

Press release

Date: Tuesday, 13 May 2008

Title: New funding settlement for higher education in Wales

Higher education institutions in Wales will receive grant allocations of £450 million in the 2008/09 academic year, the Higher Education Funding Council for Wales (HEFCW) has announced.

The main allocations of core funding for teaching and research in 2008/09 will total more than £360 million. An additional £90 million has been made for capital funding and a range of other strategic priorities.

The allocations are the first to be made following the outcomes of the 2007 Comprehensive Spending Review.

Against this backdrop, HEFCW will continue to promote progress towards the priorities of *Reaching Higher*, the Assembly Government's 10 year strategy for higher education, published in March 2002. HEFCW will also play its part in ensuring that the Welsh higher education sector is well placed to make its contribution to achieving the aspirations for Wales outlined in *One Wales*.

As required by the Minister for Children, Education, Lifelong Learning and Skills, HEFCW continues to examine additional strategic uses of its funding and has committed to increasing the proportion of its annual grant devoted to strategic priorities, particularly research, widening access and Welsh medium provision.

As well as releasing funds to invest in these strategic priorities, HEFCW has increased the allocation to its Strategic Development Fund by 25% from £4 million to £5 million.

In cash terms, the average increase for HEIs on 2007/08 grants is 2.5%, with the maximum increase for an individual HE institution being 3.1%.

Professor Philip Gummett, Chief Executive of HEFCW, said: "The higher education sector in Wales has much to be proud of. It provides an excellent and essential foundation for Welsh business, society and culture and plays a crucial role in developing Wales as a knowledge economy. Although the Comprehensive Spending Review resulted in a tight settlement for Welsh higher education, we will continue to seek ways in which we can target funding selectively in support of strategic priorities in order to maximise the impact of the sector."

Roger Thomas, newly appointed Chairman of the Council, said "As we continue to address the priorities of *Reaching Higher* and embrace the agenda set by *One Wales*, there is much to be done. In seeking to maximise the contribution which HEIs make to Wales, we will continue to work hard with them to retain their competitiveness in the UK and the international markets in which they operate.

"Higher education is a net generator of income, representing an excellent investment of public funds, and HEFCW will continue to work with the Welsh Assembly Government to achieve funding which will allow higher education to make a full contribution to the future development of Wales."

Ends

Notes:

1. Contacts for further information

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2. The funding settlement

Full details of HEFCW's recurrent grant allocations for 2008/09 are in circular W08/15HE, *Recurrent Grant 2008/09*.

Allocations of recurrent grant for 2008/09 compared with 2007/08 are at **Annex A. Annex B** compares the distribution of HEFCW's total grant, recurrent and capital, baseline and above baseline, for the 2008/09 academic year with that for the 2007/08 academic year.

3. One Wales – A progressive agenda for the government of Wales

One Wales is the agreement between the Labour and Plaid Cymru Groups in the National Assembly for Wales and can be found at

<http://new.wales.gov.uk/strategy/strategies/onewales/onewalese.pdf?lang=en>

3. About HEFCW

The Higher Education Funding Council for Wales (HEFCW) is an Assembly Government Sponsored Body responsible for administering funds made available by the Welsh Assembly Government in support of:

- education in higher education institutions (HEIs);
- research undertaken by HEIs; and
- higher education courses at further education colleges.

HEFCW is also responsible for accrediting providers of initial teaching training for school teachers and commissioning research to improve the standards of teachers and teacher training.

In addition to its funding responsibilities, HEFCW provides advice to the Welsh Assembly Government on the funding needs, aspirations and concerns of the higher education sector in Wales.