

Cylchlythyr | Circular

HEFCW review of teaching funding: Outcomes of stage one consultation

Date: 3 May 2022
Reference: W22/10HE
To: Heads of higher education institutions in Wales
Principals of directly-funded further education institutions in Wales
Response by: No response required.
Contact: Name: Nicola Hunt
Telephone: 029 2085 9735
Email: nicola.hunt@hefcw.ac.uk

This circular provides the outcomes of consultation circular [W21/26HE and stage one of our review of teaching funding](#). The consultation provided information on proposed changes to our teaching funding methods for academic year 2022/23 and asked several open questions on priorities for funding from AY 2023/24 and beyond.

If you require this document in an alternative accessible format, please email info@hefcw.ac.uk.



Noddir gan
Lywodraeth Cymru
Sponsored by
Welsh Government

Introduction

1. This circular provides the outcomes of consultation circular [W21/26HE and stage one of our review of teaching funding](#). The consultation provided information on proposed changes to our teaching funding methods for academic year (AY) 2022/23 and asked several open questions on priorities for funding from AY 2023/24 and beyond.

Background

2. In August 2021, we published consultation circular [W21/26HE](#) as part of the first stage in our review of teaching funding. In that circular, we consulted on a small number of changes to our teaching funding methods, which we anticipated would take effect in the 2022/23 academic year. These changes related to HEFCW's Access and Retention premium and the [undergraduate part-time fee waiver scheme](#).
3. The circular provided information on development work which would inform the second stage of our teaching funding review. This work related to HEFCW's premium for Welsh medium provision (additional costs of study), and the subject relativities which we use in our funding models. We also asked several open consultation questions in order to gather views to inform the second stage of our funding review.

Consultation outcomes

4. We received 12 responses to the consultation, which closed in September 2021. We appreciate the time and effort taken by respondents in providing thoughtful responses to our questions.
5. Questions 1-10 of the consultation related to proposed changes to our teaching funding methods for implementation in the 2022/23 academic year (AY). The outcomes of these questions, and proposed actions, are listed in paragraphs 7-32 below. A summary of the responses is provided at **Annex A**.
6. Questions 11-24 of the consultation sought views on broader aspects of our funding methods, including aspects which should be retained or amended, and whether the current balance of HEFCW's funding for full-time and part-time provision was appropriate. The consultation responses reflected a range of views on a number of issues which we have considered in the development of our proposals, which we expect to publish via a consultation circular in early May 2022. Key points raised are provided in paragraphs 33-40 below. A summary of the responses to these questions is provided at **Annex B**.

Proposed changes for AY 2022/23

Access and Retention premium

Q1: Do you agree with our proposal to update the methodology for the Access and Retention premium to use the Welsh Index of Multiple Deprivation data in place of Communities First data? If not, why not?

7. Ten out of eleven responses supported our proposal to update the methodology to use the Welsh Index of Multiple Deprivation data in place of Communities First data.
8. One respondent suggested that HEFCW should refer to 'students from an area of deprivation' rather than the students themselves specifically defined as deprived, similarly for low participation, as both measures are postcode based. Another respondent suggested that the proposed method did not capture deprivation in rural areas as well as it would for urban areas. We have taken account of all the responses and will keep the effectiveness of our proposed changes under review.

Conclusion: We will update the methodology for the Access and Retention Premium to use the data from the Welsh Index of Multiple Deprivation in place of Communities First data. Where appropriate we will refer to areas of deprivation rather than students themselves being deprived.

Q2: Are there any alternative methods for defining deprivation besides using the Welsh Index of Multiple Deprivation (WIMD) which you think should be considered?

9. The majority of responses did not identify any alternative methods for defining deprivation besides using WIMD. Two respondents provided specific suggestions, these were: previous eligibility for free school meals, and a 'basket' approach to a broader definition of widening access, which could include data already collected through HESA.
10. The majority of responses supported our proposal to update the methodology to use WIMD data in place of Communities First data. Some of the data required by the alternative suggestions provided is not readily available, in particular the free school meals eligibility data.

Conclusion: We will use WIMD in the definition of deprivation in the access and retention premium from AY 2022/23 onwards.

Q3: Do you agree that the most recent census data should be used as the measure of low participation? If not, why not, and what should be used instead to define low participation?

11. There was strong support for HEFCW to use the most recent census data as the measure of low participation in the Access and Retention premium with nine out of eleven responses in agreement.

12. One respondent suggested that the proposals could prioritise certain types of deprivation above others whereby a student from a low participation area could be perceived to be less deprived than a student from the lower quintiles of WIMD.
13. A few of the respondents suggested that the 2021 census data should be used in the premium method, as soon as they were available. One respondent noted that the Covid-19 pandemic will have had an impact on participation in higher education and the 2011 census data would quickly become outdated.
14. One respondent suggested that HEFCW should consider using ONS Annual Population Survey data, which would be more up to date than the 2011 census data. We have considered this suggestion but have concluded that the year-on-year stability of using a fixed year of census data is preferable to using a dataset that updates on an annual basis.

Conclusion: We will initially use the 2011 census data in the measure of low participation in the Access and Retention premium. When available, we will use the 2021 census data in this premium or future premiums that use census data.

Q4: Do you agree with our proposal to increase the deprivation threshold we use to determine the bands for the levels of funding? If not, why not?

15. The majority of respondents agreed with the proposal to increase the deprivation threshold used by HEFCW to determine the bands for the levels of funding.
16. One respondent felt that the bands used in the premium method were unhelpful as 1) there might be less need for additional funding at universities recruiting large numbers of learners from deprived areas and 2) postcode-based measures did not always account for rural areas where population density is low but deprivation could be high.
17. One respondent noted that it was difficult to achieve a certain percentage of eligible students (from a deprived area) at an institution, given the complexities of admissions' behaviours and the differences in contexts of higher education providers.
18. One respondent suggested that a single rate without bands would make it clear to higher education providers that the more eligible students they recruit the more Access and Retention premium they will receive. This would also improve parity between the levels of funding allocated in respect of the eligible student population.

Conclusion: We will proceed with our proposal to increase the deprivation threshold used to determine the bands of funding in the Access and retention premium. We have included a proposal in the stage two consultation to adjust the weightings for the retention aspect of the premium from 2023/24 onwards.

Q5: Are there any unintended consequences which may arise from our proposals to update the Access and Retention Premium as an interim change?

19. The majority of respondents did not identify any unintended consequences which could arise from our proposals to update the Access and Retention premium in 2022/23.
20. One respondent queried the timescales for the implementation of our proposals, suggesting that if the interim change caused significant variance in the distribution of funding then it would be better considered as part of the wider review of teaching funding.
21. One respondent suggested that if the interim change was only for one year, then it may have consequences for comparability of data in future years, as well as additional administrative input, monitoring and evaluation.

Conclusion: We will proceed with the implementation of our proposals as planned, taking into account plans to establish the Commission for Tertiary Education and Research. We will consider the impact of the changes to the access and retention premium beyond the 2022/23 AY as part of our review of funding methods more broadly.

Undergraduate part-time fee waiver

Q6: Do you agree with our proposal to amend the eligibility criteria for the part-time fee waiver scheme as we have outlined? If not, please explain in your response.

22. There was strong support for the proposal to amend the eligibility criteria for the part-time fee waiver scheme with ten out of eleven respondents in agreement.
23. Respondents suggested that expanding the eligibility of the scheme to include under-represented groups in higher education would make the scheme more inclusive and improve the appeal of part-time study.
24. One respondent identified the existing system of student finance, as administered by the Student Loans Company, as acting as a potential barrier for students wishing to take low numbers of credits, and encouraged HEFCW to align any changes in its funding to existing support mechanisms, including taking account of micro-credential provision.

Conclusion: We will amend the eligibility criteria for the undergraduate, part-time fee waiver scheme to include more students who are from groups which are under-represented in higher education. The existing scheme already allows for fee waivers to be claimed against micro-credential provision, as outlined in circular [W21/36HE](#).

Q7: Are there other groups of students who should be included as potential beneficiaries of the scheme, not covered by the proposals above? If so, please explain.

25. Seven respondents provided suggestions of other groups of students who should be included as potential beneficiaries of the scheme. These were:
- Care experienced students or students estranged from their families or care experienced
 - ex-offenders
 - asylum seekers
 - refugees
 - students with a disability
 - students from a Black, Asian or ethnic minority background
 - care leavers
 - carers
 - the inclusion of other under-represented groups, as listed in HEFCW's fee and access plan guidance, regardless of student postcode
26. One respondent suggested that the scheme should be expanded to include postgraduate taught and micro-credential provision, as well as provision which does not lead to a formal HE qualification.

Conclusion: It is our general intention that the administration of fee waivers by institutions will be at their discretion, so that they are allocated to those students who are under-represented in higher education or otherwise considered to be most likely to benefit from the waiver scheme. The existing scheme already allows for fee waivers to be claimed against micro-credential provision, as outlined in circular [W21/36HE](#). We will confirm the arrangements for the 2022/23 scheme in a separate circular, which we expect to publish before end May 2022.

Q8: Do you agree with our proposal to amend the way we allocate funds for fee waivers to institutions? If not, please explain in your response.

27. There was strong support for the proposal to amend the way HEFCW allocates funds to institutions for part-time fee waivers. Generally, respondents welcomed the idea of a fixed allocation at the start of the year with adjustments for any under or additional recruitment made at the year end. This would improve administration of the scheme and hopefully lead to increased levels of participation.
28. One respondent encouraged HEFCW to ensure the eligibility criteria for the scheme were clear and that the system of applying them does not entail undue burden for the provider.

Conclusion: We will implement our proposals to amend the way we allocate funds for fee waivers to institutions so that institutions receive a fixed allocation in advance of the academic year with adjustments to reflect actual use made at the end of the year. This will help reduce any administrative burden associated with the scheme and maximise the opportunities for institutions to raise awareness of the scheme with potential students.

Q9: Are there other ways in which part-time students studying at less than 25% FTE could be supported?

29. Suggestions for other ways in which part-time students studying at less than 25% FTE could be supported included:
- financial support for students to access technology (including for online learning)
 - funding to support Welsh medium learning
 - a subsidy for childcare costs
 - other grants
 - support for non-accredited courses leading to accreditation
 - support for transport costs
30. One respondent suggested that one way to support students studying at less than 25% FTE would be to allow the institution to claim funding for students who originally opted to study at less than 25% intensity but who were then suitably motivated to study further in the same year.

Conclusion: We will consider the above suggestions in any future strategic development funding opportunities. We will also encourage institutions to continue to consider how the above suggestions can be supported through fee and access plan investment. We do not currently intend to revise the fee waiver scheme to provide funding to support fee waivers for students who begin studying at less than 25% FTE but who ultimately study further in the same year however we will consider whether there is a need to do this once we have been able to determine the effectiveness of the initial changes.

Q10: Are there any unintended consequences which may arise from our proposals to update the part-time fee waiver scheme?

31. The majority of respondents did not identify any unintended consequences which could arise from the proposals to update the part-time fee waiver scheme.
32. One respondent suggested that there was a risk that a focus on skills and employability outcomes would detract from the general benefit to the student from undertaking higher education study.

Conclusion: We will proceed with our proposals as outlined in the consultation and continue to assess the impact of the new scheme as it is implemented.

Responses to open questions

33. A summary of the responses to the open questions is available at **Annex B**. Key issues raised in the responses are addressed below.

Financial impact

34. There was a general consensus in the responses that our funding provided financial stability to institutions which enabled them to deliver on their strategic priorities and mission.
35. Responses also confirmed that HEFCW's teaching funding influenced institutional behaviour, although institutions reported that the impact of the funding was somewhat limited by the levels of resource available collectively across different types of provision. There was a clear view in the responses from institutions that HEFCW's existing funding levels do not enable institutions to meet the actual cost of delivery of different types of provision and the balance of funding between types of provision was not appropriate.
36. HEFCW's recurrent funding is designed to provide a financial contribution to institutions to allow them to deliver their core teaching activity. The funding is provided, in addition to the fee income received by institutions from UK domiciled students, to support the delivery of teaching for those students. We also recognise that there are external factors over which we have limited or no control, such as part-time student support arrangements. This is an issue which we will continue to reflect on in our decision making as we balance different budgetary needs.
37. HEFCW's funding is provided on a formulaic basis, however we do not prescribe how institutions should use the funding or what strategic decisions they make about using the funding, including the levels at which they fund specific disciplines or areas of study.

Part-time undergraduate provision

38. Some of the consultation responses highlighted challenges in the adequate resourcing of part-time undergraduate provision which had a negative impact on the ability of institutions to deliver their strategic priorities in relation to part-time. HEFCW currently provides funding for part-time undergraduate provision via the credit-based funding method, premia and per capita funding and this is proposed to be retained in the new funding method, however part-time undergraduate financial support arrangements – including the maximum tuition fee and available student support funding - are outside of HEFCW's remit.

Postgraduate taught provision

39. Some of the consultation responses asked us to consider providing credit-based funding for postgraduate taught provision. We intend to expand the credit-based model to enable us to fund PGT provision in principle in future; however we would not be in a position to do this without needing to collect additional data from funded institutions, at least initially. Funding for this provision would also be subject to budget constraints, and is unlikely to be feasible for the foreseeable future based on the current levels of funding available to HEFCW. More information on the proposals to amend the credit-based model will be available in our forthcoming consultation circular.

Welsh medium

40. We also sought views on how we should fund Welsh Medium provision in future. Respondents generally agreed that this remained a priority area for our funding and HEFCW should continue to provide a premium for part-time Welsh medium provision. One respondent suggested that we should consider providing a fee waiver for students studying through the medium of Welsh. Fee waivers for full-time provision are not within HEFCW's remit and institutions are reminded of their responsibilities in relation to fee and access plan investment, which could include providing financial support for students studying through the medium of Welsh. We have commissioned London Economics to undertake a review of the additional costs of Welsh Medium (WM) provision and are not intending to make any changes to our funding methods in respect of WM provision until the outcomes of that review are known.

Next steps

41. We will confirm the arrangements for the undergraduate part-time fee waiver scheme for the 2022/23 academic year in the scheme circular, which we anticipate will be published before the end of May 2022. The circular will include individual funding allocations to support fee waivers for HEFCW funded institutions, for allocation in the 2022/23 academic year.

Further information

42. For further information on the teaching funding review or the undergraduate part-time fee waiver scheme contact Nicola Hunt (029 2085 9735; nicola.hunt@hefcw.ac.uk).
43. For further information on our work relating to widening access and inclusion contact equality@hefcw.ac.uk.

Assessing the impact of our policies

44. We have impact assessed the proposed changes outlined in this circular.
45. The responses to our first stage consultation indicated that the proposals to amend the part-time fee waiver scheme would allow more students to benefit from the scheme. The review of geographical mappings used to identify students from deprived areas and areas with low HE participation could lead to greater levels of Access and Retention funding across the sector, which could have a positive impact on students under-represented in HE.
46. We will keep our impact assessment under review to help safeguard against discrimination and promote equality. Contact equality@hefcw.ac.uk for more information about impact assessments.

Summary of responses to the Stage One consultation on teaching funding (proposed changes for AY 2022/23)

Number of respondents: 12 (one general response and 11 detailed responses)

General:

- Respondents welcomed the opportunity to comment on the proposals.
- One respondent felt their engagement with the consultation had been limited due to a lack of capacity.

Key points:

- Respondents generally supported the proposals which were included in the Stage One consultation.
- Respondents emphasised the importance of provision being funded at a level which would allow it to be sustainable, taking into account fee income and HEFCW funding.

Question 1: Do you agree with our proposal to update the methodology for the Access and Retention premium to use the Welsh Index of Multiple Deprivation data in place of Communities First data? If not, why not? (12 respondents)

Yes: 10

Yes, with caveats: 1

No:

Don't know/Not applicable: 1

Points raised:

- There was strong support for the proposal to update the methodology for the Access and Retention premium, as outlined in the consultation.
- Many respondents recognised that the Communities First data mapping was out of date.
- One respondent suggested that HEFCW should refer to 'students from an area of deprivation' rather than the students themselves specifically defined as deprived, similarly for low participation, as both measures are postcode based.
- One respondent suggested that the proposed method did not capture deprivation in rural areas as well as it does in urban areas.
- One respondent suggested that WIMD is more inclusive as a measure, which aligns to HEFCW's National Measures and fee and access planning processes.

Question 2: Are there any alternative methods for defining deprivation besides using WIMD which you think should be considered? (12 respondents)

Yes: 3

Yes, with caveats:

No: 7

Don't know/Not applicable: 2

Points raised:

- There were two specific suggestions provided for alternative methods for defining deprivation. These included:
 - Previous eligibility for free school meals
 - A 'basket' approach to achieve a broader definition of widening access, which could include data already collected (or proposed to be collected) through HESA Data Futures, such as entrants from access programmes, care leavers, estranged students, first generation HE entrants (e.g. parental education), socio economic classification, standard occupational classification.
- The majority of respondents could not identify alternative methods for defining deprivation within Wales and using WIMD data would align with HEFCW's National Measures and Welsh Government data on relative deprivation.

Question 3: Do you agree that the most recent census data should be used as the measure of low participation? If not, why not, and what should be used instead to define low participation? (12 respondents)

Yes: 9

Yes, with caveats:

No: 2

Don't know/Not applicable: 1

Points raised:

- There was strong support for HEFCW to use the most recent census data as the measure of low participation in the Access and Retention premium.
- One respondent suggested that the proposals could prioritise certain types of deprivation above others.
- A few of the respondents suggested that the 2021 census data should be used in the premium method, as soon as they were available.
- One respondent suggested that HEFCW should consider using ONS Annual Population Survey data, which would be more up to date than the 2011 census data.
- One respondent noted that the Covid-19 pandemic will have had an impact on participation in higher education and the 2011 census data would quickly become outdated.

Question 4: Do you agree with our proposal in paragraph 17 to increase the deprivation threshold we use to determine the bands for the levels of funding? If not, why not? (12 respondents)

Yes: 9

Yes, with caveats:

No: 1

Don't know/Not applicable: 2

Points raised:

- The majority of respondents agreed with the proposal to increase the deprivation threshold used by HEFCW to determine the bands for the levels of funding.
- One respondent felt that the bands used in the premium method were unhelpful as 1) there might be less need for additional funding beyond the baseline at universities recruiting large numbers of learners from deprived areas and 2) postcode-based measures did not always account for rural areas where population density is low but deprivation could be high
- One respondent noted that it was difficult to achieve a certain percentage of eligible students (from a deprived area) at an institution, given the complexities of admissions and the differences in contexts of higher education providers.
- One respondent suggested that a single rate without bands would make it clear to higher education providers that the more eligible students they recruit the more Access and Retention premium they will receive. This would also improve parity between the levels of funding allocated in respect of the eligible student population.

Question 5: Are there any unintended consequences which may arise from our proposals to update the Access and Retention Premium as an interim change? (12 respondents)

Yes: 1

Yes, with caveats:

No: 8

Don't know/Not applicable: 3

Points raised:

- The majority of respondents did not identify any unintended consequences which could arise from our proposals to update the Access and Retention premium in 2022/23.
- One respondent queried the timescales for the implementation of our proposals, suggesting that if the interim change caused significant variance in the distribution of funding then it would be better considered as part of the wider review of teaching funding.
- One respondent suggested that if the interim change was only for one year, then it may have consequences for comparability of data in future years, as well as additional administrative input, monitoring and evaluation.

Question 6: Do you agree with our proposal to amend the eligibility criteria for the part-time fee waiver scheme as we have outlined? If not, please explain in your response. (12 respondents)

Yes: 10

Yes, with caveats:

No:

Don't know/Not applicable: 2

Points raised:

- There was strong support for the proposal to amend the eligibility criteria for the part-time fee waiver scheme.
- Respondents suggested that expanding the eligibility of the scheme to include under-represented groups in higher education would make the scheme more inclusive and improve the appeal of part-time study.
- One respondent supported the proposal but questioned whether it would result in any material increase in uptake of the scheme.
- One respondent identified the existing system of student finance as acting as a potential barrier for students wishing to take low numbers of credits, and encouraged HEFCW to align any changes to existing support mechanisms, including taking account of microcredential provision.

Question 7: Are there other groups of students who should be included as potential beneficiaries of the scheme, not covered by the proposals above? If so, please explain. (12 respondents)

Yes: 7

Yes, with caveats:

No: 3

Don't know/Not applicable: 2

Points raised:

- There were many suggestions made for other groups of students who should be included as potential beneficiaries of the part-time fee waiver scheme. These were:
 - Students estranged from their families or with experience of the care system
 - ex-offenders
 - asylum seekers
 - refugees
 - students with a disability
 - students from a Black, Asian or ethnic minority background
 - care leavers
 - carers
 - the inclusion of other under-represented groups, as listed in HEFCW's fee and access plan guidance, regardless of student postcode
- One respondent suggested that the scheme should be expanded to include postgraduate taught and micro-credential provision, as well as provision which does not lead to a formal HE qualification.
- One respondent queried whether the part-time fee waiver scheme could be widened to include employed status beneficiaries, which could be administered via a means tested or salary cap approach.

Question 8: Do you agree with our proposal to amend the way we allocate funds for fee waivers to institutions? If not, please explain in your response. (12 respondents)

Yes: 10

Yes, with caveats:

No:

Don't know/Not applicable: 2

Points raised:

- There was strong support for the proposal to amend the way HEFCW allocates funds to institutions for part-time fee waivers. Generally, respondents welcomed the idea of a fixed allocation, which would improve administration of the scheme and increase participation.
- One respondent encouraged HEFCW to ensure the eligibility criteria for the scheme were clear and that the system of applying them does not entail undue burden for the provider.

Question 9: Are there other ways in which part-time students studying at less than 25% FTE could be supported? (12 respondents)

Yes: 8

Yes, with caveats:

No: 3

Don't know/Not applicable: 1

Points raised:

- A number of suggestions were made, including:
 - Financial support for students to access technology (including for online learning)
 - Funding to support Welsh medium learning
 - A subsidy for childcare costs
 - Other grants
 - Support for non-accredited courses leading to accreditation
 - Support for transport costs
- One respondent suggested that one way to support students studying at less than 25% FTE would be to allow the institution to claim funding for students who originally opted to study at less than 25% intensity but who were then suitably motivated to study further in the same year. This would help to avoid discouraging students from undertaking more learning that would benefit them in terms of economic opportunity and wellbeing.

Question 10: Are there any unintended consequences which may arise from our proposals to update the part-time fee waiver scheme? (12 respondents)

Yes: 1

Yes, with caveats:

No: 9

Don't know/Not applicable: 2

Points raised:

- The majority of respondents did not identify any unintended consequences which could arise from the proposals to update the part-time fee waiver scheme.

- One respondent suggested that there was a risk that a focus on skills and employability outcomes would detract from the general benefit to the student from undertaking higher education study.

Respondents

Aberystwyth University

Bangor University

Cardiff University

Cardiff Metropolitan University

Y Coleg Cymraeg Cenedlaethol

Grŵp Llandrillo Menai

NPTC Group

Open University

Swansea University

UCU

University of South Wales

University of Wales Trinity Saint David

Summary of responses to the Stage One consultation on teaching funding (priorities for the second stage of the funding review)

Number of respondents: 12 (one general response and 11 detailed responses)

General:

- Respondents welcomed the opportunity to comment on the proposals.
- One respondent felt their engagement with the consultation had been limited due to a lack of capacity.

Key points:

- Respondents emphasised the importance of provision being funded at a level which would allow it to be sustainable, taking into account fee income and HEFCW funding.
- Respondents advised that HEFCW should consider increasing support for part-time provision, as there was a perception that it was more expensive to deliver than full-time provision due to its often bespoke nature.
- Respondents advised that HEFCW's teaching funding contributes positively to the financial sustainability of the sector and drives institutional behaviour.

Question 11: Do you agree with the principles (as set out in paragraph 40) which we are proposing to use to develop the new method? (12 respondents)

Yes: 7

Yes, with caveats: 3

No: 1

Don't know/Not applicable: 1

Points raised:

- Respondents generally agreed with the principles which were set out in the consultation circular, with seven respondents in agreement and three respondents in agreement subjects to caveats.
- One respondent queried whether it was appropriate to make reference to 'HEFCW' and the 'HEFCW Corporate Strategy' given that the principles need to remain relevant in the long term, particularly as preparations are made to establish the Commission for Tertiary Education and Research.
- One respondent suggested that the principles should focus on successful student outcomes, as well as access to and accessibility of learning, with consideration of how the successful completion of programmes of study and progression into work should inform an understanding of the contribution that higher education makes to individuals, the economy and society.
- One respondent suggested that the principles could better articulate how a healthy higher education sector featured a differentiation of mission between institutions, and in particular could include more explicit recognition of institutions that have a mission and reach both within and beyond Wales.

The ambition for the sector to 'meet the needs of Wales' could be extended to incorporate the vision of 'Sustainable, accessible, internationally excellent higher education in Wales' as set-out in HEFCW's strategy. Institutions with an international profile draw the brightest and best from across the world to Wales and to play their part in the development of a prosperous economy and healthy society.

- There were suggestions of other factors which could be included in the principles, such as:
 - supporting key industrial sectors of regional and national significance, and those with emerging potential for growth;
 - supporting the upskilling of the regional and national workforce;
 - meeting the diverse economic, skills and learner needs on a regional basis;
 - supporting growth of new provision
- Respondents recognised that the current level of resource available to support the sector reflected a level of compromise in providing funding for a wide range of activities, and in ensuring the sustainability of individual institutions, in a context of a fixed fee level for undergraduate provision. There would, therefore, need to be a sense of prioritisation within the funding principles. Focusing on meeting demand where it was greatest, in order to achieve positive outcomes, should be the primary drivers.
- One respondent advised that the recommendations of the Diamond and Reid reviews should be considered within the new methodology.

Question 12: What types, modes or levels of provision should we prioritise in our new funding methodology and why?

Points raised:

There were several suggestions made as to what should be prioritised in HEFCW's new funding method. These have been grouped into themes below.

Meeting the needs of Wales

- Prioritisation must be given to where there is evident demand for higher education, and where there is successful outcomes are being delivered that have a clear benefit for both the individual and society.
- One respondent suggested that the funding method should fund high-quality provision which meets the needs of Wales and enables HEFCW to deliver its vision, ensuring parity between full- and part-time provision.
- Provision which helps people back into, and to remain in, learning that is organised at a regional level to promote access, reduce duplication, and enable a clear offer with progression opportunities to part-time learners should be the priority.
- One respondent suggested that given the scarcity of resource it would not prudent to continue to support provision where demand is low and/or completion rates are poor.
- All modes but level four in particular, due to the impact study at this level can have on individuals.
- One respondent questioned whether it would be possible to establish a funding model which support subjects where there is high demand for

graduates but low supply, and disincentivise growth in subject areas where outcomes for graduate employment are less positive.

- Targeting funding in line with WG priorities in STEM, Sustainable Environment, Health and Creative Industries would add value in the sector.
- Funding for Degree Apprenticeships should be prioritised as these operate on a model that ensures employer need is met and that WG priorities and HE developments are aligned.
- Consideration of how new subject areas could be supported in their development in terms of investment in resource (not just capital investment) to build areas of excellence in Wales which meet the needs of WG in terms of future workforce.

Meeting the costs of delivery

- Meeting the full cost of Full-time UG should remain a priority given the volume of students studying in this area (which is clear unambiguous evidence of its desirability for learners), and also given that the number of Welsh-domiciled 18 year olds is set to increase year on year until 2030.
- Under-funding of full-time, undergraduate provision, as a core area of activity, could pose risks to the ongoing quality and sustainability of provision in Wales.
- In determining what 'the actual costs of delivery of provision' comprise, care will need to be taken particularly in respect of the OU in Wales – the only provider which serves the whole of Wales and whose provision is part of a larger cross-UK system. It would be challenging to be able to identify the 'actual costs' of the University's provision for each individual module, for example, given its four-nations model. Additionally, care will need to be taken to ensure that such a method of funding accounts for the fact that the cost differential between supporting full-time on-campus students and part-time distance students is not especially significant.

Institutional sustainability

- The method should also promote flexibility and should be responsive to the individual circumstances of each institution and its student body.
- HEFCW's funding method should be flexible but should provide institutions with as much certainty as possible about the kinds of funding, and levels of funding, they expect to receive.
- Short-term and/or short-notice funding, while sometimes helpful to respond to urgent issues or prime a particular response, does not support providers to develop and grow sustainably and strategically in the longer term.

Part-time

- Funding for part-time provision should continue to be prioritised in HEFCW's funding method, which should include distance learning and all levels of higher education.
- Part-time funding should be at a level which allows for growth in line with Welsh Government's priorities.
- Some respondents felt that part-time provision was under-funded in comparison to FT provision, and the differential fee income available.

- Part-time provision should be available at all levels.
- Funding should support a clear progression route from uncredited taster options through level 3 return to learn programmes, to postgraduate.
- PT delivery and CPD will be vital in a post COVID recovery plan for Wales.

Flexible learning

- Specialist provision targeting economic areas or specific job skills may be better delivered at PT PG level or as small bite size technical units.
- One respondent advised that there was a need to consider how micro-credential/micro-credit provision and provision that does not lead to a named HE qualification (i.e. micro-provision) could be funded.
- Accelerated by the pandemic, shorter, more focused levels of learning are also being sought by individuals to support them to upskill and to be flexible to meet the market skills needs. The current model does not allow the flexibility that the market requires.
- A flexible supported model of learning does bring with it additional costs when such a large proportion of students present with more intensive support needs given their prior learning position or disability.
- One respondent welcomed the inclusion, and was very supportive of the principle, of seeking to ensure that the funding method facilitates lifelong learning, including upskilling and flexible and tailored models of provision. Care would need to be taken to ensure that any such funding recognises that flexible delivery comes with additional costs – it is not sufficient to assume that a pro rata level of funding would be enough as economies of scale in developing such provision would not necessarily apply. As a matter of public policy, we believe that students should be able to access financial support for smaller chunks of learning.
- One respondent felt that credit bearing, bite size elements of learning such as micro-credentials should be prioritised as these provide for ease of access whilst being credit accumulating to encourage continuation. Funding support could be on a sliding scale relative to progression levels.

High cost or expensive subjects

- The funding model should continue to prioritise funding for provision that is more costly than the tuition fee income it yields, such as the current higher cost subject premium, regardless of the mode or level of study.
- HEFCW should consider widening the scope of funding for expensive subjects in order to cover PGT provision in priority areas.

Postgraduate

- One respondent suggested that HEFCW should consider providing additional support for postgraduate taught study, taking into account the impact on the economy of the Covid-19 pandemic and Brexit.

Well-being of future generations Act

- One respondent agreed that that the funding method should align with the sustainable development principle and the Well-being of Future Generations Act, and that it should encourage, incentivise, and support providers to

develop and deliver their provision in such a way that maximises their contribution to the Act's goals and ways of working from the outset.

Welsh medium

- More support should be available to promote Welsh medium provision.

Future look and CTER

- A number of respondents raised issues relating to the transition into CTER, including challenges regarding clarity on the medium- and long-term viability of the funding model.
- Whilst CTER would be an opportunity for a new vision and new ways of working, respondents would welcome a seamless transition.
- Some elements within the Draft Tertiary Education and Research (Wales) Bill, could impact on the Open University's ability to draw down funding, given its position as a UK-wide institution.

Question 13: Are there aspects of our existing funding methodology which we should retain? If so, which and why? (12 respondents)

Yes: 7

Yes, with caveats:

No: 1

Don't know/Not applicable: 4

Points raised:

- The majority of respondents provided suggestions for this question. Others chose not to respond in detail, or reflected on the proposals in the consultation without providing further suggestions.
- There was support for HEFCW's part-time, credit based method, as well as the existing premia.
- Suggestions included:
 - The funding model should continue to prioritise funding for provision that is more costly than the tuition fee income it yields, such as the current higher cost subject premium, regardless of the mode or level of study.
 - The funding methodology seeks to recognise the cost of delivery and this ambition should remain at its core. We would flag, however, that at present the full-cost of UG teaching is not being met, as demonstrated by TRAC T, the methodology utilised in England, Scotland and Northern Ireland. TRAC T could be utilised to set the bar of 'cost of delivery' for funding for different subjects.
 - There is an essential need to continue to recognise the higher cost of delivery of certain subjects, as exists in the current UG Expensive and Higher Cost subject premiums. This helps ensure the flow of highly qualified people into the labour market in Wales, to support the private sector economy, and the delivery of public services such as healthcare.
 - Recognition of retention exists within the current funding model, but this should be strengthened in any future funding model along with

monitoring of outcomes, to recognise the delivery of tangible benefits to society. Recognition of the importance of outcomes prioritises the importance of both the contribution to society and the economy and the fulfilment of the aspirations held by the individual student.

- The part time credit funding is an appropriate primary funding mechanism based on a standard value per learner per course type.
- HEFCW premia funding supports providers with the often-higher recurrent costs of their activities in the part-time space, such as promoting access and supporting retention of students from low participation backgrounds, as well as the per capita costs and additional work to support retention and success of all part-time students.
- In addition to supporting recruitment and retention, such funding further enables providers to maintain high standards of quality as well as the enhanced student support required for part-time students who are often managing complex lives; and developing student voice functions, which is often more challenging for part-time learners.
- One respondent agreed that premia funding should be retained as a recognition of the challenges faced in supporting specific groups of students. Access and retention premium funding should be retained but consideration should be given to the use of a simpler model of a single band.
- The existing fee waiver schemes should be consolidated and extended in order to provide a good incentive to HE organisations to develop courses leading onto further study.
- Any methodologies that take account of the differing cost of delivery.
- Any methodologies that encourage under-represented groups into HE.

Question 14: Are there specific changes to our funding methods that would help to stimulate growth and participation in higher education, including new and innovative forms of provision? (12 respondents)

Yes: 8

Yes, with caveats:

No:

Don't know/Not applicable: 4

Points raised:

- The majority of respondents agreed that there were specific changes to the funding methods which could help to stimulate growth and participation in higher education, including new and innovative forms of provision.
- One respondent disagreed and suggested that the timing was not right, given the ongoing pandemic.
- Suggestions for changes to the method, to stimulate growth and participation, included:
 - Additional support for micro-credential provision, which had the potential to significantly stimulate growth and participation.
 - More stability in the funding methodology to support ongoing certainty of provision and encourage development of new provision.

- Specific funding available in order to develop new provision which would help to grow HE Part Time provision in general and the ability of institutions to develop provision to meet the employer needs of the region.
- Further funding to develop Welsh language or bilingual provision
- Increases to the Academic Subject Category Units of Funding, to reflect the full costs of HE study.
- One respondent queried whether there was a new to find new ways to stimulate growth and participation, as the Welsh sector was already delivering on this. With many institutions already having extensive outreach programmes in place to improve participation, it would be more effective to focus on ensuring institutions were also focused on achieving positive outcomes in terms of completion of programmes of study and subsequent progression into employment.
- The same respondent also suggested that there was a risk of adopting new solutions to a problem that did not exist, following the perceived lack of success in relation to other recent attempts of innovation in other parts of the UK, such as two year degrees and degree apprenticeships in England.
- One respondent suggested that the levels of funding for Welsh institutions provided no incentive for providers to invest in part-time provision.
- Other points raised included:
 - Consideration of ways to support study at an intensity below 25%.
 - Additional financial support for the most disadvantaged students, through the provision of grants, rather than loans.
 - Further research looking at the level of demand, and the intensity, for part-time study, to build on the outcomes of the OB3 report.
 - Funding for innovation and experimental provision should not remove resource from the core priorities identified elsewhere in the consultation.
 - Non-credit bearing study was often a pre-cursor to credit bearing provision and as this was not currently funded by HEFCW, this could present a barrier to engagement for learners and was not a priorities for institutions to develop.

Question 15: Are there aspects which we should add, amend or remove? If so, what are they and why? (12 respondents)

Yes: 6

Yes, with caveats:

No: 3

Don't know/Not applicable: 3

Points raised:

- The responses to this question were split. Half of respondents agreed that there were aspects which should be changed, and the other half disagreed or did not provide a detailed response.
- One respondent confirmed that HEFCW's funding was important for providing the balance of resource needed to fully fund part-time provision, given the long-standing cap on part-time tuition fee loans. HEFCW's credit-based model, therefore, was valuable.

- One respondent suggested that the new funding methodology should recognise the impact of any reduction of tuition fees in England (as proposed by the Augar review) to ensure that the overall level of funding available to institutions was protected.
- Suggestions for aspects which should be added included:
 - Lower intensity part-time apprenticeships.
 - The re-introduction of the recovery aspect of the credit-based method. This would allow flexibility and better stability for institutions in the cases of intermittent issues affecting single years of student enrolments (e.g. in the case of the current pandemic). Any clawback should be determined by looking at trends over a longer period (for example, three years).
 - One respondent suggested the funding methodology should be amended to ensure the financial viability of the part-time PGCE programme which is classed as an undergraduate programme for the purposes of student finance arrangements but which was recognised as a postgraduate qualification in HEFCW's existing funding method. As all other PGCE provision in Wales is full-time this issue affected only one institution.
- Suggestions for aspects which should be amended included:
 - One respondent suggested that per capita funding method should be reviewed, as it was unclear how this aligned to any particular priority.
 - One respondent urged simplification of the method and a limited number of 'pots' for different activities. Seeking to divide the available funds across a range of different categories and activities might be well-intentioned in terms of sharing out resources, but could result in under-provision for the core demand of full-time, undergraduate provision. One respondent suggested that future funding for access and retention should take account of differential rates of retention between institutions. Higher rates for better retention levels could help incentivise an improvement in student outcomes, rather than rewarding institutions who enrolled students only for them to not complete their studies.
 - The credit funding rates should be reviewed on a regular basis.
- There were no suggestions for aspects which should be removed.

Question 16: For funded institutions, what impact does HEFCW's teaching funding have on your institution's ability to deliver its strategic mission?

Points raised:

- The responses provided several examples of the positive impact of HEFCW's teaching funding. These are included below.
- Examples provided included:
 - HEFCW's funding contributed positively to the financial sustainability of the organisation and promotes the direction that HEFCW prioritises, as well as enabling institutions to deliver on their mission and strategy.
 - HEFCW's funding underpins teaching delivery and contributes to ongoing financial sustainability.
 - HEFCW's funding supported the high cost and postgraduate taught provision.

- HEFCW's funding for higher cost subjects enabled some institutions to provide sufficient resource for STEM provision whilst maintaining an appropriate balance between teaching and research activities of excellence and scale.
- One respondent suggested that additional support from HEFCW would allow the development of micro-credential and CPD opportunities, as well as employer-focused provision.
- One respondent suggested that the level of resource available per student in Wales was lower than that received by comparable institutions in England, with the same labour market, pension and tax framework. This necessitated cross-subsidy from other activities.
- HEFCW's funding supported civic mission activity and the recruitment of mature students.
- One respondent suggested that the current methodology could encourage short term thinking. Specific funding for development and less year on year change in funding allocations could provide stability to grow part-time HE provision.
- Another respondent suggested that its strategic vision could be better supported through re-focused part-time funding that was more flexible across different levels and volumes of study, which would contribute to achieving Welsh Government priority policy outcomes.

Question 17: Is the current balance of HEFCW funding for part-time and full-time, undergraduate and postgraduate taught provision appropriate? (12 respondents)

Yes: 2

Yes, with caveats: 1

No: 5

Don't know/Not applicable: 4

Points raised:

- Responses to this question were mixed but there was a clear steer that the balance of funding was not considered to be appropriate.
- Respondents provided suggestions of ways the balance of funding could be improved. These were:
 - Additional funding for part-time study, due to the perception that this provision cost more to deliver than full-time, undergraduate provision and was increasingly becoming financially unviable for providers.
 - Additional funds to support the development of new part-time courses, in order to contribute to a more attractive and flexible offer for potential students, including those studying part-time whilst in employment.
 - Additional support for access, retention and Welsh medium full-time provision
 - Where there was growth in demand for higher education this should be supported via extra funding
- One respondent suggested that HEFCW's postgraduate bursary funding had been difficult to use for its intended purpose due to the timescale of announcements and the lack of applicants' awareness.

- One respondent did not feel that the current balance between full-time and part-time funding was correct but made the point that this did not mean that one type of provision should be under-funded in order to support another, adding that Wales needed a plurality of approaches in HE to meet the different needs of learners, with providers supported to meet those needs.
- One respondent suggested that there would likely be changes in student behaviour and employer need in the wake of the Covid-19 pandemic; therefore additional investment in part-time and postgraduate provision might be needed in order to meet the recovery needs in Wales.

Question 18: Should we retain premia funding as a way of incentivising institutional behaviour? If yes, why is this a good way of doing this? (12 respondents)

Yes: 10

Yes, with caveats:

No: 1

Don't know/Not applicable: 1

Points raised:

- All but one of the respondents who provided a detailed response to this question agreed that we should retain premia funding as a way of incentivising institutional behaviour.
- The final respondent confirmed that premia funding should not be used to reward institutional behaviour, but should instead support the costs associated with recruiting, teaching, and supporting learners, and removing genuine financial barriers to participation from a learner perspective, and provision from a HE provider perspective, particularly those that are aligned to Welsh Government priorities.
- Respondents confirmed that premium funding was an established mechanism for incentivising institutional behaviour and driving ambition which was well understood by the sector.
- Respondents confirmed that premium funding was used to recognise the challenges faced in supporting specific groups of students.
- One respondent felt that the premia did not reflect the full economic cost to institutions in delivering WG priorities and this needed to be addressed in order to be true incentives.
- One respondent noted that HEFCW premia funding supports providers with the often-higher recurrent costs of their activities in the part-time space, such as promoting access and supporting retention of students from low participation backgrounds, as well as the per capita costs and additional work to support retention and success of all part-time students. In addition to supporting recruitment and retention, such funding further enabled institutions to maintain high standards of quality as well as the enhanced student support required for part-time students who are often managing complex lives; and developing student voice functions, which is often more challenging for part-time learners.
- One respondent encouraged HEFCW to retain the premium for Welsh medium provision.

Question 19: Are there any particular issues relating to the cost of delivery of Welsh medium provision which we should take account of in the study we are undertaking and in our stage two proposals? (12 respondents)

Yes: 9

Yes, with caveats:

No:

Don't know/Not applicable: 3

Points raised:

- The majority of respondents provided suggestions for issues relating to the cost of delivery of Welsh medium provision. These included:
 - The financial viability of teaching small groups of WM students
 - Decreased funding from the Coleg Cymraeg Cenedlaethol for certain subjects
 - Challenges in funding the supporting infrastructure at institutions and not only the delivery of modules through academic staffing.
 - Cost pressures relating to running wholly Welsh medium provision compared to bilingual provision.
 - One respondent noted that the informal feedback from TRAC working groups is that the cost allocation to Welsh medium provision trends more to being subjective rather than wholly objective and it welcomed the decision not to use this data and to undertake further study.
- Other points relating to the delivery of Welsh medium provision included:
 - How to support students from Welsh medium schools or Welsh speaking communities to have the confidence to continue their studies in Welsh at HE level.
 - One respondent welcomed HEFCW's intention to commission a new study on the cost of delivery of Welsh medium provision but noted that there were challenges associated with the availability of appropriately qualified specialists able to teach via the medium of Welsh.
 - The availability of external examiners who are able to undertake the role through the medium of Welsh.
 - Challenges in reporting against annual targets (of 40 credits) for students studying part-time who may accumulate credits over more than one academic year but not be reflected in the numbers in the same way.
 - Practical measures to support Welsh medium provision could include additional study support such as essay writing (through the medium of Welsh), development programmes being available in Welsh, and Welsh- language advanced courses that enable students to master the language in their chosen subjects.
 - One respondent noted that the appointment of bilingual lecturers who could serve both Welsh and English speakers would not result in additional cost implications for HEIs. As this would potentially require a cultural change in HEI recruitment policies it could be challenging, however measures could be put in place to incentivise universities to consider bilingual teaching alongside Welsh-medium teaching which in turn could mainstream the provision.

Question 20: In what ways, other than through a premium method, might we incentivise an increase in the delivery of Welsh medium higher education, including for other modes and levels?

Points raised:

- Respondents provided several suggestions for ways in which we might incentivise an increase in the delivery of Welsh medium HE provision. These included:
 - A partial fee waiver for WM students
 - The extension of the Welsh medium premium to full-time and postgraduate taught provision
 - Funding for WM micro-credential provision and micro-provision (not credit bearing) which did not lead to a named HE qualification.
 - An increase in per capita funding for Welsh medium students, to support the additional costs associated with the delivery of bilingual provision.
 - A new incentive based on growth and an increase in the number of students studying through the medium of Welsh (potentially 40 credit measure)
 - HEFCW funding to support the delivery of intensive Welsh medium preparatory courses aimed at attracting non-fluent Welsh speakers prior to the beginning of the academic year
 - Strategic funding to develop Welsh medium provision in subjects which are not currently offered through the medium of Welsh.
 - Consideration of how Welsh medium Master's programmes could be delivered via collaborative arrangements across Wales, supported by HEFCW's funding.
 - Directly funded Welsh medium academic posts could be considered to support Welsh medium delivery where recruitment of students typically falls below the critical mass for viability.
 - Bursary funding for students studying through the medium of Welsh.
 - Funding for staff development to enable staff to deliver courses through the medium of Welsh.
 - Incentives for bilingual provision, to recognise the number of students studying at least a part of their studies through the medium of Welsh.
- One respondent noted that there may be some subject areas of high value and expertise where high numbers were unlikely to materialise and a greater subsidy may be required.
- One respondent would welcome a review of what constituted a delivery mode, in terms of data collection processes. Tutorials, for example, could not be included due to not being associated with a particular module and not being credit bearing. This could lead to an increased capture of activity at postgraduate level.

Question 21: Are there aspects of the findings of the OB3 part-time review and HEFCW part-time analysis report which we should prioritise in the new funding method? (12 respondents)

Yes: 7

Yes, with caveats:

No: 2

Don't know/Not applicable: 3

Points raised:

- Just over half of the respondents suggested aspects of the OB3 part-time review and HEFCW part-time analysis report which should be prioritised in the new funding method. These included:
 - That part-time provision was deemed to be more expensive to provide than full-time provision and demand was low in some regional areas which made part-time provision difficult to grow.
 - That providers needed both volume and full economic cost recovery for part-time activity to be sustainable.
 - That HEFCW should address “the lack of a funding mechanism which would support more flexible learning where higher education credits can be accumulated over time” and explore “how future funding can be better aligned to support the growth of flexible and tailored models of part-time provision which are more suited to the needs of part-time students”.
 - That HEFCW’s funding should encompass micro-provision and must be clearly aligned to provision that meets skills needs and the wider regional/national economic needs, consistent with the findings of OB3 review: “development funding, which would be aligned to strategic regional and economic priority areas, to support providers to develop new and bespoke part-time provision” ... and ... “exploring whether there is an equitable offer of part-time provision available across Wales and identifying any geographical ‘cold spots’ in provision, in collaboration with Regional Skills Partnerships”.
 - The recommendation that that HEFCW continues to fund part-time provision via a credit-based approach on the basis that this approach is an appropriate model for helping to off-set the costs incurred by institutions in making such provision available; and that HEFCW considers providing additional funding to support the expansion of part-time provision on the basis that the model as it stands is not perceived to be sufficient to cover the total costs associated with delivering part-time provision.
 - The recommendation that “HEFCW explores how future funding can be better aligned to support the growth of flexible and tailored models of part-time provision which are more suited to the needs of part-time students.”
 - The recommendation that “HEFCW announces funding allocations for providers for two or more years at a time, rather than the current one-year funding period”.
 - The recommendation that “HEFCW, in collaboration with the sector, to put in place a long-term strategy which would set out how it expected its funding to drive part-time provision growth”.
 - The recommendation that “consideration be given to how support for those studying higher education at a reduced intensity (less than 25 per cent) and who have not committed to a higher education qualification from the outset can be financially supported, in order to meet the specific needs of those part-time learners who wish to study individual modules”.

- One respondent suggested that the transfer of credits across providers or ability for provision from several providers to contribute to a nationally recognised qualification would also raise the profile and appeal of part-time study for students in or seeking employment.
- One respondent suggested that caution should be undertaken in providing investment funding to support the expansion of part time delivery as there may not be a payback on that investment given that there is no clear evidence of unmet demand.
- One respondent noted that although there has been a decline in the number of part-time higher education students over the last decade, this decline has not been as steep in Wales as in England, which suggests that policies in Wales have been relatively effective in supporting part time recruitment and retention.
- One respondent noted that the ability to access flexible part-time higher education will be essential to Wales' economic recovery in both the short and longer term, citing the priorities in Welsh Government's Economic Resilience & Reconstruction Mission.

Question 22: Are there any particular factors in our analysis of subject groupings and relativities that you think we should take into account? What are these factors? (12 respondents)

Yes: 5

Yes, with caveats:

No: 4

Don't know/Not applicable: 3

Points raised:

- The responses to this question were mixed. However, five respondents provided suggestions of factors which we should take into account in relation to our work on subject groupings and subject relativities. There were:
 - Using HESA cost centres is a questionable basis for this unless the guidance, complete review by each organisation, and audit of cost centre allocation is part of the process.
 - The use of TRAC (T) is reasonable as a baseline provision but fails to account for cost differentials that arise from other matters, e.g. Welsh medium provision, delivery modes or models, or meeting specific skills needs and the wider regional/national economic needs.
 - The funding methodology seeks to recognise the cost of delivery, and this relationship should be maintained and supported through good quality research into delivery costs such as the TRAC(T) costing work in England, Scotland and Northern Ireland.
 - Optometry is a specific case where the current price grouping is incorrect – it should be categorised the same as Pharmacy (as is the case in England). It is expensive to deliver and the funding formula needs to change to support this.
 - The cost of delivery of subjects such as Architecture is not fully reflected in the funding formula.

- Consideration could be given to applying additional funding allowances for all subject groups at higher levels of study. This could increase the sustainability of PT HE in particular.
- The Open University's response raised particular issues relating to the use of TRAC(T) data and how it related to the University's distance learning provision across the UK.

Question 23: Will our proposals have any effect (either positive or adverse), on opportunities for persons to use the Welsh language and/or treating the Welsh language no less favourably than the English language. If so, how could the proposals be amended to ensure positive effects (or increased positive effects) on these areas? (12 respondents)

Yes: 5

Yes, with caveats: 1

No: 4

Don't know/Not applicable: 2

Points raised:

- Respondents welcomed the proposals to consider how Welsh medium provision could best be supported in the new method.
- One respondent noted that the proposals to review the cost and challenges associated with Welsh-medium provision might positively affect opportunities for persons to use the Welsh language in the future.
- One respondent noted that HEFCW was well aware of the Welsh Government's strategy to achieve a million Welsh speakers in Wales by 2050, and our proposals should enable the higher education sector in Wales to contribute constructively to that effect.

Question 24: Do these proposals have any positive or negative impacts or unintended consequences in terms of equality and diversity and the Well-being of Future Generation (Wales) Act's seven wellbeing goals, Sustainable Development Principle and five ways of working? (12 respondents)

Yes: 3

Yes, with caveats: 1

No: 5

Don't know/Not applicable: 3

Points raised:

- A third of respondents provided information on potentials impacts or intended consequences in terms of equality and diversity, and the Well-being of Future Generation (Wales) Act's seven wellbeing goals, Sustainable Development Principle and five ways of working.
- One respondent noted that the changes proposed for AY 2022/23 were relatively minor and unlikely to have any significant adverse effects.
- One respondent noted that encouraging part time participation in HE, particularly from underrepresented groups should help to provide a positive impact in terms of the diversity of the HE cohort in general.

- One respondent noted that the proposals did not include specific funding of non-accredited courses leading into credit-based provision. This could result in the exclusion of exactly the groups of people who are being targeted to enter higher level study therefore impacting negatively on equality and diversity and the goals of
 - A More Equal Wales
 - A Prosperous Wales
 - A Resilient Wales
- One respondent noted that changing funding methods frequently impacts negatively on the 'long term' strategic approach outlined in the five ways of working.

Respondents

Aberystwyth University

Bangor University

Cardiff University

Cardiff Metropolitan University

Y Coleg Cymraeg Cenedlaethol

Grŵp Llandrillo Menai

NPTC Group

Open University

Swansea University

UCU

University of South Wales

University of Wales Trinity Saint David