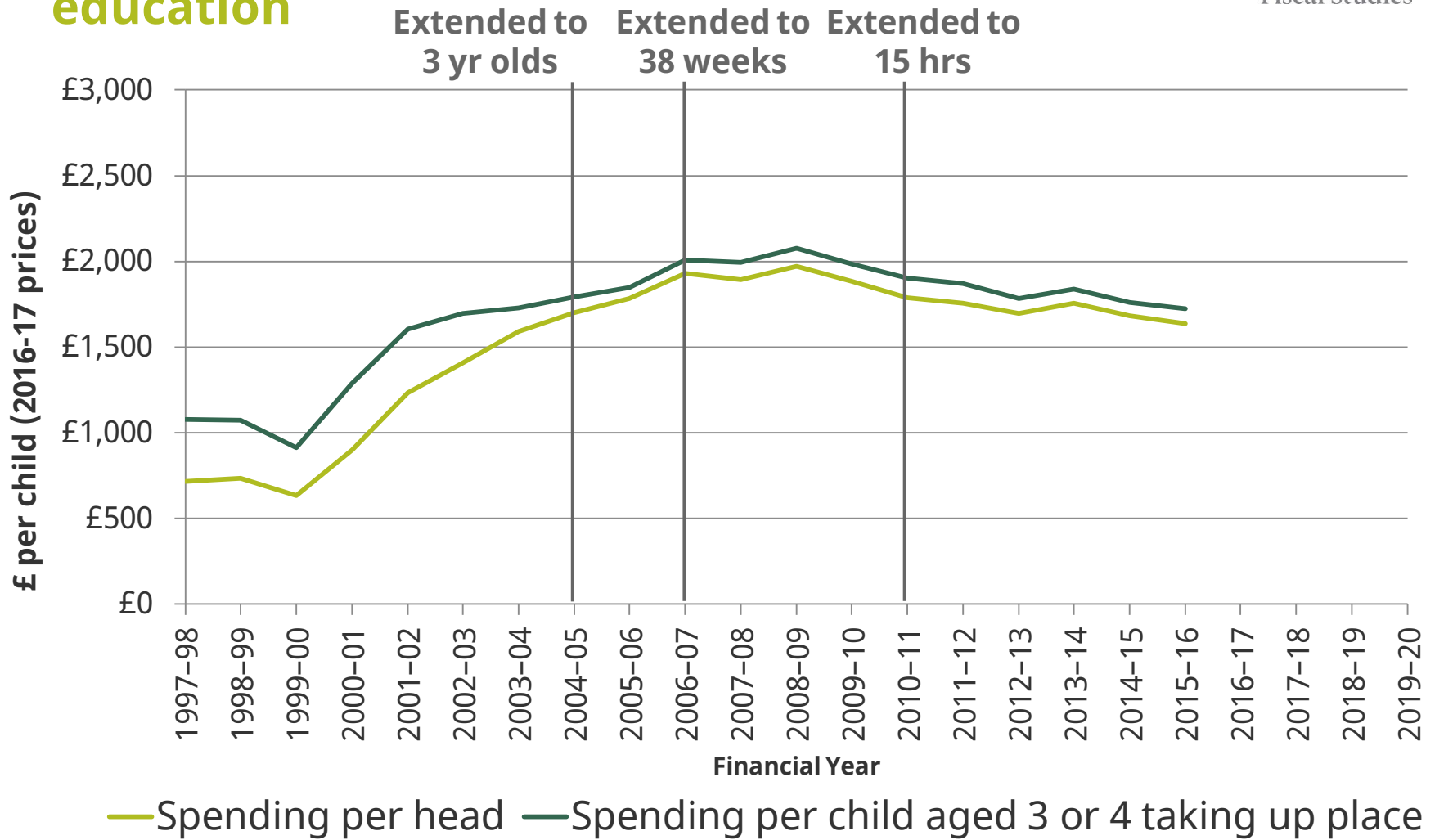
- Entitlement to 15 hours free early education for 3 and 4 year olds (£2.3bn)
- Extended to disadvantaged 2 year olds (£540m)
- Sure Start (£1.0bn)
- Demand-side subsidies through Working Tax Credit (£1.2bn *in 2014-15*)
- Tax-free employer childcare vouchers (£750m)

Focus on entitlement to free early education for 3 and 4 year olds as closer to education spending, rather than childcare

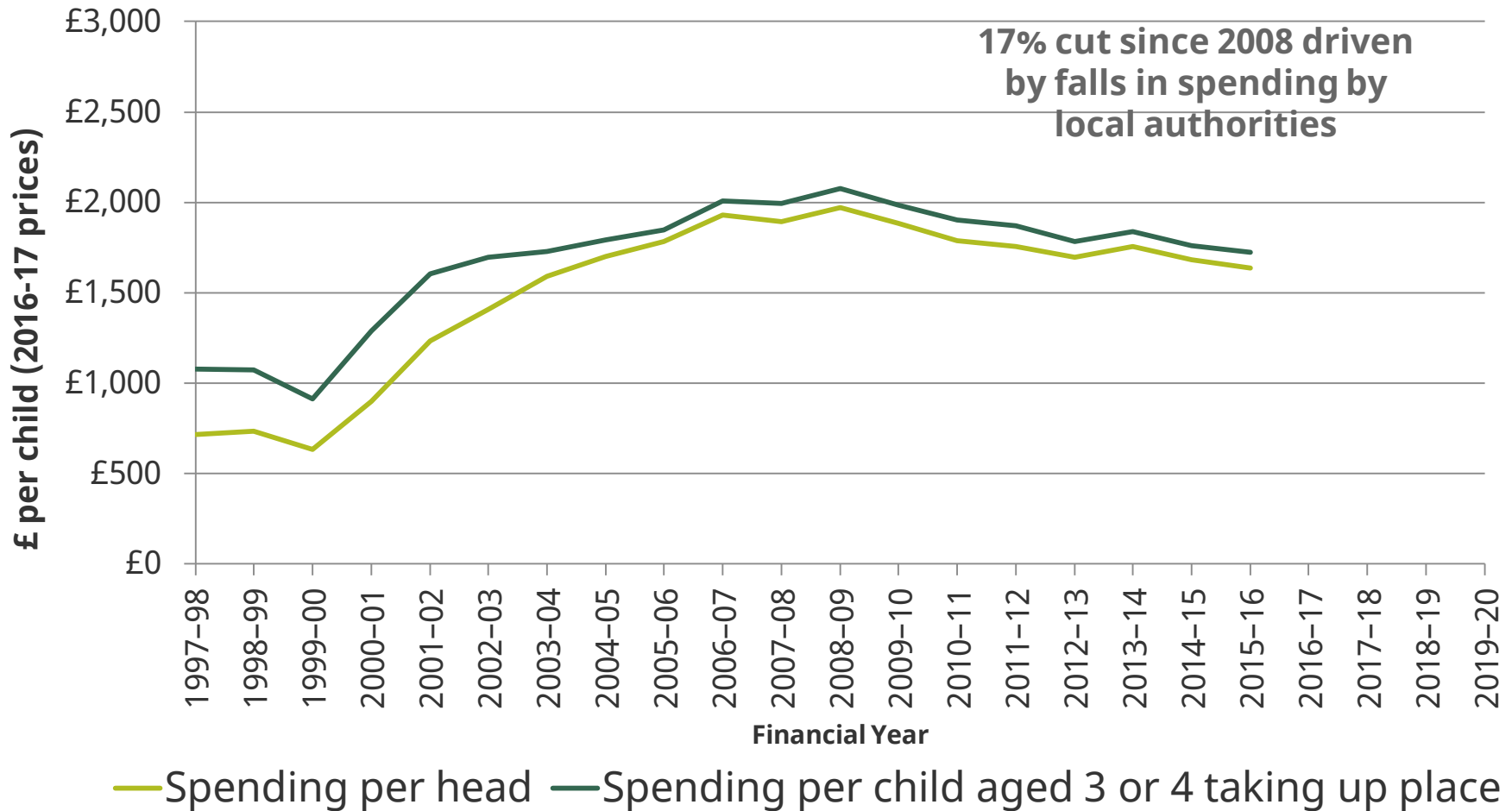
Increase in spending on early years education



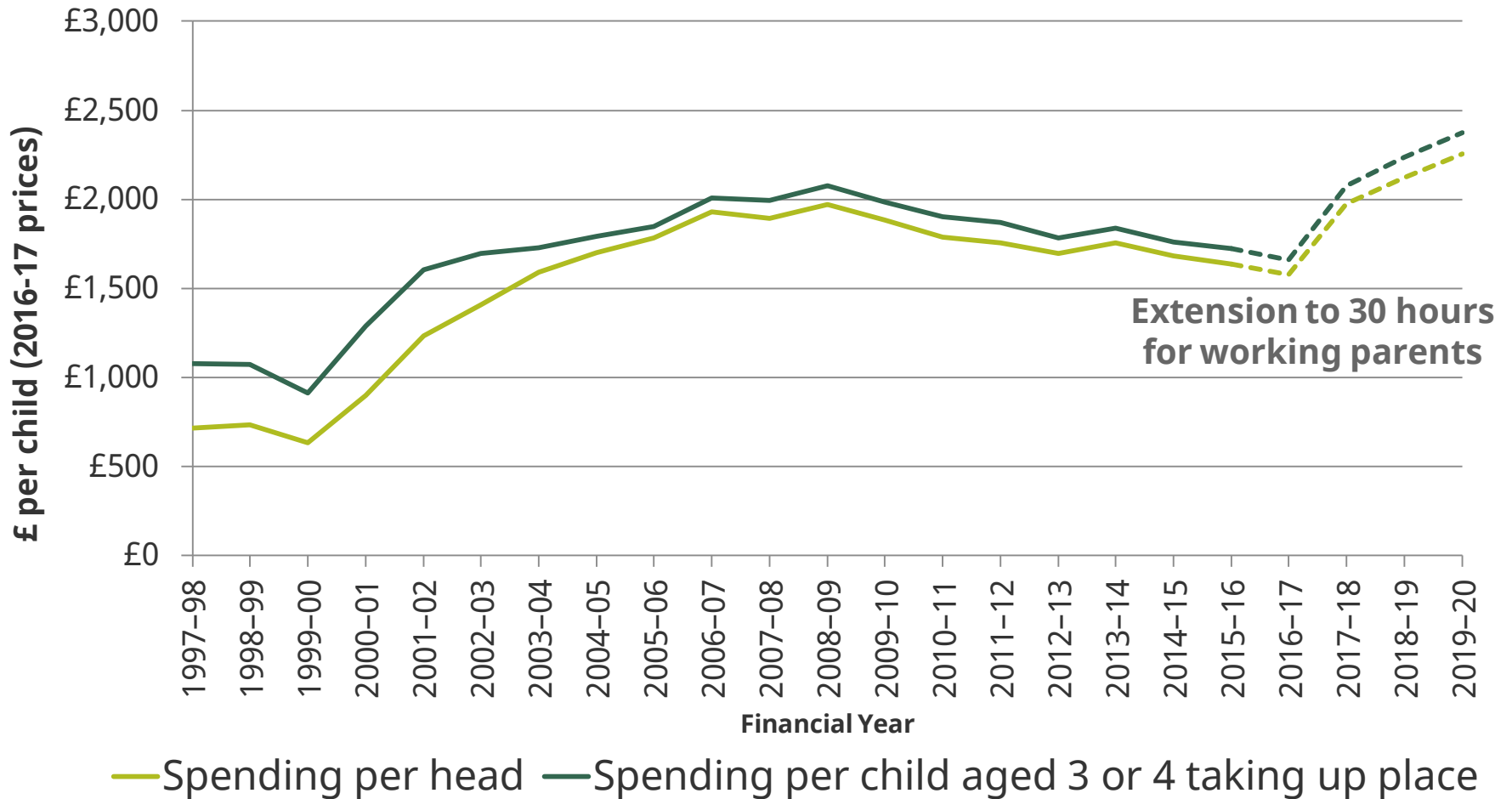
Increase in spending on early years education



Increase in spending on early years education



Increase in spending on early years education



Summary of changes over time

Increase in spending per child aged 3 or 4 taking up free place from £1,100 in 1997-98 to £1,700 in 2015-16

- Offer by local authorities expanded before legal entitlement changed
- Falling spending per head since 2008 as local authorities have chosen to spend less

Extra £1bn to deliver extension from 15 to 30 hours for working parents likely to increase spending per child aged 3 or 4 to around £2,400 in 2019-20

- Sufficient to ensure quality of provision?

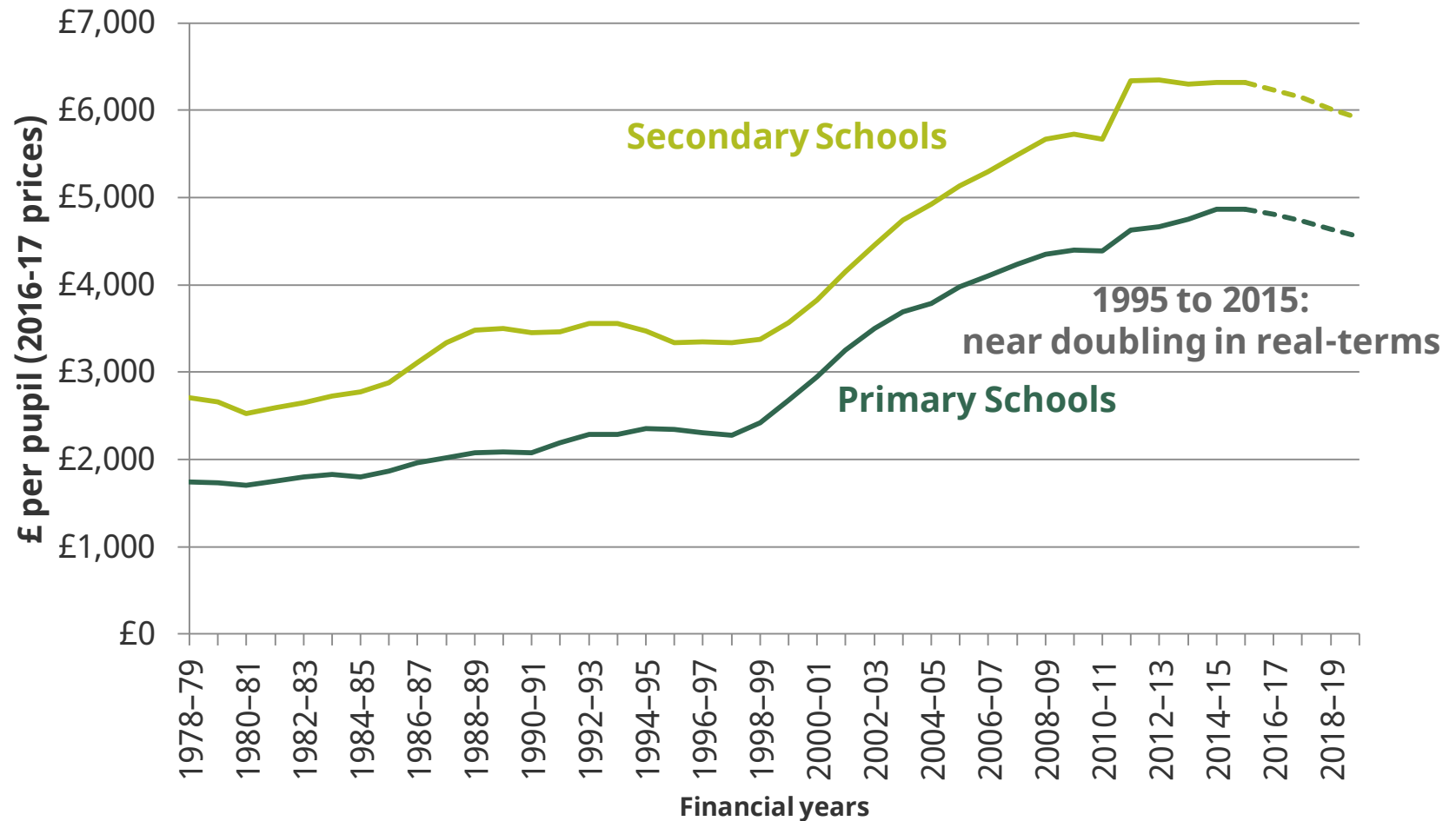
Other elements of early years spending grown from near zero, but are falling back

- Spending on Sure Start and Childcare Element of WTC fallen by one third since 2010-11
- Spending on childcare vouchers up from around £500m in 2010-11 to £750m in 2015-16

Schools

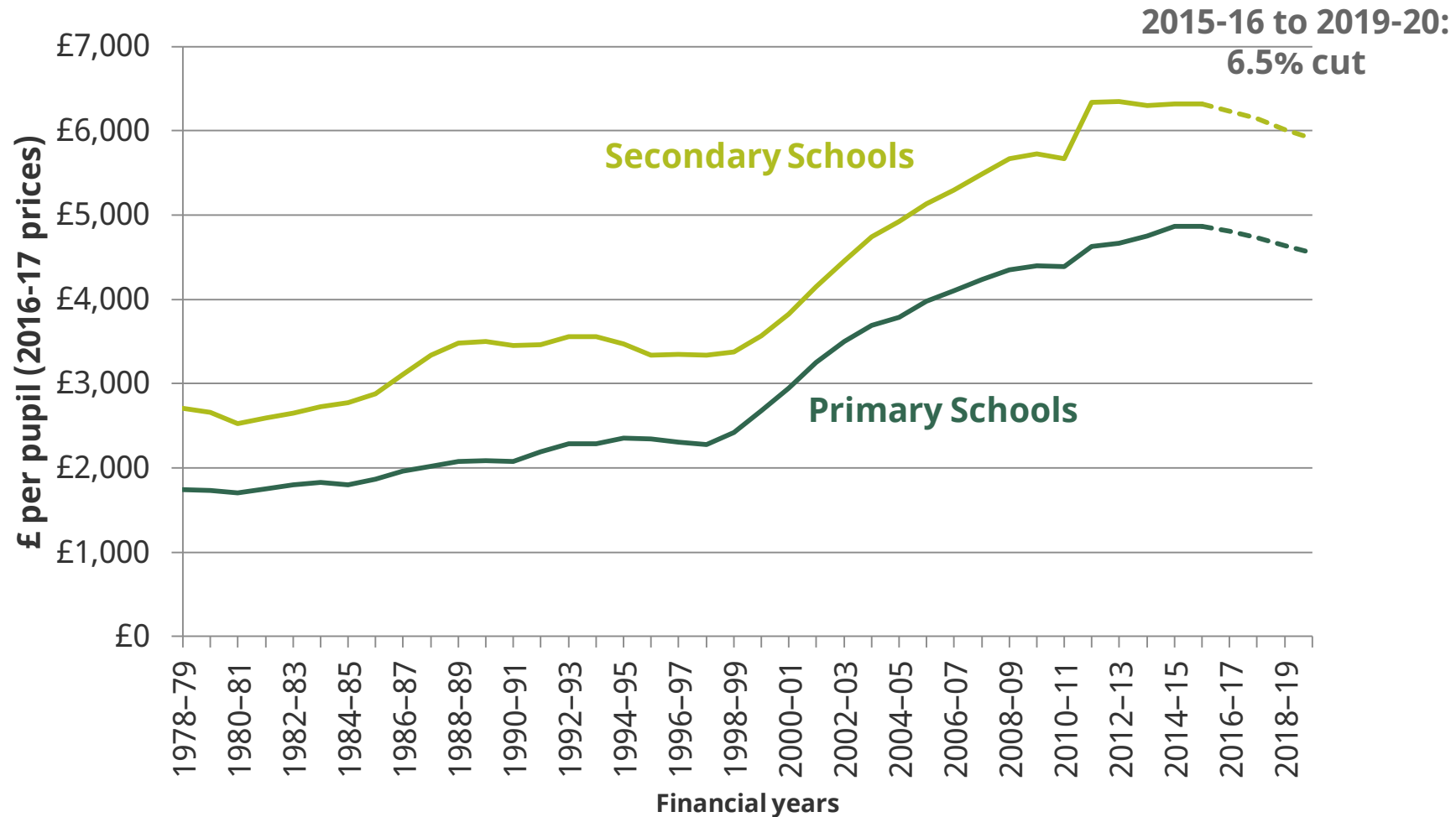
Long-run trends in school spending per pupil

First cuts since mid-1990s, but on the back of significant increases in 2000s



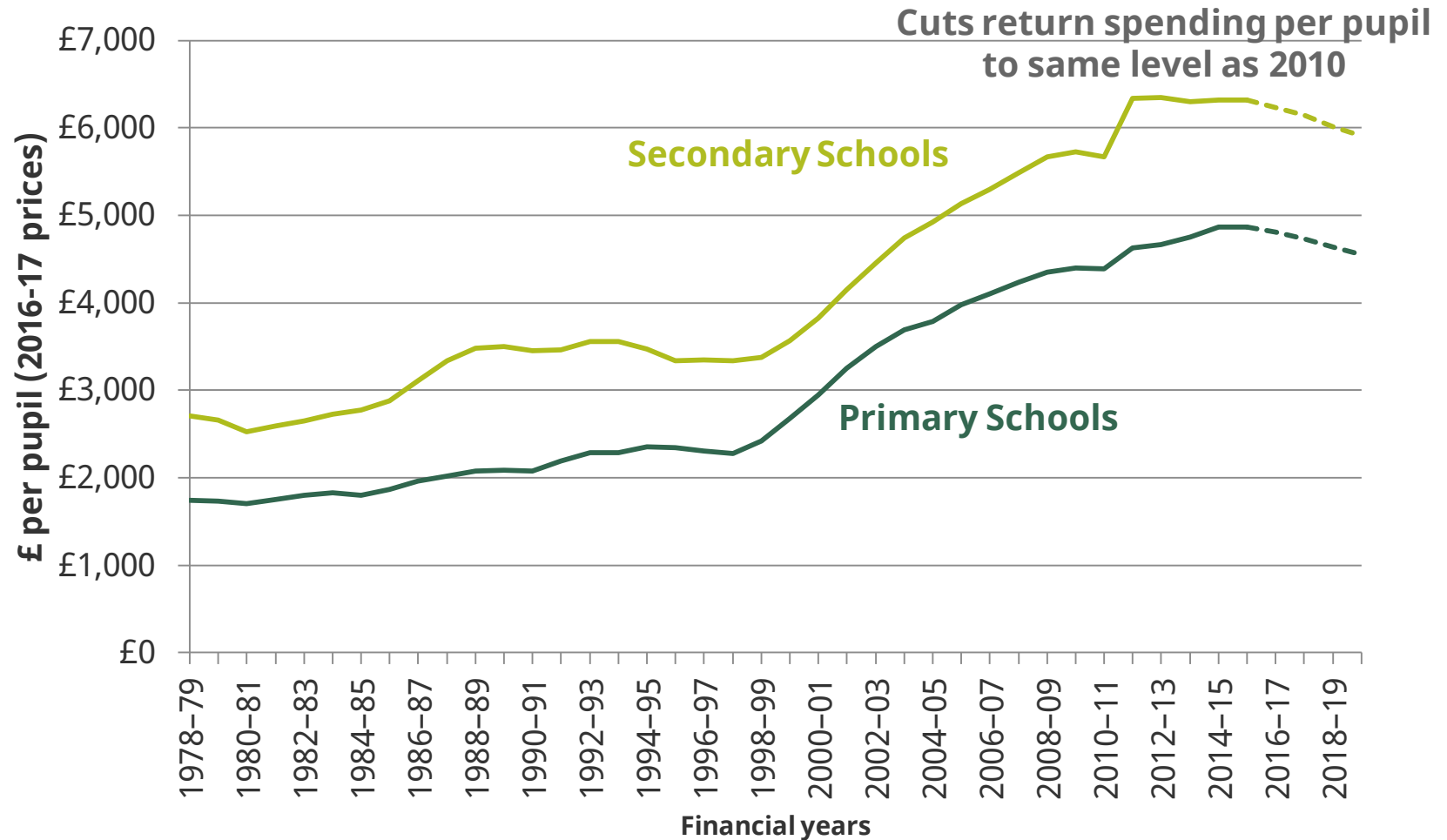
Long-run trends in school spending per pupil

First cuts since mid-1990s, but on the back of significant increases in 2000s



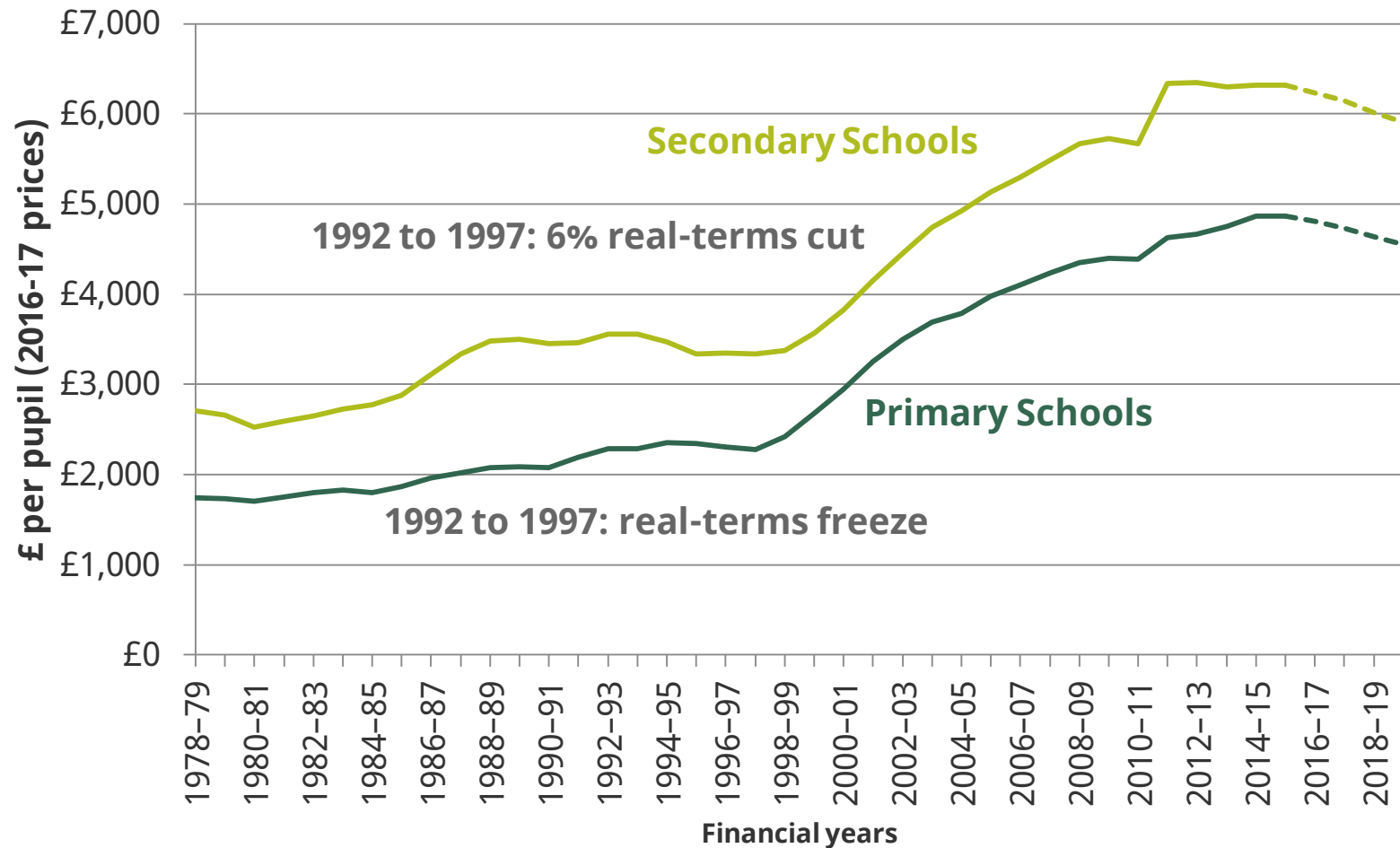
Long-run trends in school spending per pupil

First cuts since mid-1990s, but on the back of significant increases in 2000s



Long-run trends in school spending per pupil

First cuts since mid-1990s, but on the back of significant increases in 2000s



Pressures on school spending

Plans imply 6.5% cut to school spending per pupil between 2015 and 2020

Will take school spending per pupil to 2010 level, but still over 70% higher than in 1990

New national funding for schools in England from 2018-19 onwards

- Long overdue reform that will rationalise the schools funding system
- Inevitably creates winners and losers
- Tough given tight schools settlement
- Significant transitional protections up to 2019-20

Further Education and Sixth Forms

Further Education and Sixth Forms

Big increase in education participation amongst 16-18 year olds in England

- From around 50% of 16-18 year olds in mid-1980s to around 75% by 2015

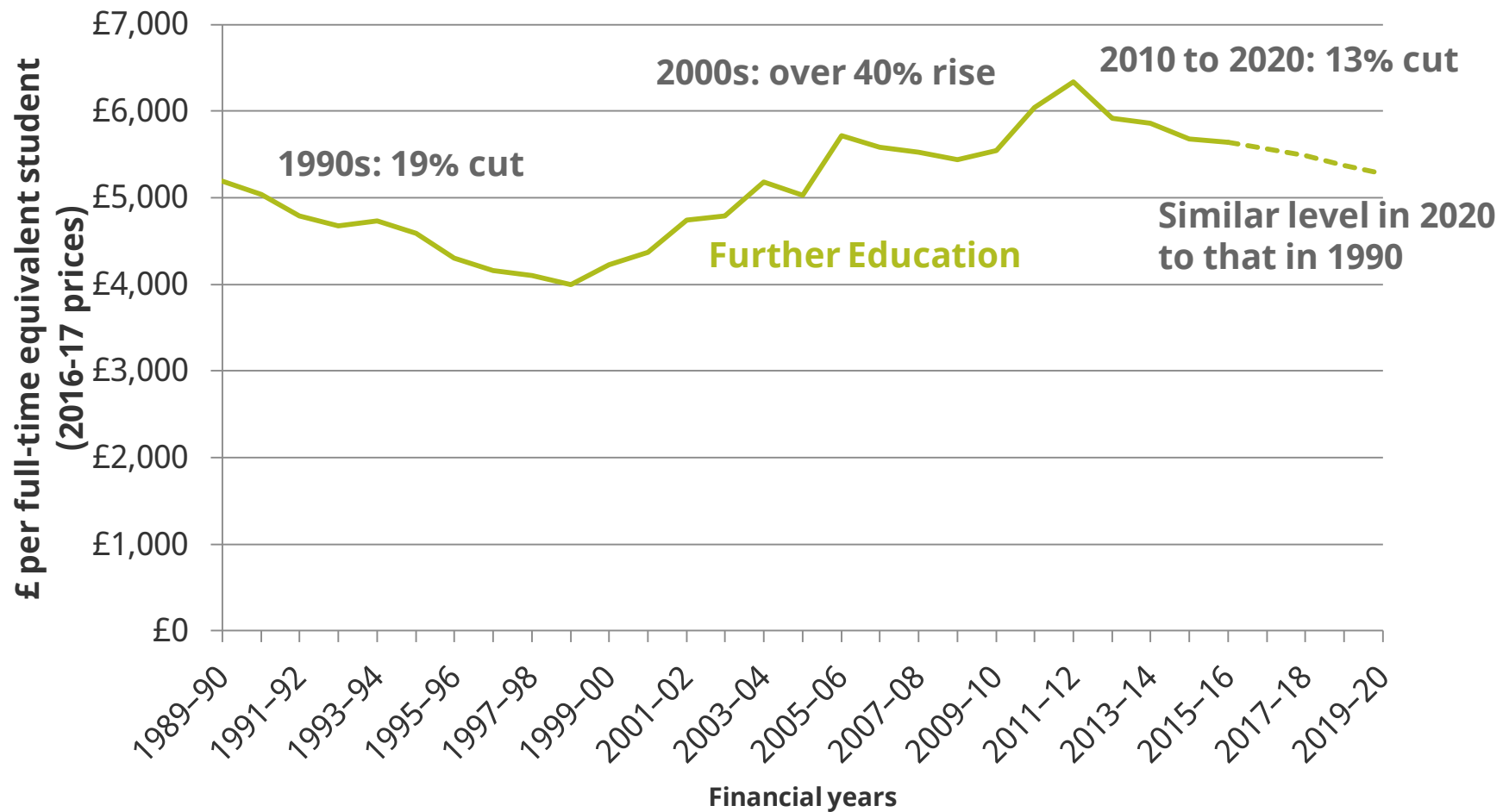
Further Education and Sixth Form Colleges

- Total spending of £3.7bn in 2015-16
- Attended by around 720,000 Some part-time, some full-time
- Combination of academic and vocational qualifications (full and part-time)

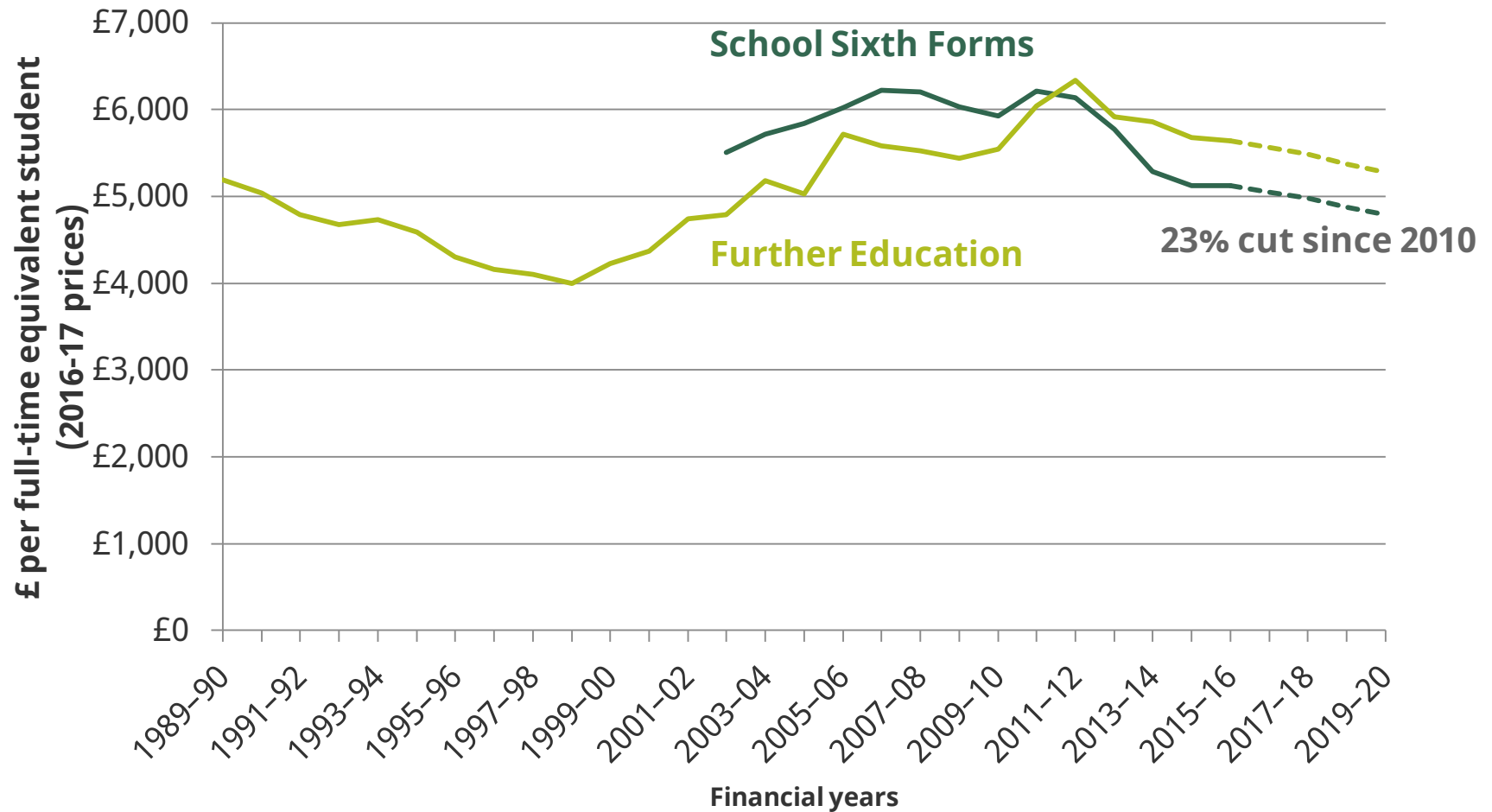
School Sixth Forms

- Total spending of £2.2bn in 2015-16
- Attended by around 430,000 16-18 year olds in 2015
- Full-time academic qualifications

Long-term squeeze on further education spending



School sixth form spending per pupil falls behind that in FE



FE and Sixth Forms have been a low spending priority for policymakers

Spending per student in FE will be about the same in 2020 as it was in 1990

- Public spending has doubled and national income up 77% over same period

Larger cuts than schools spending when there are spending cuts

Smaller rises when there are increases in public spending

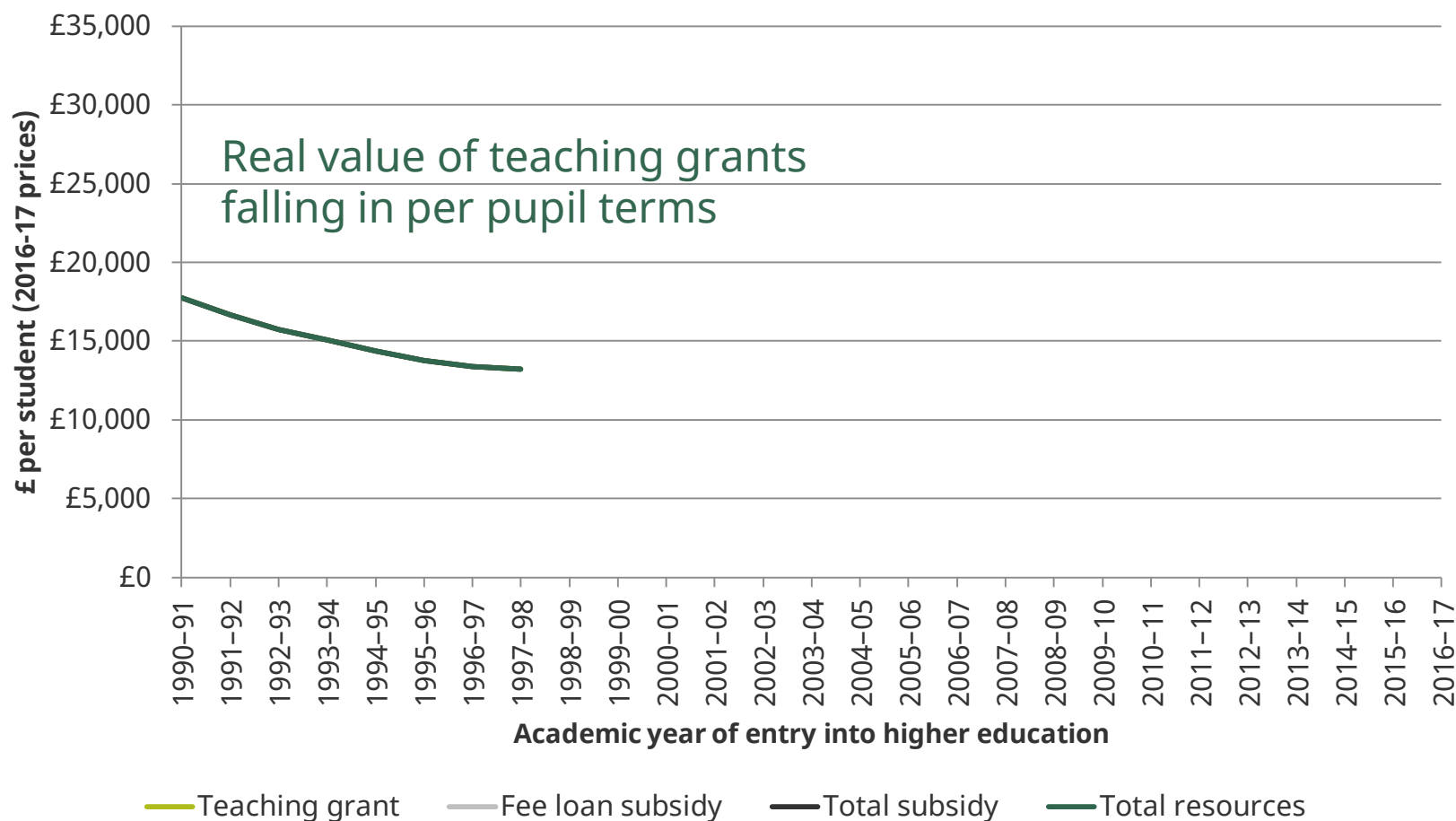
Why is it such a low priority?

Higher Education

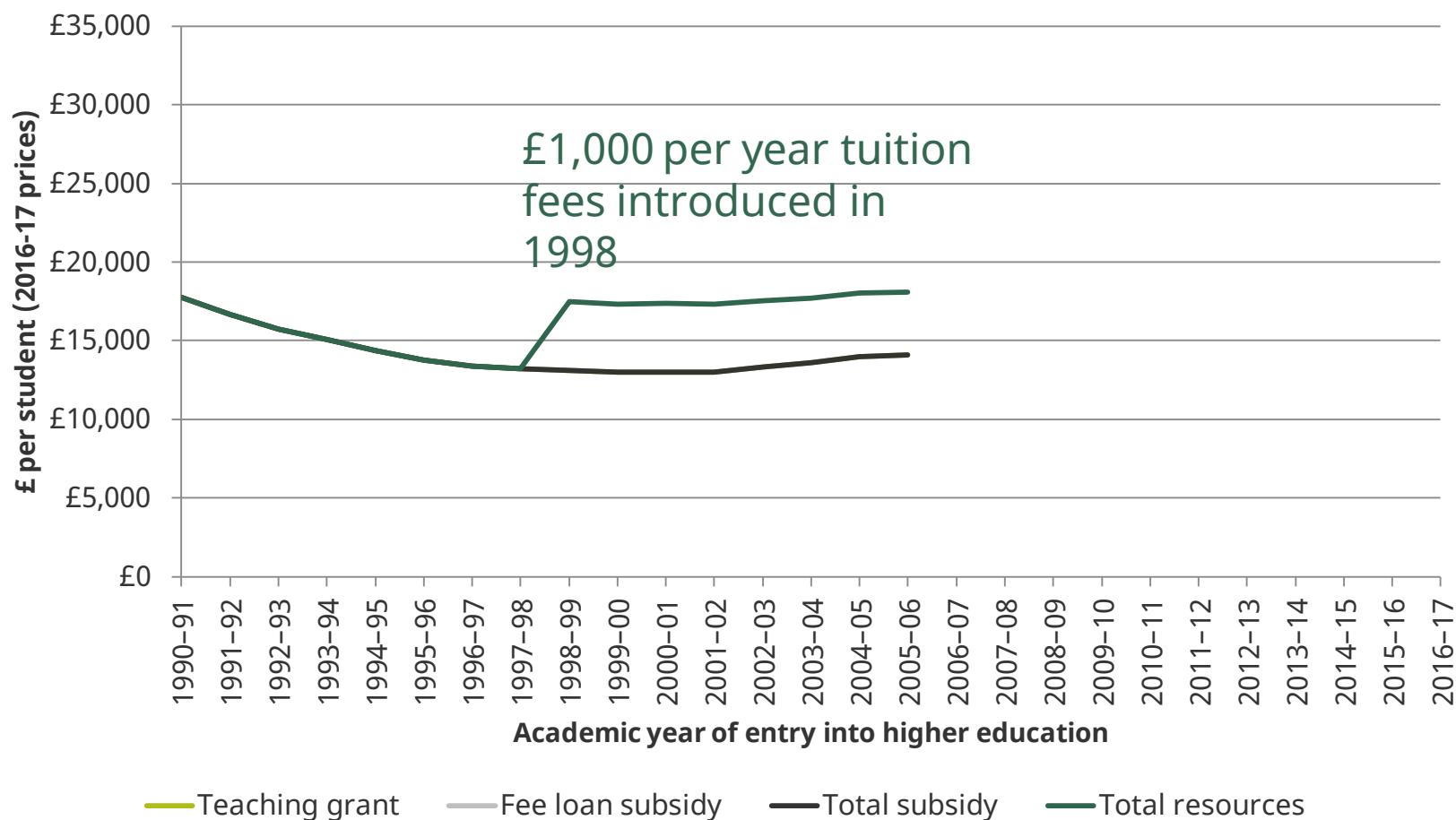
Measuring higher education spending

- Measuring spending on Higher Education is more complicated because it is made up of teaching grants and tuition fees
 - Maintenance grants/loans shown separately
- Two main measures:
 - Upfront resources available for universities – includes teaching grants and all tuition fees
 - Long-run government subsidy – includes teaching grants and non-repaid tuition fee loans
- Defined at the cohort level
 - E.g. Spending per pupil on the cohort of students entering HE in 2012/13 to cover their entire degree

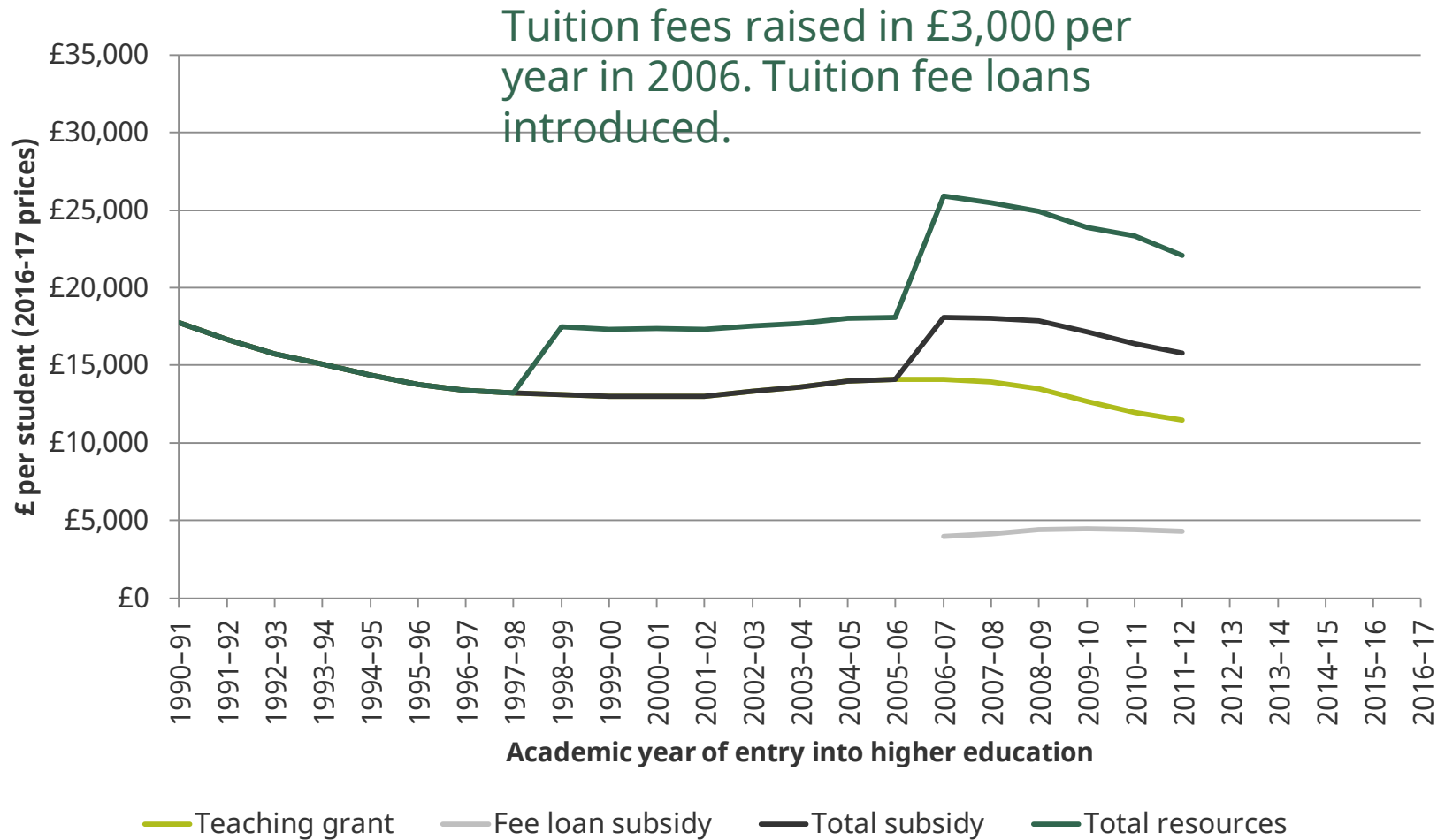
Higher Education funding in England



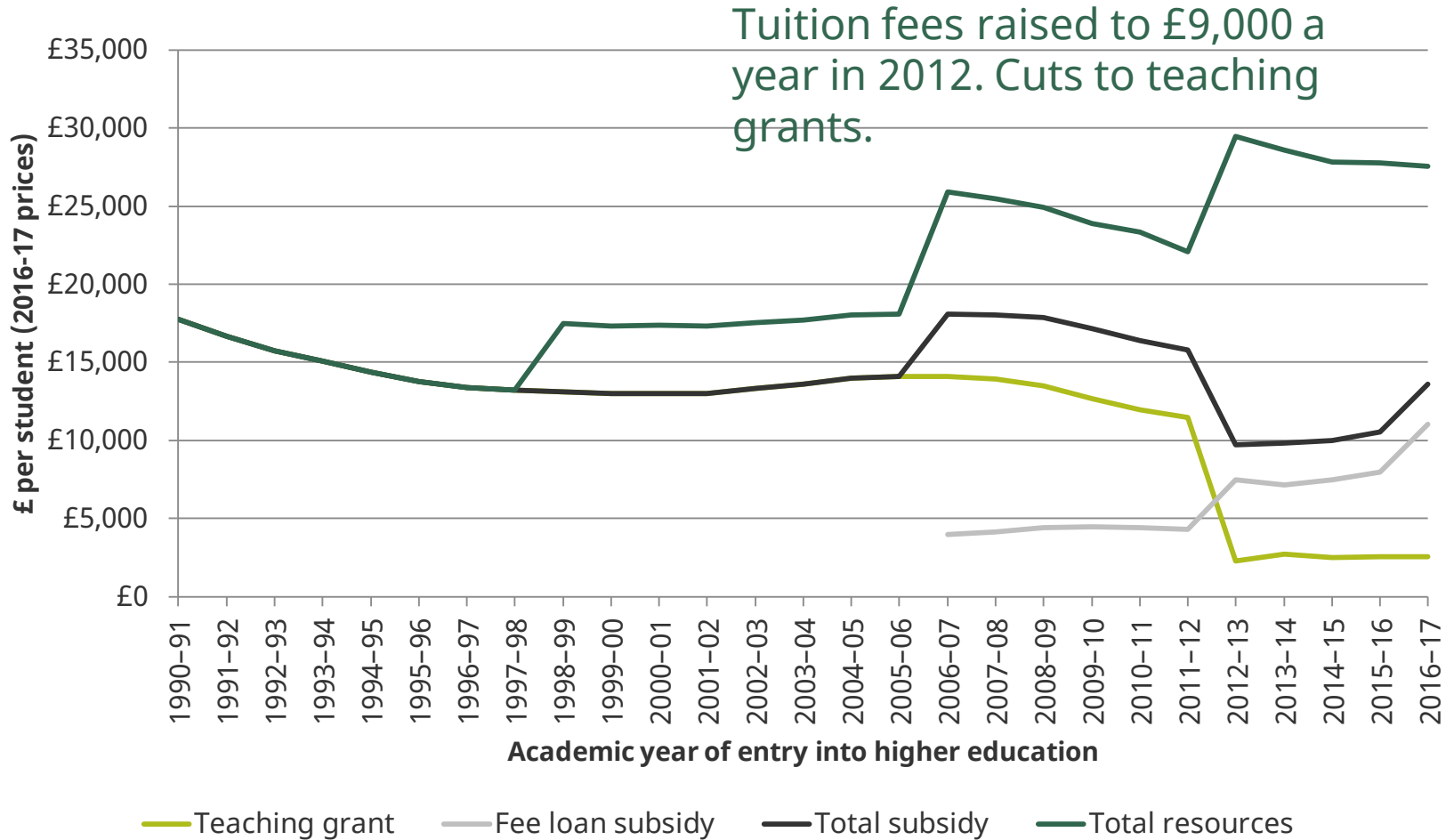
Higher Education funding in England



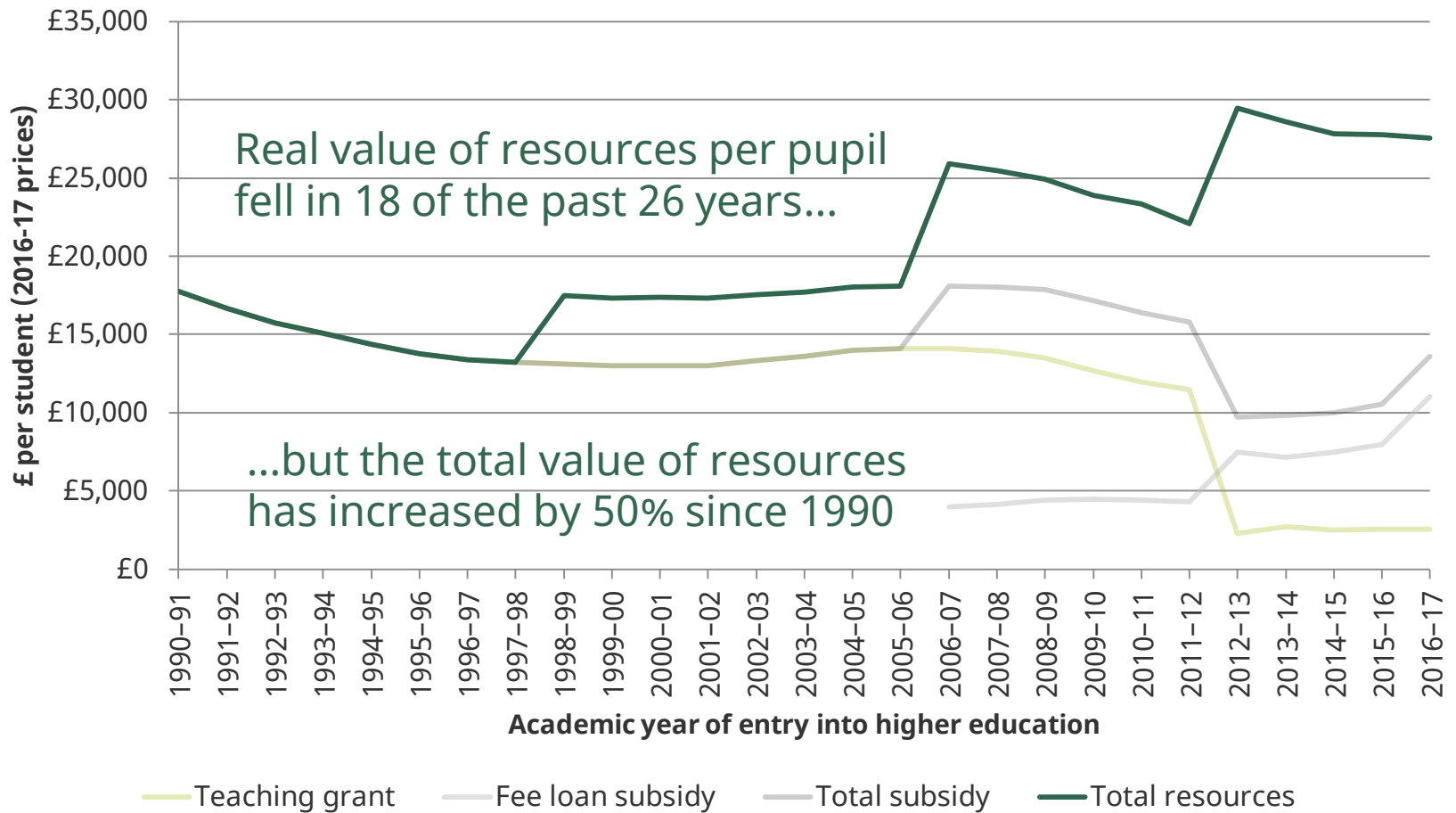
Higher Education funding in England



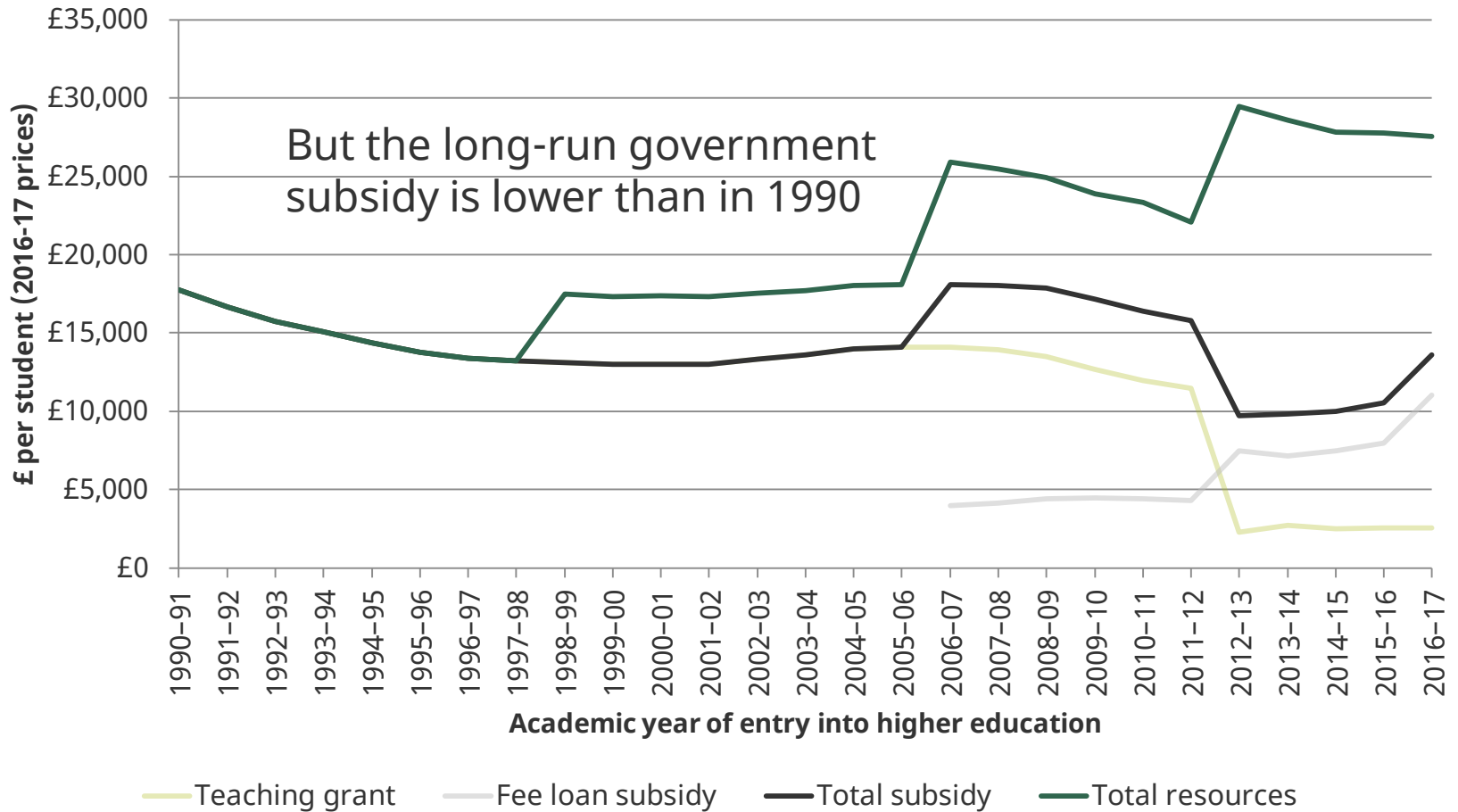
Higher Education funding in England



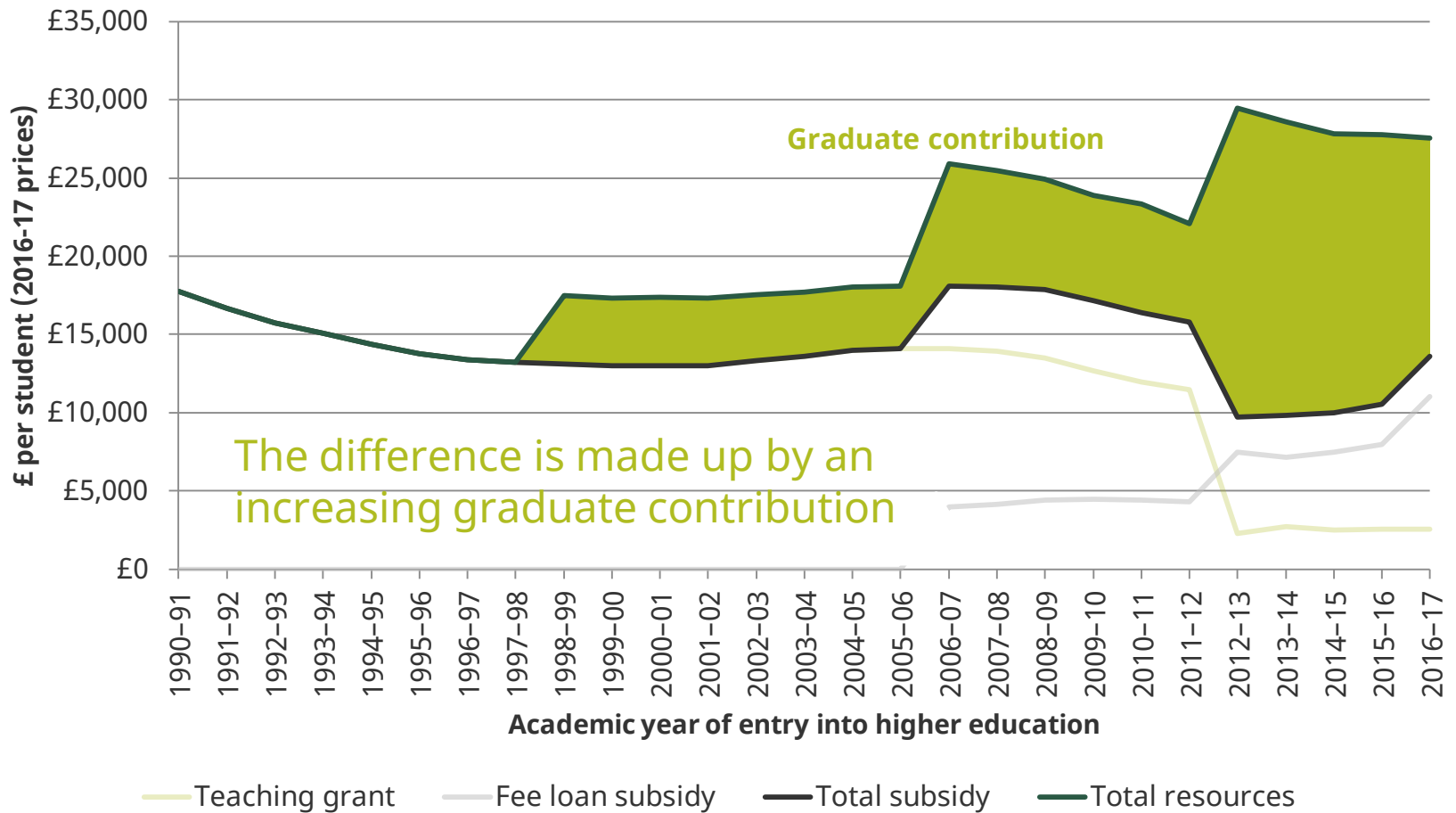
Higher Education funding in England



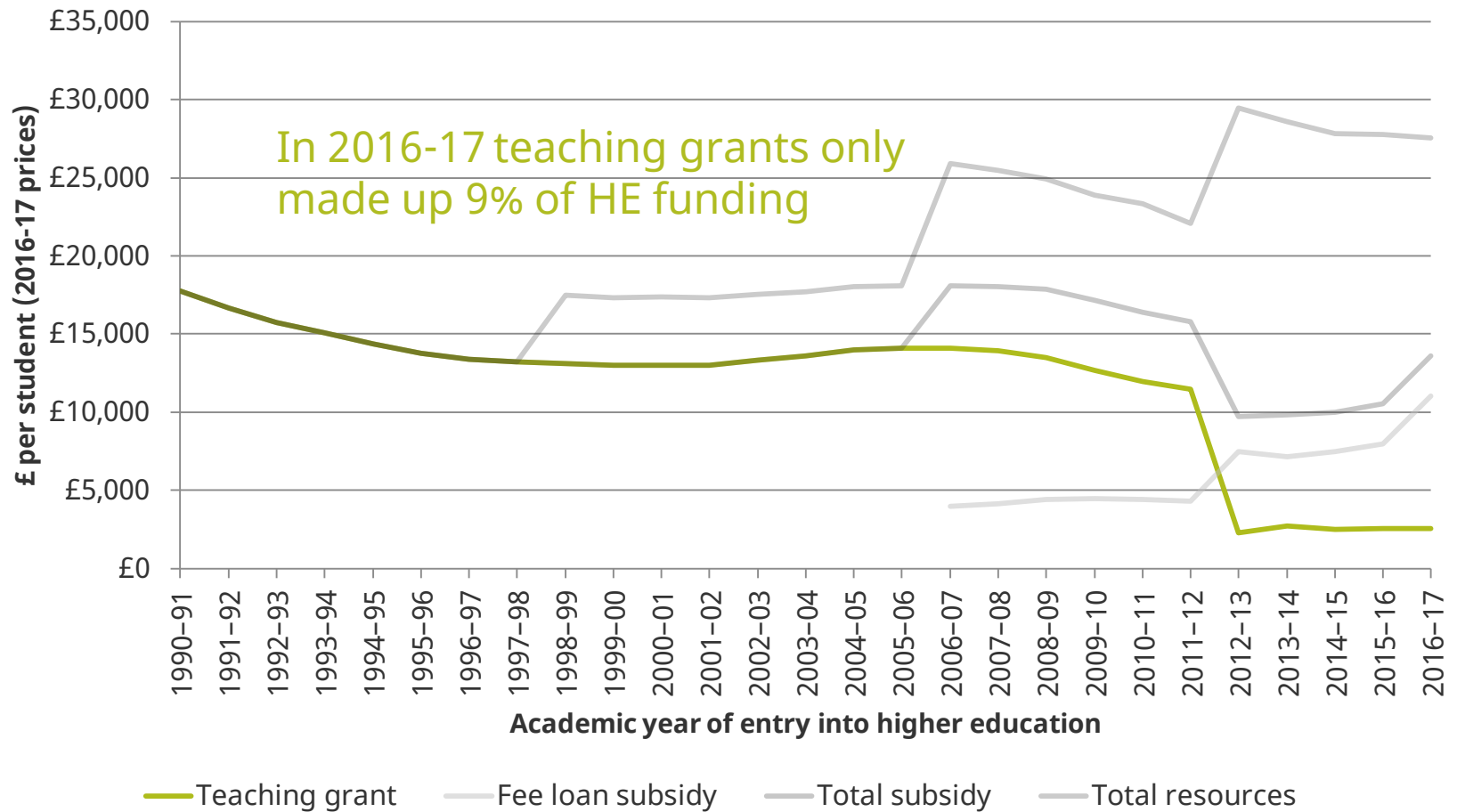
Higher Education funding in England



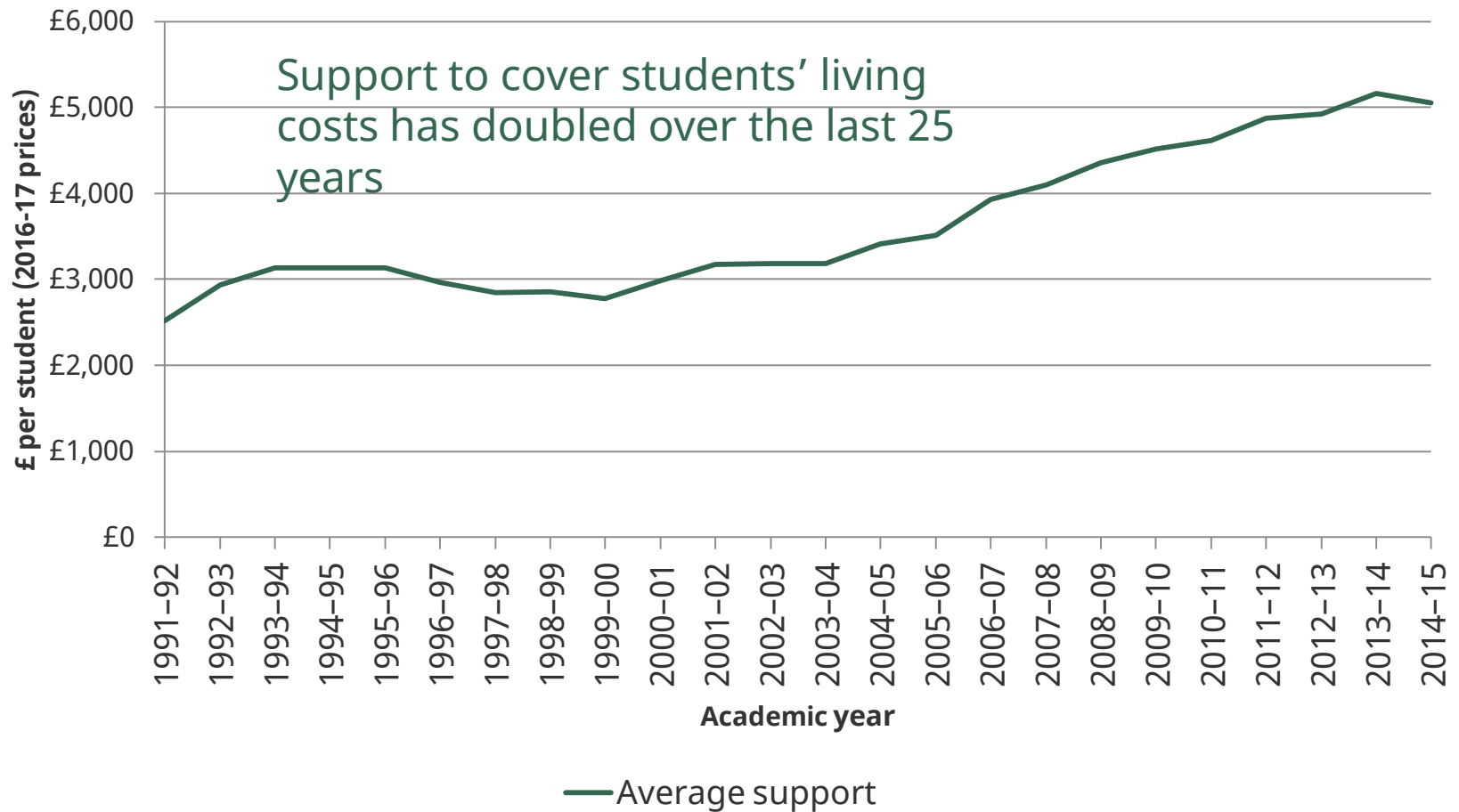
Higher Education funding in England



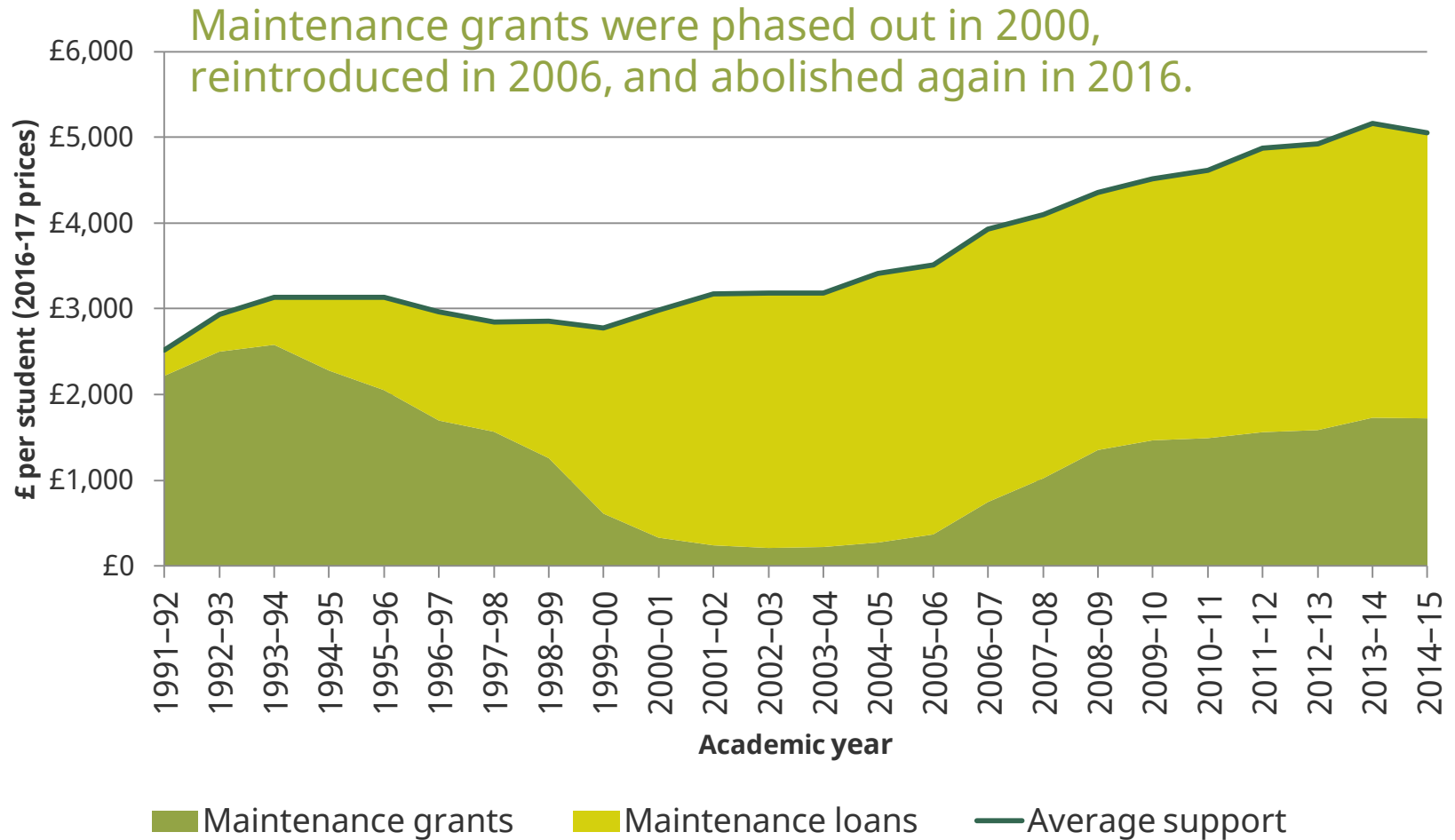
Higher Education funding in England



Student support



Student support



Future Challenges

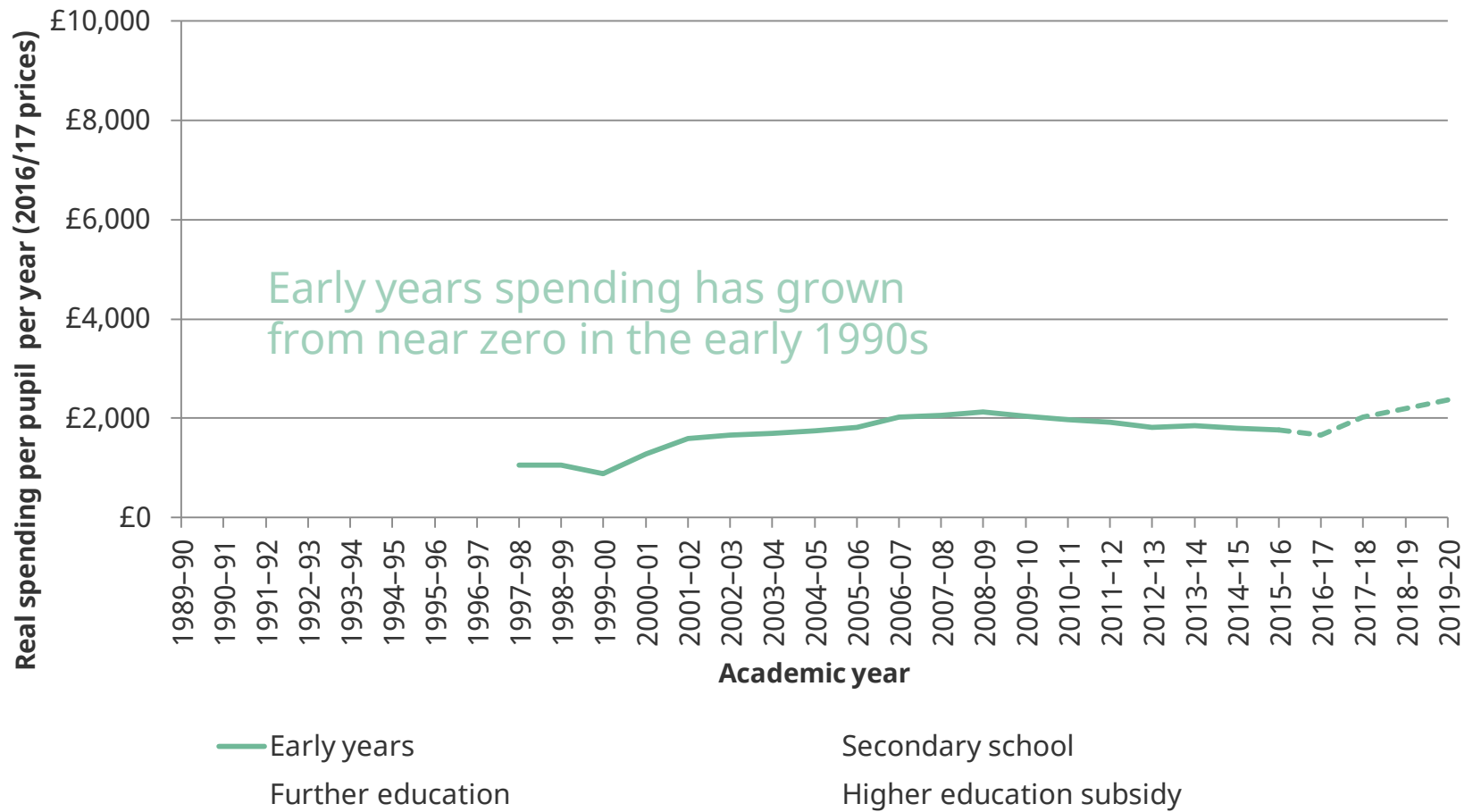
- Pattern of steadily declining resources has continued in recent years
- Potentially corrected by the introduction of the Teaching Excellence Framework
 - Although this might create additional issues
- The cap on student numbers has been removed

Summary

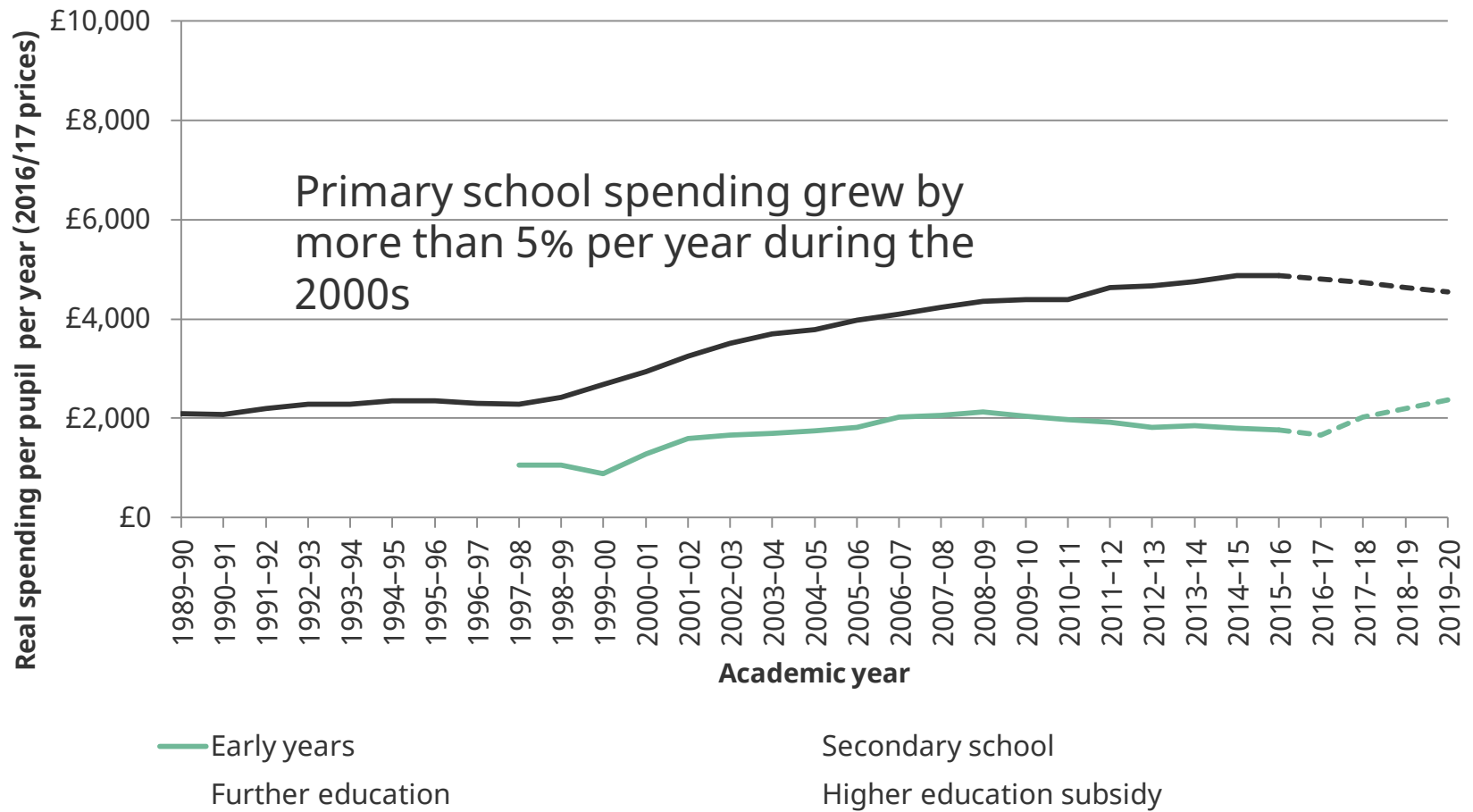
- Total upfront resources available per student have fallen in 18 out of the past 26 years
 - Historically, because growth in student numbers has outstripped increases in teaching grants
 - Recently, because tuition fees have been held fixed in nominal terms
- However, periodic tuition fee hikes has meant that total upfront resources are more than 50% higher than in 1990
- This has been funded by an increasing graduate contribution

Comparisons

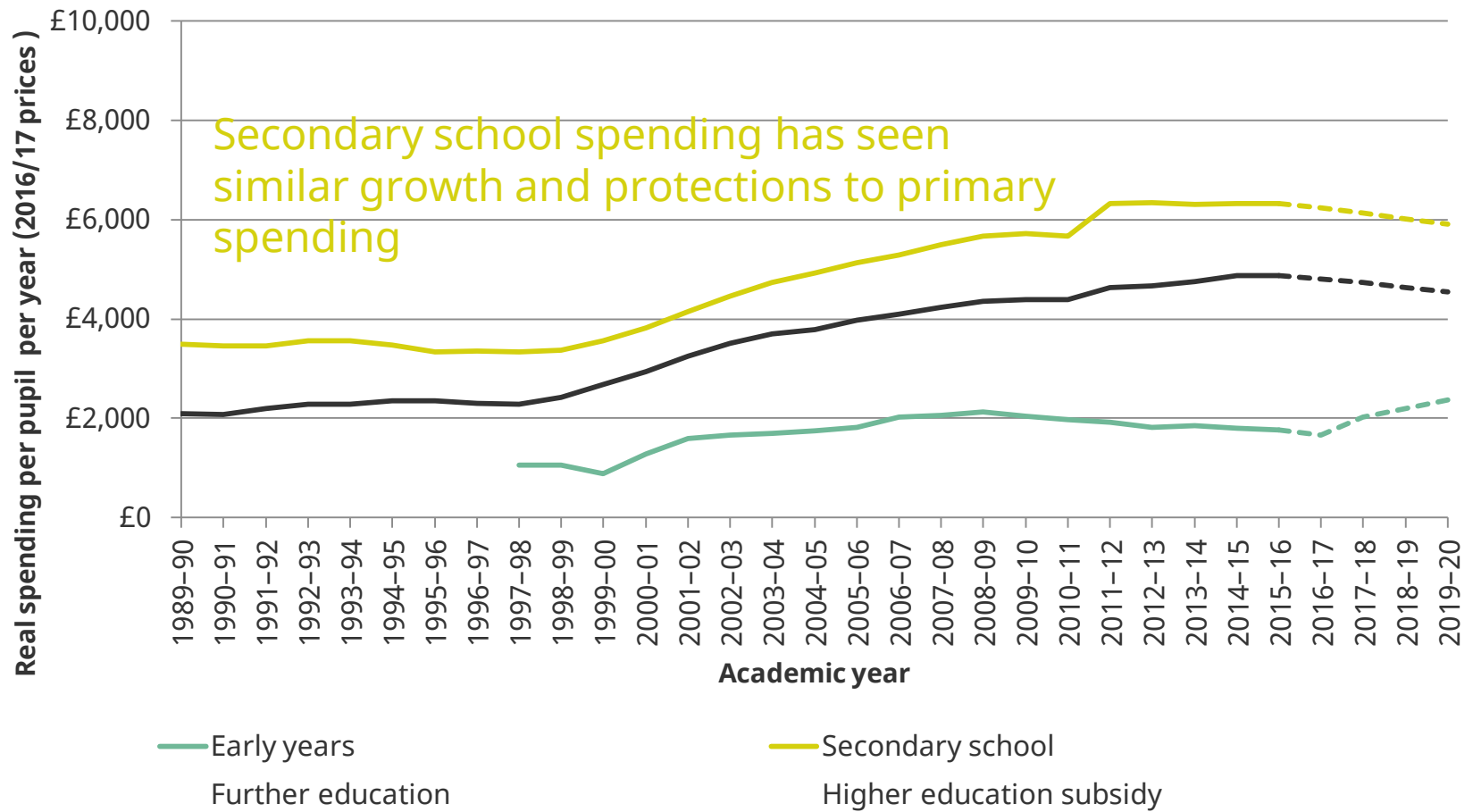
Spending across stages of education



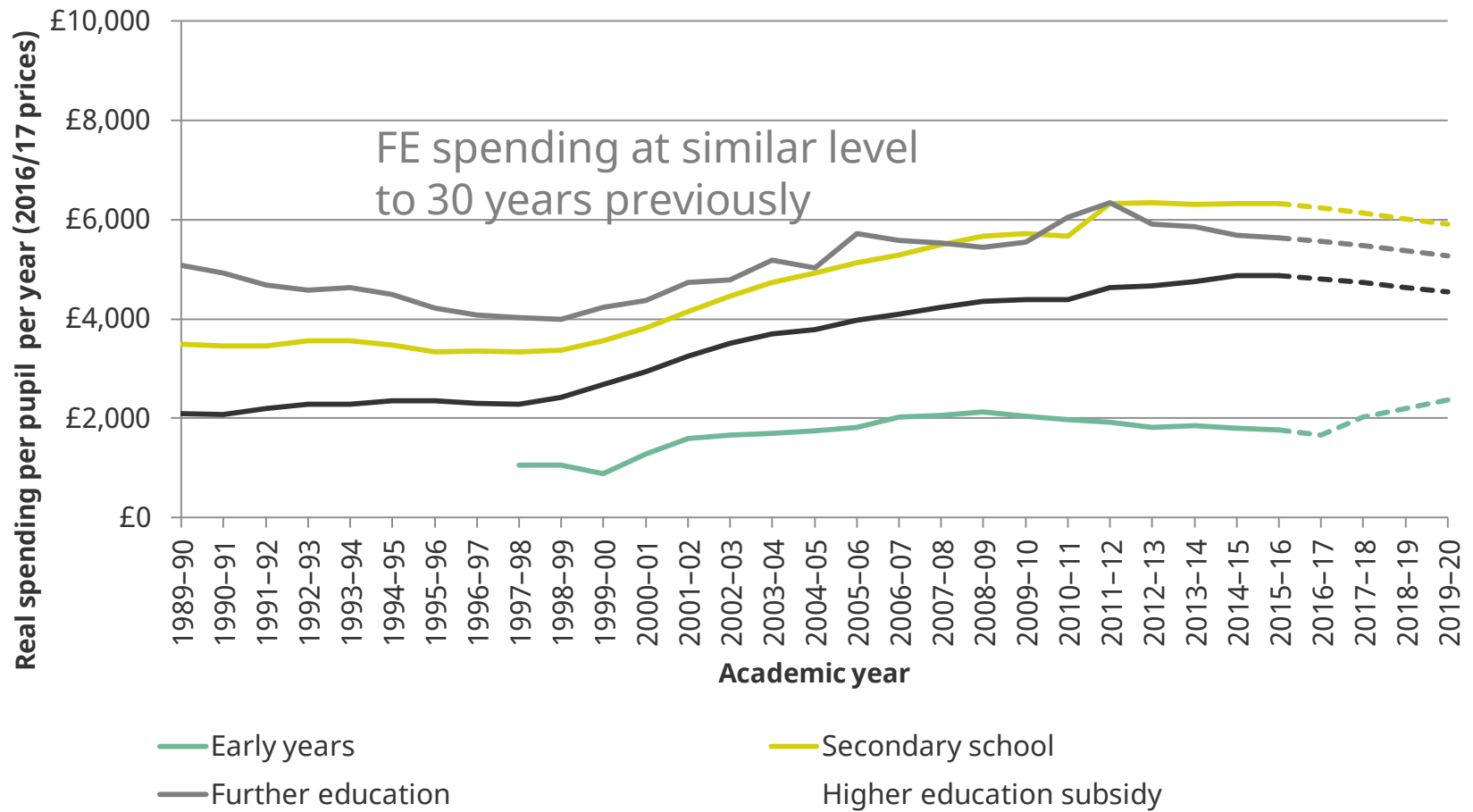
Spending across stages of education



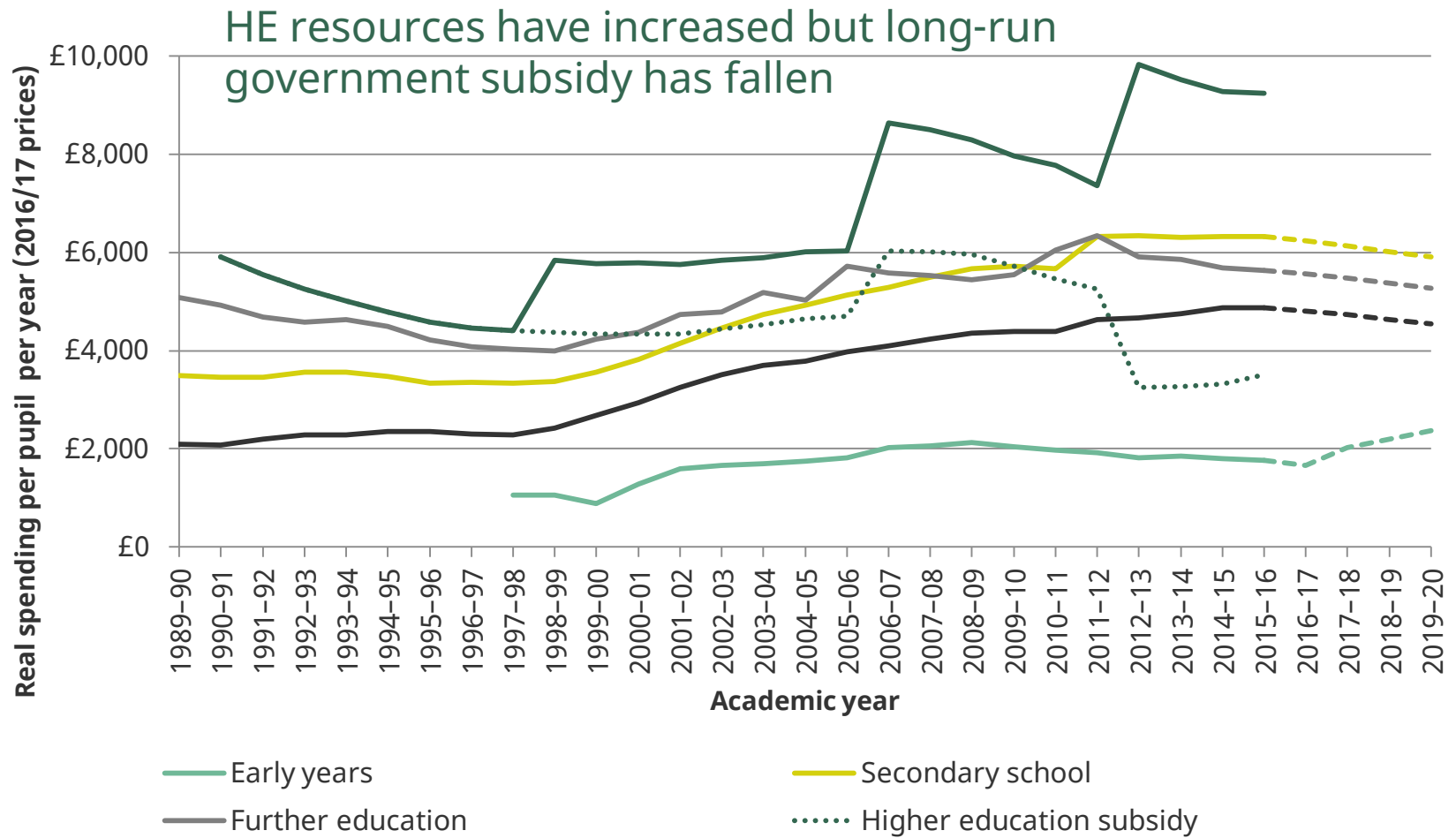
Spending across stages of education



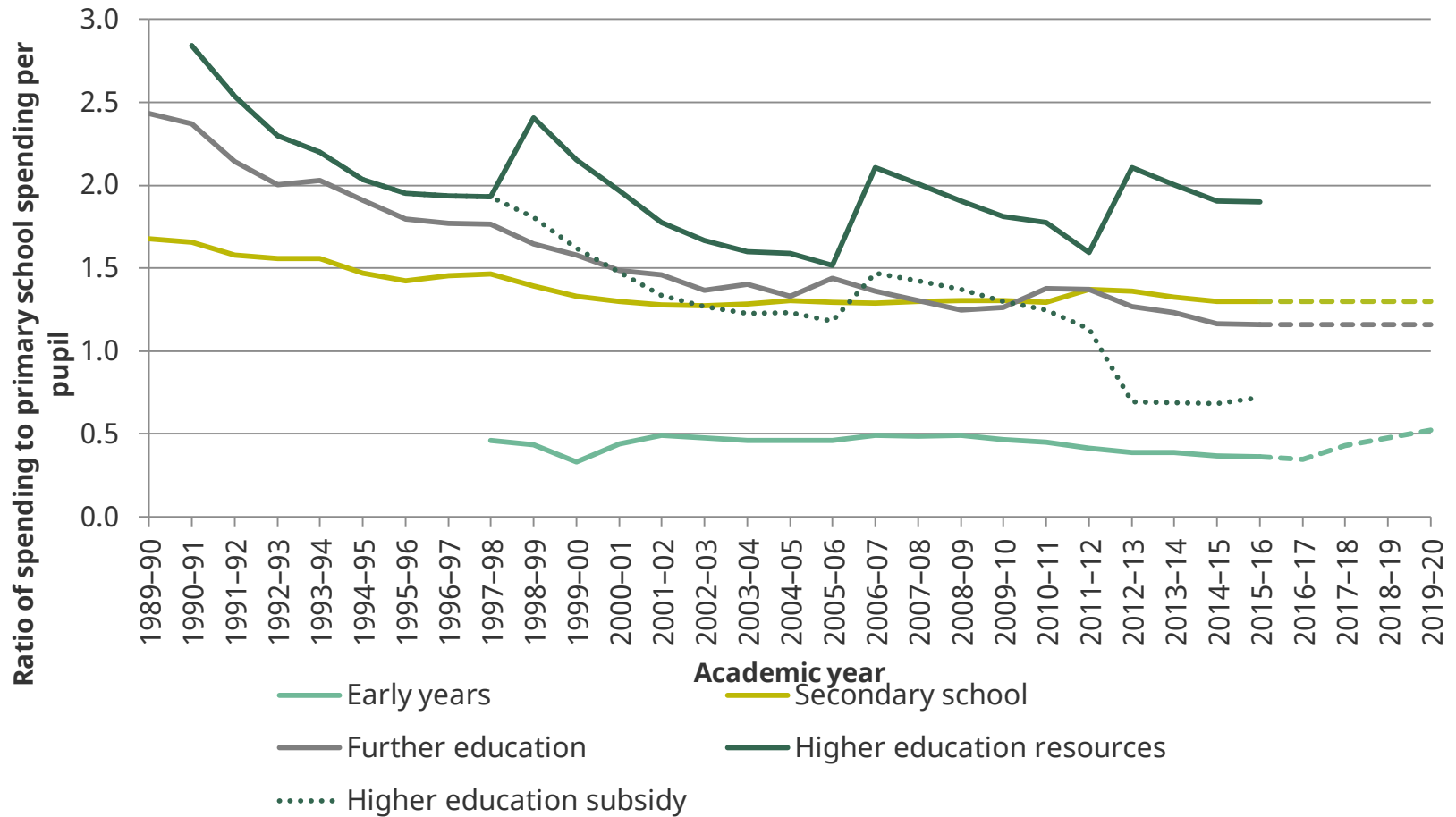
Spending across stages of education



Spending across stages of education



Spending across stages of education



Summary

- Following further cuts over the next five year Further Education spending will be no higher than 30 years previously.
- Increases Higher Education spending have been the result of the three major tuition fee reforms and represent increase graduate contributions
- The pattern of later (older) stages of education attracting higher levels of funding per student has significantly declined over the last 30 years.