

7 May 2013

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The Higher Education Academy: Grant arrangements for 2013/14

Part One: Provision of grant by HEFCW

1. I am writing to confirm the arrangements for providing grant from HEFCW to The Higher Education Academy (Academy) (Company No: 4931031) under section 65 (3) (b) of the Further & Higher Education Act 1992 in respect of services falling within section 65 (2) (d).
2. The grant we are providing is to support the Academy's work on behalf of the higher education sector. For the period, 1 August 2013 to 31 July 2014, HEFCW is prepared to provide the following maximum grant to the Academy:
 - a. £619,366 in core grant for the Academy to address the UK wide general objectives and priorities set out in Part Two and the general objectives and priorities in Wales as set out in Part Three.
 - b. Monies for the Academy to address the individual awards and the administration of the National Teaching Fellowship Scheme (NTFS), shared between England, Northern Ireland and Wales, as set out in Part Four.
3. We will pay the grant in monthly instalments subject to an agreed cash flow forecast. The Academy may approach HEFCW to adjust the funding profile at any time.
4. As you know the Academy funders asked the Academy to make savings by 2012/13 of approximately 30% on the 2009-10 core grant through a reduction

of 10% per year for three years. As 2012/13 was the final year of this reduction, the grant for 2013/14 remains static on last year's totals.

5. HEFCW supports the Academy's aim, set out in its Strategic Plan 2012-16, to develop a sustainable organisation, in part, through securing new sources of revenue.
6. This letter invites the Academy to consider how it will reflect our priorities in the services it delivers to the sector. HEFCW recognises that the Academy has made significant inroads both in terms of raising its profile and subsequent impact on the sector over the past three years. We have actively supported the key aims of the Academy around teaching and learning in the sector through a wide range of activities, raising the status of teaching, enhancing professional teaching practice, adding to the body of knowledge and facilitating networks and communities of practice.

Part Two: General objectives and priorities UK wide

7. The funding bodies wish to work with the Academy to raise the standing of learning and teaching (L&T) at all levels in higher education (HE). All students have a right to universal good provision, and the Academy will continue to take a lead role in supporting HE, wherever it is funded to do so, to enhance the student learning experience.
8. We believe that the Academy can only help to realise a vision for the UK student learning experience if it operates, and is perceived to operate, in support of the sector and of students. It needs to provide an expert and valued service to individual academics, staff in subject communities and universities and colleges. It should take into account the needs of students and their representative bodies, professional bodies and employer organisations, sector agencies, the Academy's owners and funders, Government and the devolved administrations. It should seek to add value by focussing on issues and areas that institutions cannot individually address. We therefore welcome the Academy working at multiple levels in HE to ensure that it is well informed about all perspectives pertaining to the student learning experience.
9. We note that your strategic priorities, as set out in your 2012-16 Strategic Plan are as follows:
 - to inspire and support effective practice in learning and teaching;
 - to recognise, reward and accredit excellent teaching;
 - to influence policy, future thinking and change;

- to develop an effective, sustainable organisation that is relevant to, and valued by, higher education.
10. Following the Academy's restructuring we encourage it to continue to maximise the amount of resource spent on frontline delivery. We are pleased to note that the Academy is focusing on supporting individual disciplines and promoting interdisciplinarity which includes providing subject-specific support and working closely with discipline associations and networks.
 11. We expect the Academy to continue to work collaboratively and in partnership with those in the sector it exists to serve, as well as through discussion with sector bodies, stakeholder organisations and the funding bodies. In particular, we expect the Academy to continue to take a systematic approach to its engagement with relevant stakeholders and to pay particular attention to working in partnership with organisations with which the Academy has complementary objectives, such as the Quality Assurance Agency, the National Union of Students (NUS), Jisc, the Leadership Foundation for HE, the Equality Challenge Unit (ECU) and the Sector Skills Councils. As part of our regular interactions with the Academy we are interested to hear how these partnerships are working. We continue to encourage the Academy to review the appropriateness of its work programmes on an annual basis so that they remain fit for purpose. We also expect the Academy to avoid duplication of effort and resources and to align its activities with those undertaken by other agencies.
 12. We recognise that the HE sector has many common features and interests throughout the UK, and encourage the Academy to adopt consistent UK-wide approaches wherever practicable. However, the constitutional nature of UK devolution means that policies and practices in HE have important areas of divergence, and this trend is likely to continue. The Academy should ensure that its UK-wide activities are tailored appropriately to reflect the distinctive context of HE in each country. This will include working within the policy contexts set by the Higher Education White Paper in England; 'For our Future', the Further and Higher Education (Wales) Bill, remit letter requirements from the Welsh Government, and HEFCW's corporate strategy in Wales; in Scotland by the pre-legislative paper and the Scottish Government's response to the consultation on that paper - *Report of Responses to the Scottish Government Consultation Putting Learners at the Centre: Delivering our Ambitions for Post-16 Education*; and related policy developments in Northern Ireland including the Higher Education Strategy for Northern Ireland; "*Graduating to Success*" and the Integrated Regional Strategy for Widening Participation in Higher Education "*Access to Success*".

13. Diversity in UK higher education is not limited to country-specific issues. There is diversity in institutional missions, in the provision of HE in further education colleges as well as in HE institutions, in the increasing differentiation of students and their patterns and modes of study, and in approaches to supporting student learning. We encourage the Academy to consider this range of diversity in its undertakings to enhance the student learning experience.
14. Throughout its operations, we expect the Academy to address the requirements of all relevant legislation, being proactive where needed. Such legislation includes:
- the requirements placed on the English, Scottish and Welsh higher education funding councils under the Equality Act 2010, and the relevant specific duties, and those placed on the Department for Employment and Learning under Section 75 of the Northern Ireland Act 1998;
 - the Data Protection Act;
 - the principles of the Freedom of Information Act;
 - all other relevant laws as enacted by Parliament and/or the devolved administrations.
15. As noted in last year's grant letter, and taking account of the major restructuring of the Academy, the four funding bodies have agreed on the scope of an independent review of the Academy that will take place early in the 2013/14 academic year. This will inform the 2014/15 grant, so a final report will need to be ready by March 2014. This review aims to establish whether the restructured organisation is achieving the general priorities set by the funding bodies and its wider aims and objectives, and is supported by the sector.
16. The funders of the Academy expect the cost of this review to be similar to the 2007-08 review, and have set a budget of £110,000. The funders will split the cost by the usual ratio shown below and remove these sums from the UK-wide element of their grants to the Academy. So approximately £5,500 will be removed from the £619,366 HEFCW grant for the Academy to address the UK-wide general objectives and priorities set out in Part Two and the general objectives and priorities in Wales as set out in Part Three.

% split	Sum	Nation
0.81	£89,100	England

0.12	£13,200	Scotland
0.05	£5,500	Wales
0.02	£2,200	NI

17. We are aware that the Academy intends to deliver its aims through services to the sector in three organisational work areas:
- Teacher Excellence;
 - Institutional Strategy and Change;
 - Academic Practice Development.
18. The four funding bodies identify the following UK-wide priorities for the Academy in 2013/14 specified under the relevant Academy organisational work areas:

Teacher Excellence

19. We regard the raising of the status of teaching and the professionalisation of teaching in HE as a vital part of the work of the Academy. We encourage you to continue your efforts, in particular regarding:
- the reward and recognition of teaching;
 - professional recognition and accreditation of programmes against the revised UK Professional Standards Framework, with increasing numbers of staff becoming accredited;
 - working with discipline communities to support professional development activity for new and experienced staff;
 - identifying professional development needs arising from emerging areas in learning and teaching and supporting the sector in addressing them;
 - displaying and promoting expertise in pedagogy and innovation in teaching;
 - taking forward priority subjects in each nation via discipline leads for strategically important subjects.
20. Following the launch of the revised UK Professional Standards Framework (UKPSF) and guidance we invite the Academy to measure the impact of the UKPSF by evaluating the awareness, understanding and use of the UKPSF at the institutional and individual level. We also look to the Academy to continue to work closely in collaboration with other sector bodies on those aspects of the framework that relate to their own initiatives.

Institutional Strategy & Change

21. We encourage you to continue to focus your activities around a number of strategic themes to progress aspects of student learning and quality enhancement that are of importance to the sector. As part of this approach, the Academy must maintain its reputation as a focus of expertise in the pedagogy of specific disciplines and recognising the importance of engaging students as partners in enhancing teaching and learning. Specific strategic themes we encourage the Academy to support are listed below.
- a. We note that the Academy now successfully hosts the web site for resources and guidance related to the Higher Education Achievement Report (HEAR) and we noted the Academy's contribution to the launch of the HEAR in 2012. We expect the Academy to continue to support the national implementation of the HEAR alongside work with the Department for Business, Innovation and Skills on facilitating and informing the use of grade point averages.
 - b. Supporting institutions to develop their international strategies, including internationalising curricula, and integrating with the Joint International and Europe Unit.
 - c. Supporting the development of diverse provision across the sector. Institutions are developing more flexible forms of provision responding to the needs of employers and the diversity of learners. Learners increasingly expect flexibility in choosing where and how they learn and at what level of intensity. We encourage you to continue your efforts, in particular:
 - in developing strategic approaches to the use of technology to support flexible learning;
 - through support for institutions, contributing to work in the use of the credit frameworks relevant to each country;
 - by embedding the principle of inclusivity across all areas of work, to enhance institutions' growth of inclusive cultures and the development of policies and practices that anticipate the needs of diverse student bodies;
 - focus on taking the needs of part-time learners into account;
 - in working with HE delivered in further education colleges.
 - d. The Academy has a particular role in working in partnership with institutions and other sector bodies to disseminate good practice that will assist UK graduates to maximise their potential and impact on leaving higher education. We encourage you to continue your efforts, in particular regarding:

- support for institutions, continuing work with the funders and ECU in addressing differential degree attainment according to different ethnic groups and gender, including work on inclusive teaching, assessment and curriculum design;
- the involvement of students, HE staff and the broader public covered by equality and diversity legislation, in institutional policy development and equality impact assessments;
- supporting institutions in meeting the education for sustainable development (ESD) and global citizenship agenda and working with professional and sector bodies and staff in subject communities to support ESD;
- supporting the sector to further develop the employability and social mobility of graduates, particularly at a time when the funding bodies look to institutions to do everything they can to support the economy in response in the current downturn.

22. We welcome the Academy's expanded programme of research into learning and teaching. In setting priorities for this research, we encourage the Academy to have due regard to our priorities as outlined in this grant letter and as might arise in the course of the year. We also invite the Academy to advise us of any implications for HE policy, as and when they may arise from this research. In all areas of its work, we expect the Academy to continue with its evidence-based approach to improving student learning. This should include:

- working with higher education providers to take a strategic approach to the enhancement of learning and teaching and make use of the evidence base to inform practice and policy;
- work relating to the National Student Survey (NSS), which plays an important role in enabling institutions to enhance the student learning experience by providing robust and comparable data on which to make interventions;
- contributing insight into the Review of the funding bodies' roles in the provision of information about HE, including the 10-year review of the NSS, the NSSE (National Survey of Student Engagement) pilot and understanding the place of information in prospective students' decision-making;
- supporting institutions and discipline communities to use analysis of student feedback to bring about improvement and enhancement of the student learning experience.

Academic Practice Development

23. We encourage the Academy to continue to provide subject-specific support with both individual disciplines, and through interdisciplinary activity, working closely with discipline associations and networks. We understand that the Academy operates its discipline-specific work under the work area of Academic Practice Development. This includes engaging discipline communities with all the Academy's enhancement activities specifically:
- working with discipline communities to support professional development activity for new and experienced staff;
 - identifying professional development needs arising from emerging areas in learning and teaching and supporting discipline communities in addressing them;
 - displaying and promoting expertise in pedagogy and innovation in teaching relevant to discipline communities.
24. From time to time issues arise and priorities change. We look to the Academy to respond flexibly to changing and emerging priorities in-year within a fixed funding envelope.

Part Three: General objectives and priorities in Wales

25. In addition to the UK-wide priorities, we would also like the Academy to undertake the following activities in 2013/14:
- work with the Coleg Cymraeg Cenedlaethol to raise awareness of the Academy's services and how the Academy can help enhance teaching through the medium of Welsh;
 - support the sector in enhancing student engagement more generally, to include participation in the Wales Initiative for Student Engagement (WISE), making links with the NUS Wales Have your Say project and participating in HEFCW's student engagement task and finish group;
 - continue to coordinate and deliver the quality enhancement themes for Wales under the Future directions umbrella, including monitoring and agreeing future themes with the sector;
 - help the sector with its aim to develop the postgraduate environment, including student community, student voice, and CPD and skills development;
 - contribute to developing a Wales-specific evidence base for widening access in Wales, working with HEFCW and institutions, including through the WISERD grant-funded project;
 - support the sector in developing and enhancing flexible learning in its broadest sense, including through supporting Wales in becoming an

- Open Educational Practices nation;
- continue to embed the implementation of our strategy for enhancing learning and teaching through technology, including participating in its review and helping the sector to take account of the outcomes of the Minister's Online Digital Learning Working Group;
- work with HEFCW in the delivery of our skills and employability agreement and action plan;
- continue to participate in the Education for Sustainable Development and Global Citizenship network for Wales and ensure links are maintained between the network and the Academy's work on sustainability;
- supporting HEFCW and HE providers to make progress against the student-focussed equality objectives in HEFCW's Strategic Equality Plan.

Part Four: England, Wales and Northern Ireland, National Teaching Fellowship Scheme

26. We invite the Academy to continue to support the individual strand of the NTFS, which now covers England, Northern Ireland and Wales. In 2010-11 the scheme was expanded to 55 fellows annually, each with a £10k award, and is open to nominees from the three countries for the awards to be announced in academic year 2013/14. Each country will pay the costs of the number of awards it has achieved directly to the Academy, or the relevant host institution in the case of Northern Ireland, following the judging process.
27. We support the outcomes of the Review of the NTFS:
 - to clarify and affirm the scheme's purpose;
 - to critically appraise the shape and operation of the scheme to make it fit for that purpose;
 - to ensure the scheme affords maximum benefit to the sector in recognising and rewarding teaching excellence.
28. The Academy is invited to continue to support the Wales NTFS projects strand for those projects in their final stages, up to and including project awards made during 2009-10 for 2010-13 activity. 2013/14 will be the final year in which funding is provided for the Wales NTFS projects strand.
29. Additional funds are provided to support the total costs of managing the NTFS and support of National Teaching Fellows (£8,131).

Part Five: Reporting and Accountability

30. Full terms and conditions of funding are detailed in the annual Funding Agreement operative from 1 August 2013. Additional terms and conditions of funding attached to this grant are as follows:
- a. Annual operating plan: For the period 1 August 2013 to 31 July 2014, an operating plan should be provided to all the funding bodies by the end of July 2013. This should include an annex detailing the key performance and impact measures by which the HEA's achievement of the objectives and priorities outlined in this grant letter will be monitored and reported upon.
 - b. Annual report: The Academy's annual report for 2013/14 should be provided to all the funding bodies by the end of November 2014. (As stated in the 2012/13 grant letter, the annual report for 2012/13 should be provided by end of November 2013).
 - c. Annual Report of Performance against Funding Body Grant Letters: Recognising that the grant letters identify matters of particular interest to the funding bodies, the Academy should provide a report against all the elements of the grant letters of each of the funding bodies by the end of November 2014.
 - d. Quarterly Management accounts: including an income and expenditure account, balance sheet and cash flow statement and a comparison with the overall budget which should be provided at the start of the year. The following quarterly deadlines have been agreed:
 - 29 November 2013;
 - 28 February 2014;
 - 30 May 2014;
 - 29 August 2014.
31. The Academy should convene meetings with the funding bodies and owners on a six-monthly basis to report on progress and consider future strategic priorities and policy considerations. It should also respond positively to any requests to engage the relevant strategic advisory committees of each of the funding bodies in strategic discussions of the Academy's approach and future priorities.

Part Six Conclusion

32. The funding bodies remain increasingly aware that their funding still provides by far the majority of the Academy's income and substantially exceeds the income stream from institutional subscriptions or other sources. It is important that the sector has a clear sense of ownership of the Academy and that the Academy engages with it and fulfils their directly expressed needs for services and expertise. We will continue to engage with the Academy over the coming year to consider the scope for rebalancing and diversifying income streams. We encourage the Academy to consider how all organisations, for example private providers, offering higher education might subscribe to or otherwise pay for services of the Academy from which they do or may in future benefit.
33. I should be grateful if you would confirm your acceptance in writing of the terms and conditions of grant described in this letter.

David Blaney