

What is HEFCE?

HEFCE was set up by the Government in 1992 to distribute public money for higher education in England.

In 2010-11 we will allocate £7.4 billion to universities and colleges to support high quality education, research and related activities.

The Government decides the total amount of funds that we distribute each year and we are accountable for the proper use of the money.

As a non-departmental public body, we have some autonomy from the Government. We work within a policy framework set by the Secretary of State for Business, Innovation and Skills, but we are not part of the Department for Business, Innovation and Skills.

We have five core strategic aims (see below) concerned with widening participation and fair access, learning and teaching, research, employer engagement and skills, and the contribution of higher education to our economy and society. Underpinning these we have two further strategic aims: to sustain a high quality higher education sector and to operate at the highest level ourselves as an organisation.

HEFCE strategic aims



Our mission

Working in partnership, we promote and fund high-quality, cost-effective teaching and research, meeting the diverse needs of students, the economy and society.

HEFCE will fund 253 institutions in 2010-11

The money supports five main areas in higher education:

- teaching and learning
- widening participation of under-represented groups
- research
- employer engagement and skills
- strengthening links with business and the wider community.

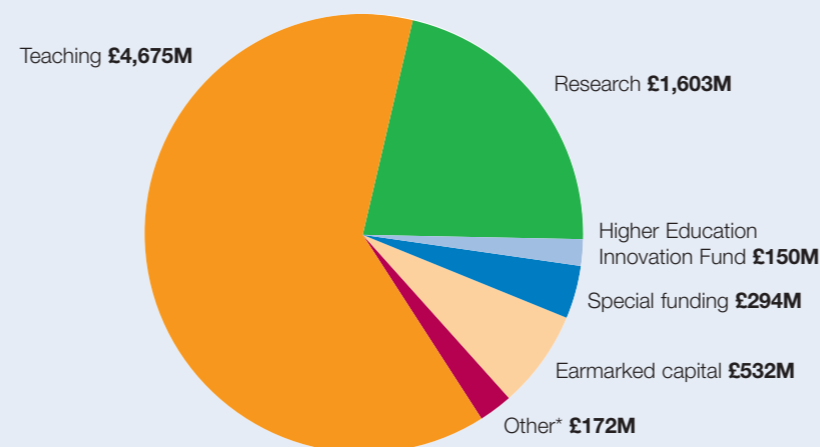
English universities and colleges receive most of their HEFCE funding as a 'block grant'. They decide how to spend their block grants themselves on teaching, research and related activities. There are restrictions on how money allotted to special initiatives is spent.

We need to ensure that public money is used effectively, and that the sector is well managed, so we collect financial data from universities and colleges and monitor their activities. But we aim to keep the burden to a minimum.

In 2010-11 we will fund 130 higher education institutions and 123 directly funded further education colleges providing higher education courses. Higher education courses are those at a higher level than A-levels. Further education courses are usually those up to the standard of A-level and are funded by the Skills Funding Agency. We do not provide loans or grants for individual students.

Funds for higher education in Scotland, Wales and Northern Ireland are allocated by their own funding bodies. Public money for research is also available from the Research Councils, which are UK wide.

HEFCE funding 2010-11



* Other comprises the University Modernisation Fund, and smoothing and moderation.



Upholding quality

We ensure that the quality of teaching and learning in English higher education is assessed. The Quality Assurance Agency for Higher Education carries out this work for us.

Together with the other UK funding bodies, we periodically assess the quality of research in higher education. The results of the latest Research Assessment Exercise were published at the end of 2008. Following this a new assessment process is to be introduced, the Research Excellence Framework.

Advising Government, universities and colleges

We provide independent and confidential advice to Government on the funding needs and development of higher education, play a key role in developing and implementing policy, and act as an advocate for universities and colleges.

We commission and conduct research to inform our policies, and work with universities and colleges to help them respond to government priorities for higher education.

Promoting excellence

We promote excellence through our policies and funding methods, and by providing guidance on good practice. Generally this is drawn from in-depth studies of what has worked well in universities and colleges. Similarly we fund national co-ordination teams to support developments and share good practice in areas such as widening participation of under-represented groups, and teaching disabled students.

HEFCE funds around one million student places each year