A new ‘University Challenge’: proposals for higher education centres
Alternative formats

This publication can be downloaded from the HEFCE web-site (www.hefce.ac.uk) under Publications. For readers without access to the internet, we can also supply it on CD or in large print. Please call 0117 931 7035 for alternative format versions.

© HEFCE 2009

The copyright for this publication is held by the Higher Education Funding Council for England (HEFCE). The material may be copied or reproduced provided that the source is acknowledged and the material, wholly or in part, is not used for commercial gain. Use of the material for commercial gain requires the prior written permission of HEFCE.
Executive summary

Purpose
1. This document describes the process for submitting a proposal for a new higher education (HE) centre or university campus.

Key points
2. Last year, we consulted on the approach we proposed to take to support the development of new HE centres or university campuses. This was done in the light of the Government’s policy framework set out in ‘A new “University Challenge”’ (March 2008). Overall, there was strong support for our general approach, although there were some useful comments which we have taken into account in preparing this document.

3. Proposals will be considered in two stages. The first will be a statement of intent and the second will be the full business case, which will go through the existing process operated for the Strategic Development Fund.

4. Proposals need to:
   • address HEFCE priorities
   • address the specified criteria
   • assemble the evidence.

5. HEFCE priorities are:
   • increasing higher-level skills, particularly for those with no previous experience of HE
• the creation of a highly skilled workforce, with relevant skills for the local business community

• supporting appropriate progression arrangements

• supporting sustainable demand for studying.

6. The criteria address:

• collaboration between higher education institutions (HEIs) and between HEIs and further education colleges

• strong, coherent support from local partners

• long-term and sustainable planning

• management capacity.

7. HEFCE would not expect to be the sole funder of large capital projects. The decisions of other funders to support a new HE centre will reflect the economic, planning and social benefits reflected in the Government’s overall criteria.

8. Assembling evidence for a new HE centre will involve drawing on the common evidence base for improving local study opportunities (provided by HEFCE) and a local evidence base (provided by the proposers) covering demand for local study and other benefits of the proposal.

**Action required**

9. Partnerships interested in developing an HE centre or new university campus should provide a statement of intent to HEFCE, submitted through the lead HEI to the appropriate institutional team. Statements of intent are welcome at any time. Those received by 30 June 2009 will receive feedback in August. Those received by 5 December 2009 will receive feedback in January 2010.

10. Where we agree that the statement of intent provides sufficient evidence for the proposal to be taken forward to the second stage, the full business case should be prepared in consultation with the institutional team.

---

1 The Department for Innovation, Universities and Skills publication ‘A new “University Challenge”: unlocking Britain’s talent’ can be read at www.dius.gov.uk under Policy/Higher Education.
Background

11. In July 2008 we launched a consultation on the approach we are taking to support the development of new higher education (HE) centres (HEFCE 2008/27)\(^2\). The consultation was an important part of the debate that the Government asked HEFCE to lead when it set out the policy framework in ‘A new “University Challenge”: unlocking Britain’s talent’. We were asked to take decisions to support 20 new HE centres by 2014, subject to receiving high-quality proposals\(^3\). We will also need to be confident that the resources are available for any capital development and that sufficient student numbers are available to ensure the viability of any proposed centre.

12. In support of the consultation we organised three seminars in September at venues in Birmingham, Leeds and London, attended by representatives from Regional Development Agencies (RDAs), local authorities, the business community and community groups, higher education institutions (HEIs) and further education colleges (FECs)\(^4\).

13. Since launching the consultation we have received expressions of interest from partnerships interested in working towards a proposal for an HE centre. This is in addition to the nine received earlier. They are at very different stages of development: some already reflect considerable work by HEIs and their partners, others are at the very early stages where the partnership is still being formed and the potential for an HE centre being evaluated.

Analysis of the consultation responses

14. The consultation questions addressed the approach we proposed to support the development of new HE centres or university campuses, in the light of the Government’s policy framework. A detailed analysis of the consultation responses will be made available on our web-site in April 2009\(^5\); we summarise them below (paragraphs 15 to 19).

15. We received 83 online consultation responses and a further nine were received by e-mail and post. Of the total, 46 came from HEIs, 12 from FECs, four from RDAs, nine from local authorities and 21 from others. There was very strong support for the principles and objectives of the proposed centres and for the approach proposed for HEFCE to assess proposals for new HE centres. Over 80 per cent of respondents expressed either agreement or strong agreement. Support was strong across all categories of respondents. Very broadly, where concerns were expressed these were about the detail of the approach and the assessment process, rather than about the principle or the objectives of the proposed centres.

16. The responses overall were very positive about the prospective benefits of the centres, encompassing economic regeneration, employers’ training and skills needs, and local and community needs. There was agreement that agencies and employers would support the benefits mentioned.

17. The vast majority of respondents were in agreement with the overarching criteria for establishing successful HE centres. These comprise: collaboration between HEIs, and between HEIs and FECs; strong, coherent support from local partners; long-term sustainable planning; and management capacity.

18. A majority of respondents (69 per cent) agreed or strongly agreed with the measures proposed for the common evidence base for identifying areas of low local HE provision. These measures have been developed into the common evidence base. Almost all respondents argued that other evidence, such as data about regeneration and cultural impacts, not included in the common evidence base, should be

---

\(^2\) All HEFCE documents can be read at www.hefce.ac.uk under Publications.

\(^3\) The Department for Innovation and Skills policy document ‘A new “University Challenge”: unlocking Britain’s talent’ can be read at www.dius.gov.uk under Policy/Higher Education.

\(^4\) Information from these seminars can be read at www.hefce.ac.uk under More events/Recent events/Consultation events on the new ‘University Challenge’.

\(^5\) The report on the consultation responses when available can be read at www.hefce.ac.uk under Widening participation/A new ‘University Challenge’.
taken into account when assessing proposals. In addition, some respondents were concerned about how much weight would be accorded to this additional evidence, which would be harder to measure. We have responded to these points by being more explicit about the additional evidence we will take into account and how we will assess it.

19. With regard to the process for making a case for new HE centres, respondents wanted clear information on how and when proposals should be made to HEFCE. While a significant minority favoured competitive bidding, a majority were comfortable with the approach proposed through the processes of the Strategic Development Fund.

The process for the establishment of HE centres

Statements of intent

20. We welcome further expressions of interest in developing proposals for HE centres, though we are formalising the process and describing them as ‘statements of intent’. These should be sent from the lead HEI within the partnership to the appropriate HEFCE institutional team.

21. Annex A describes what we wish to see covered in a statement of intent. In preparing for the submission of a statement of intent, HEIs should have informal discussions with their HEFCE institutional team. These discussions may lead to an agreement that a proposal is unlikely to succeed. If it is agreed with the institutional team that a formal statement of intent should be developed and submitted, once this task is completed, it will be assessed by HEFCE staff who will give feedback and formally register the statement of intent. This will ensure that the detailed planning only takes place for proposals that have potential. Registration as a statement of intent does not imply a commitment to fund the proposal, only that it has the potential for detailed consideration.

Making a case for a new HE centre

22. The purpose of an HE centre is the development of locally based HE, which would support progression from further education to HE and within HE, work with local businesses to develop higher-level skills, be responsive to learners, provide learning flexibly, and may involve distributed delivery.

23. Its distinctiveness lies in making HE available in areas not already well served with relevant HE and, by doing so, increasing the numbers of people able to benefit that could not otherwise do so. Although such expansion of HE numbers would make an important contribution to raising the skill level of adults and young people, and widening participation, it is one of a range of initiatives to address these priorities that we shall continue to support.

24. The successful proposals will have:

- brought together convincing information that addresses the HEFCE priorities (see paragraph 27) and fulfils the criteria for establishing a successful HE centre (paragraphs 28 to 37)
- drawn on the common evidence base for improving local study opportunities (paragraphs 38 to 47)
- presented further evidence in support of the proposal in the local evidence base (paragraph 25).

25. Addressing the common evidence base for improving local study opportunities is necessary for every proposal, but evidence of the benefit of new provision from this source is not sufficient on its own. In addition, we would expect proposals to provide a local evidence base. This will provide evidence of demand for local study. It may also provide additional evidence on benefits to improving local study opportunities, including any special local circumstances that might qualify the common evidence base, for example evidence that the national assessments of geographical accessibility in the common evidence base would not apply locally. The local evidence base may also contain evidence of benefits of the proposal beyond the scope of the common evidence base, such as how it might meet the skills requirements of local employers. The local evidence base will be part of all proposals but will become progressively more important – and need to be stronger – where the common evidence base identifies relatively little need for additional local provision. Liverpool Hope
University's Hope at Everton campus is an example of where a local evidence base was used to show that an HE centre would meet particular local needs even though there is sufficient local provision for it not to be identified in the common evidence base as an area that needs additional provision.

26. We are prepared to support a range of models for HE centres in order to provide the best fit with local circumstances and to secure sustainability. Thus, a proposal may add numbers to existing provision with minimal capital investment or designate an existing space or building as a centre. Larger projects would involve a new building or have multiple sites. The larger projects are likely to be part of another initiative with multiple funders and would necessarily take a number of years to reach completion.

27. A successful proposal will be based on a sound rationale and in particular on the extent to which it addresses the following HEFCE priorities:

a. Increasing higher-level skills, particularly for those with no previous experience of HE. A new HE centre would provide HE that will develop workplace skills and enhance the employability of the individual, and will encourage widening participation and thus contribute to social cohesion. Meeting demand from adults in the workplace who missed out on HE when they were younger is an essential part of widening participation; so is widening participation among younger learners, including school and college leavers who might not enter HE at all unless it is locally accessible.

b. The creation of a highly skilled workforce, with relevant skills for the local business community. A new HE centre would increase the HE provision available locally, especially where low levels of HE provision coincide with low levels of participation in HE. Also, a new HE centre could increase provision where there was demand for a particular set of vocationally related skills and knowledge. An HE centre, supported by multiple partners, would show potential to make a significant contribution to raising the skills capacity of those already in the workforce. This in turn would have the potential to create a highly skilled workforce with relevant skills for the local business community, including demand for specialist provision to meet distinct local needs. Examples of this type of provision are nuclear decommissioning at the University of Cumbria and logistics at University Campus Suffolk.

c. Supporting appropriate progression arrangements. A new HE centre will provide clear and coherent opportunities and routes for students to progress to higher-level skills. FECs are well placed to provide progression routes from Level 3 programmes into HE, and centres involving partnerships of FECs and HEIs will be in a strong position to increase opportunities and to build on the arrangements already put in place through Lifelong Learning Networks.

d. Supporting a sustainable demand for studying. A new HE centre will need to be sustainable in terms of its recruitment and financial viability over time. It will provide HE in response to new local demand from people and business, and will not simply displace HE activity that would have taken place elsewhere. This is important for the development and health of HE overall, as well as for the regeneration of communities.

e. Stimulating a sustainable demand for studying. Although it would generally be unlikely that we would invest in a centre without evidence of existing demand, it is possible that a new HE centre may be able to stimulate demand for HE study. Consideration would be given to particular circumstances, but a very robust case for investment without evidence of existing demand would be required.

Criteria for establishing a successful HE centre

28. ‘A new “University Challenge”’, reflecting on the experience of the existing HE centres, identified four significant criteria by which to judge potential for the success of an HE centre:

- collaboration between HEIs and between HEIs and FECs
- strong, coherent support from local partners
• long-term and sustainable planning
• management capacity.

Collaboration between HEIs and between HEIs and FECs
29. This will draw on the strengths of the respective institutions through realisation of the benefits of collaboration, for example in curriculum development, responsiveness to local employers, progression and meeting the needs of students locally. It will show how the centre would contribute to widening participation, to increasing the number of adults with higher-level skills, or to both.

Strong, coherent support from local partners
30. A multi-partner approach to funding will demonstrate the strength of the commitment and provide a firm foundation from which to grow HE. Typical partners would be RDAs, local authorities and community groups, but need not be restricted to these organisations. An HE centre of this kind, in addition to supporting specific HEFCE priorities, would support the priorities of other funding bodies.

31. This could be in respect of regeneration of communities in a number of ways: through knowledge transfer, helping businesses locally to solve problems and improve competitiveness; and as a stimulus for engaging the community, gaining energy and support from local people and businesses, and attracting new investment to the area. The contribution of the centre to economic development and social benefits would have a ‘multiplier effect’ on the regeneration of the community. Thus, an HE centre could have an impact on regeneration in so far as it was linked to the Regional Economic Strategy of an RDA.

32. A new HE centre would contribute to meeting the needs of local, regional and national employers. This would be reflected in the assessment of skills needs and the relationship to curriculum development. Evidence of the direct involvement of employers in the plans for a new HE centre would strengthen a proposal.

33. Local authority investment in an HE centre would be a strength though not a requirement. Where local authority investment is available this could come through direct financial support, by ceding land or buildings or through linking the HE centre to other local community developments. A new HE centre might address a range of community needs including, for example, the economic impact on the local community in terms of retaining adults and young people in education; the potential impact on the value placed on education by local communities (cultural, economic, aspirational issues); and the links that an HE centre would make with the local community in terms of outreach activities.

34. An HE centre might provide additional benefits and thereby gain support from other public agencies. These might include:
• improvements in Gross Value Added (GVA) particularly in areas where there is currently a lower than national average GVA
• links between an HE centre and other local initiatives where public investment has been made by one or more agencies, for example a new FEC campus or a business, science or innovation park
• increased social inclusion
• decreased rural isolation in areas where access to existing HEIs is difficult.

35. We recognise that HE centres may contribute to economic regeneration through job creation or stimulating private sector investment. Proposals with an emphasis on regeneration would need to show that an HE centre was the best mechanism for achieving such regeneration while also ensuring that the proposal was aligned with HEFCE’s priorities to ensure local access and the development of higher-level skills for the local population. These have been elaborated in paragraphs 22 to 23 and 27.

---

6 Gross Value Added measures the contribution to the economy of each individual producer, industry or sector of the UK.
Long-term and sustainable planning
36. A new HE centre would need to be developed out of a regional and sub-regional strategy that includes a realistic appraisal of demand from potential students and businesses, and ensures value for money. A new development must meet local demand and guard against the mere displacement of students from one HE provider to another. It is essential that a proposal can demonstrate rigorous consideration of its impact, benefits and sustainability, in terms of developing HE as well as environmental, economic and social sustainability.

Management capacity
37. The objectives of partnerships involving multiple partners and large-scale investment would be realised through skilful management and governance. A proposal would need to indicate how this might be achieved.

The common evidence base for improving local study opportunities
38. One important policy objective for the development of new HE centres is to increase the opportunity for local HE study in locations where current opportunities to do so are absent or limited (paragraphs 22 to 23). Further, there is a particular policy interest where limited opportunities for local study coincide with educational or economic disadvantage (paragraph 27).

39. The common evidence base provides a starting point for the discussion of proposals against these specific policy objectives and reduces the work involved in bringing forward an HE centre proposal. It forms one part of the evidence base of a proposal, the other part being the local evidence base (see paragraph 25).

40. Even within the objective to improve local study opportunities, different HE centres may focus on different policy priorities. To accommodate this, the common evidence base consists of a basket of measures that relate to different objectives. Measuring levels of local provision and the benefit that new provision would bring is not straightforward. Further information that describes the reasons for the decisions taken in the construction of the common evidence base and sets out the specification of each measure is available on the web-site alongside the common evidence base.

41. We define local study as being able to undertake campus-based HE study without needing to change domestic location (though students may do so). By looking carefully at the choices people make about entering HE in areas where local study is an option, we can estimate how the accessibility of HE provision for local study varies according to distance. Having established this relationship, and demonstrated that it appears stable for different population groups, we can map out the availability of local study places (‘local provision’) across England. Recognising that a local study place is only a real option if that place is also academically attainable, we calculate further measures that look at more attainable local study places. For the purposes of the common evidence base we set a level of academic attainability that the large majority of existing local study entrants would be able to satisfy. These calculations provide the core measures of local provision by small area (2001 Census Area Statistics ward).

42. The common evidence base itself presents measures of the benefit that new provision at a particular location would bring in increasing local provision for certain people living in areas with low local provision. The different measures focus on young and mature populations and reflect the policy objectives of prioritising areas that also experience education or employment disadvantage.

43. For the purposes of the common evidence base, we use two thresholds of low local provision to identify the areas we want to prioritise. The primary threshold is 500 local study places: this targets the 2 to 4 per cent of the relevant population experiencing the very lowest levels of low local provision. The secondary threshold is 1,500 places. This sets the target population to be a

---

7 The common evidence base can be read at www.hefce.ac.uk under Widening participation/A new ‘University Challenge’.
broader 6 to 12 per cent of the population and is intended to highlight areas that, although not experiencing the very lowest levels, have local provision well below average. For both thresholds the calculations treat increases in local provision at the lower end of the range to be of more benefit than similar increases close to the threshold itself.

44. Existing HE students who study locally are split roughly equally between the groups represented by the young and mature measures. Accordingly we would expect most proposals for HE centres to give approximately equal consideration to the measures relating to the young and mature populations.

45. The different benefit measures highlight different sections of the population or different levels of low local provision. Proposals may choose to use all or a selection of these measures in assembling the evidence for a new HE centre. However, in providing this wide range of benefit measures to reflect the diversity of cases for HE centres we are not implying that all the measures will be accorded equal importance in assessing proposals. In particular, proposals that use those benefit measures based on the 500-place threshold and those measures that concentrate on populations living in disadvantaged areas are likely to be more important in our assessment.

46. The measures relate to benefit against the existing map of HE provision. If new provision is approved at a particular location, the benefit of locating further HE centres at nearby locations would be changed. In general, we would not expect to approve independent proposals in close proximity to each other. However, in extensive areas of high benefit there may sometimes be justification for a single proposal to encompass several delivery locations.

47. The core elements provided in the common evidence base together with the policy objectives they reflect are summarised in Table 1. The measures are calculated for low local provision thresholds and are reported for every ward in England.

Table 1 Core measures of benefit provided as the common evidence base

<table>
<thead>
<tr>
<th>Measure of HE places</th>
<th>Population measure</th>
<th>Policy objective</th>
</tr>
</thead>
<tbody>
<tr>
<td>All places</td>
<td>Young population (2006)</td>
<td>Providing local study opportunities for young people living in the most isolated areas</td>
</tr>
<tr>
<td>All places</td>
<td>Mature population with lower-level qualifications (2006)</td>
<td>Providing local study up-skilling opportunities to lower-level qualified adults living in the most isolated areas</td>
</tr>
<tr>
<td>Attainable places</td>
<td>Young population living in low participation areas (2006)</td>
<td>Encouraging widening participation by providing attainable local study opportunities for young people living in areas with lower levels of young participation and relatively low attainable local provision</td>
</tr>
<tr>
<td>Attainable places</td>
<td>Young population living in low income areas (2006)</td>
<td>Encouraging widening participation by providing attainable local study opportunities for young people living in areas with higher levels of child poverty and relatively low levels of attainable local provision</td>
</tr>
<tr>
<td>Attainable places</td>
<td>Mature population with lower-level qualifications living in areas with lower levels of HE-qualified adults (2006)</td>
<td>Encouraging widening participation by providing attainable local study up-skilling opportunities for lower-level qualified adults living in areas with lower levels of experience of HE that also have relatively low levels of attainable local provision</td>
</tr>
<tr>
<td>Attainable places</td>
<td>Mature population with lower-level qualifications living in areas with higher levels of unemployment (2006)</td>
<td>Encouraging economic regeneration by providing attainable local study up-skilling opportunities for lower-level qualified adults living in areas with higher levels of unemployment that also have relatively low levels of attainable local provision</td>
</tr>
</tbody>
</table>
The assessment of proposals

48. We will consider proposals through the processes of the Strategic Development Fund (SDF), which is designed to be flexible and responsive. HEFCE can receive proposals at any time, and there is a continuing approval process with regular submission opportunities. This means that the process of developing a proposal can be interactive and, as a first step, following the registration of a statement of intent, the lead institution should discuss its outline proposal with its HEFCE institutional team.

49. This is preferred over a bidding process because it enables partnerships to take the time they need to develop a sound proposal. Therefore the initial statement of intent is important in enabling us to understand the level of interest in the development of HE centres and the geographical spread of interest within particular regions. This means that where helpful, at an early stage, we can be involved in discussion with different partnerships within the same geographical areas.

50. Details of the SDF process are published in ‘Strategic Development Fund: updated guidance – 2007 onwards’ (HEFCE 2007/22). This explains how the proposal should be presented. It includes guidance on the business plan, and tables for the summary document and key milestones plan.

51. Annex B summarises what we would wish to see covered in a business plan for an HE centre. This information is complementary to the SDF guidance, and is intended to assist partnerships in providing information focused on the criteria and evidence base set out for a new HE centre.

52. HEFCE and the other funders would share information, regionally and locally, about proposals at an early stage. Thus, other funders would retain their individual priorities, but wherever possible would take principal assurance from the HEFCE process. In this regard, we would be sensitive to the priorities of other funders, and would ensure processes fit with the principles of the Higher Education Regulatory Review Group in respect of the administrative burden.

53. In considering the evidence base for a new HE centre we would take account of the common evidence base and give particular attention to the local context as described in the business case.

Timetable

54. We invite statements of intent that follow the guidelines at Annex A. These should be sent from the lead HEI to the appropriate HEFCE institutional team. Those received by 30 June 2009 will receive feedback early in August. Statements of intent are still welcome after this date, and those received by 5 December 2009 will receive feedback in January 2010. We do not advise developing a full proposal until feedback on the statement of intent has been received and the statement registered.

55. The timescale for the allocation of funding to HE centres runs up to 2014, which allows opportunity for partnerships to develop high-quality proposals. Full proposals should be sent from the lead HEI to the appropriate HEFCE institutional team.
Annex A

The statement of intent for a higher education centre or new university campus

1. Statements of intent should be concise and address the following:

- a summary of the rationale for the project
- the aims of the project and information about the scope, scale, benefit and the value added
- an assessment of the proposal against the common evidence base
- the local evidence base or information about what it will contain
- links with other complementary local and regional developments
- the commitment of the partners to this project and a clear statement of the nature of their support, for example major financial investment, donation of land, member of the project steering group
- the record of the partners in regard to collaborative projects and investments, and where appropriate, provision of higher education.
Annex B

The business plan for a higher education centre or new university campus

1. Proposals should address the following:
   a. The motivation, scope and likely impact of the collaboration proposed between the higher education institutions and further education colleges involved in the higher education (HE) centre proposal.
   b. Proposals must demonstrate long-term and sustainable planning. This will include the need to address issues associated with demand for HE, the avoidance of ‘displacement activity’ and how the HE centre might increase its capacity to meet future demand.
   c. The management capacity associated with the HE centre proposal must be clearly demonstrated. This should include information on proposed partnership arrangements and project management, project and partnership governance and how the management capacity is organised.
   d. The risk associated with the project must be clearly outlined in the HE centre proposal; information on how the partnership proposes to mitigate the risk should be included.
   e. Collaboration outlined in HE centre proposals should include information on shared funding between the partnership and HEFCE. In particular, evidence of proposed investment by Regional Development Agencies or local authorities should be provided within the proposal.
   f. The level of support from other local partners including, for example, community groups, employers and employer representative bodies and other locally relevant partner organisations should be identified. This might include financial support or other support deemed necessary by the proposal partnership.

2. Proposals should address the following evidence requirements (see paragraph 25):
   • an assessment of the proposal against the common evidence base
   • the presentation of a local evidence base.

3. Proposals may include information on proposed innovation in the development of the HE centre(s): for example, innovation in relation to proposed delivery method, recruitment, physical infrastructure, partnerships, relations with local employers, progression routes, and pedagogy.

Format of proposals

4. Proposals must include the following documents:
   • a full business plan
   • a business case summary using the Strategic Development Fund business case summary template, available in HEFCE 2007/22
   • letters of support from all partners involved in the proposal including detailed information and evidence on their financial commitments to the HE centre proposal.

---

8 ‘Displacement activity’ is defined in the context of ‘A new “University Challenge”’ as action that creates additional provision for HE that attracts demand away from existing HE providers/capacity. This creates an over-supply of HE providers.
List of abbreviations

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>FEC</td>
<td>Further education college</td>
</tr>
<tr>
<td>GVA</td>
<td>Gross Value Added</td>
</tr>
<tr>
<td>HE</td>
<td>Higher education</td>
</tr>
<tr>
<td>HEFCE</td>
<td>Higher Education Funding Council for England</td>
</tr>
<tr>
<td>HEI</td>
<td>Higher education institution</td>
</tr>
<tr>
<td>RDA</td>
<td>Regional Development Agency</td>
</tr>
<tr>
<td>SDF</td>
<td>Strategic Development Fund</td>
</tr>
</tbody>
</table>