

Chapter Four – A Review of Post-16 Funding

Introduction

A number of external factors have emerged over the last three or four years that have affected a wide range of institutions in post-16 education in many different ways.

These include:

Institutional Mergers: When the database of all post-16 education institutions was updated to conduct the survey it became clear that many institutions had merged.

Special Initiatives: These initiatives are extensive and current examples are given below.

Formula Funding: The study needed to clarify the methodology that was used by funding bodies for new builds or major refurbishing.

Institutional Mergers

Institutional mergers for both HE and FE are seen as an important way of creating large, powerful and influential educational institutions, avoiding total closure of educational units too small to be independently viable and increasing the value for money within education.

This view is clearly expressed in the report to the National Assembly for Wales from the then Higher Education Funding Council for Wales (HEFCW [<http://www.wfc.ac.uk>]) entitled "*The Scope for Institutional Mergers at the Higher Educational Level*" [<http://www.wfc.ac.uk/education/hefcw/pub99/w99101he.html>].

An analysis of the impact of mergers in further education [<http://www.dfes.gov.uk/research/data/uploadfiles/RR459.pdf#search='institutional%20mergers%20lsc%20funding>] was also commissioned jointly by the DFES (Department for Education and Science [<http://www.dfes.gov.uk>]) and LSC, which concluded that while not all mergers were fully beneficial that mergers would generally improve student access to learning, particularly if mergers were well managed and based on mutually beneficial strategic synergies. As a result funding councils, such as the LSC [<http://www.lsc.gov.uk/National/Documents/Series/Circulars/0110ReorganisationsFurtherEducationCorporationReorganisationsandRationalisationFundSupport.htm>] may be able to make funds available to support mergers.

Putting together the potential for rationalisation and economies of scale, with potential disposal of assets (as was found at a number of institutions listed in the site visit reports) and funding council (and possibly other) financial support, institutional mergers can have a major impact on institutional funding. Central to the funding context is often the need to extend, modify or otherwise enhance learning spaces, so institutional mergers may be seen as both a driver and an opportunity for the innovative use of learning technologies.

Special Initiatives

Special initiatives might be funded directly from a wide range of sources. A few examples are listed to illustrate the breadth of funding that is available.

The JISC has, for over a decade [http://www.jisc.ac.uk/index.cfm?name=about_history] been providing small, medium and large funding opportunities [<http://www.jisc.ac.uk/index.cfm?name=funding>] to support networking and specialist information services. Regional development agencies, such as Advantage West Midlands [<http://www.advantagewm.co.uk/>] support initiatives that "*bring together employers with suppliers of education and training*" - [<http://www.advantagewm.co.uk/skills.html>]. The Atlantic Philanthropies is an example of an international charity support special initiatives in education [http://www.atlanticphilanthropies.org/giving_statistics/giving_statistics.asp].

To expand upon the diversity and nature of these initiatives this section provides a brief overview of current strategic initiatives that may have an impact on the development of innovative learning and teaching spaces in post-16 education. This overview is based upon a review of recent literature and publications from key national governmental and non-governmental bodies such as DFES, JISC, HEFCE, British Education Communications and Technology Agency (Becta [<http://www.becta.org.uk/>]) and others.

The literature search uncovered documentation falling into the following categories:

- HEFCE Policy Documents 2000 – 2005
- Circular Letters 2000 – 2005

A significant number of circulars exist which make reference to learning and teaching, particularly in the following contexts:

- Widening Participation
- Increasing Student Population
- e-learning
- e-University
- Institutional L&T Strategies

In most cases, these circulars raised general issues relating to the teaching and learning infrastructure required to support the various activities outlined above, and highlighted areas of concern without making specific recommendations. However, UKeU (the UK eUniversity) was funded to generate some highly specific outcomes, although these were not ultimately successful [<http://www.hefce.ac.uk/news/hefce/2004/euni/june.htm>]. The UKeU was prominent in early drafts of the HEFCE and DFES e-learning strategies, but subsequent versions sought to place a higher emphasis on recognising the achievements of, and enhancing the quality of, existing e-learning provision.

Policy Documents 2000 - 2005

Numerous policy documents have been drafted, and in some cases finalised, including e-learning strategies for the DFES, HEFCE and the JISC. However these have tended to make little specific reference to the ways in which learning technologies could be integrated into learning spaces.

Circular Letters 2000 – 2005

- Invitations to Tender
- Other Funding Opportunities
- Funding for Poor Estates

During the 1990's, universities underwent significant changes, including a huge expansion of student numbers. This expansion was accommodated, for the most part, by utilising existing spaces and facilities. New buildings to accommodate increasing student numbers were impossible for many institutions. Throughout the 1990's, institutions were required to make difficult decisions about the allocation of resources for teaching, learning and research. By the end of the decade, many institutions were reporting that under-funding for maintenance and general upgrade of estates had led to serious infrastructure problems. HEFCE responded by making funds available to enable remedial and upgrade works to go ahead [HEFCE CP 3/97; HEFCE 01/13]. Part of the criteria for this funding included the need for institutions to demonstrate their need for major refurbishment programmes and to identify other projects that would make more efficient use of space - both new and existing buildings. In addition, institutions requiring the redevelopment of their estates, such as major estate rationalisation, would be looked upon favourably. Institutions which could also demonstrate that they had high levels of poor quality space were favoured in a competitive bidding process.

In the academic year 2000/2001 £74m was allocated among 30 successful bidders. However, a further £30m was available to bid for in 2001-02. In all 59 projects were submitted for new buildings, including nine bids for new libraries and learning resource centres and 26 for general teaching accommodation. *69 projects were submitted for the refurbishment of 10 further library/learning resource centres and 27 for general teaching.* It became clear, from institutional feedback and evidence that a number of important projects did not receive funding and that further long-term investment in learning spaces was necessary. To date, nearly £300 million has been set aside to support capital improvements. This funding is no longer based on a competitive bidding process, but is allocated on a 'formula' as outlined in the response from HECFE above.

HEFCE Teaching and Quality Enhancement Fund

In a separate initiative that began in 1999, HEFCE established a fund to improve the capital and IT infrastructure in support of teaching and learning. Allocation of funds were linked to HEFCE's Teaching and Quality Enhancement Fund (TQEF [http://www.hefce.ac.uk/pubs/hefce/1999/99_48.htm]), which is based upon specific criteria. For example, funds can be used to upgrade teaching laboratories and laboratory equipment, refurbish teaching facilities, update audio visual, engineering and computer equipment, including networking costs for online learning. A total of £90M was set aside for 2003 to 2005, with a further £158M allocated between 2002 and 2004, to support the TQEF, and £56M to address disability issues. This funding is also allocated on a formula, rather than competitive, basis to each institution. It is still, however, a requirement that institutions will inform HEFCE how funds will be used and how it will enhance the quality of learning and teaching within their institution.

June 2000 Development of Teaching and Learning Strategies

At the same time that funding was being made available to address problems with university estates, HEFCE announced that TQEF funding was available to support institutional learning and teaching strategies. The circular identified 5 national priorities, including the “exploitation of C&IT in the services managed improvements in Teaching and Learning” and “promoting innovation in the curriculum”, BUT did not include any references to learning and teaching spaces or facilities.

June 2001 Strategies for Learning and Teaching in Higher Education: A guide to good practice.

Following submissions of initial statements by institutions on widening participation and learning and teaching strategies, HEFCE published a good practice guide to aid institutions in the development of learning and teaching strategies. Although the guide clearly stated that Learning and teaching strategies need to be co-ordinated with information strategies (for example, developing access to a range of library and information sources both on and off campus), there is NO mention of anything relating to issues of space design or its availability.

June 2002/31 Issues Paper: Teaching and Learning Infrastructure in Higher Education

During 2002, HEFCE published a report it had commissioned from JM Consulting. The report was “a review of the requirements for infrastructure for teaching and learning in UK universities and colleges of higher education”. This report assessed the extent of remedial investment required and set out the conditions needed to manage this infrastructure on a sustainable basis.

There are two areas of discussion in this report. Firstly, the report discusses pedagogic issues, including the development of teaching and learning, space utilisation in libraries and resource centres, and the implications of these factors on infrastructure. It concluded that:

There is no real strategy driving teaching and learning methods or infrastructure use (these are based significantly upon staff wishes/experience); with approximately 50% of the estate built in the 1960’s and early 1970’s.

The report further notes that “there will need to be a vision of what a 21st century university will look like”. The final section concentrates on the teaching infrastructure and discusses the value and condition of the estate and capital funding of infrastructure.

JM Consulting ran some “expert workshops” as part of the review, inviting Directors of Estates to identify the issues surrounding the management and upkeep of their estate. Comments from the workshop include:

- We are stuck in our infrastructure – the use of our rooms, timetabling, exam structure. We can’t implement our teaching and learning strategies because infrastructure is blocking us from achieving change
- (They) have bled money from estates maintenance into audio visual facilities
- Student numbers have expanded.....physical overcrowding is a real issue
- (We) have a lot of space, but not all of it is fit for purpose
- We are not teaching with the infrastructure they are going to experience in the workplace

- (They) point out the changing way the library is now used, students no longer need space to read a book, but need to reference text and screen at the same time- all this has implications upon space

JM Consulting also observed that “institutions are not good at linking academic and functional (finance, estates HR) strategies. This is clear from the T&L Strategies which hardly address “infrastructure blocks”, ¾ make no mention to their estates strategy, a 5th just a mention and only 2% making explicit links. They go on to say that “there is no point in just updating existing estates, believing the large lecture theatres and laboratories and computer clusters will continue to be required as they always have been. Space needs to be made fit for purpose, and its purpose needs review.

Teaching Initiatives

HEFCE highlight the key areas where they are promoting good practice in learning and teaching through several initiatives [<http://www.hefce.ac.uk/learning/tinits/>]. These include:

- Centres for Excellence in Teaching and Learning (CETL)
- Fund for the Development of Teaching and Learning
- New Technology Institutes.

These initiatives concentrate on issues such as increasing the number of students receiving high quality teaching in information and communications technology (ICT) and advanced technology skills, rewarding excellent teaching practices, and to further invest in such practices so that CETLs funding delivers substantial benefits to students, teachers and institutions. Again, no mention is made of the spaces required to deliver the initiative or the impact on space and other infrastructure that the initiatives will inevitably have. Some of the CETLs will be looking at learning space design.

JISC 2000 – 2005 - Lecture Room Services Initiatives

Since 1999, JISC have commissioned 3 projects (including this current project) relating to the support and standards of Lecture Room Services and Teaching Space.

AGOCG (The U.K. Advisory Group on Computer Graphics) – published a document entitled “Managing, Delivering and Supporting Lecture Room Services for the Multimedia Age”, which contains a series of case studies from a range of Universities. The Standing Conference of Heads of Media Services (SCHOMS) considered this to be a timely opportunity to influence at a strategic level the management of central teaching space in Higher Education. SCHOMS invited the Lecture Theatre Managers Group (LTSMG) to consider the matter. The LTSMG held a workshop (funded by JISC) and to develop these standards. As a result, the LTSMG produced a report for JISC ASSIST “Providing Teaching Room Services, Good Practice and Standards 1999. This report considered in detail the application of technical and operational standards and developing a set of standards and good practice guidelines. Technical specifications for facilities in teaching rooms was considered and recommended that they should be developed to produce an update to BS8205 (recently withdrawn) “Design of Learning Spaces where AV will be used”.

This recommendation was not followed up.

In March 2003, two workshops were held as part of the JISC Workshop Series to look at the implications of new technologies and new methods of learning and teaching on physical environments for learning. The JISC had been actively engaged with supporting colleges and universities in implementing technology to support learning and now wished to explore:

- How can colleges and universities plan and develop programmes that enable delivery to increased student numbers within available facilities to a larger and more diverse student population without diminishing the student experience?
- How can management structures change to facilitate the adoption of new learning methods?
- What good practice is available in the UK and elsewhere?
- How can the Learning and Teaching and Estates strategies develop together with appropriate planning time scales?

No final report on the outcomes of these workshops appear to be available

Becta Review 2005

The Department for Education and Skills has a 5 year strategy which sets out the vision and agenda for the UK education system, in which ICT is seen as a critical enabler of progress [<http://www.becta.org.uk/research/research.cfm?section=1&id=3497>].

The report discusses increases in computer to learner ratios, networking and rapidly increasing levels of use during the last 5 years. The investment in ICT infrastructure (hardware and connectivity) by the government has been a key element to this activity. Access to wireless networks and supporting technologies, such as interactive whiteboards, is improving rapidly with the overall percentage of teaching areas equipped with such presentation technology also rising rapidly.

The report has a section devoted to Infrastructure Developments and in particular identifies that many school buildings restrict the development of ICT, including the ability to site computers in classrooms. The reports states:

Evaluations of the DfES Schools Whiteboard Expansion programme are currently in progress, this research will provide a robust assessment of the impact of using interactive display technologies on learning and other outcomes

However, the report does not go as far as to include classroom design to accommodate the rising use of ICT.

Formula Funding

Post-16 funding is highly complex and needs to make allowance for a wide range of pedagogic and operational differences between institutions. As a result there is not a simple formula that could be usefully and concisely published. Information from the following websites is useful in setting the funding context, but can not be used to provide detailed funding information.

- HEFCE (Higher Education Funding Council for England [<http://www.hefce.ac.uk>])
- The LSC (Learning and Skills Council) [<http://www.lsc.gov.uk>]
- The Department for Employment and Learning (DEL) [<http://www.delni.gov.uk>]
- The Scottish Funding Councils for Further and Higher Education (SFC) [<http://www.sfc.ac.uk/>]
- Education and Learning Wales (ELWa) - [<http://www.elwa.ac.uk>]

HEFCE were approached by email for a more complete explanation. To this end the project team sent the following email:

“We are trying to find out how and when HEFCE fund new builds. For example, does HEFCE have a formula for the amount of learning space per FTE student or the size of the estate per FTE student, and what percentage of funds does HEFCE set aside for new builds?”

and HEFCE responded as follows:

The HE sector is so diverse, and we are dealing with autonomous bodies in the institutions, that any "one-size-fits-all" formula would have so many caveats and exceptions that it would be very bureaucratic to operate. We are also not just dealing with teaching but also research facilities. Different courses having different requirements say History or Arts, Media or Agriculture, Chemistry or English.

Each institution has a different estate, its own mission and strategy, specialities and an offering that tries to make the best of the opportunities open to it. Each is at a different state of play in terms of its location, size, properties, building age profile, fitness for purpose, condition etc.

Each chooses its strategy in accordance with its ambitions and direction. To date we have been looking at each project application for funding on its merits, these have to fit within one of the funding initiatives which are dictated by government or our own strategic plan based on government policy to deliver the desired outcomes. There are certain metrics that we use to see how well an institution is managing its estate, we try not to reward poor or inappropriate management, and in some cases there are specific metrics that we may apply to demonstrate good practice.

As we have moved away from bidding for the main capital funding so the way in which we assess projects is also changing. The main capital funds are allocated by formula and institutions are required to demonstrate how a project is contributing to the strategy and how value for money is being sought. This system too is evolving as a consequence of the requirement to reduce the accountability burden on institutions.

There is no percentage set aside for new builds and much of the capital is used for refurbishment thus making best use of existing assets. New build can be seen as the easy option and whilst necessary in some circumstances it must not be done to the detriment of the existing estate which remains a drain on resources if not properly maintained.

Another issue to consider is that institutions have access to various sources of funding, their own resources, borrowings, our recurrent funding, capital grants wrapped up in larger initiatives as well as specific capital, not to mention individual business relationships, alumni, benefactions, etc. etc. HEFCE funding accounts for approximately 40% of the income to institutions and so we are by no means involved in all the projects through direct funding. Institutions have the freedom to develop buildings without our funding.

As a funding council we look at many aspects of each institution, governance, finance, corporate plans, recruitment, retention as well as estates. The picture we build up helps us to look at the capital investment in the context of the holistic situation.

So formula funding is very complex because the funding councils need to be able to cater for local differences and they have regional representatives that liaise with the senior managers of the FE and HE institutions when new builds are required or significant funding to upgrade the estate.

The HEFCE response makes it clear that:

The HE sector is so diverse, and we are dealing with autonomous bodies in the institutions, that any "one-size-fits-all" formula would have so many caveats and exceptions that it would be very bureaucratic to operate.

Thus, any funding model needs to be flexible. However, the HEFCE Teaching and Quality Enhancement Fund to enhance learning and teaching spaces is enabling some institutions to develop innovative learning and teaching spaces not just in HEFCE but with other HE funding bodies as well.

Another key driver is the HEFCE funded Learning Teaching and Assessment Strategies currently funded from 1999 till 2006. This has had a significant impact on some institutions we have visited, as they have used it as their key driver for change and in some instances has resulted in new builds.

Overview of other HE funding bodies

As stated above, researching into how the different funding bodies apply their formula for funding for new builds is somewhat difficult. From the policy documents of the funding bodies, however, one can see that additional funding is being made for learning and teaching infrastructure. For example, the SFC "Aiming further and higher: Joint Corporate Plan 2003-06" (updated for 2004-05) states that:

"Resources for the HE sector for 2005-06 have increased by 8.4 per cent on the previous year's allocation. The Scottish Executive's present spending plans for financial years 2006-07 and 2007-08 are for resources to increase by 12.4 per cent and 7.3 per cent respectively. These increases include resources for the introduction of a *new dedicated capital funding stream for teaching and learning infrastructure, with the allocation of £28 million in 2005-06 rising to £75 million by 2007-08*. The planned increases in recurrent resources are therefore approximately 4.8 per cent for 2005-06, 10.7 per cent for 2006-07 and 4.4 per cent for 2007-08. These figures do not include funding for the Council's running costs" (words in italics: our emphasis).

"Resources for the FE sector for 2005-06 have increased by 12.8 per cent on the previous year's allocation. The Scottish Executive's present spending plans for financial years 2006-07 and 2007-08 are for resources to increase by 12.7 per cent and 2.8 per cent respectively. *These increases include allowance to increase the spend on capital for estates infrastructure from £37.9 million in 2004-05 to £87.9 million in 2007-08*. The planned increases in recurrent resources are therefore approximately 7.5 per cent for 2005-06, 9.8 per cent for 2006-07 and 3.3 per cent for 2007-08".

Wales, too is "joining up" infrastructure for FE and HE through the establishment of an umbrella body, Education and Learning Wales (ELWA), within which the Higher Education Funding Council for Wales (HEFCW) is beginning to work, and the establishing of a Common Investment Fund (CIF).

ELWa believes that in order for Wales to be recognised as the Learning Country, an integrated post-16 planning and funding system is needed. Between now and the year 2010, ELWa will be allocating, on behalf of the Assembly, over £3 billion on post-16 learning.

"The CIF is to promote collaborative working to bring about improvements in the learning infrastructure, the quality of the learning experience and the quality of the learning environment, for the benefit of stakeholders in learning across Wales." This is to "... ensure maximum flexibility for the potential 3 million learners in Wales."

"The CIF refers to strategic investment through collaboration and innovation in support of the development of a learning network for the future. It relates to investment to bring about sustainable change that is in addition to core funding. The CIF encourages joint working and will promote funding initiatives to remove unnecessary duplication and nugatory competition by sharing curriculum and resources."

The 'Strategic Plan 2004-2007 the Department for Employment & Learning' (DEL, in Northern Ireland) is looking at "Reform of the education and training system for 14 to 19 year olds" and to have "an e-learning strategy that supports the use of Information & Learning Technologies in the further education sector". By the end of 2005, "through collaboration with the Department of Education, a pilot framework will be implemented and evaluated to support both the provision of a blended curriculum of academic and vocational courses for 15-19 year olds, and a collaboration between school and further education sector". The outcomes of this pilot may have an impact to future funding for learning technologies and learning spaces.

It is worth noting that Scotland, Wales and Northern Ireland have, or are consolidating their post-16 education funding. This does not yet appear to be happening in England.

References and Further Reading

British Education Communications and Technology Agency - <http://www.becta.org.uk/>

Department for Education and Skills - <http://www.dfes.gov.uk/>

"An analysis of the impact of mergers in further education"
<http://www.dfes.gov.uk/research/data/uploadfiles/RR459.pdf#search='institutional%20mergers%20lsc%20funding>

Department for Employment and Learning (DEL) - <http://www.delni.gov.uk>

Education and Learning Wales (ELWa) - <http://www.elwa.ac.uk>

HEFCE (Higher Education Funding Council for England) - <http://www.hefce.ac.uk>

HEFCE Circular 15/00 - Development of Teaching and Learning Strategies

HEFCE Circular 01/37 - Strategies for Learning and Teaching in Higher Education; A guide to good practice.

HEFCE Teaching Initiatives <http://www.hefce.ac.uk/learning/tinits/>

HEFCE Teaching and Quality Enhancement Fund (TQEF) - http://www.hefce.ac.uk/pubs/hefce/1999/99_48.htm

Report to the HEFCE by JM Consulting; Teaching and Learning Infrastructure in Higher Education (June 2002/31)

Higher Education Funding Council for Wales (HEFCW) - <http://www.wfc.ac.uk>

HEFCW Report - "The Scope for Institutional Mergers at the Higher Educational Level"
<http://www.wfc.ac.uk/education/hefcw/pub99/w99101he.html>

JISC (Joint Information Systems Committee) - <http://www.jisc.ac.uk/>

History of the JISC - http://www.jisc.ac.uk/index.cfm?name=about_history

JISC funding opportunities- <http://www.jisc.ac.uk/index.cfm?name=funding>

Lecture Theatre Service Managers Group (LTSMG) - <http://www.ltsmg.org.uk/>

LTSMG Publication: "Providing Teaching Room Services, Good Practice and Standards 1999.

LSC (Learning and Skills Council) - <http://www.lsc.gov.uk/>

LSC Rationalisation Fund -
<http://www.lsc.gov.uk/National/Documents/Series/Circulars/0110ReorganisationsFurtherEducationCorporationReorganisationsandRationalisationFundSupport.htm>

Scottish Funding Councils for Further and Higher Education (SFC) - <http://www.sfc.ac.uk/>