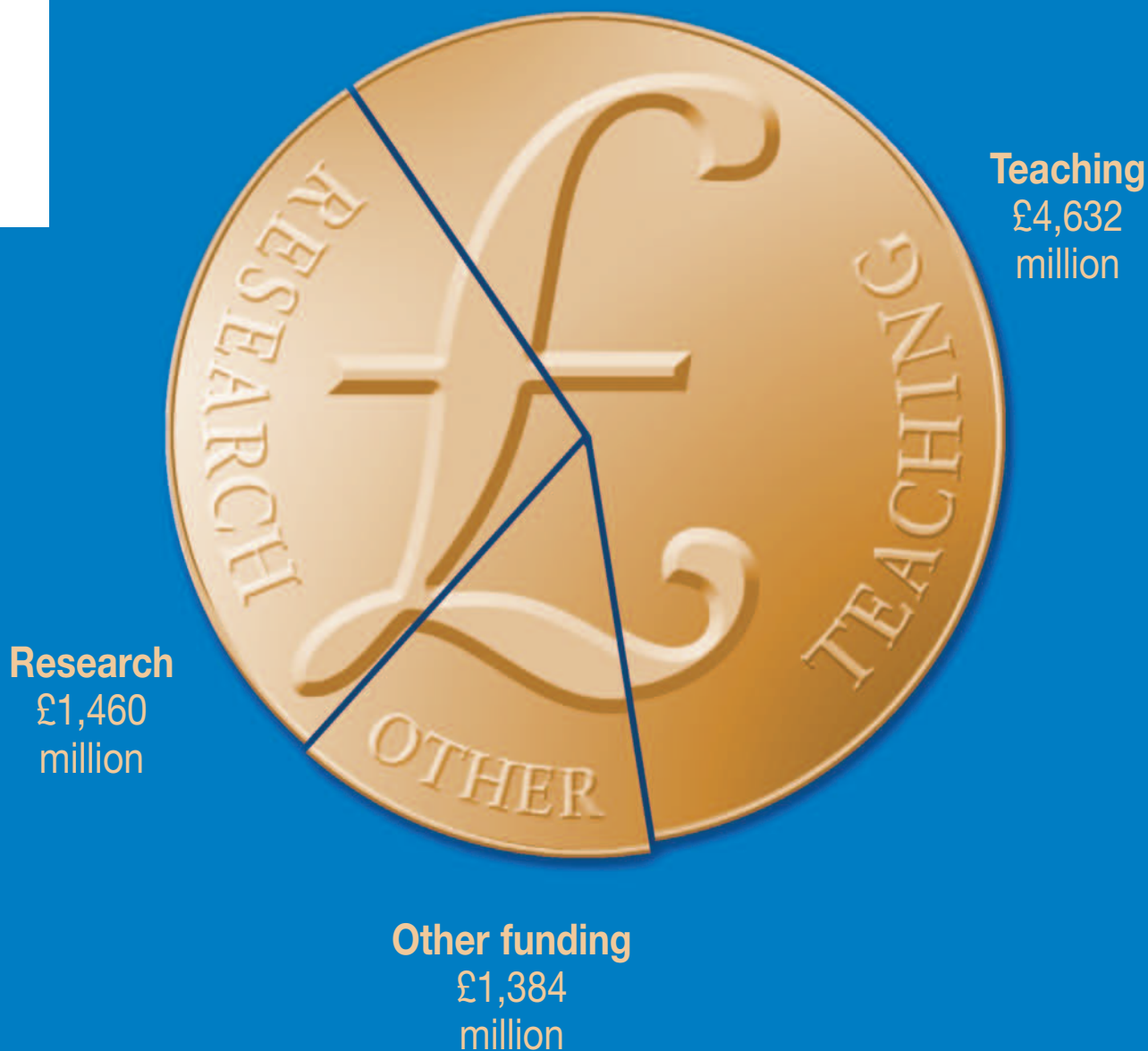


Funding higher education in England

How HEFCE allocates its funds



Research
£1,460
million

Teaching
£4,632
million

Other funding
£1,384
million

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Annex B Funding for widening participation – examples

Introduction

The widening participation allocation is split into five elements:

- widening access for people from disadvantaged backgrounds: full-time
- widening access for people from disadvantaged backgrounds: part-time
- improving retention: full-time
- improving retention: part-time
- widening access for students with disabilities.

This annex describes how each element of the allocation is calculated. Note that the rates quoted in this annex are those used in the provisional allocation for 2008-09 as announced in March 2008.

Calculating the widening participation allocation for an institution

To illustrate the methods described in the steps below we shall consider two fictional institutions:

- university A is a higher education institution based in inner London with 6,000 undergraduate full-time and sandwich year-out full-time equivalents (FTEs), 3,000 undergraduate part time FTEs and 10,000 FTEs (including postgraduate taught) overall
- college B is a further education college based outside London with 200 undergraduate full-time and sandwich year-out FTEs, 150 undergraduate part-time FTEs and 450 FTEs (including postgraduate taught) overall.

Widening access for people from disadvantaged backgrounds: full-time

Step 1: Calculating the institutional weight⁷

Using postcode information from 2006-07 individualised student data⁸, each full-time undergraduate new entrant is mapped to a census ward. These wards are then ranked in terms of their young higher education (HE) participation rate (for young students) or average adult HE attainment (for mature students) and split into quintiles. Each student is weighted as follows according to the quintile of their ward:

⁷ Non-exempt students studying for an equivalent or lower qualification (ELQ) are not included in this calculation.

⁸ Higher Education Statistics Agency student data for higher education institutions. Individualised Learner Record data for further education colleges.

Table 10 **Weighting according to quintile of student's census ward**

Quintile	Weight
1 (Lowest HE participation or lowest average adult HE attainment)	2
2	1
3, 4, 5	0

For each institution a weight is calculated by dividing the sum of the weight for each student by the total number of full-time undergraduate new entrants.

Step 2: Calculating the weighted FTEs

Institutions are given a London weighting as follows:

- 1.08 for institutions in inner London
- 1.05 for institutions in outer London
- 1 otherwise.

The full-time and sandwich year-out undergraduate assumed FTEs are given a London weighting and then multiplied by the institutional weight calculated in Step 1 to give the weighted FTEs.

Step 3: Calculating the widening access for full-time students allocation

We then multiply the funding rate per weighted FTE (£143 for full-time students in 2008-09) by the weighted FTEs from Step 2 to give this element of the allocation.

Table 11: **Widening access for people from disadvantaged backgrounds: full-time**

		Step 1		Step 2			Step 3		
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
Age group	Quintile	Head-count new entrants	Weighted new entrants	Institutional weight (b)÷(a)	FT and SWOUT UG FTE	London weighting	Weighted FTE (c)x(d)x(e)	Funding rate per weighted FTE	Allocation (f)x(g)
University A									
Young	1	125	x 2 = 250						
	2	100	x 1 = 100						
	3, 4, 5	875	x 0 = 0						
Mature	1	150	x 2 = 300						
	2	50	x 1 = 50						
	3, 4, 5	700	x 0 = 0						
Total		2,000	700	0.35	6,000	1.08	2,268	£143.34	£325,095
College B									
Young	1	5	x 2 = 10						
	2	4	x 1 = 4						
	3, 4, 5	41	x 0 = 0						
Mature	1	4	x 2 = 8						
	2	6	x 1 = 6						
	3, 4, 5	40	x 0 = 0						
Total		100	28	0.28	200	1	56	£143.34	£8,027

Key: FTE – Full-time equivalent, FT – Full-time, SWOUT – Sandwich year-out, UG – Undergraduate (including foundation degrees).

Widening access for people from disadvantaged backgrounds: part time

Step 1: Calculating the institutional weight⁹

As in Step 1 of the widening access for full-time students allocation, we use postcode information to map each part-time undergraduate new entrant to a census ward. These wards are then ranked in terms of their average adult HE attainment and split into quintiles. Each student is weighted according to the quintile of their ward as shown in the table in Step 1 of the preceding allocation.

For each institution a weight is calculated by dividing the sum of the weight for each student by the total number of part-time undergraduate new entrants.

⁹ Non-exempt students studying for an ELQ are not included in this calculation.

Step 2: Calculating the weighted FTEs

The part-time undergraduate assumed FTEs are given a London weighting as in the preceding allocation and then multiplied by the institutional weight calculated in Step 1 of this allocation to give the weighted FTEs.

Step 3: Calculating the widening access for part-time students allocation

We then multiply the funding rate per weighted FTE (£1,382 for part-time students in 2008-09) by the weighted FTEs from Step 2 to give this element of the allocation.

Table 12 Widening access for people from disadvantaged backgrounds: part-time

Institution	Quintile	Step 1		Step 2			Step 3		Allocation (f)x(g)
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	
		Head-count new entrants	Weighted new entrants	Institutional weight (b)÷(a)	PT UG FTE	London weighting	Weighted FTE (c)x(d)x(e)	Funding rate per weighted FTE	
University A	1	500	$500 \times 2 = 1,000$						
	2	500	$500 \times 1 = 500$						
	3,4,5	3,000	$3,000 \times 0 = 0$						
Total		4,000	1,500	0.38	3,000	1.08	1,215	£1,381.52	£1,678,547
College B	1	15	$15 \times 2 = 30$						
	2	10	$10 \times 1 = 10$						
	3,4,5	95	$95 \times 0 = 0$						
Total		120	40	0.33	150	1	50	£1,381.52	£69,076

Key: FTE – Full-time equivalent, PT – Part-time, UG – Undergraduate (including foundation degrees).

Improving retention: full-time

Step 1: Calculating the institutional weight¹⁰

Using age and entry qualification information from 2006-07 individualised student data, full-time undergraduate new entrants are assigned to one of six categories¹¹ which are weighted as follows:

Table 13 Weighting according to student's risk and age category

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

¹⁰ Non-exempt students studying for an ELQ are not included in this calculation.

¹¹ For details on how students are assigned to each of these categories, please see the table on our web-site at www.hefce.ac.uk under Widening participation/Funding/Improving retention allocation method.

For each institution a weight is calculated by dividing the sum of the weight for each student by the total number of full-time undergraduate new entrants.

Step 2: Calculating the weighted FTEs

The full-time and sandwich year-out undergraduate assumed FTEs are given a London weighting as in the preceding allocations and then multiplied by the institutional weight calculated in Step 1 to give the weighted FTEs.

Step 3: Calculating the improving retention of full-time students allocation

We then multiply the funding rate per weighted FTE (£377 for full-time students in 2008-09) by the weighted FTEs from Step 2 to give this element of the allocation.

Table 14 Improving retention: full-time

		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
Age group	Risk category	Head-count new entrants	Weighted new entrants	Institutional weight (b)÷(a)	FT and SWOUT UG FTE	London weighting	Weighted FTE (c)x(d)x(e)	Funding rate per weighted FTE	Allocation (f)x(g)
University A									
Young	Low	400	x 0 = 0						
	Medium	250	x 1 = 250						
	High	400	x 1.5 = 600						
Mature	Low	260	x 0 = 0						
	Medium	530	x 1.5 = 795						
	High	160	x 2.5 = 400						
Total		2,000	2,045	1.02	6,000	1.08	6,626	£377.13	£2,498,788
College B									
Young	Low	50	x 0 = 0						
	Medium	15	x 1 = 15						
	High	7	x 1.5 = 10.5						
Mature	Low	26	x 0 = 0						
	Medium	0	x 1.5 = 0						
	High	2	x 2.5 = 5						
Total		100	31	0.31	200	1	61	£377.13	£23,005

Key: FTE – Full-time equivalent, FT – Full-time, SWOUT – Sandwich year-out, UG – Undergraduate (including foundation degrees).

Improving retention: part-time

Step 1: Calculating the improving retention of part-time students allocation

We take the part-time undergraduate assumed FTEs, apply the London weighting as in the preceding allocations and then multiply this by the funding rate per weighted FTE (£535 for part-time students in 2008-09) to give this element of the allocation.

Table 15 **Improving retention: part-time**

	(a)	(b)	(c)	(d)
Institution	PT UG FTE	London weighting	Funding rate per weighted FTE	Allocation (a)x(b)x(c)
University A	3,000	1.08	£535.00	£1,733,400
College B	150	1	£535.00	£80,250

Key: FTE – Full-time equivalent, PT – Part-time, UG – Undergraduate (including foundation degrees).

Widening access for students with disabilities

Step 1: Calculating the proportion of students in receipt of DSA

We calculate the proportion of students in receipt of DSA (Disabled Students' Allowance) from 2006-07 individualised student data.

Step 2: Calculating the widening access for students with disabilities allocation

Institutions are ranked according to the proportion of their students in receipt of DSA (as calculated in Step 1) and then split into quartiles. A weight is assigned to each institution according to their quartile as follows:

Table 16 **Institutional weightings according to proportion of students in receipt of DSA**

Quartile	Weight
A (lowest proportion)	1
B	2
C	3
D (highest proportion)	4

This weight is multiplied by the assumed FTEs, the institution's London weighting (as in the preceding allocations) and the funding rate per weighted FTE (£5.78 in 2008-09) to calculate the allocation, subject to a minimum amount. This minimum is £10,000 for HEIs, but varies for FECs depending on their size:

Table 17 **Minimum allocation amounts for FECs**

FEC FTE	Minimum
0-49	£500
50-249	£1,000
250-499	£5,000
FTE ≥ 500	£10,000

Table 18 **Widening access for students with disabilities**

Institution	a)	b)	Step 1		e)	f)	Step 2		
			(c)	(d)			(g)	(h)	(i)
	Headcount of students in receipt of DSA	Total student headcount	Institutional proportion (b)÷(a)	Quartile weight	FTE	London weighting	Funding rate per weighted FTE	Min.	Allocation (d)x(e)x(f)x(g) or (h), whichever is the higher
University A	750	15,000	0.05	3	10,000	1.08	£5.78	£10,000	£187,272
College B	3	400	0.01	1	450	1	£5.78	£5,000	£5,000