

hefce Council Briefing

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Investing for successful futures

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Matched funding scheme boosts fundraising

Scheme's first year encourages donations to institutions

The first year of HEFCE's matched funding scheme for voluntary donations has now concluded, and it has already had a positive impact both on institutional fundraising and on the approach of many institutions to long-term fundraising strategies.

For example, Birkbeck, University of London, has already reached its matched funding cap based on pledged and actual donations. Birkbeck's number of donors increased 37.5 per cent between 2007-08 and 2008-09; this included one donor who gave £50,000 in direct response to discovering the leverage the scheme would provide.

The University of Brighton is another

of the success stories from the first year of the scheme. Brighton started its Development and Alumni Office in August 2008, coinciding with the launch of the matched funding scheme, and this helped drive awareness and understanding of the university's longer-term commitment to fundraising.

The university also launched a 'leadership' giving group, called the Ambassadors scheme, in summer 2009; this now has 20 members, and it is led by the vice-chancellor and board of governors.

i For more information see the **HEFCE web-site under Finance & assurance/Finance and funding/Matched funding scheme for voluntary giving.**

Task force to work on online learning



An Online Learning Task Force has been set up to help the UK higher education sector maintain and extend its position as a world leader in online learning.

The task force, chaired by Dame Lynne Brindley, Chief Executive of the British Library, will make recommendations to HEFCE and other relevant government agencies and institutions regarding the development of excellence in online learning.

It will begin by looking at four key areas including: the current levels of online provision in the UK; the international market for online learning; levels of demand from new, and potential, students; and perceptions of online learning in UK higher education.

The task force will also investigate costing models for online learning provision to support higher education institutions in developing this area of their learning and teaching. It will meet over the next year, and will provide an interim report in the spring and a final report in October 2010.

The final report will make recommendations to universities and colleges, funders and employers on how to target investment so that they can keep pace with the changing learner landscape over the next few years.

The task force intends its work to be seen as part of a debate with the higher education sector on how to maximise the potential of online learning and technology in order to satisfy the needs of students, education providers and employers.

i See www.hefce.ac.uk under **Learning & teaching/enhancement for more details.**

Council makes progress on CSR

HEFCE's latest annual corporate social responsibility (CSR) report shows how the Council has embedded its approach to sustainable development and is committed to promoting equality and diversity in higher education.

The report demonstrates HEFCE's commitment to CSR and highlights progress in the areas of: business ethics; managing environmental impacts; procurement; people; in the community; and working with the sector. In the period 2008-09, environmental performance indicators demonstrate that the Council has increased energy efficiency and reduced water consumption and waste.

In the same period it was ranked first in both the environment and corporate responsibility index of Universities that Count, and achieved the Carbon Trust Standard.

The organisation has adopted a set of sustainable procurement principles, and is developing a strategy that will outline its approach

to people within the organisation and how they contribute to the Council's strategic objectives and corporate social responsibility.

i Further information can be found in 'HEFCE Corporate Social Responsibility report 2008-09', available on the **HEFCE web-site under About us/Corporate Social Responsibility.**

Green gong for HEFCE finance team

HEFCE's finance team won the Sustainability award at this year's Government Finance Profession Awards.

The team were praised for initiatives including an increased use of electronic accounting and budgeting systems, and their achievements in reducing the number of paper invoices by 50 per cent.

Ian Lewis, Head of Finance, accepted the award at a ceremony in Brighton hosted by BBC news presenter Kate Silverton on 19 November.

HEFCE at heart of government framework for the future

Significant roles for Council in vision for the future

The Government has confirmed HEFCE's position at the centre of the delivery of its plans for the future of higher education.

The Department for Business, Innovation and Skills recently published 'Higher Ambitions – The future of universities in a knowledge economy'. The proposals aim to build a new consensus between individuals, Government and employers about how our higher education system should be supported and should develop in the coming years.

'Higher Ambitions' gives an often significant role to HEFCE in each of six areas of focus:

- wider and fairer access to higher education
- equipping Britain's workforce for the global economy
- research, innovation and knowledge exchange
- the student experience
- universities engaging with

communities and the world

- supporting a world-class higher education system.

HEFCE is already active in each of these areas, and will continue to work with universities and colleges to build on their successes and strengths.

The Council has been asked to develop new funding incentives for higher education that deliver the higher-level skills needed by our economy. It will be discussing with universities and colleges, the UK Commission for Employment and Skills, and other partners how it might best increase higher education's already significant economic impact.

Innovation

The framework also affirms HEFCE's role in:

- encouraging innovation and the exchange of knowledge between universities and others
- monitoring risk in universities and

colleges, and providing support where needed

- supporting widened participation and fair access to universities and colleges, including through improved progression from vocational qualifications to higher education
- encouraging flexible opportunities for learning
- providing high-quality information for prospective students
- helping ensure high-quality teaching.

As the Council plays its role in implementing the framework, it will keep its focus on the key areas of supporting increased opportunity for prospective and current students, helping ensure excellence in teaching and research, and encouraging universities and colleges to seek a wide impact from their work.

i 'Higher Ambitions' can be read at www.bis.gov.uk under Policies/Higher Ambitions.

BREEAM HE is launched

A Building Research Establishment Environmental Assessment Method (BREEAM) for higher education (HE) has been developed by HEFCE and its partners.

BREEAM is the leading environmental assessment method for buildings. BREEAM HE aims to assist the sector by providing an independent, high-quality and rigorous standardised set of criteria for the environmental assessment of university buildings, whether new or refurbished.

It was developed by the Association of University Directors of Estates, working with BRE Global, the UK higher education funding councils and sector bodies.

i Further information is available at www.breeam.org under Schemes.



The Government's framework emphasises higher education encouraging innovation and helping business to thrive. Kawsar Miah (pictured) is an example of this. He used Nottingham Trent University's enterprise development centre 'The Hive' while setting up his business Dijicom Solutions. Mr Miah also benefited from the Student Placements for Entrepreneurs in Education programme, which is administered from the University of Wolverhampton and is financed from HEFCE's Higher Education Innovation Fund.

HEFCE increasingly valued by stakeholders

HEFCE's non-institutional stakeholders are happier than ever with the funding council, an independent survey has found.

The survey by Ipsos MORI found that there has been a shift in the way these organisations rate many aspects of their relationship with HEFCE from 'good' to 'very good' since the last survey in 2005.

The report says that HEFCE continues to enjoy a strong reputation among external organisations with an interest in higher education (HE), which include government departments, HE agencies, representative bodies and regional organisations. They said they had seen an improvement in the quality of HEFCE's relationships with them.

As in 2005, the great majority (82 per cent) said they have a 'very' or 'fairly favourable' impression of

HEFCE, and there was a shift from a 'fairly' to 'very' positive response in their evaluation of many aspects of HEFCE's performance.

The report also identified areas where HEFCE can improve. When asked to choose from a range of HEFCE's activities, stakeholders highlighted that improvements could be made in relation to innovation, transparency and flexibility, making stakeholders feel valued and improving the clarity of communications for specific groups.

i '2009 survey of communications and relations between HEFCE and its key non-HEI stakeholders and staff' may be read in full on the HEFCE web-site under About us/Stakeholder survey.

Funding for solutions to social problems

The new higher education Social Entrepreneurship Awards programme was launched on 19 November. The programme supports higher education institutions (HEIs) in England to develop enterprise skills in supporting activities that have a social purpose.

HEFCE is funding the programme with £1 million and it will be managed by UnLtd, a national charity that supports social enterprise.

The awards are aimed at staff and students within HEIs to develop entrepreneurial solutions to social problems that demonstrate a connection to the higher education sector. This might be by developing or building upon the curriculum or research, or offering an entrepreneurial solution to an issue within the community served by the HEI.

There are two categories of awards: Catalyst Awards of up to £5,000, which give staff and students the opportunity to start up and develop new projects; and Development Awards of up to £15,000, for the most promising social entrepreneurs to develop their projects to scale.

i For more details see www.se-awards.org.uk

What we do

This new booklet, 'Investing for successful futures: a guide to HEFCE' has just been published and gives an overview of the Council and its work.

It's useful for anyone who wants to know more about what HEFCE is and what it does, including how the Council works with Government and institutions, how money is allocated – and how much – and what institutions spend it on. It also looks at how HEFCE works for the benefit of our economy and society, from widening participation to targeting investment to programmes that will help lift the country out of recession.

i To download the guide or order a paper copy, see www.hefce.co.uk under Publications.



Edge Hill CETL wins eco-building award

Edge Hill University's Centre for Excellence in Teaching and Learning (CETL) has won the Royal Institute of Chartered Surveyors' North West Award for Sustainability 2009.

Eco-friendly features include a 'live energy wall' that changes colour as more energy is used, reminding staff and students to turn off electrical equipment and lights. The £14 million building also uses solar power and other renewable technologies such as ground source heat pumps that provide heating and cooling from water taken from 140m below ground. It is estimated that the building, which houses the university's Faculty of Health as well as the CETL, will reduce campus CO₂ emissions by at least 20 tonnes every year.

HEFCE has funded 74 CETLs at a cost of £315 million over the five years to academic year 2009-10. The initiative has two main aims: to reward excellent teaching practice, and to further invest in that practice so that CETLs funding delivers substantial benefits to students, teachers and institutions.

WP strategies prove challenging

HEFCE to provide further guidance

Many institutions are making progress in establishing widening participation (WP) as a strategic theme that runs through everything they do, according to HEFCE's review of the first WP strategic assessments.

However, the process of critically and strategically assessing progress to date and future priorities has been challenging for many institutions.

A key area for development for most is the development of measures of success. Many institutions have started to consider further monitoring but very few go beyond this to an assessment of effectiveness or impact of their widening participation activities.

Further guidance on the development of evaluation strategies will be developed and this will be the subject of the first progress report against the strategic assessments, due in early 2010.

Institutions submitted WP strategic assessments in June 2009 and will now have received feedback. The submission of a strategic assessment covering all the institution's activity on WP and fair access, and how this



The Aimhigher programme, which encourages young people of all backgrounds to consider higher education, is an integral part of many institutions' WP activity. Pictured are the winners of the third annual Aimhigher Awards after being presented with their awards by Pat McFadden MP, Minister for Business, Innovation and Skills, in Church House, Westminster. The awards ceremony also featured a speech from John Selby, HEFCE's Director – Education and Participation.

activity is to be developed, is a condition of the continued receipt of the HEFCE WP allocation.

i For more information see HEFCE EP 10/2009, available at www.hefce.ac.uk under publications/Electronic publications.

The future of quality assurance

A consultation has started on the key principles and processes that should apply to all quality assurance in England and Northern Ireland.

The current quality assurance method used in higher education institutions is institutional audit, but this will complete its current cycle in 2011.

HEFCE, the Department for Employment and Learning (in Northern Ireland), Universities UK and GuildHE, in partnership with the Quality Assurance Agency for Higher Education, the National Union of

Students and the Association of Colleges, have discussed how institutional audit might look after this date, and have considered changes to the wider quality assurance system.

The consultation is part of this process and will also propose some revisions to institutional audit.

Two seminars will be held in January at which delegates will have the opportunity to discuss the consultation in more detail.

i For more information see the HEFCE web-site under Learning & teaching/Assuring quality.

Alan Langlands awarded Honorary Fellowship

At the beginning of December, HEFCE Chief Executive Sir Alan Langlands was made an Honorary Fellow of the Academy of Medical Sciences. The Academy honours individuals of the highest distinction in their professional field, who would not necessarily be expected to participate in the affairs of the Academy, but whose Fellowship brings distinction to the organisation.



Counting completions

Why does HEFCE ask institutions to count students, and what is meant by 'completion'?

Universities and colleges have been counting their students and making estimates of those who will complete their studies this academic year.

They have done this to make accurate student data returns to HEFCE in December.

This is important because the funding they receive for teaching will depend on the numbers they give HEFCE. It is also essential to be fair to everyone that they all count their students in the same way.

Our aims

In funding institutions for teaching, we want to:

- ensure the best use of, and accountability for, taxpayers' money
- protect the interests of students
- treat all institutions equally.

To make the best use of public money we want to emphasise the importance of students completing their year of study.

This is also in students' own interests. We want to encourage institutions to support students through to the completion of all they intended to do during the year, for which they will have paid a tuition fee. We don't want taxpayers' money to provide an incentive to recruit students who are unlikely to finish their studies.

We also recognise the importance of student completion by providing

significant additional funding for improving retention. This is targeted at those institutions that recruit more students at higher risk of dropping out, and totals £225 million for 2009-10.

Treating all institutions equally means that our funding rules must be applied consistently across the sector. Our budget is fixed. This means that it is essential that all institutions report their student numbers on the same basis, otherwise some would benefit at the expense of others.

Our definitions

In general terms, students are only counted for funding purposes if they complete their full year of study.

In order to 'complete' according to our definition for funding, a student has to undergo the final assessment for each module that they intended to complete in the year; if this is an examination, then it must be taken on the first possible occasion unless prior permission to postpone it has been obtained. Alternatively, if they miss the final assessment, but nevertheless still pass the module, this also constitutes completion.

Our definition of completion helps to protect the sector from accusations (however ill-founded) that academic standards may have been affected by the funding rules. For example, we do not provide incentives for institutions to pass students.

Higher education institutions are responsible for their own qualifications and the assessment of their students and they will therefore have rules for their own academic purposes. They decide whether students have achieved the academic standards necessary to be allowed to progress, whether mitigating circumstances should be taken into account, or whether students who have not sat their exams should be allowed another opportunity to do so.

But these decisions should be made only for academic reasons – they should not be influenced by funding and our rules help to ensure this is so. This is why institutions' own academic regulations and their decisions on student progression are not part of our definition of completion.

Fairness

Through these policies, we ensure our funding is fair:

- **we are fair to institutions** by targeting additional funding at those that will need to provide extra support to their students
- **we are fair to students**, who make a significant financial commitment to enter higher education, by encouraging institutions to support them to complete their study intentions
- **we are fair to the taxpayer** by ensuring accountability and value for money for the funding we provide.

i A guide to completion is on the HEFCE web-site under Learning & teaching/Funding.

Consultation on changes to Financial Memorandum

HEFCE launched a consultation in December on a new Financial Memorandum (FM) with institutions.

The FM sets out the terms and conditions for payment of HEFCE grants and the current FM has been in force since 1 August 2008.

The new draft incorporates proposals for a revised framework for the approval of institutions' long-term

borrowing. This has been developed over the past year in conjunction with the British Universities Finance Directors Group, and it is designed to reflect today's more complex financing and borrowing environment.

The new draft also aims to clarify the roles and responsibilities of governing bodies and heads of institutions.

The new FM includes, for the first

time, a reference to academic standards, effectively making it a condition of grant that governing bodies should have adequate arrangements for quality assurance.

Following consultation, the new FM will take effect from 1 August 2010.

i Read the consultation at www.hefce.ac.uk under Publications.

New ways to engage the public

The Beacons for Public Engagement project aims to inspire a culture shift in the way higher education institutions relate to the public. Here is a snapshot of three of the many projects under way.

BBC science project

All the Beacons have joined a partnership to support the TV science series 'Bang Goes the Theory'. Together with the Open University and BBC, beacon academics answered questions asked by the public. Over 140 academics took part.

i There are more details at www.bbc.co.uk/bang under Ask Yan.

CUE Public and Community Engagement Awards

The Community University East (CUE) individual awards were established to recognise and reward the work of individuals involved in public engagement at the University of East Anglia (UEA) and Norwich Research Park. Heads of UEA schools, faculties and centres, and the student union were invited to nominate staff and students who were making a considerable contribution.

Seven individuals from three faculties received awards presented during UEA's summer congregation graduation ceremonies, a significant development in embedding public engagement at UEA.

Manchester Beacon Culture Change labs

The 'change labs' bring together senior leadership teams from the three Manchester universities and their city partners. Each lab focuses on a specific area (for example, public engagement best practice within and outside of the higher education sector). Cross-partnership task groups, including non-university partners, were then set up to run pilot culture change projects.



The presenters of 'Bang Goes The Theory'.

Key messages to date include:

- strong senior-level leadership is essential to influence policy changes and engage peers
- staff involvement in creating a vision for public engagement helps foster ownership
- during culture change, a clear communications plan is key to keeping staff in the picture.

Open House event

The Beacons' first Open House event was held in Bristol on 25 November. There presentations from: Paul Younger, Pro Vice-Chancellor Engagement, Newcastle University; Gerry Kelleher, Deputy Vice-Chancellor Strategic Planning, Manchester Metropolitan University; and Kathy Sykes, Professor of Sciences and Society, Bristol University.

Participants were able to:

- explore the public engagement work happening in the Beacons and other higher education establishments
- consult on key questions
- share their own experiences and inform the work of the National Co-ordinating Centre for Public Engagement
- get practical tips on embedding public engagement into their work.

What are the Beacons?

The 'Beacons for Public Engagement' initiative encourages higher education institutions to embrace public engagement as part of their core mission. Funded by the UK higher education funding councils, Research Councils UK and the Wellcome Trust, the project consists of six university collaborative centres which help support, recognise, reward and build capacity for public engagement. The National Co-ordinating Centre for Public Engagement, in Bristol, captures and shares learning between the Beacons and across UK higher education institutions and research institutes.

i For further information, see www.publicengagement.ac.uk

Help in challenging times

HEFCE's Economic Challenge Investment Fund is helping people and businesses cope with the recession and boost the UK economy

In January this year HEFCE announced £50 million would be made available to universities and colleges through the Economic Challenge Investment Fund (ECIF) to help them act quickly to help tackle the recession.

Institutions had the chance to bid for up to £500,000 each to fund initiatives that support businesses and individuals affected by the downturn.

This could be helping people who are unemployed, or under the threat of unemployment, to access training and other support to help them continue in their current jobs or find new jobs; or it could be helping businesses by providing knowledge and expertise – particularly to small and medium-sized enterprises or voluntary and charity organisations.

Seventy-seven universities and colleges won a share of the pot and are using it to support a wide range of initiatives benefiting over 50,000 people and 11,700 businesses.

HEFCE contributed £27 million to the ECIF, and match-funding from the institutions themselves and their local partners, such as businesses and Regional Development Agencies, topped up the total amount.

Here we take a closer look at three examples of how the ECIF is having a real impact for a higher education institution, an employer and a region.

The institution University of Derby

The University of Derby and its partners, West Nottinghamshire College, Derby College, North Nottinghamshire College and Chesterfield College, received the third highest total allocation from the ECIF, securing £988,086 for their joint bid.

The partnership's action plan, to be delivered by September 2010, includes:

- support for unemployed people with no higher education qualifications, or unemployed graduates or professionals who need to update and diversify, in the form of 500 free places on higher education taster days and 250 short courses
- a support centre service that aims to help 2,000 unemployed graduates and professionals through 200 workshop sessions and 60 employer internships. Managed by the university's Careers Development Centre, it uses a network of outreach centres to offer one-to-one support to newly redundant professionals or those facing redundancy; this includes advice from higher education career advisers, career coaching and activities to develop confidence and networking skills

- co-ordinated support to more than 100 businesses, including 300 spaces for learners on short courses
- extending the university's own Enterprise Scheme to groups that were previously unable to access it, such as redundant professionals and graduates, or those at risk of unemployment. There will be 20 incubator access grants and 12 enterprise bursaries offered to encourage new businesses to start up.

Hari Punchihewa, Derby's Pro Vice-Chancellor and Finance Director, said: 'The aim of this collaboration is to deliver a coherent and comprehensive package of support for both individuals and businesses that have been hit by the economic downturn.'

i For more information see the HEFCE web-site under Economy & society.



Advice: Debra Longridge (left) is one of the careers advisers working within the University of Derby's scheme

The employer

Peptide Protein Research

Peptide Protein Research is a small company offering custom peptide synthesis which has been able to take on a graduate intern thanks to ECIF and the University of Reading.

Claire Winsor, Peptide Chemist, explains how this has helped her firm: 'During the worldwide economic crisis we have continued to see steady growth in orders. With a small company the decision of when to expand our workforce in order to fulfil orders as we gradually expand is always difficult to judge, particularly in the current climate of uncertainty.'

'The opportunity to take on a graduate intern for 11 months has

given us the possibility to expand our workforce on a short-term basis giving us a chance to see how the market for peptide synthesis develops during the following year.

'The salary for the intern is paid from the ECIF project, so we are only responsible for the costs of training her, although a disadvantage is that at the end of the 11 months we lose a trained member of staff.'

'The project that our intern will undertake is aimed to help optimise one or more of our processes to either increase throughput or reduce consumable costs.'

'This type of project is something we rarely have time to devote to, so making use of our intern in this way should not only provide immediate help, but also bring a lasting benefit to the company.'



Intern Mimi Nguyen (inset) and her colleagues at Peptide Protein Research.

The region

North East

A joint bid from government development agency One North East, the region's five universities and Newcastle College, secured £2.5 million ECIF funding to help combat the recession by keeping talented people in the region.

A wide range of support initiatives is now being rolled out including: an internship scheme for new graduates from Sunderland University; higher education taster courses at Northumbria University for more than 1,000 people; graduate apprenticeships from Newcastle University; and a scheme at Newcastle College to support middle- to senior-level engineering and technical staff in key sectors.

They are part of One North East's 'Talent Challenge', a regional initiative set up in August to support the local talent pool and thus its economy.

Dorothy Kelly, Talent Challenge Project Manager, said: 'Those of us working in this area of business support knew that part of what we needed was assistance for talented individuals and this HEFCE programme provided that.'



'Being able to offer high-value employment within the North East to graduates, the newly redundant, those at risk of redundancy and those on short-time working is a critical part of our support to businesses and individuals during these difficult times.'

Dorothy Kelly (left) with Caroline Graham of Northern Recruitment Group, a partner in the initiative, and Craig Fawcett who was supported by the scheme while searching for new employment after losing his job at Northern Rock.

Research Excellence Framework – what’s all the fuss about impact?

The four UK Higher Education funding bodies launched a consultation on the new process for assessing research in UK higher education institutions (HEIs) in September. The Research Excellence Framework (REF) will replace the Research Assessment Exercise (RAE). The REF will continue to assess research through a process of expert review and to focus on excellence as demonstrated primarily by the quality of research outputs.

Proposals for assessing impact are included in the consultation, and these have been the focus of considerable public interest. Below, HEFCE’s REF team explain how the REF – and its assessment of the impact of research – is intended to work.

Why assess impact?

HEFCE allocates public funds for research to expand knowledge and make a major contribution to economic prosperity, wellbeing and the quality of life. Assessing the impact of excellent research will aid this by:

- rewarding and showcasing the full range of benefits to the economy and society achieved by the sector
- encouraging more effective dissemination and exploitation of research, to realise its full potential benefits.

How will we do it?

The REF consultation proposes a broad approach to assessing impact, based largely on case studies. The Council wants input from across the higher education sector and a wide range of stakeholders to help refine this approach, and are running a pilot exercise to ensure we get it right. The aim is to ensure that:

- impacts from long-term, curiosity driven and blue-skies research can be fully recognised, as well as those from

research that has more immediate impact. HEFCE proposes that the impacts being assessed must have occurred during the REF assessment period, but the underpinning research may have been undertaken up to 15 years earlier

- a rounded assessment can be made of each submission as a whole – HEFCE will not assess the impact of individual researchers or pieces of work. Submissions should provide examples of research-driven impacts that arose from across the unit’s broader portfolio of work
- the impacts being assessed are underpinned by high-quality research, and overall the REF gives greatest

“ We are not just focusing on the narrow area of economic impact, neither will we be looking at short-term impact ”

recognition to submissions that demonstrate a combination of excellent research activity and strong impacts.

Commenting on the proposals in the consultation, David Sweeney, HEFCE’s Director of Research, Innovation and Skills, said: ‘We aim to assess the impact of research on the economy, society, public policy, culture and the quality of life. We are not just focusing on the narrow area of economic impact, neither will we be looking at short-term impact because we know that it often takes many years for research to make a significant impact.

‘Through the new REF process we will celebrate the very best of research across the UK in all subjects

and ranging from blue-skies research through to real-life applications.’

Testing the proposals

Given that the assessment of impact in the REF will be an important new feature but is comparatively untested, the Council is running a pilot exercise to test and develop the proposals. It will run from autumn 2009 to summer 2010 and involve 29 universities.

HEFCE will take decisions on the assessment of impact and its weighting in the light of the consultation and the pilot outcomes.

The exercise is investigating the assessment of impact in five subject areas (Units of Assessment). They are:

- Clinical Medicine
- Physics
- Earth Systems and Environmental Sciences
- Social Work and Social Policy
- English Language and Literature.

How will the rest of the REF work?

The REF aims to identify research excellence wherever this is found, to provide authoritative and comprehensible ratings of research excellence in all disciplines in HEIs across the UK. It will be used to inform the UK funding bodies’ allocation of research grant, as determined by each of the four bodies. It will also provide useful information and benchmarking about research excellence and provide accountability for public expenditure on research.

The REF will assess research excellence through a process of expert review. It will be based on HEIs submitting evidence of their research activity and outcomes, to be assessed by expert panels. To simplify the process and achieve greater consistency between panels, the consultation proposes fewer,

broader panels for the REF than in previous assessment exercises.

HEFCE proposes that the assessment will be made up of three elements, which together reflect the characteristics of research excellence:

Outputs – The primary focus of the REF will be to identify excellent research of all kinds and this will be the dominant element in the assessment. It is proposed that institutions should select the research staff and outputs to be submitted for assessment. Expert panels will review the outputs and in disciplines where robust data are available, this will be informed by citation information.

Impact – Significant additional recognition will be given where researchers have built on excellent research to deliver benefits to the economy, society, public policy, culture or quality of life. This will be the major new feature of the assessment framework.

Environment – The REF will also assess how far the research environment supports a continuing flow of excellent research and its effective dissemination and application.

i **Further information:** For more information or to join in the consultation, see www.hefce.ac.uk/ref



Over £1.5 billion is allocated each year by HEFCE according to the outcomes of the RAE, and from 2014 the REF. This funding is known as quality-related (QR) funding and at the end of November, HEFCE and Universities UK published a report celebrating the significance of QR funding (pictured below).

In the example above, QR funding supports the work of the University of East Anglia's Diet and Health Group, which explores contemporary public health problems in the UK. Pictured are the group's Professor Aedin Cassidy and Peter Curtis, who are working with Diabetes UK to investigate whether compounds found in cocoa improve people's defence against heart disease. The report is available at www.hefce.ac.uk under Research/Funding/HEFCE research funding.



The REF consultation

The full set of consultation proposals are available in 'Research Excellence Framework: Second consultation on the assessment and funding of research' (HEFCE 2009/38).

This is the second major consultation on the REF.

We invited responses from all groups and organisations with an interest in the conduct, quality, funding and use of research. This includes higher education institutions, academic associations, businesses, public bodies, charities and other third-sector organisations.

A series of consultation events were held in November at which stakeholders took the opportunity to discuss and debate the issues around the creation and operation of the REF.

REF timetable

We propose to complete the first REF during 2013, to the timetable below, which will be finalised and guidance published during 2010, following the outcomes of the consultation.

- | | |
|-------------|--|
| 2010 | Guidance provided to institutions
Expert panels established |
| 2012 | Institutions make submissions |
| 2013 | Assessment and publication of outcomes |
| 2014 | Each of the four UK funding bodies decides on its use for allocating funds |

Managing in the recession

HEFCE's Deputy Chief Executive Steve Egan on the sector's response to the economic downturn and the support available to institutional leaders

Few in universities subscribe to the language of profit and loss, but most would recognise that the multi-million pound enterprises in which they work are responsible for a significant and sustained contribution to the national economy. Indeed, recent Universities UK figures show that the sector's economic output now amounts to over £59 billion a year.

This scale of productivity is a substantial and enduring feature of the UK's economic well-being. But universities are now, with HEFCE's support (see page 8), vigorously addressing the additional task of helping to lead the country out of recession and into recovery.

The vital contributions that higher education institutions (HEIs) make to the economy and society cannot be taken for granted. The most challenging question for Government, the funding councils, and universities and colleges themselves is how to continue to build on their strengths and excel in their chosen missions of teaching, research or related activities in an increasingly challenging fiscal climate.

We at HEFCE will continue to argue for prioritising investment in universities and colleges so that the substantial national benefits derived from a highly successful higher education (HE) system continue, but we also have to be realistic in terms of recognising the scale of public sector debt and the increasing pressures on public finances.

Diversity

In making the case for HE it is essential that we recognise that the strength of the sector lies in its diversity, and its capacity to pull together as well as its world-class character.

Universities and colleges have proved their adaptability in the past to meet a wide variety of challenges and our current dealings with them suggest that they are capable of rising to the present one. Many recognise that this is not a time to avoid risk. Rather, it is a time for innovation. More than ever they acknowledge the need to transform, and develop new knowledge, so that they emerge stronger from the recession, ready to face global competition and rising student and stakeholder expectations.

Over the past few years universities and colleges have reduced their reliance on public funding and have developed other income streams. They are now looking carefully at what makes them unique



Prioritising: Steve Egan

and are restructuring so they can deliver more effectively. They have made every effort to increase their



Potential: HEFCE Chief Executive Sir Alan Langlands visited the Combined University of Cornwall (CUC) and met university administrators, students and local businesspeople. CUC was awarded 450 additional student places for 2010-11. Pictured with Sir Alan is Tessa Gendall, Director of communications agency Gendall Design which is a partner in CUC's graduate placement scheme, Unlocking Cornish Potential (UCP). UCP places graduates with businesses for up to 12 months to work on a specific project to develop the business. This often leads to a permanent job for the graduate: to date, 70 per cent of UCP graduates have been offered a permanent job at the end of their placements.

strategic planning capability and are now developing scenarios and exploring their options.

Some HEIs are modelling the potential impacts of the recession, including: the pressures on public finances; the changes within the financial services sector; demand from overseas students; and the pressures on expenditure. The actions being identified to mitigate some of the risks include reprioritising capital projects, changing investment strategies, tightening cost controls and restructuring.

The immediate challenge facing institutional leaders is that of cost reduction. Implementation of the pay framework has increased pay costs and there are issues for all employers in funding pensions.

“The strength of the sector lies in its diversity and its capacity to pull together”

Pressure on public finances will also have an impact on the resources available for higher education. The scale of efficiencies required to meet these challenges will vary from institution to institution, but the aim must be the same – to secure the long-term sustainability of the institution.

So, to provide HEIs with the robust financial management information needed to manage through the recession and plan for the future, HEFCE is now supporting further development of the Transparent Approach to Costing. This will assist them with their strategic and operational financial management as well as enabling them to account for public funding more effectively.

Support for leaders

The Leadership Foundation for Higher Education (LFHE), the champion and focal point for leadership, management

and governance development in HE, is supporting HEIs during this time of major change.

Its joint workshops for chairs of governing bodies, vice-chancellors and principals provide an opportunity to discuss the working relationship between governors and executive leaders in challenging times. LFHE's next leadership summit, 'Promoting the Agile University' (11 February 2010) will take the concept of business agility as a requirement for responding to an uncertain future.

HEFCE has also made the resources of its Leadership, Governance and Management Fund available for large-scale leadership projects through the Leading Transformational Change initiative. The Council has invited senior HE leaders to develop proposals that will capture good practice in responding to the economic downturn. With support from the fund, these projects will help HEIs develop a wider understanding of leading and managing in a new economic environment and find their own solutions to the current situation. There will be an opportunity to hear about these and other initiatives at the conference, jointly organised by the Council and the LFHE in London on 27 January 2010.

The key to institutional flexibility and agility is the HE sector workforce. Early in 2010 HEFCE will publish the new edition of our three-yearly publication, the 'HE Workforce Framework'. It will describe changes in the composition of the workforce and provide strategic information for HEIs to make plans for the future. It will provide quantitative analysis, set out the challenges and seek to start a debate on possible solutions.

Our institutional teams, led by associate directors and working closely with regional consultants, act as our main contact with universities and colleges. We are always ready to discuss developments and would be interested to hear what more can be done to support the efforts of universities and colleges in meeting the economic challenges that we now face.

Success of ECU prompts further funding

The Equality Challenge Unit (ECU) has raised the profile of equality and diversity in the higher education sector, according to a new report.

The research informed HEFCE's decision to continue funding the ECU for the next five years, to further enhance the support provided to the sector. A review of its progress will be undertaken in 2013.

HEFCE Chief Executive Sir Alan Langlands said: 'We are pleased to continue our support for ECU which has successfully helped universities and colleges raise the profile of equality and diversity. These issues are increasingly important from the perspectives of new equality legislation and realising the potential of all staff and students regardless of their background.'

The evaluation of the ECU, which is funded by HEFCE, found that stakeholders felt the Unit had created a positive relationship with the sector and built a strong reputation.

It was particularly recognised for the high level of complex thinking it did on behalf of the sector on tensions between various strands of legislation (for example, religion and belief, and sexual orientation) and producing relevant, high-quality and timely guidance.

The PricewaterhouseCoopers report makes a number of recommendations to the ECU to develop a new three-year strategy taking into account the recommendations from the review with regards to: mainstreaming; positioning; future needs of the sector; outcome-based key performance indicators; and to continue close working partnerships with sector bodies and representative groups.

***i* 'Review of the Equality Challenge Unit: Report by PricewaterhouseCoopers to HEFCE' can be read in full at www.hefce.ac.uk under Publications/Research & evaluation.**

The health of modern languages provision in England

Professor Michael Worton, Vice-Provost, University College London, discusses his recent review of the health of modern foreign languages provision, which made 17 recommendations for the future of this group of subjects

This review of the health of modern foreign languages (MFL) provision in English higher education was commissioned by HEFCE in response to concerns in the sector about falling numbers and funding provision.

Drawing on a range of data, it surveys current trends and makes a series of recommendations to ensure the long-term sustainability and vitality of MFL provision in higher education.

The report is divided into three main sections, followed by 17 recommendations directed at universities, external agencies and government departments.

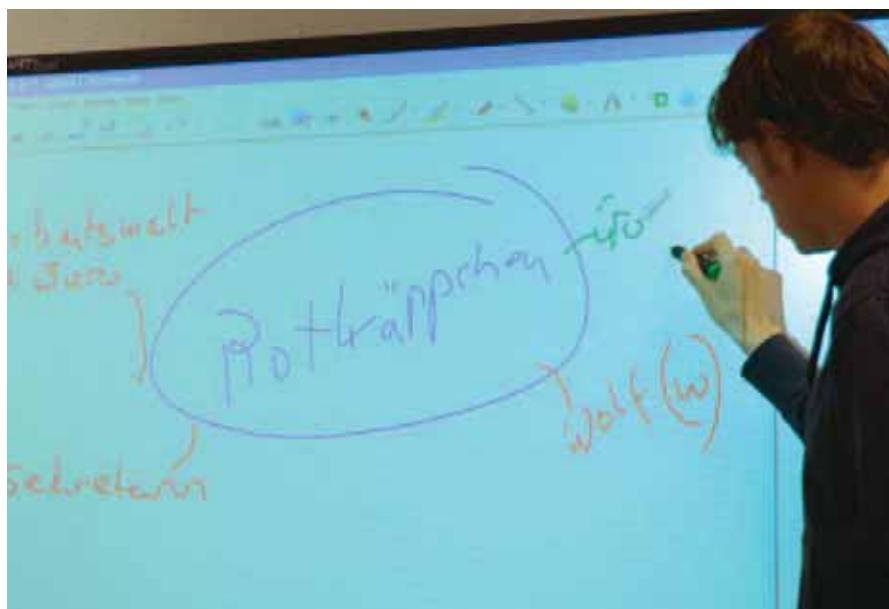
Contexts

The first section explores the financial, political and educational contexts in which MFL in UK higher education is currently operating, highlighting the policy changes which have contributed to a decline in the number of students studying modern languages at university, and the investment and initiatives put in place to strengthen provision.

The second section considers the quantitative data available from a range of sources, including the Higher Education Statistics Agency, UCAS, HEFCE and the Arts and Humanities Research Council. It stresses that, while it is important to consider broad trends, the overall picture conceals many individual differences for individual languages.

Recognising that research funding is the greatest source of current anxiety in the community, the report seeks to clarify the funding situation after the Research Assessment Exercise.

It points out that the decline in numbers of MFL academic staff and



Interest: A student uses an interactive whiteboard as part of a Routes Into Languages initiative aimed at increasing the take-up of modern language courses. Routes Into Languages, which is run by the Higher Education Academy Subject Centre for Languages, Linguistics and Area Studies, is praised in Professor Worton's report as 'making significant contributions to interest in and study of languages'.

the protection given to science, technology, engineering, medicine and mathematics subjects have resulted in a reduction in funding, but that there is scope for MFL



Recommendations: Professor Worton

colleagues to persuade their own institutions of the importance of their teaching and research and thereby to secure continued investment in their departments.

The third section sets out the results of a one-day national consultation workshop and of three discrete online questionnaires, each aimed at a particular constituency (MFL departments, language centres and subject associations).

These results serve as a snapshot of the current health of the discipline and as comparative data which can be tested against the quantitative data in the previous section.

Beleaguered

The consultations revealed a community that feels vulnerable and

beleaguered. There is a strong sense that the importance and the value of languages are not properly understood or recognised, by Government nor by potential students.

It was also clear that different language groups, and, indeed, different disciplinary groups, often argue from different perspectives and with different views of the future.

There is a tendency for the languages community to argue for sustainable salvation through ever more investment in teaching, research and widening participation/outreach activities, but the evidence shows that there has been and continues to be substantial investment in languages activities.

Strategic investment

The recommendations argue for continued strategic investment over the next few years in order to secure the future health of MFL, to encourage greater innovation in teaching and research and to foster further collaborations.

However, the report also urges universities and the MFL community to develop a clear and compelling identity for modern foreign languages in today's increasingly competitive higher education context.

It is vital for the long-term future of MFL in higher education that the Government translates its expectations of language learning in primary and secondary schools into targets and that these targets are then monitored and met.

Above all, the languages community and university leaders need pro-actively to establish and maintain dialogue with Government and with major funders and stakeholders about how the study and research of foreign languages can respond to current and future challenges and to the needs of increasingly complex markets.

i 'Review of Modern Foreign Languages provision in higher education in England' (HEFCE 2009/41) is available in full on the HEFCE web-site under Publications.

National STEM programme partner universities announced

Six universities are to share £21 million to promote science, technology, engineering and mathematics (STEM) in England and Wales.

The six will develop and initiate activities in their regions as part of the national STEM programme, a £21 million scheme funded by HEFCE and the Higher Education Funding Council for Wales.

“ The core regional partners will be able to ensure that the activities the programme delivers fit with the economic and social priorities in different localities ”

The Universities of Bath, Birmingham, Bradford, Southampton, Manchester Metropolitan University and Swansea University will act as focus points for regional activities to: engage local workforces in higher education (HE) learning; enhance the undergraduate student experience in the STEM disciplines by helping students develop the skills required by employers; engage young people in STEM disciplines; and widen participation in these subjects among school students.

HEFCE Chief Executive Sir Alan Langlands said: 'The National Higher Education STEM programme, with its activities focusing on schools, employers, people in the workforce and the development of the HE curriculum, provides universities and colleges with a major opportunity to

ensure continued progress in this important area, equipping students with 21st-century skills and contributing to a vibrant economy.

'The core regional partners will be able to ensure that the activities the programme delivers fit with the economic and social priorities in different localities.

'The three strands of activities will enable institutions to maximise opportunities for young people, adults and employers to access the high-level STEM education that best meets their needs.'

The National Higher Education STEM Programme is a three-year initiative aiming to generate interest in STEM subjects among young people, enhance higher-level skills in the workplace and increase accessibility of HE courses in these subjects.

Support

It will primarily support chemistry, engineering, mathematics and physics. As well as the universities, the programme involves the Royal Society of Chemistry, the Institute of Physics, Royal Academy of Engineering, and a consortium of mathematical bodies.

The six regional 'spoke' universities will work collaboratively with other higher education institutions in their region, while the University of Birmingham serves as the 'hub' of the programme, acting as co-ordinator and being responsible for the dissemination of good practice across the regions.

Regional events will be held throughout November and December to bring together institutions and discuss priorities for regional activity.

i For more details see www.hefce.ac.uk under About us/Strategically important subjects/STEM.

HEFCE annual meeting

Higher education faces new financial challenges as public finances tighten, Chief Executive Sir Alan Langlands told 180 delegates at HEFCE's annual meeting on 20 November.

But, even with tighter funding, he told an audience of chairs of higher education (HE) governing bodies, governors and representatives of HE-related organisations, there were real opportunities for the sector in responding to the government's HE and skills frameworks, and the student finance review.

After 10 years of growth in funding per student, the sector faced uncertainty over future funding. Sir Alan said that now more than ever, it was important to work together both to make the case for greater investment and to set and develop priorities and make choices. 'It is about aiming for the best rather than preparing for the worst.'

Sir Alan said research should focus both on curiosity-driven enquiry and 'national priorities' including big issues in climate change, food security and global health. 'If universities in this country can't take a lead on these things, I'm not sure who else is going to do so,' he said.

But universities were about more than science. They were vital educators of the professions. Half a million undergraduates – nearly a quarter of the total – were studying for professions such as teaching, nursing and architecture. Universities were also a vital part of national cultural life.

Funding over the last decade may be seen by history as a 'golden age' as the sector now faced a



HEFCE Chair Tim Melville-Ross opens the meeting.

combination of international competition and tighter government spending. Germany has just announced an 18 billion Euro investment in its research infrastructure and research has been a big beneficiary of President Obama's stimulus in the USA.

While the student finance review could offer a 'rebalancing' that shifted student, employer and government contributions, the next spending review period from 2011 could be a difficult transition until the finance review is implemented, during which the short-term case will need to be made for maintaining investment.

Steve Egan, HEFCE Deputy Chief Executive, emphasised the opportunities for greater efficiency and effectiveness in the use of resources.

Heather Fry, Head of Learning and Teaching, explained how HEFCE is responding to concerns by politicians, commentators and students for improved quality in the student experience, not least with the prospect of higher fees after the finance review.

Professor Gillian Evans suggested that HEFCE should adopt a Commons select committee recommendation that the autonomy of universities should be mapped, in the light of concerns that the HE Framework would encroach on autonomy.

Sir Alan accepted that there were tensions in the framework between autonomy and intervention, but pointed to a very strong statement in support of university autonomy by Lord Mandelson, the secretary of state, at the start of the document. Moreover, HEFCE's role as a broker meant that government had no powers to dictate what happened in particular courses or institutions. This brokerage role involved 'speaking truth to power' [to government] and being candid and transparent in dealing with universities and colleges.

i Further information about the annual meeting is available at www.hefce.ac.uk under More events/Recent events.



Professor Gillian Evans raises concerns about autonomy.

HEFCE Council Briefing

Council Briefing is produced by the Higher Education Funding Council for England to raise awareness of its work and significant issues facing the higher education sector.

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Higher Education Funding Council for England Northavon House, Coldharbour Lane, BRISTOL BS16 1QD tel 0117 931 7317, fax 0117 931 7203, www.hefce.ac.uk



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