In future years, institutions will be dealing with the aftermath of the economic downturn as it impacts on public funding. At the same time, student numbers and expectations continue to rise, along with competition for the best staff and resources in a global market. Resource allocation is one of the tools that directors of finance can use to influence change and help position their institution to best effect as the UK emerges from recession.

While the income in further and higher education institutions relates broadly to activities, the cost base is not linked directly with the income. Indeed, senior managers’ strategic decisions often centre on the levels and reasons for cross-subsidy between different activities at different times. In allocating resources to budgetary units, institutions need to ensure that the process complements their academic, staffing, ICT, commercial, financial and estates strategies. Their approach to resource allocation will be determined by a range of factors, and result in their own distinctive method.

CIPFA’s Further and Higher Education Panel has responded to these challenges by compiling this new compendium, which describes a selection of existing resource allocation models from across the further and higher education sectors. CIPFA first published Resource Allocation Models in Further and Higher Education: A Compendium in 1997. This new version includes four institutions that took part in the original study and three that were new to the process. The compendium also contains a section that explores key themes and provides guidance and advice to be considered alongside the examples shown. It illustrates that universities and colleges have continued to adopt a wide variety of approaches to resource allocation and provides an excellent opportunity for practitioners to learn from each other’s experiences.

I hope, therefore, that this publication will act as a stimulus to debate and cause institutions to consider whether there are new approaches which might enhance their own resource allocation methodologies.

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