



SPR 4.3

Increasing Voluntary Giving to Higher Education-Consultation on a matched funding scheme for English Providers of Higher Education

1994 Group initial response to DFES Consultation-DRAFT

Introduction:

There follows an initial 1994 Group response to the Increasing Voluntary Giving to Higher Education-Consultation on a matched funding scheme for English Providers of Higher Education.

1. *Is the data from the Ross Group Survey the best means of establishing baselines?*

The 1994 Group is concerned with the reliability of the current Ross survey. Not all institutions complete the survey. If it is to provide baselines, it must become compulsory.

Currently the survey is not audited, either internally or externally. This creates difficulties with the accuracy and reliability of the data produced. The Group believes if the survey data is to be used; the data should become subject to audit.

2. *If baseline thresholds are set should they be calculated at the level of: individual institutional level data or broad class fundraising capacity?*

If baseline thresholds are set, the 1994 Group supports that they be calculated at the individual institutional level data.

Calculating baseline threshold at the level of broad class fundraising capacity would prove to be a disadvantage to institutions at the lower end of their class and would reduce the incentive of those institutions at the upper end of their class to raise income levels. Individual donors may become disillusioned and discouraged to donate if institutions are set the challenge of having to significantly increase higher levels of income before they start to qualify for matched funding. Obstacles which make the targets more difficult to achieve or makes the scheme more complex to manage and communicate to donors will reduce the overall effectiveness of the scheme. Therefore developing a system to be as accessible to institutions and donors must be a key aim of the DFES.

3. *How should the Government take account the principle of additionality in designing the scheme?*

The 1994 Group feels the most effective way for the scheme to have a positive effect on the levels of giving to HE institutions, is to make the system easy and transparent for donors to understand. Any unnecessary complications will result in confusion and have a negative impact on the scheme.

4. *Should institutions be allocated to particular tiers on the basis of past or current performance?*

The 1994 Group believes institutions should be allocated to particular tiers on the basis of past or current performance, providing there will be some flexibility for institutions to request a change in their tier if they have good reasons to do so.

As fundraising performance varies between institutions, the Group supports a 'handicapping' system to prevent the more established and successful institutions from taking the greatest proportion of funds available.

5. *Should institutions be able to express a preference for a particular scheme?*

The 1994 Group supports giving institutions an element of choice for a particular scheme. We believe it is desirable to enable institutions to self-select according to their own circumstances and ambitions. We support the idea of an independent panel of experts to oversee whether an institution has been allocated to an appropriate tier.

6. *How should we treat institutions for which data on fundraising performance is not currently available?*

The 1994 Group believes data on previous levels of funding performance should be available in some form. The data would provide an institution with an indication of the appropriate tier, and if incorrect, enable the institution to request a move.

If data on fundraising is not available, or fundraising has not taken place, institutions should be entered at the lowest tier.

We strongly believe that every institution wishing to take part in the scheme must complete the Ross Survey.

7. *How should any grant underspends be redistributed after 3 years to reward institutions with the greatest levels of relative improvement?*

The 1994 Group welcomes the proposal to redistribute any grant underspends to the institutions with the greatest levels of relative improvement. The Group believe the grant underspends should be redistributed to the best relative performing institutions who have demonstrated the greatest improvement from their original baseline. Rewarding relative as opposed to absolute improvement would be in keeping with the ideas of the matched funding programme, namely promoting growth rather than acknowledging existing success.

8. *Should we measure relative improvement in cash terms, percentage terms or a combination of both?*

The 1994 Group believes that relative improvement should be measured in percentage terms. If relative improvement is awarded purely in proportion to the levels of funds raised above the cap, owing to the relative disparity of wealth among the communities of alumni of different institutions, it will be larger institutions such as Oxford and Cambridge that will benefit. For this reason, improvement should be measured in percentage terms.

The Group believes percentage should be set against the original threshold, not on a year on year base level.

9. *What else (if anything) apart from cash donations should we count?*

The 1994 Group believe that all types of philanthropic donations (individual, trusts and foundation, corporations and legacies) should count and that the geographical location of a trust or company should have no bearing on whether or not it is eligible for matched funding.

10. *Should we match fund gift-aid?*

Yes, gift-aid is an integral part of an individual's gift and should therefore be eligible for matched funding. Furthermore, we believe gift aid will act as an incentive for people to make more use of this scheme.

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