



Higher Education Funding Council for England

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# The structure of HE and the role and work of HEFCE

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# The structure of HE in the UK

- Post compulsory education (age 18+)
- Admission on the basis of (usually) A level qualifications, undergraduate admissions handled through UCAS
- Around 42% (of the cohort) participation rate
- Wide range of HEIs with different missions (teaching led, research intensive, “mixed economy”)
- Different arrangements for the support of HEIs and students in the 4 countries of the UK, e.g. fee structures
- Small private sector (but set to grow)
- QAA oversees quality assurance arrangements for taught programmes

# Some key features of UK higher education

- The UK carries out almost 8% of world research and produces over 14% of the most highly cited papers
- International student numbers and fee income have grown rapidly in the past 20 years: £400M to £2,600M
- UK universities figure prominently in the various university ranking tables published across the world, e.g. 2 in the top 10, 11 in the top 100 of the SJTU rankings 2010 and 2011 – but 2 in top 10 and 9 in top 100 in 2012 and 2013.



# Fundamental principles

- In the UK, universities are autonomous – make their own strategic plans, hire and fire staff, select students, responsible for their own governance, academic standards, ...
- HEFCE is at “arm’s length” from both the government and the sector (an intermediary or buffer body) – not unique in world HE but not many others

An observation: Governments have a ‘life’ of 5 years (max.),  
HEFCE can trace its history back to 1919 (UGC),  
Universities have been around for centuries.



# UK HE Funding Bodies

- HEFCE – 130 HEIs (& 190 FECs)
- SFC – 19 HEIs
- HEFCW – 11 HEIs
- DELNI – 4 HEIs.

When working as the whole UK we use the ratio 81:12:5:2



# Role of HEFCE

- allocating public funds for teaching and research
- promoting high-quality education and research
- promoting links between HE and industry/commerce
- encouraging diversity and equal opportunities
- advising Government on the needs of HE
- ensuring accountability and value for money.



# HEFCE people

15 Board members – responsible for strategic planning.  
Appointed by Secretary of State for BIS – but not accountable to him.

Chief Executive appointed by the Board

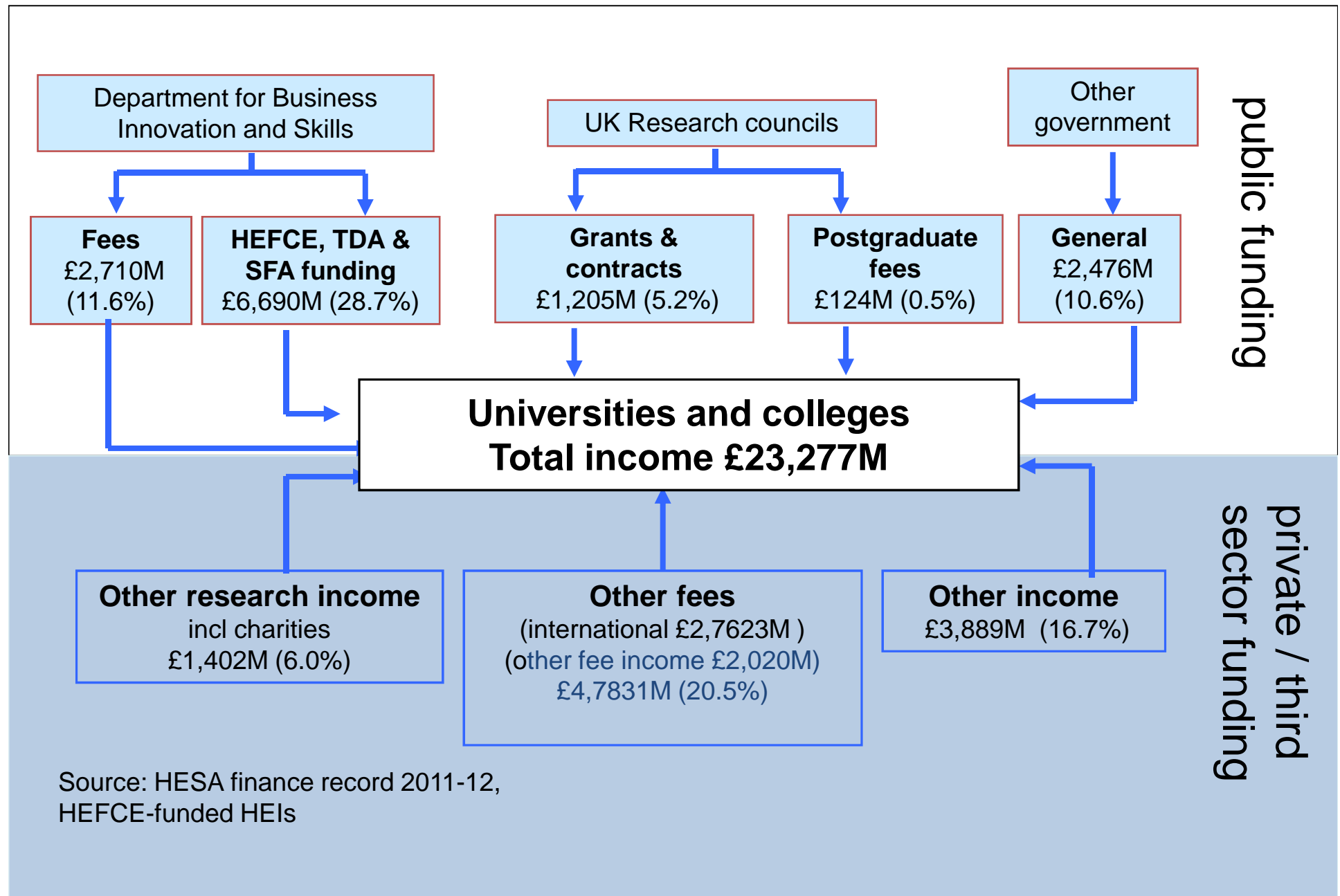
Mixture of heads of HEIs, and people from industry/commerce.

Policies are developed and put into practice by around 250 staff, most work at Northavon House in Bristol.

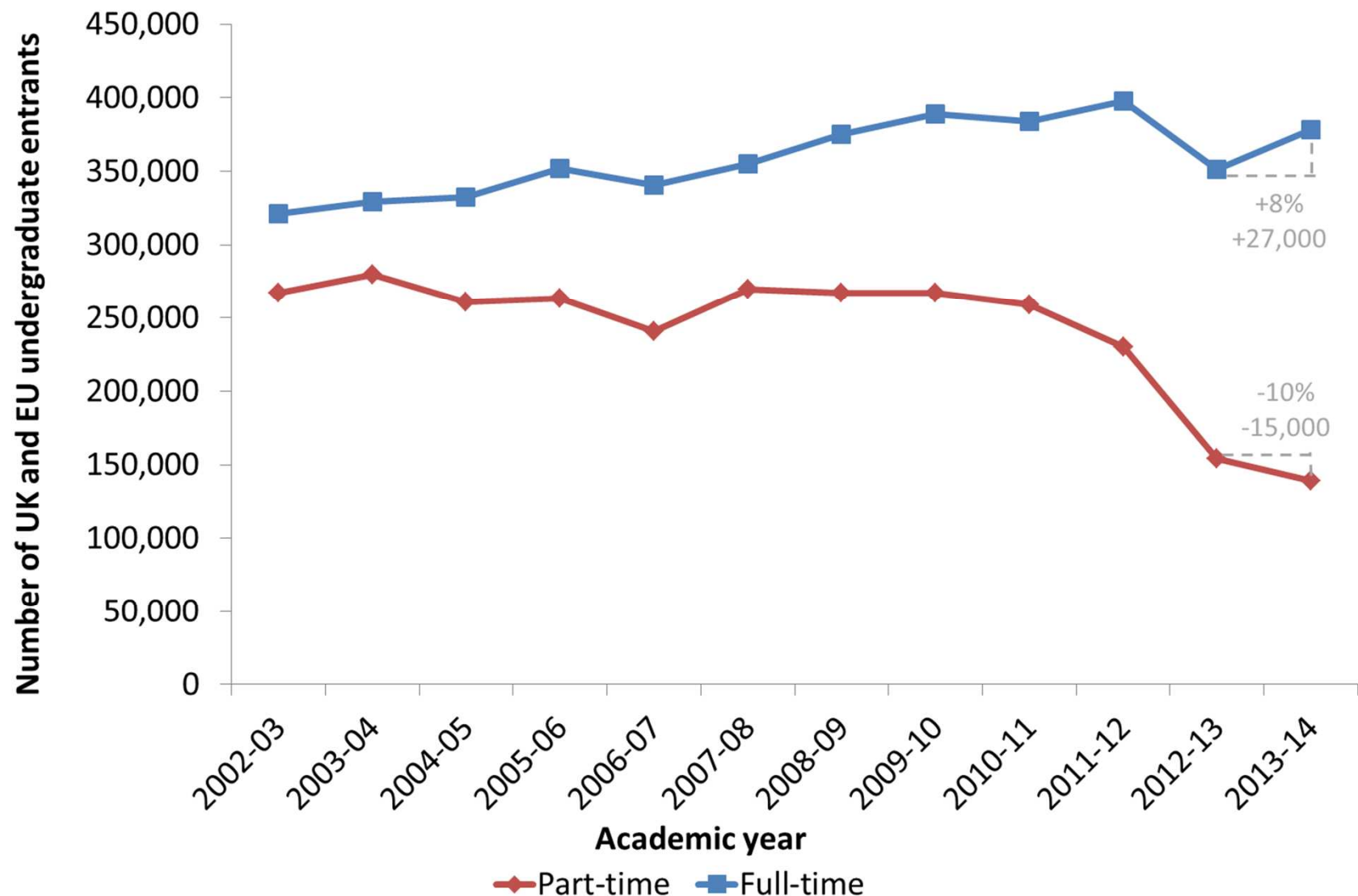




# Sources of income 2011-12



# UK and other European Union undergraduate entrants by mode of study, 2002-03 to 2013-14



# HEFCE priorities 2014 - 15

- *Social mobility*
- *HEIF*
- *Catalyst fund*
- *Research efficiency/effectiveness*
- *Quality of student engagement in teaching and learning*
- *CSR*

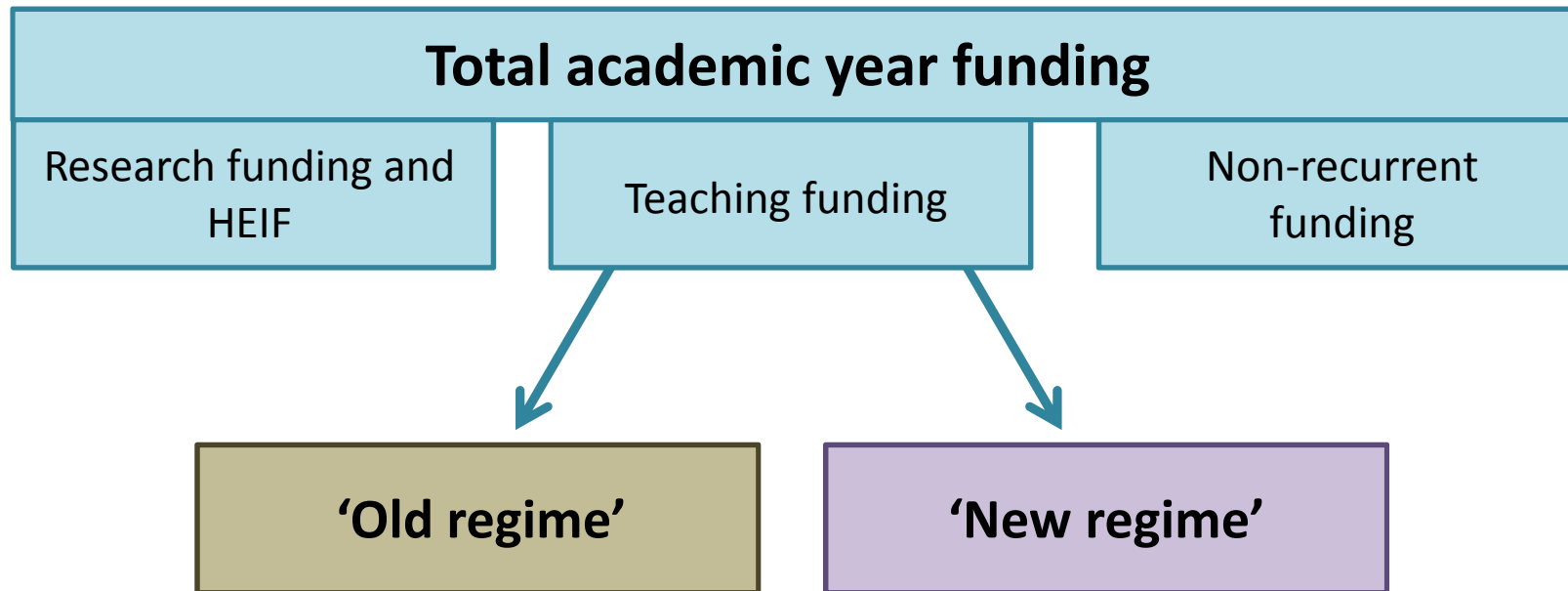
# BIS grant letter to HEFCE

(financial years)

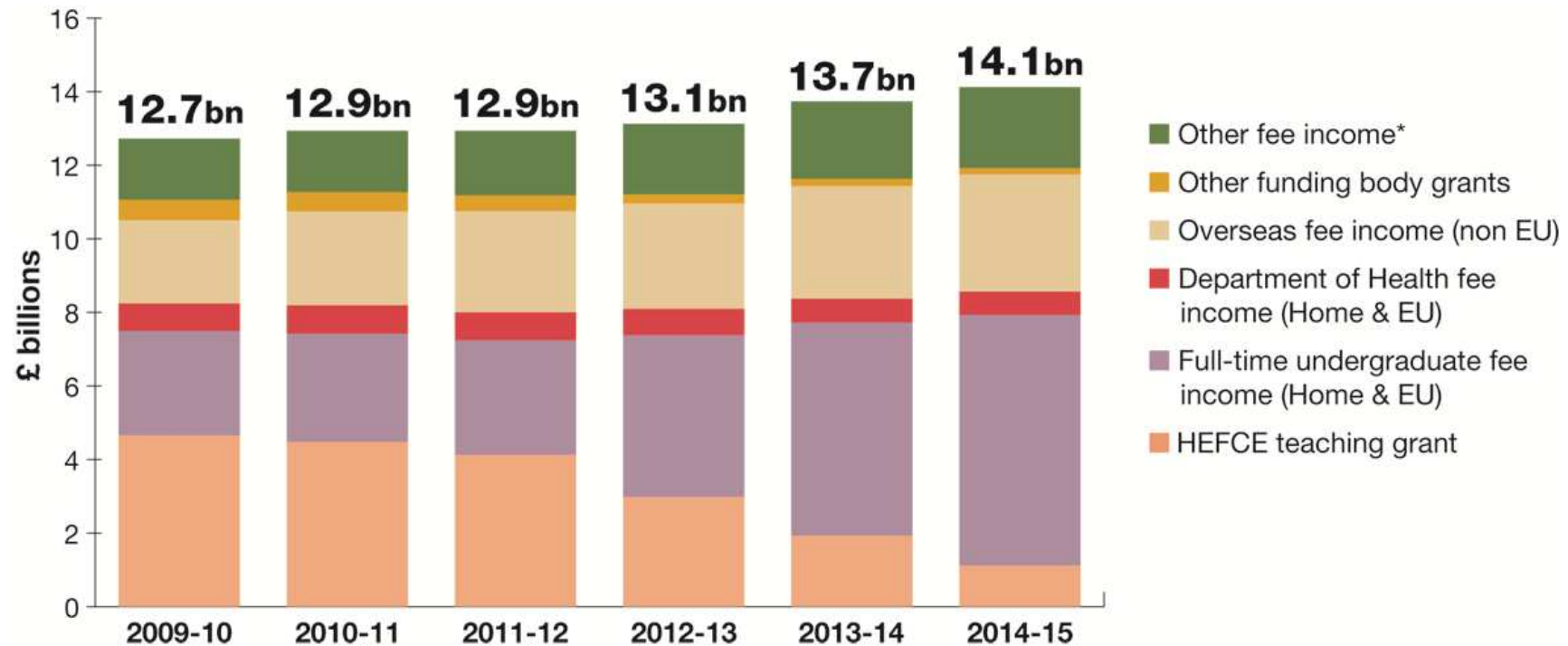
	Funding 2013-14 £M	Budget for 2014-15 £M	Funding for 2015-16* £M
Recurrent teaching	2,861	1,915	1,669
Recurrent research	1,573	1,573	1,573
HE Innovation Fund	113	113	113
<b>Total recurrent</b>	<b>4,547</b>	<b>3,601</b>	<b>3,355</b>
Teaching capital	79	154	300
Research capital	251	286	303
<b>Total capital</b>	<b>330</b>	<b>440</b>	<b>603</b>
<b>Total HEFCE funding</b>	<b>5,014</b>	<b>4,091</b>	<b>4,008</b>
<b>Estimated tuition fee income</b>	<b>5,600</b>	<b>7,000</b>	<b>8,200</b>
<b>Total HEFCE + fees</b>	<b>10,600</b>	<b>11,100</b>	<b>12,200</b>

\* Science funding is confirmed, other funding is indicative.

# Allocation process



# Breakdown of teaching funds from 2009-10 to 2014-15



\* Other fee income includes part-time fee income, full-time postgraduate fees and other fees.

# HEFCE grant\* plus fees for new full-time undergraduates

2011-12	A Clinical years of study	B Laboratory- based subjects	C Intermediate cost subjects	D Classroom- based subjects
HEFCE T-grant	£13,335	£4,894	£3,426	£2,325
Max fee	£3,375	£3,375	£3,375	£3,375
Total	£16,710	£8,269	£6,801	£5,700



2012-13	A Clinical years of study	B Laboratory- based subjects	C Intermediate cost subjects	D Classroom- based subjects
HEFCE T-grant	£9,804	£1,483	£0	£0
Max fee	£6-9,000	£6-9,000	£6-9,000	£6-9,000
Total	£15,804 - £18,804	£7,483 - £10,483	£6,000 - £9,000	£6,000 - £9,000

\* Basic teaching grant only. See paragraph 44 of 'Recurrent grants and student number controls for 2012-13'

# Excellence and diversity in learning and teaching



- Assuring and enhancing quality
- Protecting and promoting the interests of students
- Supporting student opportunity and social mobility
- Providing information about HE for prospective students and others
- Supporting the strategic use of learning technologies
- HEFCE investing on behalf of students and in the public interest.



# World-leading research

- Strength of dual-support system
- Sustaining public investment to maintain strength and dynamism of UK research base
- Rigorous assessment of research through the REF
- Investment in people and infrastructure; vibrant postgraduate and postdoctoral communities.



# Research funding

Research funds are proportional to:  
**volume x quality x type**

Research quality is assessed through a periodic Research Assessment Exercise (RAE). RAEs took place in 1986, 1989, 1992, 1996, 2001 and 2008. See [www.rae.ac.uk](http://www.rae.ac.uk) for details.

For 2008 each submission was given a quality profile, judged against standards of national and international excellence on a four-point scale from 1\* up to 4\*.



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# How are the outcomes presented?

## *Quality Profile*

		By percentage of research activity in the submission judged to reach quality standard				
<b>UOA 19 Physics</b>	FTE Cat A Staff submitted for assessment	4*	3*	2*	1*	Unclassified
University A	54	15	25	40	15	5
University B	28	0	5	40	45	10

(Overall quality profile in blocks of 5%)

# Research Excellence Framework (REF from 2014)

The REF will:

- have fewer units of assessment (36 compared with 67 for RAE 2008)
- some panels will use citation information
- assess **impact** of research over the long term (economy, society, public policy etc)
- take the research environment into account.

More details at [www.ref.ac.uk](http://www.ref.ac.uk)

The logo for the Research Excellence Framework 2014. It features the letters 'REF' in a bold, dark blue font, followed by the year '2014' in a lighter blue, outlined font.

# Early sector profiles from the REF

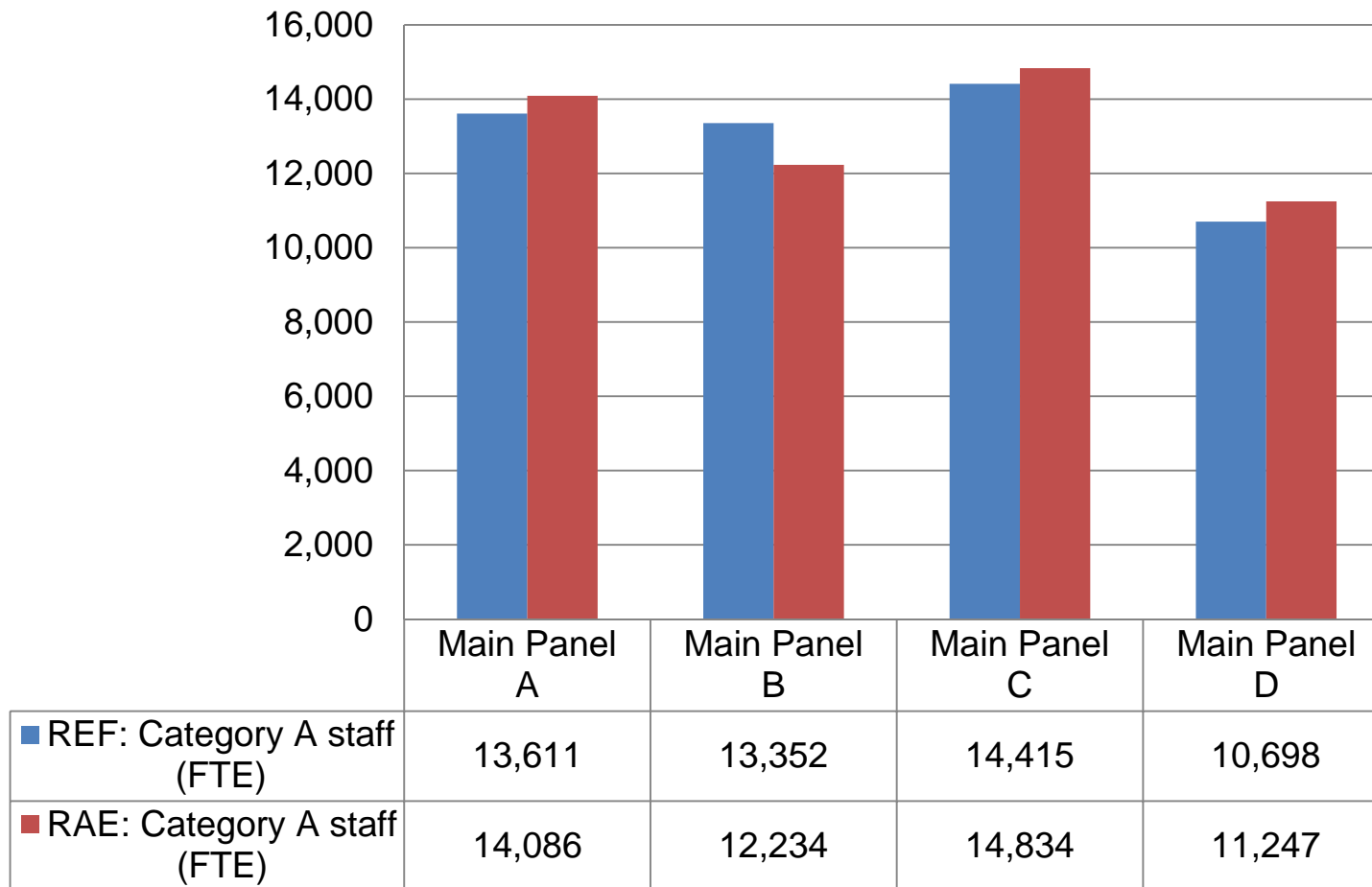
All 155 HEIs submitted by the deadline.

Panel meetings have started.

Results will be published on 18 Dec 2014.

	2014 REF	2008 RAE
Submissions	1,911	2,363
Cat A staff (FTE)	52,077	52,401
Staff with clearly-defined circs	15,329	n/a
Staff with complex circs	1,032	n/a
Outputs	191,232	215,507
Case studies	6,975	n/a

# Staff volume by main panel



# REF impact case studies

- *The 7000 impact case studies represent an unprecedented and rich source of information about the impact of excellent research in Universities*
- *HEFCE plans to make the case studies available as a mineable database*
- *RAND evaluation: Commissioned by HEFCE to undertake a comprehensive evaluation, looking at:*
  - *The benefit and burden associated with impact submission preparation*
  - *To recommend possible refinements of the process for future exercises*
  - *To identify good practice across the sector.*

# Student number controls for 2014-15

*Our principle has been to allocate SNCs in the following way:*

Recruited strongly in 2013-14	Significantly under-recruited in 2013-14
<ul style="list-style-type: none"><li>• Increased baseline SNC to level of 2013-14 recruitment, but to a maximum top of the flexibility range</li><li>• 6% flexibility (or 15 places) on top of new SNC</li></ul>	<ul style="list-style-type: none"><li>• SNC reduced to reflect recruitment below bottom of flexibility range in 2013-14</li><li>• 6% flexibility (or 15 places) on top of new SNC, <i>plus</i> additional flexibility where necessary to ensure 2014-15 SNC is at least the level of 2013-14 SNC</li></ul>



# Research: £1.6 billion

Funding for science and research is maintained in cash terms:

- No changes to method of allocation in 2014-15
- HEFCE will continue to focus on world-leading and internationally excellent research (4\* and 3\* in 2008 RAE)
- Support for institutions undertaking research funded by charities (£198 million) or business and industry (£64 million) maintained
- Support for the next generation of researchers:
  - funding for research degree supervision maintained at its peak level of £240 million.

# Economic impact of knowledge exchange

- KE income reported by HEIs in HEBCI survey reached £3.4bn in 2010-11, a real-terms increase of 45% since 2003-04
- Every £1 of HEIF produces £6.30 in economic impact/income
- Strategic commitment to KE by most HEIs
- Development of increasingly long-term and in-depth relationships with business – platform for economic impacts of research and teaching.

# Knowledge exchange: £160 million

Funding for knowledge exchange through Higher Education Innovation Funding (HEIF) is increased by £10 million, reflecting successes:



University of Hull



University of Oxford

# Capital and special funding: £429 million

- £280 million in capital grants and £149 million in special funding to support key activities and partnerships.
- £300 million (£120M in 2013-14) for UK Research Partnership Investment Fund, leveraging double match funding from industry to secure a £1 billion investment.



March 2013/04

Issues paper

This report is for information

This report provides an overview of the financial health of the higher education sector in England. The analysis covers financial results for the academic year 2011-12 and forecasts for 2012-13, as submitted to HEFCE in December 2012.

## Financial health of the higher education sector

### 2011-12 financial results and 2012-13 forecasts

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# Conclusion

- Context is changing quickly, inexorable rise of the BRITMICK and MENA countries (e.g. KAUST in Saudi Arabia; Albukhary International U. in Malaysia; Ambedkar, Jindal Global in India) – a challenge to US/UK pre-eminence?
- UK universities' increasing involvement with TNE; Nottingham in Ningbo & Malaysia, Liverpool in Xian.
- HEFCE, our role in the future will be much different from that of the past – what is the extent of our powers without legislation? Greater emphasis on the student interest.





# How to find out more about HEFCE

**e-mail** [hefce@hefce.ac.uk](mailto:hefce@hefce.ac.uk)

**Twitter** <http://twitter.com/hefce>

**web-site** [www.hefce.ac.uk](http://www.hefce.ac.uk)

admin-hefce e-mail distribution list  
HEFCE update, our monthly e-newsletter



# Thank you for listening

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