

Annex 1 (revised)

Details of the revised allocations for the HEFCW budget Expenditure Lines for 2017-18 are set out below (£s):

HEFCW Revenue Expenditure	114,242,000
HEFCW Depreciation	90,000
Capital Expenditure	5,900,000
Total	£120,232,000

The HEFCW revenue expenditure is an amalgamation of the following budget lines that were in place in previous financial years:

- For Our Future;
- HEFCW running costs; and
- HEFCW receipts.

Decisions on the level of funding allocated to each expenditure line will now be the responsibility of the Council. However, the Welsh Government will still expect HEFCW to provide at the start of the financial year a statement on the level of their running costs for the year together with an estimate of their anticipated receipts to be received during the year, in line with the requirements of the Framework Document. Any shortfall in anticipated receipts will need to be managed within HEFCW's overall budget allocation.

In addition to the sums outlined, a further £3.665m has been allocated within the Welsh Government budget for the implementation of the response to Diamond – specifically for any costs arising from systemic changes required in the SLC to implement any changes to the student support. If this allocation is not required, this money will be made available to HEFCW. An updated remit letter will be issued once the position is clearer.

For illustrative purposes only, in addition to the HEFCW Revenue Expenditure budget line, HEFCW also have access to the funding for Welsh Medium Scholarships (£330,000) that cannot be drawn down as grant in aid.

Arrangements for the payment of these sums have been agreed via a section 83 agreement. As such, HEFCW will need to be able to identify spend in each of the areas and raise separate invoices to the Welsh Government prior to payment of the sums due.

Updates

January 2018

The Revenue Expenditure Line above includes an adjustment of an additional £6,241,000 which has been allocated to enable HEFCW to deal with any short-term implications arising from demographic changes and the initial implications of EU transition.

February 2018

An additional allocation of £13.6m has been made as follows:

An adjustment of £7.7m has been made to the Revenue Expenditure Line to support the following activities:

- i) £1.8m to encourage universities to further develop activities related to their civic mission;
- ii) £1.2m to support the involvement of Welsh universities in the establishment of an Institute for Coding, which includes £0.2m to enable civic mission activity supporting coding initiatives in schools, colleges, work-based learning providers and universities.
- iii) £1.7m to help alleviate the impact of pressures on HEFCW's budget, specifically to help sustain performing arts provision;
- iv) £3m to improve and increase collaboration between HE and FE, as we progress our reforms in the post-compulsory education and training sector;

In addition, £5.9m of capital funding has been allocated to fund projects that will either directly leverage external competitive match funding, to allow HEIs in Wales to participate in high-value UK-wide projects, or proposals that will leverage or enhance funding from internal sources.