

Impact Assessment for HEFCE's draft Business Plan, 2015-2020

Main Contact: Jessica Trahar

Summary

Assessment Area	Impact Rating
Equality	Positive
Regulation	Positive
Sustainability	Positive
Student Interest and choice	Positive
Economic Impact	Positive
Privacy	None

Key impacts identified

Equality

We have judged that this draft Business Plan will have a **positive** impact on equality. Some of our proposed activities will focus specifically on our role as a strong advocate for equality and diversity in relation to the characteristics protected by law. This is directly related to HEFCE's discharge of its general public sector equality duty. We are also committed in this plan to working with higher education providers across the sector to improve outcomes for all groups currently under-represented in higher education.

Regulation

We have judged that this draft Business Plan will have a **positive** impact on regulation in the sector. Our draft Business Plan has been developed at a time of uncertainty regarding the future regulatory framework for higher education, including the current absence of primary legislation. As lead regulator for the higher education sector, we will ensure that our processes are risk-based and proportionate, and will seek to reduce any unnecessary bureaucratic burdens on providers while creating an environment that stimulates excellence, innovation and enhancement. We will seek to do this by being an intelligent lead regulator of the sector which respects the autonomy of higher education providers but protects the interests of students.

Sustainability

We have judged that this draft Business Plan will have **positive** impact on sustainability. We are committed in this plan to continue to support best practice in estates management, sustainable development and carbon reduction. We will continue to maintain strong relationships with the relevant sector bodies and with third-party funders, to support further investment, sharing of good practice, and innovative activity.

Student interest and choice

We have judged that this draft Business Plan will have a **positive** impact on student interest and student choice. Our primary aim is to create and sustain the conditions for a world-leading system of higher education which transforms lives, strengthens the economy and enriches society. The student interest is fundamental to this vision and is an important driver in our role as lead regulator.

Economic impact

We have judged that this draft Business Plan will have a **positive** economic impact. One of the major priorities for our work is to ensure a high-performing and sustainable sector which benefits society and the economy. There are a range of areas of work that we believe will have a positive economic impact at both a local and national level.

Links to other policies or impact assessments

This draft Business Plan sets out at a high level our proposed priorities and commitments for the next five years. In all cases, where a new policy is announced in the Business Plan, an impact assessment will be undertaken separately as part of the development of the policy itself.

At what stage of the development process is this assessment being undertaken?

This impact assessment has been undertaken following development of a draft Business Plan for HEFCE and prior to seeking views from the sector, students and our stakeholders. As the Business Plan is finalised, we will also update this impact assessment on the basis of feedback received.

Further Information

Available from Jessica Trahar (e-mail j.trahar@hefce.ac.uk).

Approval

Signed by: _____ Date: _____

Background to the Policy

HEFCE's current Business Plan runs from 2011 to 2015. During 2014 HEFCE has been developing a new Business Plan for 2015 to 2020. A draft Business Plan has been approved by the HEFCE Board and we are now seeking views from the sector, students and our major stakeholders on our draft plan.

The draft Business Plan sets out the priorities and commitments for HEFCE over the next five years. It provides objectives for each of our five directorates and proposed performance measures. A separate document will describe the main activities which will deliver our objectives for the academic year 2014-15, and how we are allocating our resources across the organisation to enable this. The document will be published alongside the five-year plan and will be updated each year.

Equality impact assessment

We have judged that this draft Business Plan will have a **positive** impact on equality. Some of our proposed activities will focus specifically on our role as a strong advocate for equality and diversity. This is directly related to HEFCE's discharge of its general public sector equality duty.

We will promote and support best practice with the sector, and will specifically seek to encourage greater diversity within governing bodies in the publicly funded sector.

Our work in relation to social mobility should have a positive effect on students who are currently under-represented in higher education, including those with protected characteristics. Through our support to the sector we are seeking continued improvement in participation rates for those under-represented in higher education, as measured by the Participation of Local Areas measure and other indicators. Through targeted funding and the dissemination of research findings, we seek to change approaches and interventions to improve the outcomes for all groups who are under-represented in higher education. We are seeking to observe improvements across the student life-cycle through positive action, extending from retention to academic attainment, progression to postgraduate study and graduate employment. This will be demonstrated by reference to the current baseline of sector-adjusted average measures set out in the 2013 report 'Higher Education and beyond: Outcomes from full-time first degree study' (HEFCE 2013/15), which include black and minority ethnic groups, men, disabled students and students from low participation neighbourhoods.

We do not believe that policies that arise from our draft Business Plan encourage unlawful discrimination in relation to the Equality Act 2010.

Regulatory impact assessment

We have judged that this draft Business Plan will have a **positive** impact on regulation. Our draft Business Plan has been developed at a time of uncertainty regarding the future regulatory framework for higher education, including the current absence of primary legislation. As lead regulator for the higher education sector, we will ensure that our processes are risk-based and proportionate, and will seek to reduce any unnecessary bureaucratic burdens on providers while creating an environment that stimulates excellence, innovation and enhancement. We will seek to do this by being an intelligent

lead regulator of the sector which respects the autonomy of higher education providers but protects the interests of students.

In the early years of this Business Plan we will seek to optimise regulation within existing powers. Alongside this, we will work with Government, the sector, and other partners to develop the building blocks of a more comprehensive regulatory regime which better fits the new market context for higher education.

We will undertake separate impact assessments for specific areas of work in the Business Plan, including our regulatory work in developing future quality assessment arrangements, our proposed work with the sector to explore ways to protect the interest of students in the event of course or provider failure, and other areas of policy development, particularly work relating to research, knowledge exchange, teaching and learning and social mobility. Where there are new activities proposed, these may require the collection of more data from institutions. We will seek to minimise the impact of such activities on the sector as far as possible and will ensure that institutions are consulted on significant changes. Where appropriate, we will work closely with partner organisations to ensure coherence and avoid duplication.

The publication of this draft Business Plan, and the opportunity for the sector to provide comment, may have a positive effect on higher education providers' ability to plan their work. It offers a useful and wide-ranging picture of HEFCE's activities, which span the whole higher education landscape.

Sustainability impact assessment

We have judged that this draft Business Plan will impact **positively** on sustainability. We are committed in this plan to continue to support best practice in estates management, sustainable development and carbon reduction. We will continue to maintain strong relationships with the relevant sector bodies and with third-party funders, to support further investment, sharing of good practice, and innovative activity.

A primary aim of this Business Plan, and therefore of the work of the organisation over the next five years, is to support an economically sustainable world-leading sector. Public finances are likely to remain stretched in the period of this Business Plan, and correspondingly there will be a sharpening focus on evidencing the efficiencies delivered by the sector. We are committing in this Business Plan to working with sector organisations to support the delivery of further sustainable efficiency savings. This work will seek to enhance the financial viability of institutions and the sector as a whole.

Our draft Business Plan spans our work across research, education and knowledge exchange. We are continuing to champion the dual-support mechanism for research funding, and the vital flexibility which quality-related research funding gives universities to implement their own research agendas, to fund promising new areas, to respond to regional geographic opportunities, and to provide the environment for nurturing new generations of researchers. Such aspects will be fundamental to the continued sustainability of the UK's world-leading research base.

Student interest and student choice impact assessment

We have judged that this draft Business Plan will have a **positive** impact on student interest and student choice. Our primary aim is to create and sustain the conditions for a world-leading system of higher education which transforms lives, strengthens the economy and enriches society. The student interest is fundamental to this vision and is an important driver in our role as lead regulator. As noted above in relation to regulatory impact, in the absence of primary legislation we are seeking to optimise regulation within existing legal powers. This includes exploration with the sector of the ways in which we might protect students who, through no fault of their own, are unable to continue their programme of study with their initial provider.

As noted above, our policies relating to social mobility are designed to have a positive impact on student interest and on student choice, highlighting the critical role of universities and colleges in enabling individuals from all backgrounds to achieve their full potential as citizens, as professionals, and as highly skilled and valued employees. Our draft Business Plan has a renewed focus on teaching excellence which is of critical importance to students. We are committing in this plan to stimulating greater innovation in teaching and to the better sharing of excellent and expert practice, working closely with the sector and partner organisations.

We are also placing a priority on our work to ensure that students have relevant and trustworthy information about providers, which plays a major role in supporting student choice. We are committed in this plan to making appropriate changes to the National Student Survey after consultation and careful piloting.

We will continue to support the upturn in participation in science, technology, engineering and mathematics subjects, and will give greater attention to high-level technical knowledge and skills. This should have a positive impact on both student interest and student choice, improving the range of professionally recognised technical qualifications on offer to students at bachelors and masters (or equivalent) levels. It should improve progression from intermediate to advanced levels, including pathways from apprenticeships and foundation degrees.

Economic impact assessment

We have judged that this draft Business Plan will have a **positive** economic impact. As noted in the sustainability section above, one of the major priorities for our work is to ensure a high-performing and sustainable sector which benefits society and the economy. We believe several areas of work will have a positive economic impact at both a local and national level. This includes our work in ensuring that progression to postgraduate level is genuinely open to all who are appropriately qualified and could benefit from it, and that we continue to attract the strongest candidates for postgraduate research regardless of socio-economic background. For example, we will be working with Government to develop finance schemes that enable this aspiration to be met, and with providers to shape courses which address the demand for postgraduates with the advanced skills and knowledge needed in the economy.

Our proposed programme of work with regard to knowledge exchange and local economic growth should have a direct, positive economic impact. During the period of

this draft Business Plan, HEFCE will seek to support universities in their local strategies, providing advice where appropriate (for example, in relation to accessing European Structural and Innovation Funds), convening events where information and new requirements can be shared, and working with relevant organisations. For example, as part of this agenda, HEFCE has created and shared interactive maps which identify geographic 'cold spots' which lack higher education provision altogether or are deficient in provision related to particular economic sectors such as engineering.

Higher Education Innovation Funding has been successful in increasing and embedding all these types of knowledge exchange activity, as demonstrated in the annual Higher Education – Business and Community Interaction Survey. We will continue to make the case for Higher Education Innovation Funding and, through a review of the criteria, make sure that it is still appropriately aligned with the best international practice in knowledge exchange and with government priorities for the economy.

Changes in public funding for higher education have a potential negative effect on institutions. While some factors may be outside of our control, we will work with the Department for Business, Innovation and Skills and other government departments during the next spending review to develop a compelling case for funding in higher education. We will also work with others to influence, lever and maximise the investment in English higher education in future.

Privacy impact assessment

We do not consider that this draft Business Plan will have a negative impact on privacy. The priority areas of work as set out do not require us to share information about individuals outside HEFCE.