

Annex L Price groups

1. This annex explains how years of instances should be mapped to price groups, including guidance on special cases such as medicine, dentistry, veterinary science, education, sports science and leisure studies, and computing. Examples are given for cases where a year of instance can be split across price groups and for cases where provision is franchised out.

2. Price groups are defined in terms of academic cost centres. Full details of how to assign departments to cost centres are in 'Assignment of departments to academic cost centres: 2005-06' (HEFCE Circular letter 32/2005).

Cost centre	Price group(s)
01 Clinical medicine	A, B
02 Clinical dentistry	A, B
03 Veterinary science	A, B
04 Anatomy & physiology	B
05 Nursing & paramedical studies	C
06 Health & community studies	C
07 Psychology & behavioural sciences	C
08 Pharmacy & pharmacology	B
10 Biosciences	B
11 Chemistry	B
12 Physics	B
13 Agriculture & forestry	B
14 Earth, marine & environmental sciences	B
16 General engineering	B
17 Chemical engineering	B
18 Mineral, metallurgy & materials engineering	B
19 Civil engineering	B
20 Electrical, electronic & computer engineering	B
21 Mechanical, aero & production engineering	B
23 Architecture, built environment & planning	C
24 Mathematics	C
25 Information technology & systems sciences, computer software engineering	C

Cost centre	Price group(s)
26 Catering & hospitality management	C
27 Business & management studies	D
28 Geography	C
29 Social studies	D
30 Media studies	Media studies
31 Humanities & language-based studies	D
33 Design & creative arts	C
34 Education	C, D
35 Modern languages	C
37 Archaeology	C
38 Sports science & leisure studies	B, C, D
41 Continuing education	D
99 Cost centre not assignable	D

Price group	Cost centres
A	01*, 02*, 03*
B	01*, 02*, 03*, 04, 08, 10, 11, 12, 13, 14, 16, 17, 18, 19, 20, 21, 38*
C	05, 06, 07, 23, 24, 25, 26, 28, 33, 34*, 35, 37, 38*
D	27, 29, 31, 34*, 38*, 41, 99
Media studies	30
ITT (QTS)	Courses of ITT leading to QTS (TTCID = 1, 8) ¹
INSET (QTS)	Courses for teachers (TTCID = 5), where the student has QTS (QTS = 3) ²

* For definitions see following paragraphs.

3. Students on a sandwich year-out should be recorded in price group C, regardless of academic cost centre.

¹ Teacher training course identifier on the HESA student record.

² Qualified teacher status identifier on the HESA student record.

Special cases

Medicine, dentistry and cost centres 01 and 02

4. Medical and dental years of instance recorded in price group A must be generated by students in one of the following categories.
 - a. Clinical medical students on the final three years of a first registrable medical qualification for doctors taken:
 - i. After the pre-clinical part of the course, or
 - ii. After a free-standing pre-clinical course, or
 - iii. As part of an integrated pre-clinical and clinical course.
 - b. Clinical dental students on the final four years of a first registrable dental qualification for dentists taken:
 - i. After the pre-clinical part of the course, or
 - ii. After a free-standing pre-clinical course, or
 - iii. As part of an integrated pre-clinical and clinical course.
 - c. Clinical medical and clinical dental postgraduate taught students, where the course meets the following three criteria:
 - i. The course bears very high costs that are comparable to the clinical unit of resource.
 - ii. A substantial proportion of the staff teaching time contributed to the course is provided by medically or dentally qualified, university-funded clinical academic staff who hold honorary contracts with the NHS. This includes general practitioners.
 - iii. Nearly all of the course is taught in a clinical environment.
 - d. Research students where the focus of their research is in a clinical environment and the lead supervisor is a clinical academic.
5. Students who meet the criteria in paragraph 4 should have all of their activity for the year of instance attributed to price group A, irrespective of any activity in academic cost centres. All other activity in cost centres 01 and 02 should be returned in price group B.
6. Where, and only where, a postgraduate course meets the criteria set out in paragraph 4, the subject of course aim should be coded as A3 (clinical medicine), A4 (clinical dentistry), C842 (clinical psychology) or C845 (clinical neuropsychology) on the HESA student record.

Veterinary science and cost centre 03

7. Undergraduate veterinary science students should be included in price group A if they are in the final five years of a course which leads to eligibility to register to practise

as a veterinary surgeon, irrespective of any activity in academic cost centres. All other undergraduate veterinary activity, including foundation years, should be returned in price group B.

8. To be included in price group A, clinical veterinary science postgraduate taught students must also be on courses which meet the following three criteria:
 - a. The course bears very high costs that are comparable to the clinical unit of resource.
 - b. A substantial proportion of the staff teaching time contributed to the course is provided by veterinary-qualified, university-funded, clinical academic staff.
 - c. Nearly all of the course is taught in a clinical environment.
9. For research students to be included in price group A, the focus of their research must be in a clinical environment and the lead supervisor should be a clinical academic.
10. All other postgraduate activity in cost centre 03 should be recorded in price group B.

Education – cost centre 34, ITT and INSET courses

11. Students on ITT courses leading to QTS should be entirely attributed to the ITT (QTS) price group, irrespective of any provision in academic cost centres. Students on ITT courses that do not lead to QTS, such as DTLLS, PGCEs for the post-compulsory education sector and other courses leading to Qualified Teacher Learning and Skills (QTLS) status (TTCID = 2), should be entirely attributed to price group C, irrespective of any activity in academic cost centres.
12. INSET courses are defined as courses for which the primary (but not necessarily the only) purpose is to improve the effectiveness of teachers, lecturers or trainers. Students holding QTS on INSET courses should be entirely attributed to the INSET (QTS) price group, irrespective of any activity in academic cost centres and whether or not the TDA is funding their provision. Students who do not hold QTS but are studying a PGCE for the post-compulsory education sector, CertEd or DTLLS as an INSET course should be recorded in price group C. Other students on INSET courses who do not hold QTS should be attributed to price groups in the normal way.
13. Students studying for a foundation degree to become a teaching assistant, whose course has been awarded as part of an additional student number (ASN) exercise, should be returned in price group C. Where students are studying for such a course and it has a high classroom-based element, but has not been awarded as part of an ASN exercise, institutions should seek our permission before recording them in price group C. All institutions seeking this permission should send details of the relevant course to heses@hefce.ac.uk. Institutions should re-apply if there is a material change in the provision.
14. All other activity in cost centre 34 should be returned in price group D.

Sports science and leisure studies – cost centre 38

15. Departments of sports-related subjects – including sports science, sport and exercise sciences, sports and leisure studies, sports and leisure management, and physical recreation (non-QTS) – should be allocated to price groups B, C or D according to the outcome of the HEFCE review carried out in 2004-05, or as subsequently agreed by HEFCE.

Attribution of computing to cost centres 20 and 25

16. Only computer engineering departments that relate to the development of computer hardware – specification, design (via computer-aided design), simulation, verification, construction and testing of the hardware of computer systems using logic, memory and interconnection technologies – should be included in cost centre 20. All other computing departments should be returned in cost centre 25.

Allocation of years of instance to price groups

17. Years of instance are split between cost centres based on the cost centres returned in the module part of the HESA student record.

18. Except where noted in paragraphs 4 to 16 of this annex, years of instance should be allocated to price groups according to the mix of cost centres in which activity takes place. Student FTE is allocated to cost centres according to the cost centre of the member of staff teaching the module or supervising the activity. This will be described by the modules in the HESA record. Where the activity for a year of instance falls into more than one cost centre, and these cost centres do not fall entirely within one price group, the year should be split among the price groups according to the proportion of activity in each cost centre. Up to two decimal places may be used for this apportionment.

19. Where activity is franchised out for all or part of the provision, if at least one of the following conditions apply then it should be returned in the cost centre(s) most closely matching the academic content of the franchised-out provision:

- a. The franchised-out student FTE is at least 20 per cent of the total student FTE in the department that arranges the franchise, or
- b. The franchised-out student FTE is at least 100.

Otherwise it may be returned in the cost centre(s) of the department that arranges the franchise. However, if the institution wishes to return the franchised-out FTE in the cost centre(s) most closely matching the academic content of the franchised-out provision, it may choose to do so.

20. Provision that is franchised out may not be naturally attributable to a cost centre in which the institution is usually active. In this case institutions should create a virtual cost centre in which this activity and its related expenditure are returned. If institutions return such activity using cost centre 99 on the HESA record it should be treated as if it falls into price group D.

21. Institutions should ensure that where a student's provision does not fall entirely within a single cost centre and subject pairing, this is clearly identified on the HESA student record. The HESA student record links subjects and cost centres to students through the subjects and cost centres associated with the modules attached to the student. In January 2012 we will compare the FTE returned to cost centres with both:

- the FTE returned on HESES and
- the HESA subject of study.

Example 1

22. A student studies engineering in the engineering department and also studies some management in the business and management department. The cost centre of each department along with the subject studied is identified separately on the HESA student record. For HESES purposes this would be returned in price groups B and D.

Example 2

23. A student studies engineering in the engineering department and also studies some management in the engineering department. The engineering department is split between two cost centres, one for its engineering provision and one for its management provision. Each cost centre and subject studied is identified separately on the HESA student record. For HESES purposes this would be returned in price groups B and D.

Example 3

24. A student studies engineering in the engineering department and also studies some management in the engineering department. The department has only one cost centre as the management provision represents a very small proportion of its activity. Both subjects studied are identified separately on the HESA student record. For HESES purposes this would all be returned in price group B.

Example 4

25. If 40 physics students are taught business under a franchise arrangement, and the franchised-out student FTE amounts to 10 FTE out of 40 FTE for the entire physics department (that is, 25 per cent), then the franchised-out FTE should be returned under business and management studies.

Example 5

26. If 40 physics students are taught business under a franchise arrangement, and the franchised-out student FTE amounts to 10 FTE out of 100 FTE for the entire physics department (that is, 10 per cent), then the franchised-out FTE may be returned under physics.

Audit issues

Assignment of departments to cost centres

27. The audits found cases where all academic activity for a department was sometimes assigned to only one cost centre, where it should be split across cost centres. We also found cases where a department was split across cost centres and a standard division was applied, irrespective of the actual split in staff effort for that department. We also found instances where a department was assigned to the incorrect cost centre/price group. We may ask institutions to provide evidence of how they have allocated particular departments to cost centres.

28. As part of the comparison of HESA and HESES data, we examined subject provision by cost centre. This highlighted a number of cases where inappropriate allocations had been made, often because of historical allocations of course codes or assignment of departments to cost centres. In addition, some variation in how institutions mapped activity to cost centres was apparent.

29. Staff define cost centres so, when determining the cost centre for a given module, the cost centre of the member of staff most directly associated with it should be used. In general, staff will be associated with only a single cost centre even where their department is split across cost centres. In particular, where a department is split across cost centres, it is necessary to identify which modules are taught by individual members of staff in order to assign the student FTE to the appropriate cost centre. In general this approach will not be consistent with pro-rating student FTE to the staff cost centre split. Where two or more members of staff from different cost centres are associated with a particular activity, the student FTE should be split according to the proportion contributed by each member of staff.

30. A regular review of the assignment of departments to cost centres should be carried out to ensure that the latest guidance is being followed.

Apportionment of student FTE to cost centres

31. The allocation of student FTE to cost centres, and therefore to price groups, can present problems where provision for a course is in more than one department and cost centre, or where a department is split across cost centres. If a module or part of a course is provided by a different cost centre to the rest of the course, this should be identified on the HESA record and on HESES by mapping the relevant student FTE to the correct price group. Where the student FTE for a course is split across cost centres, the FTE should be apportioned in an appropriate ratio. This ratio should be calculated on an individual course basis and reviewed regularly, with particular attention paid to areas affected by any changes to cost centre or price group assignments. It is not appropriate to apply a ratio calculated for one course to other courses. There is more guidance in paragraphs 17 to 26 of this annex.