

Higher Education Students Early Statistics Survey 2010-11 (HEFCE 2010/26)

Appendix 3

Guidance on the grant adjustment tables and related worksheets

1. The annexes of the HESES10 publication (HEFCE 2010/26) describe the seven tables in the HESES10 workbook into which data can be entered. This document describes three additional worksheets in the workbook relating to the estimated grant adjustment calculations.

| Name of worksheet | Content |
|-------------------|---|
| HBK | Estimated grant adjustments for 2010-11 |
| STD | Recalculation of standard resource for 2010-11 |
| F10 | Recalculation of assumed fee income for 2010-11 |

Guidance on the grant adjustment tables

Estimated grant adjustments for 2010-11

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

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

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

'HBK' worksheet

5. Any references below to Tables A, B, C or G mean Tables A, B, C or G of the last issue of the grant tables which form part of the funding agreement issued on 20 July 2010 (or any subsequent re-issue). Table A contains a summary of the recurrent grant for 2010-11; Table B shows the funding agreement targets relating to resource and student numbers; Table C contains a summary of 2010-11 funds for teaching; and Table G shows the parameters used in the mainstream teaching funding method.

6. The first box on the 'HBK' worksheet gives the estimated grant adjustment summary for 2010-11 and 2011-12. This is followed by a breakdown of the calculations.

Estimated grant adjustment summary

7. 'Provisional adjustment to mainstream teaching grant 2011-12' is the sum of
- 'ASN funding recovered by institution (after June 2010 pro rata saving)'
 - '2009-10 ELQ safety net ASN funding to be held back from 2011-12 (after June 2010 pro rata saving)'
 - 'ASN funding to be held back from institution (after June 2010 pro rata saving)'
 - 'Contact range holdback (after June 2010 pro rata saving)' and
 - 'Consolidated 2009-10 contract range holdback recovered by institution (after June 2010 pro rata saving)'.
8. 'Net funding adjustment to be applied in 2010-11' is the sum of
- 'Provisional adjustment to mainstream teaching grant 2011-12'
 - 'UMF teaching funding to be held back from institution (after June 2010 pro rata saving)'
 - 'Provisional student number control grant adjustment'
 - 'Further reduction for 2009-10 over-recruitment'
 - 'Medical and dental holdback (after June 2010 pro rata saving)' and
 - 'Provisional in-year moderation'
 - Minus '2009-10 ELQ safety net ASN funding held back from 2011-12 (after June 2010 pro rata saving)'.
9. 'UMF efficiency project funding to be held back'.

Funding conditional upon delivery of growth

10. The first table is taken from the equivalent section of Table B. There are additional rows, 'FTEs required to retain 2009-10 ELQ safety net ASN funding' and 'FTEs required to avoid reduction in 2010-11 ELQ safety net ASN funding' which only apply to the Birkbeck College and the Conservatoire for Dance and Drama.

11. 'Actual FTEs (HEFCE-fundable)' is the total FTE of students in HESES10, reported as HEFCE-fundable, and not as a non-completion. HEFCE-fundable includes HEFCE-funded and independently funded home and EU students. These data are taken from Column 4 of HESES Table 1a, Column 4 of HESES Table 2 (weighted at 0.5), and Column 4a of HESES Table 3.

12. 'ASN funding recovered by institution' is calculated by multiplying any FTE above the '2010-11 Baseline FTEs' by the specified rate per FTE, and is subject to the specified maximum level. Full recovery will happen if the 'Actual FTEs (HEFCE-fundable)' equals or exceeds the 'FTEs required to fully recover reduction in ASN funding'.

13. '2009-10 ELQ safety net ASN funding to be held back from 2011-12' is calculated by multiplying any shortfall against the 'FTEs required to retain 2009-10 ELQ safety net

ASN funding' by the specified rate per FTE, and is subject to the specified maximum level. Funding will be held back in full until the 'Actual FTEs (HEFCE-fundable)' exceeds the 'FTEs required to fully recover reduction in ASN funding'. This amount will be removed from mainstream teaching grant in 2010-11 and 2011-12. Some of the funding may need to revert to being allocated as ELQ safety net funding in 2010-11. See paragraphs 37 to 40 of 'HEFCE grant adjustments 2010-11' (HEFCE 2010/22).

14. 'ASN funding to be held back from institution' is calculated by multiplying any shortfall against the 'FTEs required to avoid reduction in ASN funding' by the specified rate per FTE, and is subject to the specified maximum level. Full holdback will be applied until the 'Actual FTEs (HEFCE-fundable)' exceeds the 'FTEs required to retain 2009-10 ELQ safety net ASN funding'.

15. '2010-11 ASN funding to be converted back into the ELQ safety net' is calculated by multiplying any shortfall against the 'FTEs required to avoid reduction in 2010-11 ELQ safety net ASN funding' by the specified rate per FTE, and is subject to the specified maximum level. Funding will be converted back to the ELQ safety net until the 'Actual FTEs (HEFCE-fundable)' exceeds the 'FTEs required to avoid reduction in 2010-11 ELQ safety net ASN funding'.

16. 'UMF teaching funding to be held back from institution' is calculated by multiplying any shortfall against the 'FTEs required to avoid reduction in UMF teaching funding' by the specified rate per FTE, and is subject to the specified maximum level. Full holdback will be applied until the 'Actual FTEs (HEFCE-fundable)' exceeds the 'FTEs required to avoid reduction in 2010-11 ELQ safety net ASN funding'.

17. 'ASN funding recovered by institution (after June 2010 pro rata saving)' is the 'ASN funding recovered by institution' reduced by the June 2010 pro rata saving rate (-1.08868 per cent).

18. '2009-10 ELQ safety net ASN funding to be held back from 2011-12 (after June 2010 pro rata saving)' is the '2009-10 ELQ safety net ASN funding to be held back from 2011-12' reduced by the June 2010 pro rata saving rate (-1.08868 per cent).

19. 'ASN funding to be held back from institution (after June 2010 pro rata saving)' is the 'ASN funding to be held back from institution' reduced by the June 2010 pro rata saving rate (-1.08868 per cent).

20. '2010-11 ASN funding to be converted back into the ELQ safety net (after June 2010 pro rata saving)' is the '2010-11 ASN funding to be converted back into the ELQ safety net' reduced by the June 2010 pro rata saving rate (-1.08868 per cent).

21. 'UMF teaching funding to be held back from institution (after June 2010 pro rata saving)' is the 'UMF teaching funding to be held back from institution' reduced by the June 2010 pro rata saving rate (-1.08868 per cent).

Medical and dental holdback

22. 'Medical and dental CFTE for 2010-11' is taken from Table B.
23. 'FTE from HESES10' is the total HEFCE-fundable students taken from Column 4 of HESES Table 1b.
24. 'Medical and dental holdback' is calculated by multiplying any shortfall against the medical and dental CFTE by £10,859. This is the average rate of funding based on the standard five-year medical course calculated as two-fifths of the standard price for price group B plus three-fifths of the standard price for price group A minus the 2010-11 full-time undergraduate assumed fee (£1,310).
25. 'Medical and dental holdback (after June 2010 pro rata saving)' is the 'Medical and dental holdback' reduced by the June 2010 pro rata saving rate (-1.08868 per cent).

Contract range

26. '2010-11 Contract range' is taken from Table B.
27. 'Total mainstream teaching funds for 2010-11' is taken from Table C.
28. 'Net mainstream teaching funds' is 'Total mainstream teaching funds for 2010-11'
- minus '2010-11 ASN funding to be converted back into the ELQ safety net'
 - plus 'Medical and dental holdback'
 - plus 'ASN funding recovered by institution'
 - plus '2009-10 ELQ safety net ASN funding to be held back from 2011-12'
 - plus 'ASN funding to be held back from institution'
 - plus 'UMF teaching funding to be held back from institution'.
29. 'Recalculated assumed fee income for 2010-11' is taken from the 'F10' worksheet. It is the final total from the final column.
30. 'Recalculated assumed resource for 2010-11' is the sum of 'Recalculated assumed fee income for 2010-11' and 'Net mainstream teaching funds'.
31. 'Recalculated standard resource for 2010-11' is taken from the 'STD' worksheet. It is the final total from the final column.
32. 'Difference' is 'Recalculated assumed resource for 2010-11' minus 'Recalculated standard resource for 2010-11'.
33. 'Recalculated percentage difference' is 'Difference' divided by 'Recalculated standard resource for 2010-11' multiplied by 100. It is formatted to one decimal place.
34. 'Divergence from contract range' shows the variance between the 'Recalculated percentage difference' and the '2010-11 Contract range'.
35. If an institution is above its contract range then 'Contract range holdback' is the 'Divergence from contract range', multiplied by 'Recalculated standard resource for 2010-11'. Contract range holdback is shown as a negative value. It will be £0 if institutions are in or below the contract range.
36. If an institution is below its contract range then 'Divergence in funding terms' is the 'Divergence from contract range', multiplied by 'Recalculated standard resource for

2010-11'. Divergence is shown as a positive value. It will be £0 if institutions are in or above the contract range.

37. 'Contract range holdback (after June 2010 pro rate saving)' is the 'Contract range holdback' reduced by the June 2010 pro rate saving rate (-1.08868 per cent).

38. 'Divergence in funding terms (after June 2010 pro rate saving)' is the 'Divergence in funding terms' reduced by the June 2010 pro rate saving rate (-1.08868 per cent).

39. There is no grant adjustment for an institution that is below its contract range, although the worksheet calculates a value for this in financial terms. The message **The contract has not been met. An action plan may be required** will be shown beneath the 'Percentage difference after grant adjustments' where such cases arise. Please note that if we require an action plan this will be requested following confirmation of the final grant adjustment position in February 2011.

Recovery of consolidated 2009-10 contract range holdback

40. Institutions have an opportunity in 2010-11 to recover any funding deducted from their baseline as a result of the consolidation of 2009-10 contract range holdback. This will be repaid to the extent that the reinstatement of funding keeps an institution within its 2010-11 contract range.

41. 'Consolidated 2009-10 contract range holdback recoverable in 2010-11' is taken from Table B.

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

43. If 'Difference between top of contract range and 'Recalculated percentage difference'' is greater than zero then 'Consolidated 2009-10 contract range holdback recovered by institution' is the minimum of 'Consolidated 2009-10 contract range holdback recoverable in 2010-11' and 'Difference between top of contract range and 'Recalculated percentage difference'' multiplied by 'Recalculated standard resource for 2010-11'. Otherwise 'Consolidated 2009-10 contract range holdback recovered by institution' will be zero.

44. 'Consolidated 2009-10 contract range holdback recovered by institution (after June 2010 pro rate saving)' is the 'Consolidated 2009-10 contract range holdback recovered by institution' reduced by the June 2010 pro rata saving rate (-1.08868 per cent).

Percentage difference after grant adjustments

45. 'Percentage difference after grant adjustments' is 'Recalculated assumed resource for 2010-11' plus 'Contract range holdback' plus 'Consolidated 2009-10 contract range holdback recovered by institution' minus 'Recalculated standard resource for 2010-11', all divided by 'Recalculated standard resource for 2010-11'.

Student number control for 2010-11

46. '2010-11 Limit on students starting full-time undergraduate and PGCE study' is taken from Table B.

47. 'Recruited numbers from Table 6' is the final total of the final column taken from Table 6 of HESES10.
48. 'Students in excess of 2010-11 student number control' is equal to zero if the difference between 'Recruited numbers from Table 6' and '2010-11 Limit on students starting full-time undergraduate and PGCE study' is less than zero, otherwise it shows the difference.
49. 'Provisional student number control grant adjustment' is 'Students in excess of 2010-11 student number control' multiplied by -£3,700.
50. 'Required shortfall against the 2010-11 student number control limit to avoid further reduction for 2009-10 over-recruitment' is taken from Table B.
51. 'Actual shortfall against the 2010-11 student number control limit to avoid further reduction for 2009-10 over-recruitment' is the maximum of '2010-11 Limit on students starting full-time undergraduate and PGCE study' minus 'Recruited numbers from Table 6' or zero.
52. 'Further reduction for 2009-10 over recruitment' is the minimum of:
- -£3,700 multiplied by 'Required shortfall against the 2010-11 student number control limit to avoid further reduction for 2009-10 over-recruitment' minus 'Actual shortfall against the 2010-11 student number control limit to avoid further reduction for 2009-10 over-recruitment' or
 - zero.

Indicative grant adjustment for co-funded employer engagement provision

53. This is provided for information only. 2010-11 Grant adjustments for co-funded employer engagement will be calculated from the end of year co-funded employer engagement monitoring return. For more information please refer to Circular letter 20/2010, which is available on the HEFCE website.
54. '2010-11 Targets for co-funded employer engagement' are taken from Table B.
55. 'Co-funded FTEs returned in HESES10' is taken from HESES10; Column 5 of Table 1a, Column 5 of Table 2 (weighted at 0.5) and column 5a of Table 3.
56. 'Indicative grant adjustment for under-recruitment' is calculated by multiplying any shortfall against the '2010-11 Targets for co-funded employer engagement' by the specified rate per FTE and is subject to the specified maximum level.
57. 'Indicative grant adjustment for under-recruitment (after June 2010 pro rata saving)' is the 'Indicative grant adjustment for under-recruitment' reduced by the June 2010 pro rata saving rate (-1.08868 per cent).

University Modernisation Fund: efficiency project funding

58. 'University Modernisation Fund: efficiency project funding' is taken from Table A.
59. 'Proportion of UMF teaching funding to be held back' is 'UMF teaching funding to be held back from institution' divided by maximum funding associated with 'FTEs required to avoid reduction in UMF teaching funding'.

60. 'UMF efficiency project funding to be held back' is equal to 'University Modernisation Fund: efficiency project funding' multiplied by 'Proportion of UMF teaching funding to be held back'.

In-year moderation calculation

61. This section of the worksheet is visible electronically but is not included in the print range. For 2010-11 moderation is provided so that no institution sees a reduction in its recurrent teaching and research grant of more than 1.2 per cent in cash terms compared with the equivalent unmoderated figure for 2009-10, but we do not provide moderation funding if it amounts to less than £100,000. Only contract range holdback for 2010-11 will be subject to these moderation rules; we will not moderate other forms of holdback.

62. 'Total teaching (including June 2010 pro rata saving) and research funding 2010-11' and '2010-11 July* moderation' are taken from Table A. (* = or as subsequently revised.)

63. 'Notional July* moderation (before £100,000 threshold)' is the 2010-11 moderation funding including sums that were not provided because they were below the £100,000 threshold.

64. 'Recalculated grant for 2010-11 (including grant adjustments after the June 2010 pro rata saving)' is the sum of

- 'Total teaching (including June 2010 pro rata saving) and research funding 2010-11'
- 'ASN funding recovered by institution (after June 2010 pro rata saving)'
- 'ASN funding to be held back from institution (after June 2010 pro rata saving)'
- 'UMF teaching funding to be held back from institution (after June 2010 pro rata saving)'
- 'Contract range holdback (after June 2010 pro rata saving)' and
- 'Consolidated 2009-10 contract range holdback recovered by institution (after June 2010 pro rata saving)'.

65. '2009-10 Comparison grant' is taken from the 'Moderation calculation' section of Table A and is described in paragraph 58 of the technical guidance that accompanied the March 2010 grant letter.

66. '2009-10 Comparison grant adjusted for grant adjustments (after the June 2010 pro rata saving)' is the sum of

- '2009-10 Comparison grant'
- 'ASN funding recovered by institution (after June 2010 pro rata saving)'
- 'ASN funding to be held back from institution (after June 2010 pro rata saving)'
- 'UMF teaching funding to be held back from institution (after June 2010 pro rata saving)' and
- 'Consolidated 2009-10 contract range holdback recovered by institution (after June 2010 pro rata saving)'

multiplied by the 0.988 (no institution sees a reduction in cash terms of more than 1.2 per cent compared with the equivalent, unmoderated figure for 2009-10).

67. 'Recalculated notional moderation' is '2009-10 Comparison grant adjusted for grant adjustments (after June 2010 pro rata saving)' minus 'Recalculated grant for 2009-10 (including grant adjustments after June 2010 pro rata saving)', or zero, whichever is the higher.

68. 'Increase in notional moderation due to 2010-11 contract range holdback' is 'Recalculated notional moderation' minus 'Notional July* moderation (before £100,000 threshold)' capped at 'Contract range holdback (after June 2010 pro rata saving)' expressed as a positive figure.

69. 'Total moderation before £100,000 threshold' is 'Increase in notional moderation due to 2010-11 contract range holdback' plus 'Notional July* moderation (before £100,000 threshold)'.

70. If 'Total moderation before £100,000 threshold' is less than £100,000, then 'Total moderation after £100,000 threshold' is zero, otherwise 'Total moderation after £100,000 threshold' is 'Total moderation before £100,000 threshold'.

71. 'Provisional in-year moderation' is 'Total moderation after £100,000 threshold' minus '2010-11 July* moderation'.

'STD' worksheet

72. This worksheet shows the recalculation of standard resource for 2010-11. In order to eliminate as many differences as possible when we calculate the holdback amounts, the first table in columns A to J shows a greater amount of detail (this is done by separating out the media studies price group as well as showing SWOUT separately).

73. The '2010-11 FTEs from HESES' are the HEFCE-funded FTEs taken from HESES10 Tables 1a (Column 4), 2 (Column 4 divided by two) and 3 (Column 4a). The media studies price group has been split across price groups B, C and D according to the institution's mapping shown on Table G of the 2010-11 grant tables.

74. '2010-11 FTEs weighted by price group' are '2010-11 FTEs from HESES' multiplied by the price group weightings:

Price group descriptions and cost weights

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

75. 'Partial completion weighting (applied to FTEs weighted by price group)' is the '2010-11 FTEs weighted by price group' multiplied by the partial completion weighting shown on Table G of the 2010-11 grant tables.

76. 'London weighting (applied to FTEs weighted by price group)' is the '2010-11 FTEs weighted by price group' multiplied by a variable weighting which in general is 0.08 for institutions in inner London and 0.05 for institutions in outer London. The value of this weighting can be found on Table G.

77. 'Total weighted FTEs' is the sum of the previous three columns.

78. '2010-11 Standard resource' is the 'Total weighted FTEs' multiplied by the base price: £3,951.

79. The second table which is in columns M to V compresses the first table so that SWOUT is included within full-time and the media studies price group data are within price groups B, C or D.

'F10' worksheet

80. This worksheet shows the recalculation of assumed fees for 2010-11. The '2010-11 Estimated FTE students' are taken from HESES10 Table 4; HEFCE-fundable students in Columns 1 and 2 in the 'A, B, C, D, Media studies, INSET (QTS)' price groups for each combination of mode and level.

81. FT UG FTEs are from the 'Regulated full fee', 'Regulated half fee' and 'Regulated £0' rows.

82. FT PGT FTEs are from the 'Regulated full fee', 'Regulated half fee' and 'Non-regulated' rows.

83. SWOUT UG FTEs are from the 'Regulated half fee' and 'Regulated £0' rows, divided by two.

84. SWOUT PGT FTEs are from the 'Regulated half fee' and 'Non-regulated' rows, divided by two.

85. PT UG FTEs are from the 'Regulated full fee', 'Regulated half fee' and 'Non-regulated' rows, divided by two.

86. PT PGT FTEs are from the 'Regulated full fee', 'Regulated half fee' and 'Non-regulated' rows, divided by two.

87. 'Total fee income' is the FTEs calculated above multiplied by the relevant assumed fee.

Assumed fee income per FTE

| Mode | Level | Fee level | Assumed fees for 2010-11 (£) |
|-------|-------|---------------|------------------------------|
| FT | UG | full | 1,310 |
| FT | UG | half | 650 |
| FT | UG | 0 | 0 |
| FT | PGT | full | 1,310 |
| FT | PGT | half | 650 |
| FT | PGT | non-regulated | 3,951 |
| SWOUT | UG | half | 1,300 |
| SWOUT | UG | 0 | 0 |
| SWOUT | PGT | half | 1,300 |
| SWOUT | PGT | non-regulated | 3,951 |
| PT | UG | full | 1,300 |
| PT | UG | half | 1,300 |
| PT | UG | non-regulated | 1,310 |
| PT | PGT | full | 1,300 |
| PT | PGT | half | 1,300 |
| PT | PGT | non-regulated | 3,951 |

88. 'Derived average fee per estimated FTE' is 'Total fee income' divided by '2010-11 Estimated FTE students'.

89. '2010-11 FTEs from HESES' are taken from the same column on the 'STD' worksheet except for SWOUT. SWOUT FTEs are the HEFCE-funded students in Column 4 from HESES10 Table 2, divided by two; UG is the sum of the FD and UG (excl. FD) rows, PGT are from the PGT row.

90. '2010-11 Assumed fees (average fee x HESES FTE)' is calculated for each mode and level as 'Derived average fee per estimated FTE' multiplied by '2010-11 FTEs from HESES'.