

HEFCE 01/15

March
Report

Student support funding for higher education institutions

Student support funding for higher education institutions 2001-02

To	Heads of HEFCE-funded higher education institutions
Of interest to those responsible for	Student support services; Administration of funds and loans; Finance (including directors of finance)
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Allocations, financial conditions, auditing requirements and monitoring returns (HEFCE)

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(until 1 April 2001 the contact is the Further Education Funding Council)

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Executive summary

Purpose

1. This publication provides information about the allocation of funds for student support to higher education institutions in 2001-02, and requests monitoring information on their use.

Key points

2. This document supersedes all previous guidance. It includes:
 - ? background information on student support funding for 2001-02
 - ? the Department of Education and Employment's guidance to institutions for 2001-02
 - ? minimum allocations for Hardship and Bursary funding (Part 1)
 - ? monitoring information required from institutions by 7 November 2002.

Action required

3. We require final monitoring information **by 7 November 2001** on the use of 2000-01 student support funding, and **by 7 November 2002** on the use of 2001-02 student support funding.

Background

4. The Department for Education and Employment (DfEE) has made £86.7 million available to higher education institutions for student support funding in 2001-02. The funds are allocated on behalf of the DfEE by the Council.

Main changes to funding for 2001-02

5. The main changes to funding for student support are:
- ? the provision of funding for institutions' administrative costs
 - ? changes to the management of the funds following the introduction of the Childcare Grant
 - ? the early notification of minimum allocations for Hardship and Bursary Funding
 - ? amendments to the data required for monitoring.

Administrative costs

6. In HEFCE 00/50, 'Funding for widening participation in higher education', we announced our intention to provide funds to help higher education institutions (HEIs) improve the quality of student support services. Specifically the new funding is to be used by institutions to enhance the promotion and administration of access funds. Institutions were notified of the allocations for 2000-01 in HEFCE circular letter 01/01 'Student support funding'.

7. In the annual operating statements that they submit to us in July 2001, we will ask institutions to provide information on how the new administrative funds have been used to enhance student support activity. Before that, to help institutions prepare their revised widening participation strategies, we will issue good practice guidance on learning and teaching and widening participation, and hold seminars in May 2001. The National Co-ordination Team, National Disability Team, and Action on Access are working jointly with the Council to deliver the guidance and seminars, which will include examples of good practice in student support activities.

8. Institutions will be notified of the allocation for administrative costs for 2001-02 in June 2001. Further guidance on the appropriate uses of the administrative funding are given in the DfEE's main guidance (Part 3, section 1). The report on the use of Access Funds in 1999-2000 (Part 4) also gives examples of the way institutions have been improving the provision of student support services.

Changes to the administration of student support funds

9. In 2000-01 institutions were asked to manage Hardship Funds and Access Bursary Funds (Mature Student Bursaries) as two discrete elements of funding. However, due to changes in the provision for students with dependent children, which are outlined in more detail at Part 3 section 1, there have been changes to the bursary arrangements. For 2001-02, institutions may manage the Hardship and Bursary Funds together as one fund. We hope that by giving each institution discretion over the balance of funding it will be easier for them to target support at the priority groups identified by the Government.

Funds available

10. Total student support funds available for 2001-02 are £86,753,000. This amount has been broken down into:

- ? a combined Hardship and Bursary Fund of £66,634,000
- ? a Fee Waiver fund of £13,749,000
- ? an Opportunity Bursary fund of £6,370,000

11. A total of £2,168,825 will also be available for administrative costs.

12. In addition to the funds allocated to the HEFCE, the DfEE has allocated £4,849,000 to the Further Education Funding Council for higher education students studying in further education colleges. This amount has been increased following a review of the funding levels for such students.

13. To help institutions plan their student support more effectively we are issuing this guidance earlier than in previous years. But the data that inform institutions' allocations are not verified until later in the spring. Therefore at this stage we can only publish minimum allocations. Institutions are guaranteed to receive the minimum allocations, which represents at least 90 per cent of their 2000-01 Hardship Funds allocation plus Mature Student Bursary allocation. (Note – this does not include any allocation from funds recycled from previous years.) Part 1 shows the minimum allocations from the joint Hardship and Bursary Fund. In June 2001 we will issue a circular letter to institutions, giving their final allocations and the model used for the calculations.

Opportunity Bursaries

14. On 1 February 2001 the Secretary of State announced that the scope of the Excellence Challenge was to be broadened. This announcement was made following consultation and calls from the sector for the scheme to be geographically more inclusive. Therefore it has been agreed that the scheme will be extended to include Education Action Zones which are not already included in the Excellence in Cities initiative.

15. As a result of the extension a further 910 Opportunity Bursaries have been made available for HEIs in 2001-02. Therefore we have revised institutions' initial allocations which were listed in HEFCE 00/50 'Funding for widening participation in higher education'. The revised allocations and the list of Education Action Zones are at Part 2.

Carry forward

16. Institutions are reminded that for 2001-02 they are allowed to carry forward up to 10 per cent of Hardship/Bursary and Fee Waiver Funds, provided they can foresee a use for them in 2002-03.

17. However for 2001-02 institutions will not be able to carry forward any unused Opportunity Bursary funding into 2002-03. Instead any underspend will be taken back and reallocated.

Payment and viring

18. We will make payments for Hardship and Bursary Funds to institutions in three instalments:

- ? 60 per cent in August 2001
- ? 30 per cent in January 2002
- ? 10 per cent in April 2002.

19. Institutions will receive the funds for the initial allocations of Opportunity Bursaries in August 2001, based on the revised allocations at Part 2. The monitoring return for 2000-01 will also include a mid-year return for Opportunity Bursaries (see Part 5) which will enable us to establish the final number of bursary holders at each institution. The January instalment of funding will be adjusted to take into account the difference between the initial and final allocations.

20. The funds for Fee Waivers will be paid in a single instalment in January 2002.

21. The contribution to administrative costs will be paid in one instalment in August 2001.

22. Institutions are reminded that they can vire funds from the Hardship/Bursary Fund to cover payments for Opportunity Bursaries before the final instalment is made in January 2002, or to cover Fee Waivers if necessary. Institutions can also vire from the Fee Waiver Fund to the Hardship/Bursary Fund as appropriate. Together with the provision in paragraph 9, this means that effectively the Fee Waiver and Hardship/Bursary Funds may be managed as a single fund.

Monitoring student support funds

2000-01

23. In HEFCE 00/28 'Hardship Funds for higher education institutions', Annex F, we published the monitoring return for 2000-01. There are some minor amendments to the return:

- ? a new table to collect information on Fee Waivers, which is broken down by age and captures payments to those who have lost jobs, and those who are on benefits or low income
- ? an amendment to Table 4 so that it differentiates between loans that have been repaid within the year, and loans repaid from previous years
- ? Tables 5 and 6 now capture information on Fee Waivers, as well as Hardship Funds and Mature Student Bursaries.

24. There will also be an additional table – a mid-year Opportunity Bursary monitoring return for 2001-02. This will capture data on students who have been awarded Opportunity Bursaries, so that we can finalise institutions' allocations for 2001-02.

25. These tables have been reproduced in Part 5 for illustrative purposes only. We will provide institutions with disks for completion.

26. The timetable for return of monitoring information is as follows:

June 2001	Circular letter with funding allocations sent to institutions, plus guidance notes for completing the disks
Early August 2001	Disk plus a further copy of the guidance notes sent to institutional contacts
31 October 2001	Census date for the 2001-02 mid-year monitoring return for Opportunity Bursaries
7 November 2001	Deadline for return of completed disks

27. Institutions should notify the Council as soon as possible before 7 November 2001 if there are going to be delays in returning the monitoring information on time.

28. Institutions should be aware that we will examine monitoring returns to verify the data, and may make additional enquiries to clarify the information. If an institution fails to make a return by the due date, we will deduct from current grant any expenses that we incur in order to obtain a return. Any institution failing to make a return for 2000-01 by the due date will also lose entitlement to a share of any unused funds to be recycled.

29. Institutions should note that the final allocations for Opportunity Bursaries and Fee Waivers can only be made after the data from all HEIs have been received, and that delays in submitting therefore affect the whole sector.

2001-02

30. The monitoring returns tables for 2001-02 are in Part 6. Please note that these forms are for illustration only. The monitoring disk will be issued to institutions in August 2002, **with a return date of 7 November 2002.**

Audit

31. In HEFCE 00/28 we said that we would undertake an audit of the management of student support funds at a sample of institutions. The audit visits have been successfully completed. We will consider the final report and disseminate examples of good practice as appropriate.