

REDISTRIBUTION OF FUNDED CREDIT VALUES 2003-04

To: Heads of higher education institutions in Wales

Summary: This Circular sets out the arrangements by which Higher Education Institutions and directly funded Further Education Colleges may redistribute funded credit values for 2003/04.

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■ INTRODUCTION

- 1 This Circular sets out the arrangements by which Higher Education Institutions and directly funded Further Education Colleges may redistribute funded credit values for 2003/04.

■ BACKGROUND

- 2 The reallocation process that forms part of the Council's teaching funding model automatically reallocates credit values from cells where there has been a shortfall in enrolments to cells of equal or higher priority where funded credit values have been exceeded. However, since the shifts in funded credit values through reallocation will not necessarily accord with institutions' plans for the future, the Council makes provision for redistribution of funded credit values outside the model.

■ COUNCIL PRIORITY GROUPS

- 3 For 2003/04, funding cells have been assigned to priority groups as follows, top priority first:

Group 1	ASCs 1 (non-quota),3,4,6	PT
Group 2	ASCs 2,5,7,8,9,10 &11b	PT
Group 3	ASCs 1 (non-quota),3,4,6	FT
Group 4	ASCs 2,5,7,8,9,10 & 11b	FT

■ PURPOSE OF REDISTRIBUTION

- 4 The principal purpose of redistribution is to provide institutions with the opportunity to shape their profile in accordance with trends in recruitment or their strategy for future development where these run counter to the Council's policy priorities.
- 5 Where enrolment trends and institutional strategies are broadly consistent with the Council's policy priorities, it is expected that, normally, institutions will simply allow the model to work to secure shifts in credit values. Redistribution may, however, be used to reshape profiles that are in accord with Council priorities if institutions consider this necessary or appropriate.

■ SCOPE OF REDISTRIBUTION

- 6 Redistribution is available to both Higher Education Institutions (HEIs) and directly funded Further Education Colleges (FECs). However, FECs may redistribute funded credit values only within their agreed portfolio of course provision.
- 7 Redistribution is available only in non-quota funding cells but there is no limit on the numbers of credit values that may be moved between non-quota funding cells. Credit values may be moved from cells where there has been recovery.
- 8 Redistribution may be used to move credit values between institutions where the purpose is to facilitate collaborative working.

■ BASIS OF REDISTRIBUTION

- 9 All transactions will be on the basis of the monetary value of the credit values moved out of a funding cell. Institutions should seek to ensure that redistributions are, as far as possible, cash neutral.

■ ARRANGEMENTS FOR REDISTRIBUTION

- 10 Institutions are invited to propose the redistributions of funded credit values that they wish to make. The proposed redistributions should be presented using the proforma at Annex A. Each redistribution proposed must be accompanied by a rationale which should be attached to the completed Annex A.
- 11 In cases of redistribution to facilitate collaborative working, in order for the process to remain cash neutral, proposals will need to be in two stages – first within and then between institutions. In effect, the institution from which credit values are to be moved may need first to redistribute the credit values internally into the funding cell in which the other institution will receive those credit values.
- 12 Redistributions proposed between institutions should be presented using the proforma at Annex B. A proforma will be

required for each institution to which a redistribution is proposed. Again, each proposed redistribution must be accompanied by a rationale.

■ RIGHT OF REFUSAL

- 13 The Council reserves the right to refuse any proposal for redistribution, particularly if it results in a reduction in the diversity of provision currently available in the sector.

■ RETURN OF PROPOSALS

- 14 All proposals for redistribution should be made by **Friday 13 June 2003** at the latest. They should be addressed to Nichola Amor, (tel: 029 2068 2295/e-mail: nichola.amor@hefcw.ac.uk) who will also provide any further information that may be required.