

May 2011/13

**Core funding/operations**

**Request for information**

---

Response may be required

---

This document was sent to institutional contacts in April 2011

This document describes the process we will use when reconciling 2009-10 data returns made to the Higher Education Statistics Agency (HESA) with other returns made to HEFCE. It also describes how we use HESA data to inform the widening participation and teaching enhancement and student success allocations, and the partial completion weighting, for 2011-12.

# 2009-10 statistics derived from HESA data for monitoring and allocation of funding

## Contents

	page
Introduction	5
Section A Summary of changes	14
Section B Indicative funding summaries	15
Section C Funding data reconciliations	23
Annex A List of abbreviations	30
Appendix 1 HESES09 re-creation algorithms	31
Appendix 2 Troubleshooting the differences between HESES09 and the HESES09 re-creation	65
Appendix 3 Problems of fit with the HESES09 re-creation algorithms	77
Appendix 4 HESES09 re-creation based on cost centre norms algorithms	82
Appendix 5 Troubleshooting the differences between the HESES09 re-creation and the HESES09 re-creation based on cost centre sector norms	97
Appendix 6 Problems of fit with the HESES09 re-creation based on cost centre sector norms algorithms	99
Appendix 7 RAS09 re-creation algorithms	101
Appendix 8 Troubleshooting the differences between RAS09 and the RAS10 re-creation	114
Appendix 9 Problems of fit with the RAS09 re-creation algorithms	118
Appendix 10 CFEE09 re-creation algorithms	120
Appendix 11 Troubleshooting the differences between CFEE09 and the CFEE09 re-creation	123
Appendix 12 Problems of fit with the CFEE09 re-creation algorithms	128
Appendix 13 Derived statistics that may inform the 2011-12 WP allocations algorithms	132
Appendix 14 Derived statistics that may inform the 2011-12 TESS allocation algorithms	140
Appendix 15 Derived statistics that may inform the 2011-12 partial completion weighting	155

## **2009-10 statistics derived from HESA data for monitoring and allocation of funding**

To	Heads of HEFCE-funded higher education institutions
Of interest to those responsible for	Student data, Funding, Audit, Research
Reference	2011/13
Publication date	May 2011
Enquiries to	<p>For all enquiries (except widening participation and flexible study measure weighting) contact: Ewa Wawrzynska, tel 0117 931 7353, e-mail hesa_heses_stats@hefce.ac.uk</p> <p>For enquires regarding the use of HESA data to inform the 2010-11 widening participation, teaching enhancement and student success allocations and partial completion weighting contact: Christine Daniel, tel 0117 931 7373, e-mail hesa_heses_stats@hefce.ac.uk</p>

### **Executive summary**

#### **Purpose**

1. This document describes:
  - how we used 2009-10 Higher Education Statistics Agency (HESA) student data to inform 2011-12 funding allocations
  - how we used 2009-10 HESA student data to monitor returns made to HEFCE
  - the responses required from institutions to these monitoring processes.
2. This document, with its accompanying appendices, consists of the following information:
  - how we used HESA data to inform 2011-12 widening participation (WP) allocations
  - how we used HESA data to inform 2011-12 teaching enhancement and student support (TESS) allocations
  - how we used HESA data to inform the 2011-12 partial completion weighting
  - the comparison of Higher Education Students Early Statistics Survey 2009-10 (HESES09) with HESA 2009-10 student data
  - the comparison of institutional cost centre assignments with cost centre sector norms for subjects
  - the comparison of Research Activity Survey 2009 (RAS09) with HESA 2009-10 student data

- the comparison of the aggregate return to monitor 2009-10 co-funded employer engagement student numbers (CFEE09) with HESA 2009-10 student data.

## **Key points**

3. Our recurrent grants to institutions are almost entirely allocated by formula and informed by data provided by institutions.

4. We use individualised student data submitted to HESA to inform some elements of our teaching grant: funding for WP and TESS and the weighting factor for student partial completions. This document explains how we used these data for our 2011-12 funding allocations. Alongside this, we are releasing data to institutions, via our extranet, showing outcomes for these elements of teaching grant derived from their 2009-10 HESA data.

5. We also use the HESA data to reconcile against aggregate data returns that institutions have previously submitted directly to us: the HESES, CFEE and RAS student data returns. This involves reconstructing for all institutions what these original funding data returns for the institution would have looked like if they had been based on their HESA data: we are releasing these outputs to all institutions via our extranet. Where differences between the original and re-created returns result in significant funding discrepancies, we will select the institution to go through a reconciliation process (the 'derived statistics exercise'), which involves explaining the reasons for data differences and, if necessary, submitting amendments to their HESA data. At the end of the process, we will treat the final (amended) HESA data as superseding the original HESES, CFEE or RAS returns and will implement any consequential funding adjustments for all relevant years (subject to an appeals process where appropriate). This document explains the algorithms we use to reconstruct the HESES and RAS student data from the HESA return and the processes involved where an institution is required to respond to the reconciliation exercise.

6. If we find, either through reconciliations with HESA data, or any data audit, that data do not reflect the outturn position for the year, and that this has resulted in institutions receiving incorrect funding or student number allocations, then we will adjust these accordingly. This is subject, where appropriate, to an appeals process and the availability of our funds.

## **Data quality**

7. We are confident that this exercise continues to improve the data quality of returns to both HESA and HEFCE. It also increases our understanding of data quality issues that relate to these returns.

## **Sections and appendices**

8. Sections A to C describe how we will use HESA data for this exercise. The technical appendices describe the algorithms we will use.

## **Action required**

9. We expect institutions to review all the outputs that we have derived from their HESA data, with a view to understanding how their data are used for funding purposes and identifying any possible discrepancies in their HESA, HESES or RAS data.

## **Institutions wishing to correct HESA data that affect 2011-12 funding**

10. We use 2009-10 HESA data to inform some elements of our teaching grant calculations for 2011-12. If errors are identified in HESA data, institutions may inform us of these errors by

submitting an action plan. The timetable for submission of an action plan and sign-off for amendments may be found in paragraph 14.

### **Institutions required to respond to a reconciliation of 2009-10 student data**

11. We will write to heads of institutions, copied to HESES and RAS contacts, specifying whether a response is required to any part of the exercise. Notwithstanding the selection thresholds, we may also ask for further information from any institution about their data, including in respect of any of the comparisons between their HESA and other data returns. This may result ultimately in adjustments to grant, where appropriate.

12. Where a response is required, action plans must be returned by **Friday 13 May 2011**.

13. The final deadline for receipt of amendments to HESA data and overrides to primary derived fields detailed in the action plans is **Friday 27 May 2011**.

### **Timetable**

14. The following timetable shows the critical deadlines for this exercise.

11 May 2011	Deadline for receipt of action plans for institutions wishing to make amendments for their WP and TESS allocations
13 May 2011	Deadline for receipt of final action plans produced by each institution required to respond
25 May 2011	Deadline for sign-off for institutions wishing to make amendments for their WP and TESS allocations
27 May 2011	Deadline for submitting amendments and overrides to primary derived fields for each institution required to respond
10 June 2011	Final deadline for sign-off for 2009-10 HESA data amendments and overrides to primary derived fields as detailed in action plans for each institution required to respond

## Introduction

### Formula funding: data sources and data assurance

15. Our recurrent grants to institutions are almost entirely allocated by formula according to our expectations of what each institution will need for various activities and informed by data provided by institutions. Formula funding ensures we are fair, transparent and efficient in how we distribute grants to institutions.

16. HEFCE has a fixed budget. Our funding methods are therefore designed to ensure institutions receive an appropriate share of this budget, given the nature and level of their activities. To distribute this budget fairly between institutions, we need to check that institutions' activities are reported in a consistent way. So, when we collect information on student numbers, we need to ensure these are reported against common definitions.

17. Further information about how we fund institutions is in 'Guide to funding: how HEFCE allocates its funds' (HEFCE 2010/24)<sup>1</sup>.

18. There are three main data returns that we use to inform our teaching grant for higher education institutions (HEIs). These are:

a. The Higher Education Students Early Statistics (HESES) survey. This return is submitted directly to us and provides aggregate information on the numbers of students. It is submitted by institutions in December each year and reports on the student numbers in the current academic year. This ensures our funding decisions are based on the most up-to-date information available. However, because this is provided in-year, it includes elements of forecasting relating to students' activity up until the end of the academic year (that is, 31 July). We use the HESES return to monitor achievement of institutions' funding agreement targets and review funding for the current year, and to inform teaching funding for the following year.

b. The Higher Education Statistics Agency (HESA) individualised student record. This is submitted at the end of the academic year. We use it to gain information about student characteristics that are used, for example, in our funding allocations for widening participation. We also use it to reconcile against the HESES data previously provided to us by HEIs. We receive it approximately 12 months after the equivalent HESES data. Information about the HESA individualised student record is available from [www.hesa.ac.uk/index.php/component/option,com\\_collns/task,show\\_collns/targetYear,any/targetStream,1/Itemid,231/](http://www.hesa.ac.uk/index.php/component/option,com_collns/task,show_collns/targetYear,any/targetStream,1/Itemid,231/).

c. The co-funded employer engagement student number (CFEE) return. This return is submitted directly to us and provides aggregate information on the numbers of students that are to count towards employer co-funded student number allocations. It is submitted by institutions in August and reports on the numbers in the academic year just completed. We use it to monitor achievement of targets and review funding relating to employer co-funded provision.

19. The main data returns that inform our research grant for HEIs are:

---

<sup>1</sup> All HEFCE publications are available in full at [www.hefce.ac.uk/pubs](http://www.hefce.ac.uk/pubs).

- a. The Research Activity Survey (RAS). This return is submitted by institutions directly to us in December each year and provides aggregate information on:
    - i. The numbers of postgraduate research students at a 1 December census date, used to inform our research degree programme (RDP) supervision funding.
    - ii. Research income from charities during the previous completed academic year, used to inform the charity support element of our quality-related research (QR) funding.
  - b. The Research Assessment Exercise (RAE). This has been a periodic, UK-wide peer-review exercise that produced a research quality profile for those research groups that institutions chose to submit for assessment in different subject areas. The last such exercise took place in 2008 and it is being replaced by the new Research Excellence Framework (REF). We use the quality profile and the numbers of research-active staff submitted for assessment to inform our main QR funding allocation.
  - c. The HESA finance statistics return (FSR). We use HESA FSR data on research income from business and industry to inform the business-related element of our QR funding.
20. Further education colleges (FECs) make equivalent student data returns that inform our teaching grants to them. These are the Higher Education in Further Education: Students (HEIFES) survey (the equivalent of HESES) and the individualised learner record (ILR), which is submitted to the Data Service and is the equivalent of the HESA individualised student record. Where required, some FECs will also complete the CFEE return. We are not empowered to fund research at FECs, so there are no research-related data returns that we require of them.
21. We have a number of processes to check the accuracy of institutions' data returns that inform our funding, although the responsibility for the accuracy of these returns rests with the institutions themselves:
- a. Validation checks. Most of these are built into the HESES and RAS workbooks which institutions complete. These ensure numerical consistency within the return (for example that certain figures on one table match figures on another).
  - b. Credibility checks. Some of these are also built into the HESES workbooks and will generate warning messages if certain thresholds are breached. In addition, HEFCE staff carry out credibility checks of all HESES and RAS data returns and will question institutions about them. Credibility checks will relate to data values or changes that, while possible, appear unexpected or unlikely.
  - c. Data audit. Data audit tests institutions' systems and processes in preparing data returns. It involves visits to institutions (lasting at least three days on site for HESES) to review their management information systems, the documentation that provides an audit trail showing how the return was produced, and substantial testing of the assumptions underpinning and values reported on the return. This will involve selecting samples of students and testing how they have been reported in the return. Our HESES data audits are cyclical, ensuring that all institutions will be audited periodically, but we also select institutions on a risk basis. This takes account of a number of factors, such as our

assessment of institutional risk and the likelihood of data errors leading to financial implications.

d. Data reconciliation. This occurs in the following academic year. We use the student data submitted by the HEI to HESA to reconstruct what the original HESES, CFEE or RAS student data for the institution would have looked like. We also use it to monitor how institutions assign activity to academic cost centres. Where differences between the original and re-created returns result in significant funding discrepancies, the institution is selected to go through a reconciliation process, which involves explaining the reasons for data differences and, if necessary, submitting amendments to their HESA data. At the end of the process, we will treat the final (amended) HESA data as superseding the original HESES, CFEE or RAS returns and will implement any consequential funding adjustments for all relevant years (subject to an appeals process where appropriate).

22. This document describes how we will use 2009-10 HESA student data to monitor returns made to HEFCE and to inform funding allocations. It also details the action required where either a response is requested or an institution wishes to correct errors in its HESA data.

23. This document consists of this introduction, an executive summary, and Sections A to C (there is more information on the contents of each section in later paragraphs of this introduction).

24. In addition, 15 technical appendices will be e-mailed to the HESES and RAS contacts for each institution and published alongside this document at [www.hefce.ac.uk/pubs](http://www.hefce.ac.uk/pubs). These appendices will be of interest to readers who need to look at the algorithms used in the calculation of their derived data.

### **Funding allocations**

25. We use 2009-10 HESA student data to inform some elements of our teaching grant calculations for 2011-12 and this document explains how we do so. Alongside this, we are releasing data to institutions, via our extranet, showing indicative outcomes for these elements of teaching grant derived from their 2009-10 HESA data.

### **2011-12 widening participation and teaching enhancement and student success funding allocations**

26. We use HESA 2009-10 student data to inform the following widening participation (WP) and teaching enhancement and student success (TESS) funding allocations for 2011-12:

- widening access for full-time and part-time students from disadvantaged backgrounds
- widening access and improving provision for disabled students
- improving retention for full-time students.

27. Section B contains details of the derived statistics that inform the 2011-12 WP and TESS allocations respectively.

### **2011-12 partial completion weighting**

28. We use 2009-10 HESA data to inform the calculation of the 2011-12 partial completion weighting, used in our calculations of standard resource. The weighting for each institution will be based on students who non-complete their year but who complete at least 0.16 full-time



equivalent (FTE). Section B explains the derived statistics that inform the 2011-12 partial completion weighing.

## Monitoring funding

29. Generally we monitor funding returns made to HEFCE by re-creating these funding returns from HESA data. This exercise is conducted in two interrelated but distinct parts:

- a. The first part is the process of reconciling, explaining and amending the data up to the point where institutions are in a position to sign off a re-creation as a reasonable reflection of the outturn position for the year.
- b. The second part, which occurs after an institution has signed off the re-creation, is the consideration of the final re-creation in terms of any funding adjustments to be made, and, where appropriate, an appeals process.

30. Our monitoring processes are applied consistently to all institutions. We receive HESA student data approximately 12 months after the equivalent year's HESES and RAS returns, and approximately four months after the CFEE return. We expect all institutions to have used the HESES, RAS and CFEE re-creations generated by the '2009-10 statistics derived from HESA data: Guide to HEFCE web facility' (available at [www.hefce.ac.uk/learning/datacoll/derived/webfacility/](http://www.hefce.ac.uk/learning/datacoll/derived/webfacility/)) to verify and correct their HESA data, where appropriate, before submitting their HESA returns in readiness for this exercise.

31. Our funding allocations are informed by the data provided by institutions. If we find, either through reconciliations with HESA data, or any data audit, that data do not reflect the outturn position for the year, and that this has resulted in institutions receiving incorrect funding or student number allocations, then we will adjust these accordingly. This is subject, where appropriate, to an appeals process and the availability of our funds.

32. Any funding adjustments arising from:

- the reconciliation of HESES09 with a re-creation of HESES09 from 2009-10 HESA student data (the HESES09 re-creation)
- the comparison of cost centre assignments with the sector norms for subjects (the HESES09 re-creation based on cost centre sector norms), or
- the reconciliation of CFEE09 with a re-creation of CFEE09 from 2009-10 HESA student data (the CFEE09 re-creation)

are likely to affect the funding previously announced for 2009-10 and all subsequent years, including targeted teaching allocations for 2010-11.

33. Any funding adjustments arising from the comparison of RAS09 with a re-creation of RAS09 from 2009-10 HESA student data (the RAS09 re-creation) are likely to affect the funding previously announced for 2010-11. In exceptional cases, it may also affect funding for later years, such as allocations of moderation funding.

34. In many cases the funding adjustments arising from the reconciliation may be significant. Therefore it is important for institutions to ensure that sufficient time and resources are allocated to allow the exercise to be completed accurately and promptly.

## Selection thresholds and action plans

35. The necessarily complex process of explaining and resolving differences between data sources places a considerable burden on institutions and HEFCE. To ensure this burden is both manageable and appropriate, we employ thresholds to select which institutions must respond to a data reconciliation. For HESES, cost centre assignment monitoring, RAS and CFEE these thresholds are set in terms of the funding differences arising from the comparisons. This selection process represents a risk assessment, intended primarily to identify, and thus select, those institutions whose data differences are most likely to have a material effect on their funding allocations.

36. We will write to heads of institutions, copied to HESES and RAS contacts, specifying whether their institution's data meet our selection thresholds and therefore whether they are required to respond to this exercise. We will require a full, timely and detailed response from institutions where any of the thresholds in Table A are exceeded:

Table A **Summary table of thresholds**

	<b>Threshold</b>
<b>HESES09 re-creation</b>	
Difference in net contract range holdback (holdback recovered + holdback)	£450,000
Difference in net contract range holdback, as a percentage of total recurrent funding for teaching	10%
Difference in net grant adjustments relating to funding conditional upon delivery of growth (funds due back + funds to be held back)	£450,000
Difference in holdback for medical and dental students	£100,000
Difference in total grant adjustments and number of students identified with undetermined completion status	£450,000 and 700
Difference in 2010-11 WP funding	£450,000
Difference in 2010-11 TESS funding	£450,000
Difference in model 2 Lifelong Learning Network holdback	£450,000
<b>HESES re-creation based on cost centre sector norms for subjects</b>	
Difference in net contract range holdback (holdback recovered + holdback)	£1,000,000
<b>RAS re-creation</b>	
Difference in RDP supervision funding	£500,000
<b>CFEE09 re-creation</b>	
Difference in funds to be held back	£450,000

37. Each institution that is selected to make a response must provide, via the HEFCE extranet, an action plan. The plan must contain specific information before we can approve it and progress with the exercise. Complete and comprehensive action plans allow us to gain a full

understanding of the areas of, causes of and reasons for discrepancies. Please ensure you have understood the requirements set out in the 'Guide to action plans' (see [www.hefce.ac.uk/learning/datacoll/derived/help/guides.htm](http://www.hefce.ac.uk/learning/datacoll/derived/help/guides.htm)) before responding. If we are unable to gain the necessary information from an action plan it is likely that we will need to visit your institution to gather this information.

### **Re-creation of HESES09**

38. HESA 2009-10 student data will be used to monitor HESES09. A re-creation of HESES09 is generated from HESA 2009-10 student data using the methods detailed in Section C. This re-creation is compared to HESES09 and if the discrepancies between the two data sources exceed our thresholds, the institution will be required to respond to the exercise. We also generate re-calculated 2010-11 WP and TESS allocations based on HESES09 re-creation FTEs which are compared with the 2010-11 WP and TESS allocations based on HESES09 FTEs.

### **Assignment of activity to price groups**

39. HESA 2009-10 student data will be used to monitor the assignment by institutions of activity to cost centres and consequently price groups. This is achieved through an additional re-creation of HESES09 based on cost centre sector norms for subjects (we refer to this as 'the HESES09 re-creation based on cost centre sector norms').

40. The HESES09 re-creation (described in paragraph 38) is compared to the HESES09 re-creation based on cost centre sector norms. The HESES09 re-creation based on cost centre sector norms is generated using the methods described in Section C.

41. For institutions required to respond to this part of the exercise, we will not ask for explanations where subjects are assigned to cost centres that map to the same price group as the sector norm, or where the total student FTE assigned across the principal subject (generally the first two characters of the HESA field MODSBJ) is less than 100.

42. Institutions will also be asked to provide explanations in their action plan for the differences between HESES09 and the HESES09 re-creation.

### **Re-creation of RAS09 student data**

43. HESA 2009-10 student data will be used to monitor forms R1a and R1b of RAS09. A re-creation of RAS09, including the calculation of quality-related research RDP supervision funding, is generated from HESA 2009-10 student data using the methods detailed in Section C. This re-creation is compared to RAS09 and if the discrepancies between the two data sources exceed our thresholds, the institution will be required to respond to the exercise.

### **Re-creation of CFEE09**

44. HESA 2009-10 student data will be used to monitor CFEE09. A re-creation of CFEE09 is generated from HESA 2009-10 student data using the methods detailed in Section C. This re-creation is compared to CFEE09 and if the discrepancies between the two data sources exceed our thresholds, the institution will be required to respond to the exercise.

45. Table B summarises the response required for each of the comparisons, along with the possible causes of differences.

Table B Response process for institutions required to respond

Comparison causing selection	Differences to explain in action plan	Possible causes of differences
HESES09 and the HESES09 re-creation	All differences between HESES09 and the HESES09 re-creation	Errors in HESA student data Errors/estimation discrepancies in HESES09 Problems of fit with the HESES09 re-creation algorithms
HESES09 re-creation and the HESES09 re-creation based on cost centre sector norms	All differences between the HESES09 re-creation and the HESES09 re-creation based on cost centre sector norms, to include any differences between HESES09 and the HESES09 re-creation	Errors in the HESA student data Errors/estimation discrepancies in HESES09 Problems of fit with the HESES09 re-creation algorithms Problems of fit with the mapping for cost centre sector norms
RAS09 and the RAS09 re-creation	RAS09 and the RAS09 re-creation differences	Errors in the HESA student data Errors/estimation discrepancies in RAS09 Problems of fit with the RAS09 re-creation algorithms
CFEE09 and the CFEE09 re-creation	All differences between CFEE09 and the CFEE09 re-creation	Errors in HESA student data Errors in CFEE09 Problems of fit with the CFEE09 re-creation algorithms

### Confirmation

46. When both the selected institution and HEFCE are content that the discrepancies between the data sources are explained and, where appropriate, the necessary action has been taken to remove a discrepancy, we will ask for confirmation that the relevant re-creation reasonably reflects the outturn position for 2009-10.

47. Once we have received that confirmation, we will regenerate all the exercise's re-creations (namely the HESES09 re-creation, the HESES09 re-creation based on cost centre sector norms, the RAS09 re-creation, and the CFEE09 re-creation) to incorporate any amendments that have been made to HESA student data. We will request a further response for any of these comparisons where the selection thresholds are exceeded, unless the causes for the differences have already been explained. For example, upon receipt of confirmation that the HESES09 re-creation reasonably reflects the outturn position for 2009-10, we will ask for a further response

for the comparison of RAS09 and the RAS09 re-creation, if the threshold for selection to the RAS09 re-creation has now been exceeded as a result of corrections to HESA student data.

48. Once confirmation has been asked for and received for all comparisons where a response is required, any re-creation that has been signed off will supersede its predecessor, and any consequent grant adjustments will be calculated and made, subject to the appeals process where relevant and to the availability of our funds.

49. Appeals against grant adjustments will be invited where these are already an established part of our main funding method. This applies where grant adjustments arise because of the extent to which an institution has met its funding agreement targets for 2009-10 or subsequent years (such as holdback relating to compliance with the contract range or delivery of fully funded or employer co-funded additional student numbers). Appeals will not be invited where there is no equivalent appeals process for our formula allocations derived from the original HESES, CFEE or RAS returns. This applies, for example, to recalculations of targeted teaching allocations (including for WP and TESS), QR RDP supervision funding and moderation funding. This approach ensures that institutions are subject to the same treatment irrespective of whether grant allocations or adjustments arise from the original HESES, CFEE and RAS returns or from their re-creation from HESA data, and that there is no advantage to institutions in submitting incorrect returns.

50. We will be prepared to consider requests from institutions about the repayment period for significant reductions to grant, taking account both of what we consider to be affordable for the institution and the desirability of us recovering funding in a timely way.

51. The thresholds we use to select institutions must not be interpreted as being the minimum grant adjustments that we might make. For holdback of teaching grant these are set out in the relevant grant adjustments publication, for example 'HEFCE grant adjustments 2010-11' (HEFCE 2010/22).

### **Grant adjustments for institutions not required to respond**

52. We do not gain assurance through this exercise about the reliability of the HESES09, RAS09 and CFEE09 returns, or of the HESES09, RAS09, and CFEE09 re-creations for institutions that have not been required to respond. For such institutions the re-creations do not supersede the HESES09, RAS09 and CFEE09 returns and as such we would not generally expect to adjust funding allocations based on these re-creations.

### **Further monitoring**

53. We may audit data, systems and processes for institutions that are unable to provide acceptable explanations for the causes of discrepancies in any of the comparisons.

54. Notwithstanding the selection thresholds, we may also ask for further information from any institution in respect of any of the comparisons. This may result ultimately in adjustments to grant, where appropriate.

### **HEFCE web facility for 2009-10 statistics derived from HESA data**

55. On 25 August 2010 we made available the HEFCE web facility for 2009-10 statistics derived from HESA data. This facility is designed to assist institutions in returning accurate data to HESA and to identify discrepancies between forecasting in HESES09 and the outturn position for 2009-10.

## **Frequently asked questions**

56. Frequently asked questions (FAQs) for this exercise can be found on the HEFCE web-site under '2009-10 derived statistics overview' ([www.hefce.ac.uk/learning/datacoll/derived/latest/](http://www.hefce.ac.uk/learning/datacoll/derived/latest/)). We encourage institutions to refer to the FAQs for guidance in the first instance. We will only use our e-mail list of HESSES or RAS contacts to notify institutions of significant changes or updates.

## **Comments and feedback**

57. All institutions are invited to comment on any of the methods described in this publication. Comments or feedback relating to any element of this exercise should be e-mailed to [hesa\\_heses\\_feedback@hefce.ac.uk](mailto:hesa_heses_feedback@hefce.ac.uk).

## Section A: Summary of changes

### Purpose

58. This section describes the changes introduced since '2008-09 statistics derived from HESA data for monitoring and allocation of funding'.

### Documentation changes

59. We have reviewed the former 'annexes' section of the document, moving some generic guidance to our web-site (see paragraph 60) and restructuring the document so that it now comprises just three sections:

- Section A Summary of changes
- Section B Indicative funding summaries. This section describes how we use HESA data for funding allocations
- Section C Funding data reconciliations. This section describes how we use HESA data for reconciling data.

### Derived statistics area on the HEFCE web-site

60. As part of the review of the 'annexes' documentation we have moved generic derived statistics guidance onto the HEFCE web-site. This has resulted in substantial development of the derived statistics area ([www.hefce.ac.uk/learning/datacoll/derived/](http://www.hefce.ac.uk/learning/datacoll/derived/)).

61. Generic derived statistics guidance previously provided in this document can now be found in the 'Help guides' area ([www.hefce.ac.uk/learning/datacoll/derived/help/](http://www.hefce.ac.uk/learning/datacoll/derived/help/)). Some specific areas that may be of interest are:

- extranet locations, deadlines and documentation can be found in the '2009-10 derived statistics overview' ([www.hefce.ac.uk/learning/datacoll/derived/latest/](http://www.hefce.ac.uk/learning/datacoll/derived/latest/))
- information on how to obtain data from the HEFCE extranet is in the 'How to access a derived statistics output' guide ([www.hefce.ac.uk/learning/datacoll/derived/help/output/](http://www.hefce.ac.uk/learning/datacoll/derived/help/output/))
- guidance for action plans is in the 'Guide to action plans' ([www.hefce.ac.uk/learning/datacoll/derived/help/guides.htm](http://www.hefce.ac.uk/learning/datacoll/derived/help/guides.htm))
- processes for correcting data are in the 'How to amend HESA data' guide ([www.hefce.ac.uk/learning/datacoll/derived/help/amend/hesa.htm](http://www.hefce.ac.uk/learning/datacoll/derived/help/amend/hesa.htm)) and the 'How To submit overrides to primary derived fields' guide ([www.hefce.ac.uk/learning/datacoll/derived/help/submit/overrides.htm](http://www.hefce.ac.uk/learning/datacoll/derived/help/submit/overrides.htm)).

## Section B: Indicative funding summaries

### Purpose

62. This section describes how we have used 2009-10 HESA data to inform allocations of WP and TESS funding and the partial completion weighting for 2011-12. Further details of the algorithms that we use on these data are provided in Appendices 13, 14 and 15 respectively.

### Derived statistics outputs

63. The 'How to access a derived statistics output' guide ([www.hefce.ac.uk/learning/datacoll/derived/help/output/](http://www.hefce.ac.uk/learning/datacoll/derived/help/output/)) describes how to access the derived statistics which we have used to inform the 2011-12 WP allocation, TESS allocation and partial completion weighting in an Excel workbook (WP09XXXX.xls, TESS09XXXX.xls and PCMP09XXXX.xls – where XXXX denotes the HESA institution identifier).

64. The derived statistics can, in most cases, be rebuilt from the individualised files which we provide (WP09XXXX.ind, TESS09XXXX.ind and PCMP09XXXX.ind respectively – see the 'How to access a derived statistics output' guide, [www.hefce.ac.uk/learning/datacoll/derived/help/output/](http://www.hefce.ac.uk/learning/datacoll/derived/help/output/), for details on how to obtain these files). These files contain details of how each student was categorised in the WP and TESS allocation and partial completion weighting and, where relevant, details of why they did not contribute. Full descriptions of the data in the individualised files are given in Appendices 13, 14 and 15 respectively, along with instructions on how to rebuild the figures in the three indicative funding summary spreadsheets.

65. These indicative funding summary calculations are provided for general information and to provide further transparency about our calculations. They should not be considered as any kind of commitment by HEFCE and are without prejudice to what our Board may agree to be the final allocations for any institution. The final figures for 2011-12 may differ from the illustrations given in these outputs, because they may not include the effects of transfers or mergers or subsequent decisions about the funding available or changes to data.

66. We use 2009-10 HESA data to inform some elements of our teaching grant calculations for 2011-12. If errors are identified in HESA data, institutions may inform us of these errors by submitting an action plan.

67. The timetable for submission of an action plan and sign-off for amendments are as follows:

11 May 2011	Deadline for receipt of action plans for institutions wishing to make amendments for their WP and TESS allocations
25 May 2011	Deadline for sign-off for institutions wishing to make amendments for their WP and TESS allocations

### WP and TESS funding calculations

68. We have generated an indicative summary of the calculation of 2011-12 WP funding and the improving retention element of 2011-12 TESS funding. The calculations use 2011-12 allocation rates (announced in March 2011) applied to assumed 2011-12 FTEs. They do not necessarily incorporate 2011-12 transfers or mergers. During 2011 we may update the rates and FTEs used for these allocations as more current information becomes available.



69. These funding allocations are informed by the data provided by institutions. If we find that data errors have resulted in institutions receiving incorrect funding allocations, then we will adjust their funding accordingly. In particular, where reconciliations with 2010-11 HESA data or HESES10 audit highlight that the FTEs used to allocate 2011-12 funding were incorrect, then we will adjust grant accordingly, subject to the availability of HEFCE funds.

### **Derived statistics that may inform the 2011-12 WP allocation**

70. Widening participation funding comprises two elements of grant:

- widening access for students from disadvantaged backgrounds
- widening access and improving provision for disabled students.

#### Widening access for students from disadvantaged backgrounds

71. This is a formula-based allocation of funding for teaching to recognise the extra costs associated with recruiting and supporting undergraduate students from disadvantaged backgrounds who are currently under-represented in higher education (HE). The calculations are carried out separately for full- and part-time students and the proposed method of allocating funds is as follows.

72. Using postcode information from 2009-10 HESA student data, each student is mapped to a 2001 Census area statistics ward. These wards are themselves assigned to quintiles based on young participation rates (for young<sup>2</sup> full-time students) and quintiles based on the proportion of 16-74 year-olds with an HE qualification (for mature full-time, and young and mature part-time, undergraduates). Each student is weighted according to the relevant quintile assignment of their ward as shown in Table C:

Table C **Student weighting**

<b>Quintile</b>	<b>Weighting</b>
1 Lowest young HE participation (young full-time) or lowest average adult HE attainment (part-time and mature full-time)	2
2	1
3, 4, 5	0

73. The young HE participation quintiles come from our work on measuring young participation (see 'Trends in young participation in higher education: core results for England', HEFCE 2010/03). For these calculations we use our POLAR2 area classification which is based on young people who reached 18 between 2000 and 2004 and entered a higher education course in the UK while aged 18 or 19<sup>3</sup>. Young participation rates are calculated for each 2001 Census area statistics ward in the UK and are used to rank the wards into five participation quintiles, each containing 20 per cent of the UK young population for this period.

<sup>2</sup> 'Young' students are those aged under 21 on entry to their programme of study; 'mature' students are those aged 21 or over on entry.

<sup>3</sup> For more information on POLAR2 see [www.hefce.ac.uk/widen/polar/](http://www.hefce.ac.uk/widen/polar/)

74. The adult HE qualification quintiles are based on 2001 Census area statistics. We use the national equivalents of the 2001 Census Key Statistics table 13 (KS013, 'Qualifications and students') for 2001 Census Output Areas (subsequently aggregated to 2001 Census area statistics wards). These tables can be obtained from the Office for National Statistics (ONS), the General Register Office for Scotland and the Northern Ireland Statistics and Research Agency. We calculate the proportion of 16-74 year-olds with an HE qualification for UK 2001 Census small-area statistics wards. These wards are then ranked by this proportion to give the adult HE qualification quintiles, with each quintile covering 20 per cent of the English 16-74 year-old population.

75. We allocate postcodes to 2001 Census area statistics wards using the August 2007 release of the ONS's National Statistics Postcode Directory (NSPD), supplemented by the May 2010 release for new postcodes added between those two dates. A file containing the allocation of postcodes to young participation and adult HE attainment quintiles is available at [www.hefce.ac.uk/widen/polar/](http://www.hefce.ac.uk/widen/polar/). This file includes postcodes which are excluded from the quintile mapping along with the reason for exclusion (including non-geographic postcodes).

76. Part-time and mature students who already hold a higher education qualification at the same level as, or higher than, their current qualification aim, or have unknown entry qualifications, are given a weighting of zero, irrespective of their postcode.

77. We calculate a 'widening access average weight' (separately for full-time and part-time students) as follows:

$$\frac{\text{Total weight for all students in the population}}{\text{Total students in the population}}$$

78. The population is defined as full-time or part-time (as appropriate) HEFCE-funded UK domiciled new entrants that generate a Column 4 countable year in the HESES09 re-creation.

79. Some students are excluded from the population that is defined above:

- those with a postcode that has been identified in our young participation analysis as being associated with an unfeasible number of young entrants in relation to our population estimates – typically this would be a postcode relating to a boarding school
- those whose postcode is marked as a non-geographic postcode in the NSPD
- those with a postcode that, although valid, is not mapped to the required Census 2001 geography in the NSPD.

80. These excluded students are counted in the FTEs in the next step (see paragraph 81), and therefore receive an average weight for the purpose of allocating funds.

81. Each average weight derived from paragraph 13 is London-weighted (generally 8 per cent for inner London and 5 per cent for outer London) and applied to the undergraduate (including foundation degree) base FTEs for 2010-11 plus 2009-10 non-mainstreamed FTEs (which will not incorporate 2011-12 transfers or mergers).

## Widening access and improving provision for disabled students

82. We also allocate funding for widening access and improving provision for disabled students. This allocation is likely to be calculated using 2009-10 HESA data as follows.

83. Firstly, we calculate for each institution the proportion of eligible home and EU students who received the Disabled Students' Allowance (DSA). These proportions are then ranked and split into quartiles. Students are only part of the population if they generate a Column 4 countable year in the HESSES09 re-creation.

84. Next, each institution is assigned to one of four quartiles, according to the proportion of students in receipt of the DSA as calculated in paragraph 83, although this is smoothed to ensure that no institution falls by more than one quartile since the previous year. Separate weightings are attached to each of the four quartiles, as shown in Table D. In particular, institutions should note that their quartile may change between years even if the proportion of students in receipt of DSA at their institution does not change. This is because changes to other institutions' data may affect their quartile assignment.

**Table D Quartile weightings**

<b>Quartile</b>	<b>Weighting</b>
A (lowest proportion)	1
B	2
C	3
D (highest proportion)	4

85. Finally, each institution's share of the funding is allocated pro rata to the base FTEs for 2010-11 plus 2009-10 non-mainstream FTEs (which will not incorporate all 2011-12, transfers or mergers), weighted according to the quartile in which they fall and a London weighting (generally 8 per cent for inner London, 5 per cent for outer London) although a minimum allocation of £10,000 per institution applies.

### **Derived statistics that inform the 2011-12 TESS allocation**

86. TESS funding comprises four elements of grant:

- improving retention for full-time students
- improving retention for part-time students
- research-informed teaching
- institutional learning and teaching strategies.

Only the first two of these elements are included in the derived statistics outputs.

#### Improving retention: full-time students

87. For full-time undergraduate students, the allocation is based on students' entry qualifications and age, as follows.

88. Using age and entry qualification information from 2009-10 HESA student data, full-time UK-domiciled undergraduate new entrants are assigned to one of six risk categories (see Table

F for further information on how students are assigned to risk categories) which are then weighted as shown in Table E. Students are only included in the population if they generate a HEFCE-fundable Column 4 countable year in the HESES09 re-creation. We also exclude some UCAS entrants whose highest qualification on entry is an A-level or equivalent (see the note to Table F for further details).

**Table E Risk category weightings**

	Young	Mature
Low risk	0	0
Medium risk	1	1.5
High risk	1.5	2.5

89. The assignment of students to one of the six risk categories based on entry qualifications and age is shown in Table F.

**Table F Assignment of students to risk categories based on entry qualifications and age**

	Young	Mature
<b>Low risk</b>	<ul style="list-style-type: none"> <li>• A-levels/Highers/vocational A-levels with more than 260 or unknown* tariff points</li> <li>• Baccalaureate</li> <li>• degree or higher</li> <li>• unknown qualifications<sup>†</sup></li> </ul>	<ul style="list-style-type: none"> <li>• A-levels/Highers/vocational A-levels with more than 320 tariff points</li> <li>• degree or higher</li> <li>• unknown qualifications<sup>†</sup></li> </ul>
<b>Medium risk</b>	<ul style="list-style-type: none"> <li>• A-levels/Highers/vocational A-levels with between 161 and 260 tariff points</li> <li>• foundation course</li> <li>• vocational A-levels only</li> <li>• other HE qualification (below degree level)</li> </ul>	<ul style="list-style-type: none"> <li>• A-levels/Highers/vocational A-levels with 320 tariff points or fewer*</li> <li>• other HE qualification (below degree level)</li> <li>• foundation course</li> <li>• access course</li> <li>• vocational A-levels only</li> </ul>
<b>High risk</b>	<ul style="list-style-type: none"> <li>• A-levels/Highers/vocational A-levels with between one and 160 tariff points</li> <li>• BTEC</li> <li>• access course</li> <li>• other qualifications</li> <li>• no qualifications</li> </ul>	<ul style="list-style-type: none"> <li>• BTEC</li> <li>• Baccalaureate</li> <li>• other qualifications</li> <li>• no qualifications</li> </ul>

\* New entrants whose highest qualification on entry is A-levels or equivalent but who did not enter via UCAS (the universities and colleges admissions body), so do not have tariff points recorded, are allocated to medium risk.

Mature UCAS entrants whose highest qualification on entry is an A-level or equivalent and who do not have detailed entry qualification data are removed from the full-time improving retention population as defined in paragraph 7.

† New entrants with unknown entry qualifications, or young UCAS entrants with A-levels or equivalent but without detailed entry qualification data, are given a zero weighting and are identified in a separate category in the individualised file and allocations spreadsheet to aid with data checking. Institutions should ensure that highest qualification on entry is recorded if students are to be weighted appropriately in the allocation method for this stream of funding.

90. We calculate a ‘full-time improving retention average weight’ as:

$$\frac{\text{Total weight for all students in the population}}{\text{Total students in the population}}$$

91. The average weight derived from paragraph 9 is given a London weighting (generally 8 per cent for inner London, 5 per cent for outer London) and applied to the full-time undergraduate (including foundation degree) base FTEs for 2010-11 plus 2009-10 non-mainstream FTEs (which will not incorporate 2011-12 transfers or mergers).

#### Improving retention: part-time students

92. The part-time allocation is likely to be distributed pro rata to London-weighted (generally 8 per cent for inner London and 5 per cent for outer London) part-time undergraduate (including foundation degree) base FTEs for 2010-11 plus 2009-10 non-mainstream FTEs (which will not incorporate 2011-12 transfers or mergers).

#### **Derived statistics that inform the 2011-12 partial completion weighting**

93. We expect to reflect the amount of study completed by those students who did not complete their whole year as a weighting factor primarily derived from 2009-10 HESA data. The weighting takes account of activity completed by students who are reported as non-completions in institutions’ HESA submissions.

94. The basis for the weighting is that it should be set at a level that reflects how institutions would have moved relative to the tolerance band if ‘partial completions’ (that is, those students who do not complete all their initial study intentions for the year) had been included in the teaching funding model for 2009-10.

95. The method step-by-step can be summarised as follows:

- a. **Step 1:** We calculate price group weighted FTEs, standard resource, assumed fee income and assumed resource for each institution, using the HESSES re-creation from 2009-10 HESA data (for details on how to obtain this file see [www.hefce.ac.uk/learning/datacoll/derived/help/output/](http://www.hefce.ac.uk/learning/datacoll/derived/help/output/)), but excluding the partial completion weighting that applied in that year (it was then known as the ‘flexible study measure’). From this, we calculate the percentage difference between standard and assumed resource. The mainstream teaching grant for each institution within the assumed resource calculation is the sum of the following items, each of which are taken from the final issue of 2010-11 grant Table C, or as may have subsequently been revised (such as following data audit and reconciliation):

- i. 2009-10 Mainstream teaching grant
- ii. 2009-10 Efficiency saving relating to mainstream teaching grant
- iii. 2009-10 Mainstream grant adjustment (after 2009-10 efficiency saving)
- iv. 2009-10 Miscellaneous grant adjustments.

b. **Step 2:** We calculate the additional standard resource and assumed fee income for partially completing students. For standard resource, this takes account of the FTE only of completed modules; for the assumed fee income, this takes account of the FTE associated with both completed and uncompleted modules. We then re-calculate the percentage difference between standard and assumed resource for the institution taking account of this extra resource for partial completions.

c. **Step 3:** The weighting is calculated such that, when applied to price group weighted FTEs in the standard resource calculation in Step 1, the percentage difference between standard and assumed resource matches that in Step 2.

96. The formulae in these steps can be described as follows:

#### Variables

Step 1	WFTE1	Price group weighted FTEs from the HESES09 re-creation
	STD1	Standard resource based on the HESES09 re-creation
	AR1	Assumed resource based on the HESES09 re-creation
	BP	Base price
Step 2	STD2	Standard resource associated with 'partially completing' students, where students have completed at least 0.16 FTE
	FEE2	Assumed fee income associated with 'partially completing' students for attempted modules

#### Formulae

97. In Step 1 we calculate:

$$PDIFF1 = \frac{AR1 - STD1}{STD1}$$

98. In Step 2 we calculate:

$$PDIFF2 = \frac{(AR1 + FEE2) - (STD1 + STD2)}{STD1 + STD2}$$

99. In Step 3 we calculate:

$$\text{STD3} = \frac{\text{AR1}}{(1 + \text{PDIFF2})}$$

$$\text{Weighting} = \frac{(\text{STD3} - \text{STD1}) \div \text{BP}}{\text{WFTE1}}$$

## **Section C: Funding data reconciliations**

### **Purpose**

100. This section describes the process of making a response, where one is required, to the following funding data reconciliations:

- comparison of HESES09 and the HESES09 re-creation
- comparison of the HESES09 re-creation and the HESES09 re-creation based on cost centre sector norms
- comparison of RAS09 and the RAS09 re-creation
- comparison of the aggregate return to monitor CFEE09 and the CFEE09 re-creation

where the re-creations have primarily been generated from HESA 2009-10 student data.

### **Re-creations**

#### **General method**

101. We generate each re-creation by applying the algorithms detailed in Appendices 1, 4, 7 and 10 to HESA 2009-10 student data to produce derived fields. These derived fields are then aggregated to produce a re-creation of the original funding return. We then produce summaries and comparisons of the main elements of the re-creation against the original funding return and present these in an Excel workbook.

#### **Specific method for the HESES re-creation based on cost centre sector norms**

##### Background

102. Full HEFCE guidance on how institutions should assign activity to academic cost centres is contained in 'Assignment of departments to academic cost centres: 2005-06' (HEFCE Circular letter 32/2005).

103. We expect groups of staff to be assigned to the cost centres that best describe the majority of their activity. Student FTE on both HESES and HESA returns should therefore be returned based upon the cost centre of the member of staff most directly associated with delivering the activity.

104. For a student studying a year of instance, different modules (or equivalent) may be assigned to different cost centres according to the members of staff delivering this activity. Where two or more members of staff from different cost centres are associated with a particular module, then the student FTE should be split according to the proportion contributed by each member of staff.

105. For small groups of staff (fewer than 20 staff FTEs and where they make up less than 20 per cent of the entire cost centre) it is acceptable for disparate lower-cost activities to be grouped together rather than have their own individual cost centres.

##### Sector norm cost centre assignments

106. We generated a cost centre sector norm mapping of subject activity to cost centres using HESA 2008-09 student data. To do this, we identified the cost centre to which most institutions assigned the subject activity. This was calculated as follows:



- a. For each institution, the FTE for each subject area was calculated. Generally the first two characters of the Joint Academic Coding System (JACS) code were used to assign module activity (2008-09 HESA field MODSBJ) to subject areas.
- b. For each institution, if the FTE of a subject area was less than 50, the activity was removed from the analysis to identify the cost centre sector norms.
- c. For each institution and each subject area, the cost centre with the largest FTE was assumed to be the institution's cost centre 'preference'.
- d. For each subject area, the cost centre with the largest number of 'preferences' was taken to be the cost centre sector norm.

107. Details of the percentage of institutions that returned the cost centre sector norm as their 'preference' for the subject area are provided in an Excel file '2009-10 percentage of institutions mapping subjects in the sector norm cost centre' which is downloadable from [www.hefce.ac.uk/learning/datacoll/derived/latest/](http://www.hefce.ac.uk/learning/datacoll/derived/latest/).

### **Derived statistics outputs**

108. The re-creation outputs can be accessed from the HEFCE extranet. The 'How to access a derived statistics output' guide ([www.hefce.ac.uk/learning/datacoll/derived/help/output/](http://www.hefce.ac.uk/learning/datacoll/derived/help/output/)) provides details of how to access these Excel workbooks and Appendices 1, 4, 7 and 10 provide details on the workbook contents.

109. All the information contained in the re-creation tables can be rebuilt by categorising and aggregating the data contained in individualised data files which we provide. These files (HESR09XXXX.ind, SNCC09XXXX.ind, RASR09XXXX.ind and CFEE09XXXX.ind) contain details, in the form of HESA and derived fields, of how each student was classified in the re-creations listed in paragraph 100. Full descriptions of the data in the individualised files are given in Appendices 1, 4, 7 and 10. Full descriptions of how to rebuild the re-creations from the individualised files are given in Appendices 2, 5, 8 and 11.

110. Where available, the 'DIFF' worksheets will indicate where differences in cell totals between the re-creation and the funding return tables exceed a given threshold. The size of this threshold can be altered by entering the required value where indicated on the worksheets. These sheets are provided to assist institutions in reconciling differences between the tables.

### **Action required**

111. Where we require a response, an action plan must be submitted via the HEFCE extranet by **Friday 13 May 2011**, detailing how the institution will reconcile the two data sources.

### **Action plans**

112. Each institution required to make a response will be asked to provide at least one action plan. The plan must contain specific information before we can approve it and progress with the exercise. Please ensure you have understood the requirements for completing and submitting action plans. There is guidance for completing and submitting an action plan in the 'Guide to action plans' ([www.hefce.ac.uk/learning/datacoll/derived/help/guides.htm](http://www.hefce.ac.uk/learning/datacoll/derived/help/guides.htm)).

113. We expect the explanations that institutions provide for discrepancies between the two data sources to fall into one or more of the following categories:

- errors in HESA 2009-10 student data
- errors/estimation discrepancies in the original funding return
- problems of fit with the re-creation algorithms
- problems of fit with the HESES09 re-creation based on cost centre sector norms algorithms because the subject area is small
- problems of fit with the HESES09 re-creation based on cost centre sector norms algorithms because the subject area is not the primary subject area for the member of staff teaching the activity
- problems of fit with the HESES09 re-creation based on cost centre sector norms algorithms because the sector norm cost centre for the subject area is not appropriate for the activity.

114. The action plan must specify where, and to what extent, each of these categories contributes to the overall discrepancy.

115. If institutions do not provide satisfactory explanations for discrepancies, or do not respond within the given timescales, we may carry out further investigations. This may include visits to institutions by us or our agents, in order to gain assurances concerning one or more of the following:

- the reliability of data returns
- the understanding of methods used and technology employed to compile data returns
- the ability to respond in a full and timely manner to this exercise.

116. In order to gain these assurances we may need to collect or review data as part of these visits. The 'Model Financial Memorandum between HEFCE and institutions' (HEFCE 2010/19) provides for the cost of such investigations to be deducted from institutions' grant.

## **Explanations for discrepancies between HESA data and the funding**

### **Errors in HESA data**

117. If we find, either through reconciliations with HESA data, or any data audit, that the original funding return does not reflect the final outturn position for the year, and that this has resulted in institutions receiving incorrect funding allocations, the re-creation will supersede the original funding return, and any consequent grant adjustments will be made (subject to the appeals process and the availability of our funds). Therefore it may be necessary for an institution to submit to HESA a revised 2009-10 HESA student return, which incorporates all necessary amendments to ensure it reasonably reflects the outturn position for 2009-10. The 'How to amend HESA data' guide ([www.hefce.ac.uk/learning/datacoll/derived/help/amend/hesa.htm](http://www.hefce.ac.uk/learning/datacoll/derived/help/amend/hesa.htm)) describes how to submit amendments to HESA data and the associated costs.

118. Where errors are found in HESA data we require institutions to submit a revised, full and valid HESA return directly to HESA, but only once these changes have been notified to us through an action plan, and this plan has been approved.

119. The procedures for the quality assurance of HESA data must take place before an institution signs off the HESA data as correct. Any resubmission of 2009-10 HESA student data to HESA after this point must be seen as exceptional.

120. We recognise that HESA returns are necessarily complicated, and that errors may occur in them. However, we expect that if institutions use the HEFCE web facility for 2009-10 statistics derived from HESA data (available at [www.hefce.ac.uk/learning/datacoll/derived/webfacility/](http://www.hefce.ac.uk/learning/datacoll/derived/webfacility/)), this will keep the number of amendments to a minimum.

121. We may carry out further investigations where amendments to HESA data contradict our understanding of the broad characteristics of activity at an institution.

#### Specific issues for the HESES re-creation based on cost centre sector norms

122. There are two areas where we would expect the explanation of a discrepancy between the HESES09 re-creation and the HESES09 re-creation based on cost centre sector norms to be due to errors in 2009-10 HESA student data:

- where an institution discovers through investigation that it has returned erroneous subject information (JACS codes) on the HESA module subject field MODSBJ
- where an institution discovers that it has returned erroneous cost centre information in the HESA module cost centre field COSTCN.

In both cases the 2009-10 HESA student data are erroneous, regardless of cause, if their effect is inconsistent with the guidance for assigning departments to academic cost centres (HEFCE Circular letter 32/2005), and the consequent assignment of activity to cost centres.

#### **Errors/estimation discrepancies in original funding return**

123. If we find, either through reconciliations with HESA data, or any data audit, that the original funding return does not reflect the outturn position for the year, and this is due to errors or estimation discrepancies, then the re-creation will supersede the original funding return, and any consequent grant adjustments will be made (subject to the appeals process and the availability of our funds). Consequently, it will not be necessary for institutions to submit corrections to the original funding return.

#### **Problems of fit with the re-creation algorithms**

124. We do not expect that problems of fit with the re-creation algorithms will fully explain discrepancies that exceed the selection thresholds. However, where a problem of fit between our algorithms and the funding return definitions contributes to a discrepancy, an explanation will be required of where the problem occurs, and its impact, through the action plan. In addition, institutions will need to provide a primary derived field override file to enable us to correct the problem of fit with our algorithms for those data affected. For details on how to submit overrides to primary derived fields see the guide 'How to submit overrides to primary derived fields' ([www.hefce.ac.uk/learning/datacoll/derived/help/submit/overrides.htm](http://www.hefce.ac.uk/learning/datacoll/derived/help/submit/overrides.htm)). Returning files according to this guidance is essential to establish an audit trail of data changes, and to ensure that overrides are applied in a timely and accurate manner.

125. Institutions are strongly encouraged to submit overrides prior to the deadline of **Friday 27 May 2011** to ensure that, if required, any additional overrides and amendments can be submitted within this time frame.

126. Details of all known problems of fit with each of the funding data reconciliations can be found in the following technical appendices:

- HESES re-creation: Appendix 3

- HESES re-creation based on cost centre sector norms: Appendix 6
- RAS re-creation: Appendix 9
- CFEE re-creation: Appendix 12.

### **Specific issues for the HESES re-creation**

#### Criterion for undetermined completion status (selection criterion f)

127. Where an institution has exceeded the threshold criterion for students with undetermined completion status, we require an override file to be submitted to correct the primary derived field, HESCOMP, for those students whose completion status was undetermined (at the point of the HESA submission) which are now known to be non-completions. This is to ensure that the HESES09 re-creation is a more accurate reflection of the outturn position for 2009-10. We believe that the completion status of the majority of FUNDCOMP = 3 students should be known by the deadline for submitting overrides for primary derived fields (see the timetable in paragraph 14). Appendix 1 gives further details of the algorithm for HESCOMP, and Appendix 3 gives fuller details of the approximation in our algorithms for determining completion status.

### **Specific issues for the HESES re-creation based on cost centre sector norms**

#### Problems of fit with the algorithms because the subject area is small

128. Our algorithms do not discriminate between cases where the staff FTE is greater or less than 20. If we have asked for a response relating to a particular subject area where the staff FTE is less than 20, then this should be presented on the action plan but no further information needs to be included in the action plan for differences between the two re-creations for that subject area.

129. Once we are content that the explanation for a difference between the two re-creations is because the subject area is small, we will use the information from the action plan to insert an override in our algorithms. The override will assign activity for the subject area to cost centres, and consequently price groups, using the institution's 2009-10 HESA student return.

#### Problems of fit with the algorithms because the subject area is not the primary subject area for the member of staff teaching the activity

130. Staff activities define cost centres. When determining which cost centre to assign activity to, the cost centre of the member of staff most directly associated with that activity should be used. It is quite common for staff to teach small amounts of activity in subject areas that are typically taught in another department at the institution. In such cases the cost centre used should still be determined by the member of staff delivering the activity and not by the subject area in which the activity is being delivered. For example, a member of the engineering department may teach a module in mathematics to engineering students, where the mathematics content is integral to the engineering course. Where this is the cause of differences between the two re-creations for a particular subject area, the action plan should contain details of the name(s) of the department(s) of the members of staff teaching the activity, as well as an indication of the extent of teaching in the subject area by members of staff where this is not their primary subject area.

131. Following review of the action plan we may ask for more details about the subject content of the modules.

132. Once we are content that the explanation for a difference between the two re-creations is because the subject area is not the primary subject area for the member of staff teaching the activity, we will use the information from the action plan to insert an override in our algorithms. The override will assign activity for the subject area to cost centres, and consequently price groups, using the institution's 2009-10 HESA student return.

#### Problems of fit with the algorithms because the sector norm cost centre is not appropriate for the activity

133. For a given institution, the assignment of a particular subject area to a cost centre may be legitimately different to the majority of the sector (the sector norm) if the costs associated with delivering the activity are fundamentally different. Where this is the cause of differences between the two re-creations for a particular subject area, the action plan should contain details of the name(s) of the department(s) and of the members of staff teaching the activity.

134. Following review of the action plan we may ask for more details about the typical subject content of the activity being taught by the department.

135. Once we are content that the explanation for a difference between the two re-creations is because the sector norm cost centre is not appropriate for the activity, we will use the information from the action plan to insert an override in our algorithms. The override will assign activity for the subject area to cost centres, and consequently price groups, using the institution's 2009-10 HESA student return.

#### **Further action**

136. Revised HESA data submitted directly to HESA, and overrides made to primary derived fields, will be used to reproduce the re-creation. Once all overrides have been processed and the revised 2009-10 HESA student data have been incorporated, we will review the re-creation. If we are not content that all discrepancies between the original submission and the re-creation have been reasonably explained, we will ask the institution to submit a further action plan to explain any remaining discrepancies between the two data sources. We may also visit institutions to discuss the remaining discrepancies.

137. Once the revised HESA data and all overrides to primary derived fields have been processed, and we are content that all discrepancies between the original return and the re-creation have been reasonably explained, we will ask the institution to confirm:

- that the re-creation reasonably reflects the outturn position for 2009-10
- the accuracy of overrides to primary derived fields.

#### **Guidance**

##### **HEFCE contact**

138. Each institution has been assigned a HEFCE contact. This contact will be the primary point of contact throughout the reconciliation process.

##### **Frequently asked questions**

139. FAQs for this exercise can be found on the HEFCE web-site under '2009-10 derived statistics overview' ([www.hefce.ac.uk/learning/datacoll/derived/latest/](http://www.hefce.ac.uk/learning/datacoll/derived/latest/)). We encourage institutions

to refer to the FAQs for guidance in the first instance. We will only use our e-mail list of HESES or RAS contacts to notify institutions of significant changes or updates.

### **SAS code**

140. We use the SAS programming language to generate all the derived statistics described in this publication. The SAS code we use to do this is on the HEFCE web-site under '2009-10 derived statistics overview' ([www.hefce.ac.uk/learning/datacoll/derived/latest/](http://www.hefce.ac.uk/learning/datacoll/derived/latest/)).

### **Comments and feedback**

141. All institutions are invited to comment on any of the methods described in this publication. Comments or feedback relating to any element of this exercise should be e-mailed to [hesa\\_heses\\_feedback@hefce.ac.uk](mailto:hesa_heses_feedback@hefce.ac.uk).

### **Deadline for responses**

142. Action plans must be uploaded to the HEFCE extranet no later than **Friday 13 May 2011**.

143. The final deadline for sign-off for amendments to HESA data and overrides to primary derived fields, as detailed in the action plan(s) is **Friday 10 June 2011**.

## **Annex A List of abbreviations**

<b>CFEE</b>	Co-funded employer engagement (student numbers)
<b>FAQs</b>	Frequently asked questions
<b>FEC</b>	Further education college
<b>FSR</b>	Finance statistics return
<b>FTE</b>	Full-time equivalent
<b>HE</b>	Higher education
<b>HEI</b>	Higher education institution
<b>HEIFES</b>	Higher Education in Further Education: Students (survey)
<b>HESA</b>	Higher Education Statistics Agency
<b>HESES</b>	Higher Education Students Early Statistics (survey)
<b>ILR</b>	Individualised learner record
<b>JACS</b>	Joint Academic Coding System
<b>NSPD</b>	National Statistics Postcode Directory
<b>ONS</b>	Office for National Statistics
<b>QR</b>	Quality-related research
<b>RAE</b>	Research Assessment Exercise
<b>RAS</b>	Research Activity Survey
<b>RDP</b>	Research degree programme
<b>REF</b>	Research Excellence Framework
<b>TESS</b>	Teaching enhancement and student success
<b>WP</b>	Widening participation