



HEFCE Recurrent Grant Allocation 2016-17

<p>Outcome requested:</p>	<p>Council is invited to note the HEFCE grant allocation for 2016-17.</p>
<p>Executive Summary:</p>	<p>The HEFCE grant letter, detailing the initial funding allocation for 2016-17 was received on 19th April 2016. Appendix 1 details the variance in grant allocation from 2015-16 to 2016-17.</p> <p>In summary the recurrent grant was £61.9m, £1.17m less than the 2015-16 allocation, key points to note include: A reduction in the supplement for the old-regime students from £2.1m to £672k.</p> <ul style="list-style-type: none"> • An increase in the student opportunity fund of £153k, this reflects an increase in allocation for disabled students of £180k, offset by a reduction in allocation for students from disadvantaged backgrounds (£37k). • HEIF funding remains unaltered at £2.85m with an additional one off £253k knowledge exchange supplement. • The research grant allocation has increased by £10k to £32.15m. <p>A capital grant allocation for 2016-17 of £5.1m, £3.6m for research infrastructure and £1.5m for teaching and learning.</p> <p>Overall the grant letter was £1.1m better than initially forecast as we had not anticipated the one off knowledge exchange supplement and we had assumed a cut to the student opportunity fund.</p> <p>HEFCE reserve the right to make further in year adjustments to the grant allocation.</p> <p>The final grant adjustment for 2014-15 has also been confirmed as £244k higher than the adjusted allocations announced in October 2015. This is informed by the student volumes reported in QMULs HESA student return 2014-15 (returned in October 2015) and will be accounted for in the 2015/16 financial year.</p>
<p>QMUL Strategy: strategic aim reference and sub-strategies [e.g., SA1.1]</p>	<p>EA2.1 Achievement of sufficient annual operating surpluses EA2.3 Reduction in financial dependence on HEFCE EA2.5 Continuing development of the IT infrastructure EA2.6 Continuing development of the Estate</p>

Internal/External regulatory/statutory reference points:	HEFCE memorandum of assurance and accountability
Strategic Risks:	Effect on QM finances of changes to HEFCE and wider government funding model. Constraints on capital availability for buildings and infrastructure leading to failure to develop adequate facilities.
Equality Impact Assessment:	Not required.
Subject to prior and onward consideration by:	QMSE ARC 2 nd June 2016 FIC 7th June 2016 Council 28 th June 2016
Confidential paper under FOIA/DPA	No
Timing:	Annual
Author:	Joanne Jones, Finance Director
Date:	25th May 2016
Senior Management/External Sponsor	Emma Bull Acting Chief Operating Officer

Appendix 1

Recurrent grant comparison for 2015-16 and 2016-17

Date issued: April 2016

Institution: Queen Mary University of London
UKPRN: 10007775

Table 1: Comparison between 2015-16 and 2016-17 allocations

Funding stream	2015-16 Comparison figure £s	2016-17 Allocations £s	Difference £s	Percentage difference	Sector percentage difference
Teaching grant					
High-cost subject funding	18,083,982	17,900,147	-183,835	-1.02%	1.70%
Targeted allocations	10,026,815	9,029,012	-997,803	-9.95%	-7.07%
Total teaching grant	28,110,797	26,929,159	-1,181,638	-4.20%	-2.82%
Research grant					
Mainstream QR	21,144,097	21,548,191	404,094	1.91%	1.91%
QR charity support fund	5,438,711	5,127,847	-310,864	-5.72%	-0.16%
QR business research element	1,207,356	1,294,220	86,864	7.19%	0.00%
QR RDP supervision funds	4,352,396	4,183,164	-169,232	-3.89%	-0.12%
QR funding for National Research Libraries	0	0	0	N/A	0.00%
Total recurrent research grant	32,142,560	32,153,422	10,862	0.03%	1.25%
Knowledge exchange funding	2,850,000	2,850,000	0	0.00%	-0.15%
Total recurrent grant	63,103,357	61,932,581	-1,170,776	-1.86%	-0.63%

19 April 2016

Professor Simon Gaskell
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Dear Professor Gaskell

Recurrent grant for the academic years 2014-15 and 2016-17

1. We are writing to provide details of your institution's recurrent funding allocations for the academic year 2016-17. We are also providing details of revised allocations of recurrent teaching grants for the academic year 2014-15. These allocations are provisional: we will issue updated allocations in October 2016, reflecting any amendments to underlying data. **Please note that all information in this letter and associated documents is subject to embargo until 0001 on Friday 6 May.**
2. This letter explains in broad terms the main changes to HEFCE recurrent grant in 2016-17, and the main reasons institutions will see changes to their 2014-15 teaching grant since the allocations announced last October. We will adjust our grant payments between May and July 2016 to ensure the funding received by institutions for the 2014-15 academic year reflects these revised allocations.
3. This letter is part of a suite of documents which set out information relating to your institution and to the sector more widely. The documents released alongside this letter on the HEFCE extranet on Tuesday 19 April are: grant tables for both 2014-15 and 2016-17, grant comparison tables for both 2014-15 and 2016-17, technical guidance documents which explain in detail how the figures in the grant and comparison tables have been derived, and a copy of the Guide to Funding 2016-17. Additional documents will be released on Friday 6 May (following the pre-election period for the local elections). A full

list of all documents to be released as part of this grant announcement is described in **Annex A**. We do not require a reply to this letter.

Introduction

4. The grant letter to HEFCE of 4 March 2016 from the Department for Business, Innovation and Skills (BIS) (www.hefce.ac.uk/funding/govletter/) confirmed the funding available for the 2016-17 financial year (April to March) and provided confirmation of research funding for the 2017-18 financial year and indicative teaching funding for the same year. In addition the grant letter provided indicative funding from the science and research budget for the whole spending review period to 2019-20. The letter also identified the policies and priorities that should underpin our approach to funding.

5. In the light of the grant letter, the Board has agreed 2016-17 academic year budgets, assuming that the indicative funding available for the 2017-18 financial year will be confirmed. As usual, any future changes to the grant made available to us by Government could affect the funding we are able to distribute to institutions in the 2016-17 academic year, and this may include revising allocations after they have already been announced.

6. 'Funding for universities and colleges for 2014-15 to 2016-17: Board decisions' (Circular letter 03/2016) set out developments to our funding methods for 2016-17. This confirmed that:
 - a. We are increasing by £20 million the 2016-17 budget for mainstream quality-related research (QR) and its London weighting to a total of £1,070 million. The other separate streams within recurrent research funding are maintained in cash terms at the same level as for 2015-16.

 - b. We are maintaining in real terms the total budgets for our main high-cost subject allocation and for the targeted allocation for very high-cost STEM subjects (Physics, Chemistry, Chemical engineering and Mineral, metallurgy and materials engineering).

 - c. We are introducing a stream of funding for a geographically focused national outreach programme that will target those places where students have the educational attainment or potential to succeed in higher education but where there is evidence that entry rates are below expectations.

 - d. We are doubling the funding to improve provision for disabled students in 2016-17 to £40 million. The increase is to support institutions to meet the rapid rise in mental health issues and to transition towards an inclusive social model of support for disabled students. The distribution of this funding better reflects the actual numbers of disabled students at each institution by no longer assigning institutions to quartile groups for weighting purposes.

- e. We have reviewed allocations to support specialist institutions with world-leading teaching. We are writing separately today to the institutions affected about the outcomes of this review.

2016-17 Recurrent grant changes for institutions

7. Most institutions will have grant changes as a result of the developments described above. In addition, institutions may also see changes because of:

- a. The continuing transition from the old to the new fee and funding regime for institutions with longer courses. The overall reduction to the supplement we are providing for old-regime students between 2015-16 and 2016-17 is £54 million, but this reduction now applies primarily to a much more limited number of institutions.

- b. Changes to institutions' student numbers relative to the sector as a whole. Such changes can affect institutions' share of teaching allocations for high-cost subjects and those targeted allocations that are recalculated each year to reflect the latest student numbers.

- c. Changes, relative to the sector as a whole, to institutions' postgraduate research student numbers and research income data. Such changes affect institutions' share of the QR allocations for research degree programme (RDP) supervision funding and the charities and business elements.

- d. Changes, relative to the sector as a whole, to institutions' Higher Education – Business Community Interaction (HE-BCI) data, which affects their share of knowledge exchange funding. This allocation continues the three-year window and the weighted approach we used last year, but incorporating the most recent years' data, that is 2012-13 to 2014-15, rather than 2011-12 to 2013-14.

8. We are looking to provide as much help as we can for institutions in understanding their funding outcomes and on the main factors that have led to funding changes. Institutions should address any questions on this to their HEFCE Higher Education Policy Adviser (contact details at the end of this letter).

Revised teaching grant allocations for 2014-15

9. Elements of 2014-15 grant that are subject to our three-stage recalculation process are now being informed by student volumes reported on the Higher Education Statistics Agency (HESA) individualised student record by HEIs.

10. The 2014-15 teaching allocations announced in this letter may be slightly overstated. This is because in using the 2014-15 HESA data, we have generally assumed that students with an undetermined completion status did complete their year of study.

We will be asking all institutions with such students to submit a Completion Status Survey (CSS) by 8 July 2016. Where these students are then identified as having not completed, or where institutions do not return the CSS, they will no longer be counted for funding purposes when we finalise allocations in October 2016.

11. We have retained the same scaling factors and rates of grant previously applied to the recurrent teaching grant budgets for 2014-15. In general, changes in cash terms (whether positive or negative) arise largely as a result of changes to the mix and volume of students for each year compared with institutions' previous data returns.

2016-17 funding agreement requirements and conditions of grant

12. In July, we will issue the funding agreement to each institution, setting out particular conditions of grant that apply. For HEIs, the funding agreement forms part 2 of the memorandum of assurance and accountability (HEFCE 2014/12). We will update the conditions of grant for 2016-17 to reflect the new approach to quality assessment, as set out in the 'Revised operating model for quality assessment' (HEFCE 2016/03).

Further information and requests for changes

13. While we do not require a reply to this letter, there may be circumstances in which institutions wish to request changes to allocations. The technical guidance documents that describe the 2014-15 and 2016-17 grant tables set out the circumstances in which we will implement changes and any deadlines which institutions will need to meet.

14. We intend to issue amended allocations for both years in October 2016, but will issue the wording of the 2016-17 funding agreements as usual in July. Incorporating changes in October allows adjustments to be reflected in the Higher Education Students Early Statistics (HESES) and Higher Education in Further Education: Students (HEIFES) survey workbooks, ensuring that institutions have clarity over the funding consequences of those data returns, while also allowing institutions more time to identify and correct any errors in underlying data.

15. We can provide institutions with informal advice about the effects of any data changes, transfers or mergers between April and October, to aid planning. If you wish to discuss this, or have any questions about your allocations, please contact your Higher Education Policy Adviser, Lizzie Reynolds (direct line: 0117 931 7261, e-mail: l.reynolds@hefce.ac.uk).

Yours sincerely



Anna Child
Funding Round Manager



Esther Nye
Funding Round Manager

cc. Sir Nicholas Montagu - Chairman of Council

Annex A

Documents and tables accompanying this grant announcement

19 April 2016

1. Released alongside this letter on the extranet (<https://data.hefce.ac.uk/>) on 19 April 2016, **under embargo until 6 May 2016**, are:

Detailed information relating to allocations for 2014-15 and 2016-17

- a. 2016-17 recurrent grant tables for your institution.
- b. Final 2014-15 recurrent grant tables for your institution (where applicable).
- c. 2016-17 grant comparison tables which compare your institution's allocations for 2016-17 with allocations for 2015-16.
- d. 2014-15 grant comparison tables (where applicable), which compare your institution's final allocations for 2014-15 with both final allocations for 2013-14 as well as initial and adjusted allocations for 2014-15.

These comparison tables show the different elements of grant for your institution and how they have changed, together with a summary of the percentage changes in these allocations for the sector as a whole.

- e. Technical guidance documents for each year, which explain in detail how the figures in the grant and comparison tables have been derived. The guidance is aimed primarily at finance and planning officers. We would encourage them to read it carefully, as it should help with institutional planning. The 2016-17 guidance also specifies certain conditions of grant which will be included in your institution's funding agreement in July 2016.
- f. Where relevant, a letter explaining the change in the targeted allocation for specialist institutions for 2016-17 following the review of institution-specific funding. This applies only to certain institutions that received institution-specific funding in 2015-16 or applied for it for 2016-17 in response to Circular letter 2015/10.

Publication

- g. 'Guide to funding 2016-17', HEFCE 2016/07. This guide provides an overview of our recurrent funding methods.

2. All documents listed above are embargoed until Friday 6 May 2016, when most will be made available on the HEFCE website. The keys required to access these documents on the HEFCE extranet were provided in Esther Nye's email of 9 February 2016.

3. In addition, we are releasing a number of funding summaries and supporting documents, to show how we have used HESA data to support our funding allocations for each year. More detail can be found in 'HESA funding and monitoring data (FAMD) 2014-15: Funding summaries and request for updates to completion status data', Circular letter 07/2016. This letter is being released on the extranet on 19 April, under embargo until 6 May. Group keys to access these documents are being sent out separately.

6 May 2016

4. Released on the HEFCE website on 6 May 2016 (following the pre-election period for local elections), are:

Publications

- a. 'Recurrent grants for 2016-17', HEFCE 2016/09. This provides a summary report on the allocations, including totals for each institution.
- b. 'Recurrent grants for 2015-16: Final allocations', HEFCE 2016/08. This provides an updated report on the allocations for each institution. For nearly all institutions, these allocations will be the same as were notified in October 2015.

Detailed information relating to allocations for 2014-15 and 2016-17

- c. 2016-17 recurrent grant tables for the sector as a whole.
- d. 2014-15 recurrent grant tables for the sector as a whole.
- e. 2015-16 Higher Education Students Early Statistics (HESES) and Higher Education in Further Education: Students (HEIFES) data.
- f. Other summary data on 2016-17 allocations.

Information on source of figures

2015-16 comparison figures

Teaching grant

High-cost subject funding

This figure is taken from the 2015-16 grant Table A, plus any changes separately notified arising from data audit, reconciliation or other amendments.

Targeted allocations

This figure is the sum of *Student opportunity allocation* and *Other targeted allocations* from the 2015-16 grant Table A, plus any changes separately notified arising from data audit, reconciliation or other amendments.

Research grant

All research grant figures come from Table A of the 2015-16 grant tables. Mainstream QR is the sum of *Mainstream QR* and *London weighting on mainstream QR*, plus any changes separately notified arising from data audit, reconciliation or other amendments.

Knowledge exchange funding

This figure is taken from the 2015-16 grant Table A.

2016-17 allocations

Teaching grant

High-cost subject funding

This figure is the sum of *High-cost subject funding: subject-based allocation* and *High-cost subject funding: supplement for postgraduate taught* from the 2016-17 grant Table A.

Targeted allocations

This figure is taken from the 2016-17 grant Table A.

Research grant

All research grant figures come from Table A of the 2016-17 grant tables. Mainstream QR is the sum of *Mainstream QR* and *London weighting on mainstream QR*.

Knowledge exchange funding

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Recurrent grant comparison for 2015-16 and 2016-17

Date issued: April 2016

Institution: Queen Mary University of London
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QR funding for National Research Libraries	0	0	0	N/A	0.00%
Total recurrent research grant	32,142,560	32,153,422	10,862	0.03%	1.25%
Knowledge exchange funding	2,850,000	2,850,000	0	0.00%	-0.15%
Total recurrent grant	63,103,357	61,932,581	-1,170,776	-1.86%	-0.63%

Information on source of figures

Final 2013-14 comparison figures

Teaching grant

All teaching grant figures come from Table A of the final 2013-14 grant tables, plus any changes separately notified arising from data audit, reconciliation or other amendments.

Research grant

Mainstream QR

The 2013-14 figure is the sum of the following items from the initial grant Table J:

- a. *Mainstream QR.*
 - b. *London weighting on mainstream QR.*
- plus any changes separately notified arising from data audit, reconciliation or other amendments.

Other elements of research grant

The other four elements of research grant on the comparison table are from the initial 2013-14 grant Table J, plus any changes separately notified arising from data audit, reconciliation or other amendments.

Knowledge exchange funding

This is *Higher Education Innovation Funding* from the final 2013-14 grant Table A.

Final, adjusted and initial 2014-15 allocations

Teaching grant

All teaching grant figures come from Table A of the relevant 2014-15 grant tables.

Research grant

All research figures will be same in the initial, adjusted and final allocations, unless there have been any changes separately notified arising from data audit, reconciliation or other amendments.

Mainstream QR

The 2014-15 figure is the sum of the following items from the initial grant Table J:

- a. *Mainstream QR.*
- b. *London weighting on mainstream QR.*

Other elements of research grant

The other four elements of research grant on the comparison table are taken from the initial 2014-15 grant Table J.

Knowledge exchange funding

This is *Knowledge exchange* from the final 2014-15 grant Table A. This figure will be the same for the initial, adjusted and final allocations.

Institution: Queen Mary University of London
UKPRN: 10007775

Table 1: Comparison between final 2013-14 and final 2014-15 allocations

Funding stream	Final 2013-14 comparison figure £s	Final 2014-15 allocations £s	Difference £s	Percentage difference	Sector percentage difference
Teaching grant					
Funding for old-regime students (mainstream)	27,145,504	12,662,118	-14,483,386	-53.35%	-65.07%
Funding for old-regime students (co-funded)	0	0	0	N/A	-83.62%
High-cost funding for new-regime students	5,562,538	10,362,136	4,799,598	86.28%	46.93%
Student opportunity funding	958,574	920,238	-38,336	-4.00%	4.84%
Other targeted allocations	3,254,493	4,465,370	1,210,877	37.21%	3.39%
Other recurrent teaching grants	1,232,384	1,132,443	-99,941	-8.11%	-18.30%
Total teaching grant	38,153,493	29,542,305	-8,611,188	-22.57%	-33.80%
Research grant					
Mainstream QR	21,271,693	21,271,693	0	0.00%	0.00%
QR charity support fund	5,489,199	5,432,166	-57,033	-1.04%	0.47%
QR business research element	1,121,231	1,089,911	-31,320	-2.79%	0.25%
RDP supervision funds	4,566,665	4,536,126	-30,539	-0.67%	-0.03%
QR funding for National Research Libraries	0	0	0	N/A	0.00%
Total research grant	32,448,788	32,329,896	-118,892	-0.37%	0.06%
Knowledge exchange funding	2,850,000	2,850,000	0	0.00%	0.00%
Total recurrent grant	73,452,281	64,722,201	-8,730,080	-11.89%	-19.46%

Table 2: Comparison between initial, adjusted and final 2014-15 allocations

Funding stream	Initial 2014-15 allocations		Adjusted 2014-15 allocations		Final 2014-15 allocations		Difference £s	Percentage difference	Sector percentage difference
	£s	£s	£s	£s	£s	£s			
Teaching grant									
Funding for old-regime students (mainstream)	12,273,018	12,617,405	12,662,118			44,713	0.35%	-0.47%	
Funding for old-regime students (co-funded)	0	0	0			0	N/A	-34.73%	
High-cost funding for new-regime students	10,535,078	10,191,295	10,362,136			170,841	1.68%	0.77%	
Student opportunity funding	942,867	920,238	920,238			0	0.00%	-0.07%	
Other targeted allocations	4,507,280	4,436,873	4,465,370			28,497	0.64%	0.02%	
Other recurrent teaching grants	1,160,290	1,132,443	1,132,443			0	0.00%	0.00%	
Total teaching grant	29,418,533	29,298,254	29,542,305			244,051	0.83%	0.04%	
Research grant									
Mainstream QR	21,271,693	21,271,693	21,271,693			0	0.00%	0.00%	
QR charity support fund	5,432,166	5,432,166	5,432,166			0	0.00%	0.06%	
QR business research element	1,089,911	1,089,911	1,089,911			0	0.00%	0.00%	
RDP supervision funds	4,536,126	4,536,126	4,536,126			0	0.00%	0.00%	
QR funding for National Research Libraries	0	0	0			0	N/A	0.00%	
Total research grant	32,329,896	32,329,896	32,329,896			0	0.00%	0.01%	
Knowledge exchange funding	2,850,000	2,850,000	2,850,000			0	0.00%	0.00%	
Total recurrent grant	64,598,429	64,478,150	64,722,201			244,051	0.38%	0.02%	