

June 2015/12

Core funding

Guidance for applications

Applications should be returned by
**noon on Wednesday 12 August
2015**

This document provides information and guidance for English publicly funded colleges seeking to become directly funded by HEFCE from the academic year 2016-17 onwards. Section 1 provides an overview of our funding to colleges. Section 2 details our regulatory requirements for HEFCE-funded colleges. Section 3 details the assessment process and how to complete and submit an application for direct funding.

Direct funding: Guidance for applying for entry in 2016-17

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To	Heads of publicly funded further education colleges and sixth-form colleges not currently funded directly by HEFCE
Of interest to those responsible for	Senior management, Student recruitment, Planning, Finance
Reference	2015/12
Publication date	June 2015
Enquiries to	HEFCE higher education in further education team, led by Adam Lambert, tel 0117 931 7315, email a.lambert@hefce.ac.uk

Executive summary

Purpose

1. This document provides information and guidance for English publicly funded colleges seeking to become directly funded by HEFCE from the academic year 2016-17 onwards. Section 1 provides an overview of our current funding to colleges. Section 2 details our regulatory requirements for HEFCE-funded colleges. Section 3 details the assessment process and how to complete and submit an application for direct funding.

Key points

2. This is an annual process for English publicly funded colleges wishing to become directly funded by HEFCE to support their higher education courses. A college being HEFCE-funded also enables its eligible students to access tuition fee loans and support from the Student Loans Company.
3. This process is open only to English publicly funded colleges and English providers maintained or assisted by a local education authority. It is not open to any other provider of higher education.
4. Applications will be assessed on four criteria: quality of provision, financial sustainability management and governance, strategic imperative, and course eligibility.
5. Becoming directly funded by HEFCE places a number of mandatory requirements on providers in terms of regulation and of data submission, which colleges will need to consider in detail before judging whether to submit an application.
6. Applications are likely to take up to 12 weeks to assess. Therefore, we anticipate that we will notify colleges of their outcome in the autumn. Colleges whose applications are unsuccessful will have the opportunity to appeal and we expect to conclude any appeals process by the end of the calendar year.

Action required

7. This process only affects colleges not currently in a direct funding relationship with HEFCE. Colleges wishing to become directly funded by HEFCE for the 2016-17

academic year should read this document and the accompanying technical guidance at Annex B, then complete the application form and forecast workbook provided when registering for their group key to the HEFCE extranet. The completed form and workbook and supporting evidence should be uploaded to HEFCE via our extranet facility by **noon on Wednesday 12 August 2015**.

Background

8. HEFCE can provide funding to publicly funded colleges that deliver higher education (HE) courses. In 2015-16, we will provide direct funding to over 200 colleges, and will indirectly fund many more.

Eligibility

9. HEFCE is empowered to fund HE courses at English publicly funded colleges, or institutions maintained or assisted by a local education authority (as set out in the Further and Higher Education Act 1992). This means that we are not able to fund:

- academies
- free schools
- alternative (private) providers of higher education
- publicly funded colleges whose principal activities take place outside England.

10. In addition, in colleges HEFCE can only provide funding to specific HE courses known as 'prescribed courses'. These lead to qualifications that we are empowered to fund, and are set out in legislation. We cannot provide funding for individual HE modules at colleges. A full list of courses we fund in colleges is at Annex A. If you have any queries relating to the courses you wish to offer, please contact HEFCE, tel 0117 931 7340, email directfunding@hefce.ac.uk.

Section 1: Introduction to direct funding

Direct funding

This information is provided to ensure that applicants understand HEFCE's funding remit, and what public funding for higher education may be available.

11. HEFCE may choose to distribute public money to those universities and colleges ('institutions') in England that provide HE and are eligible under the Further and Higher Education Act (1992). HEFCE funds colleges either directly, or indirectly through another provider we fund.

12. When a college becomes directly funded, it may receive HEFCE grant money to support a range of higher education activities. Colleges sign a 'funding agreement' with HEFCE, which sets out 'conditions of grant'. These conditions include compliance with a number of regulatory and data requirements, for which we hold the college directly responsible.

13. The vast majority of directly funded colleges deliver courses which are awarded by other recognised awarding bodies, as most colleges do not have the power to award HE qualifications. Under such an arrangement, the awarding body is mainly responsible for upholding the integrity of the qualification, but the students are registered (for funding and other regulatory purposes) at the college.

Automatic course designation for student support

14. Colleges that are successful in applying for direct HEFCE funding also have all their higher education courses 'designated' for student support. This means that eligible students studying on higher education courses are able to claim tuition fee loans and support from the Student Loans Company. Only colleges that are directly funded by HEFCE have their courses automatically designated for student support.

The funding HEFCE provides to colleges

Please note: We expect a spending review setting out future government spending plans. We therefore cannot guarantee any specific type or level of funding for 2016-17 or thereafter.

15. The vast majority of the funding we allocate to colleges comes in the form of 'recurrent funding', mainly for the purpose of supporting student opportunity and the teaching of high-cost subjects. The levels of funding an institution can expect to receive will differ according to a number of factors, including the subjects taught and the number of students registered. HEFCE contributes towards teaching HE, but our funding to colleges (as to universities) does not fully meet costs.

16. If you were a college in a direct funding relationship in June 2015, you could currently expect to receive:

- funding for the teaching of high-cost subjects, such as science and engineering, or certain intermediate-cost subjects such as art and design, or information technology
- a contribution towards the institutional costs of supporting student opportunity in HE
- an additional allocation for those in London
- funding to support part-time undergraduate students.

17. In order to determine which subjects qualify for funding, we use sector wide data to categorise subjects into one of five price groups:

- **Price group A:** The clinical years of study for medicine, dentistry and veterinary science. This price group applies only at universities that provide training for students seeking a first registrable qualification as a doctor, dentist or veterinary surgeon or who are already qualified in these professions.
- **Price group B:** Laboratory-based science, engineering and technology subjects.
- **Price group C1:** Intermediate-cost subjects whose average costs across the sector exceed £7,500. This group comprises archaeology, design and creative arts, information technology, systems sciences and computer software engineering, and media studies.

- **Price group C2:** Intermediate-cost subjects with a laboratory, studio or fieldwork element, such as geography or languages. This price group also includes all students on placement during a sandwich year.
- **Price group D:** Classroom-based subjects such as humanities, business or social sciences.

18. Currently, only price groups A (available to universities only), B and C1 (for both undergraduate and postgraduate subjects) and C2 (for postgraduate students only) will receive funding from HEFCE.

19. Funding for student opportunity is categorised in five ways: widening access for part-time undergraduate students from disadvantaged backgrounds, widening access for full-time students from disadvantaged backgrounds, widening access and improving provision for disabled students, improving retention for full-time undergraduate students, and improving retention for part-time undergraduate students. These allocations will be based on very detailed data and calculations.

20. We also provide a separate allocation for students attending courses in London, as we recognise the extra costs colleges face when operating in London. The rates of funding differ between price groups, and between inner and outer London.

21. Finally, we believe there can be extra costs associated with part-time students. We provide a small targeted allocation for part-time undergraduates to help mitigate these costs. In most cases this funding is calculated on the basis of full-time equivalent numbers of part-time undergraduates in price groups A to C1.

22. The grants that HEFCE allocates to colleges are not expected to meet their costs fully: we make only a contribution towards teaching and related activities. The proportion of an institution's total income that comes from HEFCE will depend on other factors, such as the fees it charges, the range of its activities and its income from other sources. HEFCE notifies institutions each March of how much recurrent funding they should expect to receive for the coming academic year.

23. In addition, HEFCE does not currently fund provision **which does not reflect our priorities for teaching funding allocations** and in general we cannot fund any of the following:

- non-prescribed HE provision
- postgraduate initial teacher training qualifications leading to qualified teacher status or initial teacher training delivered in service (INSET)
- provision which another public body is responsible for funding
- students studying for a qualification equivalent to or lower than one which they already hold.

24. Further information on our funding methods can be found in 'Guide to funding 2015-16' (HEFCE 2015/04, www.hefce.ac.uk/pubs/year/2015/201504/).

Section 2: HEFCE's regulatory requirements

Colleges funded directly by HEFCE are subject to a number of regulatory and information requirements. These are set out annually in our funding agreements, normally issued in July. Applicants should consider carefully whether they would be able to meet these requirements before submitting an application.

25. We set out terms and conditions of grant in our funding agreement. It also specifies institution-specific conditions, a schedule of funds available in the academic year and the educational provision the institution has agreed to make in return for funds.

Data requirements

26. Colleges in a direct funding relationship with HEFCE will be required to complete and participate in a number of annual data returns as part of the conditions of grant. These will include the following.

The Higher Education in Further Education: Students survey and the Individualised Learner Record

27. The Higher Education in Further Education: Students (HEIFES) survey asks colleges to provide data about the numbers of students on prescribed HE courses. We collect this aggregate student number data from all colleges that we directly fund. We currently use this information to review funding we have previously announced for the current academic year, and to inform our funding decisions for the following academic year. For HEFCE to allocate funding colleges are also required to submit the Individualised Learner Record (ILR) for HE students to the Skills Funding Agency.

28. Further information on the HEIFES survey can be found in 'HEIFES14: Higher Education in Further Education: Students survey 2014-15' (HEFCE 2014/24, www.hefce.ac.uk/pubs/year/2014/201424/). HEFCE updates the HEIFES guidance annually.

The Key Information Set

29. The Key Information Set (KIS) enables comparison of full- and part-time undergraduate courses. It has been carefully designed to meet the information needs of prospective students. Colleges are responsible for providing the majority of the data required to produce a KIS, for each course for which they receive direct funding.

30. Data from the National Students Survey (NSS) and the Destination of Leavers from Higher Education survey (DLHE) is used to create the KIS. For the NSS, colleges will be required as a condition of grant to supply student contact details to enable HEFCE or our agents to conduct the survey. For the DLHE, colleges will be required to fund their own participation in the survey. They can do this by using a HEFCE recommended contractor, managing the survey themselves, or forming consortia with other providers.

31. Each college is also required to place on each of its relevant course web pages a piece of software, the 'KIS widget', which shows a summary of the KIS for the course and incorporates a link to the full published KIS.

32. More information on these data returns is available at the following locations:

- 'Unistats and Key Information Sets' (www.hefce.ac.uk/lt/unikis/)
- 'National Student Survey' (www.hefce.ac.uk/lt/nss/)
- 'Future of the DLHE survey for further education colleges' (www.hefce.ac.uk/lt/dlhe/fecs/).

Quality assessment

33. HEFCE has a statutory duty to ensure provision is made to quality assess the education it funds or is considering funding. Applicants will need to have successfully completed our current requirements before they apply (see paragraph 45). We are consulting on the future shape of these requirements, with new arrangements coming fully into effect in 2017-18.

Maintaining the quality of the student experience in a post-student number control environment

34. To maintain the quality of the student experience we require each institution to work with its student body to review its internal processes for identifying and resolving formal and informal complaints and any concerns raised by students. HEFCE will also monitor data, particularly as it relates to early signs of concerns about the student academic experience (for example over- or under-recruitment of new students, or patterns of formal or informal complaints made by students).

The requirement not to charge fees in excess of those permitted in legislation

35. Our funding agreements also require that students who are subject to the regulated tuition fee regime are not charged higher fees than those permitted by legislation. This includes any students on relevant courses recruited before the college entered a funding relationship with HEFCE. Colleges that wish to charge higher than the basic level of tuition fee (£6,000 per year for full-time courses or £4,500 per year for part-time courses) must have an access agreement approved by the Office for Fair Access (OFFA).

36. Access agreements set out how institutions will sustain or improve access and student success, which include retention, attainment and employability. An access agreement must set out:

- proposed tuition fee limits
- proposed access and student success measures
- how much these measures will cost
- targets and milestones
- how the college will tell students about the financial support it is offering.

37. If a college is considering charging fees for its courses beyond the basic fee level, it must contact OFFA directly to express an interest in having an access agreement **before** submitting an application to HEFCE. To do this contact Ben Spratt, tel 0117 931 7093, email ben.spratt@offa.org.uk.

Maintaining a funding relationship with HEFCE

38. Colleges that enter into a direct funding relationship with HEFCE will need to continue to recruit and teach students in future years so that they can maintain a funding agreement with us. Ordinarily, we will not continue to fund a college that does not teach any higher education courses in an academic year, and as a result, such a college will lose its designation for student support.

39. However, should a college be able to demonstrate an exceptional circumstance, HEFCE may choose to maintain its direct funding relationship for a further year so it can remain designated for student support. If a college then fails again to teach higher education in the following year, HEFCE will provide no further funding, and the college will need to re-apply through this process to become directly funded again.

Voluntary agreement on institutional designation

40. Alongside the accountability for direct public funding described in the Funding Agreement, HEFCE-funded providers also demonstrate how they are accountable for their access to the publicly subsidised student support system. They do this through the voluntary Agreement on Institutional Designation, which is signed by representative bodies on behalf of individual providers.

41. The purpose of the agreement is to make the link between institutional accountability requirements and automatic designation for student support more explicit for institutions receiving HEFCE funding, and to set out a process for addressing non-compliance with accountability measures.

42. The agreement can be found in our circular letter to institutions in June 2014 (HEFCE Circular letter 15/2014, www.hefce.ac.uk/pubs/year/2014/cl,152014).

Keeping up to date with developments

43. The following sources help stakeholders keep abreast of the latest news, information and publications regarding HEFCE's work and funding of the HE sector:

- the HEFCE website (www.hefce.ac.uk), especially the 'for colleges' section (www.hefce.ac.uk/workprovide/hefe/)
- admin-hefce alerts and our monthly e-newsletter, 'HEFCE Update' (www.hefce.ac.uk/pubs/ealert/)
- our Twitter feed, which publicises our news releases and publications (<http://twitter.com/hefce>).

Section 3: Information on the application process and how to submit an application

44. Before deciding to apply for direct funding, you should read the sections above and considered carefully whether your organisation is able to meet the regulatory requirements associated with being HEFCE-funded.

The assessment process and criteria

45. Applications will be assessed using four criteria: quality of provision, financial sustainability management and governance, course eligibility, and strategic imperative. Full information on the assessment criteria can be found in Annex B, 'How to submit an application for direct funding'. As a prerequisite all applicants must have a recent and successful review conducted by the Quality Assurance Agency¹. Without this, HEFCE will automatically reject the application.

46. HEFCE intends to make an overall judgement on how well each application as a whole meets each criterion, based on the information submitted. However, specific judgements may be recorded if there are unresolved issues, for instance of course eligibility.

47. Applications will be assessed internally by HEFCE with recommendations provided to the Chief Executive who takes the final decision under delegated authority from the HEFCE Board. We will seek external information where appropriate (see Annex B for further details). HEFCE retains the right to give conditional approvals to colleges on a case-by-case basis, and we will communicate this clearly in our outcome letter to the college.

48. If a college is unsuccessful in its application, there will be an opportunity to appeal. Guidance on the appeals process will be given in the outcome letter.

49. Successful colleges will appear on the HEFCE Register of HE providers, with a note indicating that they will be funded for 2016-17. We will also contact the Student Loans Company to confirm that these colleges will be HEFCE-funded and thus designated for student support.

Timetable

50. HEFCE will process applications during the summer and early autumn with a view to notifying providers with the outcome of their assessment in late October. For any college that is unsuccessful in their applications, we will hold an appeals process in November with a view to confirming final decisions by early December. Our indicative timetable is set out below.

¹ We will consider the 'recent' review to be the most recent full review in the appropriate review cycle. This means that it should have taken place within the four year period preceding your application. A review will be considered 'successful' if all judgements result in 'confidence', 'reliance' or 'meets UK expectations'. However, 'limited confidence' judgements recorded in an Integrated Quality and Enhancement Review will constitute a 'successful' review.

By 1 July 2015	HEFCE issues guidance to colleges and opens application window for entry in 2016-17
Before 12 August	Expressions of interest to be submitted to OFFA for 2016-17 access agreement
Noon 12 August	HEFCE closes extranet and application window
August to October	HEFCE assessment
By 21 October	HEFCE decision
21 October to 4 November	Appeals window for unsuccessful colleges
By 30 November	Final HEFCE decision
December	Successful colleges appear on HEFCE Register of HE providers; Student Loans Company notified these colleges will be directly funded
March 2016	College included in HEFCE's March grant announcement

Freedom of information

51. HEFCE is subject to the Freedom of Information Act 2000, which gives a public right of access to information held by a public authority. This may result in bids, applications, communications between us and institutions, information arising from this work, or the outputs from the work undertaken being subject to disclosure if a valid request is made to us. We will comply with such requests in accordance with the legislation and our own policies.

52. Further information about the Freedom of Information Act is available at www.ico.org.uk.

Support in completing an application

53. To help guide colleges that are considering submitting an application, HEFCE will be holding a workshop at its Bristol offices from 10:30 to 13:00 on **Friday 17 July 2015**. Participation in this event will not prejudice later assessment decisions. To register, please contact directfunding@hefce.ac.uk. Any colleges that cannot attend this event should contact us using the same address, and we will work to provide further assistance separately.

How to submit an application

54. Potential applicants will first need to register for group keys to our secure extranet, as application submissions will need to be uploaded to this facility. To register for group keys, please email directfunding@hefce.ac.uk no later than **noon on Wednesday 29 July**. If you do not have a UK Provider Reference Number, you will also need to register with the UK Register of Learning Providers (www.ukrlp.co.uk/) prior to completing an application. In addition, if you are considering charging tuition fees beyond the basic fee level, you will need to contact OFFA prior to completing an application.

55. Potential applicants will also need to read Annex B, 'How to submit an application for direct funding'. This provides full details on our assessment criteria, and how to complete our application form and funding forecast workbook.

56. Once both documents have been completed, they should be uploaded, along with evidence in support of your application, to the extranet facility by **noon on Wednesday 12 August**.

Queries

57. If you have any queries relating to our policy for direct funding, including how you may meet the criteria, contact HEFCE's higher education in further education engagement team, led by Adam Lambert (tel 0117 931 7315, email a.lambert@hefce.ac.uk).

58. If you have technical queries about completing an application, contact the direct funding team (tel 0117 931 7340, email directfunding@hefce.ac.uk).

59. If you have technical queries about completing the forecast workbook, contact Danny Shone in the funding team (tel 0117 931 7003, email d.shone@hefce.ac.uk).

Abbreviations

DLHE	Destination of Leavers from Higher Education
FTE	Full-time equivalent
HE	Higher education
HEFCE	Higher Education Funding Council
HEIFES	Higher Education in Further Education Early Statistics Survey
ILR	Individualised Learner Record
KIS	Key Information Set
LARS	Learning Aim Reference Service
NSS	National Student Survey
OFFA	Office for Fair Access
PG	Postgraduate
QAA	Quality Assurance Agency for Higher Education
SWOUT	Sandwich year out
UG	Undergraduate
UKPRN	UK Provider Reference Number

Annex A: Prescribed courses of higher education

1. HEFCE is currently empowered to fund only some higher education qualifications in colleges, referred to as 'prescribed courses'.

2. Prescribed higher education courses are those where, on successful completion, the student is awarded by a **relevant recognised body** one of the following qualifications:

- higher degree, including PhD, MPhil, MSc, MA, MBA
- postgraduate diploma
- postgraduate initial teacher training qualification, such as a Postgraduate or Professional Graduate Certificate in Education (PGCE)
- first degree, including foundation degree, BSc, BA, BEd
- foundation degree bridging course, where these are integrated into the final years of a first degree
- HND
- DipHE
- HNC
- 120-credit point Diploma in Education and Teaching (DET)
- CertEd.

3. Relevant recognised bodies are:

- any UK higher education institution with the power to award degrees
- for foundation degrees (but not for foundation degree bridging courses), any further education college in England with the power to award such degrees at their institution
- for HNDs and HNCs, Pearson Education Ltd (formerly Edexcel) and the Scottish Qualifications Authority.

Annex B: How to submit an application for direct funding

Enquires concerning application process queries should be addressed to the direct funding team (tel 0117 931 7340, email directfunding@hefce.ac.uk).

Enquiries concerning forecast workbook queries should be addressed to Danny Shone (tel 0117 931 7003, email d.shone@hefce.ac.uk).

Guidance on assessment criteria

1. HEFCE will assess applications from colleges using the following criteria:
 - quality of provision
 - financial sustainability management and governance
 - course eligibility
 - strategic imperative.
2. The evidence required under the course eligibility criterion is specific and is outlined in paragraphs 9-14. However, applicants should note that the range of evidence listed for the strategic imperative criterion is only a suggestion as to how an applicant may meet it. It will be for the applicant to determine what evidence they should provide in meeting the strategic imperative criterion.

Quality

3. To meet this criterion, applicants must demonstrate that they have a recent, successful review conducted by the QAA.
4. To assess this we require you to confirm the outcome of your most recent review by the QAA. HEFCE will verify this independently. Should you not have a recent (i.e. within four years) and successful review, your application will be automatically rejected.
5. We consider a 'recent' review to be the most recent full review in the appropriate review cycle.
6. The table below sets out the relevant review methodologies, and what we consider to be a 'successful outcome' for each.

Review type	Minimum outcomes required
Higher Education Review	All judgements result in 'confidence', 'reliance' or 'meets UK expectations' as appropriate.
Review of College Higher Education	All judgements result in 'confidence', 'reliance' or 'meets UK expectations' as appropriate.
Integrated Quality and Enhancement Review	As above, but 'limited confidence' will also be considered successful.

Financial sustainability management and governance

7. To meet this criterion, applicants will need to be financially sustainable and have appropriate management and governance arrangements in place.
8. Applicants are not required to submit evidence to support this criterion. Instead HEFCE will seek assurances from the applicant's lead assurer, either the Skills Funding Agency or the Education Funding Agency that no material issues relating to this criterion exist. Where material issues are reported, HEFCE reserves the right to reject an application from a college.

Course eligibility

9. To meet this criterion, applicants will need to provide assurances that the courses they intend to deliver are both HEFCE-fundable and viable for 2016-17.
10. This means that you will need to provide us with evidence of approval from your awarding or validating body for each course you plan to deliver (see paragraphs 12 to 14). If you have not received approval for a course, you will need to provide assurances from your awarding body that they will be in place for 2016-17 (see paragraph 13). Applicants should note that if an approval is not in place, then any successful outcome will be conditional on this approval being secured.
11. The courses that you are applying to receive HEFCE funding for in 2016-17 must not be delivered as a franchise type of contract from the awarding body, and that a written legally binding agreement exists between the awarding body and the college, which sets out the conditions of the agreement. Subsequently, after a college has been approved to receive direct funding the following conditions must apply:
 - the courses are registered on the Student Loans Company higher education institution Course Management Service in the name of the college so that the fee loan is paid directly to the college
 - each student on the course is a student of the college and is returned in data submissions by the college.
12. Where you have approval for a courses, the evidence that you will need to provide will be either copies of the relevant collaborative and approval agreements from a UK higher education institution with degree awarding powers, or (for higher national qualifications only) a centre approval letter and certificate from Pearson or the Scottish Qualifications Authority.
13. Where you have not reached full approval for a course, we require written confirmation from the relevant awarding body setting out:
 - the courses that the college has applied to have approved by the awarding body
 - the current approval process position
 - the timescales for completing course approval
 - the likelihood that the awarding body will approve the courses in time for 2016-17.

14. Applicants should note that HEFCE is unlikely to judge a programme to be viable for 2016-17 where a college has not received institutional-level approval from an awarding body at the point of application.

Strategic imperative

15. To meet this criterion applicants will be required to demonstrate that they have:

- a long-term strategic commitment to higher education (HE)
- sufficient demand to sustain HEFCE funding
- an offer which is distinctive, enhances the HE sector, and/or adds to the skills, growth or economy of the locality
- the ability to meet the regulatory requirements which will be placed upon them.

16. Applicants will be required to submit evidence against each of these sub-criteria in their application, however it is for applicants to determine exactly what evidence to submit. Details of what HEFCE will look for in each sub-criterion are provided below.

Long-term strategic commitment

17. Applicants should submit their current HE strategy. HEFCE will expect this to set out the vision for HE in the college and how this is integrated into the wider strategic planning for the college. If the college's HE strategy does not address this, applicants should include an explanation of how they can meet this criterion in their application.

Demand

18. Applicants should complete the forecast workbook to indicate their forecast numbers of directly funded students for 2016-17. This will provide HEFCE with an understanding of their planned numbers of students and level of different types of provision. Details of how to complete the workbook can be found in paragraphs 33 to 39.

19. Applicants should use the application form to provide details of the market analysis they have undertaken to establish demand, and show how this supports their forecast numbers in the application template. Applicants with current franchise provision should include details of current recruitment to demonstrate existing demand.

20. Where an applicant is forecasting fewer than 100 full-time equivalent students in 2016-17, they should provide an explanation as to how their intended scale of provision is sustainable. Please note we will also use Higher Education Statistics Agency data where available to verify this information.

Distinctiveness, enhancement, and/or contribution to local economy

21. Applicants should provide commentary on how their provision will be distinctive, enhance the sector, or make economic contributions to their locality.

22. When considering whether an applicant meets this sub-criterion, HEFCE will consider the areas listed below. To meet the sub-criterion applicants are not required to demonstrate that they make a contribution to all of the areas below. Ways in which an applicant could meet this sub-criterion include:

- addressing a 'cold spot'
- offering provision which is otherwise not available locally, regionally or nationally
- offering a model of delivery which provides students with a choice of study not available locally or regionally
- offering higher or degree apprenticeships
- offering HE provision which meets their local enterprise partnership priorities
- recruiting students from low-participation areas
- making other contributions to the distinctiveness of higher education
- making other contributions to the enhancement of higher education
- making other contributions to the local economy.

Ability to meet the regulatory requirements

23. Applicants are required to make a declaration that they have the capacity to meet the regulatory requirements of being HEFCE-funded as part of their application. This must be signed by the principal (or equivalent) and the chair of governors (or equivalent). The declaration is included as part of the application form.

How to apply

24. Colleges are responsible for ensuring that their application is complete, and that all requested information is provided. **Incomplete applications will not be assessed.**

25. HEFCE uses its extranet pages (<https://data.hefce.ac.uk/>) to receive application documents for direct funding. To access our extranet facility, colleges will need to apply for an extranet 'group key'. To request a group key please contact directfunding@hefce.ac.uk with your legal name and UK provider reference number (UKPRN) and address. If you do not have a UKPRN, you will need to register at www.ukrlp.co.uk. When registering for a group key HEFCE will issue you with the application template and forecast workbook to complete and upload to the extranet.

26. Applications must be uploaded via the HEFCE extranet by **noon on Wednesday 12 August**. HEFCE will not accept late applications.

Completing the application template

27. Applicants should complete all sections of the template.

28. **Section 1:** Applicants should provide the details of the college's accountable officer. Generally, we expect this should be the chief executive and principal of the organisation. Following this, applicants should provide details of the point of contact for queries during the assessment process. This person should be available throughout the process and should be able to co-ordinate queries relating to the application template, their supporting evidence, and the forecast workbook.

29. **Section 2:** Applicants must confirm the results of their most recent quality assessment review, and provide a link to the report. Applicants must also confirm to HEFCE whether they are currently subject to a concerns process.
30. **Section 3:** Applicants must submit all the prescribed HE courses that the college expects to run in 2016-17. These courses should be precisely as entered in the forecast workbook, so applicants should complete this section in conjunction with completing the forecast workbook.
31. **Section 4:** Applicants must explain how they meet the strategic imperative criterion by addressing each relevant sub-criterion in turn (at least one). There is a 750-word limit on this section. Applicants must provide separate documents as evidence in support of their explanation.
32. **Section 5:** The college's accountable officer and the chair of the board of governors must sign the declaration included in this section. Applicants should consider seriously whether they are able to meet the regulatory requirements listed. For further information on the requirements, refer to the main section 3 of the guidance.

Completing the forecast workbook

33. There are two worksheets to be completed, in the following order:
- the 'Course information' worksheet
 - the 'Forecast' worksheet.
34. The workbook is based on the Higher Education in Further Education: Students survey (HEIFES) return that HEFCE-funded providers have to make². Completing some entries will involve referring to specific annexes in 'HEIFES14: Higher Education in Further Education: Students survey 2014-15' (HEFCE 2014/24, www.hefce.ac.uk/pubs/year/2014/201424/), as outlined in paragraphs 36 and 38. If you have any queries relating to the HEIFES guidance or the workbook itself, contact Danny Shone (tel 0117 931 7003, email d.shone@hefce.ac.uk).
35. When completing the workbook validation errors may appear, and these are explained below. Please complete the entire workbook before attempting to address these, as some will disappear once you have completed both worksheets.

Course information worksheet

36. Complete the cells listed below in the course information worksheet in the order below. Examples of how to complete the table are provided in Rows 12 and 13.

Cell B7: Enter the name of your institution.

Cell B8: Enter the UKPRN for your institution.

Column A: Enter the full title of the course.

Column B: Enter the learning aim reference number for the course. This should be obtained from the Learning Aim Reference Service (LARS) via

² HEIFES is the annual survey of students on recognised higher education courses which colleges must return to HEFCE to enable us to calculate teaching funding and monitor recruitment.

<https://hub.imservices.org.uk/Learning%20Aims/Pages/default.aspx>. If the course is not registered on the LARS, contact the Skills Funding Agency (tel 0345 377 5000) to register the course.

Column C: Select the qualification aim from the drop-down list.

Column D: Select the mode of study from the drop-down list. For guidance on mode of study, see Annex M of HEIFES14.

Column E: Select the level of study from the drop-down list. For guidance on the level of study, see Annex N of HEIFES14.

Column F: Select the price group from the drop-down list. The 'Price groups' worksheet contains a look-up table relating Learn Direct Classification System subject codes (which are available from the LARS) to price group.

Column G: Enter the confirmed or to-be-confirmed validating body.

Column H: Enter the number of students forecast to be on the course. The total number of students should match the total headcount on the Forecast worksheet.

37. **Column I:** For part-time courses only, enter the full-time equivalent student numbers (FTEs) forecast to be on the course. For guidance on full-time equivalence for part-time students, see Annex J of HEIFES14. The workbook is set up to accept up to 30 courses. If you require additional rows in this worksheet to add more courses, contact Danny Shone (tel 0117 931 7003, email d.shone@hefce.ac.uk).

Forecast worksheet

38. Please complete the cells listed below in the Forecast worksheet:

Column D: Enter the number of students forecast for 2016-17 in the relevant price group, mode, level and length of study. The total headcount should match the total headcount on the 'Course information' worksheet. For guidance on length of study, see Annex O of HEIFES14.

Column E: For part-time courses only, enter the FTEs forecast. The FTEs for full-time and sandwich year-out students will be automatically calculated.

Data validation checks

39. The workbook contains some validation checks. Please ensure there are no validation errors before uploading to HEFCE. We have outlined a summary of the validation checks for both sheets of the workbook below. If you have any questions about the validation errors, contact Danny Shone (tel 0117 931 7003, email d.shone@hefce.ac.uk).

Course information worksheet

<u>Validation check</u>	<u>Error</u>
All rows must be complete before submitting the application to HEFCE	You cannot leave a row blank where data is entered below it, or certain cells in a row blank. Each row used must be completed before submitting the application.

The learning aim reference number must be completed	You must include the appropriate learning aim reference number for the course. This should be obtained from the LARS (see paragraph 37).
Level of course must be completed with either UG or PG (UG fee) or PG	'UG' = 'undergraduate'; 'PG' = 'postgraduate'. The level of the course should only meet these definitions, as they map on to the prescribed courses of higher education.
Price group must be completed with one of the following: B, C1, C2 or D.	Each course will be mapped to a HEFCE funding price group. Price groups are assigned to courses using Learn Direct Classification System codes. These can be found in the Price groups sheet of the workbook.
The price group for SWOUT courses must be C2	By definition, sandwich year out (SWOUT) courses must map to price group C2.
The cells highlighted contain values to more than 2 decimal places	The values for headcount and FTE must not exceed two decimal places.
You must not enter negative values	Numbers of students must be positive.
An FTE should be entered for part-time courses only	By definition you should only calculate full-time equivalency for part-time students.
An FTE must be entered for part-time courses only	By definition, if a student is part-time, there must be an associated full-time equivalency.
The FTE cannot be greater than the headcount	A full-time equivalency for part-time students greater than the headcount would indicate that the students were studying more than full time.
The total headcount for each price group must match the total headcount of the price group on the Forecast workbook	The total headcount for the workbook should be equal to the sum of all individual price groups forecast.
The total headcount must be a whole number	Headcount may be split across price groups, but by definition the total headcount must be a whole number.
The FTE / headcount cannot be less than 0.03	Because 0.03 FTE per head is the minimum that can be recorded, full-time equivalence divided by the headcount cannot be less than 0.03.

Forecast worksheet

<u>Validation check</u>	<u>Error</u>
You must not enter negative values	Numbers of students must be positive.
Values cannot be more than 2 decimal places	The values for headcount and FTE must not exceed two decimal places.
Totals must be equal to whole numbers	headcount may be split across price groups but by definition the total headcount must be a whole number.
The FTE cannot be greater than the headcount	A full-time equivalency for part-time students greater than the headcount would indicate that the students were studying more than full time.
The FTE / headcount cannot be less than 0.03	Because 0.03 FTE per head is the minimum that can be recorded, full-time equivalence divided by the headcount cannot be less than 0.03.
The total headcount for each price group must match the total headcount of the price groups on the 'Forecast' worksheet.	The total headcount for the workbook should be equal to the sum of all individual price groups forecast.

HOW TO UPLOAD THE APPLICATION DOCUMENTS

Go to <https://data.hefce.ac.uk/>.

Log in or register

If accessing the extranet for the first time the provider will need to register, as follows:

- a. Follow the 'Register now' button on the login page.
- b. Enter your name and email address and choose a password (at least eight characters, containing both mixed-case letters and numbers).
- c. Enter the group key received from HEFCE.
- d. Click the 'Register' button.
- e. Applicants will be informed whether registration was successful. If so, click 'Continue' to navigate back to the login page.
- f. Log in using the registered e-mail address and password.

Once registered and logged in, providers should be able to see the link to 'Direct funding: Applying for entry in 2016-17' survey.

Applicants will need to go into the survey and click the 'upload' button, where they will be able to upload a 'zip' file containing all of their application documents and forecast workbook.

The assessment process

40. For your application to be assessed you will need to have uploaded the completed application template, forecast workbook and supporting evidence by **noon on Wednesday 12 August**. We will check your applications for completeness after this deadline. If we believe there is an omission in your application we will notify you, with the expectation that applicants provide this information within 10 working days of the close of the window (**noon on Wednesday 26 August**). Should an applicant not comply with this request, HEFCE will deem the application incomplete and therefore reject it.

41. Once HEFCE has concluded the completeness checks, we will begin assessing the application. Should we have queries relating to any part of the application, we will contact you with a request for clarification or further information. Applicants will have two opportunities to respond to our queries, and will be given five working days on each occasion to respond.

42. Assessments will be reviewed by a scrutiny panel consisting of senior HEFCE staff. This panel will then make recommendations to the HEFCE Chief Executive who will decide the outcome of an application, acting under delegated authority from the HEFCE Board. As part of the assessment HEFCE reserves the right to visit individual applicants, to verify any evidence submitted to us independently. We will contact applicants separately should this eventuality arise. If a visit is required this will be scheduled within the published timetable for decision-making, and applicants are asked to be as flexible as possible to accommodate this.

43. Colleges that are not successful in their application will have the opportunity to appeal this decision. Our appeals process will be carried out by HEFCE staff who were not involved in the original assessment, and decision will involve a Board member. We will provide full guidance on appeals in our outcome letters.