

October 2002/42

Core funding/operations

Report on data for teaching funds

This report is for information

This document presents the underlying data on which our allocations of funds for teaching in 2002-03 were based. The report is a retrospective look at the teaching funds and student numbers in the 2001-02 academic year. It gives details of the student full-time equivalents (FTEs) in each price group, the assumed resource (HEFCE grant plus assumed fee income), and the standard resource for 2001-02 using the current (2002-03) teaching method.

Public resources for teaching and student numbers in HEFCE- funded institutions: 2001-02

**Public resources for teaching and student numbers in HEFCE-funded institutions:
2001-02**

To	Heads of HEFCE-funded higher education institutions Heads of HEFCE-funded further education colleges Heads of Northern Ireland universities
Of interest to those responsible for	Finance, Funding, Data
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Executive summary

Purpose

1. This document presents the underlying data on which our allocations of funds for teaching in 2002-03 were based.

Key points

2. The report is a retrospective look at the teaching funds and student numbers in the 2001-02 academic year. It gives details of the student full-time equivalents (FTEs) in each price group, the assumed resource (HEFCE grant plus assumed fee income), and the standard resource for 2001-02 using the current (2002-03) teaching method.

3. A time series is included, comparing resources in the HEFCE teaching model for higher education institutions (HEIs), to show how the values in this document fit with those in institutions' individual grant tables.

Action required

4. No action is required.

Background

5. This document outlines the method we used to allocate our teaching funds for the 2002-03 academic year. It presents the underlying data on which the funding allocations were based.

6. The information given in this report is based on:

- the funding premiums which apply in 2002-03
- the student numbers collected in December 2001
- the assumptions on student fees for 2001-02.

7. The report presents the resource allocated and the student numbers recruited in the 2001-02 academic year. It applies the current model to the students actually recruited in 2001-02. It differs from the 2002-03 individual grant tables in that the 2001-02 student fee assumptions are applied, and only transfers occurring before the end of the 2001-02 academic year are included.

The funding method for teaching

8. A full description of the funding method for teaching is given in 'Funding higher education in England: how the HEFCE allocates its funds' (HEFCE 02/18). Details of the grant allocations are in the following documents:

- 'Recurrent grants for 2001-02' (March) – HEFCE 01/12
- 'Recurrent grants for 2001-02: final allocations' (October) – HEFCE 01/57
- 'Recurrent grants for 2002-03' (March) – HEFCE 02/11
- 'Recurrent grants for 2002-03: July allocations' (on the web only, www.hefce.ac.uk under 'Learning & teaching').

9. Two broad principles underlie the method:

- a. That similar activities should be funded at similar rates, with variations from these based on previously determined factors.
- b. That institutions should bid for additional student numbers.

10. We calculate a standard level of teaching resource for each institution, based on its profile of students. This covers both our grant and assumed income from tuition fees. Students, expressed as FTEs, are weighted according to their assignment to one of four price groups for HEIs, or three price groups for further education colleges (FECs). These price groups reflect the relative costs of provision in different subjects. A mapping of cost centres and Superclass II codes to price groups is given in Table 1 of Annex A. Psychology and media studies are split between price groups; these splits are shown in Tables 2 and 3. For FECs only, provision recorded in price group B is split for funding purposes between price groups B and C; this split is shown in Table 4.

11. Further weights, or premiums, are applied for part-time students, for full-time undergraduate mature students, and students on long courses. For detailed definitions of part-time, long courses and price groups see HEFCE 01/52 'Higher Education Students Early Statistics Survey 2001-02 (HESES01)' and HEFCE 01/53 'Higher Education in Further Education: Student Survey 2001-02 (HEIFES01)'. The Higher Education Statistics Agency student record and the Individualised Student Record from the Learning and Skills Council were used to calculate the proportion of full-time undergraduates that were mature (aged 25 or over) on entry.

12. A number of institutional factors are also reflected through weights applied to student numbers. These are to recognise: the additional costs of provision in London; differences between the Universities Superannuation Scheme and the Teachers Pension Scheme (USS and TPS); and the extra costs of some specialist institutions, old and historic buildings, and small institutions. Eligible FECs receive only the part-time, mature and long courses student premiums and the London institutional premium. A list of institutions receiving the London premium is given in Table 5.

13. Details of both the student and institutional premiums are given in Annex A.

14. For each institution we compare the calculated level of standard resource with the actual level of our funding and an assumed income from student fees (assumed resource). Where the difference from the standard resource is no more than 5 per cent, our core funding will roll forward from one year to the next, and this will continue so long as institutions remain within the ± 5 per cent tolerance band. For other institutions, we adjust grant or student numbers so that they move to within the tolerance band.

15. All institutions are eligible to receive funds for widening access and participation, irrespective of their position with respect to the tolerance band. These additional funds are shown as a separate column in HEFCE 02/11, and are not included in this report.

Teaching grant 2001-02

16. The table below shows the relationship between the 2000-01 adjusted baseline teaching grant published in last year's report (HEFCE 01/51) and the 2001-02 adjusted baseline teaching grant.

Development of the 2001-02 grant for teaching

	Figures in £ millions
2000-01 Adjusted baseline teaching grant (HEFCE 01/51)	2,949.7
Post-July 2001 adjustments	-2.1
Final 2000-01 adjusted baseline teaching grant	2,947.6
2001-02 GDP inflation	73.7
Pre-migration miscellaneous grant adjustments 2001-02	7.9
Additional funding for ITT structural diversification	1.8
Additional funding for medical intakes	6.8
Additional funding for phased ASNs (HEFCE 98/56 and 99/65)	22.4
Additional funding for new ASNs (HEFCE 00/39)	43.3
Additional funding due to French price group change	2.3
2001-02 Migration adjustments	3.1
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2001-02 Baseline teaching grant	3,108.9
2001-02 Consolidated holdback or recovery of funds	-17.1
Clinical pay allocations	1.7
Post-migration miscellaneous grant adjustments 2001-02	-0.5
Adjustments and transfers between March and September	-3.3
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2001-02 Adjusted baseline teaching grant	3,089.7

Distribution of students and resources

17. Figure 1 shows the distribution of standard resources across the four price groups. It also shows the change in this distribution since the previous year. There was a small increase in price groups B and C. Figures 2 and 3 show the distribution of student FTEs across the price groups by level and mode of study. Although there are more students in price group D, its total standard resource is below that of price group B, reflecting its lower unit price.

Figure 1 Standard resource by price group

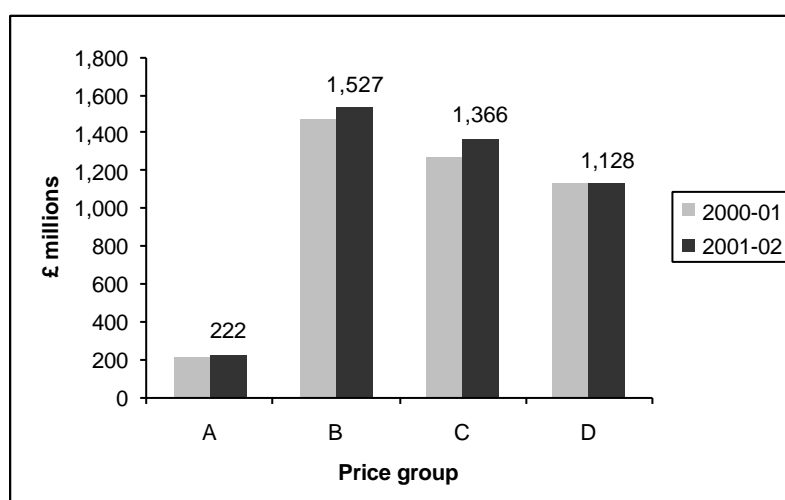


Figure 2 HE student FTEs by price group and level of study

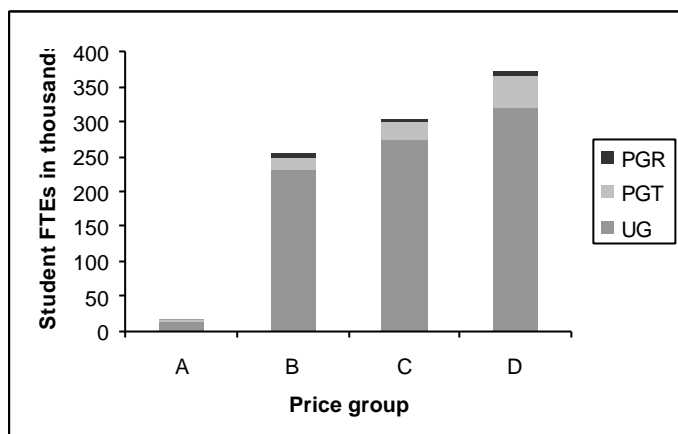
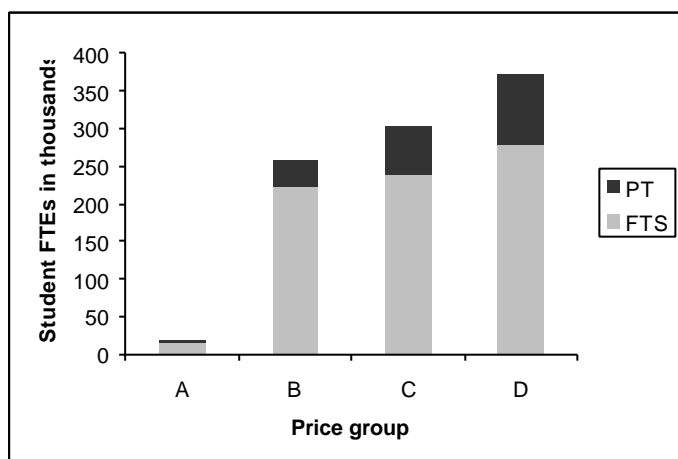


Figure 3 HE student FTEs by price group and mode of study



18. The tables below show the distributions for funding purposes of directly funded student FTEs across price groups, mode and level for HEIs and FECs. There are no postgraduate research (PGR) and few postgraduate taught (PGT) students at FECs. A greater proportion of students at FECs are part-time. All students returned to HEIFES01 in price group B are split between price groups B and C for funding purposes.

Student FTEs in English HEIs by price group, mode and level						
Mode	FTS			PT		
Level	UG	PGT	PGR	UG	PGT	PGR
Price group						
A	13,539	726	733	46	1,007	517
B	205,082	10,564	5,359	25,127	8,003	1,165
C	206,450	12,602	1,442	38,948	12,739	997
D	246,274	19,215	2,469	58,657	27,575	2,107
HEI total	671,345	43,107	10,004	122,778	49,324	4,785

Student FTEs in English FECs by price group, mode and level				
Mode	FTS		PT	
Level	UG	PGT	UG	PGT
Price group				
B	391	7	468	17
C	18,177	56	11,130	197
D	9,986	48	5,527	477
FEC total	28,554	111	17,125	691

Key

FTS Full-time and sandwich, sandwich year-out counted as 0.5 FTE

PT Part-time

UG Undergraduate

PGT Postgraduate taught

PGR Postgraduate research

19. Figures 4, 5 and 6 show the differences between assumed resource and standard resource for each institution expressed as a percentage of standard resource. Each bar represents an institution. The specialist institutions and the FECs are shown separately from the universities and general HE colleges because their variation is greater. Few of the universities and general HE colleges are still outside the ± 5 per cent tolerance band. Those that are outside the band are generally migrating over a longer period than other institutions. Some of the specialist institutions are below -5 per cent as they are following revised migration trajectories. The distribution of the differences for FECs is very wide, which is largely due to the small numbers of HE students in many FECs. Only those FECs that are between ± 50 per cent are shown in Figure 6. There are currently 11 FECs above 50 per cent and one college below -50 per cent.

Figure 4 Distribution of percentage differences* for universities and general HE colleges

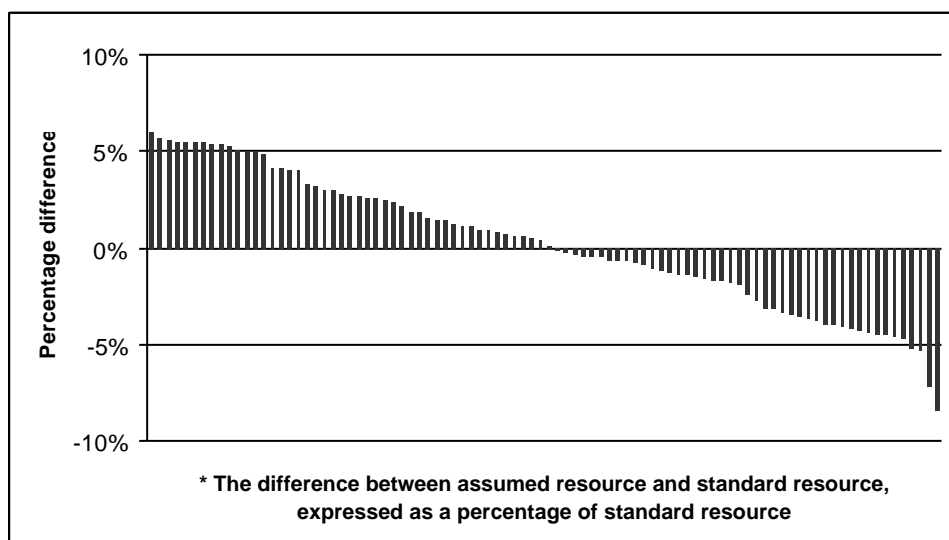


Figure 5 Distribution of percentage differences* for specialist institutions

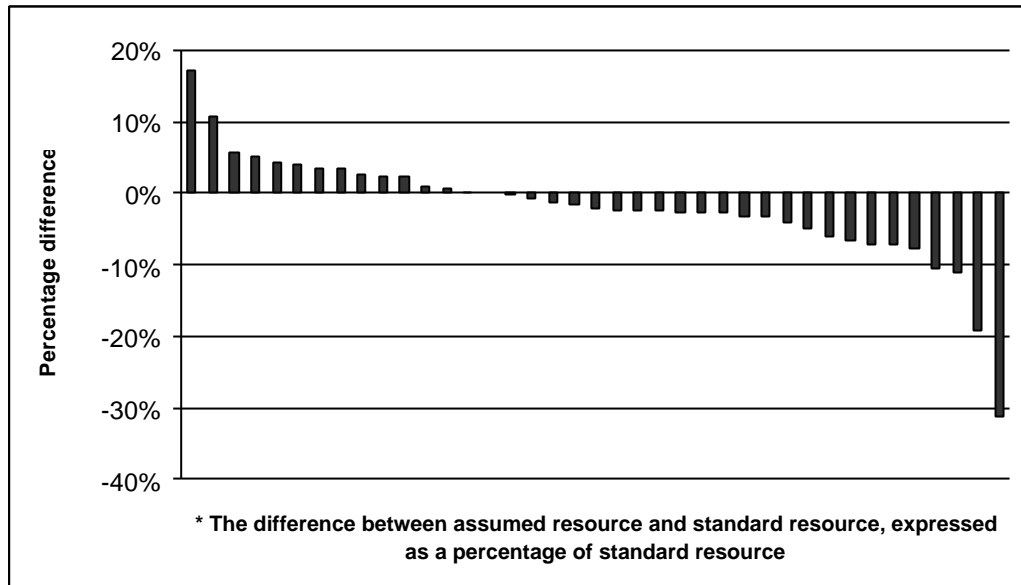
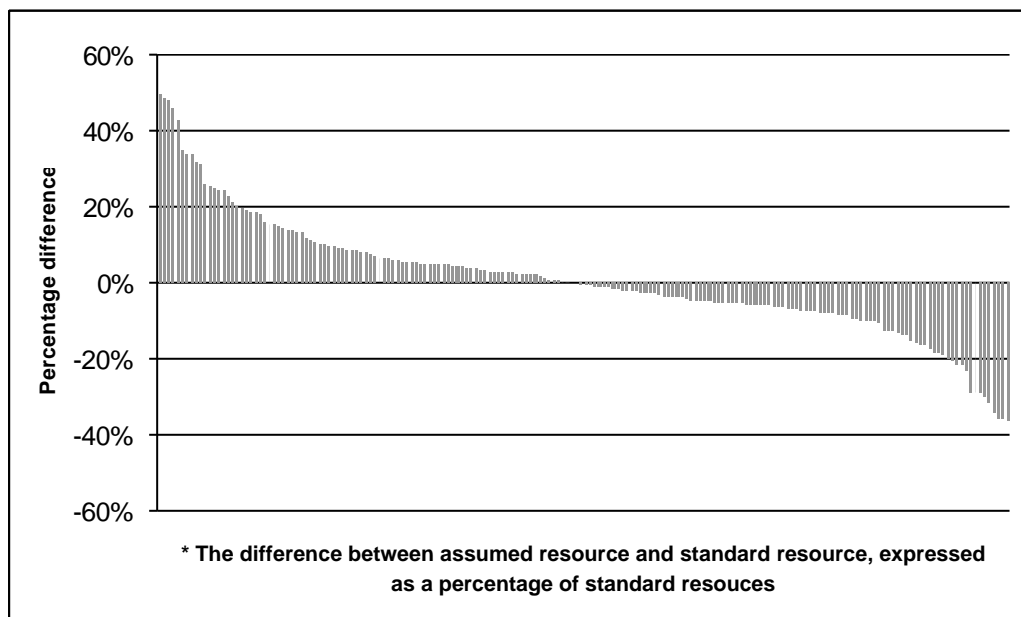


Figure 6 Distribution of percentage differences* for further education colleges (between +/- 50% only)



20. The table below shows the average standard resource (per student FTE) for each price group and the base price allocated to that group for 1997-98 to 2002-03. A full-time student who does not attract any premiums, in an institution that does not attract any premiums, will be funded at the base price. The unit of standard resource is the total standard resource divided by the total student FTEs. This is calculated for each price group.

Price group	Unit of standard resource 2001-02 (£)	Base price 1997-98 (£) HEFCE 98/36	Base price 1998-99 (£) HEFCE 99/53	Base price 1999-2000 (£) HEFCE 00/45	Base price 2000-01 (£) HEFCE 01/51	Base price 2001-02 (£)* HEFCE 2002/42	Base price 2002-03 (£) HEFCE 02/11	Price group weighting
A	13,382	11,624	11,741	12,119	12,290	12,636	12,915	4.5
B	5,961	5,166	5,218	5,386	5,462	5,616	5,740	2
C	4,514	3,875	3,914	4,040	4,097	4,212	4,305	1.5
D	3,029	2,583	2,609	2,693	2,731	2,808	2,870	1

* The base price in 2001-02 is not exactly the same as that given in last year's report in this series (HEFCE 01/51).

This is because:

- a. The 2001-02 base price in HEFCE 01/51 was based on student data from HESES and HEIFES collected in December 2000 rather than December 2001.
- b. The base price given here reflects changes to the funding method and fee assumptions that have occurred since HEFCE 01/51 was published.

21. The data on student numbers in 2001-02, details of the premiums awarded to each institution, and a comparison of resources are given in Annex B.

Annex A

Details of the premiums

1. The student premiums used in the funding method are as follows:
 - a. 25 per cent of subject weighted FTEs for home and EC funded students on long courses in price groups B, C and D.
 - b. 5 per cent of unweighted FTEs for home and EC funded part-time students.
 - c. 5 per cent of unweighted FTEs for full-time, home and EC funded mature students, defined as 25 or over at the start of their course. This is given irrespective of year of programme of study.

2. The price group weighting is taken into account in the long course premium but not in the part-time or mature student premiums, which are 5 per cent of the group D price. Clinical courses are assumed to be long, and this is reflected in the price group weighting rather than by giving the long course premium to all price group A students. For this reason the data on course length in price group A are not published.

3. The institutional premiums used are:
 - a. 1.5 per cent of subject weighted FTEs to HEIs that are part of the USS.
 - b. 8 per cent of subject weighted FTEs for institutions in inner London and 5 per cent for those in outer London (see Table 5).
 - c. Variable percentage (generally 10 per cent) of subject weighted FTEs for specialist institutions. The premiums for specialist institutions are described in HEFCE 00/51 'Funding of specialist higher education institutions'. This premium is restricted to HEIs.
 - d. Variable percentage of unweighted FTEs for small institutions. This premium was announced in the electronic publication EP 09/98 and is restricted to HEIs.
 - e. Variable percentage of unweighted FTEs for institutions with old and historic buildings. This premium is described in HEFCE 98/72 'Premium for old and historic buildings' and is restricted to HEIs.