

**Office for
Students**



HESES23 multiplication factors representations process

**Submitting representations for
consideration**

Reference OfS 2023.14

Enquiries to heses@officeforstudents.org.uk

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Summary

1. To inform the calculation of Office for Students (OfS) grants, all higher education providers that are registered with the OfS in the Approved (fee cap) category must complete one of the data surveys that will inform recurrent funding for the 2024-25 academic year. These are:
 - For a provider that has students registered with it in the 2023-24 academic year, the **Higher Education Students Early Statistics 2023-24 (HESES23) survey**.¹
 - For a provider that does not have students registered with it in the 2023-24 academic year, the **Higher Education Students Forecast 2024-25 (HESF24) survey**.²
2. As described in the 'Changes to 2023 student data surveys to inform funding' publication (OfS 2023.33), the OfS will use data submitted in HESES23 and HESF24 to determine volume measures to inform funding allocation for the 2024-25 academic year.³ We will apply multiplication factors, derived from student data for 2022-23 to the HESES23 and HESF24 data to determine the funding data for each provider.
3. This document provides information on the process by which providers can submit representations for consideration where they believe that the multiplication factors calculated by the OfS may not be appropriate, due to significant changes in their provision compared to 2022-23.
4. Providers must submit representations to the OfS via the provider portal by Thursday 16 May 2024 at the latest.
5. Representations must be submitted using the multiplication factors representation workbook, accessible on the provider portal, and fall into one of the categories outlined in this document.

Please email any questions to heses@officeforstudents.org.uk.

¹ For information, last year's guidance for the 2023 Higher Education Students Early Statistics (HESES23) survey can be found at www.officeforstudents.org.uk/publications/heses23/.

² For information, last year's guidance for the Higher Education Students Forecast 2024-25 (HESF24) survey can be found at www.officeforstudents.org.uk/publications/hesf24/.

³ See www.officeforstudents.org.uk/publications/changes-to-2023-student-data-surveys-to-inform-funding-notification-of-changes/.

Background

6. The calculation of OfS funding allocations is primarily informed by student data that providers return in the Higher Education Students Early Statistics (HESES) data survey. In previous years, completion of the HESES survey has required providers to include forecasts of
 - a. 'Non-completion' – essentially an estimate of the proportion of students in the return would not achieve their study intentions by the end of the year
 - b. The full-time equivalents (FTE) of part-time students – an estimate of the study intensity for these students.
7. In 2022-23, the designated data body (Jisc) changed the specification for the Student record. As a result of the changes introduced, the OfS made a number of changes to our data requirements. To reduce burden on providers, we announced in 'Changes to 2023 student data surveys to inform funding' (OfS 2023.33)⁴ a number of changes for the HESES23 survey:
 - a. Funding completion data (previously collected in Column 3 of the HESES workbook tables) would not be collected.
 - b. That as a result, FTE data (previously collected in Column 4 and 4a of the HESES workbook tables) would also not be collected.

This reaffirmed a previous decision that there was no expectation for providers to maintain records on funding completion.⁵

8. In previous HESES returns, the data collected for students included the completion and FTE assessments made above, and these FTEs were used to determine funding for the following academic year. The removal of Columns 3, 4 and 4a meant that FTEs were not submitted in the HESES23 return and a new method is required to determine the fundable FTEs for providers in order to calculate funding allocations with a method consistent with previous years.⁶
9. To determine FTEs from HESES23 for funding purposes, we have taken the count of years of engagement recorded in HESES23 by each provider and applied multiplication factors derived from HESES22 data. Providers' own HESES22 data has been used to do this unless there was insufficient data for the calculation to be made.
10. Providers should review the proposed multiplication factors which can be accessed on the OfS portal. If the proposed multiplication factors are considered to be an appropriate representation of a provider's provision for the 2023-24 academic year then no action is required.

⁴ See www.officeforstudents.org.uk/publications/changes-to-2023-student-data-surveys-to-inform-funding-notification-of-changes/.

⁵ See www.officeforstudents.org.uk/publications/changes-to-2022-student-data-surveys-to-inform-funding-notification-of-changes/.

⁶ The HESES data is supplemented by adjustments to student FTEs that we make for funding purposes, such as to recognise certain expected changes in the year for which funding is provided in medicine and dentistry, or arising from transfers of provision between providers.

11. If a provider believes that one or more of the multiplication factors may no longer be appropriate then representations can be submitted to the OfS for consideration. Submissions should be made through the OfS portal using the multiplication factors representations workbook. Representations can be made against multiple multiplication factors, but providers should only submit a single representations workbook.
12. The representations submitted do not need to be signed off by the accountable officer, but they should be aware of the submission, alongside appropriate senior staff, because any changes will have an impact on provider funding.
13. In summary, providers have not been asked to return data on funding completion rates in HESES23 to reduce burden. To account for this data no longer being collected, the OfS will apply multiplication factors to HESES23 data to forecast FTEs for funding purposes to determine the 2024-25 funding allocations. Providers can make representations to the OfS on individual multiplication factors if it is believed they are no longer appropriate.

Multiplication factors

14. We have calculated individual multiplication factors for each category of OfS-fundable students reflecting all combinations of:⁷
 - Mode of study – these are full-time, sandwich year out or part-time
 - Price group – these are A, B, C1.1, C1.2, C2 or D (Tables 1, 2 and 3 only)
 - Profession of students on pre-registration health courses (Tables 6a and 6c only)
 - Length of year – this is either standard or long
 - Level of study – these are UG (Level 4 and 5), UG (Other), PGT (UG fee), PGT (Masters' loan) or PGT (Other). For Tables 6a and 6c UG (Level 4 and 5) and UG (Other) are combined into UG (All).⁸
15. We have calculated multiplication factors for each category of OfS-fundable students using HESES22 data, as follows:
 - a. For full-time years of engagement (recorded in Tables 1 and 6a), the multiplication factors have been calculated using equivalent HESES22 student data from Column 4 divided by the sum of Columns 1 and 2.
 - b. For sandwich year out years of engagement (recorded in Table 2), the multiplication factors have been calculated using equivalent HESES22 student data from Column 4 divided by the sum of Columns 1 and 2, and multiplied by 0.5 (consistent with our approach to funding calculations in previous years).

⁷ Information on how multiplication factors have been derived can be found in HESES23 multiplication factors Appendix 2. See www.officeforstudents.org.uk/data-and-analysis/data-collection/multiplication-factors/.

⁸ Multiplication factors for postgraduate research (PGR) years of engagement have not been calculated as they are all non-fundable.

- c. For part-time years of engagement (recorded in Tables 3 and 6c), the multiplication factors have been calculated using equivalent HESES22 student data from Column 4a divided by the sum of Columns 1 and 2.
16. These multiplication factors reflect the non-completion rates recorded in HESES22 as well as the intensity of study for sandwich year out and part-time students. Wherever possible, they have been derived using a provider's own HESES22 data for the relevant student category concerned.
17. Where a provider did not have sufficient relevant data for a particular student category in HESES22, we used relevant average figures for an aggregation of categories for the provider to inform the multiplication factor, for example by aggregating all price groups together.⁹ This may have occurred where a provider recorded new provision in HESES23, or where the numbers reported for a student category in HESES22 were very small.
18. There are 6 levels of aggregation which can determine the multiplication factors. If insufficient data is available at one level then the next level with sufficient data has been used. Levels 4, 5 and 6 represent multiplication factors derived from sector level data. Levels of aggregation for tables 6a and 6c have been determined using a variant of the method. More information on the multiplication factors and levels of aggregation can be found in Appendix 2.¹⁰
19. For Tables 1-3, Levels 1 to 6 have been determined using the following variables:
- Level 1 – Provider, mode, price group, length, level of study and fundability status
 - Level 2 – Provider, mode, price group, level of study and fundability status
 - Level 3 – Provider, mode and level of study
 - Level 4 – Sector, mode, price group, length, level of study and fundability status
 - Level 5 – Sector, mode, price group, level of study and fundability status
 - Level 6 – Sector, mode and level of study.
20. For Tables 6a and 6c, the levels of aggregation are:
- Level 1 – Provider, mode, profession, length, level and fundability status
 - Level 2 – Provider, mode, profession and level
 - Level 3 – Provider, mode and level
 - Level 4 – Sector, mode, profession, length, level and fundability status

⁹ 'sufficient relevant data' is defined as less than 10 recorded years of engagement for a particular student category. Further information is available in Appendix 2. See www.officeforstudents.org.uk/data-and-analysis/data-collection/multiplication-factors/.

¹⁰ Information on the aggregation levels can be found in HESES23 multiplication factors Appendix 2. See www.officeforstudents.org.uk/data-and-analysis/data-collection/multiplication-factors/.

- Level 5 – Sector, mode, profession and level
- Level 6 – Sector, mode and level.

21. Where we are unable to determine a relevant provider average figure for a particular student category using the provider's own HESES22 data, we will use relevant sector average data for each category to inform the multiplication factor. This may occur where a provider did not complete HESES22, or because there is not enough comparable relevant data for the provider for us to be confident in the calculation of an average value.

22. If a provider has a data amendment accepted for its HESES22 data, the amended data may be used to recalculate multiplication factors that are applied to its HESES23 data and funding allocations and payment schedules will be adjusted accordingly.¹¹ We reserve the right to use our own estimates of the data if we consider the data returned by a provider to be inaccurate. Where multiplication factors are based on sector averages, rather than a provider's own data, we will not make adverse changes to funding allocations for the provider if those sector averages change.

¹¹ For further information and detail on data amendments, see www.officeforstudents.org.uk/data-and-analysis/amendments-to-data/.

Overview of representations process

23. Providers can make representations to the OfS if they believe the data that the multiplication factors are based on is no longer appropriate. Representations will only be considered where the changes may have a significant impact on the indicative funding visible in the workbook.

Timeline

24. Providers can submit representations to the OfS via the provider portal between 21 March 2024 and 16 May 2024.¹²

25. Once submitted, the representations will be checked and considered by a panel who will recommend a final decision to the appropriate decision maker.

26. Providers are free to submit representations at any point within the process. They will be considered as they are received and all representations will be given equal consideration regardless of when they are submitted.

27. The final multiplication factors for all providers will be confirmed following conclusion of the representations process.

Principles on which representations will be considered

28. We are aware that provision at higher education providers does not always remain static year-to-year. Significant changes to provision in 2023-24 may mean the multiplication factors derived from HESES22 data may no longer be appropriate for determining the total FTE at a provider. To account for year-to-year changes, providers will be able to make representations on the OfS calculated multiplication factors.

29. Representations on multiplication factors which are below the thresholds outlined in paragraphs 32-33 will not be accepted. We would expect there to be small differences between years; this process will focus on only significant changes to provision which would not otherwise be captured by the multiplication factors used. The thresholds are not open to appeal.

30. To be considered, proposed alterations to the multiplication factors must have a significant and material impact on the indicative funding in the representations workbook.

31. Representations must fit into one of the five categories outlined in paragraphs 35-53.

32. We will also be considering data and financial thresholds as part of the representations process. Representations must result in one of the following changes, whichever is smaller:

- a. result in a predicted change to funding based on the indicative funding tables contained within the representations workbook of at least £100,000 OR

¹² Information on accessing the workbook and submitting representations to the portal can be found in HESES23 multiplication factors Appendix 1. See www.officeforstudents.org.uk/data-and-analysis/data-collection/multiplication-factors/.

- b. result in a predicted change to funding based on the indicative funding tables contained within the representations workbook of at least 50 percent of a provider's total funding allocation in 2023-24.
33. Changes to multiplication factors must be at least 0.05 or larger to be considered for the representations process. If representations are made on a change to a multiplication smaller than 0.05 then it will not be considered.
34. Where representations are made to change a multiplication factor there should be a clear rationale for the change; providers may be asked for further evidence. The OfS will not consider representations made on the following principles:
- a. Where a representation will result in a change in indicative funding which does not meet the thresholds above.
 - b. If a provider disagrees with the OfS using sector averages (Levels 4, 5 and 6) **unless** the representations meet the criteria outlined in Category 4 as described in paragraph 35.
 - c. Where aspirations or targets are provided as the rationale for a change in the proposed multiplication factor.

Representations categories

35. Representations on a multiplication factor must be made on the basis of one of the following categories:

- Category 1: Changes to provision affecting non-completion rates
- Category 2: Changes to provision affecting FTEs
- Category 3: Clear data errors found in HESES22
- Category 4: Existence of historic data (only to be selected where sector averages have been used)
- Category 5: Other.

Each category has a set of criteria which must be met in order for the representation to be considered. These are outlined in paragraphs 38-53. If a representation does not meet the criteria of the category selected it will not be considered.

36. Providers will be able to submit representations on each proposed multiplication factor. To do so, a different level of calculated multiplication factor can be selected, or a new multiplication factor can be suggested. In both situations, clear reasoning and evidence will need to be provided as to why the new factor is more appropriate to use. Where an entirely new multiplication factor is suggested (which has not been calculated by the OfS), an explanation as to how the new multiplication factor has been calculated will need to be given in order for the representation to be considered.

Category 1: Changes to provision affecting non-completion rates

37. This category should be used where there have been changes to a provider's provision which may reasonably be assumed to have had a material difference on the non-completion rates. We would expect the majority of representations in this category to fall into one of two scenarios:

- a. A provider has closed a course which historically had a non-completion rate that differed significantly from other provision in the same category.
- b. A provider has started to run a course similar to other provision it has historically run and can make a reasonable argument as to why the historic data for other provision may be more suitable to use for the multiplication factor.

38. It is important to note that the OfS does not require providers to maintain records of non-completion data for OfS funding purposes. The last year for which providers were required to submit non-completion records was the 2021-22 academic year. This data will have been used in HESES22 and we are aware that providers will not hold more recent data on non-completions.

39. For representations to be considered under category 1 the following information must be submitted and criteria met:

- A narrative explanation detailing how provision has changed at the provider.
- Why this change has had an impact on multiplication factors.
- Why the alternative level or multiplication factor is more appropriate than the initial OfS calculation.

Example 1

A multiplication factor for full-time, price group C2, UG (Level 4 and 5), standard length is proposed by OfS at Level 2. The provider previously ran a full-time higher national diploma in price group C2 which had a non-completion rate of 35 per cent, based on data from the 2021-22 academic year. This was reported in HESES22. The non-completion rate for this course was significantly higher than the other courses within the category. The course was closed for the 2023-24 academic year, meaning it is no longer appropriate to consider the 35 per cent non-completion rate in the calculations for the multiplication factor.

The next level up has a multiplication factor which more accurately reflects the provision with the removal of the course, and Level 3 is suggested as an alternative multiplication factor for consideration.

Category 2: Changes to provision affecting FTEs

40. This category should be used where there have been changes to a provider's provision which may reasonably be assumed to have had a material difference on the FTE rates. We would expect the majority of representations in this category to fall into one of three categories:

- a. a provider has closed a part-time course for which removal from the HESES22 data would have a material difference on the rate of FTE calculated for its category.
- b. a provider has started to run a part-time course for which inclusion in the HESES22 data would have a material difference on the rate of FTE calculated for its category.
- c. a provider has altered a part-time course and the basis on which it is taught resulting in a significant change to the rate of FTE (for example, delivering a two-year part-time course over four years).

41. For representations to be considered under category 2 the following information must be submitted and criteria met:

- A narrative explanation detailing how provision has changed at the provider.
- Why this change has had an impact on calculated rate of FTE for the category.
- Why the alternative level or multiplication factor is more appropriate than the initial OfS calculation.

Example 2

A multiplication factor for part-time, price group B, UG (Other), standard length is proposed by the OfS at Level 1. The provider has introduced a part-time course with 200 years of engagement in this category with an FTE of 0.75. The only course recorded in HESES22 in this category had 30 years of engagement with an FTE of 0.05. With the addition of the new course, the previously forecast 0.05 FTE will not be a reasonable figure to use in the multiplication factor calculations.

Level 3 has a multiplication factor of 0.7, which more accurately reflects the provision with the introduction of the course. Level 3 is suggested as an alternative multiplication factor for consideration.

Category 3: Fundamental data errors identified in HESES22

42. This category should be used where fundamental errors in the way HESES22 was completed have been identified which have had a material impact on non-completion or FTE rates.
43. We do not expect providers to be reviewing the methods by which HESES22 was completed. The expectation is that this category will be used where it has previously been identified that there was widespread erroneous data reported in HESES22.
44. It should be noted that this category should only be used where errors have occurred. For example, this could be a whole cohort being categorised incorrectly or a significant number of years of engagement being incorrectly excluded from the HESES22 population.
45. Category 3 cannot be used where a provider believes they could have forecast more accurately. It must only be used where there is clear evidence of a fundamental data error in HESES22.
46. For representations to be considered under category 3, providers must submit a detailed narrative explaining what the error was and how it had a material impact on the figures in HESES22 which are used to derive the multiplication factors.

Example 3

A provider reported 5 courses in HESES22 in full-time, price group C1.2, PGT (Masters Loan), long and has realised that non-completion rates on 3 courses were double counted. This means that the non-completion rates recorded in HESES22 are not accurate.

Category 4: Available historic data can be used instead of sector averages

47. This category should be used where a provider has been assigned a multiplication factor based on sector averages, but there is clear historic data not considered in the HESES data which can be used to calculate a more accurate multiplication factor.

48. We are only anticipating representations under this category where a provider has previously delivered a course under a subcontractual arrangement for another provider but has now begun running the course in its own right, with the students now contractually registered with the provider making the representations. This would mean that HESES23 was the first year for which the delivering provider returned the students, but these students would have previously generated countable HESES years on the return of the provider sub-contracting out the teaching.
49. For representations to be considered under category 4 the following information must be submitted and criteria met:
- The name of the course or courses which were previously delivered under subcontractual arrangements.
 - A clear narrative explaining the change and evidence that the provider holds appropriate data on the non-completion rates and FTEs for the course or courses.

Category 5: Other

50. This category should only be used in cases where there are significant changes to a provider's provision which do not fall into one of the categories above. We will not accept representations in this category where they could reasonably fall into one of the categories stated above, but the representation does not meet the criteria to be considered in those categories.
51. For representations to be considered under category 5, clear and compelling evidence should be submitted which explains why the multiplication factors calculated by the OfS will not be appropriate to use.
52. Representations must include a clear explanation of the alternate level or multiplication factor suggested.

Submission and review process

53. Providers should submit representations through the OfS portal using the multiplication factors representations workbook by Thursday 16 May 2024.
54. The representations workbook does not need to be signed off by the accountable officer, but they should be aware that representations are being submitted alongside appropriate senior staff. Any changes accepted will have an impact on provider funding for 2024-25.
55. Each provider should only submit a maximum of one representations workbook to the OfS for consideration. This will contain all the multiplication factors and the relevant representations. If amendments to the representations submitted are required this will only be accepted as a valid submission once approved by the Funding team.

Reviewing representations

56. In order to be included in the main announcement of grant funding for 2024-25, scheduled for July 2024, representations must be received before the 16 May 2024 deadline. The panel which will consider representations from providers will meet a minimum of two times to consider the submissions. One of these meetings will take place in April 2024 to assess any representations that have been submitted up to that point.
57. Once the deadline passes, the remaining representations will be assessed and considered. The decisions will also go through moderation. Although multiple representations can be submitted in a single workbook, they will be considered on an individual basis. This may mean that a provider has some multiplication factors changed as a result of the representations process where others remain the same.
58. The panel will make final recommendations on whether to accept representations to the relevant decision maker. Final multiplication factors and funding allocations for 2024-25 will be made available later in the 2023-24 academic year.

Further information

59. If you have any questions about the process for submitting representations on multiplication factors, please contact the funding team at heses@officeforstudents.org.uk.



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