
THE COUNCIL'S CURRENT TEACHING FUNDING METHOD

DEVELOPMENT AND OBJECTIVES

- 1 The Council's current teaching funding method was developed in consultation with the sector over the period June 1998 to November 1999. It succeeded a method that had been in operation since the Council made its first funding allocations - those for 1993/94 - and had become, with adaptation to changes in the higher education environment, increasingly complicated and less clear and straightforward than had been intended.
- 2 The underlying objectives of the current method are
 - to be responsive to need, demand and Government policy
 - to promote cost effectiveness
 - to support quality
 - to be flexible and straightforward in operation

STRUCTURE

- 3 Like its predecessor, the current method has two main elements: formula and non-formula. The formula element delivers base level funding each year taking account, as appropriate, of any identified policy priorities at the broad level; the non-formula component addresses specific issues/policy objectives to which the formula would be insufficiently sensitive. The balance is weighted heavily in favour of the formula (typically 98% or 99%) in order to provide institutions with a reasonable measure of year on year financial stability within which to plan and manage.

THE FORMULA ELEMENT

- 4 The formula element of the current teaching funding method was used for the first time for funding allocations for 2000/01. It operates for funding student numbers in three dimensions: level, mode and subject. There are three levels: undergraduate degree, undergraduate non-degree and postgraduate taught; three modes: full-time/sandwich, part-time, and part-time franchised out; and 11 Academic Subject Categories (ASCs), some sub-divided. The collective term for a given level, mode and subject is a *funding cell*. Separate arrangements apply for funding postgraduate research training.
- 5 For 2000/01 and 2001/02, student numbers were expressed in credit values for part-time provision and places for full-time/sandwich provision. For 2002/03, all student numbers were expressed in credit values. The Council now funds exclusively on the basis of credit values.
- 6 There are two categories of numbers – core and addition - and they are established in that order. Core numbers are based on the current year's funded or actual (enrolled) numbers, whichever are the lower and addition numbers are those provided above the core.
- 7 Core numbers in each institution are maximised by making adjustments as far as possible in line with the pattern of the current year's enrolment. Within limits, and taking account of policy priorities, funded numbers unfilled in one funding cell may be moved to another where numbers have been exceeded. Funding cells are assigned to one of several policy priority groups and numbers are moved by the funding model to cells of equal or higher priority.

- 8 Addition numbers are allocated taking account first of the scope in terms of the funding and numbers available to the Council, and then of policy priorities, that is any priorities in terms of ASC, mode or level.
- 9 For quota controlled subjects - medicine and dentistry and education: initial teacher training leading to qualified teacher status (ITT QTS), the Assembly sets the number of students - the quota - for entry into the first year of study. Numbers in these subjects are determined taking account of the intake numbers and the progression rates in previous years.
- 10 Numbers are funded on the basis of the Council's standard unit of funding for the ASC in which they are located.

REDISTRIBUTION OF FUNDED NUMBERS

- 11 The funding method provides for some redistribution of funded numbers outside the funding formula. Those institutions which wish to shape their profile in ways that differ from those dictated by the adjustment of funded numbers to establish each year's core, (paragraph 7 refers), may make a case for doing so. The Council invites such cases each year in May following the announcement of grant for the coming year.
- 13 All movement of numbers, within the funding formula and outside it, is undertaken on the basis of monetary values.

OTHER PAYMENTS

- 14 The Council makes two other types of payments: per capita and premium. Both are retrospective, based either on the number of enrolments achieved the previous year or, in circumstances where numbers are anticipated to fluctuate year on year, on the average of the last two years' enrolment data.
- 15 Per capita payments recognise the fixed costs attached to all students, those of enrolment, records etc. They are made pro rata from a pre-determined fund, subject to a minimum study requirement of 10 credit values.
- 16 Premium payments currently operate in four areas: Part-time, Access and Retention for groups under-represented in higher education; Welsh medium provision and; students with disabilities.

Part-time
- 17 The part-time premium operates as premium of 5% on the 2011/12 unit of funding for modules undertaken on a part-time basis.

Access and Retention
- 18 There are three elements to the new Access and Retention premium allocations. A premium is awarded in respect of: students from areas of low participation in higher education; students from Communities First areas and; students eligible for a full Assembly Learning Grant. Eligible individual students may attract funding from more than one element of the premium. In order to reward retention and student success, a higher rate of funding is allocated with respect to students who continue beyond their first year of study. The higher rate is also allocated for students on one year courses who complete or partially complete. To recognise the fact that the proportion of widening access students within an institution impacts on the volume of support required, funding is allocated to reflect the percentage of Communities First students as a proportion of the total student population. HEIs fall into one of two funding bands depending on the percentage of their Communities First student population (based on the latest available HESA data). Institutions where students from Communities First areas represent more than 15 per cent of Welsh domiciled students are in band 1 and receive a higher premium, and those where students from Communities First areas represent 15 per cent or less are in band 2

and receive a lower premium. Please refer to Annex A for information on levels of premium funding

Welsh medium provision

- 19 The Welsh medium premium is a weighting on the funding attracted by a module undertaken through the medium of Welsh;

Disability

- 20 The disability premium is an amount per student based on the numbers of students qualifying for the Disabled Students Allowance (DSA).

ADJUSTMENT TO FUNDING

- 21 The Council adjusts funding at the end of the year where the numbers actually enrolled by an institution fail to support the funding allocation made to it. In line with Government policy, adjustment for over-enrolment was discontinued in 2002/03. However, institutions have been alerted (Circular W10/33HE) that a cap will be placed on full-time undergraduate new entrants from 2011/12 due to the financial implications for the Assembly budget arising from recruitment of full-time students over and above HEFCW funded places. Institutions will be subject to financial penalties for over-recruitment.
- 22 Adjustment is carried out on the aggregate of numbers in non-quota controlled ASCs and within ASC for those subject to quota.
- 23 There is a threshold below which no adjustment is applied. Currently this is £50,000 or 10% of the institution's total grant for teaching, whichever is the lesser, across all ASCs.

CURRENT FORMULA FUNDING DATA

- 24 Details of the Council's standard units of funding, and per capita and premium payments for 2011/12 are given in Annex A.

FUNDING ALLOCATIONS FOR 2011/12

- 25 The Council's funding allocations for teaching for 2011/12 are summarised by element at Annex B.

2011/12 FORMULA FUNDING DATA

STANDARD UNITS OF FUNDING FOR TEACHING

Academic Subject Category	Title	Unit of Funding £ per credit value	
		Undergraduate	Postgraduate taught
1	Medicine and Dentistry : pre-clinical quota	45.15	
	: clinical quota	97.15	
	:non-quota		38.02
2	Subjects and Professions Allied to Medicine	31.29	24.53
3	Science	35.56	28.80
4	Engineering and Technology	40.04	33.28
5	Built Environment	31.72	24.96
6	Mathematical Sciences, IT & Computing	28.08	21.32
7	Business and Management	17.54	10.78
8	Social Sciences	15.56	8.79
9	Humanities	22.07	15.31
10	Art, Design and Performing Arts	27.59	20.82
11(a)	Education: : Initial Teacher Training QTS	31.78	31.78
	: Initial Teacher Training Non-QTS – BEd		
	Primary Year 4		
11(b)	Education: Non QTS	26.93	20.17

Note: For ASC 1, Medicine and Dentistry clinical quota, a weight of 1.96 is included
Ringfenced provision in ASC 11b is funded at the same rate as ASC 11b

CREDIT VALUE CONVERSION

One full-time 12 month Master's place	=	180 credit values
One full-time postgraduate diploma place	=	120 credit values
One full-time undergraduate place	=	120 credit values

Part-time credit values are assumed to be pro rata to full-time.

PER CAPITA FUND

Amount of per capita fund	=	£5.324 million
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PREMIUM PAYMENTS

Part – Time	=	5% on the 2011/12 unit of funding for all modules undertaken on a PT basis
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Access and Retention

Premium	Lower rate	Higher rate
Communities first band 1	£465	£480
Communities first band 2	£285	£300
Low participation area	£150	£165
Assembly learning grant	£105	£120

Welsh medium provision	=	0.34 weighting on the funding attracted by a module undertaken through the medium of Welsh.
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Disabilities premium	=	£220 per student in receipt of Disabled Student Allowance (DSA), subject to a minimum study requirement of 10 credit
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values

FUNDING ALLOCATIONS FOR TEACHING 2011/12 BY ELEMENT

FORMULA	£M
Core Teaching	228.884
Part-time	1.771
Per capita	5.324
Access and Retention	9.990
Welsh medium	1.498
Disability	<u>0.994</u>
TOTAL	248.461