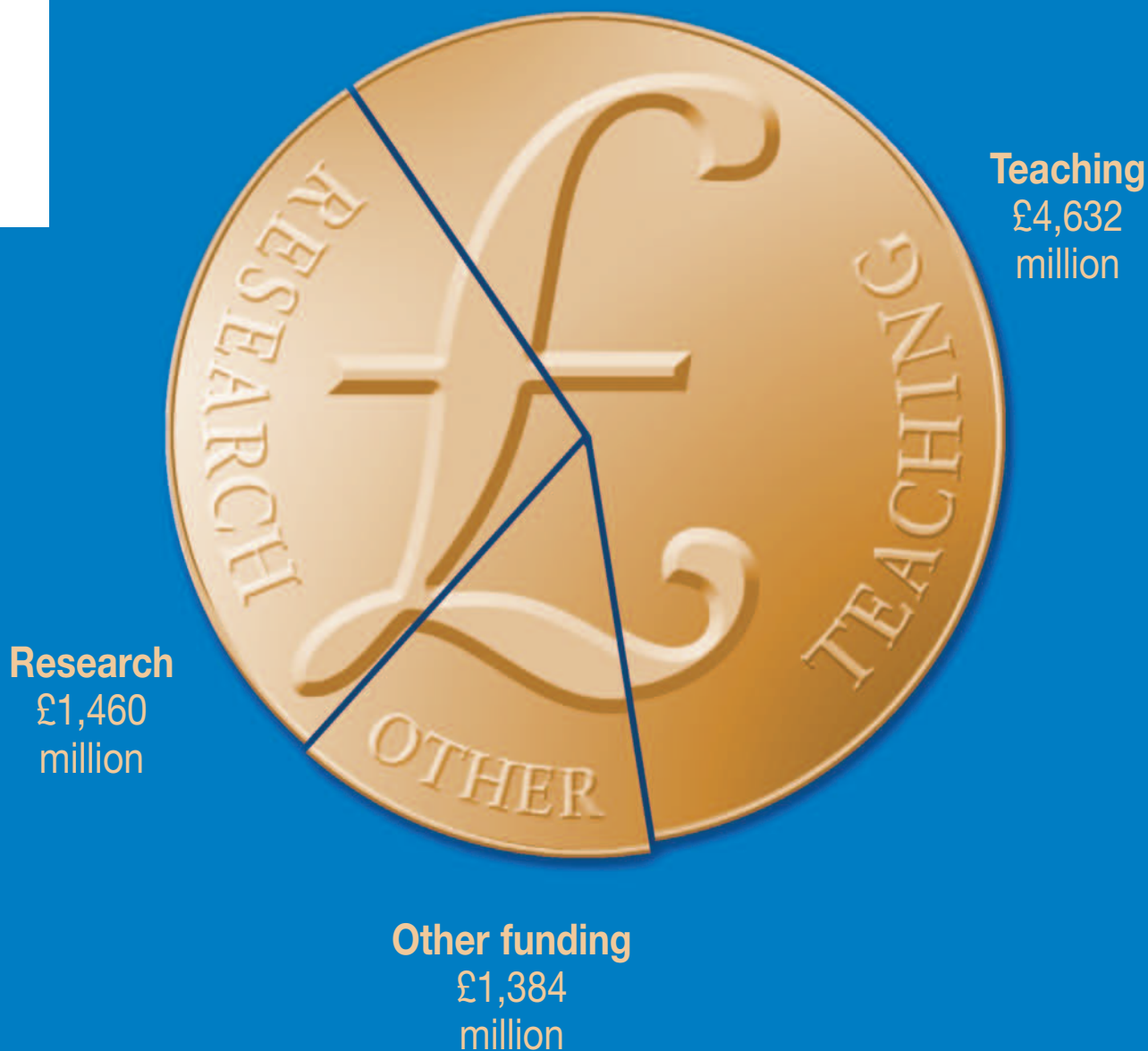


Funding higher education in England

How HEFCE allocates its funds



Research
£1,460
million

Teaching
£4,632
million

Other funding
£1,384
million

Alternative formats

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Introduction

1. Every March we announce the teaching and research grant for the following academic year to each university and college we fund. The academic year runs from 1 August to 31 July.
2. This guide describes the principles that underpin the allocation of this funding and explains the components of an institution's grant. It is intended for those working in higher education (HE) and for others who wish to understand our funding methods.
3. We use formulae to determine how most of the money is allocated between institutions, helping us to minimise the burden on institutions of having to account for their use of public funds. These take into account certain factors for each institution, including the number and type of students, the subjects taught and the amount and quality of research undertaken there. After we determine the amount of funding, it is provided in the form of a 'block grant' which institutions are free to spend according to their own priorities within our broad guidelines. We do not expect institutions to model their internal allocations on our own funding method. The constraints that our main funding methods impose on institutions are generally in terms of delivery of overall teaching and research activity. Wherever possible, we look to reduce the number of separate funding streams (and any associated separate monitoring) by incorporating them within our main formulaic allocations.
4. The main principles underpinning the funding method for research are unchanged since its introduction in 1997-98, but each year there are changes to some of the parameters and finer detail of the method.
5. We recently consulted with the HE sector about changes to our teaching funding method from 2008-09. The review of our funding method began in 2005 and the second consultation on changes to the method took place in 2007¹.
6. It is our policy and our practice to be open about our allocation methods and policies, and this guide is intended to explain them. Our web-site, www.hefce.ac.uk, provides further information.

¹ Further details can be found in 'Review of the teaching funding method: consultation on changes to the method' (HEFCE 2005/41), 'Review of the teaching funding method: outcomes of first cycle of consultation' (HEFCE 2006/12), 'Review of the teaching funding method: second consultation on changes to method' (HEFCE 2007/02) and 'Review of the teaching funding method: outcomes of second consultation on changes to the method from 2008-09' (HEFCE 2007/23). All HEFCE publications can be read on our web-site, www.hefce.ac.uk, under Publications.

Background

7. Periodically we advise the Secretary of State for Innovation, Universities and Skills on the funding needs of HE in England. The actual funding for HE is decided by the Government and voted upon by Parliament.

8. We are responsible for distributing this money within broad policy guidelines provided by the Secretary of State. In 2008-09 we are directly funding 129 higher education institutions (HEIs) and 124 further education colleges (FECs) that provide HE courses.

9. Institutions are accountable to HEFCE, and ultimately to Parliament, for the way they use HEFCE funds. They are independent bodies and are free to raise money from other sources. This gives them scope to pursue activities alongside those for which they receive HEFCE funds.

10. We allocate funds to each university or college to support teaching, research and related activities. In doing so, we aim to:

- increase opportunities for students from all types of backgrounds to benefit from HE
- maintain and enhance the quality of teaching and research
- encourage universities and colleges to work with business and the community
- support diversity
- encourage efficiency in the use of public funding
- provide stability in funding from year to year.

11. Funds for teaching and research are provided as a block grant. Institutions are free to distribute this grant internally at their discretion, as long as it is used to support teaching, research and related activities.

12. To help maintain stability and support institutions in managing changes to grant, we phase in changes by moderating increases or decreases in teaching and research funding. Further information is provided in paragraph 121.

13. HEIs receive funding from many different public and private sources. HEFCE is the largest single source of income for the HE sector as a whole. The proportion of an individual institution's total income allocated by HEFCE will depend on its activities and money raised from other sources.

14. After HEFCE grant, tuition fees² are usually the other major source of funding for teaching.

15. We are the largest single provider to HEIs of public funds for research. Research Councils also distribute public funds for research to universities and colleges to support research projects and some postgraduate students. Research Councils are funded by the Department for Innovation, Universities and Skills (DIUS) and other government departments.

² Further information on tuition fees and student support can be found at www.direct.gov.uk under Education and learning/University and higher education.

Medical and dental education and research

16. Government funding for medical and dental education and research is distributed through a partnership between HEFCE and the National Health Service (NHS). HEFCE-allocated funds underpin teaching and research in university medical schools, while NHS funds support the clinical facilities needed to carry out these activities in hospitals and other parts of the health service. Funding for students in health-related subjects such as nursing and midwifery generally comes from the NHS.

Teacher education and training

17. The Training and Development Agency for Schools (TDA) provides funding for education and training courses aimed at school teachers. In particular, it funds Initial Teacher Training courses leading to qualified teacher status (QTS), and In-Service Education and Training courses for teachers who hold QTS. HEFCE funds other teacher education and training provision outside the schools sector.

Higher education in further education colleges

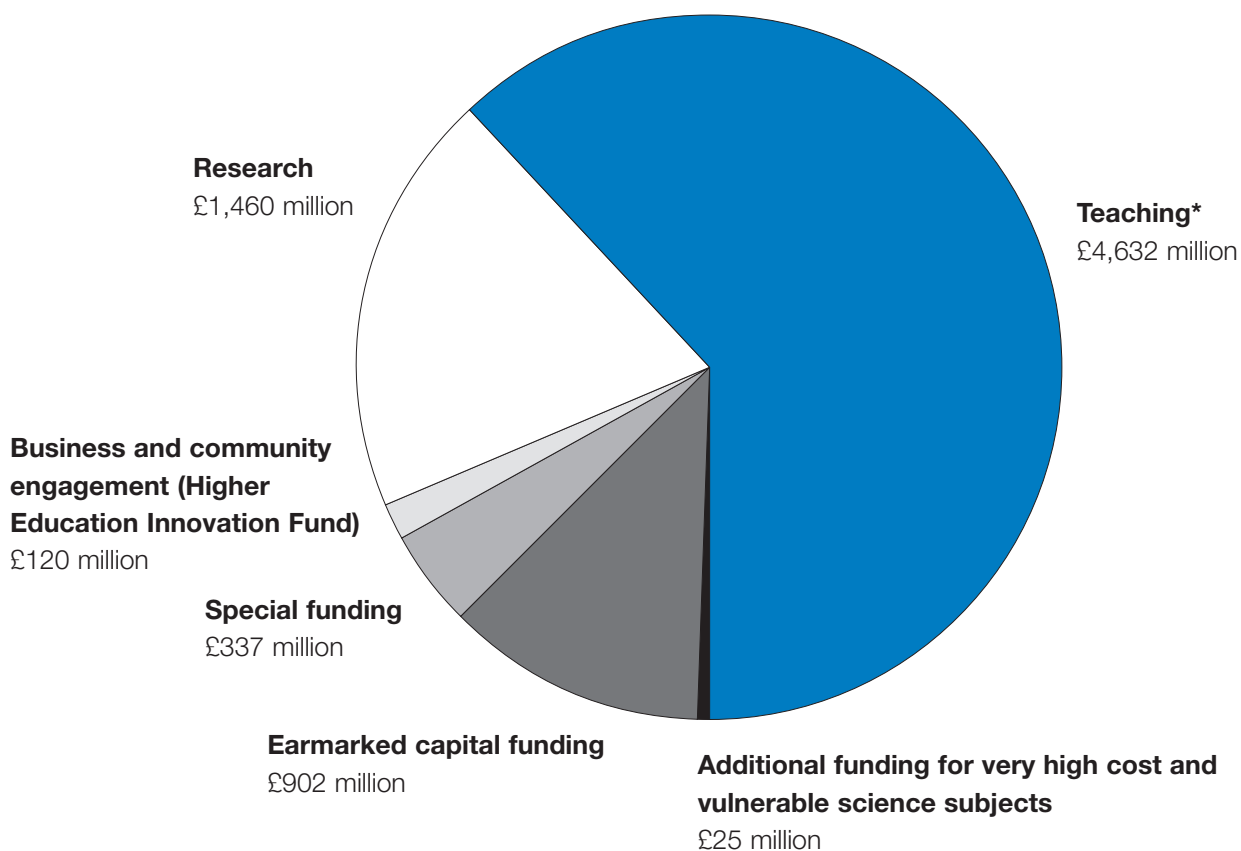
18. We are responsible for funding courses at FECs on which the students are aiming for certain higher education qualifications. These are: higher degrees such as masters qualifications; postgraduate diploma; Postgraduate or Professional Graduate Certificate in Education (PGCE); first degrees (BA, BSc, BEd and foundation degrees); foundation degree bridging courses; Higher National Diploma and Certificate (HND and HNC); Diploma in Higher Education (DipHE); Diploma in Teaching in the Lifelong Learning Sector (DTLLS) where awarded by a UK HEI; and Certificate in Education (CertEd). Other higher education courses at FECs, such as some professional courses, are fundable by the Learning and Skills Council (LSC).

The annual funding cycle

19. The Government operates a rolling three-year process to set public expenditure across all departments. This has developed into spending reviews every two years that review and set expenditure levels. The last spending review was in 2007 and set public expenditure for 2008-09 to 2010-11.

20. Each year we divide the total funds between teaching, research and other funding. The breakdown of HEFCE funding available for 2008-09 is shown in Figure 1.

Figure 1 **Breakdown of HEFCE funding available for 2008-09: total £7,476 million**



*The figure for teaching includes funds set aside to provide for further growth in 2008-09, including recovery of consolidated reductions to 2008-09 baseline grants where insufficient teaching activity was delivered in 2007-08. The total funding for teaching for 2008-09 shown above therefore represents the maximum sum available, but the final allocation may be below this level. The figure for teaching includes funds for widening participation and other targeted allocations.

21. Most of these funds are distributed by formulae, which take account of the volume and mix of individual institutions' teaching and research. We publish the data on which calculations are based, so that institutions can check the outcomes each year.

Figure 2 **The annual funding cycle**



22. Every year the Secretary of State for Innovation, Universities and Skills informs HEFCE of the funding available for the following year. The total grant to be allocated is confirmed each winter and guidance is given on spending priorities. We then determine the grants to individual institutions between December and February each year (see Figure 2).

23. Each December, universities and colleges provide us with a breakdown of their student numbers, together with information on research activities. The main data return, the Higher Education Students Early Statistics (HESES) survey, collects information about the number of students studying at each HEI. A similar return is provided by FECs – the Higher Education in Further Education: Students (HEIFES) survey. HEIs also return the Research Activity Survey. These data are used to monitor teaching grant for the current year, and to calculate teaching and research grants for the following year.

Funds for teaching

24. Over 80 per cent of HEFCE teaching funds are allocated through our mainstream teaching funding method. The remainder consists of funds for widening participation, other targeted allocations and other recurrent teaching grants. The first part of this section covers our mainstream teaching funding method and is structured as follows:

- general funding principles
- overview of the funding method
- detailed description of the method.

General funding principles

25. In distributing the funds, we aim to meet the needs of students, employers and the nation by promoting high-quality teaching. Our overall budget is set by the Government so the funding method does not affect the total sum available for distribution to institutions.

26. We introduced our main method to allocate funds for teaching in 1998-99. The previous method provided stability for institutions, but in some cases gave differing levels of funding to different institutions for historical rather than educational reasons. With our current method we aim to provide fairer funding per student. Two broad principles underpin the method:

- similar teaching activities should be funded at similar rates, with variations from these rates based on previously determined factors
- institutions seeking to increase their student numbers should do so through allocations agreed by HEFCE of additional funded places.

27. In addition, the funding method is designed to have the following five features:

- transparency: the funding method should be clear and public. The data on which allocations are based are auditable and, wherever possible, public
- predictability: the method and its parameters should be predictable, so that an institution knows how decisions it might take, and changes in its circumstances, may affect its funding
- fairness: differences in funding between institutions should be for justifiable reasons
- efficiency: the funding method should impose as small an administrative burden as possible on institutions
- flexibility: the method should be flexible enough to respond in a strategic manner to external policy changes, and particularly to developments in HEFCE's own policies.

Applying the funding principles: overview of the method

28. Because teaching funding is part of a block grant, institutions have considerable freedom as to how they distribute it internally to support their own aims and objectives. The funding method aims to ensure that we allocate an appropriate level of teaching funding for an institution as a whole. As such, it is designed to be efficient in distributing funding between institutions in the sector, not between departments within an institution. We do not expect institutions to mirror our allocation methods for their own internal purposes. Although our funding is determined according to the learning and teaching activity in academic departments, it is intended to support institutions more generally, including, for example, their central facilities such as libraries, computer centres and administration.

29. The Government expects teaching and learning in higher education to be financed both by public sources (our teaching grant) and by those who benefit most directly from it – students themselves through the tuition fees that they pay and, increasingly, employers. Full-time undergraduate students may receive assistance with their tuition fees. Postgraduate students on taught courses pay fees to institutions mostly from their own funds. Students from outside the EU are generally expected to meet the full costs of their courses. It is the combination of these different sources of income that can ensure higher education provision is adequately resourced. To make the best use of the public funding that we allocate, we therefore take account of the income from tuition fees that we assume institutions will receive when we calculate our recurrent teaching grants. The combined total of grant and tuition fees is referred to as teaching resource or simply as resource.

$$\text{Resource} = \text{HEFCE grant} + \text{tuition fees}$$

Calculating the grant

30. There are four stages in calculating the mainstream teaching funds for each institution.

Stage 1 For each institution our model calculates a level of **standard resource**. This is based on each institution's profile of students, and takes into account:

- the number of students
- subject-related factors
- London weighting.

Standard resource is not, however, what we actually pay institutions, but rather a notional benchmark of what we think institutions' share of overall resource should be to reflect their teaching activities. A more detailed description of the calculation of standard resource is in paragraphs 35 to 44.

Stage 2 We calculate the **assumed resource** for the institution. This is based on the teaching grant that we actually paid to the institution for the previous year, adjusted for various factors such as inflation, plus our assumptions of student

tuition fee income. A more detailed description of the calculation of assumed resource is in paragraphs 45 to 46.

- Stage 3** We compare the **standard resource** with the **assumed resource** and work out the percentage difference between them.
- Stage 4** If the difference between the standard resource and the assumed resource is no more than 5 per cent (whether that is plus 5 per cent or minus 5 per cent), then the HEFCE grant will be carried forward from one year to the next. This plus or minus 5 per cent margin is called the **tolerance band** and is the means by which we ensure institutions receive similar resources for similar activities. For institutions outside the tolerance band, their grant and/or student numbers need to be adjusted so that they move to within the tolerance band. This is explained further in paragraphs 49 to 50.

The tolerance band

31. The tolerance band exists to give institutions flexibility and to minimise the accountability burden. This flexibility is both in the nature of the provision institutions offer to students within broad subject areas (for example, in terms of course content, staffing structures and methods of delivery) and in allowing them to make some changes to the mix and volume of student numbers without financial implications. It is for this reason that the principle of the funding method has been to have similar resources for similar activities, not the same resources for the same activities. This broad-brush approach to funding helps to keep the accountability burden lower than might otherwise be the case. Without it, we would have to measure learning and teaching activity much more finely, because any change in student numbers, however minor, would potentially have a direct effect on grant.

Funding for additional student numbers

32. The funding method allows institutions to obtain additional funded student places according to criteria and priorities that we determine. We have made funding available to support growth of approximately 16,700 full-time equivalents (FTEs) for 2008-09. The majority of these have been allocated to major projects that have secured funding through our Strategic Development Fund (SDF). In order to reduce our use of bidding schemes, which can be time-consuming and burdensome for the sector, we have changed our process for distributing additional places from 2009-10. We now allocate places only through the SDF. Proposals may be for ASNs attached to SDF projects or just for ASNs. The process for allocating additional places for 2009-10 and 2010-11 and the specific priorities presently in operation were set out in Circular Letter 05/2008, and will be reflected in updated guidance for the SDF which will be published shortly.

Other elements of teaching grant

33. In addition to our mainstream teaching funding, we have made targeted allocations to support important or vulnerable features of HE, in accordance with key policy initiatives. These include widening participation, which recognises the additional costs of recruiting and supporting particular types of

student. Targeted allocations are not part of the resource calculations described above. They are described further in paragraphs 53 to 81.

The funding agreement

34. We draw up a funding agreement each year with each institution that we fund. This sets out the amount of recurrent funding which we will provide to the institution for the academic year, and targets relating to the amount of teaching activity the institution is expected to provide in return for that funding. It also sets out some terms and conditions of grant that apply. The funding agreement targets relate broadly to requirements on institutions to:

- remain within, or move towards, the tolerance band
- meet certain student FTE targets relating to allocations of additional student numbers
- meet certain student FTE targets for some medical and dental courses.

Only the first of these targets applies to every institution: others will only apply where additional student numbers have been allocated, or where medical or dental courses are offered. If the targets are not met, then we may adjust an institution's funding. Further information about the funding agreement is provided in paragraphs 83 to 89.

Detailed description of the method

Stage 1 Calculating the standard resource

Student numbers and volume of teaching activity

35. The students who count towards our teaching grant calculations are, broadly, those home and EU students who are on HE courses open to any suitably qualified candidate and who are not funded from other public sources.

36. Categories of students whom we do not fund through our allocations for teaching include:

- overseas students from outside the EU
- students whose funding is provided from other public sources such as the NHS or the TDA
- postgraduate research (PGR) students. PGR students are funded only through the funding method for research (see paragraph 107)
- most students who are studying for an equivalent or lower qualification (ELQ) compared to one they have already been awarded. As required by the Secretary of State for Innovation, Universities and Skills, funding for these students is being phased out from 2008-09³. HEFCE Circular Letter 07/2008, 'Changes to fundability status of students for 2008-09 as a result of the ELQ policy', gives full details of the definitions and associated criteria for students in this category.

³ For more information, see 'Withdrawal of funding for equivalent or lower qualifications (ELQs): outcomes of consultation' (HEFCE 2008/13).

37. Student numbers are counted in FTE terms. A part-time student is measured by comparing their learning activity with that of a full-time student, so that each will count as a variable proportion of one FTE. Students who undertake practical work or industrial experience for a year outside the university or college (known as ‘sandwich year-out’ students) are counted at the rate of 0.5 FTE per student for that year.

38. In determining an institution’s standard resource for the coming year, we count the students recruited the previous year and add on additional student numbers awarded for the coming year.

Weightings

39. Clearly there are factors that call for different levels of resource. To take account of this, we apply weightings to student numbers when we calculate the standard resource for each institution. They relate to the nature of the subject and whether the institution is in London.

40. Different subjects require different levels of resource: some subjects need laboratories and workshops while others are taught wholly in lecture theatres and seminar rooms. We have defined four broad groups of subjects (price groups) for funding, and have set relative cost weights for each based on expenditure and student FTE data by cost centre.

| Price group | Description | Cost weight |
|-------------|----------------------------------------------------------------------------------------------------------------|-------------|
| A | The clinical stages of medicine and dentistry courses and veterinary science | 4 |
| B | Laboratory-based subjects (science, pre-clinical stages of medicine and dentistry, engineering and technology) | 1.7 |
| C | Subjects with a studio, laboratory or fieldwork element | 1.3 |
| D | All other subjects | 1 |

41. Having weighted the student numbers by their subject price group, we then apply a further weighting, where applicable, to recognise the higher costs of operating in London. London weighting varies depending on the institution’s location. Institutions in inner London receive a weighting of 8 per cent, those in outer London 5 per cent. The London weighting applies both to HEIs and to FECs.

Calculating the standard resource

42. We calculate a basic amount of resource for an FTE student by dividing the money available to fund teaching (our grant plus assumed tuition fees) by the total number of weighted FTE students in the sector. This basic rate of resource (grant plus fee) is called the base price and is the rate for a standard FTE student in price group D (before the application of London weighting).

For 2008-09, the base price is £3,964. This therefore implies resource rates for each price group as follows:

- £15,856 for price group A
- £6,739 for price group B
- £5,153 for price group C
- £3,964 for price group D.

43. The total weighted student FTEs for an institution are the sum of the student FTEs weighted by price group and London weighting.

44. The standard resource for an individual institution is its total weighted student FTEs multiplied by the base price.

Stage 2 Calculating the assumed resource

45. For each institution, we start with the mainstream HEFCE grant for teaching that it received the previous year. Then we make the following grant adjustments and a fee adjustment.

Grant adjustments

Adjust funding where institutions have failed to meet the requirements of their funding agreement (see paragraphs 83 to 89). This usually arises because institutions are unable to recruit or retain the numbers of students for which the previous year's grant was allocated.

Adjust for increases due to inflation within the total funds provided by the Government.

Add any funding for additional students. The Government wants to expand the HE sector. Each year, over the next few years, we will be providing funds to the sector for extra students.

Adjust for other changes to grant. Adjustments might be made for transfers between institutions, or where elements of grant have been transferred into or out of mainstream funding.

Fee adjustment

Add an assumed income from tuition fees paid by students, the Student Loans Company, local education authorities, employers and others.

46. As in 2006-07 (when variable tuition fees were introduced), we have not revised our fee assumptions for 2008-09 other than for the standard uplifts for inflation, to help provide continuity and stability during the period in which the dynamic variable fee environment is phased in. Hence for 2008-09 the assumed fee income per FTE student is as shown in Table 1.

Table 1 **Assumed fee income per FTE student, 2008-09**

| | |
|----------------------------------------------------------------------------------------------------------------------------------|----------------|
| Full-time undergraduates | £1,255 per FTE |
| Sandwich year-out undergraduates | £1,250 per FTE |
| Part-time undergraduates on courses with regulated fees | £1,250 per FTE |
| Other part-time undergraduates | £1,255 per FTE |
| Full-time taught postgraduates on courses with regulated fees (these are courses such as PGCEs and some architecture courses) | £1,255 per FTE |
| Part-time taught postgraduates and sandwich year-out postgraduates on courses with regulated fees | £1,250 per FTE |
| Other full-time, part-time and sandwich taught postgraduates | £3,964 per FTE |

Stage 3 **Calculating the percentage difference**

47. The next step is to compare the results of Stage 1, the standard resource, with the results of Stage 2, the assumed resource. The percentage difference is calculated as follows:

$$\frac{\text{assumed resource} - \text{standard resource}}{\text{standard resource}} \times 100$$

48. The funding method aims to ensure that similar activities are funded at similar rates in all universities and colleges. Therefore we want the percentage difference to fall within the plus or minus 5 per cent tolerance band around the standard resource.

Stage 4 **Calculating the teaching grant**

49. If an institution is within the tolerance band, our funding will roll forward from the previous year. In other words, we will pay the amount calculated in Stage 2, less the assumed income from tuition fees. This applies to most universities and colleges.

50. For institutions which fall outside the tolerance band, we take action to bring them within the band. This may be by expecting institutions to increase or reduce their student numbers, or by adjusting funding.

51. Annex A gives more detailed descriptions of the calculations of standard resource, assumed fee income, and the comparison between standard and assumed resource.

52. Table 2 shows notional rates of HEFCE teaching grant per FTE student for 2008-09. The figures are based on the mainstream teaching funding method, and exclude other elements of teaching grant such as the funds for widening participation and other targeted allocations. The rates of standard resource and notional HEFCE grant incorporate subject weightings but exclude London weighting. The table presents a simplification of the different fee types that are possible for different categories of student. For example, it does not take account of different fees that may be chargeable for students undertaking language years abroad.

Table 2 **Notional rates of HEFCE teaching grant per FTE student for 2008-09**

| Price group | Mode | Level | Fee type | Standard resource (£) | Assumed fee income (£) | Notional HEFCE grant rate (£) |
|-------------|-----------|------------|-----------------------------|-----------------------|------------------------|-------------------------------|
| A | FT and PT | UG | Regulated and non-regulated | 15,856 | 1,255 | 14,601 |
| A | FT and PT | PGT | Non-regulated | 15,856 | 3,964 | 11,892 |
| B | FT and PT | UG | Regulated and non-regulated | 6,739 | 1,255 | 5,484 |
| B | FT and PT | PGT | Non-regulated | 6,739 | 3,964 | 2,775 |
| C | FT | UG and PGT | Regulated | 5,153 | 1,255 | 3,898 |
| C | FT and PT | PGT | Non-regulated | 5,153 | 3,964 | 1,189 |
| C | SWOUT | UG | Regulated | 5,153 | 1,250 | 3,903 |
| C | PT | UG | Non-regulated | 5,153 | 1,255 | 3,898 |
| C | PT | UG and PGT | Regulated | 5,153 | 1,250 | 3,903 |
| D | FT and PT | UG | Regulated and non-regulated | 3,964 | 1,255 | 2,709 |
| D | FT and PT | PGT | Non-regulated | 3,964 | 3,964 | 0 |

Key: FT – Full-time, PT – Part-time, PGT – Postgraduate taught, SWOUT – Sandwich year-out, UG – Undergraduate.

Targeted allocations

53. Targeted allocations support important or vulnerable features of HE, in accordance with key policy initiatives. Targeted allocations are provided outside the mainstream teaching grant and therefore fall outside the tolerance band calculation. This means that changes in student profile will have a much more direct and immediate effect upon grant levels. This new system will make it easier for institutions to determine how much of their grant is associated with a particular policy initiative.

54. In 2008-09 new targeted allocations have been created by transferring funding associated with most former premiums out of mainstream teaching grant. This means that the process of creating the targeted allocations is cash-neutral for each institution in 2008-09. From 2009-10 we will review the total amount allocated through each targeted allocation, and individual institutions' share of allocations, each year.

55. Targeted allocations can be either variable or fixed. Variable allocations recognise costs that vary according to the volume of learning and teaching activity. Fixed allocations recognise largely fixed costs. The targeted allocations that apply for 2008-09 are shown in Table 3 and each is described further in paragraphs 56 to 81.

Table 3 Targeted allocations

| | Total 2008-09 allocation | Qualifying institutions | Paragraph reference |
|----------------------------------------------------------------------------------------|--------------------------|-------------------------|---------------------|
| Variable | | | |
| Widening participation | £364 million | HEIs and FECs | 56-65 |
| Foundation degrees | £24 million | HEIs and FECs | 66-68 |
| Part-time undergraduates | £43 million | HEIs and FECs | 69-71 |
| Accelerated and intensive provision | £69 million | HEIs and FECs | 72-74 |
| Fixed | | | |
| Old and historic buildings | £41 million | HEIs only | 75-76 |
| Institution-specific costs | £59 million | HEIs only | 77-79 |
| Non-exempt students aiming for ELQs in strategically important and vulnerable subjects | £31 million | HEIs and FECs | 80-81 |

Widening participation

56. Alongside our mainstream teaching funds, we also allocate funding each year to recognise the additional costs of improving retention, recruiting and supporting students from disadvantaged backgrounds or students with disabilities. The allocations for widening participation are not a form of individual student support, but rather are allocations to institutions that reflect the additional costs they may face because of the broad mix of students that they recruit. The different elements to the widening participation allocations are as follows:

Widening access. This allocation recognises the extra costs associated with recruiting and supporting undergraduate students from disadvantaged backgrounds who are currently under-represented in higher education.

Improving retention. This allocation recognises institutions' broad mix of students according to the risk that they will not continue their studies.

Students with disabilities. This allocation reflects institutions' success in recruiting and retaining students with disabilities.

57. A total of £364 million is being allocated to support widening participation for 2008-09. Funds allocated by July 2008 total £363 million and comprise:

- £40.6 million to widen access for full-time undergraduates from disadvantaged backgrounds
- £56.6 million to widen access for part-time undergraduates from disadvantaged backgrounds
- £192.8 million to improve retention of full-time undergraduates

- £59.8 million to improve retention of part-time undergraduates
- £13.2 million to widen access for students with disabilities.

58. The allocation methods for each element of the widening participation funding are described below. Annex B provides detailed examples of how the widening participation allocation for an institution is calculated.

Widening access

59. The £97.2 million allocated for widening access to HE for full-time and part-time undergraduates from disadvantaged backgrounds is allocated using a method that reflects levels of engagement in HE in different census wards. It is calculated pro rata to 2008-09 weighted student FTEs, where the weightings reflect the broad institutional mix of students from different census wards as well as London weighting.

60. To calculate the institutional weightings (separately for full-time and part-time undergraduates) we use postcode information from the individual student records provided to the Higher Education Statistics Agency (HESA) and the LSC to map each undergraduate new entrant to a census ward. We weight these students according to the young HE participation rate (for young⁴ full-time undergraduates) or the proportion of adults with a HE qualification (for part-time and mature full-time undergraduates) by 2001 census ward. Students from the most educationally disadvantaged wards receive the highest weightings, while other students may receive a weighting of zero. Because the funding is for widening access to HE, those part-time and mature students who already hold an HE qualification at the same level as, or higher than, their current qualification aim, or have unknown entry qualifications, are given a weighting of zero, irrespective of their ward. The overall institutional weightings reflect the number of full-time or part-time undergraduate new entrants weighted by ward, divided by the unweighted full-time or part-time undergraduate new entrants. Only students who complete their year of study are included in these calculations, while most students studying for an ELQ are not.

Improving retention

61. The £192.8 million allocated for improving retention of full-time undergraduates is allocated on the basis of entry qualifications and age. It is calculated pro rata to 2008-09 weighted student FTEs, where the weightings reflect the broad institutional mix of students according to their risk of not continuing their studies, and incorporate London weighting.

62. To calculate this institutional weighting we assign full-time undergraduate students to one of six categories on the basis of their age and entry qualifications (as determined from HESA and LSC individual student records). There are two age categories (young and mature), each of which has three associated risk categories of non-continuation (low, medium and high). Those in the low-risk category may have achieved high grades at A-level; those in the high-risk category may have non-traditional entry qualifications, or low grades

⁴ 'Young' students are those aged under 21 on entry, 'mature' students are those aged 21 or over on entry.

at A-level. These six categories are then weighted to reflect the sector-average risk of such students not continuing their studies. The overall institutional weighting reflects the number of full-time undergraduate new entrants weighted according to the six age and entry qualification categories, divided by the unweighted full-time undergraduate new entrant numbers. Only students who complete their year of study are included in these calculations, while most students studying for an ELQ are not.

63. The £59.8 million allocated to improve retention of part-time students is allocated pro rata to part-time 2008-09 FTE student numbers, incorporating London weighting.

Students with disabilities

64. The £13.2 million allocated for students with disabilities is calculated pro rata to 2008-09 weighted student FTEs, where the weightings reflect institutions' success in recruiting and retaining students with disabilities, and incorporates London weighting.

65. We assign each institution to one of four weighting bands according to the proportion of their students who receive the Disabled Students' Allowance (DSA)⁵, which is determined from HESA and LSC individual student data.

Foundation degrees

66. There are usually higher costs for foundation degrees associated with partnerships between institutions and employers. The variable targeted allocation for foundation degrees recognises these additional costs.

67. We are allocating £24 million to support foundation degrees as a variable targeted allocation in 2008-09. This amount is determined by the funding previously associated with the foundation degree premium. This premium was calculated as 10 per cent of the unweighted student FTE reported as being on foundation degrees.

68. We will confirm total funding available for this targeted allocation each year, and each institution's share will be calculated on the basis of student FTEs that are funded through HEFCE teaching grant and reported as being on foundation degrees.

Part-time undergraduates

69. There are extra costs associated with part-time students. For example, an institution's administration costs for two part-time students, each with an FTE of 0.5, will be higher than for one full-time student. The targeted allocation for part-time undergraduates recognises these additional costs.

70. For 2008-09 we are allocating £43 million to support part-time undergraduate provision as a variable targeted allocation. The total amount of funding distributed in 2008-09 through this stream is determined by the funding previously associated with the part-time premium for undergraduates (including those studying for a foundation degree). This premium was calculated as 10 per cent of the unweighted part-time student FTE.

⁵ The DSA is an allowance paid by local education authorities to assist students who can show that they have a disability or medical condition that affects their ability to study.

71. We will confirm total funding available for this targeted allocation each year, and each institution's share will be calculated on the basis of part-time undergraduate student FTEs that are funded through HEFCE teaching grant.

Accelerated and intensive provision

72. Some courses are taught over longer periods than others within the year and so cost more. Students studying on courses that last for 45 weeks or more within one academic year attract a targeted allocation. This does not apply to courses in price group A, where the course length has already been taken into account within the cost weight.

73. In 2008-09 we are allocating £69 million to support accelerated and intensive provision as a variable targeted allocation. The total amount of funding distributed in 2008-09 through this stream is determined by the funding previously associated with the long course premium. This premium was calculated as 25 per cent of student FTEs reported as being on long years of programme of study and weighted by price group.

74. We will confirm total funding available for this targeted allocation each year, and each institution's share will be calculated on the basis of student FTEs weighted by price group that are funded through HEFCE teaching grant and reported as being on long years of programme of study.

Old and historic buildings

75. Institutions with old and historic buildings (constructed before 1914) have higher costs to cover, such as maintenance, refurbishment and heating. In 2008-09 we are allocating £41 million to support old and historic buildings as a fixed targeted allocation. This amount is determined by the funding previously associated with the old and historic buildings premium. This premium was allocated as a variable percentage of the unweighted FTE.

76. We will confirm total funding available for this targeted allocation each year. As a fixed targeted allocation, each institution's share will not be affected by changes in student numbers. This allocation is fixed because the costs associated with maintaining old and historic buildings do not generally vary with student numbers.

Institution-specific costs

77. The targeted allocation for institution-specific costs recognises that some institutions face higher costs due to the nature of the provision they offer and their institutional circumstances and characteristics. Working with an advisory group, HEFCE is reviewing this funding. The review will determine the extent to which the higher costs incurred by these institutions should be supported by public funds.

78. We are allocating £59 million to support institution-specific costs as a fixed targeted allocation in 2008-09. This amount is determined by the funding previously associated with small institutions and institution-specific premiums for some (but not all) HEIs to which those premiums applied. The small

institution premium was calculated as a variable percentage of the unweighted FTE. The institution-specific premium was calculated as a variable percentage of FTE weighted by price group.

79. We will confirm total funding available for this targeted allocation each year. As a fixed targeted allocation, each institution's share will not be affected by changes in student numbers.

Non-exempt ELQs in SIVS

80. As part of our implementation of the ELQ policy, we are providing a fixed targeted allocation calculated to reflect students studying for ELQs in SIVS. This allocation is intended to allow institutions to maintain student numbers in SIVS, even if some of them are aiming for an equivalent or lower qualification. The total allocated in 2008-09 is £31 million.

81. We will confirm total funding available for this targeted allocation each year. As a fixed targeted allocation, each institution's share will not be affected by changes in student numbers.

Other recurrent teaching grants

82. There are a small number of other recurrent grants that support teaching but are not part of the mainstream teaching allocation. For 2008-09 they comprise:

- clinical academic consultants' pay (£19 million)
- Dance and Drama Awards (£4 million)
- funded student places for Lifelong Learning Networks (£17 million)
- other funded student places, including those to support Higher Level Skills Pathfinders, co-funded employer engagement and other initiatives (£16 million)
- transitional funding for ELQs (£138 million)
- ELQ safety net (£6 million).

The funding agreement

83. We draw up a funding agreement each year, also referred to as Part 2 of the Financial Memorandum, with each of the institutions we fund.

84. The funding agreement is constructed in broad terms. It implies a weighted volume of teaching activity which is being funded against the resource being allocated.

85. Institutions can vary their recruitment as long as the weighted volume of teaching activity is maintained within certain implied limits. So, for example, they may vary the balance of recruitment between full-time and part-time students or between different price groups.

86. When the funding announcements are made, well ahead of the start of the relevant academic year, institutions cannot be sure about their recruitment in that year. There may be fewer students than expected, the balance between subjects may vary, or the number of students not completing the academic year may differ from expectations. In most cases this does not affect their grant. But if recruitment results in the assumed resource differing by more than 5 per cent from standard resource, then action is taken to draw the institution back within that tolerance band. This would be achieved by adjusting student numbers or funding in the current and/or subsequent years.

87. When we provide funding for additional places to institutions, we expect them to increase their student numbers. We therefore set them a target for their overall FTE students. If they recruit below the target, we reduce the additional funding we have provided. However, we give institutions a second chance to deliver the expected increases, recognising that start-up difficulties may prevent full recruitment in the first year.

88. We set minimum numbers for students on some medical and dental courses. If institutions fall short of the minimum numbers, their grant is reduced.

89. Other recurrent teaching grants that are not part of the mainstream allocation (see paragraph 82) may also be subject to separate conditions of grant and monitoring arrangements.

Data monitoring

90. Every year we compare student data that institutions return to us in the HESES and HEIFES surveys with the data submitted to HESA and the LSC. The purpose of this is to identify any institutions that have received more or less than their funding entitlement. It also improves the quality of these data returns. The HESA and LSC data are submitted in the autumn and contain details about all students in the most recently completed academic year. HESES and HEIFES are completed in December and November respectively and relate to the current academic year. Consequently the comparison considers inconsistencies in data for the previous academic year. We also carry out selective audits of institutions' data returns. If we find that erroneous data have resulted in institutions receiving higher allocations than would otherwise have been the case, then the funding for those institutions is reduced accordingly.

Funds for research

91. Public research funds are provided under a dual support system. HEFCE provides funding to support the research infrastructure. Our funds go towards the cost of the salaries of permanent academic staff, premises, libraries and central computing costs. The Research Councils provide funding for specific programmes and projects. This is calculated as a proportion of the full economic cost of the work to be done (90 per cent for new grants applied for from 2008-09).

92. The general funds we provide also support fundamental and 'blue skies' research in institutions and contribute to the cost of training new researchers. This research is the foundation of strategic and applied work, much of which is later supported by Research Councils, charities, industry and commerce.

93. We are committed to promoting excellent research. HEFCE research funds are distributed selectively to HEIs that have demonstrated the quality of their research by reference to national and international standards. Quality is measured in a periodic Research Assessment Exercise (RAE). The research funding allocation for 2008-09 is the last to be informed by the 2001 RAE. From 2009-10, the funding method will be adjusted to reflect the outcomes of the 2008 RAE. From 2011-12, the funding method will gradually incorporate the Research Excellence Framework (REF), which is currently under development and which will be our new system for assessing and funding research. Information on the current RAE is available on the web at www.rae.ac.uk and information about the REF is available at www.hefce.ac.uk/research/ref. FECs are not eligible for our research funding.

94. Our funding for research in 2008-09 is £1,460 million and is allocated under two main headings:

- quality-related research (QR) funding – with reference to both the quality and volume of research activity (£1,436 million)
- capability funding (£22 million).

In addition we provide £2 million to support veterinary research through a joint initiative with the Department for Environment, Food and Rural Affairs (DEFRA).

Quality-related research funding

95. The separate components of QR funding are shown in Table 4.

Table 4 **The components of quality-related research funding**

| | |
|--------------------------------------------------------------------------------------------------------------------|----------------|
| Mainstream QR allocated to reflect the quality and volume of research at institutions in different subjects | £919.8 million |
| Research degree programme supervision fund | £199.0 million |
| Charity support element allocated on the basis of eligible charity research income (see paragraph 108) | £184.9 million |
| Business research element (see paragraph 109) | £61.7 million |
| London weighting allocated to reflect the additional costs of provision in London | £28.7 million |
| 'Best 5*' allocation (see paragraph 106) | £24.5 million |
| Supplementary funding to maintain QR in real terms (see paragraph 111) | £11.9 million |
| Special funding for research libraries (see paragraph 112) | £5.9 million |

Mainstream QR funding

96. There are two stages to the allocation of mainstream QR funds:

Stage 1: determining the amount provided for each subject

Stage 2: distributing the subject totals between institutions.

97. The allocation method for mainstream QR funding is described below. A simple numerical illustration of this method is provided in Annex C.

Stage 1 **Determining the amount provided for each subject**

98. Mainstream QR funds are divided between 68 subject areas (units of assessment). Each subject is assigned one of three cost weights, which have been calculated to reflect the relative costs of research in those subjects. These are multiplied by the volume of research in each subject to work out the total funding for that subject.

99. The three **cost weights** are:

| | | Weighting |
|---|--------------------------------------------|------------------|
| A | High-cost laboratory and clinical subjects | 1.6 |
| B | Intermediate cost subjects | 1.3 |
| C | Others | 1.0 |

100. We measure the volume of research in each unit of assessment using three separate components. These volume components apply for departments rated 4 or above in the RAE and are weighted as follows:

- **research-active academic staff** – 1 x number of FTE research-active academic staff funded from general funds (including NHS funding for nursing and other subjects allied to medicine) and selected for assessment in the RAE
- **research assistants** – 0.067 x number of FTE research assistants
- **research fellows** – 0.06 x number of FTE research fellows.

101. The number of research-active academic staff is the most important measure of volume: it accounts for 94 per cent of the total. Research-active staff numbers are fixed between RAEs. We update other volume measures annually.

Stage 2 **Distribution of the subject totals between institutions**

102. The 68 subject totals (for each unit of assessment) are distributed to institutions in proportion to the volume of research multiplied by the **quality** of research in the subject for each institution.

103. The **volume** of research for each institution in each subject is measured in the same way as in Stage 1 above, but includes NHS-funded staff for all units of assessment.

104. The **quality** of research is assessed in the RAE. The last RAE was conducted in 2001 and has informed funding decisions from 2002-03.

105. In the last RAE, each institution was awarded a rating, on a scale of 1 to 5* (five star), for the quality of its research in each unit of assessment in which it was active. The table below shows how these ratings relate to the quality funding weights. Ratings 1, 2, 3b and 3a attract no funding, while a rating of 5* attracts roughly four times as much funding as a rating of 4 for the same volume of research activity. As a result, our funding of research is highly selective.

Table 5 **RAE ratings converted into funding weights for each unit of assessment**

| 2001 RAE rating | Funding weights in QR model |
|-----------------|-----------------------------|
| 3a, 3b, 2, 1 | 0 |
| 4 | 1 |
| 5 | 3.180 |
| 5* | 4.036 |

106. The White Paper ‘The future of higher education’ asked us to provide additional resources to the ‘very best of the 5* departments’. In 2003-04, we distributed an additional £20 million for departments that achieved a 5* rating

in both the 1996 and 2001 RAEs. From 2004-05, we extended eligibility to include those departments that achieved a rating of 5* for the first time in 2001, while maintaining or increasing the number of research-active staff submitted since the 1996 RAE. The allocation of £24.5 million for 2008-09 is in proportion to London-weighted mainstream QR funding for the departments concerned.

Research degree programme supervision fund

107. In 2005-06 we established an enhanced supervision fund, bringing together funding for research degree programmes (RDPs) under a single stream within QR. For 2008-09, the funds for RDPs total £199 million, allocated in proportion to cost-weighted and London-weighted home and EC postgraduate research student numbers in years 1 to 3 of full-time study or years 1 to 6 of part-time study, in departments rated 4 or above.

Charity support element

108. In 2005 we announced the establishment of the new charity support element within QR. For 2008-09, a total of £184.9 million is being allocated through this fund. This is allocated on the basis of eligible charity research income awarded to institutions in departments rated 4 and above in the 2001 RAE, or rated 3b or 3a and receiving grant from the Research Capability Fund. Allocations are not weighted to reflect RAE ratings above these thresholds, but do incorporate London weighting.

Business research element

109. In 2007-08 we established a new business research element within QR funding to support HEIs in undertaking research with business and industry. For 2008-09 a total of £61.7 million is being allocated through this fund. Allocation is based on the amount of research income institutions receive from UK industry, commerce and public corporations.

Other elements of QR funding

110. We provide additional QR funding to recognise the extra costs of provision in London. These allocations equal 12 per cent (for inner London) or 8 per cent (for outer London) of the total of mainstream QR funding. London weighting is also incorporated separately in the funding for the 'best 5*' departments, the QR charity support fund and the RDP supervision fund.

111. The overall change to research funding for 2008-09 is only just above inflation and changes in research volumes, particularly relating to research income from charities and business, mean that changes in funding are not evenly distributed. In 2009-10, we will have the outcomes of a new RAE to implement and we anticipate further increases in research funding in 2009-10.

For 2008-09 we are allocating supplementary funds to avoid implementing short-term cuts in research funding if these prove to be unnecessary in the light of the next RAE. Supplementary funds ensure that each institution's recurrent QR grant is maintained in real terms compared with the equivalent figure for 2007-08 (that is, a cash increase of 2.75 per cent). In order to avoid allocating small sums from this supplementary fund, we are only making allocations where they amount to at least £100,000. The total of the supplementary fund in the provisional March announcement is £11.9 million.

112. HEFCE provides supplementary funding for five libraries designated as National Research Libraries under the heading 'QR funding for research libraries'. For 2008-09, these funds total £5.9 million.

Research Capability Fund

113. For 2008-09 we are providing £22 million for the Research Capability Fund, to support research in emerging subject areas where the research base is currently not as strong as in more established subjects. Seven units of assessment (UOAs) are eligible for this funding, on the basis that they have low proportions of staff in departments rated 4, 5 or 5* in the 2001 RAE, and had relatively high proportions of QR funding in 2002-03 attributable to 3b-or 3a-rated departments.

114. The seven units of assessment eligible for this funding are:

- nursing and midwifery (UOA 10)
- other studies and professions allied to medicine (UOA 11)
- social work (UOA 41)
- art and design (UOA 64)
- communication, cultural and media studies (UOA 65)
- drama, dance, and performing arts (UOA 66)
- sports-related subjects (UOA 69).

115. This capability funding is distributed pro rata to the number of research-active academic staff in RAE submissions rated 3b or 3a, weighted according to the cost weight for the UOA. In order to receive this funding, institutions had to submit three-year research strategies for each UOA for which funding had been allocated. We have increased our funding for these departments since 2004-05 to take account of the costs of supervising research students.

Higher Education Innovation Fund

116. Funding under the fourth round of the Higher Education Innovation Fund (HEIF 4) is designed to support and develop a broad range of knowledge transfer activities that result in economic and social benefit to the UK. The fund builds capacity and provides incentives for HEIs to work with business, public sector bodies and third sector partners, with a view to transferring knowledge and thereby improving products, goods and services. HEIF 4 is a joint initiative between HEFCE and DIUS, and will provide funding to HEIs in England from August 2008 to July 2011.

117. Round four funding will cover three academic years: 2008-09, 2009-10 and 2010-11. Total funding for 2008-09 is £112 million with a further £8 million allocated for centres of knowledge exchange. Funds are provided through a formula allocation to all eligible HEIs, subject to acceptance by HEFCE of an institutional strategy, setting out the institution's knowledge transfer strategy and plans for use of HEIF 4 funding.

118. The key features of the HEIF 4 method are as follows:

- a first component (40 per cent) is allocated with a focus on capacity-building and HEIs' potential and is based on FTE academic staff numbers
- a second component (60 per cent) is allocated on the basis of performance, using various measures of income from business and non-commercial sources as a proxy for the value placed on HEIs' activities by users of knowledge in the wider economy and society. Small and medium-sized enterprise (SME) income is double-weighted within this component
- there is a minimum allocation of £100,000 per year for all HEIs
- there is an absolute cap of £1.9 million on an individual formula allocation in 2010-11 (with HEIs receiving allocations in 2008-09 and 2009-10 based on a linear progression between their 2007-08 HEIF 3 allocation and 2010-11 HEIF 4 allocation)
- there will be a maximum increase of 150 per cent between 2007-08 HEIF 3 formula allocations and final year HEIF 4 allocations, 2010-11
- 'transition' funding is provided to ensure that throughout the three years of HEIF 4, no HEI's allocation will fall below 80 per cent of its 2007-08 HEIF 3 award. This is to protect HEIs against an unmanageable drop in funding between HEIF 3 and HEIF 4.

119. 'Higher Education Innovation Fund round 4: invitation and guidance for institutional strategies' (HEFCE 2008/02) sets out in more detail the policies and processes for allocating HEIF 4 funding.

120. After institutions' strategies have been received and approved, final 2008-09 funding allocations under HEIF 4 are incorporated into institutions' July 2008 funding agreements.

Other related funding

Moderation

121. To help maintain stability, we phase in changes by moderating increases or decreases in teaching and research funding to institutions that would otherwise be affected by large fluctuations. For 2008-09, in general, each institution's recurrent resource for teaching and research will be at least maintained in cash terms compared with the unmoderated figure for 2007-08. We do not provide moderation funding if it amounts to less than £100,000 for an institution. We review our moderation policy annually.

Additional funding for very high cost and vulnerable science subjects

122. In November 2006 we announced that we would allocate an additional £75 million over the three-year period 2007-08 to 2009-10 to support very high cost science subjects, which are strategically important to the economy and society but vulnerable because of relatively low student demand. The funding supports: chemistry; physics; chemical engineering; and mineral, metallurgy and materials engineering, to help maintain capacity in these subjects in universities and colleges while demand from students grows. Further information on this allocation can be found in HEFCE Circular Letter 13/2007 'Additional funding for very high cost and vulnerable laboratory-based subjects'.

Special funding and earmarked capital

123. Special funding and earmarked capital are used to secure change or fund activities that cannot be secured through core funding. We aim to provide as much of our funding for learning and teaching, widening participation, research and business and the community engagement as possible through the block grant. We continuously review the level of special funding to ensure it is justified and the amount of special funding that comes from the recurrent baseline continues to decline.

124. Within this approach, and to reduce the burden on HEIs, we seek to minimise the total number of national special funding and earmarked capital programmes that we operate. For 2008-09 we are allocating £337 million for special funding, and a further £902 million for earmarked capital grants.

125. Increasingly, special funding programmes – particularly for capital projects – have moved away from bidding exercises. Instead we are determining allocations and outcomes against which HEIs can set their own priorities. This conditional allocation approach continues to reduce the burden of administration on HEIs.

126. Earmarked capital is additional funding provided by the Government to support sustainable investment in higher education. The total of £902 million for earmarked capital grants includes £164 million from the science budget for the Research Capital Investment Fund.

127. Most of our earmarked capital is allocated by formula, the two main elements being the Learning and Teaching Capital Investment Fund and the Research Capital Investment Fund. Capital funding under these two streams for 2008 to 2011 was announced in ‘Capital Investment Fund: capital for learning and teaching, research and infrastructure 2008-2011’ (HEFCE 2008/04). All HEIs that receive HEFCE recurrent funding for teaching or research receive an allocation under these programmes. In addition we provide capital funding to directly funded FECs. Capital funding for indirectly funded FECs is accessed through their lead HEI.

128. We provide special funding and earmarked capital grants, in addition to core funding, to help deliver our strategic aims. The amounts by strategic aim are set out in Table 6.

Table 6 2008-09 Special funding and earmarked capital grants by strategic aim

| Strategic aim | Funding |
|-------------------------------------|-----------------------|
| Learning and teaching | £546 million |
| Research | £435 million |
| Sustaining a high-quality sector | £160 million |
| Widening participation | £36 million |
| Excellence in delivery | £1 million |
| Joint Information Systems Committee | £60 million |
| Total | £1,238 million |

Over 85 per cent of these funds are distributed through eight national programmes.

Table 7 2008-09 Special funding and earmarked capital grants by type of activity

| Activity | Funding |
|----------------------------------------------|-----------------------|
| Institutional funding or national programmes | £1,071 million |
| Non-institutional funding | £142 million |
| Special institutional funding | £25 million |
| Total | £1,238 million |

129. ‘Institutional funding or national programmes’ includes funding that is available to or allocated to all HEIs. This includes funding for Centres for Excellence in Teaching and Learning, rewarding quality enhancement, the Aimhigher programme, the Capital Investment Fund and the Strategic Development Fund.

130. Non-institutional funding is provided where the activity is delivered by or through another body. This includes funding via the Higher Education Academy, the Quality Assurance Agency, Higher Education and Research Opportunities, Foundation Degree Forward, the higher education regional associations, the Leadership Foundation, the Joint Information Systems Committee and the Higher Education Policy Institute.

Annex A Funding for teaching – examples

Calculating the standard level of resource

There are five steps to calculating standard resource:

- Step 1 Collect full-time equivalent (FTE) student data in each category
- Step 2 Weight the FTEs in Step 1 by the appropriate price group cost weights
- Step 3 Calculate additional FTEs for London weighting
- Step 4 Calculate total weighted FTEs
- Step 5 Calculate standard resource.

Step 1: Collect FTE student data in each category

We disaggregate students into 48 different categories (36 categories⁶ for further education colleges (FECs)). They are categorised according to:

- the four price groups (subjects)
- mode of study (full-time and sandwich, or part-time)
- level of study (foundation degree, other undergraduate or postgraduate taught)
- length of study during the year (standard or long).

We perform the calculations of standard resource separately for each of these student categories.

Step 2: Weight the FTEs in Step 1 by the appropriate price group cost weights

Weighted FTEs = FTE from Step 1 × price group weight (4 for price group A, 1.7 for price group B, 1.3 for price group C and 1 for price group D).

Step 3: Calculate additional FTEs for London weighting

London weighting is expressed as additional weighted FTEs, calculated in relation to the price group weighted FTEs (from Step 2). If the institution is based in London, the additional FTEs = price group weighted FTEs (Step 2) × either 0.08 (if in inner London) or 0.05 (if in outer London). For institutions outside London, the additional FTEs = 0.

Step 4: Calculate total weighted FTEs

Total weighted FTEs = price group weighted FTEs (Step 2) + additional weighted FTEs for London weighting (Step 3).

Step 5: Calculate standard resource

Standard resource in each category = total weighted FTEs in that category (Step 4) × the base price (£3,964 for 2008-09). Total standard resource is the sum of the standard resource calculated for each student category.

Having calculated standard resource, we compare it with assumed resource, and express the difference between them as a percentage. If the percentage difference is more than 5 per cent, action is taken to bring the institution within the plus or minus 5 per cent tolerance band by adjusting its student numbers and/or funding.

⁶ FECs have three price groups (B, C and D), two modes, three levels and two lengths of study.

Worked example of the mainstream teaching funding calculations

Example 1

University X and Higher Education College Y both receive £6 million in HEFCE grant for teaching. Both have 1,000 FTEs on recognised higher education (HE) courses, but these are distributed over price groups in different ways. University X is in outer London so receives a 5 per cent London weighting. Tables 8 and 9 show the effect of the different price group weightings and London weighting on the percentage difference from standard resource. The result of these calculations is that University X is in the tolerance band, but College Y is above it. We would therefore take action to bring College Y within the tolerance band by adjusting its funding and/or student numbers.

Table 8 Standard resource and assumed fee income calculations

| | (a) | (b) | (c) | (d) | (e) | (f) | (g) |
|--------------|-------------|-----------------------|--------------------------|---------------------------|------------------------------|----------------------------------|------------------------------|
| Institution | Price group | Price group weighting | Price group weighted FTE | London weighting 5% x (b) | Total weighted FTE (b) + (c) | Standard resource = (d) x £3,964 | Assumed fee rate = (a) x (f) |
| University X | A | 4 | 600 | 30 | 630 | £2,497,320 | 1,255 |
| | FT UG | | | | | | |
| | 150 | | | | 630 | £2,497,320 | 1,255 |
| | £188,250 | | | | | | |
| University X | B | 1.7 | 272 | 13.6 | 285.6 | £1,132,118 | 1,255 |
| | FT UG | | | | | | |
| | 160 | | | | 285.6 | £1,132,118 | 1,255 |
| | £200,800 | | | | | | |
| University X | C | 1.3 | 455 | 22.8 | 477.8 | £1,893,801 | 1,255 |
| | PT UG | | | | | | |
| | 350 | | | | 477.8 | £1,893,801 | 1,255 |
| | £439,250 | | | | | | |
| University X | D | 1 | 340 | 17 | 357 | £1,415,148 | 3,964 |
| | FT PGT | | | | | | |
| | 340 | | | | 357 | £1,415,148 | 3,964 |
| | £1,347,760 | | | | | | |
| Total | | | 1,667 | 83.4 | 1,750.4 | £6,938,387 | £2,176,060 |
| | | | | | | | |
| College Y | C | 1.7 | 340 | 0 | 340 | £1,347,760 | 1,255 |
| | FT UG | | | | | | |
| | 200 | | | | 340 | £1,347,760 | 1,255 |
| | £251,000 | | | | | | |
| College Y | C | 1.7 | 425 | 0 | 425 | £1,684,700 | 1,255 |
| | PT UG | | | | | | |
| | 250 | | | | 425 | £1,684,700 | 1,255 |
| | £313,750 | | | | | | |
| College Y | D | 1 | 300 | 0 | 300 | £1,189,200 | 1,255 |
| | FT UG | | | | | | |
| | 300 | | | | 300 | £1,189,200 | 1,255 |
| | £376,500 | | | | | | |
| College Y | D | 1 | 250 | 0 | 250 | £991,000 | 1,255 |
| | PT UG | | | | | | |
| | 250 | | | | 250 | £991,000 | 1,255 |
| | £313,750 | | | | | | |
| Total | | | 1,315 | 0 | 1,315 | £5,212,660 | £1,255,000 |

Table 9 Resource comparison

| Institution | HEFCE grant | Assumed fee income | Assumed resource = (j) + (k) | Standard resource | Percentage difference |
|--------------|-------------|--------------------|------------------------------|-------------------|-----------------------|
| University X | £4,500,000 | £2,176,060 | £6,676,060 | £6,938,387 | -3.78% |
| College Y | £4,500,000 | £1,255,000 | £5,755,000 | £5,212,660 | 10.40% |

Key: FTE – Full-time equivalent, FT – Full-time, PT – Part-time, UG – (Other) undergraduate, PGT – Postgraduate taught.

Annex B Funding for widening participation – examples

Introduction

The widening participation allocation is split into five elements:

- widening access for people from disadvantaged backgrounds: full-time
- widening access for people from disadvantaged backgrounds: part-time
- improving retention: full-time
- improving retention: part-time
- widening access for students with disabilities.

This annex describes how each element of the allocation is calculated. Note that the rates quoted in this annex are those used in the provisional allocation for 2008-09 as announced in March 2008.

Calculating the widening participation allocation for an institution

To illustrate the methods described in the steps below we shall consider two fictional institutions:

- university A is a higher education institution based in inner London with 6,000 undergraduate full-time and sandwich year-out full-time equivalents (FTEs), 3,000 undergraduate part time FTEs and 10,000 FTEs (including postgraduate taught) overall
- college B is a further education college based outside London with 200 undergraduate full-time and sandwich year-out FTEs, 150 undergraduate part-time FTEs and 450 FTEs (including postgraduate taught) overall.

Widening access for people from disadvantaged backgrounds: full-time

Step 1: Calculating the institutional weight⁷

Using postcode information from 2006-07 individualised student data⁸, each full-time undergraduate new entrant is mapped to a census ward. These wards are then ranked in terms of their young higher education (HE) participation rate (for young students) or average adult HE attainment (for mature students) and split into quintiles. Each student is weighted as follows according to the quintile of their ward:

⁷ Non-exempt students studying for an equivalent or lower qualification (ELQ) are not included in this calculation.

⁸ Higher Education Statistics Agency student data for higher education institutions. Individualised Learner Record data for further education colleges.

Table 10 **Weighting according to quintile of student's census ward**

| Quintile | Weight |
|-------------------------------------------------------------------|--------|
| 1 (Lowest HE participation or lowest average adult HE attainment) | 2 |
| 2 | 1 |
| 3, 4, 5 | 0 |

For each institution a weight is calculated by dividing the sum of the weight for each student by the total number of full-time undergraduate new entrants.

Step 2: Calculating the weighted FTEs

Institutions are given a London weighting as follows:

- 1.08 for institutions in inner London
- 1.05 for institutions in outer London
- 1 otherwise.

The full-time and sandwich year-out undergraduate assumed FTEs are given a London weighting and then multiplied by the institutional weight calculated in Step 1 to give the weighted FTEs.

Step 3: Calculating the widening access for full-time students allocation

We then multiply the funding rate per weighted FTE (£143 for full-time students in 2008-09) by the weighted FTEs from Step 2 to give this element of the allocation.

Table 11: **Widening access for people from disadvantaged backgrounds: full-time**

| | | Step 1 | | Step 2 | | | Step 3 | | |
|---------------------|----------|-------------------------|-----------------------|------------------------------|---------------------|------------------|--------------------------|-------------------------------|--------------------|
| | | (a) | (b) | (c) | (d) | (e) | (f) | (g) | (h) |
| Age group | Quintile | Head-count new entrants | Weighted new entrants | Institutional weight (b)÷(a) | FT and SWOUT UG FTE | London weighting | Weighted FTE (c)x(d)x(e) | Funding rate per weighted FTE | Allocation (f)x(g) |
| University A | | | | | | | | | |
| Young | 1 | 125 | x 2 = 250 | | | | | | |
| | 2 | 100 | x 1 = 100 | | | | | | |
| | 3, 4, 5 | 875 | x 0 = 0 | | | | | | |
| Mature | 1 | 150 | x 2 = 300 | | | | | | |
| | 2 | 50 | x 1 = 50 | | | | | | |
| | 3, 4, 5 | 700 | x 0 = 0 | | | | | | |
| Total | | 2,000 | 700 | 0.35 | 6,000 | 1.08 | 2,268 | £143.34 | £325,095 |
| College B | | | | | | | | | |
| Young | 1 | 5 | x 2 = 10 | | | | | | |
| | 2 | 4 | x 1 = 4 | | | | | | |
| | 3, 4, 5 | 41 | x 0 = 0 | | | | | | |
| Mature | 1 | 4 | x 2 = 8 | | | | | | |
| | 2 | 6 | x 1 = 6 | | | | | | |
| | 3, 4, 5 | 40 | x 0 = 0 | | | | | | |
| Total | | 100 | 28 | 0.28 | 200 | 1 | 56 | £143.34 | £8,027 |

Key: FTE – Full-time equivalent, FT – Full-time, SWOUT – Sandwich year-out, UG – Undergraduate (including foundation degrees).

Widening access for people from disadvantaged backgrounds: part time

Step 1: Calculating the institutional weight⁹

As in Step 1 of the widening access for full-time students allocation, we use postcode information to map each part-time undergraduate new entrant to a census ward. These wards are then ranked in terms of their average adult HE attainment and split into quintiles. Each student is weighted according to the quintile of their ward as shown in the table in Step 1 of the preceding allocation.

For each institution a weight is calculated by dividing the sum of the weight for each student by the total number of part-time undergraduate new entrants.

⁹ Non-exempt students studying for an ELQ are not included in this calculation.

Step 2: Calculating the weighted FTEs

The part-time undergraduate assumed FTEs are given a London weighting as in the preceding allocation and then multiplied by the institutional weight calculated in Step 1 of this allocation to give the weighted FTEs.

Step 3: Calculating the widening access for part-time students allocation

We then multiply the funding rate per weighted FTE (£1,382 for part-time students in 2008-09) by the weighted FTEs from Step 2 to give this element of the allocation.

Table 12 Widening access for people from disadvantaged backgrounds: part-time

| Institution | Quintile | Step 1 | | Step 2 | | | Step 3 | | Allocation (f)x(g) |
|--------------|----------|-------------------------|------------------------|------------------------------|--------------|------------------|--------------------------|-------------------------------|--------------------|
| | | (a) | (b) | (c) | (d) | (e) | (f) | (g) | |
| | | Head-count new entrants | Weighted new entrants | Institutional weight (b)÷(a) | PT UG FTE | London weighting | Weighted FTE (c)x(d)x(e) | Funding rate per weighted FTE | |
| University A | 1 | 500 | $500 \times 2 = 1,000$ | | | | | | |
| | 2 | 500 | $500 \times 1 = 500$ | | | | | | |
| | 3,4,5 | 3,000 | $3,000 \times 0 = 0$ | | | | | | |
| Total | | 4,000 | 1,500 | 0.38 | 3,000 | 1.08 | 1,215 | £1,381.52 | £1,678,547 |
| College B | 1 | 15 | $15 \times 2 = 30$ | | | | | | |
| | 2 | 10 | $10 \times 1 = 10$ | | | | | | |
| | 3,4,5 | 95 | $95 \times 0 = 0$ | | | | | | |
| Total | | 120 | 40 | 0.33 | 150 | 1 | 50 | £1,381.52 | £69,076 |

Key: FTE – Full-time equivalent, PT – Part-time, UG – Undergraduate (including foundation degrees).

Improving retention: full-time

Step 1: Calculating the institutional weight¹⁰

Using age and entry qualification information from 2006-07 individualised student data, full-time undergraduate new entrants are assigned to one of six categories¹¹ which are weighted as follows:

Table 13 Weighting according to student's risk and age category

| | Young | Mature |
|-------------|-------|--------|
| Low risk | 0 | 0 |
| Medium risk | 1 | 1.5 |
| High risk | 1.5 | 2.5 |

¹⁰ Non-exempt students studying for an ELQ are not included in this calculation.

¹¹ For details on how students are assigned to each of these categories, please see the table on our web-site at www.hefce.ac.uk under Widening participation/Funding/Improving retention allocation method.

For each institution a weight is calculated by dividing the sum of the weight for each student by the total number of full-time undergraduate new entrants.

Step 2: Calculating the weighted FTEs

The full-time and sandwich year-out undergraduate assumed FTEs are given a London weighting as in the preceding allocations and then multiplied by the institutional weight calculated in Step 1 to give the weighted FTEs.

Step 3: Calculating the improving retention of full-time students allocation

We then multiply the funding rate per weighted FTE (£377 for full-time students in 2008-09) by the weighted FTEs from Step 2 to give this element of the allocation.

Table 14 Improving retention: full-time

| | | (a) | (b) | (c) | (d) | (e) | (f) | (g) | (h) |
|---------------------|---------------|-------------------------|-----------------------|------------------------------|---------------------|------------------|--------------------------|-------------------------------|--------------------|
| Age group | Risk category | Head-count new entrants | Weighted new entrants | Institutional weight (b)÷(a) | FT and SWOUT UG FTE | London weighting | Weighted FTE (c)x(d)x(e) | Funding rate per weighted FTE | Allocation (f)x(g) |
| University A | | | | | | | | | |
| Young | Low | 400 | x 0 = 0 | | | | | | |
| | Medium | 250 | x 1 = 250 | | | | | | |
| | High | 400 | x 1.5 = 600 | | | | | | |
| Mature | Low | 260 | x 0 = 0 | | | | | | |
| | Medium | 530 | x 1.5 = 795 | | | | | | |
| | High | 160 | x 2.5 = 400 | | | | | | |
| Total | | 2,000 | 2,045 | 1.02 | 6,000 | 1.08 | 6,626 | £377.13 | £2,498,788 |
| College B | | | | | | | | | |
| Young | Low | 50 | x 0 = 0 | | | | | | |
| | Medium | 15 | x 1 = 15 | | | | | | |
| | High | 7 | x 1.5 = 10.5 | | | | | | |
| Mature | Low | 26 | x 0 = 0 | | | | | | |
| | Medium | 0 | x 1.5 = 0 | | | | | | |
| | High | 2 | x 2.5 = 5 | | | | | | |
| Total | | 100 | 31 | 0.31 | 200 | 1 | 61 | £377.13 | £23,005 |

Key: FTE – Full-time equivalent, FT – Full-time, SWOUT – Sandwich year-out, UG – Undergraduate (including foundation degrees).

Improving retention: part-time

Step 1: Calculating the improving retention of part-time students allocation

We take the part-time undergraduate assumed FTEs, apply the London weighting as in the preceding allocations and then multiply this by the funding rate per weighted FTE (£535 for part-time students in 2008-09) to give this element of the allocation.

Table 15 Improving retention: part-time

| | (a) | (b) | (c) | (d) |
|--------------|-----------|------------------|-------------------------------|------------------------|
| Institution | PT UG FTE | London weighting | Funding rate per weighted FTE | Allocation (a)x(b)x(c) |
| University A | 3,000 | 1.08 | £535.00 | £1,733,400 |
| College B | 150 | 1 | £535.00 | £80,250 |

Key: FTE – Full-time equivalent, PT – Part-time, UG – Undergraduate (including foundation degrees).

Widening access for students with disabilities

Step 1: Calculating the proportion of students in receipt of DSA

We calculate the proportion of students in receipt of DSA (Disabled Students' Allowance) from 2006-07 individualised student data.

Step 2: Calculating the widening access for students with disabilities allocation

Institutions are ranked according to the proportion of their students in receipt of DSA (as calculated in Step 1) and then split into quartiles. A weight is assigned to each institution according to their quartile as follows:

Table 16 Institutional weightings according to proportion of students in receipt of DSA

| Quartile | Weight |
|------------------------|--------|
| A (lowest proportion) | 1 |
| B | 2 |
| C | 3 |
| D (highest proportion) | 4 |

This weight is multiplied by the assumed FTEs, the institution's London weighting (as in the preceding allocations) and the funding rate per weighted FTE (£5.78 in 2008-09) to calculate the allocation, subject to a minimum amount. This minimum is £10,000 for HEIs, but varies for FECs depending on their size:

Table 17 **Minimum allocation amounts for FECs**

| FEC FTE | Minimum |
|-----------|---------|
| 0-49 | £500 |
| 50-249 | £1,000 |
| 250-499 | £5,000 |
| FTE ≥ 500 | £10,000 |

Table 18 **Widening access for students with disabilities**

| Institution | a) Headcount of students in receipt of DSA | b) Total student headcount | Step 1 | | e) FTE | f) London weighting | g) Funding rate per weighted FTE | h) Min. | i) Allocation (d)x(e)x(f)x(g) or (h), whichever is the higher |
|--------------|-----------------------------------------------|-------------------------------|----------------------------------------|-----------------------|-----------|------------------------|-------------------------------------|------------|------------------------------------------------------------------|
| | | | c) Institutional proportion (b)÷(a) | d) Quartile weight | | | | | |
| University A | 750 | 15,000 | 0.05 | 3 | 10,000 | 1.08 | £5.78 | £10,000 | £187,272 |
| College B | 3 | 400 | 0.01 | 1 | 450 | 1 | £5.78 | £5,000 | £5,000 |

Annex C: A simple numerical illustration of the allocation method for mainstream QR funding

In reality the total mainstream quality-related research funding for 2008-09 of £919.8 million is distributed across 68 units of assessment (UOAs) and 98 higher education institutions (HEIs). The following simple numerical illustration of the allocation method involves just three UOAs and three HEIs. Therefore the data in the illustration are purely notional, and cannot be used to estimate real institutional allocations in any way. The figures are rounded where necessary, therefore the totals may not match the sum of individual figures.

Suppose there were a total of £100 million to distribute, and the three HEIs' volume and quality ratings in the UOAs concerned were as shown in Table 19

Table 19 **Notional example of volume and quality ratings**

| | Chemistry | | Geography | | History | |
|---------------|-----------|----------------|------------|----------------|-----------|----------------|
| | Volume | Quality rating | Volume | Quality rating | Volume | Quality rating |
| Institution X | 20 | 4 | 40 | 5 | 10 | 5 |
| Institution Y | 20 | 5 | 20 | 4 | 20 | 5 |
| Institution Z | 10 | 4 | 40 | 5 | 10 | 4 |
| Total | 50 | | 100 | | 40 | |

Step 1: **Determining the amount of funding for each UOA**

The total of £100 million is distributed across the three subjects in proportion to the volume multiplied by the cost weights, as in Table 20:

Table 20 **Example distribution of funds**

| | Chemistry | Geography | History | Total |
|----------------------------------------|-------------------------------|--------------------------------|-------------------------------|-------|
| Volume | 50 | 100 | 40 | 190 |
| Cost weighted volume | $50 \times 1.6 = 80$ | $100 \times 1.3 = 130$ | $40 \times 1 = 40$ | 250 |
| Allocation for UOA (£ millions) | $80 \div 250 \times 100 = 32$ | $130 \div 250 \times 100 = 52$ | $40 \div 250 \times 100 = 16$ | 100 |

Step 2: Distributing the subject totals between institutions

The subject totals are distributed to institutions in proportion to the volume multiplied by the quality of research in the subject for each institution, as shown in the following table.

Table 21 **Example distribution of subject totals between institutions**

| | Chemistry | | Geography | | History | | Total funding (million) |
|---------------|--------------------------------|------------------------------------------|---------------------------------|--------------------------------------------|--------------------------------|--------------------------------------------------|-------------------------|
| | Volume x Quality | Funding (£ million) | Volume x Quality | Funding (£ million) | Volume x Quality | Funding (£ million) | |
| Institution X | $= 20 \times 1$ $= 20$ | $= 20 \div 93.6 \times 32$ $= 6.8$ | $= 40 \times 3.18$ $= 127.2$ | $= 127.2 \div 274.4 \times 52$ $= 24.1$ | $= 10 \times 3.18$ $= 31.8$ | $= 31.8 \div 105.4 \times 16$ $= 4.8$ | 35.8 |
| Institution Y | $= 20 \times 3.18$ $= 63.6$ | $= 63.6 \div 93.6 \times 32$ $= 21.7$ | $= 20 \times 1$ $= 20$ | $= 20 \div 274.4 \times 52$ $= 3.8$ | $= 20 \times 3.18$ $= 63.6$ | $= 63.6 \div 105.4 \times 16$ $= 9.7$ | 35.2 |
| Institution Z | $= 10 \times 1$ $= 10$ | $= 10 \div 93.6 \times 32$ $= 3.4$ | $= 40 \times 3.18$ $= 127$ | $= 127.2 \div 274.4 \times 52$ $= 24.1$ | $= 10 \times 1$ $= 10$ | $= 10 \div 105.4 \times 25 \times 16$ $= 1.5$ | 29.0 |
| Total | 93.6 | 32 | 274.4 | 52 | 105.4 | 16 | 100.0 |

Glossary of terms

| | |
|----------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Assumed resource | HEFCE grant for teaching plus assumed income from tuition fees |
| Block grant | The funding provided by HEFCE to an institution for teaching, research and related activities. This does not include special funding |
| Co-funded employer engagement | Projects led by institutions to deliver employer-responsive workforce development including trials of the provision of additional student numbers on a co-financed basis with employers |
| DEFRA | Department for the Environment, Food and Rural Affairs |
| DIUS | Department for Innovation, Universities and Skills |
| DSA | Disabled Students' Allowance |
| Dual support | The system of funding research, partly by HEFCE and partly by the Research Councils |
| ELQ | Equivalent or lower qualification |
| FEC | Further education college |
| FTE | Full-time equivalent. Full-time students count as 1 FTE. Students on their sandwich year-out count as 0.5 FTE. The FTE for part-time students is measured by comparing their learning activity with an equivalent full time course |
| HE | Higher education |
| HEFCE | Higher Education Funding Council for England |
| HEI | Higher education institution – a university or college of higher education |
| HEIF | Higher Education Innovation Fund |
| HEIFES | Higher Education in Further Education: Students survey. The annual aggregate recruitment survey completed by FECs, which informs our funding for teaching |
| HESA | Higher Education Statistics Agency |
| HESES | Higher Education Students Early Statistics survey. The annual aggregate recruitment survey completed by HEIs, which informs our funding for teaching |
| Higher Level Skills Pathfinders | Region-wide collaborative projects, led by the higher education regional associations, which are exploring how HE can respond to meet regional and local workforce development needs, including making links to the Train to Gain service for employers |
| Level | Level of study refers to foundation degree (FD), other undergraduate (UG), postgraduate taught (PGT) and postgraduate research (PGR) |
| Lifelong Learning Network | A group of FECs, HEIs and stakeholders working together as a network to improve the coherence, clarity and certainty of progression opportunities for vocational learners into and through higher education |
| LSC | Learning and Skills Council – the funding body for further education |
| Mode | Mode of study refers to full-time (FT), part-time (PT) or sandwich year-out (SWOUT). For funding purposes FT and SWOUT are combined |
| NHS | National Health Service |
| Old and historic buildings | Non-residential buildings constructed before 1914, which have been owned by a higher education institution since at least 1 April 1998 |

| | |
|--------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| QR funding | Quality-related research funding. It is allocated according to research quality and the amount of research carried out |
| QTS | Qualified teacher status |
| RDP | Research Degree Programme |
| Research Assessment Exercise (RAE) | An exercise carried out periodically to determine the quality of research in UK HEIs. The results are used by the higher education funding bodies for England, Scotland, Wales and Northern Ireland to allocate QR funding. The 2008 RAE is currently in progress |
| Research Councils | There are seven Research Councils. They are government-funded, mainly through DIUS, to support research in their fields of interest, in both their own establishments and in higher education institutions |
| Research Excellence Framework (REF) | A new system for assessing and funding research, which is being developed to replace the RAE. It is expected to begin to inform research funding from 2011-12. |
| Sandwich course | A course of study which includes periods of practical work in organisations outside the university or college |
| SIVS | Strategically important and vulnerable subject. The 'strategic importance' refers to the need for some kind of assistive intervention to facilitate the subject's provision. Where such intervention is necessary to address a mismatch between supply and demand, the subject is designated as both strategically important and vulnerable |
| Special initiatives | Special initiatives are funds for specific activities for a limited period not linked to formula funding allocations |
| Standard resource | A notional calculation of what an institution would get if teaching grant was calculated afresh each year. It is proportional to each institution's student FTEs weighted both by price group and London weighting |
| TDA | Training and Development Agency for Schools |
| Tolerance band | This is the range from plus 5 per cent to minus 5 per cent of the standard resource |
| Tuition fees | Fees paid to a university or college for a student to attend a course |
| UOA | Unit of assessment – used in the Research Assessment Exercise to define subject areas |

Further reading

HEFCE (www.hefce.ac.uk)

Web pages

In the Learning & teaching section under Funding

In the Widening participation section under Funding

In the Research section under Funding

In the Finance & assurance section under Finance and funding

Under Publications

2008/13 'Withdrawal of funding for equivalent or lower qualifications (ELQs): outcomes of consultation'

2008/12 'Recurrent grants for 2008-09'

2008/04 'Capital Investment Fund: capital for learning and teaching, research and infrastructure 2008-2011'

2008/02 'Higher Education Innovation Fund round 4: invitation and guidance for institutional strategies'

Circular Letter 13/2008 'Research Excellence Framework: outcomes of consultation and next steps'

Circular Letter 07/2008 'Changes to fundability status of students for 2008-09 as a result of the ELQ policy'

Circular Letter 05/2008 'Allocation of funds for additional student numbers in 2009-10 and 2010-11'

Circular Letter 04/2008 'HEIF 4: Funding allocations'

2007/34 'Research Excellence Framework: consultation on the assessment and funding of higher education research post-2008'

2007/33 'Public resources for teaching and student numbers in HEFCE-funded institutions: 2006-07'

2007/31 'Research Activity Survey 2007'

2007/26 'HESES07: Higher Education Students Early Statistics Survey 2007-08'

2007/25 'HEIFES07: Higher Education in Further Education: Students Survey 2007-08'

2007/23 'Review of the teaching funding method: outcomes of second consultation on changes to the method from 2008-09'

2007/19 'HEFCE grant adjustments 2007-08'

2007/02 'Review of the teaching funding method: second consultation on changes to the method'

Circular Letter 13/2007 'Additional funding for very high cost and vulnerable laboratory-based subjects'

Circular Letter 04/2007 'Allocation of funds for additional student numbers in 2008-09'

Circular Letter 03/2007 'Allocation of additional student numbers in 2008-09 for employer engagement'

2006/27 'Additional capital funding for learning and teaching 2006-2008'

2006/24 'Model financial memorandum between HEFCE and institutions'

2006/12 'Review of the teaching funding method: outcomes of first cycle of consultation'

Circular Letter 03/2006 'Additional research capital funding 2006-07 and 2007-08'

2005/41 'Review of the teaching funding method: consultation on changes to method'

2004/24 'Funding method for teaching from 2004-05: outcomes of consultation'

RAE 2001 (www.hero.ac.uk/rae)

Under Publications

RAE 4/01 'RAE 2001: The Outcome'

'A guide to the 2001 Research Assessment Exercise'

RAE 2/99 'Research Assessment Exercise 2001: guidance on submissions'

RAE 2008 (www.rae.ac.uk)

Under Publications

RAE 03/2007 'RAE 2008: Membership of RAE 2008 panels'

RAE Circular Letter 2007/01 'RAE 2008: Arrangements for making submissions electronically and for subsequent deposit of physical research outputs'

RAE 02/2007 'RAE 2008: Updated equality briefing for panel chairs, members, advisors and secretaries'

RAE 01/2007 'RAE 2008: Data collection system user guide'

RAE Circular Letter 2006/02 'Invitation to make submissions'

RAE 01/2006 'RAE 2008: Panel criteria and working methods'

RAE 03/2005 'RAE 2008: Guidance on submissions'

RAE 03/2004 'RAE 2008: Units of assessment and recruitment of panel members'

RAE 02/2004 'RAE 2008: Panel configuration and recruitment'

RAE 01/2004 'RAE 2008: Initial decisions by the UK funding bodies'

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