

HEFCW Corporate Strategy 2010-11 – 2012-13**Contents**

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Introduction

For our Future, the Welsh Assembly Government's strategy for higher education, published in December 2009, sets a clear framework for the development of higher education in Wales within which we will work in delivering this Corporate Strategy. Our primary aim within the planning horizon will be to deliver *For our Future* and the structure of our Corporate Strategy is based on its key themes.

As is made clear in *For our Future*, higher education already plays a strong role in the social and economic well being of Wales and has a strong presence more widely in the UK and beyond. But *For our Future* emphasises that there is much more to be done. We agree, and add that the pressure to improve the performance of higher education is heightened by the economic context within which publicly funded education will find itself for the next several years. Against this background, strengthening its contribution to social justice and to supporting a buoyant economy will be a significant challenge for higher education in Wales not least because, to meet fully the needs of Wales, higher education in Wales will have to balance its responsiveness to local demands with a need to remain competitive on an international stage.

We welcome the fact that we have been tasked by the Welsh Assembly Government to deliver *For our Future*. We will engage with providers of higher education, and a range of other stakeholders, to ensure that the twin pillars of social justice and supporting a buoyant economy are at the core of government funded higher education in Wales. We will work to develop a higher education system in Wales where all who are able may benefit from higher education, where the student learning experience is of high quality and where graduates are equipped for the world of work and their roles as citizens. We aim to develop a higher education system which delivers more productive relationships between higher education providers and organisations in public and private sectors and in local communities and we aim to deliver improved research performance to underpin the knowledge economy along with cultural and social renewal.

It will not be possible to achieve what is needed unless we change how higher education is run and delivered. We set out in this strategy our view of what the higher education system in Wales needs to achieve in the coming years, what specific targets will enable progress to be

monitored, and what the conditions of success (including structural considerations) are likely to be. Increasingly, we will deploy our core funding in a way which focuses on delivery of our core objectives. We will establish a regional approach to the delivery of teaching and other elements and, where appropriate, top-slice our core funding to establish budgets to support these developments. The role of staff in the higher education sector is crucial and needs to be developed. The quality of governance and management also needs continual development and improvement in the face of the changing environment.

This new system approach to Welsh higher education is a major challenge for the sector and for us. In developing this new strategy, we have reviewed the progress made against our previous strategy. We recognise elements which have been achieved successfully and others where progress has not been as clear as we would have wished. In particular, broad structural change, and embedding a deep culture of collaboration, with some notable exceptions, remains work in progress. Rising to this challenge, while sustaining provision in a difficult financial context, will not be easy for providers. Securing the necessary progress and change, while successfully delivering existing commitments, will also be a serious challenge for providers and HEFCW. In addressing these challenges, we are committed to ensuring that the higher education system in Wales is excellent, sustainable, and meets the needs of Wales at the beginning of the 21st century.

Addressing these challenges requires governors and senior management to position their institutions to deliver for Wales for the long term, and to embrace and embed a culture of collaboration including, where appropriate, mergers. This is not a time for 'business as usual'.

Influencing Factors

For our Future defines the twin priorities for higher education in Wales as enhancing social justice and supporting a buoyant economy. We fully support these priorities. It is critical, though, to recognise, and work with, their interdependence. To get the best contribution from higher education to Welsh Assembly Government priorities, we need a coherent and mutually reinforcing approach.

In this strategy, we reflect the complex ways in which higher education activities contribute variously to both priorities. Research, for example, contributes directly to the development of a buoyant economy through knowledge exploitation. A strong economy, though, is a pre-requisite to the provision of resources through which the more endemic sources of social inequality can be tackled. Higher level learning can improve the skills levels in society, thereby enhancing economic productivity, but is also a key factor in equipping people to play a full part as citizens.

In addressing the twin pillars of social justice and a buoyant economy we identify five key strategic themes, each of which contributes to both. We also identify two enabling themes on which clear, focused action is required to secure optimum progress on the five strategic themes.

The five key themes are: Widening Access, Student Experience, Skills, Knowledge Transfer and Research. Progress on each will require further work in respect of Reconfiguration and Collaboration and Governance.

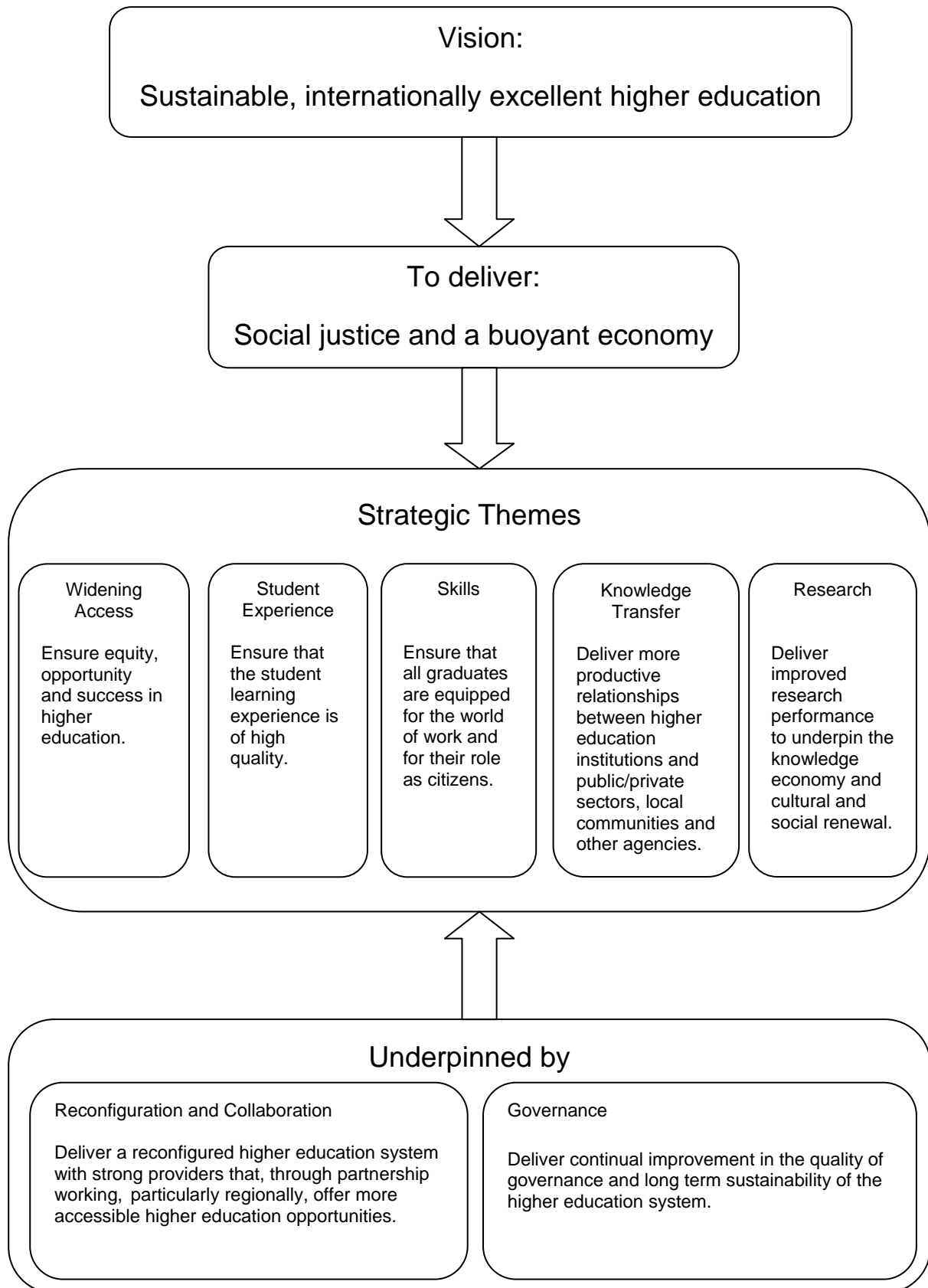
The economic context within which this strategy will be delivered will be challenging. Irrespective of future decisions by the Welsh Assembly Government over higher education budgets, pressures in other parts of the public and private sectors are likely to reduce the resources available to the sector over the lifetime of this strategy. Under these circumstances, we need to focus our resources more sharply on Welsh Assembly Government priorities: more strategic use of core funding will be required. Institutions will have to become even more effective in securing additional income streams, including from overseas. In order to deliver for the needs of Wales, they will need to be successful in increasingly tough international competition for students, for staff and for other funding, particularly research contracts. We recognise too the interdependence between the ability to win these additional income streams and the use made of our core funding.

This strategy has been informed by consideration of the extent to which the aims of our previous strategy have been met. A full analysis of progress will be placed on our website (www.hefcw.ac.uk). As might be expected from such an extensive range of targets, progress has been mixed. We need to note, too, that data constraints mean that we are assessing progress towards the *Reaching Higher* targets for 2010 some years before any 2010 data becomes available. Generally, however, the sector has managed to remain financially secure, and there have been few governance concerns over the period. Widening access performance has been good, as has the quality of the student experience, although student retention merits improvement. The number of students studying through the medium of Welsh has increased, as has recruitment of international students. Direct economic contribution has also been good relative to UK norms.

But there is no room for complacency. We need further improvement across all these areas in order to deliver *For our Future*. This need is clearest in respect of research, where Wales does not secure its proportional share of research council income and has too many research teams that lack scale and scope. Too many of our universities are small by UK standards, raising challenges over competitiveness and sustainability.

Against the policy context of *For our Future* and the current economic situation, and informed by an analysis of progress over recent years, we set out below our high level strategy for HEFCW, and for higher education, for the medium term. This strategy will be supported by annual operating plans which will detail activities to be undertaken each year in pursuit of the strategy.

Our strategic framework



Vision

To develop and sustain internationally excellent higher education in Wales, for the benefit of individuals, society and the economy, in Wales and more widely

Mission

We strategically use funding from the Welsh Assembly Government and others to:

- *secure higher education learning and research of the highest quality;*
- *make the most of the contribution of higher education to the culture, society and economy of Wales;*
- *Ensure high quality, accredited teacher training across Wales.*

In order to

- *Enhance social justice;*
- *Support a buoyant economy*

Key Strategic Themes

Widening Access

Ensure equity, opportunity and success in higher education

Social justice is a key Welsh Assembly Government priority. Higher education has an important contribution to make to this aim in terms of widening access. The Welsh sector continues to perform well against UK performance indicators in this area but we want to see a continuing drive for further improvement. During the period of this strategy we will refocus our approach to widening access, including the Reaching Wider Initiative. We will drive strategic approaches to widening access for all ages through our revised funding arrangements, including through premium payments. We will encourage higher education providers to improve the evidence base, including data collection, to inform their strategies and to demonstrate impact and success. There will be a particular focus on part-time (including innovative approaches to flexible and work-based) provision, fair access to the professions and on retention – with an emphasis on helping students to complete their learning objectives successfully. We will continue to focus our widening access programmes on the Welsh Assembly Government's Communities First programme and will strengthen our funding drivers to support our widening access objectives.

A fundamental new element in this corporate strategy is the requirement for a regional approach to the planning and delivery of higher education. This approach will deliver improved progression rates to, and through, higher education, by the end of the strategy period. During the period of this strategy we will work with partners to support the Universities Heads of the Valleys Institute. We will review the structures of our Reaching Wider partnerships to further align with our regional approach. We will work with Welsh Assembly Government officials to rationalise student bursary arrangements, including through fee plan arrangements.

In the area of Widening Access we will work particularly towards the following *For our Future* expectations:

- Participation is maximised through different and more flexible ways to experience higher education, including through part time study
- Inconsistencies in access and opportunity are addressed
- Refocus our approach to widening access to higher education

Student Experience

Ensure that the student learning experience is of high quality

For our Future puts a particular emphasis on the student voice. We will continue our partnership working with the National Union of Students - Wales, and others, through the Wales Initiative for Student Engagement (WISE) and supporting the 'Have Your Say' campaign. Through our approach to quality enhancement, we will encourage institutions to continuously enhance the student experience, including through the National Student Survey and our support for sector agencies which are able to provide UK wide approaches to working with the Welsh higher education system.

During the period of the strategy we will work to establish the Coleg Ffederal to improve the extent of Welsh medium provision. We will support the Welsh Assembly Government's international strategy and ensure that higher education institutions contribute effectively to the Bologna process. We will also work with providers to encourage innovation in programme design and modular approaches to improve the flexibility of provision, building on the existing advantages of the Credit and Qualifications Framework for Wales (CQFW) and our credit-based funding method.

In terms of the Student Experience, we will work particularly towards the following *For our Future* expectations:

- Continuing efforts are made to deliver an excellent student experience
- Enable study through the medium of Welsh to take place in a wider range of programmes and locations in Wales
- Ensure that the student voice strengthens higher education

Skills

Ensure that all graduates are equipped for the world of work and for their role as citizens

The report of the *Review of Higher Education in Wales* (the Jones review), published in 2009, noted that some areas of Wales have 'significantly lower than average skill levels and fewer local opportunities to access higher education.' During the period of this strategy we want to see an increase in skills levels across Wales at CQFW level 4 and above and closer working between higher education providers and employers to meet business higher level skills needs including for those already in the workforce.

To those ends, we will actively support the delivery of *Skills that Work for Wales*. Our flagship employability initiative, GO Wales, will continue to work with higher education institutions to offer graduate placement opportunities and to roll-out our new Graduate Academy and Freelancer programmes. We will also encourage increased work-based learning at higher education level and further opportunities for work placement. This will include promoting greater diversity and flexibility in programme design and delivery to match need and demand, including through

increased use of CQFW and the accreditation of prior experiential learning.

A key vehicle for taking forward our objectives will be the Foundation Degree, and we will work with the Welsh Assembly Government to take forward its new Foundation Degree policy, the sector's new European funded foundation degree provision and related developments in the Universities Heads of the Valleys Institute, including in higher education institutions and further education colleges.

In the area of Skills, we will work particularly towards the following *For our Future* expectations:

- A greater proportion of the population achieves higher level skills
- Develop greater diversity and flexibility in programme design, duration and delivery to match need and demand
- Improved part-time learning opportunities are offered
- Employability is a key outcome of the higher education experience
- Strengthen the contribution of higher education to workforce development

Knowledge Transfer

Deliver more productive relationships between higher education institutions and public/private sectors, local communities and other agencies

Higher education institutions already play a key role in supporting economic development in Wales. However, more needs to be done to meet the needs of employers and to ensure that the knowledge

developed in higher education can be made accessible for development in the business community.

During the period of this strategy we will drive forward our work with the sector, alongside activity led by the Welsh Assembly Government, to improve closer working with business and increased commercialisation of research. We will support the development of a more effective portal for higher education services targeted at employers. We will also work with higher education providers on a regional basis to develop their links with business and civic roles.

In the area of Knowledge Transfer we will work particularly towards the following *For our Future* expectations:

- The economy is supported by strengthened and systematic knowledge exploitation
- The cultural and civic role of higher education is enhanced

Research

Deliver improved research performance to underpin the knowledge economy and cultural and social renewal

Our key focus during the plan period will be on securing sustainable excellent research in higher education by building up quality and quantity to strengthen the research base in Wales. We will direct our funding to support this aim. This will mean a consolidation of funding and support for research collaborations which will increase access to Research Council and other sources of external funding, focusing on critical mass and quality.

We will increase strategic support for postgraduate research and aim to increase the size of the postgraduate community in Wales, recognising the opportunities that will present to unlock the economic potential of Welsh businesses. We will expect higher education institutions to take an increasingly strategic approach to their management of research.

In terms of research, we will work towards the following *For our Future* expectations:

- Research activity thrives and is effective
- Increase the impact of university research, through targeting support on areas of strength and national priority, and promoting collaboration

Enabling Themes

Reconfiguration and Collaboration

Deliver a reconfigured higher education system with strong providers that, through partnership working, particularly regionally, offers more accessible higher education opportunities.

For our Future expects a step change in performance of higher education in Wales. This includes the development of a significant regional dimension to delivery. We will seek regional strategies from higher education providers to ensure that local and regional needs and priorities are better identified and met.

In this document we have given our view on what the higher education system in Wales needs to achieve in the coming years, what specific targets will enable progress to be monitored, and what the conditions of success (including structural considerations) are likely to be. Embedding a culture of collaboration (including mergers where appropriate) and where working together and eradicating unnecessary competition between Welsh higher education providers is the norm, will be essential to ensuring that the sector remains sustainable in a strongly competitive UK and international context. We will review this position as events unfold, not least in respect of the development of responses to the regional agenda, and of collaborative and other structural changes within the higher education system in Wales. We will review our funding methodologies to ensure that they support the delivery of *For our Future* priorities.

In terms of Reconfiguration and Collaboration we will work particularly towards the following *For our Future* expectations:

- A regional dimension to planning and delivery of higher education

- Increased collaboration among higher education providers and between higher education and other providers

Governance

Deliver continual improvement in the quality of governance and long term sustainability of the higher education system.

We recognise the essential role of governors in setting the strategic direction of institutions and in holding executive teams accountable for the performance of institutions. This requires governing bodies to support executive teams in moving beyond the constraints of current, essentially historical, sector structures and practices and adopting an holistic view of how the higher education system can best meet the needs of Wales.

We will continue to take forward our new strategic engagement process with higher education institutions, one of the aims of which is to strengthen governance across the sector. We will fund collaborative work to support institutions in their efforts to improve leadership and management, gaining from UK-wide approaches. During the period of the strategy, we will contribute to, and build from, the results of the review of governance in higher education announced by the Minister in March 2010, with a view to building on existing good practice, identifying current and future developmental needs and promoting or encouraging new programmes of development and frameworks of support.

In the area of Governance we are working particularly towards the following *For our Future* expectations:

- Promote the role of higher education providers as Corporate Citizens
- Review institutional governance in higher education

HEFCW's role

HEFCW is an Assembly Government Sponsored Body (AGSB) with statutory responsibilities to administer funds made available by the Welsh Assembly Government to support education and research by higher education institutions in Wales, and certain higher education courses at further education colleges. We also accredit providers of initial teacher training for school teachers and commission research to improve the standards of teachers and teacher training.

We also have statutory responsibilities in relation to equality and diversity, including performance in the higher education sector, freedom of information and data protection.

We can deliver our policy objectives and provide an effective service to the Welsh Assembly Government, the higher education system and other stakeholders only if we provide an environment in which our staff can realise their full potential.

We rely on four main mechanisms for assessing the degree to which we have met our objectives:

- Welsh Assembly Government performance reviews and monitoring;
- Investors in People
- Stakeholder Surveys
- Staff Surveys

During the period of this strategy we will conduct a further stakeholder survey, building on the outcomes of the first survey we conducted in 2007-08 and we will respond to the Welsh Assembly Governance Review of HEFCW, which was conducted in 2009-10.

Indicators

[Quotations below are from *For our Future* or other related Welsh Assembly Government statements, sometimes paraphrased]

Widening Access:

1. **Communities First:** The percentage of all Welsh domiciled undergraduate new entrants to higher education courses at HEIs and FEIs in Wales who are domiciled in the Welsh Communities First Areas.

Purpose: to capture 'improved access and progression' for people in the most deprived areas of Wales

2. **Learning Success:** The module completion rate.

Purpose: to increase the number of students who 'successfully complete their learning objectives'

[Note: we need better measures of retention to reflect the 'step on-step off' character of lifelong learning]

Other measures to cover:

Disability

Ethnicity

Care leavers

Socio-economic class

Student Experience:

3. **Welsh medium:** the number of students undertaking some element of their course through the medium of Welsh

Purpose: to support work of Coleg Ffederal – which may develop further targets

4. **Overseas students:** the percentage change in the number of overseas students attending higher education courses in Welsh HEIs to be equal to, or greater than, the comparable figure for UK HEIs (excluding London and the South East)

Purpose: current Reaching Higher target; aims to continue to see Wales outperform UK-wide movement in recruitment

Other measures to cover:

National Student Survey Results

Quality Assurance Agency
Institutional Review outcomes

Skills:

5. **Employability:** Employment of graduates from Welsh HEIs to be at least equal to UK average

Purpose: benchmark Welsh performance against potentially moving UK performance

6. **Skills:** The achievement of qualifications (credit) at level 4 and above

Purpose: upskilling workforce

7. **Foundation Degrees:** Growth in employer-led Foundation Degree Provision

Purpose: 'greater flexibility in structure, size and delivery of programmes'; 'many more people able to progress their higher education in steps through focussed and employer-led part-time and work based higher education'; 'stronger interaction between providers and businesses'

8. **Part-time:** The total number of part-time new entrants to higher education in Wales

Purpose: to capture 'more people experiencing higher education in ways which are different from the traditional full time degree course'; to address upskilling or people in work'

9. **Learners in work:** Growth in number of learners outside 'traditional undergraduate' age range'. Perhaps count enrolments in all modes other than Postgraduate Research (PGR) of learners aged 25 years or more.

Purpose: to capture 'more people in Wales to experience higher education, and be equipped with higher level skills'

Knowledge Exploitation:

10. **Knowledge transfer:** The number of joint research, consultancy, license and similar contracts agreed.

Purpose: Evidence of 'stronger interaction between providers and businesses' 'stronger capacity and capability to exploit knowledge'; research that is jointly specified from the outset between provider and user is much more likely to be exploited

Other measures to cover:

A basket of indicators from the Higher Education Business and Community Interactions Survey (HEBCIS), including measures of income from licenses and patents

11. **Clearer gateway to higher education services:** The number of business portals in higher education to reduce

Purpose: 'stronger interaction between providers and businesses'; stronger capacity and capability to exploit knowledge'; simplification for access to higher education support

Research:

12. **Research Income:** Either Research Council income and Income from other sources or a rise in total income (a combination of the two)

Purpose: More effective research through focussing investment on areas of strength

Reconfiguration and Collaboration:

13. **Reconfiguration and Collaboration:** Size of institution (on a basis to be determined) relative to size of higher education institutions in the UK.

Purpose: Encouragement of reconfiguration and collaboration to secure greater strength from critical mass in a competitive UK market

Governance:

14. **Sustainability:** HEFCW Funding as a percentage of total funding to reduce year on year

Purpose: evidence of diversification of funding sources, taking this to be a factor in long-term resilience

15. **Sustainability:** Staff costs as a percentage of income not higher than UK average

Purpose: evidence of good control over the largest element of HEI costs

16. **Overall efficiency of resource use:**

Finally, we will need to develop measures of overall efficiency of resource use. Possibilities include:

- Teaching: time series showing unit of resource
- Research: other research income levered from HEFCW funding; or, per member of staff;
- Carbon Management;
- Other estates measures (eg space usage)

Purpose: to assess overall effectiveness of use of public funding of HE