

Meeting
23/10/09

Agenda Item
18

Reference No
HEFCW/09/92

1 Issue

- 1.1 This paper presents, for information, the outcome of the redistribution of funded credits values exercise for 2009/10.

2 Corporate Planning Implications / Rationale for paper

- 2.1 There are no direct Corporate Plan implications arising from this paper.

3 Recommendation(s)

- 3.1 The Council is invited to:
- i. Note the outcomes of the 2009/10 Redistribution Exercise.

4 Timing for decisions

- 4.1 Officers have already considered and approved the requested redistribution, and informed the institutions, in order to enable the institutions to plan enrolments for 2009/10.

5 Council members' interests

- 5.1 No specific conflicts of interest have been declared in advance of the meeting.

6 Further information

- 6.1 Contact Leanne Holborn (Tel 02920 682259; E-mail:
leanne.holborn@hefcw.ac.uk)

7 Background

- 7.1 Each year, after funding allocations have been announced, as part of the agreed teaching funding method, institutions are given the opportunity to redistribute some of their funded credit values in order to shape their profile in accordance with trends in recruitment or their strategy for future development. All such transactions are on the basis of the monetary value of the credit values moved out of a funding cell and are, as far as possible, cash neutral.
- 7.2 Arrangements for redistribution in 2009/10 were set out in Circular W09/09HE issued on 17 March 2009. Redistribution was allowed only between non-quota funding cells. There was no limit on the numbers of credit values that could be moved between these funding cells, although institutions were not allowed to move out of franchising in line with funding priorities. Redistribution was available to both higher education institutions (HEIs) and directly funded further education colleges (FECs). The opportunity was also offered for movement of credit values between institutions where the purpose was to facilitate collaborative working.
- 7.3 Institutions were invited to propose the redistributions of funded credit values that they wished to make. It was a condition of the exercise that each proposed redistribution be accompanied by a rationale. In the case of one institution, the original proposal was rejected because, unlike institutions that wished to move from part-time to full-time franchise provision, they proposed to withdraw a number of franchise-out numbers completely. That institution resubmitted and their new proposal was accepted.

8 Outcome of redistribution

- 8.1 All of the proposals received were considered and accepted by officers.

The outcome is summarised in the table at Annex A. Briefly:

- (i) Eight institutions submitted proposals for redistributions: six higher education institutions and two directly funded further education colleges;
- (ii) The proposals involved redistributing 78033 funded credit values with a total value of £2,326,688.36. Redistributed, these numbers translated into 78303 funded credit values with a total value of £2,326,676.46;
- (iii) The principal reason for redistribution was to reflect changing patterns of student recruitment;
- (iv) Five institutions lost cash as a result of the internal redistributions. Consistent with the cash neutral nature of the exercise, losses were minimal, ranging from £0.57 to £7.46.

9 Financial implications

- 9.1 As noted above, six institutions lost sums ranging from £0.57 to £7.46, amounting to a total loss, to the institutions, of £11.90. This amount will be returned to the HEFCW contingency budget. The teaching funding payment profiles will be adjusted to account for the changes in institutional payments.

10 Communications implications

10.1 Institutions have been informed individually of the outcome of their proposed redistributions. There are no further publicity requirements.

11 Diversity and Equal Opportunities implications

11.1 This paper has no implications for age, disability, gender, race, religious belief, sexual orientation or the Welsh language.

12 Risk Assessment

12.1 Not allowing institutions this opportunity to redistribute funded credit values after the formula allocation would deny them opportunity to exercise a measure of control over their profile of funded numbers.