

April 2017

Funding reforms – FAQs

Why was there a costing study?

Prior to 2017-18, nursing, midwifery and allied health professional (NMAHP) pre-registration education in England was funded through a nationally agreed price known as the benchmark price (BMP). From the perspective of education provision, the use of the BMP had resulted in substantial underfunding of NMAHP courses.

From 2017-18 this arrangement will change: the BMP will be phased out as all new students will be self-financed and funded through the student loans system; and the cap on student places will be lifted. The aim is to increase the number of places by up to 10,000 across the lifetime of the Parliament. The HEFCE costing study was commissioned to identify the cost for Higher Education Institutions (HEIs) of delivering NMAHP education.

The changes to funding affect a wide range of courses that lead to a professional registration:

- Nursing (all four fields)
- Midwifery
- Physiotherapy
- Occupational Therapy
- Speech and Language Therapy
- Podiatry and Chiropody
- Diagnostic and Therapeutic Radiography
- Dietetics
- Orthoptics
- Operating Department Practice
- Prosthetics and Orthotics

Dental therapy/hygiene courses were within scope for the costing study but implementation of the reform for these courses has been deferred to 2018-19. The outcomes of the costing study for Dental hygiene and Dental therapy will be published separately. Funding for paramedic courses, which are not part of the NHS bursaries system, are not included in the costing study as they are excluded from these reforms.

How was the costing study carried out?

HEFCE commissioned KPMG to carry out the costing study. HEFCE wrote to all HEIs that offer pre-registration NMAHP courses to encourage participation. The costing study used the Transparent Approach to Costing for Teaching TRAC(T) methodology. The baseline year used to inform the study was 2014-15, therefore institutions were asked to provide costing data relating to education provision for 2014-15.

In October and November, KPMG worked with a group of pilot institutions to refine their methodology and develop the accompanying guidance. From November 2016 KPMG circulated data collection spreadsheets, including a contextual questionnaire collecting relevant data about

institutions (e.g. student FTE, course length, student:staff ratios), and a cost collection spreadsheet which collected costing information about each course (e.g. staff costs, non-pay costs, indirect departmental costs, centrally allocated indirect costs, estate costs). The data collected by KPMG included costs incurred in terms of student uniforms, DBS checks and occupational health checks.

The Council of Deans of Health has played an active role in contributing towards the costing study, sitting on the Advisory Group providing technical assistance to HEFCE and KPMG.

How did HEFCE use the costing study to inform its funding decisions?

KPMG conducted analysis of the costing data returned by institutions for each course. Where necessary it clarified costs with institutions. The study was used to inform the decisions about funding NMAH courses taken by HEFCE's Board. This included considering which HEFCE high cost price group each course is assigned to, and to identify a transitional supplementary targeted allocation for 2017-18 which is intended to support further the sustainability of higher cost disciplines as evidenced by the costing study.

HEFCE will also provide funding to institutions relating to students on nursing, midwifery and allied health courses through the student premium and London weighting. This funding is allocated following a formulaic calculation which applies to all disciplines and price groups funded by HEFCE, and was not informed by the costing study.

Publication of the HEFCE costing study is imminent. The Council will communicate the publication of this to members once it has been published.

What were the outcomes of the costing study?

The costing study provided average costings for HE provision of nursing, midwifery and allied health courses at the level of the different disciplines, and provided some analysis of these costings. For more detail, please see the report which will shortly be published on HEFCE's website.

What were the funding decisions made for 2017-18 relating to nursing, midwifery and allied health?

On 15 March 2017, HEFCE published its [Circular letter](#) outlining funding for universities and colleges for 2017-18. Information relating to nursing, midwifery and the allied health professions can be found in paragraphs 6-9.

It is important to note that these allocations apply to new students starting courses in 2017-18. HEFCE is yet to announce funding levels for 2018 onwards and the Council will continue its engagement with HEFCE to work towards a sustainable level of funding for NMAHP education.

In its Circular letter, HEFCE outlined the following:

- £16 million high-cost subject funding
 - Pre-registration nursing (all fields) assigned to price group C1
 - Pre-registration midwifery and other AHPs assigned to price group B
- £8 million student premium funding
- £1 million London allowances
- £6 million targeted teaching allocation
 - £200 for adult nursing, mental health nursing, unclassified nursing, and speech and language therapy

- £400 for child nursing and learning disability nursing
- £1,200 for therapeutic/diagnostic radiography, and podiatry and chiropody
- £3,500 for orthotics and prosthetics, and orthoptics
- Operating department practice, dietetics, occupational therapy, physiotherapy and midwifery will **NOT** receive any additional supplement.
- £1 million towards national initiative supporting demand and improving retention and sustainability of courses.

Finance arrangements for pre-registration courses in dental hygiene and dental therapy, and postgraduate pre-registration courses are not changing in 2017-18, and therefore sit outside of the NMAHP funding arrangement outlined in the HEFCE Circular. The Council will continue to engage with HEFCE in relation to these matters.

What does this mean for NMAHP courses?

In addition to student fees, universities will receive from HEFCE:

High cost subject funding

HEFCE has allocated £16m through the main high-cost subject funding on the basis that pre-registration in nursing (all fields) should be assigned to price group C1, and pre-registration courses in midwifery and AHPs subject to the transfer of funding responsibility, should be assigned to price group B. High cost funding is also subject to a scaling factor (1.0165 for 2017-18).

Student Premium

HEFCE has allocated £8 million towards student premium funding, intended to enable institutions to provide to support students deemed to be at risk of withdrawing early from their studies because of their qualifications and age profile. A further allocation has also been made towards recruiting and supporting disabled students.

Based on a total population of 25,000 students in the system, this allocation would amount to an average £320 per FTE of additional funding, however specific amounts will vary depending on the student characteristics at each institution. **Importantly, these allocations are made to the institution, not to individual faculties or departments.** HEFCE's April grant letters to providers are expected to show how NMAHP students contribute towards these allocations. It will be important for members to work proactively to ensure this allocation is directed towards NMAHP courses.

Targeted teaching allocation

HEFCE has allocated £6 million for a transitional supplementary targeted teaching allocation to support further sustainability of certain professions. This funding is in addition to the fee received by institutions in relation to each price group and is calculated on a per full-time equivalent (FTE) basis.

National initiatives

HEFCE has allocated £1m for national initiatives that support demand and improve retention to enhance sustainability of courses, particularly small and specialist pre-registration courses. Further information in relation to this funding will be communicated to members in due course.

London weighting

HEFCE has allocated £1m for London weighting. Inner and outer London rates will vary by price group, therefore the allocation to HEIs will be dependent on the courses offered.

The 2017-18 guide to funding is due to be published on 12 April 2017 on HEFCE's website.

Scenarios for NHAMP courses

We have provided examples of the funding implications below for each of the undergraduate NMAHP courses that are subject to the funding reforms. It should be noted that the HEFCE high cost funding figures quoted below exclude the scaling factor (1.0165).

Adult Nursing and Mental Health Nursing

HEIs providing courses in adult and mental health nursing will be able to charge a fee (up to £9,250), and will receive £250 per FTE in high cost subject funding support at HEFCE price group C1, a transitional supplement of £200 per FTE for 2017-18, as well as any additional funding that is attributable to student premium funding and London weighting.

Child Nursing and Learning Disability Nursing

HEIs providing courses in child nursing and learning disability nursing will be able to charge a fee (up to £9,250) and will receive: £250 per FTE in high cost subject funding support at HEFCE price group C1; a transitional supplement of £400 per FTE for 2017-18; as well as any additional funding that is attributable to student premium funding and London weighting.

Midwifery, Physiotherapy Dietetics, Operating Department Practice, Occupational Therapy

HEIs providing courses in midwifery, physiotherapy, dietetics, operating department practice and occupational therapy will be able to charge a fee (up to £9,250) and will receive £1,500 per FTE in high cost subject funding support at HEFCE price group B; as well as any additional funding that is attributable to student premium funding and London weighting.

Diagnostic and Therapeutic Radiography; Chiropody and Podiatry

HEIs providing courses in diagnostic/therapeutic radiography, and chiropody and podiatry will be able to charge a fee (up to £9,250) and will receive: £1,500 per FTE in high cost subject funding support at HEFCE price group B; a transitional supplement of £1,200 per FTE for 2017-18; as well as any additional funding that is attributable to student premium funding and London weighting.

Speech and Language Therapy

HEIs providing courses in speech and language therapy will be able to charge a fee (up to £9,250) and will receive: £1,500 per FTE in high cost subject funding support at HEFCE price group B; a transitional supplement of £200 per FTE for 2017-18; as well as any additional funding that is attributable to student premium funding and London weighting.

Orthotics and Prosthetics; Orthoptics

HEIs providing courses in orthotics and prosthetics, and orthoptics will be able to charge a fee (up to £9,250) and will receive: £1,500 per FTE in high cost subject funding support at HEFCE price group B; a transitional supplement of £3,500 per FTE for 2017-18; as well as any additional funding that is attributable to student premium funding and London weighting.

Why is there a variation in the amount of funding allocated to different NMAHP courses?

NMAHP courses have been allocated to one of HEFCE's existing price groups based on the analysis of the costing study data provided by institutions. To close the gap between existing HEFCE price groups and individual course costs a further transitional supplement is provided for 2017-18 for certain courses.

How does HEFCE calculate the student FTEs on which they base their funding?

HEFCE's funding is based on FTEs from the previous year. HEFCE collect data from HE providers on student numbers through HESES in the autumn, and added a specific table for nursing midwifery and allied health to their data collection in 2016-17, to inform their funding for 2017-18.

What about funding for 2018 onwards?

The funding reforms outlined in the HEFCE circular refer to 2017-18 only. HEFCE is yet to determine the funding levels for 2018 onwards.

The Government has indicated in the response to the consultation on the NMAHP funding reforms that dental hygiene and therapy, and postgraduate pre-registration courses will transfer to the mainstream HE funding model, and therefore become HEFCE fundable, from 2018-19.