

Annex 2: Funding for the HE sector via HEFCE and tuition fee income for 2014-15 and 2015-16

All figures in £m	This table shows the funding allocations for the HE sector for 2014-15 and Science and Research funding allocations for period up to 2015-16	Baseline	Budget	<i>Indicative allocations except for Research which are funding figures</i>
		2013-14	2014-15	2015-16
a	Recurrent grant for Teaching	2,861	1,915	1,669
b	Recurrent grant for Research	1,573	1,573	1,573
c	Recurrent Grants sub-total for HE (a+b)	4,434	3,488	3,242
d	HEIF	113	113	113
e	Total recurrent grant for English HEIs (c+d)	4,547	3,601	3,355

Additional Funding				
f	Access to Learning Fund	37	-	-
g	National Scholarship Programme	100	50	-
h	Postgraduate Provision	-	-	50

Capital funding to HEIs				
i	Teaching capital	79	154	300
j	Research Capital	251	286	303
k	Total Capital Grants (i+j)	330	440	603

l	Total funding for HE via HEFCE (e+f+g+h+k)	5,014	4,091	4,008
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Estimated fee income				
m	Estimate of fee income from students subject to regulated fees	5,600	7,000	8,200
Total				
n	Total of HEFCE funding plus estimated fee income (l+m)	10,600	11,100	12,200

Notes

1) The amounts set out above are the Council's resource and capital budgets. They represent the maximum amount of resource and capital that the Council may consume in pursuance of the priorities agreed with the Department for the Spending Review

period. Figures may not sum due to rounding. Funding must not be moved between the recurrent, capital and non-cash resource lines, without explicit agreement from BIS. If the department's level of overall funding is decreased due to wider events or in order to cover other unavoidable financial pressures, the Department may, within the framework set by Parliament and the courts, need to make in year adjustments to allocations to our Partner Organisations in order to meet budget reductions.

2) The figures at 'a' in the above annex include £28m per year for the inherited staff liability. This amount represents the cash utilisation of HEFCE's provision and the charge against programme resource DEL: it does not include the unwinding, release, or revaluation of provision, all of which are charged against AME with budget amounts confirmed outside of this grant letter.

3) HEFCE will receive a separate letter detailing their administrative budget for 2014-15, but they should expect to make further contributions in 2015-16 to the Department's overall real terms reductions in administrative budgets. As in previous years, HEFCE will receive a separate letter confirming their finalised 2014-15 unrounded resource and capital budget totals.

4) Figures at 'a' include from 14-15 the government contribution (BIS and DoH) to the Access to Learning Fund and funding to pump prime a new national network supporting outreach activity, refocused from savings already announced to the National Scholarship Programme

5) Last year, Government announced £75 million postgraduate support funding. In December 2013, HEFCE announced the 20 recipients of the £25 million PSS funding, who will run a range of pilot projects to test options for finance and activity aimed at stimulating progression into taught postgraduate education, particularly among the under-represented groups and in areas that support the Government's ambitions for economic growth. After evaluating the success of these projects, a further one-off £50 million will be invested in 2015/16 to support students by removing barriers to participate in postgraduate education. Evidence from this investment will also help shape government policy beyond 2015/16.

6) Although it is not part of the Council's settlement, the figures also show the anticipated level of fee income from UK/EU undergraduates subject to regulated tuition fees in each of the financial years in question from both student loans and up-front payments. These figures include the estimated fee income from increased student entrants, announced in the Autumn Statement.

7) The table below shows allocations for Science and Research for the remainder of the current Spending Review period plus those for 2015-16. This includes an additional capital allocation for the UK Research Partnership Investment Fund which HEFCE is administering, working in collaboration with Devolved HE funding bodies.

£ Millions	2013-14	2014-15	2015-16	Total
Science and Research Funding	1,937	1,973	1,989	5,899
o/w Recurrent grant for Research	1,573	1,573	1,573	4,719
o/w HEIF	113	113	113	339
o/w Research Capital England	67	55	117	239
o/w HEI Research Capital England	64	72	86	222
o/w UK-RPIF	120	160	100	380

8) Recurrent teaching grant for 13-14 and 14-15 has been adjusted by £2m in each year to reflect the transfer of specific funding from BIS to DELNI.

