

September 2002

Core funding

Invitation to bid for funds

Bid should be submitted by
Friday 1 November 2002

This publication invites bids from institutions for additional student places and funds for 2003-04. Bids may be for full-time or part-time, sub-degree, Foundation Degree, other degree or postgraduate taught places, as well as for bridging courses, foundation years or additional places to support Ufi activity.

Additional student places and funds 2003-04

Invitation to bid

Additional student places and funds 2003-04 Invitation to bid

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
Reference	2002/39
Publication date	September 2002
Enquiries to	For queries on the bidding document: HEFCE higher education advisers For queries on Foundation Degrees: Graeme Rosenberg tel 0117 931 7487 e-mail g.rosenberg@hefce.ac.uk For technical queries on the bidding template: Thomas Brain tel 0117 931 7457 e-mail t.brain@hefce.ac.uk

Executive summary

Purpose

1. This publication invites bids for additional student places and funds for 2003-04. Bids may be for full-time or part-time, sub-degree, Foundation Degree, other degree or postgraduate taught places. In addition, institutions may include places for summer schools and foundation years as part of their bid for a course. Institutions wishing to bid for additional places to support Ufi activity should do so through this additional student numbers (ASN) competition and not directly to the Ufi.

Key points

2. All higher education institutions and further education colleges (FECs) directly funded by the HEFCE are eligible to submit bids. We advise FECs that have small amounts of directly funded higher education (HE) provision to bid in collaboration with other, larger HE providers.

3. The framework for this initiative was set in 1997 and supports the key national priorities of widening participation in HE through increasing the number of students from disadvantaged backgrounds, increasing opportunities for students, increasing vocationally-oriented provision,

and supporting expansion of high quality in learning and teaching. For 2003-04 we shall continue to support these national priorities. Also, we particularly wish to encourage bids that:

- deliver Foundation Degrees
 - support New Technology Institutes
 - develop the new degree programme in social work education and training
 - include places for summer schools and foundation years
 - develop Ufi activity.
4. All bids should:
- contribute to national priorities for HE and/or to regional or sub-regional economic strategies
 - enhance student employability
 - give more students the opportunity to undertake high quality study at institutions of their choice
 - address unmet student demand.
5. In addition, bids must address one or more of the following four 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.
6. We particularly encourage collaborative bids to widen participation in HE.
7. Institutions will have the opportunity to phase allocations over one, two or three years.
8. We shall be consulting institutions in 2003 about the future method for increasing and funding the supply of new places.

Action required

9. Institutions should submit bids for the 2003-04 ASN competition by e-mail on the bidding templates, and send one hard copy to the ASN team at the HEFCE, to arrive no later than **1200 on Friday 1 November 2002**.
10. To access the bidding templates, institutions will need to log on to the HEFCE secure web-site. Usernames and passwords were distributed to heads of institutions and HESES/HEIFES contacts in March 2002 (see Annex F for more information).

Purpose of the ASN competition

11. In October 1997, following consultation with institutions, we announced the overall framework for allocating additional funded student places. This framework supports the national priorities to:

- make places available to all those capable of benefiting from higher education
- support expansion of high quality in learning and teaching
- improve employability
- increase the focus on vocationally-oriented programmes, through Foundation Degrees and courses below degree level
- widen participation in HE for full-time and part-time study
- provide HE through FECs, either directly or in partnership, to serve communities and students without access to higher education institutions (HEIs).

12. We are developing proposals for the supply of increased places from 2004-05 onwards in the context of our strategic plan, which we shall be publishing in due course. We shall also be consulting the sector specifically about our proposals and on the method for allocating funding for growth in 2003.

Key objectives for the 2003-04 competition

13. For the 2003-04 competition, we are inviting bids to widen participation in HE and/or expand high quality in learning and teaching.

14. We particularly wish to encourage bids that:

- deliver Foundation Degrees
- support New Technology Institutes
- develop the new degree programme in social work education and training
- include places for summer schools and foundation years
- develop Ufi activity.

15. We shall expect the additional places overall to contribute to regional needs in terms of employability and access, particularly where bids are for Foundation Degrees.

16. Bids to widen participation in HE should be in line with the following specific policy objectives:

- to increase the number of students from disadvantaged backgrounds
- to offer programmes which lead to Foundation Degrees or to vocationally-oriented sub-degree programmes
- to help meet skills shortages
- to increase the range of HE options within a region.

17. We recognise the particular contribution to HE that FECs can make, for example:

- improving local access in geographical areas not served by an HEI, with the aim of making HE provision visible in every community of significant size
- offering particular subject specialisms and courses not well covered by HEIs
- providing what many students perceive as a more supportive learning environment.

18. It remains our view that FECs should work in partnership with HEIs in delivering HE, whether in the form of franchising, consortia or compact arrangements. This is particularly to avoid the risk of small pockets of HE provision isolated from the wider HE community. Our approach on these issues was set out in HEFCE 00/54, the code of practice for indirectly-funded partnerships. We will not normally allocate directly funded places to FECs with small amounts of HE provision in the absence of clear partnership arrangements with an HEI.

19. The development of a range of HE qualifications as routes into employment will provide students with a variety of stepping-off points below degree level. We will look to both HEIs and FECs to encourage and improve the development of progression routes.

Foundation Degrees

20. We expect bids for Foundation Degrees, by the nature of the qualification, to seek to widen participation in HE and especially to respond to the employment objectives. Foundation Degree programmes are designed to supply the labour market with the high quality graduates needed to address shortages of intermediate-level skills, as well as making HE more affordable, accessible and appealing to a wider range of students. Bids should demonstrate flexibility in meeting students' learning needs (for example, by providing distance learning or evening tuition). They should also include clear evidence of both employer involvement and the integration of work-based learning into the qualification. The Quality Assurance Agency for Higher Education (QAA) is in the process of developing a 'qualification benchmark' statement for Foundation Degrees, which sets out the generic features and learning outcomes expected of the qualification. This will be published in draft form on the QAA website in October 2002. We expect bids for Foundation Degree places to be consistent with this 'benchmark' statement.

21. Foundation Degrees should provide articulation arrangements for guaranteed progression opportunities to at least one honours degree programme. We would expect FECs that wish to bid for Foundation Degree places to have a strong partnership arrangement that demonstrates active engagement by the validating HEI.

New Technology Institutes

22. We are supporting 18 New Technology Institutes (NTIs) to provide significant new facilities and opportunities to raise skills levels in the regions. A core purpose of NTIs is to expand the number of places available on higher level information and communication technologies (ICT) and other advanced technology programmes. In last year's bidding round we allocated over 1,000 additional student full-time equivalent (FTE) places, phased over three years, to NTI consortia. We continue to welcome bids through the ASN initiative for additional places for the HE element provided by NTIs. Members of NTI consortia should bid

for numbers, with the clear support of their partner institutions, addressing the ASN criteria and priorities in the normal way. Bids for further education (FE) places for NTIs should be discussed with the relevant local Learning and Skills Council.

Social work education and training

23. In July 2001 the Department of Health began to reform social work education and training. The reform includes the introduction, from 2003, of a three-year degree in social work to replace the existing two-year diploma. The General Social Care Council (GSCC) agreed policy on the accreditation process for the degree in February 2002. Institutions are invited to bid for additional places if they wish to expand and develop their provision for social work, by developing this new degree programme. This could be either for a new development or to upgrade their two-year diplomas to the three-year degree. Institutions bidding for social work degree places should ensure that their courses are designed and implemented in accordance with the expectations specified by the GSCC in its document 'Accreditation of universities to grant degrees in social work', published in May 2002. We will consider bids for social work degree courses only from institutions that meet the GSCC's Statement of Commitment. Bids should also address the ASN criteria and priorities in the normal way. We will discuss with the GSCC any bids for social work places.

Foundation years

24. Institutions may seek support for foundation year places provided they are an integral part of a degree programme. We would particularly welcome bids for foundation years, or for shorter courses, from institutions where entry requirements to programmes are particularly demanding. These should widen participation by assisting students from non-traditional backgrounds to gain the necessary knowledge and skills to enter such competitive programmes, especially in engineering, mathematics or science.

Summer schools

25. We administer the Higher Education Summer Schools programme on behalf of the Department for Education and Skills. The programme aims to encourage school students from disadvantaged backgrounds to apply to HE or to consider a wider range of institutions and/or subjects, by giving them a brief taste of HE study. Funds for that programme are allocated separately from the ASN exercise. However, the ASN initiative can support other types of summer school. In particular, we would welcome bids from institutions that wish to include, as part of their ASN bid for a programme, student places for:

- summer schools as an introduction to specific degree courses
- a Foundation Degree bridging course.

26. These places should focus on widening participation by, for example, reinforcing study skills and/or providing an introduction to a subject. Summer schools held during an HE programme, or those bridging the end of a Foundation Degree and the start of the final year towards an honours degree, should aim to aid student retention and progression, enhance completion, reinforce the coverage of subject content, or develop skills which will improve students' employability.

27. Any bids for summer schools or for periods of a foundation year less than one year should be for programmes of at least six weeks' duration on a full-time or part-time FTE basis, which, with preparation and assessment, would count as no less than 0.25 of an FTE. Programmes for bridging courses should normally count as 0.3 of an FTE.

Ufi

28. Between 2000-01 and 2002-03, we have supported Ufi activity through a separate ring-fenced funding initiative. During this period, Ufi has awarded student numbers through its own bidding exercises, and the HEFCE has then provided funding for those numbers at price group D rates. From 2003-04, we will bring Ufi activity within our mainstream teaching funding method, so institutions wishing to develop their activity in this area should bid through this ASN exercise, instead of directly to Ufi.

29. Funding in support of Ufi activity for 2002-03 will be rolled into institutions' mainstream teaching grant for 2003-04 automatically. This means that institutions that were awarded places by the Ufi for 2002-03 should only bid if they are seeking an increase in, rather than continuation of, funding for 2003-04. We welcome bids also from institutions wishing to develop Ufi activity for the first time. Bids should relate to provision for new students, rather than supplementary activity for existing students. We will not provide funding for supplementary modules or courses, such as in general IT or other transferable employment skills, where these are offered to students already studying with the institution. We encourage institutions, especially those without previous experience of Ufi activity at HE level, to refer to the guidance available on the Ufi's web-site www.ufi.com. The web-site provides basic information about the activities undertaken by institutions that have been working with Ufi over the past two years, and should indicate how institutions can engage with learndirect, including engagement with the Learning through Work initiative.

30. Bids should make clear what student numbers are sought for Ufi's Learning through Work initiative and what numbers are sought for Ufi (learndirect) hub activity. In completing the bidding forms (Annexes D and E), activity should be assigned to cost centres (for HEIs) or Superclass II codes (for FECs) and to price groups in the usual way, reflecting the subject activity of the student. We no longer expect to fund all Ufi activity at price group D rates. Students will, however, need to meet all our general criteria for completion of their year of study, if they are to count towards HEFCE funding.

31. Bids should be for eligible provision that addresses the ASN criteria and priorities in the normal way. We will discuss with Ufi any bids for Ufi hub or Learning through Work activity.

Collaboration between institutions

32. We encourage collaborative bids, especially those that will support regional or sub-regional developments. We wish to encourage institutions to consider the benefits of collaboration, such as mutual support, sharing good practice, and promoting complementary rather than competitive provision.

33. We particularly encourage collaborations between HEIs and FECs. We strongly support the development of high quality HE in FECs and of a distinct HE experience for students. However we wish to avoid small, isolated pockets of HE provision in institutions. We would therefore ask FECs, particularly those that do not currently have a large amount of HE provision, to consider the opportunities for collaboration if they wish to put forward a bid. We also encourage them to consider what form of partnership with an HEI might best support the quality of the student experience. We strongly recommend that at least one HEI is actively involved in any partnership, although it need not be the lead institution.

Places available for 2003-04

34. The Government set out in November 2001 the resources that it would make available in 2003-04 to support new student places (HEFCE Electronic Publication 'Higher education funding for 2002-03 and 2003-04'). The funding is subject to change following the outcome of the Government's 2002 spending review, which will be known towards the end of 2002. Until then, our working assumption is that, after taking account of the phased allocations from last year, there will be a similar number of additional places available as last year; that is, around 7,000 FTEs. This will enable us to respond to bids for all modes and levels of HE places, and will enable institutions to achieve the Government's target for growth in 2003-04.

Criteria for bidding

35. All bids should address the generic criteria described in paragraphs 40-53 below. In addition, bids seeking student places to expand high quality in learning and teaching should address paragraphs 55-57; and bids seeking places to widen participation should address one or more of the specific priorities in paragraphs 58-69. Bids for Foundation Degrees should ensure that they also address the core features and requirements set out in the Foundation Degree prospectus (HEFCE 00/27), and reproduced here at Annex A.

36. Institutions do not need to address all the specific priorities; they should select only those priorities which their bid supports directly and for which they can provide evidence. In previous rounds of the ASN initiative, bids which addressed fewer priorities tended to have a clearer focus. The assessment process will not disadvantage bids that address only one specific priority. In particular, we advise that bids to expand high quality provision and those that address the widening participation priorities should be submitted separately, as the evidence provided under the generic criteria tends to be different for the two areas.

37. Below each criterion and priority, we list the assessment information that we plan to make available to the advisory group assessing the bids. The performance indicators (PIs) in HE to which we refer are those that we publish annually for HEIs (most recently in December 2001 as HEFCE 01/69, and 'Indicators of employment' published in April 2001 as HEFCE 01/21). For FECs, we refer to the Learning and Skills Council's 'Summary Statistics for Further Education institutions in England 1999/00', in particular table SS3 which includes data for in-year retention rates. We invite bidders both to comment on the evidence about their institution that is already available to the advisory group, and to provide additional relevant information and analyses if they wish. Information that we would like institutions to provide with their bids is marked with an asterisk.

38. Any additional information provided by the institution should include clear, quantified evidence specific to the bid, rather than general statements. Where bids were unsuccessful in previous rounds this was usually because they lacked evidence to support their case.

39. Institutions welcomed the guidance we provided last year on making collaborative bids. We have included that guidance again at Annex B, which gives examples of information that collaborative bidders should consider including under the different criteria and priorities.

Generic criteria for all bids

Strategy for HE

40. We expect to fund bids that will make a significant strategic impact on the institution's development. All bids should flow from, and be consistent with, the priorities stated in the institution's corporate plan. We will not consider bids that do not fit with institutions' strategies for HE. The strategic impact can be demonstrated more easily if institutions draw together individual elements into a single bid, rather than making many small bids for separate programmes. However, institutions should ensure that these individual elements are coherent within the bid.

41. We seek bids that will address national priorities and/or contribute to the regional or sub-regional strategies prepared by Regional Development Agencies (RDAs). In particular we welcome bids that support innovative developments and encourage collaborative bids from HEIs and FECs, either for the region as a whole or at sub-regional and city levels. For major regional developments, we will give priority to bids from institutions which have commissioned studies to assess demand for local or regional HE provision, particularly where these have been undertaken jointly or where the results are available to all HE providers in the area.

42. Institutions should comment on:

- a. How the bid builds on existing strengths and supports innovation, and the contribution the bid makes to strategies for HE nationally and/or regionally, as well as impacting on the institution's strategy.
- b. How the bid contributes, specifically in terms of employment needs, to the economic strategy for the region prepared by the RDA.
- c. What interaction they have had with other HE providers in the region about the development of their proposal.

43. Institutions should also refer to the following assessment information:

Assessment information	Source
Regional priorities for widening participation and promoting economic development	RDAs, HEFCE regional consultants
HEIs' corporate plans	Returns from HEIs
HEIs' annual operating statements	Returns from HEIs in response to HEFCE 02/19
FECs' annual monitoring returns	Returns from FECs in response to HEFCE 01/32 and 02/02

Improving employability and meeting skills shortages

44. We particularly wish to encourage institutions to ensure that students leave HE with the necessary skills for employment. Therefore we will take into account the employment record of institutions' previous students. Institutions should comment on this, and provide their own evidence of their students' success in employment, particularly in the case of FECs for which no national data are available. Institutions should state the extent to which their evidence has been quality assured.

45. Institutions should explain what contribution their bid makes to:

- developing the knowledge and skills that students will need in employment
- responding to employment needs and demand from employers.

46. Institutions should describe the elements of the programme that aim to improve students' employability. They should refer to relevant analyses of employment needs, and demonstrate why they are especially well placed to address those needs. Where relevant, institutions should provide information on external demand, such as labour market demand, and evidence of support for their bid from sponsors and employers.

47. Institutions seeking support for Foundation Degrees will need to demonstrate employers' involvement with the provision of the course, including arrangements for work-based learning.

48. We will look to HEIs and FECs to develop effective strategies for responding to critical skills shortages and gaps. As emphasised in HEFCE 01/47, it is a key purpose of NTIs to meet regional skills shortages in ICT and other advanced technologies, so we shall pay particular attention to that aspect in considering ASN bids for NTI places.

49. Institutions should refer to the following assessment information:

Assessment information	Source
Employment record of previous students*	Indicators of employment for HEIs (HEFCE 01/21) Information submitted with bids, from HEIs and FECs
Description of programme elements*	Information submitted with bids
Analyses of employment needs and external demand, including employer support*	Information submitted with bids

* Throughout this document, an asterisk indicates information that institutions should provide with their bids.

Quality

50. We wish to ensure that there are more opportunities for students to experience high quality HE, and therefore we will examine evidence about the quality of institutions' learning and teaching. Institutions may wish to comment on the information about their provision that is

available to us in the sources listed below. In addition, institutions may wish to provide information about both their own assessment of the quality of learning and teaching and any external assessments they have received. Where bids seek to extend existing courses, we would expect the evidence to relate mainly to those courses. Where bids are for new courses, we will look for evidence of quality across a range of current provision, and for information about quality assurance arrangements. Where there has been no assessment of existing HE provision in an FEC, we would take into account evidence of the quality of FE teaching.

51. Institutions should also refer to the following assessment information:

Assessment information	Source
Quality assessment outcomes for all institutions included in the bids	QAA, the Learning and Skills Council (LSC), Adult Learning Inspectorate (ALI)/OFSTED inspection reports
External assessment reports at programme and institutional level and reports from professional and accreditation bodies*	Reference in bids to relevant reports
Statistics on student progression in HE	PIs on non-completion from Table T3 of HEFCE 01/69 (HEIs) PIs on in-year retention rates (FECs)
Institutions' links with other HE providers*	Information submitted with bids
Internal arrangements for quality assurance*	Information submitted with bids

Student demand

52. We wish to increase the places available in HE overall; therefore institutions should explain how their bids respond to unmet student demand nationally, regionally or sub-regionally. They should refer to evidence of that demand and of demand for places at the institution as a whole or for specific, related programmes. We would expect the evidence to include an evaluation of data on past applications, recruitment and retention, and progression.

53. Institutions should also refer to the following assessment information:

Assessment information	Source
Data on participation*	PIs on participation from Tables T1 & T2 of HEFCE 01/69 (HEIs) Information submitted with bids (FECs)
Institutional evaluation of data on applications, recruitment and retention levels and progression*	Information submitted with bids
Data on completions, non-completions, achievement	PIs on non-continuation from Table T3 of HEFCE 01/69 PIs on in-year retention rates (FECs)
Size of HE provision	Data returned to the HESES and HEIFES surveys ¹

¹ Higher Education Students Early Statistics Survey 2002-03 (HESES02) and the Higher Education in Further Education: Students Survey 2002-03 (HEIFES02).

Specific priorities

54. Institutions may address one or more specific priorities. They should consider which priority their bid addresses best, taking into account the guidance in paragraph 36. The assessment process will not disadvantage bids that address just one specific priority.

Supporting expansion of high quality in learning and teaching

55. Under this priority, we aim to support expansion in institutions that can show evidence of high quality in learning and teaching and wish to build upon it.

56. Bids should demonstrate that their provision is of very high quality (see paragraphs 50-51 above). They should also show how they will build on this by developing the learning environment to benefit students. For example, benefits might be realised through collaboration between institutions, through adopting subject-based good practice and innovation in learning and teaching, or by providing specialist facilities. Institutions should describe the facilities available, particularly where laboratories and high cost equipment are necessary.

57. Institutions should also refer to the following assessment information:

Assessment information	Source
Good practice and innovation in learning and teaching	Learning and teaching strategies previously submitted (HEIs) Strategy statements and annual monitoring returns previously submitted (FECs)
Facilities available, where relevant*	Information submitted with bids

Widening participation

58. Institutions bidding under the widening participation priorities should refer to paragraphs 16-19 setting out the HEFCE priorities for this area.

59. In addition to the information provided to meet the generic criteria (under paragraphs 40-53 above), institutions seeking support to widen participation should demonstrate how the programme will increase participation from groups currently under-represented in HE.

60. Simply increasing places for a programme is not in itself sufficient to demonstrate widening participation: bidders should provide specific evidence of how they intend to widen participation and how they will know if they have succeeded. Bids should be for one or more of the options in paragraphs 61-69 below.

Providing vocationally-oriented qualifications

61. Bids made under this priority may be for Foundation Degrees and/or vocationally-oriented sub-degree programmes, including programmes to be delivered through NTIs.

Foundation Degrees

62. Bids for Foundation Degree places should incorporate the core features set out in the Foundation Degree prospectus (HEFCE 00/27), and reproduced here at Annex A. In particular they should:

- provide details of the involvement of employers and their representative bodies, specifying which organisations will contribute, and in what capacity
- specify the quality assurance arrangements of the validating HEI(s) for the programme(s)
- outline the learning resources available to students, and the student support arrangements
- identify the target student group for the programme(s), and describe the strategy for recruiting these students and what makes the institution(s) well-placed to attract them
- indicate how the programme(s) will be tailored to meet students' learning needs
- specify the entry routes for the programme(s), including the use of Accredited Prior (Experiential) Learning
- outline the intended learning outcomes of the programme(s), and external reference points such as national occupational standards or the requirements of professional bodies. Reference should also be made to the draft QAA 'qualification benchmark' statement for Foundation Degrees (see paragraph 20)
- describe the contribution of work-based learning to the programme(s)
- detail the arrangements for guaranteed progression opportunities to at least one honours degree programme.

Vocationally-oriented sub-degree programmes

63. Bids for vocationally-oriented sub-degree programmes should:

- specify the competencies that the bid will address and, in particular, the key personal and transferable skills that it will seek to develop in students
- show how the bid will provide increased opportunities for students
- explain the particular features of the institution, and of the provision, that make it well-placed to attract students locally (referring to studies of demand if available)
- comment on the institution's success to date in widening participation
- specify the opportunities that will exist for students to continue in HE.

64. Bids for Foundation Degrees and/or sub-degree places should also refer to the following assessment information:

Assessment information	Source
Data on participation of under-represented groups*	PIs on participation from Tables T1 & T2 of HEFCE 01/69 (HEIs) Information submitted with bids (FECs)
Student progression	PIs on non-completion from Table T3 of HEFCE 01/69 (HEIs) PIs on in-year retention rates (FECs)
Achievement*	PIs on projected learning outcomes from Table T5 of HEFCE 01/69 (HEIs) Information submitted with bids (FECs)
Employability*	Indicators of employment from HEFCE 01/21 (HEIs) Information submitted with bids (FECs)

Increasing the range of HE options within a region

65. Bids addressing this priority should:

- show how the bid will provide increased opportunities for students
- comment on the range of related options currently available in the region or sub-region
- show how the proposal will increase the current range of options
- explain what impact the proposal will have regionally or sub-regionally.

66. Institutions should also refer to the following assessment information:

Assessment information	Source
Existing provision by subject and region/sub-region	HESA data for HEIs; data from the LSC and Edexcel for FECs

Helping to meet skills shortages

67. Bids addressing this priority should:

- be consistent with the economic development and skills strategy of the relevant RDA
- refer to evidence of skills shortages from employers and others
- specify the contribution that the bid will make to alleviating known skills shortages
- explain what the institution will do to attract students to the programme
- comment on the institution's success to date in addressing skills shortages.

68. Institutions should also refer to the following assessment information:

Assessment information	Source
Information on skills shortages*	Information from RDAs; information submitted with bids
Employment record of students in areas of skills shortages*	Information submitted with bids; indicators of employment

69. If some of the evidence for this priority is the same as that for the generic criterion of improving employability and meeting skills shortages (paragraphs 44-49) then institutions may cross-refer to that rather than duplicating evidence within the bid.

Bidding rules

Institutions eligible to bid

70. All HEIs and FECs directly funded by the HEFCE are eligible to submit bids. We particularly welcome bids from institutions working in partnership. FECs that wish to offer directly funded HE programmes for the first time in 2003-04 should refer to the reports 'HE in FECs: guidance for colleges on funding options' (HEFCE 99/36) and 'HE in FECs: indirectly funded partnerships' (HEFCE 00/54).

Eligible provision

71. Bids may be for full-time or part-time, undergraduate or postgraduate taught programmes. Bids for undergraduate provision may be for degrees, Foundation Degrees, or sub-degrees such as HNC and HND programmes. We would normally expect institutions wishing to offer programmes below honours degree level for the first time, or embarking upon a major realignment of their programmes at that level (for example, into new subject areas), to consider first whether Foundation Degrees offer the best means of achieving their plans. If not, they should explain in the bid why they would prefer to develop another type of programme below honours degree level. Information on types of courses eligible for HEFCE funding may be found at Annex C in HESES02 for HEIs, and HEIFES02 for FECs. These surveys are published in September 2002 as HEFCE 2002/40 and 2002/41 respectively. Institutions may also bid for summer schools and foundation years to extend existing or new programmes (see paragraphs 24-27).

72. We will not consider bids for funded student places in undergraduate medicine and dentistry or initial teacher training (primary and secondary). We will not consider bids for subjects funded by the Department of Health (for details see Annex F of HESES02 or HEIFES02).

Collaborative bidding

73. Collaborative bids should be submitted by one lead institution (which may be an HEI or an FEC), to ensure clear lines of accountability for student numbers and funds. We will allocate student places to the lead institution. The collaboration may be specifically to deliver the additional student places or it may reflect longer-term franchising or consortia funding arrangements involving clusters of FECs and HEIs. These should follow the good practice guidance set out in HEFCE 00/54, 'Higher education in further education colleges – Indirectly funded partnerships: code of practice for franchise and consortia arrangements'.

General

Recruitment record

74. Institutions that received an allocation of additional places for 2001-02 and 2002-03 will wish to reflect upon their success both in recruiting to those places and in achieving the expected growth overall. We shall be writing separately to seek early information about the recruitment of additional places for 2002-03, and the advisory group will take this into account in considering bids for 2003-04. We will also take into account information from HESES02 and HEIFES02 about recruitment and overall growth in institutions when allocating any places. Where institutions have not achieved their growth targets we are unlikely to allocate further places. Institutions should therefore consider their recruitment record carefully before submitting a bid.

75. We remain concerned about the extent to which the ASN competition overall not only reflects net growth across the HE sector nationally, but also serves to redeploy numbers between institutions. We shall continue to pay attention to evidence in this year's ASN bids about the overall level of unmet demand, regionally and nationally, in the relevant subject areas.

Size of bids

76. We encourage institutions to submit bids that will have a significant impact upon provision, while still being realistic about their rate of growth. When assessing bids, we will take into account the size of the institution's current HE provision. Thus we would expect to see some justification where large HE providers are bidding for small numbers; for full-time undergraduate provision, we would not expect them to seek fewer than 20 places. Equally, we would expect to see justification from a small HE provider seeking proportionally large numbers, and from an FEC which has not hitherto provided any HE. In these cases we would strongly recommend bidding in collaboration with other institutions.

77. Bids for more than 500 (headcount) additional student places should be supported by a survey of student demand. If the increase is to support major strategic developments, we would expect bids to be supported by an existing business plan. Institutions should refer to the demand survey and the business plan in their bid.

78. We will allocate a single increase in funding and student places in 2003-04, unless institutions ask in their bid for places to be phased over two or three years to match the duration of courses. Alternatively, institutions may choose to accommodate further intakes by redeploying numbers and funds from other HE provision.

Complementary provision

79. Where institutions make individual bids, they should show how their proposals relate to other similar bids in the region or sub-region and how they fit with the institution's own strategy. We may require institutions to consolidate their bids where they are seeking to offer similar provision.

Restructuring and collaboration bids and ASNs

80. If institutions are expecting to submit a bid to us for restructuring and collaboration funds (R&CF) that will also seek additional student places from 2003-04, they should bid for the places in this ASN competition. A bid for R&CF will not in itself generate any additional funded places. Institutions should include with their ASN bid an outline of their R&CF proposal, which will then be considered once the outcome of the ASN bid is known.

Assessment and allocations

81. An advisory group will assess the bids and recommend allocations to the HEFCE Board. In making recommendations for social work degree places, the group will seek confirmation from the General Social Care Council that the courses satisfy their published criteria for accreditation. Also it will discuss with the Ufi bids for Ufi hub or Learning through Work activity.

82. We shall allocate places according to the relative merits of the bids, based on how well they address the criteria and selected priorities in support of the objectives for the 2003-04 competition.

Funding and monitoring

Funding

83. We will fund successful bids at the sector standard rate for the relevant price group or groups. We will consolidate the funds in line with our teaching funding methodology. The funds and student numbers will roll into institutions' core provision for subsequent years.

84. The allocated student places and funds will be subject to the conditions of grant set down in the funding agreement between the HEFCE and each institution.

85. It remains open to FECs and HEIs to agree that existing directly funded FEC programmes should transfer to become indirectly funded through an HEI. That may be particularly appropriate for small pockets of HE provision in FECs. We welcome any such proposals, which should be discussed in the first instance with the relevant HEFCE regional consultant.

Monitoring

86. We will publish details of successful bids.

87. The allocation of funds for teaching and research is informed by the data we collect from institutions. We will continue to audit these data selectively in this and future funding exercises. In addition, we may use data that institutions provide to the Higher Education Statistics Agency (HESA) or to the LSC, to verify the data they submit directly to us.

88. We expect institutions to increase their total FTEs to reflect the additional places awarded, to ensure that the sector delivers the overall growth in student numbers sought by

the Government. If institutions are successful in gaining places for 2003-04 but fail to deliver the growth expected of them, funding for these places will be withheld. However, institutions will be given a second chance to recruit the students in 2004-05 and to recover that funding. If institutions still do not recruit the expected growth in 2004-05 then we will hold back the funding for the places permanently.

89. We will collect information on the recruitment of additional student places in a separate exercise. This will include data to show recruitment to full-time and part-time places, and to courses at sub-degree, Foundation Degree, degree and postgraduate levels. We may audit the extent to which institutions have implemented their proposals. We shall pay particular attention to the extent to which institutions have recruited the full number of sub-degree and Foundation Degree places.

Submission of bids

Presentation

90. We are not limiting the number of bids that institutions may make; however, we advise institutions to note the comments in paragraph 40 about the benefits of drawing together individual elements within a single bid for sub-degree, degree and postgraduate places.

91. Institutions should complete the electronic versions of the cover sheet and forms that are available for download from our web-site (see Annex F for download instructions). Institutions may also submit a maximum of four pages (eight sides) of supplementary information. Institutions bidding in collaboration or for Foundation Degree places may include up to four further pages of supplementary information. We encourage institutions to cross-refer to supplementary information rather than include it in their bid. Detailed notes on the completion of the template and cover sheet are at Annex C. For information only, a copy of the ASN cover sheet and template are at Annexes D and E respectively. Note that institutions should not amend the format of the bidding forms.

Timetable

92. Institutions should send their bids by e-mail to asn bids@hefce.ac.uk and send **one (unbound) hard copy** of the information and any supplementary information, to arrive **by 1200 on Friday 1 November 2002**. We will acknowledge receipt of all bids. The hard copy should be sent to:

ASN Team, HEFCE
Northavon House
Coldharbour Lane
BRISTOL
BS16 1QD

93. We will inform institutions of the outcome of their bids in February 2003 and provide general feedback. During March and April we will respond to requests for more detailed feedback.

94. During March we will consider requests for changes to the distribution and phasing of numbers. We will finalise all changes by the end of April 2003.