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Cylchlythyr

Circular

Redistribution Exercise 2011/12

Date: 19 August 2011
Reference: W11/30HE
To: Heads of higher education institutions in Wales
Principals of directly-funded further education colleges in
Wales
Response by: 19 September 2011
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This circular sets out the arrangements by which higher education institutions and directly funded further education institutions may redistribute funded credit values for 2011/12.

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Introduction

1. This circular sets out the arrangements by which higher education institutions (HEIs) and directly funded further education institutions (FEIs) may redistribute funded credit values for 2011/12.

Background

2. Each year, following the announcement of funded numbers and associated funding for the coming academic year, HEFCW invites proposals for redistribution from institutions to provide them with the opportunity to shape their funded profile in accordance with trends in recruitment or their strategy for future development.
3. There is currently a consultation on the proposed changes to the teaching finding mechanism (HEFCW circular W11/28HE), these should be taken into account when considering redistribution.

Purpose of redistribution

4. The principal purpose of redistribution is, as set out in paragraph 2 above, to provide institutions with the opportunity to shape their funded profile in accordance with trends in recruitment or their strategies for future development. It is also an opportunity to redistribute the credit values allocated as a reward for regional redistribution, as outlined in paragraph 26 of the regional redistribution circular (HEFCW circular W11/03HE).
5. Where enrolment trends and institutional strategies are broadly consistent with HEFCW's policy priorities, it is expected that, normally, institutions will simply allow the funding model to work to secure shifts in credit values. Redistribution may, however, be used to reshape profiles if institutions consider this necessary or appropriate.

Scope of redistribution

6. Redistribution is available to both HEIs and directly funded FEIs. However, FEIs may redistribute funded credit values only within their agreed portfolio of course provision.
7. Redistribution can only be carried out within non-quota funding cells and for provision that is not ringfenced. Redistribution of additional funded credit values awarded as an outcome of the regional bids process outlined in circular W10/28HE is not allowed. Quota funding cells that are not eligible are Initial Teacher Training leading to Qualified Teacher Status (ITT (QTS)) (full-time undergraduate and PGCE) and full-time undergraduate medical and dental provision in academic subject category

(ASC) 1. Ringfenced provision not eligible for redistribution is ASC 11b Education Non-QTS provision allocated as a result of ITT reconfiguration, performance element provision in ASC 10 Art, Design and Performing Arts and agreed ringfenced provision for University of Wales Trinity Saint David. There is no limit on the numbers of credit values that institutions may propose to move between eligible funding cells.

8. Movements out of Science, Technology, Engineering and Maths (STEM) provision (ASCs 3, 4 and 6) which was allocated as part of the STEM incentivisation programme in last year's redistribution exercise is not allowed (see HEFCW circular W10/25HE, paragraph 18).
9. Ringfenced provision in ASC 11b Education Non-QTS cannot be redistributed as part of this exercise, however, it is being rolled into mainstream funding for 2012/13. This will be done by moving the funded credit values in ringfenced 11b to where institutions have indicated these credit values are being recruited in Table 6 of the 2010/11 End of Year Monitoring of Higher Education Enrolments (EYM) survey (HEFCW circular W11/26HE). The credit values will be moved on a pro rata basis, so that the reallocated funded credits are of the same monetary value as the original funded credits.
10. In proposing movements of credit values, institutions should consider the following:
 - The extent to which the redistribution will support For our Future priorities (for example, part-time provision).
 - Credit values delivered through the medium of Welsh. Rationales should include details of any changes to Welsh medium provision.
 - Franchised out provision. Franchised out provision is a HEFCW priority and so movements out of full or part-time franchise arrangements that are not being transferred to alternative franchise arrangements are unlikely to be approved.
 - Strategically important subjects such as STEM and Modern Foreign Languages (MFL). Particular attention will be paid to proposed movements out of these subjects. Proposals are likely to be approved only in exceptional circumstances.
 - The effect on the maximum student number. HEFCW indicated in circular W11/03HE (paragraph 29) that adjustments may be made to the maximum student number to take account of approved redistribution of reward credits. Adjustments will not be made for any approved redistribution of core+addition credit values.
11. Redistribution may be used to move credit values between institutions. This could be, for example, to facilitate collaborative working, to transfer directly funded provision in an FEI to a franchised out arrangement with HEI or as part of the regional strategies.

Basis of redistribution

12. All movements are based on the monetary value of the credit values moved in or out of a funding cell. Institutions should ensure that redistributions are, as far as possible, cash neutral.

Arrangements for redistribution

13. Institutions are invited to propose redistributions of funded credit values for 2011/12. Any proposed redistributions should be returned in the tables at Annexes B2, B3 and B4. Annex B1 is for information only and will be populated with each institution's 2011/12 funded credit values and teaching funds. The tables in Annex B2 should be used for redistribution of core+addition funded credit values within an institution, Annex B3 should be used for the redistribution of funded credits allocated as a reward for regional redistribution within an institution, and Annex B3 should be used for redistribution between institutions. Annex B4 shows a summary of total funded credit values and funding once all proposed redistributed credit value movements have been taken into account.
14. An individual workbook for each institution including the Annex B tables will be e-mailed to the data contacts at each institution for completion electronically. More information about the workbook and instructions for completion can be found in Annex A.
15. Each redistribution proposal must be accompanied by a rationale, returned at the same time as the completed workbooks. The rationale should take account of the considerations listed in paragraph 10.
16. In cases of redistribution between institutions, in order for the process to remain cash neutral, proposals may 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 credit values internally into the funding cell in which the other institution will receive those credit values.

Approval of redistribution proposals

17. Proposals are due to be returned to HEFCW by **19 September 2011**. Once all proposals are received by HEFCW, they will be put through an approval process. HEFCW 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 or does not meet HEFCW's priorities.

Return of proposals

18. All proposals for redistribution should be returned by 19 September 2011. They should be sent electronically to Kimberley Blake, (tel: 029 2068 2258, email: kimberley.blake@hefcw.ac.uk) who will also provide any further information that may be required.
19. Institutions will be informed in October if their redistribution requests have been successful.