

Annual Report

2011-12

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Conventions and abbreviations

Financial Year (1 April – 31 March) 2011-12

Academic Year (1 August – 31 July) 2011/12

HE – higher education

FE – further education

HEIs – higher education institutions

FECs – further education colleges

FTE – full time equivalent

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Contents

About HEFCW	04
Our strategic framework	05
Progress against Corporate Strategy measures.....	06
Chairman's statement.....	09
Chief Executive's statement.....	11
Funding higher education.....	12
Data about students.....	16
Widening access.....	19
The student experience	21
Skills	24
Knowledge transfer.....	26
Research.....	27
Reconfiguration and collaboration	28
Governance.....	30
HEFCW as an organisation.....	32
Committees and Council members	35
Summary accounts for the year ending 31 March 2012.....	38

About HEFCW

The Higher Education Funding Council for Wales (HEFCW) is a Welsh Government Sponsored Body.

HEFCW is responsible for administering funds for higher education provided by the Welsh Government. This funding includes:

- Tuition fee grant for Welsh domiciled full-time undergraduates
- Teaching, research and other funding to Welsh universities
- HE courses at further education colleges.

Through this funding, HEFCW supports the HE system in Wales in delivering Welsh Government priorities. HEFCW also accredits providers of initial teacher training for school teachers.

HEFCW was established by the Further and Higher Education Act 1992. Responsibilities for initial teacher training (ITT), including the accreditation of ITT providers, are covered under the Education (School Teachers' Qualifications) (Wales) Regulations 2004 and the Education Act 2005.

Our vision

We wish to develop and sustain **internationally excellent** higher education in Wales, for the benefit of individuals, society and the economy, in Wales and **more widely.**

Our Mission

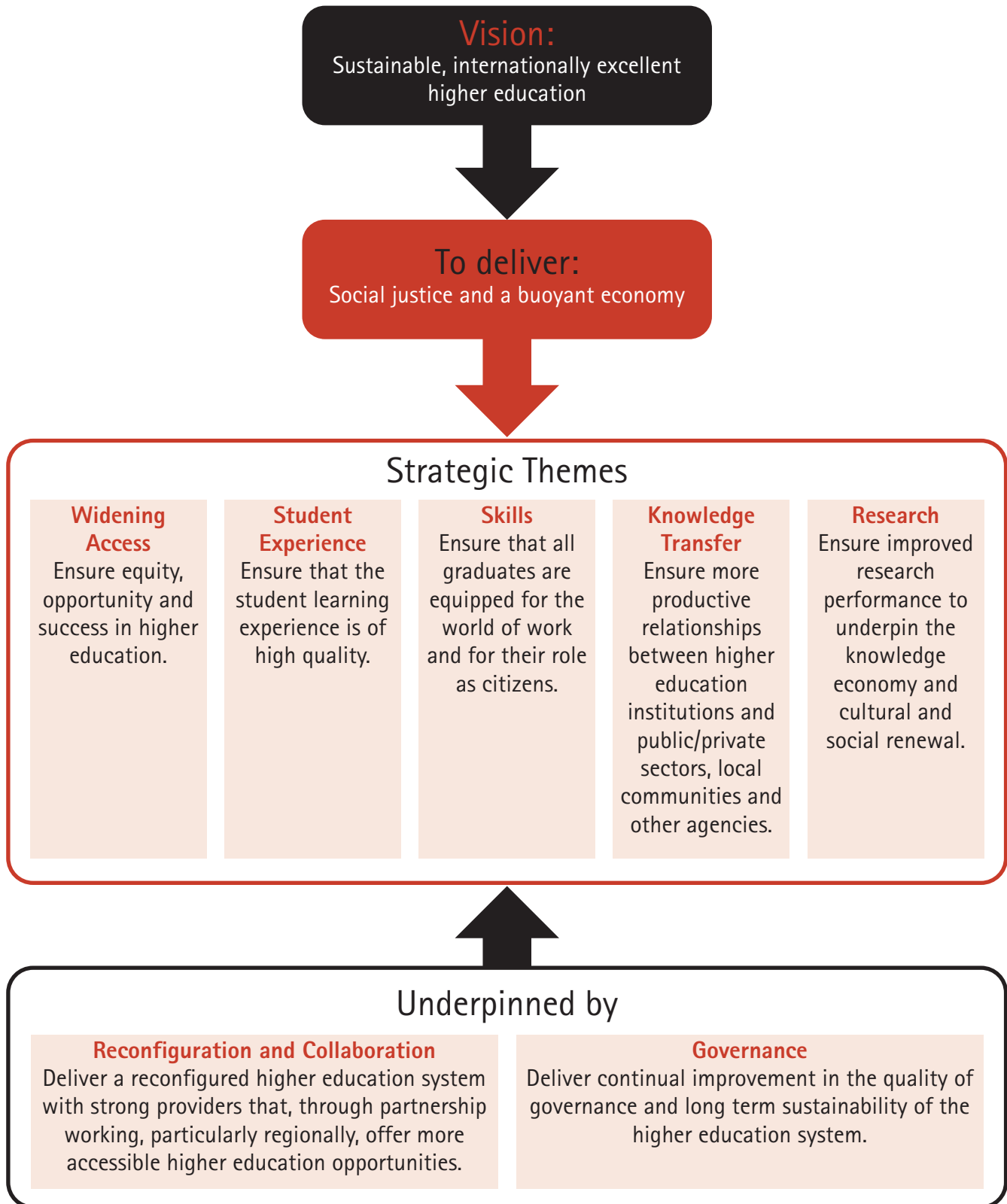
We strategically use resources from the Welsh Government and others to:

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

In order to

- enhance social justice, and
- support a buoyant economy.

Our strategic framework



Progress against Corporate Strategy measures

Strategic measure	Baseline	Progress	Progress
1 A 10% rise in the proportion of all Welsh domiciled students studying higher education courses at higher education institutions and further education institutions in Wales who are domiciled in the Welsh Communities First Areas from 15.6% in 2008/09 to 17.2% in 2012/13.	2008/09	2009/10	2010/11
	15.6%	16.2%	16.5%
2 A 2.7% rise in the module completion rate for undergraduate enrolments in Welsh higher education institutions from 87.6% in 2008/09 to 90% in 2012/13.	2008/09	2009/10	2010/11
	87.6%	90.1%	92.5%
3 The three year rolling average score for Wales in the National Student Survey 'overall satisfaction'* question will be equal to, or greater than the comparative score for the UK. <i>*'Score' means percentage of students who agreed with 'Overall, I am satisfied with the quality of my course'.</i>	2007 to 2009 3-year rolling average	2009 to 2011 3-year rolling average	2010 to 2012 3-year rolling average
	Welsh HE institutions 83.3%	Welsh HE institutions 82.7%	83%
	UK HE institutions 81.7%	UK HE institutions 82.7%	83.7%
4 The number of Welsh domiciled students at Welsh higher education institutions and further education institutions undertaking some element of their course through the medium of Welsh will rise from 4,586 in 2008/09 to 5,509 in 2012/13.* <i>*Baseline and target have been amended to reflect 2008/09 data correction.</i>	2008/09	2009/10	2010/11
	4,586	4,612	4,690
5 The percentage growth in the number of overseas students attending higher education courses in Welsh higher education institutions will be equal to, or greater than, the comparable figure for UK higher education institutions (excluding London and the South East).	2007/08 to 2008/09 % growth	2008/09 to 2009/10 % growth	2009/10 to 2010/11 % growth
	Welsh HE institutions 15.1%	Welsh HE institutions 26.7%	Welsh HE institutions 16.4%
	UK HE institutions (excl. London and SE England) 10.4%	UK HE institutions (excl. London and SE England) 11.9%	UK HE institutions (excl. London and SE England) 8.5%

Strategic measure	Baseline	Progress	Progress
6 The proportion of leavers obtaining first degrees from full-time courses who were employed, studying or both six months after leaving, will be equal to, or greater than the UK proportion by 2012/13.	2008/09 % employed / studying after 6 months	2009/10 % employed / studying after 6 months	2010/11 % employed / studying after 6 months
	Welsh HE institutions 91.2%	Welsh HE institutions 91.9%	Welsh HE institutions 91.0%
	UK HE institutions 89.9%	UK HE institutions 90.4%	UK HE institutions 90.3%
7 The absolute participation rate within Welsh higher education providers of students in the five Universities Heads of the Valleys Institute unitary authorities will rise by 8% to the current national average by 2012/13 (from 2.5% to 2.7%).	2007/08	2008/09	2009/10
	2.5%	2.5%	2.5%
8 The total number of part-time students studying higher education courses in higher education institutions and further education institutions in Wales will rise from 54,714 in 2008/09 to 59,000 in 2012/13.	2008/09	2009/10	2010/11
	54,714	50,243 ¹	50,020
9 The number of spin-off companies still active which have survived at least three years will increase by 10% from 252 in 2008/09 to 277 in 2012/13.	2008/09	2009/10	2010/11
	252	301	376
10 The annual percentage growth in income from Research Councils will be equal to, or greater than, the comparable figure for UK higher education institutions (excluding the 'golden triangle' of Oxford, Cambridge and London). [In 2008/09, Welsh HE income from the Research Councils accounted for 4.8% of the UK total excluding 'golden triangle' universities.]	2007/08 to 2008/09	2008/09 to 2009/10	2009/10 to 2010/11
	% growth in income for Welsh HE institutions 17.4%	% growth in income for Welsh HE institutions 3.0%	% growth in income for Welsh HE institutions 1.2%
	% growth in income for UK HE institutions 13.9%	% growth in income for UK HE institutions 3.1%	% growth in income for UK HE institutions -2.7%

¹ We currently attribute this to a combination of possible falling economic demand, course restructuring for various academic and financial sustainability reasons, and withdrawal from franchises. We would expect some future upturn in response to emerging new part-time provision in some institutions.

Strategic measure	Baseline	Progress	Progress
11 At least 75% of the Welsh higher education institutions will have an annual income in excess of the UK median (36% in 2008/09), with no institution to be in the lower quartile by 2012/13 (4 in 2008/09).	2008/09	2009/10	2010/11
	In excess of UK median 36% (4 out of 11 institutions)	In excess of UK median 45% (5 out of 11 institutions)	In excess of UK median 40% (4 out of 10 institutions)
	In lower quartile 36% (4 out of 11 institutions)	In lower quartile 36% (4 out of 11 institutions)	In lower quartile 30% (3 out of 10 institutions)
12 No higher education institution to be classified as 'high risk' under HEFCW institutional risk review processes.	2008/09 No of HE institutions classified as 'high risk'	2009/10 No of HE institutions classified as 'high risk'	2010/11 No of HE institutions classified as 'high risk'
	0	0	0

Chairman's Statement

This year, we implemented major changes to our funding system in the context of a new tuition fees regime for students, within a difficult economic and funding climate.

Our 2012 funding letter to universities and colleges showed just how much things are going to change: we will allocate 37% less teaching funding in the coming year, but institutions receive more income from full-time undergraduate and PGCE tuition fees.

In July 2011, higher education (HE) institutions submitted their first fee plans under the new arrangements which outlined how they intended to use a proportion of the new income from increased tuition fees on widening access and promoting higher education. The process was challenging, not least given the time constraints, but we worked with institutions to help them be in a position to charge their chosen tuition fees in 2012.

Even within the climate of fiscal uncertainty, universities have shown they are adjusting well to changes, with financial health indicators showing that the sector as a whole has improved financial sustainability on the previous year.

In the summer, we welcomed the publication of the Welsh Government's White Paper to seek views on proposals for a Further and Higher Education (Wales) Bill. This would most likely include provision for reforming HEFCW's functions, including those for quality assurance and enhancing HE provision and other regulatory activities. We studied the potential implications for us as a body, and for HE in Wales more generally.

The White Paper also underlines the importance of a strong student voice in universities in Wales. Student engagement has been a major component of the funding council's work over the past few

years, with developments in relation to student charters, student union funding and student representation continuing apace over the reporting period.

In July 2011, the Welsh Government consulted on our advice about the future structure of higher education in Wales. That autumn, the Education Minister announced that he was minded to accept the majority of recommendations in our report.

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As I write, universities in south west Wales are working towards a merger; a review of higher education provision in north east Wales is ongoing; and the University of Glamorgan and the University of Wales, Newport have been progressing talks aimed at integrating the two institutions. In the

meantime, the Education Minister has been consulting on the dissolution of two of south east Wales's three post-92 institutions to create - through merger - a single metropolitan university for the region. We continue to believe that forming a powerful new university will benefit learners and employers in south east Wales.

We have recently completed a consultation on our new Corporate Strategy, which will outline our vision and aims for higher education in Wales to 2016. We hope to get interest and input from as wide a range of stakeholders as possible about our goals and the measures against which we will evaluate progress within the HE sector.

During the year, we said goodbye to Professor Sir Brian Smith, who brought a wealth of knowledge and wisdom to our Council over a nine period. Following a short tenure, James Bennett resigned from our Council in April 2011 after being appointed as Principal of an FE college in Wales. I

wish them both the best of luck in their future endeavours. The reporting year also saw David Allen, Dame Sandra Burslem and Professor Leni Oglesby reappointed to the Council for further three year terms.

Finally, I would like to pay tribute to the HEFCW executive. This is the last chief executive's introduction from Professor Phil Gummett, who is retiring in October 2012 after twelve years with HEFCW – first as director of higher education, then as chief executive. During this time he has presided over a body which has introduced new funding regimes in the face of reduced HEFCW funding in difficult economic times, implemented the new fees funding regime successfully, including the process of approving fee plans, and put forward a persuasive case to the Education Minister for restructuring the higher education sector. He has also overseen changes within HEFCW itself, from the funding council's separation from ELWa to the more recent restructuring and reduction in staffing numbers as a consequence of reduced running costs. I would like to thank Phil for everything he has done as chief executive over the last eight years, both for HEFCW and for higher education in Wales, and I look forward to working with his successor, Dr David Blaney, over the coming months and years.

Roger Thomas

Chief Executive's Statement

The challenges – and achievements – of the last year have often been related to the difficult economic situation we find ourselves in, and consequent reductions in public funding.

We brought in an upper limit for universities' recruitment of full-time undergraduate and PGCE students in 2012/13 to help manage the cost of Wales's student support package. We also carried out an exercise to share out these student numbers differently in 2013/14 according to each university's amount of priority or expensive subject provision; achievement of Welsh Government targets; and average fee level.

Sustaining quality research at universities in Wales remains a high priority, and while our core funding to universities reduced we were still able to maintain the level of research funding in cash terms – of particular importance as we move towards the Research Excellence Framework in 2014. In 2012 we welcomed the Welsh Government's science policy, which is likely to have a huge bearing on research funding and priorities at universities over the coming years. We will be working closely with Government and the higher education sector to apply and progress the strategy.

We have maintained our firm commitment to the Welsh Government's priorities of social inclusion and supporting a buoyant economy. Widening access to higher education provides a significant contribution to the well-being of people in Wales, and universities have continued to put the Reaching Wider programme into action, which helps to raise the aspirations of those who have the potential to benefit from higher education. The Universities Heads of the Valleys Institute has continued to recruit well from low participation areas in south Wales. And the Welsh Government's Jobs Growth Wales has enabled us to expand the opportunities already offered by our GO Wales programme by extending work experience opportunities for unemployed graduates.

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Challenges continue in the shape of reaching our target for part-time students studying in Wales and, looking to the future, the support and fees package to be offered to these students in the context of changes already applied across the border. The flow of students between Wales and England within the new fees funding regime, and its ultimate impact on support for students and universities in Wales, remains to be seen. We are confident that Welsh universities will maintain their successful recruitment of international students despite recent changes in arrangements for international student visas.

This is my last annual report as chief executive. It's been an enormous pleasure and privilege to have had this opportunity to work with, and between, the Welsh Government and the higher education sector in Wales, and more widely across the UK. I've been blessed with great support and counsel, from government and the sector, and from HEFCW's Council, including both the Chairs with whom I have worked. HEFCW's staff, above all, have been tremendous colleagues, deeply committed and extraordinarily competent, and a joy to work with. I wish David Blaney, my successor, all the best, confident that he can count on similar unstinting support.

Phil Gummett

Funding higher education

We receive a grant from the Welsh Government on a financial year (FY) basis (1 April to 31 March), most of which we then allocate on an academic year (AY) basis (1 August to 31 July).

- We normally announce our annual grant to higher education (HE) institutions in March each year.
- In AY 2011/12 we made further changes to HEFCW funding arrangements, following consultation with the higher education sector.
- We set out guidance on how to **manage full-time undergraduate and PGCE student numbers** from 2011/12.
- We consulted on further **proposed changes to the funding mechanism** for higher education in Wales in 2012/13 and 2013/14, in light of the new tuition fee regime.
- We announced a **significant change to funding higher education** from 2013/14. The Strategic Reallocation of Student Numbers would redistribute full-time undergraduate and PGCE student numbers around the HE sector, based on universities' portfolios of expensive and priority subjects, how well they are performing against *For our Future* aims, and whether they reduce their average fee to £7,500 or less.
- We provided £3,184,326 to Welsh universities under our **matched funding scheme for voluntary giving**, which supplemented eligible donations to HE institutions.

Formula funding allocations for the 2011/12 academic year

We announced recurrent grant allocations of more than £384.6 million for higher education in 2011/12 and an additional £16.4 million in financial year 2011-12 to support continuing financial year commitments (including *Reaching Higher, Reaching Wider* and *One Wales*).

From this, £345.3 million in (mainstream) formula grant was given to the higher education sector for teaching, innovation and engagement activities, research and postgraduate research training. This comprised:

- £260.2 million for teaching
- £71.4 million for research
- £5.2 million for postgraduate research training
- £8.5 million for innovation and engagement activities

Formula funding allocations 2011/12

Institution	Total Formula Funding for Teaching (includes premia, per capita, ERASMUS and part-time fee waiver)	Research (QR)	Innovation and engagement allocations	PGR (Post-graduate research)	Grand Total
	£	£	£	£	£
University of Glamorgan	43,915,700	2,371,044	737,496	254,725	47,278,965
Aberystwyth University	21,552,495	7,381,395	567,763	397,708	29,899,361
Bangor University	20,675,654	6,951,624	501,254	693,131	28,821,663
Cardiff University	60,765,691	39,956,038	1,732,193	2,744,238	105,198,160
University of Wales Trinity Saint David	9,883,187	663,523	152,705	44,682	10,744,097
Swansea University	25,881,762	11,645,398	907,489	928,161	39,362,810
Cardiff Metropolitan University	22,507,618	1,117,943	410,814	83,255	24,119,630
University of Wales, Newport	17,022,181	453,777	267,345	15,359	17,758,662
Glyndŵr University	13,541,204	0	205,576	-	13,746,780
Swansea Metropolitan University	13,785,612	139,284	255,260	9,076	14,189,232
The Open University in Wales	8,103,082	0	262,105	-	8,365,187
University of Wales	0	397,317	-	-	397,317
Bridgend College	61,857	-	-	-	61,857
Coleg Sir Gâr	953,141	-	-	-	953,141
Grŵp Llandrillo Menai	1,408,910	-	-	-	1,408,910
Neath Port Talbot College	132,854	-	-	-	132,854
Gower College Swansea	32,097	-	-	-	32,097
Total	260,223,045	71,077,342	6,000,000	5,170,332	342,470,719

*Figures may not sum exactly to totals due to rounding

Higher Education Funding Council for Wales Grant

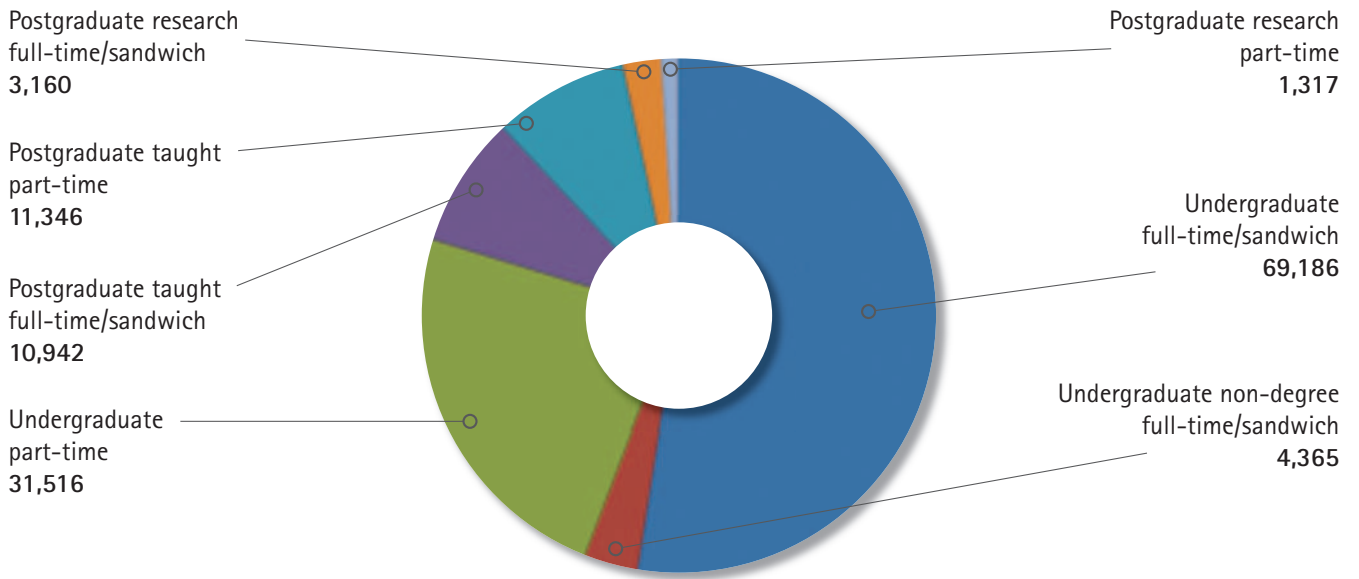
Baseline	
Recurrent	2011/12
Grant for teaching	(£)
Main formula grant	238,901,511
Per capita	5,324,100
Widening access premium	9,990,922
Welsh medium premium	1,489,706
Disability premium	994,400
Part-time premium	1,771,285
ERASMUS	1,221,701
Part-time fee waiver	529,420
Total	260,223,045
Grant for research	
RAE quality based grant	71,077,344
PGR (postgraduate research)	5,170,336
Research initiatives	352,123
Total	76,599,803
Strategy and initiatives	
Strategy and initiatives	39,168,766
CEO's miscellaneous fund	200,000
Total	39,368,766
Innovation and engagement	
GO Wales (WEFO income)	1,668,367
GO Wales (WEFO income)	-1,500,000
Innovation and engagement - formulaic funding	6,000,000
Innovation and engagement - competitive bids	2,328,477
Total	8,496,844
Recurrent Total	384,688,458

Enrolments by Institution, Level and Mode 2010/11

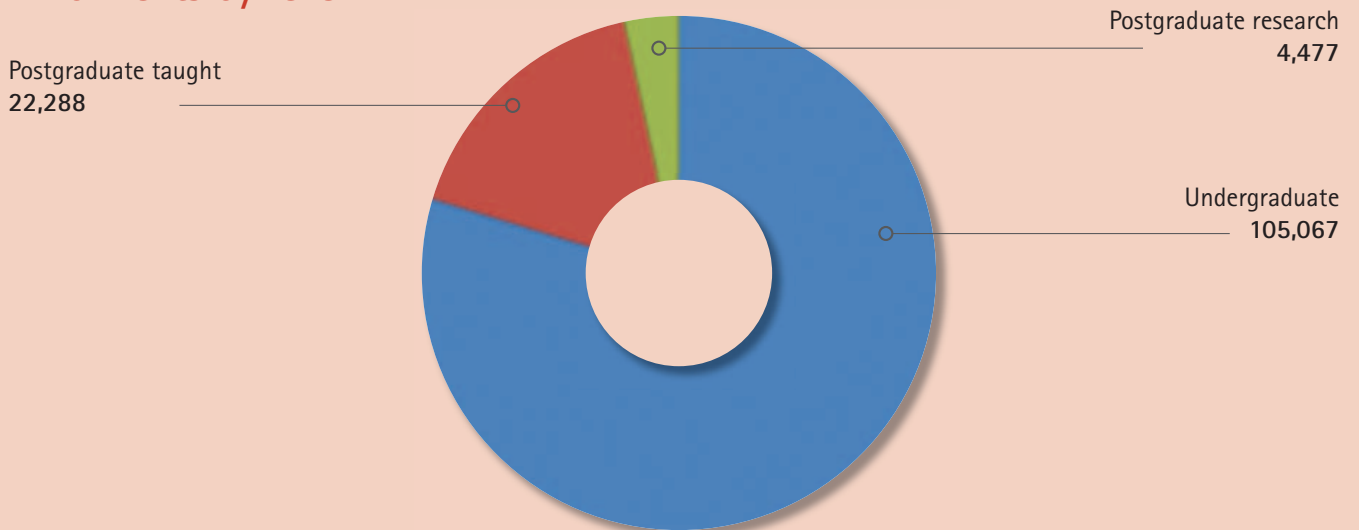
Institution	Undergraduate degree		Undergraduate non-degree		
	Full-time	Sandwich year out	Full-time	Sandwich year out	
University of Glamorgan	9,952	61	1,581	0	
Aberystwyth University	6,937	128	112	18	
Bangor University	6,909	30	97	0	
Cardiff University	16,071	318	105	0	
University of Wales Trinity Saint David	2,860	0	40	0	
Swansea University	10,085	29	224	0	
Cardiff Metropolitan University	6,571	59	650	2	
University of Wales, Newport	2,883	0	350	0	
Glyndŵr University	3,266	0	436	0	
Swansea Metropolitan University	2,656	3	426	0	
The Open University in Wales	0	0	0	0	
Bridgend College	0	0	28	0	
Coleg Sir Gâr	199	0	1	0	
Grŵp Llandrillo Menai	169	0	272	0	
Neath Port Talbot College	0	0	24	0	
Gower College Swansea	0	0	0	0	
Total	68,558	628	4,345	20	

Undergraduate		Postgraduate Taught		Postgraduate Research	
Part-time (excl. FO)	Part-time (FO)	Full-time	Part-time	Full-time	Part-time
2,455	1,489	1,621	1,595	156	264
1,906	40	384	883	268	61
619	16	1,317	693	559	134
5,908	0	2,848	3,169	1,294	352
2,011	5	1,297	574	34	67
1,732	0	1,021	583	568	134
956	83	1,085	1,350	168	135
2,190	1,602	372	1,153	44	28
3,102	438	745	497	45	80
1,109	0	252	456	24	62
5,317	0	0	371	0	0
4	0	0	0	0	0
128	0	0	0	0	0
317	0	0	0	0	0
39	0	0	0	0	0
50	0	0	22	0	0
27,843	3,673	10,942	11,346	3,160	1,317

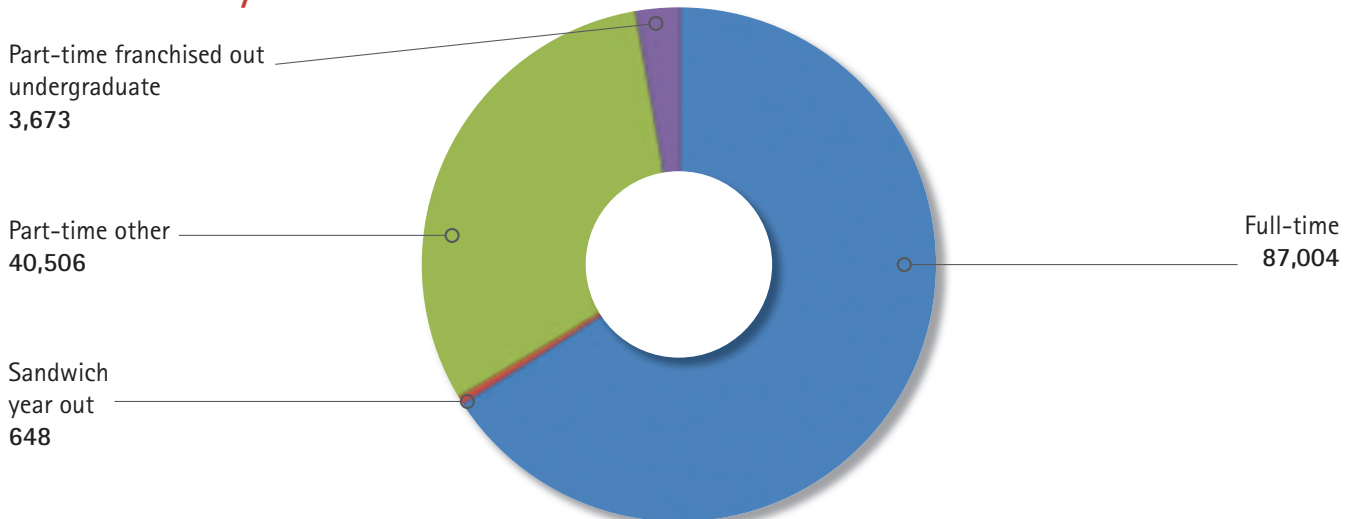
Enrolments by level and mode



Enrolments by level



Enrolments by mode



Widening access

Ensure equity, opportunity and success in higher education.

Social justice is a key Welsh Government priority.

Universities contribute to this through widening access to higher education.

We aim to:

- improve access to higher education for learners of all ages, including those under-represented in higher education and from Communities First areas.
- prioritise student learning success and retention.
- encourage flexible learning opportunities, including part-time study.

Every year, we work with universities to:

- implement strategies to widen access to and through higher education, which include increasing part-time provision and opportunities for disabled students.
- provide additional support for students to raise skills and educational aspirations to progress to HE, and enable students to fulfil their potential and complete their studies.
- provide additional – 'premium' – funding for recruiting: students from Communities First and other low participation areas; students with non-traditional qualifications; and disabled students.
- increase opportunities for regional, collaborative, cross-sector and multi-agency working, including through the Reaching Wider Programme, to widen access more effectively.

Activities in 2011–12

- Higher education institutions received £9.99 million for **widening access and retention premium funding**. The total premium funding for disabled students was more than £990k. Institutions received approximately £22 million for the Reaching Wider initiative, and £5.6 million to implement **widening access strategies and support part-time provision**.
- We provided guidance to institutions on developing their **Widening Access Strategies**, which included the opportunity to develop joint Widening Access and Learning and Teaching Strategies.
- Thirteen universities and colleges in Wales had their **fee plans** approved by us, and were consequently permitted to increase tuition fee levels for full-time undergraduate and PGCE courses to no more than £9,000 from the 2012 academic year.
- The latest UK-wide figures – Performance Indicators 2010–11 – on the make-up of the higher education sector showed that universities and colleges in Wales continued to perform well in **recruiting students from under-represented groups**.
- We continued funding for the **Universities Heads of the Valleys Institute (UHOVI)**, which included providing £1.39 million for learners in HE from the UHOVI area in 2011/12.
- We published our **Child Poverty Strategy**, which sets out our actions to contribute to delivering the Welsh Government's commitment to eradicating child poverty.

Delivering responsibilities in 2011-12 set by the Welsh Government

Task	Outcome
<p>To identify and share effective practice in retention, including through:</p> <ul style="list-style-type: none"> • publishing the HE Academy's guidance in April 2011 and • monitoring retention and completion rates. 	<p>Achieved.</p> <p>HE Academy guidance published in April 2011. Annual report on monitoring of retention and completion rates presented to HEFCW's Student Engagement Teaching and Quality Committee in June 2011.</p> <p>Annual monitoring conducted on the Corporate Strategy module completion target, as reported to Council in October 2011.</p>
<p>To promote the dissemination of good practice in the Universities Heads of the Valleys Institute (UHOVI) through a HE sector event in May 2011.</p>	<p>HE sector event held in May 2011, which included a presentation on good practice from the UHOVI Project Director.</p> <p>Ongoing meetings with Welsh Government officials and UHOVI on possible further actions.</p>
<p>To:</p> <ul style="list-style-type: none"> • monitor the evidence base for and report on part-time, employer-focused provision, and opportunities for progression from FE. • report to the Minister for Education and Skills by March 2012. 	<p>Achieved.</p> <p>HEFCW:</p> <ul style="list-style-type: none"> • Considered statistical and other evidence, and steered the CQFW project on progression. • Commissioned a review of employer perceptions of higher education by consultancy Old Bell3. • Delivered a part-time, employer focused provision, and progression from FE seminar; and a Foundation Degree conference with the Higher Education Academy. • Submitted a report on part-time provision to the Education Minister in March 2012.

The student experience

Ensure that the student learning experience is of high quality.

The outcomes of the National Student Survey, and surveys of the experience of international students in Wales, show how universities make an excellent student experience for a diverse student population a priority, and make sure that students are well-informed and listened to.

We ensure that the quality of funded provision in higher education institutions is assessed, and help the HE sector to increase the number of students who complete some of their course in Welsh.

We aim to:

- ensure a high quality student learning experience in higher education.
- encourage institutions to continuously enhance the student experience for the diverse student population.
- evaluate technology-enhanced learning to reflect new and innovative techniques.
- work with the HE sector to extend the range of Welsh medium provision.
- help institutions to enhance their provision.
- support Education for Sustainable Development and Global Citizenship through HE sector networks.
- support the Welsh Government's international strategy and ensure that higher education institutions contribute effectively to European developments.
- work with HE providers to encourage innovative programme design and more flexible provision.
- continue to meet our statutory responsibilities for initial teacher training.

Every year, we work with higher education institutions:

- who receive funding to implement learning and teaching strategies and share good practice,

including enhancing learning and teaching through technology.

- whose standards and quality are assessed by the Quality Assurance Agency for Higher Education (QAA).
- by funding the Higher Education Academy which helps the HE sector provide the best possible learning experience for all students.
- which we fund to maintain and develop Welsh medium courses.
- who nominate members to our Student Experience, Teaching and Quality Committee, and our Research, Innovation and Engagement Committee, which advise our Council on policy issues in these areas.
- to address the Welsh Government priority of Education for Sustainable Development and Global Citizenship.

We also work with:

- the UK HE International Unit, WHEB and HEW on opportunities that encourage further internationalisation in HE institutions.
- the National Union of Students Wales, through the Wales Initiative for Student Engagement (WISE), and through supporting the 'Have your Say' campaign.

Activities in 2011-12

- HEFCW approved institutions' first fee plans under the new arrangements, which outlined how they would spend some of their additional fee income on widening access and promoting HE, and which allowed them to charge each full time undergraduate and PGCE student more than £4,000 from 2012/13.
- Y Coleg Cymraeg Cenedlaethol, which HEFCW has been instrumental in setting up, supports Welsh medium higher education working with

and through universities in Wales. It was formally established in March 2011 and invited students, prospective students and staff to join the Coleg from September 2012.

- We continued to support the HE Academy's work to enhance learning and teaching and the **student experience**. This included endorsing the revised Professional Standards Framework for the UK, which helps improve the quality and accountability of teaching in higher education.
- We published guidance on developing **student charters**, which should be agreed jointly with student unions, and should clearly lay out the mutual roles and responsibilities of institutions and their students. We also provided guidance on best practice in funding effective, democratic student unions, and student representation.
- The outcomes of the **National Student Survey 2011** showed that, overall, 83% of respondents in Wales were satisfied with their course.
- We confirmed that £1.252 million would be available to support the learning and teaching element of institutions' **Learning and teaching and widening access strategies**.
- An implementation review of our *Enhancing Learning and Teaching through Technology strategy* found that there was a good level of maturity in practices across the higher education sector.
- HEFCW-funded projects, Gwella and the JISC Building Capacity Programme, were showcased at an event in April 2011, which gave staff in HE a chance to reflect on success and lessons learned from recently completed **learning and teaching innovation projects**.
- We published our *Strategic Approach to the Student Experience*, which identified: the features of an excellent student experience; measures of success; and actions we would undertake in relation to our Corporate Strategy intentions. They included publishing guidance on **Key Information Sets** to help prospective students choose a course by accessing information on study costs, time spent on learning and teaching activities, course assessment methods, student satisfaction and graduate employability from September 2012.
- With the support of the Education Minister and the President of NUS Wales, we re-launched the **Wales Initiative for Student Engagement**, which included pledges to improve how higher education students gave and received feedback in universities and colleges.
- We consulted on and announced the outcomes of changes to the **QAA's institutional reviews of universities in Wales**.
- We published revised procedures on **accrediting providers of initial teacher training**.

Delivering responsibilities in 2011–12 set by the Welsh Government

Task	Outcome
<p>To implement our <i>Strategic Approach to the Student Experience</i>, reporting annually on progress to HEFCW's Student Engagement Teaching and Quality Committee. To include working with NUS Wales to establish good practice in:</p> <ul style="list-style-type: none"> • funding students' unions and • student representation on decision-making bodies <p>to improve the student experience.</p>	<p>Achieved.</p> <p>References to student union funding was built in to learning and teaching strategy guidance.</p> <p>Following work with NUS Wales and Higher Education Wales, and consultation, we published Guidance on good practice in funding of effective, democratic student unions, and student representation on 28 March 2012.</p>
<p>To work with NUS Wales and HE institutions to ensure joint agreement of a student charter.</p>	<p>Achieved.</p> <p>Guidance agreed with NUS Wales and HEW published in September 2011.</p>
<p>To secure the launch of the Coleg Cymraeg Cenedlaethol, before it became fully operational in September 2011.</p>	<p>Achieved.</p> <p>Coleg now operating. Twice-yearly monitoring meetings established.</p>
<p>To continue to engage with the University of Wales on quality and governance assurance, reporting on the Institutional Review outcomes by June 2011.</p>	<p>Letter sent in July 2011.</p>

Skills

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

Universities in Wales produce more than 30,000 graduates a year.

We are committed to ensuring that graduates are equipped for the world of work and for their roles as citizens.

We aim to:

- retain graduate skills in the Welsh economy and enhance the contribution of graduate skills more widely, through flexible programmes and work-based learning.
- increase higher-level and entrepreneurial skills in the workforce.
- encourage careers guidance and improve employability.
- support institutions to deliver newly qualified teachers of the highest quality.

Every year we work with higher education institutions:

- to contribute to economic development and delivering social justice, including in the areas of skills and employability.
- who are leaders in employability initiatives in the UK with schemes such as GO Wales, which have strengthened employer links by supporting a range of work experience and training opportunities.
- to support initial teacher training (ITT) providers in meeting training and teaching priorities set by the Welsh Government, Estyn and HEFCW, which include: training for secondary priority subjects and Welsh medium teachers; school partnerships; maintaining and enhancing quality; and curriculum development.
- to support the priority subjects of science, technology, engineering and mathematics (STEM) and modern foreign languages.

Activities in 2011-12

- We outlined our commitment to graduate skills through developing the **Skills and Employability Framework** along with our partners Higher Education Wales, CBI Wales and NUS Wales.
- A number of subject areas received **regional funding allocations** from HEFCW, which were designed to better match the needs of learners and businesses in the local economy, improve skills and help employers to access local higher education support and expertise. We also outlined arrangements for continuing the development of a regional dimension to planning and delivering HE.
- We continued to co-fund the Higher Education STEM Programme, an initiative to promote **science, technology, engineering and mathematics (STEM)** and encourage innovation in England and Wales, which Swansea University leads within Wales.
- We continued to fund CILT Cymru to deliver the Welsh 'region' within England's wider *Routes into Languages* initiative, enabling groups of our universities to work closely with schools and colleges to motivate and encourage people to **study languages**.
- **GO Wales**, the established student and graduate employability programme managed by HEFCW and delivered through universities, secured significant European Social Funding from January 2012 to December 2014.

Delivering key tasks in 2011–12 set by the Welsh Government

Task	Outcome
To continue work to enhance graduate employability, including through institutions' publication of an employability statement.	Achieved. All HE institutions and most directly-funded FE institutions have published employability statements and these have been reviewed by the Wales Employment and Skills Board. Ongoing work with Colegau Cymru regarding other FE institution statements.

Knowledge Transfer

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

Universities contribute more than £2 billion a year to the Welsh economy, attract inward investment and generate export earnings.

Knowledge created in higher education institutions must be made accessible for use in the economy and society more widely, through institutions developing their links with employers, and their cultural and civic roles.

We aim to:

- benefit economy and society – create wealth and knowledge – through delivering productive relationships between HE institutions and the public and private sectors, other agencies and local communities.

Every year, we work with higher education institutions:

- to contribute to economic development and social justice-related activities, which include those around sustainability, enterprise, innovation and inward investment.
- which implement Innovation and Engagement strategies to support economic and social well-being.
- to increase the commercialisation of research.
- to further their public engagement roles.

Activities in 2011-12

- A new three year cycle of **Innovation and Engagement (I&E) funding** started, and we delivered more than £5.98 million to support Innovation and Engagement strategies. The funding supports a number of institutional and collaborative projects that impact on social and economic well-being.
- In 2010/11, Welsh universities, which make up some 5% of UK higher education, generated 10% of all UK graduate business-start-ups and more than 10% of estimated turnover (around £28.4 million) from all active UK graduate start-up firms. These were the findings of the latest UK-wide HE –Business and Community Interaction Survey (HE-BCI) on how HE institutions work with and generate business.

Research

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

Research creates knowledge which, when applied, can address concerns in society, provide new, high-level jobs, and generate wealth.

We direct funding to help strengthen research, and to secure sustainable excellent research that is recognised around the world. We also encourage universities to collaborate in order to strengthen their research goals.

We aim to:

- maintain a stronger internationally-competitive and thriving research base.
- encourage sizeable research groupings and collaboration in a range of disciplines, particularly in areas of strength and national priority.
- encourage the HE sector to secure more research income from sources other than HEFCW, through Research Council grants and commercialising their research outputs.
- support economic development by attracting new inward investors based on the commercial relevance of Welsh research expertise.
- increase the size of and support for the postgraduate community.

Every year, we work with higher education institutions:

- which carry out research that advances knowledge and practice which can be further applied and transferred.
- which receive HEFCW funding for research through the QR (Quality Research) funding stream, which supports research excellence based on the outcomes of the Research Assessment Exercise (RAE).

- by providing support from our postgraduate research funding stream (PGR) which trains the next generation of researchers.
- to progress developments that strengthen their capacity to carry out research capacity collaboratively.

Activities in 2011-12

- We provided input to the Welsh Government's Science for Wales strategy.
- Along with the other UK funding bodies, we published guidance materials on assessment and procedures for the Research Excellence Framework (REF) 2014.
- Along with UK funders of research, and other stakeholders, we agreed a number of principles to support researchers who move between the UK research base and other nations around the world, which include promoting *Euraxess UK* as the main information portal for researchers.
- We announced £4.2 million research capital funding for qualifying institutions, provided in part by the UK Department of Business Innovation and Skills and the Welsh Government, and to be used to support the development of the physical research infrastructure.

SUPPORTING THEMES

Reconfiguration and collaboration

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

We are committed to delivering the Welsh Government's priority of a strong, reshaped HE system that offers more accessible higher education opportunities and improved provision for students through helping to build critical mass.

HE in Wales is part of a UK and wider international market for students and staff. We wish to see a stronger HE sector through collaborations and mergers, to help improve funding opportunities and make them more financially resilient.

We are aiming for:

- a diverse and internationally competitive higher education system.
- an embedded culture of regional collaboration and a fall in unwarranted course duplication.
- a more strategic approach towards distributing our funding to HE institutions.
- a reduction in the number of universities, but not the number of locations for higher education.
- no more than two HE institutions to have an income below the UK median, neither of which should be in south-east Wales.

We work with higher education institutions:

- to review their estates strategies, which include the accommodation requirements of students and financial and environmental sustainability issues.

Activities in 2011-12

- We submitted advice to the Education Minister about the future structure of the higher education sector in Wales. The Welsh Government subsequently published the advice, and invited representations from interested stakeholders before announcing its preferred outcome in November 2011.
- We published the outcomes of the **strategic reallocation of student numbers 2013/14** exercise, which would reallocate full-time undergraduate and PGCE student numbers across the HE sector in Wales according to: the amount of priority and expensive subject provision at an institution; how successfully they are meeting Welsh Government priorities; and whether their fee levels are set at an average of £7,500 or less.
- We revised the criteria for submissions to our **Strategic Development Fund** to focus more on proposals for sector reconfiguration, and we announced that we would no longer be considering new proposals through our Reconfiguration and Collaboration fund, which had supported a number of major projects since 2002, given that *Reaching Higher* funding would be discontinued.

Delivering key tasks in 2011–12 set by the Welsh Government

Task	Outcome
To take forward the HEFCW target on institutional income and our statement on the future shape of the sector, using levers available.	<p>Advice submitted to and published by the Education Minister in July 2011 on the future sector structure of HE.</p> <p>Support provided in strategic reallocation of student numbers exercise to prevent any adverse impact of merger developments in south west Wales.</p>
To seek revised regional strategies by October 2011.	<p>Achieved.</p> <p>Further guidance published in July 2011 and three revised regional strategies submitted to HEFCW in October 2011.</p> <p>Strategies analysed and considered by HEFCW's Strategic Development Committee in January 2012.</p>

Governance

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

Universities' governing bodies set their direction and ensure executive teams are accountable for their performance.

We encourage governing bodies to continuously improve the quality of governance, and to support the long term sustainability of the HE system through establishing a restructured higher education system that best meets the needs of Wales.

We aim to:

- further develop leadership and governance within the higher education sector.
- promote the role of HE providers as 'corporate citizens'.

We:

- engage strategically with higher education institutions, which includes giving feedback on strategic plans, monitoring progress, working on enhancing certain areas of performance, and ensuring our Council visits each HE institution at least once every three years.
- assess HE institutions' reports on progress against strategies and HEFCW initiatives.
- review institutions' five year financial forecasts and their annual audited financial statements in order to assess their sustainability.
- support institutions in adhering to external guidelines and legislation in areas such as equality and sustainability.
- monitor individual institutions' and the HE sector's procurement progress and performance.
- continue to support the governance and management work of the Leadership Foundation for Higher Education (LFHE) and the Committee of University Chairs (CUC), and others involved in governor and management development.

Activities in 2011-12

- Our Council visited Glyndŵr and Aberystwyth Universities and the University of Wales, Newport as part of our rolling three-year programme of institutional visits.
- In our annual institutional risk review, no institutions were assessed as at 'High' risk overall, seven institutions were assessed as at 'Moderate' risk, which prompts a dialogue with HEFCW, and three institutions assessed as at 'Low' risk overall.

Delivering key tasks in 2011–12 set by the Welsh Government

Task	Outcome
To require institutions, in financial forecasts, to exemplify actions taken and financial impact in respect of the Welsh Government's Front Line Services Review.	Information was received in the financial forecasts relating to planned actions. Progress in implementing these actions and achieving the planned efficiencies reported in the financial information submitted to HEFCW by 31 July 2012.
To work with the Welsh Government in developing policies arising from the HE Governance Review and determine actions for HEFCW for their implementation.	Progress aligned with the Welsh Government's plans and timetable for consulting on the review report's recommendations.

HEFCW as an organisation

We aim to provide an environment in which our staff can realise their full potential so that HEFCW can, in turn, deliver its policy objectives and provide an effective service.

As an intermediary body between the Welsh Government and the higher education sector, we act within an environment over which we exercise influence rather than control.

HEFCW's accountability

A Management Statement and Financial Memorandum defines the relationship between HEFCW and the Welsh Government.

The chief executive is accountable to the Welsh Government and to the National Assembly for Wales for use of the public funds made available to HEFCW.

The Welsh Government's Minister for Education and Skills holds quarterly meetings with the chairman and chief executive, and Welsh Government officials conduct quarterly performance review meetings with the chief executive and HEFCW staff.

The independent office of the Auditor General for Wales (Wales Audit Office) audits our records and accounts.

HEFCW's Council and executive

During 2011-12, there were 12 members of the Council, including the chairman.

The Council met seven times in 2011-12. An assessor from the Welsh Government attends the meetings. The chief executives of the Higher Education Funding Council for England (HEFCE) and the Scottish Funding Council (SFC), and the president of the National Union of Students in Wales have observer status on the Council.

The average number of full-time equivalent posts in HEFCW in 2011-12 was 51. This included staff working on a full time, part-time, job-share, or fixed term basis, staff on long and short-term

secondments and students working on placements.

In order to fulfil our mission, we aim to:

- recruit and develop staff who perform effectively and demonstrate the values and behaviours of the organisation.
- always assess and identify areas for improvement and take the required action in order to meet future challenges.
- ensure that we provide an effective service to our stakeholders and partners, and that clear and considered communications support our internal operations and our relationships with partners.
- work effectively and be a model employer, having maintained the Investors in People standard.
- work efficiently and reduce environmental impact, including through employing sustainable procurement.

What we do

- We produce a longer-term corporate strategy and a more detailed, one-year operational plan. Progress against the targets in the operational plan is reviewed quarterly by our Council and at meetings with the Welsh Government.
- Our corporate and fraud risk registers identify risks associated with delivering our corporate objectives and the environment within which we operate, and include measures for managing those risks.
- Our Welsh Language Scheme outlines our commitment to treating the Welsh and English languages on the basis of equality in providing services to the public in Wales.
- Our new Strategic Equality Plan states our responsibilities towards individuals with

protected characteristics. We involved staff and other stakeholders in developing our Plan, which covers HEFCW as an employer and policies relating to the HE sector.

- We collect and analyse information on staff and job applicants with protected characteristics. As a small organisation, we were unable to publish our 2011-12 data without identifying individuals.
- We have an externally verified environmental management system, and work with staff to implement improvements in environmental performance.
- We procure our goods and services as collaboratively as possible, using technology to support procurement. We meet Welsh Government targets on sustainable procurement and efficiencies and report the benefits accrued from our procurement.
- Welsh Government performance reviews and monitoring, Investors in People, external stakeholder surveys and internal staff surveys all assess the degree to which we meet our objectives.
- We keep our staffing and support structure under review, and also our financial and other systems, to ensure that they continue to be appropriate to safeguard public funds and deliver value for money.

Access to information

Publication Scheme

HEFCW's Publication Scheme, drawn up under Section 19 of the Freedom of Information Act 2000 and available at www.hefcw.ac.uk or in hard copy on request, sets out: the information we publish, or intend to publish; how this information will be published; and whether the information is available free of charge or not.

Code of Conduct and register of interests

All Council members and staff are required to abide by a Code of Practice and to register financial, political and other interests relevant to HEFCW business. The register of Council and committee member interests is available on request from the Council Secretary and from www.hefcw.ac.uk.

Complaints

We operate a Complaints Against HEFCW Procedure and HEFCW can be investigated by the Public Services Ombudsman for Wales. We received one request to consider a complaint under the Complaints Procedure during the year.

In 2011-12:

- The Welsh Government Cabinet endorsed the recommendations set out by the Education Minister following the McCormick review of HE governance in Wales that a **new arms-length body** with increased planning and regulatory powers be created to succeed HEFCW.
- We carried out our second **survey of stakeholders and partners**. 74% of respondents had a favourable overall impression of HEFCW.
- HEFCW signed a Memorandum of Understanding with the Charity Commission to improve liaison and work more effectively when developing guidance for the HE sector.
- We retained our Investors in People standard for a further three years following a review.
- We developed our new Strategic Equality Plan.
- HEFCW maintained accreditation against the **ISO 27001 Information Security Management System Standard**, after originally achieving certification in September 2007.

Delivering key tasks in 2011-12 set by the Welsh Government

Task	Outcome
<p>To:</p> <ul style="list-style-type: none"> • prepare an operational plan in April 2011 based on HEFCW's Corporate Strategy and remit letter. • submit operational plan to the Education Minister by the end of May 2011. • provide regular progress updates on the operational plan to the Welsh Government. 	<p>Achieved.</p> <p>Draft operational plan submitted by 31 May deadline and subsequently approved.</p>
<p>To work with the HE sector in order to ensure robust monitoring and reporting arrangements for fee plans, building on existing widening access work.</p> <p>To submit a report on fee plans to the Education Minister.</p>	<p>Achieved.</p> <p>Report presented to Education Minister in March 2012 on 2011 exercise, and circular issued to request 2013/14 fee plans.</p>
<p>To work with the Welsh Government and the Student Loans Company (SLC) to agree cost effective and timely arrangements for paying fee support grant to HE institutions in Wales and in the rest of the UK.</p>	<p>Service Agreement with the SLC agreed.</p> <p>Student number and cash forecasts shared and payment dates agreed.</p>
<p>To keep in place the mechanisms established to prevent over-recruitment of students.</p> <p>To submit a report to the Education Minister by February 2012.</p>	<p>Achieved.</p> <p>Report submitted to Minister, February 2012.</p>
<p>To establish a new Public Investment Fund from 2012/13, with initial proposals to Council in July 2011, before consulting as appropriate.</p>	<p>Achieved.</p> <p>Following consultation, proposals agreed by Council in October 2011.</p> <p>Final outcomes considered in March 2011 Council.</p>
<p>To undertake an organisational review in the light of running cost reductions.</p>	<p>Review conducted.</p> <p>Voluntary exit scheme implemented and completed.</p> <p>Cost reductions on track as per running costs budget.</p> <p>Further engagement in detailed work on completing the new organisational design.</p>

Council committees and working groups in 2011-12

Each year, we ask universities and other partners to nominate members for our Student Experience, Teaching and Quality Committee and our Research, Innovation and Engagement Committee, both of which advise our Council on policy in these areas.

Appointments Committee Chair: **Roger Thomas**

Audit and Risk Committee Chair: **David Allen**; **David Mason** from December 2011

Human Resources Committee Chair: **Nina Park**

Remuneration Committee Chair: **Roger Thomas**

Research, Innovation and Engagement Committee Chair: **Professor Robin Williams**

Strategic Development Committee Chair: **Dame Sandra Burslem**

Student Experience, Teaching and Quality Committee chair: **Professor Leni Oglesby**

Members of Council during 2011-12

Chairman

Roger Thomas

– 5 May 2008 to 4 May 2011;

reappointed 5 May 2011 to 4 May 2014

Roger Thomas OBE, CCMI, FRSA, OSTJ was chair of governors and pro-chancellor of University of Glamorgan, and chairman of Chairs of Higher Education Wales. In the latter capacity he was a member of the Chairs' Group of Committee of University Chairmen (CUC) and also a member of the board of Universities and Colleges Employers Association (UCEA); and the Joint Negotiating Committee for Higher Education Staff.

Outside higher education, Roger is a director and vice chairman of Business in Focus Ltd (enterprise agency), a director of Cardiff and Vale Enterprise International Ltd and a judge of the Provincial Court of Church in Wales. He was formerly a senior partner at Eversheds solicitors, Cardiff, Vice President of the National Museums and Galleries of Wales, a director of Welsh National Opera, a member and vice chairman of Techniquest's Council, Business Partnership Adviser to the National Assembly for Wales, a member of Council at Cardiff University and High Sheriff of South Glamorgan 2011-12.

Other members

Professor Philip Gummett

– From May 2004

Philip Gummett was chief executive of the Higher Education Council for Wales (HEFCW) until October 2012. He joined HEFCW from Manchester University, where he was pro vice-chancellor, former head of the Department of Government, and Professor of Government and Technology Policy. He was a founder member and non-executive director of PREST (Policy Research in Engineering, Science and Technology) at Manchester – one of the leading science policy research centres globally – and is a former member, and chair, of the Board of Examiners of the Training Board of the Economic and Social Research Council. He is a companion of the Chartered Management Institute.

David Allen

*– 1 December 2008 to 30 November 2011;
reappointed 1 December 2011 to 30 November
2014*

David Allen OBE has been registrar and secretary of the University of Exeter since 2003 and deputy chief executive since 2009. David was until 2010 on the Board of the Leadership Foundation for Higher Education and chaired its Audit Committee. He was a member of the Leadership, Governance and Management Committee of HEFCE and was awarded an OBE for services to higher education in the 2012 New Year's Honours List.

James Bennett

*– Appointed 1 April 2010; leave of absence from
May 2010; membership ended 5 April 2011*

James (Jim) Bennett was appointed a member of HEFCW Council from 1 April 2010 but commenced leave of absence in May 2010 after being appointed as interim principal for Coleg Gwent. Jim took unpaid leave of absence from the Council until May 2011 when he resigned following confirmation of his appointment as principal and chief executive at Coleg Gwent.

Dame Sandra Burslem

*– 1 December 2008 to 30 November 2011;
reappointed 1 December 2011 to 30 November
2014*

Dame Sandra was vice-chancellor of Manchester Metropolitan University from 1997-2005. She has now been appointed a civil service commissioner. Among her board member appointments, she is deputy chair of OFQUAL's Council and is the chair of the school governors at Chetham's School of Music. She was awarded an OBE for services to higher education in 1992, and became a Dame Commander of the British Empire in the New Year Honours in 2004. She was High Sheriff for the County of Greater Manchester in 2006-07.

Bethan Guilfoyle

– 1 April 2010 to 31 March 2013

From 1996 to 2011, Bethan Guilfoyle was headteacher of Treorchy Comprehensive School, a school of 1,560 students including 325 students in the sixth form.

She is a member of the Ministerial Advisory Group for the Welsh Government's Department for Education and Skills and is chair of the Corporate Governance Committee for Health, Social Services and Children. She was a governor at the University of Glamorgan until 2010. In 2010 she was awarded a CBE for services to education. In 2011 she was appointed as an Education Commissioner for Blaenau Gwent.

Professor Mari Lloyd-Williams

*– 1 January 2007 to 31 December 2009;
reappointed 1 January 2010 to 31 December 2012*

Professor Lloyd-Williams has held a personal chair at the University of Liverpool Faculty of Medicine since 2003, where she is a consultant in palliative medicine and director of one of the largest community medical education curricula in the UK. She was lately honorary senior lecturer and medical lead of the LOROS Hospice, Leicester. She has wide experience of chairing and sitting on regional and national committees including currently the professional conduct committee of the General Medical Council and in the Department of Health committee on psychosocial care.

David Mason

– 1 April 2010 to 31 March 2013

David Mason retired after six years as principal/chief executive of Coleg Gwent in February 2004. Before that, David had been Principal of two colleges in England, and had held senior positions in the Civil Aviation Authority. Since his retirement, David has undertaken a number of consultancy projects in FE including two interim principal posts, one managing the closure of a college and the other managing a merger. David is a member of the Board of CollegesWales, and chair of the Board of Directors of Merthyr Tydfil College. He has also been Wales's education liaison officer for the Institute of Directors and is an Honorary Fellow of the University of Wales, Newport.

Professor Katherine Leni Oglesby

*– 1 December 2008 to 30 November 2011;
reappointed 1 December 2011 to 30 November
2014*

Professor Oglesby previously held academic and senior management posts at Leicester, Sheffield, Lancaster, Surrey and Manchester Metropolitan Universities, and a secondment to the Policy Division in HEFCE. She has wide experience of international, European, national and regional agencies and has been a member of HEFCE and QAA panels. She is a graduate of Cardiff University, and undertook postgraduate studies at Leicester University. She is also a fellow of the Royal Society of Arts.

Nina Park

– 1 April 2010 to 31 March 2013

Nina Park has been a vice-president for Control Techniques since 2007 with global responsibility for human resources. Control Techniques, which manufactures motor control and power conversion technologies for commercial and industrial applications, has its headquarters in Newtown, Powys, and is part of Emerson, a US\$25 billion multi-national company with 134,000 employees. After graduating from Oxford Brookes University with a BA (Hons) in English, Law, Politics and History, she began her career in recruitment before moving into human resources, and held a variety of senior positions before joining Emerson in 2005. She has a Masters in Human Resource Management and is a member of the Chartered Institute of Personnel and Development.

Professor Sir Brian Smith

*– 1 December 2002 to 30 November 2005;
reappointed 1 December 2005 to 30 November
2008; reappointed 1 December 2008 to 30
November 2011*

Sir Brian was appointed vice-chancellor of Cardiff University in 1993, and retired in 2001. Prior to that, he was master of St Catherine's College, University of Oxford. He was awarded a knighthood in 1999 in recognition of his successes in building mutually profitable links between the University and industry and commerce. Sir Brian also served on the Welsh Development Agency from October 1998, assisting in opening up markets for Wales in India and China. Sir Brian is international ambassador for Cardiff University.

Professor Robin Williams

– 1 August 2009 to 31 July 2012

Professor Robin Williams was vice-chancellor of Swansea University from 1994 until 2003. Before that he was head of the Department of Physics and Astronomy at Cardiff University, where he also held the position of vice-principal. Much of his research involved collaboration with industry worldwide and he has chaired a range of national and international committees in physics and engineering. He is a Fellow of the Royal Society and was awarded the CBE for his contribution to research and to higher education. He was a member of the Ministerial Advisory Groups for economic development and for education in Wales, and of the group established to review higher education. He chaired the Planning Board which produced a report on a model for the 'Coleg Ffederal', now established as Y Coleg Cymraeg Cenedlaethol.

Summary financial statements

For the year ended 31 March 2012

Summary financial statements

The following financial statements are a summary of the accounts for the Higher Education Funding Council for Wales (HEFCW) for the year ended 31 March 2012. The statements are an overview and do not contain sufficient information to allow for a full understanding of the results and state of affairs of HEFCW. For further information, the full annual accounts and the auditor's report on those accounts should be consulted. A copy of the audited accounts, which contain the detailed information required by law and under best practice guidelines, can be obtained, free of charge, from the Council Secretary, HEFCW, Linden Court, The Orchards, Ilex Close, Llanishen, Cardiff CF14 5DZ.

Statutory background

The Higher Education Funding Council for Wales (HEFCW) was established under the Further and Higher Education Act 1992. On 7 May 1999, the National Assembly for Wales was created and took over the majority of the functions of the Welsh Office from 1 July 1999, which led to HEFCW becoming a sponsored body of the former National Assembly for Wales, as constituted by the Government of Wales Act 1998. As a result of the Government of Wales Act 2006, HEFCW became an Assembly Government Sponsored Body and following the election of a new government in May 2011, became known as a Welsh Government Sponsored Body (WGSB).

HEFCW is responsible for the administration of funds made available by the Welsh Government, and others, in support of the provision of education and the undertaking of research by higher education institutions in Wales and the provision of prescribed courses of higher education in further education institutions in Wales, and the performance of such supplementary functions as are required of it by the Further and Higher Education Act 1992. Our responsibilities for initial teacher training are covered under the Education (School Teachers' Qualifications) (Wales) Regulations 2004 and the Education Act 2005.

Results for the year

The net operating costs for the year were £386.7 million (2010-11 net operating costs £455.6 million). The cumulative taxpayers' equity general fund at 31 March 2012 after crediting grant in aid funding of £389.1 million, was £8.0 million (31 March 2011 – £5.5 million).

Council membership

The following persons served as Council members during the reporting year:

Chair

- **Mr Roger Thomas OBE**
(reappointed 5 May 2011)
Former Chair of Governors and Pro-Chancellor of the University of Glamorgan

Members

- **Professor Philip Gummatt**
Chief Executive, Higher Education Funding Council for Wales
- **Mr David Allen OBE**
(reappointed 1 December 2011)
Registrar and Deputy Chief Executive of the University of Exeter
- **Dame Alexandra Burslem**
(reappointed 1 December 2011)
Former Vice-Chancellor of Manchester Metropolitan University
- **Professor Mari Lloyd-Williams**
(reappointed 1 January 2010)
Senior Clinical Academic, University of Liverpool
- **Professor Katherine Oglesby**
(reappointed 1 December 2011)
Former Senior Deputy Vice-Chancellor of the University of Teesside
- **Professor Sir Brian Smith**
(term of office ended 30 November 2011)
Former Vice-Chancellor, Cardiff University

- **Professor Robin Williams CBE**
(appointed 1 August 2009)
Former Vice-Chancellor, Swansea University
- **Mr James Bennett**
(appointed 1 April 2010, resigned 5 April 2011)
Former Principal of South Tyneside College
- **Mrs Bethan Guilfoyle CBE**
(appointed 1 April 2010)
Former Head Teacher of Treorchy Comprehensive School
- **Mr David Mason**
(appointed 1 April 2010)
Former Principal/Chief Executive of Coleg Gwent
- **Ms Nina Park**
(appointed 1 April 2010)
Vice President, Human Resources for Control Techniques

The following Council Members served on HEFCW's committees and panels during the year:

Committees	Members
Student experience, teaching and quality	Professor Katherine Oglesby (<i>Chair</i>), Mrs Bethan Guilfoyle, Mr David Mason, Professor Mari Lloyd-Williams (<i>to July 2011</i>)
Research, innovation and engagement	Professor Robin Williams (<i>Chair</i>), Professor Sir Brian Smith (<i>to 30 November 2011</i>), Ms Nina Park, one vacancy
Audit and risk	Mr David Mason (<i>Chair from 1 December 2011</i>), Mr David Allen (<i>Chair to 30 November 2011</i>),
Strategic development (formerly Reconfiguration and collaboration)	Dame Alexandra Burslem (<i>Chair</i>), Mr David Mason, Professor Sir Brian Smith (<i>to 30 November 2011</i>), Professor Robin Williams, Professor Philip Gummett, one vacancy
Human resources	Ms Nina Park (<i>Chair</i>), Dame Alexandra Burslem
Remuneration	Mr Roger Thomas (<i>Chair</i>), Dame Alexandra Burslem, Ms Nina Park
Appointments	Mr Roger Thomas (<i>Chair</i>), Mr David Allen (<i>to 30 November 2011</i>), Mr David Mason (<i>from 1 December 2011</i>), Dame Alexandra Burslem, Professor Katherine Oglesby, Professor Robin Williams, Ms Nina Park, Professor Philip Gummett

Auditors

The report of the Auditor General for Wales on the full annual accounts of HEFCW for the year ended 31 March 2012 was unqualified.

Report of the Auditor General for Wales to the National Assembly for Wales on the Summary Financial Statements

I have examined the summary financial statements contained in the Annual Report of the Higher Education Funding Council for Wales' statutory financial statements set out on pages 42 to 45.

Respective responsibilities of the Council, Accounting Officer and auditor

The Accounting Officer is responsible for preparing the Annual Report. My responsibility is to report my opinion on the consistency of the summary financial statements with the statutory financial statements and the remuneration report. I also read the other information contained in the Annual Report and consider the implications for my report if I become aware of any misstatements or material inconsistencies with the summary financial statements.

Basis of opinion

I conducted my work in accordance with Bulletin 2008/3 'The auditor's statement on the summary financial statements' issued by the Auditing Practices Board for use in the United Kingdom.

Opinion

In my opinion the summary financial statements are consistent with the statutory financial statements and the remuneration report of the Higher Education Funding Council for Wales for the year ended 31 March 2012 on which I have issued an unqualified opinion.

Huw Vaughan Thomas
Auditor General for Wales
Wales Audit Office,
24 Cathedral Road,
Cardiff CF11 9LJ
23 July 2012

Summary statement of comprehensive net expenditure for the year ended 31 March 2012

	2012		2011 restated	
	£'000	£'000	£'000	£'000
Expenditure				
<i>Funding of higher education:</i>				
Recurrent expenditure	379,855		431,595	
Capital expenditure	-		17,223	
Other purposes	21,819		28,204	
	<u>401,674</u>		<u>477,022</u>	
<i>Council expenditure:</i>				
Staff costs	2,728		2,243	
Depreciation	58		76	
Amortisation	-		-	
Loss on disposal of fixed assets	-		2	
Other expenditures	607		593	
	<u>3,393</u>		<u>2,914</u>	
Total expenditure		(405,067)		(479,936)
Income				
Income from activities		<u>18,406</u>		<u>24,299</u>
Net operating costs		(386,661)		(455,637)
Interest receivable		3		4
Appropriations		(2)		(4)
Net operating costs after interest transferred to taxpayers' equity		<u>(386,660)</u>		<u>(455,637)</u>

Summary statement of financial position

as at 31 March 2012

	As at 31 March 2012	As at 31 March 2011
	£'000	£'000
<i>Non-current assets</i>		
Property, plant and equipment	135	184
Intangible assets	-	-
Total non-current assets	135	184
<i>Current assets</i>		
Trade and other receivables	1,477	804
Cash and cash equivalents	7,550	5,515
Total current assets	9,027	6,319
Total assets	9,162	6,503
<i>Current liabilities</i>		
Trade and other payables	(1,106)	(927)
Provisions for liabilities and charges within one year	(1)	(7)
Total non-current assets plus net current assets	8,055	5,569
<i>Non-current liabilities</i>		
Provision for liabilities and charges after one year	(19)	(22)
Assets less liabilities	8,036	5,547
<i>Taxpayer's equity</i>		
General reserve	8,036	5,547
	8,036	5,547

Summary statement of cash flows

for the year ended 31 March 2012

	2012	2011
	£'000	£'000
Net cash outflows from operating activities	(387,106)	(455,618)
Net cash flows from returns on investments and servicing of finance	1	-
Net cash outflow from investing activities	(9)	(96)
Net cash flows from financing activities	389,149	456,869
Net increase in cash	2,035	1,155

Statement of changes in taxpayers' equity

for the year ended 31 March 2012

	General reserve
	£'000
Balance at 1 April 2011	5,547
<i>Changes in reserves 2011-12</i>	
Net operating costs	(386,660)
Total recognised income and expense for 2011-12	(386,660)
Funding from Welsh Government	389,149
Balance at 31 March 2012	8,036

Notes

1. Basis of preparation

The summary financial statements have been prepared under the historical cost convention, with reference to the Companies Act 1985, having regard to the Companies (Summary Financial Statement) Regulations 1995 (SI 1995/2092) as far as is relevant, the 2011-12 Government Financial Reporting Manual (FRM) and complies with a direction issued by Welsh Ministers, with the consent of the Treasury, in exercise of the powers conferred by paragraph 16(2), schedule 1 to the Further and Higher Education Act 1992.



Professor Philip Gummatt
Chief Executive and Accounting Officer
20 July 2012