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Uwch Cymru

hefcw

Higher Education Funding
Council for Wales

Higher Education Funding Council for Wales

An Overview of Reaching Higher

Note for the National Assembly for Wales Education and Lifelong Learning Committee

29 June 2005



1 Introduction

- 1.1 The purpose of this document is to support the evidence to be taken by the Education and Lifelong Learning Committee from the Higher Education Funding Council for Wales (HEFCW) on 29 June 2005.
- 1.2 The theme for the session is “An overview of Reaching Higher”. We address in turn activity in the first two phases of the Reconfiguration and Collaboration fund, the recently published report on Post '92 Higher Education in south east Wales, and progress in meeting the targets that were established after the publication in March 2002 of the Assembly's strategy for higher education, *Reaching Higher*.
- 1.3 We do not address the second top *Reaching Higher* priority of widening access because progress in this regard thus far is good. Nor do we address the matter of funding of higher education because the subject has had extensive discussion in the context of the Rees report. The Assembly debate on 24 May showed that we share the objective that Wales needs a strong higher education system and that, by whatever means the Assembly should determine, it should be funded adequately. We will be glad to discuss these matters further, should the Committee wish.
- 1.4 *Reaching Higher* made clear the expectations of the Assembly Government that HEFCW should adopt an increasingly strategic approach to the development of the sector. This expectation has been made more explicit in subsequent remit letters. We are currently preparing advice for the Minister over ways in which we might target funding, including possible additional student numbers from *Reaching Higher* funding, more directly. Use of *Reaching Higher* funding more strategically in this fashion would work alongside a continued focus on reconfiguration and collaboration as the key *Reaching Higher* priority.

2 Reconfiguration and Collaboration Phase I

- 2.1 As part of the Council's response to *Reaching Higher*, the Reconfiguration and Collaboration fund was launched in July 2002. We specified the objective of the fund as *to support the reshaping of the sector in the interests of achieving major performance gains and enhanced competitiveness*¹. The fund was set at £5m in 2002-03, with a view to similar levels being available in 2003-04.

¹ HEFCW Circular W02/48HE.

- 2.2 The first phase brought some significant results, most notably the merger in 2004 between Cardiff University and the University of Wales College of Medicine. This has been supported by a £15m investment from the Reconfiguration and Collaboration Fund and has already realised £8m of investment from the Office of Science and Technology that would otherwise not have come to Wales. The merged Cardiff is already well on track to realise the objective of doubling research income between 2002/03 and 2009/10 and creating 1800 new jobs in the institution along with 1350 new jobs in the community by 2010.
- 2.3 Other outcomes of Phase I include a development of the strategic alliance between North East Wales Institute and the University of Wales, Bangor; and a rationalisation of the nursing, law and education courses offered by University of Wales Swansea and Swansea Institute of higher Education. In addition, there was a range of smaller scale collaborative activities and substantial exploration of possible mergers between the University of Wales, Newport with Coleg Gwent and the University of Wales Institute, Cardiff with the University of Glamorgan. Annex A provides further summary information.

3 Reconfiguration and Collaboration Phase II

- 3.1 In a statement on 9 June 2004, the Minister for Education and Lifelong Learning confirmed the Assembly Government's continued commitment to pursuing reconfiguration and collaboration to ensure a strong, dynamic higher education sector, which contributes to the prosperity of Wales. Accordingly, in August 2004, HEFCW announced a further phase of its Reconfiguration and Collaboration Fund to support a reshaping of the sector, with funding of £8m in 2004-05, £12m in 2005-06 and the prospect of similar sums being available in subsequent years.
- 3.2 Phase II of the fund is in its early stages. At present some 20 proposals have been received across a wide range of activities. These include a proposal from the Universities of Aberystwyth and Bangor to collaborate fully in research matters, a proposal by the Universities of Cardiff, Bangor and Swansea to establish the Wales Institute of Cognitive Neuroscience, and a number of other collaborations in the medical and bio-medical fields over which we are liaising with the Wales Office of Research & Development for Health & Social Care (WORD).
- 3.3 Other initiatives include exploration of extensive collaboration between Swansea Institute of Higher Education, the University of Wales, Swansea and Trinity College, Carmarthen; support for the establishment of a Screen Academy, Wales collaboratively between the University of Wales, Newport, the

University of Glamorgan, the Royal Welsh College of Music and Drama, the University of Cardiff and Swansea Institute of Higher Education; and support for pay modernisation involving all 12 HEIs.

- 3.4 The volume and character of these proposals is evidence of a distinct shift in attitude across the sector to seeking constructive ways of addressing the *Reaching Higher* agenda.

4 Post '92 Higher Education in SE Wales

- 4.1 Following the termination of the merger discussions between the University of Wales Institute, Cardiff and the University of Glamorgan, and the review of those discussions conducted by our audit service, HEFCW indicated publicly that:

- The proposal for merger issued for public consultation in August 2003 was powerfully argued. It offered a clear vision of the benefits to be obtained and presented a compelling case for proceeding;
- The Council was at the time persuaded of the merits of the case as proposed;
- In the Council's opinion, nothing was revealed by the Audit Report that undermined the strength of the case.

- 4.2 Against this context, and in the light of a subsequent proposal from University of Wales Institute, Cardiff and University of Wales, Newport to engage in an options appraisal for further collaboration, including the possibility of merger, the Council decided, in December 2004, to commission an independent review of current arrangements and future options for the provision of higher education through the post-92 institutions in South East Wales.

- 4.3 The review, conducted by Professors John Bull and Sir Ron Cooke, was published on 11 May, 2005 (Annex B) and offered a vision of how the University of Glamorgan, the University of Wales Institute, Cardiff and the University of Wales, Newport, working together and building upon existing strengths, could develop distinctive and ambitious teaching-led provision. The report indicated that it was highly desirable that a single, new institution would emerge from the three current organisations and that the alternative was to risk decline in the face of competition both from England and between the three themselves.

- 4.4 Following publication of the report, meetings have been held between HEFCW and each of the three institutions as well as a single meeting to which all governing body members from the three institutions were invited.
- 4.5 Initial responses suggest broad support for the vision outlined in the report but differing opinions about how best to achieve that vision. In taking the discussions forward, HEFCW is struck by the prospect which is offered of the benefits of collaboration across the three institutions; by the concern which is expressed over the consequences for competitiveness of any potential development of the UWIC/Newport merger without the involvement of Glamorgan; and by the risks to the institutions if action of the sort proposed is not taken. In the light of this, HEFCW will wish to avoid committing funds in ways that might impede the realisation of the vision proposed by the report.

5 Reaching Higher Targets

- 5.1 Since the launch in March 2002 of *Reaching Higher*, HEFCW has been working with the sector to meet the strategy's ambitious agenda. Performance targets across a wide range of activities were agreed between HEFCW and the Assembly, following which we have monitored performance and established initiatives to improve that performance.
- 5.2 The most current monitoring data against the targets are at Annex C. They show that the sector is broadly on course to achieve most of the targets but some aspects are proving more challenging. In particular, we have identified a need to focus attention on the development of Welsh Medium provision, the improvement of research income and the reduction of administrative costs.
- 5.3 In respect of Welsh Medium provision, the Reaching Higher target is that the proportion of HE students in Welsh HEIs and FECs undertaking some element of their course through the medium of Welsh should increase from 3.4% in 2000/01 to 7% in 2010/11. The Welsh Medium Provision Steering Group, established by the Council and chaired by Andrew Green, Librarian, National Library of Wales, produced a strategy that was agreed by the Minister in late autumn 2004. In discussion with Assembly Government officials, we have been working with the sector to take this strategy forward. We gave evidence on this matter to the Committee on 20 April 2005.
- 5.4 There are many complex issues to address in increasing Welsh medium enrolments, including matching supply and demand, increasing staff capacity, and determining how Welsh medium provision can be delivered over the longer term to provide a sustainable system for the future. Measures to increase staff capacity have recently been introduced through the Welsh Medium

Postgraduate Scholarship and Teaching Fellowship Schemes which will provide an investment of £2.9 million from the Council's Reconfiguration and Collaboration Fund over the next seven years. We are working closely with the Welsh Medium Teaching Development Unit, which provides advice and facilitates collaborative activities in the sector. A new post of Marketing and Progression Officer has been established for the Unit with HEFCW funding. We have included the *Reaching Higher* Welsh medium target for the Reaching Wider (widening participation) partnerships and are working with the sector to develop a further proposal to the Reconfiguration and Collaboration Fund for an options appraisal of future models for the delivery of Welsh medium provision and to implement other aspects of the strategy.

- 5.5 There are two targets relating to research income. The first concerns increasing the percentage of UK-wide Research Council funding won by the Welsh sector from 3.3% to 4.5% of the UK total by 2010; the second concerns increasing the research income from sources other than the Research Councils by 60% by 2007/08 and 100% by 2010/11 from a base of £55.7 million in 2000/01. These are ambitious targets. Progress is being made, but HEFCW remains concerned as to its rate, and about the current high level of dependence on just two institutions for delivery in this area.
- 5.6 In order to try to ensure that our formula funding for research for top-rated departments remains competitive compared with that in the rest of the UK, the Council has restricted research funding (known as QR Funding) to departments with a Research Assessment Exercise² (RAE) rating of 4, 5 or 5* with effect from 2004/05. At the same time, we have established the Research Investment Fund to help support the further development of the research base. In order to encourage postgraduate research training in Wales, HEFCW is deploying lower eligibility thresholds for funding postgraduate research students than in England. We are also actively engaged in seeking to secure Welsh consequential funding in the light of research funding initiatives announced by Whitehall departments. We have sponsored workshops for the sector run by Research Councils to encourage the submission of proposals that are sharper, or more ambitious, and therefore more likely to succeed. Finally, we are using the Reconfiguration and Collaboration fund to encourage substantial research collaboration between institutions to generate improved, and more evenly distributed, critical mass for internationally recognised research in Wales.
- 5.7 The *Reaching Higher* target for administrative overhead is that the median administrative cost per full time equivalent (FTE) student for Welsh HEIs should drop from the level of the 45th percentile (2000/01) for administration costs per FTE student in UK HEIs to the 25th by 2010/11. This, too, is an ambitious

² The UK-wide exercise by which the quality of research is assessed.

target, not least because the Welsh sector is already performing better than the UK average. Monitoring of this target is also complicated by definitional issues in the underlying data. HEFCW is keen to ensure that progress towards this target is achieved without displacement of administrative tasks to academic staff, and without support services being rendered ineffective by misplaced cost-savings. Specific initiatives include the provision of support for collaborative work towards pay modernisation; for collaboration in procurement; and for reconfiguration and collaboration more broadly, from which further overhead efficiencies can be sought. In addition, success in achieving other *Reaching Higher* targets, such as increased research income and increases in overseas students, will result in increased total activity of which the administrative overhead will become a smaller proportion.

6 Conclusion

- 6.1 *Reaching Higher* established an ambitious agenda for the higher education sector in Wales. Significant efforts are being made by the sector to meet the *Reaching Higher* targets and, more broadly, to meet the expectations laid out in the strategy. There is evidence that reconfiguration and collaboration activity is gaining momentum and that real benefits in performance are beginning to be realised.
- 6.2 This paper reports on work in progress: much remains to be done. Nonetheless, we believe that the impetus given by *Reaching Higher* has energised change in the sector which is already bearing fruit and promises more for the future.