

Additional student places and funds 2000-01:
Outcome of bids

To Heads of all HE institutions and FE sector colleges funded by the HEFCE

Of interest to those responsible for Strategic planning, funding, access, quality assurance, curriculum development

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Response

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Summary

Purpose

1. This document announces the outcome of the bids for additional student places and funds for 2000-01.
2. Each year we allocate additional funded student places in response to competitive bids. The framework for allocating these extra numbers is designed to enable institutions to respond to changes in student demand, to employment and regional needs, and to national priorities, as well as giving students the opportunity to study at the institution of their choice.
3. Within that framework, we invited bids that would support a number of key objectives, including widening access, rewarding high quality learning and teaching, improving employability, and providing vocational programmes below degree level.

Key points

4. We invited bids from all higher education institutions (HEIs) and further education sector colleges (FECs). We received 314 bids, of which 172 were from HEIs and 142 from FECs. They sought a total of 72,408 additional places: 33,122 at degree level and above, and 39,286 below degree level. Of the total, 39,567 were for full-time and 32,841 for part-time places. All student numbers in this report are expressed as headcounts.

5. We have allocated a total of 20,743 new places in the competition: 8,771 at degree level and above and 11,972 below degree level. Full-time places were 10,746 of the total, and the remaining 9,997 were for part-time programmes. In addition, we expect growth of 7,000 full-time and 24,500 part-time places rolled forward from last year. In total, the allocations for 2000-01 will increase higher education provision by 17,746 full-time and 34,497 part-time places.

6. This year, for the first time, employability was a separate criterion which all bids had to address. Of the total new allocations, 7,592 full-time and 4,587 part-time places support bids that achieved very high scores against this criterion.

7. Annex A gives details of the allocations to institutions.

Action required

8. No action is required.

Criteria and procedure

9. We established the overall framework for allocating additional funded student places in October 1997, following consultation with institutions. This was to enable institutions to:

- respond strategically to changes in student demand and to changes in their environment
- respond to regional needs and develop innovative approaches to delivering higher education (HE)
- respond to national priorities of expanding provision below degree level and widening access to HE
- give students the opportunity to undertake high quality study at institutions of their choice.

10. Each year, within the framework, we set particular objectives for the competition for additional places. For 2000-01 we invited bids, in HEFCE 99/56, that would support the key objectives of:

- making places available to all those capable of benefiting from higher education
- rewarding high quality learning and teaching
- improving employability
- increasing the focus on vocational and competency-based programmes below degree level
- widening access to HE for full-time and part-time study
- providing higher education through FECs (or partnerships with FECs) to serve communities and students without access to HEIs.

11. We set generic criteria that each bid had to address. In addition, bids which sought places to widen access had to address one or more specific priorities. The criteria and priorities are described in Annex B.

12. We specified that we would allocate places according to the relative merits of the bids, based upon how well they addressed the criteria and priorities. We expected the allocations overall to contribute to regional needs in terms of employability and access, and we particularly encouraged collaborative bids in these areas.

13. Where institutions had received additional places for 1999-2000, we took into account their success in recruiting to those places when we considered bids for 2000-01. We sought information from institutions about their recruitment and asked them to identify any difficulties. Overwhelmingly, the commonest difficulty cited was that institutions did not know the outcome of their bid until March, making it impossible to include new courses in prospectuses and

other marketing initiatives. For this reason, institutions generally had better success recruiting to existing courses than to new ones. For 2000-01, we brought forward the announcement by a month; letters were sent to all bidders in February 2000.

14. As in previous years, an advisory group assessed the bids. The membership of the group was increased from last year, in response to the expected continuing high volume of bids. The group included an observer from the FEFC to advise on quality and other issues in FECs. Annex C shows the membership.

15. The advisory group also received commentaries on the bids from the HEFCE's regional consultants. Where relevant, these included information on the regional priorities for widening participation and promoting economic development, as identified in the economic development strategies and skills priorities of the Regional Development Agencies. 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' franchise arrangements. For bids from HEIs, the commentaries included completion and non-completion rates plus rates of activity from low participation neighbourhoods. For bids from FECs, they included information on in-year retention rates. Additional information was provided to the group from external bodies, including the Quality Assurance Agency, Edexcel, the FEFC, and the Universities and Colleges Admissions Service.

The competition

Additional places available

16. In 1999-2000 and 2000-01 the Government has provided funds to support respectively 36,000 and 31,000 additional student places. Unless otherwise stated, all student numbers in this report are expressed as headcounts. These places are distributed as follows:

Level	1999-2000	2000-01
Below degree	16,000	27,200
Degree	14,000	-900
Postgraduate	6,000	4,700
Total	36,000	31,000

17. The places for 2000-01 include 10,000 part-time places below degree level (2,000 full-time equivalent places) to address the demand for places coming through the Ufl route. These places will be allocated by the Ufl and do not form part of the competition reported below.

18. In 1999-2000 the HEFCE Board agreed to increase the numbers available for places below degree level, and particularly for part-time programmes, by transferring numbers from postgraduate targets and from part-time degree targets, and by using extra places which came available as a result of under-recruitment in 1998-99. This meant that we were able to allocate additional places well in excess of the Government's targets for 1999-2000. The final number and distribution of additional places allocated for 1999-2000 were:

Level	FECs	HEIs*	Total places
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Below degree	16,616	15,414	32,030
Degree	453	10,209	10,662
Postgraduate	68	2,168	2,236
Total	17,137	27,791	44,928

* The numbers allocated to HEIs include those franchised to FECs.

19. Of the total allocated competitively, we phased some places over two years, in particular to support two cohorts of students at colleges with limited HE provision, and to help smooth recruitment for large, strategic developments.

20. In addition, outside the competition we allocated 2,223 places below degree level to FECs to support the second year of new courses.

21. In December 1999 institutions' data returns showed that, although overall the sector had recruited close to the Government's targets, a significant number of institutions had failed to deliver the additional numbers allocated to them. We have given these institutions another opportunity to recruit the additional students in 2000-01.

22. In total, we have rolled forward 7,000 full-time and 24,500 part-time places into 2000-01, either as a result of places unfilled from the 1999-2000 allocations, or of planned phasing into 2000-01.

23. For the 2000-01 competition, we received 314 new bids from institutions: 172 from HEIs and 142 from FECs. The bids sought 72,408 places at a total cost to the HEFCE of £163 million. The places were distributed as follows:

Mode	Below degree	Degree	Postgraduate	Total
Full-time	18,118	19,449	2,000	39,567
Part-time	21,168	6,106	5,567	33,841
Total	39,286	25,555	7,567	72,408

24. The advisory group considered the aggregate growth sought by the Government over both 1999-2000 and 2000-01, and took into account the places that institutions were already committed to deliver as a result of last year's allocations. They agreed that to achieve the Government's targets for growth they would need to offer allocations that exceeded the targets, in the expectation that some institutions would fail to recruit fully to the places.

Assessment and selection of bids for 2000-01

25. The advisory group adopted the same assessment process as last year. It assessed bids both on the extent to which they met the generic criteria and, where they were relevant to the bid, the specific priorities described in Annex A. The resulting scores were cast into the following matrix:

Scores on generic criteria

High Medium Low

Scores on specific priorities		High	1a	1b	1c
		Medium	2a	2b	2c
		Low	3a	3b	3c

26. The advisory group decided in principle to recommend additional places only for those bids whose scores were within boxes 1a, 1b, 2a or 2b.

27. The funding and numbers available meant that we could support only around 28 per cent of the numbers sought. The advisory group therefore had to make a further selection from those bids that in principle were of sufficient merit. It used an algorithm that took into account, where relevant, institutions' success in achieving growth in their student number total in 1999-2000, and that set upper limits for the numbers and funds allocated to any one bid:

a. The group excluded from further consideration, with the exception at sub-paragraph b below, bids from institutions that had received an allocation of additional places in 1999-2000 but where the overall growth of full-time and part-time students fell short by more than 20 per cent of the expected growth.

b. The exception applied to bids with a high assessment score, within box 1a in the matrix. For these bids, allocations were set at 15 per cent of the numbers sought, subject to the operation of the other caps below.

c. The group restricted the numbers (headcounts) allocated to any one bid as follows:

- full-time postgraduate places 50
- part-time postgraduate places 100
- full-time undergraduate degree places 300
- part-time undergraduate degree places 300
- full-time below degree places 300
- part-time below degree places 600

d. For bids with scores at 2b in the matrix, the group allocated only places below degree level, and set these at 30 per cent of the full-time and 60 per cent of the part-time places sought.

e. The group set the maximum funds that any institution would receive in one year at £1.25 million, calculated at 1999-2000 funding rates. The Open University was treated as an exception because of the unique scale of its operation.

f. The group agreed that allocations for bids for full-time undergraduate degree places that were at 1b and 2a in the matrix would be limited to 90 per cent of places sought.

g. The group decided not to support allocations of fewer than five places.

28. In summary, the resulting allocation of additional student places was:

Mode	Below degree	Degree	Postgraduate	Total
Full-time	4,291	5,845	610	10,746
Part-time	7,681	957	1,359	9,997
Total	11,972	6,802	1,969	20,743

29. Of the total new places allocated, 18,552 were awarded to 94 bids from HEIs, and 2,191 were awarded to 42 bids from FECs. The places allocated to HEIs include those that they intend to franchise to FECs. We shall not know until institutions make their data returns in December the actual number of additional places franchised to colleges, but, based upon the proportionate distribution shown in institutions' bids, we estimate that 5,820 of the places allocated to HEIs will be franchised to a total of 136 FECs.

30. Overall, 87 per cent of the allocations were for bids that addressed one or more of the widening access priorities, and 52 per cent of these went to institutions which had demonstrated high quality HE provision.

31. Together with the places that have rolled forward (paragraph 22), the allocations for 2000-01 will increase the total HE provision by 17,746 full-time and 34,497 part-time places. That is on top of the additional places actually filled from last year's exercise. Over the two years 1999-2000 and 2000-01, we have allocated in aggregate 67,894 places. In addition, we have set aside 10,000 places to be allocated by the Ufl.

32. We wrote to institutions on 16 February to offer them provisional allocations. Where we reduced allocations or rejected bids because of under-recruitment in 1999-2000, we invited institutions to tell us if there were particular circumstances that the advisory group should take into account. Annex A gives details of the final allocations of funded places.

Analysis

33. The outcome of the 2000-01 competition was generally very well received by institutions. A number said that they welcomed the earlier notification of allocations this year. We received requests to phase allocations over two years and to change the distribution across price groups where the allocations were lower than the numbers sought. Wherever feasible, we agreed to these requests. In addition we held discussions with 31 institutions, mostly in relation to their growth in student places in previous years.

Scoring

34. The advisory group marked bids against each criterion and against each specific priority addressed. The group did not weight the scores between the criteria and priorities,

but agreed, in selecting bids to support, that they would consider in principle only those bids which scored at least 60 per cent of the available marks for both the generic criteria and specific priorities. In practice, the overall scores of most successful bids were substantially higher. The distribution of bids by matrix is shown below:

Matrix score	Number of bids	Full-time allocations	Part-time allocations
1a	53	5,558	3,058
1b	33	2,295	1,832
1c	2	0	0
2a	27	1,701	1,297
2b	92	1,192	3,810
2c	16	0	0
3a	0	0	0
3b	17	0	0
3c	74	0	0
Totals	314	10,746	9,997

35. Of the 92 bids with scores at 2b in the matrix, 47 were allocated some additional places and these were for sub-degree programmes only. Overall, after excluding bids from institutions that had not achieved the expected growth in 1999-2000 (see paragraph 27a), the advisory group allocated places to 136 bids.

36. The group was pleased generally by the quality of the bids, noting that 113 of them scored at least 70 per cent of the available marks, which placed them at 1a, 1b or 2a in the matrix. Members were concerned though at the number of bids at 3c in the matrix, 57 per cent of which had scores that were not satisfactory in respect of at least one of the generic criteria and one of the specific priorities.

37. The group thought that the Council's recent initiatives, which place increasing emphasis on institutions' strategies for HE and on collaborative links between institutions through strategic alliances and/or funding arrangements, were important developments that would help institutions to improve the HE experience that they offer to students.

Employability

38. This year, for the first time, employability was a separate, generic criterion which all bids had to address. We asked institutions to provide evidence of their students' success in employment, and to explain the contribution that their bid made in responding to employment needs, and to developing the knowledge and skills that students will need in employment. We also took into account institutions' strategies for responding to critical skills shortages and gaps.

39. Overall the scores showed that institutions addressed employability issues in their bids well, although the evidence they presented was not as strong as that for HE strategy and quality.

40. Thirty-eight (72 per cent) of the 53 bids with scores at 1a in the matrix scored 87.5 per cent or more of the available marks for employability. This means that 4,288 full-time and 1,813 part-time places were allocated to bids with the highest scores for employability. In addition, 13 of the remaining 15 bids at 1a in the matrix scored between 75 per cent and 87 per cent, resulting in allocations of 1,129 full-time and 1,036 part-time places. This means that 97 per cent (5,417) of the full-time and 93 per cent (2,849) of the part-time places allocated to 1a bids supported programmes with very high scores on employability. Together with the allocations to those bids at 1b or 2a in the matrix, a total of 7,592 full-time and 4,587 part-time allocations support bids with scores of 75 per cent or more on employability.

41. Eighteen per cent of the bids scored below 60 per cent of the marks for employability, and the group agreed not to allocate them any additional places.

Student demand

42. There was substantial variation in how well institutions addressed student demand. We asked institutions to explain how their bids responded to unmet student demand and to refer to evidence of that demand. Institutions whose bids scored highest for this aspect provided clear evidence, based upon either their own surveys of demand or independent studies to assess student demand and employment needs, mainly on a local or regional basis. Institutions whose bids were less strong tended to rely upon an assertion of student demand, with little supporting evidence.

43. We believe that, in future, significant bids for additional places should be able to draw upon evidence provided in surveys of student demand. In November 1999 we published 'A guide to assessing demand for local higher education provision' (HEFCE 99/64), which described a structured methodology for assessing student demand. This was based upon a study, part-funded by the HEFCE, and commissioned by the Combined Universities in Cornwall into future student demand for higher education in Cornwall. We wish to build more widely upon this approach and to encourage institutions to work together in commissioning studies of demand for higher education in their areas and in sharing the findings. In future competitions for additional student numbers we will expect to give priority to bids from institutions which have commissioned studies to assess demand for local or regional higher education provision, where these are undertaken jointly and where the results are available to all HE providers in the area.

Sub-degree places

44. Of the total additional places provided below degree level, 2,149 have been allocated directly to FE colleges. In addition, the allocations to HEIs include places that they will franchise to FECs. We shall not know the actual number franchised until institutions make their data returns in December 2000. However, we can estimate franchised places based upon the distribution proposed in institutions' bids; these indicate that 2,124 of the full-time and 3,466 of the part-time sub-degree places allocated directly to HEIs will be franchised to FECs.

Collaborative bids

45. The invitation to bid for places for 2000-01 encouraged collaborative bids, particularly to contribute to regional needs in terms of employability and access. Eighty-four of the bids that we received were collaborative and involved a total of 271 institutions. These ranged from partnerships between two or three institutions, typically in a franchising arrangement, to major consortia bids with a broader aim to improve regional provision. In every region, the success rate for collaborative bids was higher than that for single institution bids: 70 per cent of collaborative bids received an allocation of places, compared with an overall success rate of 55 per cent for all bids.

46. However, a few significant collaborative bids were unsuccessful. The advisory group thought that this might reflect the particular challenge of presenting a strong, focused bid involving a number of institutions, where it was harder to assemble all the relevant data. Also, the recruitment record of some collaborative partners may have made it difficult to present a good overall case, particularly against the student demand criterion.

47. We have recently requested HE strategy statements from all FE colleges. Together with the strategic plans that HEIs provide, we believe these will strengthen the strategic base from which future bids are made. This should especially help collaborative bids.

48. In addition, better information from the structured analysis of student demand for local higher education provision, as described in paragraph 42, should help institutions in building a case for additional places based on evidence of student demand and employers' needs.

Subject mix

49. The subject distribution of the successful bids was quite broad. The most popular subjects across the sector were:

- business and administrative studies
- social, economic and political studies
- creative art and design.

50. These three subject areas together accounted for 39 per cent of the allocations. A further 22 per cent were allocated in response to bids for:

- computer science
- biological sciences
- engineering and technology.

Controls

51. Our aim is to ensure that additional places provided for 2000-01 and beyond generate the planned growth in places for students, both overall and in programmes below degree level. We have set student number targets for institutions, which were included in the letters announcing recurrent grants for the academic year 2000-01.

52. 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.

Allocations of additional student places and funds

The tables show, for each region, the allocations made for the academic year 2000-01. All numbers are expressed as headcounts.

Abbreviations used in the tables

FT	Full-time places
PT	Part-time places
UG	Undergraduate places
PGT	Postgraduate taught places
SUB	Places below degree level
Head	Headcount

Criteria and priorities for bids

1. We set generic criteria that each bid had to address. These were to:
 - a. Make a significant strategic impact upon the institution's development and to contribute to the developing regional and sub-regional strategies being prepared by the Regional Development Agencies.
 - b. Help students to develop the knowledge and skills that they will need in employment and to respond to employment needs.
 - c. Give more opportunities for students to experience high quality HE and provide identified benefits to students through developments in the student learning environment.
 - d. Respond to unmet student demand.
2. In addition, bids which sought places to widen access had to address one or more of these specific priorities:
 - a. Provide competency-based vocational qualifications below degree level.
 - b. Increase the range of HE options within a region.
 - c. Help to meet skill shortages.

Allocation of additional places and funds

Membership of the advisory group

Sir Brian Fender (Chair)	Chief Executive, HEFCE
Mr Anthony Booth CBE	Non-Executive Chairman, Ericsson
Professor Derek Fraser	Vice-Chancellor, University of Teesside
Dr David Fussey	Vice-Chancellor, University of Greenwich
Professor Christine King	Vice-Chancellor, Staffordshire University
Ms Caroline Neville	Principal, Norwich City College of Further and Higher Education
Professor Robin Sibson	Vice-Chancellor, University of Kent
Ms Barbara Stephens	Chief Executive, Local Government Commission for England
Professor Michael Sterling	Vice-Chancellor, Brunel University
Ms Hilary Tucker	Principal & Chief Executive, Warrington Collegiate Institute
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