

## Initial Teacher Training (ITT) Strategic Funding Mechanism: Outcome of Consultation

To: **Heads of higher education institutions in Wales providing ITT**

Summary: Following a consultation with the Sector (W03/25HE), this circular sets out arrangements for the establishment of a strategic funding mechanism for non-formula funding allocations for Initial Teacher Training (ITT) in Wales.

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## ■ INTRODUCTION

- 1 Following a consultation with the sector, this circular sets out arrangements for the establishment of a strategic funding mechanism for non-formula funding allocations for Initial Teacher Training (ITT) in Wales.
- 2 It provides an analysis of the responses to the consultation about the proposed funding mechanism, (Circular W03/25HE, April 2003, refers) an indication of HEFCW progress to date, and the timetable of activities and deadlines for 2003/04.
- 3 Circular W03/25HE also referred to two further HEFCW activities associated with (i) ITT partnerships, and (ii) mechanisms for rewarding quality enhancement and teaching excellence. A brief progress report on these activities is included in this circular.

## ■ BACKGROUND

- 4 ITT funding in Wales is currently provided through three distinct funding mechanisms:
  - i. **Mainstream/Recurrent Grant**, that is, funding allocated through the funding formula, based on the Welsh Assembly Government's overall quota for ITT courses in Wales (ITT intake targets);
  - ii. **Non-formula funding**, such as the Teacher Training Recruitment Scheme, normally allocated on an annual basis, used to support strategic developments and priority areas outlined by HEFCW, the Welsh Assembly Government, and Estyn;
  - iii. **Initiative funding**, normally one-off exercises to promote particular developments, such as the New Innovative Provision initiatives, promoting course innovation.
- 5 Circular W03/25HE was developed in response to calls from ITT providers for activities funded under the existing

non-formula mechanism to be reviewed and streamlined into a singular strategic funding mechanism.

- 6 The consultation process on the new strategic funding mechanism for Wales began on 28 April and ended on 9 June 2003. Responses were received from seven of the eight ITT institutions.

## ■ OUTCOMES OF CONSULTATION

- 7 Respondents expressed unanimous support for the rationalization of the following three existing non-formula ITT funding streams currently used by HEFCW:
  - i. **National Curriculum for Information and Communications Technology (ICT)**. This funding supports institutions in preparing for the implementation of the new National Curriculum for ICT, including funding for equipment and staff training;
  - ii. **Teacher Training Recruitment Scheme (TTRS)**. This funding supports teacher recruitment activities within three strands. The funding strands for marketing and for student hardship arrangements will be incorporated into the strategic mechanism. The third strand, the student placement grant element, will remain outside this new mechanism, and will continue to be paid separately to providers of secondary undergraduate shortage subject provision, as under the existing TTRS arrangements; and;
  - iii. **Teaching Welsh as a second language to trainee teachers (Welsh 2<sup>nd</sup> Lang)**. This funding supports ITT institutions in providing Welsh language teaching training for undergraduate primary trainees in the English medium sector.
- 8 There was broad support from respondents for the move to pro-rata

- allocations based upon institutional funded credits from 2004/05, with 2003/04 being seen as a transitional year.
- 9 The provision of a single pro-rata funding model released through a rolling three-year strategic plan was supported in principle. A standard template to assist institutions produce ITT strategic plans would be welcomed by HEIs to encourage a degree of consistency across the sector, although emphasis was also placed upon the importance of the template being open to adaptation, or even set aside, in favour of institutional formats.
  - 10 The Council was asked to consider supporting institutional 'need' by retaining a small proportion of the total fund to support smaller providers that might suffer from a lack of critical mass when promoting development. Alternatively, respondents encouraged the Council to consider a 'weighting' factor to provide smaller providers with sufficient funding not to be relatively disadvantaged by allocated numbers.
  - 11 Respondents requested the Council consider increasing the number of existing funding streams pooled into the new mechanism and/or reducing the proposed reporting arrangements.
  - 12 While it was recognised that the new mechanism could add complexity, it was also seen to allow greater institutional flexibility to enable ITT providers to plan more effectively, especially within the developing context of reconfiguration and sectoral priorities.
  - 13 Strong support was expressed for HEFCW officers arranging to meet annually with each ITT providing institution, to discuss the formation and implementation of ITT strategic plans.
  - 14 Suggestions for ways to disseminate the good practice arising from this funding stream included HEFCW/Estyn seminars and conferences, HEFCW publications, and discussion through sector-wide groups such as the Teacher Education Liaison Group.
  - 15 The Council will continue to consider the possibility of incorporating further ITT initiative funding streams into this funding mechanism alongside continuing to ensure the sufficiency of funding for smaller providers as part of future arrangements.
- **A NEW STRATEGIC FUNDING MECHANISM FOR ITT**
- 16 In June 2003, following receipt of the consultation responses, the Council agreed that, from 2003/04 onwards:
    - ⇒ the three identified non-formula ITT funding streams will be brought into a single funding mechanism with a more strategic focus, combining the priorities of HEFCW, Estyn, and the Welsh Assembly Government with a degree of institutional autonomy;
    - ⇒ the Council will operate a transitional funding year in 2003/04 and then move to a pro-rata system of allocation for ITT strategic plans based on institutional funded credits from 2004/05;
    - ⇒ funding will be allocated on a pro-rata basis from 2004/05 onwards to institutions against their funded credits for ITT provision, subject to confirmation of a satisfactory strategy for the development of that provision for the three-year period to 2005/06;
    - ⇒ Institutions will be invited to submit a three year ITT strategic plan by December 2003;
    - ⇒ HEFCW guidance will be updated annually, in consultation with Assembly and Estyn officers, to take account changing priorities.
  - 17 While the rolling three-year strategic plan option outlined in the consultation circular was supported in principle by respondents, the Council, on reflection, did not wish to pursue this option at the present time in order to align the ITT strategic reporting mechanism with those for other HEFCW strategies. In response to more general concerns

about the burden of reporting, the Council, as announced in Circular W03/20HE, is developing a single reporting mechanism for specified three-year strategies via annual operating statements, for introduction on an incremental basis, following further consultation.

- 18 Institutions will be asked to plan strategically for a three-year period, with more detailed implementation plans presented for the immediate year ahead (2003/04 in the first plan).
- 19 HEFCW will provide templates and guidelines, including the Council's Corporate Strategy targets for ITT, for the three-year strategic plan and the annual operating statement, on the understanding that the templates may be adapted in line with institutional formats to reduce the administrative burden on institutions. Further information will be provided in September 2003.
- 20 HEFCW officers will contact institutions in August 2003 to confirm arrangements to visit each ITT providing institution in October/November 2003, to discuss the formation and development of the plan.
- 21 The ITT strategies will be expected to indicate how provision is contributing to the work of education departments more generally and to institutional strategic plans.

#### ■ **ALLOCATIONS FOR 2003/04**

- 22 As the first year's allocation, in 2003/04, is transitional, the ITT strategic fund will be allocated on the basis of a combination of the existing funding formulas and allocations. Thus institutions would receive an allocation comparable to the total received for 2002/03 but would have greater freedom over its use. The sum allocated by Council for 2003/04 is £647,145. **ANNEX A** sets out the institutional allocations for 2003/04.

- 23 The first tranche of the allocation for 2003/04 will be released in September 2003. Second tranche payments will be released in March/April 2004, following submission of a satisfactory strategic plan. Institutions will be asked to submit a progress report, in the form of an annual operating statement which will include a breakdown of expenditure, in the following academic year.

#### ■ **IMPLEMENTATION TIMETABLE**

- 24 The timetable for implementation is as follows:
  - a. first tranche funding for 2003/04 released September 2003, alongside detailed guidelines to assist ITT institutions prepare their 2003 - 2006 ITT strategic plan;
  - b. HEFCW officer visits to ITT providers in October and November 2003;
  - c. strategic plans (covering the period 2003/04 - 2005/06) submitted December 2003;
  - d. following submission of satisfactory plans, second tranche funding released, March/April 2004;
  - e. annual operating statement submission, including a breakdown of expenditure - further information to follow.

#### ■ **RELATED COUNCIL ACTIVITIES**

- 25 In addition to formulating the ITT strategic funding mechanism, the Council is undertaking work in two further areas which will impact upon ITT provision:

##### ***ITT Partnerships Study***

- 26 The Council is in the process of tendering for a study of the effectiveness of ITT partnerships in Wales, examining in particular the cost and operational aspects of partnerships as well as building on the good practice already developed across the HE sector in England and Wales.

- 27 It is anticipated that the study will commence in November 2003. All ITT providers in Wales will receive a site visit over the course of the study period. Site visits to a range of partner schools will also be undertaken. This will enable the contractor to: meet with staff members from each ITT department in HEIs across Wales; visit staff in partnership schools in which ITT students are undertaking their final placements; and meet with student representatives.
- 28 The final report should present a range of options for future arrangements for ITT Partnerships in Wales and suggestions for their implementation. It is expected that the final report will be considered by the Council at its meeting in May 2004.

- 31 Further advice on the new mechanism can be obtained from:

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### ***Rewarding Quality***

- 29 ITT providers are invited to note Circular W03/41HE *'Consultation on the options available to the Council for Supporting Excellent Teaching'*, June 2003, which set out for consultation a range of options available to the Council for rewarding teaching quality. These options involve developments at three levels: the sector as a whole; institutions, acting alone or in collaboration; and individual members of staff.
- 30 The options proposed in Circular W03/41HE will replace the Council's previous mechanisms for rewarding HE provision designated as 'excellent' following a visit under the Quality Assurance Agency (QAA) teaching Quality Assessment (TQA) review process, or as an outcome of Estyn inspections of ITT provision. These rewards took the form of additional funded places or project funding. Responses have been invited from institutions by 22 September 2003.

### Initial Teacher Training Strategies - Allocations 2003/04

INSTITUTION	1ST TRANCHE - 50% OF TOTAL FUNDING PAID SEPTEMBER 2003	2ND TRANCHE 50% OF TOTAL FUNDING PAID MARCH/APRIL 2004	Funding proposed for 2003/04, based on total received through the three separate funding streams for 2002/03
			<b>Total allocation for 2003/04           £</b>
<b>University of Wales, Aberystwyth</b>	<b>21,099</b>	<b>21,099</b>	<b>42,198</b>
<b>University of Wales, Bangor</b>	<b>55,315</b>	<b>55,314</b>	<b>110,629</b>
<b>University of Wales Swansea</b>	<b>37,548</b>	<b>37,547</b>	<b>75,095</b>
<b>University of Wales Institute Cardiff</b>	<b>75,756</b>	<b>75,755</b>	<b>151,511</b>
<b>University of Wales College Newport</b>	<b>50,692</b>	<b>50,693</b>	<b>101,385</b>
<b>North East Wales Institute</b>	<b>18,247</b>	<b>18,246</b>	<b>36,493</b>
<b>Swansea Institute of Higher Education</b>	<b>31,158</b>	<b>31,159</b>	<b>62,317</b>
<b>Trinity College Carmarthen</b>	<b>33,758</b>	<b>33,759</b>	<b>67,517</b>
<b>Total</b>	<b>323,573</b>	<b>323,572</b>	<b>647,145</b>

#### NOTES

Total funding for each institution in 2003/04 is comparable to that received in 2002/03. New TTRS allocations for 2003/04 have been added to the 2002/03 allocations for Welsh second language and ICT to give allocations for 2003/04. The undergraduate placement grant element of the TTRS allocation will remain outside the new mechanism. The total UG placement allocation for 2003/04 is £321,400.

As noted in circular W03/25HE, it is proposed that the UWCN supplementary allocation for ITT Welsh second language provision, included above in the 2003/04 allocations, will be removed for 2004/05 and redistributed to all ITT institutions.

Institutions will have one academic year in which to manage the transition to the funding method based on ITT intake targets, due to be introduced in 2004/05.