

## Cylchlythyr | Circular

# HEFCW review of part-time higher education provision

**Date:** 09 March 2021  
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**To:** Heads of higher education institutions in Wales  
Principals of directly-funded further education colleges in Wales  
Other interested parties  
**Response by:** No response required  
**Contact:** Name: Nicola Hunt  
Telephone: 029 2085 9735  
Email: [nicola.hunt@hefcw.ac.uk](mailto:nicola.hunt@hefcw.ac.uk)

This circular provides the outcomes of HEFCW's qualitative review of part-time provision in 2019/20, together with a separate analysis of part-time provision from 2008/09 to 2017/18. It also provides an update on our plans for a review of our teaching funding methodologies.

If you require this document in an alternative accessible format, please email [info@hefcw.ac.uk](mailto:info@hefcw.ac.uk).



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## Introduction

1. This circular provides the outcomes of HEFCW's qualitative review of part-time provision in 2019/20, together with a separate analysis of part-time provision from 2008/09 to 2017/18. It also provides an update on our plans for a review of our teaching funding methodologies.

## Background

2. HEFCW's teaching funding is provided in the form of an annual block grant to institutions. It is largely focused on undergraduate part-time provision, through our part-time credit-based method, per capita funding, and part-time undergraduate premia<sup>1</sup>. We also provide funding via our part-time undergraduate fee waiver scheme. In addition to providing funding for part-time provision, we provide per capita funding, a disability premium and funding for expensive and higher cost subjects in relation to full-time undergraduate provision. We also provide per capita and disability premium funding for postgraduate provision.
3. In September 2018, via circular [W18/24HE](#) *Consultation on changes to funding methods for 2019/20 and future developments*, we committed to undertake a review of our teaching funding methodologies, with changes implemented on a phased basis, from 2019/20 onwards. It was intended that this review would enable us to look at our funding methodologies on a broader basis, including a stronger focus on the goals of the Well-being of Future Generations Act 2015. In addition, it would enable us to introduce additional changes, where appropriate, to make further progress against the recommendations of Welsh Government's (WG) [Review of higher education funding and student finance arrangements](#) ("the Diamond review"), taking account of the assumed increases in funding. It would also provide the opportunity to review and update elements of the funding methodology where necessary, e.g. in cases where these elements had been developed several years ago and were no longer fit for purpose.
4. We published the outcomes of our consultation via [circular W19/09HE](#) *Outcomes of consultation on changes to funding methods for 2019/20 and beyond* and implemented the changes we had set out there. Principally, these were:
  - the use of TRAC(T) costs data to calculate subject relativities for an allocation of funding for higher cost subjects in AY 2019/20 for full-time undergraduate provision;
  - the provision of additional funding in 2019/20 for subjects which were included in the expensive subjects premium (ESP) (Clinical Medicine and Dentistry and the performance element of Conservatoire training) at an equivalent level to the funding provided in England for the provision of these subjects in 2018/19.

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<sup>1</sup> Regulated institutions in Wales (with an approved fee and access plan in place) are able to charge up to a maximum fee of £9000 for full-time undergraduate courses in Wales.

5. In July 2019, in the context of a discussion of proposed allocations of funding for 2020/21, HEFCW Council advised that our funding methods should be informed by the principles of championing the student interest and public policy, and focusing on the skills needs of the economy.
6. To this end, and as part of the ongoing phased review, in 2019/20 we commissioned Old Bell3 (OB3) to undertake a qualitative review of part-time higher education provision in Wales, supported by data analysis by HEFCW. HEFCW Council established a part-time task and finish group (comprising Council members, NUS Wales and HEFCW staff) to advise and oversee the programme of work, the outcomes of which would inform changes to our part-time higher education policy and funding methodologies from 2020/21 onwards.

### **Part-time higher education review: outputs in 2019/20**

7. We received the final report from OB3 in March 2020, which took account of contributions from higher education institutions and further education institutions in Wales, as well as stakeholder organisations and NUS Wales. This report is provided at **Annex Ai**. The Executive Summary is provided at **Annex Aii**.
8. Additionally, our analysis of part-time higher education provision from 2008/09-2017/18 provides a useful source of information on trends in part-time higher education provision. The data used for this analysis have been taken primarily from the Higher Education Statistics Agency (HESA) student records<sup>2</sup> from 2008/09 to 2017/18, with some updates for 2018/19, and HESA destinations of leavers from higher education (DLHE) surveys<sup>3</sup> for 2008/09 to 2016/17. This report is provided at **Annex B**.

### **Teaching funding review**

#### Impact of Covid-19 pandemic

9. The Council's part-time task and finish group considered these two reports during a series of meetings in spring 2020. The group advised that we consider the impact of our existing part-time credit-based methodology and that any changes should have a positive impact in terms of outcomes for students, as part of our approach to incentivise institutions to deliver part-time provision.
10. Our initial discussions on plans for the funding review, including the formulation of recommendations to HEFCW Council and plans for stakeholder engagement, coincided with the first national lockdown in

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<sup>2</sup> Details of the HESA student records can be found [here](#).

<sup>3</sup> Details of the HESA DLHE surveys can be found [here](#).

Wales (and the rest of the UK) in March 2020, as the Covid-19 pandemic took hold.

11. Our view was that there was a significant risk that any substantial changes to our funding methodologies made during the immediate Covid-19 operating context could cause unnecessary disruption within the sector. Additionally, the planned teaching funding review was intended to take account of anticipated additional funding for HEFCW following the implementation of the recommendations of the Diamond review. In the event, the impact of the pandemic resulted in an immediate reduction to HEFCW's budget, with the impact in future years still the subject of some uncertainty. Any changes to our funding methodologies would need to be considered in this context.
12. HEFCW Council considered the OB3 report alongside the HEFCW data analysis at its meeting in July 2020 and approved the recommendation that we proceed with a partial review of teaching funding, for implementation in 2022/23, with a fuller review to follow. This would run alongside our review of our research funding methodology, planned for implementation after the 2021 Research Evaluation Framework.

#### Partial teaching funding review in 2020/21 and 2021/22

13. HEFCW's partial review of teaching funding will run through 2020/21 and 2021/22, with any subsequent changes implemented in the 2022/23 academic year. We have taken account of advice from our Quality Assessment Committee and Student Opportunity Achievement Committee in considering our initial steps, as well as the steers from the part-time task and finish group. The partial review will focus on aspects of our part-time higher education funding methodology which require more immediate attention, including specific technical issues such as the use of the outdated Communities First element of the Access and Retention premium.

#### Full teaching funding review

14. We will address the outcomes of the OB3 report and HEFCW's data analysis report as part of our full teaching funding review.
15. As part of our annual programme of engagement with institutions and key stakeholders, we want to understand whether HEFCW's teaching funding is being used effectively, including whether HEFCW's current credit-based funding methodology remains fit for purpose, as highlighted in the OB3 report and noted by the Council in July 2020. We also want to understand what the impact of our part-time higher education funding has been to date.
16. The ongoing Covid-19 pandemic and associated impact on the economy suggest a need for new and increased opportunities for students to be able to study with flexibility, with additional support required for the up-skilling

and re-skilling of mature students, regardless of the mode of study. We will take account of this and other policy drivers as part of the full review.

### Next steps

17. We aim to consult on initial proposals for our partial review in spring 2021. Any changes would be expected to take effect in 2022/23, subject to satisfactory funding being available to HEFCW, and plans for the establishment of the new Commission for Tertiary Education and Research. We anticipate that this consultation would also seek broader views to inform work on potential changes from 2023/24, (i.e. our full review of teaching funding) with a particular focus on the post-Covid recovery.

### **Further information**

18. For further information on the teaching funding review and associated policy development, contact Nicola Hunt (tel 029 2085 9735; email [nicola.hunt@hefcw.ac.uk](mailto:nicola.hunt@hefcw.ac.uk)).
19. For further information on the HEFCW analysis of part-time data, contact Hannah Falvey (tel 029 2085 9720; email [hannah.falvey@hefcw.ac.uk](mailto:hannah.falvey@hefcw.ac.uk)).

### **Assessing the impact of our policies**

20. The impact assessment conducted in advance of the OB3 study highlighted the potential positive impact of part-time provision on students from under-represented groups, including mature students and students studying through the medium of Welsh.
21. Changes to HEFCW's funding methodologies will be impact assessed (including as part of our consultation processes) to help safeguard against discrimination and promote equality. We will consider the impact of policies on the Welsh language, and Welsh language provision within the HE sector in Wales and potential impacts towards the goals set out in the Well-Being of Future Generations (Wales) Act 2015 including our Well-Being Objectives. Contact [equality@hefcw.ac.uk](mailto:equality@hefcw.ac.uk) for more information about impact assessments.