

## Higher Education Authority Funding Framework (Consultation Process Document)

### Introduction

One of the primary functions of the Higher Education Authority (HEA) under the Higher Education Authority Act 2022 (the “HEAA 2022”) is the funding of the higher education sector and the exercise of oversight in respect of such funding.

In accordance with the S37 of the HEAA 2022 this document describes the HEA Funding Framework.

*S37(2) “shall from time to time, with the approval of the Minister, prepare and establish a framework (in [HEAA 2022] Act referred to as a “funding framework”) for the allocation of funding to bodies seeking funding in a manner that is consistent with the objects and functions of [the HEA] provided for in [the HEAA 2022] and in accordance with any directions given to it by [MDFHERIS]”.*

In addition, S37(3) of the HEAA 2022 provides that the HEA shall consult with bodies seeking funding or their representative bodies for the purposes of preparing and establishing a funding framework and this document forms the basis of this consultation.

The HEA allocates funding using various methods including but not limited to agreed allocation models, claims and competitive calls. The allocation of funding may vary depending on whether a funding scheme or programme is competitive or not, institution specific or general, an example of funding programmes and the allocation methods used is contained in the table below:

**Example of HEA Funding Programmes and Allocation Methods**

<b>Funding Programme</b>	<b>Overview</b>	<b>Allocation Method</b>
Core grant	Core grant is provided to certain higher education institutions as a block grant for day-to-day pay/non pay expenditure associated with teaching, research and supporting activities.	Recurrent Grant Allocation Model (RGAM)
Grant in Lieu of Free Fees	Funding provided to certain higher education institutions under the Free Fees Initiative.	Claims
North South Research Programme	Collaborative scheme funded by the Government of Ireland through the Shared Island Fund.	Competitive

The creation of a “Funding Framework” deals with the allocation of funding to bodies seeking funding in a manner that is consistent with the objects and functions of the HEA under the HEAA 2022 is a requirement under the HEAA 2022.

As noted in the HEAA 2022, nothing in S37 shall be taken to mean that a designated institution of higher education, any other higher education provider or any other education provider, body or person shall be allocated funding by the HEA in any financial year.

### Funding Framework

In accordance with S37(4) of the HEAA 2022, the funding framework will specify the schemes and programmes in respect of which the HEA shall allocate funding to bodies seeking funding, and the criteria, terms and conditions for the allocation of such funding to such bodies.

Depending on the source of funding such as Departmental or European funding, the requirements of the ultimate provider of funding to the HEA and any associated terms and conditions shall be reflected in HEA funding conditions to meet such requirements. The HEA may specify that funding is spent in accordance with funding conditions which the HEA CEO may specify in writing under the HEAA 2022 with the approval of the HEA Board for funding conditions where such approval is necessary. The purpose is to ensure that funding is properly and appropriately spent, accounted for accurately and in accordance with relevant legal obligations, and spent in a manner which is cost effective and beneficial, and which achieves appropriate value for money.

Funded bodies and bodies seeking funding should refer to the HEAA 2022 and sectoral, institution specific and/or other legislation relevant to them. The HEAA 2022 and sectoral, institution specific and/or other legislation include further provisions applicable to funded bodies and to bodies seeking funding, which are beyond the scope of the Funding Framework.

The Funding Framework contains generally applicable funding conditions required by the HEA in all cases, and specific conditions pertaining to the specific funding schemes and programmes will be as contained in individual funding documentation such as letters, terms and conditions, grant agreements or Schedules to the Funding Framework, as appropriate to each specific scheme.

To provide clarity, definitions and abbreviations of terms used in this Funding Framework and in individual funding letters, terms and conditions, grant agreements and Schedules to the Funding Framework are provided in Appendix 1.

The terms and conditions applicable to each funding scheme and programme shall be **a combination of:**

A. the Generally Applicable Funding Conditions as set out below which shall apply to all funding schemes and programmes;

**and**

B. specific conditions pertaining to the specific funding schemes and programmes will be as contained in individual funding letters, terms and conditions, grant agreements and/or Schedule to the Funding Framework as appropriate to each specific funding scheme or programme.

The generally applicable funding conditions as set out under S38(2) of HEAA 2022 and as approved by the HEA Board include:

- a) to provide financial and other information to the HEA CEO;
- b) to use the funding in a cost effective and beneficial manner;
- c) to operate according to standards of good governance;
- d) to comply with the guidelines, codes and policies issued by the HEA under section 143 of the HEA Act 2022;
- e) to comply on a continuous basis with the funding framework;
- f) to comply with financial requirements;
- g) to comply with the HEA Act 2022 and regulations made thereunder; and
- h) to comply with such other conditions as may be determined, with the approval of the HEA Board, by the HEA CEO, including the following and as may be amended, modified or supplemented from time to time:
  1. to comply with an Oversight Agreement where applicable;
  2. comply with all relevant laws and obligations;
  3. ensure that all Exchequer funding received is used for the purposes for which it is provided, as set out in the terms and conditions of the grant(s), and that value for money is secured and evidenced
  4. comply, and at all times remain in compliance, with all relevant public financial procedures and legislation, including taxation legislation and the terms of the Department of Public Expenditure and Reform NDP Delivery and Reform's Circular 13/2014 including, but not limited to, the Statement of Principles for Grantees (as set out in the Department of Public Expenditure, NDP Delivery and Reform's Circular 13/2014;
  5. have, and at all times maintain, effective and adequate governance, management and accountability arrangements in place and ensure the institution maintains good practice in the conduct of its affairs at all times;
  6. ensure, and shall at all times ensure, that the institution is not in receipt of duplicate funding for the same activity/project;
  7. provide a refund to the HEA in the event of any overpayment of a grant;
  8. have, and at all times shall maintain, established procurement procedures and ensure where relevant that the procurement of goods and services is in accordance with EU and national procurement guidelines;
  9. have, and at all times maintain, appropriate internal control, oversight and safeguarding procedures in place;
  10. If the Institution makes onward grants from funding received from the HEA, the associated terms or conditions attached to this funding, must be applied to these onward payments.

The specific funding conditions pertaining to individual funding schemes and programmes will be as contained in individual funding documentation such as letters, terms and conditions, grant agreements and/or Schedule to the Funding Framework as appropriate to each specific funding scheme or programme. These form part of the proposed Funding Framework and constitute specific conditions of funding for such individual funding scheme or programme in addition to the generally applicable funding conditions. Specific funding conditions may include conditions such as those listed below, and other conditions as relevant to the funding scheme or programme:

1. Expected outcomes
2. Expected impact
3. Eligibility for funding

4. Funding period
5. Allocation principles
6. Appeal process as applicable
7. Eligible expenditure categories
8. Other conditions including but not limited to reporting requirement.

Such documents for specific funding schemes or programmes may be supplemented, modified or amended from time to time and shall cover the specific requirements for each funding scheme and programme of the HEA. As applicable to the funding scheme or programme, individual funding letters, terms and conditions, grant agreements or Schedule to the Funding Framework as appropriate to each specific funding scheme or programme would document specific needs and expectations as funding conditions.

### **Review and Updates**

The Funding Framework will be reviewed as required.

## Appendix 1 - Definitions<sup>1</sup> and Abbreviations

### Actions

These are the initiatives undertaken as a result of the strategic decision made in response to an identified challenge or opportunity.

### Activities

Activities make up the everyday work of the institution. These are often measured in terms of volume, reach or scale, e.g., number of grant applications, students enrolled, staff participants, certificates awarded, square metres of campus developed, energy savings projects completed, events or workshops held.

### Board of the Higher Education Authority

“Board” as understood under the HEAA 2022.

### Capital Expenditure

Capital expenditure has the meaning given to it by the Public Spending Code<sup>2</sup>. It refers to the acquisition, construction or enhancement of significant fixed assets including land, buildings, and equipment that will be of use or benefit for more than one financial year. It can also include less tangible assets such as IT software.

### Chief Executive Officer of the Higher Education Authority (CEO)

### Conditions of Funding

Conditions of Funding or Funding Conditions shall have the meaning under the HEAA 2022 as conditions subject to which funding is or may be provided to a Funded Body. The Funding Conditions under the Funding Framework shall be a combination of the Generally applicable funding conditions and the Specific Funding Conditions where relevant.

### Core Funded HEI

HEI which is in receipt of Core Funding.

### Core Funding

For the purposes of the Funding Framework, this means recurrent funding provided by the HEA for day-to-day pay and non-pay expenditure associated with higher education institutions’ teaching, research and supporting activities.

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<sup>1</sup> Terms which are used in the HEAA 2022 are understood as defined in the HEAA. Other terms are intended to be consistent with the [HEA’s System Performance Framework 2023-2028](#) or other documents, as relevant.

<sup>2</sup> As defined in [Public Spending Code: A Guide to Evaluating, Planning and Managing Current Expenditure](#) (Department of Public Expenditure and Reform, 2012, updated 2019).

**Current Expenditure<sup>3</sup>**

Current Expenditure involves day to day expenditure and typically includes spending on, for example salaries of public servants involved in delivering public services and non-pay costs such as materials and commercially procured goods and services.

**Department of Further and Higher Education, Research, Innovation and Science (DFHERIS)**

May be referred to as Department of Education in some sectoral legislation before DFHERIS was established.

**Designated Higher Education Institution**

As understood under the HEAA 2022 and in sectoral legislation.

The following HEIs are considered “designated”:

- (i) an established university;
- (ii) an educational institution established as a university under section 9 of the Universities Act 1997;
- (iii) a technological university within the meaning of the Technological Universities Act 2018;
- (iv) a college to which the Institutes of Technology Acts 1992 to 2006 apply;
- (v) the National College of Art and Design;
- (vi) an education provider which is an authorised provider within the meaning of sections 54 to 57 of the Universities Act 1997;
- (vii) such other higher education providers in respect of which a designation order under the HEAA 2022 is in force.

**Funded Body**

As understood under the HEAA 2022 being a person or body in receipt of funding from the HEA. A Funded Body may be in receipt of any type of funding from the HEA but regardless of the type it will be a Funded Body as understood under the HEAA 2022.

**Generally Applicable Funding Conditions**

Generally applicable funding conditions apply to all funding schemes and programmes. These are as set out under S38(2) of HEAA 2022 and as approved by the HEA Board.

**Higher Education Authority (HEA)**

An tÚdarás as understood under the HEAA 2022 and under sectoral legislation.

**Higher Education Authority Act 2022 (HEAA 2022)****Higher Education Institution (HEI)**

Higher Education Institution means an institution which provides at least one programme of education and training leading to the award of a degree or other qualification which is at least at bachelor degree level and is included within the National Framework of Qualifications.

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<sup>3</sup> Adopted from [An Overview of Current and Capital Spending within Government Expenditure](#) (Parliamentary Budget Office, 2023).

**Higher Education Provider**

Higher Education Provider means a Higher Education Institution or a person which provides at least one programme of education and training leading to the award of a degree or other qualification which is at least at bachelor degree level and is included within the National Framework of Qualifications.

**Impact**

Impact describes the positive effect or change that occurs as a result of a well-executed action and are usually medium to long term.

**Indicator**

Indicator is the data or metric that institutions will use to monitor progress and measure success.

**Minister for Further and Higher Education, Research, Innovation and Science (MDFHERIS)**

May be referred to as Minister for Education in some sectoral legislation before DFHERIS was established.

**Outcome**

Outcome is the result of an Action or Activity. Outcomes reflect the changes that will contribute towards Impact. They enable Funded Bodies to evaluate whether Actions supporting strategic, performance or other objectives are working appropriately. The Outcome of an Action or Activity is an Indicator of whether or not the action/activity will be impactful over time.

**Output**

Output is the product of an Activity or Action. Outputs are sometimes referred to as 'deliverables.' The delivery of an Output within a certain timeframe does not measure the results of the Action or its effect, therefore it does not provide a suitable Indicator or target.

**Schedule to the Funding Framework (Schedule)**

A Schedule to the Funding Framework is a document appended to the Funding Framework which contains specific conditions of funding for individual funding schemes or programmes as may be amended, modified or supplemented from time to time. Schedules form an integral part of the Funding Framework and any conditions outlined in a Schedule apply in addition to, and in conjunction with, the Generally Applicable Funding Conditions set out in this Funding Framework.

**Sectoral Legislation**

Includes the National College of Art and Design Act, 1971 (as amended), Institutes of Technology Acts, 1992 – 2006 (as amended), the Universities Act, 1997 (as amended) and the Technological Universities Act, 2018 (as amended).

**Specific Funding Conditions**

Specific funding conditions are conditions pertaining to the specific funding schemes and programmes. These will be as contained in individual funding letters, terms and conditions, grant agreements or Schedules to the Funding Framework as appropriate to each specific funding scheme or programme.

## **HEA Funding Framework**

### **Schedule Outline and Examples**



## HEA Funding Framework – Schedule Outline

### Schedule [ ]

This Schedule forms an integral part of the HEA Funding Framework. Any conditions outlined in this Schedule apply in addition to, and in conjunction with, the Generally Applicable Funding Conditions in the Funding Framework. The terms and conditions applicable to each funding scheme and programme shall be a combination of the Generally Applicable Funding Conditions as set out in the Funding Framework and the relevant Schedule or Schedules for each individual Funding Scheme or Programme.

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### Funding Scheme/Programme Name

#### Objectives of the Funding Scheme/Programme

This section will outline how the scheme/programme aligns with the HEA's objects and functions of the HEA as specified under the HEAA 2022.

#### Eligibility for Funding

This section will reference categories/types of funded bodies as per the act, indicating which categories are eligible for funding under the given scheme/programme, and/or conditions that have to be met by bodies seeking funding to be eligible for funding under the given funding scheme/programme.

#### Funding Period

This section will set out the period for which the funding is provided.

#### Allocation Principles

This section will outline the allocation principles, including but not limited to evaluation criteria and evaluation process for competitive funding schemes and programmes, and allocation criteria/models for non-competitive funding schemes and programmes.

#### Eligible Expenditure

This section will indicate which expenditure categories are allowed: current / capital; pay / non-pay / indirect costs etc.

#### Other Conditions of Funding

This section will outline other conditions of funding applicable to the given funding scheme/programme, including but not limited to reporting requirements.

**Additional Information**

This section will outline any other additional relevant information as relevant to the funding scheme/programme.

## HEA Funding Framework – Schedule Example 1

This Schedule forms an integral part of the HEA Funding Framework. Any conditions outlined in this Schedule apply in addition to, and in conjunction with, the Generally Applicable Funding Conditions in the Funding Framework. The terms and conditions applicable to each funding scheme and programme shall be a combination of the Generally Applicable Funding Conditions as set out in the Funding Framework and the relevant Schedule or Schedules for each individual Funding Scheme or Programme.

### Core Grant

#### Objectives of the Scheme/Programme

The provision of Core Grant aligns with the following function of the HEA, as per the HEAA 2022 s9(1)(j):

- *provide capital funding and current funding to bodies seeking funding, monitor expenditure by funded bodies and to control or seek a refund of funding in certain circumstances.*

#### Objectives

The Core Grant is provided for day-to-day pay and non-pay expenditure associated with eligible higher education institutions' teaching, research and supporting activities.

#### Eligibility for Funding

The following bodies are eligible to receive Core Grant:

1. Atlantic Technological University
2. Dublin City University
3. Dun Laoghaire Institute of Art and Design
4. Dundalk Institute of Technology
5. Mary Immaculate College
6. Maynooth University
7. Munster Technological University
8. National College of Art & Design
9. South East Technological University
10. Technological University Dublin
11. Technological University Shannon: Midlands Midwest
12. Trinity College Dublin
13. University College Cork
14. University College Dublin
15. University of Galway
16. University of Limerick

## Funding Period

Core Grant is allocated for a calendar year.

## Allocation Principles

Core Grant is allocated in accordance with the established Recurrent Grant Allocation Model (RGAM). Funded Bodies/bodies eligible for Core Funding submit RGAM returns, prepared following instructions issued by the HEA on annual basis.

## Eligible Expenditure

Core Grant is provided as a block grant to cover teaching, research and supporting activities only. The internal allocation of funds between teaching and research is a matter for each institution.

Core Grant should not, and must not, be used for the purposes of subsidising any commercial activities of the institution.

## Other Conditions of Funding

The following additional conditions of funding apply to Core Grant:

1. To comply with the *Oversight Agreement*, as issued by the HEA annually.
2. Ensure that funds from the core grant are used for teaching, research and supporting activities only.
3. To comply with the [Higher Education Authority Governance Oversight Framework – Higher Education Institutions](#).

## Additional Information

A grant allocation letter is issued by the HEA each year advising individual Funded Bodies of their Core Grant allocation.

Core Grant is paid to Funded Bodies in monthly instalments.

## HEA Funding Framework – Schedule Example 2

This Schedule forms an integral part of the HEA Funding Framework. Any conditions outlined in this Schedule apply in addition to, and in conjunction with, the Generally Applicable Funding Conditions in the Funding Framework. The terms and conditions applicable to each funding scheme and programme shall be a combination of the Generally Applicable Funding Conditions as set out in the Funding Framework and the relevant Schedule or Schedules for each individual Funding Scheme or Programme.

### **Distributed Campus Support Fund**

#### **Objectives of the Scheme/Programme**

The provision of the Distributed Campus Support Fund aligns with HEA's objectives and functions of the HEA as specified under the Act 2022, s9(1)(f)(j):

- *support the provision of a range of programmes of higher education and training aimed at meeting the educational and skills needs of individuals, business, enterprise, the professions, the community, local interests and other stakeholders locally, regionally and nationally and, without prejudice to the generality of the foregoing, including the educational and skills needs of persons in Gaeltacht Language Planning Areas, Gaeltacht Service Towns and Irish Language Networks, and outside of such Areas, Towns and Networks, with regard to the promotion and use of the Irish language*
- *provide capital funding and current funding to bodies seeking funding, monitor expenditure by funded bodies and to control or seek a refund of funding in certain circumstances.*

#### **Objectives**

This funding recognises that eligible institutions with distributed campuses require support to mitigate the impact of additional costs associated with operating distributed campuses. This fund also enables these institutions to continue serving the community and public interest in the region in which the campuses are located, particularly those with distributed campuses in disadvantaged areas.

#### **Eligibility for Funding**

##### **Eligibility criteria**

1. The Institution must have multiple campuses with teaching activity associated with delivery of courses at NFQ levels 6 – 10.
2. The distance between campuses is at least 45km.
3. The Institution is not already in receipt of ring-fenced funding for related purposes.
4. Teaching facilities in Hospitals are excluded from this initiative.

## Funding Period

Distributed Campus Support Fund is allocated for a calendar year.

## Allocation Principles

### Approach to allocations of support towards operational expenditure

The agreed formula is used for determining allocations:

$$(N - 1) * UF$$

Where:

- **N -1:** N is the number of campuses of a HEI where distance between campuses is greater than 45km. As the support is designated towards distributed campuses, one of the HEI's campuses is deducted (- 1) from the count of eligible campuses (N).
- **UF** is a set monetary unit of funding

A supplementary allocation will be provided where an institution's topology includes multiple campuses in a with moderate urban influence, in highly rural/remote areas (as per the CSO). This includes distributed campuses in disadvantaged areas – West and North West clusters.

## Eligible Expenditure

The Distributed Campus Support Fund is provided as a top-up to the Core Grant to eligible institutions. Funding Framework Schedule 1 refers.

## Other Conditions of Funding

### *Use of Funding*

1. The institutions determine the internal allocation in accordance with the institutional requirements associated with their distributed configuration.
2. HEIs have the autonomy and flexibility to determine how best sustainability can be secured across their operation as a whole, leveraging the advantages and strengths of individual campuses.
3. Institutions are required to ensure that regional initiatives are incorporated into strategic performance framework.

### *Reporting*

HEIs will be requested to provide an update on the use of the funding and its impact at the annual Budget and Accountability Meeting.

## Additional Information

A grant allocation letter is issued by the HEA each year advising individual Funded Bodies in receipt of funding under the Distributed Campus Support Fund of allocation.

The allocation is paid in a single instalment.

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