

## 1994 Group

### Review of the teaching funding method: second consultation on changes to the method (HEFCE January 2007/02)

#### Introduction

The following is a response from the 1994 Group to this consultation, endorsed by the Strategic Planning and Resources Policy Group and the 1994 Group Board. In addition to this response individual 1994 Group members will present their own responses elaborating on the issues raised below.

#### Consultation question 1.

*Do you agree that we should create a variable allocation to contribute to the additional costs of part-time undergraduate students?*

The 1994 Group does not favour the use of targeted allocations. The Group could only support this proposal if it is guaranteed that the new allocation:

- (i) would not erode the 'core' teaching grant;
- (ii) would not affect the stability of the 'core' teaching grant; and
- (iii) would not squeeze the resources available to full-time students.

In addition, there are concerns that the evidence to support this move is not yet sufficiently robust. We believe it would be inappropriate for any change to be made to the funding model until the data from TRAC(T) becomes available.

#### Consultation question 2.

*Do you agree that we should create a fixed targeted allocation for old and historic buildings?*

The 1994 Group does not favour the use of targeted allocations. The Group could only support this proposal if it is guaranteed that the new allocation:

- (i) would not erode the 'core' teaching grant;
- (ii) would not affect the stability of the 'core' teaching grant; and
- (iii) would not squeeze the resources available to full-time students.

In addition, we believe there is a need for a further review of the purpose of this allocation. Specifically, there needs to be a broader discussion around why some historic buildings are deemed worthy of explicit public support, whilst other buildings that have been accorded historic importance are not. A number of buildings completed in the 1950s and 60s and more recently are now listed. Whilst modern, these buildings can have the same inherent difficulties as more ancient buildings.

#### Consultation question 3.

*Do you agree that we should create variable targeted allocation to contribute to the additional costs of foundation degrees?*

The 1994 Group does not favour the use of targeted allocations. The Group could only support this proposal if it is guaranteed that the new allocation:

- (i) would not erode the 'core' teaching grant;
- (ii) would not affect the stability of the 'core' teaching grant; and
- (iii) would not squeeze the resources available to full-time students.

In addition, there are concerns that the evidence to support this move is not yet sufficiently robust. We believe it would be inappropriate for any change to be made to the funding model until the data from TRAC(T) becomes available.

**Consultation question 4.**

*Do you agree that we should create variable targeted allocation to contribute to the costs of accelerated and intensive provision?*

The 1994 Group does not favour the use of targeted allocations. The Group could only support this proposal if it is guaranteed that the new allocation:

- (i) would not erode the 'core' teaching grant;
- (ii) would not affect the stability of the 'core' teaching grant; and
- (iii) would not squeeze the resources available to full-time students.

In addition, there are concerns that the evidence to support this move is not yet sufficiently robust. We believe it would be inappropriate for any change to be made to the funding model until the data from TRAC(T) becomes available.

**Consultation question 5.**

*Do you agree with the proposal to count for funding purposes the modules completed by students who complete something other than their initial study intentions for the year?*

The 1994 Group strongly disagrees with this proposal. We are very concerned that this proposal could create a financial incentive not to address poor completion and retention rates. Institutions should be encouraged to keep student progress records at the modular level and monitor and address the fundamental reasons for switching and dropping out. A longer-term shift towards credit-based funding would reward institutions that do not address persistent patterns of non-completions.

**Consultation question 6.**

*Do you agree with our proposal to benchmark the actual costs of teaching submitted by institutions, in order to understand the total costs of HE teaching in England?*

Recognising the limitations of the usefulness of the some data generated, the Group favours this proposal.

**Consultation question 7.**

*Do you have any further comments?*

The Groups believes that there are significant issues around the conception of 'public interest' in the application of the T grant about which unsafe assumptions were made in the first consultation and which have not yet been addressed. In addition we believe that the priorities set out in this consultation may need to be revisited in the context of the fee debate in 2009.

In relation to the specific proposals, we wish to reemphasise that the 1994 Group does not favour the use of targeted allocations. The Group could only support proposals to introduce new targeted allocations if it is guaranteed that they:

- (i) would not erode the 'core' teaching grant;
- (ii) would not affect the stability of the 'core' teaching grant; and
- (iii) would not squeeze the resources available to full-time students.

We are seriously concerned that as they stand, the proposals put forward by HEFCE could introduce a greater level of volatility and risk into university funding, creating difficulties for long term planning. This would clearly not be in the interests either of individual institutions or the HE sector as a whole.

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**26/03/07**