

Fee and Access Plans

1. We will expect financial forecasts to take into account the assumptions and commitments made in the fee and access plans submitted to us covering the academic years (AY) 2019/20, 2020/21 and 2021/22.

Fee income and recruitment

2. In the current climate, we do not expect to receive forecasts including growth in excess of the student number caps indicated in the HEFCW consultation on monitoring of institutional behaviour and performance regarding admissions for 2020/21 ([W20/13HE](#)) and the English Department for Education [Student number controls guidance](#) for English domiciled students. We expect any growth over the 2019/20 recruitment figures to be fully explained and supported by a robust and detailed narrative setting out the evidence available to support the rationale. This narrative should clarify, where applicable, what relates to changes in the fees per student and how much is due to an increase in numbers of students. It should make reference to the latest recruitment information available both for the University's own recruitment for 2020/21 and the information for the University's competitors and peer groups and how that has been considered in the final forecasts. We reserve the right to request an institution to reforecast if we consider this necessary.
3. Given the trend in recent years of slow down or reduction in recruitment in FTUG students from the UK and EU, and the evidence that the demographic decline in 18 year olds in the UK will not start to reverse until 2021 and the challenging environment in which the sector finds itself, we are maintaining our requirements for reporting downside sensitivities in the forecasts. However given the current level of uncertainty, we are not requesting a nil growth scenario, but a series of scenarios for agreed possible outcomes. We have kept these as high level as we are able in order to reduce workload.
4. We request annual financial forecasts from institutions to inform our assessment of the financial viability and financial management and governance of institutions as part of our regulatory role. We recognise that with the existent uncertainties in July, Governing bodies may wish to delay formal agreement of the HEI forecasts beyond that date. However, we require that the forecast submitted to HEFCW has been subject to review by Council. As part of this, we require that the scenarios to be a fully worked up part of the forecast submission in order to provide assurance that each institution's governing body has considered the implications of a range of possible scenarios for the financial sustainability of the institution, together with the steps that the governing body will need to take in the event that the student recruitment in the main forecast is not realised.

Student numbers

5. Assumptions for student number forecasts should be consistent with those used in the preparation of the financial forecast tables.

HEFCW funding

6. The [provisional Welsh Government grant-in-aid to HEFCW for 2020-21](#) gives some indication of the Welsh Government's current plans for HE funding in 2020-21, but this funding cannot be guaranteed, it is the best current estimate of funding that could be available from HEFCW.
7. For planning purposes, the funding allocations provided in the Headline funding steers for 2020/21, which is due to be issued imminently, should inform the baseline of the forecasts for both 2020/21 and 2021/22. However, funding levels for future years will be subject to further change, in the context of future levels of Welsh Government budgets, the current Covid-19 crisis and consequent delay to implementation of the Diamond review recommendations.

Strategy and initiative allocations

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

Capital

9. The forecast should identify all significant individual capital projects by name or function as well as the actual or intended source of capital funds including allocations of HEFCW capital funding. The proposals should be consistent with the current estates strategy or other accepted capital proposals for your institution, and should include proposed or possible purchases of land or buildings as well as intended refurbishment or new build projects.
10. The forecast should include reference to any plans for long-term capital maintenance projects. Any significant changes to these proposals should be explained within the commentary. The Minister for Education indicated that this funding would be received for three years. The [provisional Welsh Government grant-in-aid to HEFCW for 2020-21](#) confirms the allocation of £10 million capital funding as the third year of a three year commitment to provide funding to support institutions in reducing their financial risks associated with their estates and realising efficiencies in the management of their estates and operations. A circular is due to be issued shortly. However it should be noted that the funding and criteria are unchanged from that reflected in the HEFCW circular Estates Capital 2019-20 ([W19/31HE](#)).
11. This year we are requesting further details of grant recognition for all material grants (capital and other) where recognition fluctuates annually, affecting operating results. The rationale is that it is even more key to identify the underlying operating performance of institutions at this time.