

July 2002/36

Core funding

Allocation of places and funds

This report is for information only

Each year we allocate additional funded student places in response to competitive bids. The framework for allocating these places supports the key national priorities of widening participation in higher education, increasing opportunities for students and expanding vocationally-oriented provision. It enables institutions to respond to change, and gives students more opportunities to study at the institution of their choice. This report announces the outcome of bids for 2002-03.

Additional student places and funds 2002-03

Outcome of bids

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To	Heads of HEFCE-funded higher education institutions Heads of HEFCE-funded further education colleges
Of interest to those responsible for	Strategic planning, Funding, Access, Quality assurance, Curriculum development
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Executive summary

Purpose

1. This document announces the outcome of bids for additional student places and funds for 2002-03. The invitation to bid was issued in September 2001 (HEFCE 01/54).

Key points

2. Each year we allocate additional funded student places in response to competitive bids. The framework for allocating these extra places supports the key national priorities of widening participation in higher education, increasing opportunities for students and expanding vocationally-oriented provision. It is designed to enable institutions to respond to changes in student demand, and to employment and regional needs, as well as giving students the opportunity to study at the institution of their choice.

3. Within this framework, we invited bids for 2002-03 that would support particular objectives. These were to widen participation through increasing the number of students from disadvantaged backgrounds, to increase provision of high quality learning and teaching, to expand the development of foundation degrees and to support New Technology Institutes. We also invited bids to develop and expand provision in social work education programmes, and for summer school places. We particularly encouraged collaborative bids.

4. We invited bids from all higher education institutions (HEIs) and further education colleges (FECs) that we fund directly. We received 185 bids, of which 138 were from HEIs and 47 from FECs. They sought a total of 35,340 additional places: 17,958 at sub-degree level, 5,136 at foundation degree level and 12,246 at other degree level and above. Of the total, 12,859 were

for full-time and 22,481 for part-time places. All student numbers in this report are expressed as headcounts unless otherwise stated.

5. We have allocated for 2002-03 a total of 18,228 new places in the competition: 11,456 at sub-degree level, 2,106 at foundation degree level and 4,666 at other degree level and above. Full-time places were 4,831 of the total, and the remaining 13,397 were for part-time programmes. In addition, we expect growth of 5,220 full-time and 3,887 part-time places from previous competitions. In total, the allocations for 2002-03 will enable higher education provision to increase by 10,051 full-time and 17,284 part-time places. A further 6,663 full-time and 4,509 part-time places allocated in the 2002-03 competition have been phased into future years.

6. Annex A gives details of the allocations to institutions for 2002-03.

Action required

7. No action is required: this report is for information.

Criteria and procedure

8. We set the overall framework for allocating additional student numbers (ASNs) through an annual competition, following consultation with the higher education (HE) sector in 1997. This framework supports the key national priorities of widening participation in HE, increasing opportunities for students, increasing vocationally-oriented provision, and supporting expansion of high quality in learning and teaching.

9. Each year, within the framework, we have set particular objectives for the competition. For 2002-03, we invited bids, in HEFCE 01/54, that would:

- widen participation in HE through increasing the number of students from disadvantaged backgrounds
- support expansion of high quality in learning and teaching
- deliver foundation degrees
- support New Technology Institutes (NTIs).

10. Bids could address one or more of these objectives. In doing so they all had to:

- contribute to national priorities for HE and/or regional or sub-regional economic strategies
- enhance student employability
- give more students the opportunity to undertake high quality study at the institution of their choice
- address unmet student demand.

11. In addition, bids had to address one or more of the following specific priorities:

- a. Expanding high quality in learning and teaching.
- b. Widening participation by:
 - i. Providing vocationally-oriented programmes.
 - ii. Increasing the range of HE options within a region.
 - iii. Meeting regional/national skills shortages.

12. As part of the competition, we invited bids for social work degree courses designed according to the new draft framework of national occupational standards. This was issued following the reform of social work education announced by the Department of Health in March 2001.

13. Full details of the criteria and priorities for the competition are at Annex B.

14. Bids could be for full-time or part-time, sub-degree, foundation degree, other degree or postgraduate taught places. In addition institutions could bid for summer school places as a means of extending existing or new programmes to provide extra support for students.

15. Separately, we are again supporting places coming through the University for Industry (Ufi)/Learndirect route. For 2002-03 these are being allocated by the Ufi and do not form part of the competition discussed below.

Allocation process

16. We specified that we would allocate all places according to the relative merits of the bids, based on how well they addressed the relevant criteria and selected priorities. We especially encouraged collaborative bids to support regional developments and to widen participation.

17. Where institutions had received additional places for 2001-02, we took into account their success in recruiting to those places when we considered bids for 2002-03. This was by means of a monitoring exercise in October and the data in the statistics surveys¹ returned by institutions in November and December 2001.

18. As in previous years, an advisory group assessed the bids; Annex C shows the membership. The group received commentaries on each bidding institution from the HEFCE's regional consultants. Where relevant, these included information on the regional priorities for widening participation and promoting economic development, and on regional and sub-regional skills shortages, as identified in the economic development strategies and skills priorities of the Regional Development Agencies (RDA). The commentaries also provided data on relevant existing national, regional and sub-regional provision by subject area, and at all levels and modes of study, and on institutions' partnership arrangements where relevant.

19. For bids from HEIs, the commentaries included information on the employment record of previous students, and performance indicators on projected learning outcomes, on non-continuation rates and on participation from under-represented neighbourhoods. For bids from FECs, they included information on in-year retention rates. Additional information was provided to the assessors from HEFCE Regional Advisory Groups, and external bodies, including the Quality Assurance Agency, the then Further Education Funding Council (now the Learning and Skills Council), and the General Social Care Council.

The competition

Additional places available

20. We had already committed 11,630 full-time equivalent (FTE) additional places for 2002-03. Of these, 7,017 FTEs are from phased allocations from previous years and 4,613 FTEs from institutions being given a second opportunity to recruit numbers allocated for 2001-02. To ensure that institutions would be able to meet the Government's targets for growth in 2002-03, we decided to allocate at least 5,000 new places through the 2002-03 competition.

21. For the 2002-03 competition we received 138 bids from HEIs and 47 bids from FECs. The bids sought 35,340 places at a total cost to the HEFCE of £60 million. The places sought were

¹ Higher Education Students Early Statistics Survey 2001-02 (HESES01) and Higher Education in Further Education: Students Survey 2001-02 (HEIFES01).

distributed as shown in Table 1.

22. These figures include 3,077 places for prospective NTIs and 430 for social work education.

Table 1 Additional student numbers sought 2002-03

	Below degree	Foundation degree	Degree	Postgraduate	Total headcount	Total FTEs
Full-time	1,833	1,997	7,557	1,472	12,859	12,511 ²
Part-time	16,125	3,139	1,598	1,619	22,481	5,463
Total	17,958	5,136	9,155	3,091	35,340	17,974

Subject mix

23. A chart showing the subjects for which institutions sought growth is at Annex D. Overall, there was a good distribution of numbers across subjects. The strongest demand from institutions was for places in design and creative arts, followed by social studies, business and management studies, education (other than initial teacher training) and information technology and systems sciences. Together these areas accounted for 52 per cent of the places sought.

Assessment and selection of bids for 2002-03

24. The advisory group adopted the same assessment process as last year, assessing bids on the extent to which they met the requirements described in Annex B. It scored all bids on how well they met both generic and specific priorities, using a matrix as shown in Figure 1.

Figure 1 Matrix for scoring bids

		Scores on specific priorities		
		80% and higher	60-79%	Below 60%
Scores on generic criteria	80% and higher	1a	1b	1c
	60-79%	2a	2b	2c
	Below 60%	3a	3b	3c

² This figure differs from the full-time headcount because the numbers include summer school places, which count as 0.25 FTE.

25. The group did not weight the scores between the criteria and priorities. It agreed, in selecting bids to support, to consider in principle only those bids that scored at least 60 per cent of the available marks for both the generic criteria and the specific priorities. Where there were weaker elements within an otherwise strong bid, the group decided to limit support to the areas of strength.

26. The group excluded from further consideration bids from institutions whose growth in 2001-02 fell short by more than 10 per cent of the target that had been set for them. Where bids were collaborative, the group did not exclude them if partner institutions had under-recruited to their directly funded places, provided that the lead institution had met its target. However, the group advised that in these circumstances institutions should pay special attention to recruitment in 2002-03.

27. Table 2 shows the distribution by matrix score of the remaining fundable places sought, according to the priorities they addressed.

Table 2 Summary of fundable places (headcounts) sought in 2002-03 by priorities addressed

Matrix score	Widening participation	High quality	Widening participation and high quality	Total fundable places
1a	3,037	2,517	1,152	6,706
2a	13,182	16	205	13,403
1b	1,714	1,024	1,879	4,617
2b	4,170	1,746	1,384	7,300
Total	22,103	5,303	4,620	32,026

28. The funding and numbers available meant that the advisory group could not support all the remaining places sought. To further the Council's commitment to widening participation, it decided to support bids that scored the highest marks for the specific priorities they addressed and that had also scored well against the generic criteria. It was thus able to support 90 per cent of the places sought by bids scoring 1a, and 80 per cent of those scoring 2a.

29. We wrote to institutions on 13 February to offer them provisional allocations. A number of institutions requested changes to price groups and to the phasing of their allocations. Most requests were for allocations to be deferred for new provision, where the amount of work involved in establishing programmes was likely to jeopardise recruitment in 2002-03. Wherever feasible, we agreed to these requests. In addition, 27 institutions made representations about the outcome of their bids. We considered their cases individually, taking into account the original assessment of the bid and institutions' capacity to make use of the flexibility within their funding contract to support some growth.

30. The advisory group agreed to allocate some additional places where one or more of the following circumstances applied:

- a. Where the failure to gain ASNs would result in a serious disruption to a major strategic development to widen participation.

- b. Where the failure to gain ASNs would have a major negative impact on a key local development that was receiving substantial support from other major public or private bodies.
- c. Where the failure to gain ASNs would disrupt the development of existing or planned programmes for foundation degrees.
- d. Where the ASN bid for places to support an NTI had failed but the capital proposal was subsequently successful.

31. In summary, the resulting allocation of additional student places is shown in Table 3. This does not include allocations that have been phased to come on stream in 2003-04 or 2004-05.

Table 3 Additional student numbers allocated 2002-03

Mode	Below degree	Foundation degree	Degree	Postgraduate	Total headcount	Total FTE
Full-time	719	807	2,746	559	4,831	4,564
Part-time	10,737	1,299	592	769	13,397	2,573
Total	11,456	2,106	3,338	1,328	18,228	7,137

32. Of the total allocations, 13,974 have been made to bids addressing one or more of the widening participation priorities; 2,386 to those seeking to expand high quality provision; and 1,868 to those addressing both widening participation and high quality priorities. Overall, HEIs received 17,471 places and directly-funded FECs received 757 places. The allocations made to HEIs include places that will be delivered by indirectly funded FECs.

33. The allocations include 123 places in response to the Department of Health's reform of social work education, to introduce three-year social work degree programmes in place of, or as extensions of, two-year diploma courses. The allocations also include 672 places in 2002-03 for seven NTIs. Foundation degree places were allocated to 24 institutions and cover 55 different programmes involving 128 partner colleges.

34. Together with the places that were phased from previous years, the allocations for 2002-03 will enable HE provision overall to increase by a total of 14,153 FTE places. In addition, 1,700 FTE places are available for allocation by the Ufl, and a further 8,265 FTE places have been phased to come on stream in 2003-04 or 2004-05.

35. Annex A gives details of the final allocations of funded places that institutions have accepted for 2002-03.

Review of the competition for 2002-03

36. We received fewer bids this year than last (185 compared with 205) but the number of places sought, including those phased to future years, was greater (43,807 in 2001-02 and 65,627 in 2002-03). This reflects both the increased number of collaborative bids made this year, and the increase in places sought for summer schools and other short courses.

Generic criteria

37. All the bids had to address the four generic criteria. The bids generally fitted very well with institutions' strategies for development, and supported the priorities stated in their corporate plans. Most of them also showed how they would contribute to strategies for HE, either nationally or regionally. As last year, bids scored better under the strategy for HE criterion than under the criteria for employability, quality and student demand. However, the scores for these other criteria showed a definite improvement over last year, with 30 per cent of bids scoring 87.5 per cent or more of the available marks, compared with 25 per cent last year.

Specific priorities

38. Institutions could select the specific priorities that they wished to address, and the assessment process ensured that there was no benefit from addressing two or more priorities rather than only one. Overall, 22 per cent of the allocations were for bids that addressed only the high quality priority, 51 per cent were for bids addressing one or more of the widening participation priorities alone, and 27 per cent were for institutions that addressed both the high quality and widening participation priorities.

39. The number of bids addressing only the high quality priority increased from 17 per cent of total bids in 2001-02 to 22 per cent; those addressing only the widening participation priority increased from 48 per cent of total bids to 51 per cent. The advisory group thought that the greater proportion of institutions addressing, separately, either high quality or widening participation priorities resulted in a clearer focus to bids. Bids were most successful in addressing the priorities to widen participation by providing vocationally orientated programmes and by helping to meet skills shortages.

Collaborative bids

40. The invitation to bid encouraged collaborative proposals, particularly in terms of widening participation, and provided specific guidance for institutions making collaborative bids. This year we received 61 collaborative bids, up from 44 in the previous year. In total, collaborative bids accounted for 38 per cent of all places sought and involved 47 institutions. Of the collaborative bids, 30 were from partnerships between two or three institutions, typically in a franchising arrangement, and 31 were larger consortia bids with a broader aim to improve regional provision.

41. Collaborative bids had a better success rate than single bids (54 per cent of collaborative bids were successful, compared with 47 per cent of single bids). The advisory group thought that, in general, collaborative bids involving an HEI and FEC partners made good strategic sense and tended to address criteria better than those from single FECs. The bids that scored best

were those that showed evidence of prior collaboration and of substantial developmental work on programmes in advance of seeking additional places.

42. An area of difficulty for some collaborative bids was the evidence provided about quality. They did not directly address weaknesses where quality was not equally strong across all partner institutions. However, the invitation to bid had stated that a weak quality score in itself would not count against the bid where there was clear evidence of the action being taken to improve quality. Those bids that specified the measures put in place, typically by the lead institution, to address any weaknesses, and that provided evidence of good quality assurance processes, were not disadvantaged by the absence of a strong quality record across the board.

Monitoring

43. Our aim is to ensure that additional places provided for 2002-03 and beyond secure the planned growth in places for students. We have set student number targets for institutions, which were included in the letters announcing their recurrent grant for the academic year 2002-03.

44. The allocation of funds for teaching is informed by the data we collect annually from institutions. We will continue to audit these data selectively in this and future funding exercises. The student places and funds allocated to successful bids will be subject to the conditions of grant set down in the funding agreement between the Council and each institution.