
Higher Education Funding Council for England (HEFCE): Consultation on allocation method for postgraduate research funding from 2012-13**Response by the Wellcome Trust**

June 2011

Introduction**General comments**

1. The Wellcome Trust is a significant funder of postgraduate research and training through our PhD programmes and studentships. For many years the Trust has been highly selective in relation to the provision of support for PhD student training, with the majority of our funding now targeted through a relatively small number of four-year PhD programmes. These programmes are very attractive and institutions compete to secure funding: for example, 63 preliminary applications were received for consideration in the last round and 4 new PhD programmes were awarded.
2. The consultation indicates that HEFCE is seeking to allocate research degree programme (RDP) supervision funding more selectively on the basis of quality. While the Wellcome Trust is supportive of this general objective, it should not be assumed that all environments that produce the highest quality research automatically provide the best quality research *training*. Further, experience tells us that pockets of excellence in research training can exist within an institution that may have a somewhat weaker research performance overall.
3. The Wellcome Trust's selective approach to funding postgraduate training is consistent with our status as an independent charitable foundation and our mission to support "the brightest and the best." From a UK-wide perspective, we consider that HEFCE has a crucial role in maintaining a broad base of postgraduate training, and the resulting pipeline of research talent. The Trust's experience in assessing applicant CVs suggests that training in a leading institution is not always a predictor of future career success – leading researchers may train at relatively obscure institutions. We are therefore wary of proposals that would result in significant concentration of RDP funding at the institution level. We are also concerned about the geographical spread of funding as for some students the availability of quality local training may be an important factor in the decision to continue with postgraduate study. It is difficult to form a firm position on the consultation proposals in the absence of modelling of the impact of the allocation changes on concentration and geographical spread. The consultation document acknowledges the importance of "protecting the diversity of provision", yet the proposed changes appear likely to reduce this diversity.

Consultation question 1: Do you agree that for 2012-13 we should increase the value of the RDP supervision fund, by up to £35 million?

4. We agree with this decision. It is appropriate that the funds released by the move to cease funding 2* research are retained within the QR pot. The additional funding should also help ease the transition to the new quality-linked system, as most institutions are likely to receive an increase irrespective of their performance on the quality measure.

Consultation question 2: Which of the options we have described for linking the allocation of RDP supervision funding to quality (a threshold, or a quality weighting) best meets our aim of encouraging the supervision of students in higher-quality research environments?

5. The Trust generally supports linking the allocation of RDP supervision funding to quality. However, it should not be assumed that all environments that produce the highest quality research automatically provide the highest quality research *training*. It is crucial that HEFCE develops additional metrics and incentives, for example through the ‘research environment’ component of the Research Excellence Framework, to identify and reward institutions that provide high quality training environments, irrespective of their performance in relation to the quality of research outputs. Some indicators that could be considered are graduate completion rates, graduate employment rates and student satisfaction measures. Ideally such metrics could also be used to inform the allocation of RDP supervision funding.
6. The consultation document does not provide a sufficient level of detail to enable us to make an informed judgement between the two options identified. The suggestion appears to be that the threshold option (option 1) would lead to a more radical redistribution of funds compared to the quality weighting option (option 2), with some institutions receiving nothing. If this is the case we would favour option 2 as being more likely to retain a breadth and diversity of postgraduate research training provision. However, as we consider that all departments which carry out 3* or 4* research have the potential to deliver high quality research degree supervision, we are concerned that option 2 may provide an artificial degree of differentiation between departments and institutions.
7. As an alternative to option 2, we suggest that HEFCE could consider a mixed model where a quality score is applied, but funding is allocated in bands (say 3-4 within each of the three subject cost bands). For example, these bands could be set so that the top 25 per cent of departments receive the maximum allocation per FTE – in contrast to the proposed system which would essentially produce a ranked list with each department potentially receiving a different allocation.

Consultation question 3: If we used a quality score to achieve differentiation by quality does a ratio of 1:2 seem appropriate?

8. The Trust does not have a view on the specific ratio. In general we suggest that HEFCE’s approach should be to provide a baseline level of funding to all institutions, sufficient to sustain existing levels of postgraduate provision, while providing additional top-up funding to institutions that achieve higher standards of performance. We would be concerned if the minimum allocation of funding per student FTE were to fall significantly below the existing (flat) allocation for each cost band.

Consultation question 4: Do you consider that the value of an institution’s RDP grant relative to its mainstream QR grant provides a useful indicator of the sustainability of postgraduate supervisory activity at whole-institution level?

9. While we agree that this may be a useful indicator to monitor, we have reservations about its use as a tool for allocating RDP supervision funding. It is unclear to what extent mainstream QR is a good predictor of overall levels of research funding received by an institution, including funding from industry and charitable sources. Some specialist institutions receive relatively little QR, but significant funding from other sources, including the Wellcome Trust. It would be regrettable if the introduction of the proposed indicator acted as a disincentive for institutions to leverage research funding from non-government sources, or dissuaded specialist institutions from postgraduate teaching.
10. The consultation document suggests that HEFCE is considering “whether at some stage we should cease to allocate RDP funding where its value exceeds a certain proportion of an institution’s mainstream QR grant.” No detail is provided about what this threshold might be, and how many institutions would be likely to lose funding as a result. From speaking to HEFCE staff we understand that the number of institutions affected is likely to be small.

However, our concern remains that this institution-wide measure would be a blunt instrument for allocating funding and institutions that have pockets of excellence in particular subject areas would be likely to lose out.

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