

June 2015/09

Core funding/operations

Outcomes

This document presents the outcomes from HEFCE's monitoring of the Student Opportunity allocation and the National Scholarship Programme for 2013-14.

This report is for information

Outcomes of Student Opportunity allocation and National Scholarship Programme monitoring for 2013-14

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Outcomes of Student Opportunity allocation and National Scholarship Programme monitoring for 2013-14

To	Heads of HEFCE-funded higher education institutions Heads of HEFCE-funded further education colleges
Of interest to those responsible for	Implementation of widening participation including student success and progression, and the National Scholarship Programme; Heads of finance
Reference	2015/09
Publication date	June 2015
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Executive summary

Purpose

1. This document presents the outcomes from HEFCE's monitoring of the Student Opportunity (SO) allocation and the National Scholarship Programme (NSP) for 2013-14.

Key points

2. HEFCE and the Office for Fair Access (OFFA) carried out joint monitoring of institutions' widening participation (WP) activity expenditure in 2013-14. OFFA published its access agreements monitoring outcomes in early June 2015¹.
3. The outcomes of HEFCE's SO allocation monitoring for 2013-14 are:
 - a. Overall, the higher education sector has significantly raised its investment to widen access, support student success and progression from higher education of students from disadvantaged backgrounds. The overall investment has risen from £743.0 million in 2012-13 to £802.6 million in 2013-14.
 - b. In accounting for the funding sources used to support widening participation activity, institutions demonstrated that the HEFCE SO allocation is the single largest source of funding for investment in institutions' strategic work across the student lifecycle.
 - c. There is a rising trend in institutional investment in WP activity since 2010-11, an increase of £111.9 million compared to 2013-14.
 - d. In 2013-14 the sector expenditure has supported activity across the student lifecycle: in outreach activity with an investment of £207.6 million; in academic and pastoral support for students while on a course with an investment of £514.4 million; and in support for students progressing from HE into employment or postgraduate study with an investment of £80.6 million.

¹ OFFA outcomes are published as 'Outcomes of access agreement monitoring for 2013-14' (June 2015/04), www.offa.org.uk/wp-content/uploads/2015/06/2013-14-monitoring-outcomes-report.pdf.

- e. Total sector expenditure on supporting disabled students has increased from £51.7 million in 2012-13 to £59.1 million in 2013-14.
 - f. Institutions with high average tariff scores² use their OFFA countable fee income as the major source of funding towards their total WP activities. All other institutions such as specialist higher education institutions (HEIs), HEIs with medium and low average tariff scores and further education colleges (FECs) are more reliant on their SO allocation and other income as the main source of funding to support their total WP activities. These are the institutions that receive the majority of the HEFCE SO allocation which, as a volume driven allocation, reflects their success in widening access to students from more disadvantaged backgrounds and the additional cost of supporting them through to successful outcomes.
4. The outcomes of the NSP monitoring for 2013-14 are:
- a. A total of 226 institutions delivered NSP awards to the 2013-14 cohort.
 - b. Overall, the sector delivered NSP awards over and above the minimum numbers required: 59,198 students from the 2013-14 cohort received an NSP award in 2013-14 (equating to a full-time equivalent of 55,793.70). This is 25,963 more than the minimum required number of students (33,235).
 - c. A total of £192.1 million was allocated to students through the programme, of which £179.2 million was delivered to the 2013-14 entry cohort and £12.9 million to the 2012-13 cohort, who were in their second year of study.

Action required

5. This report is for information.

² For more information on terms used in this report, please see the glossary (Annex A).

Introduction

6. In January 2015, institutions submitted annual monitoring returns for 2013-14 to HEFCE and OFFA with information about the Student Opportunity (SO) allocation, their access agreements, and the National Scholarship Programme (NSP).

7. The first section of this report provides details of the higher education (HE) sector's overall investment in widening participation (WP) activity across the student lifecycle. By the student lifecycle, we mean the journey that students from a disadvantaged background make into higher education: from pre-entry outreach through to the support they receive while on their course to ensure that they succeed and onto the further support to progress into postgraduate study or employment. WP activity in this context does not include funding to support individual students through bursaries or other financial awards.

8. In their annual monitoring returns, institutions reported how they spent income from all sources of funding: that is, HEFCE's SO allocation, funding from higher fee income³ under access agreements, and funding from other sources. These other sources include fee income (over and above that included in access agreements), HEFCE funding for teaching, and external sources such as charitable funds or funds from other organisations.

9. The second part of this report provides information about the sector's investment in the NSP and the ways institutions used this funding to deliver NSP awards to individual students from disadvantaged backgrounds. For an overview of institutions' investment in student financial support, from all funding sources, please refer to OFFA's outcomes publication⁴.

Student Opportunity allocation

10. The SO allocation is provided to institutions as part of HEFCE's teaching grant to universities and colleges to enable long term, strategic work across the student lifecycle. In 2013-14, 129 higher education institutions (HEIs) and 203 further education colleges (FECs) received an allocation. Only those universities or colleges with more than 100 full-time equivalent (FTE) student numbers directly funded by HEFCE in 2013-14 were required to submit a monitoring report. This was a total of 254 institutions.

11. The SO allocation comprises elements to recognise the extra costs associated with widening access for students from disadvantaged backgrounds (£89 million), widening access and improving provision for disabled students (£15 million), and improving the retention of students most at risk of not completing and so progressing to employment or further study (£228 million). This totals £332 million of SO funding distributed to institutions in 2013-14.

12. The allocation is made as a grant to institutions: each institution decides how best to invest it to support their particular student body. For information about how the allocation is calculated see 'How we fund student access and success' on the HEFCE website⁵.

³ For more information on terms used in this report, please see the glossary (Annex A)

⁴ 'Outcomes of access agreement monitoring for 2013-14',
www.offa.org.uk/wp-content/uploads/2015/06/2013-14-monitoring-outcomes-report.pdf.

⁵ www.hefce.ac.uk/sas/funding/

National Scholarship Programme

13. The NSP benefits 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.

14. The NSP has a fixed amount of government funding, with £100 million distributed between the 225 participating institutions in 2013-14. All higher education institutions were expected to provide an element of match funding to their government allocation. Institutions charging over £6,000 in fees for any of their HE provision in 2013-14 were required to match fund the government allocation at a ratio of 1:1, and institutions charging less than £6,000 in fees were required to match fund at 50 per cent of the government contribution. In 2013-14 a total of £192.1 million was allocated to students through the programme, of which £179.2 million was delivered to the 2013-14 cohort and £12.9 million delivered to the 2012-13 cohort in their second year of study.

Monitoring and evaluation of activity from 2014-15

15. Following the publication in April 2014 of the National Strategy for Access and Student Success⁶ by the Department for Business, Innovation and Skills, we have been working with researchers and institutions to determine how we might improve the quality of the information we request from institutions to enable the impact of the SO allocation, and other expenditure on widening participation, to be fully evaluated and understood.

16. We expect to publish reports resulting from this work in July 2015, consecutively with research on: institutional approaches to addressing differential outcomes; institutional provision and support for students with mental health problems or intensive support needs; and institutional provision and support for students with specific learning difficulties.

17. We will use the recommendations made in the reports to reflect, with the sector, on the best means of collecting monitoring data and evaluative evidence with a view to publishing guidance in the autumn.

⁶ Department for Business, Innovation and Skills, 'National strategy for access and student success' (April 2014), <https://www.gov.uk/government/publications/national-strategy-for-access-and-student-success>

Outcomes: Overall investment in widening participation activity in 2013-14

Key findings

18. Overall, the sector's investment in WP activity (not including student financial support) increased in 2013-14 to £802.6 million, from £743.0 million in 2012-13.

19. Of this total sector expenditure, 41 per cent (£328.2 million) is funded through the HEFCE SO allocation, making it the single largest source of funding for investment in institutions' strategic work across the student lifecycle. Funding from other sources (this is fee income not reported through access agreements, HEFCE funding for teaching, and external sources) accounts for 35 per cent (£281.6 million), and the remaining 24 per cent (£192.7 million) is funded from higher fee income (OFFA countable funding⁷).

20. There was an increased investment in total outreach activity – such as summer schools, campus visits, taster days and master classes – across the three predetermined categories of schools/young people, communities/adults and disabled students. Funding committed to outreach work was up by £17.7 million in 2013-14 from the previous year, amounting to £162.3 million (20 per cent of the total sector expenditure on WP activity).

21. As in previous years, most of the sector's investment in WP activity focused on academic and pastoral support for WP students while they are on a course; this amounts to £434.2 million in 2013-14 (54 per cent of the total sector expenditure), an increase from £425.1 million in 2012-13.

22. There was also an increase in spending from the previous year on support for WP students progressing from HE into employment or postgraduate study. This was £59.2 million in 2013-14, up from £40.9 million in 2012-13. HEFCE and OFFA also collected information about the investment in support for progression of disabled students for the first time for this monitoring cycle. This was £4.9 million in 2013-14.

23. The total sector expenditure on WP activities for disabled students – from outreach work, to supporting student success and progression from HE – amounts to £59.1 million for 2013-14, an increase from £51.7 million⁸ in 2012-13.

24. Finally, institutions reported that of the total sector expenditure of £802.6 million, £35.6 million was spent on delivering WP activity collaboratively in 2013-14. This is nearly double that reported in 2012-13, £18.5 million.

Accounting for the HEFCE SO allocation

25. A total of £330.1 million HEFCE SO allocation was distributed to the 254 institutions we monitored for the SO allocation. (Institutions with less than 100 FTE directly HEFCE funded student numbers in 2013-14 were not required to submit a monitoring return to HEFCE on their SO allocation⁹). The institutions monitored accounted for £328.2 million of the allocation. The

⁷ For more information on terms used in this report, please see the glossary (Annex A)

⁸ The 2012-13 figure for WP activities for disabled students does not include progression of disabled students as this information was collected for the first time in 2013-14

⁹ Three institutions were not monitored for HEFCE SO allocation because they had less than 100 FTE directly funded student numbers in 2013-14, however they did have access agreements, and their WP activity expenditure was included in the total sector WP expenditure figure of £802.6 million

remaining funding (£1.9 million or 0.6 per cent) relates to a small number of institutions who have invested funding to support WP by embedding activity within their student support infrastructure to the degree that they had difficulty in disaggregating expenditure. In these cases, there is some under-reporting of expenditure.

Funding trends

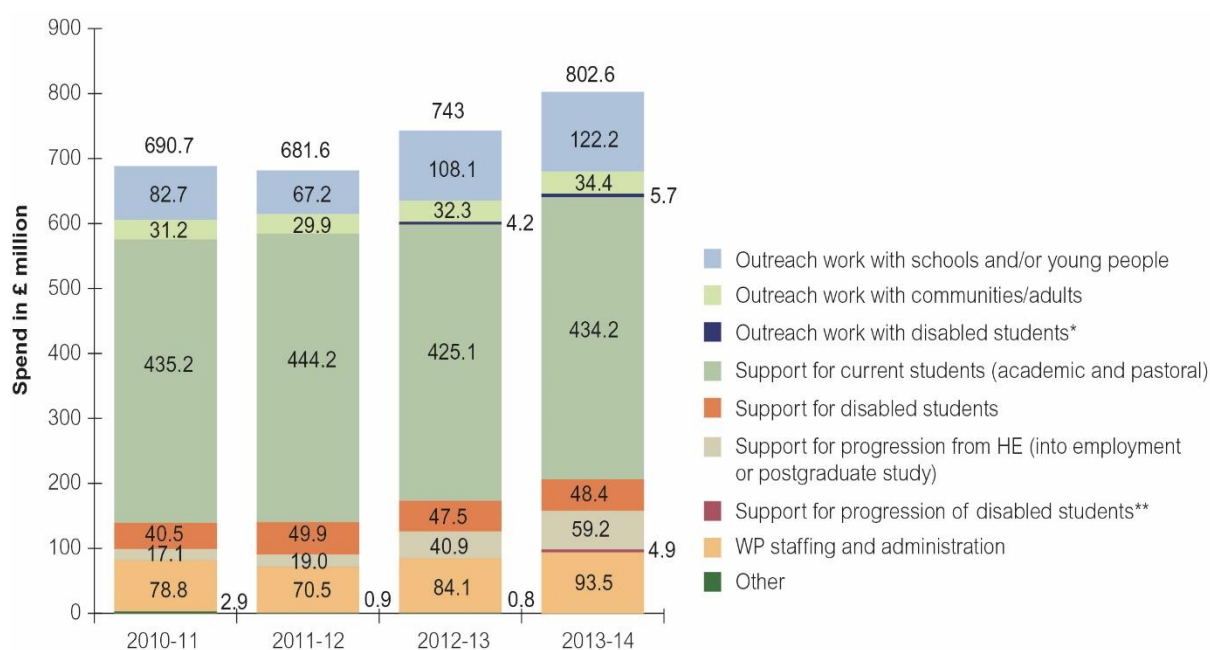
26. The expenditure of £802.6 million shows a rising trend in institutional investment in WP activity since 2010-11 (see Table 1).

Table 1 Total sector expenditure to support WP activity (£ million)

2010-11	2011-12	2012-13	2013-14
690.7	681.6	743.0	802.6

27. The following bar chart shows how these figures break down in terms of areas of investment.

Figure 1 Total sector expenditure from 2010-11 to 2013-14 by WP activity



* Outreach work with disabled students was not collected separately before 2012-13.

** Support for progression of disabled students was not collected separately before 2013-14.

28. Figure 1 shows a growth of £111.9 million in institutional investment in WP activities in 2013-14 compared to 2010-11. Most of this increase is due to a significant rise in expenditure to support progression from HE (an increase of £42.1 million) and in outreach work with schools and young people (an increase of £39.5 million).

29. There has also been a sizable increase in institutional spending on WP staffing and administration, with an extra £14.7 million being spent on this area since 2010-11.

30. Smaller rises in investments have occurred in other WP activities, such as support for disabled students (an increase of £7.9 million since 2010-11), outreach work with communities and adults (an increase of £3.2 million from 2010-11), and outreach work with disabled students (an increase of £1.5 million from 2012-13 when this data was first collected).

31. However, from 2010-11 to 2013-14 there are fluctuations in the level of spending by institutions on support for current students. In 2010-11, institutions spent £435.2 million on this activity, and in 2011-12 institutions increased their investment in this area by £9.0 million. In 2012-13 institutions then decreased their spending on this activity by a substantial £19.1 million to a total of £425.1 million, but in 2013-14 institutions boosted their investment in this activity to £434.2 million.

32. There has been a gradual decrease in spending in 'Other' WP activity. Institutions used this category to report expenditure that could not be allocated in one of the predetermined categories. From 2010-11 compared to 2012-13 there has been a reduction of £2.1 million of expenditure in this area. This is due to institutions reporting expenditure better over the years and assigning it to other categories. Now that this expenditure has reached such a low level, we did not collect this data for 2013-14.

Total sector expenditure on WP activity in 2013-14 across the student lifecycle

33. The monitoring returns enable us to analyse the way institutions source and spend funding in some detail. Table 2 shows total sector expenditure split across the three stages of the student lifecycle for 2013-14. The activities below include expenditure on WP staffing and administration costs to show a total cost per activity type.

Table 2 Total sector expenditure on WP activity split across the student lifecycle

Description	Amount (£ million)	Percentage of total
Expenditure on access activities	207.6	26%
Expenditure on student success activities	514.4	64%
Expenditure on progression activities	80.6	10%
Total	802.6	100%

34. The following illustrations show the total sector expenditure across the student lifecycle in more detail, by type of activity and by funding source. The base data for figures 2 to 8 is available at Annex B.

Figure 2 Breakdown of total sector expenditure on access to HE, by activity

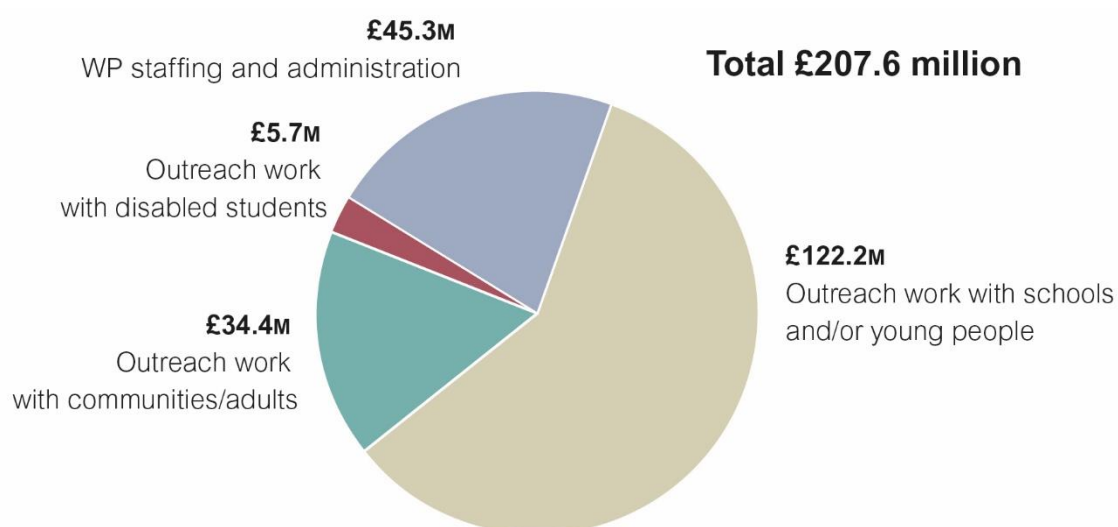
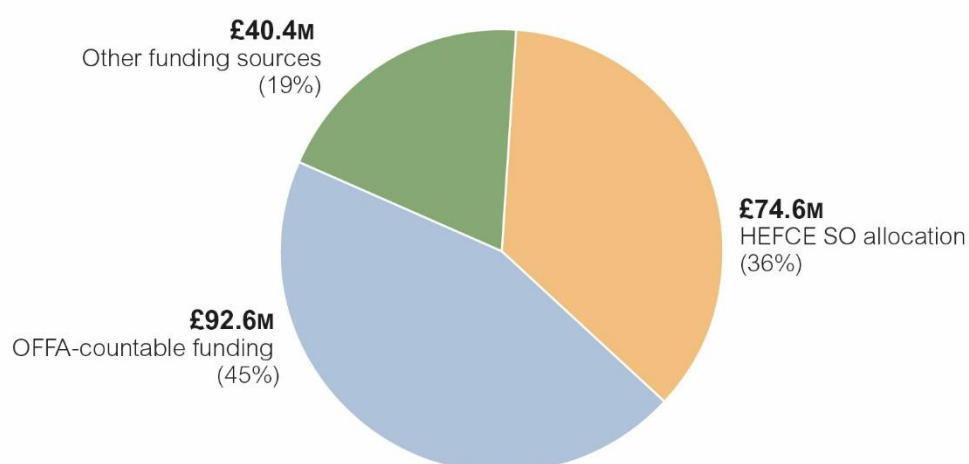


Figure 3 Breakdown of total sector expenditure on access to HE, by funding source



35. To support access to HE, institutions carry out a range of outreach work with different target groups, as such schools and young people, communities and adults and disabled people. Figure 2 shows that the main focus of institutions investment in access to HE is on outreach work with schools and/or young people, amounting to £122.2 million. Figure 3 reveals that the key source of funding institutions use to support access to HE is the OFFA countable funding of £92.6m. This is 45 per cent of the total sector expenditure on access of £207.6 million.

Figure 4 Breakdown of total sector expenditure in student success by activity

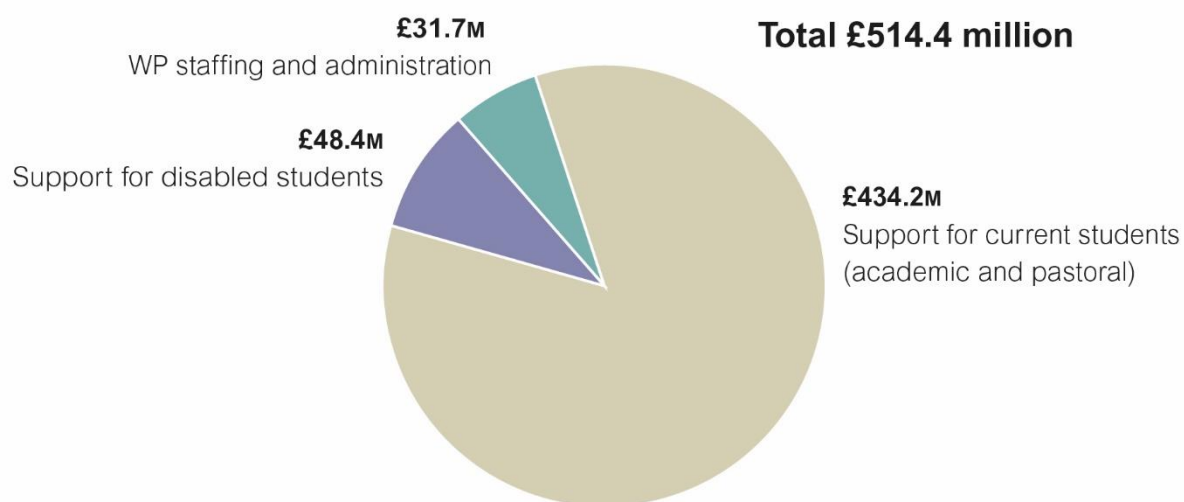
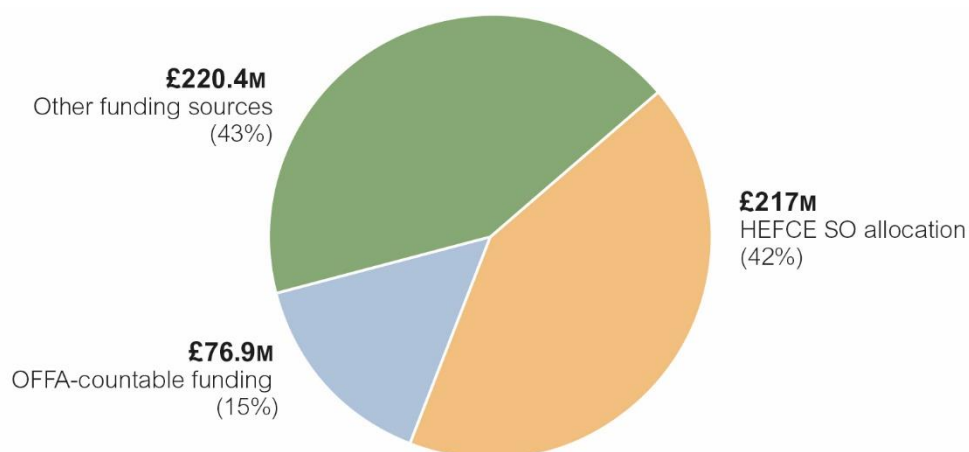


Figure 5 Breakdown of total sector expenditure in student success by funding source



36. Institutions provide additional academic and pastoral support to current WP students and disabled students while they are on their course of study to ensure that they can successfully complete their HE course. A significant amount of institutional expenditure is spent on providing support for student success, amounting to £434.2 million (see Figure 4). As shown in Figure 5 most funding for this activity comes from the HEFCE SO allocation (£217.0 million) and other institutional income (£220.4 million), such as the fee income not accounted for in access agreements, HEFCE teaching grant and external sources of funding such as charitable funds.

Figure 6 Breakdown of total sector expenditure in student progression from HE by activity

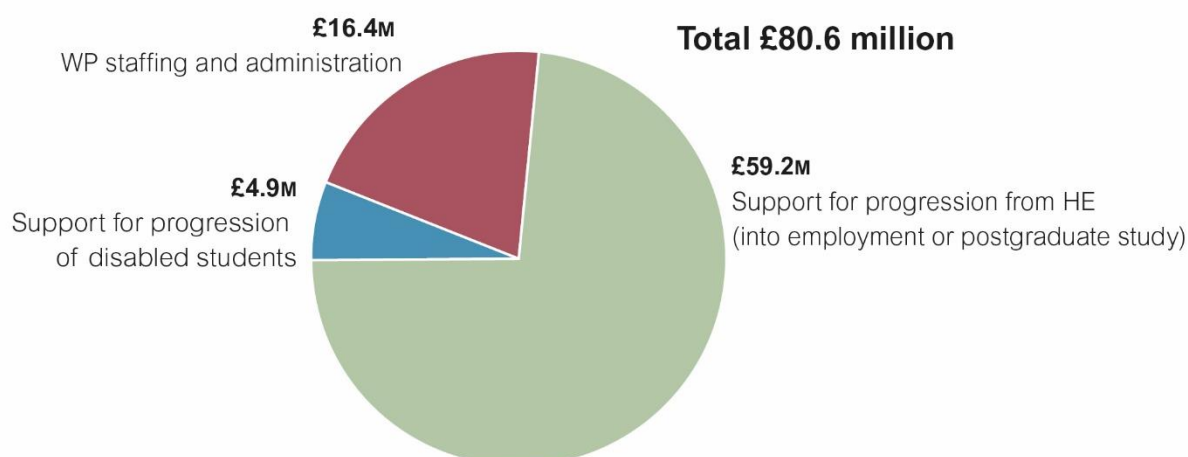
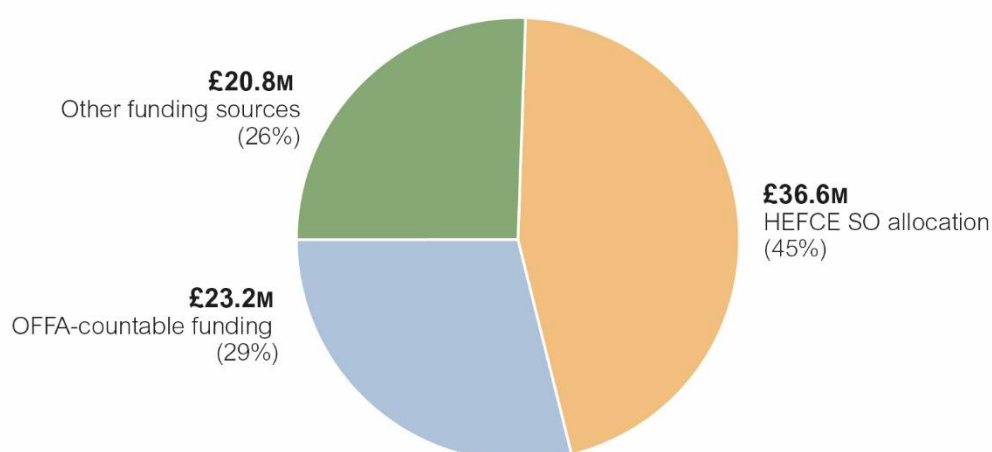
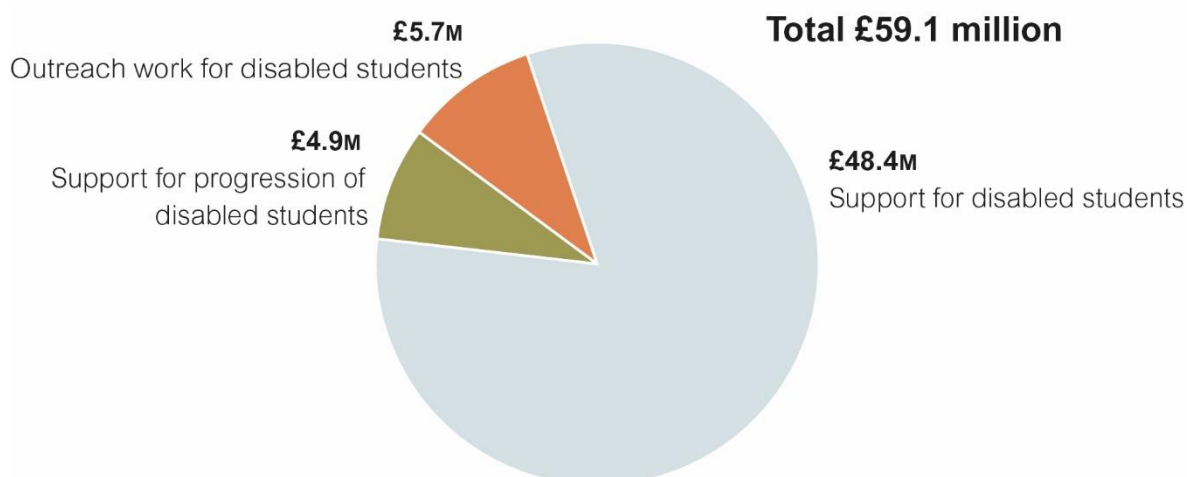


Figure 7 Breakdown of total sector expenditure in student progression from HE by funding source



37. To complete the student lifecycle and to enable successful student outcomes, institutions provide support to WP students and disabled students to progress from HE on to employment or postgraduate study. Figure 6 shows a breakdown of the total sector expenditure in this area, which is a total of £80.6 million. Figure 7 demonstrates that the key source of funding for this area of work is the HEFCE SO allocation (£36.6m, or 45 per cent of the total sector expenditure on progression).

Figure 8 Breakdown of total sector expenditure on disabled students by activity

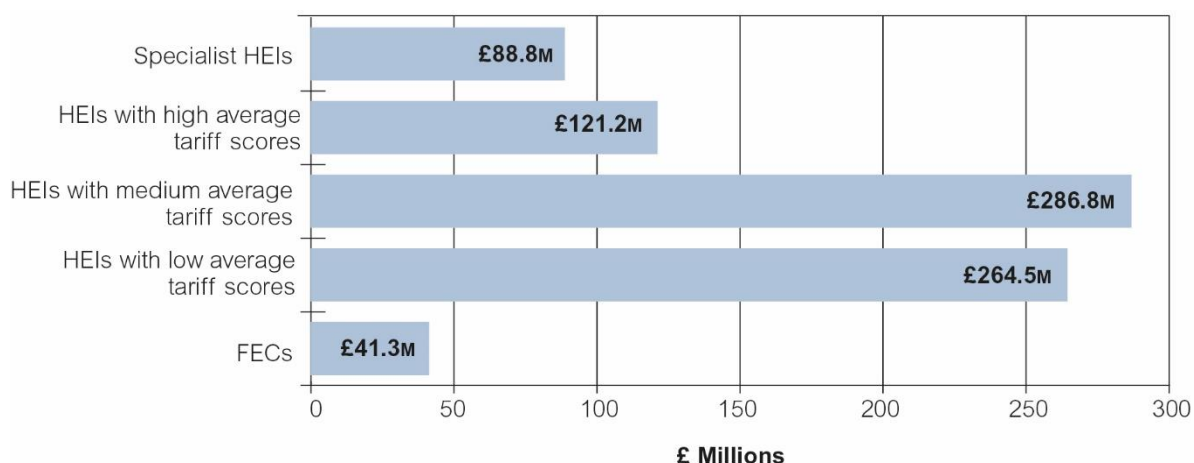


38. Total sector expenditure on WP activities with disabled students – from outreach work, to supporting student success and the progression of disabled students from HE – amounts to £59.1 million for 2013-14, as shown in Figure 8. This demonstrates an additional investment of £44.1 million by institutions over and above the HEFCE SO allocation £15 million contribution towards the costs of widening access and improving provision for disabled students. The majority of expenditure by institutions is focused on the activity to support disabled students while they are on their course of study, which amounts to £48.4 million.

Total sector expenditure on WP activity in 2013-14 by institutional groups

39. We have analysed the sector's total expenditure on WP activities by disaggregating expenditure between different institutional groups: high, medium and low average tariff scores¹⁰, FECs and specialist institutions. Figures 9 and 10 show the total WP expenditure by institutional group and by funding source. The base data for Figures 9 to 19 is at Annex C.

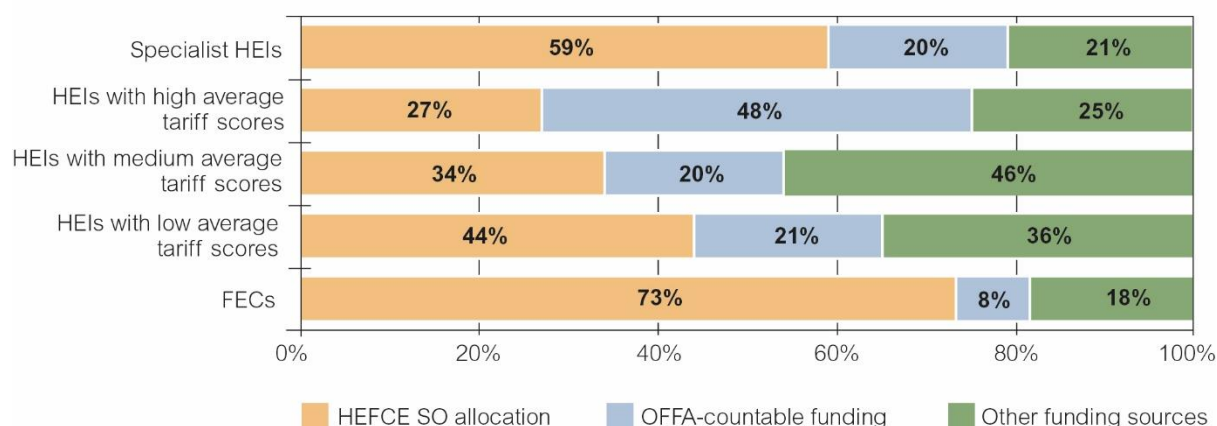
Figure 9 Total WP activity expenditure by institutional group (Total = £802.6 million)



¹⁰ For more information on terms used in this report, please see the glossary (Annex A)

40. Figure 9 above shows the breakdown of the total sector spend on WP activity by institutional group. The number and size of institutions in each group differ markedly, and therefore the groupings cannot be compared directly; it cannot be deduced for example whether one type of institution spends more on WP than another. However, these institutions receive the majority of the HEFCE SO allocation which, as a volume driven allocation, reflects their success in widening access to students from more disadvantaged backgrounds and the additional cost of supporting them through to successful outcomes.

Figure 10 Sources of funds spent on total WP activity expenditure by institutional group



41. Figure 10 shows sources of funding for institutions' total WP expenditure. The data shows that only those HEIs with high average tariff scores use their OFFA countable funding under access agreements as a major source of funding towards their WP activities. This amounts to 48 per cent of their total WP expenditure. All other institutional groups appear more reliant on the HEFCE SO allocation and other sources of funding. In the case of medium and low average tariff score groups and FECs, this reflects the high numbers and concentration of students from disadvantaged backgrounds and those less likely to progress to completion in these institutions and the additional cost of supporting their successful outcomes. In particular, HEFCE SO allocation accounts for 73 per cent of FECs' total WP expenditure. For specialist HEIs 59 per cent of their total WP expenditure is funded by the HEFCE SO allocation and again the majority of this funding supports the student success and progression elements of the student lifecycle.

42. Figures 11 to 15 show how the different institutional groups invest in WP activity across the student lifecycle.

Figure 11 Expenditure on WP activity by specialist HEIs

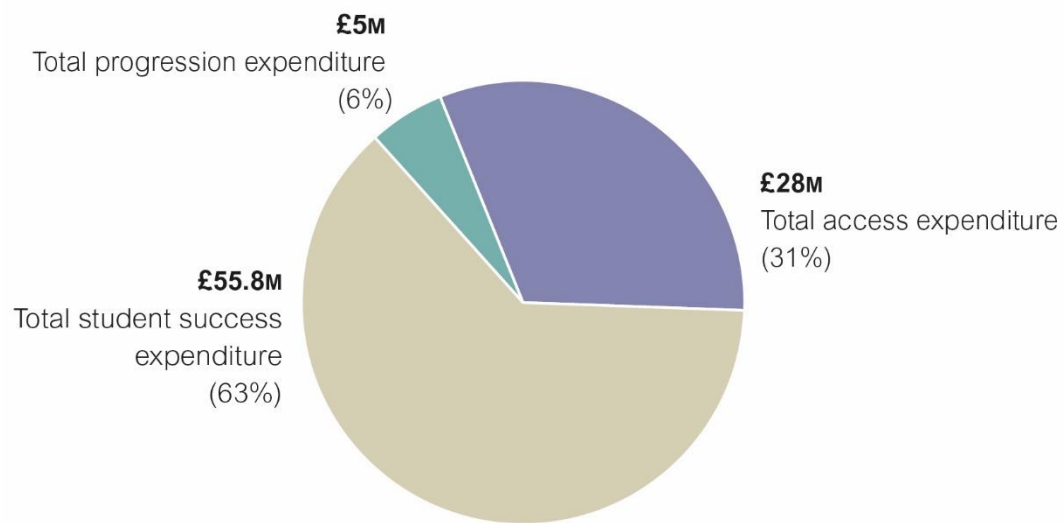


Figure 12 Expenditure on WP activity by HEIs with high average tariff scores

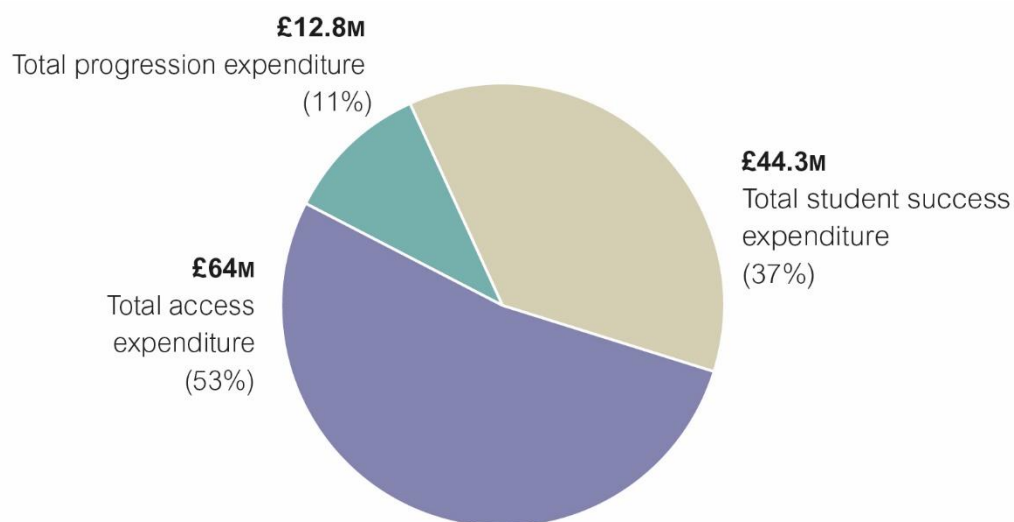


Figure 13 Expenditure on WP activity by HEIs with medium average tariff scores

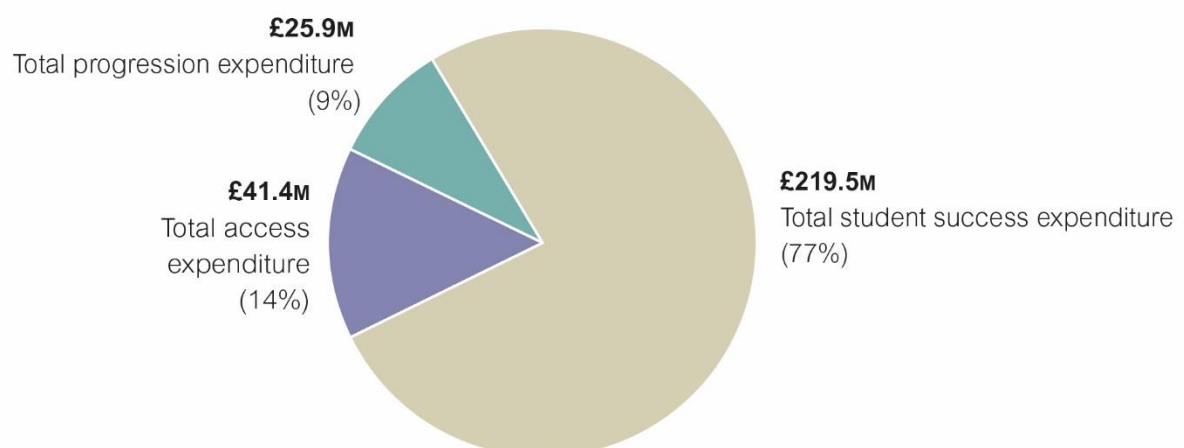


Figure 14 Expenditure on WP activity by HEIs with low average tariff scores

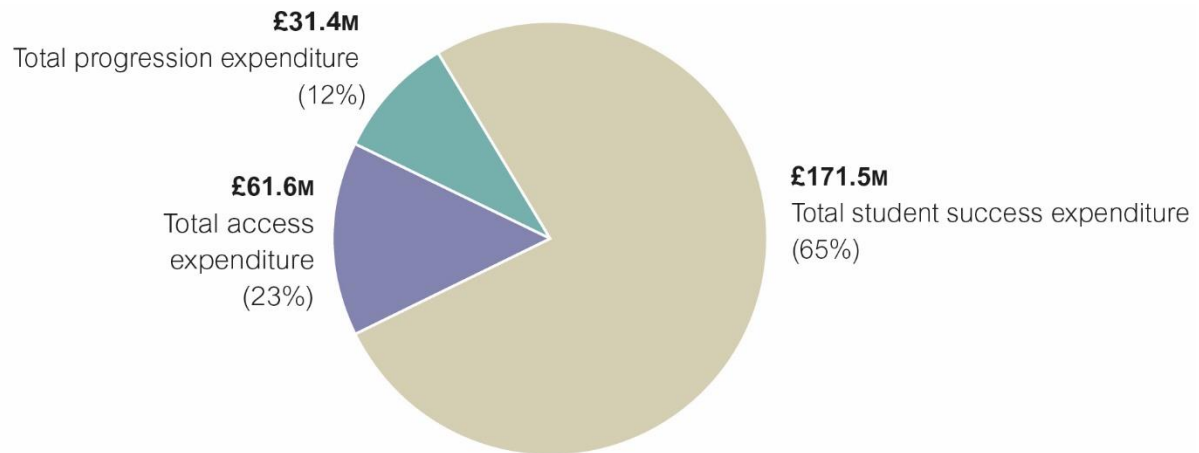
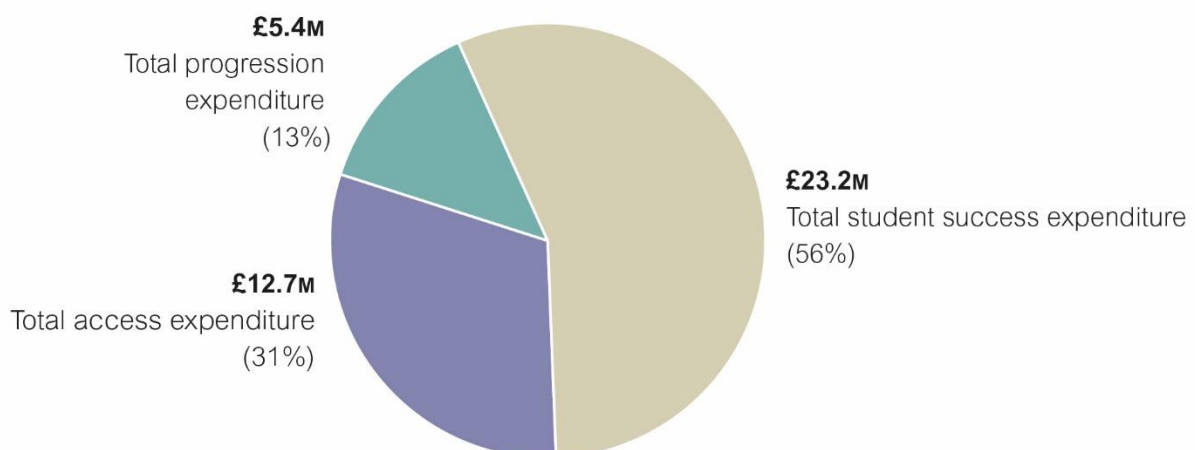


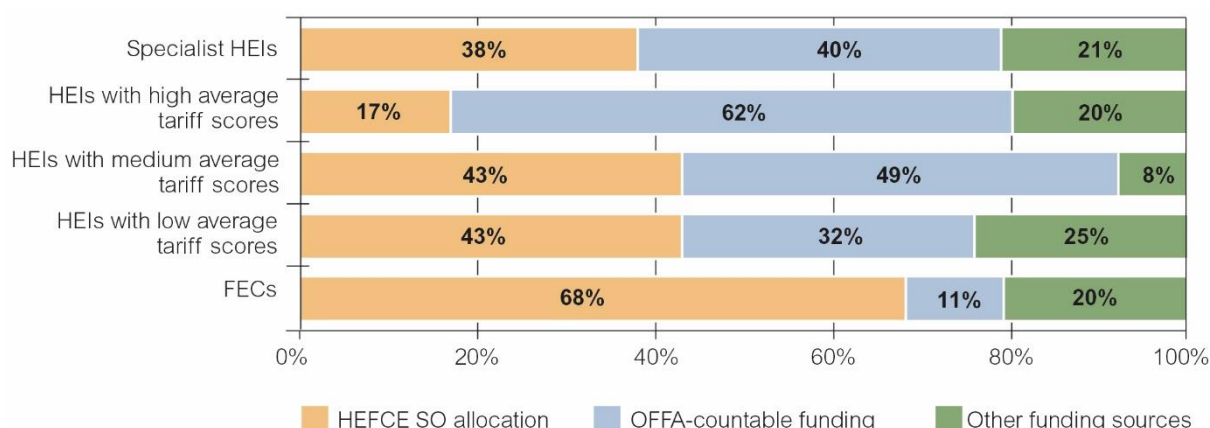
Figure 15 Expenditure on WP activity by FECs



43. Figures 11 to 15 show that institutional groups differ in how they focus their investment on WP activities in certain stages of the student lifecycle. HEIs with high average tariff scores focus on WP more in access activities whereas specialist HEIs, HEIs with medium average tariff scores, HEIs with low average tariff scores and FECs all direct their investment on WP mainly on student success activities. The progression stage of the student lifecycle is invested in by each institutional group in varying amounts; however, HEIs with low average tariff scores spend more on this area than the other institutional groups.

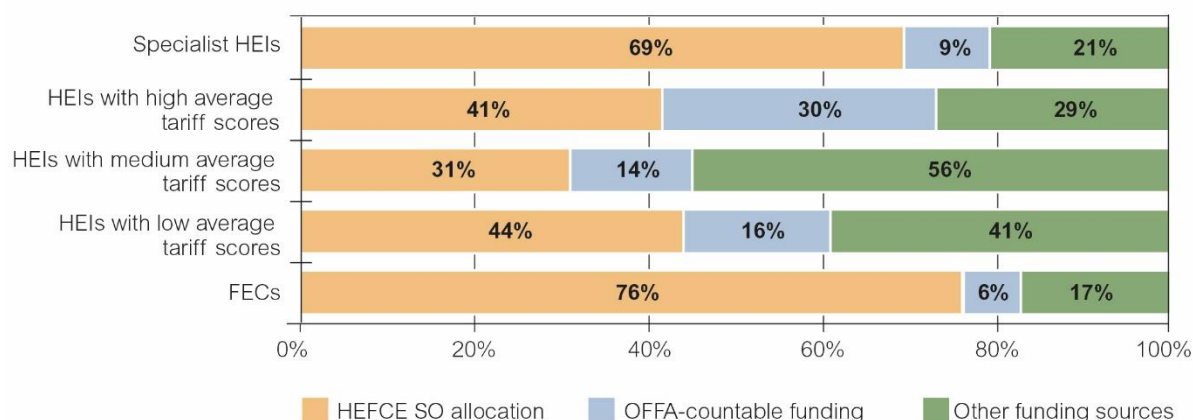
44. Figures 16 to 18 show sources of funds spent on WP activities across the student lifecycle by institutional groups.

Figure 16 Institutional groups' sources of funds spent on access to HE activity



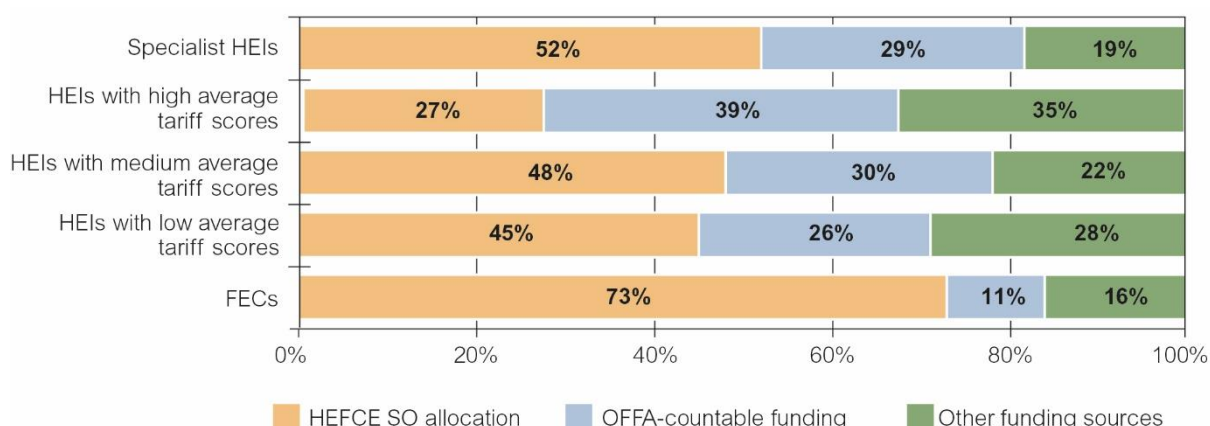
45. Figure 16 indicates that for institutions such as specialist HEIs and HEIs with high and medium average tariff scores, their key funding source to support expenditure on access to HE activity is the OFFA countable funding. Of these institutional groups, HEIs with high average tariff scores are most reliant on it: 62 per cent of their total access expenditure of £64.0 million is funded by OFFA countable funding. However, for HEIs with low average tariff scores and FECs, their key funding source to support access to HE activity is the HEFCE SO allocation. FECs, which are less likely to charge higher fees and have an access agreement, are most reliant on the HEFCE SO allocation: 68 per cent of their total access expenditure of £12.7 million is funded by the HEFCE SO allocation.

Figure 17 Institutional groups' sources of funds spent on student success activity



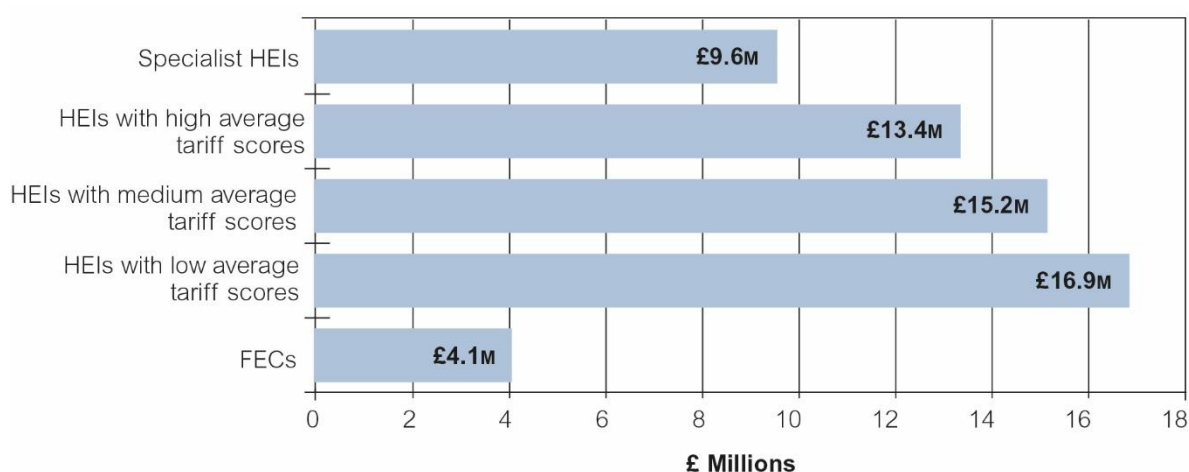
46. Figure 17 illustrates that the key funding source used for student success activity is the HEFCE SO allocation. While all the institutional groupings rely on their HEFCE SO allocation to fund student success activity, FECs and specialist HEIs are particularly so. For FECs 76 per cent of their total student success expenditure (£23.2 million) is funded through the HEFCE SO allocation and for specialist HEIs the figure is 69 per cent (£55.8 million). HEIs with medium average tariff scores are more reliant on other sources of funding, such as their fee income not accounted for in access agreements, HEFCE teaching grant or external sources of funding such as charitable funds to support student success activities; over half (56 per cent) of their total student success expenditure of £219.5 million is funded by these sources.

Figure 18 Institutional groups' sources of funds spent on progression from HE activity



47. The key funding source for activity to support progression to employment or further study is the HEFCE SO allocation (see Figure 18). Similarly to student success activity, all the institutional groupings rely on their HEFCE SO allocation to fund progression from HE activity; however, FECs are the most reliant on it with 73 per cent of their total progression expenditure of £5.4 million being funded through the HEFCE SO allocation. HEIs with high average tariff scores are more reliant on their OFFA-countable funding to support progression from HE activities: 39 per cent of their total progression expenditure of £12.8 million is funded by OFFA-countable funding.

Figure 19 Institutional groups' investment in WP activity with disabled students



48. With regards to support for disabled students – from outreach work to supporting student success and the progression of disabled students from HE - institutions collectively spent £59.1 million in 2013-14. Figure 19 shows expenditure on WP activities with disabled students by institutional group.

Conclusion

49. The SO allocation monitoring information provided by institutions for this report enables HEFCE to understand the HE sector's investment in activity to widen access, improve student retention and success, and support progression to employment or further study. The increasing sector investment in such activities over the years demonstrates institutional commitment to WP across the student lifecycle. The information also continues to highlight the crucial role of the HEFCE SO allocation in supporting institutions' WP activities.

Outcomes: Financial support under the National Scholarship Programme

Key findings

NSP spend on the 2013-14 cohort in 2013-14

50. Of the overall £532.7 million¹¹ spent on financial support by HE providers in 2013-14, £192.1 million was delivered through the NSP. Of this, £179.2 million was delivered to the 2013-14 cohort. Table 3 shows the sources of funding for this. The Government contributed £99.9 million, of which £99.7 million was allocated to institutions¹². £98.3 million of this allocation was spent in 2013-14.

Table 3 Breakdown of NSP expenditure on 2013-14 cohort in 2013-14

	£ Millions
Total government allocation spent	£98.3
Total minimum match funding spent [*]	£63.1
Total additional match funding spent [†]	£17.9
Total spent on 2013-14 cohort in 2013-14	£179.2

^{*} Matched funding spend is not equal to the government allocation because matched funding can be spent in subsequent years on the 2013-14 cohort, and institutions charging basic-level fees were only required to match at 50 per cent.

[†] Institutions had the option to put in additional matched funding if they wished.

51. In 2013-14, 226 institutions delivered NSP awards to the 2013-14 cohort. The data for two of these institutions was still undergoing validation at the time of writing, and is therefore not included in the analysis in this report. Of the 224 institutions included, 53 per cent chose to deliver the NSP to students in their first year of study only. Others allocated awards over more than one year, and report that they will deliver a further £41 million to 2013-14 entrants in subsequent years.

52. As shown in Table 4, 59,198 students from the 2013-14 cohort received an NSP award in 2013-14. This is 25,963 more than the minimum required number of students (33,235), based on allocating awards of £3,000 from the government allocation of £99.7 million and using match funding to top up these awards.

¹¹ Source: OFFA, 'Outcomes of access agreement monitoring for 2013-14' www.offa.org.uk/wp-content/uploads/2015/06/2013-14-monitoring-outcomes-report.pdf.

¹² Final NSP allocations amounted to £99,912,000; however, eight institutions opted out of the programme since allocations were announced, leaving £99,705,000 allocated to the remaining participating institutions.

Table 4 Number of NSP recipients in 2013-14 from the 2013-14 cohort

Number of full-time students that received an award	54,047
Number of part-time students that received an award	5,151
Total (headcount)	59,198
Total FTE	55,793.70

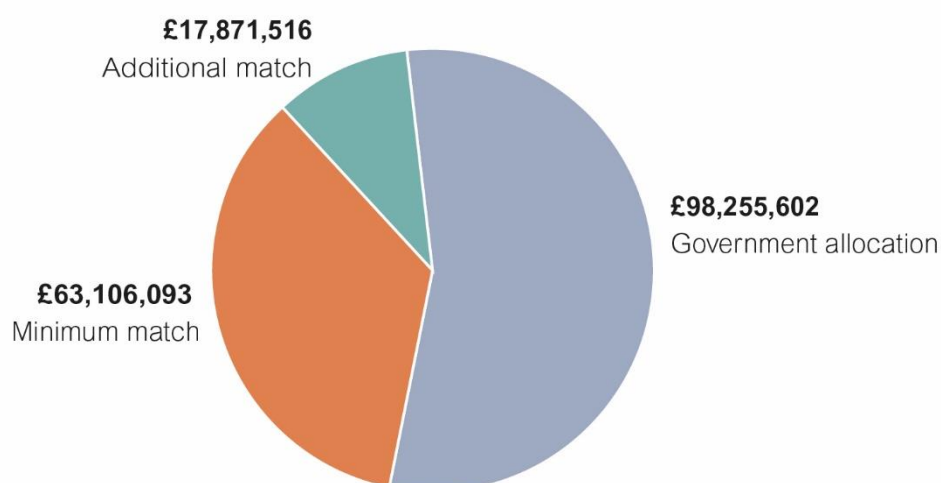
Understanding these findings

53. Over £179.2 million was awarded to 2013-14 HE entrants in the 2013-14 academic year from the 224 participating institutions included in this analysis. An additional £41.0 million is forecast to be spent on the 2013-14 cohort in subsequent years of study, taking the total forecast for the 2013-14 cohort to over £220.2 million.

54. An element of matched funding was required from all participating institutions in the 2013-14 year of the programme. Institutions charging over £6,000 in fees for any of their HE provision were required to match fund the government allocation at a ratio of 1:1 (145 institutions). Institutions charging less than £6,000 in fees were required to match fund at 50 per cent of the government contribution (69 institutions). Ten institutions with an access agreement negotiated with OFFA a lower level matched funding requirement. Over £63.1 million of minimum match funding was spent on the 2013-14 cohort in 2013-14, with over £28.5 million carried forward to spend on the 2013-14 cohort in subsequent years of study.

55. Institutions were able to allocate additional matched funding towards their 2013-14 NSP scheme (over and above that required by the rules of the programme), and 72 institutions chose to do this to support their students. Just under £17.9 million of additional match funding was spent on the 2013-14 cohort, with £11.9 million carried forward to spend on the 2013-14 cohort in subsequent years. Approximately £1.5 million of unspent additional matched funding from institutions with access agreements, has been redirected to student success measures (outreach, retention and progression).

Figure 20 Breakdown of NSP spend on the 2013-14 cohort in 2013-14



56. 125 institutions recorded an underspend on the 2013-14 cohort against their initial plans, totalling £8.6 million¹³. This £8.6 million comprised £1.4 million government allocation and £7.2 million institutional matched funding. The underspend was due to a combination of factors; for example, some recipients withdrew before the end of their first year and therefore did not receive their full allocation. There were also instances of under-allocation of awards at some institutions, for example where they were unable to identify sufficient eligible students.

57. The NSP has the facility for institutions to carry forward up to £50,000 of their government allocation to spend either on the 2013-14 cohort in subsequent years or on the 2014-15 cohort. There is no limit to the amount of matched and additional matched funding which can be carried forward. Ninety-three institutions will carry forward over £1.7 million of the government allocation, of which £0.6 million will be spent on the 2013-14 cohort in subsequent years and £1.2 million re-directed to the 2014-15 cohort. The remaining £0.2 million of government allocation not spent in 2013-14 will be reclaimed by the Department for Business, Innovation and Skills.

58. The 59,198 students who received an NSP award in 2013-14 constitute just over one-third (34 per cent) of the approximately 174,000 English new entrants to higher education who had a household residual income of £25,000 or less in 2013-14¹⁴.

59. Individualised data was collected by HEFCE for both the 2013-14 cohort and the 2012-13 cohort who are continuing to receive NSP awards in subsequent years. Analysis on the characteristics of the students who received the NSP is at Annex D.

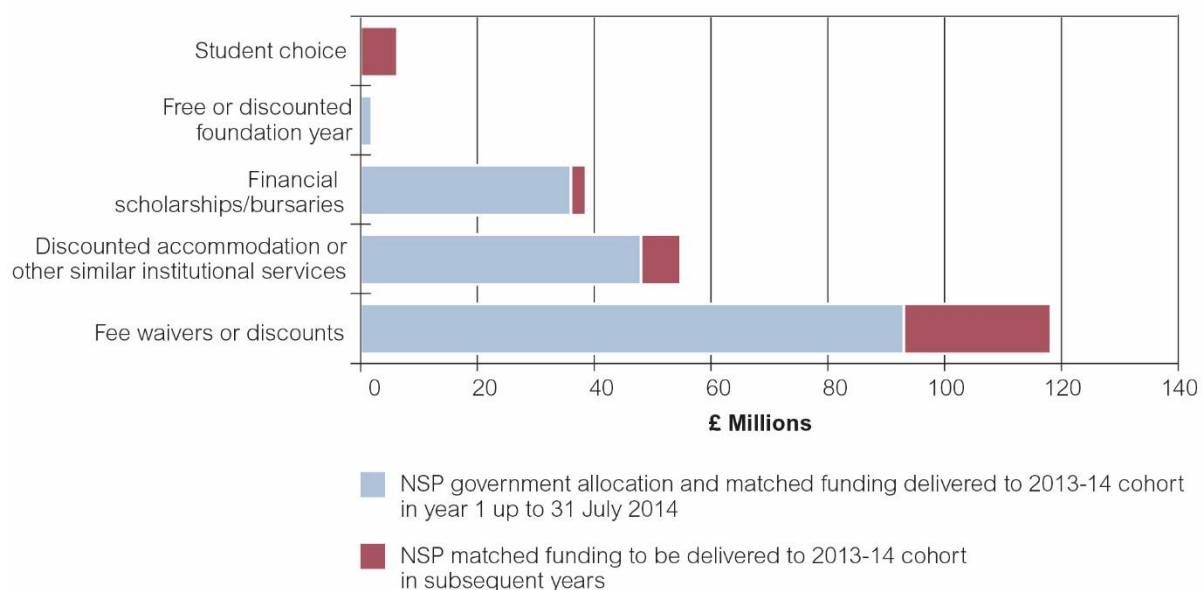
How and when institutions delivered their NSP awards

60. The Government provided options from which institutions could choose how they offered their NSP awards, and it stipulated that the maximum amount a student could receive as a financial scholarship/bursary (cash) was £1,000 over the duration of the award. Figure 21 shows how institutions chose to allocate their NSP awards to the 2013-14 cohort in 2013-14.

¹³ This total includes funds from both the Government allocation and the institutional matched funding (both minimum and additional) which were not spent in 2013-14 and were not allocated to be spent on the 2013-14 cohort in subsequent years. Institutions are required to carry forward unspent matched funding into the next year of their programme.

¹⁴ Figure supplied by the Student Loans Company.

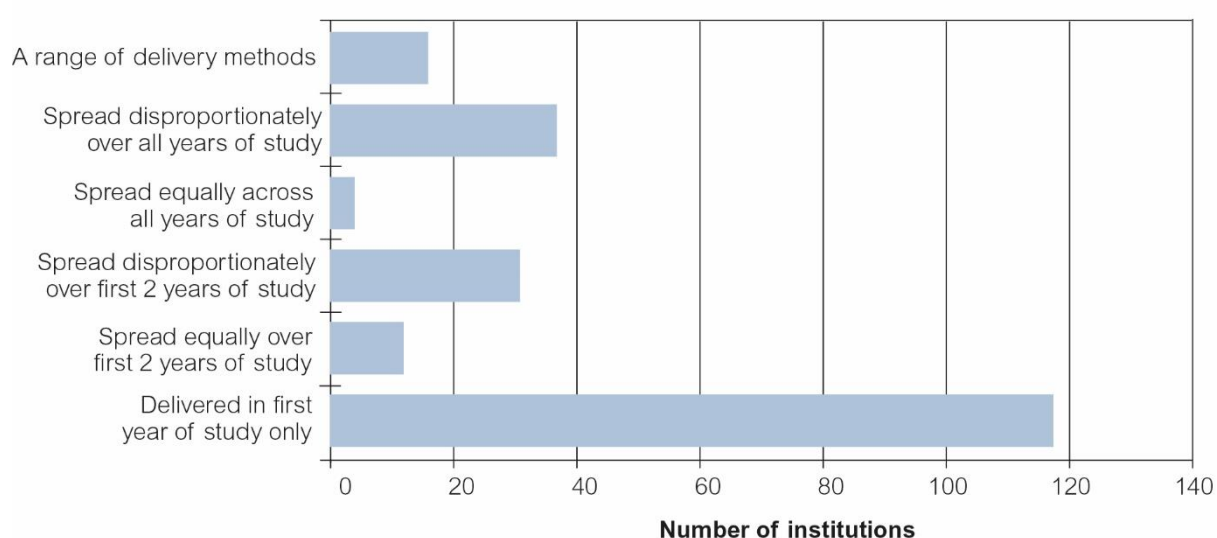
Figure 21 How institutions delivered NSP awards to the 2013-14 cohort in 2013-14 and planned subsequent years spend



61. In the 224 participating institutions included in the analysis, there were more eligible students than awards available. To manage this, institutions had the option to apply additional criteria to the national criteria set by Government. Of the 224 participating institutions, 170 (75.5 per cent) chose to do this. The most common additional criteria are reported in Annex D and Table D1, which shows how institutions used criteria to select eligible recipients and whether they were mandatory to a student receiving an award.

62. Fifty-three per cent of institutions delivered their NSP awards to students in their first year of study only (see Figure 22). Other institutions chose to spread their NSP payments across more than one year in order to assist retention.

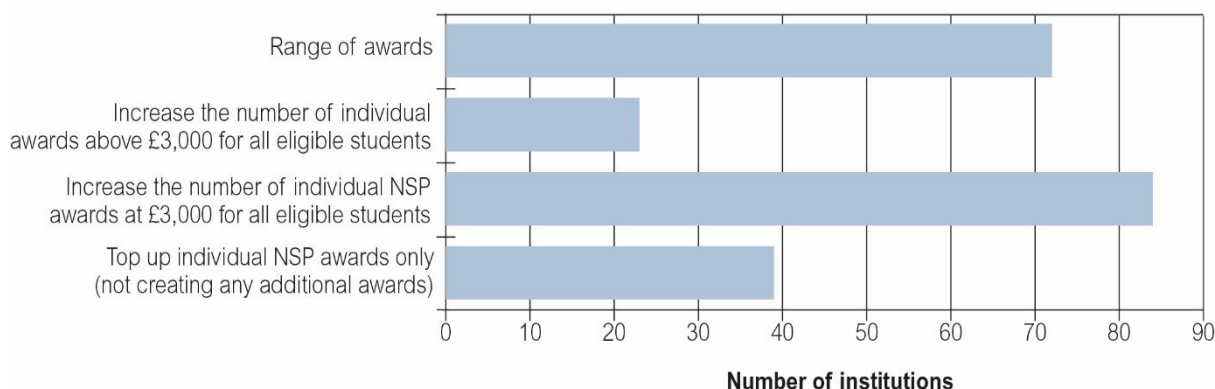
Figure 22 When institutions are delivering their NSP allocations to eligible 2013-14 recipients



How institutions used their matched funding allocations¹⁵

Institutions used their matched funding in a variety of ways as shown in Figure 23. Institutions who selected 'Range of awards' delivered their NSP awards using a combination of the options detailed below.

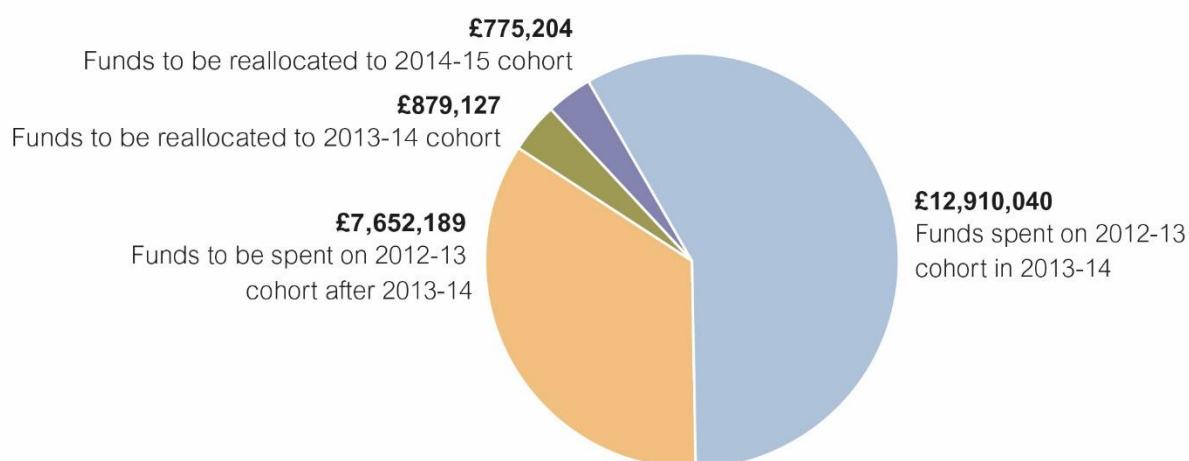
Figure 23 How institutions allocated their NSP matched funding, 2013-14



Subsequent year spend – NSP spend on the 2012-13 cohort in 2013-14

63. Of the £22.9 million carried forward from the 2012-13 academic year to spend on the 2012-13 cohort in subsequent years, over £12.9 million was spent on this cohort in 2013-14. An additional £7.7 million was carried forward to spend on the 2012-13 cohort after 2013-14. The remaining NSP funding (£1.7 million) was reallocated to either the 2013-14 cohort (£0.9 million) or the 2014-15 cohort (£0.8 million).

Figure 24 Breakdown of plans for NSP funds carried forward from 2012-13 to spend on the 2012-13 cohort

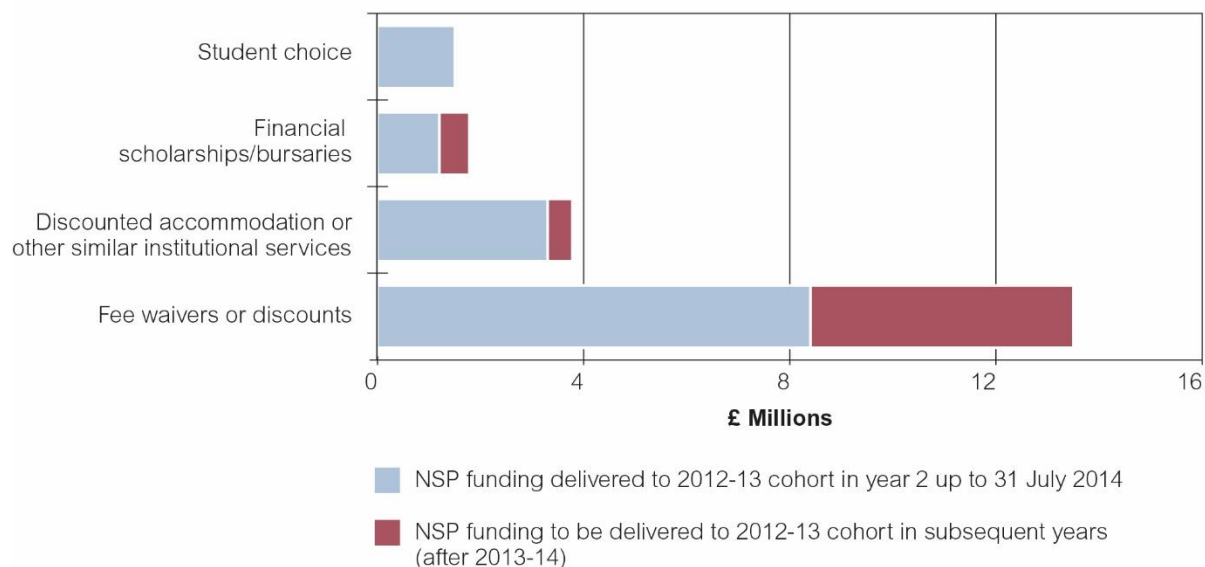


64. A total of 9,091 students from the 2012-13 cohort received the NSP in subsequent years, of which 8,846 were full-time students and 245 part-time. This equates to an FTE of approximately 9,006.

¹⁵ This refers to both minimum and additional matched funding.

65. For the 2012-13 cohort, institutions were asked to outline the method of delivery for their NSP awards in 2013-14 and subsequent years. Similarly to the 2013-14 cohort, the most popular method of delivery was fee waivers or discounts (65 per cent of expenditure). The second most popular method of delivery, in terms of expenditure, was discounted accommodation or similar institutional services (25 per cent) followed by financial scholarships and bursaries (9 per cent). The breakdown of expenditure is shown in Figure 25.

Figure 25 How institutions delivered NSP awards to the 2012-13 cohort in 2013-14 and planned subsequent years spend



Comparisons between spend from 2012-13 and 2013-14

66. The government funding for the NSP increased from £50 million in 2012-13 to £100 million in 2013-14. The monitoring data shows that the headcount of students in receipt of the NSP increased by 71 per cent in 2013-14 (from 34,606 in 2012-13 to 59,198 in 2013-14).

67. The 2013-14 monitoring data demonstrates that institutions delivered the scheme in its second year of operation in largely the same pattern of delivery as the first year.

Annex A: Glossary

Access agreement: A document written by an institution as a condition of charging above the basic fee. An access agreement sets out: how the institution intends to protect and promote fair access to higher education for people from lower income backgrounds and other groups that are currently under-represented at the institution; the tuition fees it intends to charge; the milestones and objectives the institution chooses to use to monitor its progress in improving access; and working estimates of the higher fee income it expects to receive and to spend on access measures. Access agreements must be approved and monitored by OFFA.

Full-time equivalent (FTE): For comparison purposes, numbers of students are converted to full-time equivalents. This is because a direct headcount can be a poor indication of the actual volume of activity.

Further education college (FEC): In this context FEC refers to further education colleges or sixth-form colleges which receive HEFCE funding. (See also 'institutions'.)

Higher education (HE): Programmes leading to qualifications, or credits which can be counted towards qualifications, which are above the standard of GCE A-levels or other Level 3 qualifications.

Higher Education Funding Council for England (HEFCE): HEFCE funds and regulates universities and colleges in England. For more information see www.hefce.ac.uk.

Higher education institution (HEI): In this context HEI refers to a HEFCE-funded university or higher education college. (See also 'institutions'.)

Higher fee income: Income from fees above the basic level. For example, where an institution charged the maximum fee of £9,000 for full-time undergraduates in 2013-14, when the basic fee was £6,000, the 'higher fee income per student' was £3,000 (£9,000 - £6,000 = £3,000).

Institutions: The wide variety of institutions, mostly universities and colleges, that HEFCE funds to deliver higher education courses and qualifications. For the purposes of our monitoring, we divide them into higher education institutions (HEIs) and further education colleges (FECs) – see also HEI and FEC.

National Scholarship Programme (NSP): A financial award scheme which ran in academic years 2012-13 to 2014-15. It was designed to benefit students from disadvantaged backgrounds as they began their studies and was administered by HEFCE on behalf of the Government. In 2013-14, each award was a minimum £3,000 pro rata in the first year of study. Participating higher education providers received a government allocation which was matched 1:1 by institutions charging higher level fees, and at 50 per cent by institutions charging basic fees ('minimum matched funding'). Additional funding could be allocated by any institution on top of the minimum match.

OFFA countable funding: This is funding from higher fee income, please see 'higher fee income' above.

Office for Fair Access (OFFA): The independent regulator of fair access to higher education in England. Its role is to promote and safeguard fair access to higher education for people from lower income and other under-represented backgrounds. For more information see www.offa.org.uk.

Outreach: Any activity that involves raising aspirations and attainment among potential applicants from under-represented groups and encouraging them to apply to higher education. This includes outreach directed at young or mature students aspiring to full- or part-time study.

Participation of local areas (POLAR): The classification groups areas across the UK based on the proportion of the young population that participates in higher education. For more information see www.hefce.ac.uk/analysis/yp/POLAR/.

Progression: To ensure that widening participation encompasses the whole student lifecycle, we are interested in understanding how institutions support undergraduate students from disadvantaged backgrounds to progress beyond their course to employment or postgraduate study. Support for progression encompasses a wide variety of activities including (but not limited to) support for internships, help with interview skills and embedding employability into the curriculum.

Student Opportunity (SO) allocation: Public funding delivered through HEFCE to HEIs and FECs. In 2013-14, the Student Opportunity allocation totalled £332 million. It comprised the following elements:

- £89 million to recognise the extra costs associated with recruiting and supporting students from disadvantaged backgrounds currently under-represented in higher education
- £15 million to widen access and improve provision for disabled students
- £228 million to improve the retention of students most at risk of not completing.

Student success: Work to retain and support students from disadvantaged backgrounds through their studies and on to successful outcomes in work or further study work, including (but not limited to) induction programmes, study skills support, curriculum development and mentoring of students by people working in the professions.

Tariff scores: We group HEIs according to the average tariff scores of their young (under 21) UK-domiciled undergraduate entrants. The average tariff score considers all such entrants who hold Level 3 qualifications subject to the UCAS tariff. Institutions in the top third of the ranking by average tariff score are said to have 'high average tariff scores', and those in the bottom third have 'low average tariff scores'.

Under-represented groups: This refers to groups that are currently under-represented in higher education compared to their representation in wider society. This group includes (but is not limited to):

- people from lower socio-economic groups or from neighbourhoods where higher education participation is low
- people from low income backgrounds
- disabled people
- people who have been in care.

Widening participation (WP): Policies and activities designed to ensure that all those with the potential to benefit from higher education have the opportunity to do so, whatever their background and whenever they need it.

Annex B: Total sector WP expenditure by activity for 2013-14

The table below represents the base data used in figures 2 to 8.

Activity type	Category	Expenditure on activity (£ million)
Access activity	Outreach work with schools and/or young people	122.2
	Outreach work with communities/adults	34.4
	Outreach work with disabled students	5.7
	WP staffing and administration	45.3
	Total access expenditure	207.6
	OFFA-countable funding	92.6
	HEFCE SO allocation	74.6
	Other funding sources	40.4
Student success activity	Support for current students (academic and pastoral)	434.2
	Support for disabled students	48.4
	WP staffing and administration	31.7
	Total student success expenditure	514.4
	OFFA-countable funding	76.9
	HEFCE SO allocation	217.0
	Other funding sources	220.4
Progression activity	Support for progression from HE (into employment or postgraduate study)	59.2
	Support for progression of disabled students	4.9
	WP staffing and administration	16.4
	Total progression expenditure	80.6
	OFFA-countable funding	23.2
	HEFCE SO allocation	36.6
	Other funding sources	20.8
Total expenditure on WP activity		802.6
OFFA-countable funding		192.7
HEFCE SO allocation		328.2
Other funding sources		281.6

Annex C: Total WP expenditure for 2013-14, by institutional group (£)

The tables below represent the base data used in figures 9 to 19.

Institutional group*	Access activity				Total access expenditure	of which uses OFFA-countable funding	of which uses HEFCE SO allocation
	Outreach work with schools and/or young people	Outreach work with communities / adults	Outreach work with disabled students	WP staffing and administration			
Specialist HEIs	11,121,253	11,262,982	845,695	4,722,183	27,952,112	11,316,787	10,717,004
HEIs with high average tariff scores	43,102,111	5,917,074	937,307	14,069,575	64,026,067	39,945,732	11,075,405
HEIs with medium average tariff scores	25,507,160	5,526,167	1,097,341	9,289,377	41,420,045	20,235,568	17,757,877
HEIs with low average tariff scores	37,164,232	8,173,062	2,137,402	14,080,974	61,555,670	19,713,520	26,338,749
FECs	5,304,012	3,552,261	698,807	3,128,428	12,683,508	1,412,546	8,681,820
Total	122,198,767	34,431,546	5,716,552	45,290,537	207,637,402	92,624,152	74,570,855

Student success activity						
Institutional group	Support for current students (academic and pastoral)	Support for disabled students	WP staffing and administration	Total student success expenditure	of which uses OFFA-countable funding	of which uses HEFCE SO allocation
Specialist HEIs	43,583,010	7,927,869	4,314,413	55,825,293	5,178,329	38,658,594
HEIs with high average tariff scores	29,863,293	11,977,557	2,498,554	44,339,405	13,285,585	18,255,944
HEIs with medium average tariff scores	197,567,570	12,719,353	9,173,789	219,460,712	30,050,360	67,557,277
HEIs with low average tariff scores	146,467,694	13,030,512	12,037,966	171,536,173	26,942,153	74,848,334
FECs	16,693,972	2,792,719	3,718,686	23,205,377	1,428,525	17,720,917
Total	434,175,540	48,448,010	31,743,409	514,366,959	76,884,953	217,041,066

Progression activity						
Institutional group	Support for progression from HE (into employment or postgraduate study)	Support for progression of disabled students	WP staffing and administration	Total progression expenditure	of which uses OFFA-countable funding	of which uses HEFCE SO allocation
Specialist HEIs	3,021,578	796,885	1,154,183	4,972,647	1,422,157	2,586,040
HEIs with high average tariff scores	11,575,409	459,980	790,595	12,825,984	4,977,755	3,404,658
HEIs with medium average tariff scores	17,733,101	1,351,852	6,857,408	25,942,361	7,855,919	12,447,165
HEIs with low average tariff scores	23,956,291	1,693,252	5,752,623	31,402,166	8,306,485	14,255,758
FECs	2,941,757	606,885	1,866,230	5,414,872	599,642	3,940,637
Total	59,228,136	4,908,855	16,421,039	80,558,030	23,161,958	36,634,257

Totals			
Institutional group	Total WP activity expenditure	of which uses OFFA-countable funding	of which uses HEFCE SO allocation
Specialist HEIs	88,750,052	17,917,273	51,961,638
HEIs with high average tariff scores	121,191,456	58,209,072	32,736,006
HEIs with medium average tariff scores	286,823,118	58,141,847	97,762,319
HEIs with low average tariff scores	264,494,009	54,962,158	115,442,840
FECs	41,303,757	3,440,713	30,343,374
Total	802,562,391	192,671,063	328,246,178

* Institutions have been grouped using the average tariff score of their UK-domiciled undergraduate entrants under 21 in the 2011-12 academic year. Specialist institutions (where at least 60 per cent of provision is concentrated in one or two subjects) were initially identified, and the remaining institutions were ranked by average tariff score, then grouped into thirds.

Annex D: Supplementary information on the National Scholarship Programme for 2013-14

Most popular institutional criteria

1. Institutions were able to use criteria to determine eligibility for NSP awards, to sit beneath the national criteria. Table D1 lists the most commonly used criteria, how many institutions used each one, and how many of those used it as a mandatory criterion.

Table D1 Additional criteria used by institutions to determine NSP eligibility in 2013-14

Institutional criterion category	Number of institutions using this criterion	Number of institutions where this criterion was mandatory	Percentage of institutions using this criterion
Care leaver	83	4	37.1%
Income-related	52	33	23.2%
Disability	47	2	21.0%
Achievement related	41	23	18.3%
Polar/low-participation neighbourhood	37	6	16.5%
Resident in England	28	23	12.5%
First generation HE	26	5	11.6%
School/college	26	5	11.6%
Full time/part time	21	17	9.4%
Tuition fee	21	18	9.4%
In receipt of other benefits	20	5	8.9%
Carer	18	0	8.0%
Firm choice	17	11	7.6%
Course based	15	8	6.7%
Socio-economic group	15	1	6.7%
Timely application	15	6	6.7%
Financial need	14	5	6.3%
Refugee	13	0	5.8%
Progression at institution	12	1	5.4%
Ethnic minority group	11	1	4.9%
Proximity/location	11	5	4.9%

Commitment to study	10	7	4.5%
Access to HE	8	0	3.6%
Accommodation	8	6	3.6%
Age	8	0	3.6%
Travellers	8	0	3.6%
Written assessment	6	2	2.7%
Engagement in outreach activity	2	0	0.9%
Good ambassador	1	0	0.4%
Other	52	21	23.2%

Individualised data

2. HEFCE collected individualised data from institutions which provides information on the characteristics of students who received the NSP in 2013-14. Individualised data was collected for both the 2013-14 cohort and the 2012-13 cohort who were receiving funding in subsequent years.

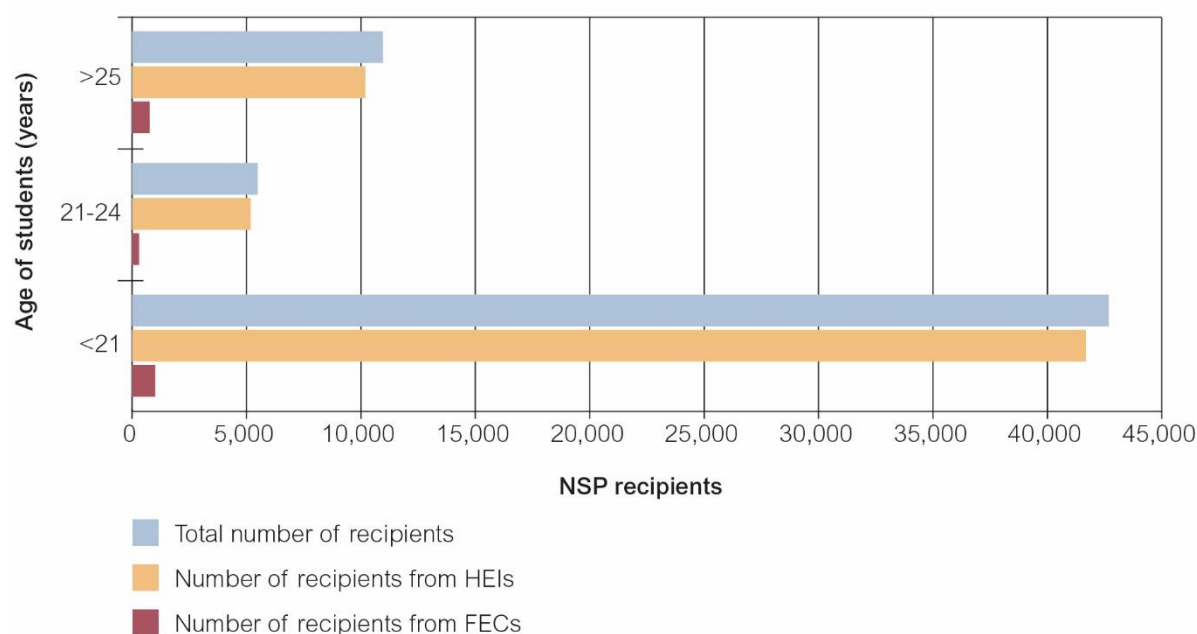
3. Where the numbers of students in the following categories do not sum to the total number of 2013-14 NSP recipients (59,198) or 2012-13 NSP recipients (9,091), this is because some of them could not be matched to the sources of individualised data (which are the Higher Education Statistics Agency (HESA) Student Record or Skills Funding Agency Individualised Learner Record (ILR)).

Age

4. Comparing the age of 2013-14 NSP recipients, the vast majority in both HEIs and FECs were under 21 (see Figure D1, with students over 25 years old forming the second largest group¹⁶).

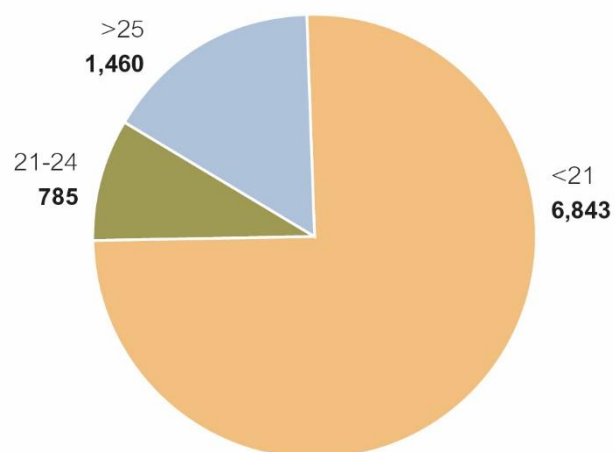
¹⁶ For the 2013-14 cohort the age used in this analysis is the student's age at the beginning of the 2013-14 academic year (1 August 2013).

Figure D1 Age of 2013-14 cohort of NSP recipients



5. The age range of 2012-13 NSP recipients follows the same pattern, with the majority of students under 21 and with students over 25 years old forming the second largest group¹⁷.

Figure D2 Age of 2012-13 cohort of NSP recipients

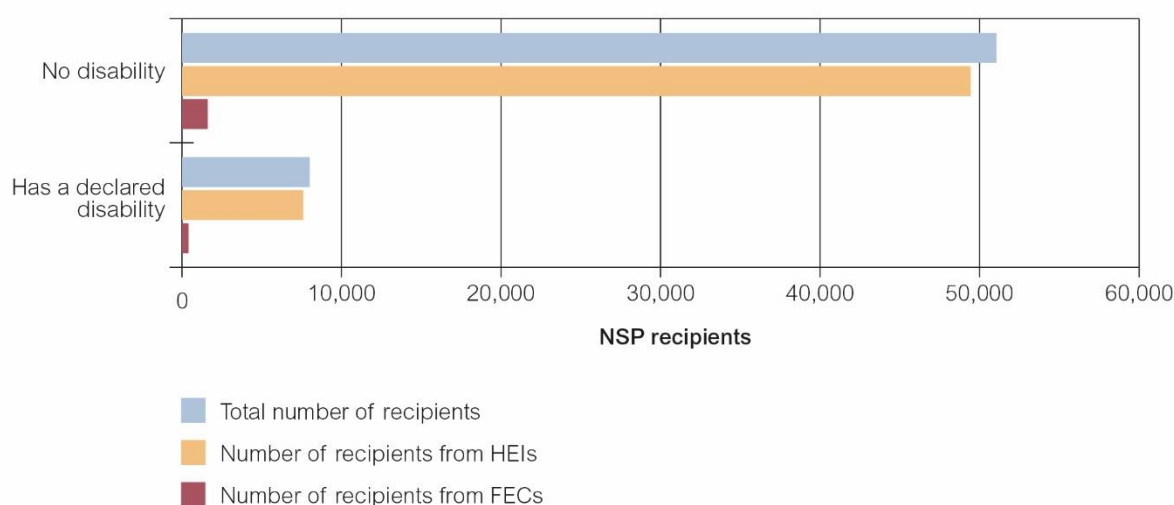


Disability status

6. Disability was used as an institutional criterion by 47 institutions, with two making it mandatory. HESA and ILR records show that overall 14 per cent of 2013-14 students (8,011 students) receiving the NSP were listed as having a declared disability (7,601 in HEIs and 410 in FECs).

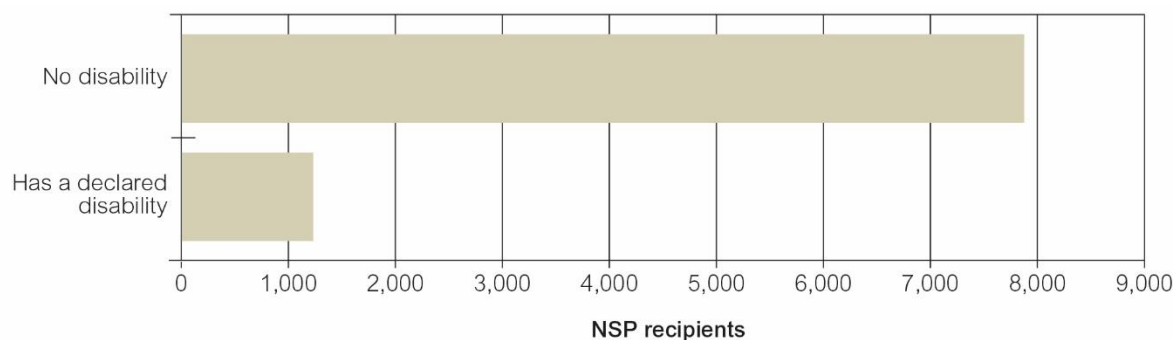
¹⁷ For the 2012-13 cohort the age used in this analysis is the student's age at the beginning of the 2012-13 academic year (1st August 2012).

Figure D3 Disability status of NSP recipients, 2013-14



7. Of the 2012-13 cohort awarded the NSP in 2013-14, approximately 14 per cent (1,227 students) were listed as having a declared disability.

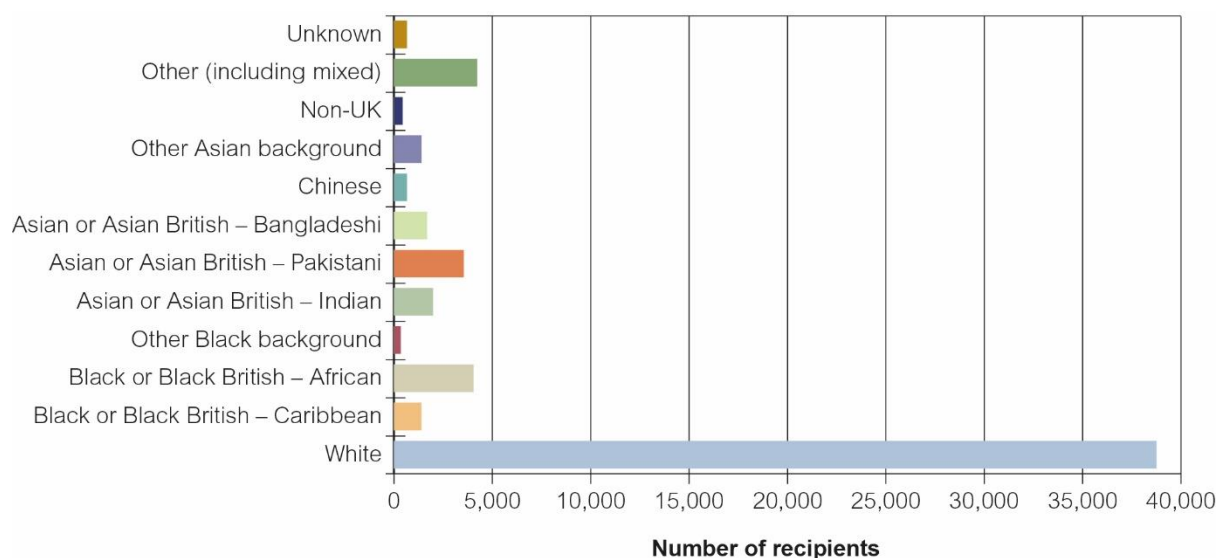
Figure D4 Disability status of NSP recipients, 2012-13



Ethnicity

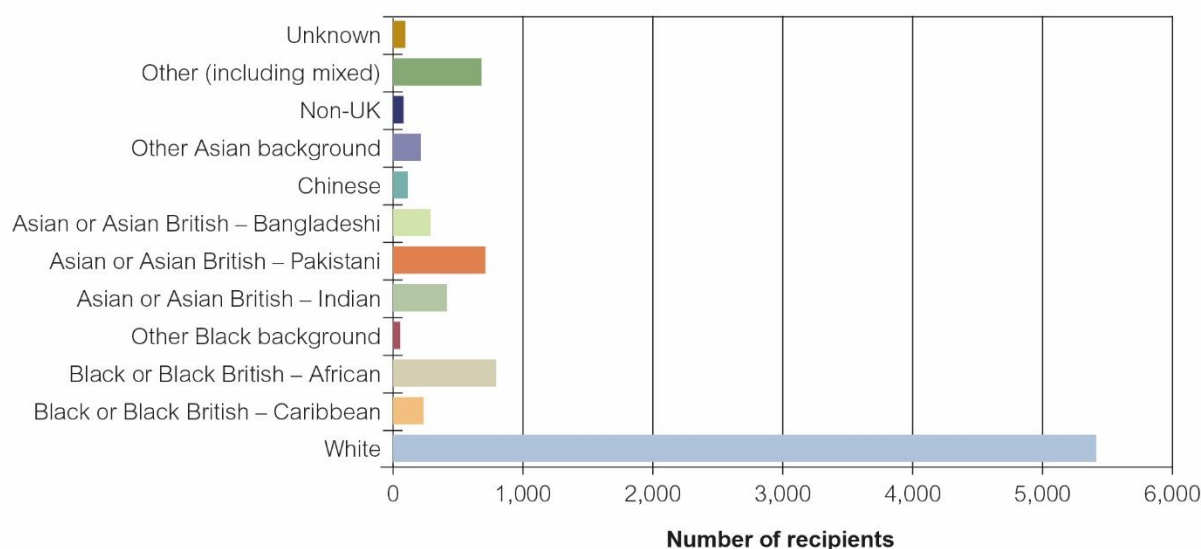
8. Comparing the ethnicity characteristics of the 2013-14 NSP recipients, the vast majority of recipients were classified as 'White' (65.5 per cent). The next highest representation was the category of 'Other – including mixed' (7.1 per cent), followed consecutively by 'Black or Black British – African' (6.8 per cent) and 'Asian or Asian British – Pakistani' (6.0 per cent).

Figure D5 Ethnicity of 2013-14 NSP recipients



9. The ethnicity characteristics of the 2012-13 NSP recipients follow a similar pattern to those of the 2013-14 cohort in that the vast majority are classified as 'White' (59.6 per cent). However, a slight difference in position is demonstrated in the following three highest represented groups. With 'Black or Black British – African' the second most represented group (8.7 per cent), followed by 'Asian or Asian British – Pakistani' (7.8 per cent) and 'Other (including mixed)' (7.5 per cent) respectively.

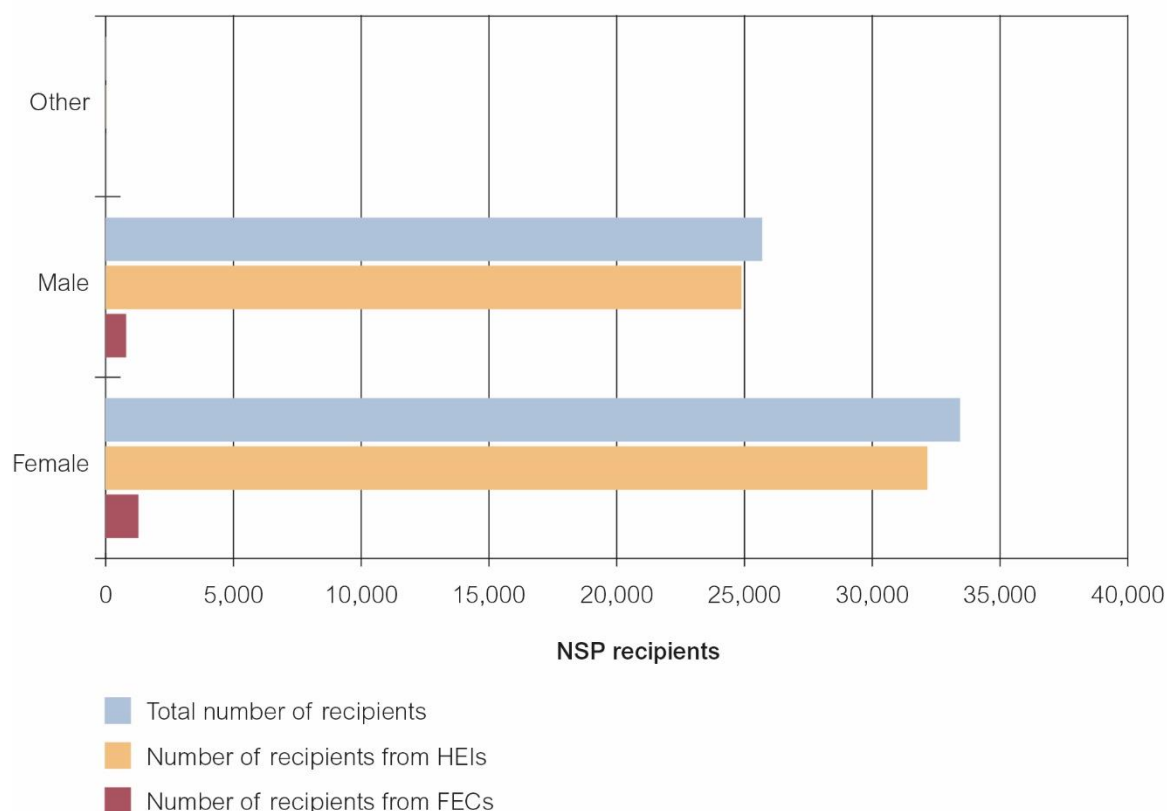
Figure D6 Ethnicity of 2012-13 NSP recipients



Sex

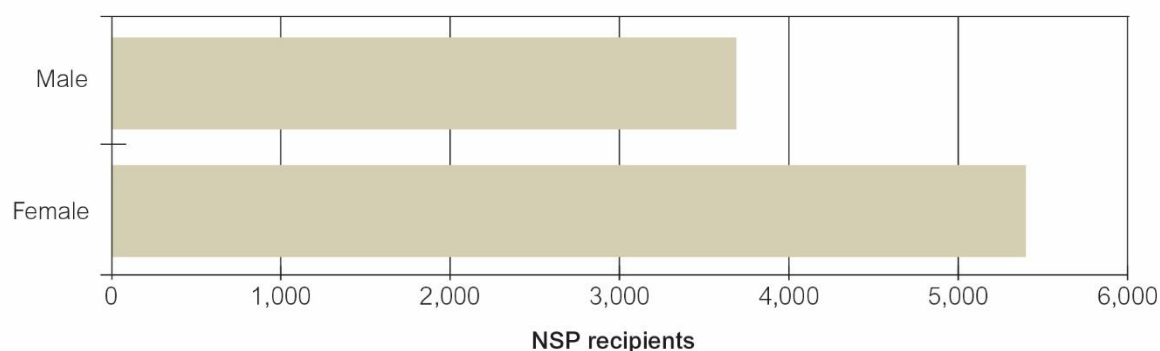
10. As Figure D7 shows, over 56 per cent of all 2013-14 NSP recipients were female. Female students were the majority at both FECs and HEIs.

Figure D7 Sex of 2013-14 NSP recipients



11. Similarly for the 2012-13 cohort, the majority of NSP recipients in subsequent years were female (59 per cent).

Figure D8 Sex of 2012-13 NSP recipients



Country of domicile

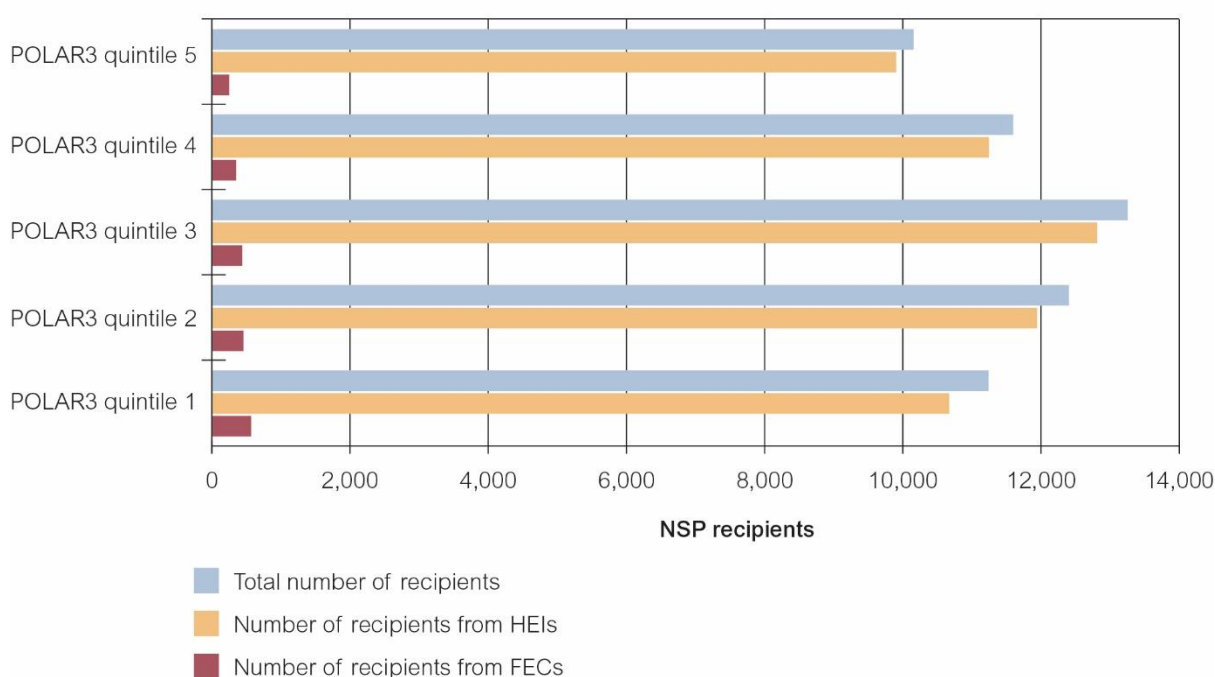
12. The NSP can be awarded to students from England and the EU (EU students do not receive the bursary or discounted accommodation options but are entitled to receive the full £3,000 of the award as a fee waiver). In the 2013-14 cohort, the majority of NSP recipients were domiciled in England (99 per cent), with 413 EU students awarded the NSP.

13. A similar patterns persists for the 2012-13 cohort in 2013-14: the majority of NSP recipients were domiciled in England (99 per cent) and 78 NSP awards were allocated to EU students.

POLAR quintile

14. The Participation of Local Areas (POLAR) measure¹⁸ was used by 37 institutions as an additional criterion for NSP eligibility, with six making it a mandatory criterion. As shown in Figure D9, the number of students receiving the NSP is within 5 percentage points across all POLAR quintiles, with the most in quintile 3 (22 per cent) and the fewest in quintile 5 (17 per cent).

Figure D9 POLAR3 quintile data for 2013-14 cohort NSP recipients

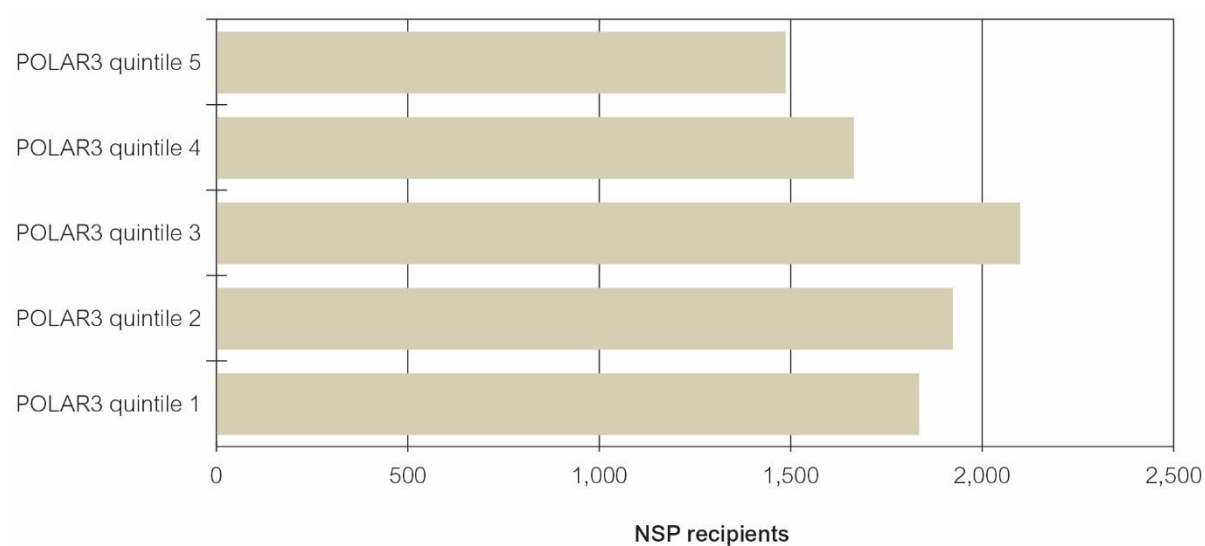


15. POLAR is a measure of the number of young people participating in higher education in a small geographical area; it is not an individual measure of deprivation. For example, we know that there are students living in POLAR quintile 5 areas (those with the highest youth participation in higher education) whose households have a residual annual income of less than £25,000. Therefore HEFCE strongly recommends that POLAR data should not be used as the only or main mandatory institutional criterion for awarding the NSP, but can be used in conjunction with other criteria.

16. A similar picture exists for the 2012-13 cohort as shown in Figure D10.

¹⁸ POLAR groups small areas across the UK into five groups ('quintiles') according to their rate of young participation in higher education. Each quintile represents around 20 per cent of the young population. Quintile 1 corresponds to the most disadvantaged areas and quintile 5 to the most advantaged. POLAR3 is the latest iteration of this classification. For further details on POLAR see www.hefce.ac.uk/analysis/yp/POLAR/.

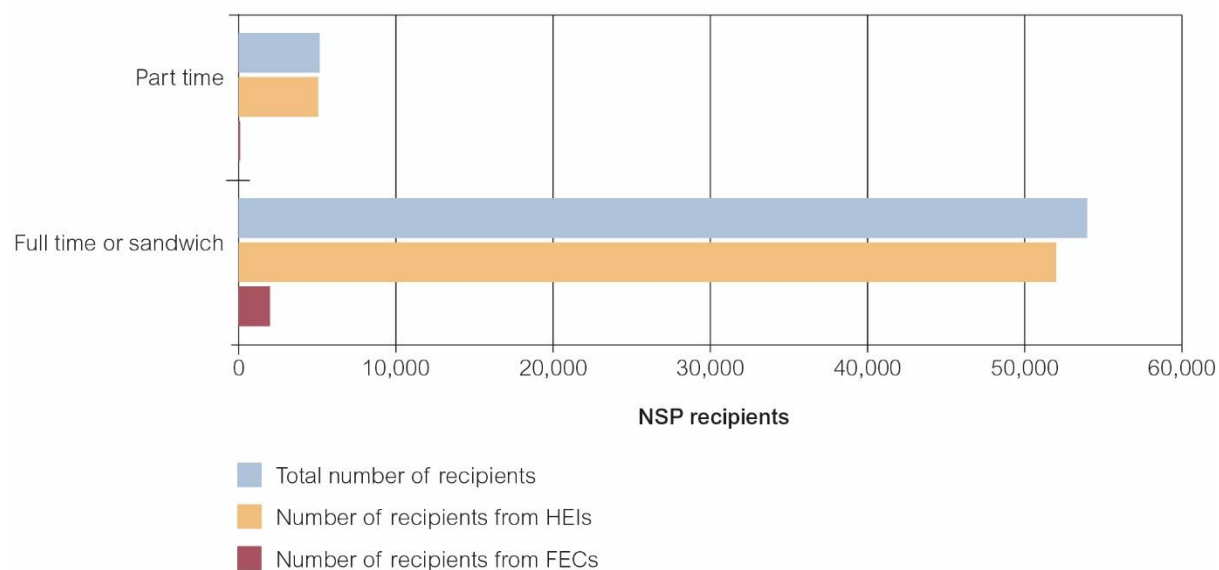
Figure D10 POLAR3 quintile data for 2012-13 cohort NSP recipients in subsequent years



Mode of study

17. The majority of NSP recipients from the 2013-14 cohort were studying at full-time intensity or on sandwich courses (91 per cent). Higher numbers of full-time students were represented at both FECs and HEIs.

Figure D11 Mode of study for 2013-14 NSP recipients



18. A similar picture exists for the 2012-13 cohort, as shown in Figure D12.

Figure D12 Mode of study for 2012-13 NSP recipients in 2013-14

