

Guidance for the HE sector: costing nursing, midwifery and other health professional provision

Is your institution grappling with the newly formed Workforce Development Confederations over contracts to underpin delivery of teaching provision for nursing, midwifery and other health professionals?

Has the NHS Plan recently hit your desk?

Does the nth variation to your existing contract require you to renegotiate those additional students at marginal cost, less subsidised rates – or, if you are fortunate and have a well-structured contract, at full cost?

To address such issues the JCPSPG has published guidance for the higher education (HE) sector. The publication is titled 'Costing nursing, midwifery and other health professional provision – guidance for the HE sector'. It draws on the standards and principles in the Transparent Approach to Costing (TRAC), and sets out a costing methodology for calculating the full cost of nursing and other health professional teaching provision.

The guidance is provided to support higher education institutions' (HEIs) pricing discussions and decision making. It also provides examples of good practice. Although designed for teaching provision in nursing, midwifery and other health professions, the guidance could be used as a basis for costing teaching provision in other disciplines, providing suitable adjustments are made.

The guidance provides HEIs with a checklist against which contract numbers and prices can be reviewed, and covers:

- attitudes to eligible costs by Workforce Development Confederations
- costing methods used by HEIs
- institutions' cost bases
- methods to transfer costs
- programme specifications and variations
- cost elements
- risk assessment
- cost-based pricing.

A joint NHS/Universities UK working group, established following the recent National Audit Office report into non-medical education and training to look at establishing benchmark prices for these teaching programmes, has been provided with a copy of this guidance.

The publication will be circulated to institutions shortly, and will be available on the JCPSPG web-site.

Guidance on the use of TRAC indirect cost rates for calculating non-commercial contracts is also available. See back page for details.

Suggested Distribution:

Vice-Chancellors and Principals, Directors, Pro Vice-Chancellors (Resources and Research), Deans, Heads of Research, Finance Directors and Costing and Pricing Accountants.

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Congratulations to those involved with the Transparency Review

Nearly all higher education institutions reported their Transparency Review data to the funding councils at the end of July. This was an outstanding achievement, and the implementation team would like to congratulate Transparency Review project managers and their colleagues on their hard work. The fact that almost 100 per cent of

HEIs attained this goal also demonstrates their commitment to the Review.

The ability of the HE sector to deliver this outcome has meant that data are being generated from the Transparency Review, which can be used to inform the Government Spending Review 2002 which is already under way.

Professor Glynis Breakwell

Our congratulations go to Professor Glynis Breakwell, a member of the JCPSG, on her recent appointment as Vice-Chancellor of the University of Bath. We are delighted that Glynis has agreed to remain a member of the JCPSG, as she brings valuable experience to the group.

Thanks to Sue Delve



Sue Delve will finish her contract with the JCPSG as National Co-ordinator on 8 November 2001 and will return to her duties at the University of Bristol.

Her departure will leave a significant gap. Her technical knowledge and support for the Transparency Review have been vital. The JCPSG thanks Sue for her work with the sector, both directly with institutions and through representative bodies and self-help groups.

After 8 November, institutions currently supported by Sue should send their Transparency Review queries to JM Consulting (tel 0117 959 3687, e-mail jmconsulting@dial.pipex.com). For all other costing and pricing issues they should contact Lisa Blackshaw (tel 0161 247 1890, e-mail L.Blackshaw@mmu.ac.uk). From November Lisa will also be responsible for providing support to all of the regional self-help groups.

Stage two funding – have you made sufficient progress?

Close to 100 per cent of the HE sector has claimed stage one funds from the funding councils to support development and implementation of strategies for costing and pricing. Some HEIs have already successfully claimed stage two of this funding by documenting the progress they have made towards improving their costing and pricing policies and procedures.

Institutions in England, Wales and Northern Ireland are encouraged to

consider their progress to date and to make a claim as soon as possible using the template and guidance notes available on the JCPSG web-site on the 'Joint Funding Councils' Initiative' page. For examples of institutional progress that could form part of a stage two claim see the previous issue of this newsletter (Issue 9).

Lisa Blackshaw, the JCPSG National Co-ordinator, is happy to discuss any HEI's progress and give advice on submitting an

application. All stage two claims should be submitted to the HEFCE, HEFCW or DEL by 30 June 2002.

Different arrangements for receiving second stage funding are in place for Scottish institutions. The Scottish Higher Education Funding Council will contact all institutions in Scotland with further details.

JCPSPG web-site

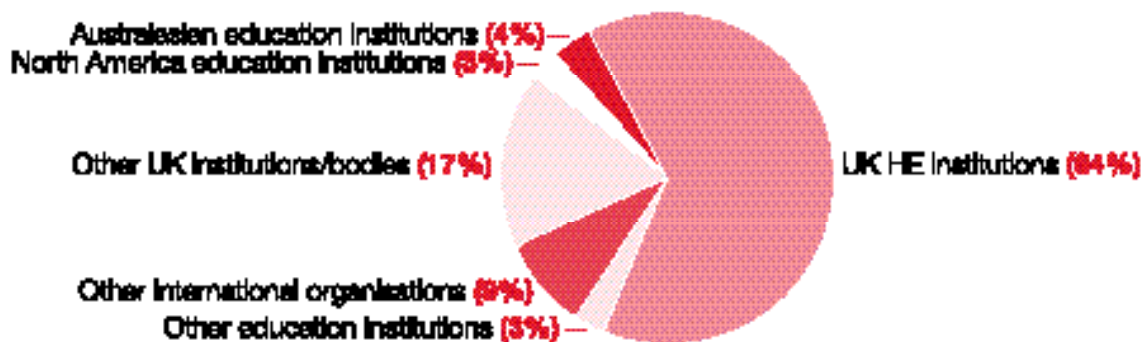
Since the re-launch of our web-site on 1 August we have had a lot of positive feedback about its new features. Our site has been visited by many outside the HE sector and by people in many parts of the world.

The pie chart shows the numbers and origin of visitors to the site since it went live. The total number of unique visitors since 1 August is 2,765.

New features of the re-launched web-site

- **E-mail bulletin service** – registered users will receive e-mail bulletins detailing the latest developments on costing, pricing and JCPSPG activities.
- **On-line seminar registration** – users can sign up for seminars and workshops on-line.
- **What's new page** – clicking on the 'What's New' button takes users to the latest information and revisions to the site.
- **Glossary and links page** – provides links to 18 other web-sites related to costing, pricing and higher education.
- **Related information** – each page carries links and documents related to the content of the page in view.

JCPSPG web-site visitors



What's new on the JCPSPG web-site

The JCPSPG web-site is at www.JCPSPG.ac.uk. Latest developments include:

- **Pricing Conference: Developing Pricing Strategies for Higher Education** – full details about this event including the programme for the day and an on-line booking facility.
- **Pricing Strategies: programme of activities** – up-to-date JCPSPG programme to help universities and colleges formulate and implement a pricing strategy for their own institution.
- **Newsletter Issue 9** – in Word and Adobe Acrobat format. This issue (Issue 10) will be added shortly.
- **JCPSPG Third Annual Report** – reports the progress of both the JCPSPG and the HE sector in implementing the strategy for costing and pricing in higher education. It covers the period July 2000 to June 2001.
- **Technical guidance and training sessions on the use of indirect cost rates in costing government contracts** – the guidance describes how Transparency Review indirect cost rates should be used when costing contracts which are priced on a full-cost basis. Places on the training sessions can be booked on-line.
- **Standard Definitions** – A list of JCPSPG standard definitions for costing and pricing related terms, used by universities and colleges, will soon be available under Costing & Pricing.

Supplementary TRAC guidance

We have developed additional guidance on how to use the **Transparent Approach to Costing (TRAC) methodology for costing contracts based on full-cost recovery.**

The guidance, titled 'The use of indirect cost rates in costing government contracts – technical guidance', is applicable to all

publicly funded contracts for research and for other academic activities, including the Ministry of Defence and other UK government departments. The Office of Science and Technology is leading a discussion involving various government departments on the use of the TRAC methodology in this way.

The document can be downloaded from the JCPSG

web-site on the 'Changes to the Guidance Manual' page, in the Transparency Review section. An electronic copy was sent to Transparency Review project managers in September.

Since this is a relatively technical matter, we have set up workshops for Transparency Review project managers. More details below and on our web-site.

Events and training

Pricing conference: Developing Pricing Strategies for Higher Education

Thursday 8 November 2001, Universities UK, Woburn House, London

There are still a few places left for our pricing conference. This event is aimed at heads and deputy heads of institutions, and senior managers, to help universities and colleges formulate their pricing strategies. The programme features: keynote addresses from Sir Richard Sykes, Rector of Imperial College, and Dr John Taylor, Director General of the Research Councils; presentations on developing a pricing strategy; and representatives from two institutions who will speak about good practice they have adopted. Full details, including how to register, are on our web-site on the 'Forthcoming Events and Training' page.

We will report on the conference in our next newsletter.

Training on the use of indirect cost rates in costing government contracts

The Transparency Review implementation team has prepared some supplementary TRAC guidance which

describes specifically how Transparency Review indirect cost rates should be used in costing contracts which are priced on a full-cost basis (see article above). The guidance will be supported by training sessions at the Universities UK office in London on **12, 14, 20 and 21 November 2001**. The workshops are appropriate for project managers and others responsible for calculating rates and supporting institutional managers in their use.

Further details and information on how to register for the sessions is available on the JCPSG web-site on the 'Forthcoming Events and Training' page.

Transparency Review benchmarking (2000-01 data)

As discussed at the May benchmarking sessions, we will offer a set of benchmarking sessions in January 2002. Timing will be tight, but if you want to compare your high level costs and income with your peers, this will provide such an opportunity. The sessions will be held at Universities UK, London on **8 and 10 January 2001**. JM Consulting will confirm arrangements for this nearer the time.

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This Newsletter is the official quarterly bulletin of the JCPSG. Its purpose is to provide information on the following: current work being undertaken by the JCPSG; information on training materials and events; feedback on progress being made within the sector and any other items of interest. All contributions are welcome and should be sent to Lisa Blackshaw, National Co-ordinator for Costing and Pricing, Manchester Metropolitan University, All Saints, Manchester M15 6BH.

Please note: Where institutions, companies, organisations or individuals not part of or directly affiliated to the JCPSG are quoted in this newsletter, the opinions expressed do not necessarily represent JCPSG policy.