

Developing the Funding Method for Teaching from 2004-5

Response to the consultation document from HEFCE (2003/42)

The Council for Industry and Higher Education (CIHE) appreciates the effort that HEFCE has made to consider an alternative method of funding teaching, including the simulation that has been made available to institutions. We recognise that HEFCE said that it would undertake such an exercise and that the proposals reflect the data that institutions have provided as part of the so-called Transparency Review.

However, we doubt whether now is an appropriate moment to make such major changes. There are considerable uncertainties over the future funding arrangements for institutions, notably whether they will be permitted to charge differential fees to their full-time students. If the impending legislation is approved, then institutions will be considering their pricing stance at the institutional and subject level for 2006 and thereafter. Any change in the HEFCE funding methodology might therefore only apply for two years.

We do not consider that any fundamental change now would be appropriate.

We do see some merit in certain of the proposed changes where they would not amount to a wholesale change in funding methodology. Some of these result from separate studies undertaken by the Funding Council. Hence, there would be merit in recognising the additional costs involved in developing the partnerships (notably with employers) that underpin Foundation Degrees. We also support the introduction of a 10% premium for part-time students. We would also want to see the additional costs of off-campus learning (notably work-based learning) reflected in future revisions. If diversity is to be encouraged, then the associated costs of meeting diverse customer needs should be recognised.