

Cylchlythyr | Circular

Request for forecasts 2015

Date: 4 June 2015
Reference: W15/11HE
To: Heads of higher education institutions in Wales
and Directors of Finance
Response by: **31 July 2015**
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This circular requests HE institutions to submit:

- Corporate Strategy measures forecasts for 2014/15 to 2015/16
- Financial forecasts for 2014/15 to 2018/19
- Student number forecasts for 2015/16 to 2018/19

If you require this document in an alternative accessible format, please telephone us on (029) 2068 2225 or email info@hefcw.ac.uk.



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Introduction

1. This circular invites higher education institutions to submit the following information:

Part 1 - Corporate Strategy measures forecasts for 2014/15 to 2016/17

Part 2 - Financial forecasts for 2014/15 to 2018/19

Part 3 - Student number forecasts for 2015/16 to 2018/19

More detailed notes of guidance are set out below. Copies of some of the returns to be submitted are attached at the Annexes to this circular, along with further technical information. Electronic copies of **Annex A, Annex D and Annexes D(1) to D(7)** have already been sent to the relevant contacts at institutions, **although Annex D (the commentary template) attached to this circular has been further updated since being sent to institutions.**

Background and institutional strategic planning

2. In August 2014 we issued circular [W14/35HE](#) – *Changes to the Strategic Engagement process from 2014/15*. As a result of these changes, the strategic engagement process reporting has been separated from the financial and student number forecasts, and therefore is no longer included within this circular.
3. We require institutions to submit financial and student number forecast information on an annual basis. This is to enable us to understand the past and expected future financial performance of institutions, and is also an important source of information for strategic dialogue between HEFCW and the institutions.
4. As stated in our circular W14/23HE, we no longer require institutions to submit annual monitoring statements (AMS), except for Fee Plan monitoring, details of which are set out in a separate circular.

Strategic context

5. In responding to this circular, institutions should take account of the various key circulars and other publications relating to higher education policy, strategy and funding developments in Wales. These include:
 - The Minister's remit letter to HEFCW of 19 March 2015, announcing higher education funding and priorities for 2015-16.
 - HEFCW's Corporate Strategy 2013-14 to 2016-17.

- HEFCW's circulars¹:
 - HEFCW's Funding Allocations 2015/16 (W15/09HE)
 - Fee Plan Guidance and planning 2015/16 and 2016/17 (W14/14HE and W15/02HE respectively)
 - Higher Education Students Early Statistics (HESES) survey 2014/15 (W14/40HE)
 - Research capital funding 2015-16 (W15/10HE)

Summary of information requirements

6. We provided to each institution separately their individualised forecast data forms in early May 2015. These were sent, as appropriate, to directors of finance and data contacts as nominated by the head of the institution. All institutions should submit their completed returns by the dates indicated to forecasts@hefcw.ac.uk. In addition to the specific purposes outlined above, all of the information requested through this circular will provide evidence to inform the judgements we make through our Institutional Risk Review process.

¹ www.hefcw.ac.uk/publications/circulars/circulars.aspx

Part 1 - Corporate Strategy Measures forecasts 2013/14 to 2016/17

7. The Welsh Government has agreed to an extension of HEFCW's Corporate Strategy² to 2016-17, in effect providing a further year to reach the targets set out for each of the 17 sector-level measures through which the delivery of the Corporate Strategy will be measured. We need to understand and monitor institutions' performance against each of these measures.
8. For the following Corporate Strategy measures we will draw on information from institutions' financial forecast returns (*due 31 July 2015*), and from other data sources as appropriate, to get a sense of anticipated performance at each institution and across the sector. Institutions therefore need submit nothing further in relation to these.
 - Quality;
 - Initial Teacher Training;
 - Growth in Research Council funding;
 - Research Excellence Framework;
 - Reconfiguration and Collaboration – annual income target;
 - Governance: no institution at 'high risk' in accordance with HEFCW's institutional risk review (IRR) process³.
9. For the remaining measures below, we ask **each institution to submit, by 31 July 2015, details of its projected performance against each target for academic years 2014/15 to 2016/17.**
 - Increase in proportion of students domiciled in the bottom quintile of Lower Super Output Areas in the Welsh Index of Multiple Deprivation or in Communities First cluster areas;
 - Increase in proportion of students domiciled in UK low participation areas;
 - Retention performance;
 - Increase in part-time students;

²www.hefcw.ac.uk/documents/publications/corporate_documents/Corporate%20Strategy%202013-14-2015-16.pdf

³ Through our IRR process we will continue to assess institutional risk based on the outcomes of our latest institutional assurance review visits; our analysis of annual monitoring returns submitted by institutions; and the range of other issues and evidence as set out in our Strategic Engagement circular (W09/20HE) and changes to the Strategic Engagement process circular (W14/36HE).

- National Student Survey 'overall satisfaction' scores;
- Increase in Welsh medium activity;
- Growth in overseas students;
- Employment performance;
- Employability performance;
- Continuing professional development;
- Collaborative research income.

Blank copies of the above data returns are attached at **Annex A**.

Institutions have already submitted corporate strategy target forecasts for 2014/15 and 2015/16 to HEFCW in their Strategic Planning and Engagement Documents⁴ (SPEDs) in December 2014.

Institutions have been asked for 2016/17 forecasts for seven of the corporate strategy targets in their 2016/17 fee plans⁵ which were due to be submitted by 22 May 2015.

Templates for individual institutions will be populated with the forecasts from the SPEDs and emailed to data contacts for completion. Forecasts for 2016/17 should be provided, and where relevant, forecasts for 2014/15 and 2015/16 should be updated however, where revised forecasts indicate performance below that provided in the SPED an explanation should be provided. Target forecasts for 2016/17 should be consistent with those provided in the 2016/17 fee plan. If this is not the case then an explanation should be provided when submitting Annex A. Where the target is a percentage we also require the figures used to calculate the percentage to be completed in the columns in the template.

Guidance on how the targets are calculated is published on the HEFCW website⁶.

⁴ www.hefcw.ac.uk/documents/publications/circulars/circulars_2014/W14%2036HE%20Changes%20to%20the%20Strategic%20Engagement%20process%20from%202014_15.pdf

⁵ www.hefcw.ac.uk/Documents/publications/circulars/circulars_2015/W15%2005HE%20Fee%20Plan%20Guidance%202016%2017.pdf

⁶ www.hefcw.ac.uk/documents/publications/circulars/circulars_2014/W14%2034HE%20Higher%20Education%20Data%20Requirements%202014_15.pdf

We will be sharing the actual performance data for the period 2011/12 to 2013/14 and the forecast data for 2014/15 to 2016/17 for the Welsh Medium activity with the Coleg Cymraeg Cenedlaethol.

Part 2 - Financial forecasts for the period 2014/15 to 2018/19

10. Our objectives in requesting financial forecasts are to enable us to:
 - gain assurance that effective financial planning arrangements are in place;
 - check that institutions' strategic and financial planning are integrated;
 - monitor the financial health of institutions;
 - produce information at summary level on the overall trends and financial health of the HE sector in Wales; and
 - monitor whether institutions' forecasts take account of the prevailing sector environment.
11. For the current submission we ask institutions to prepare five-year financial forecasts, covering the period to 2018/19. We will expect financial forecasts to be based on the latest fee plan submissions and relevant circulars on funding and student number allocations. Financial forecast information should be submitted to us at forecasts@hefcw.ac.uk by **Friday 31 July 2015**.
12. In preparing the forecasts institutions should make reference to the planning assumptions outlined in **Annex B** and to the documents listed in paragraph 5 above.

Content of the financial forecasts

13. The form and content of the financial forecast models 2014/15 to 2018/19 is essentially unchanged from that issued in 2014. Please note that completion of both the five-year forecasts and the commentary is compulsory and should reflect the requirements of the current Financial Memorandum between HEFCW and the institutions. The forecasts should be based on realistic assumptions and be consistent with the accounting treatment and presentation in the financial statements.
14. **Financial Reporting Standard 102 and the new Higher Education SORP** – Please note that HEFCW, along with the other UK funding councils and DELNI, has decided not to ask for financial forecasts with FRS 102-related changes this year. Considerable progress has been made by the BUFDG Financial reporting Group and the Funding Councils towards a definitive timetable for the transition to full FRS102 reporting.

The proposed timetable for reporting in accordance with FRS 102 is as follows:-

Due date	Reporting principle	Content of financial tables
31 July 2015	Financial forecasts based on current SORP	2015-19 Financial Forecasts
31 December 2015	Audited 2014-15 financial statements based on current SORP	2014-15 audited financial statements
29 July 2016	Financial forecasts based on new SORP	31 July 2014 audited balance sheet 1 August 2014 restated, unaudited balance sheet 2014-15 restated, unaudited financial statements 2015-16 estimated financial outturn 2017-20 financial forecasts
31 December 2016	Audited 2015-16 financial statements based on new SORP	1 August 2014 audited restated balance sheet 2014-15 audited restated financial statements 2015-16 audited financial statements

We are aware that institutions are in the process of finalising their re-stated 31 July 2014 balance sheets in accordance with FRS 102 and determining the accounting options to be adopted. We have requested in **Annex D** that institutions provide us with an update of their timetable and current position in implementing the FRS 102 changes, and within that the specific details for renegotiating bank covenants where the changes will have an impact.

15. **Pension Scheme costs** – we have requested in **Annex D** an analysis of the forecast pension charges to the Income and Expenditure Account, as well as forecast pension payments and the estimated liability. The implementation of FRS 102 will bring additional pension scheme liabilities onto the balance sheet, the Universities' Superannuation Scheme (USS) being the most significant of these. Within the FRS 102 progress report requested above we wish to have a summary of the institution's latest estimate of pension liability that will be included on the balance sheets on adoption of the new reporting standard.

Financial forecasts tables

16. The financial forecast template is attached at **Annex C**. The layout and format of the tables is essentially unchanged from last year. The financial forecast commentary (**Annex D**) requests any further memorandum analysis of the tables in the forecast model, including further information about student fee income, borrowings, off-balance sheet commitments and details of plans to address ongoing pensions deficits. A slight change has been made to Annexes D(1), D(2) and D(3) which now only collect the analysis of fee income, not the student numbers. A new annex (D7) has been added which tracks the estimated and forecast historic cost surpluses through to earnings before interest, taxation, depreciation and amortisation (EBITDA).

Financial forecasts commentary

17. Institutions should provide a commentary on the financial forecasts using the pro forma at **Annex D** as its basis. The proforma lists detailed requirements for information on a number of key aspects of the financial forecast, but the overall aim is for institutions to provide:-
 - (i) assurance that the financial forecasts are derived from and are consistent with the institution's current strategic plan and financial strategy and that there is connectivity to recent financial performance;
 - (ii) additional supporting information on the financial forecasts; and
 - (iii) an explanation of important trends in the forecast numbers across the period, especially with respect to the key indicators such as liquidity, operating surplus, cash generation etc.

Extra tables are included in the forecast commentary (**Annexes D(1) and D(2), and D(3)**) to assist the reconciliation of student fees (distinguishing between new and returning Welsh and EU students, and UK domiciled students under the prior and new tuition fee systems)) and of overseas students fees (distinguishing between those studying at the 'home' institution and those with franchise organisations or studying at an overseas campus, split between undergraduate and postgraduate). Please note that we expect TNE students numbers to be included in the SPF annexes and the related fees income to be included in **Annex D(3)**.

Part 3 - Student number forecasts for 2015/16 to 2018/19

18. There is an integral relationship between an institution's assumptions about future changes to its student population and its financial forecasts. Therefore the student forecasts are important features underpinning an institution's strategic plan and financial forecasts.

19. Institutions are asked to submit, to forecasts@hefcw.ac.uk, by **31 July 2015** forecasts of all HE student numbers (both fundable and non-fundable home and EU, Island and overseas) for the four years 2015/16 to 2018/19. This includes forecasts of student numbers that have previously been excluded from the tables (e.g. students at overseas campuses). **Annex E** contains information on the tables and guidelines to assist the accurate completion of the returns. Copies of the tables to be completed are attached for information at **Annex F**, however we have already emailed institution specific tables to HE contacts which contain additional validation and summary information. It is these tables that need to be completed and returned.
20. The definitions contained in circular W14/40HE, *Higher Education Students Early Statistics Survey 2014/15* (HESES14) and in the HESA Aggregate Offshore record guidance, should be used in compiling the student forecast information required by this circular.
21. Assumptions should be consistent with those presented in **Annex B**, and any other relevant assumptions used in the preparation of the financial forecasts.
22. There have been a number of changes to the tables since last year which are further explained in **Annex E**.

Freedom of information

23. As a public authority HEFCW is subject to the Freedom of Information Act 2000. The Act gives a public right of access to any information held by a public authority. Information submitted to HEFCW may be disclosed on request under the terms of the Act. We have a responsibility to decide whether any responses should be made public or treated as confidential. We may refuse to disclose information in circumstances where disclosure of information would prejudice commercial interests or where information has been provided in confidence (for example, future financial projections). Further information about the Act, including the particular circumstances when information may be withheld, can be found at www.ico.gov.uk under Freedom of Information Act.

1. Widening access

A rise in the proportion of all Welsh domiciled students studying higher education courses at higher education institutions and further education institutions in Wales who are domiciled in the bottom quintile of Lower Super Output Areas in the Welsh Index of Multiple Deprivation or in Communities First cluster areas, from 20.1% in 2011/12 to 22.4% in 2016/17 (a rise of 11.6%)

										Estimate:			Forecasts:					
	2011/12			2012/13			2013/14			2014/15			2015/16			2016/17		
	Number	Total	Percentage	Number	Total	Percentage	Number	Total	Percentage	Number	Total	Percentage	Number	Total	Percentage	Number	Total	Percentage
University of South Wales																		
Aberystwyth University																		
Bangor University																		
Cardiff University																		
University of Wales Trinity Saint David																		
Swansea University																		
Cardiff Metropolitan University																		
Glyndŵr University																		
The Open University in Wales																		
Welsh HEIs	14,949	74,376	20.1%	15,172	73,253	20.7%	14,934	71,448	20.9%									
Welsh FEIs	181	916	19.8%	192	1,133	16.9%												
Welsh HEIs and FEIs	15,130	75,292	20.1%	15,364	74,386	20.7%									22.4%			22.4%
															(target)			(target)

Source: HEIs - HESA Student Record, FEIs - collected directly from FEI

Notes

Based on the HESA standard registration population

Enrolments are reduced to a headcount i.e. where a student is enrolled on more than one course the student is only counted once

All modes, levels and years of study are included

Welsh domiciled students are taken to be those with a Welsh home postcode

The percentage of students domiciled in Community First areas or the bottom quintile of the Welsh Index of Multiple Deprivation 2011 is out of Welsh domiciled students at the institution with known postcode

Communities First areas were realigned by Welsh Government in April 2012 and relate to 52 clusters

Baseline and target have been amended to reflect the late inclusion of an LSOA in Carmarthenshire to Communities First initiative

The original target was *A rise in the proportion of all Welsh domiciled students studying higher education courses at higher education institutions and further education institutions in Wales who are domiciled in the bottom quintile of wards in the Welsh Index of Multiple Deprivation or in Communities First cluster areas, from 20.0% in 2011/12 to 22.4% in 2015/16 (a rise of 11.8%)*

Following publication by WG in 2014 of the Communities First areas which were realigned in April 2012, a single LSOA has been added to the draft list shared between WG and HEFCW in use for years 2011/12 and 2012/13. Postcodes which fall into this area are now included the calculation of this target, but as the impact is minimal data for 2011/12 and 2012/13 have not been recalculated

2. Participation

An increase in the proportion of all UK domiciled students studying higher education courses at higher education institutions and further education institutions in Wales who are from UK low participation areas from 33.2% in 2011/12 to 35.3% in 2016/17 (a rise of 6.3%)

	2011/12			2012/13			2013/14			Estimate:			Forecasts:		
	Students from low participation neighbourhoods	UK domiciled students	% from low participation neighbourhoods	Students from low participation neighbourhoods	UK domiciled students	% from low participation neighbourhoods	Students from low participation neighbourhoods	UK domiciled students	% from low participation neighbourhoods	Students from low participation neighbourhoods	UK domiciled students	% from low participation neighbourhoods	Students from low participation neighbourhoods	UK domiciled students	% from low participation neighbourhoods
University of South Wales															
Aberystwyth University															
Bangor University															
Cardiff University															
University of Wales Trinity Saint David															
Swansea University															
Cardiff Metropolitan University															
Glyndwr University															
The Open University in Wales															
Welsh HEIs	37,541	113,498	33.1%	37,830	111,748	33.9%	37,495	109,931	34.1%						
Welsh FEIs	469	916	51.2%	575	1,133	50.8%									
Welsh HEIs and FEIs	38,010	114,414	33.2%	38,405	112,881	34.0%								35.3%	35.3%
														(target)	(target)

Source: HEIs - HESA Student Record, FEIs - collected directly from FEI

Notes

Based on the HESA standard registration population

UK domiciled students only

Enrolments are reduced to a headcount i.e. where a student is enrolled on more than one course the student is only counted once

All modes, levels and years of study are included

For young full-time students - low participation neighbourhoods are those areas in the bottom 40% of areas as defined by POLAR3

For mature full-time and all part-time students - low participation neighbourhoods are those areas in the bottom 40% of areas as defined by the proportion of working age adults with HE level qualifications (as measured using Census 2001 data)

Young is defined as being aged 20 or under at start of course. Mature is defined as being aged 21 or over at start of course.

Information on POLAR3 and proportion of adults with HE level qualifications can be found on the HEFCE website:

www.hefce.ac.uk/analysis/vp/POLAR/POLAR3_data/

3. Retention

(a) A decrease in the percentage of full-time undergraduate students no longer in higher education following year of entry from 9.2% in 2011/12 to 8.2% in 2016/17 (a drop of 10.7%)

Non-continuation following year of entry: full-time undergraduate entrants

Year published	2011/12			2012/13			2013/14			Estimate:			Forecasts:								
	2010/11			2011/12			2012/13			2014/15			2015/16			2016/17					
Year of entry	2010/11			2011/12			2012/13			2013/14			2014/15			2015/16			2016/17		
Institution	Total	Number no longer in HE	Percent no longer in HE	Total	Number no longer in HE	Percent no longer in HE	Total	Number no longer in HE	Percent no longer in HE	Total	Number no longer in HE	Percent no longer in HE	Total	Number no longer in HE	Percent no longer in HE	Total	Number no longer in HE	Percent no longer in HE			
University of South Wales																					
Aberystwyth University																					
Bangor University																					
Cardiff University																					
University of Wales Trinity Saint David																					
Swansea University																					
Cardiff Metropolitan University																					
Glyndŵr University																					
Welsh HEIs	23,246	2,135	9.2%	24,347	1,823	7.5%	21,729	1,640	7.5%									8.2%	8.2%		
																		(target)	(target)		

(b) a decrease in the percentage of part-time first degree students no longer in higher education two years following year of entry from 33.7% in 2011/12 to 30.1% in 2016/17 (a drop of 10.7%)

Non-continuation two years following year of entry: part-time first degree entrants

Year published	2011/12			2012/13			2013/14			Estimate:			Forecasts:								
	2010/11			2011/12			2012/13			2014/15			2015/16			2016/17					
Year of entry	2010/11			2011/12			2012/13			2013/14			2014/15			2015/16			2016/17		
Institution	Total	Number no longer in HE	Percent no longer in HE	Total	Number no longer in HE	Percent no longer in HE	Total	Number no longer in HE	Percent no longer in HE	Total	Number no longer in HE	Percent no longer in HE	Total	Number no longer in HE	Percent no longer in HE	Total	Number no longer in HE	Percent no longer in HE			
University of South Wales																					
Aberystwyth University																					
Bangor University																					
Cardiff University																					
University of Wales Trinity Saint David																					
Swansea University																					
Cardiff Metropolitan University																					
Glyndŵr University																					
The Open University in Wales																					
Welsh HEIs (incl. OU)	1,957	659	33.7%	1,989	614	30.9%	2,151	764	35.5%									30.1%	30.1%		
																		(target)	(target)		

Source: HESA performance indicators (table 3)

Notes

Full-time UK domiciled undergraduate entrants no longer in a UK HEI one year following year of entry

Part-time UK domiciled first degree entrants no longer in a UK HEI two years following year of entry

For more information on this performance indicator refer to notes for table 3 at

www.hesa.ac.uk/content/view/2072/141/

Data are calculated from unrounded numbers and therefore there may be differences compared to published HESA figures which have been rounded

Corporate Strategy Targets from 2013

Annex A (4)

4. Part-time

The percentage change in the number of part-time students attending higher education courses in Welsh higher education institutions and further education institutions to be equal to, or greater than, the comparable figure for the UK

	Individuals				Estimate:	Forecasts:	
	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2015/17
University of South Wales							
Aberystwyth University							
Bangor University							
Cardiff University							
University of Wales Trinity Saint David							
Swansea University							
Cardiff Metropolitan University							
Glyndŵr University							
The Open University in Wales							
Welsh HEIs	46,841	45,774	43,350	41,864			
Welsh HEIs and FEIs	47,273	46,244	44,044	42,537			
UK HEIs	799,519	752,563	644,001	593,458			
UK HEIs and FEIs	851,742	800,975	690,554	640,196			

Percentage annual change

2010/11 to 2011/12	2011/12 to 2012/13	2012/13 to 2013/14	2013/14 to 2014/15	2014/15 to 2015/16	2015/16 to 2016/17
-2.3%	-5.3%	-3.4%			
-2.2%	-4.8%	-3.4%			
-5.9%	-14.4%	-7.8%			
-6.0%	-13.8%	-7.3%			

Source: HEIs - HESA Student Record, FEIs - EYM

Notes

Based on the HESA standard registration population

Enrolments are reduced to a headcount i.e. where a student is enrolled on more than one course the student is only counted once

All levels are included

Data for directly funded FEIs only from HEFCW end of year monitoring survey

Data for HE in FE at FEIs in Scotland, Northern Ireland and England taken from HESES equivalent data collected in these countries

5. National Student Survey

The three year rolling average score for Wales in the National Student Survey 'overall satisfaction' question will be equal to, or greater than, the comparative score for the UK

	2010	2011	2012	2013	2014	Forecasts:		
						2015	2016	2017
University of Glamorgan								
University of Wales, Newport								
University of South Wales								
Aberystwyth University								
Bangor University								
Cardiff University								
University of Wales Trinity Saint David (pre merger)								
Swansea Metropolitan, University of Wales Trinity Saint David								
University of Wales Trinity Saint David								
Swansea University								
Cardiff Metropolitan University								
Glyndŵr University								
Welsh FEIs								
Welsh Institutions (excl. OU)								
The Open University in Wales								
Welsh Institutions (incl. OU)	83	83	84	84	85			
UK Institutions	82	83	85	85	86			

Three year averages					
2010 to 2012	2011 to 2013	2012 to 2014	2013 to 2015	2014 to 2016	2015 to 2017
83.3	83.7	84.3			
83.3	84.3	85.3			

Source: National Student Survey results for students registered at institutions

6. Welsh medium

The number of students studying higher education courses at higher education institutions and further education institutions in Wales undertaking at least 5 credits of their course through the medium of Welsh, per annum, will rise from 4,335 in 2011/12 to 5,600 in 2016/17, including a rise from 2,269 to 3,030 in the number of those studying at least 40 credits per annum

Individuals studying 5 or more credits

	2011/12	2012/13	2013/14	Estimate: Forecasts:		
				2014/15	2015/16	2016/17
University of South Wales						
Aberystwyth University						
Bangor University						
Cardiff University						
University of Wales Trinity Saint David						
Swansea University						
Cardiff Metropolitan University						
Glyndŵr University						
The Open University in Wales						
Welsh HEIs	4,321	4,864	4,840			
Welsh HEIs and FEIs	4,335	4,881			5,600	5,600 (target)

Individuals studying 40 or more credits

	2011/12	2012/13	2013/14	Estimate: Forecasts:		
				2014/15	2015/16	2016/17
University of South Wales						
Aberystwyth University						
Bangor University						
Cardiff University						
University of Wales Trinity Saint David						
Swansea University						
Cardiff Metropolitan University						
Glyndŵr University						
The Open University in Wales						
Welsh HEIs	2,255	2,342	2,427			
Welsh HEIs and FEIs	2,269	2,359			3,030	3,030 (target)

Source: HEIs - HESA Student Record, FEIs - collected directly from FEIs

Notes

Based on the HESA standard registration population

Enrolments are reduced to a headcount i.e. where a student is enrolled on more than one course the student is only counted once

All modes, levels and years of study are included

All domiciles included

Credits > 0

Module taught through the medium of Welsh (MODLANG=1)

Percentage of module taught through the medium of Welsh (LANGPCNT) >0

Modules contained within reporting year or continuing into next reporting year (MODSTAT in (2,3)) i.e. excludes continuing from previous reporting year, taken in a previous reporting year outcome only (to avoid overcounting credits within actual year)

Corporate Strategy Targets from 2013

Annex A (7)

7. Overseas students

The percentage change year on year in the number of overseas students attending higher education courses in Welsh higher education institutions will be equal to, or greater than, the comparable figure for UK higher education institutions (excluding London and the South East)

Institution	2010/11	2011/12	2012/13	2013/14	Estimate: Forecasts:		
					2014/15	2015/16	2016/17
University of South Wales							
Aberystwyth University							
Bangor University							
Cardiff University							
University of Wales Trinity Saint David							
Swansea University							
Cardiff Metropolitan University							
Glyndŵr University							
Welsh HEIs	19,611	19,311	19,040	20,443			
UK HEIs (excl London and SE)	204,551	209,785	211,327	220,083			

Percentage annual change

2010/11 to 2011/12	2011/12 to 2012/13	2012/13 to 2013/14	2013/14 to 2014/15	2014/15 to 2015/16	2015/16 to 2016/17
-1.5%	-1.4%	7.4%			
2.6%	0.7%	4.1%			

Source: HESA Student Record

Notes

Based on the HESA standard registration population (plus incoming exchange students)

Enrolments are reduced to a headcount i.e. where a student is enrolled on more than one course the student is only counted once

Overseas is taken to be those students not domiciled in the EU, the Channel Islands or the Isle of Man and includes incoming exchange students.

All modes of study are included.

The Open University is included as a wholly English university for the purposes of this indicator

Corporate Strategy Targets from 2013

10. Employment

The proportion of leavers from Welsh higher education institutions obtaining undergraduate qualifications through full-time or part-time study who were employed, studying or both six months after leaving will be equal to, or greater than, the UK proportion

Institution	Estimates:									Forecasts:												
	2010/11			2011/12			2012/13			2013/14			2014/15			2015/16			2016/17			
	Base population	Number employed, studying or both	Percentage employed, studying or both	Base population	Number employed, studying or both	Percentage employed, studying or both	Base population	Number employed, studying or both	Percentage employed, studying or both	Base population	Number employed, studying or both	Percentage employed, studying or both	Base population	Number employed, studying or both	Percentage employed, studying or both	Base population	Number employed, studying or both	Percentage employed, studying or both	Base population	Number employed, studying or both	Percentage employed, studying or both	
University of South Wales																						
Aberystwyth University																						
Bangor University																						
Cardiff University																						
University of Wales Trinity Saint David																						
Swansea University																						
Cardiff Metropolitan University																						
Glyndwr University																						
The Open University in Wales																						
Total Wales	15,929	14,683	92.2%	16,768	15,517	92.5%	16,324	15,258	93.5%													
Total UK	276,618	253,192	91.5%	288,990	265,705	91.9%	300,065	279,216	93.1%													

Source: HESA Performance Indicators (PIs)

Notes

This PI is derived from data collected in the HESA Destination of Leavers from Higher Education (DLHE) survey and relates to students domiciled in the United Kingdom, excluding the Channel Islands and the Isle of Man who graduated from a full-time or part-time course with a HE qualification as defined by the DLHE survey population. The base population is the set of all respondents to the survey who are classed as working or studying or as unemployed and seeking work.

The reference dates for the DLHE return are for example for a leaver in 2011/12: 16 April 2012 (if the leaver obtained the qualification between 1 August 2011 and 31 December 2011) and 14 January 2013 (if the leaver obtained the qualification between 1 January 2012 and 31 July 2012).

2013/14 performance indicators second tranche are due to be published in July 2015

11. Employability

The proportion of leavers who were working or working and studying who were working in a managerial/professional job six months after leaving to rise from 67.5% in 2010/11 to 72.7% in 2016/17 (a rise of 7.7%)

	2010/11			2011/12			2012/13			Estimates: 2013/14			2014/15			Forecasts: 2015/16			2016/17		
	No. working or working and studying	No. in managerial/professional jobs	% in managerial/professional jobs	No. working or working and studying	No. in managerial/professional jobs	% in managerial/professional jobs	No. working or working and studying	No. in managerial/professional jobs	% in managerial/professional jobs	No. working or working and studying	No. in managerial/professional jobs	% in managerial/professional jobs	No. working or working and studying	No. in managerial/professional jobs	% in managerial/professional jobs	No. working or working and studying	No. in managerial/professional jobs	% in managerial/professional jobs	No. working or working and studying	No. in managerial/professional jobs	% in managerial/professional jobs
University of South Wales																					
Aberystwyth University																					
Bangor University																					
Cardiff University																					
University of Wales Trinity Saint David																					
Swansea University																					
Cardiff Metropolitan University																					
Glyndŵr University																					
The Open University in Wales																					
Welsh HEIs incl.(OU)	16,169	10,912	67.5	16,634	11,085	66.6	16,662	11,399	68.4											72.7	72.7 (target)

Source: Early DLHE survey

Notes

All levels, modes and domiciles eligible for inclusion in the DLHE included (DLHE excludes non-EU overseas).
 The base population is the set of all respondents to the survey who are classed as working or working and studying.
 Managerial or professional jobs determined where Standard Occupational Classification code begins with 1, 2 or 3 (i.e. Managers and senior officials, professional occupations or associate professional and technical occupations).
 Further information on Standard Occupational Classification is available on the HESA website:
https://www.hesa.ac.uk/index.php?option=com_studrec&task=show_file&mnf=13018&href=a^_ASOCDLHE2010.html
 The reference dates for the DLHE return are for example for a leaver in 2012/13: 15 April 2013 (if the leaver obtained the qualification between 1 August 2012 and 31 December 2012) and 13 January 2014 (if the leaver obtained the qualification between 1 January 2013 and 31 July 2013).

The DLHE survey was redesigned and definitions changed in 2011/12, in addition an updated Standard Occupational Classification (SOC 2010) was used instead of SOC2000 therefore comparisons with data from 2010/11 and earlier years should be made with caution

Data from 2013/14 DLHE not available until June 2015

Corporate Strategy Targets from 2013

12. Continuing professional development

The total number of learner days delivered by Welsh higher education institutions for continuing professional development will rise from 202,498 in 2011/12 to 226,000 in 2016/17 (a rise of 11.6%)

Total learner days of CPD/CE courses delivered

Institution	2011/12	2012/13	2013/14	Estimate:	Forecasts:	
				2014/15	2015/16	2016/17
University of South Wales						
Aberystwyth University						
Bangor University						
Cardiff University						
University of Wales Trinity Saint David						
Swansea University						
Cardiff Metropolitan University						
Glyndŵr University						
Wales Total (not including OU)	202,498	213,534	208,742		226,000	226,000 (target)

Source: Higher education-business and community interaction survey

Table 2c - Courses for business and the community - CPD courses and CE (excluding those funded by the NHS or TA)

Notes:

Figures may not sum exactly due to rounding

The Open University is included as a wholly English university for the purposes of this indicator

Corporate Strategy Targets from 2013

13. Collaborative research income

The total amount of income from collaborative research involving both public funding and funding from business will rise from £65,294k in 2011/12 to £72,000k in 2016/17 (a rise of 10.3%)

Total (£000s)						
Institution	2011/12	2012/13	2013/14	Estimate:	Forecasts:	
				2014/15	2015/16	2016/17
University of South Wales						
Aberystwyth University						
Bangor University						
Cardiff University						
University of Wales Trinity Saint David						
Swansea University						
Cardiff Metropolitan University						
Glyndŵr University						
Wales Total (not including OU)	65,294	70,006	83,135		72,000	72,000 (target)

Source: Higher education-business and community interaction survey

Table 1a - Income from collaborative research involving both public funding and funding from business

Notes:

Figures may not sum exactly due to rounding

Manual amendments included for Glyndŵr University for 2011/12

The Open University is included as a wholly English university for the purposes of this indicator

Baseline and target have been amended to reflect 2011/12 data correction

The original target was *The total amount of income from collaborative research involving both public funding and funding from business will rise from £65,253k in 2011/12 to £72,000k in 2015/16 (a rise of 10.3%)*

2015-2019 Financial forecasts: assumptions

- 1 At this stage we are able to confirm only that the funding for academic year 2015/16 remains in line with the information provided in the Welsh Government's remit letter to HEFCW for 2015/16 and in our circular 'HEFCW's Funding Allocations 2015/16' (W15/09HE). However, please note that the 2015/16 allocations are estimates and may require in-year adjustment to reflect the actual transfer of tuition fee grant to WG. No funding decisions have yet been made beyond the 2015/16 allocations.

Funding for teaching:

Full-time

- 2 We will expect financial forecasts to take into account the fee plans submitted to us covering 2015/16 and 2016/17.

Part-time

- 3 For planning purposes, for 2015/16 institutions should assume no change to their overall income for part-time provision for Undergraduates and Postgraduates. For the remainder of the forecast period institutions should apply an efficiency gain of 2.5% per annum. However, actual funding levels will be subject to further review and may reduce, in the context of future levels of Welsh Government grant in aid and the effects of the transfer of the fee grant commitments under the new arrangements for fees grant obligations since 2015-16.

Student numbers

- 4 Institutions should also assume **no growth** in HEFCW-funded numbers for part-time and postgraduate taught provision.
- 5 Assumptions for undergraduate full-time recruitment in **quota controlled** provision in initial teacher training leading to qualified teacher status (QTS) and PGCE should accord with the advice given in HEFCW communications specific to those areas. No growth should be assumed for provision in medicine and dentistry.
- 6 Assumptions for student number forecasts should be consistent with those used in the preparation of the financial forecast tables

Funding for research

- 7 For planning purposes the 2015/16 allocations for Quality Research (QR) and Post-graduate Research (PGR) announced in 'HEFCW's Funding Allocations 2015/16' ([W15/09HE](#)) should be rolled forward to future years. However, actual funding levels may be subject to further change in future, in the context

of future levels of Welsh Government grant in aid and the possibility of a more fundamental review of HEFCW's research funding arrangements, as signalled in our 'Consultation on our approach to funding in 2015/16 and subsequent years' ([W14/33HE](#)).

Strategy and initiative allocations

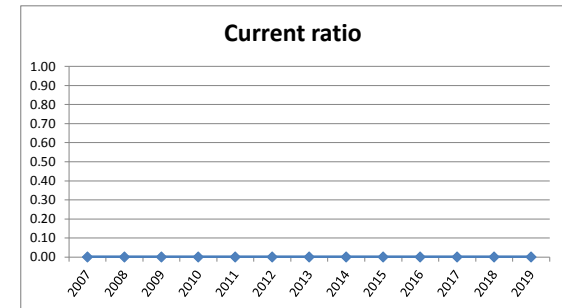
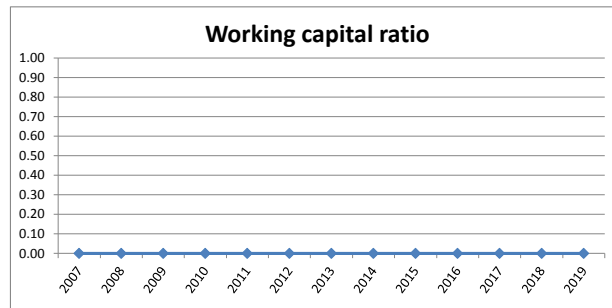
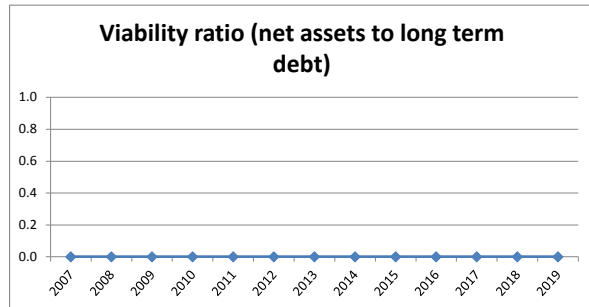
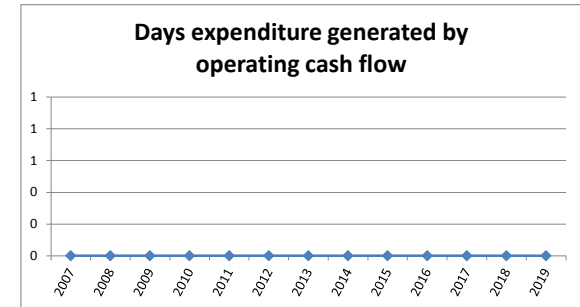
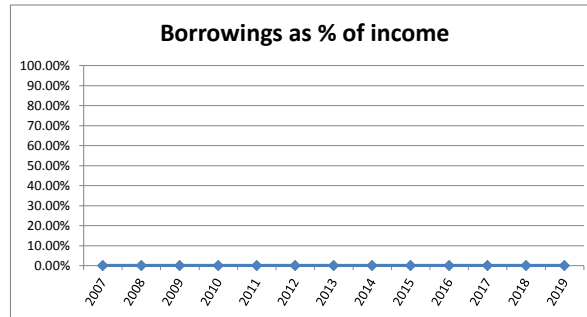
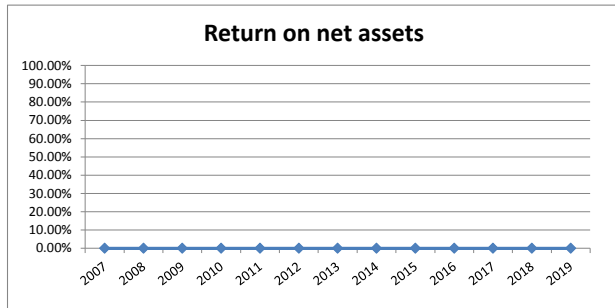
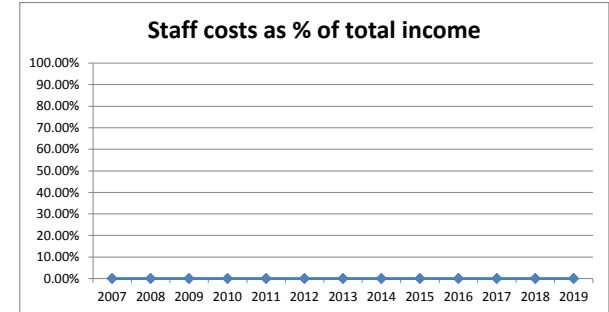
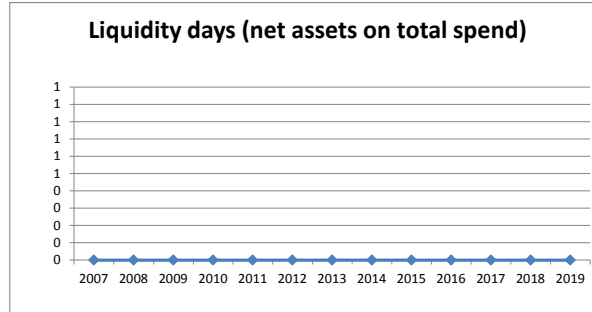
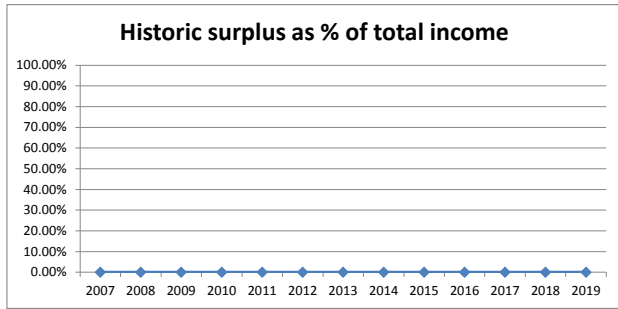
- 8 Assumptions for strategy and initiative allocations should be based on funding that has already been committed by HEFCW.

Capital

- 9 The forecast should identify all significant individual capital projects by name or function as well as the actual or intended source of capital funds including allocations of HEFCW capital funding. The proposals should be consistent with the current estates strategy or other accepted capital proposals for your institution, and should include proposed or possible purchases of land or buildings as well as intended refurbishment or new build projects.
- 10 The forecast should include reference to any plans for long-term capital maintenance projects. Any significant changes to these proposals should be explained within the commentary.

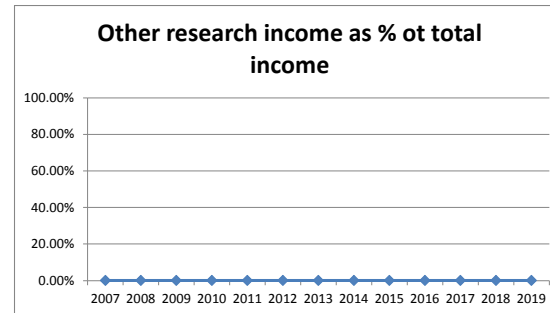
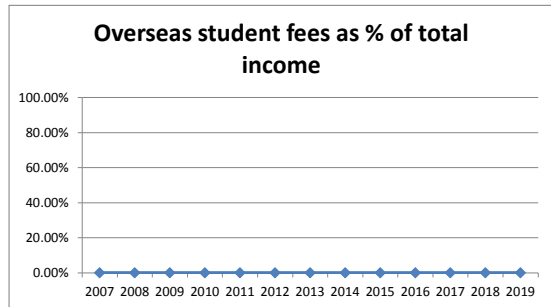
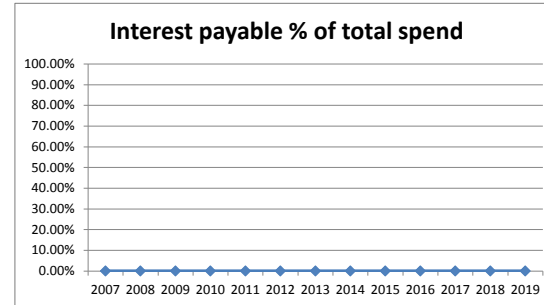
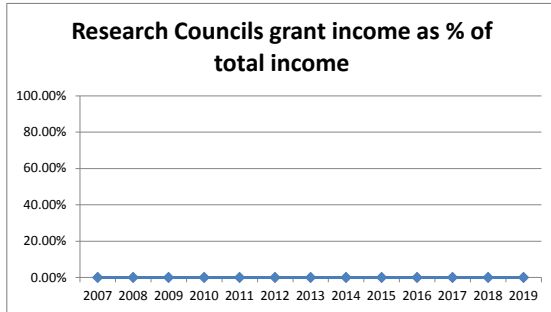
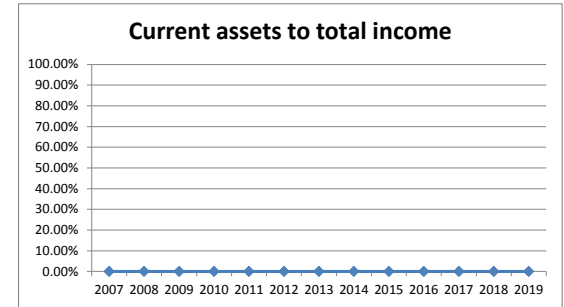
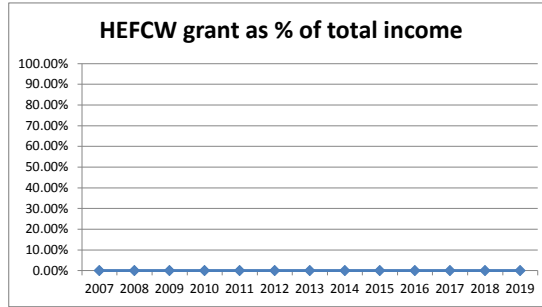
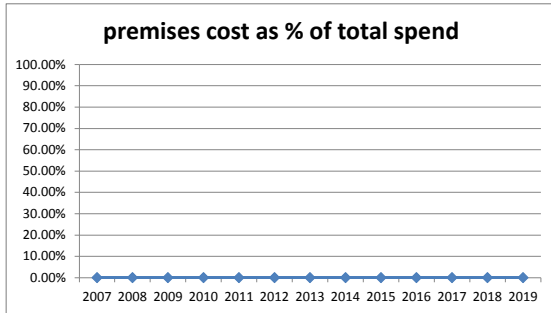
	A	B	C	M	N	O	P	Q	R
187									
188									Annex C
189									Page 4 of 6
190									
191									
192			Institution:						
193				£'000	£'000	£'000	£'000	£'000	£'000
194			TABLE 4 CASH FLOW STATEMENT	2014 Forecast	'15 Estimate	Forecast	Forecast	Forecast	Forecast
195	inst	head		year ended	year ended	year ended	year ended	year ended	year ended
196	code	code	description	31/07/2015	31/07/2015	31/07/2016	31/07/2017	31/07/2018	31/07/2019
197		1	Net cash inflow/(outflow) from operating activities	0	0	0	0	0	0
198									
199			Returns on investments and servicing of finance						
200			Interest Paid	0	0	0	0	0	0
201			Income from endowments	0	0	0	0	0	0
202			Interest received from short term investments	0	0	0	0	0	0
203			Capital Expenditure						
204			Payments to acquire tangible fixed assets	0	0	0	0	0	0
205			payments to acquire endowment assets	0					
206			Deferred capital grants received	0	0	0	0	0	0
207			Receipts from sales of tangible fixed assets	0	0	0	0	0	0
208			Receipts from sales of endowment assets	0					
209			Endowment assets received	0					
210									
211			Management of liquid resources (transfers (to)/from investments)	0	0	0	0	0	0
212									
213			Financing						
214			Capital element of finance lease payments	0					
215			Mortgages & loans acquired	0					
216			Mortgages & loans capital repayments	0	0	0	0	0	0
217			Other items						
218			Increase /(decrease) in cash	0	0	0	0	0	0
219									
220			Cross check to Balance sheet cash :-						
221			Opening balance	0	0	0	0	0	0
222			Closing balance	0	0	0	0	0	0
223			Movement	0	0	0	0	0	0
224									
225			Check		OK	OK	OK	OK	OK
226									
227									
228									
229									
230									
231									
232									
233			Institution:						
234				£'000	£'000	£'000	%		
235			TABLE 5 Comparison of 2014/15 original forecast with latest estimate for 2014/15	Original F'cast	Estimate				
236	inst	head	This table will be populated by data entered in tables 1 and 2	Financial year	Financial year	variance	variance		
237	code	code	description	2014/15	2014/15				
238		1	HEFCW grant	0	0	0	#DIV/0!		
239		2	Academic fees and support grants	0	0	0	#DIV/0!		
240		3	Research grants and contracts	0	0	0	#DIV/0!		
241		4	Other operating income	0	0	0	#DIV/0!		
242		5	Endowment income and interest receivable	0	0	0	#DIV/0!		
243			Less Share of JV Income	0	0	0	#DIV/0!		
244		7	Total Income	0	0	0	#DIV/0!		
245		8	Staff costs	0	0	0	#DIV/0!		
246		9a	Other operating expenses	0	0	0	#DIV/0!		
247		9b	Premises expenditure	0	0	0	#DIV/0!		
248		9	Sub total other operating expenses	0	0	0	#DIV/0!		
249		10	Interest payable	0	0	0	#DIV/0!		
250		11	Depreciation	0	0	0	#DIV/0!		
252		13	Total Expenditure	0	0	0	#DIV/0!		
253		14	Surplus/(Deficit) on ordinary activities	0	0	0	#DIV/0!		

XXXXXXXXX UNIVERSITY FINANCIAL FORECAST GRAPHS 2015-2019



XXXXXXXXX UNIVERSITY FINANCIAL FORECAST GRAPHS 2015-2019

Annex C



Pro-forma Commentary to Accompany Financial Forecasts 2014/15 to 2018/19

Introduction

Financial commentary on past performance and future prospects

The financial commentary is an integral part of the overall financial return, explaining forecast financial performance in the context of recent financial results, and identifying important trends in the forecast numbers across the period, especially with respect to the key indicators such as liquidity, operating and cash surplus, EBITDA etc. Confirmation should also be provided that appropriate assumptions have been made for movements in significant areas of income (fees (split by domicile), grants (FT/PT, etc) and costs (staff and non-staff)).

In addition to aiding our understanding of each HEI's specific circumstances, the commentaries (taken together) will aid our understanding of the sector and assist us in helping to position the sector for future sustainability.

It is expected that HEIs will address the questions on financial sustainability and their response to changing economic conditions in respect of the items in the tables below. **The commentary may be a document already produced by an HEI for its own planning purposes, but as a minimum it should address the issues highlighted in each of the sections shown below.** For reasons of good governance and best practice, it should also show evidence of direct linkage to the institution's current financial strategy.

In the commentary we ask HEIs to answer the following questions:

1	How is the HEI ensuring <ul style="list-style-type: none">• Sustainability (by linking to the current financial strategy)• Quality of teaching and research• The management of its key risks, including cash flow management• Proposed borrowings or material leases (on- and off-balance sheet)• Investments in its estates and infrastructure
2	What are the assumptions about student recruitment and fee income over the period of the forecasts, including how the institution is mitigating any risk and what scenario planning or sensitivity analysis has been undertaken
3	Explain significant movements on the income and expenditure account and material changes on the balance sheet (including the detail on any material exceptional items). In particular, please provide an explanation for any material increases in staff costs or numbers.

4	Explain the key assumptions made on other income, pay and non-pay costs (especially pay awards, pensions).
---	--

Financial commitments

This year we are again requesting a schedule of current and forecast commitments (on and off-balance sheet) over the life of the forecast. We also wish to receive details of your current facilities with banks and other lenders, including any undrawn facilities, and also the nature and current status of all borrowing covenants. These should be completed against the templates at **Annexes D(4) and D(5)**.

Pensions

Due to the impact of the changing pensions environment, this year we we are asking for details relating to forecast pensions costs:-

- i. What assumptions have you made in determining forecast pension costs?
- ii. What scenario planning or modelling have you carried out in respect of longer term rises in pension costs?
- iii. What cost-reduction plans do you have to enable you to manage increased pensions costs in the longer term?
- iv. What will be the impact, in financial (I&E and balance sheet) terms, of bringing your institution's share of scheme liabilities onto the balance sheet for multi-employer schemes such as the Universities' Superannuation Scheme (USS)? – **Please quantify your latest available estimate of this this in your commentary narrative**

FRS 102 and the new Higher Education SORP

The main circular provides the expected timetable for the implementation of the new SORP and the FRS 102 arrangements. In your commentary can you please confirm your own timetable and your institution's current progress towards achieving it. In particular we would like confirmation of your arrangements for renegotiating bank and other loan covenants, where the changes will have an impact.

Subsidiaries

As for last year, we would like to receive information regarding the forecast performance of subsidiary companies within the University Group. Please complete the pro-forma at **Annex D(6)** with details of the subsidiaries and the forecast information.

Financial Forecast Model (template at Annex C)

Section 1 Income & Expenditure Account (Tables 1, 2a And 2b)

NOTE – As previously advised, please note the requirement for more detail of forecast information for HEFCW funding (eg UG/PG and FT/PT splits) as well as for tuition fee income.

The commentary should highlight any major changes to, or trends in, income or costs across the period, explaining the assumptions made in support of the changes. It should also highlight and confirm that the revenue maintenance programme is in line with the latest strategy.

Please provide the assumptions made in developing the financial forecasts and the basis of the forecasts (for example, realistic forecast performance, worst-case scenario).

Explain significant movements (± 10 per cent in any one year) for all applicable lines of the income and expenditure account. The commentary should also provide detail on any material exceptional items and any divergences from the current financial strategy.

Section 1a - Analysis of Non Formula Funding Grant

This section requests analysis of the Non Formula Funding Grant which in total is shown against head 1c (on line 13 of the spreadsheet); the analysis should agree in principle with the funding allocations made by us in the relevant circulars:-

Non Formula Funding Grant	2015/16	2016/17	2017/18	2018/19
	£000	£000	£000	£000
(e.g.) Strategic Devt. Fund				
etc				
Total NFFG (to balance to head				
Code 1f in table 1)				

Section 1b - Analysis of Fee Income – Welsh Domiciled & EU students, and other home domiciled students

As for last year we require two tables to be completed (see **annexes D(1) and D(2)**):-

- The first table (**Annex D(1)**) requests analysis of the Home (Welsh-domiciled and EU) undergraduate fee income as shown against head code 2a (Income) of the forecast spreadsheet. 'Old tuition fee system' relates to the fees for returning students who pre-date the introduction of the fee grant system(hence there is no fee grant element). 'New tuition fee system' relates to new entrant and returning students, split between the 'fee grant element' and the 'fee loan element'. The 'fee loan element' means the remaining element of the fee payable (whether by the student or through a loan, etc). The two subtotals should add to line 2a in the Income table. **Note that this year we are not requesting Annex D(1) to be completed with forecast student numbers – in order to avoid duplication we will review that data from the SPF tables submitted under Annex (F), but you must ensure that the student numbers in those tables relate to the fee income shown in Annex D(1).**
- The second table (**Annex D(2)**) requests analysis of the other home domiciled (i.e. rest of UK) undergraduate fee income as shown against head code 2b (Income) of the forecast spreadsheet. 'Old tuition fee system' relates to the fees for returning students who pre-date the introduction of the fee grant system (hence there is no fee grant element). 'New tuition fee system' relates to new entrant and returning students, split between the 'fee grant element' and the 'fee loan element'. The 'fee loan element' means the remaining element of the fee payable (whether by the student or through a loan, etc). The two subtotals should add to line 2b in the Income table. **Note that this year we are not requesting Annex D(2) to be completed with forecast student numbers – in order to avoid duplication we will review that data from the SPF tables submitted under Annex (F), but you must ensure that the student numbers in those tables relate to the fee income shown in Annex D(2).**

Section 1c - Analysis of Fee Income – Overseas Students (See Annex D(3))

This section requests analysis of the total fee income derived from overseas students, whether studying at the institution or at an overseas campus (whether franchised or not). As for last year we are requesting that the overseas fee income is split between undergraduate and postgraduate income. The fee income for students studying at the institution should agree to the 'Overseas students' fees UG' and 'Overseas students' fees PG' lines (2f and 2g respectively) line on the income and expenditure statement. The aggregate of the fees relating to overseas students studying abroad (TNE) should normally be shown against head 4e 'Other services rendered income other only'. **This year we have not requested the forecast student numbers relating to the fees, the student numbers (including TNE) are expected to be included in the relevant SPF table.**

Section 1 d (new section) – European Research Funding and other European Funding

We would like to have a better analysis, and also to ensure consistency of reporting, of research and other funding from the Welsh European Funding Office (WEFO), and from the Horizon 2020 Initiative. We seek this information in the table below. Please also identify in which lines of the forecast model the funding is included.

European Funding	2015/16	2016/17	2017/18	2018/19
	£000	£000	£000	£000
1. WEFO Funding				
- Where shown in financial model				
2. Horizon 2020 Funding				
- Where shown in financial model				

Section 1e – EBITDA calculation

This new table (**Annex D(7)**) requests analysis of the movement from the Historic cost surplus (shown at line number 15 of Table 1, Income and Expenditure account in **Annex C**) to the EBITDA for each of the forecast / estimate years.

Section 2 Balance Sheet (Table 3)

This section should highlight and explain significant changes or trends in fixed and current assets, current liabilities, external borrowings, the net asset position, and reserves. Particular attention should be paid to liquidity issues as highlighted in the KPI table (Table 8 of **Annex C**).

Explain the assumptions made in developing the financial forecasts and the basis of the forecasts (for example, realistic forecast performance, worst-case scenario).

Explain significant movements (± 10 per cent in any one year) any any other items having a material effect on the balance sheet.

Section 3 Cash Flow Statement (Table 4)

Significant items or trends should be highlighted here. Please ensure that the cross-check to the balance sheet movement of cash and investments is made.

Section 4 Comparison of last year's forecast for current year with the latest estimate (table 5)

Significant variances from estimate to original forecast should be explained, with confirmation that the impact of significant changes or trends is reflected in the forecast years.

Section 5 Movement in Pensions Deficit (Table 6)

We would like to understand the impact of the pensions deficit on the income and expenditure account, cash flow and reserves. It is appreciated that an estimate of actuarial gain or loss is not achievable, but nonetheless we wish to be informed of your plans to address the pensions deficits.

Section 6 Capital Financing (Table 7)

Significant projects or items of spend should be detailed here. The method and sources of financing should reconcile to the spend (lower value items should be totalled together as a balancing line), and should be supported with appropriate commentary (e.g. proposed terms of loan, etc). Any loan finance should be reflected also in the balance sheet and cash flow. Please also comment on any projects which are contained in your latest strategic plan but which are NOT costed in Table 7 of the model. These may be aspirational, or projects for which the funding has not yet been determined.

Below is a proforma which should be completed to detail the major items of proposed capital expenditure by source of funding. You can expand the table to accommodate the number of projects within each category. **A separate table should be provided for each of the years 2014/15 (expected outturn), and 2015/16 and 2016/17.**

	Institution:		
	Year:		
Balance sheet items - Item	Category (L&B, Equip)	Source of funds (Internal, HEFCW, WG/other, ext loans, leasing)	Amount £000
A			
B			
Etc			
Other (lower value or not individually identified)			
Total	(should map to total Capex spend for year in table 7)		

Non-balance sheet items (e.g. PFI or equivalent)	Category	Source of funds	Amount £000
A			
B			
Etc			
Total:			

Items in Strategic Plan not yet costed in Table 7 (e.g. aspirational / funding not yet determined)	Category		Estimated Amount £000
B			
C			
Etc			
Total:			

Section 7 Key Performance Indicators (Table 8)

This section should provide full commentary to support significant changes or trends in the main indicators, which are derived from the input data at the foot of the financial forecast model at **Annex C**

Section 8 Risk / Opportunity Analysis

This section should be completed as fully as possible with significant items of sensitivity for the year 2015/16. The table below gives examples - this list is NOT exhaustive.

Item	Risk (R) or Opportunity (O)	Sensitivity (up or downside) - £000 – 2015/16
Salary settlement different from f'cast level		
Undergraduate fee income		
Employer pensions contributions increased		
Forecast overseas fee income		
Energy costs		

Investment Income		
Borrowings costs		
Other (please specify)		

Section 9 – Areas of expenditure control / efficiency improvement

This section, introduced in July 2011, requires you to provide details of progress against the main schemes and initiatives which are already in place (as identified in the commentaries you submitted last year) to control expenditure, and the schemes which are planned to improve efficiency. You should also provide an updated estimate of the final expected outcome (with timescale). For new schemes or initiatives starting in 2015/16, the planned timescale and anticipated savings through expenditure control or efficiencies should be listed, again with timescale. Please provide this data on a separate template.

Progress against 2014/15 expenditure controls / efficiency initiatives				
Expenditure control	Description	Savings to date/ progress	Anticipated final saving	Target date
A				
B				
C				
Efficiency initiatives	Description	Savings to date/ progress	Anticipated final saving	Target date
A				
B				
C				

New expenditure controls / efficiency initiatives identified for 2015/16				
Expenditure control	Description	Anticipated start date	Anticipated future saving	Target completion date
A				
B				
C				
Efficiency initiatives	Description	Anticipated start date	Anticipated future saving	Target completion date
A				
B				
C				

Annex D(1)

Section 1B – Analysis of fee income – Welsh domiciled and EU UG students

Institution name:	
Contact person:	

	2014/15		2015/16		2016/17		2017/18	
Fee Income (UG only)	Number	£000	Number	£000	Number	£000	Number	£000
<i>Entrants prior to '12/13 ('old tuition fee system')</i>								
Returning students – total fee income								
<i>Sub-total 'old tuition fee system' (as above)</i>								
<i>'New tuition fee system':-</i>								
New Entrants - Fee grant element								
New Entrants – Fee loan element								
Returning students -Fee grant element								
Returning students- Fee loan element								
<i>Sub-total 'new tuition fee system'</i>								
Total fee income (per head 2a in Table 1)								

Annex D(2)

Section 1B – Analysis of fee income – Other home domiciled UG students

Fee Income (UG only)	2014/15		2015/16		2016/17		2017/18	
	Number	£000	Number	£000	Number	£000	Number	£000
<i>Entrants prior to '12/13 ('old tuition fee system')</i>								
Returning students – total fee income								
<i>Sub-total 'old tuition fee system' (as above)</i>								
<i>'New tuition fee system':-</i>								
New Entrants - Fee grant element								
New Entrants – Fee loan element								
Returning students -Fee grant element								
Returning students- Fee loan element								
<i>Sub-total 'new tuition fee system'</i>								
Total fee income (per head 2b in Table 1)								

Section 1C – Analysis of overseas fee income – UG and PG

Institution name:	
Contact person:	

	2015/16		2016/17		2017/18		2018/19	
	Number	£000	Number	£000	Number	£000	Number	£000
Fee Income (UG only)								
Studying at institution (per Head 2f)								
Overseas /TNE/ distance (Head 4e)								
Sub-total - UNDERGRADUATE								
Fee Income (PG only)								
Studying at institution (per Head 2g)								
Overseas /TNE/ distance (Head 4e)								
Sub-total - POSTGRADUATE								

Loans drawn down as at 31 July 2015

Institution name:	
Contact person:	

Lender	Type of instrument	Capital sum originally borrowed £000	Date drawn down (month and year)	Period of loan (total) in Years	Completion date for repayment (month and year)	Interest rate at July 31 2015	Int. rate Fixed, Variable or Fixed /variable (F,V or F/V)	Annualised servicing costs £000
1.								
2.								
3.								
4.								
5.								
Total of loans drawn down at 31 July 2015								

Loan facilities agreed with lender but not drawn down as at 31 July 2015

1.								
2.								
3.								
Total of loan facilities agreed but not drawn down								

Off balance sheet commitments

Institution name:	
Contact person:	

Project	Type of facility (e.g. student accommodation)	Agreement details	Agreement period	Annual cost to university £000	Comments

Current loan and other covenants

Lender	Nature of covenant (s)	Currently compliant?	Comments (e.g. any future risks)

Forecast Performance of Group subsidiaries – operating performance

Institution name:	
Contact person:	

£000s

Name of subsidiary	2014/15 (est)		2015/16		2016/17		2017/18		2018/19	
	Income	Expd	Income	Expd	Income	Expd	Income	Expd	Income	Expd

Details of subsidiaries' borrowings and covenants (as at July 2015)

Name of subsidiary	Details of borrowings	Details of covenants	Comments (e.g. any future borrowings sought?)

EBITDA calculations

Institution:-

Contact Name:-

£000	2014/15 FCAST	2014/5 EST	2015/16	2016/17	2017/18	2018/19
Historic cost surplus						
Add back: - Interest payable						
Depreciation and amortisation						
FRS 17 Pensions charges & credits						
Exceptional items						
Profit / (Loss) on disposal of assets						
Tax						
Less: - Release of deferred capital grants						
Difference between historic cost depreciation charge and the actual charge for the year calculated on the revalued amount						
Realisation of property revaluation gain of previous years						
EBITDA						

Student number forecasts for the period 2015/16 to 2018/19

- 1 There have been a number of changes made to the tables since last year. We will no longer be collecting information on credit values and the need for returning information by Academic Subject Category (ASC) has been removed. Detailed information on the new tables to be completed can be found in paragraph 8 below.
- 2 The definitions contained in circular W14/40HE, *Higher Education Students Early Statistics Survey 2014/15* (HESES14) should be used in compiling the student forecast information required by this circular in Tables SPF1 to SPF3.
- 3 All numbers returned in Tables SPF1, SPF2 and SPF3 of this survey should represent counts of completed registrations and not full-time equivalents (FTEs). Sandwich year out registrations should be counted as 1.
- 4 Forecasts of student registrations should correspond to assumed registrations that complete the year of study, that is, after account has been taken of non-completions. Full-time fundable numbers can be returned as partial non-completions, as defined in HESES14. The adjustment applies only to full-time taught courses; no adjustment should be made for research or part-time enrolments.
- 5 Student number forecasts to be recorded in SPF3 are those that sit outside of the HESES population, however the HESES14 definitions should still be used to define mode and level of study for the purpose of this table. The HESA Aggregate Offshore record guidance for 2014/15 should be used when compiling forecast data to be returned in SPF3 for students at overseas campuses or who are overseas. If you have other students that are outside the HESES14 population, these should be returned in the 'Other' category. An Overseas student (as defined in HESES14 Annex C para 8) who is franchised to an institution in the UK but outside of Wales, should be returned in SPF1 as franchised out – Island and overseas, and not included in SPF3 as they should be counted in the HESES population.
- 6 If students are not returned on any of the HESA records they should not be returned in SPF 1-3. Further information can be found in HESES14 Annex G paragraphs 3 to 5, Annex I paragraph 10 and Annex J paragraphs 57 to 66.
- 7 Assumptions should be consistent with those presented in **Annex B**, and any other relevant assumptions used in the preparation of the financial forecasts.

Contents of the return

- 8 Each institution will be sent an e-mail with an Excel workbook attached containing four worksheets which correspond to the tables shown in Annex F, and a summary sheet to aid checking and comparison with 2014/15 HESES figures. Each file includes a four-character prefix identifying the institution.

The file ****_STRAT.xls contains the following worksheets:

- SPF1** Forecast completed student registrations for the period 2015/16 - 2018/19, for all modes of study, levels of study and funding categories. Full-time, sandwich year out and part-time undergraduate registrations should be split between franchised out and non-franchised out and by degree and non-degree. Forecasts of franchised out students should be counted at the franchisor institution. Guidance about franchised out provision can be found in HESES14, Annex A, paragraphs 13 to 15, and in paragraph 5 above. The information should be returned using the same definitions as those used to complete Table 4a of HESES14.
- SPF2** Forecast home and EU fundable and non-fundable completed student registrations for the period 2015/16 - 2018/19 for full-time and sandwich undergraduate and PGCE (QTS) registrations only. Registrations should be split by residential status (Welsh/EU or other home) and by degree, non-degree and PGCE (QTS). Registrations should be split between the new and old tuition fee system and whether they are a new entrant or continuing student at the institution. Figures should be consistent with corresponding financial data returned in Annex D(1) and Annex D(2) so may be queried further where meaningful comparisons cannot be made.
- SPF3** Forecast completed student registrations for the period 2015/16 - 2018/19 for students who sit outside of the HESES14 population split by those studying in overseas campuses, other students that are overseas and an 'Other' category as defined in HESES14 Annex G paragraphs 3 to 5, Annex I paragraph 10 and Annex J paragraphs 57 to 66. HESES14 definitions should be used in compiling the data by mode and level of study. Where data are returned in the 'Other' category, commentary should be included in the text box provided in SPF3 to provide us with further information on these students.

Summary: Summary of HESES 2014/15 data for comparison/information.

Further notes on completion of the tables

- 9 For ASC 11a Education: Initial Teacher Training leading to Qualified Teacher Status (ITT (QTS)), **students should be returned by the delivering institution.** This means that each institution in an ITT Centre will return data relating to their own provision and data for institutions other than the lead institution should not be returned by the lead institution. Note that this differs to the HESES14 guidance.
- 10 Students studying wholly outside the UK who are either registered with the reporting institution or who are studying for an award of the reporting institution should not be included in SPF1-2. Similarly students taught as part of collaborative arrangements with institutions or organisations in or outside of Wales, not owned by the Welsh HEI, that are not franchising arrangements, and are not included in the HESES14 population or returned on the HESA student record should not be included in SPF1-2. For institutions that have such arrangements, forecasts for these students covering the period 2015/16 to 2018/19 should be returned in SPF3 with accompanying commentary where necessary.
- 11 Students who are Overseas (as defined in HESES14 Annex C para 8) who are franchised to an institution in the UK but outside of Wales, should be returned in SPF1 as franchised out – Island and overseas, and not included in SPF3 as they should be counted in the HESES population.
- 12 HEFCW funds PGR selectively. Only home and EU students in Units of Assessment (UoAs) included in the calculation of QR funding for 2015/16. The UoAs included in the QR funding model for 2015/16 will identified in circular *HEFCW's Funding Allocations 2015/16* .
- 13 Note that the tables contain formulae to sum row and column totals. Formulae in these rows should not be adjusted.

Validation of the data

- 14 Validation checks have been built into Tables SPF1-3, to the right of the tables. Institutions should ensure these validation checks have been passed before returning the data to us.

**Student registration forecasts
All modes and levels of study**

SPF1

Institution:
Institution Code:

Level of study		Forecast completed registrations in academic year 2015/16											
		Full-time			Sandwich Year Out			Part-time			Total		
		Home and EC		Island and overseas	Home and EC		Island and overseas	Home and EC		Island and overseas	Home and EC		Island and overseas
Fundable	Non-fundable	Fundable	Non-fundable		Fundable	Non-fundable		Fundable	Non-fundable				
Not franchised out	Undergraduate degree										0.0	0.0	0.0
	Undergraduate non-degree										0.0	0.0	0.0
Franchised out	Undergraduate degree										0.0	0.0	0.0
	Undergraduate non-degree										0.0	0.0	0.0
Undergraduate total		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Postgraduate taught											0.0	0.0	0.0
Postgraduate research											0.0	0.0	0.0
Total		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Level of study		Forecast completed registrations in academic year 2016/17											
		Full-time			Sandwich Year Out			Part-time			Total		
		Home and EC		Island and overseas	Home and EC		Island and overseas	Home and EC		Island and overseas	Home and EC		Island and overseas
Fundable	Non-fundable	Fundable	Non-fundable		Fundable	Non-fundable		Fundable	Non-fundable				
Not franchised out	Undergraduate degree										0.0	0.0	0.0
	Undergraduate non-degree										0.0	0.0	0.0
Franchised out	Undergraduate degree										0.0	0.0	0.0
	Undergraduate non-degree										0.0	0.0	0.0
Undergraduate total		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Postgraduate taught											0.0	0.0	0.0
Postgraduate research											0.0	0.0	0.0
Total		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Level of study		Forecast completed registrations in academic year 2017/18											
		Full-time			Sandwich Year Out			Part-time			Total		
		Home and EC		Island and overseas	Home and EC		Island and overseas	Home and EC		Island and overseas	Home and EC		Island and overseas
Fundable	Non-fundable	Fundable	Non-fundable		Fundable	Non-fundable		Fundable	Non-fundable				
Not franchised out	Undergraduate degree										0.0	0.0	0.0
	Undergraduate non-degree										0.0	0.0	0.0
Franchised out	Undergraduate degree										0.0	0.0	0.0
	Undergraduate non-degree										0.0	0.0	0.0
Undergraduate total		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Postgraduate taught											0.0	0.0	0.0
Postgraduate research											0.0	0.0	0.0
Total		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Level of study		Forecast completed registrations in academic year 2018/19											
		Full-time			Sandwich Year Out			Part-time			Total		
		Home and EC		Island and overseas	Home and EC		Island and overseas	Home and EC		Island and overseas	Home and EC		Island and overseas
Fundable	Non-fundable	Fundable	Non-fundable		Fundable	Non-fundable		Fundable	Non-fundable				
Not franchised out	Undergraduate degree										0.0	0.0	0.0
	Undergraduate non-degree										0.0	0.0	0.0
Franchised out	Undergraduate degree										0.0	0.0	0.0
	Undergraduate non-degree										0.0	0.0	0.0
Undergraduate total		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Postgraduate taught											0.0	0.0	0.0
Postgraduate research											0.0	0.0	0.0
Total		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Contains formulae

Each sandwich year out registration is counted as 1.

**Home and EU fundable and non-fundable (excluding NHS funded) registration forecasts
Full-time and sandwich undergraduate and PGCE (QTS)**

Institution:
Institution Code:

Residential Status	Level of study	Home and EU assumed completed registrations in academic year 2015/16			
		New tuition fee system		Old tuition fee system	
		New entrant	Continuing student	Continuing student	Total
Welsh and EU	Undergraduate degree				0
	Undergraduate non-degree				0
	PGCE(QTS)				0
Other home	Undergraduate degree				0
	Undergraduate non-degree				0
	PGCE(QTS)				0
Total		0	0	0	0

Residential Status	Level of study	Home and EU assumed completed registrations in academic year 2016/17			
		New tuition fee system		Old tuition fee system	
		New entrant	Continuing student	Continuing student	Total
Welsh and EU	Undergraduate degree				0
	Undergraduate non-degree				0
	PGCE(QTS)				0
Other home	Undergraduate degree				0
	Undergraduate non-degree				0
	PGCE(QTS)				0
Total		0	0	0	0

Residential Status	Level of study	Home and EU assumed completed registrations in academic year 2017/18			
		New tuition fee system		Old tuition fee system	
		New entrant	Continuing student	Continuing student	Total
Welsh and EU	Undergraduate degree				0
	Undergraduate non-degree				0
	PGCE(QTS)				0
Other home	Undergraduate degree				0
	Undergraduate non-degree				0
	PGCE(QTS)				0
Total		0	0	0	0

Residential Status	Level of study	Home and EU assumed completed registrations in academic year 2018/19			
		New tuition fee system		Old tuition fee system	
		New entrant	Continuing student	Continuing student	Total
Welsh and EU	Undergraduate degree				0
	Undergraduate non-degree				0
	PGCE(QTS)				0
Other home	Undergraduate degree				0
	Undergraduate non-degree				0
	PGCE(QTS)				0
Total		0	0	0	0

Contains formulae

Each sandwich year out registration is counted as 1.

Note that these figures will be used for reasonableness checks against financial information returned in Annex D(1) and D(2) so should be prepared on a comparable basis.

**Forecasts for student registrations that are outside of the HESES population
All modes and levels of study**

SPF3

Institution:
Institution Code:

Level of study	Forecast completed registrations in academic year 2015/16							
	Overseas Campus Students		Other Overseas Based Students		Other Students (please include commentary)		Total	
	Full-time and sandwich year out	Part-time	Full-time and sandwich year out	Part-time	Full-time and sandwich year out	Part-time	Full-time and sandwich year out	Part-time
Undergraduate degree							0.0	0.0
Undergraduate non-degree							0.0	0.0
Postgraduate taught							0.0	0.0
Postgraduate research							0.0	0.0
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Please include information here on students included in the 'Other Students' category:

Level of study	Forecast completed registrations in academic year 2016/17							
	Overseas Campus Students		Other Overseas Based Students		Other Students (please include commentary)		Total	
	Full-time and sandwich year out	Part-time	Full-time and sandwich year out	Part-time	Full-time and sandwich year out	Part-time	Full-time and sandwich year out	Part-time
Undergraduate degree							0.0	0.0
Undergraduate non-degree							0.0	0.0
Postgraduate taught							0.0	0.0
Postgraduate research							0.0	0.0
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Please include information here on students included in the 'Other Students' category:

Level of study	Forecast completed registrations in academic year 2017/18							
	Overseas Campus Students		Other Overseas Based Students		Other Students (please include commentary)		Total	
	Full-time and sandwich year out	Part-time	Full-time and sandwich year out	Part-time	Full-time and sandwich year out	Part-time	Full-time and sandwich year out	Part-time
Undergraduate degree							0.0	0.0
Undergraduate non-degree							0.0	0.0
Postgraduate taught							0.0	0.0
Postgraduate research							0.0	0.0
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Please include information here on students included in the 'Other Students' category:

Level of study	Forecast completed registrations in academic year 2018/19							
	Overseas Campus Students		Other Overseas Based Students		Other Students (please include commentary)		Total	
	Full-time and sandwich year out	Part-time	Full-time and sandwich year out	Part-time	Full-time and sandwich year out	Part-time	Full-time and sandwich year out	Part-time
Undergraduate degree							0.0	0.0
Undergraduate non-degree							0.0	0.0
Postgraduate taught							0.0	0.0
Postgraduate research							0.0	0.0
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Please include information here on students included in the 'Other Students' category:

Contains formulae

Each sandwich year out registration is counted as 1.