

HEFCE 00/51

Funding of specialist higher education institutions

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To	Heads of HEFCE-funded higher education institutions
Of interest to those responsible for	Finance; Strategic planning
Reference	00/51
Publication date	November 2000
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Executive summary

Purpose

1. This document reports the outcomes of a review of the funding of certain specialist higher education institutions (HEIs). and the principles the HEFCE applies in conducting such reviews.

Key points

2. A working group was established by the HEFCE Sector Strategy Committee (SSC) in September 1999 to develop recommendations for the long term funding of a number of the specialist HEIs. The results of that work have been endorsed by the HEFCE Board, and are being incorporated in the funding allocations for the HEIs concerned.

3. The key outcomes from this work are:
- Identification of a set of principles for determining whether, and at what level, to award supplementary funding to specialist HEIs.
 - A long term funding approach for specialist HEIs that is consistent with the principles of the mainstream HEFCE teaching funding method.

- c. A set of criteria to determine eligibility for an institutional premium for specialist music providers, and a single funding level for specialist music providers that meet the criteria.
- d. A set of criteria to determine eligibility for assigning relevant programmes to price group B for multi-faculty music providers.
- e. A set of criteria for the Royal College of Art on which to base funding delivered via an institutional premium.
- f. A review of the provision at Cranfield University resulting in the confirmation of the current institutional premium.
- g. A review of the provision at the School of Oriental and African Studies (SOAS) resulting in the consolidation of Minority Subjects funding into an enhanced institutional premium.
- h. A review of the provision at the Institute of Education identifying a need for an increase in the funding for teaching to be delivered through an enhanced institutional premium.
- i. A review of all of the specialist art and design colleges resulting in the extension of the 10 per cent specialist institution premium to cover all of these institutions.
- j. A commitment to undertake a review the funding of specialist institutions in receipt of premiums in excess of 10 per cent every five years.

Action required

- 4. None: the report is for information.

Funding of specialist higher education institutions

Background

5. Specialist institutions are defined as those institutions where 60 per cent or more of their provision is returned under two or fewer subject cost centres.

6. In preparation for the new HEFCE funding method introduced in 1998, a panel chaired by Sir Stewart Sutherland reviewed the funding of specialist HEIs to consider which of them should continue to receive additional funding, and at what level. The panel's report was published as HEFCE 98/10. But its recommendations were for a three-year period. So as part of their wider remit to advise on organisational and institutional issues, the HEFCE SSC established a small working group to provide advice and recommendations for the long term funding of the specialist institutions that are in receipt of significant institutional premiums.

7. The earlier Sutherland Review made recommendations concerning two categories of specialist institutions which have not been re-considered as part of this review. Those categories are:

- a. HEIs which did not require an institutional premium, because their assumed resource already placed them within the HEFCE tolerance band for funding. That means they had historically been funded at a level which was consistent with the standard funding level generated by our funding method, and therefore did not need supplementary funding to sustain their specialism.
- b. HEIs for which the application of a standard 10 per cent premium to recognise the range of cost factors associated with their specialist status was sufficient to bring them within the funding tolerance band.

8. These institutions have not been considered again as part of this review. The 10 per cent premiums will continue at least until we review more widely the allocation of subject cost centres to price groups. We intend to begin that review during 2001-02. The continuing need for such 10 per cent premiums will be reconsidered in the light of that work.

9. The terms of reference and membership of the Specialist Institutions Working Group (SIWG) are attached at Annex A. The specialist institutions reviewed are listed at Annex B.

General funding principles for specialist institutions

10. In asking the SIWG to develop recommendations for funding specialist institutions, we asked it to take into account our broader funding and policy principles. The work of this group, in combination with the development of other HEFCE policies, has helped us to clarify the principles of our approach to funding specialist institutions.

11. The starting point for our overall funding method is that we should fund similar activities at similar rates through our unit funding of students in four broad price bands. This approach assures a comparable baseline of funding per student irrespective of the institution at which they study. When coupled with the block grant principle, it allows institutions a great deal of flexibility to deploy resources as they see fit. The price bands are deliberately broad averages within which we expect each institution to decide for itself appropriate allocations to particular departments and activities, judged in the light of its own priorities and circumstances.

12. However, some institutions, and typically those smaller institutions with a narrow range of provision, do not enjoy such flexibility. Because the majority of their provision is concentrated in one or two cost centres, they have less scope than multi-faculty institutions to trade off higher spending on some activities and lower spending on others within the averages of the price bands. Nor does the deliberately broad-brush approach of the mainstream funding method recognise the particular funding histories associated with some specialist, and in many cases unique, areas of provision.

13. We are committed to sustaining high quality and standards in higher education. So where there is evidence that our mainstream funding approach would endanger the viability of an institution which holds a position of recognised international or national excellence, or which makes distinctive or unique provision available, we are willing to consider providing additional funding.

14. We also wish to encourage and sustain a diversity of institutions and provision. Again, the specialist institutions make an important contribution here and, balancing costs against benefits, we should be prepared to consider additional funding in order to sustain a diverse range of institutions. Our latest thinking on the issue of diversity is outlined in our publication HEFCE 00/33.

15. We have already implemented some funding premiums that go some way towards recognising these factors, in particular, the small institution premium. This premium is designed to recognise the diseconomies of scale that can occur where small institutions need to provide significant corporate and administrative infrastructure despite their small size. Some 25 specialist institutions currently receive additional funding over and above the standard rate through this route.

16. In line with our mainstream funding approach, we aim to provide additional funding for specialist institutions only on the basis of open and clear criteria. A presumption in favour of transparency has permeated the approach adopted by the SIWG in reviewing the institutions included in this report. Wherever possible, we have identified the characteristics associated with high-cost provision, and used them to determine thresholds for the allocation of additional funding.

17. We also have a presumption that any additional funding over and above the 10 per cent premium provided to specialist institutions should be subject to regular review. In general, we would expect this to be conducted via some form of external peer review process, particularly when testing claims of international or national excellence.

18. These principles form the overall funding framework within which the SIWG recommendations should be viewed.

Developments since the Sutherland Review

19. Since the original Sutherland report, the funding method for teaching has been refined through reviewing the assignment to cost centres of a number of subject cost centres, and through the development of additional funding premiums. These refinements have included: reviews of the psychology, sport science, education and media studies cost centres; the development of funding premiums for small institutions; and the occupation of old and historic buildings. Many of these refinements have had an impact on several specialist institutions, reducing or removing their need for an institutional premium.

20. In addition, separate reviews have been undertaken of the specialist performing arts colleges (Central School of Speech and Drama, Rose Bruford College, Northern School of Contemporary Dance and Dartington College of Arts) and the agriculture colleges (Writtle, Harper Adams and Wye). Again, these reviews have had a funding impact on some of the institutions involved. The results of the performing arts review were reported in June 1999 HEFCE 99/41 'Funding of specialist performing arts institutions'. The outcomes of the review of agriculture specialists were summarised in the October 1999 Council Briefing. The consequent funding changes were incorporated in the grant allocations set out in HEFCE 00/34: 'Recurrent grants for 2000-01: final allocations'.

Institutions reviewed by SIWG

21. Against this background, the SIWG was asked to focus on two groups of HEIs. First, those specialist institutions receiving premiums significantly higher than 10 per cent or where there were specific funding issues to be resolved. The institutions in this group were:

- Cranfield University
- Institute of Education
- Royal Academy of Music
- Royal College of Art
- Royal College of Music
- Royal Northern College of Music
- School of Oriental and African Studies
- Trinity College of Music.

22. The second group was the specialist art and design colleges. The institutions in this group were:

- Cumbria College of Art and Design
- Falmouth College of Arts
- Kent Institute of Art and Design
- London Institute
- Norwich School of Art and Design

- Ravensbourne College
- Surrey Institute of Art and Design
- Wimbledon School of Art.

23. In considering the funding needs of these specialist institutions, the aim was to devise approaches which, so far as possible, were based on objective factors, transparent and consistent with the wider funding method.

Funding approach for high-cost music providers

24. During the course of the SIWG's work, two multi-faculty institutions advanced arguments that the costs of their music provision were substantially higher than our current standard funding at price group C. We asked the SIWG to consider these claims in the context of its work on the specialist music providers.

25. In considering the approach recommended by the SIWG, we have aimed to be consistent with our mainstream HEFCE funding method for teaching. This led to a distinction between how high-cost music provision would be funded in specialist and in multi-faculty institutions. For multi-faculty institutions we take the view that, within the block grant, each HE institution has discretion to make its own decisions about areas of provision that it wants to spend more, or less, on. Thus if a multi-faculty university wishes to sustain a very high-cost approach in its music department or school, it is fully at liberty to redeploy standard funds in order to do so. An additional institutional premium is not required. However, evidence was produced to show that in one case at least, costs of provision would be more appropriately funded at a rate equivalent to our price group B. Self-standing specialist institutions, by contrast, do not have the same scope to redeploy funds between programmes and price bands, and therefore our funding approach needs to recognise this.

26. Our approach to funding high-cost music provision therefore has two strands. For specialist music providers we have developed criteria which they must meet in full in order to qualify for an institutional premium. For multi-faculty music providers we have developed criteria which they must meet in full in order to qualify for their provision to be reallocated to price group B.

27. If any multi-faculty provider would find it helpful to test itself against the specialist music provider criteria in Part B of Annex C, we would be happy to review the evidence with it. This would provide multi-faculty institutions with the opportunity to demonstrate that their approach to music provision was similar to that of the specialist music providers, although we would not make any additional funding available as a consequence of this for the reasons outlined in paragraph 25.

Defining the high-cost music criteria

28. To determine the criteria for the award of any institutional premium for specialist institutions and the criteria for reallocation to price group B in multi-faculty institutions, the SIWG drew on a wide range of work. This included the report of the HEFCE Conservatoires

Advisory Group chaired by Sir John Tooley (HEFCE 98/11), the detailed costings work undertaken by an independent consultant (John Myerscough) as part of the original Sutherland review, visits to the four specialist providers, and detailed written cases submitted by some of the multi-faculty providers. In addition, Dr John Hosier was co-opted onto the SIWG as an expert adviser. Comments were sought from each of the specialist providers and the multi-faculty institutions as draft criteria were developed.

29. The final criteria for specialist and multi-faculty music providers are attached at Annexes C and D respectively.

Funding the high-cost specialist music providers

30. The institutions involved in this part of the exercise were:

- Royal Academy of Music (RAM)
- Royal College of Music (RCM)
- Royal Northern College of Music (RNCM)
- Trinity College of Music (TCM).

31. Our aim was to develop a process that was as simple and transparent as possible. Here the SIWG recommended an approach where each of the specialist music providers would be required to state formally that it met all of the criteria in full – essentially a pass/fail model. These formal statements would be subject to audit if there was any concern as to the validity of the claim, with the possibility of any institutional premium being reduced or removed if the claim were shown to be invalid.

32. It was also recommended that if a specialist provider was not able currently to meet the criteria, its funding level should be maintained at the current level, but that it should have the opportunity to make a further bid against the criteria in either 2001 or 2002.

33. The SIWG was also asked to look at the funding level for specialist music providers. Its preference was to establish a common funding level for the specialist providers, and it built on its work establishing a single set of specialist provider criteria. To determine an appropriate funding level, it reviewed the work on costs and expenditure undertaken by consultants (John Myerscough) as part of the Sutherland review, alongside the evidence gathered as part of its own visits. Overall, the view was that all of the specialists were making high quality provision available, and in three of the four specialists the SIWG identified a broadly common picture in terms of: the nature, pattern and purpose of provision; the quality, range and type of facilities available; and level of expenditure. In the fourth specialist provider it was recognised that there were particular issues relating to its relocation process and that these had a direct impact on its current provision.

34. Based on the Myerscough work, and its own evidence, the SIWG identified an expenditure level per student in the majority of specialist providers that was typically in excess of £9,250 per student full-time equivalent (FTE), with the upper limit of the range being almost £11,900 per FTE. Given that the SIWG established a common set of criteria

and that there was no real evidence to suggest significant differences in provision in most of the specialists, a total funding level (including the student fee contribution) equivalent to £9,990 per FTE (including the London weighting element) was recommended. This recommendation was accepted by the HEFCE Board, and is being implemented by providing an institutional premium sufficient to bring the resources available per FTE up to this £9,990 level, based on current Home and EU fundable student numbers. Where this requires significant changes in funding, they will be implemented over a three-year period. A summary of the 2000-01 funding situation for the specialist music providers is outlined at Annex E.

35. In setting this new funding level, the SIWG also took account of the comments in the Tooley Report that the supply of highly trained musicians and the employment potential in the professional music performance sector were broadly in balance. However, they also recommended that the specialist music providers should be able to bid to the HEFCE's additional student number (ASN) initiative if they were able to produce clear evidence of a need for more of these highly trained performers within the music sector. Collaborative ASN bids between the institutions should be especially encouraged.

36. We believe that implementing the approach set out above will benefit not only the specialist institutions themselves but also students and the employers in the professional music sector, through providing a clear statement of the resources and facilities that are expected in these institutions.

Funding high-cost music provision in multi-faculty institutions

37. As mentioned in paragraph 24, the SIWG also considered proposals from two multi-faculty institutions, suggesting that our current funding did not recognise the degree of specialism, for example, in terms of dedicated performance space, or the costs of their music provision. We have already outlined our broad approach to funding specialised provision within multi-faculty institutions. But on the basis of the evidence presented, we have concluded that some provision would be more appropriately funded at a higher level than price group C.

38. Here the SIWG recommended a funding approach that parallels, and draws on, that adopted for the specialist music providers. A set of criteria indicative of high-cost music provision (Annex D) in multi-faculty institutions was developed. Where these criteria are met, it was recommended that the funding should be at price group B. With these criteria in place, the two institutions who had submitted a case – University of Central England (UCE) and Huddersfield University – were invited to state formally whether they met them. Any claims would be subject to audit, and the higher funding level withdrawn if it were found that the criteria were not being met. At present only one institution, UCE, has formally claimed to meet the criteria set out in Annex D and consequently had its provision reallocated to price group B.

Royal College of Art (RCA)

39. The Sutherland Review made two important recommendations affecting the RCA. The first was that its funding for teaching should be reduced by 5 per cent from 1999-2000. The second was that it should develop its income-generating capacity. We were pleased to note that the RCA had responded well to both recommendations.

40. In considering the long term funding for the RCA, the SIWG aimed to be broadly consistent with the approach developed for the high-cost music specialists. It drew on evidence gathered by consultants as part of the Sutherland review and from its own visits and detailed discussions, to establish a set of criteria that reflect the main cost drivers in this type of institution. These are set out at Annex F. In common with the specialist music providers, the RCA was asked to make a formal statement that it met all of these criteria in full, and again its statement would be open to audit.

41. The SIWG also considered the funding level for the RCA. It recognised that the RCA's provision was highly distinctive and that it faced significant capacity constraints. On the basis of the evidence available to the SIWG, it recommended that the RCA be awarded a premium sufficient to maintain its current funding level. However, in discussion it became clear that the RCA was undertaking substantial fundraising activity to increase its capacity. Here the recommendation was that any increased student numbers not be funded at more than the standard rate, generally price group C, applying to the art and design cost centre. Such an approach would substantially reduce the size of the institutional premium required.

Cranfield University

42. The Sutherland review recommended that the funding for teaching at Cranfield should be reduced by 5 per cent from 1998-99. The SIWG noted that Cranfield had coped well with this reduction in funding and had continued to develop its own income generation.

43. In developing the approach to the long term funding for Cranfield, the SIWG identified three main blocks of provision: engineering, management, and agriculture and science. The recommendations developed drew on written evidence provided by the university and on a visit by a sub-group of SIWG to look in detail at these three areas of work. The sub-group was led by Mr Mike Malone-Lee (Vice-Chancellor, Anglia Polytechnic University). Professor David Johns (former Vice-Chancellor, University of Bradford) was engaged to provide additional expert advice on the engineering aspects.

44. The sub-group concluded that Cranfield's engineering provision was very distinctive, particularly in its industry-standard and industry-scale equipment and facilities. In considering its management provision, it concluded that there were distinctive elements – particularly the intensive one-year MBA programme, equivalent in range, depth and intensity of study to many two-year courses in the UK and overseas. The third area of agriculture and science is already being restructured with support from the HEFCE Restructuring and Collaboration Fund, so as to shift the focus towards biosciences with relocation of facilities between campuses. The SIWG concluded that this restructuring should be allowed to take effect, and the case for continuing additional funding should then be reviewed.

45. Overall, there was sufficient evidence to support a recommendation that Cranfield's funding be maintained at the current levels through the award of an institutional premium.

School of Oriental and African Studies (SOAS)

46. SOAS received a funding allocation under the 1995 Minority Subjects initiative. For the year 1999-2000, this is worth £1,626,388. However, it was recognised that the specialist nature of the institution's provision did not provide a good match with the Minority Subjects criteria. To address this, a special advisory panel was established to review the funding for SOAS overall, paying particular attention to its role as a national resource. The membership and terms of reference of this panel are at Annex G.

47. The advisory panel met over two days in April 2000 and drew on evidence from a variety of sources, including a presentation of the SOAS's case from the director and other senior staff. The panel concluded that the SOAS provides a valuable national resource in relation particularly to the teaching of rare languages, and its unique, specialised knowledge of strategically important regions and countries across the world. To ensure that this capability is retained for the country, the panel recommended that additional funding be made available.

48. The approach recommended consolidates the current minority subject funding of approximately £1.6 million into an institutional premium sufficient to enhance its funding overall by £1.88 million from 2000-01.

Institute of Education

49. As with SOAS, a special advisory panel was established to review the funding for the Institute of Education, focusing on its role as a national resource. The membership and terms of reference are attached at Annex H.

50. The advisory panel met over two days to consider written evidence prepared by the Institute and to discuss the issues with its senior staff, including the previous director and his successor. The panel drew on earlier discussions that covered a range of future options and funding issues, including the potential for strategic alliances and the funding history associated with the Institute's disengagement from London Senate.

51. On the basis of these discussions and its own meetings and discussions with the Institute, the panel reached two main conclusions. First, that there is clear evidence to support the case that the Institute holds a position as the pre-eminent national centre of excellence in education. Second, that the additional funding provided following the Sutherland report was insufficient for the Institute to maintain and develop this important national role.

52. To address this under-investment, the panel recommended that additional funding be made available to the Institute in different ways. In terms of recurrent funding to address the key staffing appointments, a net increase in overall funding for the Institute of £250,000 was

recommended. This would be provided through an increased institutional premium. To address the infrastructure issues, the panel recommended that the HEFCE explore other funding routes including the Restructuring and Collaboration Fund and the Poor Estates initiative.

Specialist art and design colleges

53. The original SIWG remit was expanded to include a review all of the specialist art and design colleges. To assist in this work Professor Katharine Crouan, Dean of the Faculty of Arts at the University of Southampton, was engaged as a special adviser to the SIWG.

54. The review of the group of colleges listed in paragraph 22 was based on both a detailed written submission made by each of the institutions in response to a common set of questions, and visits to four institutions: Cumbria College of Art and Design (CCAD), Norwich School of Art and Design (NSAD), Kent Institute of Art and Design (KIAD) and Wimbledon School of Art (WSA).

55. Particular attention was paid to the three institutions that were not in receipt of the 10 per cent specialist institution premium – CCAD, NSAD and the Surrey Institute of Art and Design (SIAD). It was noted that both CCAD and NSAD were mixed economy colleges combining further and higher education, and that they had both moved to the HE sector within the last five years. There was evidence to suggest that their funding base continued to reflect the generally lower levels of funding associated with art and design provision in the further education sector. However, on the basis of the written cases and visits to these two colleges there was clear evidence that their cost base and provision were comparable to those in the other specialist art and design institutions. Similarly, SIAD produced evidence that its provision and cost base were comparable to other specialist art and design colleges. It was recommended that the 10 per cent specialist institution premium should be extended to each of these institutions from 2000. The funding impact of this change is outlined at Annex E.

56. The responses from the other art and design colleges were also considered, and the SIWG supplemented these with a visit to WSA. In each case the institution provided evidence that its cost base, quality and range of provision justified the additional funding provided through the 10 per cent institutional premium. It was recommended that the 10 per cent premium be continued and confirmed for all of the institutions reviewed.

57. The SIWG was particularly impressed by the way that many art and design colleges are dealing with the challenges posed by the interaction of new technologies across the whole range of their provision, and their willingness to cooperate as a group.

Long term funding review

58. Implementing the SIWG's recommendations represents substantial additional funding for some specialist institutions. In view of this, the HEFCE Board has concluded that all specialist institutions in receipt of a premium in excess of the standard 10 per cent should be

reviewed every five years to consider whether a premium is still required and justified. These reviews will consider not only the cost factors, but also the quality of provision, the national and international standing of the institution, and any changes in the external operating environment.

General comments

59. Overall, the SIWG was impressed with the quality of provision and the vitality and sense of purpose with which the specialist institutions pursue their distinctive missions. The SIWG work supports the HEFCE's view that these specialist institutions make, and should continue to make, a vital contribution to the diversity of the higher education sector.

60. The moves towards collaboration that some of the specialist institutions have made were noted by the SIWG, particularly some of the art and design colleges. It was their clear view that collaboration between the specialist institutions themselves, and between specialist institutions and multi-faculty institutions, could yield many benefits. The HEFCE endorses this view and will help to facilitate such collaborations where appropriate.

61. Finally, the SIWG wished to express special thanks to Dr John Hosier who sadly died before the Group's work was completed. Dr Hosier made a significant contribution to the work, especially in considering the funding of specialist music providers.

Annex A

Sector strategy committee: Specialist Institutions Working Group (SIWG)

Membership

Rev. Dr Richard Ralph
Principal
Westminster College, Oxford

Mr Mike Malone-Lee
Vice-Chancellor
Anglia Polytechnic University

Mrs Joan Bingley
Former HEFCE Board member

Professor Jon Nixon
Institute of Education, University of Stirling

Mr Ed Smith
Former Chief Executive
City of Birmingham Symphony Orchestra

Secretary

Mr Derek Hicks
HEFCE

Special advisers

Professor David Johns
Former Vice-Chancellor
University of Bradford

Dr John Hosier
Former Principal
London Guildhall School of Music and Drama, and Hong Kong Institute of Performing Arts

Professor Katharine Crouan
Dean of the Faculty of Arts
University of Southampton

Terms of reference

Taking account of the recommendations of the Sutherland advisory panel in March 1998, and HEFCE's new funding methodology for teaching, to advise the Sector Strategy Committee (SSC) on options for the future funding of specialist institutions. In particular:

- a. To inform the SSC of the impact of recent re-allocation of some cost centres to different price groups and the addition of new premium funding factors (for example, small institution premium) on some specialist institutions.
- b. To advise on the future funding options for the following specialist institutions, developing a common framework where possible:
 - specialist music providers
 - Royal College of Art
 - Cranfield University
 - Institute of Education
 - School of Oriental and African Studies.
- c. To engage and manage consultants to undertake further work as necessary.

Annex B

Institutions reviewed

Institutions reviewed by the SIWG are listed below.

Specialist music providers

- Royal Academy of Music
- Royal College of Music
- Royal Northern College of Music
- Trinity College of Music

Multi-faculty music providers

- University of Central England – Music Conservatoire
- University of Huddersfield – Music Department

Specialist art and design colleges

- Cumbria College of Art and Design
- Falmouth College of Art
- Kent Institute of Art and Design
- The London Institute
- Norwich School of Art and Design
- Ravensbourne College
- Surrey Institute of Art and Design
- Wimbledon School of Art

Other specialists

- Cranfield University
- Royal College of Art
- Institute of Education
- School of Oriental and African Studies

Annex C

Criteria for specialist music institutions

1. Specialist institutions are those institutions where 60 per cent or more of their provision is returned under two or fewer cost centres. We would normally expect specialist music providers to return all of their students under cost centre 33, Design and Creative Arts.
2. Specialist institutions wishing to claim for exceptionally high-cost music provision must demonstrate that they meet all of the criteria under Part A in full plus all criteria under Part B. Where there is clear evidence that the criteria (outlined below) are fulfilled, additional funding will be made available through a specialist institution premium to bring the unit of funding up to the indicated level.

Part A: Threshold criteria – all of the criteria outlined below must be met in full

- a. One hundred per cent of student applicants considered for places undertake an audition as part of the selection process.
- b. At least 10m² per FTE student of institutional or relevant department space comprises dedicated specialist facilities directly relating to individual or group musical performance, for example, soundproof practice and teaching rooms, performance space, auditoria or theatres.
- c. An average of at least 30 hours per year of study of the student's required hours are spent in specialist 1:1 performance-based tuition.
- d. At least 40 per cent of the institution's/relevant department's/equivalent's salaries and fees budget is spent on specialist performers for teaching purposes.

Part B: All of the criteria outlined below must be met in full

- e. The stated aim and purpose of all teaching programmes in the institution is to prepare students for careers in professional music performance at national and international levels. This must be reflected in course materials and prospectuses.
- f. More than 75 per cent of graduates are working primarily in professional music performance, as performers of music, within five years of graduating from the institution.
- g. At least 12.5m² per FTE of institutional space comprises dedicated specialist facilities relating to individual or group musical performance, for example, soundproof practice and teaching rooms, performance space, auditoria or theatres.
- h. An average of at least 40 hours per year of study of the student's required hours are spent in specialist 1:1 performance-based tuition.

- i. At least 70 per cent of each student's required hours over the duration of their course is spent in specialised performance tuition and/or using specialised facilities and equipment, for example, soundproof practice and teaching rooms, performance space for self-study and practice.

- j. Each student undertakes/participates in at least three performances per year, open to the public, as part of their course.

- k. The institution or relevant department should be able to demonstrate close links with the professional music world through, for example, providing specialist placements and training, sustaining an active network of contacts with a range of professional music performers (including promoters), and supporting an ongoing programme of employment of current leading professionals particularly for master classes and other forms of teaching.

Annex D

Criteria for high-cost music provision in multi-faculty institutions

1. Multi-faculty institutions wishing to submit a case for high-cost music provision must demonstrate that they fully meet all of the criteria outlined under Part A below. Additional funding will be made available through reallocating relevant FTE numbers to price group B.
2. For FTE, institutions should understand the number of students returned in columns 4 and 4a of HESES – taught Home and EC students. Overseas students and research students are excluded.

Part A: All criteria must be met in full

- a. One hundred per cent of student applicants considered for places undertake an audition as part of the selection process.
- b. At least 10m² per FTE of institutional or relevant department space comprises dedicated specialist facilities directly relating to individual or group musical performance, for example, soundproof practice and teaching rooms, performance space, auditoria or theatres.
- c. At least 30 hours per year of study, on average, of the student's required hours are spent in specialist 1:1 performance-based tuition.
- d. At least 40 per cent of the institution's/relevant department's/equivalent's salaries and fees budget is spent on specialist performers for teaching purposes.

Annex E

Funding impact of SIWG recommendations

Institution	Approx funding change 2000-01	Approx funding change 2001-02	Approx funding change 2002-03	Notes
Royal Academy of Music	0	0	0	
Royal College of Music	179,285	179,285	179,285	Three-year migration period
Royal Northern College of Music	188,117	188,117	188,117	Three-year migration period
Trinity College of Music	350,000			Special funding in place for year 1 pending further discussions
Institute of Education	250,000	0	0	
School of Oriental and African Studies	283,205	0	0	Plus £1.6 million currently allocated through the Minority Subject route to be allocated through teaching grant
Cumbria College of Art and Design	268,291	0	0	
Norwich School of Art and Design	265,267	0	0	
Surrey Institute of Art and Design	261,721	261,721	261,721	Three-year migration period
Totals	2,045,886	629,123	629,123	

Annex F

Criteria for institutional premium at RCA

All criteria must be met in full

1. One hundred per cent of student applicants considered for places are interviewed by a panel as part of the selection process.
2. At least 40 per cent of the institution's salaries and fees (or equivalent) budget is spent on specialist practitioners for teaching purposes.
3. The stated aim and purpose of all teaching programmes in the institution or relevant department is to prepare students for careers as practitioners in art and design. This must be reflected in course materials and prospectuses.
4. More than 75 per cent of graduates are working primarily in professional art and design, as practitioners, within five years of graduating from the institution.
5. At least 12.5m² per student FTE of institutional space comprises dedicated specialist facilities relating to individual work, for example, specialised workshops, equipment rooms or dedicated individual studio spaces.
6. An average of 40 hours per year of study, of the student's required hours are spent in specialist 1:1 practice-based tuition or project work.
7. At least 70 per cent of each student's required hours over the duration of their course is spent in specialised tuition and/or using dedicated specialised facilities and equipment, for example, specialised workshops, equipment rooms or dedicated individual studio spaces.
8. All students are required to submit work to at least one exhibition, open to the public, as part of their course.
9. The institution should be able to demonstrate close links with the professional art and design world through, for example, providing specialist placements and training, sustaining an active network of contacts with a range of current professional art and design practitioners, and supporting an ongoing programme of employment of current leading professionals, particularly for master classes and other forms of teaching.

Annex G

School of Oriental and African Studies: institutional review

Membership

Professor Richard Bowring (Chair)
University of Cambridge

Mr Robert Cooper
Cabinet Office

Professor Nigel Vincent
University of Manchester

Dr Marilyn Butler
University of Oxford

Terms of reference

1. General: to review and assess the work, activities and contribution of the SOAS in relation to the funding made available by the HEFCE and to advise the Council on future funding for the school.
2. Specific: to review the special grant paid to SOAS and suggest timeframes and mechanisms to establish future stability of funding.
3. The review should include:
 - a. An assessment of income, costs and value for money.
 - b. An assessment of the contribution which the SOAS makes within the relevant subject communities, in London, nationally and internationally.
 - c. Options for future funding and organisational arrangements which will most effectively sustain that contribution.

Annex H

Institute of Education: institutional review

Membership

Professor Peter Scott (Chair)

Vice-Chancellor

Kingston University

Professor Tony Edwards

University of Newcastle

Professor Jon Nixon

University of Stirling

Professor Martin Hughes

University of Bristol

Professor Tim Brighouse (Special adviser)

Chief Education Officer

Birmingham

Terms of reference

1. To review and assess the work, activities and contribution of the Institute of Education in relation to the funding currently made available to the Institute by the HEFCE.
2. To identify, in discussion with the Institute and others, those features, if any, which make it a unique and high-cost national and international resource and to make recommendations to the HEFCE concerning future funding for the Institute.