

HEFCE 02/22

April
Consultation

Respond by Friday 19 July 2002

Funding for widening participation in higher education

New proposals 2003-04 to 2005-06

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To	Heads of HEFCE-funded higher education institutions Heads of HEFCE-funded further education colleges Heads of universities in Northern Ireland
Of interest to those responsible for	Strategic and corporate planning, Widening participation, Learning and teaching
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Executive summary

Purpose

1. We have been considering how we can best help the sector to increase and widen participation, and in particular how to address the need for additional funding to support a diverse range of students. This document seeks views on proposals to develop our strategy and funding methods for widening participation.

Key points

2. There are a number of widening participation initiatives in the higher education sector, which can cause a burden to institutions. We propose to rationalise our existing widening participation policy and funding to facilitate the delivery of the Government's targets for increased participation.

3. We propose to modify the way we allocate the widening participation funding at present made by reference to postcode, and also to consider which institutions receive this funding.

4. We have consulted on a new initiative, Partnerships for Progression (HEFCE 01/73), which will become our principal vehicle for 'outreach' activity to raise the aspirations and attainments of young people to enter higher education. It is intended that this initiative will subsume all our outreach work, including the existing widening participation regional projects.

5. We propose to allocate transitional funding to cover the period between the completion of the regional projects and the start of the Partnerships for Progression funding. This would allow projects to evaluate, disseminate and embed good practice, and ensure continuity of staffing so that existing partnerships can be maintained and developed where appropriate to meet the requirements of Partnerships for Progression.

6. We plan to set sector-wide targets for both widening participation and retention. We propose to ask institutions to revise and resubmit their action plans and associated targets in summer 2003, to incorporate activities associated with the new funding streams. The release of widening participation funding will continue to depend upon the submission of satisfactory targets, and satisfactory progress towards those targets. We propose that the submission of widening participation strategies and action plans will become a condition of grant from 2003-04.

Action required

7. We invite responses on the issues summarised in paragraph 56 to be sent by e-mail to wpconsultation@hefce.ac.uk **by Friday 19 July 2002.**

Background

8. In November 2000 we consulted the sector on our access and widening participation¹ strategy and accompanying funding proposals for 2001-02 to 2003-04 (HEFCE 00/50). This document updates our strategy and consults on a number of new proposals.

9. In our linked guides to good practice for widening participation and for learning and teaching (HEFCE 01/36 and 01/37), we described our strategy in more detail under the headings of outreach and student progression. There is some overlap between the two, particularly with activities designed to prepare students better for the higher education (HE) experience.

a. Outreach:

- activities to increase participation in HE by under-represented groups
- activities to raise the aspirations of all to attend the institutions best able to match their abilities, interests and needs
- activities to prepare students better before they attend HE
- good practice in admissions policies and procedures
- activities to enable more disabled students to enter HE.

b. Student progression:

- activities to ensure that all students have the best possible chance of succeeding in their studies
- activities to enable disabled students to have a better chance of success
- activities to enhance the employment prospects of students.

10. An important element in our strategic thinking is the mutual interdependence of activities and programmes focusing on widening participation and on learning and teaching. This was referred to in HEFCE 00/50 and was the subject of seminars held around the country for pro vice-chancellors and vice-chancellors.

11. The interdependence of learning and teaching and widening participation becomes all the clearer as higher education institutions (HEIs) seek to draw in more students with vocational and other level three qualifications. As we work towards the Government's target of 50 per cent participation in HE by people aged under 30, HEIs will be admitting more students who may not be suited by the degree courses currently on offer. Institutions may therefore need to change the nature of their courses and their styles of support and delivery.

12. We will provide further funding over the next three years to support improvements in learning and teaching, under the Teaching Quality Enhancement Fund (TQEF). Details will be published in April 2002.

13. Following the consultation in 2000, we set out our funding decisions in HEFCE 01/29, providing an extra £29 million a year until 2003-04 to existing programmes to support access and widening participation. Through this document we issued a further request for widening participation strategies; and gave guidance to help institutions address key objectives, and to show how their activities related to

¹ We use the term 'widening participation' to denote activities to recruit students from the groups that higher education institutions have identified as under-represented, and then to ensure their success. These groups may include disabled people, either as a group in their own right or as students who are both disabled and belong to another under-represented group.

the outreach and student progression elements of the student life cycle (outlined in paragraph 9 above). Institutions were encouraged to describe how they would improve provision for students with disabilities, in particular using their recurrent funding earmarked for this purpose.

Excellence Challenge

14. The Government's Excellence Challenge programme provides the broad context within which our widening participation policies are developed. It was launched in September 2000, with funding for three years to help improve access to higher education for bright young pupils from poorer backgrounds (see HEFCE 00/50). Excellence Challenge encourages institutions to widen participation through activities such as recruiting more admissions staff, sending ambassadors to schools and further education colleges, and running open days and summer schools for young people and their teachers. We encouraged institutions to use around £12 million of the additional resources we announced in HEFCE 01/29 to promote activities and networks outlined in the Excellence Challenge programme.

Government targets for higher education

15. The Government has set the following targets:

- that 50 per cent of those aged between 18 and 30 should benefit from HE by the end of the decade, while maintaining standards
- wider participation in HE, in the sense of a more representative social mix
- significant year-on-year progress towards fair access for all social groups to all institutions, as measured by the HEFCE performance indicators
- lower rates of non-completion.

16. These targets, and the implications for institutions, are discussed in paragraphs 47-49 below.

17. The Government is currently reviewing its policies for student support, which could have a significant impact upon our widening participation policies and aspirations, and whatever targets are set for achieving these.

Research on supply and demand

18. In October 2001 we published a report on supply and demand in higher education (HEFCE 01/62). It shows that future growth in student numbers will depend upon more pupils staying on at school, and attaining level 3 qualifications. This will require work from both HEIs and further education colleges, working in partnership. We have been considering how we can support this work.

19. Our policy needs to address participation in HE by improving attainment at levels 2 and 3, and by encouraging more and better prepared students to stay on at age 16 and progress to HE. There is also a need to provide workplace learning to increase skills levels and routes into HE.

National Audit Office reports

20. In January 2002 the National Audit Office published two reports, 'Widening participation in higher education in England' and 'Improving student achievement in English higher education'.

21. The main findings of the widening participation report were:

- women and ethnic minorities have high participation levels in HE
- HE funding bodies and providers are taking positive action to remove barriers to participation in HE by disadvantaged groups
- there is scope to widen participation further by developing existing good practice.

22. The main findings of the student achievement report were:

- overall achievement rates are impressive
- nearly all HEIs are performing in line with benchmarks for achievement and employability
- to achieve government targets, institutions will need to encourage wider participation, maintain standards and raise achievement rates.

Evaluation of the HEFCE's widening participation policy

23. An independent evaluation of our widening participation policy will be published in summer 2002.

24. The key findings of the evaluation to date are as follows:

- a. It is difficult to show how HEFCE policy is translated into action by HEIs, owing to the diversity of institutions. There is also a potential mismatch between the available measures of performance and policy objectives. There is a danger that, on the one hand, institutions will distort their missions by chasing performance indicators rather than meeting policy intentions; and on the other hand that there may be good relevant work which is not measured by the performance indicators.
- b. There is general support among HEIs for our overall intentions for widening participation, although many criticised a lack of clarity about funding and a lack of holistic thinking.
- c. Almost all HEIs have a stated commitment to widening participation, and support its expansion, though this support is far from uniform.
- d. Academic staff see widening participation mainly in terms of recruitment of students from specific groups. Retention and support are also mentioned in relation to widening participation, but less often, and employability does not seem to feature at all. Academics feel that a barrier to widening participation is that the funding provided to academic units does not reflect the time and resources required to support students who are most at risk of dropping out.
- e. Most HEIs have found that producing their initial widening participation strategic statements was a useful process. It provided a focus for institutional activity, assisted in planning, and reinforced existing institutional commitment.
- f. Many institutions are likely to find the new legislative requirements under the Special Educational Needs and Disability Act 2001 challenging, and may require support to meet them. Academic staff tend to take a reactive rather than a proactive approach to teaching students with disabilities.

25. The study indicates a widespread view in the sector that, taken with the Government's activities, there are too many widening participation and access initiatives, and a lack of clarity about who is responsible for what. Our proposals go some way to addressing this.

HEFCE widening participation unit

26. We have created a unit within the HEFCE, chaired by the Chief Executive, to bring together all the strands of our activities to widen participation. Its remit includes developing, implementing and reporting on our widening participation strategy and policies; setting objectives; and managing delivery against targets.

Proposals

27. We aim to rationalise the programmes that we fund, to reduce the burden on institutions and to provide a coherent method of funding widening participation. We propose a direct link between our funding and two elements of the student life cycle – outreach, and student progression.

28. Our proposals partly depend on the outcome of the Government's spending review for the three years 2003-04 to 2005-06. The conclusions of the review are expected to be announced in July 2002. We believe that there is a need for substantial investment in widening participation if we are to meet our aims and the Government's targets.

Outreach: Partnerships for Progression

29. The principal vehicle for outreach activities will be the proposed Partnerships for Progression initiative, which has been the subject of consultation (HEFCE 01/73). The initiative will be jointly funded by us with the Learning and Skills Council (LSC). Its focus is contributing to achievement of the Government's target that 50 per cent of 18-30 year-olds should benefit from higher education by 2010. We propose that this should subsume all our outreach initiatives, including those currently funded separately such as summer schools, the National Mentoring Pilot Project, and regional projects. It should also take account of the needs of students with disabilities.

30. The initiative will build upon and encompass the extensive regional and local partnerships that already exist. It aims to:

- raise pupils' aspirations and motivation to enter HE from age 13
- raise the achievements of students from age 13, so that they gain the skills they need to go on to HE
- strengthen progression routes into HE from schools and further education colleges
- raise achievement and strengthen progression routes into HE for adults through workplace learning.

31. An analysis of responses to the Partnerships for Progression consultation will be published in summer 2002.

32. Although the Partnerships for Progression programme is concerned largely with young, first-time entrants to HE, the HEFCE and the LSC remain committed to lifelong learning, and to encouraging part-time and mature students. We are discussing with the LSC how to promote wider participation for adults in a lifelong learning context, as well as through workplace learning.

Transitional funding for widening participation regional projects

33. In HEFCE 01/73, we said that we would wish to ensure a smooth transition from the existing special projects in each region to the extended arrangements in the Partnerships for Progression proposals.

34. We have now set aside funds to cover the period from the end of the current regional and sub-regional widening participation projects in December 2002, to April 2003, when we expect Partnerships for Progression to start. This transitional funding is pro-rata to the £7.5 million we currently spend on the regional projects and our contribution to the joint initiative with the LSC. The purpose is both to allow projects time to evaluate, disseminate and embed good practice, and to ensure continuity of staffing so that existing partnerships can be maintained where appropriate and developed to meet the requirements of Partnerships for Progression.

35. There has been much good practice coming out of the special projects, and we are keen that this should not be lost. The work of disseminating and embedding good practice at the local, regional and national level would be supported by the proposed national co-ordination team (see paragraphs 54-55 below).

36. The existing regional projects vary. Some involve all or most of the HEIs in a region or sub-region and many other partners. These provide a good basis on which to build the more extended arrangements and structures that will be needed for Partnerships for Progression. Others focus on a particular activity and involve few partners. Though valuable and, in most cases, achieving their aims and objectives effectively, these projects do not always provide the basis on which to build for Partnerships for Progression.

37. We propose to invite the regional partners to review all the existing arrangements in each region, to draw on the expertise of staff, and to build on the existing structures where appropriate. Once we know the outcome of the Government's spending review, we will involve our existing Regional Advisory Networks and other regional bodies, including the regional HE associations, in implementing the transition.

Funding to raise aspirations

38. We allocated funds to HEIs with an intake of less than 80 per cent from state schools and further education colleges, to enable them to do more to encourage applications from such students. This will cease after 2003-04, and no further specific funding is proposed. As announced in HEFCE 01/29, we expect institutions to continue with the activities funded by this allocation, and in particular to ensure that their admission policies and procedures allow fair access for all students.

Student progression

39. The other strand of our strategy – to enable students to succeed once they are in HE – requires additional funding so that institutions can support the students most at risk of dropping out. At present, we provide additional funds through a 'postcode premium', based on the number of students recruited from areas where participation in HE is lower than average (using a geodemographic classifier). The rationale for this funding method was set out in HEFCE 98/39, as were the alternatives available to us at that time. The method of funding for the 'postcode premium' recognises that disadvantaged students tend to have higher non-completion rates, and therefore need more support than others, and

consequently incur higher costs. One drawback to this method of allocation has been that, although the funding was intended to recognise costs and not to act as an incentive, in some cases it has led to 'postcode chasing' in the sector.

40. We have looked again at the data on student non-completion, and have established that, although there is a relationship between the location of students' homes and their propensity to drop out, this relationship is indirect. The direct relationship is between non-completion and a student's age and their previous educational experience. Because there is also a strong correlation between previous educational experience and family background, the postcode has provided a reasonable proxy for propensity to drop out. However, a premium based on the more directly relevant factors would seem more logical. This would help to provide funding for resources and infrastructure for those students who are less well prepared for HE, and would not encourage a similar form of 'postcode chasing'. We believe that entry qualifications would provide a more reliable measure for identifying students at risk of dropping out. We propose therefore to change the basis for allocating the premium to one which uses a profile of entry qualifications and age.

41. An alternative proposal might be to allocate funding using a combination of prior entry qualifications and a geodemographic classifier. This would have the benefit of taking into account directly relevant factors while also taking into account some aspect of family background. However, this may still encourage some form of 'postcode chasing', and would not necessarily target the money to those students less well prepared for HE. We would welcome views from the sector on this.

42. We have reviewed one further aspect of our funding method. At present, institutions receive no funding in respect of students who withdraw from a course before they have completed the year of study, even if they have completed modules during that year. This has tended to disadvantage the institutions that are most engaged in widening participation, and which have larger numbers of students at risk of failing to complete.

43. We looked carefully at whether we should modify our funding method to provide funds for students who have successfully completed part of their course but not a full year of study. We could do this, but it would introduce considerable complication into the funding and data verification process. For example, institutions that wanted to benefit would need to submit a module completion record, which many do not have at present. To extend this change to part-time students as well would be logical, but would add to the complication, and would increase the burden on institutions when we are seeking to reduce it.

44. We have considered focusing the funding that is available on those institutions with the highest proportion of students at risk of failing to complete. We could do this by limiting eligibility for the funds to, say, the top quartile or the top two quartiles of such institutions. It is arguable that HEIs with large numbers of students at risk do incur a step change in costs, and this approach would concentrate funds on those institutions most engaged in widening participation. However, it would also mean that some institutions would not receive an allocation for widening participation. The risk is that HEIs which did not receive additional funding might consider themselves 'excused' from the need to widen participation.

45. The alternative would be to continue distributing funds in a similar way to the 'postcode premium', where the quartiles are weighted differently, and funding is distributed via a formula which reflects these weightings. We would want to take into account the views of the sector before making a decision about this proposal.

46. We would have to make it clear that this allocation is to recognise the costs of dealing with significant numbers of students at risk of dropping out, and not as an incentive to widen participation. Widening participation should need no incentive. Any costs associated with widening participation outreach activities will in future be met by the Partnerships for Progression programme.

Institutional targets

47. In her letter announcing the HEFCE's grant for 2002-03, the Secretary of State asked us to agree sector-wide targets with the Department for Education and Skills (DfES) in four areas:

- a. Increased participation (concerned with the Government's plan that 50 per cent of 18-30 year-olds should participate in HE by 2010).
- b. Widened participation (concerned with the proportion of students from lower social groups in the HE sector as a whole).
- c. Fair access (concerned with the proportion of students from lower social groups attending individual institutions).
- d. Retention (concerned with reducing non-completion).

48. We are developing with the DfES the form of sector-wide targets for increased participation, fair access, and retention. We are exploring ways to measure the proportions of different social groups who participate in the sector.

49. These targets will relate to the sector as a whole. However, we will need to discuss targets with individual institutions to ensure that together they will meet the sector targets. We are considering the implications of this, and will separately make proposals for the development of individual targets. We would expect these targets to be incorporated into each institution's action plan, following discussions with us to ensure that the targets are feasible.

Widening participation strategies and action plans

50. By November 2001 we received revised widening participation strategies and action plans from all HEIs. Any further revisions would normally be sent to us with institutions' annual operating statements, and we would expect institutions to submit revised strategies in 2004. In light of the proposed Partnerships for Progression initiative and any changes in widening participation funding which follow this consultation, we will ask institutions to revise and resubmit their action plans and targets in summer 2003 to incorporate activities associated with the new funding streams. We will issue a new template for action plans so that institutions can show their activities, targets and milestones against our funding priorities and targets.

51. Under the Race Relations (Amendment) Act 2000, the Council is required to examine and report on whether institutions are meeting the general and specific duties under the Act. These include: eliminating unlawful discrimination; promoting equality of opportunity; and promoting good relations between people of different racial groups. We would expect institutions to take the requirements of the Act into account when updating their strategies.

52. Because widening participation is such an important policy concern for the HEFCE and the Government, the HEFCE Board has proposed that the submission of widening participation strategies and targets should become a condition of grant from 2003-04. We would enter into discussion with any institution before withholding funding. We seek the views of the sector on this.

53. As previously (HEFCE 01/29 paragraph 37), we will make the release of funds for widening participation contingent upon receipt of satisfactory targets and progress towards those targets.

Widening participation co-ordination team

54. We plan to appoint a co-ordination team to support and advise institutions on strategic planning, as well as to work regionally on the Partnerships for Progression initiative. This co-ordination team would:

- support the development of institutional widening participation strategies
- facilitate the dissemination of good practice in priority areas of widening participation at institutional, regional and national level
- provide a thematic and strategic focus across the sector
- support us in delivering our targets for widening participation, fair access, and student progression
- support projects funded under the Partnerships for Progression initiative
- work in collaboration with other national co-ordination teams, the Learning and Teaching Support Network, and with HEFCE regional consultants.

55. We envisage that this team would build on the work by Action on Access, the existing co-ordination team for widening participation. We would want to allow an overlap, so the existing experience will not be lost. We will therefore advertise for tenders in April for appointment in November 2002. This is the same timetable as for the appointment of a new co-ordination team for disability. Combined bids for both team functions are acceptable.

Consultation points

56. Institutions are invited to comment on the following issues:

- a. Should we alter the method of distributing the widening participation funding currently allocated by reference to postcode, to reflect the previous educational achievement and age of students? Or, should we adopt a method of distributing the widening participation funding that takes into account both previous educational achievement and geodemographics?
- b. Should additional funding be provided only to those institutions with the highest proportion of students most at risk of dropping out?
- c. Should we provide funding for students who complete part of their studies, but not a full year of programme? (This would need to be based on additional data returns from HEIs showing the modules completed by students.)
- d. Should we make submission of widening participation strategies and action plans a condition of grant?

Timetable

57. Institutions are asked to comment by e-mail on our funding proposals **by Friday 19 July 2002**. Please send responses to wpconsultation@hefce.ac.uk.

58. In the interests of openness and transparency, we will make all responses publicly available unless respondents specifically ask us to keep them confidential. Respondents' names and organisations will not be published.

59. Subject to the outcomes of the current spending review in July 2002, we plan to issue a publication in the autumn outlining our funding decisions. We would expect any changes to funding to start from 2003-04.