



## Response to HEFCE consultation on the teaching funding method

1. Campaign for Science & Engineering is pleased to submit this response to HEFCE's consultation on the teaching funding method. CaSE is a voluntary organisation campaigning for the health of science and technology throughout UK society, and is supported by over 1,500 individual members, and some 70 institutional members, including universities, learned societies, venture capitalists, financiers, industrial companies and publishers. The views of the membership are represented by an elected Executive Committee.

### Consultation Questions 1-5

2. We agree with the principles of fixed and variable allocations for all the items asked about (although it is not clear why some are specifically consulted on and others not) and with the provision of partial funding for partially completed modules.

3. We are concerned that an indirect effect of using the allocation system is to reduce the overall size of the tolerance banded part of the teaching grant so that each center has less flexibility (e.g., Anglia Ruskin University previously had the flexibility of  $\pm 5\%$  of £41,488,376 but it would now be  $\pm 5\%$  of £32,288,848, i.e., the tolerance band has been reduced by £800,000 from one spanning £4 million to one spanning £3.2 million).

4. We are bemused by the intricacy of the funding calculation alongside a freedom within the institutions to spend the money as they see fit. While we agree with this system in principle, it is surely inefficient to use limited funds to cover the administrative burden of these calculations as they become increasingly detailed.

5. While we support all efforts at widening participation we believe that they should be targeted earlier in the system so that all children have equal access to good qualifications. There is little point in expending time, effort and money on attempting to widen participation when so many young people in the state education system have little chance of achieving entry level requirements to study at university.

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## **Consultation question 6**

**Do you agree with our proposal to benchmark the actual costs of teaching submitted by institutions, in order to understand the total costs of HE teaching in England?**

6. CaSE has been supporting this suggestion since at least June 2004<sup>1</sup>, and still does so, and looks forward to a day in 2008, four years later, when the data are finally acquired.

7. Regarding the proposed system of benchmarking, CaSE would appreciate some clarification on paragraphs 81-84. First, in paragraph 81, HEFCE states that it wants to assess the costs of sustainable teaching, defined as “both excellent and efficient, and appropriately funded to maintain these qualities in the long term”. If we understand paragraph 82 correctly, HEFCE is going to assess all teaching, and remove outliers to generate a cost of “sustainable” teaching. Presumably, outliers spending below average are thought to be less than excellent and those spending above average are thought to be inefficient. If this is the logic of the process, it would be helpful to spell it out. Also, we question the validity of these assumptions, in particular, there is no reason to assume that those spending an average amount of money are providing either excellent or efficient teaching, or both. We are also concerned that institutions that have decided to excel in certain subjects, and have investing heavily accordingly, may be excluded as providing outlying data. How are the outliers defined (and do you include those above and below the norm)? Finally, in paragraph 84, we dispute whether “actual historical costs” are a good measure of current costs. They are likely to be a better reflection of actual historical funding and may also reflect a period of under-funding in which infrastructure is allowed to decline.

8. CaSE welcomes the acknowledgement of error in the previous calculation of subject-related costs and the contribution of £75 million in additional funding to support very high cost science subjects. As stated on the HEFCE website though this funding will only “go some way towards meeting concerns about the funding of subjects in price group<sup>2</sup>”.

9. While we are pleased with the £75 million, we have several concerns, some of which will affect the TRAC data. First, how will the money be targeted at the specified subjects? It is critically important to make sure that the money is additional investment and not diverted from other funds. We understand that the £75 million is provided as £25 million for three years, but there may need to be some flexibility in how the money is accessed to accommodate varying costs as departments are revitalised (for example, equipment costs may start high, whereas staff costs take longer to increase).

10. The funding is intended to support chemistry, physics, chemical engineering, and mineral, metallurgy and materials engineering. We are

concerned that other science subjects, such as biochemistry, will suffer from a lack of relative investment, especially if their student numbers drop as might be expected if students are impressed with the new equipment and support on offer in the additionally funded departments.

11. Furthermore, we are very concerned as to how this investment will affect the TRAC data collection. Science subjects with higher numbers of students, such as the biosciences, are not eligible for this additional funding and have managed to continue in a situation of under-funding as the fixed costs are distributed over large numbers of students. However, the funding formula may well be as wrong for them as it was wrong for physics. The fact that there have not been departmental closures may reflect the high student interest in these subjects, but does not mean that they are adequately funded. Not only are these subjects under-funded now, but their subject-related costs will be assessed during a period of under-funding. Depending how subject banding occurs after the acquisition of TRAC data, this could either create a two-tier science system or lead to an under-funding across all the sciences.

12. Finally, the Government has stated that the £75 million is to fund “high cost science subjects, which are strategically important to the economy and society but vulnerable because of relatively low student demand.” and “to help maintain provision in these subjects in HEIs while demand from students grows”. It is not clear how they are assured of growth in these subjects and what will happen if it does not occur, or if other subjects meet the criteria of vulnerability in the meantime.

13. CaSE would welcome some clarification of what the “broad sector-wide assumptions about levels of income from other sources” refer to in Annex A point 4. If these are student fees, it should be stated clearly. If they are external funds from private investors and industry then they should not count against institutional funding as this will obvious negate any fund-raising measures.

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<sup>1</sup> Review of the funding method for teaching from 2004-2005: Outcomes of the consultation, HEFCE 2004/24

<sup>2</sup> Review of the teaching funding method: second consultation on changes to the method, HEFCE 2007/02, Frequently asked Questions: <http://www.hefce.ac.uk/faq/tfm.htm>.