

October 2011/30

Core funding/operations

Invitation to bid

Responses must be e-mailed by
Friday 11 November 2011

This document: sets out our decisions on the setting of student number control limits for 2012-13; invites eligible institutions to bid for a share from the 'margin' of up to 20,000 places; provides guidance on this bidding process; and provides guidance to institutions specialising in the creative and performing arts on the choice available to them for their student number control limit.

Student number controls for 2012-13

Invitation to bid for student places

Student number controls for 2012-13: invitation to bid for student places

To	Heads of HEFCE-funded higher education institutions Heads of HEFCE-funded further education colleges Heads of further education colleges not directly funded by HEFCE
Of interest to those responsible for	Planning, Finance, Student recruitment
Reference	2011/30
Publication date	October 2011
Enquiries to	HEFCE institutional teams (searchable list of contact details available at www.hefce.ac.uk/aboutus/cop/contact/)

Executive summary

Purpose

1. This document sets out the HEFCE Board's decisions, following consultation, on the setting of student number control limits for 2012-13. Specifically, it deals with the implementation of the Government's policies that:
 - a. Students with entry qualifications equivalent to, or higher than, grades AAB at A-level, ('AAB+ equivalent students'), should no longer be included in the student number control population.
 - b. A 'margin' of up to 20,000 places should be created by reducing the 'core' residual student number control population (that is, those remaining after removing AAB+ equivalent students). These places should be redistributed only to those institutions charging an average annual net tuition fee of £7,500 or less and meeting other criteria.
2. This document also:
 - a. Invites eligible institutions to bid for places made available from the margin of up to 20,000 places and provides guidance on the bidding process.
 - b. Invites specialist institutions in the creative and performing arts, which recruit mainly on the basis of audition or portfolio, rather than entry qualifications, to submit an evidence statement to HEFCE for consideration if they wish to opt out of both the AAB+ and core/margin arrangements for 2012-13.
 - c. Indicates that an appeals process will be in operation in relation to student number control limits for 2012-13.

Key points

3. HEFCE will set student number control limits for each higher education institution (HEI) and further education college (FEC) for 2012-13. This is an entry control, not a whole number control.
4. The HEFCE Board has now considered the responses that we received to the consultation¹ on implementing the changes to the setting of student number controls that were proposed in the Government's White Paper, 'Students at the Heart of the System'². It has agreed that we should implement the proposals on student number controls, with the following modifications:
 - a. Students entering with the International Baccalaureate should be treated as within the AAB+ equivalent population only if they have 35 points or more.
 - b. Institutions specialising in the performing and creative arts that recruit primarily on the basis of audition or portfolio may submit an evidence statement to HEFCE for consideration if they wish to opt out of both the AAB+ and core/margin processes.
 - c. We will exclude numbers associated with currently identified strategically important and vulnerable subjects (SIVS) from the calculation to create the margin, on condition that institutions at least maintain their entrant levels to SIVS courses.
 - d. No institution will be automatically exempt from the calculation to create the margin but some may be exempted under b above. However, in calculating it, we will disregard the first 50 student places in the residual population to which the calculation applies (that is, those remaining after the AAB+ equivalent population has been removed and which are not attributable to SIVS courses).
 - e. In implementing the AAB+ policy, institutions will retain a student number limit equal to at least 20 per cent of their limit for 2011-12: this should be sufficient to ensure that the residual limits for all institutions, after removal of AAB+ equivalent student places, will be sufficient to allow them to give fair access to students entering with EU qualifications and to meet the requirements of their access agreements with the Office for Fair Access (OFFA).
 - f. We are bringing forward our timescale so that we can confirm student number control limits in February 2012.
5. Bids for places from the margin are invited from all publicly funded HEIs or FECs (including those we do not currently fund directly) that commit to charging an average full-time undergraduate fee, after tuition fee waivers, under the new regulated fee regime from September 2012, of no more than £7,500 net. We are unable to consider applications for 2012-13 from other organisations, including any private providers as we are not entitled to fund them.

¹ 'Teaching funding and student number controls: Consultation on changes to be implemented in 2012-13' (HEFCE 2011/20). All HEFCE publications are available at www.hefce.ac.uk/pubs.

² 'Students at the Heart of the System' is available in full at <http://discuss.bis.gov.uk/hereform/white-paper/>.

Action required

6. Responses are invited by **Friday 11 November 2011**, from institutions that:
 - are eligible and wish to bid for a share of up to 20,000 places to be included within their student number control limit for 2012-13, or
 - specialise in the performing or creative arts and recruit predominantly on the basis of audition or portfolio, to submit an evidence statement to HEFCE for consideration if they wish to opt out of both the AAB+ and core/margin elements of the student number control process.
7. Bids for the margin should be made electronically using the template at Annex B and the spreadsheet at Annex C. Both annexes include detailed guidance.
8. Any questions about this document should be directed to HEFCE institutional teams (a list of contacts, searchable by institution, is available at www.hefce.ac.uk/aboutus/cop/contact/). Further information will also be available shortly in a set of frequently asked questions alongside this publication at www.hefce.ac.uk/pubs.
9. OFFA has confirmed that institutions may apply to revise their existing access agreement, or for a new agreement if they do not currently have one. OFFA may require submissions of revised or new agreements as early as 4 November 2011 (this timetable is subject to confirmation by OFFA).

Introduction

Background

10. At the request of Government, we have, since 2009-10, limited the numbers of HEFCE-fundable and employer co-funded students starting full-time (FT) undergraduate (UG) or Postgraduate/Professional Graduate Certificate in Education (PGCE) study in the year³. We set a specific limit for each institution, which is known as the 'student number control'.

11. The purpose has been to reduce the risk that over-recruitment might lead to unexpectedly high student support costs, in which case the Government could manage its total higher education spending by reducing the grant it makes available for distribution by HEFCE.

12. If an institution exceeds its limit, we reduce its grant for each excess student recruited, at a rate specified by the Department for Business, Innovation and Skills (BIS). The rate in 2010-11 was £3,750 per student.

13. In June 2011, the Government set out its proposals for the future shape and direction of higher education (HE) in England in the White Paper 'Students at the Heart of the System'⁴. The Government's reforms are intended to develop a demand-led system for financing teaching, within which informed student choice, allied to greater competition from alternative providers, is intended to drive innovation, quality and efficiency.

14. To support these aims, the White Paper announced⁵ two changes to the way in which student number controls would operate from 2012-13:

a. The Government would allow unrestricted recruitment of high-achieving students, defined as those with entry qualifications equivalent to, or higher than, grades AAB at A-level ('AAB+ equivalent' students). This should allow greater competition for places on the more selective courses, and create the opportunity for more students to go to their first-choice institution, if that university wishes to take them. Such students would therefore come outside the student number control in future.

b. The Government would allow higher education providers that 'combine good quality with value for money and whose average fee (after waivers have been taken into account) is at or below £7,500' to expand by competing for a share of about 20,000 student places in academic year 2012-13. These places (the margin) would be made available by reducing all institutions' core student number control allocations (that is, the number remaining after the removal of AAB+ equivalent students). Institutions would bid for a share of these places on the basis of agreed criteria. The Government's objectives in this were: to make it easier for a wider range of providers to offer places; to encourage greater competition between providers; to enable the sector to be more responsive to, and

³ This is a broad-terms definition; the precise definition for 2011-12 was given in a letter to institutions of 31 January 2011, available at www.hefce.ac.uk/finance/recurrent/2011/notify/Provisional_SNC_limit2011-12_55796.pdf.

⁴ 'Students at the Heart of the System' is available in full at <http://discuss.bis.gov.uk/hereform/white-paper/>.

⁵ 'Students at the Heart of the System', paragraphs 4.18 to 4.21.

maximise, student choice; and to reduce the overall cost to the taxpayer. Subsequent government advice on taking forward the proposals added the aim of meeting demand⁶.

15. We published proposals for implementing these policies, and invited views, in 'Teaching funding and student number controls: consultation on changes to be implemented in 2012-13' (HEFCE 2011/20)⁷. This included, at Annex C, a proposed list of entry qualification and grade 'equivalences' to AAB+ at A-level. We proposed to reduce student number control limits for 2012-13 in the following way:

a. To remove the extra 2 per cent of entrant places that we had allocated to institutions as a temporary uplift for 2011-12. The Government had explained in our grant letter of 20 December 2010⁸ that institutions should not expect these additional places to be repeated in 2012-13.

b. To remove a further 4,000 places (pro rata across the sector), representing our estimate of the growth in the AAB+ equivalent population.

c. To then reduce each institution's student number control limit to reflect the numbers of AAB+ equivalent students, and medicine and dentistry students, previously recruited by that institution⁹.

d. To then further reduce institutions' individual student number controls to create the margin (that is, those that may be bid for as described in paragraph 14b). We proposed that we would not reduce limits for institutions that do not have an access agreement with OFFA but that, for other institutions, there would be an average reduction of approximately 9 per cent.

16. Our consultation closed on 2 September 2011 and our Board considered the responses at its meeting on 13 October.

Board decisions following consultation

17. We aim to publish, by the end of November, a full summary of the responses we received to our consultation and the Board's subsequent decisions, to include decisions relating to our funding. Paragraphs 18 to 23 of this document summarise the changes agreed by the Board to our proposals in HEFCE 2011/20 for the student number control for 2012-13.

⁶ Paragraph 14 of letter to HEFCE from Vince Cable MP and David Willetts MP, available at www.hefce.ac.uk/reform/Letter_Cable_Willetts_280611.pdf

⁷ All HEFCE publications can be read in full at www.hefce.ac.uk/pubs.

⁸ Paragraph 14 of grant letter to HEFCE from the Secretary of State, 20 December 2010. Grant letters can be read at www.hefce.ac.uk/finance/fundinghe/grant/.

⁹ We proposed to remove medicine and dentistry students from the limit because these subjects are separately controlled by HEFCE on behalf of the Department of Health. Annex C of HEFCE 2011/20 listed the grade and qualification combinations that we considered equivalent to or higher than AAB at A-level. Annex D of HEFCE 2011/20 provided statistical summaries of the numbers that we could identify at each institution, and a sector-level breakdown according to different student characteristics.

18. **Students entering with the International Baccalaureate will be treated as coming within the AAB+ equivalent population if they have 35 points or more.** We had proposed a threshold of 29 points in our consultation. This follows responses from institutions and further advice from UCAS.

19. **Specialist institutions that recruit primarily on the basis of audition or portfolio and have more than 60 per cent of their provision in Higher Education Statistics Agency (HESA) cost centres 30 (media studies) and/or 33 (design and creative arts) may submit an evidence statement to HEFCE for consideration if they wish to opt out of both the AAB+ and core/margin processes.** For further information see paragraphs 52 to 56. This follows comments by some institutions specialising in the performing and creative arts that the AAB+ policy could distort their admissions processes because they recruit primarily using auditions or portfolios rather than traditional qualifications such as A-levels.

20. **For 2012-13, we will exclude numbers associated with currently identified SIVS from the calculation to create the margin on condition that institutions maintain at least their entrant levels to SIVS courses.** This follows consultation responses arguing that we should protect SIVS and/or science, technology, engineering and mathematics (STEM) subjects, either by excluding them from the calculation to create the margin, or by prioritising them in the redistribution of the margin. It is consistent with the request in the Secretary of State's letter to our Chair of 28 June 2011 that we should ensure 'in freeing up student number controls, that provision of, and support for, Strategically Important and Vulnerable subjects is not disadvantaged'. (We will continue to monitor closely changes in STEM and SIVS provision over the coming years. Stage 2 of our consultation on teaching funding will contain more information about our approach to SIVS beyond 2012-13.)

21. **No institution will be automatically exempt from the calculation to create the margin but some may be exempted under paragraph 19. However, in calculating the margin, we will disregard the first 50 student places in the residual population to which the calculation applies (that is, those remaining after the changes described in paragraphs 15a-c and which are not attributable to SIVS courses).** This follows comment by some respondents that it would not be appropriate to exempt from the calculation on the grounds of price alone (we had suggested exemption for those with fees below £6,000), while others argued that all institutions charging net fees of £7,500 or less should be exempt; the change means that very small providers will not be subject to a cut.

22. **In implementing the AAB+ policy, we will ensure that institutions retain at least 20 per cent of their limit for 2011-12, after removal of the temporary uplift of 2 per cent that was provided only for that year.** This follows comments by some consultation respondents that the removal of AAB+ equivalent students from the student number control would leave them with limited flexibility to maintain or improve access for students without such qualifications, such as those entering with qualifications from other EU countries, or where contextual information supported a student's application. We believe that, apart from a small number of the most selective institutions, the residual limits (that is, those places remaining after the changes described in paragraphs 15a-d) will be sufficient to allow institutions to give fair access to students entering with EU qualifications and to meet the requirements of their access agreements with OFFA.

23. **We are bringing forward our timetable so that we can confirm number limits in February 2012.** This is in response to comments made in the consultation that our proposed timetable for confirming 2012-13 student number control limits was unhelpfully late. However, it does mean that institutions will have less time in which to prepare and submit their bids for places from the margin. Details of the revised timetable are provided in paragraph 57.

24. As in previous years, institutions will have an opportunity to appeal for a change to their provisional student number control limit. Further information will be available in January 2012.

Invitation to bid for places from the margin

Institutional eligibility to bid

25. All HEIs and FECs are eligible to bid if they will have an average full-time fee of £7,500 or less, net of tuition fee waivers, for the duration of the courses taken by all students at the institution starting in academic year 2012-13 who are subject to the new full-time regulated fee regime. This includes FECs that do not currently have a funding agreement with us, perhaps because their existing prescribed HE provision is indirectly funded through another institution, or because they do not currently have any prescribed HE provision.

26. We cannot accept bids from organisations that are not publicly funded HEIs or FECs in 2012-13, because under current legislation our powers do not extend to these other bodies, nor are they subject to our student number controls.

27. Information on how to calculate the average fee is provided in Annex B. Institutions must have an access agreement with OFFA if they intend to set any FT UG or PGCE fees for those entering from 1 September 2012 above £6,000. OFFA has confirmed that institutions may apply to revise their existing access agreement, or for a new agreement if they do not currently have one.

28. OFFA will be issuing further guidance for institutions very shortly. OFFA advises that the timetable will be extremely tight – the submission deadline may need to be as early as 4 November 2011. This is so that OFFA has time to process agreements and issue decisions by early December to allow existing student applicants that are not satisfied with changes to their fees and support package to research and apply elsewhere, before the UCAS deadline of 15 January 2012.

The application process

29. Applications for places must be for provision that is covered by the student number control limit, generally relating to students starting HEFCE-fundable FT UG or PGCE study in 2012-13. This therefore excludes, for example, any of the following:

- a. Courses leading to a first registrable qualification for doctors and dentists (students on such medicine and dentistry courses are being removed from the student number control from 2012-13).
- b. Postgraduate provision (other than PGCEs).
- c. Part-time provision.

- d. Non-prescribed HE provision in FECs. For FECs, therefore, provision must be for full-time students aiming for one of the following qualifications, awarded (except where specified otherwise) by a UK HEI with degree-awarding powers:
- i. First degree, including foundation degree, bachelors degree or integrated masters degree. Foundation degrees may be awarded by an FEC with foundation degree-awarding powers.
 - ii. Higher National Diploma (HND) or Higher National Certificate (HNC) awarded by Pearson Education (formerly Edexcel).
 - iii. Diploma of Higher Education (DipHE).
 - iv. PGCE, Diploma in Teaching in the Lifelong Learning Sector (DTLLS) or Certificate in Education (CertEd).
- e. Provision funded by another EU public body, or for which another public body has funding responsibility. This includes: initial or in-service teacher training courses for school teachers, for which the Training and Development Agency for Schools has funding responsibility; pre-registration courses in nursing, midwifery and certain other healthcare professions, for which the Department of Health has funding responsibility; and non-prescribed HE provision in FECs, for which the Skills Funding Agency has funding responsibility.

30. Applications should be made only for the numbers of students starting HEFCE-fundable FT UG or PGCE study in 2012-13. As such, this will commonly apply only to students on the first year of their course. Students in later years of a course would generally count towards the student number control only if they have entered the institution directly in that later year (perhaps because of a transfer or the accreditation of prior learning), or transferred from a course that was not HEFCE-fundable, or from part-time study.

31. **The minimum number of new entrant places that can be bid for per institution is 25.** There is no maximum, but we reserve the right to adjust an institution's allocation if the numbers requested are disproportionately larger than their current student entrant number. For example, we would not expect institutions to increase entrant numbers, whether currently directly or indirectly funded, by more than 20 per cent. If an institution's bid would result in an increase of more than 20 per cent, it should explain how this would be manageable (reasons could include small providers wishing to add a new course or if starting from a low number base).

32. The deadline for applications is **noon on Friday 11 November 2011**. To apply, institutions should complete the **electronic versions** of:

- a. The template for the submission of proposals, at Annex B.
- b. The spreadsheet providing the student numbers applied for, at Annex C.

33. Both electronic documents may be downloaded from www.hefce.ac.uk/pubs alongside this document. When completed they should be e-mailed to coreandmargin@hefce.ac.uk.

34. We have provided a word limit for each section of the template to enable us to review applications effectively and efficiently.

35. Universities and colleges should cite relevant supporting evidence in the appropriate section of the template. **Applicants are free to submit additional documentation but this**

may not be taken into account; we will base our assessment on the information provided in the body of the bidding template.

36. Applications must be submitted through a single, lead institution. We will not accept joint bids but will accept applications that seek to support joint activity or collaborative provision, for example with Lifelong Learning Networks or HE/further education partnerships. If successful, these numbers will be awarded to the bidding institution. We will only accept one application per institution.

The assessment process

37. In assessing proposals, we will use the following three criteria:

- demand
- quality
- average fee.

38. Annex B provides detailed guidance about the types of evidence institutions might provide on demand and quality, and how to calculate the average fee for the provision.

39. This process is a new initiative and is part of the Government's new fees and funding system for HE in England. As such, the allocated new entrant places will not be treated in the same way as previous additional student numbers, with which many institutions will be familiar. We will, however, retain our overarching principle that the allocation process should be undertaken in a robust but relatively low-burden way.

40. We intend to make an overall judgement of how well proposals as a whole meet each criterion, based on the information submitted. However, specific judgements may be required if, for example, we believe the average institutional fee is above £7,500, or there are unresolved quality issues. Our guidance about bidding is intended to ensure we can make justifiable distinctions between bids and that (as far as possible) indirectly funded FECs and FECs currently without HE provision should not be unfairly disadvantaged.

41. We will use an assessment process with external input to ensure robust and fair decision-making. Each application will be assessed by at least two HEFCE staff, whose assessment will inform the judgement of a panel that will include external and HE and FE sector representatives. The panel will be chaired by an independent HEFCE Board member. The panel's recommendations will be considered by the HEFCE Chief Executive and the HEFCE Board respectively.

42. If the available numbers are over-subscribed, we will reduce allocations on a pro rata basis. If under-subscribed, we will re-allocate the remaining places back to the sector on a formulaic pro rata basis but we may need to adjust re-allocations to allow for any successful appeals against the student number control limits we have set, and to take account of any significant under-recruitment in previous years.

Funding and funding agreements

43. Where institutions are successful in their application for additional, or new, FT undergraduate entrants through the process, we will add these numbers to their student number control limit.

44. For the most part, any income associated with the additional places will come through the tuition fees that institutions charge. HEFCE funding will be provided for the places awarded and filled in 2012-13 only through the allocation method for new-regime students in high-cost subjects. It will therefore be limited to students on courses in price groups A (applying in this instance to first registrable veterinary science degrees only) or B (laboratory-based science, engineering and technology subjects). Where, following earlier HEFCE reviews, provision in media studies or sports science is funded in whole or part in price group B, then the appropriate proportion that is in price group B will attract the high-cost element of funding.

45. Where institutions are already being directly funded by HEFCE in 2011-12, the high-cost funding for new-regime students associated with any successful bid to the margin will be provided only when the recruited students are reported in HEIs' Higher Education Students Early Statistics (HESES) or FECs' Higher Education in Further Education: Students survey returns for 2012-13 (HEIFES). This means that the places awarded will not be reflected in our initial funding allocations to be announced in March 2012 (although they will be in the announced student number control limit), but any such places that have been filled will be taken into account in our recalculation of 2012-13 funding in March 2013.

46. Where institutions are not already being directly funded by HEFCE in 2011-12, we will allocate the high-cost funding for new-regime students based on the numbers awarded in price group B from August 2012. This means that they will be included in our March 2012 initial funding announcement for 2012-13. However, all 2012-13 funding for new-regime students in high-cost subjects will be recalculated in March 2013 to reflect the numbers actually recruited.

47. Any institution that receives HEFCE funding in 2012-13 will be required to comply with a funding agreement, which specifies terms and conditions of grant. This will therefore apply to FECs that do not currently have a direct funding relationship with HEFCE, but who are successful in a bid to the margin that includes high-cost provision in price group B. We will not have a funding agreement with an FEC to which we provide no grant and this may include some that are successful in a bid to the margin in 2012-13 where provision is only in price groups C and/or D. Nevertheless, we will request information from such colleges in order to monitor recruitment in 2012-13 and to inform our funding and regulatory decisions for 2013-14. In this regard, institutions should note the current BIS consultation on proposed changes from 2013-14 to the regulatory framework governing HE¹⁰.

48. We recognise that some of the terms and concepts in this document may be unfamiliar to FECs with which we do not currently have a funding relationship. We therefore provide at Annex A a list of reading material that may help such colleges gain a better understanding of the current HE funding regime and how it is changing from 2012-13.

Monitoring

49. We will monitor average fee levels using such data sources as we consider appropriate, which may include the Student Loans Company, Higher Education Statistics Agency (HESA) and OFFA. Institutions that succeed in bidding for additional places from the margin will gain no advantage if they are found to have average fees higher than £7,500: for example, we may seek

¹⁰ 'BIS Technical Consultation – a new, fit-for-purpose regulatory framework for the Higher Education sector', available at <http://discuss.bis.gov.uk/hereform/technical-consultation/>.

to reduce their future student number control limits, including offsetting any places that were erroneously awarded in intervening years.

50. An important criterion in distributing places through the margin is evidence of student demand and we will therefore also monitor the extent to which these places are filled. When we announce the number limits for 2012-13, we will provide guidance on any implications for the setting of student number control limits for subsequent years arising from institutions' recruitment against their limits for 2012-13.

51. As part of our approach to SIVS for 2012-13 (as described in paragraph 20), it will be a condition of grant that entrants to these courses are at least maintained. We will continue to monitor closely changes in STEM and SIVS provision over the coming years.

Specialist institutions in the performing and creative arts

52. As outlined in paragraph 19, we will enable those specialist institutions in the performing and creative arts that recruit primarily on the basis of audition or portfolio and have more than 60 per cent of their provision in HESA cost centres 30 (media studies) and/or 33 (design and creative arts) to submit an evidence statement to HEFCE for consideration if they wish to opt out of both the AAB+ and core/margin processes. Such institutions may choose one of the following two options:

- a. **Option 1:** to be part of the student number control system that applies to all other institutions. This will mean we adjust their limit to remove AAB+ equivalent students and apply a further reduction to contribute to the creation of the margin. They will then be able to bid for places if their average fees are no more than £7,500.
- b. **Option 2:** to maintain their existing student number control arrangements into 2012-13. This will mean that AAB+ equivalent students will continue to be included in their student number control limits (so unrestricted recruitment of such students will not be possible) and reductions will not be made as part of creating the margin, but there will also be no opportunities to increase limits.

53. In either case, these institutions will still have a reduction in 2012-13 arising from the removal of any temporary uplift of 2 per cent provided to the limit for 2011-12 only.

54. We recognise that option 2 does not apply the same pressure on institutions to keep their average FT UG tuition fees no higher than £7,500, which is an aim of the core/margin policy. However, we have been convinced by the case of institutions of this type having particular circumstances that cannot reasonably be addressed in any other way for 2012-13.

Pursuit of option 2

55. Any such specialist institution wishing to pursue option 2 must submit a short (maximum two pages) evidence statement by **Friday 11 November 2011** which will be considered by an internal HEFCE panel. This should include details of the extent to which, across the institution as a whole, FT UG recruitment is driven by audition or portfolio, rather than entry qualifications.

56. This evidence statement should be e-mailed to specialist@hefce.ac.uk by Friday 11 November 2011. In the absence of a response by Friday 11 November from such institutions, option 1 will apply.

Timetable

57. As a result of responses to HEFCE 2011/20, we have brought forward the timetable for assessing bids and announcing student number control limits. The revised timetable is set out below:

17 October 2011	HEFCE issues call for bids to the margin, and invites institutions specialising in the performing and creative arts that recruit mainly on the basis of audition or portfolio to submit an evidence statement for consideration if they wish to opt out of both the AAB+ and core/margin processes.
Not before 21 October	OFFA issues guidance on submitting revised or new access agreements.
Not before 4 November	Deadline for submissions to OFFA for revised or new access agreements.
7 – 31 November	OFFA assessment of revised and new access agreements.
11 November: noon	Deadline for receipt of bids to the margin. Deadline for receipt of responses from institutions specialising in the creative and performing arts that recruit mainly on the basis of audition or portfolio.
14 November – 23 December	Assessment of bids to the margin. Confirmation of decisions on the approach to student number controls for specialist institutions in the creative and performing arts. Access agreement decisions issued early December (institutions then immediately inform student applicants of any changes to fees and support packages) ¹¹ .
January 2012	Finalisation of recommendations to the HEFCE Board on student number control limits for individual institutions, including in the light of any further guidance in our 2012-13 grant letter from Government.
Week beginning 16 January	Announcement of provisional student number control limits for 2012-13 to individual institutions. These provisional limits will not include any places to be awarded from the margin. Institutions will be invited to appeal for changes to their provisional limits.
27 January	HEFCE Board meeting, where approval will be sought for allocations from the margin.
Week beginning 30 January	Announcement to institutions of places awarded from the margin.
8 February	Deadline for receipt of appeals for changes to provisional student number control limits.

¹¹ All OFFA dates are provisional and subject to further guidance from OFFA.

Week beginning 27 February	Confirmation of student number control limits for 2012-13, including places awarded from the margin and the outcomes of any appeals.
19 March	Initial recurrent funding announcement for 2012-13. This will repeat the student number control limits previously confirmed in February. The initial funding allocations will include funding for new-regime students in high-cost subjects that arise from the margin allocations only where places have been awarded for provision in price group B, awarded to institutions that were not directly funded in 2011-12.

Next steps

58. There are likely to be further changes to the arrangements around student number controls in 2013-14. Changes may include extending controls to at least some part-time students, and to institutions that are not currently publicly funded HEIs or FECs. We anticipate presenting proposals for these in the second stage of our teaching funding consultation, which we hope to issue in February 2012.

59. Further information on the outcomes of HEFCE 2011/20 will follow by the end of November.

Annex A: Further information about HEFCE's approach to funding and student number controls relating to higher education in further education colleges

1. This annex identifies a number of documents that colleges which are new to HEFCE procedures may find helpful to get a better understanding of our responsibilities and approach to supporting higher education (HE) in further education colleges (FECs). All HEFCE publications are available at www.hefce.ac.uk/pubs.

'Guide to funding: how HEFCE allocates its funds' (HEFCE 2010/24)

2. This document provides an introduction to our funding methods, as they applied in 2010-11. While some of the detail of the allocation method may now be of less relevance in relation to 2012-13, FECs that are new to HEFCE may wish to read, for example:

- a. The introduction and overview (pages 3 to 9).
- b. Paragraphs 35 to 58, which provide an introduction to our current funding powers, responsibilities and general approach to funding through a block grant that gives institutions some discretion as to how it is used internally, subject to meeting certain terms and conditions of grant.

'Teaching funding and student number controls: Consultation on changes to be implemented in 2012-13' (HEFCE 2011/20)

3. This document consulted the sector on changes to our approach to funding and student number controls for 2012-13 in the light of government changes to HE financing more generally – in particular, that a much greater proportion of income for institutions should in future come through student tuition fees, for which publicly funded loans would commonly be available, rather than from HEFCE grants. Our proposals were also informed by the Government's White Paper in June 2011, 'Students at the Heart of the System' (available at <http://discuss.bis.gov.uk/hereform/white-paper/>).

'Funding agreement with further education colleges for 2011-12'

(available at www.hefce.ac.uk/finance/recurrent/2011/notify/july/FundingagreementFECs.pdf)

4. This sets out terms and conditions of grant that apply to FECs that we are funding in 2011-12. There are likely to be significant changes to the funding agreements for 2012-13 arising from our changed approach to funding in that year, and which follow from HEFCE 2011/20.

‘BIS Technical Consultation – a new, fit-for-purpose regulatory framework for the Higher Education sector’

(available at <http://discuss.bis.gov.uk/hereform/technical-consultation/>)

5. This document, published by BIS, sets out government proposals for how the regulatory framework governing HE should change from 2013-14. It includes proposals on how HEFCE’s role should develop into that of a lead regulator for HE, including maintaining registers of designated providers whose students are eligible for publicly funded student support and/or providers eligible for HEFCE grants. Providers on such registers would be required to comply with certain regulatory conditions, designed to promote the interests of students, and manage and provide accountability for the significant sums of public funding invested in HE.

‘HEIFES11: Higher Education in Further Education: Students survey 2011-12’ (HEFCE 2011/26)

6. This survey collects aggregate student number data that we require of FECs that we are funding in 2011-12. We use this information to review the funding we have previously announced for 2011-12 and to inform our funding decisions for 2012-13. It provides an early estimate in the year of the student numbers on prescribed HE courses at FECs. We will reconcile the information provided via HEIFES with the final data provided in the individualised learner record (ILR LR05) submitted to the Data Service and may adjust our funding allocations accordingly.

7. HEIFES11 provides definitions that apply in our funding approach to FECs, including for a number of terms used in this document. They include:

- a. Recognised HE courses – HEIFES11 Annex G. This sets out the courses that we fund and which (depending on other criteria) may be counted towards the student number control.
- b. Student number control population for 2011-12 – HEIFES11 Annex H paragraphs 19 to 29. This provides guidance on the students that count towards the student number control limit for 2011-12. Some changes to the definition will be made for 2012-13, in particular to remove (where applicable) students who enter with qualifications equivalent to or higher than grades AAB at A-level.
- c. Residential and funding status – HEIFES11 Annex K. This provides our definitions of which student places are ‘HEFCE-fundable’, ‘HEFCE non-fundable’ or ‘Island and overseas’. Only those meeting the definition of HEFCE-fundable are counted towards our funding allocations and towards the student number control limit for 2012-13.
- d. Price groups – HEIFES11 Annex L. There are three price groups that apply to FECs: price groups B, C and D. Provision is mapped to price groups using Learndirect subject codes. Only provision that falls within price group B will attract funding for new-regime students in high-cost subjects from 2012-13.
- e. Mode of study – HEIFES11 Annex M. This provides our definitions of the three modes of study we use for funding purposes: ‘full-time’, ‘sandwich year-out’ and ‘part-time’. The student number control applies to students starting full-time study only.

f. Level of study – HEIFES11 Annex N. This provides our definitions of the two levels of study we use in funding FECs: undergraduate and postgraduate. With the exception of Postgraduate/Professional Graduate Certificate in Education courses, the student number control applies to students starting undergraduate study only.

g. Identification of old-regime and new-regime students – HEIFES11 Annex Q. This provides our definitions of ‘old-regime’ and ‘new-regime’ students for our funding purposes.

i. In broad terms, old-regime students are those that are subject to the fee and funding regime that has applied prior to 1 September 2012: they will commonly be continuing study commenced at institutions in 2011-12 or earlier. For institutions that we already fund directly, we are phasing out from 2012-13 the funding that we have been providing relating to their old-regime students.

ii. In broad terms, new-regime students are those that are subject to the fee and funding regime that is being introduced from 1 September 2012: they will commonly be students starting HE courses from that date. Most income relating to new-regime students will in future come predominantly through the tuition fees that institutions charge, although some elements of HEFCE grant will remain, including for those in high-cost subjects and for widening participation. Students counted towards the 2012-13 student number control limit will commonly be new-regime students.

Annex B: Template and guidance for applications

Annex C: Application spreadsheet and guidance

These annexes are available to download as separate files alongside this publication at www.hefce.ac.uk/pubs.

List of abbreviations

AAB+ equivalent	Students entering higher education with qualifications equivalent to, or higher than, A-level grades AAB
BIS	Department for Business, Innovation and Skills
FEC	Further education college
FTE	Full-time equivalent
HEI	Higher education institution
IQER	Integrated Quality and Enhancement Review
NSS	National Student Survey
OFFA	Office for Fair Access
PGCE	Postgraduate/Professional Graduate Certificate of Education
QAA	Quality Assurance Agency for Higher Education
SIVS	Strategically important and vulnerable subjects
STEM	Science, technology, engineering and maths
UG	Undergraduate