

Cylchlythyr | Circular

HEFCW Institutional Payments – Academic Year 2016/17

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To: Heads of higher education institutions in Wales
Principals of directly-funded further education colleges in
Wales
Response by: No response required
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This circular provides details of all grants made by the Higher Education Funding Council for Wales (HEFCW) to higher education institutions (HEIs) in Wales, directly funded further education institutions (FEIs) in Wales and the Coleg Cymraeg Cenedlaethol for the academic year (AY) 2016/17.

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1. This publication provides details of all grants made by the Higher Education Funding Council for Wales (HEFCW) to higher education institutions (HEIs) in Wales, directly funded further education institutions (FEIs) in Wales and the Coleg Cymraeg Cenedlaethol for the academic year (AY) 2016/17. Except where noted otherwise, all information refers to actual payments made in the AY 1 August 2016 to 31 July 2017.
2. Details of HEFCW's formula funding methods can be found on HEFCW's [website](#).
3. These allocations were first announced in circular [W16/16HE](#) (HEFCW's Funding Allocations 2016/17) and then updated in circular [W17/11HE](#) (HEFCW's Funding Allocations 2017/18). The detail in this paper will not match either exactly due to the fact that the first circular is a forward looking budget position, the second an in year position, and the detail in this circular a retrospective actual position. The variations will be due to payment timing differences and/or changes in budget line amounts, and/or in year addition of budget lines.
4. Annex A presents the grant payments by budget line and under the headings: Teaching, Research, Other and Non-Grant in Aid (Non-GIA).

Description of lines

Teaching

Full-time undergraduate and PGCE (FT UG/PGCE) Funding

5. This is primarily the expensive subjects premium (ESP) designed to focus funding in the areas that were awarded more HEFCW funding prior to the introduction of the new fee regime in 2012/13 than is available through fee income since the introduction of that regime. These areas are Clinical Dentistry and Medicine and the performance element of Conservatoire training. In addition, a per capita amount of £5 was awarded for all FT UG/PGCE students.

Part-time and (PT) Postgraduate Taught (PGT): Per-capita, Premiums and credit-based funding

6. Allocations of credit-based funds for PT UG teaching have been determined using HEFCW's established teaching funding method. This is described in detail in HEFCW circular W99/71HE. HEFCW circular W01/66HE sets out the arrangements and procedures under which funding by credit value operates. A change was made in AY 2011/12 with the removal of the recovery element of the method.

7. In addition to the credit-based teaching funding, several premiums were allocated in respect of PT UG provision. An access and retention premium, a disability premium and a Welsh medium premium were allocated. In addition, a per capita amount of £5 was awarded for all PT and PGT students.

Also included in Teaching are:

OU Mitigation Funding

8. Mitigation funding for the OU was provided to recognise the removal of strategy funding and their inability to recoup that funding through FT UG fee income.

Research

Postgraduate Research (PGR) Funding

9. PGR funding was allocated by formula to help support the training of postgraduate research students. A disability premium was also allocated in respect of PGR students.

Quality Research (QR)

10. QR is formula funding for research which was allocated on the basis of the outcomes of the Research Excellence Framework (REF 2014).

Sêr Cymru

11. This programme aims to build upon and enhance research in Wales, in line with the objectives of Science for Wales, the Welsh Government's strategic agenda for science and innovation in Wales.
12. The investment focuses on three Grand Challenge areas – areas of scientific excellence which also have particular relevance to business and society. These areas are: life sciences and health; low carbon, energy and environment; and advanced engineering and materials.

Welsh Crucible

13. Funded by a consortium of Welsh higher education institutions and the HEFCW, Welsh Crucible brings together thirty researchers to explore how they can work together to tackle the current research challenges facing Wales.
14. Welsh Crucible is based on NESTA's highly esteemed 'Crucible' development programme, and has been informed by the successes of the Scottish Crucible.

Other

International Initiatives

15. As part of the move to institutions making more contribution to various budget lines as a result of their increased fee income, various international budget lines have been brought together (e.g. Welsh Higher Education in Brussels and Wales International Consortium). This funding was paid to Higher Education Wales who have agreed to pay for these elements on behalf of the sector.

Reaching Wider

16. The RW programme is a mechanism for widening access on a collaborative regional basis. The programme's focus is explicitly on Communities First areas, and looked after children and care leavers.
17. This budget line was previously part of the ring-fenced 'Reaching Higher' income stream which has now ended. As a result, this budget line, which supports the three regional 'Reaching Wider' widening access partnerships, has been mainstreamed and is now part of our AY budget allocation process.

Widening Access

18. This fund supported targeted, strategic interventions for widening access students in line with institutions' mission and purpose and taking account of HEFCW and WG priorities. Widening access interventions aimed to raise educational aspirations and skills and increase participation in higher education, higher level skills and the priority sectors.
19. The strategy funding has now ended although residual funding for approved projects continues.

Strategic Development Fund

20. This fund is to support collaborative developments which play into the wider Reaching Higher agenda. Examples of uses of the fund include:
 - developing management capability shared between institutions (e.g. to address procurement, HR and sustainability issues)
 - collaborating in teaching and learning, including pedagogical innovation (e.g. technology enhanced learning)
 - subject rationalisation
 - developing third mission activity between institutions and with external partners
 - 'pump priming' (increasing expenditure to increase output) the development of research infrastructure between institutions
 - contributing to funding proposals involving other parties such as Welsh Government partners, the Research Councils and major

charities, or other UK-wide agendas - particularly where a small investment by HEFCW could help secure a much larger investment from other, especially UK-wide, sources.

Strategic Change Fund

21. This fund of £20m was to be used by HE providers against four criteria:
 - Support for a review of estates rationalisation;
 - The development of investment in higher level apprenticeships;
 - Business incubator and accelerator facilities to improve the links between universities and industry; and
 - Promote sector capacity and the ability to meet strategic challenges and change.
22. All of the HE providers submitted plans to HEFCW for expenditure in these four areas. Appropriate projects were agreed by HEFCW officers and the funding was distributed accordingly.

Universities of the Heads of the Valleys Institute (UHOVI)

23. The Universities of the Heads of the Valleys Institute was a venture established by the University of Glamorgan and the University of Wales, Newport (now merged as University of South Wales) which aimed to inspire people to improve or update their qualifications and skills. It offered opportunities for adults of all ages to study at local venues across Blaenau Gwent, Caerphilly, Merthyr Tydfil, Rhondda Cynon Taff and Torfaen. Although this venture has ended, some residual outstanding funding was paid in 2016/17.

Welsh Medium Provision Fund

24. The Welsh Medium Provision Fund brings together several elements into a single budget. This recognises in particular the Coleg Cymraeg Cenedlaethol (the Coleg) and the funding which will support its activities. The budget line therefore incorporates the original Welsh Medium Provision Fund, funding for the Coleg predecessor Centre for Welsh Medium Higher Education, funding to replace the Reconfiguration and Collaboration/One Wales funding, as well as funding for new activities by the Coleg agreed by Welsh Government in line with the recommendations of Professor Robin Williams' report (Y Coleg Ffederal) on which the establishment of the Coleg was based.

Sector Agency Transfer

25. Support for sector agencies and some programmes (e.g. Jisc, the Higher Education Academy and institutional costs of the National Student Survey) are now being funded by institutions. Funding to the sector agencies is paid through HEFCW, and HEFCW officers continue to administer the

funding arrangements and monitor performance, but the funding is recouped by HEFCW from institutions.

Graduate Opportunities (GO) Wales

26. This is the successor programme to the original GO Wales, which was a European grant funded major programme to develop student and graduate employability across Wales and, through that, to support economic growth, particularly through SMEs. This successor programme is also European grant funded.

ITT Competency Certificates

27. In its remit letter to HEFCW for 2014/15, the Welsh Government required HEFCW to 'facilitate with key partners the development and implementation of a pan-Wales Welsh language ITT competence certificate with the aim of award to all prospective teachers who wish to teach through the medium of Welsh.' HEFCW asked the Coleg to undertake the responsibility for developing a specification for a language competence certificate for teachers, and conduct a pilot scheme of the Certificate in 2015/16, which they did successfully.
28. In September 2016, Welsh Government confirmed their wish for the Coleg to deliver the scheme again in 2016/17, and Welsh Government subsequently confirmed that they wanted the work to be continued in 2017/18.

Non-Grant in Aid

Coleg Cymraeg Cenedlaethol (CCC or the Coleg) Scholarships

29. Funding for the Coleg's scholarship schemes is made available by virtue of a separate agreement between the Welsh Government and HEFCW on the basis that HEFCW does not have powers to support students directly. Scholarship scheme funding does not, therefore, form part of the Coleg's main grant from HEFCW, but is essentially ring-fenced for the provision of scholarships.

Research Capital with DBIS match funds

30. The former Department for Business Innovation and Skills (BIS) confirmed that it would provide research capital funding to the four UK HE funding bodies for 2016-17. The funding was awarded pro-rata to the average research council income received by their respective institutions. BIS required this funding to be matched by a similar contribution and Welsh Government provided this.
31. The Welsh Government element of the grant was allocated pro rata to recurrent Quality Research (QR) and other research income. In calculating

the allocations we used the most recent data available with the Welsh Government element based on 2016/17 recurrent QR grant and 2014/15 other research income. Similarly, the BIS allocation had been calculated by reference to an average of the 2012/13-2014/15 Research Councils' income received.

UK Research Partnership Investment Fund (UKRPIF)

32. The UK Research Partnership Investment Fund (UKRPIF) provides funding for capital investment in major new research facilities in universities which have a significant track record of research excellence. The funding has been made available on a UK-wide basis through the Department for Business, Energy and Industrial Strategy (BEIS), to be distributed by the Higher Education Funding Council for England (HEFCE) acting in conjunction with the other UK higher education funding bodies.

Police Knowledge Fund

33. Cardiff University was awarded funding under the Police Knowledge Fund, a scheme established by the College of Policing, HEFCE and the Home Office to encourage collaboration between academia and police forces in order to increase evidence-based knowledge, skills and problem solving approaches within policing. Cardiff University leads a collaborative project, Open Source Communications, Analytics and Research (OSCAR) Development Centre. The award to Cardiff University is channelled through HEFCW, under the terms of a Memorandum of Understanding drawn up with HEFCE. HEFCW is providing funding to Cardiff in accordance with an agreed invoicing and payment schedule between September 2015 and December 2016.

QR Global Challenges Research Fund

34. The Global Challenges Research Fund (GCRF) is a UK-wide programme funded through the BEIS. It supports cutting-edge research that addresses the challenges faced by developing countries through:
 - challenge-led disciplinary and interdisciplinary research
 - strengthening capacity for research and innovation within both the UK and developing countries
 - providing an agile response to emergencies where there is an urgent research need.
35. In addition to the funding which it is providing to the Research Councils, the Learned Societies and UK Space Agency, BEIS is also providing an element of GCRF funding to the Higher Education Funding Council for England. It has been agreed that it would be appropriate for BEIS to provide equivalent allocations to the higher education funding bodies of the devolved countries of the UK.

QR Newton Fund

36. The Newton Fund is a UK-wide programme funded through BEIS. It supports science research and innovation partnerships to promote the economic development and social welfare of partner countries in the developing world and is part of the UK's official development assistance (ODA).
37. It is a requirement of the Fund that activities are developed in partnership with at least one of the fifteen recognised partner countries, all of which are on the OECD Development Assistance Committee (DAC) list.
38. In addition to the funding provided to the Research Councils and others, BEIS is also providing an element of Newton Funding to the Higher Education Funding Council for England. It has been agreed that it would be appropriate for BEIS to provide equivalent allocations to the higher education funding bodies of the devolved countries of the UK.

Pro-rata adjustment

39. The pro-rata adjustment is the funding reduction applied to the overall budget to ensure that the budgeted expenditure remains within the funding available. It is calculated at an institutional level based on a pro-rata calculation over credit based teaching, QR, PGR and ESP. However, this figure is presented as an overall adjustment to total funding, and not as an adjustment to individual budget lines. Institutions are not expected to replicate our calculation approach when applying their share of the funding adjustment internally.

Further information

40. For further information, contact David Hunt (tel 029 2085 9724; email david.hunt@hefcw.ac.uk).

W18/17HE: Annex A - Data From HEFCW Finance System at 30.8.17 and Table 6 of W17/11HE
Academic Year 2016/17

	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£
Teaching*	University of South Wales	Aberystwyth University	Bangor University	Cardiff University	University of Wales Trinity Saint David	Swansea University	Cardiff Metropolitan University	Wrexham Glyndŵr University	Open University in Wales	University of Wales Registry	Grŵp Llandrillo Menai	Gower College Swansea	Grŵp NPTC Group	Coleg Cymraeg Cenedlaethol	Total
FTUG/PGCE**	1,785,180	33,835	30,070	10,587,350	30,785	2,563,900	35,530	13,415			2,345	0	140		15,082,550
PT/PGT**	8,526,472	509,731	355,888	1,694,034	3,002,571	1,132,119	494,489	1,869,194	8,933,738		549,150	34,908	53,406		27,155,699
Total	10,311,652	543,566	385,958	12,281,384	3,033,356	3,696,019	530,019	1,882,609	8,933,738	-	551,495	34,908	53,546	-	42,238,249

Research	University of South Wales	Aberystwyth University	Bangor University	Cardiff University	University of Wales Trinity Saint David	Swansea University	Cardiff Metropolitan University	Wrexham Glyndŵr University	Open University in Wales	University of Wales Registry	Grŵp Llandrillo Menai	Gower College Swansea	Grŵp NPTC Group	Coleg Cymraeg Cenedlaethol	Total
PGR**	134,671	389,820	578,720	2,946,699	8,028	1,008,299	104,099								5,170,336
QR**	1,530,192	7,010,422	7,218,736	39,796,996	298,936	13,749,083	1,065,119	214,955		192,904					71,077,344
Sêr Cymru			507,301	803,441		1,112,150									2,422,892
Welsh Crucible				15,000											15,000
Total	1,664,863	7,400,242	8,304,757	43,562,137	306,964	15,869,532	1,169,218	214,955	-	192,904	-	-	-	-	78,685,572

Other Lines	University of South Wales	Aberystwyth University	Bangor University	Cardiff University	University of Wales Trinity Saint David	Swansea University	Cardiff Metropolitan University	Wrexham Glyndŵr University	Open University in Wales	University of Wales Registry	Grŵp Llandrillo Menai	Gower College Swansea	Grŵp NPTC Group	Coleg Cymraeg Cenedlaethol	Total
International Initiatives		37,500													37,500
Reaching Wider	797,100		485,971			448,849									1,731,920
Widening Access					128,501										128,501
Strategic Development Fund**	-600,000	12,500	0	0	137,000	0	0	0	0	0	0	0	0	-	450,500
Strategic Change Fund**	1,760,000	1,409,000	1,440,000	9,685,000	523,500	3,200,000	289,000	509,000	1,067,000	34,000	77,000	2,300	8,000		20,003,800
UHOVI PHASE 2	64,609														64,609
Welsh Medium Provision Fund														5,435,549	5,435,549
Sector Agency Transfer	-359,522	-185,724	-205,121	-1,040,290	-102,178	-311,005	-83,654		-51,513	-5,845					-2,344,852
GO Wales	95,173	60,315	45,521	94,793	99,230		62,390	34,961	16,153						508,535
ITT Competency Certificates														87,000	87,000
Total	1,757,360	1,333,591	1,766,371	8,739,503	786,053	3,337,844	267,736	543,961	1,031,640	28,155	77,000	2,300	8,000	5,522,549	25,202,062

Non GIA Lines	University of South Wales	Aberystwyth University	Bangor University	Cardiff University	University of Wales Trinity Saint David	Swansea University	Cardiff Metropolitan University	Wrexham Glyndŵr University	Open University in Wales	University of Wales Registry	Grŵp Llandrillo Menai	Gower College Swansea	Grŵp NPTC Group	Coleg Cymraeg Cenedlaethol	Total
CCC Scholarships														330,000	330,000
Research Capital with DBIS match funds		957,748	727,012	3,670,645		1,604,595									6,960,000
UK Research Partnership Investment Fund (UKRPIF)				5,267,325											5,267,325
Police Knowledge Fund				135,616											135,616
QR Supplement GCRF		219,563	102,321	593,112		285,004									1,200,000
QR Supplement Newton Fund		41,497	19,339	112,098		53,866									226,800
Total	-	1,218,808	848,672	9,778,796	-	1,943,465	-	-	-	-	-	-	-	330,000	14,119,741

Pro Rata Reduction**	-	2,155,867	-	1,726,204	-	1,761,916	-	11,864,204	-	644,858	-	3,915,315	-	354,561	-	620,262	-	1,307,097	-	42,014	-	95,173	-	2,907	-	9,624	-	24,500,002
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Grand Total	University of South Wales	Aberystwyth University	Bangor University	Cardiff University	University of Wales Trinity Saint David	Swansea University	Cardiff Metropolitan University	Wrexham Glyndŵr University	Open University in Wales	University of Wales Registry	Grŵp Llandrillo Menai	Gower College Swansea	Grŵp NPTC Group	Coleg Cymraeg Cenedlaethol	Total
	11,578,008	8,770,003	9,543,842	62,497,615	3,481,515	20,931,545	1,612,412	2,021,263	8,658,281	179,045	533,322	34,301	51,922	5,852,549	135,745,622

*Adjustment to funding for under-recruitment, OU mitigation funding and the supplementary allocation for performing arts provision are included in PT/PGT. In addition, for the FEIs, a reduction for the contribution to the National Student Survey is included.

**The presentation of these payments is consistent with the presentation in Table 6 of W17/11HE: HEFCW's Funding Allocations 2017/18 with the pro rata funding reduction shown as a separate line rather than as an allocation against specific funding lines.