

HEFCE 01/51
September
Report

Public resources for teaching and student numbers in HEFCE-funded institutions: 2000-01

**Public resources for teaching and student numbers in HEFCE-funded institutions:
2000-01**

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
Reference	01/51
Publication date	September 2001
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Executive summary

Purpose

1. This document presents the underlying data on which our allocations of funds for teaching in 2001-02 were based.

Key points

2. The report is a retrospective look at the teaching funds and student numbers in the 2000-01 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 2000-01 using the current (2001-02) 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 2001-02 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 2001-02
- the student numbers collected in December 2000
- the assumptions on student fees for 2000-01.

7. The report presents the resource allocated and the student numbers recruited in the 2000-01 academic year. It applies the current model to the students actually recruited in 2000-01. It differs from the 2001-02 individual grant tables in that the 2000-01 student fee assumptions are applied, and only transfers occurring before the end of the 2000-01 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 01/14). Details of the grant allocations are in the following documents:

- 'Recurrent grants for 2000-01' (March) – HEFCE 00/12
- 'Recurrent grants for 2000-01: final allocations' (August) – HEFCE 00/34
- 'Recurrent grants for 2001-02' (March) – HEFCE 01/12
- Updated summary of recurrent grants for 2001-02 as at 24 July 2001 (on the web only at www.hefce.ac.uk under 'Learning and 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. The cost centres for psychology and media studies were split between price groups. These splits are shown in Tables 2 and 3. For FECs only, provision recorded in price group B has been split 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 00/41 'Higher Education Students Early Statistics Survey 2000-01 (HESES2000)' and HEFCE 00/42 'Higher Education in Further Education: Student Survey 2000-01 (HEIFES2000)'. The Higher Education Statistics Agency (HESA) student record and the Individualised Student Record (ISR) from the Further Education Funding Council (FEFC) were used to calculate the proportion of full-time undergraduates that were mature (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 that ± 5 per cent tolerance band. For other institutions, we are adjusting 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 01/12, and are not included in this report. Institutions have been informed separately of funds for raising student aspirations.

Teaching grant 2000-01

16. The table below shows the relationship between the 1999-2000 adjusted baseline teaching grant published in last year's report (HEFCE 00/45) and the 2000-01 adjusted baseline teaching grant.

Development of the 2000-01 grant for teaching

	Figures in £ millions
1999-2000 Adjusted baseline teaching grant (HEFCE 00/45)	2,868.5
2000-01 GDP inflation (2.5%)	71.7
Real terms reduction (1%)	-29.4
Pre-migration miscellaneous grant adjustments 2000-01	5.6
Additional funding for ITT structural diversification	3.3
Additional funding for medical intakes	2.6
Additional funding for successful bids (HEFCE 98/56)	7.9
Additional funding for successful bids (HEFCE 99/56)	49.6
Additional funding for HEFCE adjustments	3.5
2000-01 Migration adjustments	5.0
2000-01 Baseline teaching grant	2,988.2
2000-01 Consolidated holdback or re-instatement of funds	-33.3
Post-migration miscellaneous grant adjustments 2000-01	2.4
Adjustments and transfers between March and July	-7.6
2000-01 Adjusted baseline teaching grant	2,949.7

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. German and Spanish moved from price group D to 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

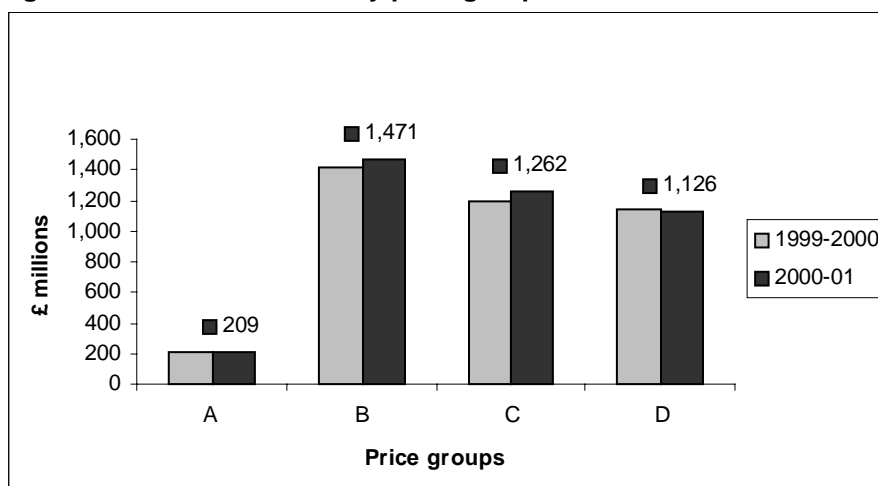


Figure 2 HE student FTEs by price group and level of study

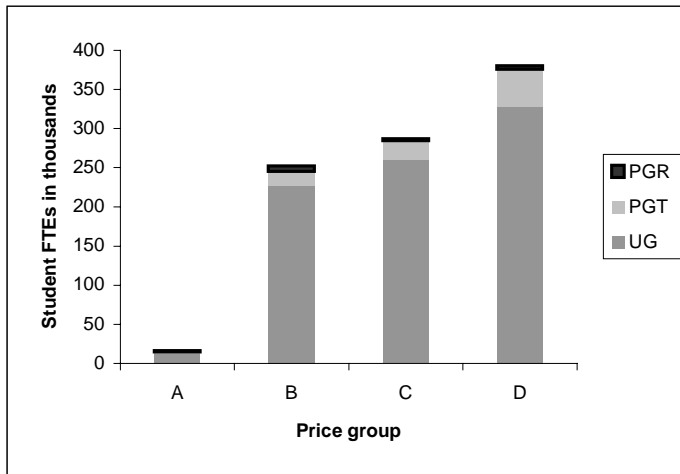
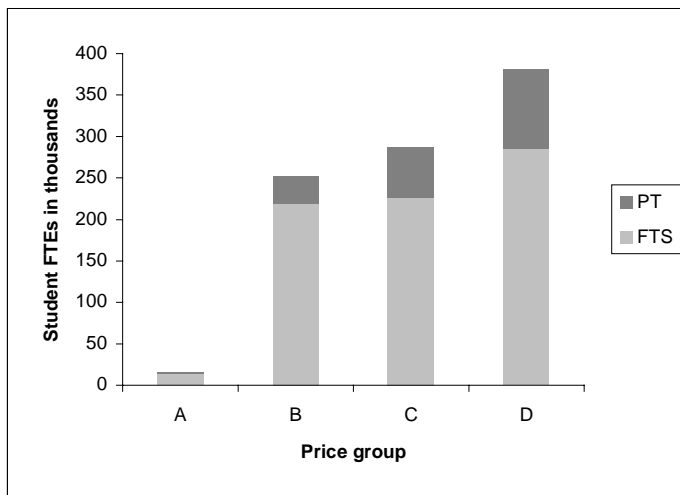


Figure 3 HE student FTEs by price group and mode of study



18. The tables below show the distributions 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 HEIFES2000 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	13,083	762	687	61	866	555
B	201,725	10,812	5,641	24,038	7,806	1,270
C	192,813	12,606	1,393	36,316	11,493	898
D	252,779	19,286	2,567	57,850	27,963	2,216
HEI total	660,400	43,467	10,288	118,264	48,127	4,939

Student FTEs in English FECs by price group, mode and level				
Mode	FTS		PT	
Level	UG	PGT	UG	PGT
Price group				
B	525	3	448	17
C	19,085	33	12,144	179
D	10,603	58	6,733	518
FEC total	30,213	94	19,325	713

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. The institutions at either end of Figure 4 are migrating over a longer period than other institutions. Some of the specialist institutions are below the -5 per cent band; these institutions are still migrating following a change to the specialist premium in 2000-01. 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.

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

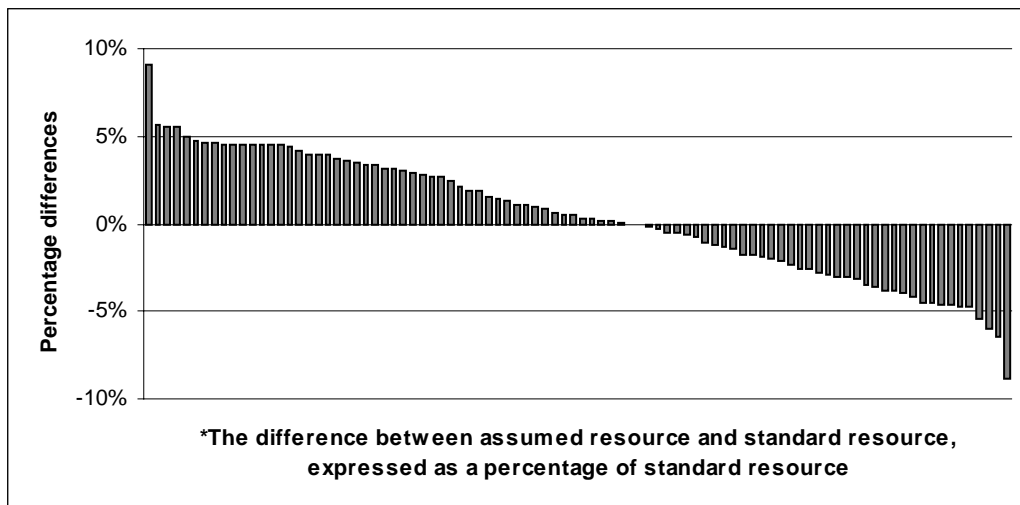


Figure 5 Distribution of percentage differences* for specialist institutions

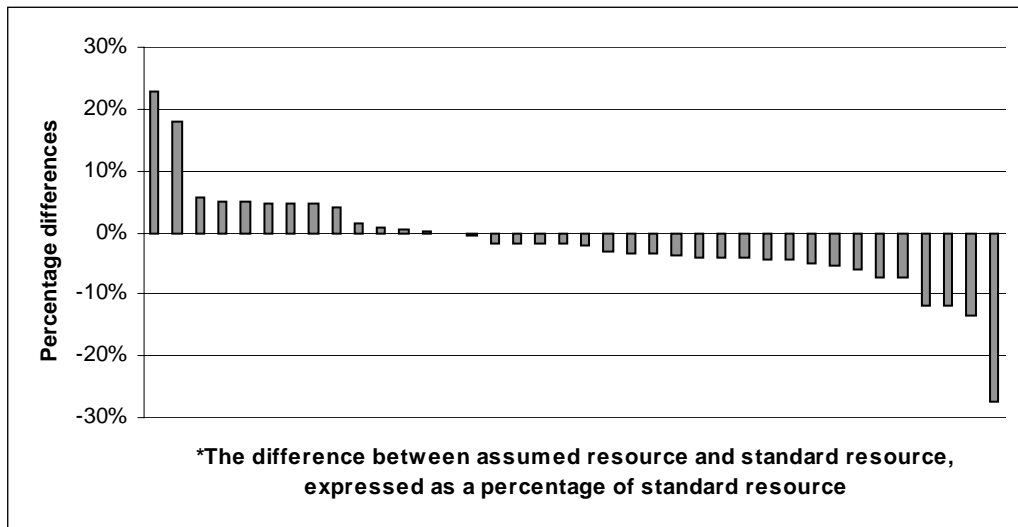
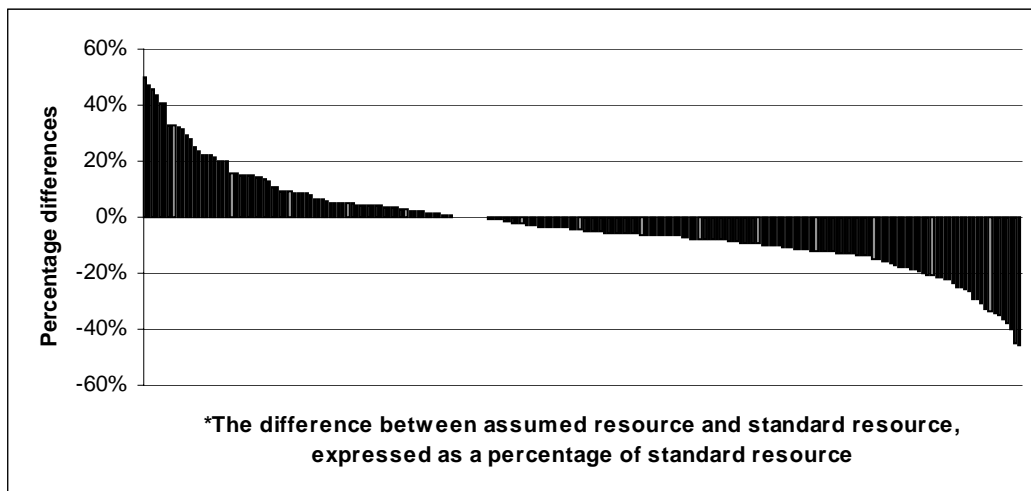


Figure 6 Distribution of percentage differences* for further education colleges (between +/- 50% only)



20. The table below shows the average standard resource (per student FTE) for each price group, and the base price allocated to that group in 1997-98, 1998-99, 1999-2000, 2000-01 and 2001-02. 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 adjusted student FTEs. This is calculated for each price group.

Price group	Unit of standard resource 2000-01 (£)	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 01/14	Price group weighting
A	13,113	11,624	11,741	12,119	12,321	12,623	4.5
B	5,836	5,166	5,218	5,386	5,476	5,610	2
C	4,420	3,875	3,914	4,040	4,107	4,208	1.5
D	2,966	2,583	2,609	2,693	2,731	2,805	1

*The base price in 2000-01 is not exactly the same as that given in last year's report in this series (HEFCE 00/45).

This is because:

- a. The 2000-01 base price in HEFCE 00/45 was based on student data from HESES collected in December 1999 rather than December 2000.
- b. The base price given here reflects changes to the funding method and fee assumptions that have occurred since HEFCE 00/45 was published.

21. The data on student numbers in 2000-01, 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 premium weights 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 weightings rather than by giving the long course premiums 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. 2 per cent to HEIs that are part of the USS and 0.5 per cent to HEIs that are not part of the USS. The distribution of students across the price groups is taken into account. This premium does not apply to FECs.
 - b. 8 per cent for institutions in inner London and 5 per cent for those in outer London (see Table 3). The distribution of students across the price groups is taken into account.
 - c. Premium for specialist institutions, which are described in the report on 'Funding of specialist higher education institutions' (HEFCE 00/51). This premium is restricted to HEIs and is a variable percentage (usually 10 per cent) of the FTE weighted by price group.
 - d. Small institutions premium, announced in the electronic publication EP 09/98. This premium is restricted to HEIs.
 - e. Premium for institutions with old and historic buildings (HEFCE 98/72). This premium is restricted to HEIs.