

Explanatory notes for HESES06 workbook: grant adjustment and comparison tables

1. The HESES06 main publication (HEFCE 2006/36) describes the seven tables in the HESES06 workbooks into which data can be entered. This document describes the seven additional spreadsheets in the workbooks which contain estimated grant adjustment calculations and summary comparisons with previous years' data. The information in these additional worksheets should be noted and checked for credibility before the completed workbook is submitted to HEFCE.

Warning about submitting completed workbooks

If you have inserted links to other spreadsheets or have grouped the worksheets (for example to print the tables), make sure that you remove all these changes before submitting the completed workbook to us. This will ensure that the data are transferred without technical difficulties.

Contents of the HESES06 workbook

2. The HESES06 workbook contains seven tables for completion:

Name of worksheet	HESES06 tables
FTS	Full-time and sandwich data. Table 1a.
MED	Full-time and sandwich: Medical and dental student data. Table 1b.
OUT	Sandwich year-out data. Table 2.
PT	Part-time data. Table 3.
FEE	Home and EC fees data. Table 4.
HEC	Home and EC data split between 'home' and 'other'. Table 5.
CONS	HEFCE-recognised funding consortia. Table 6.

3. In addition, the workbook contains seven other worksheets. These are not for completion, but may be used to help you identify anomalies in your data. This document describes the content of those worksheets, and how they may be used.

4. The seven additional worksheets are as follows:

Name of worksheet	Content
HBK	Estimated grant adjustments for 2006-07
STD	Recalculation of standard resource for 2006-07
F06	Recalculation of assumed fee income for 2006-07
LLN	Calculation of model 2 LLN holdback for 2006-07 ASNs
COM1 and COM2	HESES06 summary comparisons providing analysis and comparisons with the HESES05 data
RAW	Raw HESES05 and other data, providing the source data for the above worksheets – for reference only

Estimated grant adjustments for 2006-07

5. Please note that the 'HBK' worksheet provides only an estimate of the grant adjustments. While every care has been taken to make the calculations as accurate as possible, because of the limits of an Excel workbook for replicating complex calculations, we cannot guarantee that they are 100 per cent accurate. They are provided here to help you identify errors in your data, not to present our definitive statement on grant adjustments.

6. If, on completion of the HESES survey, the grant adjustment worksheet indicates that there is an adjustment to be applied, or an action plan to be submitted, you should check that this is not as a result of data error. If the data are correct, you may wish to discuss the position with your HEFCE higher education adviser.

7. We will send a provisional grant adjustment report to the head of your institution once we have received validated data submissions from all institutions.

'HBK' worksheet

8. Any references below to Table A or Table B mean Table A or Table B of the last issue of the grant tables which form part of the funding agreement issued on 27 July 2006 (or any subsequent re-issue). Table A contains a summary of the recurrent grant for 2006-07 and also shows funding agreement resource and student number targets. Table B is a summary of 2006-07 funds for teaching.

Funding conditional upon delivery of growth

9. The first table is taken from the equivalent section of Table A.

10. 'Actual FTEs (HEFCE-fundable)' is the total FTE of students in HESES06, reported as HEFCE-fundable, and not as a non-completion. HEFCE-fundable includes HEFCE-funded and independently-funded home and EC students. These data are taken from Column 4 of HESES Table 1a, Column 4 of HESES Table 2 (weighted at 0.5), and Column 4a of HESES Table 3.

11. 'ASN funding recovered by institution' is calculated by multiplying any FTE above the '2006-07 Baseline FTEs' by the specified rate per FTE, and is subject to the specified maximum level. Full recovery will happen if the 'Actual FTEs (HEFCE-fundable)' equals or exceeds the 'FTEs required to fully recover reduction in ASN funding'.

12. 'ASN funding to be held back from institution' is calculated by multiplying any shortfall against the 'FTEs required to avoid reduction in ASN funding' by the specified rate per FTE, and is subject to the specified maximum level. Full holdback will be applied until the 'Actual FTEs (HEFCE-fundable)' exceeds the 'FTEs required to fully recover reduction in ASN funding'.

Medical and dental holdback

13. 'Medical and dental CFTE for 2006-07' is taken from Table A.

14. 'FTE from HESES06' is the total HEFCE-fundable students taken from Column 4 of HESES Table 1b.

15. 'Medical and dental holdback' is calculated by multiplying any shortfall against the medical and dental CFTE by £10,261. This is the average rate of funding based on the standard five-year medical course calculated as two-fifths of the standard price for price group B plus three-fifths of the standard price for price group A minus the 2006-07 full-time undergraduate assumed fee (£1,200).

Contract range

16. '2006-07 Contract range' is taken from Table A.

17. 'Total mainstream teaching funds for 2006-07' is taken from Table B.

18. 'Net mainstream teaching funds' is 'Total mainstream teaching funds for 2006-07' plus 'Medical and dental holdback' plus 'ASN funding to be held back from institution' plus 'ASN funding recovered by institution'.

19. 'Recalculated assumed fee income for 2006-07' is taken from the 'F06' worksheet. It is the final total from the final column.

20. 'Recalculated assumed resource for 2006-07' is the sum of 'Recalculated assumed fee income for 2006-07' and 'Net mainstream teaching funds'.

21. 'Recalculated standard resource for 2006-07' is taken from the 'STD' worksheet. It is the final total from the final column.

22. 'Difference' is 'Recalculated assumed resource for 2006-07' minus 'Recalculated standard resource for 2006-07'.

23. 'Recalculated percentage difference' is the 'Difference' above divided by 'Recalculated standard resource for 2006-07' multiplied by 100. It is formatted to one decimal place.

24. 'Divergence from contract range' shows the variance between the 'Recalculated percentage difference' and the '2006-07 Contract range'.

25. 'Divergence in funding terms'/'Contract range holdback'. This heading will change depending on whether the institution is below, within or above its contract range: it will only read 'Contract range holdback' if the institution is above its contract range. Contract range holdback or divergence is the 'Divergence from contract range', multiplied by 'Recalculated standard resource for 2006-07'. Contract range holdback is shown as a negative value; divergence is shown as a positive value.

26. There is no grant adjustment for an institution that is below its contract range, although the worksheet calculates a value for this in financial terms. The message: 'The contract has not been met. An action plan may be required' will be shown where such

cases arise. Please note that any action plan will not formally be requested until the final grant adjustment position is confirmed in February 2007.

Recovery of consolidated 2005-06 contract range holdback

27. Institutions have an opportunity in 2006-07 to recover any funding deducted from their baseline as a result of the consolidation of 2005-06 contract range holdback. This will be repaid to the extent that the reinstatement of funding keeps an institution within its 2006-07 contract range.

28. 'Consolidated 2005-06 contract range holdback recoverable in 2006-07' is taken from Table A.

29. 'Difference between top of contract range and 'Recalculated percentage difference'' is the upper contract range limit minus the 'Recalculated percentage difference'.

30. If 'Difference between top of contract range and 'Recalculated percentage difference'' is greater than zero then 'Consolidated 2005-06 holdback recovered by institution' is the minimum of 'Consolidated 2005-06 contract range holdback recoverable in 2006-07' and 'Difference between top of contract range and 'Recalculated percentage difference'' multiplied by 'Recalculated standard resource for 2006-07'. Otherwise 'Consolidated 2005-06 holdback recovered by institution' will be zero.

Percentage difference after grant adjustments

31. 'Percentage difference after grant adjustments' is 'Recalculated assumed resource for 2006-07' plus 'Contract range holdback' plus 'Consolidated 2005-06 holdback recovered by institution' minus 'Recalculated standard resource for 2006-07', all divided by 'Recalculated standard resource for 2006-07'.

Holdback associated with the delivery of non-mainstream model 2 LLN ASNs 2006-07

32. This is taken from the 'LLN' worksheet: '2006-07 Model 2 LLN holdback'. This worksheet is described in further detail below.

Summary

33. 'Provisional adjustment to mainstream teaching grant for 2007-08' is the sum of 'ASN funding recovered by institution', 'ASN funding to be held back from institution', 'Contract range holdback' and 'Consolidated 2005-06 holdback recovered by institution'.

34. 'Net funding adjustment to be applied in 2006-07' is the sum of 'Provisional adjustment to mainstream teaching grant for 2007-08', 'Medical and dental holdback', 'Holdback associated with the delivery of non-mainstream model 2 LLN ASNs 2006-07' and 'Provisional in-year moderation'.

In-year moderation calculation

35. We moderate our allocations so that, in general, no institution will receive a reduction in resource in 2006-07 compared with the equivalent unmoderated figure for 2005-06. (Resource is defined as HEFCE funding for teaching and research plus regulated tuition fee income.) We apply a minimum threshold of £100,000, below which moderation does not apply. Any reduction in core funding for 2006-07 will be subject to these moderation rules. We will not moderate other forms of holdback.
36. 'Total teaching and research funding 2006-07' and '2006-07 July* moderation' are taken from Table A. (* = or as subsequently revised.)
37. 'Notional July* moderation (before £100,000 threshold)' is the 2006-07 moderation funding including sums that were not provided because they were below the £100,000 threshold.
38. 'Recalculated regulated fees 2006-07' is taken from the 'RAW' worksheet and is the students recorded in HESES06 Table 4 against the 'Regulated full fee' and 'Regulated half fee' rows multiplied by £1,200 and £600 respectively for full-time and sandwich year-out, and by £600 for part-time.
39. 'Recalculated resource for 2006-07 (including all grant adjustments)' is the sum of 'Total teaching and research funding 2006-07', 'Recalculated regulated fees 2006-07', 'Provisional adjustment to mainstream teaching grant 2007-08' and 'Holdback associated with the delivery of non-mainstream model 2 LLN ASNs 2006-07'.
40. '2005-06 Comparison resource' is described in paragraph 20 of Annex A to the 27 February 2006 grant letter and can be seen in the hidden column K of Table 2 in Annex B of HEFCE 2006/43 (web only).
41. 'Adjusted 2005-06 comparison resource' is the sum of '2005-06 Comparison resource', 'ASN funding recovered by institution', 'ASN funding to be held back from institution', 'Consolidated 2005-06 holdback recovered by institution', 'Holdback associated with the delivery of non-mainstream model 2 LLN ASNs 2006-07', all multiplied by 1.0253, the 2006-07 threshold for moderation.
42. 'Recalculated notional moderation' is 'Adjusted 2005-06 comparison resource' minus 'Recalculated resource for 2006-07', or zero, whichever is the higher.
43. 'Increase in notional moderation due to 2006-07 contract range holdback' is 'Recalculated notional moderation' minus 'Notional July* moderation (before £100,000 threshold)' capped at 'Contract range holdback' expressed as a positive figure.
44. 'Total moderation before £100,000 threshold' is 'Increase in notional moderation due to 2006-07 contract range holdback' plus 'Notional July* moderation (before £100,000 threshold)'.
45. If 'Total moderation before £100,000 threshold' is less than £100,000 then 'Total moderation after £100,000 threshold' is zero, otherwise 'Total moderation after £100,000 threshold' is 'Total moderation before £100,000 threshold'.

46. 'Provisional in-year moderation' is 'Total moderation after £100,000 threshold' minus '2006-07 July* moderation'.

'STD' worksheet

47. This worksheet shows the recalculation of standard resource for 2006-07. The '2006-07 FTEs from HESES' are the HEFCE-funded FTEs taken from HESES06 Tables 1a (Column 4), 2 (Column 4 divided by two) and 3 (Column 4a). The media studies price group has been split across price groups B, C and D according to the institution's mapping.

48. '2006-07 FTEs weighted by price group' are '2006-07 FTEs from HESES' multiplied by the price group weightings:

Price group descriptions and cost weights

Price group	Description	Cost weight
A	The clinical stages of medicine and dentistry courses and veterinary science	4
B	Laboratory-based subjects (science, pre-clinical stages of medicine and dentistry, engineering and technology)	1.7
C	Subjects with a studio, laboratory or fieldwork element	1.3
D	All other subjects	1

Premiums applied to unweighted FTEs

49. 'Part-time (10%)' is the '2006-07 FTEs from HESES' multiplied by 0.1 where the mode = PT.

50. 'Foundation degrees (10%)' is the '2006-07 FTEs from HESES' multiplied by 0.1 where the level = 'FD'.

51. 'Small institutions' is the '2006-07 FTEs from HESES' multiplied by a variable percentage. Institutions receiving this premium had a total student FTE of 1,000 or less on the 1997-98 HESA student record.

52. 'Historic buildings' is the '2006-07 FTEs from HESES' multiplied by a variable percentage. Institutions receiving this premium have buildings that were constructed before 1914.

Premiums applied to weighted FTEs

53. 'Long courses >= 45 weeks (25%)' is the '2006-07 FTEs weighted by price group' multiplied by 0.25 where the length = 'Long' and price group = B, C or D.

54. 'London weighting (inner = 8%, outer = 5%)' is the '2006-07 FTEs weighted by price group' multiplied by 0.08 for institutions in inner London and 0.05 for institutions in outer London.

55. 'Institution-specific weights' is the '2006-07 FTEs weighted by price group' multiplied by a variable percentage. This weighting incorporates the premium for specialist institutions. It was originally notified to individual institutions in Jane Chenery's letter of 10 February 1998. It may have subsequently been revised, including as a result of reviews (the outcomes of which were notified in HEFCE 00/51, 'Funding of specialist higher education institutions'), and the changes to the teaching funding method which we implemented for 2004-05 and 2005-06.

56. The value of all the variable premiums in percentage terms can be found in Table F of the final issue of the 2006-07 grant tables.

57. 'Total weighted FTE students' is the sum of the previous eight columns.

58. '2006-07 Standard resource' is the 'Total weighted FTE students' multiplied by the base price: £3,721.

'F06' worksheet

59. This worksheet shows the recalculation of assumed fees for 2006-07. The '2006-07 Estimated FTE students' are taken from HESES06 Table 4; HEFCE-fundable students in Columns 1 and 2 in the 'A, B, C, D, Media studies, INSET(QTS)' price groups for each combination of mode and level.

- FTS UG FTEs are from the 'Regulated full fee', 'Regulated half fee' and 'Regulated £0' rows.
- FTS PGT FTEs are from the 'Regulated full fee', 'Regulated half fee' and 'Non-regulated' rows.
- SWOUT UG FTEs are from the 'Regulated half fee' rows, divided by two.
- SWOUT PGT FTEs are from the 'Regulated half fee' and 'Non-regulated' rows, divided by two.
- PT UG FTEs are from the 'Regulated full fee', 'Regulated half fee' and 'Non-regulated' rows, divided by two.
- PT PGT FTEs are from the 'Regulated full fee', 'Regulated half fee' and 'Non-regulated' rows, divided by two.

60. 'Total fee income' is the FTEs calculated above multiplied by the relevant fee level.

Assumed fee income per FTE			
Mode	Level	Fee level	Assumed fees for 2006-07 (£)
FTS	UG	full	1,200
FTS	UG	half	600
FTS	UG	0	0
FTS	PGT	full	1,200
FTS	PGT	half	600
FTS	PGT	non-regulated	3,721
SWOUT	UG	half	1,200
SWOUT	PGT	half	1,200
SWOUT	PGT	non-regulated	3,721
PT	UG	full	1,200
PT	UG	half	1,200
PT	UG	non-regulated	1,200
PT	PGT	full	1,200
PT	PGT	half	1,200
PT	PGT	non-regulated	4,093

61. 'Derived average fee per estimated FTE' is 'Total fee income' divided by '2006-07 Estimated FTE students'.

62. '2006-07 FTEs from HESES' are taken from the same column on the 'STD' worksheet except for SWOUT. SWOUT FTEs are the HEFCE-funded students in Column 4 from HESES06 Table 2, divided by two; UG is the sum of the FD and UG (excl.FD) rows, PGT is from the PGT row.

63. '2006-07 Assumed fees (average fee x HESES FTE)' is calculated for each mode and level as 'Derived average fee per estimated FTE' multiplied by '2006-07 FTEs from HESES'.

'LLN' worksheet

64. This worksheet shows the calculation of grant adjustments for non-mainstream model 2 LLN ASNs.

65. 'Announced model 2 LLN ASN funding for 2006-07' is taken from Table A of the 2006-07 grant tables.

66. 'Recalculated model 2 LLN ASN funding' is taken from the final cell in the final column of the accompanying table (directly below, on the same worksheet).

67. '2006-07 Model 2 LLN holdback' is 'Recalculated model 2 LLN ASN funding' minus 'Announced model 2 LLN ASN funding for 2006-07', and there will only be a value if it is less than zero.

68. '2006-07 Model 2 LLN FTEs from HESES' are the non-fundable FTEs taken from HESES06 Tables 1a (Column 5), 2 (Column 5 divided by two) and 3 (Column 5a). The media studies price group has been split across price groups B, C and/or D according to the institution's mapping.

69. For a description of the next 10 columns see paragraphs 48 to 58 above (from the 'STD' worksheet description).

70. '2006-07 Assumed fees' is the '2006-07 Model 2 LLN FTEs from HESES' multiplied by the assumed fee levels:

Assumed fee income per FTE		
Mode	Level	Assumed fees for 2006-07 (£)
FTS	FD/UG (excl. FD)	1,200
FTS	PGT	3,721
PT	FD/UG (excl. FD)	1,200
PT	PGT	4,093

71. 'Recalculated model 2 LLN ASN funding' is the '2006-07 Standard resource' minus the '2006-07 Assumed fees'.

Comparison tables

72. The 'COM1' and 'COM2' worksheets contain 11 separate tables named A to K. Each table is described below.

73. When we receive the HESES returns, we will carry out a number of validation and credibility checks. The contents of the comparison worksheets will inform some (but not all) of our credibility checks. We will ask you to explain the reasons for any significant year-on-year changes – in both absolute and proportionate terms – or for any apparent anomalies within the HESES06 data itself. You should use the comparison worksheets to inform your own credibility checking of your data. You should also prepare explanations for any apparent data anomalies. These can be e-mailed to your HEFCE higher education adviser when submitting HESES, or they may be requested at a later date. In general, we will ask for responses within five working days.

74. The 11 tables in the comparison worksheets are described as follows:

HESES 2006-07 summary comparisons

Table	Content/source
A: Percentage of non- completions [changed this year]	This table shows the calculation of non-completion rates after the 1 December census date for HESA 2004-05 and for HESES05 and HESES06. These are forecast non-completions (Column 3 on HESES Tables 1a, 2, 3) as a percentage of total countable years (Columns 1 plus 2 on HESES Tables 1a, 2, 3): HEFCE-funded students only, by mode and level. The HESA 2004-05 data are taken from the 'HESA 2004-05 derived statistics for the monitoring and allocation of funding', originally sent with Ben Grassby's letter to heads of institutions on 16 December 2005 or as subsequently revised (HEI leads of consortia were provided with outputs that incorporated their member college data on 8 February 2006). Generally we expect consistency between the three sets of data.
B: Part-time load factors	This table compares the average FTE rates for part-time students in 2005-06 and 2006-07. The data are the assumed part-time load (Column 4a on Table 3) divided by assumed part-time countable years (Column 4 on Table 3): HEFCE-funded students only, by price group and level.
C: Growth in new entrants	This table compares the number of fundable new entrants in 2005-06 and 2006-07 and the percentage change between the two. The data are from Column 2 of Table 5: HEFCE-fundable students (HEFCE-funded + independently-funded), by mode and level.
D: FTEs by price group	This table compares the FTEs from HESES06 against our expectation. <ul style="list-style-type: none"> • The '2006-07 Assumed' data are the HESES05 FTEs plus the various adjustments to FTEs (for additional student numbers and other miscellaneous transfers and adjustments) included in the latest 2006-07 grant Table C. • The '2006-07 Actual' data are the FTEs taken from Column 4 of Table 1a (for full-time), Column 4 of Table 2 weighted at 0.5 FTE (for sandwich year-out) and Column 4a of Table 3 (for part-time). • In both cases the data are for HEFCE-funded FTE students only by price group, mode and level.
E: Students by fundability status	This table compares how students have been attributed between the four categories of fundability status (HEFCE-funded, independently-funded, non-fundable, and Island and overseas) in 2005-06 and 2006-07. The data are the headcount numbers and percentage change for assumed countable years (Column 4 of Tables 1a, 2, 3 of HESES05 and HESES06) in each fundability category: by mode (full-time & sandwich, or part-time) and level.
F: Proportion of column 4 students recorded as long	This table compares the proportions of students recorded as being on long courses in 2005-06 and 2006-07. The data are the proportion of total assumed countable years (Column 4 of Tables 1a, 2, 3 of HESES05 and HESES06) recorded as being long: HEFCE-funded students only, by mode (full-time & sandwich, or part-time) and level.

HESES 2006-07 summary comparisons

Table	Content/source
G: Proportion of students on designated courses subject to regulated fees	<p>This table compares the proportions of students who are subject to regulated fees in 2005-06 and 2006-07.</p> <p>The data are the total number of students recorded as being subject to regulated fees as a proportion of the total student numbers on Table 4 (Columns 1 and 2): All home & EC students, by mode and level.</p>
H: Proportion of undergraduate students on sub-degree level courses	<p>This table compares the proportions of undergraduate students who are recorded as on below degree level courses in 2005-06 and 2006-07.</p> <p>The data are from Table 5 and are calculated as ['HND' + 'Sub-degree (excl. HND)'] as a proportion of ['HND' + 'Sub-degree (excl. HND)' + 'FD' + 'Other UG']</p> <p>All home & EC students, by mode.</p>
I: Students franchised-out	<p>This table compares the students recorded as wholly franchised-out in HESES06 with an expected figure for 2006-07.</p> <ul style="list-style-type: none"> • The '2006-07 Assumed' is the sum of those students recorded as wholly franchised-out in Column 3 of Table 5 of HESES05; plus any students transferred to the institution for 2006-07 as a result of a further education college electing to be indirectly-funded. Such transfers exclude those colleges that are members of a HEFCE-recognised funding consortium, which should not be recorded as franchised-out. • The '2006-07 Actual' is taken from Column 3 of Table 5 of HESES06. • In both cases, all students are headcounts and are disaggregated by type of institution to which they are franchised, mode and level. The transfers from further education colleges that have been added in to the '2006-07 Assumed' figures were originally calculated as FTEs. For the purposes of converting them to headcounts, we have assumed that each part-time student counts as 0.5 FTE.
J: Home and EC split	<p>This table compares the split numbers for home and EC students and new entrants in Table 5 of HESES06 with equivalent numbers from HESES05.</p> <p>The data are for all home and EC students, by mode and level of study. The number of home students is shown as a proportion of all home and EC students, and the number of home new entrants is shown as a proportion of all home and EC new entrants.</p>
K: Full-time undergraduate clinical students	<p>This table compares the numbers of full-time undergraduate clinical students on Tables 1a and 1b.</p> <p>The data are the assumed countable years for full-time undergraduates in price group A (Column 4 of Table 1a), compared to the assumed countable years for full-time undergraduates in clinical medicine and dentistry (Column 4, rows 2 and 4, of Table 1b): HEFCE-funded. In general, any differences between these two figures should be due to veterinary science students only.</p>

Further information

75. Any questions about your data or the estimated grant adjustments should be addressed to your HEFCE higher education adviser in the first instance.