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Chief Executive's introduction

This has been a year of profound change in higher education (HE) in Wales, for universities and their staff, for current and prospective students.



Fees and funding

Radical changes in student fees and support have been introduced, with significant differences across the four UK administrations. In response to the Westminster decisions, the Welsh Government allowed universities and certain further education colleges to raise their fees to up to £9,000, provided they could demonstrate appropriate support for widening access and promoting HE. The

Welsh Government also undertook to pay the difference between what students currently paid and the cost from 2012/13 of fees wherever in the UK they studied.

These developments, coupled with challenging funding settlements for higher education, as for the public sector as a whole, mean that our whole approach to funding higher education has to change. We are working to put the elements of this new approach in place, the latest being circular W12/03HE published on 17 January which announces plans for a Strategic Reallocation of Student Numbers from 2013/14 ([hefcw.ac.uk→publications→circulars](http://hefcw.ac.uk/publications/circulars)).

The challenge is to be able to use all the available funding to deliver the entire range of priorities for HE in Wales. This includes supporting excellent research, promoting innovation and engagement, and providing sector wide support and services, as well as making sure that admissions are fair and wide, and that the student experience is first-rate.

Structure of the HE sector

We also gave advice to the Welsh Government in the summer of 2011 on proposals for the future structure of the HE sector in Wales. We recognise the considerable strengths in all HE institutions in Wales, but we need to be more ambitious, in order to meet Welsh expectations and in the face of competition from beyond Wales. The Welsh Government published its preferred outcome to our advice at the end of November. The Education Minister will be working with the institutions involved over the coming months and we will continue to provide advice and analysis, as required.


HEFCW's role

Some developments in 2011 directly affected HEFCW's own role. The Cabinet endorsed the recommendations set out by the Education Minister following the McCormick review of HE governance in Wales that a new arms-length body with increased planning and regulatory powers be created. In the meantime, we await further consultation in this area.

The year ahead will be demanding both in policy terms and as, within HEFCW, we address the organisational consequences of our own share of the public spending cuts. We are reducing our staffing and engaging in some consequential reorganisation. We hope to do this with no loss in the quality of engagement with our stakeholders, but it will be a challenge.

I am grateful to HEFCW's staff, who have delivered under intense pressure over the past year. We in turn have greatly appreciated the strength of our relationship with colleagues in the HE sector, themselves also under considerable pressure. I particularly appreciate colleagues' participation in our survey of stakeholders and

partners at the end of 2011, which will inform our thinking about what the HEFCW of the future will look like.



Professor Philip Gummatt

Chief Executive

Student number reallocations address priorities in higher education

We have published new arrangements for allocating student numbers in Wales from the 2013/14 academic year.

The arrangements are designed to ensure that all the available funds under the new student fees arrangements are used to best effect in addressing the Welsh Government's priorities for higher education.

They are intended in particular to ensure that the institutions with a high proportion of expensive or priority subjects, or with strong research portfolios, get the funding needed. This requires some adjustments to the overall distribution across institutions of fee income and HEFCW grant.

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Universities continue their positive impact on economy and society

The tenth annual HE-Business and Community Interaction Survey (HEBCIS) shows that even in difficult times our universities continue to make a significant contribution to the Welsh economy. The unfavourable economic conditions prevailing between

2008/09 and 2009/10 seem to have hit Wales particularly hard and drops in activity areas such as contract research or the delivery of continuing professional development (CPD) and continuing education courses are more significant in Wales than in other parts of the UK. That said, Welsh universities continue to reach beyond their UK weighting of roughly 5% in several areas of activity, and to improve their overall activity share in others.

For example, in 2009/10, Wales performed above its UK weighting in the following areas:

- Collaborative research involving both public funding and funding from Business - 6%
- Income from regeneration and development programmes - 6%
- Number of active university spinout and staff start-up companies that have survived at least three years - 8%
- Number of active graduate business start-up companies that have survived at least three years -11%

Wales also improved its performance in areas such as:

- Consultancy contracts with large businesses
- Income from the commercialisation of IP
- Hire of facilities and equipment services.

→ [Press release](#)

Innovation and Engagement Funding

A new three year cycle of Innovation and Engagement (I&E) funding started in 2011/12, and the I&E strategies received from universities provide numerous examples of how they are impacting on both economic and social well-being at local, national and even international levels. I&E funding will also be supporting a number

of collaborative projects over the next three years, which also illustrate the breadth of universities' work in these areas.

These collaborative projects include:

- a new strategic partnership between Cardiff University and Cardiff Council to drive innovation in the Cardiff City– region.
- the establishment of a Chongqing-Wales HE Training Consortium, which involves all Welsh HE institutions providing training to organisations in Chongqing Province in China, with which the Welsh Government has a twinning arrangement.
- extending the Strategic Insight Programme (SIP) to all HE institutions in Wales to help university staff develop relationships through short term placements with partner organisations. SIP has established itself as a model of good practice to increase the numbers of academic staff engaged in I&E activities, and similar programmes now operate in three universities in England.

Graduate employability programme secures further funding

GO Wales, the established student and graduate employability programme managed by HEFCW and delivered through Wales's universities, has secured significant European Social Funding from January 2012 to December 2014.

Securing this funding for the programme is invaluable at a time when the graduate employment market is faced with such great difficulties. It means that students and graduates in Wales will continue to have access to a comprehensive range of initiatives including work experience and placements, support for training for graduates employed in SMEs, GO Wales's unique Graduate Academy and help for individuals who wish to develop a freelance career.

→ [GO Wales website](#)

Reviewing institutional risk

Our Institutional Risk Review (IRR) process allows us to monitor closely governance, management and strategic direction in the higher education sector in Wales, and includes considering universities' short, medium and long-term sustainability.

In May 2011, we concluded that:

- No institutions should be assessed as at High risk.
- Seven institutions should be assessed overall as at Moderate risk.
- Three institutions should be assessed overall as at Low risk.

This process ensures that we can engage further with an institution to monitor and understand better its management and monitoring of risks that have been identified through this process.

The number of institutions assessed as being at 'moderate' risk highlights the increased level of engagement with institutions at this time of uncertainty around, for example, student demand both home and overseas, and competition for research funding. This is very different to making a 'high risk' assessment, where we believe a university faces threats to its short to medium-term sustainability. A moderate risk rating means that HEFCW needs to engage further with the institution to understand better its management and monitoring of the identified risks. In fact, it will not necessarily represent a negative statement about an institution as it may also be made where, for example, an institution is driving major strategic change through a planned course of action that includes some degree of recognised, controlled risk.

In making IRR assessments, we take account of all the latest available data, information and engagements with institutions including, for example, the latest audited financial statements and other annual assurance returns. The process integrates a financial health assessment with a range of other key risk areas:

- Estates

- Governance and management
- Research and knowledge transfer
- Strategic direction
- Students and quality
- Sustainability

Student satisfaction scores remained high in Welsh universities and colleges

Results from the annual National Student Survey have shown that the overall satisfaction for students studying in Wales has remained high, with 83% of respondents satisfied with their course.

The results from the 2011 survey, in its seventh year, took account of the views of more than 21,000 students studying at Welsh universities and colleges, and saw a significant increase in the level of satisfaction for part-time students in a number of categories.

→ [More](#)

Working with students

We published the following guidance which impacts on the student experience:

- [the development of student charters](#)
- [Enhancing Learning and Teaching through Technology](#)
- [Key information sets and NSS](#)
- [Funding effective, democratic student unions, and student representation](#)



The Wales Initiative for Student Engagement – WISE – empowers students to become active participants in leading, managing and delivering their own educational experiences. On 27 February, the Education Minister, Leighton Andrews, will be sponsoring and speaking at an event in the Senedd to re-launch the WISE statement, highlight the ongoing importance of WISE and its underpinning principles: working in partnership, valuing feedback, and harnessing expertise.

Learning in Future Environments

The Learning in Future Environments (LiFE) project – formerly Universities that Count – was launched in November 2011. LiFE is a system developed specifically to improve universities' and colleges' performance in managing, measuring, improving and promoting social responsibility and sustainability performance.

→ [More](#)

Sector news

Royal Institute of British Architects (RIBA) Awards

AUDE – which promotes excellence in planning, managing and operating HE estates and facilities – reported that three of the seven RIBA 2011 awards in Wales went to projects at universities:

- Cardiff Metropolitan University's School of Management
- University of Glamorgan's Student's Union building
- University of Wales Newport's City Campus

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Times Higher Education Awards 2011

Cardiff University won the International Collaboration award at the Times Higher Education Awards in November for its cancer research partnership work with Capital Medical University in China. The collaboration brings together knowledge and expertise in the two centres to find new approaches to detecting and treating breast cancer.

→ [More](#)

Energy management in universities

Carbon Trust Wales has commended Cardiff Metropolitan University for its five-year energy management programme, launched after an energy efficiency survey funded by Carbon Trust Wales and HEFCW. The survey outcomes meant that we were able to secure Welsh Government funding to install an automatic metering monitoring and targeting system in each Welsh university.

By using the system, Cardiff Metropolitan University is on track to make savings on utilities of more than £1 million over the five years.

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Best practice in procurement in the higher education sector

Both individual universities and the HE sector as a whole have continued to demonstrate they are committed to the Welsh Government's Efficiency and Innovation goals by showing the efficiencies that can be accrued from best practice procurement.

- The procurement efficiencies for the 2009/10 financial year of just under £19 million (including efficiencies gained through using e-procurement technology) represent a percentage saving of 4.6%.

- The HE sector's efficiency figures compared with the previous year increased by around £6 million.

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JISC Procureweb launches new website

The new JISC Procureweb website will help those involved in procurement across the post-16 education sector, enabling users to access all information needed in the procurement process. The website includes easy access to many updated products and services, including a quick view of contracted supplier information, a procurement directory for HE procurement staff and a coding mapping tool.

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UK funding organisations promote resources for researchers

HEFCW is among a group of UK funders of research, and other stakeholders, which has agreed a number of principles to support researchers who move between the UK research base and other nations around the world. A study of international research performance found that UK researchers' ability to move internationally is vital in ensuring a productive research base. There has also been a demand for better information on funding opportunities and research careers advice.

The principles include promoting *Euraxess UK* as the main information portal and as a networking tool for researchers.

→ [More](#)

Publications

Now available:

HEFCW's Annual Report for 2010-11

Circulars:

- HEFCW's arrangements for reviewing codes of practice on the fair and transparent selection of staff for submission to the 2014 Research Excellence Framework.

Events

future directions
for higher education in wales



cyfeiriadau'r dyfodol
ar gyfer addysg uwch yng nghymru

Bookings open for Wales's first national Future Directions conference

26 April 2012, Glyndŵr University, Wrexham

The Higher Education Academy has opened bookings for Wales's inaugural *Future Directions* conference – Graduates For Our Future. The conference will showcase and celebrate the first Wales-wide quality enhancement theme – Graduates for Our Future - and its three work strands: Students as Partners; Learning in Employment; and Learning for Employment.

➔ [Online event booking](#)

Future Directions – Foundation Degrees: Where policy meets practice

29 February 2012, Glamorgan Conference Centre, University of Glamorgan

This event will focus on Wales's creation and development of Foundation Degrees so far and in the future.

The interactive sessions will focus on:

- employer and work-based learning routes into Foundation Degrees
- institutional development of Foundation Degree
- relevant policy areas.

➔ More

Seminar: Part-time study in higher education for a buoyant economy and social inclusion

Thursday 23 February 2012, Park Plaza Hotel, Cardiff, 10:00 – 16:00

We are inviting senior representatives from universities and organisations who have an interest in:

- part-time study
- part-time employer-focused provision in HE
- opportunities for progression from further education in Wales

to help inform our advice to the Welsh Government, which will be submitted in March 2012. The event will focus on part-time study as it relates to social mobility and upskilling of the workforce, including flexible learning and continuing professional development (CPD). There will be speakers from the Welsh Government, HEFCW and the Open University.

➔ To register your interest, please contact Craig Brett: 029 2068 2279, craig.brett@hefcw.ac.uk.

Welsh success in the 2011 National Teaching Fellowship Awards

Six academics from Wales celebrated success in October at the Higher Education Academy's (HEA) National Teaching Fellowship Scheme (NTFS) Awards dinner in London.

Wales scooped six of the 55 awards across England, Northern Ireland and Wales. Each winner was awarded £10,000 to recognise individual excellence. The award is intended for Fellows' professional development in teaching and learning.



Back row l-r, 1-9 1. Chris Webster, Cardiff University 2. Richard Tong, Cardiff Metropolitan University
8. Aiden Byrne, Swansea University (now at Cardiff University) 9. Philip Gummatt, HEFCW

Front row l-r, 1-6 4. Ruth Dineen, Cardiff Metropolitan University 5. Julie Price, Cardiff University
6. Heather Skinner, University of Glamorgan

UK India Education and Research Initiative (UKIERI)

The UK India Education and Research Initiative (UKIERI) enhances educational links between India and the UK. The initiative provides opportunities to support partnerships, and develop student mobility and skills development programmes.

UKIERI is currently seeking new applications and partners from HE institutions for a number of programmes covering these areas. The deadline for submissions is 15 March 2012.

→ [More](#)

HEFCW Chief Executive to retire

HEFCW's chief executive, Professor Phil Gummatt, has announced he intends to retire later this year, at a date to be determined, but likely to be between July and October 2012.

Professor Gummatt joined HEFCW on secondment from Manchester University in October 2000, at a point when HEFCW was becoming part of a larger joint structure with ELWa (Education and Learning Wales). HEFCW was separated from ELWa in 2003 and Professor Gummatt became HEFCW's chief executive in 2004.

→ [More](#)