

Appendix 3

Guidance on the grant adjustment tables and related worksheets

1. The annexes of the HESES09 publication (HEFCE 2009/36) describe the six tables in the HESES09 workbook into which data can be entered. This document describes four additional worksheets in the workbook relating to the estimated grant adjustment calculations.

Name of worksheet	Content
HBK	Estimated grant adjustments for 2009-10
STD	Recalculation of standard resource for 2009-10
F09	Recalculation of assumed fee income for 2009-10
LLN	Calculation of model 2 Lifelong Learning Network (LLN) holdback for 2009-10 additional student numbers (ASNs)

Guidance on the grant adjustment tables

Estimated grant adjustments for 2009-10

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

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

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

'HBK' worksheet

5. Any references below to Tables A, B, C or G mean Tables A, B, C or G of the last issue of the grant tables which form part of the funding agreement issued on 30 July 2009 (or any subsequent re-issue). Table A contains a summary of the recurrent grant for 2009-10; Table B shows the funding agreement targets relating to resource and student numbers; Table C contains a summary of 2009-10 funds for teaching; and Table G shows the parameters used in the mainstream teaching funding method.

6. The first box on the 'HBK' worksheet gives the estimated grant adjustment summary for 2009-10 and 2010-11. This is followed by a breakdown of the calculations.

Estimated grant adjustment summary

7. 'Provisional adjustment to mainstream teaching grant 2010-11' is the sum of
 - 'ASN funding recovered by institution (after efficiency saving)'
 - 'ASN funding to be held back from institution (after efficiency saving)'
 - 'Contact range holdback (after efficiency saving)' and
 - 'Consolidated 2008-09 contract range holdback recovered by institution (after efficiency saving)'.
8. 'Net funding adjustment to be applied in 2009-10' is the sum of
 - 'Provisional adjustment to mainstream teaching grant 2010-11'
 - 'Medical and dental holdback (after efficiency saving)'
 - 'Total model 2 LLN adjustment 2009-10 (after efficiency saving)' and
 - 'Provisional in-year moderation'.

Funding conditional upon delivery of growth

9. The first table is taken from the equivalent section of Table B. There is an additional row, 'FTEs required to avoid reduction in ELQ safety net ASN funding' which only applies to: the Open University, Birkbeck College and the Conservatoire for Dance and Drama. Funding adjustments relating to this are described below.
10. 'Actual FTEs (HEFCE-fundable)' is the total FTE of students in HESES09, reported as HEFCE-fundable, and not as a non-completion. HEFCE-fundable includes HEFCE-funded and independently funded home and EC students. These data are taken from Column 4 of HESES Table 1a, Column 4 of HESES Table 2 (weighted at 0.5), and Column 4a of HESES Table 3.
11. 'ASN funding recovered by institution' is calculated by multiplying any FTE above the '2009-10 Baseline FTEs' by the specified rate per FTE, and is subject to the specified maximum level. Full recovery will happen if the 'Actual FTEs (HEFCE-fundable)' equals or exceeds the 'FTEs required to fully recover reduction in ASN funding'.
12. 'ASN funding to be held back from institution' is calculated by multiplying any shortfall against the 'FTEs required to avoid reduction in ASN funding' by the specified rate per FTE, and is subject to the specified maximum level. Full holdback will be applied until the 'Actual FTEs (HEFCE-fundable)' exceeds the 'FTEs required to fully recover reduction in ASN funding'.
13. 'ASN funding to be converted back into the ELQ safety net' is calculated by multiplying any shortfall against the 'FTEs required to avoid reduction in ELQ safety net ASN funding' by the specified rate per FTE, and is subject to the specified maximum level. Funding will be converted back to the ELQ safety net until the 'Actual FTEs (HEFCE-fundable)' exceeds the 'FTEs required to avoid reduction in ELQ safety net ASN funding'.
14. 'ASN funding recovered by institution (after efficiency saving)' is the 'ASN funding recovered by institution' reduced by the efficiency saving rate (-1.360827 per cent).

15. ASN funding to be held back from institution (after efficiency saving) is the 'ASN funding to be held back from institution' reduced by the efficiency saving rate (-1.360827 per cent).

16. 'ASN funding to be converted back into the ELQ safety net (after efficiency saving)' is the 'ASN funding to be converted back into the ELQ safety net' reduced by the efficiency saving rate (-1.360827 per cent).

Medical and dental holdback

17. 'Medical and dental CFTE for 2009-10' is taken from Table B.

18. 'FTE from HESES09' is the total HEFCE-fundable students taken from Column 4 of HESES Table 1b.

19. 'Medical and dental holdback' is calculated by multiplying any shortfall against the medical and dental CFTE by £10,872. This is the average rate of funding based on the standard five-year medical course calculated as two-fifths of the standard price for price group B plus three-fifths of the standard price for price group A minus the 2009-10 full-time undergraduate assumed fee (£1,285).

20. 'Medical and dental holdback (after efficiency saving)' is the 'Medical and dental holdback' reduced by the efficiency saving rate (-1.360827 per cent).

Contract range

21. '2009-10 Contract range' is taken from Table B.

22. 'Total mainstream teaching funds for 2009-10' is taken from Table C.

23. 'Net mainstream teaching funds' is 'Total mainstream teaching funds for 2009-10'

- minus 'ASN funding to be converted back into the ELQ safety net'
- plus 'Medical and dental holdback'
- plus 'ASN funding recovered by institution'
- plus 'ASN funding to be held back from institution'.

24. 'Recalculated assumed fee income for 2009-10' is taken from the 'F09' worksheet. It is the final total from the final column.

25. 'Recalculated assumed resource for 2009-10' is the sum of 'Recalculated assumed fee income for 2009-10' and 'Net mainstream teaching funds'.

26. 'Recalculated standard resource for 2009-10' is taken from the 'STD' worksheet. It is the final total from the final column.

27. 'Difference' is 'Recalculated assumed resource for 2009-10' minus 'Recalculated standard resource for 2009-10'.

28. 'Recalculated percentage difference' is the 'Difference' above divided by 'Recalculated standard resource for 2009-10' multiplied by 100. It is formatted to one decimal place.

29. 'Divergence from contract range' shows the variance between the 'Recalculated percentage difference' and the '2009-10 Contract range'.

30. If an institution is above its contract range then 'Contract range holdback' is the 'Divergence from contract range', multiplied by 'Recalculated standard resource for 2009-10'. Contract range holdback is shown as a negative value. It will be £0 if institutions are in or below the contract range.
31. If an institution is below its contract range then 'Divergence in funding terms' is the 'Divergence from contract range', multiplied by 'Recalculated standard resource for 2009-10'. Divergence is shown as a positive value. It will be £0 if institutions are in or above the contract range.
32. 'Contract range holdback (after efficiency saving)' is the 'Contract range holdback' reduced by the efficiency saving rate (-1.360827 per cent).
33. 'Divergence in funding terms (after efficiency saving)' is the 'Divergence in funding terms' reduced by the efficiency saving rate (-1.360827 per cent).
34. There is no grant adjustment for an institution that is below its contract range, although the worksheet calculates a value for this in financial terms. The message **The contract has not been met. An action plan may be required** will be shown beneath the 'Percentage difference after grant adjustments' where such cases arise. Please note that any action plan will not formally be requested until the final grant adjustment position is confirmed in February 2010.

Recovery of consolidated 2008-09 contract range holdback

35. Institutions have an opportunity in 2009-10 to recover any funding deducted from their baseline as a result of the consolidation of 2008-09 contract range holdback. This will be repaid to the extent that the reinstatement of funding keeps an institution within its 2009-10 contract range.
36. 'Consolidated 2008-09 contract range holdback recoverable in 2009-10' is taken from Table B.
37. 'Difference between top of contract range and 'Recalculated percentage difference'' is the upper contract range limit minus the 'Recalculated percentage difference'.
38. If 'Difference between top of contract range and 'Recalculated percentage difference'' is greater than zero then 'Consolidated 2008-09 contract range holdback recovered by institution' is the minimum of 'Consolidated 2008-09 contract range holdback recoverable in 2009-10' and 'Difference between top of contract range and 'Recalculated percentage difference'' multiplied by 'Recalculated standard resource for 2009-10'. Otherwise 'Consolidated 2008-09 contract range holdback recovered by institution' will be zero.
39. 'Consolidated 2008-09 contract range holdback recovered by institution (after efficiency saving)' is the 'Consolidated 2008-09 contract range holdback recovered by institution' reduced by the efficiency saving rate (-1.360827 per cent).

Percentage difference after grant adjustments

40. 'Percentage difference after grant adjustments' is 'Recalculated assumed resource for 2009-10' plus 'Contract range holdback' plus 'Consolidated 2008-09 contract range holdback recovered by institution' minus 'Recalculated standard resource for 2009-10', all divided by 'Recalculated standard resource for 2009-10'.

Model 2 LLNs

41. 'Holdback associated with 2008-09 consolidated LLN model 2 ASN funding', '2008-09 Model 2 LLN funding recovered in 2009-10' and 'Holdback associated with the delivery of non-mainstream model 2 LLN ASNs 2009-10' are taken from the 'LLN' worksheet which is described in further detail below. 'Total model 2 LLN adjustment 2009-10' is the sum of the preceding three rows.

42. 'Total model 2 LLN adjustment 2009-10 (after efficiency saving)' is the 'Total model 2 LLN adjustment 2009-10' reduced by the efficiency saving rate (-1.360827 per cent).

In-year moderation calculation

43. This section of the worksheet is visible electronically but is not included in the print range. For 2009-10 moderation is provided so that no institution sees a reduction in cash terms of more than 0.6 per cent compared with the equivalent unmoderated figure for 2008-09, but we do not provide moderation funding if it amounts to less than £100,000. Only contract range holdback for 2009-10 will be subject to these moderation rules; we will not moderate other forms of holdback.

44. 'Total teaching (including efficiency saving) and research funding 2009-10' and '2009-10 July* moderation' are taken from Table A. (* = or as subsequently revised.)

45. 'Notional July* moderation (before £100,000 threshold)' is the 2009-10 moderation funding including sums that were not provided because they were below the £100,000 threshold.

46. 'Recalculated grant for 2009-10 (including grant adjustments after the efficiency saving)' is the sum of

- 'Total teaching (including efficiency saving) and research funding 2009-10'
- 'Provisional adjustment to mainstream teaching grant 2010-11' and
- 'Total model 2 LLN adjustment 2009-10 (after efficiency saving)'.

47. '2008-09 Comparable grant' is taken from the 'Moderation calculation' section of Table A and is described in paragraph 61 of the technical guidance that accompanied the March 2009 grant letter.

48. '2008-09 Comparable grant adjusted for grant adjustments (before the efficiency saving)' is the sum of

- '2008-09 Comparable grant'
- 'ASN funding recovered by institution'
- 'ASN funding to be held back from institution'
- 'Consolidated 2008-09 contract range holdback recovered by institution'
- 'Total model 2 LLN adjustment 2009-10'

multiplied by the 0.994 (no institution sees a reduction in cash terms of more than 0.6 per cent compared with the equivalent, unmoderated figure for 2008-09).

49. 'Recalculated notional moderation' is '2008-09 Comparable grant adjusted for grant adjustments (before the efficiency saving)' minus 'Recalculated grant for 2009-10

(including grant adjustments after the efficiency saving)', or zero, whichever is the higher.

50. 'Increase in notional moderation due to 2009-10 contract range holdback' is 'Recalculated notional moderation' minus 'Notional July* moderation (before £100,000 threshold)' capped at 'Contract range holdback (after efficiency saving)' expressed as a positive figure.

51. 'Total moderation before £100,000 threshold' is 'Increase in notional moderation due to 2009-10 contract range holdback' plus 'Notional July* moderation (before £100,000 threshold)'.

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

53. 'Provisional in-year moderation' is 'Total moderation after £100,000 threshold' minus '2009-10 July* moderation'.

'STD' worksheet

54. This worksheet shows the recalculation of standard resource for 2009-10. The '2009-10 FTEs from HESES' are the HEFCE-funded FTEs taken from HESES09 Tables 1a (Column 4), 2 (Column 4 divided by two) and 3 (Column 4a). The media studies price group has been split across price groups B, C and D according to the institution's mapping.

55. '2009-10 FTEs weighted by price group' are '2009-10 FTEs from HESES' multiplied by the price group weightings:

Price group descriptions and cost weights

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

56. 'Flexible study weighting (applied to FTEs weighted by price group)' is the '2009-10 FTEs weighted by price group' multiplied by the flexible study weighting shown on Table G of the 2009-10 grant tables.

57. 'London weighting (applied to FTEs weighted by price group)' is the '2009-10 FTEs weighted by price group' multiplied by 0.08 for institutions in inner London and 0.05 for institutions in outer London. The value of this premium can be found on Table G.

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

59. '2009-10 Standard resource' is the 'Total weighted FTEs' multiplied by the base price: £3,947. Please note, for institutions that have media studies or sandwich year-out provision, we are aware of rounding differences in the calculation of standard resource which arise because the Excel calculations are not carried out at the finest level of detail.

'F09' worksheet

60. This worksheet shows the recalculation of assumed fees for 2009-10. The '2009-10 Estimated FTE students' are taken from HESES09 Table 4; HEFCE-fundable students in Columns 1 and 2 in the 'A, B, C, D, Media studies, INSET(QTS)' price groups for each combination of mode and level.

- FT UG FTEs are from the 'Regulated full fee', 'Regulated half fee' and 'Regulated £0' rows
- FT PGT FTEs are from the 'Regulated full fee', 'Regulated half fee' and 'Non-regulated' rows
- SWOUT UG FTEs are from the 'Regulated half fee' and 'Regulated £0' rows, divided by two
- SWOUT PGT FTEs are from the 'Regulated half fee' and 'Non-regulated' rows, divided by two
- PT UG FTEs are from the 'Regulated full fee', 'Regulated half fee' and 'Non-regulated' rows, divided by two
- PT PGT FTEs are from the 'Regulated full fee', 'Regulated half fee' and 'Non-regulated' rows, divided by two.

61. 'Total fee income' is the FTEs calculated above multiplied by the relevant fee level.

Assumed fee income per FTE

Mode	Level	Fee level	Assumed fees for 2009-10 (£)
FT	UG	full	1,285
FT	UG	half	640
FT	UG	0	0
FT	PGT	full	1,285
FT	PGT	half	640
FT	PGT	non-regulated	3,947
SWOUT	UG	half	1,280
SWOUT	UG	0	0
SWOUT	PGT	half	1,280
SWOUT	PGT	non-regulated	3,947
PT	UG	full	1,280
PT	UG	half	1,280
PT	UG	non-regulated	1,285
PT	PGT	full	1,280
PT	PGT	half	1,280
PT	PGT	non-regulated	3,947

62. 'Derived average fee per estimated FTE' is 'Total fee income' divided by '2009-10 Estimated FTE students'.

63. '2009-10 FTEs from HESES' are taken from the same column on the 'STD' worksheet except for SWOUT. SWOUT FTEs are the HEFCE-funded students in Column 4 from HESES09 Table 2, divided by two; UG is the sum of the FD and UG (excl. FD) rows, PGT is from the PGT row.

64. '2009-10 Assumed fees (average fee x HESES FTE)' is calculated for each mode and level as 'Derived average fee per estimated FTE' multiplied by '2009-10 FTEs from HESES'.

'LLN' worksheet

65. This worksheet shows the calculation of grant adjustments for non-mainstream model 2 LLN funded places.

66. 'Funding for ASNs delivered in 2008-09', 'Funding for new ASNs awarded for 2009-10' and '2008-09 Consolidated LLN holdback, recoverable in 2009-10' are taken from Table B of the 2009-10 grant tables.

67. 'Recalculated model 2 LLN funding' is taken from the final cell in the final column of the accompanying table (directly below, on the same worksheet).

68. 'Holdback associated with 2008-09 consolidated LLN model 2 ASN funding' is the minimum of 'Recalculated model 2 LLN funding' minus 'Funding for ASNs delivered in 2008-09', and zero.

69. If 'Holdback associated with 2008-09 consolidated LLN model 2 ASN funding' is less than zero then '2008-09 Model 2 LLN funding recovered in 2009-10' is zero. Otherwise '2008-09 Model 2 LLN funding recovered in 2009-10' is the minimum of '2008-09 Consolidated LLN holdback, recoverable in 2009-10', and 'Recalculated model 2 LLN funding' minus 'Funding for ASNs delivered in 2008-09'.

70. If 'Recalculated model 2 LLN funding' is greater than the sum of

- 'Funding for ASNs delivered in 2008-09'
- 'Funding for new ASNs awarded for 2009-10' and
- '2008-09 Consolidated LLN holdback, recoverable in 2009-10'

then 'Holdback associated with the delivery of non-mainstream model 2 LLN ASNs 2009-10' is zero. Otherwise 'Holdback associated with the delivery of non-mainstream model 2 LLN ASNs 2009-10' is 'Recalculated model 2 LLN funding' minus the sum of

- 'Funding for ASNs delivered in 2008-09'
- 'Funding for new ASNs awarded for 2009-10'
- 'Holdback associated with 2008-09 consolidated LLN model 2 ASN funding' and
- '2008-09 Model 2 LLN funding recovered in 2009-10'.

71. '2009-10 Model 2 LLN FTEs from HESES' are the non-fundable FTEs taken from HESES09 Tables 1a (Column 5), 2 (Column 5 divided by two) and 3 (Column 5a). The media studies price group has been split across price groups B, C and/or D according to the institution's mapping.

72. For a description of the next five columns see paragraphs 55-59 of this appendix (from the 'STD' worksheet description).

73. '2009-10 Assumed fees' is the '2009-10 Model 2 LLN FTEs from HESES' multiplied by the assumed fee levels:

Assumed fee income per FTE

Level	Assumed fees for 2009-10 (£)
FD/UG (excl. FD)	1,285
PGT	3,947

74. 'Recalculated model 2 LLN funding' is the '2009-10 Standard resource' minus the '2009-10 Assumed fees'.