

**HEFCE 01/29**  
**May**  
Request

**Respond by 27 July 2001** (2001-02 action plans for all HEIs, and full widening participation strategies and three-year action plans where possible)

**Respond by 31 October 2001** (for strategies and three-year action plans not so far submitted)

# Widening participation in higher education

Funding decisions for 2001-02 to 2003-04

## **Widening participation in higher education: Funding decisions for 2001-02 to 2003-04**

|                                      |   |
|--------------------------------------|---|
| To                                   | Heads of HEFCE-funded higher education institutions<br>Heads of universities in Northern Ireland  |
| Of interest to those responsible for | Strategic and corporate planning; widening participation  |
| Reference                            | 01/29   |
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### **Executive summary**

#### Purpose

1. This document provides feedback on the HEFCE consultation on new proposals for funding widening participation in higher education, and outlines the decisions that have been made following the consultation.

#### Key points

2. A summary of responses to the consultation is attached at Annex B.
3. We will distribute funding in support of widening participation for the period 2000-01 to 2003-04. This funding is intended to:
  - encourage institutions to widen participation in higher education by under-represented groups
  - raise the aspirations of all to attend the institution that is best able to match their abilities, interests and needs

- ensure that all students have the best possible chance of succeeding in their studies.
4. We will increase the funding provided to institutions in proportion to their success in recruiting students from neighbourhoods with low rates of participation in higher education. We will increase the amount allocated in this way (the postcode premium) to £28 million in 2001-02, then to £31 million in 2002-03 and 2003-04.
  5. A new funding stream will be introduced, at £6 million a year for three years, to help raise aspirations. It will be allocated to higher education institutions with fewer than 80 per cent of their students from state schools, and will enable them to do more to encourage applications from such students.
  6. We will spend £4 million in 2000-01 and 2001-02 to support HE summer schools. Beyond 2001-02, this programme depends on further funds being provided by the Department for Education and Employment (DfEE), although it is expected to continue.
  7. Widening participation strategies will also be supported by the introduction of Opportunity Bursaries, and the provision of funds to promote and administer Hardship, Fee Waiver and Opportunity Bursary funds. Further details have been published separately in HEFCE 01/15 'Student support funding for higher education institutions 2001-02'.
  8. We are asking institutions to submit updated three-year strategies for widening participation. These strategies should be accompanied by action plans, detailing activities and targets associated with the spend of the postcode premium (and, where applicable, the aspiration funding). We will not prescribe the content or format of strategies, but will provide a programme of good practice guidance and support.

#### Action required

9. In July 2000 institutions provided targets for widening participation based on their initial statements. Our consultation report HEFCE 00/50 (November 2000) foreshadowed that we expected to ask for revised three-year strategies by the end of July 2001, so that they could be co-ordinated with the annual operating statements. Those institutions which are in a position to do so are accordingly now invited to provide **by 27 July 2001** fully revised and developed widening participation strategies and action plans covering the period 2001-02 to 2003-04.
10. We recognise, however, that there may be institutions which will need more time to prepare full strategies. In particular, they may wish to reflect on our forthcoming seminars and good practice guidance, or they may need to take their strategies through committee cycles lasting into the autumn. In such cases, full strategies should be delivered by **31 October 2001**. But in all cases, institutions should provide revised targets and associated action plans for 2001-02 by the 27 July deadline, extending the initial targets, and based on the further work they have done in developing full widening participation strategies. Given the extensive discussion and development work so far, and the widely recognised

importance of the issue, we hope that most institutions will be able to provide us with strategies, either in draft or final form, **by 27 July 2001**.

## **Introduction**

11. In September 2000 the Secretary of State for Education and Employment, David Blunkett, launched the 'Excellence Challenge' programme, which provides additional funds to widen the participation of young people in higher education. In HEFCE 00/50, we discussed the implications of this programme in the context of our widening participation strategy, and consulted the sector on the use of the additional funding which will be allocated directly to higher education institutions (HEIs).

12. The consultation was divided into two parts. Respondents were asked to comment on the organisation of the new Excellence in Cities (EiC) partnerships in November. These comments have informed the DfEE's guidance on the management of the scheme.

13. The second part of the consultation asked for comments on the use of the additional funding which will be allocated directly to HEIs. This document reports on the responses to this consultation, and the subsequent funding decisions. A summary of responses to the second part of the consultation is at Annex B.

## **Funding decisions**

### Postcode premium

14. For 2000-01 we have provided £25 million to institutions in direct proportion to their success in recruiting students from neighbourhoods where the rate of participation in higher education is low. This funding (the postcode premium) is intended to recognise both the success of institutions in recruiting disadvantaged students and the extra cost of enabling them to succeed. The postcode premium will be increased to £28 million for 2001-02, rising to £31 million a year in 2002-03 and 2003-04. Institutions have been informed about their provisional allocations for 2001-02 in their March 2001 grant letter.

15. We received a number of comments in the consultation that the method for allocating the postcode premium (as described in HEFCE 98/39) is not sufficiently sensitive. We are committed to refining this measure where possible, in future years, but in the meantime we believe that it is the best measure currently available.

16. Some institutions expressed concern that they would be limited in terms of the geographical areas in which they could deploy this funding. On the contrary, institutions are encouraged to use the postcode premium to build on existing activities in whatever geographical areas they already operate successfully. Where appropriate, we ask institutions to use the additional allocation to the postcode premium to network with Excellence in Cities (EiC) partnerships in their areas. However, the funding is not limited to work in areas such as those designated as EiC or Education Action Zones (EAZs).

### Funding intended to raise aspirations

17. A new funding stream will be introduced, to enable institutions with low proportions of students from state schools to do more to encourage applications from such students. We will provide £6 million a year for the three years from 2001-02 to 2003-04. HEIs will be eligible for these funds if state-educated students account for less than 80 per cent of their student body in 1999-2000. Institutions receiving this funding will be expected to:

- provide evidence that they will contribute an element of funding from their own resources from 2002-03
- confirm that the funded activities will be embedded and continue when funding is scheduled to cease (after 2003-04).

18. A number of respondents to the consultation considered that the additional funds would be better allocated through the postcode premium. However, there are a number of dimensions to our widening participation strategy, one of which is raising the aspirations of all to attend the institution that is best able to match their abilities, interests and needs. We therefore consider that it is right to direct a small part of the total funding available for widening participation to support this objective.

19. In the consultation, it was suggested that these funds should be directed towards outreach work aimed primarily at EiC areas. Since the consultation, the Secretary of State for Education and Employment has agreed that the scope of the Excellence Challenge should be widened to include EAZs that are not in phase 1 or phase 2 EiC areas. (A list of EICs and the relevant EAZs is at Annex C.) This new funding should therefore be directed at outreach work to raise the aspirations of state-educated pupils primarily in EiC and EAZ areas.

20. We will write separately to institutions that we believe are eligible for this new funding stream, asking them to confirm their data. As soon as data have been confirmed, we will inform them of their share of the available funding. This will be calculated according to data on new entrants, and new entrants from state schools, from the Higher Education Statistics Agency (HESA). We will allocate funds in proportion to the distance from the threshold of 80 per cent, and the size of the state-educated cohort. Therefore, broadly speaking, institutions that are close to the threshold will receive a smaller allocation than those that are further away.

### Summer schools

21. In 2000 we administered the higher education summer schools programme, funded by the DfEE as part of the EiC initiative. Under the programme, Year 11 and 12 school pupils had a chance to sample higher education for a week at one of 54 universities and colleges. The aim was to encourage able students, whose family and educational background is such that they might not consider higher education, to apply to an HEI or to consider a wider range of institutions and/or subjects. An evaluation of the scheme was published in January

(HEFCE 01/04).

22. A substantial number of institutions commented favourably on the summer schools programme and supported its continuation. The scheme will continue, receiving £4 million in 2001-02. Eligible institutions will be contacted in autumn 2001 and invited to take part. Any queries about summer schools should be addressed to Yvonne Perry at the HEFCE (tel 0117 931 7233, e-mail y.perry@hefce.ac.uk).

#### Student support

23. The consultation document HEFCE 00/50 also set out the Government's intentions regarding Opportunity Bursaries and funding to cover the administration of individual financial support. Funding decisions relating to student support are set out in HEFCE 01/15 'Student support funding for higher education institutions 2001-02'. Responses to the consultation that address student support have been passed on to the DfEE, which has also issued separate guidance. Any queries about student support funding should be addressed to Wendy Matthews at the HEFCE (tel 0117 931 7018, e-mail w.matthews@hefce.ac.uk).

#### **Request to submit new strategic statements for widening participation**

24. Widening participation is one of the Council's most important strategic aims. In HEFCE 99/33 we asked all HEIs to submit initial statements of their strategies for widening participation, including how they planned to use the additional widening participation funds they received from 1999-2000. HEIs submitted these initial statements and spending plans in October 1999. We are monitoring, through their annual operating statements, institutions' success in attaining the targets they have set themselves. Through the work of Action on Access, our national co-ordination team for widening participation, we are sharing the lessons learned and helping institutions to develop good practice in widening participation activities and target setting.

25. Most institutions responded positively to the proposal in HEFCE 00/50 that we would ask them to submit fuller widening participation strategies. Indeed some reported that they had already begun revising their initial statements. We are therefore asking all HEIs to submit three year widening participation strategies, covering the period 2001-02 to 2003-04.

26. We recognise concerns expressed in the consultation that we should not prescribe the format and content of the strategies. Participation strategies will vary according to the mission, ethos and overall strategy of an institution. We intend to support diversity rather than prescribing any particular set of approaches for widening participation.

27. Strategies should be accompanied by action plans, setting out targets associated with HEFCE funding (see paragraphs 32 - 36 below). A number of respondents to the consultation expressed concerns about the ability of HEIs to set realistic, meaningful and achievable targets. We recognise that institutions will wish to plan for longer-term goals and targets (perhaps at least five to ten years). Change – in staff attitudes, in institutional infrastructure or pedagogy, and particularly in participation by the wider community – can

take a long time to effect, and may be influenced by factors out of the institution's control. However, the setting, monitoring and (where necessary) revision of annual milestones is important both to aid the institution's planning and monitoring process, and to ensure accountability for the expenditure of public funds.

### Summary of funding available

28. In summary, we intend to make the following funding available for widening participation in 2000-01 to 2003-04:

| Funding strand  | 2000-01 (£)  | 2001-02 (£)    | 2002-03 (£)     | 2003-04 (£)      |
|---|--------------|----------------|-----------------|------------------|
| Core funding: postcode premium  | 25 M         | 28 M           | 31 M            | 31M              |
| Core funding: mature and part-time premium  | 37.5 M       | 37.5 M*        | 37.5 M*         | 37.5 M*          |
| Core funding: aspiration funding (funding supplement by reference to percentage of state-educated students)                           | 0            | 6 M            | 6 M             | 6 M              |
| Project funding: summer schools   | 4 M          | 4 M**          | 4 M**           | 4 M**            |
| Project funding: partnership projects   | 7.5 M        | 7.5 M          | 7.5 M***        | 7.5 M***         |
| Student support: total individual student financial support (figure in brackets gives maximum funding for Opportunity Bursaries only) | 86 M         | 92 M*<br>(6 M) | 97 M*<br>(11 M) | 103 M*<br>(17 M) |
| <b>Total</b>  | <b>160 M</b> | <b>175 M</b>   | <b>183 M</b>    | <b>189 M</b>     |

\* Funds allocated in 2000-01. Student numbers and funding allocations (except for Opportunity Bursaries) in succeeding years may fluctuate and therefore alter totals.

\*\* Current allocation by the DfEE; this may be adjusted year on year.

\*\*\* Current partnership projects are due to end in 2001-02. Decisions about the future of this special initiative will be informed by the evaluation of our widening participation strategy, due to be concluded in May 2002.

## **Widening participation strategies and action plans**

29. An effective widening participation strategy will outline how an institution plans to recruit, retain and progress students from groups under-represented in HE, and how it will know when it has succeeded.
30. The strategy may build on the initial strategic statement submitted in October 1999. It should reflect the institution's mission and link closely with the institution's overall corporate strategy. It should also relate closely to other documents and strategies, such as those for learning and teaching, estates and human resources. It should be informed by performance indicator data, and should demonstrate how the effectiveness of the strategy will be monitored and evaluated internally.
31. Annex D contains advice about the format and structure of the strategy and action plan. We will find it helpful if this guidance is followed. We emphasise nevertheless that the content of strategies is for institutions themselves to decide.
32. We will use the action plan to monitor the use of HEFCE funding. The plan should have targets that are specific, measurable so far as possible, realistically challenging and with clear milestones, to provide a firm basis for subsequent monitoring. Although it may be some time before all the outcomes of the strategy can be assessed, it should be possible to check annually on the achievement of targets and objectives. Milestones should therefore be included, which will be reported on in the annual operating statement to be returned to the Council in July of each year.
33. Targets may be institution-wide, such as to achieve a percentage increase in students from state schools; or may be specific to an academic area, for example a project to support the needs of Asian women who might find it difficult to study abroad as part of a language degree.
34. The targets should include both outputs and outcomes. Output targets reflect the processes required to achieve an outcome. They can provide milestones against which progress can be reported in the annual operating statement, such as how many schools would be involved in a particular activity. Outcome targets demonstrate the success of an activity, such as the percentage or percentage rise of new applicants or acceptances from schools involved in a particular activity.
35. It is recognised that the outcome targets, in particular, might need to be reviewed and revised during the funding period in the light of annual achievements. As individual institutions' funding for 2002-03 and 2003-04 has not been finalised, activities and targets may be revised each year in the light of annual funding announcements. This can be done by submitting a revised version of Annex E with the annual operating statement in July 2002 and/or 2003. We recognise that institutions may also wish to update their action plan to take account of experiences in the first or second year of their revised strategy. However, in the first instance, we would encourage planning for three years, using estimates based on the 2001-02 figures.



36. To confirm each institution's funding allocations, we will not assess the strategy itself. Rather, we will consider the targets and spending proposals in the accompanying action plan which relate to the earmarked HEFCE funding. In particular, we will look for clearly defined and measurable targets, and fit with the institution's accompanying strategy. In short, our approach will be similar to that taken with institutional learning and teaching strategies, submitted to the Council last year (HEFCE 99/48).

37. If strategies and acceptable accompanying action plans are not submitted, we may withhold all or part of the funding for 2001-02 from the postcode premium (and/or aspiration funding, where applicable). Funding for future years (2002-03, 2003-04) will be released on the production and approval of a report on progress towards the targets set in the action plan. This report will form part of the institution's annual operating statement to be returned in July of each year. We will issue separate guidance in the spring of each year about what needs to be detailed in this statement.

### **Submission of strategies and action plans**

38. In July 2000 institutions provided targets for widening participation based on their initial statements. Our consultation report HEFCE 00/50 (November 2000) foreshadowed that we expected to ask for revised three-year strategies by the end of July so that they could be co-ordinated with annual operating statements. That circular also indicated that seminars and good practice guidance to support institutions in developing their strategies, action plans and targets would be provided in June 2001.

39. Institutions which are in a position to do so are invited to provide by 27 July 2001 fully revised and developed widening participation strategies and action plans covering the period 2001-02 to 2003-04.

40. We recognise that some institutions may feel they need more time to prepare full strategies and in particular, to take time to reflect on our forthcoming seminars and good practice guidance; or they may need to take their strategies through committee cycles lasting into the autumn. In such cases full strategies and three year action plans should be submitted by 31 October 2001. Institutions should inform their regional consultants of the date by which they will submit their fully developed strategy and three year action plan.

41. In all cases, institutions should provide revised targets and associated action plans for 2001-02 by the 27 July deadline, extending the initial targets, and based on the further work they have done in developing full widening participation strategies. Given the extensive discussion and development work so far, and the widely recognised importance of the issue, we hope that most institutions will be able to provide us with strategies, either in draft or final form, by 27 July 2001.

42. Feedback will be provided by the HEFCE regional consultants during their usual autumn and spring visits, together with confirmation of funding allocations for the three year period. In addition, our review of the strategies will feed into our advice to the Secretary of

State and other interested parties on sector-wide developments in widening participation and consequent funding implications.

Annex H contains a timetable summarising the key steps.

43. In all cases, please send five paper copies of documentation to:

Sharon Lane  
HEFCE  
Northavon House  
Coldharbour Lane  
BRISTOL  
BS16 1QD

44. Please use the cover sheet provided at Annex F, and ensure that copies are signed off by the head of institution, or his or her nominee.

#### **Promoting and transferring good practice**

45. Annex G provides information from the analysis of initial statements of widening participation strategies, which all institutions submitted to us in October 1999. This analysis was carried out by Action on Access. It lists the components of institutions' statements, and highlights the importance of clear targets and a coherent approach to planning.

46. In order to help institutions, we will issue guidance on developing and implementing strategies for widening participation and for learning and teaching. The National Co-ordination Team for the Teaching Quality Enhancement Fund, the National Disability Team, and Action on Access are working jointly with us to deliver this guidance, drawing on existing good practice in the sector. Two guides will be published by June 2001.

47. The guide on widening participation strategies will promote a holistic approach to the issue of student access, progress and success by focusing on the student life-cycle. A separate guide on learning and teaching strategies will disseminate further information about good practice being adopted in the sector, initially described in HEFCE 99/55 'Institutional learning and teaching strategies: a guide to good practice'. The new guides contain case studies from a range of institutions, and include examples of those activities which may be particularly appropriate to the Excellence Challenge as outlined in HEFCE 00/50. The guides are intended to help those who have institutional responsibility for developing and implementing strategies for widening participation and learning and teaching. They will be supported by regional seminars which will bring together those who have responsibility for developing the widening participation and learning and teaching strategies and encourage them to explore best practice in strategic planning.

#### Strategic planning

48. Last year we published HEFCE 00/24 'Strategic planning in higher education: a guide for heads of institutions, senior managers, and members of governing bodies'. This sets out good practice, identifies common principles and describes a conventional planning process aimed at the corporate level. In spring 2002 we plan to publish further guidance on joint strategic planning, and host seminars that are aimed at the faculty or departmental level.

49. We recognise that in many HEIs widening participation and learning and teaching strategies are produced by different people in different parts of the institution. Even in smaller institutions, they may be produced at separate times with limited cross-fertilisation. We would encourage institutions to explore the relationship between widening participation, student retention and good practice in learning and teaching, and to begin to address the organisational and cultural barriers to integrated strategic planning.

50. HEFCE regional consultants will act as a point of contact for institutions, on request, as they develop their strategies and accompanying action plans. Contact details are provided at Annex A. Regional consultants will provide feedback to institutions in the course of their regular strategic visits.