

September 2014/18

Special initiative

Report

This document presents the outcomes from HEFCE's in-year monitoring of the National Scholarship Programme for 2013-14.

This report is for information.

Outcomes of HEFCE's in-year monitoring of the National Scholarship Programme for 2013-14

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To	Heads of HEFCE-funded higher education institutions Heads of HEFCE-funded further education colleges
Of interest to those responsible for	Widening Participation, The National Scholarship Programme, Finance
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Executive summary

Purpose

1. This document presents the outcomes from HEFCE's in-year monitoring of the National Scholarship Programme (NSP) for 2013-14.

Key points

2. A total of 225 institutions participated in the NSP in 2013-14, and all participating institutions submitted an in-year monitoring return which contained information on:

- its NSP allocation
- how many entrants have received or are due to receive an award
- the manner in which awards are being made
- NSP expenditure (including the matched funding element)
- any institutional criteria used in addition to the national criteria.

3. This report relates to in-year monitoring for 2013-14, meaning that the data returned contained a mixture of actual expenditure and funding committed for delivery throughout the remainder of the academic year. The final figures for the number and characteristics of the students who received an NSP award in 2013-14 will be known in January 2015, once individualised data returns have been collected.

4. The total NSP funding forecast to be committed for the 2013-14 cohort was £225,525,756. Additional matched funding was committed by 66 of the 225 participating institutions totalling £30,509,013. Fifteen institutions forecast an underspend against their combined government allocation and matched funding totalling £2,162,200, although this position may change as institutions continue to make NSP awards through the academic year. Where institutions forecast an underspend, HEFCE made immediate contact in order to ensure that institutions were putting measures in place to allocate the funding to eligible students within the 2013-14 academic year (for example widening eligibility criteria, or increasing the marketing of the scheme).

5. The total number of students who have received or who are forecast to receive an NSP award in academic year 2013-14 is 59,606, which equates to 57,009 full-time equivalent (FTE) (a small number of part-time students are receiving the NSP pro-rata). The majority of the students (44,679) received some or all of their NSP award before 1 January 2014. The remainder are recorded as due to receive their whole first-year allocation between 1 January 2014 and the end of this academic year (31 July 2014).
6. Of the 225 institutions participating in the NSP, 136 (60.7 per cent) are delivering NSP awards to students in the first year only. The majority of institutions used their matched funding to increase the number of individual NSP awards made at £3,000 rather than increase the value of the award.
7. Institutions were permitted to apply their own set of criteria in addition to the national criteria, to ensure that awards were made to those students who would most benefit. A total of 182 institutions have added their own criteria to the national criteria in order to best direct the NSP and of these, 112 have prioritised their criteria to ensure that students from particular groups received NSP awards.
8. The majority of expenditure was allocated to fee waivers, worth a total of £121 million. Discounted accommodation or other similar institutional services were the second largest expenditure. In 39 institutions, recipients were given a choice in the way the award was given.
9. Overall, the in-year monitoring process was largely straightforward, with most institutions submitting returns to HEFCE without any issues. HEFCE encourages institutions to make early contact with the NSP team if they were experiencing problems with their NSP allocations or monitoring returns.

Action required

10. This report is for information.

Introduction

11. The National Scholarship Programme (NSP) is designed to benefit individual students from disadvantaged backgrounds as they enter higher education in England. Introduced in 2012-13, it is administered by HEFCE on behalf of the Department for Business, Innovation and Skills. The programme is designed to help students whose family income is £25,000 or less, and its awards are available in addition to other loans or grants for which students can apply.

12. The NSP has a fixed amount of government funding, with £100 million distributed between the 225 participating institutions in 2013-14. HEFCE provides in-year monitoring information on the NSP to help inform ministers of the programme's progress.

13. All institutions taking part in the National Scholarship Programme in 2013-14 were required to submit an in-year monitoring return by 14 January 2014 (Annex A shows a sample of the template). HEFCE's NSP team validated the returns to ensure that the data provided were correct, and to gain a sense of how institutions were managing the delivery of the awards.

14. Each institution's return contains information on:

- its NSP allocation, including
 - the government allocation
 - the minimum matched funding
 - any additional matched funding committed
- how many entrants have received or are due to receive an award
- the manner in which awards are being made
- NSP expenditure (including the matched funding element)
- any institutional criteria used in addition to the national criteria.

15. This in-year exercise presented the third opportunity for HEFCE to use data and other information to monitor how universities and colleges are delivering and managing the NSP.

16. This report examines what the in-year monitoring returns tell us about the delivery of the NSP to the 2013-14 cohort. It also reflects on the current monitoring process, considering potential improvements to the return template in light of feedback received from institutions during the end-of-year process for 2012-13 and the in-year process for 2013-14.

Results

17. The in-year monitoring return requested information in Tables 1 to 5 (see Annex A), which the analysis below addresses in order.

Table 1: NSP allocation

18. Table 1 included pre-populated data setting out the final NSP government allocation for 2013-14 and the minimum required matched funding. It asked institutions to provide information on any government allocation carried forward from the previous year

to spend on the 2013-14 cohort, any minimum required matched funding carried over from the previous year and any additional matched funding committed.

19. The predicted total NSP spending for the 2013-14 cohort was £225,525,756. This figure includes the government allocation, minimum required matched funding and additional matched funding (including funding rolled forward from 2012-13).

20. Institutions charging over £6,000 in fees were required to participate in the scheme and match the government contribution at a ratio of 1:1. Institutions which charged less than £6,000 in fees were able to opt into the scheme and were asked to match funding at 50 per cent of the government allocation. There was some flexibility to negotiate a reduced level of matched funding with HEFCE and the Office for Fair Access (OFFA): decisions were made by the Director of Fair Access to Higher Education at OFFA for institutions with access agreements and with HEFCE for those without. This resulted in 11 institutions with access agreements having reduced matched funding agreed¹.

21. Table A demonstrates the funding committed to the NSP in 2013-14.

Table A: NSP funding committed 2013-14

NSP government allocation and all matched funding delivered to 2013-14 cohort in year 1 on or before 1 January 2014	£111,871,704
NSP government allocation and all matched funding expected to be delivered to 2013-14 cohort in year 1 between 2 January 2014 and 31 July 2014	£74,695,513
NSP matched funding delivered to 2013-14 cohort in subsequent years (including any additional matched funding)	£38,958,539
Total committed to the NSP in 2013-14	£225,525,756

22. Additional matched funding was committed by 66 of the 225 participating institutions totalling £30,509,013, of which 16 more than doubled their minimum matched funding requirement. Five institutions more than doubled their whole NSP requirement (government and minimum matched funding combined).

23. Fifteen institutions forecast underspending against their original government allocation and matched funding totalling £2,162,200. This position may change as institutions continue to make NSP awards throughout the rest of the academic year.

Table 2: The number of students receiving NSP awards

24. Table 2 asked institutions to provide a breakdown of the headcount and full-time equivalent (FTE) numbers of students who had received an NSP award on or before 1 January 2014, and those who were forecast to receive an NSP award between 2 January and 31 July 2014. Table B provides a breakdown of the total figures reported.

¹ In such cases the decision for agreeing a lower level of matched funding lies with the Director of Fair Access to Higher Education at OFFA.

Table B: Total numbers of students receiving NSP awards

Full-time students	55,335
Part-time students	4,271
Total headcount of students received or forecast to receive NSP in 2013-14	59,606
FTE	57,009

25. The minimum number of FTE awards expected to be allocated in 2013-14 would have been 33,434 (if all institutions chose to award at the maximum funding level possible). The maximum number of FTE awards that could be allocated was 65,826 (if all institutions chose to make awards at the minimum funding level possible)².

26. The majority of the students (44,679) received some or all of their NSP award before 1 January 2014. The remainder were forecast to receive their whole first-year allocation between 1 January 2014 and the end of the academic year (31 July 2014).

Table 3: Delivery of NSP

27. Table 3 asked institutions to answer three questions to illustrate how they are delivering the NSP programme to students.

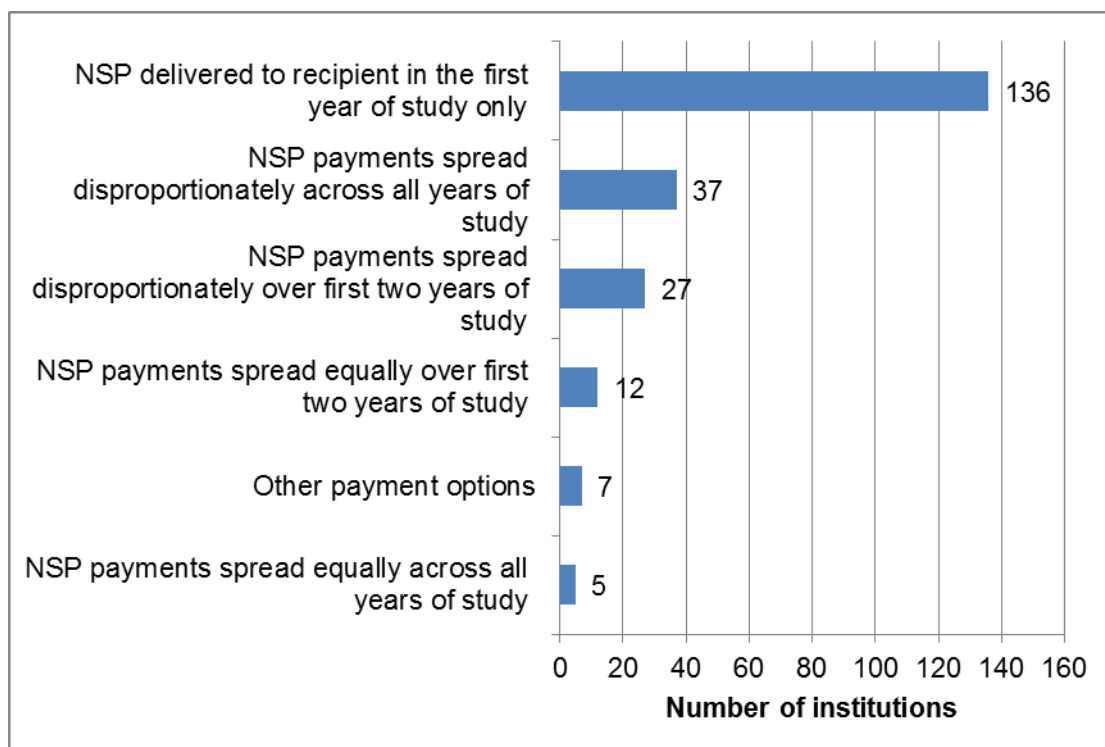
How are institutions delivering the NSP allocation to eligible students?

28. The first question asks how institutions are spreading their NSP payments across the duration of the students' courses. The government allocation must be spent in the first year of a student's course, but institutions can choose to spend their minimum and additional matched funding in subsequent years. This funding may be split equally across two or more years or spent disproportionately. HEFCE collects these data to monitor how institutions are committing their NSP allocations over the student life-cycle, and to identify patterns of delivery over time.

29. As Figure A shows, the majority of institutions (60.7 per cent) are delivering the NSP to students in the first year of study only. A smaller proportion of institutions (28.6 per cent) spread NSP payments disproportionately either across the first two years or all years of study. Only a very small number of institutions (7.6 per cent) chose to spread payments equally over the first two years or across all years of study.

² Both the minimum and maximum numbers of FTE students are figures based on the combined government allocation and minimum matched funding from institutions (including government allocation and minimum matched funding carried forward from 2012-13 to spend on the 2013-14 cohort). This does not take into account any additional matched funding that institutions may contribute.

Figure A: How are institutions delivering the NSP allocation to eligible students?



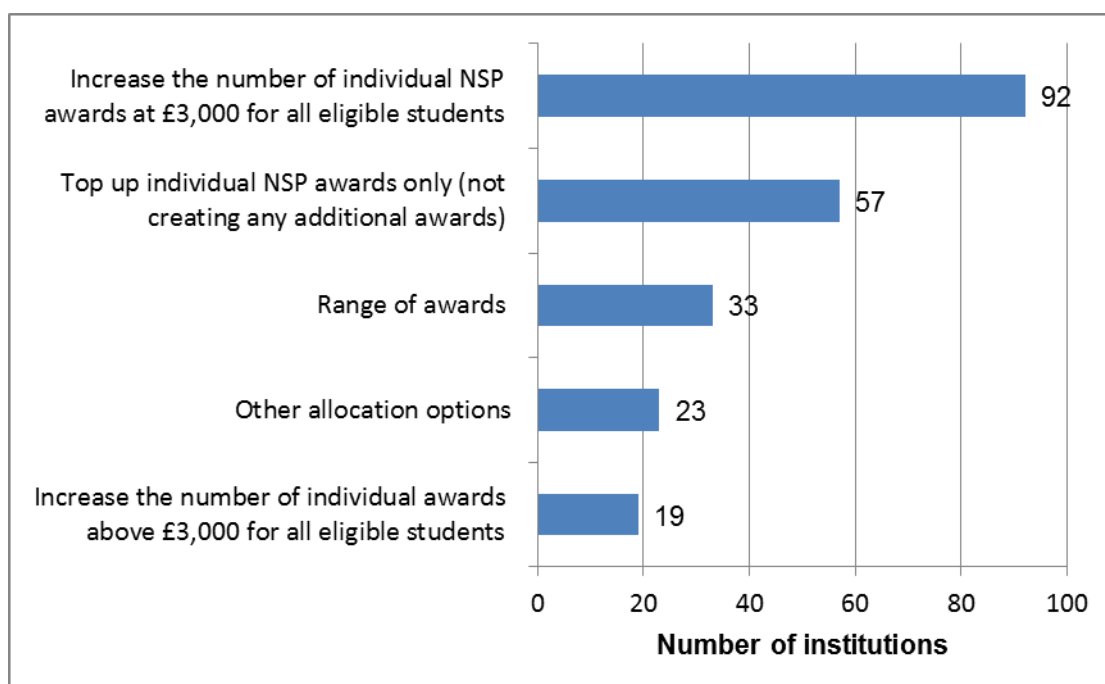
Note: the sum total of 'number of institutions' in Figures A, B and C equals 224 rather than 225, as one institution submitted incomplete data and therefore could not be included.

How are institutions allocating their matched funding?

30. The second question in Table 3 requested information on how institutions are allocating their matched funding. According to the national rules, this can be used in various ways: to increase the number of individual NSP awards either at the minimum level (£3,000) or at a higher value; to top up individual NSP awards so that the value of the award for each eligible student increases; or to employ a combination of these elements. HEFCE collects these data to monitor how institutions are choosing to commit their matched funding and to record how many students are receiving awards through the programme.

31. Figure B demonstrates that the majority of institutions (41.1 per cent) chose to increase the number of individual awards at £3,000 so that a larger number of students could receive the scholarship. Another 57 institutions (25.4 per cent) chose to top up individual awards.

Figure B: How are institutions allocating their matched funding?



How are institutions using criteria to select eligible NSP recipients?

32. Even taking into account institutions' minimum and additional matched funding contributions (totalling £127,684,006 in 2013-14), more students meet the national eligibility criteria than there are awards available. Universities and colleges may therefore apply their own set of criteria in addition to the national criteria, to determine which students should receive an award (see paragraph 42 for examples of institutional criteria).

33. Some institutions chose not to apply additional criteria. Other institutions either applied a fixed set of eligibility criteria or ranked the priority of each criterion.

34. Institutions which guarantee eligibility top up the NSP funds in excess of the matched funding where necessary to ensure that all students who meet the national and institutional eligibility criteria are awarded an NSP. Institutions using a fixed NSP fund apply additional institutional eligibility criteria in ranked order, to determine which students should receive an award within the funding available.

35. HEFCE collects these data to monitor how institutions are using the national eligibility criteria and any additional institutional criteria to select eligible students for NSP awards.

36. As Figure C demonstrates, the majority of institutions (182) used their own criteria in addition to the national criteria, to help them select which of their students received the NSP. Of these, 112 prioritised their criteria to ensure that students from particular groups received awards.

Figure C: How are institutions using criteria to select eligible NSP recipients?

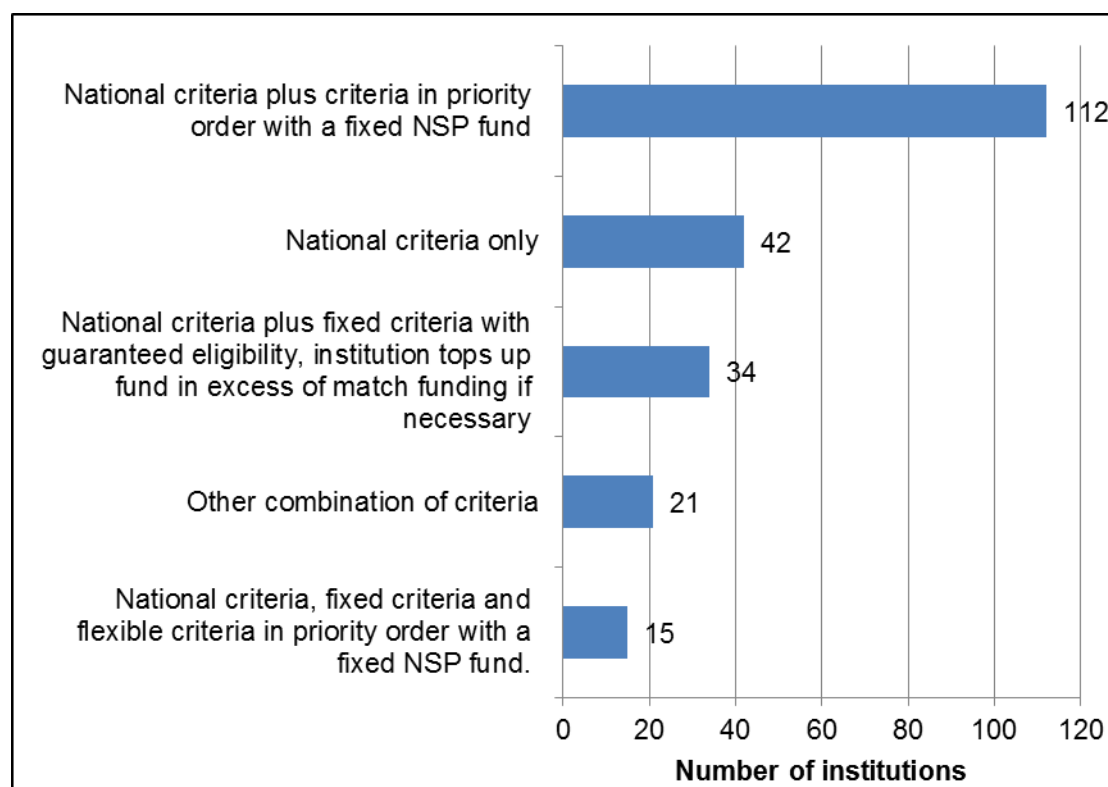


Table 4: Breakdown of NSP expenditure

37. Table 4 requested information on how institutions were forming their NSP awards from the following options:

- fee waivers or discounts
- discounted accommodation or other institutional service
- financial scholarships or bursaries
- free or discounted foundation years
- student choice.

Figure D sets out the expenditure in millions of pounds for each of these mechanisms of delivery. HEFCE collects these data to monitor how the NSP is being delivered and to identify any patterns of delivery across the sector.

38. Figure D shows that the majority of NSP funding was delivered as tuition fee waivers or discounts. This option was taken up by 198 institutions. The second largest expenditure was on discounted accommodation and similar institutional services, with 75 institutions choosing to deliver their NSP awards in this way.

39. In accordance with the national rules, a maximum cash bursary of £1,000 could be given to students in 2013-14 as part of the NSP award, and 137 institutions allocated a part of their funding towards this.

40. A small number of institutions (39) provided eligible students with an element of choice in the delivery of their individual NSP awards. This could include one or a combination of the elements highlighted in paragraph 37.

Figure D: NSP Expenditure in 2013/14

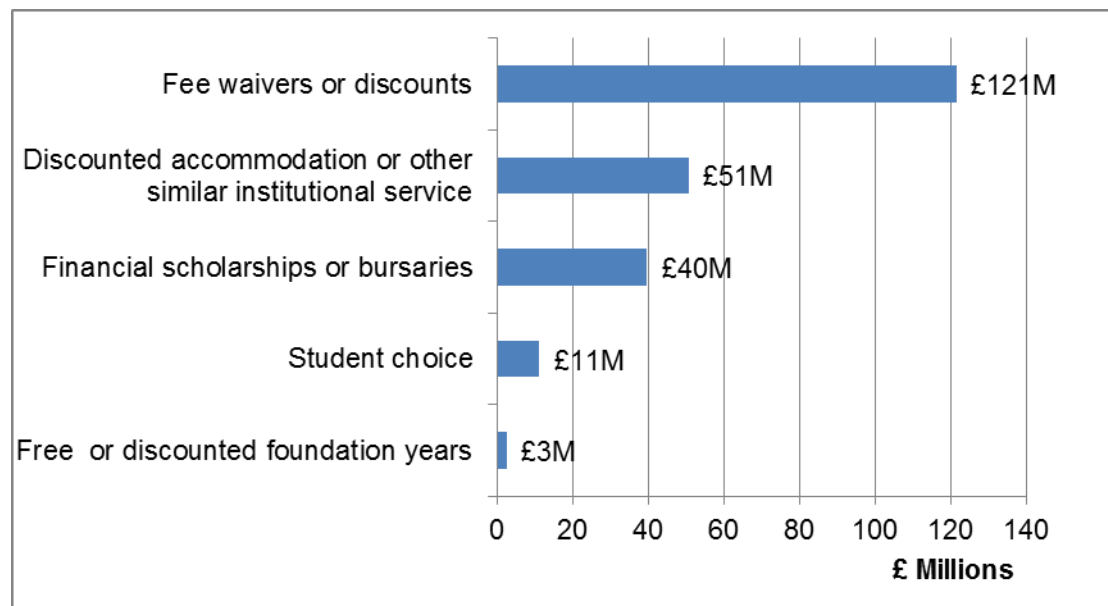


Table 5: National and institutional criteria

41. Table 5 outlined the mandatory national eligibility criteria for the NSP (see Annex A) and requested that institutions identify any additional institutional eligibility criteria. Each institutional criterion was to be listed separately with a note of whether it was mandatory. If an institution prioritised certain criteria over others, it was asked to rank the criteria in order, with the most important first. HEFCE collects these data to monitor how many institutions are applying institutional criteria, and to gather information on the types of criteria being used.

42. The following are examples of the types of additional institutional criteria applied:

- care leaver
- income related
- achievement related
- disability
- POLAR/LPN³
- in receipt of other benefits

³ POLAR (Participation of Local Areas) is a classification of small areas across the UK demonstrating the participation of young people in higher education for geographical areas ranging from regions to wards. LPN is a low-participation neighbourhood as classified by the POLAR data.

- school or college
- carer
- tuition fee
- course based
- firm choice
- first generation higher education
- refugee
- full time or part-time
- residential proximity to the institution
- ethnic minority group
- travellers
- socio-economic group
- age
- resident in England
- accommodation on campus
- access to higher education
- written assessment
- good ambassador
- timely application
- progression at institution
- financial need
- commitment to study
- engagement in outreach activity.

Evaluation of the monitoring process

43. The monitoring process has largely been straightforward, with most institutions submitting returns to HEFCE without any issues. Some institutions found the process challenging, particularly those in the further education sector without much prior experience of submitting monitoring returns. This caused some delay in the submission of accurate data, and required significant additional support and guidance from HEFCE to ensure these institutions understood the process and submitted full and accurate monitoring data.

44. Some institutions used the monitoring return to provide a further check on their progress, following the changes they had made at the end of the first year of the NSP scheme. Others had made changes in response to suggestions from HEFCE about adjusting criteria or methods of allocation where risks of under-allocation had occurred. In

such cases, HEFCE has taken an active role to ensure that institutions are meeting the requirements of the scheme.

45. Small areas of concern remain, including uncertainty at some institutions about the rules of the NSP, due to the changes that have been implemented to the programme. HEFCE works closely with institutions to ensure that the scheme is correctly administered and to resolve specific issues. HEFCE encourages institutions to make early contact with the NSP team if they are experiencing problems with their NSP allocations, so that prompt advice and guidance can be provided.

Improvements for reporting

46. HEFCE's NSP team has recognised that some aspects of the process and documentation of the in-year monitoring returns were causing confusion for institutions. In light of this, small changes have been made to the in-year monitoring return form to clarify particular areas, and amended guidance notes will be issued. The guidance notes will be in two forms:

- a full guidance document as published in previous years
- a summary document to show the key points for completing the return.

47. It is a condition of NSP funding that institutions provide the requested information by the deadline date. As set out in the Memorandum of Assurance and Accountability between HEFCE and institutions (formerly the Financial Memorandum), HEFCE may withhold funding where an institution fails to meet the deadline for the 2013-14 end of year monitoring return and the 2014-15 in-year return.

Annex A: 2013-14 in-year return template (sample)

Cell colour key	
	Blue cells indicate title fields or requests for information.
	White cells indicate areas where information is pre-populated by HEFCE.
	Yellow cells indicate where institutions provide the information.
	Orange cells indicate the mandatory national criteria for the NSP.

National Scholarship Programme 2013-14

In-year monitoring

Institution name:

Institution code:

Institution UKPRN:

National Scholarship Programme (NSP) 2013-14 entrants

Tables 1 – 5 relate to 2013-14 entrants only. Do not include 2012-13 entrants receiving awards in subsequent years.

Table 1 – NSP allocations	
Final 2013-14 government allocation (£s):	
Government allocation brought forward from 2012-13 to use on 2013-14 cohort (£s) :	0
Minimum required matched funding (£s):	
Minimum required matched funding brought forward from 2012-13 to use on 2013-14 cohort (£s):	0
Additional matched funding planned (£s):	0
Additional matched funding brought forward from 2012-13 to use on 2013-14 cohort (£s) :	0
Total spend	0

Table 2 – Number of 2013-14 entrants receiving awards	Minimum number of full-time equivalent scholarships (£3,000) expected to be delivered	Headcount				FTE	
		Number of students that have received an award on or before 1 January 2014		Students forecast to receive an award between 2 January 2014 and 31 July 2014 inclusive (not including students that have received an award on or before 1 January 2014)		FTE of students that have received an award on or before 1 January 2014	FTE of forecast of students expected to receive awards between 2 January 2014 and 31 July 2014 inclusive
		Full Time	Part Time	Full Time	Part Time		
	0	0	0	0	0	0	0

Table 3 – Delivery of your NSP awards	
How are you delivering the NSP (both the government allocation and institution's matched funding) over the duration of the course? Please select from the drop down list.	
– if 'Other' please give details here	
How are you allocating your matched funding (pro rata for part time students)? Please select from the drop down list.	
– if 'Other' please give details here	

How are you using criteria to select NSP recipients? Please select from the drop down list.	
– if 'Other' please give details here	

	NSP government allocation and all matched funding delivered to 2013-14 cohort in year 1 on or before 1 January 2014 (£)	NSP government allocation and all matched funding expected to be delivered to 2013-14 cohort in year 1 between 2 January 2014 and 31 July 2014 (£)	NSP matched funding delivered to 2013-14 cohort in subsequent years (including any additional matched funding) (£)	
Table 4 – Breakdown of NSP expenditure				
Fee waivers or discounts	0	0	0	
Discounted accommodation or other similar institutional service	0	0	0	
Financial scholarships / bursaries	0	0	0	
Free or discounted foundation years	0	0	0	
Student choice	0	0	0	
Total	0	0	0	0

Table 5 – National and institutional criteria		
National criterion	National criteria description	Is this criterion mandatory for receiving an NSP award?
a	Declared household residual income is £25,000 or less.	Yes
b	Student's fee is neither paid nor part-paid through a sponsorship arrangement.	Yes
c	Student is not NHS funded.	Yes
d	Student is not undertaking a postgraduate initial teacher training course leading to qualified teacher status.	Yes
e	Student is not directly continuing from one course to another (for example, from foundation degree or HND on to the final year of an honours degree).	Yes
f	Student is not transferring in from another institution.	Yes
g	Student is not undertaking a postgraduate qualification.	Yes

h	Student is studying at least 25% intensity of the full time equivalent.	Yes	
i	Student is not normally resident in Scotland, Wales or Northern Ireland.	Yes	
j	If the student is part time or an EU national then they will not receive the maintenance element of an NSP award (discounted accommodation or other institutional services and cash award)	Yes	
Institutional criterion	Institutional criteria description	Is this criterion mandatory for receiving an NSP award?	If your institution prioritises one criterion over another, please enter the order in which they are ranked.
1			
2			
3			
4			
5			