Summary HEFCE operating plan for 2006-09
Updated April 2008

Contents

Introduction

This summary operating plan sets out the activities we will need to undertake during the period 2006-09 to deliver the priorities identified in our 2006-11 strategic plan (HEFCE 2008/15).

We updated our operating plan and strategic plan in April and May 2008 to ensure that they remain fit for purpose as circumstances change. Amendments to the activities in this operating plan for 2008, and the reasons for them, are contained in **Appendix A** (page 21).

We have added a new section to the operating plan this year – employer engagement and skills. Our work in this area was previously embedded in the 'Enhancing excellence in learning and teaching' section. We have separated this out to reflect the growing importance of this area of our work and to ensure that clear reporting can be provided on our employer engagement and skills activities.

Links to strategic objectives, key performance targets and risks

We have linked the activities in this operating plan to specific objectives and key performance targets (KPTs) in the strategic plan. These links show how the activities contribute to the achievement of objectives and KPTs, so that it is clear which areas of work are contributing to which strategic priorities. We have also explicitly linked the activities to the key strategic risks that they will help to mitigate. The numbering of the risks follows the 2006-11 strategic plan, where we have organised our key strategic risks into three 'risk areas' (HEFCE 2008/15, 'Key strategic risks' section). Many of the activities indirectly support particular strategic objectives, KPTs and key strategic risks – however, in this document, we have highlighted only where there is a direct link between an activity and an objective, KPT or risk.

A full list of objectives, KPTs and risks can be found at **Appendix B** (page 29).

Outputs

We have identified some significant outputs for the activities. These are not intended to reflect all aspects of each activity – however, their achievement will give an indication of success in that area of work.

As we have now entered the last year of the plan, some of these outputs have passed their target date. We have left these in the plan as they remain a way for stakeholders to assess our progress. However, where required we have added additional key outputs for 2008-09 and updated others (see **Appendix A** on pages 21 to 28 for further detail).

Reporting progress against the plan

We will produce reports on progress against the plan every three months, which will be presented to our Board and published on our web-site. In producing these, we will take into account that the Board regularly receives detailed papers on significant areas of

work, and that we need to consider the impact, cost and quality of our activity as well as simply whether we have completed certain pieces of work on time.

Further information

For each of the activities we have also identified further detailed information in our full operating plan. This detailed information connects to lower-level plans developed for the different Council teams, and then to objectives for individual HEFCE staff. In this way we seek to ensure that throughout the organisation our work is focused towards the achievement of our strategic aims and objectives.

Further information on planning in HEFCE can be found on our web-site, under About us. Copies of our full operating plan, and any further information required on planning in HEFCE, are available from David Heron (d.heron@hefce.ac.uk, 0117 931 7105).

Enhancing excellence in learning and teaching

Activity	Objectives	Risks	KPTs	Key outputs	Target date
A1: Continuous improvement of learning and teaching We will seek continuous improvement of student learning through a number of different policies. These include: investment in excellence and innovation; continuing support for institutional strategies for professional development for teaching and learning; provision of accessible information about teaching quality for students and other stakeholders; and robust, proportionate quality assurance arrangements. The latter policy comprises many aspects of work, including: implementing a revised Quality Assurance Agency audit method; embedding and enhancing teaching quality information and the National Student Survey; improving connections between the various agencies involved in this area of work; and developing a new quality assurance framework for higher education in further education colleges (HE in FE). We will seek to strengthen the connections between quality assurance and quality enhancement, by increasing the enhancement value of quality assurance processes and teaching quality information, and through the development of a shared strategy between the Quality Assurance Agency and the Higher Education Academy.	O1 O5 O22 O27	R5 R9	KPT1 KPT2 KPT3	A new audit method successfully initiated, and better co-ordination among the Quality Assurance Agency, other external review agencies, and professional and statutory bodies that reduces or eliminates duplication in the external review process. A new Quality Assurance Agency method of reviewing HE in FE published after consultation.	March 2007
				A re-launch of the teaching quality information web-site and active use of the site by students, institutions and employers. Further education colleges (FECs) included in web-site data. A Higher Education Academy-led enhancement programme that focuses on priority areas identified from national audit outcomes and reflecting institutional priorities.	March 2009

Activity	Objectives	Risks	KPTs	Key outputs	Target date
A1: Continuous improvement of learning and teaching (continued) We will also develop a policy for the strategic support of HE in FE.				Interim evaluation of the Centres for Excellence in Teaching and Learning informs future policy on investment in excellence and enhancement. All higher education institutions (HEIs) offering programmes to new teaching staff (or enabling staff to register on Higher Education Academy-accredited programmes) that are accredited by the Higher Education Academy and referenced to the Professional Standards Framework. HE in FE strategy and all features agreed, plus plan and timetable for implementation. Review of Teaching Quality Enhancement Fund completed.	March 2009

Activity	Objectives	Risks	KPTs	Key outputs	Target date
A2: Flexible lifelong learning The development and implementation of a strategy for supporting flexible learning, including support for higher-level lifelong learning and the implementation of a national credit framework.	O2 O3 O7 O9 O22 O27	R12 R15	KPT2 KPT3 KPT4 KPT5 KPT6 KPT7	Flexible learning strategy published and a number of pilot projects initiated.	March 2007
				A national credit framework in place.	March 2009
A3: Facilitating stakeholder engagement Support to the sector to develop more effective methods for engaging students and others in the design, delivery and assurance of quality of HE and in dialogue over the appropriate purposes of HE. Implemented through support provided to the sector by related bodies and an active approach to stakeholder engagement in the development of policy for learning and teaching.	O2 O3 O7 O9 O22 O27	R15	KPT2 KPT4 KPT6 KPT7	New focus for related bodies defined.	March 2007
				Institutions routinely involve students in the design, delivery and assurance of learning and apply good practice promoted and demonstrated by HEFCE's related bodies and others.	March 2009
A4: Innovation and new technology To support innovative ways of delivering teaching and learning, and exploitation of new technology, to develop and enrich student learning and to make learning fully accessible and responsive to the needs and expectations of a diverse student population and to changing economic and social circumstances.	O2 O4 O9 O22 O25 O27	R7 R9 R12	KPT2 KPT4	Evidence of take-up in investment in e-learning from benchmarking and pathfinder projects.	March 2007
				Majority of institutions utilising e-learning technology to increase flexibility for students in their access to learning and teaching.	March 2009

Activity	Objectives	Risks	KPTs	Key outputs	Target date
A5: International connections and competitiveness Work with the sector and stakeholders (such as UK Trade and Investment and the British Council) to scope and implement a programme of support for institutions to better maintain and improve their international competitiveness and connections in relation to learning and teaching activities, benchmarking the performance and characteristics of the sector against comparator nations. Work on competitiveness will include market analysis, product development, trade missions and other marketing support, and improving the international student experience. In our work on connections we will look at international curricula, pedagogy, and support for HE in the developing world. We will also provide information and support for strategic partnerships between English HE and other countries. We will engage actively and efficiently in European discussions over the future European HE Area, both directly and through related and sector bodies.	O5 O18	R4 R6 R9		HEFCE international connections and competitiveness action plan produced.	March 2007
				Competitiveness of English HE providers improved, international student satisfaction with their English HE experience increased, and more extensive range of international learning and teaching established.	March 2009

Activity	Objectives	Risks	KPTs	Key outputs	Target date
A6: Developing the funding policy to meet strategic objectives Implementation of first stage of the review of teaching funding in 2007 and continuing development of the funding method so that it remains fit for purpose in changing circumstances. Development and implementation of the transparent approach to costing for teaching framework. Wider consideration of how special funding and allocation within the funding method work together to support the delivery of strategic objectives.	O6￼O27	R6￼R11		Detail of first-phase method for teaching funding developed and agreed and timetable of implementation specified. Framework for transparent approach to costing for teaching agreed.	March 2007
				New funding policy acknowledged as supporting our strategic aims and being fit for purpose in the first cycle (before the outcome of the Government's review of fee income in 2009).	March 2009

Widening participation and fair access

Activity	Objectives	Risks	KPTs	Key outputs	Target date
A7: Supporting collaborative activities Increasing demand for HE, and the opportunities to access it, through collaborative measures.	O7 O8 O9 O22 O27	R13 R14 R15	KPT6 KPT7	Components of Aimhigher evaluation pulled together to contribute to the Comprehensive Spending Review; longer-term (post-2006) evaluation policy to be developed.	May 2006
				Internal review of Disability Equality Partnership.	June 2006
				Decision taken on long-term future of Disability Equality Partnership.	June 2008

Activity	Objectives	Risks	KPTs	Key outputs	Target date
A8: Vocational progression and lifelong learning Work with partners to improve access and progression to HE for vocational learners, and to offer opportunities for lifelong learning, including in the workplace.	O2 O3 O7 O8 O9 O22 O27	R12 R14 R15 R22	KPT2 KPT3 KPT4 KPT5 KPT6 KPT7	Lifelong Learning Networks funded and their impact evaluated. This will look at, for example: the progression rates of vocational learners; culture change within institutions to reflect a greater acceptance of vocational routes into HE; impact on other widening participation initiatives, and learning and teaching initiatives such as Aimhigher and Centres for Excellence in Teaching and Learning; success of engagements with employers, Sector Skills Councils and Regional Development Agencies; sustainability; evaluation of HE in FE policy.	Dec 2008
A9: Embedding widening participation Work with HEIs, the Office for Fair Access and Action on Access to embed widening participation in corporate policy and practice.	O7 O8 O9 O10 O22 O27	R14 R15	KPT3 KPT4 KPT7	Widening participation embedded in institutional corporate plans and relevant strategies.	Dec 2007
				The HE contribution to widening participation is widely understood and reflected in sector commitments and broader educational policy development and implementation.	March 2009

Enhancing excellence in research

Activity	Objectives	Risks	KPTs	Key outputs	Target date
A10: Research excellence To assess, promote and demonstrate research excellence.	O11 O12 O18 O22 O27	R17 R18	KPT9	Research Assessment Exercise completed and new research assessment framework developed.	Dec 2009
A11: Research funding To allocate research funding which enables the sector to enhance the quality of its research output and make further progress towards the long-term sustainability of the HE research base.	O11 O14 O27	R7 R16	KPT8	Research quality maintained and enhanced.	Dec 2008
A12: The research base Targeted action to support desirable developments in the research base.	O11 O12 O13 O18 O27	R16 R17 R18	KPT8 KPT10	Initiatives that support strength and dynamism in the research base – including the Research Capability Fund and research capacity initiatives in conjunction with the UK Research Councils – are developed and administered.	Dec 2008
A13: People in research Monitoring and targeted action to support and develop a high quality and diverse research sector.	O11 O13 O26 O27	R5 R8 R18	KPT8	Initiatives that support the strength, diversity and replenishment of the research human resource base are developed and progressed.	Dec 2008

Enhancing the contribution of higher education to the economy and society

Activity	Objectives	Risks	KPTs	Key outputs	Target date
A14: Higher Education Innovation Fund (HEIF) To develop and manage HEIF[1] to achieve value for money and economic impact.	O11 O15 O16 O17 O18 O21 O22 O27	R19 R20 R21		Make allocations of HEIF 4 funds. Ongoing monitoring of successive HEIF rounds.	August 2008
A15: Performance improvement To support the HE sector improve individual (knowledge transfer professional) and organisational performance in third stream in order to achieve better value for money and increased economic impact.	O11 O15 O16 O22 O27	R5 R21		Good sector-wide progress demonstrated via annual statistics from the Higher education – business and community interaction survey, HEIF monitoring, and periodic evaluations. Third stream evaluation published.	Sept 2008
A16: Third stream indicators To develop and report on appropriate third stream indicators for informing policy development and funding (HEIF), and secure and conduct effective data collection methods.	O11 O15 O21 O27		KPT11 KPT14	Indicators delivered which meet the requirements of long-term programme and all stakeholders.	July 2007
				Higher education – business and community interaction survey for 2006-07 published.	May 2008

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[1] The summary operating plan the Board approved in April 2008 (B38/08) referenced the close of the Knowledge Transfer Capability Fund under this activity. This was included in error from an earlier version of the plan, as the Knowledge Transfer Capability Fund ended in 2006 – we have therefore removed this reference from this document and reported this to the Board in September 2008.

Activity	Objectives	Risks	KPTs	Key outputs	Target date
A17: Long-term third stream strategic development To conduct projects, research and evaluation, and stakeholder engagement towards development of a long-term strategy for third stream, including further development in: the social dimension (including public engagement); regional/national/global balance; case for additional funding; collaborations.	O11 O15 O16 O17 O18 O19 O20 O22 O27	R1 R2 R19 R20 R21	KPT12 KPT13	Funding secured at a level greater than that announced in the 2004 spending review, from a wider range of funders, and supporting a more diverse set of HE offerings which make greatest impact across all users.	Nov 2007
				Third stream evaluation providing evidence base for longer term strategy and funding.	Sept 2008
				HEFCE policies reflected in new government agendas (Sainsbury Review and science and innovation strategy).	Ongoing

Employer engagement and skills

Activity	Objectives	Risks	KPTs	Key outputs	Target date
A18: Growth in co-funded provision and building of capacity in HE to deliver workforce development To deliver on our targets for co-funding for 2008-2011 (at least 5,000 new entrants in 2008-09; 10,000 in 2009-10; and 20,000 in 2010-11). To put in place the institutional and sector capacity to deliver long-term growth targets for HE (by 2014 and beyond) to meet the Government's Public Service Agreement target for workforce qualifications at level four and above[2].	O2 O3 O7 O9 O22 O23 O26 O27	R4 R10 R15 R22	KPT5 KPT6	Develop and fund large scale co-funded projects in at least 15 institutions and develop good practice across the whole HE sector, including in HE infrastructure and in HEFCE's own systems to promote expansion of workforce development.	June 2009
A19: Enhancing graduate employability To support the HE sector in enhancing employability to maintain employment rates as the HE sector continues to expand. To ensure information on graduate labour market is up to date and well disseminated.	O3 O22 O27	R10		Maintaining high rates of graduate employment and ensuring prospective students and employers have up to date information on the market for graduate skills and graduate employment.	March 2009

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[2] The Government has set a Public Service Agreement target to 'Improve the skills of the population, on the way to ensuring a world-class skills base by 2020', with an underlying objective of over 40 per cent of the adult population qualified to level four and above. Level four and above covers level four to eight qualifications, which include foundation or first degrees, recognised degree-level professional qualifications, teaching or nursing qualifications, diploma in higher education, HNC/HND or equivalent vocational qualification, higher degrees, and postgraduate level professional qualifications. Alongside this, there is the target of 36 per cent of working age adults being qualified to level four and above by 2014.

Activity	Objectives	Risks	KPTs	Key outputs	Target date
A20: Increasing demand from business for higher level skills To work with demand-side partners to improve employer and employee awareness of the benefits of HE and increase demand for and investment in HE.	O7 O9	R22	KPT5 KPT6	HE is built into key activities and structures of organisations responsible for increasing employer demand.	Ongoing
A21: Foundation degrees To deliver 100,000 foundation degree students by 2010 and ensure continued quality of provision.	O2 O3 O7 O9 O27	R10 R15	KPT5 KPT6	Statistical analysis demonstrating steady progress towards 2010 target.	Nov 2008
A22: Long-term strategy and funding method to support workforce development Development of proposal for a new funding method to support workforce development provision from 2011-12.	O3 O6 O22	R1 R2 R10 R22	KPT5	Modelling and proposals for approaches to funding method to be developed for discussion with the Department for Innovation, Universities and Skills.	Dec 2008

Sustaining a high quality higher education sector

Activity	Objectives	Risks	KPTs	Key outputs	Target date
A23: Society's development through sustaining a successful HE sector To support society's intellectual, economic, social and environmental development through sustaining and growing a successful HE sector that is sufficiently vibrant and diverse.	O22 O27	R4	KPT15	Effective communication with and support to the sector.	March 2009
A24: Promote further development of leadership, governance and management To promote the further development of leadership, governance and management that will help institutions deliver and innovate by building on their individual strengths, locally, regionally, nationally and internationally.	O5 O10 O11 O16 O23 O27	R5	KPT16	A range of support and guidance provided to HEIs to help them enhance their capacity and capability in leadership, governance and management.	March 2009
A25: Risk-based accountability framework To sustain stakeholder confidence in HE through a risk-based accountability framework which places greater reliance on institutions' own accountability processes and demonstrates a well-led, managed and governed sector.	O24 O27	R4 R5 R6 R7	KPT17	To provide annual assurances to Parliament that internal control, corporate governance and risk management in the HE sector are effective, and that value for money is being achieved. To do this while reducing the cost of accountability by 20 per cent between 2004 and 2007, and by a further 10 per cent by 2011.	March 2009

Activity	Objectives	Risks	KPTs	Key outputs	Target date
A26: Continued investment in the HE infrastructure To promote and support continued investment in the HE infrastructure, so that it remains fit for purpose and can adapt to change, now and in the future.	O4 O13 O25 O27	R7	KPT10 KPT18	The HE infrastructure remains fit for purpose and can adapt to change.	March 2009
A27: Continuing development of people and organisational culture To support the continuing development of people and of an organisational culture in HEIs that is representative of society as a whole, and delivers high-quality provision now and in the future.	O1 O7 O13 O26 O27	R8	KPT19	By 2010-11 the HE workforce at a sector level will have increased proportions of female staff, disabled staff and staff from black and minority ethnic groups in senior positions, taken from a baseline established in 2003-04.	March 2009

Enabling excellence – HEFCE

Activity	Objectives	Risks	KPTs	Key outputs	Target date
A28: Leadership Ongoing development of a leadership style or styles across the Council which facilitate the achievement of the Council's mission and vision.	O28	R1 R3	KPT20	Changes to HEFCE's organisational design implemented.	Sept 2008
				Further development of an effective culture of excellence. Achievement of the 'Recognised for Excellence' award by the European Foundation for Quality Management.	Dec 2008
A29: Governance Ensuring effective corporate governance through the roles of the Chair, Board and audit committee.		R3		Process to review and enhance the effectiveness of the Board continues.	March 2009
A30: People The promotion and further development of a high-performance culture in HEFCE characterised by high-quality and timely delivery of results, using (where appropriate) creativity and innovation, based on relationships of openness, trust, respect, effective self-management and good communication.	O28	R3	KPT20	New people strategy agreed.	July 2008
				Staff are well managed and developed, as measured by the staff survey, with (where appropriate) effective action planning.	March 2009
A31: Policy and strategy Development of the Council's mission and vision through a clear, stakeholder-focused strategic plan, which is supported by policies, plans, objectives and targets, and takes into account evidence from research and evaluation and international intelligence.	O22 O27 O28 O29	R2 R3 R11	KPT20 KPT22	Annual updates of the 2006-11 strategic plan.	April 2007 and 2008
				Publication of 2009-14 strategic plan.	July 2009
				Review of the role of HEFCE in 2009.	Dec 2009

Activity	Objectives	Risks	KPTs	Key outputs	Target date
A32: Embedding international activity To embed awareness of international issues across the Council.	O5 O11 O18 O23	R4 R5 R6 R18	KPT8	All teams aware of the international context in which their work sits and are informed by it.	July 2008
A33: Partnership working Engaging with our key stakeholders. Understanding their expectations and taking their views fully into account when we develop and implement our strategies, policies and funding methods. Ensuring the Council's role and activities are understood and supported. Taking opportunities to promote the role and achievements of the HE sector.	O27	R2	KPT20 KPT21	Stakeholders' satisfaction with the Council to at least match relevant external benchmarks and show an improving trend over the planning period.	March 2009
A34: Resource management Effective management of our resources, including achievement of our efficiency review targets.	O6 O14 O21 O28	R1	KPT20	Resources are effectively managed – efficiency targets for 2008-09 achieved.	March 2009
A35: Processes Effective management of the Council's key processes in order to support the delivery of the strategic plan.	O27 O28	R3	KPT20 KPT21 KPT22	Effective management of key processes.	March 2009
A36: Corporate social responsibility Deploying, assessing and reviewing the Council's agreed policy on corporate social responsibility.	O27 O28		KPT20 KPT22	Deployment of our corporate social responsibility policy. Performance and trend data published annually and compared against external benchmarks.	March 2009

Activity	Objectives	Risks	KPTs	Key outputs	Target date
A37: Key performance results Effective monitoring of our operating plan, and production of annual accounts and report (including assessment of our key performance targets).	O27		KPT20 KPT21	Quarterly monitoring reports to the Board on the 2006-09 operating plan, key risks and financial performance. Annual accounts and report published.	Ongoing

Appendix A
Revisions and updates to the operating plan activities in April 2008

Activity in 2007-08	Update for 2008	Rationale for change
A1: Continuous improvement of learning and teaching	**A1: Continuous improvement of learning and teaching**	The output 'Review of Teaching Quality Enhancement Fund completed' is new for this update.
Key outputs – target date 2007	**Key outputs – target date 2009**	The output relating to teaching quality information has been updated to reflect our aim to include data from FECs on the Unistats web-site, and the output relating to Centres for Excellence in Teaching and Learning to reflect how we are seeking to use the findings of the interim evaluation.
A new audit method successfully initiated, and better co-ordination among the Quality Assurance Agency, other external review agencies, and professional and statutory bodies that reduces or eliminates duplication in the external review process.	Review of Teaching Quality Enhancement Fund completed.	
A re-launch of the teaching quality information web-site (www.tqi.ac.uk) and active use of the site by students, institutions and employers.	A re-launch of the teaching quality information web-site and active use of the site by students, institutions and employers. FECs included in web-site data.	
A new Quality Assurance Agency method of reviewing HE in FE published after consultation.	Interim evaluation of the Centres for Excellence in Teaching and Learning informs future policy on investment in excellence and enhancement.	Other outputs have been rolled forward to reflect their continuing nature: the Higher Education Academy continues its enhancement programme; HEIs continue to offer programmes to new teaching staff on professional standards; and our development and implementation of our HE in FE strategy continues through a pilot phase.
A Higher Education Academy-led enhancement programme that focuses on priority areas identified from national audit outcomes and reflecting institutional priorities.	A Higher Education Academy-led enhancement programme that focuses on priority areas identified from national audit outcomes and reflecting institutional priorities.	
Interim evaluation of the Centres for Excellence in Teaching and Learning programme showing evidence of innovation,	All HEIs offering programmes to new teaching staff (or enabling staff to register on Higher Education Academy-accredited programmes) that are accredited by the Higher Education Academy and referenced to the Professional Standards	

impact and active dissemination and take-up from investment in excellence. All HEIs offering programmes to new teaching staff (or enabling staff to register on Higher Education Academy-accredited programmes) that are accredited by the Higher Education Academy and referenced to the Professional Standards Framework. HE in FE strategy and all features agreed, plus plan and timetable for implementation.	Framework. HE in FE strategy and all features agreed, plus plan and timetable for implementation.	
A2: Flexible lifelong learning The development and implementation of a strategy for supporting flexible learning, workforce development and higher-level skills, including support for higher-level lifelong learning. Support for the implementation of a national credit framework. **Key outputs – March 2009** A national credit framework in place; demonstrably higher quantities of HE-level learning taking place in the workplace and increased income to the sector from continuing professional development activities; employability of graduates maintained.	**A2: Flexible lifelong learning** The development and implementation of a strategy for supporting flexible learning, including support for higher-level lifelong learning and the implementation of a national credit framework. **Key output – March 2009** A national credit framework in place.	Transfer of employer engagement and skills actions into new section.

Activity in 2007-08	Update for 2008	Rationale for change
A3: Facilitating stakeholder engagement Support to the sector to develop more effective methods for engaging employers, students and others in the design, delivery and assurance of quality of HE and in dialogue over the appropriate purposes of HE. Implemented through support provided to the sector by related bodies and an active approach to stakeholder engagement in the development of policy for learning and teaching. Also, support the development and expansion of foundation degrees. **Key output – March 2009** Institutions routinely involve employers and students in the design, delivery and assurance of learning and apply good practice promoted and demonstrated by HEFCE's related bodies and others.	**A3: Facilitating stakeholder engagement** Support to the sector to develop more effective methods for engaging students and others in the design, delivery and assurance of quality of HE and in dialogue over the appropriate purposes of HE. Implemented through support provided to the sector by related bodies and an active approach to stakeholder engagement in the development of policy for learning and teaching. **Key output – March 2009** Institutions routinely involve students in the design, delivery and assurance of learning and apply good practice promoted and demonstrated by HEFCE's related bodies and others.	Transfer of employer engagement and skills actions into new section.

Activity in 2007-08	Update for 2008	Rationale for change
A4: Innovation and new technology **Key outputs – March 2009** Increased employer satisfaction with knowledge, skills and employment awareness of graduates; majority of institutions utilising e-learning technology to increase flexibility for students in their access to learning and teaching.	**A4: Innovation and new technology** **Key output – March 2009** Majority of institutions utilising e-learning technology to increase flexibility for students in their access to learning and teaching.	Transfer of employer and engagement and skills actions into new section.
A9: Embedding widening participation	**A9: Embedding widening participation** **Key output – March 2009** The HE contribution to widening participation is widely understood and reflected in sector commitments and broader educational policy development and implementation.	New forward-looking output added.
A14: Higher Education Innovation Fund (HEIF) To develop and manage HEIF (includes the close of the Knowledge Transfer Capability Fund) **Key output – June 2006** Make allocations of HEIF 3 funds. Ongoing monitoring of successive HEIF rounds.	**A14: Higher Education Innovation Fund (HEIF)** To develop and manage HEIF (includes the close of the Knowledge Transfer Capability Fund) to achieve value for money and economic impact. **Key output – August 2008** Make allocations of HEIF 4 funds. Ongoing monitoring of successive HEIF rounds.	Additional wording to express continuing work to ensure HEIF round four achieves impact and value for money. Output modified to reflect transition to round four of HEIF.

Activity in 2007-08	Update for 2008	Rationale for change
A15: Performance improvement **Key output – December 2006** Good sector-wide progress demonstrated via annual HEIF evaluations.	**A15: Performance improvement** **Key output – September 2008** Good sector-wide progress demonstrated via annual statistics from the Higher Education – Business and Community Interaction survey, HEIF monitoring, and periodic evaluations. Third stream evaluation published.	Output updated to reflect information used in assessing the progress of the HE sector in third stream work. New output to reflect overall evaluation of third stream work.
A16: Third stream indicators	**A16: Third stream indicators** **Key output – May 2008** Higher Education – Business and Community Interaction survey for 2006-07 published.	New forward looking output added.
A17: Long-term third stream strategic development	**A17: Long-term third stream strategic development** **Key outputs** **September 2008** Third stream evaluation providing evidence base for longer term strategy and funding. **Ongoing** HEFCE policies reflected in new government agendas (Sainsbury Review and science and innovation strategy).	New forward looking outputs added.

Activity in 2007-08	Update for 2008	Rationale for change
New section for 2008.	**Employer engagement and skills section**	New section to reflect the growing importance and scope of our work in this area.
A20: Risk-based accountability framework **Key output – March 2008** To provide annual assurances to Parliament that internal control, corporate governance and risk management in the HE sector are effective, and that value for money is being achieved. To do this while reducing the cost of accountability by 20 per cent between 2004 and 2007, and by a further 10 per cent by 2011.	**A25: Risk-based accountability framework** **Key output – March 2009** To provide annual assurances to Parliament that internal control, corporate governance and risk management in the HE sector are effective, and that value for money is being achieved. To do this while reducing the cost of accountability by 20 per cent between 2004 and 2007, and by a further 10 per cent by 2011.	Target date updated to reflect that this is a rolling target to provide assurance. We will assess the cost of accountability between 2004 and 2007 in 2008-09.
A23: Leadership	**A28: Leadership** **Key output – September 2008** Changes to HEFCE's organisational design implemented.	Additional key output to reflect organisational design changes.
New activity for 2008	**A29: Governance** Ensuring effective corporate governance through the roles of the Chair, Board and audit committee **Key output – March 2009** Process to review and enhance the effectiveness of the Board continues.	New activity to ensure we are clear about the importance of, and report on, the effectiveness of the governance of HEFCE.

Activity in 2007-08	Update for 2008	Rationale for change
A24: People The promotion and further development of a high-performance culture in HEFCE characterised by high-quality and timely delivery of results, using (where appropriate) creativity and innovation, based on relationships of openness, trust, respect, and effective self-management.	**A30: People** The promotion and further development of a high-performance culture in HEFCE characterised by high-quality and timely delivery of results, using (where appropriate) creativity and innovation, based on relationships of openness, trust, respect, effective self-management and good communication. **Key output – July 2008** New people strategy agreed.	Revised wording to reflect the importance of good internal communication, particularly at a time of change. Additional output to reflect the development of a new people strategy for HEFCE.
A25: Policy and strategy **Key output – April 2009** Publication of 2009-14 strategic plan.	**A25: Policy and strategy** **Key output – July 2009** Publication of 2009-14 strategic plan.	Change in target date to reflect the process we have agreed for developing our 2009-14 strategic plan, which will include time for extensive discussion with stakeholders.
A26: Embedding international activity **Key output – March 2008** Effective monitoring of progress by the HEFCE international programme board.	**A32: Embedding international activity** **Key output – July 2008** All teams aware of the international context in which their work sits and are informed by it.	Development of output to reflect what we expect to achieve as this work is embedded, partly through the international programme board.

Activity in 2007-08	Update for 2008	Rationale for change
A27: Partnership working Engaging systematically with our key stakeholders. Understanding their expectations and taking their views fully into account when we develop and implement our strategies, policies and funding methods. Ensuring the Council's role and activities are understood and supported. Taking opportunities to promote the role and achievements of the HE sector.	**A33: Partnership working** Engaging with our key stakeholders. Understanding their expectations and taking their views fully into account when we develop and implement our strategies, policies and funding methods. Ensuring the Council's role and activities are understood and supported. Taking opportunities to promote the role and achievements of the HE sector.	Minor wording change to reflect the need for more dynamic and responsive engagement with our stakeholders.
A28: Resource management	**A34: Resource management** **Key output – March 2008** Resources are effectively managed – efficiency targets for 2008-09 achieved.	Updated output to reflect the continuing nature of the first part of this output, and our new efficiency targets for 2008-09.
A29: Processes **Key output – March 2007** Effective management of the Council's key processes in order to support the delivery of the strategic plan.	**A35: Processes** **Key output – March 2009** Effective management of the Council's key processes in order to support the delivery of the strategic plan.	Target date rolled forward to reflect the continuing nature of this work.

Appendix B
Strategic objectives, risks and key performance targets

Objectives

Enhancing excellence in learning and teaching
O1: To promote continuous improvement in learning and teaching through:
- investing in excellence
- refining the arrangements for quality assurance and strengthening their connection with quality enhancement
- supporting the professional development of those who contribute to the effectiveness of student learning.

O2: To enable greater flexibility in the provision of learning and teaching and opportunities for lifelong learning.

O3: To facilitate engagement with employers, students and other stakeholders to ensure a high-quality learning experience that meets the needs of students, the economy and society.

O4: To support innovation and the use of new technologies that enrich the student experience and promote greater skills for lifelong learning.

O5: To support the sector to be internationally competitive in learning and teaching and to play a leading role in co-operation and good practice at the European and international levels.

O6: To develop further a funding policy that supports these objectives

Widening participation and fair access
O7: To increase and widen participation in HE.

O8: To stimulate and sustain new sources of demand for HE among under-represented communities and to influence supply accordingly.

O9: To improve opportunities for lifelong learning for everyone who can benefit.

O10: To embed widening participation in the corporate policy and practice of HEIs.

Enhancing excellence in research
O11: To maintain a research sector with a strong position among the world leaders, which can respond flexibly to the changing needs of stakeholders and lead in developing new and innovative fields of enquiry.

O12: To work with Government and the sector to develop a system for assessing research which informs funding and demonstrates the power of the national research base, helping institutions to identify and foster excellence.

O13: To ensure that research can be supported without prejudice to the sustainability of the sector's long-term financial, physical and human resources, or the delivery of other activities in the public interest.

O14: To develop a funding policy that achieves these objectives.

Enhancing the contribution of HE to the economy and society

O15: To secure long-term and adequate support for third stream activities as a significant HE function.

O16: To integrate third stream activities into every HEI in a sustainable way that is appropriate to their missions.

O17: To engage a wider range of users in the HE knowledge base by promoting a distinctive regional third stream mission.

O18: To increase global engagement between our HE knowledge base and overseas HE and users.

O19: To provide a stronger and clearer focus on the social aspects of third stream activities, to increase HE impact and stakeholder buy-in.

O20: To work with partners to develop a co-ordinated awards scheme to encourage and support public engagement activities by HEIs.

O21: To devise and use effective funding mechanisms, metrics and evaluations, appropriate to third stream activities.

Sustaining a high quality HE sector

O22: To support society's intellectual, economic, social and environmental development through sustaining and growing a successful HE sector that is sufficiently vibrant and diverse.

O23: To promote the further development of leadership, governance and management that will help HEIs deliver and innovate by building on their individual strengths, locally, regionally, nationally and internationally.

O24: To sustain stakeholder confidence in HE through a risk-based accountability framework which places greater reliance on institutions' own accountability processes and demonstrates a well-led, managed and governed sector.

O25: To promote and support continued investment in the HE infrastructure, so that it remains fit for purpose and can adapt to change, now and in the future.

O26: To support the continuing development of people, and of an organisational culture in HEIs, that is representative of society as a whole and delivers high quality provision now and in the future.

Enabling excellence

O27: To ensure that the needs of our stakeholders are met.

O28: To ensure optimum use of our staff and other resources by identifying and focusing on areas where we can add greatest value.

O29: To monitor national trends in HE and draw attention to areas of national interest or concern.

Key strategic risks

Enabling excellence
R1: That we do not secure sufficient public funds to deliver our strategic aims.

R2: That there is a mismatch between the Government's priorities, the views of key stakeholders and our strategic aims.

R3: That our leadership, governance and management capability, and management of resources, do not effectively enable the delivery of our core strategic aims.

Sustaining a high quality HE sector
R4: That HEIs do not develop clear and distinctive missions that build on or develop their specific strengths regionally, nationally and internationally (as appropriate) in order to create a suitably diverse sector that continues to be recognised as world class.

R5: That inadequate leadership, governance or management at HEIs, whether associated with the new market conditions or other factors, has a negative impact on students, demonstrates poor use of public funding, and causes a loss of public confidence in the sector.

R6: That changes in market conditions – for example, the introduction of variable tuition fees, rising costs, a decline in international student demand and the volume of research contracts – threatens HEIs' financial viability and ability to achieve their mission.

R7: That HEIs do not utilise, develop and invest appropriately in their physical infrastructure in order to support their longer-term viability.

R8: That the recruitment, retention and development of people in the HE sector fails to keep pace with changing demands placed upon institutions.

Enhancing excellence in learning and teaching
R9: That developments in quality assurance and quality enhancement procedures fail to retain the confidence of the sector and/or restrict our ability to fulfil our statutory role.

R10: That our strategy for employer engagement fails to ensure a higher level of skills and knowledge that meets the needs of the economy and society.

R11 (updated in February 2008): That the changes to our teaching funding policy do not meet the aims set and/or win the confidence of the sector and/or the Government.

R22 (added in February 2007): That our strategy for employer engagement fails to secure additional funding contributions from employers.

Widening participation and fair access

R12: That the supply of places created to meet the participation target does not match the demand from students in terms of level, mode (full-time or part-time) or location.

R13: That there is insufficient demand for HE places from 18-30 year-olds to meet the participation target.

R14: That there is insufficient increase in representation from the under-represented socio-economic groups. This could be due to higher fees deterring debt-averse students; poor information, advice and guidance; widening participation being marginalised in some universities and colleges; insufficient growth; and/or those universities and colleges most likely to widen participation struggling in the new market conditions.

R15: That there is no increase in the rate of progression to HE for those with vocational qualifications. This could be due to: a failure of Lifelong Learning Networks to recruit students, or to agree or operate progression agreements that guarantee progression for learners on vocational programmes; a failure in other collaborations between HEIs and FECs; or a failure of HEIs and/or FECs to make vocational opportunities available over a lifetime.

Enhancing excellence in research

R16: That HEIs are not recovering the full economic costs of research from funders and sponsors.

R17 (updated in September 2007): That the outcomes of the 2008 Research Assessment Exercise, or the new framework for research assessment and funding beyond 2008, fail to win the confidence of the sector and/or the Government.

R18: That growing competition from emerging research economies impacts on the UK's international position in research excellence.

Enhancing the contribution of HE to the economy and society

R19: That the many national and regional stakeholders engaged in third stream activities do not achieve the common purpose necessary to unlock all HE potential.

R20: That we fail – through lack of vision, ideas, effectiveness or appropriate measures – to support the HE sector in making its full (and diverse) contributions to national competitiveness and improved quality of life.

R21: That HEIs neglect third stream work relative to teaching and research because, for example, they do not see the rewards as proportionate to effort.

Key performance targets

The measures for these KPTs are contained in our strategic plan (HEFCE 2007/09, 'Key performance targets and measures' section).

Enhancing excellence in learning and teaching

KPT1: At least 95 per cent of HEIs receive judgements of confidence in institutional quality audits by the Quality Assurance Agency, completed by 2008-09.

KPT2: The proportion of students who are broadly satisfied with all aspects of teaching covered by the National Student Survey increases between 2005 and 2009.

KPT3: The continuation rate for students in English HEIs across the planning period is the same as, or better than, the benchmark value calculated from the start year 2002-03.

KPT4: To increase innovative, flexible approaches to the delivery of HE across the planning period.

KPT5: The proportion of HEIs reporting high levels of employer involvement in the HE curriculum increases to 80 per cent by 2009.

Widening participation and fair access

KPT6: To increase participation in HE in line with the funding and policies set out in the Secretary of State's annual grant letter.

KPT7: To increase the proportion of students (full-time and part-time, both young and mature) from under-represented groups in HE.

Enhancing excellence in research

KPT8: To maintain England's contribution to the UK's leading international position in research excellence throughout the planning period.

KPT9: To ensure that the 2008 Research Assessment Exercise delivers on time and produces results which command the confidence of the sector; and to develop a process for assessing research quality beyond this.

KPT10: To demonstrate improved sustainability of the national research base by 2011.

Enhancing the contribution of HE to the economy and society

KPT11: By 2007-08 to achieve wide stakeholder acceptance of the validity and relevance of a set of measures describing what is delivered by each HEI, and by the sector as a whole.

KPT12: Throughout the period, to secure year-on-year increases in the total contributions (both direct contributions from users leveraged through HEFCE core funds for third

stream, and support from a wider range of public sources to deliver public goods) for third stream activity in the HE sector.

KPT13: By 2007, to support up to 10 pilot projects to test methods of increasing targeted engagement with users, and by 2009-10 to reflect the results of the pilots in funding.

KPT14: Throughout the period, to demonstrate year-on-year improvement in the impact of the HE sector on business and the community.

Sustaining a high quality HE sector

KPT15 (updated in May 2008): To finalise during 2008-09 in consultation with stakeholders a revised strategy for sustainable development in HE, which features a realistic target for carbon reductions which are sufficient to ensure satisfactory progress towards the government targets of reducing carbon emissions by 60 per cent against 1990 levels by 2050 and at least 26 per cent by 2020.

KPT16: Through increased influence of procurement expertise across all areas of non-pay expenditure, to deliver measurable benefits for re-investment across the sector worth £100 million a year by 2007-08.

KPT17: To provide annual assurances to Parliament that internal control, corporate governance and risk management in the HE sector are effective, and that value for money is being achieved. To do this while reducing the cost of accountability by 20 per cent between 2004 and 2007, and by a further 10 per cent by 2011.

KPT18: By 2008 all HEIs will be able to identify the level of investment required to sustain their physical infrastructure. From then on, actual levels of investment across the sector demonstrate progress towards achieving sustainable physical infrastructures.

KPT19: By 2010-11 the HE workforce at a sector level will have increased proportions of female staff, disabled staff and staff from black and minority ethnic groups in senior positions, taken from a baseline established in 2003-04.

Enabling excellence

KPT20: By 2008, HEFCE to be assessed by the European Foundation for Quality Management as achieving level 2 ('Recognised for Excellence'), and thereafter to maintain this standard across the remainder of the planning period.

KPT21: Stakeholders' satisfaction with the Council to at least match relevant external benchmarks and to show an improving trend over the planning period.

KPT22: To review our role in consultation with our stakeholders, to ensure we add maximum value in enabling the sector to meet the needs of students, the economy and society. In doing so we will consider whether any further activities could be devolved to institutions and sector-based bodies.