

March 2003/13

Policy development

Consultation

Comments to be submitted by
Wednesday 30 April 2003

This is a consultation on HEFCE's plans to introduce recruitment incentives for teaching staff in higher education, also known as golden hellos. These are being introduced from 2003-04 to encourage new entrants to teaching in higher education in subject areas where there is a shortage of staff. Indicative allocations of funds are provided. Comments are invited on how the scheme will operate.

HEFCE staff recruitment incentives

Consultation on 'golden hellos'

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To	Heads of HEFCE-funded higher education institutions Heads of universities in Northern Ireland
Of interest to those responsible for	Human resources management, Strategic management
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Executive summary

Purpose

1. This is a consultation on HEFCE's plans to introduce recruitment incentives for teaching staff in higher education, also known as 'golden hellos'. These are being introduced from 2003-04 to encourage new entrants to teaching in higher education in subject areas where there is a shortage of staff. Indicative allocations of funds are provided. Comments are invited on how the scheme will operate.

Key points

2. The Government's commitment to introduce this staff recruitment incentive was made in the context of the target of 50 per cent of young people progressing to higher education, and golden hellos are one element of the package of measures needed to deliver that target.

3. Each golden hello should be worth £9,000. This would be paid over three years, in annual supplements of £4,000 in the first year, £3,000 for year 2, and £2,000 in the third year. As the emphasis of the scheme is on improving the quality of teaching, only those staff whose contract of employment includes a significant teaching commitment will qualify. In addition, we want to find a way of promoting retention in addition to recruitment, so payments would be made to the new teacher over a period of time.

4. The incentive is aimed towards the six selected shortage subject areas that have been identified as currently suffering the most difficulties in recruitment or retention. Funds will be

distributed on the basis of the teaching costs of these selected shortage subjects.

5. In designing the scheme we have sought to keep the burden of accountability to a minimum. To ensure consistency and fairness across the sector, we propose to steer such a scheme by establishing key eligibility criteria, including which shortage subjects are to be supported. By limiting prescription we hope to encourage institutions to be as innovative as possible to maximise the potential benefit.

Action required

Comments are invited on how the scheme will operate. They should be sent to HEFCE by **Wednesday 30 April 2003**.

Introduction

6. We plan to introduce a new incentive to aid recruitment and retention in higher education (HE) – also known as golden hellos – for HE teaching staff in recognised shortage subject areas.

7. One of the significant issues affecting higher education is that of academic pay and the extent to which pay levels in the HE sector have fallen behind national comparators. Institutions that responded to the consultation on HEFCE's Rewarding and Developing Staff initiative (HEFCE 00/56) acknowledged this as a major problem in recruiting and retaining high-quality staff, a position confirmed by the recent UCEA report¹. Previously the Bett report² had identified the need for action, while recognising that recruitment and retention problems are 'particular rather than widespread'.

8. The Labour Party's 2001 Education election manifesto included the following commitment to introduce golden hellos for academic staff in shortage subjects:

'We are investing resources on a something-for-something basis, in better pay for academic and other university staff. Universities will receive £170 million a year by 2003-04 to recruit and retain the key staff they need to improve the quality of teaching and learning. We will also introduce £5,000 golden hellos for new lecturers in shortage subjects.'

Discussion

9. The Government's commitment to introduce this staff recruitment incentive was made in the context of the target of 50 per cent of young people progressing to higher education. There was an explicit statement to 'provide universities with the funds they require to maintain quality while expanding access', and golden hellos are one element of the package of measures needed to deliver that target. They are consistent with the Government's belief that financial incentives are necessary to recruit and retain teachers and lecturers.

10. Allocating a one-off lump sum to new teachers would be a simple way to encourage entry to HE, but would run the risk of significant waste by supporting high levels of turnover, encouraging instability and thereby damaging quality. In our scheme of golden hellos we want to find a way of promoting retention in addition to recruitment.

11. The implication of using golden hellos to promote retention is that payments would be made to the new teacher over a period of time. There might also be a qualifying period during which if the recipient of an award ceased lecturing, some repayment would be necessary.

¹ 'Recruitment and retention of staff in UK higher education 2001' published by UCEA in May 2002.

² Independent review of HE pay and conditions – Chaired by Sir Michael Bett, 1999.

12. In designing the scheme we have sought to keep the burden of accountability to a minimum. In addition, by limiting prescription we hope to encourage institutions to be as innovative as possible to maximise the potential benefit.

13. A scheme could be developed with a general encouragement to institutions to allocate funds for a defined purpose, perhaps with some published general guidelines. It could be for institutions to adapt a code of practice as appropriate, and to administer the scheme themselves according to these guidelines, taking account of local situations as appropriate. This would leave it open for institutions to determine what their own shortage subjects were, and what the precise mechanisms and eligibility criteria would be. Alternatively, a scheme could be developed and administered directly by HEFCE, with a high level of control, but this would be costly to operate. In addition, the degree of control required would hinder the development of the partnership we are developing with institutions over leadership, governance and management. Institutions may perceive such control to be an infringement of their independence.

14. We have developed a proposed code of practice (see Annex B) which avoids these two extremes. When finalised, these guidelines will form the key principles of the scheme, and will indicate the degree of influence we will exert. The draft code of practice at Annex B is based on an intermediate approach, whereby HEFCE promulgates the key features of a national scheme, but it is left to institutions to administer the scheme within the context of their local arrangements and priorities. We would establish eligibility criteria, agree which subjects are eligible for support, and publish the key features of such a scheme.

Proposal for consultation: To ensure consistency and fairness across the sector, HEFCE should steer such a scheme by establishing key eligibility criteria, including which shortage subjects are to be supported.

Eligibility for the scheme

15. This scheme is designed to support the expansion and quality of teaching. It is therefore proposed that only those staff whose contract of employment includes a significant teaching commitment, or who support the teaching process, will qualify. For example, payments would not be available for research staff or research support staff, but would be available for teaching support staff. It is suggested that a significant commitment not be precisely defined, but will be of the order of 10 hours or more a week during term time.

16. For school teachers the loan repayment scheme is open only to employees that have qualified teacher status, while the scheme currently operating in further education (FE) requires staff to be working towards an FE teaching qualification in order to be eligible for such a payment. There is no comparable qualification within HE. It would, however, be possible to require some evidence that the recipient has already acquired, or is working towards, some form of award to reflect their commitment to lecturing. This might be membership of the Institute for Learning and Teaching (ILT), an award from or registration on an ILT accredited course, or some other recognised award.

Proposal for consultation: As the emphasis of the scheme is on improving the quality of teaching, only those staff whose contract of employment includes a significant teaching commitment will qualify.

17. As these payments are designed to encourage new entrants to teaching in higher education, it is suggested that recipients should not previously have taught HE at an institution in receipt of funding from HEFCE. This would mean HE teachers within FE would not benefit upon taking up employment with an HEI, but that any schoolteacher could qualify. It is not proposed that there be any age qualification for these awards.

18. There are no nationality requirements in respect of these payments and there are no limitations in respect of the seniority of lecturer that would qualify.

19. Where an employee in receipt of a supplement is promoted within an institution, eligibility for the supplement continues and no repayment is expected, as long as the promotion is to a post which also has significant teaching responsibilities.

Proposal for consultation: As the scheme is designed to encourage new entrants to teaching in higher education, the scheme should be designed to support new lecturers only.

20. The Department for Education and Skills will provide funds for this scheme. The scheme will therefore be open to all those staff supported by HEFCE and Teacher Training Agency funds, but not for those individuals working on courses funded under Department of Health (DH) arrangements. The DH contracts with HEIs for the teaching of pre-registration nursing and allied health professions, and it would be for the DH to include recruitment and retention supplements within its contract arrangements.

21. Both full-time and part-time teaching staff are eligible, and they should have a clear contract of employment with an HEI for a period of more than 12 months. While this scheme is not open to staff in further education colleges (FECs), since few of their staff teach HE solely, it is important that the contribution made by FE is recognised. We will therefore allocate a proportion of the funding for this initiative to the HE in FE Development Fund.

22. Staff teaching on further education courses now benefit from repayments of student loans for new teachers in shortage subjects. In order not to create significant differentials, nor distort the labour market between FE and HE, the awards under our scheme should be set at a level broadly equivalent to that provided to support loan repayments within the FE sector. The threshold allocation should not be less than £4,000 in the first year. HEIs will be able to increase this earmarked amount by allocating any other funds that they wish, but the earmarked total must not be vired for other purposes. If they do not wish to participate in the scheme, institutions need not draw on these funds. We suggest that each golden hello be worth £9,000, paid in annual supplements of £4,000 in year 1, £3,000 in year 2 and £2,000 in year 3.

Proposal for consultation: That each golden hello should be worth £9,000. This would be paid over three years, in annual supplements of £4,000 in the first year, £3,000 for year 2, and £2,000 in the third year.

Operation of the scheme

23. The main principles guiding the operation of this scheme are that it should be optional for institutions, and that they should manage the scheme. The supplement will be paid with institutions' Rewarding and Developing Staff in HE funding, which is released on submission of an approved human resource strategy. Any detailed operational scheme that institutions develop should be broadly consistent with the code of practice at Annex B.

Proposal for consultation: To encourage institutional autonomy in the management of the scheme; the detailed operational implementation will be the responsibility of institutions, based on guidance provided by the HEFCE in a code of practice.

24. Institutions will be given an earmarked allocation of the funds allocated by a formula based on teaching costs (Annex C provides indicative allocations by institution), which will be added to the Rewarding and Developing Staff in HE funding. HEIs have access to the underlying data on staff numbers that informed this allocation on HEFCE's web-site ('HESA 2001-02 derived statistics for funding allocations and monitoring', HEFCE 2003/04).

25. The formula allocation will be based on costs within academic cost centres that map onto the shortage subjects. Eligible staff should be employed to teach, either wholly or mainly, in specified shortage subjects. These will usually be those subjects funded by HEFCE and Teacher Training Agency identified as having the most difficulties in recruitment or retention by the annual recruitment and retention survey commissioned by UCEA³, and the CHMS survey of clinical academic staffing levels⁴. Currently that would mean:

- education
- computing, information technology and information systems
- business (includes business and management, accountancy and finance, law, economics)
- mathematics
- engineering (includes electrical/electronic engineering, mechanical engineering and civil engineering)
- clinical medicine and clinical dentistry.

26. Before these funds are released, institutions should certify that they have a scheme in place that conforms to the code of practice. If balances in respect of the scheme accumulate to 20 per cent of allocation or more than £500,000 (whichever is greater), HEIs should notify

³ 'Recruitment and retention of staff in UK higher education, a survey and case studies 2001'. Commissioned by the HEFCE, SCOP, UCEA and Universities UK.

⁴ 'Survey of Clinical Academic Staffing Levels in UK Medical and Dental Schools. A report to the Council of Heads of Medical Schools' by Tom Smith and Peter Sime, November 2001.

HEFCE. Funds can only be used for golden hellos for teaching staff in designated shortage subjects, and the operation of the scheme would be monitored through HEIs' annual monitoring statement. HEFCE would audit a sample of HEIs to verify that the scheme was operated properly.

Proposal for consultation: That the incentive be aimed towards the six selected shortage subject areas, as these have been identified as currently suffering the most difficulties in recruitment or retention. Funds should be distributed on the basis of the teaching costs of these selected shortage subjects.

Evaluation

27. HEFCE is committed to evaluating the impact of all the schemes that it funds. In relation to this initiative, it is suggested that institutions are better placed than HEFCE to evaluate the scheme's effectiveness, particularly as they will be managing the scheme. Institutions will therefore formally evaluate, by August 2005, the scheme's effectiveness in recruiting and retaining staff in shortage subject areas and make this evaluation available to HEFCE. The overall purpose of this scheme is to improve the quality of teaching by improving the recruitment and retention of staff in shortage subjects. Institutions may consider that it would be good practice is to identify at this stage the key metrics that will form the basis of subsequent evaluation.

Proposal for consultation: Since HEIs will manage the running of this scheme within their own institution, they should formally evaluate, by August 2005, the scheme's effectiveness in recruiting and retaining staff in shortage subject areas and make this evaluation available to HEFCE.

28. In 2002, we commissioned Deloitte & Touche to carry out an interim evaluation of the Rewarding and Developing Staff in HE initiative. Since golden hellos will be part of this funding allocation, we are also considering whether the evaluation of golden hellos forms part of the long-term evaluation framework for the Rewarding and Developing Staff in HE initiative.

Annex A

Consultation questions

1. Institutions' opinions are accordingly sought on the following proposals:
 - a. To ensure consistency and fairness across the sector, HEFCE should steer such a scheme by establishing key eligibility criteria, including which shortage subjects are to be supported.
 - b. As the emphasis of the scheme is on improving the quality of teaching, only those staff whose contract of employment includes a significant teaching commitment will qualify.
 - c. As the scheme is designed to encourage new entrants to teaching in higher education, the scheme should be designed to support new lecturers only.
 - d. That each golden hello should be worth £9,000. This would be paid over three years, in annual supplements of £4,000 in the first year, £3,000 for year two, and £2,000 in the third year.
 - e. To encourage institutional autonomy in the management of the scheme, the detailed operational implementation will be the responsibility of institutions, based on guidance provided by HEFCE in a code of practice.
 - f. That the incentive should be aimed towards six subject areas, as these have been identified as currently suffering the most difficulties in recruitment or retention. These are:
 - i. Education.
 - ii. Computing, information technology and information systems.
 - iii. Business (includes business and management, accountancy and finance, law, economics).
 - iv. Mathematics.
 - v. Engineering (includes electrical/electronic engineering, mechanical engineering and civil engineering).
 - vi. Clinical medicine and clinical dentistry.

Funds should be distributed on the basis of the teaching costs of these six selected shortage subjects.

- g. Since HEIs will manage the running of this scheme within their own institution, they should formally evaluate, by August 2005, the scheme's effectiveness in recruiting and retaining staff in shortage subject areas and make this evaluation available to HEFCE.

Please send any responses, by Wednesday 30 April, to:

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Annex B

Code of practice

1. Recruitment and retention supplements (golden hellos) may be available to any employee of the institution who meets all the following criteria:
 - a. Has a significant teaching commitment.⁵
 - b. Has a contract for a period of more than 12 months.
 - c. Has become a member of the ILT or gained an award from an ILT accredited course in the last year, or is working towards becoming a member of ILT or gaining an award from an ILT accredited course, or has some other recognised teaching award.
 - d. Has not worked previously for an organisation that receives funds from HEFCE.
2. Payments will be pro-rated for part-time employees.
3. Rates of supplement must be no less than £4,000 in the first year of employment, and typically will be £3,000 in the second year of employment and £2,000 in the third year of employment.
4. Any time limit in this code of practice may be extended by maternity or paternity leave, sabbatical or agreed unpaid leave.
5. Periods of sickness count as employment for the purposes of this scheme.
6. Payments under this scheme are both pensionable and taxable.
7. Institutions will keep such records as are necessary to demonstrate that funds allocated have been used appropriately, for example, that minimum amounts and contract conditions are complied with, and used.
8. Institutions should formally evaluate, by August 2005, the scheme's effectiveness in recruiting and retaining staff in shortage subject areas and make this evaluation available to HEFCE.

In addition, and depending on circumstances:

9. HEIs will consider whether employees who have received a supplement, and who subsequently leave within two years of starting employment, should be expected to repay a

⁵ This will be for HEIs to define but typically might mean someone who lectures in a designated subject for more than 10 hours a week during term time.

proportion of the supplement. Repayments would not be expected if the recipient leaves to take up a post with teaching responsibilities at another HEI.

Annex C

Golden hellos – indicative allocations by institution

Institution	FTE	Allocations (£)		
		2003-04	Indicative 2004-05	Indicative 2005-06
Anglia Polytechnic University	166.28	36,000	60,000	77,000
Aston University	94.00	20,000	34,000	44,000
University of Bath	217.60	44,000	79,000	101,000
Bath Spa University College	46.81	8,000	17,000	22,000
Birkbeck College	49.83	12,000	18,000	23,000
University of Birmingham	354.02	72,000	128,000	164,000
Bishop Grosseteste College, Lincoln	33.92	8,000	12,000	16,000
Bolton Institute of Higher Education	127.23	28,000	46,000	59,000
Bournemouth University	174.99	36,000	63,000	81,000
University of Bradford	118.09	24,000	43,000	55,000
University of Brighton	209.98	44,000	76,000	98,000
University of Bristol	254.77	52,000	92,000	118,000
Brunel University	187.27	40,000	68,000	87,000
Buckinghamshire Chilterns University College	99.14	20,000	36,000	46,000
University of Cambridge	380.46	80,000	137,000	177,000
Canterbury Christ Church University College	98.16	20,000	35,000	46,000
University of Central England	320.64	68,000	116,000	149,000
University of Central Lancashire	196.37	40,000	71,000	91,000
Chester College of Higher Education	46.92	8,000	17,000	22,000
University College Chichester	47.75	8,000	17,000	22,000
City University, London	175.47	36,000	63,000	82,000
Coventry University	186.52	40,000	67,000	87,000
Cranfield University	314.53	64,000	114,000	146,000
De Montfort University	310.02	64,000	112,000	144,000
University of Derby	208.89	44,000	75,000	97,000
University of Durham	152.00	32,000	55,000	71,000
University of East Anglia	89.64	20,000	32,000	42,000
University of East London	160.42	32,000	58,000	75,000
Edge Hill College of Higher Education	72.85	16,000	26,000	34,000
Institute of Education	109.36	24,000	40,000	51,000
University of Essex	93.80	20,000	34,000	44,000
University of Exeter	156.28	32,000	56,000	73,000
University of Gloucestershire	127.15	28,000	46,000	59,000
Goldsmiths College	46.17	8,000	17,000	21,000
University of Greenwich	214.43	44,000	77,000	100,000
University of Hertfordshire	221.35	44,000	80,000	103,000

University of Huddersfield	196.86	40,000	71,000	91,000
University of Hull	141.42	28,000	51,000	66,000
Imperial College	615.09	128,000	222,000	286,000
Keele University	81.70	16,000	30,000	38,000
University of Kent at Canterbury	110.48	24,000	40,000	51,000
King Alfred's College, Winchester	35.95	8,000	13,000	17,000
King's College London	335.74	68,000	121,000	156,000
Kingston University	225.70	48,000	82,000	105,000
Lancaster University	136.04	28,000	49,000	63,000
University of Leeds	420.89	88,000	152,000	195,000
Leeds Metropolitan University	316.15	64,000	114,000	147,000
University of Leicester	172.78	36,000	62,000	80,000
University of Lincoln	95.26	20,000	34,000	44,000
University of Liverpool	226.74	48,000	82,000	105,000
Liverpool Hope University College	33.58	8,000	12,000	16,000
Liverpool John Moores University	249.50	52,000	90,000	116,000
London Business School	78.94	16,000	29,000	37,000
London School of Economics & Political Science	85.92	16,000	31,000	40,000
London Guildhall University	159.41	32,000	58,000	74,000
London School of Hygiene & Tropical Medicine	63.72	12,000	23,000	30,000
The London Institute	166.23	36,000	60,000	77,000
London South Bank University	249.17	52,000	90,000	116,000
Loughborough University	287.33	60,000	104,000	133,000
University of Luton	89.13	20,000	32,000	41,000
University of Manchester	356.45	72,000	129,000	166,000
UMIST	323.06	68,000	117,000	150,000
Manchester Metropolitan University	397.08	80,000	143,000	184,000
Middlesex University	193.16	40,000	70,000	90,000
University of Newcastle upon Tyne	338.35	68,000	122,000	157,000
Newman College of Higher Education	51.85	12,000	19,000	24,000
University College Northampton	131.40	28,000	47,000	61,000
University of North London	160.05	32,000	58,000	74,000
Northumbria University, Newcastle	309.44	64,000	112,000	144,000
University of Nottingham	350.76	72,000	127,000	163,000
Nottingham Trent University	293.63	60,000	106,000	136,000
Open University	404.40	84,000	146,000	188,000
University of Oxford	275.35	56,000	99,000	128,000
Oxford Brookes University	144.73	28,000	52,000	67,000
University of Plymouth	198.08	40,000	72,000	92,000
University of Portsmouth	207.16	44,000	75,000	96,000
Queen Mary, University of London	234.09	48,000	85,000	109,000
University of Reading	90.82	20,000	33,000	42,000
Royal Holloway, University of London	73.10	16,000	26,000	34,000

St George's Hospital Medical School	42.64	8,000	15,000	20,000
College of St Mark & St John	50.47	12,000	18,000	23,000
St Martin's College	79.79	16,000	29,000	37,000
St Mary's College	30.76	8,000	11,000	14,000
University of Salford	214.13	44,000	77,000	99,000
University of Sheffield	457.92	96,000	165,000	213,000
Sheffield Hallam University	432.98	88,000	156,000	201,000
University of Southampton	371.14	76,000	134,000	172,000
Southampton Institute	189.30	40,000	68,000	88,000
Staffordshire University	200.70	40,000	73,000	93,000
University of Sunderland	180.71	36,000	65,000	84,000
University of Surrey	145.49	32,000	53,000	68,000
University of Surrey Roehampton	82.35	16,000	30,000	38,000
University of Sussex	90.47	20,000	33,000	42,000
University of Teesside	172.77	36,000	62,000	80,000
Thames Valley University	105.11	20,000	38,000	49,000
Trinity & All Saints	31.81	8,000	11,000	15,000
University College London	455.07	92,000	164,000	211,000
University of Warwick	264.49	56,000	96,000	123,000
University of West of England, Bristol	213.63	44,000	77,000	99,000
University of Westminster	227.82	48,000	82,000	106,000
University of Wolverhampton	194.12	40,000	70,000	90,000
University College Worcester	46.80	8,000	17,000	22,000
University of York	93.61	20,000	34,000	43,000
York St John College	32.85	8,000	12,000	15,000
Total English HEIs	19,376.71	4,008,000	6,997,000	9,001,000
Queen's University Belfast	264.52	56,000	96,000	123,000
St Mary's University College	55.38	12,000	20,000	26,000
Stranmillis University College	60.00	12,000	22,000	28,000
University of Ulster	306.45	64,000	111,000	142,000
Total NI HEIs	686.35	144,000	249,000	319,000

Source: 2001-02 HESA staff record

Date: 24/02/03

Note: Institutions with less than 20 FTEs in hard to recruit subjects are excluded. Minimum allocation £8,000, all allocations rounded to the nearest £4,000 in year 1 and £1,000 in years 2 and 3.

List of abbreviations

CHMS	Council of Heads of Medical Schools
DH	Department of Health
FE	Further education
FEC	Further education college
HE	Higher education
HEFCE	Higher Education Funding Council for England
HEI	Higher education institution
HR	Human resources
ILT	Institute for Learning and Teaching in HE
LSC	Learning and Skills Council
SCOP	Standing Conference of Principals
UCEA	Universities and Colleges Employers Association