

Review of Higher Education Funding and Student Finance Arrangements in Wales

Interim report

December 2015

Review of Higher Education Funding and Student Finance Arrangements in Wales

Interim report

Overview

This document presents a factual summary of evidence considered by the Review of Higher Education Funding and Student Finance Arrangements in Wales.

Further information

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Related documents

Independent Review of Higher Education Funding and Student Finance Arrangements in Wales: Call for evidence (2014)

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Foreword



As the twenty first century moves on it becomes ever clearer that those countries that have greater levels of higher skills in their populations and a vibrant research base will thrive both economically and socially. The development of higher level skills is based on a strong system of higher education; and in the period since devolution, the Welsh Government has been committed to the sustainable funding of such a system. Also, the period since devolution has seen steadily divergent systems across the four UK nations.

Given the benefits of higher education both to individual students and to Wales as a whole, it seems reasonable that the costs should be shared. But how should those costs be shared and which aspects of the costs of higher education should fall on the Welsh Government and which on the individual are big questions,

and Wales is not the only nation that has addressed such questions. It is right, then, that Wales should seek to identify a means of funding higher education that enables individuals to benefit from higher education and for Wales' universities to help to drive economic performance and social cohesion.

I am very privileged to have been asked by the Welsh Government to lead this Review of Higher Education Funding. I am further privileged by the quality of the experts who have given their time to sit on the Review Panel; and also by the cross party nature of those experts. We have been supported by an absolutely outstanding group of Welsh Civil Servants who have ensured the efficient and effective progress of our deliberations.

Throughout our work thus far we have been committed to ensuring that we take the views of stakeholders from across Welsh society and have taken evidence in a number of ways: formally through sessions of the full panel, through in depth focus groups; and by an open call for inputs.

This report has two objectives. First, it provides a summary of the evidence received to date. It is a summary and it provides links to a number of other documents that provide fuller information. Second, through this summary it aims to prompt further discussion and debate as to how the system of higher education funding should develop. The Review has not yet taken any position on funding policy and will be informed in the development of its position both by the evidence presented here and by the further discussion this evidence report encourages.

May I encourage you to continue to engage with this Review and I look forward, over the coming months, to further debate and the development, by September 2016, of

a Report that will inform Welsh Government policy in this area that is so important to Wales' future.

Professor Sir Ian Diamond.

Executive summary

Purpose of the report

The Review of Higher Education Funding and Student Finance Arrangements in Wales commenced in April 2014. This interim report provides a summary of the evidence which has been received and considered by the Review Panel from April 2014 to September 2015. It reflects the opinion of respondents to the Review and the information obtained from a wide range of briefings, research papers and presentations, feedback from specially commissioned focus groups, and written responses to a Call for Evidence.

The report identifies some common themes and messages arising from this evidence. It does not make any judgement about, nor does it guarantee, the validity, accuracy, significance or otherwise of the information which has been submitted by others – it simply conveys what the Panel has heard. Assimilation and testing of the evidence base is for the next and final phase of the Review.

The report does not seek to represent the Review Panel's collective views at this stage of the Review process or to signpost any future recommendations, which have yet to be decided.

Remit

In February 2014 the Minister for Education and Skills announced the establishment of an expert cross-party panel to support Professor Diamond in this endeavour and the terms of reference (at Appendix One).

The Welsh Government's priorities for the Review include:

- i. widening access – ensuring that any future system has widening access as its core objective, is progressive and equitable;
- ii. supporting the skill needs of Wales;
- iii. strengthening part-time and postgraduate provision in Wales; and
- iv. long-term financial sustainability.

Approach

To ensure the Review Panel has access to sufficient evidence and breadth of opinion to inform future decision making, the focus of attention during the first phase of the Review has been on the gathering of evidence and close engagement with stakeholders and interested parties.

A comprehensive engagement plan was developed at the outset and has been implemented. Engagement activities during the first phase of the Review have included:

- i. Review Panel membership: an expert panel established which includes individuals drawn from key organisations;
- ii. Review Panel meetings;

- iii. focus groups;
- iv. commissioned evidence reports; and
- v. a call for evidence.

In order to develop a strategy to fund higher education in a way that can enable universities to fulfil their broad functions and that can explicitly contribute to the Welsh Government's strategy of driving jobs and growth and securing greater social justice, there needs to be a set of principles around which a funding strategy can be developed. A set of guiding principles has been developed (at 2.1). These have informed discussions to date. These principles, together with the evidence gathered, provide a platform for moving forward to the next and final phase.

Policy and context

The Review Panel has considered information relating to the policy context in which higher education operates. This has included successive Welsh Government policy documents and commissioned reviews relating specifically to higher education in Wales, together with related policies and strategies in the areas of economic development, skills and innovation, lifelong learning and widening access. Policy developments in England and elsewhere in the UK are also being closely monitored.

Presentations have been received on the public sector funding position. The Review Panel heard that overall Welsh Government finances are under a historic squeeze and that the budgets which finance elements of student finance and higher education policy and strategy, in particular, are under pressure.

Consideration has been given to the socio-economic context. Whilst Wales has a strong political and cultural identity, its economy is closely integrated with adjacent areas of England and there is a high level of cross-border mobility in both social and economic terms. Wales faces a range of economic challenges and, whilst it lags behind the UK as a whole in terms of economic performance, consideration in a more comprehensive context reveals a range of more positive aspects, such as a closing of the gap in employment rates with the rest of UK since 1999.

UKCES Working Futures 2012-2022¹² projections suggest that the overall employment level in Wales is expected to rise from 1.36 million in 2012 to 1.42 million by 2022. In addition there is a need to replace people who have left the labour market. Working Futures projections suggest there will be a net requirement (expansion demand plus replacement demand) of 588,000 workers between 2012 and 2022, with the largest projected increase in employment being in health and social work. Large expansion based increases are also projected for higher skilled occupations in the managerial, professional, associate professional and technical occupations.

Projections for employment by qualification level also indicate big changes in the labour market in Wales. By 2022, it is predicted that over half of those in

¹ UK Commission for Employment and Skills Working Futures 2012-2022.

² As with all projections and forecasts, the results presented in Working Futures should be regarded as indicative of likely trends and orders of magnitude given a continuation of past patterns of behaviour and performance, rather than precise forecasts of the future.

employment in Wales will hold qualifications at Level 4 or above, compared to around a quarter in 2002, whilst approximately 203,000 people will require skills at Levels 7-8. This shift towards higher qualifications and growth at the higher skilled end of the labour market creates significant challenge for those involved in the planning, funding and delivery of education and skills – at all levels.

Higher education offers social and economic benefits to individuals and to society as a whole. The Review Panel has gathered a substantial body of evidence relating to graduate earnings and wage premiums. Despite variations in the estimates of such premiums, the evidence points to graduates earning more during their lifetime than individuals with the next highest level of formally recognised qualification. Higher levels of education are also linked to a range of positive social, well-being and cultural benefits for the individual, their family and society.

The higher education sector in Wales

The HE sector plays a central role in Welsh life and culture, and contributes more than £3bn³ a year in gross expenditure to the Welsh economy. The Welsh HE sector also has considerable strengths in research and is well-connected internationally.

There are nine universities in Wales, including the Open University in Wales, offering a range of undergraduate and postgraduate provision. In 2013/14, there were 137,135⁴ HE enrolments at Welsh HE institutions, including enrolments at the Open University. Whilst recruitment patterns in Wales and the UK are changing, Wales remains a net importer of students. In 2013/14, there were 22,770 Welsh-domiciled enrolments at UK HE institutions outside Wales and 33,355 enrolments at Welsh HE institutions from students normally resident elsewhere in the UK.

Analysis undertaken by HEFCW found that apart from Veterinary Science, there are no subjects where there is a serious gap in provision at postgraduate or undergraduate level in Wales.

The 2013/14 Destinations of Leavers from Higher Education (DLHE⁵) survey results show that six months after completing their studies, around three quarters of Welsh-domiciled qualifiers and qualifiers from Welsh HEIs engaged in some kind of employment.

The majority of institutional reviews conducted between 2009-10 and 2014-15 have ended with the Quality Assurance Agency issuing a confidence judgement that the provider is meeting expectations and responsibilities with no serious risk to academic quality and standards identified. Universities in Wales generally score highly in student satisfaction surveys, with 85% of students in Wales being satisfied with their overall HE experience in 2015.

The HE activity that takes place at FE colleges throughout Wales is diverse and is mostly franchised in from HE institutions (albeit with some directly funded delivery).

³ Welsh Government Policy Statement on Higher Education (2013)

⁴ HESA

⁵ 2013/14 Destinations of Leavers from Higher Education (DLHE) survey

In 2012/13, around 6,340 students were enrolled on HE courses in FE institutions; of these, 4,420 were studying part time⁶.

HE funding and student finance arrangements

From the start of the 2012/13 academic year, higher education providers in Wales have been able to charge tuition fees of up to £9,000 per annum for new undergraduate full-time students. To offset the increase in tuition fees both in Wales and in England, the Welsh Government introduced new support arrangements: the main change being that from 2012/13, new entrant full time undergraduate students normally resident in Wales became eligible to receive the Tuition Fee Grant to cover any increase in fees (up to the £9,000 fee maximum) beyond the level set in 2011/12, regardless of where in the UK they wished to study. EU students studying in Wales also became eligible for the TFG if studying at Welsh HEIs. Other changes included the raising of the income threshold for student loan repayments (from £15,000 to £21,000). From 2013/14 part-time students were given access to a tuition fee loan of up to £2,625 (depending on the level of intensity of their course). Alongside this, the institutional learning and teaching grant paid by HEFCW to universities was retained in respect of part-time students in order to mitigate for the lower fees charged. HEFCW strategy funding streams – also paid direct to institutions – were removed for both full and part-time provision.

The Welsh Government, via Student Finance Wales/the Student Loans Company, provides financial support to help students with their tuition fees, living and other costs while studying in higher education. The Review Panel has received details of the support available to undergraduates (full-time and part-time) and postgraduates, together with the range of additional support available.

Information has been gathered on student support arrangements in the other three constituent nations of the UK. The Review Panel has also gathered information on arrangements further afield. Whilst many countries have similar goals for higher education, there are significant differences in the way the cost of higher education is shared amongst governments, students and their families, and other private entities, and in the financial support that is provided to students⁷.

In 2013/14, 57,100 full-time students received support through the student support scheme. The total amount of support awarded was £661.8m, an increase of around 22% on the previous year⁸. The tuition fee income to Welsh HE institutions from full-time students who normally live in other parts of the UK exceeds the total payments of Tuition Fee Grant paid to institutions in England, Scotland and Northern Ireland. At the end of 2014-15, the total outstanding student loan balance for students normally resident in Wales was £2.9bn, 12% higher than at the end of 2013-14. By the end of 2014-15, there were 264,100 student loan borrowers, of whom 163,600 (62%) were liable to repay. The average amount repaid by each borrower who made a repayment in tax year 2013-14 ranged from £360 for the 2013 cohort in its first year of repayment to £940 for the 2006 cohort (after seven years of recorded

⁶ Figures presented in Review of higher education in further education institutions June 2015 Research paper 063/3015 .

⁷ OECD (2014) *Education at a Glance* refers <http://www.oecd.org/edu/Education-at-a-Glance-2014.pdf>

⁸ A further cohort of students became eligible for the tuition fee grant.

repayment history). Average debt on entry into repayment ranged from £6,980 for the 2002 cohort to £19,010 for the 2015 cohort.

At the time of writing, the Resource Accounting and Budget provision (RAB charge) estimates for Wales in 2014-15 were around 38% for loans associated with pre-2012 cohorts of students and 27% for loans relating to the new regime (post 2012-13). These were lower than the comparable RAB charges in England. (The most recent estimate of the RAB charge in England associated with pre-2012 cohorts of students stands at 42%, while the comparable estimate of the RAB charge for new regime (post 2012-13) students stands at 46%).

In 2014/15, most undergraduate full-time students had transitioned to the new fee level, with three £9,000-paying cohorts attending university for the first time.

The introduction of higher fees in 2012/13 and new arrangements for student support has, in respect of full-time undergraduates, resulted in a move away from grant-based funding for HEIs in Wales to a more fee-based funding regime. Indications are that at the sector level, in absolute terms, actual income to the higher education sector in Wales has increased overall since 2011/12.

The introduction of higher tuition fees has had a significant impact on HEFCW, as more of its funding gets allocated for the payment of Tuition Fee Grant and income from students from elsewhere in the UK gets paid directly to institutions. This means that as more of what was HEFCW's core funding is used to cover the cost of higher tuition fees for full-time Welsh-domiciled students, HEFCW has less money to distribute to institutions to promote Welsh Government priorities.

This change in funding/income methodology has required a fundamental change to the way in which HEFCW funds the HE sector. Rather than the Funding Council being responsible for distributing around 30% of the sector's funding as in 2011/12, HEFCW direct funding will represent only around 10% overall of institutional funding in 2015/16. The Welsh Government introduced the Higher Education Bill in 2015 to provide a regulatory framework for HEFCW to continue to fulfil its statutory duties.

Emerging themes and messages from the evidence base

Throughout the stakeholder engagement and evidence-gathering phase of the Review, some common themes and messages have emerged. The themes and messages are highlighted below. They are not, however, intended to be exhaustive – the evidence base is vast and it is not yet complete.

The following themes have been grouped together in some cases for clarity of reporting, but no particular order of priority is intended:

The first set of themes is overarching:

- i) Wales has a university sector which is held in high regard and in which it can take pride. There is clear ambition across all stakeholder groups and contributors to the Review, for a high quality, internationally competitive, equitable and sustainable HE sector in Wales that is able to meet the needs of

Wales and is the destination of choice for students domiciled within and outside Wales.

- ii) The majority of respondents who expressed a view believe that maintaining the status quo [maintaining current arrangements] is not an option.
- iii) There is, generally, a lack of consensus on the way forward. Most respondents recognise, however, that difficult choices will have to be made.
- iv) There is concern about potential risks to the Welsh HE sector resulting from changes to UK Government policy.

A set of themes emerged relating to HE sector income, sustainability and fee levels.

- v) The higher education sector in Wales has benefitted overall from a net increase in income since the introduction of the current fees and funding regime – although the increase may not be as high as predicted and changes in income levels differ significantly between institutions.
- vi) There is concern, particularly amongst HE sector respondents, about a large and increasing funding gap in the level of investment in higher education in Wales compared to elsewhere in the UK. It is believed that this is affecting the ability of HE institutions to invest, which in turn is making institutions in Wales less competitive and less able, therefore, to respond to Welsh Government priorities.
- vii) There is a strongly held belief that the current HE sector funding and student finance regime in Wales is not sustainable into the future.
- viii) Many respondents are of the view that, in light of sustainability concerns, there is a need to revisit the tuition fee grant (TFG) policy - an even handed response was noted in this regard.
- ix) There is a belief that the £9k maximum tuition fee level per annum for full-time undergraduate courses does not meet the cost of delivering high cost subjects and creates internal tensions within HE institutions due to cross-subsidy.
- x) There is a belief that the £9k maximum tuition fee level for full-time undergraduate courses does not offer reasonable value for money for students.

A set of themes emerged relating to student debt and maintenance support:

- xi) Wales has a low Resource Accounting and Budgeting provision (RAB) charge compared to England, and HE students domiciled in Wales benefit from having lower student debt levels than those domiciled in England.
- xii) The level of support available to students domiciled in Wales is viewed by respondents across the board as being generous compared to elsewhere in the UK.

- xiii) There are concerns, particularly amongst student support and widening participation professionals, about financial literacy and students becoming inured to high levels of student debt – with potential implications for future borrowing.
- xiv) Conversely, the evidence base suggests that the ‘fear of debt’ is a key element of a complex series of factors in influencing the decision to study and stay on in higher education and that there is a disproportionate effect on those from lower-income families or poorer areas.
- xv) There is a strong consensus, particularly amongst students, students’ representative bodies, support staff and widening participation professionals, that the level of maintenance support available is inadequate to cover actual costs incurred by students and that this is a bigger issue for students than the level of tuition fees and tuition fee support. There is also a view that students from middle-income households, in particular, are inadequately catered for under current arrangements.

A set of themes emerged relating to the operational context:

- xvi) Concern about the changing role of HEFCW and, in particular, about the decrease in the level of Welsh Government grant allocation to the Council affecting its ability to function and to implement Welsh Government policy.
- xvii) The need for early engagement with the Student Loans Company on future policy changes or new initiatives.

A set of themes emerged highlighting a need to strengthen research capacity:

- xviii) The importance of a strong and sustainable world-class research base to the reputation and standing of the Welsh HE sector and links to economic performance.
- xix) Concern about a shortfall in the number of academic researchers in Wales; STEM under-capacity; and about the ability of the HE sector to attract Research Council UK income.

A set of themes emerged relating to need for higher level skills and qualifications, professional training, and the importance of FE and HE collaboration and learning pathways.

- xx) A central role for the providers of higher education (universities and colleges) in raising the higher level skills base in Wales, and responding to forecast increases in demand (expansion and replacement demand) for higher level skills and qualifications.
- xxi) A polarisation of opinion on whether future funding arrangements should be adjusted to target specific course provision or skills needs - in particular to promote the take up of STEM subjects.

- xxii) A central role for Wales' higher education providers in ensuring a continued flow of qualified entrants to the professions in Wales and in developing the existing workforce.
- xxiii) The importance of collaborative working, effective FE to HE pathways and the need for there to be a clearly defined role for HE in FE - which requires clearer articulation and a better defined framework within which it can be funded and planned.

A set of themes emerged relating to the Welsh language and Welsh-medium provision:

- xxiv) The importance of Welsh-medium provision; mixed opinion on the extent to which current arrangements support measures to widen access to HE through the medium of Welsh; and recognition of the role of Coleg Cymraeg Cenedlaethol.
- xxv) The key role of higher education providers in developing a highly skilled bilingual workforce and preparing for a bilingual nation.
- xxvi) Support for the teaching of Welsh culture and history; the University of Wales Press and the Wales Dictionary of the Welsh Language.

A set of themes emerged relating to different modes and level of study:

- xxvii) Many respondents were strongly of the view that current arrangements do not provide an appropriate balance of funding between the different modes and levels of study. Most were concerned about funding being prioritised for full-time undergraduate provision, particularly in the form of the tuition fee grant, and the resulting reduced level of support for part-time and postgraduate study.
- xxviii) With respect specifically to part-time study, a number of themes and messages emerged:
 - The decline in part-time provision in Wales in recent years, whilst a cause for concern, is nowhere near as steep as in England. The decline also does not apply to all areas of provision (first degree part-time instances increased) – making it difficult, therefore, to talk about a single part-time sector and a single trend when looking at the patterns of change within part-time provision.
 - Part-time study is firmly associated with employability and the economy, and with social mobility.
 - The eligibility for part time loan support is limited to those who study at an intensity level of 25% and above. There is concern that this limits the number of individuals who can benefit from student support for part time study.

- Positive aspects of the current system relating to part-time study, identified by respondents, comprised lower pro-rata fees than for full-time study, and the introduction of loans for part-time study and course grants for eligible students (albeit that there are constraints on accessing the loans).

Commissioned research into part-time provision highlighted a number of pressing issues facing part-time provision:⁹

- support for part-time provision in policy statements does not always translate effectively into tangible financial support;
- financial support offered centrally and by individual institutions favours full-time provision;
- full-time students are treated as 'the norm', while part-time learners are seen as an 'add-on';
- what is necessary to achieving a more effective disposition of part-time provision of higher education is a much greater parity of esteem between the two modes of delivery.

xxix) With respect specifically to postgraduate provision, a number of themes and messages emerged:

- Concern that investment in postgraduate provision in Wales has fallen behind the rest of the UK and threatens to damage the HE sector and impact economic performance.
- Concern about the loss of funding for full-time postgraduate students from 2014/15 – a situation unique in the UK.
- A strongly held belief that Wales is at a comparative disadvantage: in that it faces significant challenge in attracting postgraduate students in the future if it does not improve access to student finance – due to the competition it will face from funding schemes in other parts of the UK.

xxx) A set of themes and messages with respect to widening participation:

- There is a strong relationship between economic and social disadvantage and the levels of participation in HE in Wales.
- Much of the relationship between socio-economic background and HE participation is accounted for by previous educational attainment which is the most important single factor, when all others are taken into account.

⁹ Evidence to the Review of Higher Education Funding and Student Finance Arrangements in Wales: Part-Time Higher Education in Wales: WISERD Final Report (March 2015). Identified during interviews with key players within the HE sector.

- There is no evidence to suggest that either distinctive economic or social conditions, or the policy divergences between Wales and England in relation to participation in HE have brought about major differences in factors affecting patterns of participation.
- The most disadvantaged (the bottom quintile in terms of the Welsh Index of Multiple Deprivation) are not the least likely to participate in HE, rather the least likely participants are the group immediately above them (the fourth quintile), when other factors (previous educational attainment, ethnic background, take up of free school meals, type of school and so forth) are also taken into account.
- Higher education entry and participation rates in Wales are low compared to elsewhere in the UK. There are, however, some positive signs especially in terms of the ability of Welsh students from deprived backgrounds to enter higher education.
- There are strong inter-connections between student funding and widening access policies and as such neither can be seen in isolation. In assessing the most effective means of widening access to HE, there is recognition that it is necessary to pay attention not only to the role of universities, but also to that of schools and colleges.
- A need to look closely at policy drivers and how funding is driven through HEIs to achieve desired outcomes – since widening access and participation in higher education is not just about getting students into institutions but about supporting them to stay and to achieve.

xxxi) A set of themes and messages emerged relating to the cross border flow of funding and students:

- The Welsh HE system has highly porous geographical boundaries, with a significant flow of students into and out of Wales.
- Some respondents are concerned that funding, in the form of the TFG, is benefitting institutions elsewhere in the UK (particularly England) at the expense of the HE sector in Wales; whilst others note that the amount of TFG awarded to students studying in the rest of UK is lower than the amount of tuition fee income to Welsh HE institutions from other UK domiciled students.
- Concerns have been raised about there being a graduate ‘brain-drain’ and the potential for this to be exacerbated by the TFG policy. Available data, however, suggest that there is not a massive outflow of graduates – due in part to the outflow being off-set by the inflow of graduates into Wales.
- At the aggregate level students that cross the border from Wales to England (and to elsewhere in the UK) tend, as a group, to be from a little more advantaged background than those who stay and study in Wales. Welsh-

domiciled students that cross the border to study are not, however, as affluent as those who cross the borders in Scotland and England – students from a wide range of backgrounds are crossing the border.

Next steps

During the next and final phase of the review process, the Review Panel will reflect upon the evidence it has gathered to date. The wide range of opinions expressed and the information and analyses received will be used to guide and inform the Panel's thinking and decision-making. Further advice and information will also be sought to address any critical gaps in knowledge and the evidence base, including advice and information relating to the UK Government's decisions around higher education and the outcome of the Spending Review.

Potential options and funding scenarios will need to be considered and appraised ahead of the final report.

The Review Panel is scheduled to submit its final report to the Minister for Education and Skills in September 2016.

1. Introduction

1.1 Purpose of the report

On 18 November 2013 the Minister for Education and Skills announced that Professor Diamond had agreed to chair a Review of Higher Education Funding and Student Finance Arrangements in Wales that would report in September 2016 with recommendations for the future funding of the higher education sector and student finance arrangements in Wales.

The Review commenced in April 2014 and it was agreed that the Review Panel would provide this interim report with the intention of informing discussion by presenting a summary of the evidence that has been gathered.

This report reflects the wide array of information and opinion received, from the opinions expressed by respondents, to available data and research evidence up to September 2015. It is not, however, intended to be exhaustive and further evidence will be collected in the period leading up to the final report.

The report identifies some common themes and messages arising from this evidence. It does not make any judgement about, nor does it guarantee, the validity, accuracy, significance or otherwise of the information which has been submitted by others – it simply conveys what the panel has heard. Assimilation and testing of the evidence base is for the next and final phase of the Review.

The report does not seek to represent the Review Panel's collective views at this stage of the Review process or to signpost any future recommendations, which have yet to be decided.

1.2 Remit of the Review

Following the November 2013 announcement, on 19 February 2014 the Minister issued a Written Statement announcing the establishment of an expert cross-party panel to support Professor Diamond in this endeavour, and its terms of reference.

The Welsh Government's priorities for the Review include:

- i. widening access – ensuring that any future system has widening access as its core objective, is progressive and equitable;
- ii. supporting the skill needs of Wales;
- iii. strengthening part-time and postgraduate provision in Wales; and
- iv. long-term financial sustainability.

The full terms of reference can be found at Appendix One.

1.3 Review Panel membership

- **Beth Button:** President, National Union of Students Wales.
- **Dr Gavan Conlon:** Partner at London Economics.
- **Professor Sir Ian Diamond (Chair):** Vice-Chancellor of the University of

Aberdeen.

- **Gary Griffiths:** Former Head of Early Careers Programmes, Airbus UK, and Airbus UK representative.
- **Rob Humphreys, CBE:** Director for Wales, Open University, and Vice Chair of Universities Wales.
- **Gareth Jones OBE:** Former head teacher and Plaid Cymru Assembly Member. Former Chair of the National Assembly for Wales' Enterprise and Learning Committee. Plaid Cymru nominee.
- **Glyn Jones OBE:** Chief Executive of Grŵp Llandrillo Menai and ColegauCymru Board member.
- **Ed Lester:** Former Chief Executive of the Student Loans Company.
- **Professor Sheila Riddell:** Director of the Centre for Research in Education Inclusion and Diversity, University of Edinburgh.
- **Professor Colin Riordan:** President and Vice-Chancellor at Cardiff University and Chair of Universities Wales.
- **Professor David Warner, CBE:** Former Vice Chancellor of Swansea Metropolitan University. Currently Senior Research Fellow at Harris Manchester College, Oxford. Conservative Party in Wales nominee.
- **Professor Michael Woods:** Professor of Human Geography at Aberystwyth University and Co-Director of WISERD (Wales Institute of Social and Economic Research, Data & Methods). Welsh Liberal Democrat nominee.

Former members of the Review Panel who have contributed to the Review are:

- **Martin Mansfield:** General Secretary Wales TUC.
- **Stephanie Lloyd:** Former President, National Union of Students Wales.

Dr David Blaney, Chief Executive and Council Member of the Higher Education Funding Council for Wales (HEFCW), attends Review Panel meetings in the capacity of official observer. His role is to provide advice and information on matters that fall within the remit of HEFCW.

Neil Surman, Deputy Director, Higher Education Division, Welsh Government, attends Review Panel meetings in his capacity as the Senior Responsible Officer for the Review. His role is to provide advice on the remit and scope of the Review and to update the Review Panel on the Welsh Government's higher education and student finance policy position.

2. Approach

To ensure the Review Panel has access to sufficient evidence and breadth of opinion to inform future decision making, the focus of attention during the first phase of the Review has been on the gathering of evidence and close engagement with stakeholders and interested parties.

The Panel also developed a set of guiding principles which have informed discussions to date. These principles, together with the evidence gathered, provide a platform for moving forward to the next and final phase.

2.1 Guiding principles

Higher education is a force for good. The Welsh Government has always recognised that nations which invest in higher education benefit from the high skills that graduates bring to the economy, from research which impacts both on economic growth and the well-being of citizens, and from the contribution of universities to the wider enrichment of culture and civil society. In addition, higher education transforms lives and can make major inroads into reducing inequality through being a significant driver of social mobility.

Higher education is, therefore, a public good; it produces benefits that accrue to society as a whole. But there are also direct benefits to individuals. Graduates are, on average, more likely to be employed, likely to earn more than non-graduates, more likely to be satisfied with their job and to be upwardly socially mobile and are likely to have substantial health benefits. There is thus a public and a private benefit from higher education and this has been recognised by successive Welsh governments.

Higher education systems are, necessarily, partnerships between universities and society. Just as there must be a balance between the public and individual investment in higher education, there is also a balance to be struck between institutional autonomy and the necessary accountability in respect of public investment and the wider obligations of institutions. The best performing systems are characterised by universities operating autonomously, but with a clear view of their responsibility to society; and an awareness of the need, where appropriate, to partner both among themselves and with other sectors across the wider educational system and throughout the wider economy and society.

Higher education, as a set of activities and practices, also straddles national borders. Institutions in Wales attract students from across the United Kingdom and internationally, and work with universities and other bodies across the globe in research and knowledge transfer activities. The funding of higher education institutions may, in the first instance, be a matter for the society in which they are located, but those institutions operate to a lesser or greater extent within an international context and funding should enable rather than inhibit that aspect of their role.

In order to develop a strategy to fund higher education in a way that that can enable universities to fulfil their broader functions and that can explicitly contribute to the

Welsh Government's strategy of driving jobs and growth and securing greater social justice, there needs to be a set of principles around which a funding strategy can be developed. The higher education funding system should have at its heart, through high performing institutions:

- i. the development and dissemination of human knowledge and understanding;
- ii. the promotion of a highly skilled and prosperous economy that is environmentally sustainable;
- iii. the promotion of a healthy and cohesive society; and
- iv. the enrichment of culture and civil society.
- v. Investment in higher education should be shared between government - acting on behalf of the wider society - and those who accrue a direct benefit from a university level education.
- vi. Institutions providing higher education should be funded at a level that enables them to deliver teaching and research of the highest quality, in line with their respective strengths, specialisms, and missions.
- vii. Funding should enhance the accessibility of higher education so that participation is not negatively impacted by an individual's economic or social background.
- viii. The funding system should take into account the UK-wide and international dimensions of research activity and collaborations and the need for universities in Wales to be competitive and successful in those environments.
- ix. Funding should support and enhance diverse modes of study, including full and part-time study, and distance learning; and should ensure freedom of movement between different educational sectors.
- x. Funding should enable and promote the delivery of higher education through the medium of Welsh where there is evidence of demand.
- xi. Funding should enable and support both undergraduate and postgraduate study whilst recognising the mechanisms for each may differ.
- xii. The cost of higher education (either undergraduate or postgraduate) for an individual should take into account the direct fee (which should include any course materials) plus a reasonable estimate of living expenses.
- xiii. The system should be progressive and therefore provide the greatest support to individuals who have the greatest need.
- xiv. Funding for higher education courses should recognise the differential costs of teaching different courses but any contribution from an individual should be constant across different subjects.
- xv. The fees and funding regime should be as simple and transparent as possible to applicants and students, and straightforward to administer for institutions and other relevant agencies.
- xvi. The funding system should be sustainable in the context of wider economic contexts and student markets that go beyond Wales.
- xvii. The 'dual support system' of research funding whereby universities receive formulaic core funding in order to provide the basis from which applications for competitive project funding can emanate – is an essential component of a healthy Welsh Higher Education system.
- xviii. The funding system should not impact negatively on institutional autonomy and academic freedom.

2.2 Stakeholder engagement

A comprehensive engagement plan was developed and has been implemented to:

- i. ensure that stakeholders and interested parties have had an opportunity to engage effectively with the review process – to enunciate their views and submit evidence;
- ii. encourage and facilitate a positive, constructive and informative flow of opinion and information; and
- iii. ensure that the Review Panel has access to sufficient breadth of opinion and evidence to inform its decision making and future recommendations.

Engagement activities during the first phase of the Review have included:

- i. Review Panel membership: an expert panel established which includes individuals drawn from key organisations;
- ii. Review Panel meetings;
- iii. focus groups;
- iv. commissioned evidence reports; and
- v. a call for evidence.

2.3 Review Panel meetings

The Review Panel has met on eight occasions during the period April 2014 to September 2015. During the course of these meetings, Panel members received and considered expert briefings and opinion, information and advice on matters relating to the Review from a wide range of organisations and interested parties. The Chair also met a number of interested parties between meetings. Details of those who have contributed to the Review through face-to-face meetings with the Review Panel members and/or the Chair are at Appendix Two.

2.4 Focus groups

Old Bell 3 Ltd was commissioned to facilitate discussions with specified groups whose views Review Panel members were keen to hear. Between January and March 2015, focus groups were held with the following:

- i. Employer organisations: In all a total of 21 employer representatives attended two focus groups, with one focused on capturing the views of large private and public sector employers and the other involving representatives of the Federation of Small Businesses.
- ii. Higher education students/student representatives: 25 representatives (higher education students or NUS sabbatical officers) contributed to three focus groups held at the NUS Wales conference and one Further Education (FE) institution.
- iii. Prospective higher education students: a total of 39 students from school sixth forms and FE institutions contributed to focus groups facilitated at five establishments and at the NUS Wales conference.
- iv. Student support representatives: a group of 14 representatives from nine higher education institutions took part in one focus group.

- v. Widening access representatives: a group of 10 representatives from a range of institutions and representative bodies attended one focus group.

A summary report of the focus group discussions and findings, produced by Old Bell 3 Ltd, is to be published alongside this document.

2.5 Call for evidence

A call for evidence was launched on 24 November 2014; the formal closing date was 27 February, although responses were accepted after this date. Written responses were invited to 16 questions, set out in a questionnaire that provided background to the Review and its remit. Respondents were also invited to provide supporting information, including proposals for reform and alternative HE sector and student finance funding models.

Over 160 written responses were received. Respondents included Welsh higher and further education institutions and their representative bodies, a range of businesses and employer bodies, students and trade unions, third sector organisations, and a large number of individuals within and without Wales. Supplementary and detailed reports were also submitted by a range of organisations including: The Learned Society for Wales (LSW), Universities Wales (UW), the Higher Education Policy Institute (HEPI), Chairs of Universities Wales (ChUW) and HEFCW, amongst others. The responses were detailed, informative and thought provoking.

A summary of the written responses to the call for evidence has been prepared and is to be published alongside this report. The call for evidence questions are listed at Appendix Three.

2.6 Other evidence

In addition to the evidence obtained through stakeholder engagement, the Review Panel has examined a wide array of data and other documentary evidence. This has included over 200 briefings, reports, research papers, articles, policy documents, circulars and items of correspondence. A list of documents which have been reviewed by the Panel is at the end of this report.

The Wales Institute of Social and Economic Research, Data & Methods (WISERD) was commissioned to undertake additional research specifically on part-time higher education provision in Wales, their report entitled *Evidence to the Review of Higher Education Funding and Student Finance Arrangements in Wales - Part-Time Higher Education in Wales* is to be published alongside this document. The Institute also made a presentation to the Panel that discussed *Evidencing Impact and Success in Widening Access to Higher Education*.

The sections that follow draw upon the information and views gathered during the first phase of the review process.

3. Policy and context

3.1 The higher education policy landscape

The Review Panel has received and considered information relating to the policy context.

Since the establishment of the National Assembly for Wales in 1999, the key role of higher education has been reflected in successive Welsh Government policies and strategies: in particular in those relating to economic development, skills and innovation, lifelong learning and widening access.¹⁰

There have also been a number of Government-established independent reviews of higher education and student finance arrangements in Wales: the Rees Reviews of Higher Education student support and tuition fees in Wales (2001¹¹ and 2005)¹², the Graham Review of part-time funding (2006)¹³; and the Jones Review of Higher Education in 2009¹⁴. All of these impacted on Welsh Government policy on Higher Education funding, with the 2009 Jones Review informing the then Welsh Government's strategy for higher education, *For our Future – The 21st Century Higher Education Strategy and Plan for Wales* (2009).

Other reviews have been established by the Welsh Government to advise on particular aspects of higher education provision or regulation. The Furlong Review of Initial Teacher Training in 2006¹⁵, led to the reconfiguration of ITT providers into three regional centres in Wales. More recently, Professor Ralph Tabberer's 2013 *Review and Initial Teaching Training in Wales*, and Professor John Furlong's 2015 report, *Teaching Tomorrow's Teachers*¹⁶, have considered the future of initial teacher education and training in Wales. The *Review of Higher Education in Further Education institutions* was published in June 2015¹⁷. The Health Professionals Education Investment Review (HPEIR) also reported its recommendations in 2015 for NHS workforce planning and development in Wales. All have provided insight and a backdrop for this Review. There have also been meetings with members of the HPEIR Review Panel.

The Welsh Government recently engaged Professor Ellen Hazelkorn to review the regulation and oversight of post-compulsory education and training in Wales, with

¹⁰ This role was articulated early on in documents such as *The Learning Country* (2001) and *Reaching Higher* (2002)- the Welsh Government's strategy for higher education to 2010 (*Reaching Higher* was superseded by *For our Future* in 2009).

¹¹ Rees, T. (2001) *Investing in Learning: coherence, clarity and equity for student support in Wales*. Independent Investigation Group on Student Hardship and Funding in Wales Welsh Government

¹² Rees, T. (2005) *Fair and Flexible Funding: a Welsh model to promote quality and access in higher education*. Independent Study into the Devolution of the Student Support System and Tuition Fee Regime to Wales Welsh Government

¹³ Welsh Government (2006) *Review of Part-time Higher Education Study in Wales* ('the Graham Review')

¹⁴ Welsh Government (2009) *Review of Higher Education in Wales* ('the Jones Review')

¹⁵ Furlong, J., Hagger, H., Butcher, C. (2006) *Review of Initial Teacher Training Provision in Wales: a Report to the Welsh Assembly Government*. Department of Educational Studies, University of Oxford

¹⁶ Furlong, J., Department of Education, University of Oxford (2015) *Teaching Tomorrow's Teachers*

¹⁷ Welsh Government (2015) *Review of higher education in further education institutions*

particular reference to the role of HEFCW. For a time, Professor Hazelkorn's Review and this Review will run in parallel. They will each inform the work of the other.

Welsh Government policy has to be seen in the context of policy elsewhere in the United Kingdom. In response to the October 2010 Browne Review *Securing a Sustainable Future for Higher Education*¹⁸, the UK Government set out its plans for higher education (HE) funding for England. As a result, significant changes were implemented in 2012-13 both to HE funding and to student finance arrangements in England, most notably by moving the financing of teaching from the state to the individual funded by loans that were repayable after the student achieved a particular income.

In the wake of the funding changes introduced in England, the Welsh Government introduced equally fundamental changes to higher education funding and student support arrangements in Wales from financial year 2012-13:

- the basic tuition fee in Wales increased to £4,000 per annum and higher education institutions (HEIs) were allowed to charge tuition fees up to £9,000 per annum, for full-time undergraduates, providing they demonstrated a commitment to widening access and other strategic objectives through fee plans approved by HEFCW;
- full-time undergraduate students were given access to a tuition fee grant to cover any increase in fees beyond the level in academic year 2011/12¹⁹ (£3,465). The payment of the grant was made a statutory responsibility of HEFCW and was paid from within its recurrent funding budget (replacing for the most part the learning and teaching and related strategic funding streams that were previously paid direct to institutions);
- the income repayment threshold for student loans increased from £15,000 to £21,000, and variable progressive rates of interest charged depending on income;
- the institutional learning and teaching grant was retained in respect of part-time provision. However, part-time students were given access to a tuition fee loan of up to £2,625 (from 2013/14) depending on the level of intensity of their course; and
- to help control the total cost of HE to the Welsh Government, a cap on the number of publicly-funded student places in Wales continued to operate until academic year 2013/14, when control was exercised through the establishment of a maximum fee grant per institution in Wales, with no cap on student numbers. (This agreement ceased at the beginning of April 2015, when the responsibility for payment of tuition fee grants passed from HEFCW to the Welsh Government. There are currently no controls on either student numbers or associated grants.)

Current arrangements are summarised in Section Five.

¹⁸ Browne, J. (2010) *Securing a sustainable future for higher education: an independent review of higher education funding and student finance*. Department for Business, Innovation and Skills

¹⁹ Throughout this document the convention of using '/' for academic years (eg 2013/14) and '-' for financial years (eg 2013-14) is used,.

The need to keep the system for funding higher education under review was recognised at the time and made explicit in the Welsh Government's *Policy Statement on Higher Education* published in June 2013. This was followed by the Minister's announcement in November 2013 that an expert panel would be established to undertake the Review of Higher Education Funding and Student Finance Arrangements in Wales. The need for the Review Panel to have regard for the priorities set out in the *Policy Statement* was made clear in the terms of reference.

The *Policy Statement on Higher Education* (2013) outlines the present Welsh Government's vision for higher education in Wales to 2020 and a shared ambition for a world-class higher education system that serves the interests of learners and the nation in the 21st century. The role of higher education in stimulating innovation and economic growth; enhancing graduate employability and in expanding a highly skilled and capable workforce is clearly stated. The Statement also points to the international stage, identifying the need for Wales to become a partner of choice for international business and investment, and a destination of choice for international students and staff. Building a world class reputation for research excellence is a key feature, as is the Welsh Government's belief that higher education should be available to all those with the potential to benefit from it regardless of circumstance, and that Welsh universities should aspire to become the destination of first choice for students from Wales, the UK and across the world. The need for regional coherence – for a more holistic and regional view of post-16 education in Wales, supported by stronger regional planning is also emphasised, as is the requirement for the needs of learners to be paramount and for there to be greater collaboration between higher education and further education providers.

The Higher Education Funding Council for Wales Corporate Strategy for 2010-11 to 2012-13 became the delivery plan for *For our Future*. HEFCW's current strategy for 2013-14 to 2015-16²⁰, responds to the prevailing 2013 Policy Statement and context.

The Welsh Government has developed a number of policies in areas of direct interest to HE funding and the remit of this Review. Those drawn to the attention of the Panel include:

Science for Wales: A strategic agenda for science and innovation in Wales (2012)²¹ makes the link between the research and high-level skills development work of universities: 'A central ambition of the Welsh Government is to build a stronger economy. A sound and vibrant scientific and technological base has substantial potential to boost the economy through advanced ideas, skills and development, and an effective translation through innovation to more high quality jobs.' The strategy cites the 'need to create an environment where learners want to study science, perform well internationally at school level, and progress in science-related careers, delivering excellence in industry and world-class standards in further and higher education'. The strategy also recognises the 'vital links between the research and

²⁰ HEFCW Corporate Strategy 2013-14 – 2015-16

http://www.hefcw.ac.uk/documents/publications/corporate_documents/Corporate%20Strategy%202013-14-2015-16.pdf

²¹ Welsh Government (2012) *Science for Wales: A strategic agenda for Science and Innovation in Wales*

<http://gov.wales/docs/det/publications/120306scienceen.pdf>

science skills base in Wales, and the processes of innovation, development and commercialisation that transform scientific outputs into economic advantage for Wales'. It states that a strong, advanced industrial sector depends critically on the science base, and that they each should feed one another. This requires closer linking between the research, the innovation, and the commercial development stages of projects.

A cognate role for the HE sector is identified within the Welsh Government's innovation strategy, *Innovation Wales* (2014)²². There are clear relationships between research and innovation and engagement activity in the HE sector. The 2014 UK-wide assessment of research, and the impact of research indicated the strength of Welsh universities in driving innovation.

The Welsh Government's *Policy Statement on Skills* (2014) and the subsequent *Skills Implementation Plan* (2014) highlight a need to rebalance the responsibility for skills investment – with employers taking a lead role. This policy and plan seek to provide a foundation for a skills system that is competitive and sustainable into the future, focusing attention on four priority areas: skills for jobs and growth; skills that respond to local needs; skills that employers' value; and skills for employment. They identify a key role for higher education institutions and further education colleges in raising the higher level skills base in Wales.

Since 1999 a core theme running through the Welsh Government's education policy is a commitment to widening access to higher education. This is reflected in the *Policy Statement on Higher Education* and it is a feature of the Programme for Government 'tackling poverty' programme²³. The Government's main policy steer is that higher education should be available to all those with the potential to benefit, regardless of age, gender, mode and level of study, country of origin and background. Underpinning this is a commitment to achieving social equity and, as such, particular emphasis has been placed on the need to raise participation in higher education amongst individuals from disadvantaged socio-economic backgrounds. Widening access initiatives are closely aligned with areas where there are low levels of HE participation, including Communities First areas. HEFCW and higher education institutions in Wales, through HE tuition fee and access plan arrangements, (and further education institutions; third sector organisations and others via Reaching Wider Partnerships) have responsibility for implementing the Government's policy commitment.

In recent months, there have been changes and proposed changes to the UK policy landscape which have the potential to affect the HE sector in Wales. Given the proximity and gravitational pull of HE institutions in England, developments there are being closely monitored. Developments of particular interest at the time of writing include:

- The removal of the student number cap in England from the 2015/16 academic year.

²² Welsh Government (2014) *Innovation Wales*

²³ Welsh Government Programme for Government

<http://gov.wales/about/programmeforgov/poverty/actions?lang=en>

- Proposals for a post graduate loan scheme in England: an income contingent loan of up to £10,000 for English domiciled postgraduate taught Master's students, under the age of 30, to undertake study in any subject at a Higher Education Funding Council for England (HEFCE) fundable institution or any Alternative Provider that has obtained Degree Awarding Powers. There are also proposals for income-contingent loans of up to £25,000 for PhD and research-based Master's students.
- The Chancellor's July 2015 budget announcements including:
 - proposals for replacing maintenance grants with loans for new students starting in 2016/17;
 - increasing the maintenance loan available to £8,200 for students from low-income households;
 - consulting on freezing the loan repayment threshold for five years; reviewing the discount rate applied to student loans and other transactions;
 - linking the student fee cap to inflation for those institutions that can show they offer high quality teaching – the potential for selected universities in England to be able to increase tuition fees above the £9k threshold for 2017/18; and
 - proposals for a levy on large employers to fund apprenticeships.

Developments in other UK nations are also being monitored. This includes the outworking of the 'Higher Education Big Conversation' in Northern Ireland.

3.2 Public sector funding

In the early stages of this Review, presentations were received from the Chief Economist for Wales and the Head of Budgetary Control and Reporting, Welsh Government. The Review Panel heard that overall Welsh Government finances are under a historic squeeze and that the budgets which finance elements of student finance and higher education policy and strategy, in particular, are under pressure.

The Review Panel has been advised that the public sector spending position indicates a period of unprecedented fiscal tightening and a decade of financial austerity ahead. For example, the Chief Economist suggested, purely for illustrative purposes, that for every ten 'effective pounds' spent in 2013-14, the Welsh Government needs to plan for seven in 2020-21 (once allowance is made for cost and demand pressures).

In his July 2015 budget statement, the Chancellor of the Exchequer announced further spending cuts of £20bn in UK departmental budgets. At the time of writing, the outcome and impact of these cuts and the UK Government Comprehensive Spending Review is unknown, but it is expected that there could be significant implications for the Welsh Government, for the providers of higher education in Wales and for this Review. The outcome of the Spending Review and any resulting implications for higher education funding will be taken into account in the final report.

The Review Panel is also mindful that following the Welsh Assembly elections in May 2016, the next Government may seek to issue a budget statement at the earliest opportunity.

3.3 Wales' socio-economic context

Briefings have been received from the Chief Economist for Wales and others on the Welsh socio-economic landscape. Some of the key features presented are summarised below.

Wales has a strong political and cultural identity. The economy in Wales is, however, closely integrated with adjacent areas of England. Around 90% of the Welsh population live within an hour of the English border. Transport flows (and telecommunication connections) are strongly oriented in an East-West direction. Labour markets in much of Wales and England, especially in the border areas, are closely integrated, particularly for higher skilled occupations, where people are more mobile.

In this context, it is perhaps unsurprising that around one-quarter of the Welsh population were born outside Wales, with over one-fifth having been born in England. Migration flows between Wales and England are high.

Population trends

Over recent years, Wales has experienced net in-migration from England. Although there has been net out-migration of younger adults, in overall terms Wales has actually gained young people as a result of migration, since the outflow of younger adults has been more than offset by the inflow of children. Their parents, who are typically of working age when they in-migrate, may subsequently contribute to a population of retirement age in Wales that is relatively large compared to most other parts of the UK²⁴.

With regard to population trends, Office of National Statistics (ONS) data indicate:

- The population of Wales is projected to increase by 4% to 3.19 million by 2022 and 8% to 3.32 million by 2037.
- The number of children aged under 16 is projected to increase to around 582,000 by 2026 before decreasing.
- Overall, the number of children is projected to increase by 2% between 2012 and 2037.
- The number of people aged 16-64 is projected to decrease by nearly 60,000 or around 3% between 2012 and 2037.
- The number of people aged 65 and over is projected to increase by 292,000 or 50% between 2012 and 2037.

Of particular relevance to the Review are projections for 15-19 year olds in England and Wales. These show a decline in this age group in the period to 2020, with some recovery after that. Table 1 (which was submitted by Universities Wales) summarises recent ONS projections:

²⁴ Of course, these patterns, which are described at the all-Wales level, do not hold in the same way for all parts of the country.

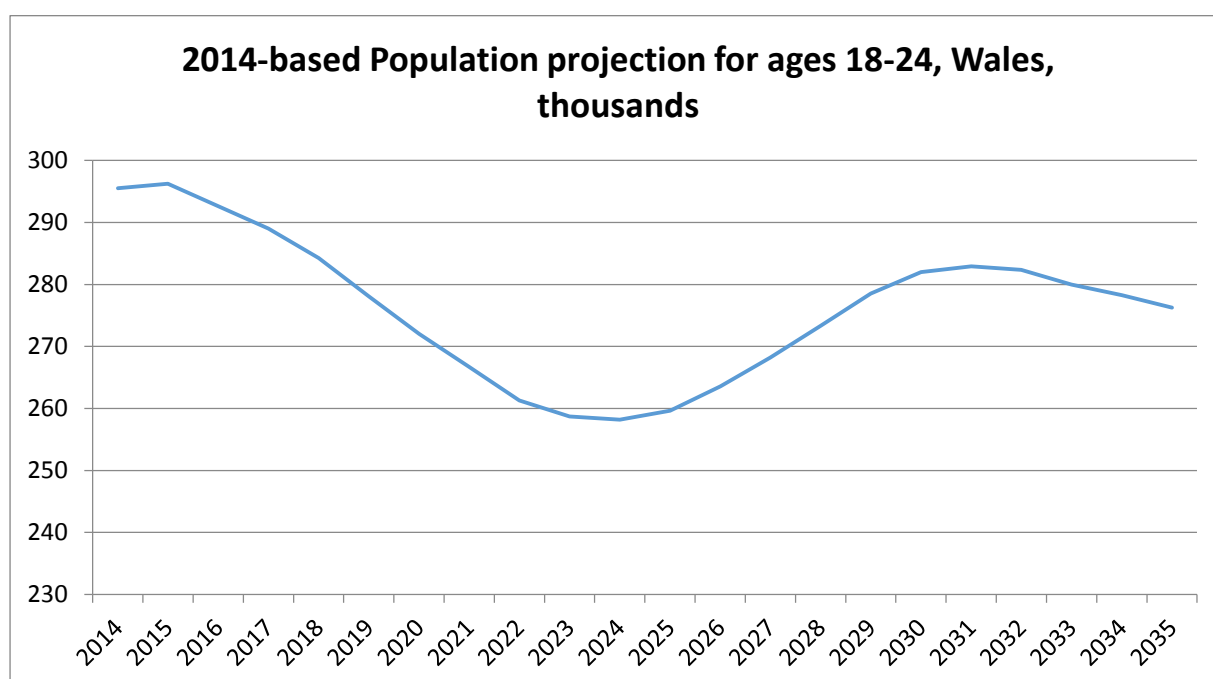
Table 1: Population projections (000s) of 15 to 19-year-olds 2010–22

		2010	2012	2014	2016	2018	2020	2022
Wales	Number (000's)	199	191	186	179	171	169	174
	% change since 2010	-	-4	-6.5	-10	-14	-15.1	-12.6
England & Wales	Number (000's)	3,465	3,353	3,270	3,175	3,096	3,142	3,289
	% change since 2010	-	-3.2	-5.6	-8.4	-10.6	-9.4	-5.1

Source: ONS projections

The numbers of 18-24 year olds in Wales is also projected to dip over the next decade (driven by earlier declines in the birth rate). Figure 1 refers.

Figure 1: Population projection for ages 18–24, Wales.



Source: ONS Central Population Projections

Economic performance and structure

Welsh economic performance lags behind that of the UK as a whole. While this may be disappointing, the Chief Economist has advised that it is unsurprising due to the long-term strength of the economy in London and the greater South East of England. He also advised that a more appropriate context for assessing Welsh economic performance is a comparison with the other UK countries and regions. In doing this, there is a need to look at a range of indicators, covering income, output, employment and wealth and poverty, rather than focusing on a single measure²⁵.

A review of a range of such headline indicators shows a mixed performance over the medium term. Wales performs particularly poorly on the measure of Gross Value Added (GVA) per head, where it is ranked last out of the 12 UK countries and regions. This performance on GVA per head is also not particularly surprising when

²⁵ For the latest data, see: <http://gov.wales/statistics-and-research/economic-indicators/?lang=en>

seen in a broader context: it reflects principally the combination of the skills profile of the population in Wales, particularly at the lower end (which is, however, not much different from most English regions outside the south of England), the economic geography of Wales (where it has the least 'economic mass of' any UK country or region²⁶), and Welsh demographic structure (with one of the highest levels of old-age dependents).

When taking the period since devolution in 1999, Wales has, however, almost matched the performance of the UK as a whole on the growth of GVA per head, and has the fourth best performance of the 12 UK countries and regions²⁷. This performance represents a marked improvement on the decade or so before devolution, when the gap in GVA per head between Wales and the UK widened quite sharply.

In assessing economic performance, there is a strong case for emphasising labour market outcomes, particularly employment rates, as there is evidence that employment is linked to a range of broader lifetime outcomes, such as health and well-being, and parental employment influences the prospects for their children. The relative performance of Wales in this respect is reasonable, with a marked closing of the gap in employment rates with the rest of the UK since devolution. Of course, there remains the potential for further improvement.

Welsh performance on the growth in household incomes over the period since devolution has been even better than on GVA, with Wales out-performing the UK as a whole, and being the second best performing country or region. This probably reflects the relative improvement in the labour market noted above.

The importance of one key aspect of Wales' socio-economic profile can be illustrated by the role of qualifications in determining employment rates. A person's qualification level is a bigger influence on their propensity to be in employment than is their location – both within Wales, and across England and Wales as a whole.

There is very little spatial variation for those with higher qualification levels, not least because such people do tend to be mobile. There is more spatial variation for low qualification levels, with the general pattern being that employment rates tend to be highest where the proportion of the population with low qualifications tends to be low, particularly in rural areas. The opposite is true in areas with high proportions of people with low qualifications, such as parts of the Valleys. Deprivation in Wales, as measured by the Welsh Index of Multiple Deprivation, follows a similar pattern.

Research by the OECD has shown that qualification levels are a key driver of economic outcomes not just for individuals but also for the region in which they live²⁸.

²⁶ There is a wide body of evidence to show that productivity – and pay – tends to be associated with economic mass, as measured for example by the share of the population in, or accessible to, major cities.

²⁷ Over a similar period, Welsh performance relative to the rest of the EU on the equivalent indicator of GDP per head has been less satisfactory. However, this adverse Welsh performance has been driven entirely by deterioration in the performance of the UK as a whole since around 2005 – a deterioration largely driven by a faster increase in the UK's relative cost of living. In fact, West Wales and the Valleys, the part of Wales in receipt of the highest level of EU support, has narrowed the gap with the UK as a whole over the period.

²⁸ OECD (2012) *Promoting Growth in All Regions. Lessons from Across the OECD*
www.oecd.org/site/govrdpc/50138839.pdf

The study found that, in explaining regional economic performance, reducing the proportion of people in a region with very low skills seems to matter more than increasing the share with very high skill levels.

While, as noted above, there is evidence that productivity – and pay – tends to increase with measures of economic mass, such as city size, economic growth does not show any such clear relationship. Over the period since devolution, GVA in Cardiff and the Vale has grown faster than the UK average, but Swansea and Newport have grown more slowly. The fastest growing area in Wales on this measure has been Gwynedd.

In many respects, the economic structure of Wales is broadly similar to that of the UK as a whole. Wales does have a relative lack of major companies with their headquarters in Wales, but the size-structure of businesses operating in Wales is similar to that across the UK as a whole. Indicators of innovation, taken in the round, do not indicate any major deficiency in Welsh performance. While indicators of entrepreneurship suggest lower levels than in the UK as a whole, the position is similar to other regions with an equivalent socio-economic profile. Wales is more dependent on manufacturing than is the UK as whole (with manufacturing currently accounting for around 15% of GVA in Wales compared to 10% for the UK), but is similar to a number of English regions²⁹.

The top three occupational classes (managers, professionals and associate professionals) account for around 40% of employment in Wales – a few per cent lower than for the UK as whole. As with the UK as a whole, the large majority of employment growth in recent years has been in these occupational classes (up by between one quarter and one third since 2001), with many other occupations mostly stable or falling in number – although some service occupations, particularly those associated with care, have been increasing. The growth in the top three occupational classes is accounted for by the growth in private, not public, sector employment.

In summarising the above, Wales faces a range of economic challenges, and, while in terms of economic performance, it lags the UK as whole, consideration in a more comprehensive context paints a mixed picture, with a range of more positive aspects alongside the negative ones.

Employment, skills and qualifications

UKCES Working Futures 2012-22 projections suggest that the overall employment level in Wales is expected to rise from 1.36 million in 2012 to 1.42 million by 2022, resulting in around 57,000 more people being in employment³⁰ (expansion demand). In addition to this increase in the overall number of people in employment, there is a need to replace people who have left the labour market due to a variety of reasons (replacement demand). Replacement demand is projected to be far greater than the

²⁹ Agriculture accounts for under 1% of GVA in both Wales and the UK.

³⁰ UK Commission for Employment and Skills (UKCES) *Working Futures 2012-2022*

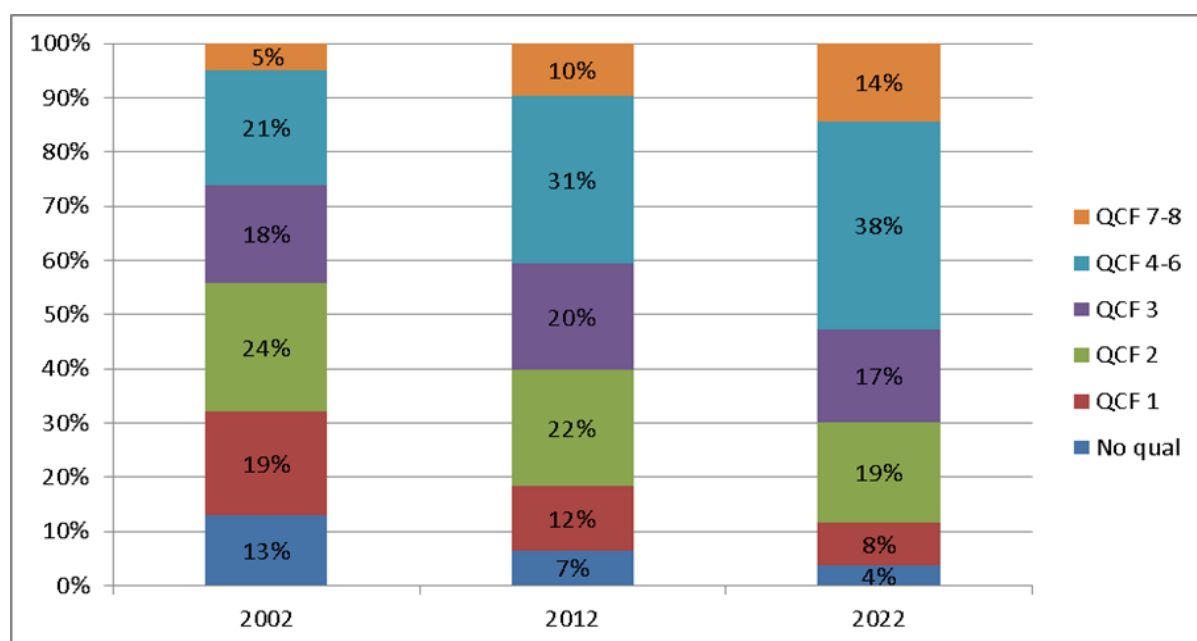
<https://www.gov.uk/government/publications/working-futures-2012-to-2022>

net change in employment at 531,000, resulting in a net requirement (expansion demand plus replacement demand) of 588,000 between 2012 and 2022.³¹

When it comes to employment by sector, the largest projected increase in employment between 2012 and 2022 is in health and social work. In terms of occupation, the largest projected increase is in caring and personal service occupations, reflecting predicted demographic change and an ageing population. Large expansion-based increases are also projected between 2012 and 2022 for higher skilled occupations in the managerial, professional, and associate professional and technical groups.³²

Projections for employment by qualification level indicate big changes in the labour market in Wales. Figure 2 shows the changes that have occurred and are projected to occur between 2002 and 2022.

Figure 2: Projections of employment by qualification in Wales 2002–2022



Source: *Working Futures*

In 2002, 26% of those in employment were qualified at QCF (Qualifications Credit Framework) Level 4 or above. This percentage is forecast to double over the 20 years to 2022, whilst the proportion qualified to Levels 7-8 is projected to have almost trebled (from 5% to 14%) during this period. By 2022, it is predicted that over half of those in employment in Wales will hold qualifications at level 4 or above (compared to around a quarter in 2002).

Working Futures predicts that the anticipated rise at QCF Levels 7-8 will result in approximately 203,000 people requiring skills at these levels in 2022, compared with

³¹ As with all projections and forecasts, the results presented in *Working Futures* should be regarded as indicative of likely trends and orders of magnitude given a continuation of past patterns of behaviour and performance, rather than precise forecasts of the future.

³² *Working Futures 2012-2022* contains detailed projections by sector and occupation.

131,000 people in 2012. At QCF Levels 4-6, approximately 546,000 people will require skills at these levels in 2022, compared with 422,000 people in 2012.

The role of higher education providers in addressing higher level skills needs is explored in Section 6.

The position in 2014 with regard the proportion of people resident in Wales who were in employment and who had a degree is shown in Table 2.

Table 2: Wales – employment by occupation and qualification (degree or no degree)

	Number of people		Percentage	
	Degree	No Degree	Degree	No Degree
Professional Occupations	182,326	62,197	75	25
Skilled Trades	11,593	166,560	7	93
Associate Professional & Technical	69,165	104,885	40	60
Elementary	12,270	144,451	8	92
Admin & Secretarial	28,521	117,170	20	80
Caring, Leisure & Other Service	18,200	119,249	13	87
Managers, Directors & Senior Officials	42,510	83,294	34	66
Sales & Customer Service	14,924	100,743	13	87
Process, Plant, Machine Operatives	4,456	88,837	5	95

Source: Annual Population Survey, year ending December 2014
(Based on residence not workplace location)

Poverty and educational attainment

The National Assembly for Wales' Communities, Equality and Local Government Committee's *Inquiry into Poverty in Wales: Poverty and Inequality* report (June 2015) observed that more than one in five people live in poverty in Wales. Evidence shows that there is a strong statistical link between poverty and low educational attainment.

The Welsh Index of Multiple Deprivation³³ (WIMD) identifies areas where there are the highest concentrations of different types of deprivation (income, employment, health, and education, access to services, community safety, physical environment and housing). The WIMD 2014 shows pockets of high relative deprivation in the South Wales valleys, large cities such as Cardiff and Swansea and in some North Wales coastal and border towns. The Local Authority with the highest proportion of areas in the most deprived 10% was Blaenau Gwent, while Monmouthshire had no areas in the most deprived 10%.

³³ WIMD 2014

The Welsh Government's vision for tackling deprivation in education is 'to have high expectations for all learners, regardless of their socio-economic background, and to ensure that they have an equal chance of achieving those expectations'.³⁴

When compared with the Scotland, Northern Ireland and the English regions, Wales is among the UK areas with the lowest entry rates for 18 year olds to full-time undergraduate courses in 2014 (27.1%)³⁵. In addition, Wales has seen one of the lowest proportional increases in 18 year old UK entry rates between 2006 and 2014 (8%). There are, however, positive signs in terms of the ability of Welsh students from deprived backgrounds to enter higher education. UCAS 2014 data show that 18 year olds from disadvantaged areas in Wales are around 34% more likely to enter HE compared with entry rates five years ago. Moreover, whilst advantaged 18 year olds in Wales are still much more likely to enter HE than those living in the most disadvantaged areas, the relative difference has decreased between 2006 and 2014.

3.4 Value of higher education to the individual and to society

With respect to graduate earnings and wage premiums, the Review Panel has gathered a substantial body of evidence, some of which is summarised below.

In the past few years there have been many studies which have attempted to estimate the benefit that a degree bestows in terms of future earnings (relative to a broadly equivalent member of the population who does not have a degree). The estimates of the benefit of a degree vary between the studies reported here. This variation is likely to be partly due to the use of different data sets, but, crucially, when researchers are estimating future lifetime earnings, they must make assumptions about future earnings growth. It is this that is likely to impact most on the variation between different estimates. However, despite these variations one thing remains constant across these studies – the evidence points to graduates earning more across their lifetime than individuals with the next highest level of formally recognised qualification. In presenting the studies below we make no comment on the veracity of the assumptions made, rather we simply present the results.

Included amongst this body of evidence is the August 2013 Department for Business Innovation and Skills (BIS) research paper: *The Impact of University Degrees on the Lifecycle of Earnings: Some Further Analysis*, by Professor Ian Walker (University of Lancaster) and Yu Zhu (University of Kent)³⁶. This found that on average the benefit of a degree in terms of lifetime earnings (net of tax and loan repayments) is in the order of £168K for men and £252K for women graduates (equating to a 28% wage increase for men and 53% for women). The net working-life benefits to the Exchequer as a result of individuals gaining a first degree compared to two or more A levels was also estimated to be in the order of £260K for men and £315K for women (when accounting for tax payments, student loan repayments and grants, etc at 2013 values).

³⁴ Welsh Government website <http://gov.wales/topics/educationandskills/schoolshome/deprivation/?lang=en>

³⁵ UCAS

³⁶ Walker, I. and Yu Zhu (2013) *The Impact of University Degrees on the Lifecycle of Earnings: Some Further Analysis* https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/229498/bis-13-899-the-impact-of-university-degrees-on-the-lifecycle-of-earnings-further-analysis.pdf

Earlier research by Dr Gavan Conlon and Pietro Patrignani of London Economics, *The Returns to Higher Education Qualifications*³⁷ (2011), found that compared to the possession of two or more A levels, possession of an undergraduate degree increases the probability of graduates being employed by approximately 4.2% for women and 2.1% for men. In terms of earnings, the analysis also demonstrated that compared to possession of 2 or more A levels, male graduates achieved a 23.5% earning wage premium while women achieved a 29.7% premium. This research also estimated the mean net graduate premium (ie the lifetime benefit associated with degree level attainment net of tax, National Insurance and the direct and indirect costs from degree acquisition) to be approximately £108,000 across both men and women (with a corresponding *rate of return* of 14.9%). In this instance there was some variation by gender, with men achieving a mean net graduate premium of approximately £121,000 (15.6%) compared to £82,000 for women (14.8%).

In terms of the economic benefits accrued by the public purse, the net Exchequer benefit (ie the enhanced taxation receipts net of all costs of provision) associated with an undergraduate degree was estimated to be £89,000 overall (£102,000 for men and £59,000 for women (in 2011 prices)).

The 2011 report by London Economics found that there are also substantial earnings returns to Master's degrees, with men and women achieving a 8.9% and 10.3% earnings premium respectively compared to possession of an undergraduate degree. Women possessing a Master's qualification were also shown to be 2.5 percentage points more likely to be employed compared to women in possession of an undergraduate degree (compared to 1.2 percentage points for men). The analysis also demonstrated very substantial values for the net postgraduate premium and net Exchequer benefit associated with postgraduate provision.

With respect to recent trends, the Department for BIS statistical publication *Graduate Labour Market Statistics January – March 2015 Q1*³⁸, shows some erosion in graduate earnings over the last few years (for example, full-time employed, working-age graduates in England have seen a small dip of £500 in median salary to £31,000). This may reflect the continuing fallout from the recession and generally sluggish wages growth. The publication also indicates that for England:

- Graduates and postgraduates continue to have higher employment rates and are more likely to work in high skill jobs than non-graduates. The employment rate for working age graduates of 87.5% is the highest level seen since the 88.3% recorded in Quarter 4 2007.
- The unemployment rate of 3.9% for young graduates is the lowest Quarter 1 rate since 2007.
- The postgraduate earnings premium over graduates has widened over the last year across both young and working age populations.

³⁷ Conlon, G. and Patrignani, P. (2011) BIS Research Paper 45: *The Returns to Higher Education Qualifications* https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/32419/11-973-returns-to-higher-education-qualifications.pdf

³⁸ BIS, *Graduate Labour Market Statistics January – March 2015 Q1* https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/432873/BIS-15-304_graduate_labour_market_statistics-January_to_March_2015.pdf

A study published in September 2015 by researchers at the Institute for Fiscal Studies (IFS), Harvard University and the University of Cambridge found that median earnings of English women around 10 years after graduation were just over three times those of non-graduates. Median earnings of male graduates were around twice those of men without a degree and that this advantage for graduates was maintained through the recent recession, although all groups saw significant falls in their earnings during this period³⁹.

Most of the commentary about graduate earnings and wage premiums refers to available research which relates to England and the United Kingdom more generally. With regard to the Welsh context, the Welsh Government commissioned work in 2006 on economic returns to education (*Returns to Education: An Update*, by Nigel O'Leary and Peter J. Sloane, University of Wales Swansea, Department of Economics & WELMERC⁴⁰). This showed that there were few, if any, statistical differences in wage premia between Wales and English regions outside London and the South East of England. There is nothing more recent available to suggest this position has changed.

The Review Panel received a copy of The Million Jobs Report (2014) *Varsity Blues – Time for Apprentices to Graduate*⁴¹ (William Walters and Shishir Malhotra), which gave another perspective. It compared the premia/earnings benefits attached to attainment of apprenticeships versus HE qualifications. This report concluded that apprenticeships provide greater returns to the taxpayer, and more lucrative earnings potential for school leavers relative to a large proportion of undergraduate degrees, excepting medicine and engineering, particularly from 'new' universities. Evidence in BIS Research Report 53: *Returns to Intermediate and Low Level Vocational Qualifications*⁴² generally supports this finding.

The CIPD commissioned a report, *Over-qualification and skills mismatch in the graduate labour market*⁴³, published in August 2015. This highlights the rapid expansion in recent decades of the UK's higher education sector. It found that the resulting increase in the number of UK graduates has not been matched by an increase in high-skilled jobs. The report concludes that graduate over-qualification is a particular problem for the UK, with the majority of UK university graduates (58.8% based on ONS data 2013) working in non-graduate jobs. The CIPD stated that the findings of this report raise questions about the size of the HE sector in relation to

³⁹ Institute of Fiscal Studies (2015) *Comparing sample survey measures of English earnings of graduates with administrative data during the Great Recession*, Working paper W15/28

<http://www.ifs.org.uk/publications/7998>

⁴⁰ O'Leary, N. and Sloane, Peter J., *Returns to Education: An Update*

<http://gov.wales/docs/caecd/research/060524-economic-returns-education-update-en.pdf>

⁴¹ At: <http://www.peratraining.com/varsity-blues.pdf>

⁴² BIS Research Report 53: *Returns to Intermediate and Low Level Vocational Qualifications*

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/32354/11-1282-returns-intermediate-and-low-level-vocational-qualifications.pdf

⁴³ CIPD (2015) *Over-qualification and skills mismatch in the graduate labour market*

<https://www.cipd.co.uk/publicpolicy/policy-reports/overqualification-skills-mismatch-graduate-labour-market.aspx>

UK labour market needs and reinforce calls for investment in alternative routes into work for young people⁴⁴.

The Sutton Trust recently published a report by the Boston Consulting Group, *Levels of Success: The Potential of UK Apprenticeships*⁴⁵ which looks at the apprenticeship landscape in the UK and at the earning potential of apprenticeships versus degrees. It finds that 'the very best apprenticeships (at level 5) result in greater lifetime earnings than degrees from non-Russell Group universities'. It also finds that significant reform is needed to the system, and there are not enough of these best apprenticeships, with most being at level 2 (GCSE) and level 3 (A level) standard.

With regard to the wider benefits of higher education, in 2013, The Department for Business, Innovation and Skills in England looked at the impact, through graduates and knowledge transfer, of higher education on society as a whole⁴⁶; and the findings show that higher levels of education are linked to a range of positive social, well-being and cultural benefits for the individual, their families and society. Clear correlations were also shown to exist between the amount of education a person has received and their propensity to vote, to be civically engaged, to be in good health and well-being, and not to commit crime.⁴⁷ The correlations hold up across most developed countries although their strength does differ.

Figure 3 illustrates what the Department for BIS paper determined to be the broadly agreed benefits of higher education participation both to individuals and to society. It also reflects market and non-market (wider) benefits.

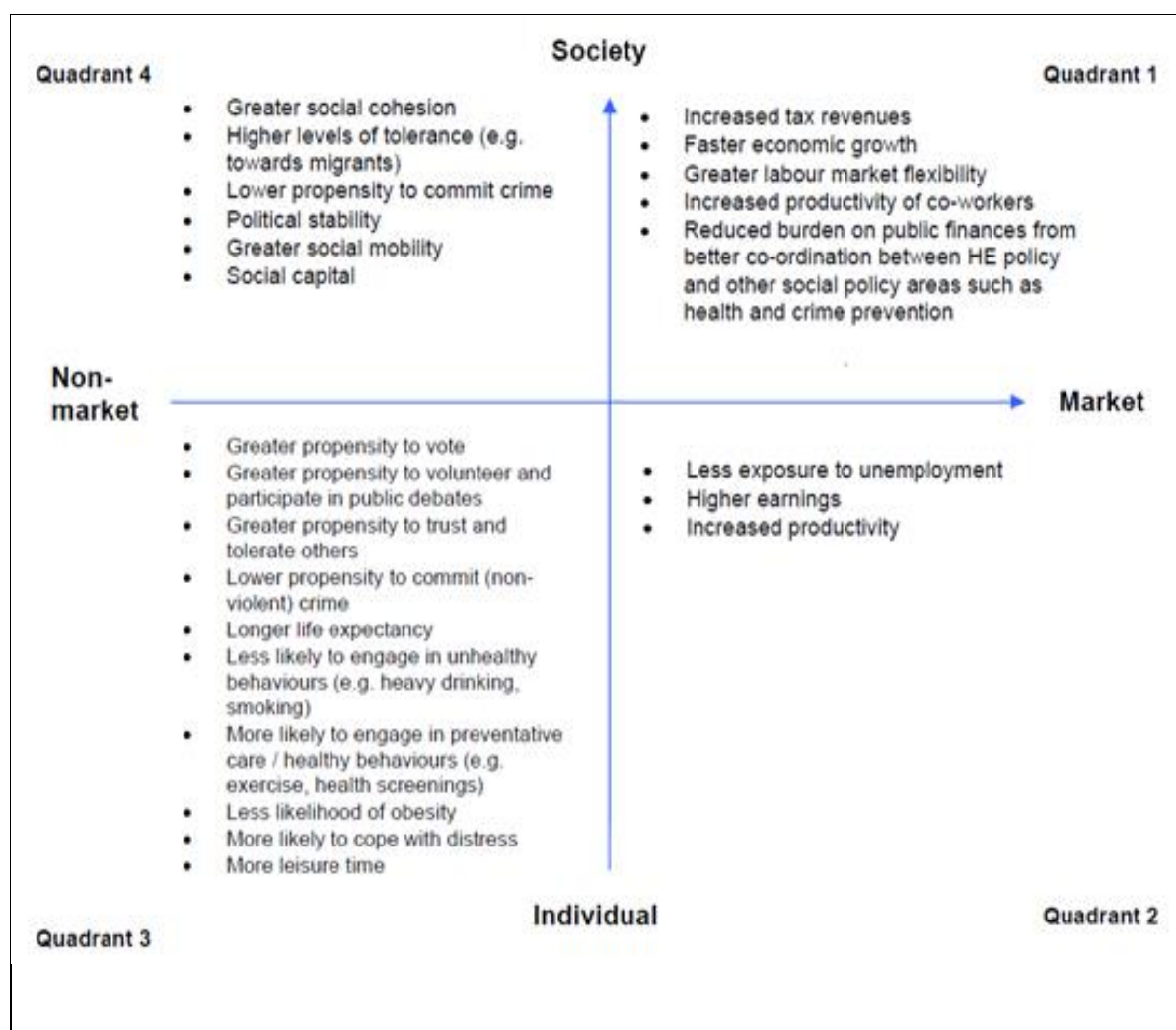
⁴⁴ Recent HESA data points to an improving jobs market for graduates: HESA Statistical First Release 217, June 2015 highlights that in 2013/14, of the full-time first degree leavers from HE providers in the UK who were employed in the UK, over two-thirds (68%) were in posts classified as professional employment (66% in 2012/13). For full time first degree leavers from HE providers in Wales who were employed in the UK, 62% were in posts classified as professional employment (61% in 2012/13). The remainder were working in occupational groups classed as non-professional.

⁴⁵ Levels of Success: The potential of UK apprenticeships <http://www.suttontrust.com/researcharchive/levels-of-success/>

⁴⁶ Department for BIS October 2013 Research Paper 146: *The benefits of higher education participation for individual and society* https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/254101/bis-13-1268-benefits-of-higher-education-participation-the-quadrants.pdf

⁴⁷ Research showing the benefit of Further Education to the individual, the economy and society, is also available: eg Department for BIS research papers Number 47: *The long term effect of vocational qualifications on labour market outcomes* (2011); Number 127: *The economic and social benefits associated with FE and skills: learning for those not in employment* (2013); and Number 104: *The impact of further education learning* (2013), etc.

Figure 3: A bi-dimensional categorisation of the wider benefits of higher education



Source: Department for BIS⁴⁸.

The microeconomic effects on individuals' prosperity also combine to improve the productive capacity of the economy as a whole, which creates opportunities and raises living standards for people throughout society.

In January 2013, the London School of Economics' Growth Commission⁴⁹ looked at the institutions and policies that should be used to underpin growth for the next 50 years. In reviewing the factors that helped, since 1980, to reverse the UK's relative economic decline, the nation's world-class higher education system was cited as a key asset. It was also noted that no country other than the US can count more of its higher education institutions among the world's top 100 universities.

⁴⁸ Department for BIS (October 2013) Research Paper 133: *Things we know and don't know about the Wider Benefits of Higher Education: A review of the recent literature*

<http://www.lse.ac.uk/businessAndConsultancy/LSEConsulting/pdf/BIS-report-Final.pdf>

⁴⁹ London School of Economics Growth Commission Report (2013) *Investing for Prosperity: Skills, Infrastructure and Innovation* <http://www.lse.ac.uk/researchAndExpertise/units/growthCommission/documents/pdf/LSEGC-Report.pdf>

Other key assets identified by the Growth Commission included: the strong rule of law, generally competitive product markets, flexible labour markets, and cutting-edge firms in both manufacturing and services. The university sector has a central role in the development of these assets, shaping the policies and people that help the UK move ahead. In one example, the Growth Commission Report identified that around a third of the difference between UK productivity and its competitors was related to business management practice, highlighting the significant role for business schools in creating an environment that supports growth. It notes that 'investments in education and research and development (R&D) help to create new ideas and extend the technological frontier, but they may also help a country to catch up with leading edge countries, making it possible for firms to learn about and absorb innovations from elsewhere'.

The Growth Commission's report makes the overarching observation that 'having a government that plays a major role in the economy – as in the UK – places a premium on well-designed policies that support growth'. A 2003 independent high-level study group established on the initiative of the President of the European Commission⁵⁰ observed that 'It has now become clear that the context in which economic policies have been developed changed fundamentally over the past thirty years... What is needed now is greater mobility within and across firms, more retraining, greater flexibility of labour markets... and higher investment in both R&D and higher education.'

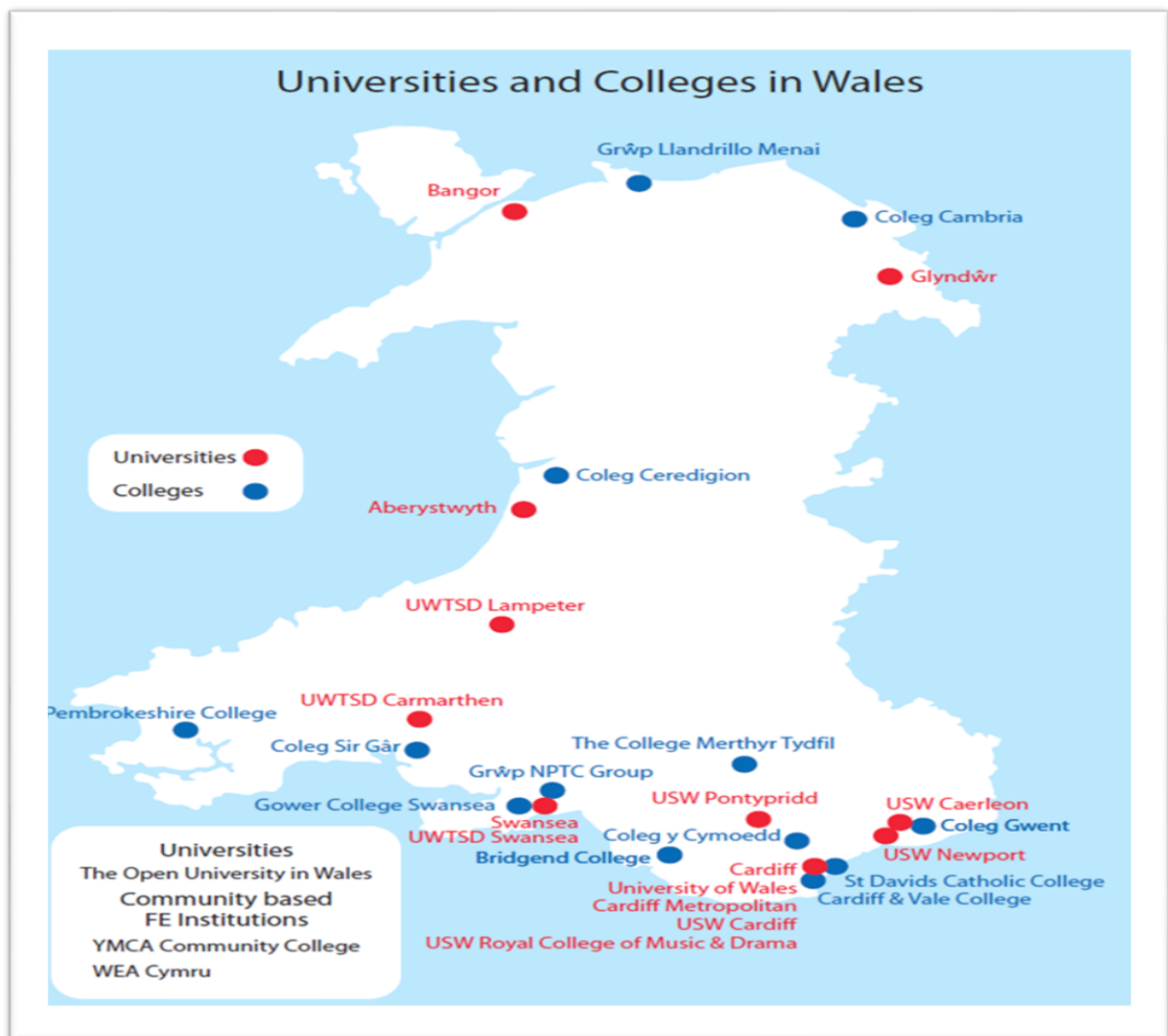
⁵⁰ Sapir, A. (2003) *An agenda for growing Europe: making the EU economic system deliver*. Report of an Independent High-Level Study Group established on the initiative of the President of the European Commission

4. The higher education sector in Wales

4.1 Introduction

There are nine universities in Wales providing a range of undergraduate, postgraduate taught and doctoral programmes and research services: Aberystwyth University; Bangor University; Cardiff University; Cardiff Metropolitan University; Glyndŵr University; Swansea University; University of South Wales; University of Wales Trinity Saint David; and the Open University in Wales⁵¹. There are also further education sector providers of directly funded HE and franchised HE activity.

Figure 4: Higher education institutions in Wales⁵²



⁵¹ University of Wales Trinity Saint David (UWTSD) and Swansea Metropolitan merged in 2013/14. In 2013/14, the University of Wales Trinity Saint David also merged with Coleg Sir Gâr. In 2013/14, University of Glamorgan and University of Wales Newport merged to become the University of South Wales. The Royal Welsh College of Music and Drama is a wholly-owned subsidiary company of the University of South Wales Group.

⁵² The Open University in Wales is a component part of the UK-wide Open University. It receives funding from HEFCW and its students receive student support from the Welsh Government. The OU is unique in receiving public funding from all four governments of the UK.

Students studying at universities in Wales, whether at undergraduate or postgraduate level, may be studying on a full-time or part-time basis. Part-time provision is spread across the various institutions (including some provision in a small number of further education colleges), but that spread manifests itself differentially – that is, for some institutions part-time provision represents a very small part of their overall provision; for others it is a relatively large proportion. The Open University in Wales delivers only on a part-time basis. (Those studying on a part-time basis tend to be older and are more heterogeneous than those who study full-time). There are also differing systems of student financial support for full and part-time students (Section 5).

The higher education sector in Wales is held in high regard by Welsh Ministers and contributors to this Review. The sector plays a central role in Welsh life and culture and is a substantial contributor to the economy of Wales. Universities in Wales contribute more than £3bn a year in gross expenditure to the Welsh economy; they employ some 25,000 people and have an annual turnover of around £1.3bn⁵³.

The Welsh Government's *Policy Statement on Higher Education* notes: through knowledge creation, developing a highly skilled workforce, and through engagement with local communities, the sector's contribution towards sustainable economic growth is broad.

Contributors to the review highlighted to the panel that the sector: generates almost 40,000 jobs in the Welsh economy by being major purchasers, and through the buying power of their employees and students; stimulates economic growth through research and innovation and linking with businesses, and by producing highly-skilled graduates.

They also report that overseas and EU students – almost 25,000 a year, invest more than £100m on tuition fees, generating a value added contribution of £140m and contributing some £150m to Wales' GDP thanks to living costs and subsistence expenditure.

Research strengths

The Welsh HE sector has considerable strengths in research and is well connected internationally (the sector produces researchers who collaborate internationally more than any other UK constituent country⁵⁴). The Elsevier report *International Comparative Performance of the Welsh Research Base, 2013*, confirms that the research base in Wales is very strongly university-based (responsible for 84% of all Wales published research outputs) and, with the hospitals of Wales, makes up 92% of all Wales-based research. The report concludes that Wales 'punches way above its weight' in terms of research income compared to research outputs, efficiency and impact, and that Wales is part of a world-leading UK science base. For example:

With only 0.14% of the world's researchers, Wales produces:

- 0.3% of publications;

⁵³ HESA FSR

⁵⁴ Elsevier Report and HEFCW submission.

- 0.49% of the global article editions;
- 0.7% of the top 1% highest cited articles; and
- 0.85% of all references to journal publications from patents.

The Welsh HE sector also secures nearly half of all the research and development investment coming into Wales, and produces more than four-fifths of Wales' research outputs.

The results of the 2014 Research Excellence Framework Assessment (REF 2014) demonstrate the research strengths of Welsh universities. More than three quarters of the research submitted by universities in Wales was judged to be world leading (30% – 4*) or internationally excellent (47% – 3*). Welsh universities also scored well in terms of impact – 47 % of the research submitted by Welsh universities was found to be world leading in terms of its contribution to the economy and society. This was above the UK average (43%).

4.2 Student numbers

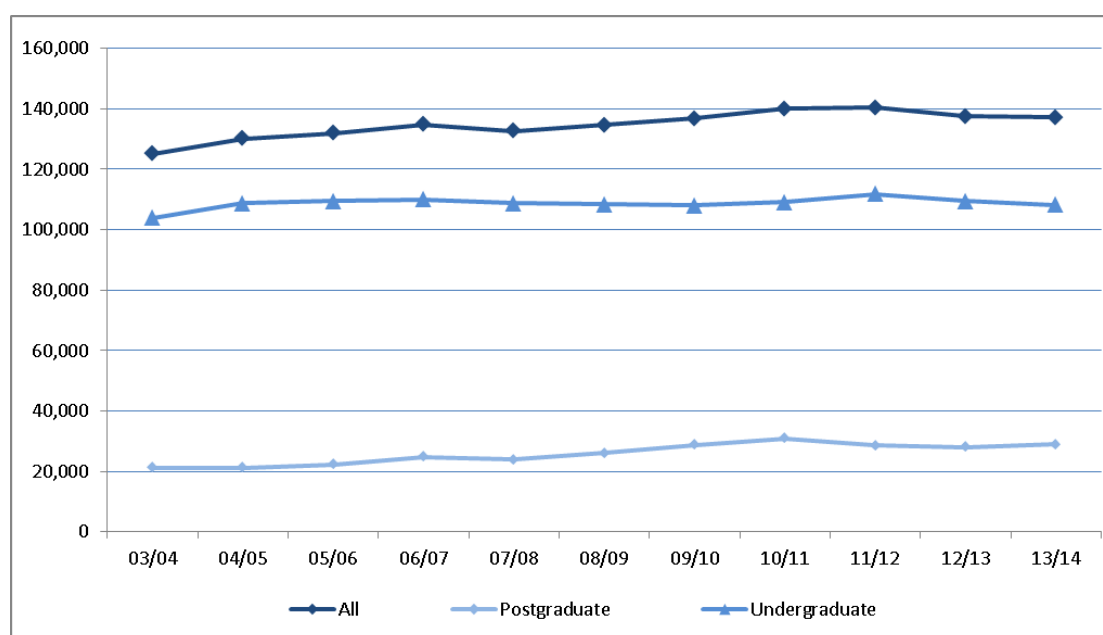
4.2.1. Enrolments and applications at higher education institutions in Wales

HESA data show that:

- In 2013/14 there were a total of 137,135 HE enrolments at Welsh HEIs, including enrolments made by Welsh students at the Open University;
- There were 28,995 postgraduate enrolments in 2013/14, a 3.5% increase compared to 2012/13. Undergraduate enrolments decreased by 1.2% from the previous year, to 108,140. In 2013/14, 79% of enrolments were at undergraduate level, down from a high of 84% in 2004/05;
- In 2013/14, the total number of part-time HE enrolments fell by 3% on the previous year to 34,880. The total number of part-time HE enrolments at Welsh HEIs has declined steadily since its peak of 57,620 in 2006/07; and
- Full-time enrolments increased by 1% compared with 2012/13 levels to 94,250.

The overall trend in the number of students enrolled at Welsh HEIs from 2003/04 to 2013/14 is reflected in Figure 5.

Figure 5: Students enrolled at Welsh HEIs 2003/4 to 2013/14 (including the OU)



Source: HESA

The total number of HE students enrolled at HEIs in Wales in 2013/14 including the Open University, was 137,135. Table 3 breaks this figure down into postgraduate undergraduate, full time and part time enrolments at all HEIs in Wales for 2013/14.

Table 3: Students enrolled at Welsh HEIs 2013/14

	Postgraduate	Undergraduate	Full-time and sandwich	Part-time	All
Cardiff University	8,685 29%	21,495 71%	22,005 73%	8,175 27%	30,180
University of South Wales	5,310 18%	23,890 82%	17,765 61%	11,435 39%	29,195
Swansea University	2,415 16%	12,405 84%	12,250 83%	2,570 17%	14,820
Cardiff Metropolitan University	4,665 35%	8,730 65%	11,805 88%	1,590 12%	13,395
University of Wales, Trinity Saint David	2,040 18%	9,280 82%	7,865 69%	3,455 31%	11,320
Aberystwyth University	1,610 14%	9,560 86%	8,880 79%	2,305 21%	11,170
Bangor University	2,615 25%	8,030 75%	8,705 82%	1,940 18%	10,645
Glyndwr University	1,305 16%	7,100 84%	4,980 59%	3,425 41%	8,405
The Open University in Wales	360 4%	7,650 96%	* *	8,010 100%	8,010
All Welsh HEI's excluding OU	28,635 22%	100,490 78%	94,250 73%	34,880 27%	129,130
All Welsh HEI's including OU	28,995 21%	108,140 79%	94,250 69%	42,890 31%	137,135

All figures are rounded to the nearest five. Values of 0, 1, 2 are represented by " * ".

Source: HESA

4.2.2. Enrolment by subject area, level and mode of study

Appendix Four contains a breakdown of enrolments at Welsh HEIs by subject area, level and mode of study in 2013/14.

During the evidence-gathering phase, the Review Panel has looked at whether there are any significant gaps in HE provision at Welsh universities at undergraduate and at postgraduate level, which might limit student choice with regard to subject and location of study (and, as a result, whether there are any implications relating to the cross border flow of students). Analysis undertaken by HEFCW on behalf of the Panel, found that apart from veterinary science, there were no subjects where there is a serious shortfall in provision at postgraduate or undergraduate level in Wales.

4.2.3. Welsh-domiciled enrolments at UK higher education institutions

For 2013/14, HESA data show that there were 100,085 Welsh-domiciled higher education enrolments at UK HEIs, showing a 1% decrease from 2012/13. Undergraduate enrolments (83,890) fell by 1% compared with 2012/13.

For undergraduate Welsh-domiciled students, part time enrolments at UK HEIs decreased by 7% in 2013/14 to 28,175. This is 28% below the peak of 39,280 in 2004/05. However, the falls have been smaller in the last four years. Conversely, full-time undergraduate enrolments (55,715) showed a 2% increase between 2012/13 and 2013/14.

For postgraduate Welsh-domiciled students, part time enrolments at UK HEIs remained constant, despite a dip in 2011/12 to 9,630. In 2013/14 there were 10,140 enrolments. Full-time postgraduate enrolments decreased by 3.7% to 6,060 in 2013/14, breaking the trend of numbers staying constant in recent years between 2009/10 and 2012/13. Table 4 provides details of the number of Welsh-domiciled student enrolments at UK HEIs (including level and mode of study) from 2002/03 to 2013/14.

Table 4: Number of enrolments of Welsh-domiciled students at UK HEIs by year, level and mode of study, 2013/14

	Postgraduate			Undergraduate			Total
	Full-time	Part-time and other	Total	Full-time	Part-time and other	Total	
2002/03	5,820	9,965	15,780	48,955	36,760	85,715	101,500
2003/04	5,900	9,970	15,870	50,130	37,255	87,385	103,255
2004/05	5,620	9,980	15,600	50,420	39,280	89,700	105,300
2005/06	5,750	10,205	15,955	50,535	37,970	88,505	104,460
2006/07 (1)	6,050	10,655	16,705	50,875	37,305	88,175	104,880
2007/08	5,630	10,005	15,635	51,055	35,280	86,330	101,965
2008/09	5,835	10,160	15,995	52,165	34,230	86,395	102,395
2009/10	6,220	10,085	16,305	54,960	31,610	86,570	102,875
2010/11	6,220	10,240	16,460	54,600	31,565	86,165	102,625
2011/12	6,295	9,630	15,925	54,435	31,745	86,180	102,110
2012/13	6,295	10,050	16,345	54,515	30,405	84,925	101,270
2013/14	6,060	10,140	16,200	55,715	28,175	83,890	100,085

1. 2006/07 data have been re-calculated to allow for comparisons with 2007/08. This data represents the beginning of a new timeseries where writing-up and sabbatical are not included in the standard registration population or the December population.

4.2.4. Applications and acceptances to higher education institutions in Wales⁵⁵

For the 2014 cycle:

- There were 20,200 acceptances from Welsh domiciles in the 2014 cycle. These are predominantly for institutions in Wales and England (99%).
- There were 26,000 acceptances to institutions in Wales in the 2014 cycle. These are predominantly from Wales and England (87%).
- In 2014, 11,955 acceptances were from Wales, a slight decrease (1.9%) from 2013. The number of English acceptances to Welsh institutions increased by 250 (2.4%) to 10,680.
- Offer rates from Welsh institutions to 18 year old applicants from England and Wales increased by 2-3 percentage points in 2014. This follows similar increases in 2012, meaning applications from English applicants are 11-12% more likely, and those from Welsh applicants are 10-11% more likely, to receive an offer than in 2011.

For the 2015 cycle:

- The overall number of Welsh-domiciled applicants has shown no change from the previous year.
- The total number of applications to Welsh HEIs increased by 930 (1.2% increase).
- The total number of Welsh-domiciled applicants to Welsh HEIs has remained constant, whilst the number of English domiciled applicants to Welsh HEIs increased by 610 (1.4% increase).
- However, the number of Welsh-domiciled applicants to English HEIs has also increased by 440 (2.6% increase).
- Applications to Welsh HEIs from other-EU domiciled applicants were up 10.5% and non-EU domiciled applications remained constant; a net total of 430 additional applications compared with the 2014 cycle.

Source: UCAS⁵⁶

4.3 Cross-border flows⁵⁷

Whilst recruitment patterns in Wales and the UK are changing, Wales remains a net importer of students. HESA data show that in 2013/14⁵⁸, there were 22,770 Welsh-domiciled enrolments at UK HEIs outside Wales and 33,355 enrolments at Welsh HEIs from students normally resident elsewhere in the UK. Wales remained a net

⁵⁵ This includes full-time and part-time. The majority of part-time acceptances of Welsh domiciles will be at Welsh HEIs.

⁵⁶ UCAS (2015) Deadline Applicant Statistics: June
https://www.ucas.com/sites/default/files/mr_june_150630.pdf

⁵⁷ Data split by full-time and part-time is not readily available at time of writing. The information presented is more indicative of full-time student flows.

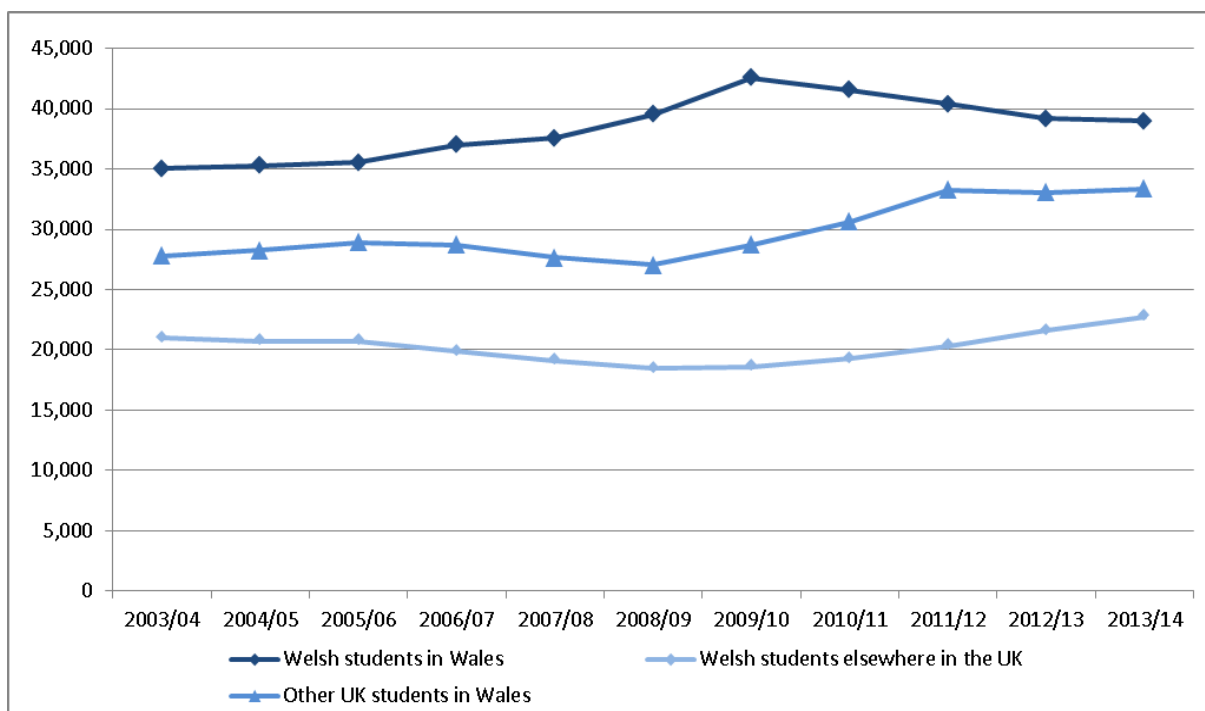
⁵⁸ Cross Border Flow 2013/14 Data available at:
<https://stats.wales.gov.uk/Catalogue/Education-and-Skills/Post-16-Education-and-Training/Higher-Education/Students/Cross-Border-Flows/CrossBorderFlowOfFullTimeHigherEducationStudents-by-Level-Domicile-YearOfStudy-LocationOfInstitution>

importer of students, although the net flow into Wales fell by 8% in 2013/14. Between 2012/13 and 2013/14, the number of Welsh-domiciled students studying elsewhere in the UK increased by 5%⁵⁹. The number of other UK students studying in Wales increased by 1%, having fallen by 1% in the previous year.

In the 2014 cycle, UCAS data showed an increase (2.4%) in English students entering Welsh HEIs, with Welsh students entering English HEIs increasing also (9.9%). Welsh students entering Welsh HEIs showed a slight decrease (1.9%). Early 2015 data show that Welsh domicile applications and applications to Welsh HEIs are at a similar level to 2013/14.

Trends in cross border flows from 2003/4 to 2013/14 can be seen in Figure 6.

Figure 6: Cross-border flows 2003/4 to 2013/14



Source: HESA

4.4 Qualifications obtained

In 2013/14, 41,940 higher education qualifications were obtained at Welsh HEIs. Of these 13,210 were at postgraduate level. 23,295 qualifications were at first degree level with 17% of these obtaining a first class honours degree and 46% obtaining an upper second class honours degree. Postgraduate qualifications decreased by 5% in 2012/13 and there was a decrease of 1% in all qualifications. Table 5 shows the number of qualifiers from Welsh HEIs by level of study from 2003/04 to 2013/14.

⁵⁹ Though recent figures appear to show this is levelling.

Table 5: The number of qualifiers from Welsh HEIs by level of study and year, 2013/14

	2003/04	2004/05	2005/06	2006/07 (4)	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Total	29,310	33,525	32,270	34,080	35,185	34,645	37,900	41,935	43,915	42,300	41,940
Postgraduate (1)	7,560	9,295	9,470	10,720	10,750	10,940	13,045	14,890	15,835	13,890	13,210
Undergraduate (2)	21,750	24,230	22,800	23,360	24,435	23,705	24,860	27,045	28,080	28,410	28,730
<i>Undergraduate (2)</i>											
First degree	16,060	17,310	17,370	17,630	18,815	18,430	19,215	20,780	22,250	22,490	23,295
Other undergraduate (3)	5,690	6,920	5,425	5,730	5,620	5,275	5,645	6,265	5,830	5,915	5,435

1. Postgraduate qualifications include higher degrees, diplomas and certificates and usually require that entrants are already qualified to degree level.

2. Undergraduate programmes of study include first degrees, Foundation Degrees, diplomas in HE, Higher National Diploma(HND), Higher National Certificate(HNC), etc. Entrants to these programmes of study do not usually require an HE qualification.

3. Other undergraduate qualifications include foundation degrees, diplomas in HE, Higher National Diploma(HND), Higher National Certificate(HNC), etc.

4.5 Destinations of leavers from higher education in Wales⁶⁰

The 2013/14 Destinations of Leavers from Higher Education (DLHE) survey⁶¹ results show that six months after completing their studies, around three quarters of Welsh-domiciled qualifiers and qualifiers from Welsh HEIs engaged in some kind of employment. In both cases, around half of all qualifiers were in full-time work. The results also show:

- Qualifiers from full-time study showed higher rates of unemployment than those from part-time courses. This is unsurprising since many students are already employed whilst undertaking a part-time course.
- Qualifiers from Welsh HEIs were less likely to remain in Wales for employment when compared to the equivalent 'retention' figure for other UK countries.⁶² However, retention rates for Welsh-domiciled qualifiers (ie those originally living in Wales and subsequently entering employment in Wales) were higher than for all English regions with the exception of London and the North West.
- The median salary for UK domiciled, first degree qualifiers in permanent full-time employment in Wales was the same as Northern Ireland but lower than in Scotland and England.
- For the first degree qualifiers employed full-time in paid employment who studied at Welsh HEIs the median salary was £19,000, lower than all other UK countries. Scotland achieved the highest with £21,500.

Table 6 summarises the DLHE survey results for 2013/14

⁶⁰ *Student destinations and employability 2012/13 (Welsh-domiciled)*. It is also available for Welsh HEIs though: <http://wales.gov.uk/docs/statistics/2013/130924-destinations-students-gaining-qualifications-higher-education-institutions-2011-12-en.pdf> and <https://stats.wales.gov.uk/Catalogue/Education-and-Skills/Post-16-Education-and-Training/Higher-Education/Destination-of-Leavers/WelshDomiciledQualifiers-by-EmploymentStatus-LocationofStudy>.

⁶¹ 2013/14 Destinations of Leavers from Higher Education (DLHE) survey https://www.hesa.ac.uk/component/pubs/?task=show_pub_detail&pubid=1708

⁶² A reflection, in part, of the extent to which Wales is a net importer of students who are domiciled elsewhere.

Table 6: Destination of Welsh-domiciled qualifiers by employment status and location of study, six months after qualifying from university, DLHE survey results, 2013/14

	Welsh Institution	English Institution	Scottish Institution	Northern Irish Institution	Total
Full-time work	6,855	3,765	85	.	10,705
Part-time work	1,705	625	10	*	2,340
Full-time study	1,320	700	20	*	2,040
Primarily in work and also studying	705	235	5	.	950
Explicit refusal (1)	570	315	10	.	895
Other	485	300	10	.	790
Unemployed	490	240	10	.	735
Primarily studying and also in work	405	195	*	.	605
Part-time study	135	60	.	.	195
Due to start work	75	50	*	.	130
Non-response	3,425	1,545	35	20	5,025
Total	16,170	8,035	180	25	24,410

1. Ineligibility or explicit refusal code XX includes those who returned the survey but have explicitly refused to provide information, and those who are deceased

4.6 Quality Assurance Agency review outcomes

The Quality Assurance Agency for Higher Education (QAA) is the body that safeguards standards and seeks to improve the quality of UK higher education. One way in which QAA achieves its mission is to carry out Institutional Reviews of higher education institutions. The current cycle of institutional reviews in Wales has seen all institutions reviewed between 2009-10 and 2014-15, plus a number of thematic reviews including: Foundation Degrees; Overseas TNE (University of Wales), and Embedded College Reviews for Educational Oversight.

The majority of reviews in this period have ended with the QAA issuing a confidence judgement that the provider is meeting expectations and responsibilities with no serious risk to academic quality and standards identified⁶³. Around a quarter of the period's reviews have concluded that some aspects of provision have been found to have limited confidence or required improvement or concerns were identified. In each of those cases follow-up actions have been completed. No reviews have resulted in either 'limited' confidence outcomes where the problems are unresolved or 'no confidence' outcomes.

4.7 National Student Survey results

Universities in Wales generally score highly in surveys of student satisfaction. According to the National Student Survey (NSS) for 2015, 85% of students in Wales are satisfied with their overall higher education experience. Overall satisfaction has remained steady, and there were particular gains in the areas of learning resources and satisfaction with the students' union. There were also improvements in teaching, assessment and feedback, academic support, organisation and management, personal development and NHS practice placements. In all categories

⁶³ Quality Assurance Agency (2014) *Annual Report to the Higher Education Funding Council for Wales and Universities Wales 2013-14*

relating to the academic student experience, satisfaction has either improved or stayed the same since 2014.

Benchmark data for individual institutions in Wales is shown below.

Table 7: NSS benchmark information 2014 and 2015

Institution	2014		2015	
	Satisfaction %	Benchmark	Satisfaction %	Benchmark
Aberystwyth University	83	86	83	86
Bangor University	91	86	91	86
Cardiff University	89	87	90	87
Cardiff Metropolitan University	86	85	83	86
Glyndŵr University	78	84	80	84
Swansea University	89	87	91	87
University of South Wales	80	85	79	84
University of Wales Trinity Saint David	81	84	79	84
The Open University in Wales*	91	-	91	-

Source: National Student Survey* Open University students were excluded from the benchmark calculations due to their impact on the benchmark figures for part-time students.

In 2014 four out of nine institutions were below benchmark (compared to the UK as a whole where 14.1% of institutions were below the NSS benchmark⁶⁴). In 2015 the number of institutions below benchmark increased to five.

4.8 University rankings

The respective UK rankings of Welsh universities according to the 2015 and 2016 *Complete University Guide UK*⁶⁵ and the *Guardian University Guide* are presented in Table 8.⁶⁶ Other guides are available.⁶⁷

⁶⁴ HEFCW submission

⁶⁵ The Complete University Guide, <http://www.thecompleteuniversityguide.co.uk/>.

⁶⁶ The Guardian University Guide <http://www.theguardian.com/education/universityguide>.

⁶⁷ For example: QS Top Universities Rankings (<http://www.topuniversities.com/qs-world-university-rankings>) and the Times Higher Education World University Rankings (<https://www.timeshighereducation.com/world-university-rankings/2016/world-ranking#!/page/0/length/25>).

Table 8: The *Complete University Guide* and *Guardian University Guide* rankings

University League Table Performance – National Ranking				
Institution	The Guardian University Guide		The Complete University Guide	
	2015 (published 2014)	2016 (published 2015)	2015 (published 2014)	2016 (published 2015)
Aberystwyth University	106/116	110/119	87/124	86/126
Bangor University	82/116	57/119	64/124	58/126
Cardiff University	26/116	27/119	23/124	31/126
Cardiff Metropolitan University	98/116	95/119	98/124	79/126
Glyndŵr University	64/116	103/119	115/124	123/126
Swansea University	57/116	52/119	42/124	45/126
University of South Wales	102/116	113/119	100/124	102/126
University of Wales Trinity Saint David	-	117/119	-	125/126

The Open University, which specialises in part-time distance learners, does not appear in the league tables referred to above.

4.9 Higher education delivered by further education institutions

The Welsh Government's *Review of higher education in further education institutions* report, published in June 2015, provided a detailed breakdown of HE activity in FE institutions⁶⁸. This report showed the pattern of provision across Wales to be diverse and it confirmed the important role that FE institutions play in delivering Level 4 and 5 HE provision and Foundation Degrees.

In 2012/13 (latest data available to the Panel) around 6,340⁶⁹ students were enrolled on HE courses in Welsh FE institutions. Of these, 4,420 students were on part-time courses. The providers of HE in FE activity directly funded by HEFCW at that time were: Bridgend College, Coleg Sir Gar⁷⁰, Grŵp Llandrillo Menai, Gower College Swansea and Grŵp NPTC Group. 1,475 students were enrolled at these institutions on directly funded HE courses (of whom 20 were on postgraduate courses and 1,455 on undergraduate courses).

Grŵp Llandrillo Menai, with 975 students in 2012/13, was the largest FE provider of directly funded HE courses in Wales. This is still the case. Table 9 provides a breakdown of enrolments at the institutional level.

⁶⁸ *Review of higher education in further education institutions* June 2015 Research Paper 063/3015 <http://gov.wales/topics/educationandskills/publications/reports/a-review-of-he-delivered-in-further-education-institutions/?lang=en>

⁶⁹ The HE in FE figures included in this section are taken from the June 2015 report and are based on rounded figures.

⁷⁰ Coleg Sir Gar has since merged with University of Wales Trinity Saint David.

Table 9: Home and EU fundable completed enrolments for FEIs in Wales directly funded by HEFCW, 2012/13

Institution	Mode of Study	Level of Study	2012/13 EYM enrolments
Bridgend College	Full-time	Undergraduate	20
Coleg Sir Gâr	Full-time	Undergraduate	220
	Part-time	Undergraduate	125
Grŵp Llandrillo Menai	Full-time	Undergraduate	405
	Part-time	Undergraduate	570
Gower College Swansea	Part-time	Postgraduate	20
	Part-time	Undergraduate	70
Neath Port Talbot College	Full-time	Undergraduate	15
	Part-time	Undergraduate	30
Total			1,475

Source: HEFCW End of Year Monitoring Survey 2012/13

Note: this data includes assumed completed enrolments

The HE activity that takes place at FE colleges throughout Wales is mostly franchised in from HE institutions. Table 10 provides details of the number of enrolments on franchised provision in 2012/13.

Table 10: Numbers of enrolments franchised in from HEIs and taught at FE institutions 2012/13

Institution	Full-time	Part-time	Total franchised in from HE institutions
Bridgend College	325	655	980
Cardiff and Vale College	45	410	455
Coleg Ceredigion	*	35	35
Coleg Gwent	180	345	525
Grŵp Llandrillo Menai	75	395	465
Coleg Morgannwg	85	255	340
Coleg Powys	40	60	95
Coleg Sir Gar	150	410	560
Deeside College	*	145	145
Gower College Swansea	30	170	200
Neath Port Talbot College	200	130	330
Pembrokeshire College	90	255	345
Yale College of Wrexham	*	115	115
YMCA Wales Community College	25	*	25
Ystrad Mynach College	20	225	245
Total	1,265	3,605	4,865

Source: 2012/13 HESA Student Record - registration population - learner basis

(a) Excludes Merthyr Tydfil College (included under University of Glamorgan for statistical purposes).

(b) Numbers greater than 0 and less than 5 have been replaced by *. Other figures are rounded to the nearest 5 and there may be slight discrepancies between the sums of constituent items and the independently rounded totals.

The statistical data included in this section of the report and the next reflect information that has been presented to the Review Panel by others. Different

timelines have been used in some cases. There may also be some inconsistency in reporting due to rounding, the information having been obtained from different sources and at different times in the evidence gathering cycle. It is also likely that more recent data will be available by the time the report is published. The Review Panel will receive statistical updates as the review progresses to inform the final report.

5. HE funding and student finance arrangements

This section reflects the information gathered with respect to student finance arrangements and HE sector funding.

5.1 Student finance arrangements in Wales

On 30 November 2010, the Welsh Government announced that, from the start of the 2012/13 academic year, higher education providers in Wales would be able to charge tuition fees of up to £9,000 per annum for new undergraduate full-time students.

To offset the increase in tuition fees both in Wales and in England, the Welsh Government introduced new support arrangements: the main change being that from 2012/13, new entrant full time undergraduate students normally resident in Wales became eligible to receive the Tuition Fee Grant (TFG) to cover any increase in fees (up to the £9,000 fee maximum) beyond the level set in 2011/12, regardless of where in the UK they wished to study. EU students studying in Wales also became eligible for the TFG if studying at Welsh HEIs. Other changes included the raising of the income threshold for student loan repayments (from £15,000 to £21,000). From 2013/14 part-time students were given access to a tuition fee loan of up to £2,625 (depending on the level of intensity of their course). Alongside this, the institutional learning and teaching grant paid by HEFCW to universities was retained in respect of part-time students in order to mitigate for the lower fees charged. (HEFCW strategy funding streams – also paid direct to institutions – were removed for both full and part-time provision).

The Welsh Government, via Student Finance Wales/Student Loans Company, provides financial support to help students with their tuition fees, living and other costs while studying in higher education. At the time of writing, the details of the Welsh Government funded student support package, as reported to the Review Panel, for academic year 2015/16 are:

Full-time undergraduate support

The basic student support package from Student Finance Wales for a new full time Welsh-domiciled undergraduate student starting in 2015/16 includes:

- a non means-tested tuition fee loan up to £3,810 (for study at publicly funded institutions);
- a non means-tested tuition fee grant to cover the difference between the maximum tuition fee loan available and the tuition fee actually charged by the UK university (a maximum grant of £5,190 if a tuition fee of £9,000 is charged);
- a maximum non means tested fee loan of up to £6,000 (for study at private funded institutions);
- a means-tested Welsh Government Learning Grant (maintenance grant) of up to £5,161 depending on household income;
- a means tested maintenance loan (up to £4,162 if living at parents' home, up to £5,376 if living away from parents' home, up to £7,532 if studying in London; and up to £6,410 if studying overseas (as part of their UK based course);

- a partial cancellation of maintenance loan of up to £1,500 once repayment has begun; and
- where appropriate, other grants including the Childcare Grant, Adult Dependents Grant, Parental Learning Allowance and Disabled Students' Allowance, etc.

The annual household income threshold for receiving a full Welsh Government Learning (maintenance) grant in 2015/16 is £18,370 or less. A partial grant is available where income exceeds £18,370 and is £50,020 or less.

The earnings threshold above which student loan repayments, for tuition fee loans and maintenance loans, become payable currently stands at £21,000. (Anyone with an annual salary over this amount will be required to repay their loan, and they will pay 9% of their earnings over this threshold.) For full-time students, repayment terms are applied from the tax-year following graduation.

Part-time support

The basic student support package from Student Finance Wales for a new part time student (based on average course intensity of 25% compared to an equivalent full time course) in 2015/16 includes:

- a non-means-tested tuition fee loan up to £2,625 (if studying at a publicly funded Welsh university or college or private institution in Wales);
- a non-means-tested tuition fee loan of £6,750 (if studying at a publicly funded UK university of college outside Wales);
- a non-means-tested loan of £4,500 (if studying at a privately funded university or college outside Wales);
- a means-tested course grant of up to £1,155 depending on household income; and
- where appropriate, other grants including the Childcare Grant, Adult Dependents Grant, Parental Learning Allowance and Disabled Students' Allowance, etc.

The Minister has also made clear a desire not to see significant increases in fee levels for part-time study. HEFCW has responded by continuing to prioritise the funding of part-time provision, subject to the overall availability of funds, in order to render such provision economically viable, even with relatively low fees.

The annual household income threshold for receiving the maximum course grant of £1,155 in 2015/16 is less than £26,095. A partial course grant is available where household income is between £26,095 and £28,180.

The earnings threshold above which student loan repayments become payable currently stands at £21,000. For part-time students, repayment terms apply from the earlier of:

- a) the start of the following tax year commencing on 6 April after the student ceases to be eligible for financial support under Regulations made pursuant to

section 22 of the 1998 Act whether by reason of having completed that course or otherwise⁷¹; or

- b) the start of the following tax year commencing on 6 April after the fourth anniversary of the course start date.

Postgraduate support

Postgraduate course fees and other associated study costs are not funded by the Welsh Government unless they lead to a qualification in Initial Teacher Training. Some limited support is available through Student Finance Wales/Student Loan Company for graduates wanting to do medicine, dentistry, veterinary science, social work or architecture as a second degree.⁷²

Hardship funds – Financial Contingency Fund

Higher Education: From academic year 2015/16, Financial Contingency Fund (FCF) provision by the Welsh Government is only available to those studying at the Open University (£31k budget). HEIs in Wales have been asked by the Welsh Government to establish their own hardship funds from the start of 2015/16 and all have confirmed that they intend to do so at the same levels as previous academic years (£2.1m in total).

(The Welsh Government's FCF for further education students for 2015/16 remains at £7m.)

Education Maintenance Allowance (EMA)

An income-assessed weekly EMA of £30 is available to help 16-18 year old students with the cost of further education. Students must be domiciled in Wales. They can study anywhere in the UK.

The annual means tested income thresholds for receiving EMA are:

- £20,817 (or less) – one dependent child (applicant) in the household; or
- £23,077 (or less) – if two or more dependent children/young people in the household.

5.2 Student finance arrangements in the UK and elsewhere

During the course of the Review, information has been gathered on student support arrangements in the other three constituent nations of the UK. Appendix Five contains a summary overview of the maximum tuition fee level and the type and level of student finance support packages available for 2015/16 in each of the four UK nations.

⁷¹ At the time of writing the Education (Student Loans) (Repayment) Regulations 2009, as amended by SI 2012/1309 apply: http://www.legislation.gov.uk/ukxi/2012/1309/pdfs/ukxi_20121309_en.pdf

⁷² Detailed information on the level of financial support available for full time undergraduate, part time and post graduate students can be found on the Student Finance Wales website: <http://www.studentfinancewales.co.uk/new-students.aspx>

International comparisons

The Review Panel also gathered information on arrangements further afield. A library search was conducted to obtain international comparisons on higher education fees and funding arrangements. Numerous documents have been reviewed. Included amongst them was the OECD report *Education at a Glance 2014 Indicator 5B report How much do tertiary students pay and what public support do they receive?*⁷³ This report summarises arrangements in OECD countries worldwide. It shows that for academic year 2010/11 (latest available data), there were large differences among OECD countries in the average tuition fees charged for first degree courses by their institutions. Eight countries (Poland, Denmark, Finland, Norway, Sweden, Mexico, Turkey and Slovenia) public institutions charged no tuition fees at all for full time national students. A third of countries with available data charged fees higher than USD 1,500, and in Chile, Japan, Korea and the United States (the countries with the highest level of fees at that time), they were more than USD 5,000. Among EU countries with available data, only the UK, Netherlands and Slovak Republic exceeded USD 1,500.

The OECD report also finds that whilst many countries have similar goals for higher education, there are significant differences in the way the cost of higher education is shared among governments, students and their families, and other private entities – and in the financial support they provide to students. The report provides a breakdown of higher education student support arrangements/models and an analysis of the impact of these models.

The 2014 report to HEFCE *International comparisons in post graduate education: quality, access and employment outcomes* by Gillian Clarke and Ingrid Lunt, University of Oxford⁷⁴, presents the outcomes of a study comparing postgraduate education in eight countries: Australia, England, Germany, India, Norway, Scotland, Spain and the United States. It contains a profile of tuition fees and student support arrangements for these countries at Bachelors; Masters and Doctorate Level. Again, fee levels and support arrangements vary significantly from country to country.

Ahead of the Browne Review of higher education fees and funding, the Department for Business, Innovation and Skills commissioned an analysis of higher education fees and student support arrangements internationally.⁷⁵ The analysis classified the selected countries according to the levels of tuition fee that was prevailing at the time, as well as the extent to which students received support to participate in higher education. The analysis considered both full-time and part-time students and provided a detailed breakdown of each jurisdiction's higher education funding arrangements.

⁷³ OECD (2014) *Education at a Glance* <http://www.oecd.org/edu/Education-at-a-Glance-2014.pdf>

⁷⁴ Clarke, G. and Lunt, I. (2014) *International comparisons in post graduate education: quality, access and employment outcomes*

http://www.hefce.ac.uk/media/hefce/content/pubs/indirreports/2014/International_comparisons_in_PG_education/International%20comparisons%20in%20postgraduate%20education%20-%20quality,%20access%20and%20employment%20outcomes.pdf

⁷⁵ BIS Research Paper 10: Review of Student Support Arrangements in Other Countries

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/31991/10-670-review-student-support-in-other-countries.pdf

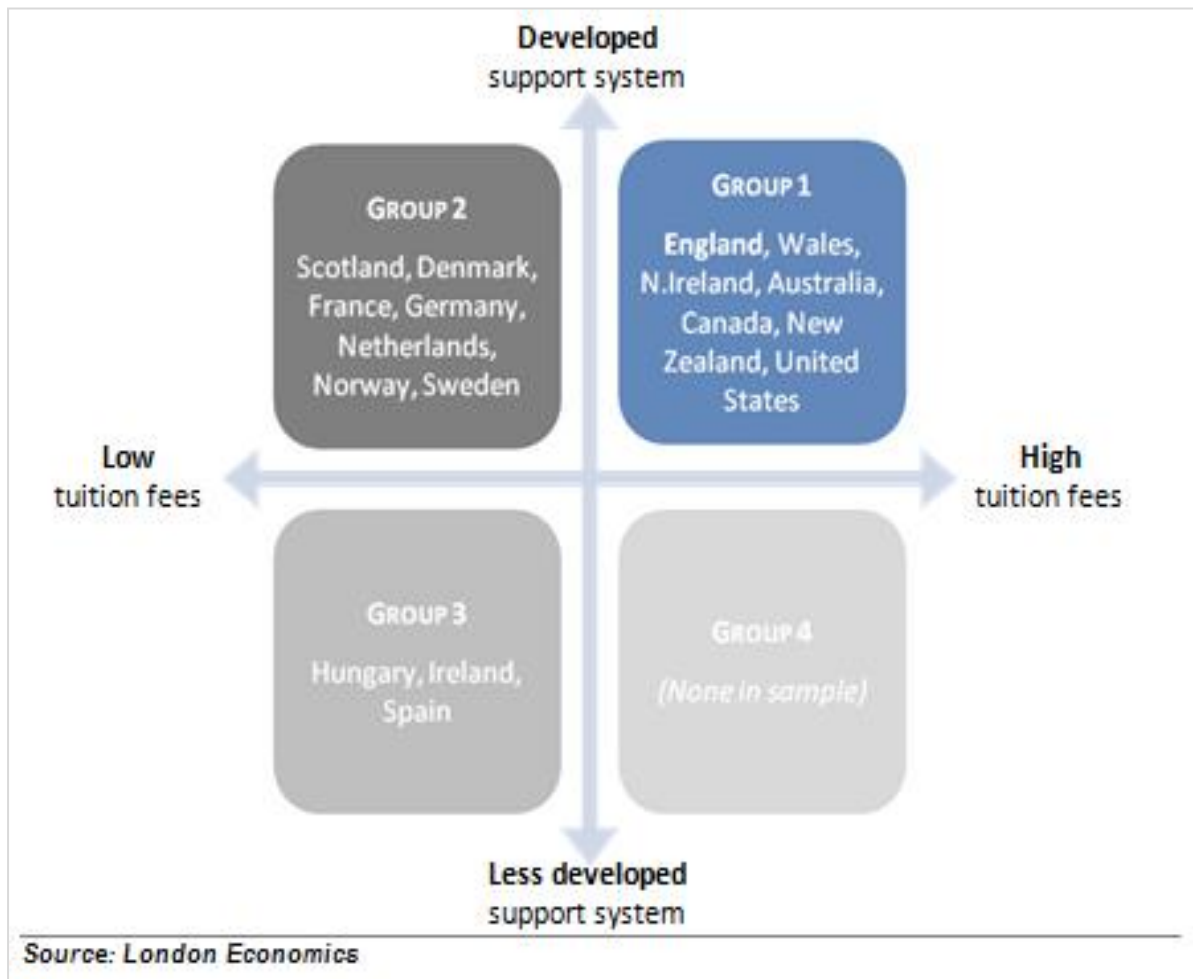
The analysis indicated that those countries with relatively high tuition fees but a well developed student support system consisted predominantly of Anglo-Saxon countries, including Australia, Canada, New Zealand, the United Kingdom (excluding Scotland) and the United States (**Group 1**). In general, although the relatively high level of tuition fees represented a barrier for entry to undergraduate degree level qualifications, significant public subsidies were generally provided to students (though often means-tested and highly targeted at the least well off students). The higher education participation rates amongst these countries were generally higher than the OECD average, which potentially reflects the fiscal constraints in the public purse and the rationale for the adoption of the particular fees and funding regime.

The second group of countries (**Group 2**) consisted predominantly of European countries including Denmark, Sweden, Norway, Germany, France, the Netherlands and Scotland (following the removal of the Graduate Contribution Scheme in 2007 and the retention of student bursaries). In general, these countries have relatively low financial barriers for entry to undergraduate degree level qualifications. Countries either do not levy any tuition fee whatsoever (Denmark, Sweden, Norway, Scotland and France) or impose a relatively modest fee (the Netherlands and, at the time, some specific Länder in Germany, although this has changed subsequently). In general terms, there are also relatively generous public subsidies provided to students often in the form of non-repayable non-means-tested grants and loans.

Group 3 consisted of the European countries of Spain, Hungary and the Republic of Ireland. At the time, these countries had relatively low financial barriers for entry to undergraduate degree level qualifications. Specifically, the three countries imposed a relatively modest fee for attendance at higher education institutions. However, there were no defining characteristics in relation to the form of student support available in each of the countries. For instance, in some countries (Ireland), only grants were available to less well off students, while the reforms to higher education support system in Hungary resulted in the provision of modest grants and income contingent loans with commercial rates of interest. In Spain, there were more generous grants available, as well as (bridging) loans to overcome short term financial constraints. Although there were no countries in the final group, countries such as Japan and Korea are generally considered as having less well developed student support arrangements and significant tuition fee fees. As such, there is cost sharing between the public and private sector; however, this approach places a considerable financial burden on students and their families

Figure 7 presents a matrix based on the characteristics of the fees and student support arrangements in a range of jurisdictions.

Figure 7: Matrix of characteristic-based groupings: tuition fees versus development of support system



Source: London Economics' analysis on behalf of the Department for Business, Innovation and Skills⁷⁶

5.3 Some facts and figures

For the academic year 2013/14 (latest actual figures) 57,100 higher education student support scheme full-time students in Wales received support. The total amount of student support awarded was £661.8m, an increase of around 22% on the previous year 2012/13.

Table 11 provides a breakdown of support. It reflects Students Loan Company (SLC) data and includes information relating to EU students in Welsh HEIs, as well as all Welsh domiciles in receipt of support.

⁷⁶ London Economics' analysis on behalf of the Department for Business, Innovation and Skills (2010) *Review of student support arrangements in other countries*, BIS Research Paper 10 https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/31991/10-670-review-student-support-in-other-countries.pdf

Table 11: Amount of full-time student support awarded or paid* (£m) in 2012/13 and 2013/14

Full Time	2012/13 (£mil)	No. of students	2013/14 (£mil)	No. of students
Tuition Fee Loans* paid to HEIs	155.9	48,200	172.6	50,600
Tuition Fee Grant	108.9	23,600	167.5	37,300
Maintenance Loan	142.5	49,200	172.8	52,100
Assembly/Welsh Government Learning Grant	121.9	48,400	132.5	50,200
Disabled Students Allowance (DSA)*	7.7	3,200	8.1	3,300
Other Targetted Grants	7.4	2,700	8.3	2,900
Total	544.3	54,300	661.8	57,100

Source: Student Loans Company Ltd (SLC)

*For academic year 2011/12 and 2012/13, the Disabled Student Allowance (DSA), Maintenance Loans and Tuition Fees Loans figures shown above are based upon payments rather than awards. This is because payments are representative of what has actually been received by students. As SLC pay grants together in three instalments, it is not possible to determine amounts paid for the individual grant types.

In 2013/14, higher education institutions were paid Tuition Fee Loans amounting to £172.6m on behalf of 50,600 full-time students domiciled in Wales and EU domiciled students studying in Wales. This compared with 48,200 students paid a total of £155.9m in academic year 2012/13. The average value of the Tuition Fee Loan taken out by students in academic year 2013/14 was £3,410, compared to £3,230 in academic year 2012/13.

£167.5m of Tuition Fee Grant was awarded in the academic year 2013/14 on behalf of 37,300 full-time students. This compared to £108.9m on behalf of 23,600 students in 2012/13.

52,100 full-time students were paid £172.8m in Maintenance Loans for academic year 2013/14, compared to 49,200 students paid £142.5m in 2012/13. The average amount taken out was £3,190 for academic year 2013/14, compared to £2,890 in academic year 2012/13.

A total of £132.5m was awarded in Assembly/Welsh Government Learning Grant to eligible full time applicants in 2013/14, representing an increase of 9% on the previous academic year 2012/13, for which £121.9m was awarded due to an additional year of students eligible for this grant.

With regard to other targeted grants, in 2013/14, 3,300 students were paid £8.1m Disabled Students' Allowance (DSA), compared to 3,200 students who were paid £7.7m for academic year 2012/13. In addition 2,900 students were awarded £8.3m targeted support other than DSA for the academic year 2013/14, compared to 2,700 applicants awarded £7.4m in 2012/13.

In academic year 2013/14, 7,000 part-time students were paid part-time grants and loans, which amounted to £15.2m, compared to 7,300 students paid £15.6m in 2012/13 academic year. Table 12 below refers.

Table 12: Amount of part-time student support awarded (£m) in 2012/13 and 2013/14

Part Time	2012/13 (£mil)	No. of students	2013/14 (£mil)	No. of students
Tuition Fee Grant	4.2	6,400	4.1	6,200
Disabled Students Allowance (DSA)	0.7	300	0.8	300
Course Grant and Grants for Dependents	10.7	7,200	10.3	6,900
Total	15.6	7,300	15.2	7,000

Source: Student Loans Company Ltd (SLC)

NB There is no part-time information for Maintenance Loans and Tuition Fee Loans (TFL), TFL does not come into effect until 2014/15.

Information relating to the distribution of Tuition Fee Grant awarded to universities in Wales and to universities in the rest of the UK (RUK) in the period 2012/13 to 2014/15 is provided in Table 13 (it includes EU students in Welsh HEIs as well as all Welsh domiciles in receipt of support.) Appendix Six contains a breakdown of fee grant payments to the top 20 RUK Institutions in 2013/14.

Table 13: Distribution of Tuition Fee Grants awarded to applicants domiciled in Wales and EU 2012/13 – 2014/15

(£mil)	Tuition Fee Grants awarded to Welsh HEIs	Tuition Fee Grants awarded to RUK HEIs	Total*
2012/13	73.4	35.6	109.0
2013/14	103.3	64.1	167.4
2014/15 Provisional	144.7	93.9	238.6

Source: Student Loans Company Ltd (SLC)

*Some variation with total amounts due to rounding.

For comparison, Table 14 contains information provided by the Welsh Government regarding the level of tuition fee income to Welsh Institutions from students from elsewhere in the UK for the same period.

Table 14: Tuition fee income to Welsh HEIs from other UK students 2012/13 – 2014/15

	Tuition Fee Income (£m)
2012/13	59
2013/14	99
2014/15	129

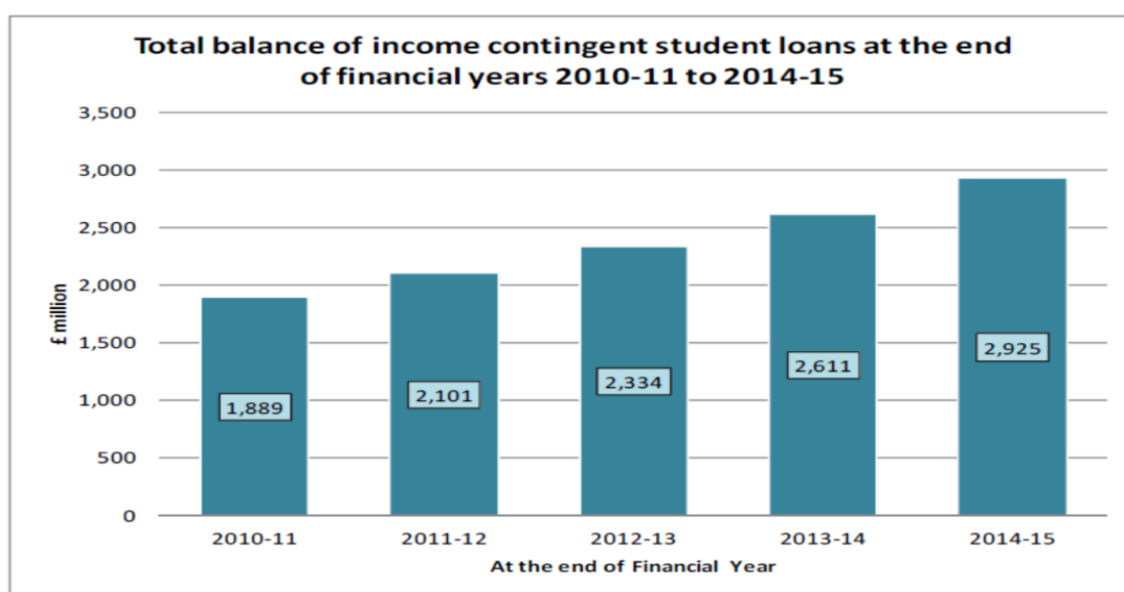
Source: Welsh Government Analysis using most recent sector income analysis

Wales continues to be a net importer of students studying full-time. The tuition fee income to Welsh HEIs from students studying full-time who normally live in other parts of the UK exceeds the total payments of Tuition Fee Grant paid to institutions in England, Scotland and Ireland. However, the behaviour of students has changed. There has been a shift in the levels of cross-border flow since 2012.

Student loans and repayment

The Review Panel was advised that at the end of financial year 2014-15, the total outstanding loan balance for Wales was £2.9bn, 12% higher than at the end of 2013-14. The growth in the total balance outstanding at the end of financial years 2010-11 to 2014-15 is reflected in Figure 8.

Figure 8: Loans and repayment⁷⁷



By the end of financial year 2014-15, there were 264,100 student loan borrowers, of whom 163,600 (62%) were liable to repay. The average amount repaid by each borrower who made a repayment in tax year 2013-14 ranged from £360 for the 2013 cohort in its first year of repayment to £940 for the 2006 cohort (after seven years of recorded repayment history).

Average debt on entry into repayment ranged from £6,980 for the 2002 cohort (to £19,010 for the 2015 cohort).

5.4 Resource Accounting and Budgeting provision (RAB charge)

The RAB charge is a percentage charge used to reflect the full costs to Government of providing student loans. Managed by the Welsh Government, it is made up the interest subsidy provision (estimated cost to Government of subsidising student loans) and the write off provision (amount of loans which will be written off due to death, disability or not earning over the repayment threshold during the term of the loan).

⁷⁷ Relates to full-time students (as part-time repayments will be for 2014/15 onwards).

At the time of writing, the RAB charge estimates for Wales in 2014-15 were around 38% for loans associated with pre-2012 cohorts of students and 27% for loans relating to the new regime (post 2012-13) students. These were lower than the comparable RAB charges in England. (The most recent estimate of the RAB charge in England associated with pre-2012 cohorts of students stands at 42%, while the comparable estimate of the RAB charge for new regime (post 2012-13) students stands at 46%⁷⁸).

5.5 Provisional baseline analysis

Some provisional baseline analysis work has been undertaken, at the behest of the Review Panel, in relation to student maintenance and fee support arrangements in Wales. This analysis assumed maintenance and tuition fee support on a 2014/15 basis; and treated part time students on a pro rata basis of full time support (eg 50% intensity will be eligible for 50 % of full time support).

Based on these assumptions, the analysis suggests that the overall RAB charge for full time graduates when projected forward is estimated to be around 33.9% (ie one third of the loans will not be repaid by graduates and will need to be covered by the Welsh Government), and that around 20% of male and 50% of female full-time graduates will not fully repay their loans. The baseline analysis also suggests that the picture is different for part-time graduates. In this instance, the RAB charge was estimated far lower, with the vast majority fully repaying.

The baseline figures here are provisional. Further analysis work is proposed and the figures may well change.

5.6 University tuition fee levels in Wales

An indication of the average tuition fee levels for all undergraduate full-time students by HEI in Wales from 2012/13 to 2015/16 is provided in Table 15.

⁷⁸ Department for Business, Industry and Skills (2014) *Funding per student in higher education* https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/318628/BIS_performance_indicators_Funding_per_student_in_HE.pdf

Table 15: Gross average tuition fee levels for all undergraduate full-time students by HEI

Institution	2012/13 (£)	2013/14 (£)	2014/15 (£)	2015/16 (£)
University of South Wales	8,666	7,537	7,961	8,310
Aberystwyth University	9,000	9,000	9,000	9,000
Bangor University	8,977	8,975	8,991	8,991
Cardiff University	9,000	9,000	9,000	9,000
University of Wales Trinity Saint David	8,535	7,500	7,458	8,017
Swansea University	9,000	9,000	9,000	8,960
Cardiff Metropolitan University	9,000	7,500	8,131	8,718
Glyndŵr University	6,643	6,999	7,423	7,795

Source: HEFCW from University Fee Plans

In 2014/15, most undergraduate full-time students had transitioned to the new fee level, with three £9000-paying cohorts attending university for the first time. (Some institutions charged lower fees for all their degrees or for Foundation Degree or HND programmes.)

HEFCW is beginning to monitor part-time fees. Comparative information was not available for part-time fees at the time of writing. In many cases, especially at undergraduate level, tuition fees for part-time provision are not set on a pro rata basis vis-a-vis fees for full-time provision.

Information on postgraduate fee levels for 2015/16 is presented in Table 16.

Table 16: Postgraduate tuition fees 2015/16

Institution	PGT Classroom £	PGT Mixed £	PGT Laboratory £	PGT Clinical £	MBA £
Aberystwyth University	5,600	6,000	6,700	–	–
Bangor University	5,000-8,100	–	6,000-11,000	6,000-11,000	11,500
Cardiff University	5,850	–	7,560	–	11,475
Cardiff Metropolitan University	4,050	4,050	4,050	4,050	9,000
Glyndŵr University	4,250	–	–	–	10,740
Swansea University	4,900-12,500	4,900-12,500	4,900-12,500	–	20,000
University of South Wales	4,750	4,750	4,750	–	9,548
University of Wales Trinity Saint David	3,930	3,930	3,930	3,930	3,930

Source: Complete University Guide - Postgraduate Taught & MBA Tuition Fees 2015–16⁷⁹

⁷⁹ Complete University Guide - Postgraduate Taught & MBA Tuition Fees 2015–16
<http://www.thecompleteuniversityguide.co.uk/university-tuition-fees/reddin-survey-of-university-tuition-fees/postgraduate-taught-mba-tuition-fees-2014%E2%80%9315-ukeu/>

5.7 University funding in Wales

The introduction of higher fees in 2012/13 and new arrangements for student support have, in respect of full-time undergraduates, resulted in a move away from grant based funding for HEIs in Wales to a more fee-based funding regime. In light of the 2012/13 changes, the Wales Audit Office (November 2013⁸⁰) and the National Assembly for Wales Finance Committee (May 2014)⁸¹ undertook reviews of the funding of higher education in Wales. Both reports found that income levels in higher education institutions in Wales were expected to continue to increase from the levels experienced in 2011/12.

The projected income levels of Welsh higher education institutions to 2015-16 are shown in Table 17 and Figure 9

Table 17: Projected income of Welsh HEIs, with average known fees and tuition fee grant, cash terms

<i>£Million</i>	2012-13	2013-14	2014-15	2015-16
Funding body grants	269	254	177	141
Full-time undergraduate / PGCE fees	304	414	494	544
<i>current level of fees</i>	240	239	240	245
<i>higher additional fee income</i>	37	101	148	175
<i>English contribution</i>	27	74	107	124
Other fees and education contracts	196	202	208	215
Research grants/contracts	170	173	178	184
Other income	278	283	291	301
Total	1,217	1,324	1,349	1,384

Source: Welsh Government. Paper from the Minister for Education and Skills to the Finance Committee for their review of Higher Education Finances (2014)⁸²

⁸⁰ Wales Audit Office (2013) *Higher Education Finances*

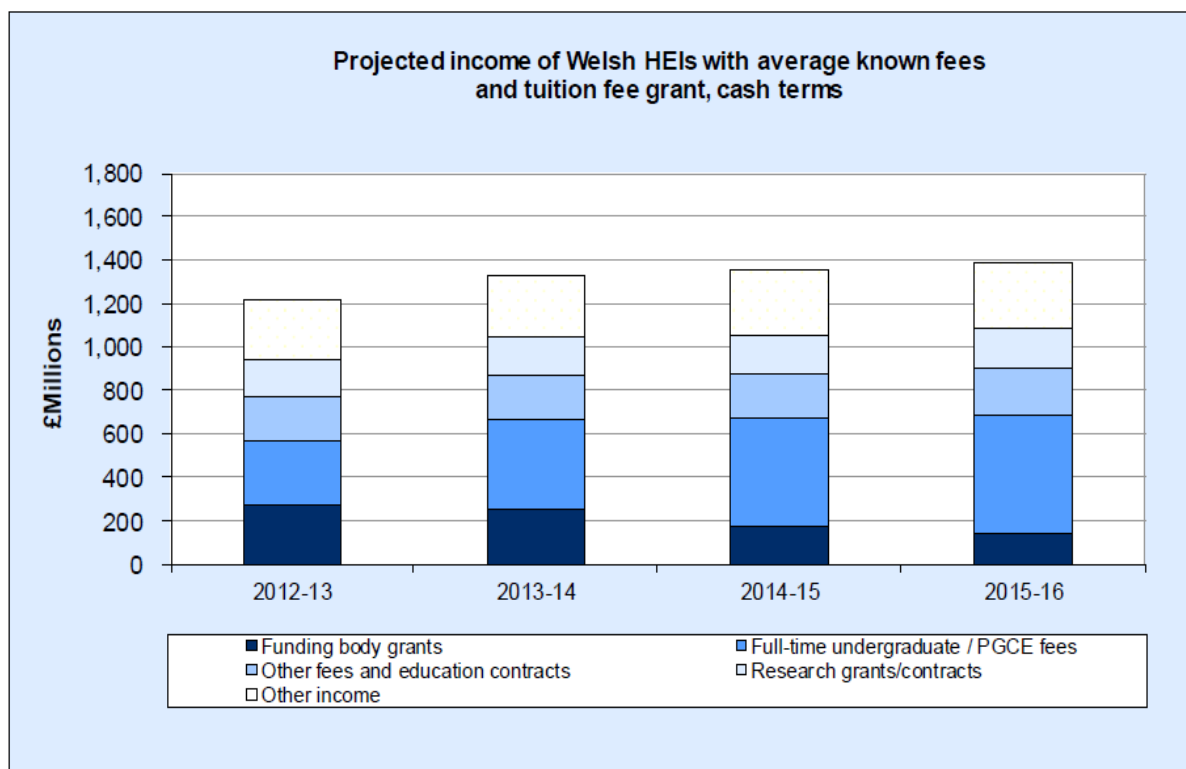
<http://www.wao.gov.uk/reportsandpublications/reportsandpublications.asp>

⁸¹ National Assembly for Wales' Finance Committee (May 2014) *Higher Education Funding*
<http://www.assembly.wales/Laid%20Documents/CR-LD9755-R%20-%20Report%20of%20the%20Finance%20Committee%20-%20Higher%20Education%20Funding-03062014-256437/cr-ld9755-r-e-English.pdf>

⁸² **Paper from the Minister for Education and Skills to the Finance Committee for their review of Higher Education Finances (2014). Projected income figures are as at time of submission.**

<http://www.senedd.assembly.wales/documents/s22207/FIN4-22-13%20Paper%201.pdf>

Figure 9: Projected income of Welsh HEIs, with average known fees and tuition fee grant, cash terms



Source: Paper from the Minister for Education and Skills to the Finance Committee for their review of Higher Education Finances (2014)⁸³

The latest available information relating to the actual net income for Welsh HEIs, at a sector level, for academic years 2011/12 to 2013/14 is shown below.

Table 18: Total net income for Welsh HEIs 2011/12 to 2013/14

Academic Year	Total net income (£m)
2011/12	1,274,144
2012/13	1,304,833
2013/14	1,377,312

Source: HESA FSR

Indications are that at the sector level, in absolute terms, actual income to the higher education sector in Wales has increased overall since 2011/12.

The Review Panel is aware, however, that HEFCW is preparing to publish a report that looks at the impact of the new funding regime on the overall income to institutions. The panel has been advised by HEFCW that analysis so far shows that although there is an increase in income to the sector by 2013/14 this increase is not as high as may have been predicted and income levels differ significantly between individual institutions. HEFCW’s report will inform the next stage of the Review.

⁸³ ibid

The Welsh Government grant allocation to HEFCW for the financial years 2012-13 to 2015-16 is shown in Table 19:

Table 19: Welsh Government grant allocation to HEFCW for the period 2012–13 to 2015–16

	2012-13	2013-14	2014-15	2015-16
Total allocation	£373.6m	£380.7m	£362.6m	£125.6m

HEFCW allocations to higher education in Wales for academic years 2011/12 to 2015/16 are summarised in Table 20 (derived from HEFCW funding circulars)⁸⁴. Fee grant payments are shown to reduce in 2014/15 and disappear in 2015/16. This reflects the fact that from 1 April 2015 the fee grant payments are allocated from Welsh Government budgets and not from HEFCW. The table will not, therefore, give a consistent analysis of the fee grant payments over this period.

Table 20: HEFCW allocations 2011/12 – 2015/16

HEFCW allocations (£m)	2011/12	2012/13	2013/14	2014/15	2015/16
Teaching grant	260.2	136.6	96.4	53.4	48.5
Research grant	76.6	76.5	78.8	78.7	79.4
Other grant	47.9	45.7	48.9	30.6	26.3
Total grant allocations	384.7	258.8	224.0	162.7	154.2*
Fee grant payments to students at institutions in Wales		65.0	99.2	68.9	
Fee grant payments to students at institutions outside Wales		34.7	62.9	44.0	
Total fee grant payments		99.7	162.0	113.0	
Total HEFCW grant allocations + fee grant payments to students at institutions in Wales	384.7	323.8	323.2		
Total HEFCW allocations	384.7	358.5	386.1	275.7	154.2

Sources: HEFCW Circulars W12/10HE, W13/09HE, W14/18HE and W15/09HE (All information from Table 1 of the circulars, using restated figures for the previous year where available). Please note that component figures may not sum exactly to totals due to rounding (no more than 0.1). *Figures presented here for 2015/16 are provisional as they are in-year. The total fee grant figures are from the March SLC figures and so are not final figures (and do not, therefore match with the TFG figures on preceding pages).

HEFCW's £154m grant allocation for 2015/16 to higher education institutions includes⁸⁵:

⁸⁴ Detailed information on HEFCW funding allocations to higher education in Wales from 2011/12 can be found at: <https://www.hefcw.ac.uk/publications/circulars/circulars.aspx>

⁸⁵ A detailed breakdown of HEFCW's funding allocations 2015/16 is available at: http://www.hefcw.ac.uk/documents/publications/circulars/circulars_2015/W15%2009HE%20HEFCW%20Funding%20Allocations%202015_16.pdf

- **£71m** for quality research at universities in Wales, of which the proportion allocated for Science, a Welsh government priority, has increased to over 70%. (Research funding includes HEFCW's contribution to the Welsh Government's Sêr Cymru programme which is bringing research stars to Wales, and supporting three collaborative National Research Networks.)
- **£15m** for higher-cost full-time undergraduate courses in medicine, dentistry and performing arts.
- **£27m** to support part-time undergraduate provision distributed via a credit-based funding formula. This includes premium (supplementary) funding to recognise universities' success in recruiting and retaining students from disadvantaged areas, disabled students and those receiving their tuition in Welsh.
- **£6m** for part-time postgraduate teaching. This still includes premium funding to acknowledge universities' successes in recruiting disabled and Welsh medium students within the overall allocation.
- **£5m** for postgraduate research training – a level maintained since 2012/13 – to develop highly skilled researchers and to support research and innovation in Wales.

Other funding for higher education priorities:

- Targeted programmes, such as the Coleg Cymraeg Cenedlaethol and UHOVI (Universities Heads of the Valleys Institute).
- HEFCW's contribution to the Welsh Government's Sêr Cymru programme which is bringing research stars to Wales, and supporting three collaborative National Research Networks.

A detailed breakdown of HEFCW funding allocations to higher education for 2015/16, and for previous years, can be found on the HEFCW website⁸⁶

The introduction of higher tuition fees has had a significant impact on HEFCW, as more of its funding gets allocated for the payment of Tuition Fee Grant and income from students from elsewhere in the UK gets paid directly to institutions. This means that as more of what was HEFCW's core funding is used to cover the cost of higher tuition fees for full time Welsh-domiciled students, HEFCW has less money to distribute to institutions to promote Welsh Government priorities.

This change in funding/income methodology has required a fundamental change to the way in which HEFCW funds the HE sector. Rather than the Funding Council being responsible for distributing around 30% of the sector's funding as in 2011/12, HEFCW direct funding will represent only around 10% overall of institutional funding in 2015/16.

⁸⁶Circular W15/09HE HEFCW's Funding Allocations 2015/16

https://www.hefcw.ac.uk/documents/publications/circulars/circulars_2015/W15%2009HE%20HEFCW%20Funding%20Allocations%202015_16.pdf. Also HEFCW News Release 22 May 2015 refers.

http://www.hefcw.ac.uk/documents/news/press_releases/2015%20Press%20Releases/22%2005%2015%20Funding%20for%20higher%20education%20in%202015%2016%20English.pdf

The Welsh Government introduced the Higher Education Bill in 2015 to provide a regulatory framework for HEFCW to continue to fulfil its statutory duties⁸⁷.

During the course of the Review, the Learned Society for Wales, Universities Wales, the Chairs of Universities Wales, individual universities and others informed the Review Panel about a large and increasing funding gap in the level of investment in higher education in Wales compared to England and elsewhere in the UK. This is explored in the next section of the report.

⁸⁷ Higher Education Wales Act 2015: <http://www.legislation.gov.uk/anaw/2015/1/contents/enacted>. New functions conferred on HEFCW under the HE (Wales) Act 2015 allow HEFCW to apply regulatory controls in respect of fee limits, fair access commitments, quality assessment and compliance with a financial management code

6. Emerging themes and messages

A summary of responses to the specific questions raised in the call for evidence questionnaire has been prepared and is to be published alongside this report. The Old Bell 3 Ltd *Delivery of Focus Groups: Review of Higher Education Funding and Student Finance Arrangements in Wales - Summary Report* is to be published at the same time. These reports provide the detailed overview of the opinions expressed by those who have responded to the Call for Evidence and/or participated in focus groups on matters relating to this Review. (Appendix Seven contains a short list of key findings from the focus groups).

This section of the interim report explores some common themes and messages which have emerged during the wider stakeholder engagement and evidence gathering phase of the Review. It is not exhaustive - the evidence base is vast and not yet complete.

The themes and messages conveyed here will inform the Review Panel's thinking. They should not, however, be treated as a reflection of the collective opinion of Panel members. The Review Panel has approached its work with an open mind. No judgements have been made, nor can any guarantees be given, as to the validity, accuracy, significance, or otherwise of the views and information gathered from others. Assimilation and testing of the evidence base is for the next and final phase of the Review.

Throughout the stakeholder engagement and evidence gathering process, a number of themes have emerged. These themes have been grouped together in some cases for the purpose of the report, but no particular order of priority is intended.

The first set of themes is overarching:

- i) **Wales has a university sector which is held in high regard and in which it can take pride. There is clear ambition across all stakeholder groups and contributors to the Review, for a high quality, internationally competitive, equitable and sustainable HE sector in Wales that is able to meet the needs of Wales and is the destination of choice for students domiciled within and outside of Wales.**

This has been evident throughout. It is embedded within the Welsh Government's Higher Education Policy Statement and other policy documents referred to in this report. Variations on this theme have been clearly articulated in the written submissions of many contributors to the review. Those who participated in the focus groups and attended sessions with panel members conveyed similar sentiments.

Universities Wales, for example, shared a vision for: 'A higher education system comprising diverse, autonomous institutions, internationally competitive in their own right, but with the combined strength to meet the needs and aspirations of Wales'.

- ii) **The majority of respondents who expressed a view believe that maintaining the status quo [maintaining current arrangements] is not an option.**

A few respondents to the Review (current and prospective students in the main) thought that the existing arrangements should be maintained. Most, across all other groups, were strongly of the opinion that the status quo is not an option. In arriving at this view, reference was often made to this being a time of challenging public finances. Other reasons are reflected in the themes that follow and in the accompanying reports.

iii) A lack of consensus on the way forward.

Despite many respondents agreeing that the status quo is not an option, generally, there is a lack of consensus on the way forward. The call for evidence report highlights a range of suggestions that have been put forward by respondents and the, sometimes contradictory, proposals for reform. These proposals, together with any others that the Review Panel itself might wish to consider, will inform the next phase of the Review. When offering suggestions, most respondents recognise that there is no easy solution and that difficult choices will have to be made.

iv) Concern about potential risks to the Welsh HE sector resulting from changes to UK Government policy.

Many respondents to this Review have drawn attention to recent or proposed changes to UK Government HE policy. Those within the sector in particular, and others, are concerned that the outworking of these policies will be to the detriment of and pose significant risk to the Welsh HE sector. Developments of particular concern include:

- The removal of the student number cap in England from the 2015/16 academic year – leading to unrestrained recruitment in England.
- Proposals for a post graduate loan scheme in England – that may impact post graduate recruitment in Wales.
- The Teaching Excellence Framework proposals - and implications resulting from any move towards higher undergraduate full-time home and EU student fees in England.

It is too soon to determine the impact of these policies on the sector in Wales. These and other policy developments are, however, being closely monitored ahead of the final report.

A set of themes emerged relating to HE sector income, sustainability and fees.

v) The higher education sector in Wales has benefitted overall from a net increase in income since the introduction of the current fees and funding regime – although the increase may not be as high as predicted and changes in income levels differ significantly between institutions.

The Welsh Government, HEFCW, higher and further education sector organisations and others highlighted that the HE sector in Wales has benefitted overall from an increase in income to the sector since the introduction of the current funding regime. Welsh Government officials advised at the start of the review process that, based on

their estimates, HE institutions in Wales were predicted to receive around £221m more in revenue funding under the post-2012 funding regime (over the period 2012-13 to 2016-17) compared to the previous regime. More recent HESA data for the period 2011/12 to 2013/14 confirmed that actual income to the HE sector has increased overall since 2011/12 (from £1,274,144 in 2011/12 to £1,377,312 in 2013/14). Although, HEFCW (and HE sector organisations) advised that HEFCW's upcoming report will show that the increase in funding to the sector is perhaps not as high as predicted, and that income levels vary significant between individual institutions.

Whilst respondents to the Review recognise that there has been an increase in income to the sector, HE institutions and HE sector bodies in the main have informed the panel about a funding gap in the level of investment in HE in Wales compared to elsewhere in the UK.

vi) Concern about a large and increasing funding gap in the level of investment in Higher Education in Wales compared to elsewhere in the UK.

This is a strongly held view, particularly amongst HE institutions and HE sector bodies. Universities Wales, The Learned Society for Wales, the Chairs of Universities Wales, HEFCW, and others expressed concern in this regard.

The Review Panel has been informed that there is 'a large and increasing funding gap' that is affecting the ability of Welsh HE institutions to invest, which in turn is making institutions in Wales less competitive (and less likely to attract students) and less able, therefore, to respond to Welsh Government priorities'. It has been suggested that this plays into some, at least, of the league table results, partly because of the sector's capacity to attract good students but also because some of the metrics, such as facilities spend and student staff ratios, are directly linked to income.

Some stakeholders have presented evidence of what they regard as a funding gap between Wales and England. The extent of the gap has been measured variously in terms of total budget and per-student/capita funding. According to HEFCW, the figure stood at £51m-£69m in 2007/08. Research undertaken by The Learned Society of Wales in 2011, *The Funding Gap in Welsh Higher Education*, determined that for the period 2000 to 2009, the cumulative funding gap in Wales relative to England was around £362 million. In its submission to the Review in January 2015, the Learned Society assessed that the per capita funding gap between Wales and a UK benchmark to be around £1,150 (based on population shares, and hence required an additional £148m per annum for Wales to bring it in line with population shares in the UK) and £2,500 per capita (based on student enrolments).

It has been highlighted that a key area of difference in calculating the funding gap with other parts of the UK is capital funding. HEFCW pointed out that the learning and teaching capital funding line for HE in Wales was removed in 2011/12 in order to support the creation of the Welsh Government's Strategic Capital Investment Fund (SCIF), and that while some capital funding has continued for research as part of UK funding schemes, and HEFCW Research Capital funding has continued to be made available on an annual basis by the UK and Welsh Governments (approximately

£5m in 2013/14), only £15m SCIF capital funding has been allocated to higher education since 2012/13 in respect of a major estates development at one university.

It has been highlighted that in comparison, in England, the capital funding line for learning and teaching has been increased from £53m in 2013/14 to £121.3m in 2014/15, with the figure projected to rise in 2015/16. HEFCW argues that as a result, institutions in Wales are unable to compete with those in other parts of the UK in terms of the maintenance and development of the estate. It was highlighted that over the period 2006/07 - 2012/13 the average level of annual capital investment reported by all UK universities was 9.2% of gross non-residential income, whilst in Wales this figure was 7.0%, representing a shortfall of nearly £170m or 32% over that period.

When looked at from another perspective, London Economics were commissioned by UCU (University and College Union) to produce an independent assessment of the level of public funding allocated to learners undertaking higher and further education across the United Kingdom. This analysis considered the level of publicly funded student support (fee and maintenance grants and loans) and Funding Council grants (including teaching, research, strategic and capital funding) per eligible student. The Panel received an advance copy of the report *Mind the gap: Comparing public funding in higher and further education resource - benchmarking across education sectors in the United Kingdom*. This found that within the higher education arena, there are relatively sizeable differences in the level of public funding per eligible higher education student enrolled in a HEI in their own home country. In 2013/14, the total public funding associated with a full-time English undergraduate student studying in England stood at £8,870 compared to £9,456, £9,016 and £7,721 for comparable Welsh, Scottish and Northern Irish students studying in their home domicile.

There are also large differences in the funding mechanisms between the UK nations. In some Home Nations (eg Wales), public funding is predominantly allocated via the student (through maintenance and tuition fee support), whilst in other Home Nations, resources are predominantly allocated through funding councils directly to HEIs (eg Scotland). The alternative approaches adopted across the Home Nations are important - specifically because of the potential mobility of students. Resources allocated through student support are generally portable - while allocations through funding councils direct to HEIs in that particular Home Nation are not.

Given these differences in the means of allocation ie through student support or through Funding Council allocations, and the resulting portability of public funding through student support arrangements, higher education students enrolled in HEIs outside of their own Home Nation are associated with markedly different levels of funding. Specifically, as a result of the fact that Welsh students receive extensive tuition fee and maintenance support (irrespective of where they study), full time undergraduate Welsh higher education students enrolled in England receive approximately £10,298 in public funding (compared to £9,456 associated with Welsh students studying at home). Reflecting the fact that higher education funding in Scotland and Northern Ireland is predominantly delivered through the relevant funding body directly to Higher Education Institutions, the funding associated with a Northern Irish or Scottish student enrolled in England stands at £7,873 and £5,046 respectively.

This research by London Economics suggests that Welsh-domiciled students face significantly fewer disincentives to attend English HEIs compared to students domiciled in any other Home Nation (including England). In contrast, the level of public funding associated with an English full time undergraduate student studying in Wales stands at £7,726 (compared to £8,870 associated with an English student studying in England or £9,456 associated with Welsh students studying at home). Appendix Eight contains tables produced by London Economics (extracted from the Mind the gap report) which illustrate the points made.

It has been suggested that Welsh HEIs are disadvantaged in comparison to the English HE sector in terms of their lower 'margin for sustainability and investment' (MSI), a measure that determines if universities are generating sufficient cash for long-term sustainability. An evaluation undertaken by Swansea University⁸⁸ identified Welsh sector MSI levels at a median of 7.7%, compared with 10.2% for the English HE sector over a five year period (2011/12 to 2015/16). For Welsh research-intensive institutions, the MSI proportion was estimated to be even less: a median of 6.3% compared with a median of 8.9% for their English counterparts.⁸⁹

During a session with the Quality Assurance Agency the Review Panel enquired about the funding gap and any related quality implications. The Review Panel was informed that QAA had not identified a significant difference in standards between Welsh universities and universities elsewhere in the UK that could be related to the level of resource. The Panel was also advised that quality assurance had been conducted at an institutional level (reasonably resource-blind basis) and that going forward; there will be a need to look more closely at the relationship between quality and funding.

In presenting this information heterogeneity between universities within countries will need to be taken into account. The Review Panel has not verified the data presented here.

vii) A strongly held belief that the current HE sector funding and student finance regime in Wales is not sustainable into the future.

Most contributors to the review (HE and FE sector, student organisations, employer and workforce organisations, and others) were strongly of the view that current arrangements are not sustainable.

One area of concern is the RAB charge and the rate of non repayment of student loans – resulting in significant cost to the Welsh Government, and to the tax payer, in terms of subsidising unpaid student loans in to the future. Employers were particularly concerned about this. Some employers' perceptions about there being an

⁸⁸ 'Evaluation of the pilot of the Annual Sustainability Assurance Report and the Margin for Sustainability and Investment' published in November 2014.

⁸⁹ The MSI is a performance indicator that involves each institution calculating the level of cash generation it requires for sustainability based on its own plans. The cash target and outcome is expressed in terms of Earnings before Interest, Tax, Depreciation, and Amortisation (EBITDA). The institution's average required level of cash generation (EBITDA) over five years will be a cash sum. When divided by the turnover for the current year period, this becomes a percentage figure which is the MSI. Further information is available on the HEFCE website: <http://www.hefce.ac.uk/funding/finsustain/current/>

over supply of graduates and value for money considerations (including rates of return on investment in graduate provision compared to other forms of learning – eg apprenticeships) played into this.

The majority of contributors focused on the Welsh Government's policy of supporting Welsh-domiciled students to study anywhere in the UK, via the Tuition Fee Grant (TFG). Whilst current and prospective students generally welcomed the TFG, most other respondents believed it to be unsustainable. Much of this centres on concerns about:

- a perceived loss of funding to the Welsh economy and society and, in particular, to the HE sector in Wales (the amount of TFG awarded to HE institutions in the rest of the UK in 2014/15 is estimated to be around £93.9m). It is argued, mainly by HEIs and HE sector bodies that this loss of funding is affecting the ability of the sector to plan effectively and to respond to Welsh Government priorities;
- a belief that the loss of funding to the HE sector in Wales has contributed to a large and increasing funding gap between the sector in Wales and elsewhere in the UK;
- the context in which the current funding model was drawn up having changed: respondents point to increasing numbers of students choosing to study in England and the prospect that the removal of the student number cap in England may result in a further increase over time – which, if uncontrolled, will create pressure on Welsh Government budgets;
- concerns about other provision, especially further education and work based learning provision (particularly over 25 provision) having been disproportionately affected and cut in the corresponding period of maintaining the TFG. Concern also (by NUS Wales, student support and widening participation representatives and others), about cuts in hardship funding - especially the removal of the Financial Contingency Fund in 2015/16 for HE students; and
- the potential impact of further public sector funding cuts, in particular the outcome of the UK Government Comprehensive Spending Review in November 2015, and increased pressure placed upon the level of HE funding due to competing Welsh Government priorities elsewhere.

The call for evidence and the focus groups reports reflect the range of views expressed in this regard.

viii) Many respondents were strongly of the view that, in light of sustainability concerns, there is a need to revisit the tuition fee grant policy – an even handed response was noted.

Most current and prospective students are of the opinion that the TFG should be retained in its current form. Most viewed the TFG policy in a positive light in that it was considered to be a key mechanism for reducing future debt. Some also felt that higher education should be free as a right to all students, whilst a few current and prospective students did question whether the grant ought to be universally available to all students regardless of their families' incomes - suggesting it might be appropriate to introduce some element of means testing.

When considering the matter of sustainability, other contributors, across the board, were exercised about whether all Welsh-domiciled students should continue to be in receipt of this grant, irrespective of household income. Most believed, however, that there should, in any future funding arrangement, be equality of treatment of all Welsh-domiciled students irrespective of where they choose to study. In this instance, it was generally felt that the unsustainability of the TFG could be addressed through means testing.

A few respondents suggested that the grant should be removed altogether for all students and replaced with a loan. Some would want to remove the TFG for students studying elsewhere in the UK.

ix) A belief that the £9K maximum tuition fee level per annum for full-time undergraduate courses does not meet the cost of delivering high cost subjects.

The Chief Scientific Advisor for Wales (CSA) and others, mainly from the HE sector, have referred to a '£9,000 fee anomaly'. It has been suggested that there is a need to look closely at the costs of delivering different degrees, and to recognise in any future arrangement that it costs more to deliver certain subjects, particularly STEM subjects (Conservatoire and Welsh medium provision have also been mentioned in this context).

Estimates submitted of the average FTE (full time equivalent) annual course costs range from: £19,670 for a veterinary student; £14,940 for a medical student; and £10,620 for a physics student at the top end of the scale, to £6,400 for humanities and language studies; and £6,070 for continuing education students at the bottom. HEFCE information on the costs of teaching different subjects using Transparent Approach to Costing for Teaching (TRAC(T)) data⁹⁰ has been cited in this regard.

The CSA contends that the £9K fee anomaly has acted to reduce STEM capacity in Wales and, unless it is addressed, it will continue to drive down capacity in this area in the future. Others, including Universities Wales, advised that 'If left to market forces at current fee levels, there are clear risks that over time provision in high cost subjects will decline'.

It has been mentioned that the £9K maximum fee, which rewards HE institutions equally for each student, creates internal tensions as subjects which accrue higher fees than costs are required to subsidise those that cost more to provide than the fees for the course. Several respondents argued that research-intensive institutions, in particular, especially those with large numbers of STEM and other high cost and vulnerable subjects are forced to divert funds from other subject areas; thereby limiting available funds and the ability to provide the highest quality education for students across all subject areas.

⁹⁰ HEFCE report on high cost subjects analysis using TRAC(T)
http://www.hefce.ac.uk/media/hefce/content/data/2012/trachighcost/TRAC_methodology_for_high-costs_subjects.pdf

Since there is a £9k cap, it has been suggested that in order to fund the higher cost subjects there is no alternative to cross subsidy. It has been suggested that price differentiation by subject could be achieved if funding was made available to top up with a larger expensive subject premium. It has also been mentioned that cross subsidy sits uncomfortably with the political commitment that there should be transparency for students wishing to see what they get for their money.

The potential for introducing differential fee and student support arrangements that reflect actual course costs has been suggested by some within the HE sector. Others have expressed concern about unintended consequences and equality issues arising from such a move – particularly if the introduction of higher and/or differential fees adversely impacts upon the number of people from disadvantaged backgrounds being able to pursue high cost subjects or diverts funding from elsewhere (explored further in a later theme).

Some contributors from within the HE sector advised that the effective undergraduate full time fee is not, in fact, £9k but closer to £7.8/8k once scholarships and bursaries have been taken out, with the remainder being used to deliver the subject. And, that the effect of inflation on decreasing the value of the remainder of the fee also needs to be considered moving forward.

At the same time it has been highlighted by others, including the Welsh Government in this context, that there is a need to recognise that the income received by the HE sector in Wales has increased overall under the current fees and funding regime.

The Review Panel received a copy of the 2014 Higher Education Commission (HEC) report *Too Good to Fail – The Financial Sustainability of Higher Education in England*. The Commission reported that it had not been presented with strong evidence from universities [in England] that it costs more than an average of £9,000 to deliver good quality courses.

x) A belief that the £9k maximum tuition fee level for full-time undergraduate courses does not offer reasonable value for money for students.

Neither current nor prospective HE students interviewed during the course of the Review thought the full-time £9k tuition fee represented reasonable value for money. Despite these concerns, it was established that the level of fees has not acted as a disincentive to young people considering entering HE. Enrolment data also show full-time HE participation levels have not been affected.

The Quality Assurance Agency advised that students are increasingly seeking value for money and paying particular attention to the learning experience they could receive at particular institutions. The QAA highlighted the need for clear, reliable and accessible information about courses and institutions to allow students to make informed choices about where to study. The QAA also drew attention to the key factors for a high quality environment for learning set out in its Code of Practice.

Swansea University highlighted that there are issues with perceptions of how fee income is spent noting that ‘with £9,000 tuition fees in place, students expect and demand high quality HE provision and value for money’.

The question of whether the £9K tuition fee offers value for money was not just a consideration for students. Employers asked similar questions. Airbus, for example, noted 'it is difficult to assess what universities are doing differently now, and whether the increase in tuition fees is producing higher quality provision... as such it is also difficult to determine if the current offering is considered as being value for money'.

A set of themes emerged relating to student debt and student support

xi) Wales has a low RAB charge compared to England, and HE students domiciled in Wales benefit from having lower student debt levels than those domiciled in England.

The RAB charge estimates for Wales in 2014-15 (noted earlier in the report) were around 38% for loans associated with pre-2012 cohorts of students and 27% for loans associated with the new regime students. These were lower than the comparable RAB charges in England (42% for pre-2012 cohorts of students; and 46% for new regime (post 2012-13)⁹¹), and by implication, suggest that the cost to Welsh Government of subsidising the current student loan system in Wales is less than the cost to the UK government of subsidising current arrangements in England.

Contributors to the Review have highlighted that lower RAB charge estimates for Wales are perhaps unsurprising; given the TFG and Partial Cancellation Scheme arrangements are likely to leave eligible students with lower levels of debt than would otherwise be the case – noting also that both arrangements have cost implications.

At the end of the financial year 2014-15, the average level of student debt for Welsh-domiciled students on entry into repayment ranged from £6,980 for the 2002 cohort to £19,010 for the 2015 cohort.

During evidence to the Review, Welsh Government officials estimated that students in Wales (subject to current post-2012-13 loan arrangements) will graduate with an average debt level of around £22,000 (based on current average loan take out⁹² for a three-year undergraduate degree – excluding interest). In comparison, the Institute for Fiscal Studies (IFS) estimated (in April 2014) that students in England will graduate with an average of £44,035 of student debt⁹³. The IFS also estimated that 70% of graduates will not repay their debt in full under the current arrangements in England⁹⁴.

The provisional baseline analysis work undertaken, at the behest of the Review Panel, in relation to student maintenance and fee support arrangements in Wales, as noted earlier, suggests that the overall RAB charge for full time graduates when projected forward is estimated to be around 33.9%. It also suggests that around 20% of male and 50% of female full-time graduates will not fully repay their loans. The

⁹¹https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/318628/BIS_performance_indicators_Funding_per_student_in_HE.pdf.

⁹² SLC Statistical Release November 2014.

⁹³ Comparison between Welsh Government estimates and IFS estimates have to be taken carefully as the basis of calculation may be different.

⁹⁴ C Crawford and W Jun, (10 April 2014) *Payback time? Student Debt and Loan Repayments: what will the 2012 reforms mean for graduates?* Institute of Fiscal Studies.

baseline analysis suggests that the picture is different for part-time graduates. In this instance, the RAB charge was estimated far lower, with the vast majority fully repaying.

xii) The level of support available to students domiciled in Wales is viewed as being generous, especially when compared to elsewhere in the UK.

In written and in oral submissions, many contributors have commented that the support available to Welsh-domiciled undergraduate students (studying full-time) is generous in comparison to other UK countries.

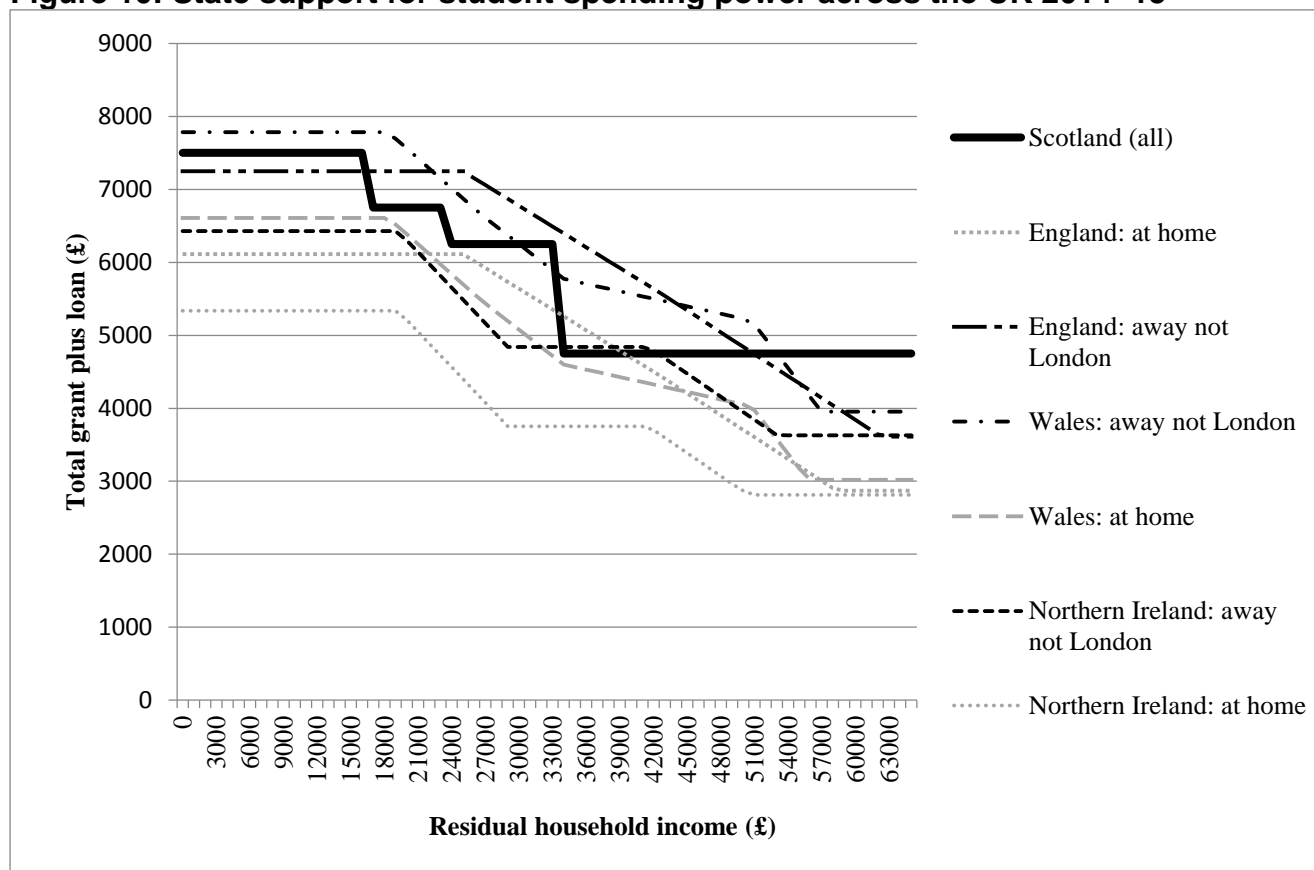
Work undertaken by Lucy Hunter Blackburn⁹⁵ (for example *Whose to lose? Citizens, institutions and the ownership of higher education funding in a devolved UK* on behalf of the Higher Education Policy Institute) finds that Wales stands out as the only country in the UK which seeks to limit debt for all its students, at all incomes, wherever they study.

Lucy Hunter Blackburn also argues that there are important social justice issues embedded in the social distribution of debt which students will carry forward into later life. Her work analysed the distribution of tuition fee and living cost debt by jurisdiction and income group⁹⁶. Figure 10 below compares spending power for students across the UK, excluding London. In all parts of the UK, the majority of full-time undergraduate students live away from the parental home. For this group, which faces the highest living costs, her work finds the greatest spending power is provided by the English or the Welsh systems. (Of the UK countries, Scotland offers the most generous support for those with household income above £54,000. Scotland is also unique in offering the same level of support to those living at home or away).

⁹⁵ Hunter Blackburn, Lucy (2015) *Whose to lose? Citizens, institutions and the ownership of higher education funding in a devolved UK* Higher Education Policy Institute
<http://www.hepi.ac.uk/category/publications/>

⁹⁶ Hunter Blackburn, Lucy (2014) The Fairest of the them all? The support for Scottish students in full-time higher education in 2014-15 http://www.docs.hss.ed.ac.uk/education/creid/Projects/34ii_d_ESRCF_WP3.pdf

Figure 10: State support for student spending power across the UK 2014–15



(Source: Relevant government student finance calculators. Detailed calculations by Lucy Hunter Blackburn.)

Table 21 shows the level of non-repayable student grant in 2014-15 in the four nations, which is most generous for students from low income households in Wales.

Table 21: Student grant in the UK in 2014–15

Non-repayable means-tested grant for full-time undergraduate students in the UK: 2014-15		Maximum grant	Available up to residual household income	Thereafter
<i>Domicile</i>	<i>Category</i>	£	£	
England	All	3,387	25,000	Tapers to £0 at £42,621
Northern Ireland	All	3,475	19,203	Tapers to £0 at £41,065
Scotland	Young	1,750	16,999	£1,000 at incomes up to £23,999; £500 at incomes up to £33,999; £0 at higher incomes
	Independent (mature)	750	16,999	£0 at incomes over £16,999
Wales	All	5,161	18,370	Tapers to £0 at £50,020

(Source: Relevant government student finance calculators- Lucy Hunter Blackburn)

xiii) Concerns about financial literacy and students becoming inured to high levels of student debt.

Student support and widening participation professionals⁹⁷, in particular, and others, emphasised the importance of financial literacy, and in this context have expressed concern that students are becoming inured to the implications of incurring high levels of student debt. They noted that HE students, in their opinion, appear to take it for granted that they would either earn enough as a result of gaining a degree to be able to pay off their student debt relatively easily; or, they would never have to worry about paying back their debt if they did not earn enough when in employment.

The focus groups report notes, for example, that the students interviewed did not seem averse to running up debt which would only be repaid in the long-term once earnings thresholds were exceeded. Generally, neither current nor prospective HE students appeared overly concerned about the wider long-term consequences of accruing debt to fund their studies – although student support representatives, in particular, worried that they ought to be, given the potential consequences of such debt on longer term prospects was not yet clear (eg borrowing for mortgages). There is also the issue of interest rates being charged on student loans.

The Review Panel has also heard that interviews with young people in Scotland and the north of England found that young people in England were resigned to incurring debt (whilst young people in Scotland were highly debt averse).⁹⁸

With regard to future borrowing and potential mortgage implications, the Panel wrote to the Council of Mortgage Lenders. The Council's response stated:

'The FCA's [Financial Conduct Authority] rules, introduced in April 2014, require firms to demonstrate that any customer can afford the mortgage for which he or she had applied. In practice, this means firms must satisfy themselves of that affordability, on the basis of an individual's net income which will take into account committed expenditure on basic household costs'.

xiv) Conversely, the evidence base suggests that the 'fear of debt' is a key element of a complex series of factors in influencing the decision to study and stay on in higher education and that there is a disproportionate effect on those from lower-income families or poorer areas.

With regard to the financial factors that influence student recruitment and retention, a large body of evidence exists which examines the role played by tuition fees, maintenance grants and loans in increasing or reducing the propensity of overall participation in higher education and for particular groups, especially those from lower income families. During the early stages of the Review some of this evidence was gathered. (Appendix Nine refers).

⁹⁷ Focus Groups report refers

⁹⁸ Minty, Sarah (2015) *Young people's attitudes towards tuition fees and debt in Scotland and England* British Educational Association Research Conference, September 2015
http://www.docs.hss.ed.ac.uk/education/creid/NewsEvents/55_i_d_BERA2015_Minty_Paper.pdf

Evidence relating to the wider influence of financial systems on participation includes: The Department for Business Innovation and Skills (BIS) commissioned series of studies and reviews of the evidence preceding the increase of tuition fees in England in 2012 including Deardon, Fitzimmons and Wyness (2010), which found that ‘a £1000 increase in fees results in a 4.4 percentage point decrease in participation, whilst a £1,000 increase in loans lead to a 3.2 percentage point increase in participation and £1,000 increase in grants leads to a 2.1 percentage point increase in participation’.

A review of the international evidence for BIS ‘Review of Student Support Arrangements in Other Countries’ (London Economics (2010) also found that ‘an increase in tuition fees tends to cause a decline in participation, particularly among students from lower socioeconomic backgrounds, unless accompanied by an equivalent increase in student support’.

Analysis around concepts relating to levels of risk – ie the fear of debt and debt aversion, and the returns to investment or cost/benefit judgements that students make in relation to their decision to participate in higher education has also been reviewed.

Analysis by Callender and Jackson (2005) ‘Does the fear of debt deter students from higher education?’ finds that ‘debt aversion is a class issue’ affecting students from poorer backgrounds more than middle or higher income students. The study also found that ‘the most debt tolerant individual....was just over five times more likely to apply to university than the most debt averse individual’. Analysis by Forsyth and Furlong (2005), found that the ‘fear of debt, rather than actual amount of debt, was found to act as a barrier to continued participation’.

With respect to financial factors and retention, more recent studies such as the 2014 NUS Pound in Your Pocket Survey, found that financial difficulties are ‘pushing many students to the brink of dropping out’. It found that students from low-participation neighbourhoods struggle significantly more with basic living costs. It also indicated that these students also worry about balancing commitments, and are significantly more concerned about future debt.

Conclusions drawn from the studies reviewed are that the ‘fear of debt’ or debt aversion is a key element of a complex series of factors in influencing the decision to study and stay on in higher education. The brief review of the international evidence also demonstrates that there is a disproportionate effect on those from lower-income families or poorer areas.

xv) A strong consensus that the level of maintenance support is inadequate to cover actual costs incurred by students and that this is a bigger issue for students than the level of tuition fees and tuition fee support. Also, that students from middle-income households, in particular, are inadequately catered for under current arrangements.

There was a strong consensus across all stakeholder groups (current students, student bodies and support staff, widening access professionals, those within the HE sector and others) that the level of funding available to support the maintenance

costs incurred by students is inadequate and that this is a much bigger issue for students than the level of tuition fees and tuition fee support.

The availability of financial support during a student's time at university to help with day to day living costs was highlighted as being a more important factor in attracting and retaining students than the availability of financial support to help towards alleviating future debt stemming from tuition fees.

There was a strong view from students and student support representatives during the focus groups that the maximum level of maintenance loan currently available, particularly for those from middle-income households, was too low. Several instances were cited where student accommodation costs alone absorbed the entire value of the loan available.

There is a generally held view that students could not survive financially without either working on a part-time basis or being financially supported by their parents despite being entitled to the maximum level of maintenance loan.

With regard to middle-income students, the National Association of Student Money Advisers (NASMA), for example, in its written submission, observed that these students are struggling to afford living costs and, in particular, accommodation fees. NASMA noted that although students deemed to be low income or vulnerable can receive a significant support package, often supplemented by bursaries from HE institutions, students from middle income households are under-supported and often receive little or no help from the HE institution. (Similar observations have been made by others).

A common view to emerge was that the current package of maintenance support was based upon a 'one size fits all' model and did not have the flexibility to take individual circumstances into consideration. Of particular concern was that it failed to consider parental financial commitments - such as having other children to support.

Student support representatives thought that the current means-testing approach, whilst well-intentioned, was not equitable in terms of meeting individual student needs. It was stressed by this stakeholder group, and also by others, that parents did not always appreciate how much of a financial contribution they would be expected to make – and that, if the current system was maintained, there was a need for the Welsh Government to be more explicit about this.

Maintenance support was raised in connection with the risk of students living at or below the poverty line. Several respondents cited the NUS Wales report *Pound in Your Pocket*. NUS Wales itself considered that maintenance funding, across HE and FE, should be increased in line with increasing living costs, and should be paid to students more regularly to allow for more flexible budgeting. NUS Wales also highlighted an Institute for Fiscal Studies (IFS) report that indicated poorer students in England were 8.4% more likely than advantaged students to drop out within the first two years of their course – and require more help to achieve good grades when at university. As Wales has a higher proportion of its full-time undergraduate student body from under-represented groups, NUS Wales considered the level and targeting of maintenance funding to be more crucial than in England.

BMA Cymru highlighted that the impact of maintenance costs can be more of an issue for medical students given that their courses are longer than most other undergraduate degrees, and because medical students have to study for a greater proportion of the year so have fewer opportunities to undertake paid work during vacation periods.

During the focus group sessions and in meetings with the Panel, it has been suggested that some consideration should be given to the maintenance grant being paid in monthly instalments as a way of helping students with related money management issues.

A set of themes emerged relating to operational context:

xvi) Concern about the changing role of HEFCW and, in particular, about the decrease in the level of Welsh Government grant allocation to the Council affecting its ability to function and to implement Welsh Government policy.

HEFCW, HE institutions and HE sector bodies in the main, expressed concern that the decrease in the Welsh Government's grant allocation to HEFCW is affecting its ability to function and is leaving the Council with fewer (financial) levers to implement Welsh Government policy. It has been highlighted that the reduction in the grant allocation (from £373.6m 2012-13 to £125.6m 2015-16⁹⁹) is a direct result of the Government having to control costs in order to support its TFG policy.

HEFCW highlighted that as the costs of the TFG have increased over the past three years, the remaining resources available for the Council to distribute as funding have diminished such that some institutions forecast that they will rely on HEFCW funding to the extent of only approximately 5% of their income. The Review Panel was informed that HEFCW's statutory responsibilities under the 1992 Further and Higher Education Act (FHE 1992) are predicated on funding. HEFCW also advised that the HE (Wales) Act has been put in place with the objective of replacing those funding powers with a regulatory framework, although its focus is on regulation rather than delivery of policy.

HEFCW has also noted in its submission that 'HE institutions are socially responsible and will seek to respond to the needs of Wales. However, in the context of the less competitive funding position to the rest of UK HE, institutions must focus on financial sustainability and that means that policy priorities which are more expensive may be pursued less intensively in favour of those which provide investment'.

xvii) The need for early engagement with the SLC on any future policy changes or new initiatives.

The Review Panel was briefed on the significant role of Student Finance Wales/the SLC as the delivery partner responsible for the administration of student finance arrangements in Wales. The need for early engagement with the SLC on any future policy changes and initiatives was noted.

⁹⁹ Table 19 refers. Form 1 April 2015 fee grant payments are allocated from Welsh Government budgets.

A set of themes emerged highlighting a need to strengthen research capacity.

xviii) The importance of a strong and sustainable world-class research base to the reputation and standing of the Welsh HE sector and links to economic performance.

Those within the HE sector, the Chief Scientific Advisor (CSA) amongst them, Welsh Government officials and others have emphasised the importance of a strong research base to the reputation and standing of the Welsh HE sector. They also highlighted the considerable research strengths of the Welsh HE sector (noted earlier in this report) and the contribution that a strong research base makes to the economy.

The CSA cited research by Haskel et al that shows that £1 spent on research will produce £4 of economic benefit down the line and noted that excellence in STEM research is a basis for innovation: Science and innovation are proven to be key drivers of economic growth and jobs in the UK, with economists estimating that 70% of economic growth in the long term will come from innovation.

The links between university research and innovation were highlighted in several submissions. Swansea University stated that graduates from research-intensive universities were valued more highly by employers, while partnering with world-leading research groups in universities was an important part of the business model for many industries. It noted that these two phenomena had resulted in major clustering of high-tech companies close to several research-intensive universities in Europe and North America, stating that 'the evidence at a national level is that the research performance of universities increases with public funding (including student aid) and that about 50% of the economic innovation of a country is explained by the research performance of its universities'.

The Learned Society for Wales noted that 'Wales has traditionally placed great emphasis on ensuring that its' universities are central in supporting the economy and there has been excellent interaction between the Welsh Government [and the former Welsh Development Agency], business and industry and the HEIs, over several decades'. The Society expressed concern that the termination of HEFCW Innovation and Engagement funding could 'lead to a rapid deterioration in the performance of Welsh HEIs in this vitally important area'. The Society also noted 'the increase in the I&E grant in England, whereas in Wales I&E activities will have to be cross subsidized from income such as undergraduate fee-grant'.

Universities Wales highlighted in session with the panel, that when it comes to the knowledge economy, Wales' HEIs are not being used or sufficiently supported to create a competitive advantage. Reference was made to Wales being an 'innovation follower' with a low level of R&D expenditure when compared to countries in the rest of Europe

xix) Concern about a shortfall in the number of academic researchers in Wales; STEM under-capacity; and about the ability of the HE sector to attract Research Council UK income.

Despite reported strengths, concerns about the sustainability of Wales' HE sector research base into the future, STEM under-capacity and the ability of the sector to attract Research Council UK income have been highlighted. The following is indicative of the views expressed:

The CSA, the Chairs of Universities Wales and others informed the Review Panel that Wales' share of Research Council income is well below the 5% that Wales might expect based on the size of its population – and that this is partly due to a longstanding shortfall in the number of researchers in Wales. It was mentioned that Wales' volume of researchers put in to the 2014 REF (Research Excellence Framework) was markedly lower than other nations (over 25% reduction), in comparison to the 2008 Research Assessment Exercise (RAE) – which, it was suggested, shows that there is a lack of available researchers.

Professor Robin Williams' 2013 report, *Recognising the Quality of Research at Universities in Wales*, was drawn to the Review Panel's attention. This argued that the quality of the research base was good, but the lack of sufficient researchers within Wales in the high-spending areas of medicine, engineering and the physical sciences prevented greater grant capture. This set the deficit at about 200 academics. (Others, including the CSA, referred to the deficit being much higher at around 600 academics).

HEFCW drew attention to the 2013 Elsevier report which, while commending on quality and efficiency, warned that Wales' position of relatively low investment in its research base is not sustainable. HEFCW noted that 'QR is an essential investment which is required to underpin success in highly competitive UK-wide Research Council competitions. If Wales reduces levels of QR (Quality Research) investment, this will undermine the sustainability of our research base and will discourage Research Council investment in universities in Wales. They will, therefore, struggle to compete with better-resourced universities elsewhere in the UK. Success rates with other external, highly competitive research funding programmes, most notably, the UK Government's Innovate UK and the European Commission's Horizon 2020 programmes will be similarly affected'.

HEFCW's submission stated that 'without the capacity to shape and resource research strategies through QR, Wales would become a much less attractive place for ambitious researchers. There would be major problems with the recruitment and retention of high quality research staff, who are highly mobile, and will be attracted to work at universities elsewhere offering better resources, facilities and prospects. This would lead to a rapid fall-off in the quality of the research base in Wales'.

Swansea University commented 'it is vital that Wales has a top-class HE system that is adequately funded in order to expand its research and science based capacity. This in turn, will provide the research base strength to attract further funding from RCUK, industry and other competitive funding streams so that inward investment in to Wales and the UK is improved over the longer term'.

Universities Wales' observation that funding a sustainable system for attracting postgraduates from Wales, the UK, EU and overseas must be an essential part of any holistic research strategy for universities and the sector more broadly if Wales wants to maintain, grow and market its research impact was cited.

Many respondents commented on the components of a 'top class' research environment. Their suggestions are reflected in the Call for Evidence document (Question 8 What does a top-class HE system look like... refers).

A set of themes has emerged relating to skills needs and qualifications, professional training, and linked to this the importance of FE and HE collaboration and FE – HE learning pathways.

xx) A central role for the providers of HE (universities and colleges) in raising the higher level skills base in Wales, and responding to forecast increases in demand (expansion and replacement demand) for higher level skills and qualifications.

The Review Panel received briefings from Welsh Government officials on the Government's *Policy Statement on Skills* and the *Skills Implementation Plan* which, as noted earlier, provides a foundation for a skills system in Wales that is competitive and sustainable into the future, and focuses attention on four priority areas: skills for jobs and growth; skills that respond to local needs; skills that employers value; and skills for employment. Challenges for Wales were identified regarding the financial sustainability of education and training including: significant reductions being experienced in support for post-19 education and training; the need to rebalance responsibility for skills investment working with employers; financial challenges ahead – including the potential departure of European funding from Wales post-2020.

Briefings have been provided on UKCES Working Futures 2012-22 projections. These suggest that the overall employment level in Wales is expected to rise from 1.36 million in 2012 to 1.42 million by 2022, resulting in around 57,000 more people being in employment (expansion demand) and that in addition to this increase in the overall number of people in employment, there is a need to replace people who have left the labour market due to a variety of reasons (replacement demand). Replacement demand is projected to be far greater than the net change in employment at 531,000, resulting in a net requirement (expansion demand plus replacement demand) of 588,000 between 2012 and 2022.

Working Futures projections for employment by qualification level indicate big changes in the labour market in Wales: In 2002, 26% of those in employment were qualified at QCF (Qualifications Credit Framework) Level 4 or above. This percentage is forecast to double over the 20 years to 2022, whilst the proportion qualified to Levels 7-8 is projected to have almost trebled (from 5% to 14%) during this period. By 2022, it is predicted that over half of those in employment in Wales will hold qualifications at level 4 or above (compared to around a quarter in 2002). Working Futures predicts that the anticipated rise at QCF Levels 7-8 will result in approximately 203,000 people requiring skills at these levels in 2022, compared with 131,000 people in 2012. At QCF Levels 4-6, approximately 546,000 people will require skills at these levels in 2022, compared with 422,000 people in 2012.

The continued shift towards higher qualifications and growth at the higher skilled end of the labour market have implications for those involved in the planning, funding and the delivery of education and skills. To meet the challenges that lie ahead, the need

for clear learning pathways, (especially for those entering post-16 education), for articulation between sectors, and acknowledgement of the central roles of both HE and FE institutions has been emphasised.

Welsh Government officials (and others) in presentations and submissions have identified the critical role that providers of higher education have to play in responding to demand and raising the higher level skills base in Wales. Welsh Government officials also identified that areas where the skills system could be supported by providers of HE include: delivering high-quality vocational education and training provision which meets employer need; striving to meet the changing requirements for skills over the next decade, namely the increased focus on developing higher levels of skills; working with employers to better deploy and utilise skills within their workforce; engaging with Regional Skills Partnerships to deliver provision which responds to regional investment priorities; and promoting the benefits of investment in skills and extending this to a wider range of employers, ensuring Wales has a sustainable and competitive skills system for the future.

The call for evidence asked the question 'To what extent do current HE sector funding and student finance arrangements support measures that respond to the skills needs of Wales?' Around two thirds of respondents to this question are of the view that the skills needs of Wales are 'not very well' supported by current arrangement. Details of the respondent views and suggestions can be found in the call for evidence report.

xxi) Polarisation of opinion on whether HE funding arrangements should be adjusted to target specific course provision or skills needs - in particular to promote the take up of STEM subjects.

The Chief Scientific Adviser for Wales, some within the HE sector and others have advised that there is strong evidence of a growing and unmet demand for STEM skills and provision.

Attention has been drawn to the Royal Academy of Engineering 2012 report *Jobs and growth: the importance of engineering skills in the economy*¹⁰⁰, which forecasts that one million science, engineering and technology professionals will be required in the UK by 2020. Other cited research includes the UKCES Working Futures 2012-2022 estimate that by 2022 one in five jobs in the UK will be STEM jobs. Also, the CBI/Pearson Education and Skills Survey 2014 which found:

- Nearly two in five firms (39%) that need employees with STEM skills and knowledge currently have difficulties recruiting staff at some level and over half (53%) expect problems in the next three years.
- Shortages of STEM-qualified technicians are particularly widespread, with more than a quarter (28%) of firms in STEM-based sectors reporting current difficulties in recruitment and more than a third (35%) anticipating problems over the next three years.

¹⁰⁰ Royal Academy of Engineering (2012) *Jobs and growth: the importance of engineering skills to the UK economy* econometrics of engineering skills project Final Report <http://www.raeng.org.uk/publications/reports/jobs-and-growth>

- Shortages of STEM graduates are also starting to be experienced (by 19%) and are expected to affect many more STEM-based firms (28%) in the coming years.

Attention has been drawn to related Welsh Government policy set within *Science, Technology, Engineering and Mathematics (STEM) in Education and Training – A delivery plan for Wales*¹⁰¹; the *Policy Statement on Skills* and the *Skills Implementation Plan*; and in the Government’s *Science for Wales* strategy.

This has led some respondents to argue that it is necessary to focus resources on particular subjects, particularly STEM, to produce the right skills for the economy. In this context, it has been suggested that future fee and funding arrangements need to reflect the true costs of STEM courses, that targets need to be set for the number of students to be supported, and incentives put in place - to ensure an increased number of high quality STEM academics and skilled professionals in the future.

Whilst some have argued for differential fees and student support arrangements for STEM, others, as noted earlier, have expressed concern about unintended consequences and equality issues arising from such a move.

A report submitted by the NUS¹⁰², mentioned that labour market projections show that Wales is unlikely to have a shortage of STEM graduates to fill core-STEM: ‘Core-STEM jobs are less hard to fill in Wales than non-STEM jobs and even with higher demand for STEM qualified graduates and postgraduates, Wales would likely still produce a surplus of them. By 2020, it is expected that Wales will have an oversupply of STEM graduates of between 2,000 and 11,000 when adjusted for net commuters (UKCES 2013)’. Also, In terms of equality and gender issues, the NUS report suggests that a focus on funding students to take STEM subjects could create labour market distortions in favour of men. Chwarae Teg (2014) research is cited which shows that not only are women underrepresented in STEM subjects at university, but women STEM graduates are also less likely to go on to work in a STEM role compared to men STEM graduates.

UNISON argues that ‘too narrow a focus on skills needs can produce a short term and counterproductive approach to long term economic needs’. UCU that: ‘the current perception of the skills needs of Wales is based on a misconception of the role of HE. It is important to recognise that HE is not just about preparing students for the workplace. Such a utilitarian stance ignores the wider social, cultural and civic benefits of HE and it could be argued that development of the individual and pursuit of knowledge for its own sake have largely been ignored in the current era’.

The need for increased quantitative skills has been the subject of a number of recent studies. In the context of the increasing availability of data from many sources – some administrative, some born digital – many commentators have argued that the UK needs to be a quantitatively literate population. In so doing, commentators such

¹⁰¹ Science, Technology, Engineering and Mathematics (STEM) in Education and Training – A delivery plan for Wales <http://www.senedd.assembly.wales/documents/s39747/EBC4-12-15%20p.5%20Draft%20STEM%20in%20Education%20Delivery%20Plan.pdf>

¹⁰² NUS Report on Postgraduate Study for Diamond Review, DR Adam Wright.

as NESTA, UUK and the British Academy¹⁰³ have pointed to the need to think beyond the traditional STEM subjects when building the case for a quantitatively literate population.

They would argue that universities have a key role to play in ensuring that students from across the social sciences and potentially the humanities have the development of quantitative skills inculcated into their curricula; that teachers are trained to teach mathematics and quantitative skills effectively; and that the partnership between schools and universities is enhanced to ensure a strong pathway from schools to universities in developing quantitative skills.

xxii) The central role for Wales' higher education providers (universities and colleges) in ensuring a continued flow of qualified entrants to the professions in Wales and in developing the existing workforce.

Respondents have emphasised the key role of Wales' HE institutions in ensuring the continued flow of appropriately qualified entrants to the professions in Wales and in developing the existing workforce: from the medical professions to engineering; law and accountancy; to teaching and many other professions besides. It was noted that one Welsh university, for example, offers over 200 programmes accredited through more than 40 professional, statutory and regulatory bodies, one of the highest number of accreditations of any UK university.

The General Teaching Council for Wales' response to the call for evidence has drawn attention to weaknesses to be addressed in the quality of provision of Initial Teacher Education and Training (ITET) that 'have been identified by the 2012 Tabberer Review and further evidenced in the two most recent Estyn reports into ITET providers'. An update by the Welsh Government on matters relating to ITET established that developments in this area are underway and are being informed by Teaching Tomorrow's Teachers ('the Furlong report') and Successful Futures ('the Donaldson report').

With regard to the NHS, the Health Professionals Education Investment Review (HPEIR) reported its recommendations in March 2015 for NHS workforce planning and development in Wales. This report and its recommendations have been presented to our Review Panel. The following themes, which emerged during the course of the review, have been noted:

- the need for a revised strategy for NHS Wales based on the Prudent Healthcare agenda;
- the development of a workforce plan that is aligned with the strategy;
- the creation of a single body to cover funding, commissioning and equity of education and training provision; and
- the development of NHS Wales as a learning organisation.

¹⁰³ The British Academy for the Humanities and Social Sciences report *Count us in: our vision for quantitative skills for a new generation* (2015) offers a vision of how the UK can rise to the potentially transformational challenge of becoming a data-literate nation. The report calls for a cultural change across all phases of education and employment, together with a concerted, continuous national effort led by government: <http://www.britac.ac.uk/policy/count-us-in-report.cfm>

A session was held with members of the Health Professional Education Investment Review following the publication of their report, to discuss their findings and areas of shared interest. These discussions emphasised the need for a collaborative approach to NHS training and the key roles that educationalists (supply side) and professionals (demand side) have to play in any single commissioning body arrangement; and the need for future discussions between the two which focus on numbers, income, strategy and outcome measures.

Recruitment and retention difficulties being experienced by Health Boards across Wales were highlighted. Above all, HPEIR panel members have emphasised that the single body commissioning model is a fundamental part of how required health professional training could be achieved in the future.

The BMA Cymru Wales' response to our call for evidence cited growing recruitment problems in Wales in certain specialties, as well as in general practice in various localities. The organisation commented that a key issue which should be considered is the need for initiatives to retain more medical students in Wales after they graduate. BMA Cymru Wales suggest that, as part of this review, consideration should be given to the possibility of some funding support being linked to such students staying on in (or returning to) Wales after they graduate and/or the provision of specific financial incentives to encourage medical students to stay on in (or return to) Wales. Others have made similar suggestions.

The British Association and College of Occupational Therapists observed that it 'has been noted elsewhere that where university hospitals and university programmes have very close links, there is the potential to develop a more research-informed graduating workforce who have had exposure to real-life research being undertaken within practice settings and opportunity to participate in research as a pre-registration requirement'. One response highlighted the Cardiff Innovation Campus and cross-cutting collaboration within areas such as clinical innovation (in partnership with NHS University Health Boards).

Cardiff University asserted in this context that routes through to postgraduate taught and postgraduate research study must also be sustained, stating that these streams provide the highly skilled workforce that is vital for a healthy and wealthy economy. Cardiff also cited research by the Higher Education Commission that shows that postgraduate students are more likely to stay in the same area after study than undergraduates; postgraduate skills are becoming increasingly important for entry into the labour market and for progression within employment; and there are a number of areas in which postgraduate study is becoming a norm, necessary for entry into a profession, either as a licence to practice or as de facto requirement.

xxiii) The Importance of collaborative working, FE to HE pathways and the need for there to be a clearly defined role for HE in FE - which requires clearer articulation and a better defined framework within which it can be funded and planned.

The importance of collaborative working and clear pathways between FE and HE has been a common thread running throughout this Review. The geographical

proximity of FE institutions to communities and their strong relationships with businesses have been emphasised in this regard.

With regard to HE in FE provision, from information received it is evident that this is well established in Wales, with considerable volume and a track record of successful delivery. It is also evident that the current structure of relationships between FE and HE institutions is multifaceted and complex, with the main funding routes for HE in FE delivery being through franchised arrangements (albeit with some directly funded delivery).

There is some concern (expressed by those in the FE sector, by Welsh Government and by employers), that the current HE mission in Wales is unclear – since there exists both established and post-1992 universities with many of the latter offering extensive Level 4 and 5 provision both directly and through franchise arrangements with FE.

To enable successful collaboration going forward, the Review Panel has heard from those within the FE sector that there is a need for each sector to have clearly defined 'complementary but distinctive' missions which include a clear division of labour between FE and HE (eg with Level 4 and 5 provision predominantly delivered by FE colleges and levels 6 and above being the focus of the universities).

Colegau Cymru informed the panel that the current [franchise] model of level 4 and 5 provision between colleges and universities does not deliver for employers and students and that there is a need to look at new models of partnership focused on meeting employer and student demand. The following has been suggested by Colegau Cymru:

- that HNDs and HNCs should be funded directly by the Welsh Government to colleges, though students on these courses should continue to be entitled to receive HE student support;
- that Higher Apprenticeships, funded through work – based learning contracts, be extended to include HNCs, HNDs and Foundation Degrees;
- that new 'Graduate Apprenticeships', where apprentices would commence a five year part-time Foundation Degree or HND followed by a 'top up' to a Bachelor's Degree, should be introduced as an alternative to the traditional three year residential full-time degree. Funding from HEFCW currently supporting traditional three year undergraduate provision should be shifted to pump prime this development.

The Welsh Government *Review of higher education in further education institutions report*¹⁰⁴ was considered by the Panel. This looks at the role played by FE in delivering intermediate HE at levels 4 and 5 and its contribution to employer-led, vocationally focused higher education. With respect to the multifaceted relationships between FE and HE institutions, it mentions that this presents difficulties in planning programmes across a region and that there is a risk of sub-optimal delivery. The review also contends 'that in order to maximise economic benefits, the system and

¹⁰⁴ *Review of higher education in further education institutions* June 2015 Research Paper 063/3015
<http://gov.wales/topics/educationandskills/publications/reports/a-review-of-he-delivered-in-further-education-institutions/?lang=en>

structure for higher education delivered by FE institutions is best achieved through collaborative working between the FE and HE sectors. The current system is recognised by both sectors [FE and HE] as strategically weak; and there are opportunities to strengthen provision and ensure a more coherent, sustainable approach to delivery'. The Welsh Government review recommends:

- HE in FE part-time delivery to be expanded in critical economic sectors.
- The Higher Education Funding Council for Wales (HEFCW) and Colegau Cymru meet with the Welsh Government to agree on how HE in FE delivery can be developed and expanded to meet the changing needs of the economy.
- HEFCW and Colegau Cymru to work with Regional Skills Partnerships to ensure joint strategic planning of HE in FE delivery between HEIs and FEIs to support the expansion of delivery.
- The Welsh Government to consider how HEFCW's funding and quality assurance arrangements can support the development of HE in FE provision.
- HEFCW to consider strengthening guidance on franchise arrangements between colleges and universities to provide stability and support strategic planning between the HE and FE sectors.

A set of themes emerged relating to the Welsh Language and Welsh medium provision:

xxiv) The importance of Welsh medium provision; mixed opinion on the extent to which current arrangements support measures to widen access to HE through the medium of Welsh; and recognition of the role of Coleg Cymraeg Cenedlaethol.

The call for evidence asked 'To what extent does current HE sector funding and student finance arrangements support measures to widen access to HE provision through the medium of Welsh?' Just over 40% of respondents to this question thought that measures were 'well' or 'very well' supported. In this regard, reference was often made to the role of Coleg Cymraeg Cenedlaethol: The call for evidence report refers:

'The Coleg Cymraeg Cenedlaethol has created new opportunities across the curriculum for students to continue their studies at HE level through the medium of Welsh. A positive evaluation of the Coleg's work in 2014 demonstrated its success across a range of areas. Funding for the Coleg has supported an increase in the number of students studying through the medium of Welsh since 2010-11. This funding is vital for widening Welsh-medium access into subject areas not traditionally taught in Welsh, including the Sciences, Computer Sciences and Engineering. It also enables universities to contribute to the targets set by the Welsh Government for the number of students studying through the medium of Welsh. The Coleg plays a role in strategically planning the development of Welsh language education at a national level, in consultation with HE institutions. The Coleg's undergraduate and Master's scholarship schemes have played an important role in attracting students to study subjects that had not traditionally been offered through the medium of Welsh, and have given an incentive to students who were not confident in their Welsh language abilities'.

Many respondents called for investment in the Coleg to be maintained.

There is concern amongst respondents to the call for evidence that the ending for undergraduate full-time students of the Welsh-medium premium and its removal for postgraduate full-time students (from 2015/16) means that the progress made by the Coleg in supporting the sector's capacity to offer Welsh-medium provision may be halted or reversed.

One institution noted that 'the current HE funding and student finance arrangements provide no direct incentive to proactively support measures to widen access to HE provision through the medium of Welsh. They discourage universities without much Welsh-medium provision from developing it. The amount of funding available to support this provision is decreasing, even though student demand has grown'. Another observed that 'the model was based upon the assumption that the Welsh-medium premium would continue and that the funding available through this source would enable institutions and academic schools to make the [academic] posts [funded through it] sustainable'.

Some within the HE sector have identified the changed student recruitment environment as a destabilising factor, with one stating, for example, that 'universities operate in a market led environment and the removal of premium payments to fund this activity makes it more difficult for them to fund specific initiatives that require higher levels of investment'. It was also stated that incentives for students to stay in Wales to study through the medium of Welsh 'are lacking, whilst border universities in England are targeting students from Wales'. Another noted that the loss of students to universities outside Wales has a negative impact on recruitment to Welsh-medium HE provision, 'although some Welsh-speaking students would choose to study outside Wales regardless of the funding regime'.

xxv) A key role for higher education providers in Wales in developing a bilingual workforce and preparing for a bilingual nation.

Some respondents considered that more could be done with regard to vocational skills and the development of a bilingual workforce: it was highlighted that 'There is a central role for higher education institutions in Wales to ensure that they prepare the future workforce to be able to provide for the needs of a bilingual country. This role should form the strategic and central basis of the planning arrangements for higher education and student finance in Wales.' (Welsh Language Commissioner) This includes professions such as opticians, dentists and GP out-of-hours services, where research has shown that the Welsh language is least likely to be used in interaction with customers/patients. Reference has been made to identified sectoral skills needs in Wales and the Wales Employment and Skills Board's 2011 report on Policies, Skills and the Welsh Language, which identified the need for educational planning to focus on providing opportunities for Welsh-medium provision progression, especially in priority vocational areas, including justice, health and lifelong learning. Higher education has a pivotal role in the development of all these skills-based areas.

Members of the Health Professional Education Investment Review (HPEIR) Panel in session with the Panel, also confirmed that the NHS faces significant challenge in terms of providing access to healthcare through the medium of Welsh.

Some respondents are of the view that current policy fails to ensure that companies and other services can benefit from a sufficient workforce with high level skills and the ability to work effectively through the medium of Welsh. There is concern that increasing numbers of students who have been schooled through the medium of Welsh and/or who possess Welsh-English bilingual skills are leaving Wales at the age of eighteen, and that this runs counter to the aim of creating a bilingual Wales.

Key challenges

Coleg Cymraeg Cenedlathol attended a session with the Review Panel. Information relating to the funding and achievements of the Coleg was highlighted. The critical importance of Welsh medium provision was noted. The Coleg also advised the Review Panel of the following key challenges:

- The need for a long term national strategy for Welsh medium education;
- The lack of continuity between sectors (ie the pattern of increasing drop off rates of students studying through the medium of Welsh as they progress through different stages in their educational journey);
- Students studying outside Wales (concern about the increasing number of bilingual students continuing their studies outside Wales – given the active contribution so many of these students make towards the creation of a bilingual nation which is in danger of being lost);
- The perceived impact of the tuition fees policy on recruitment trends in Wales;
- The cost of providing Welsh medium provision is approximately 25% higher than a typical module/course taught in English – noting that institutions are dependent on the Coleg’s funding stream to sustain progress. The Welsh medium premium is no longer available and associated implications of this.
- The need for any future model to establish a clear link in future HEI fee plans between planning (including targets) and investment– whilst HEIs fee plans might include Welsh medium targets to work towards they do not indicate specific funding to support these targets and as such there is no clear link between the two.

Matters relating to Welsh medium funding and provision will also be considered further during the next phase of the Review.

xxvi) Support for the teaching of Welsh culture and history; the University of Wales Press and the Wales Dictionary of the Welsh Language.

A large number of respondents to the Call for Evidence used this opportunity to highlight the need for Welsh HE institutions to have a responsibility for the teaching of Welsh culture and history and/or supporting the funding of the University of Wales Press. The Review Panel was informed ‘that Welsh universities are not currently required or expected to make the study of Wales, past and present, an integral part of their programmes of teaching, research or publication; this makes the subject, across a wide spectrum of disciplines, precarious’. Respondents included HE sector representatives, both corporate and individuals, as well as private individuals.

It was suggested that a clear and explicit commitment is needed, from both the Welsh Government and universities, to support and promote teaching, research and publication in this area of scholarship, in order to secure its long-term future.

The Review Panel was also informed that a relatively small sum of money is needed to support the University of Wales Press (UWP) in order to secure substantial benefits. It was highlighted that UWP receives an annual subsidy from its parent institution, the University of Wales, in order to operate and that in future, it might not be possible to publish some research on Wales because of the lack of additional funding from other sources. The University of Wales Dictionary for the Welsh Language also made a submission in support of its continued funding.

The range of views expressed in this regard is summarised in more detail in the call for evidence summary report.

A set of themes emerged relating to different modes and level of study, in particular:

xxvii) Many contributors were strongly of the view that current arrangements do not provide an appropriate balance of funding between the different modes and levels of study. Most were concerned about funding being prioritised for full-time undergraduate provision, especially in the form of the tuition fee grant, and the resulting reduced level of support for part-time and postgraduate study.

xxviii) Part-time provision:

With respect specifically to part-time provision a number of themes and messages have emerged:

- **The decline in part-time provision in Wales in recent years, whilst a cause for concern, it is nowhere near as steep as in England. The decline also does not apply to all areas of provision (first degree part-time instances increased) – making it difficult, therefore, to talk about a single part-time sector and a single trend when looking at the patterns of change within part-time provision.**
- **Part time study is firmly associated with employability and the economy, and with social mobility.**
- **The eligibility for part time loan support is limited to those who study at an intensity level of 25% and above. There is concern that this limits the number of individuals who can benefit from student support for part time study.**
- **Respondents have identified positive aspects of the current system relating to part-time study. These comprised lower pro-rata fees than full-time study, and the introduction of loans for part-time study and course grants for eligible students (albeit that there are constraints on accessing the loans).**

Pressing issues facing part-time provision identified by key players within the HE sector include:

- **support for part-time provision in policy statements does not always translate effectively into tangible financial support;**
- **financial support offered centrally and by individual institutions favours full-time provision;**
- **full-time students are treated as 'the norm', while part-time learners are seen as an 'add-on'; and**
- **what is necessary to achieving a more effective disposition of part-time provision of higher education is a much greater parity of esteem between the two modes of delivery.**

The Review Panel commissioned the Wales Institute of Social and Economic Research, Data and Methods to provide a report on part-time higher education. Their report is, therefore, a key piece of the evidence base in this regard. It encompasses a variety of research, an analysis of statistical data, a literature review and interviews with key informants.¹⁰⁵ Here we draw on some of the headline messages from that report and from the information and views provided by others.

Difficulties in trying to apply a formal definition to part-time study, which is highly heterogeneous in terms of both students and provision, have been highlighted. With regard to provision, part-time students pursue programmes ranging from PhDs to simple modules with no qualifications attached and everything in between. That heterogeneity brings challenges in terms of understanding patterns of change over time and when it comes to policy making. However, most part-time provision is at accredited undergraduate level, with a significant minority of part-time students studying at postgraduate level.

The distinction between part-time and full-time provision is becoming less meaningful. There is a 'blurring of the lines' as full-time provision becomes more flexible and full-time students are more likely to combine their studies with other activities (especially employment). As a result, part time provision has come to be defined by some as a residual: that is everything that is not defined as full-time.¹⁰⁶ Callender makes a useful distinction in describing those studying via full and part-time modes of provision in this way: 'part-time students fit their studies around their jobs and domestic commitments and see themselves as workers who study. By contrast, full-timers fit their jobs around their studies and see themselves as students who work.'¹⁰⁷

Part-time students are more likely to be employed, more likely to be female and in the vast majority of cases older than their full-time counterparts. There is greater

¹⁰⁵ Evidence to the Review of Higher Education Funding and Student Finance Arrangements in Wales: Part-Time Higher Education in Wales: WISERD Final Report (March 2015)

¹⁰⁶ Ibid

¹⁰⁷ Clare Callender, The demise of part-time undergraduate higher education in England: who cares? (IOE: 2014).

diversity in their educational and social backgrounds, and in their motivations for study. Distinct features highlighted in presentations to the Panel include:

- part-time students tend to have wider financial/familial time responsibilities;
- employment for most part time students is a core activity; and
- notions of financial risk and investment might be perceived differently (eg by someone who is older with children compared to someone leaving school at 18).

NUS Wales and the Open University in Wales study *It's About Time* finds: 'Part-time study is firmly associated with employability and the economy: 72 % of part-time students are in employment and the most common cited reason for pursuing part-time study was to improve future employability'.¹⁰⁸

Many respondents, via the call for evidence and in sessions with the Panel, have drawn attention to the decline in the numbers of students engaged in part-time learning in Wales in recent years. They have also highlighted that the rate of decline in Wales (particularly for those studying at undergraduate level) is nowhere near as steep as in England. Various timeframes have been referenced to illustrate this point, and whilst timeframes and percentages differ, the comparative trend is the same.

Data gathered on part time enrolments in the four UK nations between 2011/12 and 2013/14 (Appendix Ten) show, with respect to part time undergraduate provision specifically, that the number of enrolments at Welsh HEIs declined from 34,159 in 2011/12 to 30,503 in 2013/14 (an 11% reduction), in England over the same period there was a 33% reduction¹⁰⁹. Whilst most of the decline in enrolments across the UK (29%) occurred in England, the decline in Wales between 2011/12 and 2013/14 has been marginally faster than in Scotland and Northern Ireland.

Patterns of change in part-time 'instances' over the period 2007/08 to 2012/13 are considered in the WISERD part-time report. It finds that different types of provision have shown markedly different trends. Whilst some types of provision have undoubtedly declined (eg FTE numbers in areas of sub degree work fell) others have not (eg first degree part-time provision increased)¹¹⁰. The report also shows significant differences in the patterns of change in participation at NVQ levels and confirms what others have highlighted: that the decline in part time study has occurred primarily in non-STEM subjects. The subjects with the greatest decline being those aligned to the arts and humanities.

The different trends in provision clearly create difficulties in talking about a single part-time sector and a single trend when looking at the patterns of change within part-time provision over time. Also, given the heterogeneity of provision and of students, the causes for the decline are likely to be complex. Respondents speculate, however, that post 2007/08 macro-economic factors such as

¹⁰⁸ Its About Time: A study of part-time students and their experiences in Wales NUS Wales and The Open University in Wales

¹⁰⁹ The data also indicate that new entrant part-time undergraduate enrolments in Wales have reduced from 22,484 in 2011/12 to 19,308 in 2013/14 (a 14% reduction) whilst the rest of the UK has reduced from 253,539 to 151,323 (a 40% reduction) over the same period.

¹¹⁰ It has been suggested that this may be a result in part of the changing criteria for student financial support.

unemployment and a fall in disposable income due to the economic recession might have been at play. Other factors cited to have precipitated a decline include a number of funding drivers:

- the removal of HEFCW institutional strategy funding streams in order to fund the full-time tuition fee grant,
- less financial incentive for HE institutions to offer part-time provision;
- loans being made available for part-time from 2013/14 - but only for students undertaking provision worth more than 30 credits and for a named qualification; and
- declining training budgets of employers.

Supply-side issues relating to curriculum and delivery have also been mentioned – including increasing expectations from students in terms of technology requirements when it comes to accessing learning (especially students in their 20's and 30's).

Respondents suggest that a lack of awareness of the loans available for part-time students and debt aversion may be further factors in any reduction in demand. Reference has been made to a study by the Open University¹¹¹ which indicates that '54% of people in Wales considering part-time study at HE level in the next five years would not be comfortable borrowing money to support HE study, compared with 29% of prospective full-time students'. Respondents thought greater awareness and a better understanding of repayment terms could increase demand and participation.

A report on part-time HE by Professor David Maguire¹¹² found that England and Wales had twice the proportion of part-time students as the nearest comparator among the other 20 EU countries surveyed. The report concluded that current policies in England are having a serious and negative impact on part-time demand. It suggested that there should be a unified approach to full and part-time study and that any policies should be designed with the circumstances and requirements of the students in mind. A more recent study by HEPI contains a number of analyses (focused in the main on England) of the decline of part-time higher education and makes the case for a bespoke funding system for part-time provision that is not simply a mirror image of that for full-time¹¹³.

WISERD, as part of their research into part time higher education study, considered disaggregated data relating to the level of intensity of study. It was found that, for the period under review, just over 50% of learners did not reach the 25% level of intensity that would make them eligible for student support funding under current arrangements, and that only 30% of undergraduate students were studying at 50% level of intensity – which indicates that around 70% of students may not be eligible for the full range of financial support available.

More recent data, for 2013/14¹¹⁴, has also been collected in relation to part-time undergraduate students and level of intensity (Appendix Eleven). This shows that 39

¹¹¹ Open University Tracking Study, Conquest Research (Dec 2011-Dec 2014)

¹¹² Published by the Higher Education Policy Institute (HEPI) in March 2013

¹¹³ N. Hillman (ed) (HEPI, 2015) *It's the finance, stupid: The decline of part-time higher education and what to do about it.*

¹¹⁴ HESA 2013/14 data.

percent of part-time undergraduate Welsh domiciled students (studying at all UK HEIs) in 2013/14 did not reach the 25% level of intensity threshold. It was also found that 38% of part-time undergraduate students were studying at 50% level of intensity or above.

The WISERD part-time report also found there to be significant geographical difference in levels of participation in part-time study across Wales. The implication being that some individuals in some parts of Wales may have lesser opportunities to study than those in other areas. HESA returns (based on learners' domiciles and the levels of participation in relation to the working age population as a whole) demonstrate that there are dramatic variations in part-time participation levels across Wales' 22 local authorities, with Ceredigion demonstrating the highest level of participation. It was noted in session with the panel that whilst it is not possible to explain fully the variation on the basis of the current analysis, potential factors might include: structure and availability of educational opportunities in local catchment areas; economic opportunities and local labour markets.

During the course of its research, WISERD invited key players¹¹⁵ within the HE sector to comment on their understanding of the most pressing issues facing PT provision. The findings are reflected below. These are consistent with the views expressed via the Call for Evidence and during sessions with the Review Panel:

a) support for part-time provision in policy statements does not always translate into tangible support: The clearest reflection of this was held to be in the area of finance. Here, there are two aspects. Firstly, providers of part-time HE expressed the view that institutions are poorly supported to provide part-time courses, especially in comparison with full-time ones (other respondents to the Review, have also pointed to HEFCW institutional strategy funding being removed to pay for the full-time fee grant as being a factor in this regard). Whilst it was recognised that HEFCW had continued to allocate part-time credit, it was argued that funding failed to compensate institutions for the extra costs associated with part-time provision. In consequence, institutions experience pressures to limit part-time in favour of full-time provision.

The second area of financial disadvantage for part-time provision is the support available to students for their studies. Here, a number of respondents commented on the historical imbalance in the support available to part-time students compared with their full-time equivalents. However, it was also argued that, even with the extension of financial support (tuition fee loans and course grants) to part-time students, the latter remain at a significant disadvantage. This relates not simply to the level of financial support available, but also to the eligibility criteria relating to previous educational qualifications and to course intensity.

b) financial support offered centrally and by individual institutions favoured full-time provision; and c) full-time students are treated as 'the norm', while part-time learners are seen as an 'add-on': The disadvantaged status that part-time students were argued to experience was not wholly attributed to government

¹¹⁵ Interviews were conducted with representatives of: four universities (two pre-1992, two post-1992); the Open University; UHOVI; two further education colleges; Colegau Cymru; and NUS Wales.

policy. Higher education institutions were held to have significant responsibility too. The central issue here was reported to be that institutions treat full-time students as the 'norm', with part-timers a – sometimes inconvenient – add-on. This, it was argued, is reflected in pretty much all aspects of students' experience. Hence, for example, it is much more difficult to access basic information – especially in relation to key issues such as fee levels – about part-time courses than about full-time ones.

The Open University in Wales has suggested that with part-time provision often being seen as residual and 'other' to the full-time norm, when it comes to policy making 'mode of study' may be a better organising concept to use.

c) To achieve a more effective disposition of part-time provision of higher education there needs to be much greater parity of esteem between the two modes of delivery.

Respondents also recognise that achieving this sort of parity of esteem requires significant changes not only to government policy, but also to the organisational strategies of HE institutions too.

The Call for Evidence asked: 'Does the current system of HE sector funding and student finance arrangements provide an appropriate balance of funding to support full-time undergraduate, part-time undergraduate and post-graduate study?' Most respondents to this question were generally of the view that current arrangements do not provide an appropriate balance. With regard to part-time, the following is indicative of responses received:

'Part-time must not be seen as an after thought or an add-on if we are to develop a fit for purpose higher education funding system'. Also, 'as part-time students are not eligible for the full-time undergraduate tuition fee grant there is now public support going into full-time higher education that is not proportionately going into part-time higher education, notwithstanding that HEFCW institutional L&T funding remains in place for part-time provision. There are significant issues here to do with equity for students as no public case or rationale has been made for treating part-time students in this less favourable manner. This is not an argument for symmetry of system for both modes of provision; rather, it is an argument for an equitable balance of investment across the two modes'. (Open University in Wales)

Respondents highlighted that 'part-time HE provision contributes to economic prosperity through creating opportunities for individuals to enhance their skills and through supporting employers and the wider labour market by contributing to increasing skills in aggregate'. It has been stated: 'the importance of lifelong learning and workforce development takes on a greater significance when set in the context of the demographic changes in the coming years. Most of the Welsh workforce of the 2020s is already in work and will need flexible learning options to attain the higher skills levels necessary to ensure economic growth - we cannot rely on what will be a declining inflow of new graduates from full-time programmes'. In this context, it was also highlighted that the Welsh Government's Policy Statement on Skills states 'If the skills individuals possess do not continue to evolve with the economy...they are at risk of seeing their skills devalue over time. This risk has the potential to restrict the

opportunities available to them to progress into more highly-skilled jobs, or remain in, or return to, employment.’

Concerns have been expressed about the mix of part-time study opportunities for Welsh students. For example, Colegau Cymru opined that ‘the overwhelming focus on delivering traditional full-time, residential three-year Bachelor’s degrees reduces the potential for developing provision such as work-based HE, including Higher or Degree Apprenticeships, and vocational routes to level 4, 5 and 6 qualifications”, stating that Wales needs ‘a paradigm shift toward a new system that prominently includes apprenticeships in technical, scientific and vocational areas, ensuring that skills shortages diagnosed by employers in Wales are addressed’.

Respondents have highlighted that part-time provision is an agent of social justice, opening HE up to the widest possible range of people and thereby increasing social mobility. In this context, comments have been made about the use of the 25% intensity level as a way to categorise student support. The Universities Association for Lifelong Learning made the specific observation about part time study that ‘restricting fee waivers to continuing students and new eligible students studying below 25% intensity will not promote social justice’. The Open University in Wales made the broader observation that the decrease in part-time enrolments can be attributed in part to the shift towards qualifications-based study rather than modular study, and the requirement to study at a minimum of 25% intensity in order to access a loan, stating that this affects widening access students in particular.

The Open University acknowledged the mechanisms for supporting part time provision within the current system, but stated that ‘the levers to encourage institutions to do more around both part-time and widening access now largely lie within the fee plan structure which cannot be deployed easily by HEFCW and - following the passing of the HE Bill in the National Assembly - occupies an ambiguous position as regards part-time provision’.

Respondents identified positive aspects of the current system relating to part-time study, These comprised lower pro-rata fees than full-time study, and the introduction of loans for part-time study and course grants for eligible students (albeit that there are constraints on accessing the loans).

xxix) Postgraduate provision

With respect specifically to postgraduate provision a number of themes and messages have emerged:

- **Concern that investment in postgraduate provision has fallen behind the rest of the UK and threatens to damage the sector and impact economic performance.**
- **Concern about the loss of funding for full-time postgraduate students from 2014/15 – a situation unique in the UK.**
- **A belief that Wales is at a comparative disadvantage: in that it faces significant challenge in attracting postgraduate students in the future if**

it does not improve access to student finance – due to the competition it will face from funding schemes in other parts of the UK.

The Review Panel invited Dr Adam Wright, NUS, to present a report on postgraduate study: *NUS Report on Postgraduate Study for Diamond Review*. This put forward a case for greater investment in postgraduate provision in Wales – highlighting that ‘investment in postgraduate provision has fallen behind the rest of the UK and threatens to severely damage the sector’. This was also raised by others. The paper suggests that there is a clear case to find a cost-effective way of expanding postgraduate level skills in order to match the growing demands of the future Welsh economy, and in order to more effectively tackle social inequalities, particularly the gender pay gap. The paper also argues that the most effective response to the current situation would be to implement an income-contingent postgraduate loan scheme for taught masters degrees, made available to all Welsh-domiciled prospective postgraduate taught students.

The NUS report provides insight into a range of postgraduate issues and it articulates themes and messages that have been raised by others. In particular, the economic case for investing in postgraduate education is rehearsed – with reference to the postgraduate wage premium and UKCES Working Futures projections for higher level skills; as well as the role that higher level skills can play in addressing Wales’ economic ‘periferality’. The role of postgraduate education in tackling gender inequality is also noted.

Some information on the costs associated with postgraduate provision has been provided¹¹⁶. The NUS, and others within the HE sector, contend that ‘the future of postgraduate study in Wales depends on institutions being able to meet the cost’ and ‘that HEFCWs decision to cut all funding for full-time postgraduate taught provision means that institutions are under increasing financial pressure and, as such will need to rely on fees and cross-subsidy to keep courses alive’.

The NUS report, and others, refers to Wales being at a comparative disadvantage: ‘it [Wales] faces significant challenge in attracting post graduates if it does not improve access to student finance. This is because of the competition it will soon face from funding schemes in other parts of the UK, particularly the introduction of the post graduate loan scheme for masters courses in England, which could potentially limit the cross border recruitment of English domiciled PGT students at Welsh HEIs’. This statement reflects what others within the HE sector have said.

Swansea University for example, noted: ‘the current approach and simultaneous changing approaches of the other UK Funding Councils are incentivising UK students to study full-time postgraduate taught programmes at institutions outside of Wales and are also in effect restricting access to wealthy students’.

It has been suggested by those within the HE sector, by student organisations, and by others, that a positive difference could be made for postgraduate students

¹¹⁶ KPMG (2014) *A Review of the Cost of Postgraduate Taught Provision*
http://www.hefce.ac.uk/media/hefce/content/pubs/indirreports/2014/A_review_of_the_cost_of_PGT_provision/pgtcostreview.pdf

through the provision of arrangements in Wales that are comparable to the introduction in England of the 2015/16 Postgraduate Scholarship Scheme, and the proposed replacement, postgraduate loans in 2016/17.

Many respondents, across the different stakeholder groups, to the Call for Evidence and in sessions with the panel have expressed the view that funding is being prioritised for full-time undergraduate provision at the expense of postgraduate provision and students (both taught and research provision). The following is indicative of the views conveyed:

The NUS suggest that insufficient funding for postgraduate provision contributed to a decline in full-time student numbers from 2010 to 2013 (HESA data cited).

Universities Wales commented during its presentation to the Review Panel: 'budget allocations mean all funding will be lost for full time postgraduate students from 2014/15 – a situation unique in the UK'.

NASMA noted that it is extremely difficult to find funding for postgraduate study (especially in the arts and humanities). During the early stages of the Review, information was gathered on the funding routes available for post graduate study. This included information on Welsh Government arrangements; HEFCW funding allocations to institutions; Research Council funding; ad-hoc trust arrangements and Career Development Loans. Universities Wales also provided an outline of the support that each university in Wales offers to postgraduate students. In conducting this research, it became evident how difficult it is for students and others to identify what is available.

It has been highlighted that although some funding is available for specific qualifications (eg PGCE or Initial Teacher Training qualifications) and sometimes through sources such as Research Councils, the costs of postgraduate study are often borne almost entirely by students, often in upfront fees. Many postgraduate students rely on support from families, part-time work and debt to access and complete postgraduate education. The NUS observed that 'there is little-to-no upfront relief for the charges for postgraduate tuition or research, and students would not generally be eligible for assistance with living costs, meaning that they face thousands of pounds a year to cover costs of accommodation, food, travel and course resources'.

Respondents across the board consider that the effect on postgraduate recruitment is expected to become more pronounced as cohorts of undergraduate students from the £9,000 fee regime graduate. There is concern that increased levels of debt arising from full-time undergraduate study will have an adverse effect on postgraduate enrolments (although the impact is too early to assess).

It has been suggested that the lack of funding to help potential postgraduate students with fees and living costs threatens future economic growth. Coleg Cymraeg Cenedlaethol commented that 'insufficient support for graduates to pursue further studies at postgraduate level has implications for the supply of students joining the workplace with higher level skills gained through postgraduate study'.

In terms of funding for institutions, it has been highlighted that the overall HEFCW teaching budget for postgraduate taught provision fell between 2011/12 and 2014/15. Reference has also been made to the levels of per capita funding for students given to Welsh HEIs.

xxx) Widening participation:

With regard to widening participation a number of themes and messages have emerged¹¹⁷:

- **There is a strong relationship between economic and social disadvantage and levels of participation in HE in Wales.**
- **Much of the relationship between socio-economic background and HE participation is accounted for by previous educational attainment which is the most important single factor, when all others are taken into account.**
- **There is no evidence to suggest that either distinctive economic or social conditions, or the policy divergences between Wales and England in relation to participation in HE have brought about major differences in factors affecting patterns of participation.**
- **The most disadvantaged (the bottom quintile in terms of the Welsh Index of Multiple Deprivation) are not the least likely to participate in HE, rather the least likely participants are the group immediately above them (the fourth quintile), when other factors (previous educational attainment, ethnic background, take up of free school meals, type of school and so forth) are also taken into account.**
- **Higher education entry and participation rates in Wales are low compared to elsewhere in the UK. There are, however, some positive signs in terms of the ability of Welsh students from deprived backgrounds to enter higher education.**
- **There are strong inter-connections between student funding and widening access policies and neither can be seen in isolation. In assessing the most effective means of widening access to HE, it is necessary to pay attention not only to the role of universities, but also to that of schools and colleges.**
- **A need to look closely at policy drivers and how funding is driven through HEIs to achieve desired outcomes – since widening access and participation in higher education is not just about getting students into institutions but about supporting them to stay and to achieve.**

¹¹⁷ Some of the themes highlighted in this section have been informed by WISERD (2015) *Access to Higher Education Wales: A Report to the Higher Education Funding Council for Wales*
http://wiserd.ac.uk/files/4014/4257/0990/WISERD_-_Access_to_Higher_Education_F1.pdf

During the early stages of the Review, The Wales Institute of Social and Economic Research, Data and Methods presented the interim findings of their research into factors that shape patterns of participation in HE in Wales and the role played by policy initiatives to widen access to HE. Their final report, *Access to Higher Education in Wales*¹¹⁸ reflects much of what the Review Panel has heard, especially with respect to full-time undergraduate provision. The key findings from the *Access to Higher Education in Wales* report are at Appendix Twelve. Widening access professionals from across Wales attended a focus group meeting. Their views are highlighted under separate cover. The Review Panel also heard about the work that HE institutions and others within the Reaching Wider partnerships do with respect to widening participation and has noted the many positive interventions taking place.

WISERD analysis shows there to be a strong relationship between economic and social disadvantage and levels of participation in HE in Wales - young people from more advantaged socio-economic backgrounds are much more likely to participate in HE than their less advantaged peers.

With regard to the determinants of entry to higher education, the panel was informed that their analysis shows that Wales is not that different to England. For example, when compared with earlier analysis by Chowdry et al (2013) the comparison indicates: 'that the factors that are most closely associated with participation in HE in Wales are broadly the same as those identified in the Chowdry et al study (2013) in England. Hence, in both countries, young people from more advantaged socio-economic backgrounds are more likely to participate than their less advantaged peers. However, in Wales, unlike in England, the most disadvantaged (the bottom quintile in terms of the Welsh Index of Multiple Deprivation) are not the least likely to participate in HE, rather the least likely participants are the group immediately above them (the fourth quintile), when other factors (previous educational attainment, ethnic background, take up of free school meals, type of school and so forth) are also taken into account.'

It has been suggested that this difference (in fourth and fifth quintile participation) may be attributable to the Welsh Government's focus on Communities First Areas. Although, it has also been emphasised that the socio-economic composition is mixed in terms of class composition, and that a substantial number of entrants to HE from these areas are not themselves from the most disadvantaged backgrounds (WISERD estimate that about half of those that enter HE are from middle class groups). It has also been highlighted that there is no two-tier system in operation. Students from these areas studying full-time are just as likely to go to a pre 1992 institution as to a post 1992 institution. They are also more likely to study (and work) in Wales than those from non Communities First areas. WISERD research into part-time study in Wales also finds that over the period 2007/08 to 2012/13, an increasing proportion of part-time students were from socially disadvantaged backgrounds – when using residence in a Communities First area as an indicator.

WISERD analysis finds that, with regard to full-time provision in particular, 'much – although not all – of the relationship between socio-economic background and HE

¹¹⁸ WISERD (2015) *Access to Higher Education Wales: A Report to the Higher Education Funding Council for Wales*

participation is accounted for by previous educational attainment (particularly at age 15) which is the most important single factor, when all others are taken into account¹¹⁹. This suggests a need to look closely at students admitted with lower level qualifications. Also, whatever the financial solution, there is a need to recognise the important role that schools, especially those in the poorer areas, have to play.

WISERD representatives advised the Panel that there is no evidence to suggest that either distinctive economic or social conditions, or the policy divergences between Wales and England in relation to participation in HE have brought about major differences in factors affecting patterns of participation. Also, that their analysis re-affirms what other studies have highlighted - that policy intervention at the point of entry to HE is likely to have limited impacts on patterns of participation, unless the intervention addresses the role played by previous educational attainment.

Panel members Beth Button and Professor Sheila Riddell produced a 'think-piece': *Student Funding and Widening Access to HE: Wales in UK Comparative Perspective*. Their paper compared the rates of participation in HE in Wales and the rest of the UK: It shows that in 2013, for example, that Northern Ireland had the highest 18 year old entry rate for full-time undergraduate students (36.2%), followed by England (30.3%), Wales (26.6%) and then Scotland (24.2%)¹²⁰, also, between 2010 and 2013, entry rates increased in all countries apart from Scotland. Northern Ireland was most notable (7.77% increase); followed by Wales (5.33%) and then England (2.48%).

Information presented in section 3.3 highlights that Wales is among the UK areas with the lowest entry rates for 18 year olds to full-time undergraduate courses in 2014 (27.1%). It is also noted that there are positive signs in terms of the ability of Welsh students from deprived backgrounds to enter higher education.

Many respondents cited a range of data and timeframes to show that participation and application rates in Wales are comparatively low when compared to elsewhere in the UK – highlighting also that this is an issue to be addressed.

Some information has been gathered on university participation and social class background. This highlighted marked differences in participation by different social groups. For example, only 14.1% of young people living in Wales¹²¹ in the most disadvantaged areas entered higher education compared with 44.1 % of those living in the least disadvantaged areas.

Marked discrepancies in the type of institution attended have been noted. The differences in type of institution attended by social class background, in Wales, Scotland and England in 2012/13, are illustrated at Appendix Thirteen. Students educated in the independent sector are shown to be much more likely to gain a place in a Russell Group University than state school students. For example, in Wales just over 40% of university entrants from the independent school sector attend a Russell

¹¹⁹ Further information and supporting data regarding determinants of participation can be found in the *Access to Higher Education in Wales* report.

¹²⁰ Number of acceptances and entry rates of 18 year olds to end of cycle, by country of domicile: End of Cycle 2013 (UCAS 2014).

¹²¹ HESA Record 2012/13

Group university, compared with 15% of state school entrants. In Scotland, 55% of independent school entrants attend an ancient university, compared with 25% of state school entrants. State school pupils in Wales, Scotland and England are much more likely to attend a post-92 university compared with independent school entrants.

Button and Riddell considered the link between changes to the student funding and fees regime in 2012 across the UK and widening access. They found, with regard to the changes introduced in 2012, that of the four UK nations (and despite the absence of tuition fees) with regard to full-time undergraduate provision, that only Scotland experienced a drop in the number of university entrants between 2010 and 2013 (and this was due to a number of factors including the decline in the 18 year old population, the tight control of university numbers by the Scottish Government and encouragement of students from non-traditional backgrounds to undertake higher education at college rather than university).

Button and Riddell contend, as others have also noted, that there are strong inter-connections between student funding and widening access policies and neither can be seen in isolation. Furthermore, in assessing the most effective means of widening access, that it is necessary to pay attention not only to the role of universities, but also to that of schools and colleges. They reflect that the current Welsh student funding system has much to commend it in terms of widening access – since it reduces debt for all students and operates in a broadly progressive manner. Their paper also highlights a need to look closely at policy drivers and how funding is driven through HEIs to achieve desired outcomes – since widening access and participation in higher education is not just about getting students into institutions but about supporting them to stay and to achieve.

The Call for Evidence asked the question 'to what extent do current HE sector funding and student finance arrangements support measures to widen access and improve participation in HE?' Around one third of respondents were of the view that measures to widen access were 'well' supported, whilst around two thirds thought they were 'not very well' supported. The summary report covers the range of opinion. Many of the views conveyed are also rehearsed elsewhere in this report.

Many respondents, who were of the view that measures were not well supported, also believe that the Welsh system is under-funded, and the current system of student support is too generous to those from socially advantaged backgrounds. It has been suggested that one way of tackling this would be to introduce a system of means-testing to assess entitlement to fee grant support, irrespective of the jurisdiction in which the student is studying. Respondents also highlight the need for further investment in widening access to tackle the persistent problem of social inequality in HE participation, which fuels the reproduction of wider social inequality. However, different policy actors have different views of how this should be achieved.

xxxi) Cross border flows:

A set of themes and messages emerged relating to the cross border flow of funding and students:

- **The Welsh HE system has highly porous geographical boundaries, with a significant flow of students into and out of Wales.**
- **Some respondents have expressed concern that funding, in the form of the TFG, is benefitting institutions elsewhere in the UK (particularly England) at the expense of the HE sector in Wales; whilst others note that the amount of TFG awarded to students studying in the rest of UK is lower than the amount of tuition fee income to Welsh HE institutions from other UK domiciled students.**
- **Concerns have been raised about a graduate 'brain-drain'. However, available data suggest that there is not a massive outflow of graduates - due in part to the outflow being off-set by the inflow of graduates into Wales.**
- **At the aggregate level students that cross the border from Wales to England (and to elsewhere in the UK) tend, as a group, to be from a little more advantaged background than those who stay and study in Wales. Welsh-domiciled students that cross the border to study are not, however, as affluent as those who cross the borders in Scotland and England – students from a wide range of backgrounds are crossing the border.**

The Welsh higher education system has highly porous boundaries, with a significant flow of students into and out of Wales. Uniquely amongst the UK nations, a substantial portion of Welsh-domiciled students choose to study at universities located outside of Wales¹²²: of these most choose to study in England. The pattern of movement into Welsh universities from elsewhere in the UK also shows (for 2012) that whilst around 53% of enrolments of full-time undergraduates in Welsh universities were accounted for by Welsh residents; 46 per cent of those enrolling lived in England.¹²³

An overview of the trends in cross border flows into and out of Wales for the period 2003/4 to 2013/14 is provided at section 4.3. It shows Wales to be a net importer of students – mainly from England.

Matters relating to the cross border flows of both funding and of Welsh-domiciled students from Wales into the rest of the UK, and into England in particular, have elicited strong views from respondents across the board.

Cross border flow of funding

Much of this centres on concerns from a number of respondents about the amount of funding leaving Wales in the form of the tuition fee grant and this funding being lost to the HE sector in Wales. There is also concern that the amount of funding crossing the border, if uncontrolled, is set to increase over time.

¹²² Analysis by Croxford and Raffe (2014) showed that in 2012 41.8% of Welsh-domiciled students studied at universities outside of their home country compared to 4.8% (England); 31.2% (Northern Ireland) and 4.8% (Scotland)

¹²³ Information provided to the Review by WISERD.

Section 5.3 of this report shows that for 2014/15 the amount of tuition fee grant awarded to student applicants studying at institutions in the rest of UK is estimated to be around £93.9m. For the same period, the amount of tuition fee income to Welsh HE institutions from other UK domiciled students is estimated to be around £129m.

The graduate ‘brain drain’

Many respondents have expressed concern about there being a graduate ‘brain-drain’ and the potential impact on the Welsh economy and society of Welsh-domiciled graduates not being retained in Wales, or not returning to Wales after graduating.

The panel raised this concern with the Chief Economist for Wales. The Chief Economist noted in evidence to the Review that, once account is taken of the inflow of non Welsh-domiciled graduates, the evidence does not suggest that over recent years Wales has suffered a disproportionate loss of graduates when compared with most English regions (albeit that the existence of some net flow to London would be expected). Conversely, available data suggest that there is not a massive outflow of graduates - due in part to the outflow being off-set by the inflow of graduates into Wales¹²⁴.

Employers and students during focus groups and in sessions with the Review Panel, generally, were of the view that the ability to study across borders was a positive feature that has benefits both for students and companies in Wales and for the Welsh economy and society in general.

Cross border flows and student characteristics

Respondents have highlighted that students who cross the border from Wales to study in the rest of the UK (RUK) tend to be from more affluent backgrounds. Some, mainly from within the HE sector (and others too), have raised concern that the tuition fee grant arrangement provides disproportionate benefits to Welsh-domiciled students from more affluent backgrounds.

The research information and data received¹²⁵ confirms that at the aggregate level students that cross the border from Wales to England (and to elsewhere in the UK) do tend to be more advantaged than those who stay¹²⁶. This is particularly the case amongst entrants to higher tariff universities. However, based on the information received, it would also appear that Welsh-domiciled students that cross the border to

¹²⁴ Section 4.3 of this report shows Wales to be a net importer of students. Related HESA data on student and graduate flows is also available at:

https://www.hesa.ac.uk/dox/pressOffice/sfr217/140608_dlhe_sfr217_1314_all_tables.xlsx ; and at STATS Wales:

<https://statswales.wales.gov.uk/v/7X2>

¹²⁵ Information has been provided to the review by WISERD, by Welsh Government, numerous respondents in their written submissions and by Susan Whittaker, Moray House School of Education, University of Edinburgh, whose paper on CROSS-BORDER FLOWS BETWEEN WALES AND ENGLAND: Domicile, destinations and student characteristics is due to be considered by the panel in November.

¹²⁶ This is also the case with regard to students that cross the border into Wales to study.

study are not as affluent as those who cross the borders in Scotland and England. Students from a wide range of backgrounds are crossing the border.

The Review Panel is due to receive further information relating to the flows of students between Wales and England in November.

7. Next steps

During the next and final phase of the review process, the Review Panel will reflect upon the evidence it has gathered to date. The wide range of opinions expressed and the information and analyses received will be used to guide and inform the Panel's thinking and decision-making. Further advice and information will also be sought to address any critical gaps in knowledge and the evidence base, including advice and information relating to the UK Government's decisions around higher education and the outcome of the Spending Review.

Potential options and funding scenarios will need to be considered and appraised ahead of the final report.

The Review Panel will submit its final report to the Minister for Education and Skills in September 2016.

Appendix A: Review panel terms of reference

The Review Panel will consist of a Chair and panel members that are expert and experienced in their field and have a deep understanding of matters relating to higher education (HE) sector funding and student finance arrangements.

Role

The panel is required to conduct a wide-ranging review of HE sector funding and student finance arrangements. It will begin its work in the Spring of 2014 and produce by September 2016 a report for the Minister for Education and Skills that provides clear advice and costed recommendations for the future funding of the HE sector and student finance arrangements in Wales.

The panel's recommendations will need to be deliverable, affordable and sustainable.

Focus

The review will focus on issues relating to:

- the promotion of social mobility and widening access to higher education
- the promotion of postgraduate learning opportunities in Wales and for Welsh-domiciled students
- the funding of higher education in the light of continuing constraints on public expenditure
- full-time and part-time tuition fees policy
- cross-border HE funding policy and arrangements
- student finance arrangements (including maintenance support for HE and FE students, with an emphasis on supporting learners from the lowest income backgrounds and most deprived communities in Wales)
- funding routes (Annually Managed Expenditure (AME), near cash and non-cash)
- HEFCW's role in the delivery of student finance
- student debt.

Key considerations

The review will need to consider medium- and longer-term policy options and funding, including any potential for savings incentive schemes to provide a more sustainable future model of HE funding and to help reduce levels of student debt.

The review will also need to consider:

- current legislation and options for reform
- the financial implications of any proposed models for Welsh Government, HM Treasury, students, HEFCW and the HE sector in Wales
- operational delivery systems involving HEFCW, the Student Loans Company, the QAA and other UK bodies

- alternative policy approaches being adopted by other UK governments and internationally
- the cross-border implications of any policy changes proposed for Wales (including possible legislative competence issues)
- identified skills needs for Wales
- postgraduate provision and industry sector concerns and/or requirements
- the extent to which current policy and funding arrangements support widening access, and what more can be done
- related FE sector developments, for example HE in FE activity.

Approach

The panel will gather and evaluate available data, research and other evidence. The panel may need to commission research to address gaps in the available evidence base. Close engagement with stakeholders will be a necessity.

The panel will have due regard to the Welsh Government's broad priorities for HE in Wales as set out in the Welsh Government's Policy Statement on Higher Education (June, 2013).

Governance and working style

- Panel members will observe the seven principles of public life (selflessness, integrity, objectivity, accountability, openness, honesty, and leadership).
- Conclusions and recommendations should be evidence-based, impartial, well considered and robust.
- Records of Review Panel meetings and activities will be kept. Discussions will, however, be conducted with a protocol of confidentiality in order to promote genuine debate.

Appendix B: Attendees at Review Panel meetings up to 17 September 2015

External stakeholders

The Student Services Organisation (Association of Managers of Student Services in Higher Education (AMOSSHE) (Ben Lewis, Chair, AMOSSHE, & Director of Student Support and Wellbeing, Cardiff University, John Bloomfield, Director of Operations, AMOSSHE UK & Benjamin Parsons, Membership Engagement and Communications Officer) January 2015

Chairs of Universities Wales (ChUW) (Sir Emyr Jones Parry GCMG, Chancellor and Chair of Council, Aberystwyth University, The Rt Hon Lord Dafydd Elis Thomas AM, Chancellor and Chair of Council, Bangor University, Mr Gareth Williams, Chair of the Board of Governors, University of South Wales & Dr Lynn Williams, Secretary, March 2015

Chwarae Teg (Joy Kent, Chief Executive & Christine O'Byrne, Policy and Research Lead), July 2015

Coleg Cymraeg Cenedlaethol (Dr Ioan Matthews, Chief Executive & Andrew Green, Chair) October 2014

Colegau Cymru (Dr Greg Walker, Chief Executive & Mark Jones, Chair of Colegau Cymru and Principal of Gower College Swansea), October 2014

Health Professional Education Investment Review (Mr Mel Evans OBE, Chair of the Review Panel, Professor Ceri Phillips, Review Panel & Mr Dick Roberts CBE, Review Panel) May 2015

Higher Education Funding Council for Wales (HEFCW) (David Allen OBE, Chair & Dr David Blaney, Chief Executive), May 2015

Learned Society of Wales (Professor Peter Halligan, Chief Executive, Sir Emyr Jones Parry, President & Professor Robin Williams) January 2015

National Union of Students, Wales (Beth Button, President & Kieron Rees, Policy & Public Affairs Officer, May 2014)

National Union of Students, Dr Adam Wright, Policy Officer Education, September 2015

Quality Assurance Agency for Higher Education (QAA) (Anthony McClaren, Chief Executive & Dr Julian Ellis, Head of QAA Wales), March 2015

Ken Richards, individual, July 2015

Robin Stenham, individual and DSA Assessor, July 2015

Student Loans Company (Derek Ross Director Operations and Customer Services),
March 2015

Tata Steel UK (Martin Driscoll, HR Director & Martin Duggan, Chief Engineer &
Acting Director), May 2015

Universities Wales (UW) (Professor Richard Davies, Vice Chancellor, Swansea
University & Amanda Wilkinson, Director), May 2014

Wales Institute of Social Economic Data and Methods (WISERD), Cardiff University
(Professor Gareth Rees & Professor Chris Taylor), May 2014, January 2015, March
2015

Professor Julie Williams, Chief Scientific Advisor for Wales, January 2015,
University and Colleges Union (UCU) – Margaret Phelan, (September 2015)
UNISON – Simon Dunn, (September 2015)

The Chair has also met in person or via conference arrangements with:

Minister for Education and Skills, October 2015, September 2015

Deputy Minister for Skills and Technology, October 2015

Coleg Cambria: Ian Dickson, Deputy Principal, April 2015

Professor Teresa Rees, January 2015

Welsh Language Commissioner, Meri Huws, March 2015

Lucy Hunter Blackburn, December 2014

Welsh Government representatives

Regular attendees

Deputy Director, Higher Education Division, DfES

Post-16 Education Statistician, DfES

Head of Performance Management, Finance and Funding Policy, DfES

Head of Research for Education and Skills

Other attendees

Chief Economist (April 2014)

Deputy Director, FE and Apprenticeships Division (October 2014)

Director General, Economy, Science and Transport (July 2015)

Director of Skills, Higher Education and Lifelong Learning, DfES (October 2014)

Head of Budgetary Control and Reporting (October 2014)

Head of Economic Policy, Department for Economy, Science and Transport)

Head of Strategy – Employment and Skills, DfES (October 2014)

Labour Market intelligence Analyst (May 2014)

Principal Research Officer – Post 16, Skills and HE research (April 2014)

Senior Apprenticeship Policy Manager (October 2014)

Head of Professional Education and regulation, Department for Health and Social
Services

Head of Apprenticeship Policy (September 2015)

Appendix C: The call for evidence questions

Question 1: To what extent do current student finance/support arrangements (student grants and loans) meet the needs of HE students, support the delivery of high-quality HE provision and provide value for money?

Question 2: Do you think that the Welsh Government policy of supporting Welsh-domiciled students to study elsewhere in the UK is sustainable and/or desirable in the long term?

Question 3: To what extent does the current HE sector funding system support high-quality provision and deliver value for money?

Question 4: To what extent do current HE sector funding and student finance arrangements support measures to widen access and improve participation in HE? Are there any alternative arrangements that you would like to see?

Question 5: To what extent do current HE sector funding and student finance arrangements support measures to widen access to HE provision through the medium of Welsh? Are there any alternative arrangements that you would like to see?

Question 6: To what extent do current HE sector funding and student finance arrangements support measures that respond to the skills needs of Wales? Are there any alternative measures that you would like to see?

Question 7: Does the current system of HE sector funding and student finance arrangements provide an appropriate balance of funding to support full-time undergraduate, part-time undergraduate and post-graduate study? If you think it does not, how might you change this balance?

Question 8: What does a top-class HE system look like and what would be the implications of not having a top-class HE system in Wales?

Question 9: What does a top-class HE sector funding system look like?

Question 10: What would you see as the components of a top-class HE student finance/support system?

Question 11: Do you think that current HE sector funding and student finance arrangements in Wales are sustainable? If you do not think so, what are the components of the current scheme that you would omit or change?

Question 12: Does the current system of funding HE provide for an appropriate mix of funding allocations to the HE sector (eg via HEFCW or Welsh Government funding allocations to HEIs) and subsidised loans and grants to students to ensure long-term sustainability? If you do not think the current system does this what would be the implications of maintaining the status quo? And are there any changes you would like to see?

Question 13: What challenges are institutions in Wales facing or likely to face that might affect their long-term sustainability or future direction and what measure can be taken by a) the HE sector itself; and b) the Welsh Government to address this?

Question 14: Where should the highest priority be for any future redirection or investment of additional education sector funding?

Question 15: What changes could be made to existing HE arrangements (financial, structural or otherwise) that would enable a more efficient and effective targeting of HE funding to where it is most needed and would have the greatest impact?

Question 16: It is estimated that the RAB charge for new students in 2014/15 is 34.6%. Do you think this is appropriate?

Appendix D: Enrolments at Welsh HE institutions by subject, level and mode of study, 2013/14

Table 22: Enrolments at Welsh HE institutions by subject, level and mode of study, 2013/14

	Postgraduate			Undergraduate			Higher Education
	Full-time	Part-time and other	All	Full-time	Part-time and other	All	
All Welsh HEIs (Excludes the OU)	16,610	12,025	28,635	77,635	22,855	100,490	129,130
Medicine & dentistry	305	1,500	1,805	2,165	85	2,250	4,055
Subjects allied to medicine	495	2,125	2,620	6,825	2,890	9,715	12,335
Biological sciences	1,355	765	2,120	10,935	1,215	12,145	14,265
Veterinary science	.	.	.	.	.	.	.
Agriculture & related subjects	100	180	280	840	170	1,010	1,290
Physical sciences	605	95	700	4,495	80	4,575	5,275
Mathematical sciences	100	20	120	1,215	25	1,240	1,360
Computer science	815	110	920	3,690	630	4,320	5,240
Engineering & technology	1,215	310	1,525	5,675	2,790	8,465	9,990
Architecture, building & planning	275	175	450	920	570	1,490	1,940
Social studies	865	360	1,225	6,755	1,115	7,870	9,095
Law	605	430	1,035	2,835	65	2,905	3,940
Business & administrative studies	6,815	1,985	8,800	10,420	1,895	12,315	21,115
Mass communications and documentation	425	325	755	1,445	205	1,645	2,400
Languages	490	300	790	4,730	2,180	6,910	7,700
Historical and philosophical studies	220	390	605	3,095	595	3,690	4,295
Creative arts & design	455	550	1,010	7,545	535	8,080	9,090
Education	1,475	2,410	3,880	3,975	4,940	8,915	12,795
Combined	*	*	*	85	2,865	2,950	2,950
Total (Welsh HEIs and the OU) (1)	16,610	12,385	28,995	77,635	30,505	108,140	137,135
Medicine & dentistry	305	1,500	1,805	2,165	85	2,250	4,055
Subjects allied to medicine	495	2,145	2,635	6,825	3,055	9,875	12,515
Biological sciences	1,355	770	2,125	10,935	2,090	13,020	15,150
Veterinary science	.	.	.	.	.	.	.
Agriculture & related subjects	100	180	280	840	170	1,010	1,290
Physical sciences	605	105	710	4,495	365	4,860	5,570
Mathematical sciences	100	30	130	1,215	250	1,465	1,595
Computer science	815	120	935	3,690	1,020	4,710	5,640
Engineering & technology	1,215	350	1,560	5,675	3,020	8,700	10,260
Architecture, building & planning	275	175	450	920	570	1,490	1,940
Social studies	865	370	1,240	6,755	2,020	8,775	10,010
Law	605	435	1,040	2,835	305	3,145	4,185
Business & administrative studies	6,815	2,055	8,870	10,420	2,375	12,795	21,665
Mass communications and documentation	425	325	755	1,445	205	1,645	2,400
Languages	490	315	805	4,730	2,560	7,285	8,090
Historical and philosophical studies	220	405	625	3,095	1,115	4,210	4,830
Creative arts & design	455	560	1,015	7,545	580	8,125	9,140
Education	1,475	2,515	3,985	3,975	5,150	9,125	13,110
Combined	*	35	35	85	5,570	5,655	5,690

Source: HESA

Source: HESA

Appendix E: Student finance arrangements in Wales, England, Scotland and Northern Ireland

Table 23: Comparison of AY 2015/16 full-time undergraduate student support in each of the UK administrations

Full-time UG Package	Wales SFW	England SFE	Scotland SAAS	Northern Ireland SFNI
Maximum Tuition Fee for Publicly Funded Institutions	£9,000	£9,000	£9,000 (if studying in England Wales or Northern Ireland) £1,820 (if studying in Scotland)	£3,805
Maximum Tuition Fee Support for Publicly Funded Institutions	Tuition Fee Loan of up to £3,810 Tuition Fee Grant of up to £5,190	Maximum Tuition Fee Loan of up to £9,000 No grant for SFE	Tuition fees paid in full if student studies in Scotland Maximum Tuition Fee Loan of up to £9,000 for students studying in England, Wales or Northern Ireland.	£3,805 in Northern Ireland £9,000 in rest of UK No grant for SFNI
Maximum Tuition Fee Support for Private Funded Institutions	Maximum fee loan of up to £6,000	Maximum fee loan of up to £6,000	£1,205 if in Scotland Maximum fee loan of up to £6,000 if in the rest of the UK	Maximum fee loan up to £3,805 for franchised and validated courses within NI. In rest of UK £3,805 for validated and £9,000 for franchised courses.
Maintenance Grant 2015/16	Maximum grant of up to £5,161	Maximum grant of up to £3,250	Young Student Bursary: £1,875 Independent Bursary: £875	Maximum grant of up to £3,475
Maintenance Grant in 2016/17	TBC – likely to be the same as in 2015/16	No grant from 2016/17	the same as in 2015/16 but income threshold will rise to £19,000	Maximum grant of up to £3,475
Maintenance Loan in 2015/16	£4,162 (living with parents) £7,532 (studying in London) £5,376 (living away from parental home but not in London) £6,410 (studying overseas)	£4,565 (living with parents) £8,009 (studying in London) £5,740 (living away from parental home but not in London) £6,820 (studying overseas)	Young Student £5,750 Independent student: £6,750	£3,750 (living with parents) £6,780 (studying in London) £4,840 (living away from parental home but not in London) £5,770 (studying overseas)
Full-time	SFW	SFE	SAAS	SFNI

Package				
Maintenance Loan in 2016/17	TBC	£6,904 (living with parents) £10,702 (studying in London) £8,200 (living away from parental home but not in London) £9,391 (studying overseas)	the same as in 2015/16 but income threshold will rise to £19,000	As AY 2015/16
Income thresholds for full grant	£18,370 or less	£25,000 or less	£16,999 or less	£19,203 or less
Income thresholds for partial grant	Where income exceeds £18,370 and is £50,020 or less	Where income exceeds £25,000 and is £42,600 or less	Where income exceeds £16,999 and is £34,000 or less	Where income exceeds £19,203 and is £41,065 or less
Special Support Grant 2015/16	Maximum grant of up to £5,161	Maximum grant of up to £3,250	n/a	Maximum grant of up to £3,475
Special Support Grant in 2016/17 (Replaced by loans in England)	Likely to be as per 2015/16	No Special Support Grant from 2016/17. Replaced by loans £8,144 (living with parents) £11,671 (studying in London) £9,347 (living away from parental home but not in London) £10,453 (studying overseas)	n/a	Maximum grant of up to £3,475
Maintenance Loan for students aged 60 or over in 2016/17	n/a	£3,469 (applies to students aged 60 or over regardless where they reside during the course)	n/a	Maximum grant of up to £3,475

Full-time Package	SFW	SFE	SAAS	SFNI
Childcare Grant	85% of prescribed childcare costs up to maximum of £161.50 per week for one child and up to £274.55 per week for two or more children	85% of prescribed childcare costs up to maximum of £148.75 per week for one child and up to £255 per week for two or more children	The Discretionary Childcare Funds, administered by colleges and universities which all students may apply to for financial help with formal registered childcare expenses.	85% of prescribed childcare costs up to maximum of £148.75 per week for one child and up to £255 per week for two or more children
Parents Learning Allowance	Allowance of up to £1,557	Allowance of up to £1,508	Lone Parents' Grant of up to £1,305 a year	Allowance of up to £1,538
Adult Dependants' Grant	Up to £2,732	Up to £2,642	Dependants' Grant of £2,640 a year	Grant of up to £2,695
Disabled Students' Allowances (DSA) Non-medical helper	Up to £21,181 per academic year	Up to £20,520 per academic year	Up to £20,520 per academic year	Up to £20,938 per academic year
DSA Specialist Equipment	Up to £5,332 for duration of course	Up to £5,161 for duration of course	Up to £5,160 for duration of course	Up to £5,266 for duration of course
DSA Additional Expenditure	Up to £1,785 per academic year	Up to £1,724 per academic year	Up to £1,724 per academic year	Up to £1,759 per academic year
DSA Travel Allowance	Reasonable expenditure	Reasonable expenditure	Reasonable expenditure	Reasonable expenditure

Part-time support arrangements

Table 24: Comparison of AY 2015/16 part-time student support in each of the UK administrations

Part-time package	SFW	SFE	SAAS	SFNI
Maximum Tuition Fee for Publicly Funded Institutions		Basic Amount £4,500 Higher Amount: £6,750	Part-time fees are not regulated by the Scottish Government. It is up to individual HEIs, therefore, to decide how much they want to charge.	
Maximum Tuition Fee for Support for Publicly Funded Institutions	£2,625 (studying in Wales) £6,750 (studying elsewhere in the UK)	Maximum fee loan of up to £6,750	Maximum fee grant of up to £1,805 if studying in Scotland. Nothing for study in the rest of UK.	Fee grant of up to £1,230 (based on intensity of study of 75% or more of full-time equivalent)
Maximum Tuition Fee for Support for Private Institutions	£2,625 (studying in Wales) £4,500 (studying elsewhere in the UK)	Maximum fee loan of up to £4,500	Maximum fee grant of up to £1,195 if studying in Scotland. Nothing for study in rest of UK.	
Maximum course grant	Maximum grant of up to £1,155		N/A	Maximum grant of up to £265
Childcare Grant	85% of prescribed childcare costs up to maximum of £161.50 per week for one child and up to £274.55 per week for two or more children		The Discretionary Funds, administered by Colleges and Universities which all students may apply to for financial help with childcare expenses	
Parents Learning Allowance	Allowance of up to £1,557		N/A	
Adult Dependants Grant	Up to £2,732		n/a	

Disabled Students' Allowances (DSA) Non-medical helper	Up to £15,885 per academic year	Up to £15,390 per academic year	For part-time students, the allowance is the full-time support pro rata, (Students must be undertaking at least 50% of the length of the full-time course each year to qualify)	Up to £15,703 per academic year
Part-time package	SFW	SFE	SAAS	SFNI
DSA Specialist Equipment	Up to £5,332 for duration of course	Up to £5,161 for duration of course	For part-time students, the allowance is the full-time support pro rata, (Students must be undertaking at least 50% of the length of the full-time course each year to qualify)	Up to £5,266 for duration of course
DSA Additional Expenditure	Up to £1,338 per academic year	Up to £1,293 for duration of course	For part-time students, the allowance is the full-time support pro rata, (Students must be undertaking at least 50% of the length of the full-time course each year to qualify)	Up to £1,319 per academic year
DSA Travel Allowance	Reasonable expenditure	Reasonable expenditure	Reasonable expenditure (Students must be undertaking at least 50% of the length of the full-time course each year to qualify)	Reasonable expenditure

Postgraduate support arrangements

Table 25: Comparison of AY 2015/16 postgraduate student support in each of the UK administrations

Postgraduate package	SFW	SFE	SAAS	SFNI
Support for postgraduate study in 2015/16	Support available via SFW for students undertaking a postgrad qualification leading to qualified teacher status. Eligible students have access to a tuition fee grant of up to £5,190	Support available via SFE for students undertaking a postgrad qualification leading to qualified teacher status. BIS has also funded a postgraduate scholarship scheme in English institutions. Students who incurred the higher loan of £9,000 from 2012/13 are eligible to apply for a £10,000 scholarship	Subject to course eligibility: up to £3,400 tuition fee loan (£1,700 for part-time) and up to £4,500 living costs loan (full-time study only)	Teacher training postgraduate courses
Support for postgraduate study in 2016/17	TBC	Details to be confirmed but intention is to provide postgraduate loans for English/EU students aged 30 and under when studying in England	Subject to course eligibility: up to £3,400 tuition fee loan and up to £4,500 living costs loan* *Postgraduate support in Scotland is currently under review so there may be some changes to the scheme in 2016/17, although living-cost and tuition fee support is likely to remain at the same or a similar level.	TBC

Miscellaneous support arrangements

Table 26: Comparison of AY 2015/16 miscellaneous student support in each of the UK administrations

Miscellaneous	SFW	SFE	SAAS	SFNI
Partial cancellation of loan	Up to £1,500 when repayment starts			
Previous Study	Limited support for students who have attained an honours degree	Limited support for students who have attained an honours degree	Available, depends on the level of any previous funding.	Limited support available for certain subjects leading to a professional qualification
Compelling Personal Reasons (CPR)	2 additional years of entitlement due to CPR	Regulation seems to be open ended.	One additional year of funding available for students repeating years or changing course.	Additional CPR allowed.
Equivalent and Lower Qualifications Policy		Students do not qualify for fee support if they have an ELQ (in place since 2009/10)	n/a	Students do not qualify for fee support if they have an ELQ (in place since 2009/10)
Portability of support elsewhere in the EU			2 nd year of a two year pilot programme running in 2015/16 for Scottish students attending one of 5 universities elsewhere in the EU.	Student support for NI students studying in ROI.

Support

Table 27: Comparison of the support each UK administration has pledged to provide for armed forces personnel and their families in AY 2015/16

Support for Armed Forces Personnel	SFW	SFE	SAAS	SFNI
Armed Forces Bereavement Scholarship for children of service personnel who have died in service (Further Education)	A flat rate scholarship of £1,500	A flat rate scholarship of £1,500	A flat rate scholarship of £1,500	A flat rate scholarship of £1,500
Armed Forces Bereavement Scholarship for children of service personnel who have died in service (Higher Education)	A scholarship consisting of a fee element up to £9,000 and a maintenance element of £4,950	A scholarship amount that is broadly in line with the current full-time fee and maintenance support – usually up to a total maximum of £13,950	A scholarship consisting of a fee element up to £9,000 and a maintenance element of £4,950	A scholarship consisting of a fee element up to £9,000 and a maintenance element of £4,950
Further and Higher Education Commitment Scheme for Service Leavers (Further Education)	Fees paid for a first Level 3 qualification or national equivalent	Fees paid for a first Level 3 qualification or national equivalent	Fees paid for a first Level 3 qualification or national equivalent	Fees paid for a first Level 3 qualification or national equivalent
Further and Higher Education Commitment Scheme for Service Leavers(Higher Education)	Fees paid in full for a first undergraduate level qualification up to a maximum of £9,000	Fees paid in full for a first higher level undergraduate level qualification up to a maximum of £9,000	Fees paid in full for a first undergraduate level qualification up to a maximum of £9,000	Fees paid in full for a first undergraduate level qualification up to a maximum of £9,000

HE Hardship Funds

Table 28: Comparison of HE Hardship Funds for AY 2015/16 in each of the UK administrations

Wales	England	Scotland	Northern Ireland
<p><u>Higher Education</u> Financial Contingency Fund (FCF) From AY 2015/16, FCF provision by the WG is only available to those studying at the Open University (£31K).</p> <p>HEIs have been asked to establish their own hardship funds from the start of AY 2015/16 and all have confirmed that they intend to do so at the same levels as previous AYs. (£2.1m in total)</p> <p><u>Further Education</u> FCF (FE) for AY2015/16 remains at £7m. This has remained unchanged for several years.</p>	<p>The Student Opportunity Fund (SOF) allocation is distributed by HEFCE to support access, student retention, student success and progression.</p> <p>From 2014-15, funding that used to be delivered through the Access to Learning Fund (ALF) has been incorporated into the SOF allocation. This means that the SOF allocation may now also be used to support hardship for both undergraduate and postgraduate home students.</p> <p>In 2015-16 HEFCE will allocate £364.2 million under the Student Opportunity Fund.</p>	<p>Called Discretionary Funds, they are available at every HE and FE institution. To be eligible to apply for help, students must first take out the maximum student loan available to them.</p> <p>Each institution also has a Child Care Fund.</p> <p>[Total amount allocated not found]</p>	<p>Support Funds are available to both FE and HE students for those students who have problems meeting costs not funded by other funding streams.</p> <p>[Total amount allocated not found]</p>

Comparison of Education Maintenance Allowance (EMA) for AY 15/16 in each of the UK administrations

Table 29: EMA commitments each UK administration has pledged to support

Wales	England	Scotland	Northern Ireland
<p>Available to 16-18 year old students to help with the cost of studying FE</p> <ul style="list-style-type: none"> £30 per week Must be living in Wales. Can study anywhere in the UK. <p>Means-tested thresholds:</p> <ul style="list-style-type: none"> £20,817 (or less) – one dependent child (applicant) in the household, or £23,077 (or less) - if two or more dependent children/young people in the household. <p>(Aged 19+ may be eligible for a WGLG-FE which is again means tested but payable termly up to £1,500 per AY. Details are available on the SFW website)</p>	<p>EMA closed in 2010/11. Replaced with a 16-19 Bursary Fund.</p> <p>16-19 Bursary Fund</p> <ul style="list-style-type: none"> Targeted Vulnerable Student Bursary (up to £1,200). Students must be in care or recently left local authority care; or claiming certain benefits; or disabled and claiming certain benefits. Discretionary Bursary (education and training providers set their own criteria for the discretionary bursary). Normally means-tested. Welsh students may be able to apply to the 16-19 Bursary Fund if studying in England. 	<ul style="list-style-type: none"> £30 per week Must be living Scotland Can study elsewhere in the UK. <p>Thresholds:</p> <ul style="list-style-type: none"> £20,351 (or less) – one dependent child (applicant) in the household, or £22,403 (or less) - if two or more dependent children/young people in the household. <p>IMPORTANT NOTE: As of 1 January 2016, part-time study will be included and the income thresholds will increase to</p> <ul style="list-style-type: none"> £24,421 for households with one dependent child; and £26,884 for households with more than one dependent child. 	<ul style="list-style-type: none"> £30 per week Must be living and studying in Northern Ireland. <p>Thresholds:</p> <ul style="list-style-type: none"> £20,500 (or less) – one dependent child (applicant) in the household, or £22,500 (or less) - if two or more dependent children/young people in the household. <p>NOTE: Northern Ireland also award two performance EMA bonus payments of £100 per year.</p>

Appendix F: Fee grant payments – top 20 RUK institutions 2013/14

Table 30: Fee grant payments – top 20 RUK institutions 2013/14

Institution	Count of Students	Fee Grant Amount Paid ('000s £)
University of West of England	913	4,629
Liverpool John Moores University	631	3,209
University of Chester	607	2,865
University of Exeter	439	2,247
Liverpool University	414	2,165
Manchester Metropolitan University	431	2,024
University of Manchester	381	1,983
Bristol University	333	1,761
University of Bath	319	1,518
Plymouth University	266	1,362
University of Birmingham	255	1,322
University of Reading	245	1,287
Bath Spa University	242	1,261
University of Gloucestershire	217	950
University of Southampton	187	923
Loughborough University	177	907
Edge Hill University	177	907
University of Nottingham	165	879
University of Leeds	154	805
Lancaster University	147	775
Total - Top 20 RUK	6,700	33,779

Source: HEFCW

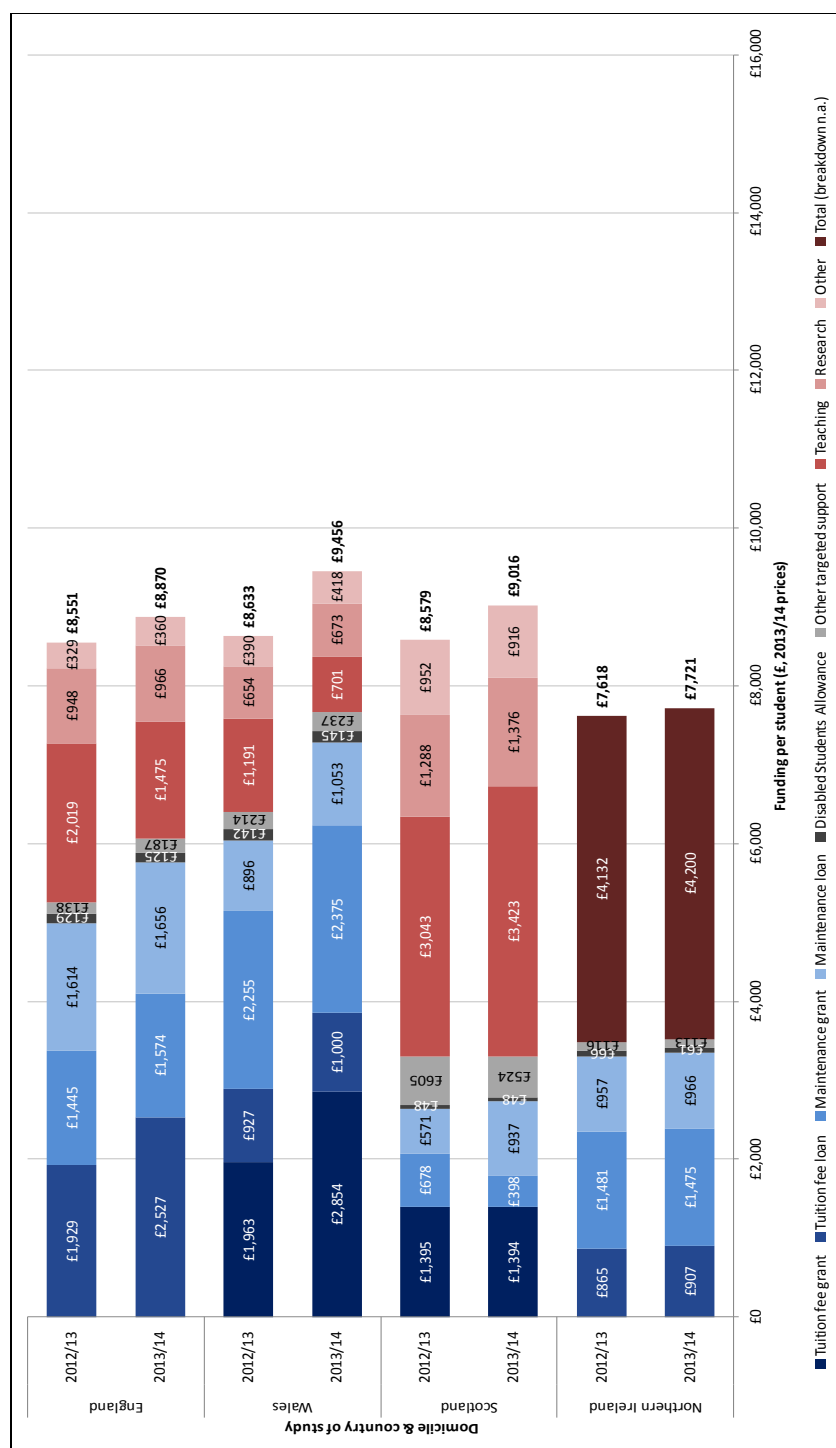
Appendix G: Focus groups – summary of key findings

- A first degree is still considered a necessity for a successful career, yet £9k tuition fees are not thought to offer value for money for students.
- Confusion amongst students about student finance model and levels of debt incurred.
- But, level of fee debt is not a key consideration for prospective HE students – a sense of young people being inured to it or not appreciating the long-term impact.
- Other factors are more important when selecting HEI eg location, amenities etc.
- Concern (particularly amongst employers) about over-supply of graduates and general questions raised about eroding value of degree qualification – and hence VFM for taxpayer.
- Mixed views on appropriateness of the Tuition Fee Grant arrangements.
- Strong consensus that level of maintenance funding is inadequate to cover actual costs – not least given accommodation charges – leading to
 - Reliance on parents' financial support (not always forthcoming)
 - Necessity to undertake paid work – students from widening access backgrounds missing out on extra-curricular provision.
- View that means-testing is inappropriate given repayment model - lacks consideration of individual circumstances.
- Current model seen as favouring students from low-income households: view that middle income students inadequately catered for (but NB few contributors from these backgrounds).
- View that bursaries could be better targeted to meet needs – rather than being used as an incentive to recruitment.
- Common theme raised was poor financial literacy.
- Mixed views about quality and availability of non-financial support but generally seen as under increasing pressure – students as consumers and a more diverse student population.
- Current HE funding model – highly geared to full-time, young undergraduate provision: mature, part-time and postgraduate students all inadequately provided for (and fears of erosion of competitive position of Welsh HE for graduate students).
- Part-time provision – concerns about traditional approach of some HEIs (not all) and lack of financial incentive for HEIs to meet requirements of part-time students.
- Employers – mixed views about quality of graduates with key concern about lack of employability skills.
- Lack of consensus on the way forward or concrete solutions to current problems.
- Increasing access to maintenance support and greater flexibility is a priority for students – with little support for current means-testing.
- Mixed views across sectors about future of Tuition Fee Grant and general view that fee levels have not deterred participation – but most students favour low/no fees.
- More generally – concerns about sustainability of current model eg non-repayment rates on student loans – view from some employers that student numbers too high.
- Need for more support for part-time and postgraduate students and incentives for non self-sustaining provision.

- Majority view that financial support should not be restricted to Welsh-domiciled students studying in Wales yet some appetite for a two-tiered funding model (possibly a reward system/ incentive for returning to Wales).

Appendix H: Funding after loan repayment charts

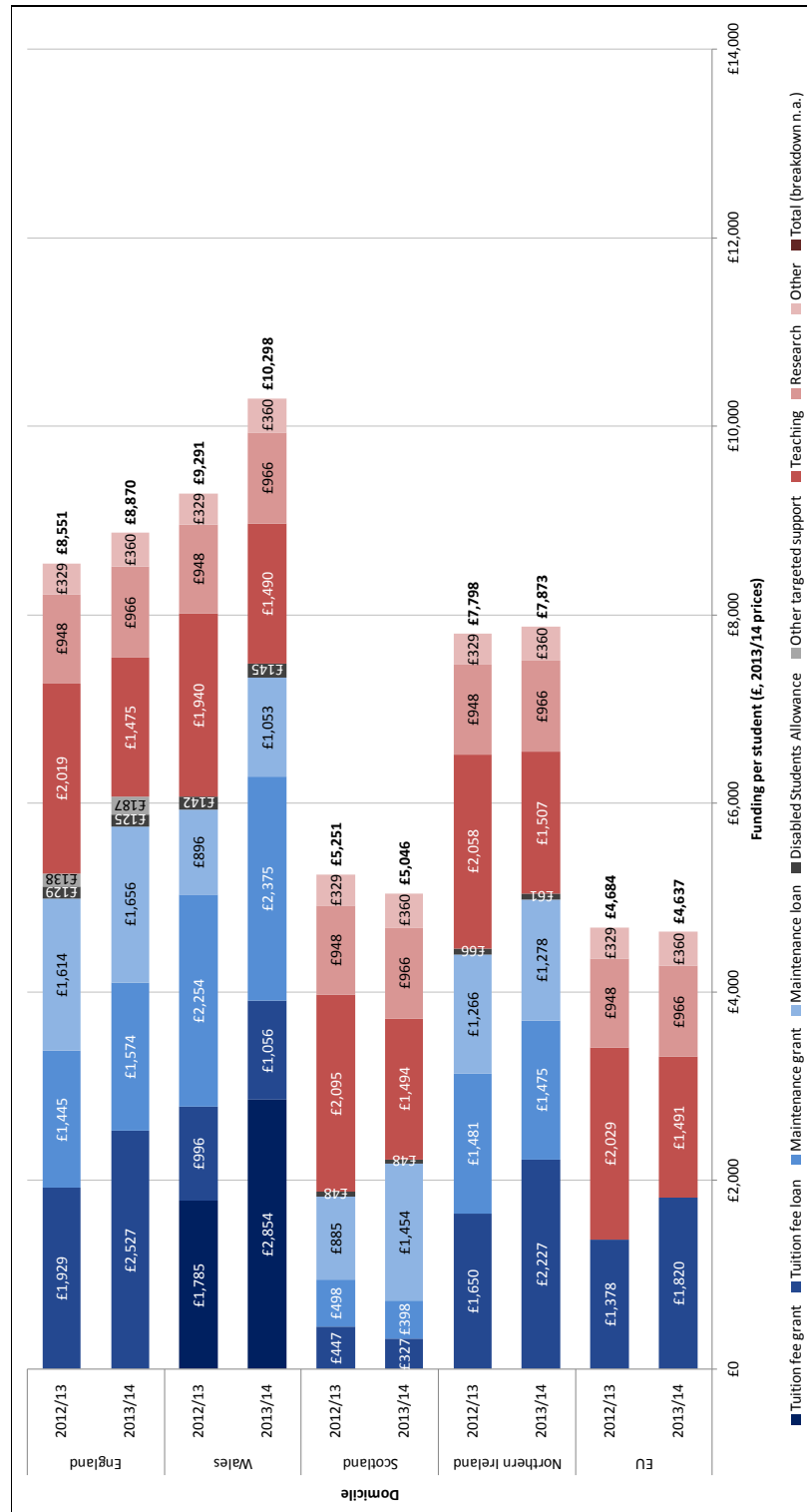
Figure 11: Funding after loan repayment: Funding per undergraduate full-time student studying at HEI by domicile, country of study, funding item and year (£, 2013/14 prices)



Source: *Mind the gap: Comparing public funding in higher and further education resource - benchmarking across education sectors in the United Kingdom* London Economics report for UCU (September 2015).

Note: We assume that other targeted support is only available to undergraduate full-time students domiciled in the same Home Nation in which they are undertaking their studies (ie English students studying in England, Welsh students studying in Wales, etc). Further, we assume that the same eligibility rules apply to higher education students studying in further education institutions as to students studying in higher education institutions. Source: London Economics' analysis on behalf of UCU.

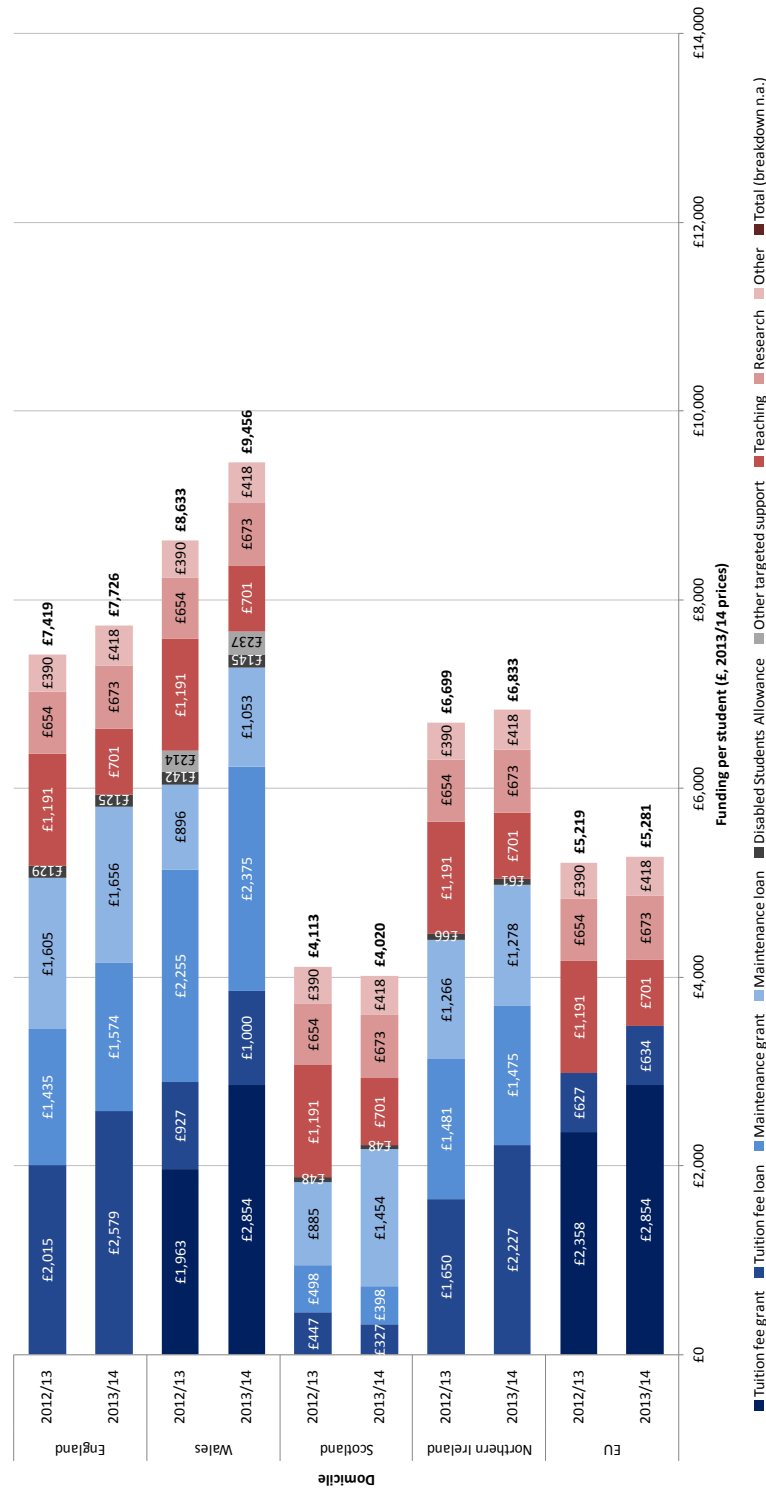
Figure 12: Funding after loan repayment: Funding per undergraduate full-time student studying at HEI in England, by domicile, funding item and year (£, 2013/14 prices)



Source: *Mind the gap: Comparing public funding in higher and further education resource - benchmarking across education sectors in the United Kingdom* London Economics report for UCU (September 2015)

Note: We assume that other targeted support is only available to undergraduate full-time students domiciled in the same Home Nation in which they are undertaking their studies (ie English students studying in England, Welsh students studying in Wales, etc). Further, we assume that the same eligibility rules apply to higher education students studying in further education institutions as to students studying in higher education institutions.

Figure 13: Funding after loan repayment: Funding per undergraduate full-time student studying at HEI in Wales, by domicile, funding item and year (£, 2013/14 prices)



Source: *Mind the gap: Comparing public funding in higher and further education resource - benchmarking across education sectors in the United Kingdom* London Economics report for UCU (September 2015) and Office for National Statistics (2015)

Note: We assume that other targeted support is only available to undergraduate full-time students domiciled in the same Home Nation in which they are undertaking their studies (ie English students studying in England, Welsh students studying in Wales, etc). Further, we assume that the same eligibility rules apply to higher education students studying in further education institutions as to students studying in higher education institutions.

Appendix I: Financial factors influencing student recruitment and retention – references

- Bachan R (2014) *Students' expectations of debt in UK higher education* Studies in Higher Education, Vol. 39, No 5, 848 – 873
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Appendix J: Part-time enrolments at UK HE institutions 2011/12 to 2013/14

Table 31: Part-time enrolments at Welsh and UK HEIs 2011/12 to 2013/14

	Level of study	2011/12 PT Enrolments HESA	2012/13 PT Enrolments HESA	2013/14 PT Enrolments HESA	Percentage change in PT enrolments (HESA)		
Wales total	PG	13094	12158	12385	-7%	2%	-5%
	UG	34159	32434	30503	-5%	-6%	-11%
	Total	47253	44592	42888	-6%	-4%	-9%
English HEIs	PG	216280	199039	194007	-8%	-3%	-10%
	UG	426349	331306	287539	-22%	-13%	-33%
	Total	642629	530345	481546	-17%	-9%	-25%
Scottish HEIs	PG	23385	22475	21825	-4%	-3%	-7%
	UG	42237	41409	38176	-2%	-8%	-10%
	Total	65622	63884	60001	-3%	-6%	-9%
Northern Irish HEIs	PG	6320	6294	6776	0%	8%	7%
	UG	13418	13017	12115	-3%	-7%	-10%
	Total	19738	19311	18891	-2%	-2%	-4%
Rest of UK total	PG	245985	227808	222608	-7%	-2%	-10%
	UG	482004	385732	337830	-20%	-12%	-30%
	Total	727989	613540	560438	-16%	-9%	-23%
UK total (including Wales)	PG	259079	239966	234993	-7%	-2%	-9%
	UG	516163	418166	368333	-19%	-12%	-29%
	Total	775242	658132	603326	-15%	-8%	-22%

Source: HESA student record standard registration population 2011/12 to 2013/14

The OU has been split between the four countries of the UK.

PT = part-time, UG = undergraduate, PG = postgraduate.

Appendix K: Part-time undergraduate Welsh-domiciled students at all UK HE institutions by intensity

Table 32: Part-time undergraduate Welsh-domiciled students at all UK HEIs by intensity (FTE), 2013/14

Less than 25%	10,920
Less than 50% but greater than or equal to 25%	6,605
Less than 65% but greater than or equal to 50%	6,185
Less than 70% but greater than or equal to 65%	2,190
Less than 75% but greater than or equal to 70%	165
Less than 100% but greater than or equal to 75%	910
Greater than or equal to 100%	1,205
Total	28,175

Source: HESA

Table 33: Part-time undergraduate Welsh-domiciled students at all UK HEIs by intensity (FTE), 2013/14

Less than 25%	10,920	39%
More than 25%	17,255	61%
Total	28,175	

Source: HESA

Table 34: Part-time undergraduate Welsh-domiciled students at all UK HEIs by intensity (FTE), 2013/14

Less than 50%	17,525	62%
More than 50%	10,655	38%
Total	28,175	

Source: HESA

Appendix L: Access to higher education in Wales

Key findings of WISERD's *Access to Higher Education in Wales* report are presented below:

1. Young people from more advantaged socio-economic backgrounds are much more likely to participate in higher education than their less advantaged peers.
2. Much – although not all – of the greater participation in higher education amongst young people from more advantaged socio-economic backgrounds is accounted for by previous educational attainment.
3. Ethnic background is also a highly significant factor in determining entry to higher education.
4. The relationships between these individual characteristics (socio-economic background, educational attainment, ethnic background) and participation in higher education are broadly similar in Wales and England, despite differences in social and economic conditions and policy approaches.
5. There are substantial differences between schools in terms of the chances of their pupils participating in higher education, over and above the effects of pupils' individual characteristics (such as educational attainment and ethnic background).
6. There are substantial differences between local authorities in terms of the chances of their pupils participating in higher education, over and above the effects of pupils' individual characteristics (such as educational attainment and ethnic background) and the schools that they attend.
7. Individual social characteristics and previous educational attainment affect rates of retention in higher education institutions. However, there are also differences in retention rates between universities, even when these individual effects are taken into account.
8. Higher education students from socially disadvantaged backgrounds are equally likely to attain a 'good degree' as those from more advantaged backgrounds.
9. Widening access initiatives encompass a wide diversity of activities, often targeted at different social groups.
10. Widening access to higher education involves promoting entry to a wide variety of programme. Accordingly, entrants have a diversity of educational experiences.
11. Widening access involves not only entry to higher education, but also successful progression to completion of the programme.
12. Evaluating the impacts of widening access initiatives on patterns of participation in higher education is difficult and limited, given the data that are currently available.

Appendix M: Type of university attended by student background: Wales, Scotland and England

Figure 14: University attended by student background – Wales

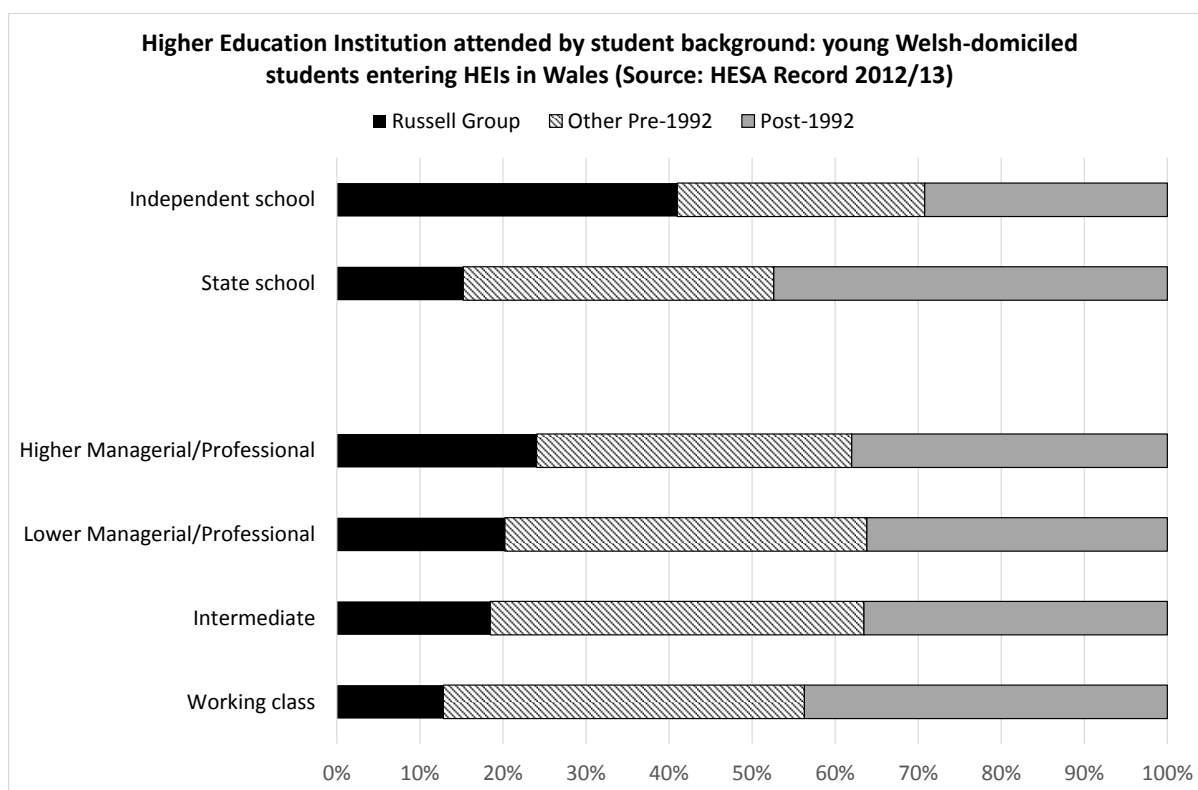


Figure 15: University attended by student background – Scotland

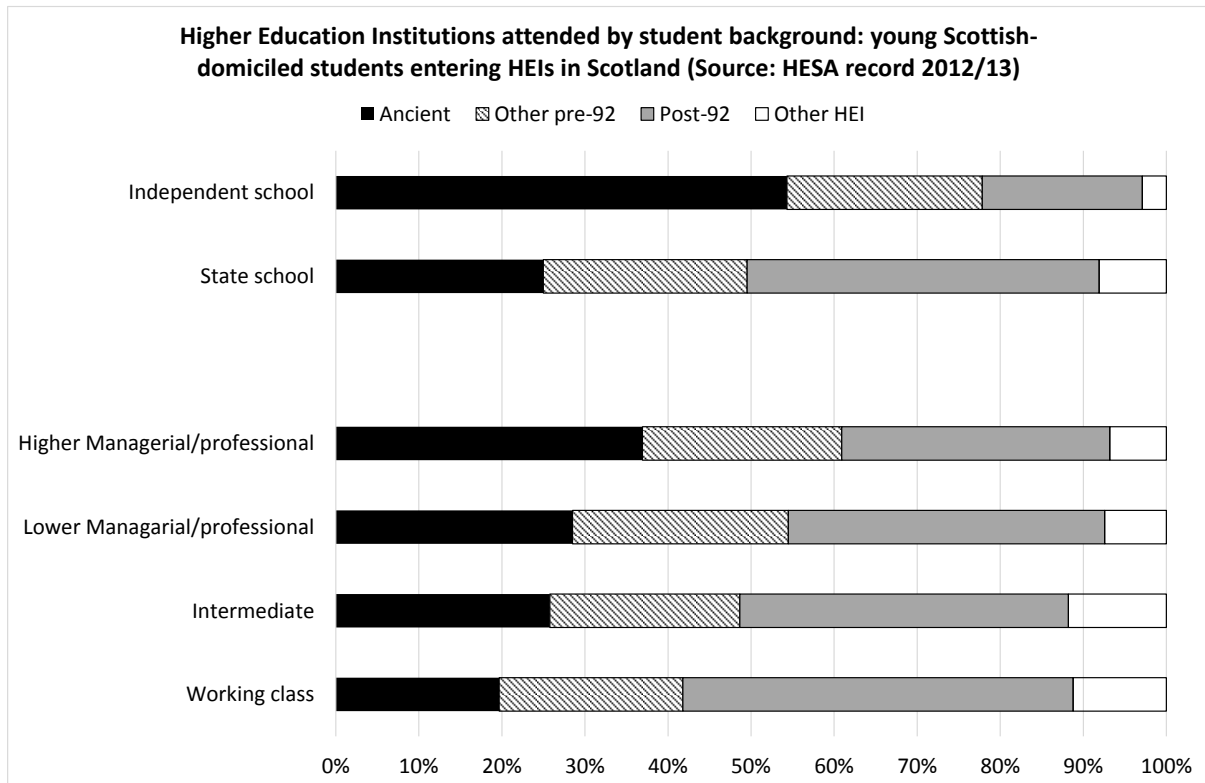
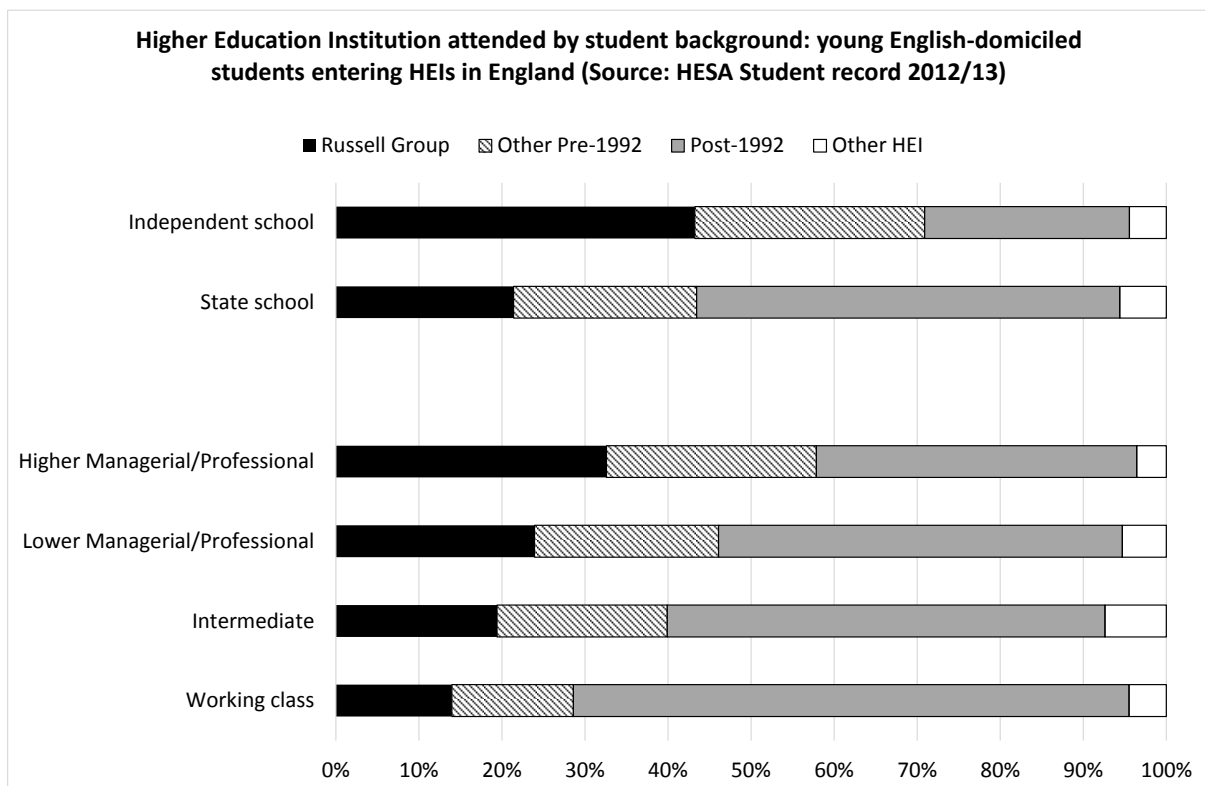


Figure 16: University attended by student background – England



Appendix N: Evidence provided to the Review Panel

The following list provides an overview of the documentary evidence gathered by the Review Panel up to September 2015. Hyperlinks are provided where papers are available electronically. NB These items are additional to the written submissions received in response to the Call for Evidence, which are summarised in the separate Call for Evidence Summary Report.

Reports

British Academy (2015) <i>Count Us In: Quantitative Skills for a New Generation</i> http://www.britac.ac.uk/news/news.cfm/newsid/1285
Chartered Institute of Personnel and Development (2015) <i>Over-qualification and skills mismatch in the graduate labour market</i> http://www.cipd.co.uk/binaries/over-qualification-and-skills-mismatch-graduate-labour-market.pdf
Clarke, Gillian and Lunt, Ingrid, University of Oxford <i>International comparisons in postgraduate education: quality, access and employment outcomes</i> Report to HEFCE, summary of issues http://www.hefce.ac.uk/pubs/rereports/year/2014/pginternational/
Clifton, Jonathan (June 2014) IPPR Briefing <i>Winning the Global Race, Jobs, Skills – The Importance of Vocational Education</i> http://www.ippr.org/files/publications/pdf/winning-global-race_June2014.pdf?noredirect=1
De Vries, Robert (2014) <i>Earning by Degrees – Differences in the career outcomes of UK graduates</i> Sutton Trust http://www.suttontrust.com/researcharchive/earningbydegrees/
Economic and Social Research Council (2013) ESRC Fellowship Project: <i>Higher Education, the Devolution Settlement and the Referendum on Independence – The funding of higher education in Scotland, the UK and internationally</i> Think Tank 1 pre-event briefing http://www.docs.hss.ed.ac.uk/education/creid/Projects/34iiaa_ESRCF_TT1_PEBriefing.pdf .
European Commission (2014) <i>Cost sharing impact study</i> – executive summary (link to full document and national studies also provided) http://ec.europa.eu/education/library/study/2014/cost-sharing/en-executive-summary.pdf
European Commission (2014) <i>National Student Fee and Support Systems in European Higher Education,– Eurydice Facts and Figures</i> http://eacea.ec.europa.eu/education/eurydice/documents/facts_and_figures/fees_support.pdf
HEFCE (2015) <i>The future of quality assessment in HE</i> http://www.hefce.ac.uk/pubs/rereports/Year/2015/futuregainhe/Title,104313,en.html
HEFCW Circular W14/14HE (30 April 2014) <i>Fee Plan Guidance 2015/16</i> http://www.hefcw.ac.uk/publications/circulars/circulars_2014.aspx
HEFCW Circular W14/16HE (6 May 2014) <i>Strategic Engagement – Consultation on Proposals for Change</i> http://www.hefcw.ac.uk/publications/circulars/circulars_2014.aspx
HEFCW Circular W14/17HE (9 May 2014) <i>Proposed revisions to HEFCW’s part-time undergraduate fee waiver scheme</i> http://www.hefcw.ac.uk/publications/circulars/circulars_2014.aspx
HEFCW Circular W14/18HE (23 May 2014) <i>HEFCW’s Funding Allocations 2014/15</i> http://www.hefcw.ac.uk/publications/circulars/circulars_2014.aspx
HEFCW Circular W14/19HE (30 May 2014) <i>Reaching Wider Strategies 2014/15 to 2016/17: Guidance</i>

http://www.hefcw.ac.uk/publications/circulars/circulars_2014.aspx
HEFCW Circular W14/24HE (20 June 2014) <i>HEFCW's Part-time Higher Education Position Statement</i> http://www.hefcw.ac.uk/publications/circulars/circulars_2014.aspx
HEFCW Circular W14/32HE (30 July 2014) <i>Strategic Approach to Widening Access to Higher Education 2013/14 to 2015/16</i> http://www.hefcw.ac.uk/publications/circulars/circulars_2014.aspx
HEFCW Circular W14/33HE (01 August 2014) <i>Consultation on our approach to funding in 2015/16 and subsequent years</i> http://www.hefcw.ac.uk/publications/circulars/circulars_2014.aspx
HEFCW Circular W14/43HE (20 November 2014) <i>Changes to support for English-domiciled disabled students from 2015/16 and 2016/17</i> http://www.hefcw.ac.uk/documents/publications/circulars/circulars_2014/W14%2043HE%20Changes%20to%20support%20for%20English-domiciled%20disabled%20students%20from%202015_16%20and%202016_17.pdf
HEFCW Circular W14/36HE (29 August 2014) <i>Changes to the Strategic Engagement process from 2014/15</i> http://www.hefcw.ac.uk/publications/circulars/circulars_2014.aspx
HEFCW Circular W14/37HE (02 September 2014) <i>HE UK Research Partnership Investment Fund 2016-17</i> http://www.hefcw.ac.uk/publications/circulars/circulars_2014.aspx
HEFCW Circular W14/38HE (25 September 2014) <i>Maximum fee grant 2015-16</i> http://www.hefcw.ac.uk/publications/circulars/circulars_2014.aspx
HEFCW Circular W15/04HE (20 April 2015) <i>Widening access: conference outcomes, consultation and information request on partnerships with schools and colleges</i> http://www.hefcw.ac.uk/publications/circulars/circulars.aspx
HEFCW Circular W15/05HE (10 April 2015) <i>Fee Plan Guidance 2016/ 2017</i> http://www.hefcw.ac.uk/publications/circulars/circulars.aspx
HEFCW Circular W15/09HE (22 May 2015) <i>HEFCW's Funding Allocations 2015/16</i> http://www.hefcw.ac.uk/publications/circulars/circulars.aspx
HEFCW Circular W15/10HE (03 June 2015) <i>Research Capital Funding</i> http://www.hefcw.ac.uk/publications/circulars/circulars.aspx
HEFCW Circular W15/12HE (26 June 2015) <i>Higher Education (Wales) Act 2015: Preparation for the delivery of the new regulatory system</i> http://www.hefcw.ac.uk/publications/circulars/circulars.aspx
HEFCW Circular W15/19HE (07 August 2015) <i>The HEFCW undergraduate part-time fee waiver scheme</i> http://www.hefcw.ac.uk/publications/circulars/circulars.aspx
HEFCW (December 2014) <i>Future Directions: widening access purpose, policy and practice – widening access conference consultation outcomes</i>
HEFCW (2014) <i>Higher Education for the Nation</i> http://www.hefcw.ac.uk/publications/publications.aspx
HEFCW (2014) <i>Participation Rates for Welsh Students in Higher Education with the UK during 2009/10</i> https://www.hefcw.ac.uk/documents/about_he_in_wales/statistics/Participation%20rates%200910.pdf
HEFCW <i>UK Performance Indicators in Higher Education in the UK 2012/13 – Supplementary information</i> https://www.hefcw.ac.uk/documents/news/press_releases/2014%20Press%20Releases/10%2004%2014%20Performance%20Indicators%2012%2013%20supplementary%20info%20English.pdf

<p>HEFCW (2014) <i>Widening Access: Delivering for Wales</i> http://www.hefcw.ac.uk/documents/policy_areas/widening_access/HEFCW%20Widening%20Access%20Delivering%20for%20Wales%20English.pdf</p>
<p>HEFCW Research, Innovation and Engagement Committee (January 2011) Report of the Research Subgroup https://www.hefcw.ac.uk/documents/council_and_committees/committees/RIEC/Research%20Sub-Group%20Report.pdf</p>
<p>High Fliers (2015) <i>The Graduate Market in 2015</i> http://www.highfliers.co.uk/</p>
<p>Higher Education Commission (2014) <i>Too good to fail</i> http://www.policyconnect.org.uk/hef/research/report-too-good-fail-financial-sustainability-higher-education-england</p>
<p>Higher Education Policy Institute (2014) <i>A comparison of student loans in England and Australia</i>, Higher Education Policy Institute http://www.hepi.ac.uk/2015/01/26/happened-australia-went-different-fees-different-subjects/</p>
<p>Higher Education Policy Institute (2015) <i>Keeping up with the Germans? A comparison of student funding, internationalisations and research in UK and German universities</i> http://www.hepi.ac.uk/2015/09/03/keeping-germans-comparison-student-funding-internationalisation-research-uk-german-universities/</p>
<p>Hunter Blackburn, Lucy (2015) <i>Whose to lose? Citizens, institutions and the ownership of higher education funding in a devolved UK</i> Higher Education Policy Institute http://www.hepi.ac.uk/category/publications/</p>
<p>Institute of Economic Affairs (2014) <i>Universities Challenged: Funding Higher Education through a Free-Market 'Graduate Tax'</i> Discussion Paper No. 54 http://www.iea.org.uk/publications/research/universities-challenged-funding-higher-education-through-a-free-market-%E2%80%98gradua</p>
<p>Institute of Fiscal Studies Report R94 (2014) <i>Estimating the public cost of student loans</i> executive Summary http://www.ifs.org.uk/comms/r94.pdf</p>
<p>Institute of Fiscal Studies (2015) <i>Estimating the Cost to Government of Providing Undergraduate and Postgraduate Education</i> http://www.ifs.org.uk/publications/7674</p>
<p>Kings College London (2015) <i>Heading for the precipice: can further and higher education funding policies be sustained?</i> http://www.kcl.ac.uk/sspp/policy-institute/publications/index.aspx</p>
<p>Kings College London (2015) <i>Issues and ideas on higher education funding: Who pays? Who benefits?</i> http://www.kcl.ac.uk/sspp/policy-institute/publications/index.aspx</p>
<p>Learned Society of Wales (2015) <i>The Case for Growing STEMM Research Capacity in Wales</i> http://www.lfhe.ac.uk/en/news/index.cfm/STEMM%20Research%20Capacity%20in%20Wales</p>
<p>Million+ (2013) <i>Are the changes to higher education funding in England cost effective?</i> http://www.millionplus.ac.uk/research-policy/reports/latest-reports/research-report-are-the-changes-to-higher-education-funding-in-england-cost-effective</p>
<p>Million+ (2013) <i>Higher education funding in England: do the alternatives add up?</i> http://www.millionplus.ac.uk/research-policy/reports/latest-reports/research-report-do-the-alternatives-add-up</p>
<p>Million+ (2013) <i>What's the value of a UK degree?</i> http://www.millionplus.ac.uk/research-policy/reports/latest-reports/report-whats-the-value-</p>

<u>of-a-uk-degree</u>
Million Jobs (2014) <i>Varsity Blues – Time for Apprenticeships to Graduate</i> http://millionjobs.org.uk/2014/11/03/varsity-blues-time-for-apprenticeships-to-graduate/
National Assembly for Wales' Finance Committee (May 2014) <i>Higher Education Funding</i> http://www.assembly.wales/Laid%20Documents/CR-LD9755-R%20-%20Report%20of%20the%20Finance%20Committee%20-%20Higher%20Education%20Funding-03062014-256437/cr-ld9755-r-e-English.pdf
NUS Wales (2014) <i>Pound in Your Pocket – Wales 2014</i> http://www.nusconnect.org.uk/imagine-education/pound-in-your-pocket/
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Commissioned Briefing Papers and Presentations

AMOSSHE (January 2015) evidence paper and presentation
Blackburn, Lucy Hunter (July 2014) Information and tables comparing difference in final debt between Welsh and Scottish Students
Centre for Widening Participation and Social Inclusion, Aberystwyth University (July 2015) <i>Care Leaver numbers disclosed to Welsh Universities in 2012/13 and 2013/14</i> briefing information
Chwarae Teg (July 2015) submission to open agenda meeting
Conlon, Gavan and Welsh Government (May 2015) <i>Demonstration of Million+ modelling</i> presentation and background paper
Conlon, Gavan and Welsh Government (September 2015) <i>Funding Scenarios – Million+ Baseline Paper revisited</i>
Diamond, Professor Sir Ian (September 2015) <i>Merger of Scottish Higher Education Funding Council and Scottish Further Education Funding Council</i> briefing paper
Evans, Alan, School of Social Sciences, Cardiff University (September 2015) <i>Good</i>

<i>Practice in Student Mentoring Schemes</i> briefing paper
HEFCW (May 2015) <i>Welsh Higher Education Institutions summary of financial statements 2013/14</i> briefing paper
Higher Education Wales (July 2014) <i>What does good look like?</i> presentation
Learned Society for Wales (January 2015) evidence paper and presentation
NUS Wales (July 2014) <i>Key messages from NUS Wales research and what good looks like</i> presentation
NUS Wales (September 2015) <i>NUS Report on Postgraduate Study for Diamond Review</i> briefing paper
Old Bell 3 (July 2015) <i>Delivery of Focus Groups – Review of Higher Education Funding and Student Finance Arrangements in Wales</i> final report and presentation
Open University (January 2015) evidence paper and presentation
Richards, Ken (July 2015) submission to open agenda meeting
Riddell, Sheila and Button, Beth (July 2015) <i>Widening participation</i> briefing paper
Stenham, Robin (July 2015) submission to open agenda meeting
Welsh Government (March 2014) <i>2014/15 HE statutory student support package</i> briefing paper
Welsh Government (October 2014) <i>Breakdown of the distribution of grant according to household income</i> briefing paper
Welsh Government (October 2014) <i>Breakdown of financial support for part-time HE study</i> briefing paper
Welsh Government (March 2014) <i>Changes in student finance since devolution</i> briefing paper
Welsh Government (July 2014) <i>The Current HE Funding Model and Associated Costs</i> briefing paper and presentation
Welsh Government (January 2015) <i>Comparison of Student Debt Levels</i> briefing paper
Welsh Government (September 2015) <i>DSAs Policy Update</i> briefing paper
Welsh Government (January 2015) <i>Economic Value of a Science Graduate</i> briefing paper
Welsh Government (May 2015) <i>Evidence on Higher Level Technical Skills Across Sectors</i> paper/presentation
Welsh Government (January 2015) <i>Financial Contingency Fund Position Note</i> (November 2014) briefing paper
Welsh Government (May 2015) <i>HE funding case studies</i> (library search results: publications listings)
Welsh Government (July 2014) <i>HE Student Support: Current Issues</i> briefing paper
Welsh Government (April 2014) <i>The Higher Education Sector in Wales</i> (analysis of key statistical and funding facts and issues) presentation
Welsh Government (September 2015) <i>Higher Level Technical Skills</i> presentation
Welsh Government (April 2014) <i>Insights and further questions from research</i> presentation
Welsh Government (July 2015) <i>New Zealand waiver scheme</i> (library search results: publications listings)
Welsh Government (March 2014) <i>Overview of the legislative framework: Legislation Governing Higher Education Funding</i> briefing paper
Welsh Government (July 2015) <i>Skills Tracks</i> briefing paper
Welsh Government (July 2014) <i>Statistical update</i> (including trends in student enrolment; net debt levels in relation to key student characteristics in particular socio-economic group; and age groups accessing student support; Graduate unemployment, progression, wage rates/premia)
Welsh Government <i>Statistical Update</i> (October 2014) briefing paper
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Welsh Government (January 2015) <i>Summary of EMA Evaluation Report Key Findings briefing paper</i>
Welsh Government (March 2014) <i>Summary of higher education in Wales</i> statistical briefing paper
Welsh Government (January 2015) <i>Tuition Fees Profile by Country</i> briefing paper
Welsh Government (April 2014) <i>Wales in its Socio- Economic Context and Associated Issues</i> presentation
Welsh Government & Centre for Research in Education Inclusion and Diversity, University of Edinburgh (October 2014) <i>Break-down of the distribution of grant according to household income</i>
Welsh Government & HEFCW (April 2014) <i>Review Themes – Policy, Issues & Opportunities</i> presentation
Welsh Government and HEFCW (July 2014) <i>Subjects not available in Wales – analysis of 2012/13 full-time provision</i> briefing paper
Welsh Government (March 2014) <i>Understanding Wales' Future – Welsh Government presentation/resource</i> (excerpts from presentations on demography, education and skills, and economy)
Welsh Government, Universities Wales, HEFCW (October 2015) <i>Postgraduate Funding and Provision</i> briefing paper
Wales Institute of Social & Economic Research, Data & Methods (WISERD) (July 2014) <i>Evidence to the Review of Higher Education Funding and Student Finance Arrangements in Wales</i> briefing paper and presentation
Wales Institute of Social & Economic Research, Data & Methods (WISERD) (March 2015) <i>Part Time Research</i> report
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<p><i>Regulations as provided for by the Higher Education (Wales) Act 2015</i> Consultation Document (17 March 2015) http://gov.wales/docs/dcells/consultation/150317-consultation-en1.pdf</p>
<p><i>Review of higher education in further education institutions</i> (2015) http://gov.wales/topics/educationandskills/publications/reports/a-review-of-he-delivered-in-further-education-institutions/?lang=en</p>
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<p><i>Sectors Delivery Plan</i> (2014) http://gov.wales/docs/det/publications/130125deliveryplanen.pdf</p>
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<p>Student Finance Wales Information Notice 02/2014 (August 2014) <i>EMA</i> http://www.studentfinancewales.co.uk/media/8949/sfwin_ema_wglg_fe_1415_e.pdf</p>
<p>Student Finance Wales Information Notice 03/2014 (October 2014) <i>Higher education student support – changes to be included in the Welsh student support regulations for academic year 2015/16</i> http://www.studentfinancewales.co.uk/media/8968/sfwin_03_2014_engagement_exercise_on_ay2015-16_changes_to_student_support.pdf</p>
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Other

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