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Review of additional student number monitoring arrangements

A report to HEFCE by KPMG

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Executive summary

Background

1. HEFCE has recognised that the current additional student number (ASN) monitoring arrangements do not allow precise monitoring of where the ASNs have been recruited, only giving an overall view of the total student number growth at an institution. KPMG was commissioned to undertake this study of the effectiveness of the current monitoring system and to evaluate its fitness for purpose in relation to the new allocation process. In addition, this study investigates alternative methods of monitoring ASNs.
2. It is important that any new method, while providing robust data and allowing a more strategic approach to planning and monitoring, does not unduly increase the burden on institutions.
3. Two key questions underpin the evaluation of the current monitoring methods and the investigation of new methods:
 - a. When institutions have received additional student numbers in the past, how closely have their subsequent activities (for which they have received additional funding) matched those proposed in their bid?
 - b. Following the changes to the ASN allocation process and in the light of the findings of the study, will the existing monitoring arrangements be fit for purpose in the future? If more rigorous monitoring arrangements are deemed necessary, what are the options and what are the relative merits of those options?

Recruitment against past ASN allocations

4. Through analysis of student number data, it was found that the higher education sector as a whole was not recruiting all the ASNs allocated. However, the data analysed only took into account recruitment at an institutional level, just as the current monitoring target does. Discussions with a sample of 12 institutions revealed that when they had bid for ASNs, they bid in line with their strategic priorities. The discussions also revealed that the institutions undertook activity in relation to the areas in which they were allocated places, eventually recruiting the ASNs in the relevant areas.

Potential future monitoring arrangements

5. After discussion with HEFCE staff, the following options for monitoring ASN recruitment in more detail were considered:
 - through the Higher Education Students Early Statistics Survey (HESES)
 - through the Higher Education Statistics Agency (HESA) individualised return
 - through the annual monitoring statement (AMS)
 - separate returns for ASNs allocated through the strategic and regional growth routes
 - a new survey.

6. Further discussions were undertaken with institutions to establish their views on the options for more detailed monitoring. They were mostly in favour of monitoring through the AMS because of the familiarity with the survey, minimal additional burden and opportunity for qualitative feedback about their recruitment. Institutions also felt that the level of monitoring and resource required should not be out of proportion with the amount of funding allocated for ASNs.

Conclusions

7. From the analysis and consultations undertaken, it appears that if the initial requirement for additional monitoring was to ensure that activity was undertaken in the areas where the ASNs were allocated, there is no need for more detailed statistical monitoring of ASNs. However, because recruitment of ASNs in those areas does not necessarily take place in the year of allocation, it is recommended that HEFCE expands the AMS to enable institutions to provide an annual commentary on the activities that have taken place in relation to ASN recruitment.

8. If future monitoring of ASN recruitment is to be more detailed, then it is recommended that a broad analysis is undertaken using HESES data collected at a level of price group, mode, level and length, and that the AMS is expanded to include the option to collect more information if necessary as well as commentary relating to the activities undertaken.

9. It is also recommended that any request for more detailed monitoring of recruitment should be accompanied by information about the use of the data, the consequences for the recruitment against the ASN allocation, and that any further discussion in relation to ASN recruitment should take place with the HEFCE regional team.

10. It is estimated that the additional resource required within institutions to implement these recommendations would be at least half a day per institution allocated ASNs, depending on the level of information required, with additional resource within HEFCE being one day for a member of the analytical services group and per higher education adviser for each of their institutions with ASNs.

Study context

11. The Higher Education Funding Council for England (HEFCE) has changed the method for allocating additional student numbers (ASNs), so that for part of the allocation there is a strong regional focus with the remaining allocation to be aligned with the Strategic Development Fund allocations. As a result of these changes, the process for monitoring of ASNs is being reviewed.

12. HEFCE recognises that the current monitoring arrangements do not allow for precise monitoring of where the additional numbers have been recruited, only giving an overall view of the total student number growth at the institution. However, it is important that any new method, whilst providing robust data and allowing a more strategic approach to planning and monitoring, does not unduly increase the burden on institutions.

13. Two key questions underpin the evaluation of the current monitoring methods and the investigation of new methods:

- a. When institutions have received additional student numbers in the past, how closely have their subsequent activities (for which they have received additional funding) matched those proposed in their bid?
- b. Following the changes to the ASN allocation process and in the light of the findings of this study, will the existing monitoring arrangements be fit for purpose in the future? If more rigorous monitoring arrangements are deemed necessary, what are the options and what are the relative merits of those options?

14. KPMG has been commissioned to undertake a study of the effectiveness of the current monitoring systems and to evaluate their fitness for purpose in relation to the new allocation process. In addition, the study investigates alternative methods of monitoring ASNs. Detailed information about the review process undertaken in the project can be found at Appendix 1.

ASN recruitment across the higher education sector

15. Between 1998-99 and 2004-05, HEFCE allocated over 150,000 ASNs to institutions in the English higher education sector. These numbers were allocated following competitive bidding rounds on an annual basis, with institutional bids being assessed by a national panel.

16. Our analysis focuses on recruitment to ASNs allocated for 2001-02, 2002-03 and 2003-04.

17. Institutions allocated ASNs in these years were set a target to grow in full-time equivalent (FTE) terms as an institution: this is called the funding conditional upon delivery of growth (FCUDG) target. The FTE target aims to ensure that overall growth is achieved rather than there just being a displacement of FTEs within an institution. If the FTE numbers are merely redistributed then the funding allocated for growth will be

withdrawn. If institutions do not meet their target, they are able to recover any funding the following year if they make good the shortfall in numbers – this is known as the ‘second chance’.

18. The following sector-wide analysis explores how institutions allocated ASNs have performed against their targets. The analysis is based on Higher Education Statistics Agency (HESA) data and so excludes all further education colleges (FECs). As a result, lead institutions of HEFCE-recognised funding consortia have also been excluded from the analysis since data from the FEC members of their consortia is not included. Other institutions that have been excluded from the analysis are those institutions that changed status between 2001 and 2004 through merger or transfer of sector, and those institutions for which HEFCE considers that the data are not completely robust.

19. Although these institutions have been excluded, the analysis should be a fair representation of activity across the sector since the majority of ASNs are allocated to higher education institutions (HEIs) and 90 per cent of HEFCE-funded HEIs have been included in the analysis.

20. In 2001-02, within the institutions included in the analysis, there were 17,400 ASNs available, both new allocations and those available to recover funding. However, institutions that had the opportunity to recover funding, or to keep additional funding, under-recruited against their funding conditional upon delivery of growth targets by nearly 6,200.

21. The following year, 2002-03, there was more success in meeting targets. There were a possible 22,800 ASN places available and the level of under-recruitment was only 4,700 ASNs.

22. For 2003-04, using the same comparison as for the previous years, there were 14,900 FTE places available to recruit through ASNs and those institutions with allocations under-recruited again by 4,500.

23. It is likely that institutions will under-recruit against targets in the first year in which they have an ASN allocation because they are not informed of their allocation until relatively late in the recruitment cycle. For the period being reported on here, they were informed in the February before the academic year in which they planned to recruit. This was changed to November for the most recent allocation but the point still remains. By this time their prospectuses will have been published and many full-time students will have made their applications for the following year. The figures above are, therefore, not unexpected and demonstrate the need for the second chance policy.

Consultations with institutions

24. A broad range of 12 institutions was selected from across the sector, representing different types of institution and different regions across England. These institutions were selected to be part of a consultation process to discuss recruitment to past ASN allocations. The consultations were intended to:

- understand how selected institutions have recruited against the priorities identified in their bids for ASNs
- inform further discussions with HEFCE about the need for more detailed monitoring of recruitment to ASNs in the future.

25. Summaries of the priorities indicated in the original ASN bids informed the discussions with institutions. These were organised under key themes relating to the activity undertaken following a successful bid and the institutional structure relating to internal monitoring of recruitment. The outcomes of these consultations are discussed below.

Activity overview

26. The extent of ASN activity undertaken by an institution is often determined by whether the ASNs are being recruited to a new or existing course. Several institutions raised the point that in order to ensure the viability of the proposed course, scoping and planning activity occurs before the bid is submitted to HEFCE. If the ASNs are sought for an existing course it seems that only limited activity occurs before the outcome of the bid is known.

27. The interviews revealed that the majority of institutions bid for ASNs in line with their strategic plans. Internal planning meetings, often with partner colleges of the institution, determine which programmes or broader areas of learning should be applied for through ASN bids. One institution stated that it bid according to HEFCE strategic priorities, however, these were then matched to its vocational strengths. Another institution said it considers its strategic plans in light of HEFCE criteria.

28. Other determining factors appear to be whether the ASN bid is part of a larger strategic development: for example, one institution bid for ASNs as part of a new campus development. Some explained that ASN bids are necessary for recruitment if they are close to the bottom of the tolerance band (the 5 per cent band around standard resource) and therefore cannot grow without additional funding for the increase in student numbers.

29. The timeframe for the current bid application process was raised by participants in all consultations. This included criticism that the current arrangements do not move swiftly enough to respond to industry requirements. Should an opportunity arise with an industry partner the process of applying for and being allocated ASNs was thought to be 'a lengthy process', with the notification period being inadequate to allow institutions to recruit additional numbers. This point was made in light of the Universities & Colleges Admissions Services (UCAS) and prospectus deadlines.

30. Institutional decisions as to whether new courses were included in a prospectus before the outcome of the bid was known vary. For some institutions, the tight timescales mean that new courses are often included in the prospectus and indicated as being 'subject to validation'. This helps to ensure that if the bid is successful there is sufficient market interest to enable recruitment to meet the target. One institution said it had included the courses without a caveat (with the intention that, should the course then not run, students could be transferred to another course within the department). Another institution informed us that it includes the new courses in the prospectus, since it will run them even if the ASN bid is unsuccessful. However, the majority of institutions interviewed had not included the new courses in their prospectuses and then marketed the course locally if the bid was successful.

Institutional structure

31. Within institutions there appears to be a partnership approach to the planning and application for ASNs. The bids are often centrally planned, submitted and quality controlled, with input from the individual academic departments. Should the bid be successful the individual departments then take responsibility for delivery and monitoring. It appears that once numbers are allocated there is flexibility in the internal allocation and monitoring within the institutions. Often the interviews revealed that if ASNs were successfully allocated, but not successfully recruited in the year of allocation, then institutions moved ASNs within departments to a more successfully recruiting course, allowing the new courses to develop and expand in following years. This enables them to take advantage of the second chance with more likelihood of recruitment success.

32. Many of the bids analysed were collaborative, often with an institution's partner colleges. If a bid is collaborative the model of internal distribution is extended to include partner colleges or institutions. Therefore, a central team at the lead institution plans and submits the bid, but day-by-day liaison with collaborative partners is the responsibility of the academic department. If the bid is successful then e-mail or letter notification is circulated to the relevant department or partner institution. The letter, informing of a success, can also act as a contract with the collaborative partner(s) in the case of some institutions, whereas in other institutions meetings are held to discuss arrangements once the outcome of the bid is known.

33. Record-keeping for ASN allocation activity varies between institutions. One institution noted that when HEFCE monitoring of ASNs was more detailed in the past, in-depth records of recruitment against ASNs were kept. However, recently it has reduced detailed monitoring because HEFCE is only monitoring at an overall institutional level. Other institutions closely monitor activity such as looking at spread (in terms of recruitment by specific course) and overall. For example, one institution said that the monitoring of recruitment occurs on a programme-by-programme basis, so it can be demonstrated whether programmes which were planned to grow as a result of an ASN bid, have, in fact, grown. Another institution thought it was important to recognise that monitoring ASNs, which comprise a small proportion of its overall HEFCE budget, was an ineffective use of resources (especially if it has effective audit compliant control in place). One institution stated that once numbers are allocated, they are absorbed into targets for

schools and when monitoring is carried out there is a single approach, so ASN figures are not monitored separately.

34. The institutions consulted did not all have Widening Participation internal targets, however, many were aware of their performance in relation to performance indicator benchmarks. The institutions with internal targets for Widening Participation did not use ASNs as a method of meeting these targets. However, it was thought that foundation degree applications for ASNs meet the widening participation agenda.

Future monitoring of ASNs

35. Future monitoring requirements and the options for that monitoring were discussed with the following HEFCE representatives:

- representatives of the chief executive's group to establish HEFCE's requirement for monitoring and the balance with its desire to reduce the accountability burden within the higher education (HE) sector
- regional consultants to establish the broad views of institutions in relation to the allocation and monitoring of ASNs, the views of the HEFCE regional teams on current information gathering processes, and the views of the regional advisory groups involved in the most recent allocation of ASNs
- members of the analytical services group (ASG) to discuss current data collection methods and the potential to supplement current data collection processes such as the student number returns made to HEFCE and HESA
- a member of the annual monitoring statement (AMS) team to explain the structure and use of the AMS, and to discuss the potential to expand the return to include a report on ASNs.

36. Key themes emerging from the discussions in relation to future ASN monitoring systems are:

- a. The administrative burden should be kept to a minimum in line with the recent HEFCE publication 2005/31, 'Accountability for higher education institutions: consultation on a new process'.
- b. Since ASNs are partially allocated to help meet regional priorities, there may be a need to collect more detailed information in order to monitor whether progress has been made toward those regional priorities.
- c. Some of the ASNs are allocated to meet national priorities, such as foundation degrees and strategic subjects. There will be a need to reassure the Government that student numbers are being recruited in priority areas in order to ensure continued funding for future growth.

37. The key themes above and more detailed discussions about data collection methods informed the emerging options for future data collection listed below.

Emerging options

38. All institutions make returns to HEFCE over the extranet. Some returns are made by downloading a template to complete and then upload, whereas others are made using an html screen, therefore allowing institutions to update data directly into the database. Both methods are efficient and straightforward to use. It is recommended that any future monitoring arrangement should be consistent with this method of data collection.

Higher Education Students Early Statistics survey

39. The Higher Education Students Early Statistics (HESES) survey is an annual return made by institutions to HEFCE in December detailing their student numbers for the current academic year. There is an element of forecasting in the return because the number of students on courses starting after December and the number of non-completing students will not be known at the return date.

40. The data returned in HESES is used to monitor whether institutions have met the targets set for them by HEFCE, for example the funding conditional upon delivery of growth target, and is used to form the basis of the calculation of funding for the following academic year. The HESES survey is also used to collect data for reporting to the Department for Education and Skills, such as the split between student numbers from the UK and those from the rest of the European Community, and the number of students on courses below degree level, such as Higher National Diplomas and Higher National Certificates.

41. In the 2005 HESES survey an additional table was included to collect information in relation to student numbers within HEFCE-recognised funding consortia, demonstrating that the survey can be expanded to collect data covering other areas. As a result, there is the potential to add a table collecting data in relation to ASN recruitment.

42. Benefits of using this survey to monitor ASN recruitment are:

- a. Institutions are familiar with the survey and, because it is an existing survey of all their HE students consisting of eight tables, there would not be much additional burden to completing one more table.
- b. FECs return an equivalent survey, so an additional table could be added to be completed by those FECs that have been allocated ASNs.

43. The potential disadvantages to using this data collection method are:

- a. The return is purely data based and so there would be no availability for institutions to comment on the actions they had taken to recruit to ASNs, even if there was no take-up from students.
- b. Because of the time of year at which the return is made, there would be an element of forecasting where the additional numbers were for a course which started in January.
- c. HESES collects data broken down by price group, mode of study and level of study. Some ASN allocations may not have been made on the basis of a particular course

and so could not be monitored effectively using this method, for example funding allocated through the Strategic Development Fund (SDF) for assistance with a merger.

- d. It is possible that as a result of the review of the teaching funding method, HESES would no longer be used to inform funding and monitor against targets and so would not be able to be used for this purpose.

Higher Education Statistics Agency individualised return

44. HEIs make an individualised student number return to HESA on an annual basis to reflect the position at the end of the academic year. The return contains data on all students at the institution and once it has passed validation checks by HESA, it is passed to HEFCE in the December following the academic year reported on.

45. There are many fields contained in the individualised student return and each year there is an opportunity for HEFCE to propose the introduction of new fields. A potential method for monitoring recruitment against ASN allocations would be to introduce a new field to flag up any student that is considered by the institution to count towards its ASN allocation. For example, if a new course was started with the ASN allocation, all students in the first year on that course would be flagged as ASNs.

46. Benefits of using this method to identify recruitment against ASNs are similar to those for using HESES:

- all institutions make a return to HESA and one additional field on the individualised student return would create minimal additional burden
- FECs make an equivalent return to the Learning and Skills Council, so there is potential for there to be a similar additional field added to that return
- data are returned at the end of the academic year so there would be no forecasting.

47. The disadvantage to using this monitoring method is:

- a. A fundamental review of the fields used in the HESA student return is ongoing and will not be completed until 2007-08. HEFCE is not keen to introduce any new fields except as part of such periodic reviews, so there would be no scope to introduce a new field in time to monitor ASN recruitment in 2006-07. However, there is an existing field that could be used in its place – the programme of study identifier. The potential problem with using that field is that the institution decides what to return in that field and might not choose to use it in this way.

Annual monitoring statement

48. The AMS is made by all HEIs to report on their progress against specific funding allocations such as the Teaching Quality Enhancement Fund, the Higher Education Innovation Fund and Research Capability Fund. It is currently returned in July, reporting on activity in the previous academic year.

49. The AMS used to be quite a complex return, with institutions having to report against all targets initially agreed when the relevant allocation was made. This has been changed for the 2005 return, however, so that institutions have to either simply state that they have met their targets or expand on their reasons for not meeting the targets. For those institutions that have met their targets, the return is now very straightforward. Follow-up discussion on the responses made in the AMS take place at the meeting between the institution and the regional team.

50. There is potential to expand the AMS to include a question on recruitment against ASN allocation. Benefits of using this method are:

- institutions are familiar with the AMS and are likely to find it easier to deal with since changes have taken place to ensure it is less burdensome
- the return is made in July so an HEI can report on the past academic year with no element of forecasting
- the question can be institution specific so it could reflect the priorities in the bid, such as a new course or Widening Participation
- there would be potential for written explanation where the targets have not been met, to reflect any work that was undertaken by the institution in order to try to meet the targets
- the return is signed off by the head of the institution as being a true and accurate response and is auditable (although no return has ever been audited).

51. There are, however, disadvantages to using this return for the monitoring of ASNs:

- FECs do not make an AMS return, so they would have the burden of making an extra return
- there is no detail on numbers in the return. This may only be a disadvantage if there are plans to report specifically on the numbers recruited, rather than just activity.

Reporting separately for strategic and regional allocations

52. Institutions that have received funding through the SDF have to report to HEFCE on their use of the funds. If they are allocated ASNs along with their funding, it would be possible to require that they report on ASN recruitment at the same time as they report on the use of SDF funding.

53. The advantage to using this method for the strategic growth of ASNs is that it is consistent with the funding allocation and should impose minimal burden as the return is already a requirement of the SDF award. However, there are likely to be occasions when the funding and ASNs are not needed at the same time – where the funding is needed ahead of the students being recruited. This would involve separate returns being made to report on the ASNs.

54. Institutions that have received funding through the regional allocation could report collectively as a region to HEFCE. Since such allocations were decided by the region to

fit with the agreed priorities for that region, it would encourage further collaborative working if they were to make a return regionally as well. However, this would be an additional burden as there is no such survey at the moment.

55. Institutions that have received ASNs through both routes would experience administrative burden under this option that they would not under others.

New survey

56. The final option is to introduce an entirely new survey to capture information about ASN recruitment. This would have the advantage of being able to be tailored exactly to HEFCE's needs since it would not have to conform to an existing structure.

57. The main disadvantage of this option is the additional burden that would be placed not only on the institutions, but also on HEFCE.

Further consultations with institutions

58. Although the initial consultations revealed that institutions are undertaking activity in the areas to which they have been successfully allocated ASNs (even if they do not recruit to those areas in their first year of allocation), there may still be a need for more detailed monitoring in the future.

59. The institutions selected for discussion in relation to past ASN recruitment were consulted with again, to discuss their views on the potential future monitoring of ASNs.

Implications of more detailed monitoring

60. As part of the consultation, institutions generally agreed that there would be more risk involved in bidding for ASNs if there were more detailed monitoring with funding implications. This was felt to be more the case if the funding implications were to occur in the first year of allocation, since institutions are currently given two years to recruit their student numbers and there was a general view that new courses take time to establish themselves and, therefore, recruit sufficiently.

61. One institution indicated that there is already an additional burden involved in being allocated ASNs – that of the funding being conditional upon delivery of growth target – which has not discouraged them from bidding for ASNs, as yet. They stated that institutions welcomed the opportunity to grow and that more detailed monitoring would not necessarily mean that they would not bid for the additional funded places.

62. Institutions were concerned that any additional monitoring should be considered with the principle of proportionality in mind, in line with the aims of the Better Regulation Commission and the Higher Education Regulation Review Group. Most institutions agreed that a small additional burden was acceptable if it helped to ensure ASNs were available in the future.

63. Institutions see flexibility as being a key factor in recruiting to their courses, be they existing places, or those available through ASNs. They feel strongly that any detailed

monitoring of ASN recruitment would remove some of the flexibility currently available to them and restrict the dynamics of supply and demand within an institution or a partnership with other institutions.

Views on emerging options

Higher Education Students Early Statistics survey

64. Institutions felt that it was already possible to monitor ASN recruitment in more detail through HESES than the current overall institutional level of monitoring. They felt that an early indication of ASN recruitment can be seen through HESES, at the level of detail of price group, mode, level and length of course. Therefore, if the monitoring needs to take place at a more detailed level, but not at a very detailed level, HESES seems to be the most appropriate survey to use, but without adding an additional table to collect information.

65. Concerns around using HESES to monitor ASNs related to two main areas:

- the forecasting element of HESES
- the potential that HESES may not exist in its current form following the current consultation on the teaching funding method.

Institutions were concerned that there are forecasting elements to HESES that could be more problematic to courses with ASNs than other courses. Some courses are likely to have late starts because of difficulties with start-up times and it is more difficult with new courses to forecast non-completion rates, since there are no comparators. One institution suggested that this fact might lead some institutions to take a positive view on the potential non-completion rate. Institutions are unsure about whether HESES is the best option for more detailed monitoring because of its potentially short lifespan, if there is a move to allocate more funding based on HESA data.

66. Another concern raised during the consultation was that HESES already has a tight timescale for response and if any additional information were to be completed, there would be a resource implication in responding against the existing timescale. The final comment raised in relation to HESES was that it is purely statistical. If the monitoring needs to be at a statistical level alone, then this was considered suitable. However, many institutions would prefer the opportunity for a more qualitative monitoring process. Institutions were divided on whether the verification process between regional teams and institutions was an appropriate place for this dialogue to take place.

Higher Education Statistics Agency individualised return

67. Institutions felt that using the HESA student return to monitor ASNs would be highly resource intensive and impractical. They felt that it would be almost impossible to identify individual students as being additional where the ASNs were not allocated for an entirely new course. They also felt strongly that there were already a large number of fields to be completed on the HESA student record, causing an unnecessary

bureaucratic burden and hoped that the current review of the return would decrease the number of fields required, rather than increase them.

68. One institution observed that an additional burden would be created because of the need to adjust their student records system to deal with an additional field. Many institutions raised a similar concern as with HESES in that there is no opportunity for narrative with such a highly statistical return.

69. One institution indicated that it currently uses the programme of study identifier field for another purpose and so would be unable to use it to report ASNs, in the absence of a new field.

70. It was felt that the only advantage of using HESA to monitor ASN recruitment in more detail was that there would be no forecasting element.

Annual monitoring statement

71. Using the AMS was the method preferred by almost all institutions for more detailed monitoring of ASN recruitment. The only disadvantage raised was that it would be less detailed than HESES or HESA and if HEFCE requires the monitoring to be done at a very detailed level, it would not be suitable.

72. Advantages to using this method were felt to be that it was the most efficient of all the options and required the least additional resource (institutions suggested no more than half a day), as there are no forecasting elements because of the timing of the return. Also, in the AMS there is an opportunity for qualitative statements to be made if the institution wishes. Other advantages identified were that the questions can be as detailed as HEFCE requires and can be altered for different institutions, depending on the priorities of the bid at those institutions. It was also mentioned that this method is a 'fit' with other additional funding allocations, and since the return is auditable and signed off by the head of the institution, the institution will provide accurate and verifiable responses.

Reporting separately for strategic and regional allocations

73. Institutions felt that reporting separately for strategic and regional allocations may seem logical for the strategic allocations, but not for the regional allocations. They felt that reporting growth as a region added an extra, unnecessary layer of bureaucracy to the monitoring process since institutions, not regions, are funded for their ASNs. Institutions also felt that there might be tensions caused between institutions within regions if they were to report collaboratively, sharing information about their recruitment. One institution even stated that it would not bid for ASNs if the monitoring was undertaken at a regional level.

74. A number of institutions made the comment that once ASNs have been allocated to an institution, they are all treated as additional places and are not monitored differently internally, although they are from different allocations. It was commented that there may be a number of 'groups' of ASNs from phased places, the latest allocations, second

chance numbers, lifelong learning network numbers and collaborative bids as well as the existing student numbers and that it would be a complex and burdensome process to track them all separately.

New survey

75. Most institutions commented that they would prefer not to have a new survey if there are existing returns that could be expanded or amended to collect the information required by HEFCE.

76. One institution, however, thought that this was the best option for monitoring ASNs. It considered that the return made in December detailing the courses to which it was allocating its ASNs could be expanded to monitor recruitment against the numbers. This would be a simple adjustment to the form that institutions have already completed, and consistent with the allocation of ASNs.

Further comments

77. Institutions were keen to indicate that any requirement for increased detail would lead to additional burden, but that if that information was required by HEFCE in order to allocate ASNs in the future, then it was more important that ASNs were allocated than the burden kept low. Institutions were also keen that HEFCE should indicate why there was a need for more detailed monitoring, what the information would be used for, and what the consequences were for institutions.

78. Another comment raised was that recruitment to ASNs does not always happen in the year of allocation. Most institutions raised the issue that new courses take time to become established and so more recruitment may follow to those courses in time. One institution also raised the issue that on courses with high demand, it may be possible that ASNs are recruited ahead of their allocated year and if an institution has flexibility in the tolerance band to take on this recruitment early, then it may do so and recruit fewer students the following year.

Conclusions

79. From the first consultations with institutions it was clear that institutions have grown when they have been allocated ASNs and the courses for which they were allocated numbers were started and continued. It is also apparent, however, that recruitment did not necessarily occur in the initial year of allocation. It is recommended that there should be more discussion with institutions around progress towards ASN recruitment on an annual basis, allowing them to provide a commentary about their activities. This should be undertaken through the AMS process with further discussion taking place at annual meetings between the regional teams and the institutions.

80. In the past, institutions bid for ASNs in line with their institutional priorities and the most recent allocation has included an element of allocation against regional priorities. However, consultation with institutions has revealed that they have continued to bid for ASNs in line with their own institutional priorities, but only where they fit the regional priorities.

81. If future monitoring of ASN recruitment is to be more detailed than the current funding conditional upon delivery of growth target, then it is recommended that a broad analysis is undertaken using HESES data collected at the level of price group, mode, level and length. The AMS should also be expanded as indicated to contain a section to collect more information about recruitment accompanied by commentary about institutional activities in relation to ASNs.

82. It is also recommended that any request for more detailed monitoring of recruitment should be accompanied by information about the use of the data and the consequences of ASN recruitment. Any further discussion in relation to ASN recruitment should take place with the HEFCE regional team.

Resource implications

83. The additional burden to institutions of completing an extra section on the AMS would be no more than half a day of work for the person who currently completes the survey. Additional burden for HEFCE staff associated with this monitoring method would be one day for a member of the ASG, to undertake the analysis of HESES data and report recruitment to the regional teams and chief executive's group, and half a day per institution for the regional teams, to undertake analysis of the AMS and discuss the recruitment with the institution during the annual meeting.

84. The consultations revealed that these resource implications would be acceptable to institutions if the additional information could assist in making the case for further growth to be available in the future.

Appendix 1

Review methodology

1. A description of the process undertaken is detailed below.

Phase 1 – Desk-based analysis of past growth against allocations

2. For the first part of our work, the KPMG team worked closely with the HEFCE member of the project team to undertake a broad analysis of recruitment to ASNs allocated in 2001, 2002 and 2003. This was carried out using the annual student number returns made to HESA, enabling the analysis to be undertaken at cost centre level.
3. This analysis enabled some sector level conclusions to be drawn about recruitment to ASN allocations as well as helping to determine a selection of institutions with which to consult further.

Phase 2 – Consultations with relevant HEFCE staff

4. The KPMG team also conducted interviews with HEFCE staff, including:
 - members of the chief executive's group, to understand the needs of HEFCE in relation to accountability and the relationship with the sector
 - members of the analytical services group, to gain a more detailed understanding of the data collection methods available to be used in relation to the monitoring of ASNs, as well as their views on past and current methods
 - members of the team working on the AMS, to seek their views on methods currently used to collect information from institutions and how they could be used in the future in relation to ASNs
 - regional consultants, to seek their views on the expectations of institutions and regional bodies in relation to future potential monitoring arrangements.

Phase 3 – Consultations with institutions

5. Following the desk-based analysis of data and in consultation with HEFCE, KPMG selected 12 institutions with which to discuss their activities following the allocation of ASNs. These institutions reflected a mix of types of institutions and a spread across the regions.
6. A summary of each institution's original bid was produced to inform these discussions.
7. Discussions also took place with the same institutions to determine their views on potential future additional student number monitoring arrangements. KPMG explored with them the likely impact of any potential changes to monitoring of ASNs on their institutions, particularly in relation to administrative burden. As part of the consultations, the potential additional cost to institutions of the monitoring arrangements was also raised as a question.

Phase 4 - Reporting

Interim progress report

8. Following the desk-based analysis, the consultations with HEFCE staff and some initial consultations with institutions, KPMG determined the degree of fit between allocation and delivery of ASNs in past bidding rounds as well as producing a set of potential options for future monitoring arrangements and the associated data collection implications.

9. The results of these first stages of the project were fed into the interim progress report.

Final report

10. The final report contains the outcomes of all three work streams. It also contains KPMG's recommendations on the future monitoring of ASNs and what those recommendations mean in terms of burden and broad additional cost for HEFCE and the sector.