

Financial memorandum part 2: Schedule for <Institution name> for the academic year 1 August 2011 to 31 July 2012

Introduction

1. This schedule records the agreement between the Higher Education Funding Council for England and <Institution name> relating to the amount of recurrent funding which the Council will provide to the institution for the period 1 August 2011 to 31 July 2012 and the teaching activity the institution is expected to provide in return for that funding in the academic year 2011-12. This schedule must be read in conjunction with Part 1 of the current financial memorandum, HEFCE publication 2010/19.
2. This schedule:
 - a. Specifies the conditions of grant that apply for 2011-12.
 - b. Describes the various targets which the Council expects the institution to meet and which are specified on grant Table B, '2011-12 Funding agreement targets'. The Annex to this schedule describes how the Council will calculate whether the institution has met one of those targets, known as the contract range.
3. Institutions should note that our grant letter from the Department for Business, Innovation and Skills (BIS) of 20 December 2010 gave only indicative recurrent teaching funding figures for the 2012-13 financial year (though the recurrent research and higher education innovation funding figures up to 2014-15 were confirmed). In order to announce funding for the 2011-12 academic year, which has a four month overlap with the 2012-13 financial year, we have assumed that our allocation for 2012-13 is as indicated in the BIS grant letter. If we receive information regarding our grant for 2012-13 which suggests this assumption is no longer appropriate we reserve the right to review our recurrent teaching and special funding allocations for the 2011-12 academic year. This would be with a view to smoothing any change in funding for institutions, beyond that already being implemented, which might be necessary by 2012-13.

Conditions of grant

4. All funding provided by the Council is subject to the conditions set out in Part 1 of the financial memorandum and in this schedule, and in accepting funding, the institution is required to comply with those conditions.
5. The institution is free to distribute internally at its own discretion all funding from the Council which is not earmarked or provided for a specific purpose, subject to that funding being used for the activities eligible for funding under section 65(2)(a) and (b) of the Further and Higher Education Act 1992. Any funds that have been earmarked or provided for a specific purpose must be used solely for the purpose for which those funds were earmarked or provided.
6. The financial memorandum contains sections on providing information. These information requirements are part of the terms and conditions attached to the funding for 2011-12. The data required during 2011-12 include the data collected by the Higher Education Statistics Agency (HESA), the 2011 Higher Education Students Early Statistics (HESES) survey and the 2011 Research Activity Survey (or such other surveys as may replace these under the funding methods for teaching and research). These data enable the Council to monitor the delivery of teaching and research during 2011-12, and inform its consideration of funding for 2012-13. HEIs are also required to submit the higher

education-business and community interaction survey, and student contact details to enable the Council or its agents to conduct the National Student Survey.

7. Institutions receiving non-mainstream allocations for co-funded employer engagement may be required to submit a separate monitoring return at the end of the 2011-12 academic year.

8. Institutions receiving allocations through the Higher Education Innovation Fund (HEIF) for 2011-12 are required to comply with separate conditions of grant and monitoring arrangements as may be notified following approval of their strategy.

9. Institutions should note the guidance on pay, in our grant letter from BIS, that it is “essential that the sector exercises pay restraint, at a time when there is a pay freeze in place across other sectors in receipt of public funding”.

10. The Secretary of State expects institutions not to charge qualifying persons on qualifying courses more than a prescribed amount in tuition fees. The prescribed amounts for 2011-12 reflect provisions in the Higher Education Act 2004. HEFCE Circular Letter 15/2006 ‘New condition of grant about tuition fees and access agreements’ sets out the arrangements for 2006-07, which also apply in 2011-12 subject to the following amendments:

a. “The basic fee cap” is the basic amount of £1,345 set out in the Student Fees (Amounts) (England) (Amendment) Regulations 2011¹ (S.I. 2011/432), or £665 in a case where regulation 2(4) of those Regulations applies.

b. “The higher fee cap” is the higher amount of £3,375 set out in the Student Fees (Amounts) (England) (Amendment) Regulations 2011¹ (S.I. 2011/432), or £1,680 in a case where regulation 2(4) of those Regulations applies.

c. References in Circular Letter 15/2006 to the Student Fees (Qualifying Courses and Persons) Regulations 2006 (S.I. 2006/482) should be replaced by references to the Student Fees (Qualifying Courses and Persons) (England) Regulations 2007 (S.I. 2007/778), as amended².

11. Circular Letter 15/2006 explains how institutions are required to comply with the provisions of any access agreement (‘approved plan’) in force, as approved by the Director of Fair Access. It also describes the action that HEFCE will take on its own account or on behalf of the Director of Fair Access if conditions of grant are breached. Any financial requirements may be applied in-year if necessary.

12. Table B identifies any allocation of additional funding for very high cost and vulnerable science subjects. This is subject to separate conditions of grant and monitoring arrangements, as set out in Circular Letter 13/2007, ‘Additional funding for very high cost and vulnerable laboratory-based subjects’, or as may be separately notified.

¹ Statutory Instrument 2011/432, available from www.legislation.gov.uk/uksi.

² Statutory Instrument 2007/778, as amended (at the time of writing) by Statutory Instruments 2007/2263 2008/1640 and 2011/87, all of which are also available from the [legislation.gov.uk](http://www.legislation.gov.uk) website.

13. Table B identifies an allocation of funds for research degree programme (RDP) supervision. This is conditional upon institutions complying with the revised Section 1 of the Quality Assurance Agency for Higher Education (QAA) code of practice on postgraduate research programmes³ in respect of those departments that attract RDP supervision funds.

14. Table B identifies any allocation of additional funding to support moving full-time undergraduate numbers into strategically important and vulnerable subjects. This is subject to separate conditions of grant and monitoring arrangements, as set out in the award letter of 27 May 2010, the monitoring letter issued in February 2011, or as may be separately notified.

Arrangements for payment

15. The Council will normally pay recurrent funds to the institution in monthly instalments, in accordance with a funding profile for the whole academic year that will be notified separately.

Funding agreement targets

16. Table A '2011-12 Overall summary of funding' shows the amount of recurrent funding which the institution will receive from the Council for the period 1 August 2011 to 31 July 2012. Table B shows the various targets relating to student numbers or resource levels that may apply to the institution, and that the Council expects it to meet. There are up to four such targets relating to mainstream teaching funding, and Table B specifies whether and how they apply to the institution. They are as follows:

- a. A contract range, expressed as a permitted range of percentage differences between assumed and standard resource. These terms are explained below. The Annex describes how the Council calculates the two resource levels
- b. 'Student number control for 2011-12', specifying the limit on HEFCE-fundable and employer co-funded students starting full-time (FT) undergraduate (UG) or Postgraduate/Professional Graduate Certificate in Education (PGCE) study in 2011-12. Full details are provided below.
- c. 'Funding conditional upon delivery of growth', specifying minimum numbers of FTEs for those institutions that have been awarded mainstream additional student places for 2010-11 or 2011-12. The FTEs counted for this purpose are defined below. This target seeks to ensure that institutions deliver the overall growth for which the Council has provided funding.
- d. A contract full-time equivalent student number (CFTE), representing minimum FTEs on quota-controlled undergraduate medical and dental courses.

17. Table B also specifies funding and student number targets relating to employer co-funded student places held outside the mainstream teaching grant. These are subject to individual monitoring arrangements and are separate from those relating to mainstream teaching grant.

18. The Council expects the institution to meet all the targets that apply to it. If the institution does not meet any of the individual targets that apply, then the Council may

³ The 'Code of practice for the assurance of academic quality and standards in higher education' is available from www.qaa.ac.uk under Standards and Quality/Code of practice.

adjust its funding for 2011-12 and/or 2012-13. The adjustments that the Council may make are described in HEFCE 2011/21, 'HEFCE grant adjustments 2011-12'.

19. In assessing whether the institution has met the resource and student number targets that apply, in most cases the Council will use the student data that the institution will provide in HESES 2011. This provides definitions of how students are categorised and counted. Until that is available, institutions may refer to the 2010 HESES survey (HEFCE 2010/26) for definitions of:

- countable students (students in the HESES population on recognised courses of higher education, generating a countable year of instance). The count of students towards the student number control for 2011-12, collected in HESES Table 6, differs from the count of students on other HESES tables
- non-completions
- full-time equivalence (student load)
- fundability status (including HEFCE-fundable, home and EU and overseas)
- mode of study (full-time, sandwich year-out or part-time)
- level of study (foundation degree, other undergraduate, postgraduate taught or postgraduate research)
- price groups
- regulated fees.

20. The 2011 HESES survey will also request information from institutions to determine funding allocations for 2012-13. Details of the additional tables included to collect this information are available in Circular letter 17/2011 'Advance notification of changes to HESES and HEIFES for 2011-12'.

The contract range

21. The contract range is a permissible range of percentage differences between the institution's assumed and standard resource levels. Assumed resource comprises actual mainstream HEFCE grant for teaching, plus the Council's assumptions about the institution's fee income. Standard resource is a notional resource level representing what the institution's share of overall assumed resource might be if HEFCE funding were calculated entirely afresh each year, rather than derived largely from the previous year's baseline. The funding method aims to ensure that funding for similar activities is at similar rates and, therefore, that assumed resource comes within an acceptable margin of standard resource. The margin for 2011-12 is the institution's contract range and it is specified on Table B.

22. The Council will recalculate standard and assumed resource for 2011-12 using the student number data that the institution will provide in HESES 2011. If the percentage difference between the two lies outside the contract range, then the Council may make further requirements of the institution, so that it moves back within its contract range within a specified period. These requirements may include the immediate holdback of Council grant. Details of the holdback arrangements are given in HEFCE 2011/21. The implications for institutions of moving below their contract range in 2011-12 are also explained in HEFCE 2011/21.

23. The Annex to this funding agreement describes the method that the Council will use to calculate assumed and standard resource. Student FTEs will be included in the recalculation of standard and assumed resource if in HESES 2011 they are reported as countable, HEFCE-fundable, and not as a non-completion. These are the students

recorded as HEFCE-fundable in Column 4 of HESES Tables 1a and 2, and in Column 4a of HESES Table 3. Sandwich year-out (SWOUT) students on HESES Table 2 are multiplied by 0.5 to derive their FTE.

Consolidated 2010-11 contract range holdback recoverable in 2011-12

24. If the institution had a reduction in grant for 2011-12 as a result of the consolidation of holdback for exceeding the contract range in 2010-11, it will have an opportunity to recover some or all of the funding depending on its position relative to its contract range in 2011-12. The funding that may be recovered is identified on Table B.

25. We will calculate the amount repayable such that reinstatement keeps the institution within its 2011-12 contract range. Further details are provided in the technical guidance that accompanied the provisional recurrent grant letter dated 14 March 2011.

Student number control for 2011-12

26. As in 2010-11 we are setting a limit on HEFCE-fundable and employer co-funded students starting FT UG or PGCE study for 2011-12. Table B specifies the student number control limit for 2011-12. Students will be counted against this limit if, in HESES11, they are recorded in Table 6. If the institution exceeds this number then the Council will implement a reduction to grant in the 2011-12 and/or 2012-13 academic year as detailed in HEFCE 2011/21. The institution should assume that the Council will seek to implement grant reductions for any recruitment in excess of the limit specified for 2011-12, and that no minimum threshold will apply to such adjustments.

27. We are applying a grant reduction to institutions which exceeded the 2010-11 student number control limit, or over-recruited in 2009-10 and did not deliver the required shortfall against the 2010-11 student number control limit to avoid a further grant reduction. These grant reductions are not shown in the accompanying grant tables for 2011-12. Where such a reduction applies, it may be repeated in whole or part in subsequent years unless the institution takes action to offset the over-recruitment in earlier years by recruiting below its 2011-12 student number control limit. Table B specifies what shortfall against the 2011-12 student number control limit is necessary to avoid any further grant reduction arising from previous over-recruitment. Details about these arrangements are provided in HEFCE 2011/21.

Funding conditional upon delivery of growth

28. If the Council has allocated the institution mainstream additional funded places then it expects increases in total FTEs to reflect the additional places awarded. This is to ensure that the Council is able to deliver the overall student number increases sought by the Government. Table B specifies the HEFCE-fundable FTEs expected of the institution in 2011-12, and any funding which is contingent upon them being delivered, but this only applies where the institution:

- a. Was allocated mainstream additional funded places conditional upon delivery of growth in 2010-11, but has been assessed by the Council as having not delivered the resulting overall increase in FTEs expected in that year. This does not apply where there were shortfalls in the delivery of University Modernisation Fund (UMF) places – those allocations were for 2010-11 only and there is no second chance in 2011-12 to make good any shortfalls in UMF student numbers that may have occurred.

b. Had any previous non-mainstream directly or indirectly funded ASNs brought within the institution's mainstream teaching grant for 2010-11, but where the resulting growth in HEFCE-fundable FTEs expected in that year has not yet been delivered.

c. Has been awarded mainstream additional funded places for 2011-12.

29. If none of those circumstances applies to the institution then Table B will state that funding conditional upon delivery of growth is not applicable to the institution and the FTE targets are therefore not relevant. For other institutions, Table B will specify a baseline FTE figure and up to three FTE targets for 2011-12:

a. **2011-12 Baseline FTEs:** Unless the institution reaches the baseline FTE figure, it will not be able to recover any 2011-12 funding previously deducted for not delivering expected growth in 2010-11. It will also have all the funding held back for any new places awarded for 2011-12.

b. **FTEs required to fully recover reduction in ASN funding:** This first FTE target shows the FTEs required to recover in full any 2011-12 funding already deducted owing to under-recruitment against FTE targets in 2010-11. Also shown are the maximum funding that may be recovered, and the rate per FTE for any recovery of funds for recruitment above the baseline FTEs. The recovery of grant for recruitment above the baseline FTEs will be at the rate per FTE and up to the maximum level specified in the funding agreement. If the 'Associated maximum funding' is 'not applicable', then there has been no reduction in 2011-12 funding due to shortfalls against expected FTE levels in 2010-11, and so there is no funding that the institution can recover.

c. **FTEs required to avoid reduction in ASN funding:** This second target shows the minimum FTEs required to avoid holdback of ASN funding. Also shown are the total funding that may be held back, and the rate of holdback per FTE. Any shortfall against this second FTE target will lead to holdback of grant at this rate per FTE and up to the maximum level specified in the funding agreement. If the 'Associated maximum funding' is 'not applicable', then no reduction will be made for under-recruitment against this target.

30. For two institutions (Birkbeck College and the Conservatoire for Dance and Drama) a further FTE target is also specified: 'FTEs required to retain 2010-11 ELQ safety net ASN funding'. These show the minimum FTEs required to avoid holdback of ASN funding that has been allocated in place of ELQ safety net funding. Further details about this were provided in the technical guidance for HEIs that accompanied the provisional recurrent grant letter of 14 March 2011. This further target also shows the total funding that may be held back, and the rate of holdback per FTE. Any shortfall against these further FTE targets will lead to holdback of grant at the rates specified per FTE and up to the maximum level specified in the funding agreement.

31. Students will be counted towards FTE targets for 'funding conditional upon delivery of growth' if, in HESES 2011, they are reported as countable, HEFCE-fundable, and not as a non-completion. These are the students recorded as HEFCE-fundable in Column 4 of HESES Tables 1a and 2 and in Column 4a of HESES Table 3. SWOUT students on HESES Table 2 are multiplied by 0.5 to derive their FTE.

The medical and dental CFTE

32. If the Council directly funds the institution for full-time students on programmes of study that normally lead to a first registrable medical or dental qualification, then it has also set a minimum target FTE for this provision. This is known as the medical and dental CFTE, and applies to students on full-time undergraduate or graduate-entry medical and dental courses for which the Council sets intake targets.

33. Students will be counted towards the medical and dental CFTE if, in HESES 2011, they are reported as full-time on a course leading to a first registrable medical or dental qualification and are countable, HEFCE-fundable, and are not non-completions. These are the students recorded as HEFCE-fundable in Column 4 of HESES Table 1b.

34. If the institution recruits below its medical and dental CFTE, the Council may reduce its funding for teaching. Details of the holdback arrangements are given in HEFCE 2011/21.

Monitoring of funding and student number targets relating to allocations for student places held outside the mainstream teaching grant

Non-mainstream funded places for co-funded employer engagement

35. For institutions with non-mainstream funded places for co-funded employer engagement for 2011-12 Table B shows the total FTEs awarded by 2011-12, the associated HEFCE grant, and the rate of grant per FTE. Following finalising, in July 2011, 2010-11 recruitment data in the co-funded employer engagement monitoring, the Council will revise institutions' co-funded allocations as appropriate, both for 2010-11 and 2011-12. Revised grant tables issued in October will then include up to three FTE targets and associated co-funding allocations:

- a. **2011-12 core FTEs.** This will show the FTEs delivered in 2010-11, the associated funding at 2011-12 prices (incorporating any pro rata reductions that apply) and the rate of funding per FTE. If institutions do not maintain this level of FTEs, then this 'core' funding will be held back at the rate per FTE shown for each FTE below the target.
- b. **FTEs required to recover reduction in core.** This will show the FTE total required to make good a shortfall in 2010-11, the total funding that may be recovered and the rate of funding per FTE at which we will repay funding for each FTE above the 2011-12 core FTE total. If institutions do not meet this FTE total, there will be no further opportunity to make good the shortfall and recover any residual balance.
- c. **FTEs required to avoid reduction in ASN funding.** This will show the FTE total required to avoid a reduction in funding for any further ASNs allocated for 2011-12, the associated ASN funding that is conditional on the total FTEs being achieved and the rate of funding per FTE. If institutions do not meet this FTE total, then we will hold back funding at the rate per FTE shown for each FTE below the target and up to the maximum of the associated ASN funding provided.

36. Further information about these arrangements was provided in 'Changes to co-funded conditions of grant and monitoring arrangements' (Circular letter 20/2010). The Council has proposed to use data submitted in the 2011 HESES survey to monitor employer co-funded student numbers in 2011-12. However, if the Council finds that

suitably robust data cannot be collected through the HESES survey institutions may be asked, as in previous years, to make a separate end-of-year co-funded employer engagement monitoring return.

Other funded places held outside the mainstream teaching grant

37. Exceptionally, other allocations of funded places may be made outside the mainstream teaching grant. Where applicable, such allocations are subject to monitoring and grant adjustment arrangements as separately notified to the individual institutions affected.

Grant adjustments

38. HEFCE 2011/21 sets out the methods to be used to calculate adjustments to grant, and any other requirements that the Council may place on the institution, if it does not meet one or more of its funding agreement targets. It also details the circumstances in which the adjustment would be moderated.

39. The Council will give the institution an opportunity to appeal against the application of any grant adjustment, as calculated using the method set out in HEFCE 2011/21. Such an appeal should explain any exceptional circumstances that have affected the institution's ability to meet its targets. The Council will take account of the appeal, including the extent to which the grounds for appeal might have affected other institutions, before it finalises the level of the adjustment that it will apply.

Data audit and reconciliation

40. Data collected from institutions inform our allocation of recurrent funds for teaching and research, and some non-recurrent allocations in response to specific initiatives. The Council will continue to audit these data selectively in this and future funding exercises, through audit visits and other processes. We will also use data which institutions provide to the Higher Education Statistics Agency (HESA), the Data Service and other organisations to verify the data institutions send directly to us. We will use the outcomes of these data audits and reconciliations to review funding allocations both for the year in question and all subsequent years.

41. If we find, either through reconciliations with HESA, Data Service or other organisations' data, or any data audit, that erroneous data have resulted in institutions receiving incorrect funding allocations (including for widening participation, teaching enhancement and student success and other targeted allocations), then we will adjust their funding accordingly (subject to any appeals process that may apply and the availability of our funds). We will recover funding from an institution from the year of audit/reconciliation unless there is evidence that an institution has deliberately not complied with the funding rules or has ignored previous HEFCE advice/recommendations. In these exceptional circumstances we may recover funding over a longer period, up to a maximum of seven years. The year of audit/reconciliation is the academic year which the data returns relate to, not necessarily the year the audit or reconciliation work is carried out. This is a revision to the previous approach on funding implications from audit.

42. We will continue to seek assurances from accountable officers and audit committees about the management and quality assurance arrangements for data submitted to HESA, HEFCE and other funding bodies. This is imperative in order to improve the reliability of data which is crucial for the efficiency of our funding and to reduce the number of

significant funding adjustments arising from data corrections. Further guidance for audit committees on data assurance can be found on the HEFCE web-site, www.hefce.ac.uk, under Finance & assurance/Assurance service/Guidance/Audit arrangements.

Annex: Description of resource calculations for higher education institutions

1. This Annex describes how the Council will recalculate assumed and standard resource, and thus the percentage difference between the two, using the data that the institution submits in the HESES 2011 survey. The institution's contract range specifies the range in which the percentage difference should fall.

Calculation of assumed resource

2. Assumed resource comprises the HEFCE teaching funds included within 'Table A: 2011-12 Overall summary of funding', but excluding the allocations for targeted allocations (including widening participation and teaching enhancement and student success), non-mainstream funded places and other recurrent teaching grants; plus an assumption of fee income. The HEFCE funding for teaching included within assumed resource is '2011-12 Total mainstream teaching grant' shown on 'Table C: 2011-12 Summary of recurrent funds for teaching'.

3. For the purposes of the holdback calculations, the Council will incorporate into the above funding figure any holdback or recovery of grant arising from the institution's recruitment against its FTE targets for 'funding conditional upon delivery of growth', and any holdback for not meeting its medical and dental CFTE. This will ensure that the institution is not penalised twice for the same instance of under-recruitment, and that its ability to meet its contract range is not affected by any growth that the Council expects it to deliver to recover funding for mainstream additional student numbers previously withheld.

4. The Council calculates assumed fee income by determining average fee rates for broad categories of home and EU student FTEs and applying these rates to the HEFCE-fundable FTEs reported in the HESES 2011 survey. The calculations are performed separately for six student categories:

- 3 modes – full-time (FT), sandwich year-out (SWOUT) or part-time (PT)
- x 2 levels – undergraduate (UG) or postgraduate taught (PGT).

5. To calculate the average fee rates, the Council calculates total fee income for home and EU students, other than those in the ITT (QTS) price group. For this purpose only, both SWOUT and PT students are treated as 0.5 FTE, and the calculations include students who do not complete their year of study. The table below shows the assumed fees per FTE against the student categories to be reported in the HESES fee table.

Level	Fee level	FT	SWOUT		PT
			(Divide HESES numbers by 2 to derive FTE)		
UG	Regulated full fee	£1,345		N/A	£1,330
	Regulated half fee	£665		£1,330	£1,330
	Regulated £0	£0		£0	N/A
	Non-regulated	N/A		N/A	£1,345
PGT	Regulated full fee	£1,345		£1,330	£1,330
	Regulated half fee	£665		£1,330	£1,330
	Non-regulated	£3,670		£3,670	£3,670

6. The Council derives the average fee rates by dividing the total fee income as calculated above, by the same student FTEs used to calculate the total fee income.

7. Assumed fee income is calculated by multiplying the average fee rates by the HEFCE-fundable FTEs reported in HESES 2011 (in Column 4 of HESES Tables 1a and 2 and in Column 4a of HESES Table 3). SWOUT students on HESES Table 2 are multiplied by 0.5 to derive their FTE. Postgraduate research students are not included in any teaching resource calculations.

Calculation of standard resource

8. The Council calculates standard resource by weighting students, expressed in FTEs, according to one of four price groups, which reflect the relative costs of provision in different subjects. Further weights are applied to reflect the additional costs of provision in London, if appropriate, and to recognise the activity completed by students who do not complete their initial study intentions (the partial completion weighting). Standard resource is calculated for each institution pro rata to its total weighted FTEs.

9. There are six steps to calculating standard resource:

- Step 1 Collect FTE student data in the HESES 2011 survey
- Step 2 Weight the FTEs in Step 1 by the appropriate price group cost weights
- Step 3 Calculate additional FTEs for the partial completion weighting
- Step 4 Calculate additional FTEs for London weighting if it applies
- Step 5 Calculate total weighted FTEs
- Step 6 Calculate standard resource.

Step 1 Collect FTE student data in the HESES 2011 survey

10. The FTEs are those reported in HESES 2011 as countable, HEFCE-fundable, and not as a non-completion (those who are HEFCE-fundable in Column 4 of HESES Tables 1a and 2 and in Column 4a of HESES Table 3). SWOUT students on HESES Table 2 are multiplied by 0.5 to derive their FTE.

11. The calculations are performed separately for 48 different student categories:

- four price groups
- x two modes ([full-time + sandwich year-out], or part-time)
- x three levels (foundation degree, other undergraduate, or postgraduate taught)
- x two lengths of study during the year (standard or long).

12. The Council performs the calculations of standard resource separately for each of these student categories.

Step 2 Weight the FTEs in Step 1 by the appropriate price group cost weights

13. Weighted FTEs = FTE from Step 1 x price group weight (4 for price group A, 1.7 for price group B, 1.3 for price group C and 1 for price group D).

14. For the purposes of calculating standard resource, the Council will split FTEs reported in the Media Studies price group between price groups B, C and/or D using the proportions specified on 'Table G: 2011-12 Parameters in the mainstream recurrent teaching funding model', under 'Assignment of price groups for funding purposes'.

Step 3 Calculate additional FTEs for the partial completion weighting

15. The partial completion weighting is expressed as additional weighted FTEs, calculated in relation to the price group weighted FTEs.

The additional FTEs = price group weighted FTEs (Step 2) x the 'Partial completion weighting' percentage. The latter is specified on 'Table G: 2011-12 Parameters in the mainstream recurrent teaching funding model', under 'Institution-related weightings used in the mainstream teaching model'.

Step 4 Calculate additional FTEs for London weighting (if applicable)

16. London weighting is expressed as additional weighted FTEs, calculated in relation to the price group weighted FTEs.

17. The additional FTEs = price group weighted FTEs (Step 2) x the 'London weighting' percentage. The latter is specified on 'Table G: 2011-12 Parameters in the mainstream recurrent teaching funding model', under 'Institution-related weighting used in the mainstream teaching model'.

Step 5 Calculate total weighted FTEs

18. Total weighted FTEs = price group weighted FTEs (Step 2) + additional weighted FTEs for the partial completion weighting (Step 3) + additional weighted FTEs for London weighting (Step 4).

Step 6 Calculate standard resource

19. Standard resource in each category = total weighted FTEs in that category (Step 5) x the base price (£3,670 for 2011-12). Total standard resource is the sum of the standard resource calculated for each student category.

Percentage difference from standard resource

20. The percentage difference from standard resource is calculated as:

$$\frac{\text{assumed resource} - \text{standard resource}}{\text{standard resource}} \times 100$$

21. This percentage difference must come within the institution's contract range.