

March 2013/06

**Core funding/operations**

**Allocation of funds**

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This report is for information

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This document summarises changes to our allocations of recurrent funding for the academic year 2012-13, primarily arising from our adjustments to teaching grant to reflect updated student numbers.

# Recurrent grants for 2012-13

## Adjusted allocations

# Recurrent grants for 2012-13: Adjusted allocations

To	Heads of HEFCE-funded higher education institutions Heads of HEFCE-funded further education colleges
Of interest to those responsible for	Finance and planning
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Enquiries to	HEFCE institutional teams (contact details at <a href="http://www.hefce.ac.uk/contact/contactsforinstitutions/">www.hefce.ac.uk/contact/contactsforinstitutions/</a> ) or e-mail <a href="mailto:recurrentgrant@hefce.ac.uk">recurrentgrant@hefce.ac.uk</a> .

## Executive summary

### Purpose

1. This document summarises changes to our allocations of recurrent funding for the academic year 2012-13, primarily arising from adjustments to our teaching grant to reflect updated student numbers.

### Key points

2. We first announced provisional allocations of grant for the year in 'Recurrent grants and student number controls for 2012-13' (HEFCE 2012/08). For teaching funding, we made initial allocations that were based on institutions' forecast student numbers for 2012-13, but explained that these would be recalculated as we received information on the actual numbers of students in the year. This document shows, for each institution, how some of those teaching allocations have now been adjusted to reflect the updated student numbers recently reported by institutions. We will adjust grant payments between April and July 2013 accordingly, including correcting for any over- or under-payment made earlier in the academic year. These allocations will not, however, be finalised until 2014, after we receive the individualised student data for 2012-13 at the end of the academic year.

3. This three-stage recalculation process enables us to announce funding in advance of the academic year, before student numbers are known, but ensures that allocations eventually reflect the actual student numbers at each institution in the year. This is necessary so that grants to institutions are adjusted in line with the changing balance of their student numbers between those who entered before, and those who entered on or after, the change to the regulated fee regime on 1 September 2012. Institutions receive higher rates of HEFCE grant for the former than for the latter.

4. Some of the allocations of teaching grant are not subject to this three-stage recalculation process, because they are based on student numbers for earlier years, or are fixed allocations

per institution. They, and the recurrent grants for research and knowledge exchange, have not been recalculated, except in a small number of cases to reflect the outcomes of data audit and reconciliation.

5. In HEFCE 2012/08 we announced a total recurrent grant for 2012-13 of £4,921 million, including £3,213 million for teaching. The revised total recurrent grant announced in this publication is £4,941 million. The additional £20 million is attributable to teaching grant, and arises because a 1 per cent reduction in funding that was applied in our original calculations last year has been removed for those elements of teaching grant that are subject to the three-stage recalculation process.

6. We are also publishing alongside this document details of our provisional recurrent grant allocations for 2013-14 ('Recurrent grants and student number controls for 2013-14', HEFCE 2013/05). These include initial teaching grants for the year, which will also be subject to the three-stage recalculation process.

### **Action required**

7. No action is required in response to this document.

## Introduction

8. 'Recurrent grants and student number controls for 2012-13' (HEFCE 2012/08)<sup>1</sup>, issued in March 2012, announced provisional allocations of HEFCE funding for the academic year 2012-13. We updated some of these allocations in July 2012<sup>2</sup>.

9. This report shows how allocations for 2012-13 have changed since July 2012, primarily as we adjust certain teaching grant allocations to reflect updated student numbers reported by institutions. We will adjust grant payments between April and July 2013 accordingly, correcting for any over- or under-payment made earlier in the academic year. These recalculations and adjustments apply to every allocation that was initially informed by forecast student numbers for 2012-13.

10. All references are to the academic year, 1 August to 31 July, unless otherwise stated.

## Funding for teaching

11. Government reforms of higher education financing mean that increasingly from 2012-13 much more income for institutions is expected to come through students' tuition fees and much less through HEFCE block grants. Tuition fees are to be made affordable through the availability to most undergraduates of enhanced loans, which will generally be repayable after the student has finished their studies. Reductions to HEFCE grant contribute to meeting the cost to Government of providing these loans.

12. In 2012-13, we have entered a period of transition. There are some students who began their studies before the changes to the regulated undergraduate fee regime on 1 September 2012, and who are continuing under the previous finance arrangements ('old-regime' students); and other students beginning their studies on or after 1 September 2012 who are subject to the new fee and funding regime ('new-regime' students). Old-regime students are generally subject to lower tuition fees and attract higher rates of HEFCE grant for their institutions than new-regime students. There is a consequent phased reduction in HEFCE teaching grant as old-regime students complete their studies and successive cohorts of new-regime students are recruited. Our references to old- and new-regime students apply to all categories of student, not just those who are subject to the regulated tuition fee regime or eligible for publicly funded student support.

13. We consulted the sector on how our allocation methods for 2012-13 should change to reflect these new circumstances in 'Teaching funding and student number controls: Consultation on changes to be implemented in 2012-13' (HEFCE 2011/20). The main approach is as follows:

- a. **Funding for old-regime students** is determined by applying 2011-12 rates of funding to the numbers of old-regime students continuing in 2012-13. The allocations are then scaled, as necessary, to ensure they remain within the overall budget available. The 2011-12 rates of funding vary by institution (to reflect, for example, their 'tolerance band' position, which applied under our previous funding method, and any receipt of London

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<sup>1</sup> All HEFCE publications are available at [www.hefce.ac.uk/pubs](http://www.hefce.ac.uk/pubs)

<sup>2</sup> The 2012-13 recurrent grant allocations announced in July 2012 are available at [www.hefce.ac.uk/whatwedo/invest/institns/annallocns/](http://www.hefce.ac.uk/whatwedo/invest/institns/annallocns/), by selecting 'For institutions', then 'July 2012 announcement'.

weighting) and by subject, mode (full-time, sandwich year-out or part-time) and level of study (undergraduate or postgraduate taught). Separate calculations are carried out for students previously funded through our 'mainstream' teaching grant up to 2011-12, and those who were employer co-funded (where grant rates have been lower).

b. **Funding for new-regime students** is calculated using sector-wide rates of funding, but is available only for those in high-cost subjects.

c. As well as the main allocations of teaching funding which reflect student numbers in different subject areas, we also have a number of **targeted allocations** that reflect other additional teaching or student-related costs.

### **The three-stage process**

14. We are implementing a three-stage process to calculate and review 2012-13 teaching funding allocations. This is to balance the need to pay grant from August 2012, before 2012-13 student numbers were known, with the need to ensure, in the interests of fairness and accountability, that the final allocations reflect actual numbers of old- and new-regime students in the year.

15. The initial teaching allocations first announced in March 2012 formed the first stage of this three-stage allocation process. The main allocations for old- and new-regime students were informed by:

a. Forecast student numbers for 2012-13 reported in the 2011 Higher Education Students Early Statistics survey (HESES11) for higher education institutions and the 2011 Higher Education in Further Education: Students survey (HEIFES11) for further education colleges.

b. Rates of grant for old-regime students based on the 2011-12 student numbers also reported in the HESES11 and HEIFES11 surveys.

c. A multiplier, or 'scaling factor', of 0.99 to ensure allocations remained within the budget available. This scaling factor equated to a pro rata reduction of 1 per cent and was applied to almost all elements of teaching grant.

16. We have now reviewed the allocations for 2012-13 in light of the individualised student data for 2011-12 and updated aggregate student numbers for 2012-13, which institutions reported in December 2012. This forms stage two of our three-stage process, and the resulting adjustments to grant are summarised in this document.

17. Final teaching grant allocations for 2012-13 will be confirmed during 2014 in the third stage of our allocation process, in the light of the end-of-year individualised student data for 2012-13.

### **Summary of changes since initial allocations**

18. Teaching allocations that were, at least in part, informed by forecast student numbers for 2012-13 are subject to the formulaic three-stage recalculation process. These are:

- funding for old-regime students (mainstream)
- funding for old-regime students (co-funded)
- high-cost funding for new-regime students
- interim postgraduate taught allocation

- interim allocation for London weighting
- interim allocation for Open University new-regime students in Northern Ireland.

19. Our recalculations of these allocations adopt the same methods as were used to calculate the initial allocations, but use updated data sources. They may also use revised scaling factors to ensure that total allocations remain within the budget we have available. Further information about these allocations is provided in paragraphs 22 to 34.

20. Most targeted allocations, including those for widening participation and teaching enhancement and student success, are not subject to recalculation through the three-stage process. For nearly all institutions, these allocations remain unchanged from the initial allocations announced in July 2012. Where applicable, changes to targeted allocations resulting from data audit and reconciliation have been incorporated.

21. Table A shows the disaggregation of our teaching funding for 2011-12 and 2012-13 between different elements of grant, including budgets for initial and adjusted allocations for 2012-13. The figures for 2011-12 incorporate adjustments to grant arising from institutions' student numbers in the year and data audit and reconciliation, but excluding those arising from their recruitment against the student number control limit. The figures for 2012-13 similarly do not include grant adjustments arising from recruitment against the student number control limit. Figures given for initial allocations for 2012-13 are as of July 2012. The total of the adjusted allocations for 2012-13 is £2 million higher than that announced in 'Funding for universities and colleges for 2012-13 and 2013-14: Board decisions' (circular letter 04/2013), because of amendments made in finalising our calculations. There are rounding differences within this table.

**Table A: HEFCE recurrent teaching grant for 2011-12 and 2012-13 (£ millions)**

	2011-12	2012-13 (Initial)	2012-13 (Adjusted)
<b>Elements of 2012-13 teaching grant subject to recalculation:</b>			
Funding for old-regime students (mainstream)	3,631*	2,390	2,433
Funding for old-regime students (co-funded)	32	14	11
High-cost funding for new-regime students	N/A*	146	131
Interim postgraduate taught allocation	N/A*	39	33
Interim allocation for London weighting	N/A*	19	19
Interim allocation for Open University new-regime students in Northern Ireland	N/A*	1	2
<b>Sub-total elements subject to recalculation</b>	<b>3,664</b>	<b>2,609</b>	<b>2,628</b>
<b>Elements of 2012-13 teaching grant not subject to recalculation:</b>			
Widening participation	141	141	141
Teaching enhancement and student success	264	243	243
Other targeted allocations that are not recalculated	203	185 <sup>†</sup>	185 <sup>†</sup>
Other recurrent teaching grants that are not recalculated	47	35 <sup>‡</sup>	35 <sup>‡</sup>
<b>Sub-total elements not subject to recalculation</b>	<b>655</b>	<b>604</b>	<b>604</b>
<b>Total</b>	<b>4,319</b>	<b>3,214</b>	<b>3,233</b>

\* A number of new allocations were introduced for 2012-13, some as interim allocations. Equivalent sums for 2011-12 for these allocations are shown as N/A (not applicable) in this table, but they were provided within the £3,631 million total 2011-12 mainstream teaching grant.

<sup>†</sup>Comprises targeted allocations for: part-time undergraduates (£52 million); accelerated/intensive provision (£39 million); institution-specific funding (£46 million); maintaining capacity in strategically important and vulnerable subjects following equivalent or lower qualification (ELQ) policy (£14 million); additional funding for very high-cost and vulnerable science subjects (£23 million); 2012-13 Erasmus fee compensation (£11 million).

<sup>‡</sup>Comprises allocations for: clinical consultants' pay (£18 million); senior academic general practitioners' pay (£1 million); NHS pensions scheme compensation (£5 million); transitional funding for ELQs (£11 million).

## **Funding for old-regime students**

22. Until 2011-12 our funding for teaching comprised a large mainstream element, driven by subject-related costs (comprising, at the sector level, about 84 per cent of the total) and a number of targeted allocations that reflected additional teaching or student-related costs. We also provided an allocation for some institutions to support provision co-funded with employers, for which HEFCE grant rates were lower.

23. From 2012-13 we are phasing out the mainstream and employer co-funded teaching grant that institutions received in 2011-12, as successive cohorts of old-regime students complete their studies. In summary, we are allocating funding for old-regime students using the following formula:

- 2011-12 institutional funding rates (by price group, mode and level and taking account of institutions' London and partial completion weightings, and their position in or outside the tolerance band), multiplied by
- 2012-13 old-regime full-time equivalent students (FTEs), multiplied by
- a scaling factor (to ensure total allocations remain within budget).

24. Almost all institutions have changes in these allocations compared with initial allocations announced last year:

- a. Instead of using institutional funding rates derived from HESES11 and HEIFES11, the adjusted allocations use funding rates derived from 2011-12 individualised student data reported to the Higher Education Statistics Agency (HESA) by higher education institutions or on the Data Service's Individualised Learner Record (ILR) by further education colleges.
- b. Adjusted allocations reflect the 2012-13 student numbers reported in HESES12 and HEIFES12, instead of forecasts from HESES11 and HEIFES11.
- c. The scaling factor has also changed from 0.99 to 1. This maintains, in cash terms, the rates of grant that applied for old-regime students in 2011-12.

## **Funding for new-regime students**

25. In 2012-13 we are providing funding in relation to new-regime students in high-cost subjects only if they are in price groups A (clinical years of study) or B (laboratory-based science, engineering and technology subjects). Funding is allocated using the following formula:

- sector-wide funding rates, multiplied by
- 2012-13 new-regime student FTEs (London-weighted where applicable) in price groups A or B, multiplied by
- a scaling factor (to ensure total allocations remain within budget).

26. In general London weighting is 12 per cent for inner London and 8 per cent for outer London.

27. The sector-wide funding rates used to determine initial allocations were set at £9,804 for price group A and £1,483 for price group B. Those rates reflected the scaling factor of 0.99 applied to initial teaching allocations for 2012-13. In these adjusted allocations, our funding for new-regime students in high-cost subjects incorporates an uplift of 1 per cent (through a 1.01

scaling factor) so that funding for new-regime students receives a similar change to that for old-regime students, where the initial 0.99 scaling factor has been removed.

28. Adjusted allocations reflect the 2012-13 student numbers reported in HESES12 and HEIFES12 instead of forecasts from HESES11 and HEIFES11.

### **Targeted allocations**

29. Three interim targeted allocations (for postgraduate taught provision, London weighting and Open University new-regime students in Northern Ireland) are subject to our three-stage recalculation process, because they have been based, at least in part, on forecast student numbers for 2012-13. They have not been subject to a scaling factor, because they are allocated to maintain levels or rates of grant compared to 2011-12. The calculation of the interim London weighting allocation does, however, take account of how the scaling factor is applied to other allocations that incorporate London weighting, such as the main allocations for old- and new-regime students.

30. Other targeted allocations for 2012-13 are not subject to the three-stage recalculation process and remain largely as announced last year, except where adjustments have been made following data audit or reconciliation.

### **Interim postgraduate taught allocation**

31. As an interim step for 2012-13 we are providing additional funding for new-regime postgraduate taught (PGT) students in price groups A to C, amounting to £1,100 per FTE. This is in addition to the funding provided through the funding method for new-regime students in high-cost subjects in price groups A and B. The rate of funding reflects the basic rate of grant for PGT students in price group C in 2011-12, and will help to ensure that the rate of funding for PGT provision in 2012-13 is broadly maintained.

32. Initial allocations of the interim postgraduate taught allocation were informed by 2012-13 student numbers forecast in HESES11 and HEIFES11. The adjusted allocation reflects the 2012-13 student numbers returned in HESES12 and HEIFES12.

### **Interim allocation for London weighting**

33. We are providing an interim allocation, for 2012-13 only, to ensure that institutions do not see a reduction in London weighting for old- and new-regime students compared with 2011-12. This allocation has been recalculated to reflect the 2012-13 student numbers returned in HESES12 and HEIFES12.

### **Interim allocation for Open University new-regime students in Northern Ireland**

34. As an interim measure for 2012-13 only, we are providing additional funding for new-regime students in Northern Ireland studying with the Open University. The funding is allocated to ensure that the Open University does not see a reduction in the teaching grant it receives for its students in Northern Ireland, where the fee regime for part-time students is not changing. This allocation has been recalculated to reflect the 2012-13 student numbers returned in the University's Northern Ireland HESES12.

## **Other recurrent teaching grants**

35. Allocations for other recurrent teaching grants are not subject to recalculation through the three-stage process. Institutions' allocations in these areas are unchanged from the initial allocations announced in March 2012.

## **Funding for research and knowledge exchange**

36. Allocations for research and knowledge exchange (through Higher Education Innovation Funding, HEIF) have not been routinely recalculated. For most institutions these recurrent grants remain unchanged from the initial allocations announced in July 2012. However, research allocations have been amended, as necessary, to reflect the outcomes of data audit. The allocation for HEIF shown in the grant tables does not include the further £6 million provided to 12 institutions for 2012-13 only, which was announced in September 2012 ([www.hefce.ac.uk/news/newsarchive/2012/name.75356.en.html](http://www.hefce.ac.uk/news/newsarchive/2012/name.75356.en.html)).

## **Reductions to grant arising from recruitment against the 2012-13 student number control limit**

37. In HEFCE 2012/08 we published the 2012-13 student number control limits for each institution. Some of these allocations were updated in July 2012<sup>3</sup>. We are now reducing grant for those individual institutions whose student numbers, as reported in HESES12 and HEIFES12, show that they exceeded those limits. We are also reducing grant for those institutions that over-recruited in 2010-11 or 2011-12 and have not taken sufficient action to offset that over-recruitment by recruiting below their student number control limit for 2012-13. These reductions to grant are not reflected in the recurrent grant allocations shown in this document, as they are a supplementary adjustment, arising from conditions of grant rather than from the funding method itself. However, we are publishing details of the reductions for each institution on our web-site at [www.hefce.ac.uk/whatwedo/invest/institns/annalocns/201213](http://www.hefce.ac.uk/whatwedo/invest/institns/annalocns/201213). We will review these adjustments in the light of the HESA and ILR data for the year.

## **Outcomes for institutions**

38. In HEFCE 2012/08 we announced a total recurrent grant for 2012-13 of £4,921 million, including £3,213 million for teaching. The revised total recurrent grant announced in this publication is £4,941 million, an overall increase of 0.4 per cent. The additional £20 million is attributable to teaching grant (which has increased by 0.6 per cent). It arises because a 1 per cent reduction in funding that was applied as a 0.99 scaling factor in our initial allocations for old- and new-regime students has been removed (at a cost of £26 million).

39. While at the sector level the overall percentage change to 2012-13 recurrent grant is not large, more significant changes arise for individual institutions. The largest changes in cash terms (whether positive or negative) generally reflect where institutions' forecasts in HESES11 and HEIFES11 were significantly different to the numbers now reported in their 2012 returns. Institutions were asked to produce these forecasts of 2012-13 student numbers in December 2011 and January 2012, before the main UCAS deadline for 2012-13 applications had closed. By that point, their 2011-12 student population (those who might then continue as old-regime

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<sup>3</sup> The 2012-13 student number control limits announced in July 2012 are available at [www.hefce.ac.uk/whatwedo/invest/institns/annalocns/](http://www.hefce.ac.uk/whatwedo/invest/institns/annalocns/), by selecting 'For institutions', then 'July 2012 announcement'.

students in 2012-13) would largely be known. Nevertheless there was some unpredictability about student behaviour over, for example, withdrawal and continuation rates, which might change as a result of the introduction of the new fee regime in September 2012, as well as over enrolments after the HESES and HEIFES census dates. Predicting recruitment for 2012-13 will have been more difficult, but generally of much less significance in financial terms: at the sector level, 2012-13 funding for new-regime students in high-cost subjects is only between 5 and 6 per cent of the funding for old-regime students.

40. Another factor in the number and scale of changes to grant is that we no longer have a  $\pm 5$  per cent tolerance band in our teaching funding method. In previous years, the tolerance band served to limit reductions to grant to where institutions' resources were more than 5 per cent above the standard level calculated by our funding model. It has not been possible to retain a tolerance band during the process of transition to the new finance arrangements. We have to implement specific reductions to teaching grant of about £1 billion per annum between 2012-13 and 2014-15. We do not have scope to dampen these for institutions through the use of a tolerance band, nor should we seek to dampen changes that arise from differences in student numbers compared with institutions' own forecasts.

41. The table at Annex A shows the percentage change in 2012-13 recurrent grant compared with the allocations announced in July 2012. These percentage changes should not be interpreted as representing 'winners and losers' in our allocations. Rather, they represent adjustments that ensure that each institution receives the level of funding appropriate for the student numbers it has reported.

42. The extent of the changes at institutional level is therefore not unexpected, and institutions have been able to model the allocations as they prepared their student data returns. The changes demonstrate why our three-stage approach to recalculating teaching grant is necessary. Given the significant reduction to our budget arising from the new finance arrangements for higher education, it is in the interests of fairness and accountability that the year-on-year changes to grant should reflect the changing balance between old- and new-regime students at each institution. These student numbers will not be confirmed until the end of the academic year, so our grant payments from the beginning of the year need to be based on estimates or forecasts. We concluded that in the first instance, institutions were best placed to produce these forecasts, but that we would need to adjust funding to reflect the actual numbers in the year, to ensure that institutions did not benefit or suffer from forecasts that did not reflect the final outcome.

### **Finalising allocations for 2012-13**

43. The adjusted teaching grant allocations announced in this document are informed by in-year student numbers for 2012-13, as reported in institutions' HESES and HEIFES returns. These still include some elements of forecasting (of withdrawals or late enrolments after the survey census dates). Final teaching grant allocations for 2012-13 will therefore be confirmed only in the third stage of our allocation process during 2014, in the light of the end-of-year individualised student data for 2012-13. At this point we will consider whether to adopt a small minimum threshold (of no more than £10,000) below which grant changes compared with those calculated in the second stage may not be implemented. Our concern is to strike a balance between ensuring allocations are based on accurate data (so that individual institutions do not

benefit at the expense of others from unrealistic forecasts or data error) and keeping the accountability burden to a minimum.

44. In July 2012, we issued funding agreements for 2012-13 to each institution we fund<sup>4</sup>. For higher education institutions, the funding agreement is part 2 of the Financial Memorandum that we have with them (see 'Model Financial Memorandum between HEFCE and institutions', HEFCE 2010/19). The conditions of grant specified in the 2012-13 funding agreement continue to apply.

45. Data collected from institutions inform our allocation of funds for teaching and research. We will continue to audit these data selectively in this and future funding exercises, through audit visits. We will also use data that institutions provide to HESA or the Data Service to verify the data that institutions send directly to us. We will use the outcomes of these data audits and reconciliations to review funding allocations for the year in question and all subsequent years. We reserve the right to review funding allocations for the most recent seven-year period.

46. If we find that erroneous data have resulted in institutions receiving incorrect funding allocations, then we will adjust their funding accordingly (subject to the appeals process and the availability of our funds).

47. We will continue to seek assurances from designated officers and audit committees about arrangements for the management and quality assurance of data submitted to HESA, HEFCE and other funding bodies. This is imperative in order to improve the reliability of data, which is crucial for the efficiency of our funding and to reduce the number of significant funding adjustments arising from data corrections.

### **Further information**

48. Institutions requiring further information should contact their HEFCE higher education policy adviser (contact details for each institution are at [www.hefce.ac.uk/contact/contactsforinstitutions/](http://www.hefce.ac.uk/contact/contactsforinstitutions/)) or e-mail [recurrentgrant@hefce.ac.uk](mailto:recurrentgrant@hefce.ac.uk).

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<sup>4</sup> The 2012-13 funding agreements, separately for higher education institutions and further education colleges, are available at [www.hefce.ac.uk/whatwedo/invest/institns/annalocns/](http://www.hefce.ac.uk/whatwedo/invest/institns/annalocns/), by selecting 'For institutions', then 'July 2012 announcement'.

## Annex A: Descriptions of columns in Table 1

**Table 1 Adjusted recurrent grant for academic year 2012-13**

1. Table 1 is available to download as a separate Excel file alongside this document at [www.hefce.ac.uk/pubs](http://www.hefce.ac.uk/pubs).
2. **Funding for old-regime students (mainstream)** shows adjusted subject-based funding for old-regime students previously funded through our mainstream teaching grant who commenced their studies before 1 September 2012.
3. **Funding for old-regime students (co-funded)** shows adjusted subject-based funding for old-regime employer co-funded students who commenced their studies before 1 September 2012.
4. **High-cost funding for new-regime students** shows adjusted subject-based funding for new-regime students in high-cost subjects (price groups A and B).
5. **Widening participation** shows allocations of funding for teaching to recognise the extra costs associated with recruiting and supporting students from disadvantaged backgrounds currently under-represented in higher education (£128 million), and widening access and improving provision for disabled students (£13 million).
6. **Teaching enhancement and student success** shows allocations of funding to recognise the extra costs associated with: improving the retention of students most at risk of not completing (£225 million), research-informed teaching (£5 million), and institutional learning and teaching strategies (£14 million).
7. **Other targeted allocations** comprise funding for:
  - a. Part-time undergraduates (£52 million).
  - b. Accelerated/intensive provision (£39 million).
  - c. Institution-specific costs (£46 million).
  - d. Very high-cost and vulnerable science subjects (£23 million).
  - e. Maintaining capacity in SIVS following the ELQ policy (£14 million).
  - f. Erasmus fee compensation (£11 million).
  - g. Adjusted interim allocation for London weighting (£19 million).
  - h. Adjusted interim postgraduate taught allocation (£33 million).
  - i. Adjusted interim allocation for Open University new-regime students in Northern Ireland (£2 million).
8. **Other recurrent teaching grants** comprise funding for:
  - a. Clinical academic consultants' pay (£18 million).
  - b. Senior academic GPs' pay (£1 million).
  - c. NHS pensions scheme contribution (£5 million).
  - d. Transitional funding for ELQs (£11 million).
9. **Total teaching funding** is the sum of the previous seven columns.

10. **Total research funding (£)** comprises:
  - a. Mainstream quality-related research (QR) (£1,018 million).
  - b. London weighting on mainstream QR (£32 million).
  - c. Research degree programme (RDP) supervision funds (£241 million).
  - d. QR charity support fund (£197 million).
  - e. QR business research element (£64 million).
  - f. QR funding for national research libraries (£6 million).
11. **Higher Education Innovation Funding (£)** supports knowledge exchange activities in higher education institutions and strengthens links with businesses, public services, communities and the wider public in order to increase economic and social impact.
12. **Total adjusted recurrent grant 2012-13 (£)** is the sum of the previous three columns.
13. **Percentage change compared with 2012-13 initial recurrent grant** shows the difference between total adjusted recurrent grant for 2012-13 and initial recurrent grant for 2012-13, as a percentage of the latter.

## List of abbreviations

<b>ELQ</b>	Equivalent or lower qualification
<b>FTE</b>	Full-time equivalent
<b>HEFCE</b>	Higher Education Funding Council for England
<b>HEIF</b>	Higher Education Innovation Funding
<b>HEIFES</b>	Higher Education in Further Education: Students survey
<b>HESA</b>	Higher Education Statistics Agency
<b>HESES</b>	Higher Education Students Early Statistics survey
<b>ILR</b>	The Data Service's Individualised Learner Record
<b>PGT</b>	Postgraduate taught
<b>QR</b>	Quality-related research
<b>RDP</b>	Research degree programme