

## Press release

**Date:** **Wednesday, 24 March 2010**

**Title** Higher education funding announced *For our Future*

A new fund has been established for universities to realise the goals of *For our Future*, the Welsh Assembly Government's twenty-first century strategy for higher education, the Higher Education Funding Council for Wales (HEFCW) has announced.

The announcement was made as HEFCW confirmed that higher education (HE) in Wales would receive grant allocations of £403 million, excluding capital funding, in the 2010/11 academic year, which would also encourage universities and colleges to take major strides in delivering *For our Future*. The funding would reinforce the role of higher education institutions in promoting social justice and maintaining a buoyant economy.

The new Strategic Implementation Fund (SIF), to support the delivery of the ambitions in *For our Future*, comprises some 20% of HEFCW's revenue funding for the 2010/11 academic year, and is set to grow over the coming years.

The grant allocations reflect the current Welsh Assembly Government budget proposals for higher education for the 2010-11 financial year which, excluding ring-fenced items such as funding for reconfiguration and collaboration, have kept mainstream higher education funding at the same cash level as the 2009-10 financial year.

Overall grant allocations support teaching, research and capital, and strategy and initiatives in universities in Wales, including some elements of the Strategic Implementation Fund. The teaching funding also supports higher education courses in further education colleges across Wales.

Roger Thomas, Chairman of HEFCW, said: “We welcome being tasked by the Welsh Assembly Government to deliver *For our Future*. We will engage with HE providers, and other stakeholders, to ensure that social justice and supporting a buoyant economy are at the core of government funded higher education in Wales.

“Universities give far more back to the economy of Wales than the levels of public investment they receive, including through substantial inward investment in the form of overseas students. Through helping to develop a highly skilled workforce, and producing and applying knowledge, institutions show awareness of the important responsibilities that come with public funding to help Wales thrive.”

Professor Philip Gummett, Chief Executive of HEFCW, said: “In a tight financial environment, we are pleased to see continued substantial public investment in higher education. There are evident challenges for higher education in this climate, and we look to institutions to maximise efficiency of the use of funding, both individually and collectively. As we develop our new Strategic Implementation Fund, we will continue to sharpen priorities for future funding allocations to ensure the best possible returns from this substantial investment of public funds.”

## **Priorities and funding details**

HEFCW's new Strategic Implementation Fund (SIF) incorporates funding streams with a particular focus on supporting the Welsh Assembly Government's *For our Future* strategy, and this fund will be increased in future years.

In the 2010/11 academic year, this includes £4 million redirected into supporting HEFCW and Welsh Assembly Government priority areas. This was achieved by reducing all [formulaic](#) elements of funding by 3.25% (teaching, [QR](#), [PGR](#), premium payments, [third mission](#), [Graham funding](#) for part-time students), to be redistributed as follows:

- **£2 million for research.** £100k of this has been allocated for [Research Excellence Framework](#) developments, some £40k will be used to restore postgraduate research (PGR) to the level before the 3.25% reduction, and the remainder will be put into Quality Research (QR). This will allow £73,901,356 for distribution through the QR formula in 2010/11.
- **£2 million for widening access.** Allocated to restore the Disability Premium to the level before the 3.25% reduction and the remainder added to the widening access premium.

As funding **Welsh medium higher education** is a priority area, HEFCW will continue to pay a premium for Welsh medium delivery. This premium has been protected so that the amount of funding in this area is not less than that available in the 2009/10 academic year.

The **capital allocations** in the 2010-11 financial year, which amount to £22.6 million, were announced separately this year, as they were part of a three-year funding package to support universities' Capital Investment Plans. £7 million of this funding was already brought forward into 2008-09 and 2009-10 to encourage universities to carry out new building projects and maintenance, work which would support the construction industry locally.

In addition, £28.9 million will be allocated to support [reconfiguration and collaboration](#), [Reaching Wider](#), [One Wales](#) funding and [ITT reconfiguration](#).

HEFCW recently consulted on changes to the funding method and is currently consulting on the introduction of a regional approach to the planning and delivery of higher education in Wales. Further redistribution from core funding to the Strategic Implementation Fund is anticipated in future years to focus funding to drive *For our Future* priorities.

## **Ends**

## **Notes**

The full recurrent grant circular (W10/10HE), including all tables and funding allocations, will be found at [www.hefcw.ac.uk](http://www.hefcw.ac.uk) under circulars / publications from 24 March 2010.

The Strategic Implementation Fund targets the following *For our Future* priorities: widening access, part-time students, Welsh medium higher education, research, employer engagement, initial teacher training and strategic initiatives.

The allocations for initial teacher training (ITT) reconfiguration take into account our work with the HE sector in reconfiguring provision for ITT into three centres of teacher education. In all three centres, ITT allocations for 2010/11 are now 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.

No indicative budget is currently available for financial year 2011-12 and HEFCW has assumed a flat budget (i.e. the same in cash terms as financial year 2010-11) for planning purposes.

## **Contacts for further information**

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**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.