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Cylchlythyr

Circular

## Initial proposals for changing the funding system for higher education in Wales

**Date:** 1 November 2010  
**Reference:** W10/37HE  
**To:** Heads of higher education institutions in Wales  
Principals of directly-funded further education colleges in Wales  
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This circular sets out initial proposals for changing the funding system for higher education in Wales, following a consultation with the sector which was set out in Circular W10/27HE.

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## Introduction

- 1 This circular sets out initial proposals for changing the funding system for higher education in Wales, following a consultation with the sector which was set out in Circular W10/27HE.
- 2 The proposals respond to the requirement in the Welsh Assembly Government's Remit Letter for 2010-11 that the Council should make greater strategic use of funding to achieve the changes and address the priorities identified in *For our Future*, and to instigate a step change in our approach to funding.
- 3 These proposals represent an initial response to the consultation which we conducted earlier in the year. The proposals will be further modelled and refined, taking account of the outcomes of the Comprehensive Spending Review and its application in Wales, as well as the impact of policy changes resulting from the introduction of the National Bursary Framework and the Welsh Assembly Government's response to decisions taken in England following the Independent Review of Higher Education Funding and Student Finance in England (the Browne Review). Final arrangements for 2011/12 will be confirmed in the headlines publication regarding the grant and included in the recurrent grant circular 2011/12.

## Background

- 4 Our remit letter 2010-11<sup>1</sup> noted in relation to the *For our Future* Strategy that:
- 5 'Making greater strategic use of funding is essential to achieve the changes identified in the Strategy. Future public funding investment in higher education therefore needs to be steered towards meeting these changes. I expect the Council to instigate a step change in its approach to funding. This will necessitate a comprehensive review and re-structuring of existing funding streams from 2010-11 to ensure sustainable delivery of the priorities for higher education in Wales set out in *For our Future*.

I expect the Council to put in place a new Strategic Implementation Fund (SIF) from 2010-11 onwards to replace the current Reaching Higher Fund. The majority of revenue funding will in future be allocated to this fund. It will consequently be necessary to re-balance funding over the course of the next two years, but I wish to see the Council commence this change so that at least 20% of existing revenue budget is allocated to the new fund by 2010-11 and progressively to 80% in following years. To this end the Council should also undertake an assessment of all planned expenditure in

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- the HE sector in Wales to assess alignment with the goals of *For our Future* and take the necessary action’.
- 6 Circular W10/27 HE set out a *Consultation on proposed changes to the funding system for higher education in Wales*<sup>2</sup>. This included agreed principles for a future HE system and the process of delivering the Strategic Implementation Fund (SIF). It also set out, against each of the strategic and underpinning themes within the HEFCW Corporate Strategy, our initial assessment of how our existing funding mechanisms assist in meeting *For our Future* priorities.
- 7 We are grateful to those who responded to the consultation. A detailed summary of those responses is attached at **Annex A**. The responses raised a number of helpful issues which informed the development of these initial proposals. Proposals for capital funding will be the subject of a separate consultation.
- 8 A key area of activity for us arising from *For our Future* is to implement a regional dimension to the planning and delivery of higher education (Circular W10/16HE refers). Our actions to achieve that goal are embedded in a number of funding streams, which will take an increasingly regional approach to allocation.

## Principles

- 9 Points raised in the consultation regarding the principles have been considered. Most of the appropriate aspects suggested by respondents are already encapsulated in the agreed principles. We are not therefore proposing any change to these, which are that any funding system in Wales needs to:
- support WAG and HEFCW strategic priorities, including a sustainable higher education system;
  - be transparent;
  - be responsive to need, and be dynamic;
  - be efficient and promote cost effectiveness;
  - support quality in all aspects of HE activity;
  - respond to, and, where appropriate, reward performance;
  - be flexible and straightforward in operation.
- 10 Taking account of those principles, and of evidence of the high transaction costs of non-formulaic approaches to funding, the Council proposed to maintain a largely formulaic approach to funding, with the variables within formulae set to support strategic priorities, and with an expectation of clear

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[http://www.hefcw.ac.uk/documents/publications/circulars/circulars\\_2010/W10%2027HE%20Consultation%20on%20proposed%20changes%20to%20the%20funding%20system%20for%20HE%20in%20Wales.pdf](http://www.hefcw.ac.uk/documents/publications/circulars/circulars_2010/W10%2027HE%20Consultation%20on%20proposed%20changes%20to%20the%20funding%20system%20for%20HE%20in%20Wales.pdf)

evidence of how funding is actually delivering those priorities. This decision was specifically welcomed by respondents to the consultation.

### **Strategic Implementation Fund (SIF)**

- 11 As noted in the consultation circular, HEFCW Council has agreed that all funding, including capital funding, will become part of SIF once the Council is persuaded that each funding stream is constructed in a way which maximises its potential to secure the change in performance which is sought in *For our Future* and our Corporate Strategy. We have undertaken that analysis taking account of the response to the consultation as well as the sector's current projections of performance by 2013 against each of the twelve measures of the Corporate Strategy.

### **Initial Proposals**

- 12 Following the format of the consultation, this circular sets out proposed changes to the funding system against the main themes within the Corporate Strategy, and the measures laid out within it.

### **Strategic Theme: Widening Access**

*Ensure equity, opportunity and success in higher education*

- Measure 1. A 10% rise in the proportion of all Welsh domiciled students studying higher education courses at higher education institutions and further education institutions in Wales who are domiciled in the Welsh Communities First Areas from 15.6% in 2008/09 to 17.2% in 2012/13.**

### **We propose**

- 13 **An increase in the current Communities First (CF) premium**  
In a context where capping, increased applications and reduced funding may make traditional applicants more attractive, the sector is not projecting to meet this target. We therefore propose to increase the incentives to institutions to recruit from CF areas, recognising the additional costs of widening access. The current cap on some premium funding will be lifted to reward growth within the teaching funding method. We also propose an increase in the current CF premium paid to institutions, as part of a single approach to recruitment and retention (see paragraph 19) below). We are modelling on an increase to between £300 and £400 per full-time and part-time CF student. This could mean premium income to institutions per full time CF student, in comparison with a non-CF student, of more than £1000 over a three year period.
- 14 **Funding regional Reaching Wider (RW) partnerships and widening access strategies more explicitly against CF from 2011/12.**

Making CF a more explicit part of the funding formula for the RW partnerships will put more emphasis on CF through current funding streams and thereby introduce further 'programme bending', as recommended by the Wales Audit Office in its report on *Communities First* (2009).

**15 Continuation of a UK 'postcode premium' with a lower rate than the CF premium**

Consultation responses generally favoured retaining a UK-wide premium. We also recognise the need to cover widening access (WA) students from outside CF areas. We therefore propose to implement a UK WA premium by using the POLAR2 participation data from HEFCE, which is based on young entrants only, and overlay this with mature entrants' data. A similar approach is already used in the UK Widening Access performance indicators and in HEFCE's WA funding method. This will cover full-time and part-time students and will pick up widening access students who might not be covered by the CF premium (see also paragraph 16 below). We are modelling on a sum of around £150 per eligible student per annum. Subject to this modelling, the premium would be part of a single approach to recruitment and retention (see paragraph 19 below).

**16 Consideration of a premium based on the Assembly Learning Grant with a lower rate than the CF premium**

Several responses raised concern that CF areas were concentrated in specific parts of Wales and that we would also need a 'rurality premium' to pick up those from deprived backgrounds outside CF areas. We agree that we need a measure to help tackle the broader widening access expectations in *For our Future*. Eligibility for the Assembly Learning Grant (ALG) is the measure used in student support mechanisms in Wales (eg National Bursary Scheme) and it is means-tested. As it is Wales-wide it would pick up those from deprived backgrounds in Wales but outside CF areas. This proposal will require further investigation into the availability of ALG data and modelling. If it proves possible to take it forward in 2011/12, we will be modelling on a sum of around £150 per eligible student per annum. Subject to this modelling, the new premium would be part of a single approach to recruitment and retention (see paragraph 19 below).

**17 Retaining support for non-traditional qualifications through the arrangements for widening access strategies**

Several responses favoured keeping funding support for non-traditional qualifications and this stream within the teaching funding method. However, this funding was originally introduced only to 'mop-up' spare funding from the introduction of the CF premium and it has not been strategic. In addition, the split between 'traditional' and 'non-traditional' qualifications is becoming less relevant as more diverse entry routes to higher education are introduced. This proposal therefore responds to concerns raised by some in the consultation that we should retain an

emphasis on this measure, by taking it into account outside the teaching funding method, through WA strategies.

**18 Retaining support for disabled students through a Disability Premium**

Our current premium recognises the number of students in receipt of the Disabled Students' Allowance (DSA) and has been successful in encouraging institutions to recruit disabled students, as measured by the UK Performance Indicators which show that the proportion of full time DSA students in Wales is higher than elsewhere in the UK. If scope is available, we will consider increasing this from 2011/12.

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**Measure 2. A 2.7% rise in the module completion rate for undergraduate enrolments in Welsh higher education institutions from 87.6% in 2008/09 to 90% in 2012/13.**

**We propose**

**19 Introducing a new retention premium based on the retention of widening access students, as part of a single approach to recruitment and retention.**

A reward for 'good' retention of all students through the teaching funding method could cause perverse consequences. It could reward those institutions with fewer widening access students (who generally perform better in retention indicators) and damage widening access recruitment, as institutions seek to improve retention by raising entry qualifications. However, a premium focussed only on widening access entrants would avoid those consequences.

We are therefore proposing a small retention premium linked with the three widening access premia (CF, postcode and, subject to further consideration regarding practicalities, the ALG). Research indicates that the point of transition between the first and second years of study is a particularly vulnerable one for full-time widening access students. We plan to link widening access premia with a reward for continuation. The implementation of this is subject to further modelling, which will include taking into account the implications for the Open University and other institutional provision with non-standard academic years.

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**Strategic Theme: Student Experience**

*Ensure that the student learning experience is of high quality*

**Measure 3. The three year rolling average score for Wales in the National Student Survey 'overall satisfaction' question will be equal to, or greater than, the comparative score for the UK.**

## We propose

20 **Building action to improve National Student Survey (NSS) performance more explicitly into guidance on Learning and Teaching Strategies to enhance the student experience**

The majority of consultation responses suggested that the NSS data were not sufficiently robust and were not intended as a funding tool. In addition, there remains the potential for such an approach to be thought to generate undue pressure on students to take a positive stance when completing the returns, which would limit the value of the NSS as a source of important management information. We agree with these concerns. We will therefore take this forward through other mechanisms, particularly through Learning and Teaching Strategies and work with the HE Academy. One consultation response suggested that we ask those with lower scores to provide plans to address problems. We will build this action into our current approaches for dealing with QAA Institutional Review outcomes.

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**Measure 4. The number of Welsh domiciled students at Welsh higher education institutions and further education institutions undertaking some element of their course through the medium of Welsh will rise from 4,667 in 2008/09 to 5600 in 2012/13.**

21 No additional action proposed beyond those already agreed for the implementation of the Coleg Ffederal/Coleg Cymraeg Cenedlaethol.

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**Measure 5. The percentage growth in the number of overseas students attending higher education courses in Welsh higher education institutions will be equal to, or greater than, the comparable figure for UK higher education institutions (excluding London and the South East).**

22 No additional action proposed in the context of the substantial financial benefits which already accrue to institutions arising from overseas students and in the light of recent strong performance against this measure.

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### **Strategic Theme: Skills**

*Ensure that all graduates are equipped for the world of work and for their role as citizens*

**Measure 6. The proportion of leavers obtaining first degrees from full-time courses who were employed, studying or both six months after leaving, will be equal to, or greater than the UK proportion by 2012/13.**

## We propose

### 23 **Continuing to fund employability through Innovation and Engagement strategies, Learning and Teaching strategies and GO Wales**

Consultation responses highlighted questions about how employability is currently measured; concerns that, in the current financial climate, employment opportunities are particularly volatile; and suggestions that employability is already covered sufficiently through current mechanisms, including teaching funding. Recognising the difficulties of devising an appropriate funding mechanism, given data sources and the current financial context, we propose continuing to fund employability through current mechanisms and to support this objective in other ways; for example, we have recently asked institutions to publish an employability statement.

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**Measure 7. The absolute participation rate within Welsh higher education providers of students in the five Universities Heads of the Valleys Institute unitary authorities will rise by 8% to the current national average by 2012/13 (from 2.5% to 2.7%).**

24 No additional action proposed beyond the current substantial investment in UHOVI.

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**Measure 8. The total number of part-time students studying higher education courses in higher education institutions and further education institutions in Wales will rise from 54,714 in 2008/09 to 59,000 in 2012/13.**

## We propose

### 25 **Introducing a part-time (PT) premium on the unit of funding**

Our analysis of the sector's projections against this measure indicates that further action is required to secure the key *For our Future* expectations for part-time provision in a context where PT enrolments are declining. Whilst the cap on full-time student numbers, as well as the response to the Browne Review proposals, may help to incentivise PT, we will need to employ a range of tools to ensure that our target is achieved. We therefore propose to put a further incentive into the teaching funding method through a premium of up to 15% on the unit of funding. Rather than using a fixed price premium, as in most other premia, this action would give PT provision a higher per credit value (as with the Welsh medium premium), which would also serve to incentivise PT Science, Technology, Engineering and Maths (STEM).

- 26 **Considering mainstreaming the part-time fee waiver through the teaching funding method**  
We aim to build the PT fee waiver into the teaching funding method. This should reduce the administrative burden on both the sector and HEFCW of allocating and monitoring this funding. Once in the core, we might choose to cap this funding at the current level (reducing the amount of waiver, as at present); increase the level to fully meet PT fee waiver costs within the core grant in response to this *For our Future* priority; or provide fee compensation for all students but at a lower level to provide a contribution towards the fee waiver. We will aim to give early notice to institutions of our precise intentions for 2011/12 once modelling is completed.
- 27 **Embedding current 'Graham' funding support for part-time provision into Widening Access and Innovation and Engagement strategies**  
Currently the 'Graham' funding for PT provision is divided into £4m per annum for PT in a widening access context and £2m for support for employer-related PT provision. This approach requires a separate administrative monitoring process for Graham strategies and does not encourage join up between Graham strategies and the separately funded WA and Innovation and Engagement (I&E) strategies. Embedding Graham funding in the WA/I&E strategies would increase funding in both streams with an expectation of specific actions to address the part-time agenda within the guidance, strategies and targets for each (which are already agreed for 2011/12). This would commence with the new WA/I&E strategies from 2011/12.

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**Strategic Theme: Knowledge Transfer**

*Ensure more productive relationships between higher education institutions and public/private sectors, local communities and other agencies*

**Measure 9. The number of spin-off companies still active which have survived at least three years will increase by 10% from 252 in 2008/09 to 277 in 2012/13**

**We propose**

- 28 **Increasing funding for Innovation and Engagement (I&E) Strategies by around 10% to £7.25m**  
There was general consensus amongst consultation respondents that this funding stream should be increased by about 10%. Any funding mainstreamed from the Graham funding (see paragraph 27 above) would be additional to this rise, taking the total to around £10m per annum.
- 29 **Determining the formula for funding I&E strategies taking account of issues arising from the consultation**

In further developing the funding formula for I&E strategies we intend to remove floor foundation funding and further incentivise collaborative work. We will also consider the need for incentivising spinout (or 'spin-off') companies and take on board other suggestions from the sector at the 6 October I&E funding event at the Wales Millennium Centre. Further information will be published with the guidance for new I&E strategies in April 2011.

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### **Strategic Theme: Research**

*Ensure improved research performance to underpin the knowledge economy and cultural and social renewal*

**Measure 10. The annual percentage growth in income from Research Councils, from its 2008/09 base of 4.8% of the UK total, will be equal to, or greater than, the comparable figure for UK higher education institutions (excluding the 'golden triangle' of Oxford, Cambridge and London).**

### **We propose**

- 30 **Increasing the volume threshold for quality research (QR) funding**  
We have modelled the impact of increasing the volume threshold and taken into account the response to the consultation. Responses from post-92 institutions considered that the volume threshold should be kept as low as possible, and at most should not exceed 6 Category A full time equivalent (FTE) of classified work (1\* and above). Pre-92 institutions were more supportive of the concept, although only one supported a threshold higher than 6 FTE. Taking account of these comments, and our ongoing investigation of modelling outcomes, we have concluded that the increase to the volume threshold should be kept at the lower end of the range of 6-15 FTEs (classified work) on which we consulted. Council has also required further investigation into whether or not there might be any advantage in differentiating the level of threshold between arts and humanities on the one hand and the sciences on the other.
- 31 **Introducing a quality threshold**  
Our intention in introducing a quality threshold would be that those departments with the weakest performances in the 2008 Research Assessment Exercise (RAE) would no longer be eligible for inclusion in the QR funding formula, irrespective of size. Consultation responses to this proposal were mixed. HEFCW Council has confirmed that it does envisage introducing a quality threshold, but we have yet to determine the method for setting the threshold, the nature and level of which will be determined once levels of funding for 2011/12 and beyond are known. The method could be through setting a minimum percentage of the combined total of 3\* and 4\*; specifying minimum levels for both 4\* and 3\* or calculating a single score for each submission as a quality indicator. The consequences of each of

these approaches are being modelled further. Given current funding pressures, it is likely that (whatever method is adopted) the quality threshold will need to be set at a higher level than outlined in the consultation paper, particularly if the volume threshold is kept to the lower end of the range. In introducing such a threshold we would be mindful of subject specific issues, eg the need to protect capacity in priority areas.

**32 Considering ceasing to fund 2\* and possibly 3\***

Given the continuing uncertainty over future funding levels, the Council has also considered a further mechanism, not included in the original consultation, namely the possibility of ceasing to fund 2\* research and possibly also ceasing or reducing funding for 3\*. This approach would result in an increased concentration of funding, but would exclude fewer entire departments than if quality/volume thresholds were applied alone. This proposal will be considered further once we know the levels of overall funding available, and could be implemented in conjunction with the volume and quality thresholds.

**33 Discontinuing the Research Activity Survey (RAS) from 2011/12**

While it is reasonable to make fine adjustments based on minor volume measures collected in the RAS when funding allocations are reasonably stable, this is less meaningful when allocations are likely to be subject to much greater change. Given the level of administrative burden on both the sector and HEFCW in collecting information on minor volume measures, we propose to discontinue this survey from 2011/12, with all the minor volume measures (except charity income) frozen at 2010/11 levels until 2015 when the new data will become available from Research Excellence Framework (REF) submissions. We will investigate whether data on charity income could be obtained in an appropriate format from HESA; if not, we will continue to collect this one element of data from institutions.

**34 Considering whether to retain the link between QR and funding for postgraduate research students through the PGR funding stream**

We consulted the sector on how we might encourage growth of Postgraduate Research (PGR) activity, and received a variety of suggestions. When setting the budget for 2011/12, the Council will be asked to consider whether there should be any rebalancing of funding to direct a greater proportion of the available funding towards PGR.

Eligibility for PGR funding is currently restricted to those departments which qualify for QR. In determining future QR funding arrangements in spring 2011, we will decide whether to retain the link between QR and PGR funding or whether all units which are currently eligible for PGR funding should continue to be so until after the 2014 REF.

**35 Not pursuing the option of incentivising Research Council income through QR allocations**

Institutions are already highly motivated to compete for Research Council income, which is regarded as academically highly prestigious. There was

little consensus about this option in the consultation and we do not propose to pursue it.

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**Underpinning Theme: Reconfiguration and Collaboration**

*Deliver a reconfigured higher education system with strong providers that, through partnership working, particularly regionally, offers more accessible higher education opportunities*

**Measure 11. At least 75% of the Welsh higher education institutions will have an annual income in excess of the UK median (36% in 2008/09), with no institution to be in the lower quartile by 2012/13 (4 in 2008/09).**

**We propose**

**36 Using funding levers to assist in meeting this target**

We believe that significant action is needed to achieve this target. Consultation responses suggested a range of possible ways we might use funding levers to this end. They agreed that some kind of funding support was required to ensure rationalisation took place and one response highlighted the funding already available through the reconfiguration and collaboration fund. We are considering how best to use funding levers to assist us in meeting this target and we will publish further information about this process before the end of the calendar year.

**37 Removing 'floors' and 'ceilings' from strategy allocations (eg learning and teaching)**

The removal of floors and ceilings would have a limited financial impact. However, we will be publishing our proposals before the end of the year making clear our intention to see fewer but larger and financially sustainable institutions by the end of the Corporate Strategy period.

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**Underpinning Theme: Governance**

*Deliver continual improvement in the quality of governance and long term sustainability of the higher education system.*

**Measure 12. No higher education institution to be classified as 'high risk' under HEFCW institutional risk review processes.**

**38** No additional action proposed. Environmental sustainability proposals, highlighted in the consultation, are being taken forward through capital funding.

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## Supplementary arrangements

### We propose

- 39 **Removing the GDP-related supplement (the formal ‘safety net’) which provides funding to institutions with greater than average reductions in grant from year to year where this has been because of HEFCW action**

Under current arrangements, if an institution’s grant allocation is reduced by a greater percentage than the GDP-related reduction because of HEFCW action (rather than because of an institutional action, eg poor recruitment) we normally consider providing funding to make up the difference. This is usually termed the ‘safety net’. It would be inconsistent with the aim of our proposed changes in the funding system, primarily to support delivery of *For our Future* priorities, to compensate through a safety net for the outcomes of changes in the system.

- 40 **Putting in place a sum for transitional funding to support institutions, following a process of strategic engagement, where the changes result in significant reductions in funding**

We will, however, make some transitional funding available to support institutions in aligning their strategies with *For our Future* priorities. We propose that provision should be made within the Strategic Development Fund, through top-slicing the grant. This would be allocated only in specific circumstances, following a process of strategic engagement with the relevant institutions, to include discussions regarding the changes required to respond to *For our Future* priorities. The sum to be allocated for this purpose will be determined once the likely outcomes for individual institutions have been further modelled.

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## Other proposals

### We propose

- 41 **Removing the separation of full-time undergraduate provision into degree and non-degree within the teaching funding method.**

Sector data contacts have asked us whether it is necessary to separate out non-degree provision within the funding method, which complicates data reporting processes. In the interests of simplifying these processes we plan to remove the separation from 2012/13.

- 42 **Mainstreaming funding for Erasmus students into the teaching funding method.**

Current levels of funding to support the growing number of Erasmus exchange students are insufficient and we are unlikely to gain further funding from the Welsh Assembly Government. This funding traditionally compensates institutions for the FT fee which is not paid by students who

go abroad on Erasmus exchanges (institutions don't receive a fee from incoming EU students). We propose that this funding be rolled into the core teaching grant to enable the payment of the compensation as a premium. We might then choose to cap this funding at the current level and provide fee compensation for all students taking up the scheme but at a lower level (assuming student numbers on the scheme continue to rise) or increase the level in order to further encourage institutions to promote Erasmus. This would reduce the administrative task of allocating this funding. We understand that the UK Government's approach to supporting Erasmus students may result in change in England and, as a consequence, possibly in Scotland as well (for example through changes to the fee or loan regulations). However, subject to consideration of changes elsewhere in the UK, we intend to implement this proposal from 2011/12.

### **Programme Budget Scrutiny Process**

- 43 Our remit letter also requested full scrutiny of all existing and planned budget lines, including capital, in order to ensure that all the planned expenditure in Wales aligns with the goals of *For our Future*. To achieve this, a full investigation into all planned expenditure has been undertaken against three criteria:
- a) The extent to which the budget is driving change;
  - b) The extent to which the budget is a more cost effective way of supporting HEIs;
  - c) The extent to which the budget supports *For our Future* priorities as translated against HEFCW Corporate Strategy.
- 44 Those budget lines which scored below an agreed threshold were scrutinised in greater detail and recommendations were made for future expenditure against those lines. In many cases, it was considered that the budget lines should be stopped after 2010/11 or embedded in other budgets. In a number of cases, these budgets support UK initiatives and it will be necessary to liaise with other funding bodies before action can be taken. As a result, a number of areas of funding support for sector wide initiatives will be withdrawn after 2010/11 and the funding returned to the core. Further information will be provided about these budget lines in due course.
- 45 We have recently received correspondence from the Department for Children, Education, Lifelong Learning and Skills (DCELLS) regarding the Front Line Resources Review: Simplification of Grant Schemes. This letter recognised that, in comparison with some other DCELLS funding, the main proportion of HEFCW grants are already formula-based, representing a significant saving on resources. Nevertheless, it invited us to consider the scope to go further in reducing the number of funding schemes and streams and simplifying processes. The proposals set out in this circular comprise our response to that letter and this simplification should result in a small reduction in the administration required for the

reporting and monitoring of funding schemes, both for the sector and for HEFCW.

### **Next steps**

- 46 This circular sets out initial proposals which have been agreed in principle by the Council. However, the final decision as to which of these proposals is taken forward, and how, will depend upon further modelling in the light of the outcomes of the Comprehensive Spending Review and its application in Wales, as well as the impact of policy changes resulting from the introduction of the National Bursary Framework and the Welsh Assembly Government's response to decisions taken in England following the Browne Review. Subject to the timescales for those processes, we expect to publish the headlines about the grant for 2011/12, including confirmation of the proposals we will be taking forward, in January or March 2011. The final arrangements will be included in the recurrent grant circular for 2011/12 to be published in March or May 2011. We aim to publish more on the use of funding levers to drive the achievement of Measure 11 by the end of the calendar year.

### **Equality impact assessment**

- 47 We are committed to making equality a core issue in developing and implementing policies and services, and evaluating and refining them to advance the equality agenda. We have a legal responsibility to assess the impact of our policies on equality groups, and to set out how we will monitor or address any possible negative impact.
- 48 We have conducted an equality impact assessment (EIA) on the proposals set out in this circular to ensure that we do not discriminate and that we are doing all we can to promote equality and good relations between different groups. The outcome of this EIA will soon be available on our website. However, we recognise that this circular contains a number of initial proposals which may alter in the way they are taken forward. We may therefore need to conduct further assessments as proposals are modelled, developed and implemented, and subsequently included in the recurrent grant 2011/12 publication.

### **Further information**

- 49 For further information, contact Leanne Holborn (tel 029 2068 2259; email [leanne.holborn@hefcw.ac.uk](mailto:leanne.holborn@hefcw.ac.uk)), Linda Tiller (for research) (029 2068 2228) [linda.tiller@hefcw.ac.uk](mailto:linda.tiller@hefcw.ac.uk) or Celia Hunt (tel 029 2068 2222; email [celia.hunt@hefcw.ac.uk](mailto:celia.hunt@hefcw.ac.uk)).