



Press release

Date: Tuesday, 17 March 2009

Title: New funding settlement for HE in Wales

Higher education institutions in Wales will receive grant allocations of £433.8m in the 2009/10 academic year, the Higher Education Funding Council for Wales has announced. These allocations will enable the institutions to maintain their key role in building a strong knowledge based economy for post-recession Wales.

The grant covers core funding for teaching, research, capital and special initiatives in universities in Wales. The teaching funding also supports higher education courses in further education colleges across Wales. In addition, £34.6m is available in the 2009-10 financial year to support Welsh Assembly Government Higher Education strategies including *Reaching Higher* and *One Wales*. The allocations reflect the current Welsh Assembly Government budget proposals for higher education for 2009-10 and 2010-11.

This announcement follows on the heels of the recently announced HEFCW Economic Support Initiative to encourage universities to increase their efforts to support the economy. It acknowledges the role of universities as large employers – the largest in many parts of Wales - and as key drivers of their local economies.

Roger Thomas, Chairman of HEFCW, said: “It is essential, in these challenging economic times, to extend the opportunities for the people of Wales to train or re-train, or to raise their skill levels in order to boost their employment prospects.

“Higher education institutions give far more back to the economy of Wales than the levels of public investment they receive. Through the development of a highly skilled workforce, the production of knowledge, and the application of that knowledge, higher education forms an important part of the bedrock on which recovery from the current economic circumstances will be based in Wales.”

The main allocations for teaching and research in 2009/10 will total more than £380m. An additional £30m has been made available for a range of other strategic priorities, including universities’ work with business and communities (Third Mission Funding).

The research allocations take into account the outcomes of the Research Assessment Exercise (RAE) 2008, which considered the quality of research across the UK and saw a number of universities in Wales improve their performance, with the sector as a whole broadly maintaining its position within the highly competitive UK research context (second only to the USA globally).

Building the knowledge economy needs strong and sustainable capacity in research. To support sustainable excellence in research, not least in STEMM (science, technology, engineering, mathematics and medicine) subjects, HEFCW has increased its core funding for research by transferring £6.1m from other funds. This responds to a steer from the Welsh Assembly Government to use our core funding more strategically to support key priorities. To encourage research strategies which focus on sustainable excellence – particularly where research units are very small - we have applied a minimum volume threshold to our research funding for the first time this year.

Professor Philip Gummett, Chief Executive of HEFCW, said: “We expected a tight financial environment for public spending in Wales and, within this context, we are pleased to see continued substantial public investment in higher education. We were delighted to see a strong research performance from Wales in the Research Assessment Exercise and are pleased to be able to increase

overall research funding by 3.9 per cent. Looking now to the future, the challenge is to ensure that our funding is used to support sustainable excellence in research.”

The Capital allocations in 2009/10, which amount to £23.75m, have been announced separately this year, as these form part of a funding package over three years to support universities’ Capital Investment Plans. However, with support from the Welsh Assembly Government, we have already brought forward payments of capital funding to encourage universities to undertake new building projects and maintenance work which will support the building trade in their local areas.

We continue to promote progress in the higher education sector against the Welsh Assembly Government’s priorities, particularly those set out in *Reaching Higher*, the Assembly’s ten-year strategy for higher education, published in 2002, and *One Wales*, the agenda for the National Assembly coalition government. We await the outcomes of the current review of *Reaching Higher*, which will be reflected in our announcements next year.

The allocations take into account our work with the HE sector in reconfiguring provision for initial teacher training into three centres of teacher education. In two of the centres, ITT allocations for 2009/10 are now, for the first time, directed through only one of the partner institutions. This impacts on the published outcomes for their partners. Great care must be taken, therefore, to observe our detailed guidance on the correct handling of year on year comparisons.

Ends

Notes to Editors

Contacts for further information

HEFCW: Emma Raczka, Communications Manager, 029 2068 2225

emma.raczka@hefcw.ac.uk

Annex A provides a comparison between the funding allocations for 2008/09 and 2009/10.

As a result of ITT reconfiguration, there has been movement of funding with, in particular, funding and student places now being allocated to the lead institution in each of the new Centre partnerships. This affects the allocations to UWIC and Trinity University College Carmarthen, which are inflated by this process, and to University of Wales Newport and Swansea Metropolitan University, which are correspondingly depressed. **As a result, year on year comparison of total institutional allocations is no longer appropriate and in order to address this issue, additional columns have been added to the 2009/10 figures.**

These columns indicate the differences between 08/09 and 09/10 prior to the ITT reconfiguration and allow a like-for-like comparison between those years.

Therefore, in order to make comparison, use only the final columns in Annex A that have been designed to take this technical adjustment into account.

Annex B provides a breakdown, by budgetary area, of the funding allocations for 2008/09 compared to those for 2009/10.

Circular W09/06HE – Economic Support Initiative provides additional information about support being provided to encourage the higher education sector in Wales to engage to help counter the impact of the current economic downturn on individuals and employers

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.