



Research Policy Analysis  
Ymchwil Polisi Dadansoddi

***EVALUATION OF THE ADDITIONAL FUNDING FOR PART-TIME  
STUDENTS (RBC/1001)***

***FINAL REPORT***

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## 1.0 INTRODUCTION

### 1.1 Purpose of the Evaluation

**Old Bell 3 Ltd.** was commissioned in June 2009 to carry out an Evaluation of the Additional Funding for Part-time Students.

The Independent Review of Part-time Higher Education Funding in Wales, chaired by Dr. Heather Graham, reported to the Welsh Assembly Government in June 2006. The Review recommended a package of measures to mitigate the potential impact of rising fees for part-time students, including *“an additional funding stream...based on the total number of part-time credits being studied at each institution”*. This additional funding was intended to operate alongside pre-existing schemes such as the Fee Waiver Scheme for part-time students on certain social security benefits.

As a result of further discussions within a Working Group set up by the Welsh Assembly Government, a three year funding package was launched in September 2007, channelling £6.4 million each year to Welsh Higher Education Institutions (HEIs). £4.4 million of this was intended to fund measures to attract and support students enrolled to study 60 units or less, linked to widening access criteria, while £2 million was targeted at strengthening employer links in respect of such students.

The sorts of measures which it was envisaged HEIs might take to use these resources represented a mix of direct support to students (for example, bursaries and other financial support in line with widening access policies) and more “infrastructural” policies (such as the development of e-learning packages; increasing the availability of learning support outside normal working hours; or *“working with employers to identify their needs and design and improve delivery”*<sup>1</sup>).

It is the use of this funding which the evaluation was intended to consider.

The objectives of the evaluation were:

*“to undertake an analysis of and produce a report on the impact of the Widening Access and Third Mission strands of HEFCW’s Additional Funding for Part-Time Students on institutions and their key stakeholders.....[and to] assess the impact on institutional performance, including any evidence of innovative ways of approaching widening access and third mission, and emerging indications of economic and social impact”*.

The evaluation was also intended to probe the additionality or added value of the funding, in particular in terms of encouraging enrolments and increased retention of part-time students not from a traditional higher education background and of strengthening the relationship between business and higher education, and promoting the delivery of part-time courses.

The evaluation was also expected to consider HEFCW’s processes for managing the funding, and whether the implementation arrangements have been appropriate given the scale of the resources.

The intention was for the research to lead to a report making recommendations as to whether there is merit in continuing to provide the two strands of additional funding, and if so, whether this should continue to be managed in the current “ring-fenced” way, or whether the funding should be mainstreamed within HEIs’ core budgets.

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<sup>1</sup> HEFCW Circular W07/35HE

## **1.2 Methodology**

This small evaluation has involved:

- A brief inception stage leading to an agreed Inception Report;
- A desk review of key strategy/policy documentation setting the context for the funding;
- A review of relevant HESA data on numbers of enrolled part-time students at Welsh HEIs;
- A desk review of the 2007/8 and 2008/9 Additional Funding Plans and 2007/8 Annual Monitoring Statement from each HEI, along with the guidance issued by HEFCW in respect of each of the two years (Circulars W07/35 HE and W08/23 HE);
- Reviewing contextual material (principally Third Mission Strategies and Widening Access Strategies) and undertaking face-to-face interviews with some key stakeholders involved in preparing and implementing the Plans in a sample of five HEIs viz:
  - University of Wales Newport (largest recipient by proportion of overall revenue funding: very strong focus on widening access agenda; considerable issues in reaching agreement on the 2007/8 Additional Funding Plan);
  - University of Wales Institute Cardiff (mid-scale recipient; a post-92 institution; the only HEI to present a first draft of the 2007/8 Additional Funding Plan which was acceptable without further discussion);
  - Bangor University (a Research University, where the funding is small both in absolute terms and relative to overall HEFCW revenue funding at 0.8%)
  - Trinity University College Carmarthen (the smallest recipient);
  - The Open University in Wales (a unique institution for whom part-time students are central).
- Interviewing a small number of additional stakeholders including:
  - Representatives of the Reaching Wider Partnerships in South East and North Wales;
  - Representatives of the Dragon Innovation Partnership (a third mission partnership involving Trinity University College, Carmarthen as well as Swansea University and Swansea Metropolitan University), which also provided an opportunity to discuss the way in which Swansea University and Swansea Metropolitan University had used the funding;
  - Key HEFCW staff involved in the management of the funding;
  - The Department for Children, Education, Lifelong Learning and Skills in the Welsh Assembly Government;
  - Higher Education Wales;
  - NUS Wales;
  - A representative of Improve, the Sector Skills Council for the food and drink industry, as an employer representative.
- Maintaining regular contact with the client contract manager;
- Drafting this final report.

## **1.3 Structure of the Report**

In this report we:

- Explain the context for the evaluation, including the origins of the funding and the aims and objectives for it, as well as the way in which it relates to the broader policy context of Higher Education and the way in which it has been administered (Section 2);

- Consider the way in which the funding has been deployed by HEIs and report on our findings relating to the outcomes and impact associated with it (Section 3);
- Report on our findings in respect of the processes associated with the deployment of the funding (Section 4);
- Report on views with regard to future arrangements (Section 5); and
- Present our conclusions and recommendations (Section 6).

## 2.0 THE CONTEXT FOR THE EVALUATION

In this section, we draw principally on our desk review to explain the context for the evaluation, considering in turn, the origins of the funding (Section 2.1), the aims and objectives set for it (Section 2.2), the broader policy context within which it is operating (Section 2.3) and the management arrangements for the funding (Section 2.4).

### 2.1 *The Origins of the Funding*

The Higher Education Act 2004 devolved responsibility for tuition fees and student support to the Welsh Assembly Government. The Act afforded the Welsh Assembly Government the opportunity to further shape Higher Education (HE) provision across Wales. Central to the Welsh Assembly Government's approach has been the development of appropriate tuition fee and student support arrangements.

In light of the Assembly-commissioned Rees Report<sup>2</sup> (published in May 2005) on full time Higher Education in Wales, the Assembly approved the introduction of a higher flexible fee structure – in line with a similar introduction in England - for HEIs in Wales, beginning in 2007/08. This allowed HEIs to charge up to £3,000 per annum for course fees for full-time undergraduates and provided for Tuition Fee Loans to be introduced to ensure that full-time students did not have to pay any element of the fees upfront. However – and distinct from England – the Assembly also introduced an Assembly Fee Grant of £1,800 for Welsh domiciled students choosing to study at Welsh HEIs, thus capping the individually-paid fee at £1,200.

The arrangements in respect of fees were specifically focused on full-time students, with part-time students being eligible neither for the Assembly Fee Grant nor the Tuition Fee Loan. However, the Rees Report also clearly acknowledged the important and growing role of part time HE study in Wales. In particular, it drew attention to the value of part-time HE study in enhancing employee skills, widening access, supporting economic regeneration and enhancing civil and cultural life in Wales. The assertion was that while much had already been done in improving part-time education within Welsh HEIs, much remained to do, particularly in achieving parity between part-time and full-time study arrangements. In conclusion, the report suggested *“any new funding arrangements for HE, and student support systems, should enhance, rather than jeopardise existing successful part-time provision”*<sup>3</sup>.

It was in response to the findings of the Rees Report that the Welsh Assembly set up an independent Review Group, chaired by Dr Heather Graham to *“prepare recommendations on an affordable, practicable and transparent system of funding, fees and student support for part-time HE students in Wales”*<sup>4</sup>. It was widely recognised that to be successful, new systems needed to challenge existing norms, and embrace and promote what was in effect a cultural change; drawing on the earlier Dearing Report, what was sought was “parity of esteem” across the various approaches to learning<sup>5</sup>. In particular, this meant accepting that learning patterns need not follow a full-time continuum but rather there should be recognition (and support) for discontinuous, flexible and part-time learning patterns. Essential to this

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<sup>2</sup> Fair and flexible funding: a Welsh model to promote quality and access in higher education: report for the independent study into the devolution of the student support system and tuition fee regime in Wales (The Rees Review), 2005, Cardiff: Welsh Assembly Government

<sup>3</sup> Rees Review p86

<sup>4</sup> Independent Review of Part-Time Higher Education Study in Wales (The Graham Review), 2006, Cardiff: Welsh Assembly Government, p29

<sup>5</sup> Graham Report (2006, p28) drawing upon National Committee of Inquiry into Higher Education (The Dearing Report) 1997, UK:NCIHE Publications.

was seen to be the achievement of financial neutrality between the competing choices of full-time and part-time study.

The findings from the review were published in the Graham Report (2006). In drawing conclusions and recommendations from the research, the Review Group noted the difficulties caused by the need to make recommendations coherent and achievable from the baseline of the current arrangements, and also within the context of the individual HEIs, including the multiplicity of courses and types of students attending them.

The report was clear, however, in stating that future support arrangements should be delivered through a system that:

- *“is responsive to, and tailored for, the wider needs of the society and economy in Wales;*
- *is adequately resourced, and offers an effective use of public funds;*
- *takes into account the settlement already agreed for full-time learners in higher education in Wales;*
- *safeguards and where possible enhances existing part-time opportunities in higher education, including those which are supported by employers;*
- *maximises opportunities for all to be able to access and participate in high quality higher education;*
- *enables learners to make choices regarding mode of study based upon what is most appropriate to their needs rather than financial incentives or disincentives (except where such differences can be objectively justified or in the public interest);*
- *takes account of the varying ability of students to make a financial contribution to the cost of their studies, and gives most support to those in greatest need;*
- *does not financially disadvantage institutions that offer part-time opportunities;*
- *enables students to pursue their studies to the best of their ability;*
- *recognises parity of esteem for different modes of study, such as face-to-face study and distance learning;*
- *is clear, simple, comprehensive and consistent;*
- *is flexible and responsive to both learner and provider and easily administered;*
- *is based on fairness and equality of opportunity;*
- *assists in increasing participation in learning from those parts of Wales, and those sections of Welsh society, where existing levels of participation are low;*
- *is responsive to the circumstances of learners with particular needs, such as older learners, those with dependents and disabled learners;*
- *takes regards of the fact that both Welsh and English are widely spoken in Wales, and that Wales is a multicultural society;*
- *is responsive to the needs of learners from all parts of Wales including those from geographically remote communities”<sup>6</sup>.*

The Graham Report put forward 16 recommendations. These centred on a preferred generic model of part-time student finance support. They also included wider recommendations relating to entitlement and arrangements, which aimed at reducing complexity, increasing take up rates and achieving (as far as was seen as possible given resource constraints) parity with full-time study support.

As part of this approach, the Graham Review recommended the adoption of a model which, in terms of public funding, included - over and above a per capita payment for each enrolled student and a payment towards tuition costs calculated pro rata on the

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<sup>6</sup> Graham Report, page 4

basis of credit volume and subject – “an additional funding stream intended to compensate for the lower tuition fees paid by part-time students, based on the total number of part-time credits being studied at each institution”<sup>7</sup>.

Moreover, Recommendation 12 of the Review suggested that “the new fee compensation funding stream for part-time students, should in part, be used to widen access by means determined at the institutional level”<sup>8</sup>. It was further recommended that financial support to part-time students be continued and developed through fee waivers, fee support and course grants, focused primarily on low income and low participation groups and providing parity between part-time and full-time arrangements (e.g. in relation to childcare support). Similarly Recommendation 12 called for the continuation of the Reaching Wider Partnerships and the widening access premium (see below).

Recommendation 13 called “for additional support for HEIs and colleges to work with local employers in ensuring relevant provision”<sup>9</sup>. Furthermore, there should be “increased support at departmental level to enhance and extend the relationship with professional bodies across Wales”.

Following publication of the Graham Review, the Welsh Assembly Government established a Working Group, formed from representatives and key stakeholders in the HE sector in Wales. This group formulated a set of proposals to address the needs identified in the Review and these proposals were set out in letters from the Welsh Assembly Government to Higher Education Wales dated 12 July 2007. Central to the suggested approach was the funding of activities in support of:

- a) widening access and strengthening provision within HEIs (linked primarily to HEI’s Widening Access Strategies but also including their Learning and Teaching strategies);
- b) Strengthening employer links (linked to HEI’s Third Mission Strategies).

Figure 1 provides further background on these two areas of HEI activity which are critical to an understanding of the way in which the Additional Funding has been used.

### **Figure 1: Widening Access and Third Mission Strategies**

#### ***Widening Access***

Welsh HEIs first submitted widening access strategies, in their current format, in February 2001<sup>10</sup>. Broadly, the aim of the widening access agenda has been to break down the perceived barriers, and widen access, to higher education.

Since then, Welsh HEIs have been required to submit widening access strategies to HEFCW on a triennial basis. Funding is provided by formula based on :

- a) the number of enrolments ‘eligible’ for widening access support from low affluence areas (90% of funding allocated to HEIs based on pro-rata numbers);
- b) the total number of enrolments (10% of funding allocated pro-rata).

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<sup>7</sup> Graham Report p. 74

<sup>8</sup> Graham Report, p. xxii

<sup>9</sup> Graham Report, p. xxii

<sup>10</sup> Arad Consulting, Evaluation of the Widening Access Activities and Reaching Wider Initiatives in Welsh higher education institutions, Final Report January 2007, page i

The *Reaching Higher* strategy published by the Welsh Assembly Government in 2002 made a formal commitment – including a commitment to extra funding - to support and progress the widening access agenda. In response, HEFCW formulated the Reaching Wider initiative to drive progress in respect of the four *Reaching Higher* widening access target groups: people living in Communities First areas, black and ethnic minority groups, people who wish to study through the medium of Welsh and disabled people. Four regional Partnerships - North Wales, West and Mid Wales, South West Wales and South East Wales – were established in 2002, and allocated around £2 million per annum in total to progress widening access and Reaching Wider activities in a “regionally co-ordinated manner”<sup>11</sup>.

In 2006-7 there HEFCW made an additional “one off” payment of £750,000 to HEIs in Wales in support of their widening access initiatives. The funding aimed to support the development of specific widening access priorities including promoting alignment with RW partnership activities, and also to further address the gap between the costs of widening access and existing funding, as estimated in the a report by JM Consulting (September 2005).

HEFCW Circular W08/22HE stated that submission for a third cycle of widening access strategies would be postponed one year primarily to so that HEFCW might take account of emerging evidence including, for example, *the Review into Higher Education* led by Professor Merfyn Jones.

### **Third Mission**

The Third Mission Fund was established by HEFCW in June 2004 to support “activities that stimulate and direct the application and exploitation of knowledge to the benefit of the social, cultural and economic development of ....society”<sup>12</sup>.

Examples of third mission activities include initiatives supporting enterprise and entrepreneurship, including the development of spin-out companies, training, consultancy and contract research services to businesses, and innovation and knowledge transfer projects. The current period (2007-2010) represents the second funding stream. In April 2005, the Welsh Assembly Government announced that in this second three-year cycle annual funding would double in size to £6.1million<sup>13</sup>. This sum was to be allocated based upon:

- a) £1.2 million as core or ‘foundation’ funding equal to £100,000 per HEI
- b) £1.0 million for bid based, collaborative funding. Indicative guidelines suggested that around £200,000 maximum should be requested for each collaboration.
- c) £3.9 million allocated by formula based upon: each HEIs third mission activity potential and capacity building; a reward for HEIs income related (outcome) performance and their non-income related (outreach) performance.

Finally, the nature of the arrangements by which, in 2005, HEFCW assumed responsibility for Open University (OU) funding in Wales, meant that the OU was precluded from accessing both foundation or formula funding (but were able to access funding for collaborative workings).

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<sup>11</sup> Arad Consulting evaluation page ii

<sup>12</sup> Third Mission Funding Arrangements 2007-08 to 2009-10, HEFCW Circular W07-18HE, May 2007, Page 1

<sup>13</sup> 10, page 1

## **2.2 The Aims and Objectives for the Funding**

In support of the Graham Review findings and wider policy priorities, HEFCW was required, by the Welsh Assembly Government, to ensure that HEIs<sup>14</sup>:

- i. Take a lead in developing proposals and determine how the objectives can be best achieved and in particular, the extent to which funding should be focused directly on individuals or, alternatively, in support of institutional provision;
- ii. make clear the objectives for the additional funds and link these closely with the “*broad objectives for the funding*”;
- iii. take account of the need to evidence additionality from the funding – in particular, that baseline levels are identified for each activity;
- iv. produce proposals that are “light touch” – focusing on broad areas of activity – but not at the expense of clarity with regards to intended outputs and outcomes;
- v. use the additional funding to promote innovation as well as strengthen part-time study;
- vi. produce annual monitoring statements from which HEFCW can monitor progress against proposals and targets.

These requirements and other arrangements were formally outlined in guidance to the Welsh HEIs in HEFCW Circular W07/35HE.

The Circular stated that £4.4million (of £6.4 million total) would be provided to HEIs in Wales in relation to widening access and strengthening provision for part-time study agenda. Funds were to be distributed according to the “*part-time credit volume weighted to the level of credit associated with students who score for widening access premium purposes*” and were intended “*to strengthen part-time study by funding provision on a targeted basis or by providing financial support for students*”. The Circular outlined a number of “*specific areas of activity which institutions might wish to support*” while making clear that this was “*not intended as a definitive list*”<sup>15</sup>. (See Section 4.2 for a further discussion).

The Circular also explained that a further £2 million per annum was to be allocated which was “*aimed at strengthening engagement with employers in the delivery of part-time HE*”. The Circular stressed the need to consult with Sector Skills Councils (SSCs) and integrate activities with existing third mission activities. The basis for distribution between HEIs was to be 50% allocated according to part-time credit volumes and 50% according to related areas of institutional third mission funding.

Drawing on the Assembly requirements described earlier, the HEFCW guidance also made clear that funding was dependent on some key criteria being met:

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<sup>14</sup> Letter from John Howells, Welsh Assembly Government of 12 July 2007, page 2

<sup>15</sup> In the case of Widening Access these were: Students from economically disadvantaged backgrounds; Bursaries; Awareness raising particularly in relation to the promotion of flexible learning (to reduce drop students should be encouraged to move part-time to full-time or full-time to part-time); Funding learning support outside regular working hours; Providing more blended learning opportunities like e-learning; Increasing welsh medium part time provision; Developing shared provision or modules across a region; Disseminating good practice in collaboration; Increasing hardship funds for part-time students. In the case of employer engagement they were: Work based learning opportunities and e-learning; Engaging employers in vocational skills provision; Working with employers to identify their needs and design and improve delivery; Developing innovate ways to of responding to employer needs.

- proposals had to demonstrate that they complied with the overall aim of strengthening part-time provision, with a particular focus on widening access to higher education and on extending links with employers;
- there was demonstrable “*additionality*” in terms of the impact of proposed measures;
- the award of funding was dependent on the completion of a satisfactory Implementation Plan for each year.

### **2.3 The Broader Policy Context for the Funding**

The wider policy context also lends strong support to the focus of the additional funding which resulted from the Graham Review on widening access and third mission activities.

In practice, the Welsh Assembly Government has been committed for some time to determining the most appropriate systems and arrangements to best support part-time HE education in Wales. Since the Bologna Declaration (1999), Wales and other European nations have been committed to meeting HE challenges by adopting approaches that are flexible, accessible and mobile across areas and regions. It is also clear that strategic developments in part-time provision in the HE sector do respond to several priorities which underpin much of the Assembly’s thinking, for example, in relation to life long learning, social inclusion, social justice, widening access and economic regeneration.

At the level of overall Government strategy, *Wales: A Better Country* (2003), the Programme of Government for the Welsh Assembly Government between 2003 and 2007, identified high quality skills and education as key drivers in the attainment of a competitive, productive and high value added economy. HEI-employer engagement and knowledge transfer were seen as important mechanisms to ensure the HE system could play this role.

In *The Learning Country 2: Delivering the Promise* (2006) and *Wales: A Vibrant Economy*, clear emphasis was placed on an education system that was accessible to all and at all levels, while *The Learning Country: Vision into Action* (2006) specifically pledged to “*enhance the opportunities for studying part-time and the support for part-time learners in response to the recommendations of the Graham Review*”.

More specifically, the most recent (though now somewhat dated) Higher Education Strategy, *Reaching Higher* (2002) set forth many of the principles underpinning the Graham Review, notably an emphasis on widening access by targeting “*low participation neighbourhoods*”, being “*pro-active*” in supporting students (e.g. student hardship funding and supporting community-based delivery), improving retention rates by encouraging academic progression and “*allowing student to easily transfer*” between vocational and further educational courses and HEI courses<sup>16</sup>. Similarly, in relation to links with employers *Reaching Higher* included generic commitments to developing a more skilled workforce, improving the relationship between HEIs and the private sector and increasing the profitable commercialisation of knowledge developed within HEIs<sup>17</sup>.

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<sup>16</sup> *Reaching Higher: Higher Education and Learning Country: A strategy for the higher education sector in Wales, 2002*, Cardiff: Welsh Assembly Government, pages 8-10

<sup>17</sup> *Reaching Higher* (2002), Pages 16-17 and 21

In similar vein, the Leitch review<sup>18</sup> argued that the skills and employment agenda should be placed at the forefront of the UK's drive towards a knowledge economy and made clear recommendations for closer and better links between government, HEIs and employers in shaping a "demand led" approach to learning provision<sup>19</sup>. Central to this approach should be the role of both employers and Sector Skills Councils. To achieve this, Leitch argued that a "culture of learning" needed to be embedded across the UK, "raising awareness and aspirations" and "increasing choice"<sup>20</sup>.

Turning to the development of Welsh Assembly Government policy since the introduction of the Additional Part-Time Funding in 2007, it seems fair to comment that more recent Welsh policy developments seem to confirm the appropriateness of the widening access and employer engagement focus of the funding. *One Wales* the Programme for the coalition Welsh Assembly Government adopted in late 2007, re-states the ambition for a knowledge based economy and stresses the importance of increasing the flexibility of the HE system and adult participation in HE:

*"We are resolved to develop a further and higher education system which offers a broad range of learning opportunities, is responsive to the needs of students and employers, and tackles poverty and disadvantage. We are committed to widening participation in higher education"*<sup>21</sup>.

*Skills That Work for Wales* (2008) sets out a refreshed approach to much of the original aims described in the 2002 *Reaching Higher* strategy<sup>22</sup>. Although not overly focused on Higher Education specifically, the strategy does draw clear links with the Leitch demand led agenda and presents the basic case for seeking increased financial contributions to the learning process from employers<sup>23</sup>. Similarly, the strategy presents evidence of the unequal nature of skills attainment in Wales and presses the case for direct support to those groups in most need.

Elsewhere, the *Webb Review into Further Education in Wales*<sup>24</sup> emphasised the need to build closer links between further and higher education (and between both and employers) to ensure retention and support progression to higher level study. It also stressed the importance of HE offering vocational routes which responded to the needs of employers including Foundation Degrees.

Most recently, the Welsh Assembly Government commissioned a *Review of Higher Education in Wales* chaired by Professor Merfyn Jones.

Phase 1 of the Review, published in October 2008 confirmed that "any student finance system should effectively address Welsh Assembly Government policy objectives including widening access, take up of priority subjects, a skilled workforce for Wales and promotion of Welsh medium study"<sup>25</sup>. In this context, the Report noted that the Assembly Fee Grant (providing a Grant in the region of £1,800 per annum to

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<sup>18</sup> Prosperity for All in the Global Economy – World Class Skills (The Leitch Review) 2006, HMSO: London

<sup>19</sup> Leitch Review, page 138

<sup>20</sup> Leitch Review, page 140

<sup>21</sup> One Wales page 24

<sup>22</sup> Skills That Work For Wales: A Skills and Employment Strategy and Action Plan, July 2008, Welsh Assembly Government: Cardiff

<sup>23</sup> Skills That Work For Wales, Page 6

<sup>24</sup> "Promise and Performance: The Report of the Independent Review of the Mission and Purpose of Further Education in Wales" Welsh Assembly Government, December 2007

<sup>25</sup> Review of Higher Education in Wales Phase 1: Student Finance Arrangements: Report from the Chair of the Task and Finish Group Professor R. Merfyn Jones, October 2008.

Welsh domiciled full-time undergraduate students studying at Welsh HEIs) was not well targeted towards these overall policy goals and recommended scrapping it (with such students in future able to access Tuition Fee Loans to cover the full-time undergraduate fee charged by HEIs), with the savings used to fund more targeted support to students with the greatest financial needs.

Phase 2 of the Review, published in June 2009, commented more specifically on part-time study, noting the essential role it plays in widening access and the opportunities afforded by the use of the flexible credit system in Wales.

Recommendations in the Phase 2 report included:

- Articulating more clearly the role and importance of higher education to individuals and employers and communities;
- A refreshed National Widening Access Strategy targeting areas of low participation;
- A more clear and concise approach to delivering the widening access agenda, achieved primarily by the consolidation of the various strands of existing support;
- A clear and transparent framework for means tested student bursaries reflecting learner needs and national priorities;
- Maintaining the current support arrangements stemming from the Graham Review: *“Part-time learning is supported and monitored in ways which recognise its current and future significance to fulfilling aspiration, inclusion and workforce development. This includes maintenance of the current support arrangements introduced following the Graham review”*<sup>26</sup>;
- Strengthening business-HE relationships to better inform demand, better exploit knowledge through applied research and increase training.

However, the Review notes carefully the backdrop to successfully implementing these recommendations including:

- A recent fall in the number of part-time students in Wales (after significant growth for a decade);
- Current economic (and funding) uncertainties linked to the worldwide recession;
- Longer term trends including an ageing demographic profile;
- Institutional changes (e.g. the merger between University of Wales Lampeter and Trinity University College, Carmarthen).

Finally, turning to the data on the take-up of part-time opportunities in HE, in 2007/8 around 38% of all UK and EU undergraduate enrolments at Welsh HEIs were of part-time students<sup>27</sup>, somewhat lower than the equivalent figures in the previous year (40.6%).

More detailed data from HEFCW suggests that there was a fairly steady increase in the number of part-time enrolments in HEIs over the period 1998/9 to 2006/7. However, this was not matched by a similar increase in full-time equivalents and total credit volumes: indeed, total credit volumes for those enrolled at undergraduate level fell between 2002/3<sup>28</sup> and 2006/7. This suggests a tendency for enrolled students to be undertaking less intense courses (with the average credit per enrolled student at undergraduate level falling from 47.55 to 35.75 over this period). Interestingly, although the number of part-time enrolments fell in 2007/8, the credit volumes increased quite sharply implying that the drop was accounted for by a sharp fall in the number of part-time students studying for significantly less than 60 credits.

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<sup>26</sup> Review of Higher Education in Wales Phase 2 (June 2008), p.22.

<sup>27</sup> HEFCW Annual Report p14

<sup>28</sup> Changes in the way in which credit values are calculated mean that figures before this date are not readily comparable.

**Table 2.1: Part-Time Enrolments at Welsh HEIs 1998/9 – 2007/8**

Year	Undergraduate and Postgraduate			Undergraduate only		
	Enrolments	FTE	Credits	Enrolments	FTE	Credits
1998/99	40,398	13,990	N/A	30,048	10,015	N/A
1999/2000	43,017	15,842	N/A	32,475	11,400	N/A
2000/01	44,797	16,548	N/A	34,742	12,235	N/A
2001/02	49,512	17,913	2,630,631	39,000	13,166	1,908,888
2002/03	52,446	18,425	2,660,119	41,346	13,441	1,966,208
2003/04	53,136	18,458	2,660,119	41,625	13,540	1,921,669
2004/05	56,418	17,857	2,378,094	44,952	12,957	1,664,559
2005/06	56,915	17,177	2,345,124	44,741	12,313	1,646,954
2006/07	57,578	17,889	2,382,188	44,016	12,438	1,573,442
2007/08	54,259	18,947	2,525,800	41,832	13,758	1,769,646

#### **2.4 The Management Arrangements for the Funding**

As explained in Section 2.1 and 2.2 above, the allocation of £6.4 million each year to provide additional support to HEIs to meet needs related to part-time students, the division of this sum into two strands, one (with a £4.4 million annual budget) relating to widening access activities and the other (with £2 million annually) relating to employer engagement, and the requirement for the funding to be managed through an annual planning and monitoring process were all matters which were clearly set out by the Welsh Assembly Government in passporting the funding to HEFCW.

Interviewees stressed that while HEFCW was responsible for operationalising these requirements, their room for manoeuvre was quite restricted and that in practice the HEFCW Circular W07/35E setting out the arrangements for HEIs to access the funding did little more than translate the Welsh Assembly Government instructions into a HEFCW format.

It was HEFCW, however - consulting HEIs through Higher Education Wales (HEW) - which developed the funding methodology for allocating resources between HEIs. The formula did not depart radically from the view of the Graham Review that it should be based on the total volume of part-time credits at each HEI (with the widening access funding based largely on this but weighted to take account of the proportion of students eligible for widening access premia and the third mission funding based in equal measure on part-time credit volume and a basket of other indicators of third mission activity used in the allocation of Third Mission Funding). This resulted in the following allocations to HEIs for year 1 shown in Table 2.2.

While the overall funding has remained the same across all three years (with no adjustment for inflation), the allocations to different institutions have varied somewhat because of changing patterns of part-time provision across HEIs.

**Table 2.2: Indicative Annual Funding**

	<b>Widening Access £</b>	<b>Third Dimension £</b>	<b>Total £</b>
<b>Aberystwyth University</b>	132,475	129,789	262,264
<b>Bangor University</b>	161,650	133,666	295,316
<b>Cardiff University</b>	324,821	330,760	655,581
<b>Glyndŵr University</b>	408,819	128,803	537,622
<b>University of Glamorgan</b>	857,238	335,763	1,193,001
<b>UW Lampeter</b>	224,309	73,602	297,951
<b>UW Newport</b>	798,471	218,571	1,017,042
<b>Open University in Wales</b>	769,199	176,660	945,859
<b>Swansea University</b>	204,700	200,128	404,828
<b>Swansea Metropolitan University</b>	236,882	£73,961	310,843
<b>Trinity University College</b>	63,539	40,843	104,382
<b>UW Institute Cardiff</b>	217,857	157,454	375,311
<b>TOTAL</b>	<b>4,400,000</b>	<b>2,000,000</b>	<b>6,400,000</b>

Funding was to be managed within the former Research and Funding Team (now within the Research, Business and Communities Team) at HEFCW due to policy connections with the HEFCW Part-Time Fee Waiver Scheme, Undergraduate Fee Plans and HE Financial Contingency Fund (managed by HEFCW until 2006/07 after which it became the responsibility of the Student Finance Division within the Welsh Assembly Government). When assessing institutional plans, advice was taken from HEFCW staff with responsibility for third mission and widening access.

Each year, HEIs have been invited to submit an Additional Funding (or Implementation) Plan, divided into two sections covering each of the two strands of the funding, setting out the different activities which it intended to fund, stating for each, the nature of the activity and intended outcome(s), measurable targets and the budget to be allocated.

At the end of the academic year, the HEIs have been asked to submit a relatively straightforward Annual Monitoring Statement setting out whether targets have been met or not (using a straight “yes-no” response) and explaining the reason for underperformance where targets have not been met, as well as a short “*impact report*”.

We consider the implementation arrangements in greater detail in Section 4 below.

### 3.0 THE USE AND IMPACT OF THE FUNDING

In this section, we draw both on our desk review and our interviews with our case-study HEIs and other stakeholders to report our findings on the way in which the additional funding has been used, considering the nature of the planned activities (Section 3.2), the extent to which plans appear to have been successfully implemented (Section 3.3) and finally, the (inevitably rather limited at this stage) outcomes and impact of the additional funding (Section 3.4). We start, however, by reporting on the views of interviewees on the rationale for the funding.

#### 3.1 *The Rationale for the Funding*

All the stakeholders we interviewed believed that the decision to allocate some additional funding to HEIs to support the provision of part-time opportunities was appropriate.

Interviewees closely involved with the widening access agenda argued that part-time provision was essential if HEIs were to engage with a wide range of learners, who came from non-traditional backgrounds, since the leap from doing part-time learning in the community to full-time time study on campus was sometimes too great:

There was, perhaps less clarity from interviewees about the link between part-time provision and third mission activity. Despite the superficially clear link between engaging effectively with employers and offering opportunities for employees to learn while continuing their employment, the provision of tailored learning to individual employers appeared to be a rather niche element of overall third mission activity. Equal, if not stronger emphasis was placed by interviewees on engaging with employers in terms of the research agenda or meeting the longer-term labour market needs of employers by ensuring the appropriate provision of undergraduate and postgraduate opportunities.

In both cases, moreover, some interviewees tended to emphasise the importance of seeing part-time provision as about more than 60 credit courses, but embracing more flexible and small-scale options (at 30 or even 10 credits), reflecting the tendency over recent years for average credit volumes per enrolled part-time student to fall.

Most interviewees (with one notable exception who claimed part-time provision was “*second nature to HEIs*”) believed that, despite the high volumes (by learner number) of part-time learners, part-time provision remained a “Cinderella” part of many HEIs (including in the case of some HEI interviewees, their own) and the HE system in general. These interviewees argued that planning within HEIs was routinely done on the basis of what worked best for full-time on-campus provision, with adjustments then being made to try to accommodate the needs of part-time students.

One interviewee pointed out the irony that this was also the way in which the Additional Funding had come about: determining a financial settlement based on the full-time students (the Rees Report) and then trying to cobble together a package to address the impact on part-time provision.

In this vein, some interviewees believed that HEFCW was not strongly committed to supporting part-time provision and to the broader widening access agenda, seeing its focus rather as being on the first and second missions of the sector, with one interviewee going so far as to describe HEFCW’s culture as “*HE capture, and perhaps even Russell Group capture*”. Others thought that while the Welsh Assembly Government said the right things about promoting flexible options, Ministers and

officials all too often developed policy on the basis of a mental image of the Higher Education student as an 18 year old school leaver.

Most HEI interviewees argued strongly that there were significant additional costs related to part-time provision notably the delivery of both learning and student support services outside usual working hours (with implications for the terms and conditions of staff); lower staff – learner ratios; costs associated with provision off-campus (whether in community venues or at employers' premises); the development of distance and e-learning alternatives; and the requirement in some cases to provide support in terms of childcare and transport.

*“Part-time courses tend to attract less per class, but you still need to have a lecturer there”.*

*“If you’ve got non-standard learners who are out of the education field generally – they’ve left school at 16/17 and hardly touched it since, then you need to accept that they are going to be more expensive to deal with and more fragile in every sense of the word”.*

Moreover, and more significantly perhaps, interviewees pointed to the fact that fee income from part-time students was rarely equivalent to that for full-time students eligible for student support. With the introduction of flexible fees, HEIs now received £3,070 per 120 credit course in respect of each undergraduate enrolment in 2007/08 (even if, in the case of Welsh domiciled students, £1,845 of this was currently provided by the Welsh Assembly Government via the Assembly Fee Grant). However, while HEIs were free to set their own fee levels for part-time provision, the fact that fees were paid up-front by part-time students combined with the generally low earnings in Wales compared with the rest of the UK, meant it was impossible for Welsh HEIs to charge fees pro rata to this level, with most setting fees, even for the least disadvantaged learners on the most expensive courses, at around the pro rata level for the £1,225 fee paid individually by the full-time undergraduates.

The fact that the trigger point for additional funding for student support was set at 60 credits while many part-time enrolments were for smaller credit amounts was also highlighted as a problem, particularly in terms of the growth of lower-credit courses:

*“The Graham review sought a situation that wherever you were as a learner, in terms of your ability to trigger quite handsome support mechanisms, you would be at a threshold at around 30 credits. In the event the threshold was 60 credits. At the moment we have a lot of people who do not meet the 60 credits threshold and therefore miss out on the quite substantial support offered to the 60 credits or more group. From a non standard learner perspective I think that is an issue<sup>29</sup>”.*

There was thus seen to be a marked contrast between the situation on the ground and the aspiration of the Graham Review to achieve a level playing field for full-time and part-time provision – a situation exacerbated by the “funding gap” between HEIs in Wales and their counterparts in England. The combination of lower fee income and additional costs inevitably made part-time provision unattractive to managers, and more particularly Finance Departments who in many instances were seen as having the key role in driving forward corporate policy.

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<sup>29</sup> This comment does not fully reflect the fact that Graham funding can be – and is used - to support provision at less than 60 credits and that students studying for 10 credits or more are eligible for the Part-Time Fee Waiver scheme.

*“Our academic schools have responsibility for their areas, and if they perceive that the budgetary consequences to them in respect of increasing part-time recruitment is unfavourable - relative to increasing full-time recruitment – then their motivation will be severely weakened”.*

The case for additional funding to offset the perceived financial disincentives of part-time provision was therefore seen as a strong one – even if in some interviewees’ opinion the funding did not go far enough:

*“What would have been good is that if we had received funding such that the differential between full-time and part-time was not an issue – that the existing part-time grant and fees plus the additional funding would equate to the full-time grant and fees. The basic HEFCW grant per credit is the same but it’s the fee differential”.*

However, a minority of interviewees (including some of those who in practical terms favoured the current model) believed that the requirements associated with the Additional Funding – particularly the need to prove additional activity – were inappropriate. These interviewees argued that - precisely because of this need for an element of financial compensation in order to offset the way in which the introduction of variable fees made part-time provision even less financially attractive than it had been - it was wrong to attach strings in this way. Indeed, they argued that simply enabling part-time provision to hold its own after the introduction of variable fees would be a positive result.

*“If the purpose is to compensate for the lower income which can be expected from part-time students, it isn’t really right to insist on additional performance criteria”*

Some contrasted the hypothecation and conditionality associated with the Graham Funding to what was seen as a lack of any real conditionality attached to the introduction of variable fees:

*“after all, there are no conditions for the full time fee income”.*

By contrast, one stakeholder outside the sector was quite sceptical of the arguments for financial compensation to HEIs for the additional costs of enrolling part-time students, arguing that this was so fundamental to the sector going forward that it should *“take it on the chin”*. This interviewee argued that, while there was much good practice in Wales in terms of widening access, the barriers to increasing the proportion of part-time students were as much to do with the reluctance of (some) HEIs to embrace this agenda and to think about how this challenged their traditional mode of delivering teaching and learning as it was to do with objective factors – though of course some mature learners needed huge amounts of help to overcome practical and cultural factors which HEIs might not have in place.

Finally, while, as noted above, almost all interviewees agreed with the rationale for the funding, none was able to give a clear account of the reason for the scale of the funding provided. Rather this was seen by everyone as a given. There was also no real evidence in the policy documentation to suggest this was based on any analysis of need or potential impact in terms of the overall scale of part-time provision offered. This perhaps implies that the scale of the budget was rather an outcome of internal budgetary considerations within the Welsh Assembly Government.

### 3.2 The Way in Which HEIs Planned to Use the Funding

#### 3.2.1 Evidence from the Desk Review

Turning first to the findings of our desk review of the Plans (for 2007/8 and 2008/9) of all HEIs, it is clear that in terms of the content, the agreed Plans follow closely the suggested activities provided in the HEFCW guidance. The Plans produced by Cardiff and Glamorgan Universities contain the largest number of activities. HEIs receiving less funding, tended to propose fewer activities, suggesting broadly similar levels of funding per activity overall. Aberystwyth University proposed only four activities in total, only one of which relates to widening access.

Broadly, widening access activities can be separated into those focused on specific initiatives and those aimed directly at providing financial support for students. The latter group include fairly consistent types of approaches across the HEIs including fee waivers, bursaries and hardship funds.

Most (but not all) of the HEIs have included a fee waiver element. In line with HEFCW guidance, direct financial support tends to be focused on priority groups, notably learners from disadvantaged/low income areas or individuals with few financial means. However, in some cases (e.g. Trinity University College and Bangor) this support includes bursaries for those learning in Welsh (reflecting the focus in widening access policy on those following Welsh medium courses though also perhaps involving an element of “*mission creep*” between the funding and another key policy goal of increasing Welsh medium provision).

Other popular widening access activities include outreach work in disadvantaged communities and increasing levels of student support for part-time students, the latter probably the most numerous form of support by type. Both have clear and strong links with the HEFCW guidance and Graham recommendations. In practice, planned activities include a multitude of approaches: for example, the University of Glamorgan proposed support for local FE/HE partners that included student fee waivers, targeted marketing and additional staff for increased provision. Nevertheless, Figure 2 provides a broad categorisation of the widening access type activities described in the Plans.

**Figure 2: Widening access additional funding activities**

Activity Type	Examples
Outreach work;	<ul style="list-style-type: none"> <li>Promotional activities for bilingual provision targeted at Communities First areas</li> <li>Development of access and taster programmes</li> <li>Adult summer school</li> </ul>
Enhanced student support services including and	<ul style="list-style-type: none"> <li>Widening participation or student support officer</li> <li>Targeted advice e.g. study skills support for those going onto first degree, mental health, careers advice</li> <li>Out of hours (and/or online) support bringing pastoral care</li> </ul>

Development of new courses and modules targeted at part-time students	<ul style="list-style-type: none"> <li>• Development of new short courses</li> <li>• Distance learning and e-learning (including online assessments)</li> <li>• Summer school provision</li> </ul>
Bilingual provision	<ul style="list-style-type: none"> <li>• New modules available bilingually</li> </ul>
Research	<ul style="list-style-type: none"> <li>• Target groups needs analysis</li> <li>• Feasibility studies for new course provision</li> <li>• Conference to share best practice</li> </ul>
Improvements to, and access of, physical infrastructure.	<ul style="list-style-type: none"> <li>• Refurbishment of part-time teaching rooms</li> <li>• Increasing library opening hours</li> <li>• Additional library books</li> </ul>
Hiatus funding for completed projects	<p>EU funded projects:</p> <ul style="list-style-type: none"> <li>• Bangor (Equal)</li> <li>• Glamorgan (Heads of the Valleys Initiative)</li> <li>• Newport (Equinex and RISE projects)</li> </ul>
Direct Financial Support	<ul style="list-style-type: none"> <li>• Fee waivers</li> <li>• Bursaries offered to those learning in Welsh</li> <li>• Hardship funds</li> </ul>

Third mission activities are less numerous, which is probably a reflection of the relatively lower funding. More popular activities (Figure 3) include:

<b>Figure 3: Employer engagement additional funding activities</b>	
Employer outreach	<ul style="list-style-type: none"> <li>• Work based learning, vocational courses, community delivered courses, CPD (including targeting specific sectors e.g. youth, community and health workers, teachers, public sector leaders)</li> <li>• Online course provision and distance learning</li> <li>• Support provided where there has been major local redundancies</li> <li>• Marketing</li> </ul>
Student support	<ul style="list-style-type: none"> <li>• Visiting students at their employers</li> <li>• Student employer placements</li> </ul>
Needs analysis	<ul style="list-style-type: none"> <li>• Engaging with / enhancing links with employers (e.g. employer boards)</li> <li>• Engaging with SSCs</li> <li>• Sector champions / workforce development manager for targeted sectors</li> <li>• Research into sector needs</li> </ul>
Entrepreneurship	<ul style="list-style-type: none"> <li>• Student enterprise clubs / enterprise champions</li> </ul>
Financial Support	<ul style="list-style-type: none"> <li>• Discounted fees to SMEs</li> <li>• Scholarships and bursaries</li> </ul>

It is noticeable that a number of the HEIs proposed to use at least some of the additional funding to undertake research into potential part-time provision. This was particularly prevalent for Third Mission activities. Examples included the Open University in Wales scoping study on employer engagement, Swansea University's industrial engagement programme, Swansea Metropolitan's employer relationship manager and many others. A number of the HEI's – including Cardiff, Lampeter, Swansea Metropolitan, Trinity University College, the Open University in Wales and UWIC - have included engagement with Sector Skills Councils as part of their

research/needs analysis activities. While welcome, this perhaps reflects the fact that engagement of this sort has been quite limited in the past.

In outlining third mission activities, the Plans are also noticeably silent on intentions with regard to the need for employers (as potential beneficiaries) to meet their “fair” share of costs. Where HEIs propose to deliver sector specific courses/training, there is a stronger tendency for them to focus on public sector areas, including health and community work.

Overall, Plans have remained reasonably consistent from year 1 to year 2. Few changes were observed in respect of UW Lampeter, UWIC, Swansea University, Aberystwyth University and the Open University in Wales. Others such as Cardiff, Glamorgan and Glyndŵr Universities saw minor changes. However, some HEIs have sharply reduced the overall number of proposed activities for 2008/9, particularly relating to widening access. These include Trinity University College, Swansea Metropolitan University and UW Newport (where the number of proposed widening access initiatives was approximately halved in the second year). However, in some respects, delivering fewer activities might be commended as fitting with Graham Review requirement for activities to be “adequately resourced”<sup>30</sup>.

Where changes have been made, they could often be accounted for by the natural progression of overall processes, for example, first year activities might focus on research/needs analysis and promotional activities, followed in the second year by course provision. However, in other cases, it must be assumed that the failure of activities in year 1 has shaped year 2 proposals.

Third mission/employer engagement activities show greater consistency across year 1 and year 2 Plans, with Trinity University College perhaps proving the exception. Cardiff and Glyndŵr Universities have added to their existing year 1 activities with a new vocational course and outreach work (i.e. new learning centres on industrial sites), respectively.

Comparison of 2007/08 and 2008/09 Plans reveal no clear pattern of specific activities that have not been continued. There is, however, some evidence that year 2 (2008/09) Plans included proportionally more emphasis on direct financial support, Swansea Metropolitan University, UW Newport and Trinity University College being prime examples. Trinity University College, for example, has introduced bursaries and hardship funds on top of a refocused (to Communities First areas) fee waiver, as part of their year two (2008/09) Plan.

In terms of targets set, relatively few of the final 2007/08 Plans give particularly clear information with regard to baselines (though in many cases these final versions do represent an improvement on the first draft). There is also some variance between HEIs in the quality of target information, particularly in the extent to which outcome targets are presented. To some extent this was to be expected: this same point was noted in HEFCW Circular W07/37HE in relation to widening access strategies more generally.

Of course, some proposed activities do not lend themselves easily to measuring quantitative outcome targets<sup>31</sup>. Research type activities and student support type initiatives are just two examples. In such cases, targets understandably tend to relate to specific input resources (e.g. staff members) or specific outputs (e.g. undertaking a

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<sup>30</sup> Graham Review, Page 4

<sup>31</sup> Outcomes might include the number of additional part-time students enrolled and number of employers engaged etc.

training needs analysis or providing fee waivers to a given number of individuals) linked to achievement of specific milestones/output/activity or imposition of identifiable inputs. Similarly, care must be taken in recognising the lag between activity and outcomes, which may not, of course, occur in the same year.

In general terms, the Plans appear to show clear links to existing institutional priorities and strengths, as required by the HEFCW guidance, even if in practice not all planned activities were not translated into reality.

Finally, in terms of additionality, the information contained in the Plans does suggest that most activities have added to, rather than duplicated existing provision. However, there is a need to differentiate between additionality in process and additionality of impact. While there is some evidence of the former, the latter is less easily identifiable, again linked to limited information on outcomes/impacts.

The review of the Plans reveals challenges in other areas too. As we have noted, some HEI Plans were stronger than others in the extent to which they defined clear targets and linked activity to wider policy priorities. Inevitably, questions must be raised about the extent to which some HEIs in Wales were ready for the additional funding. There is a sense that some were caught “off guard” by the opportunity presented and were “feeling their way”. This is disappointing given that in most cases both widening access and third mission strategies and activities would have already been in place and it, perhaps, raises questions about the extent of the alignment with these strategies.

### *3.2.2 Evidence from the Fieldwork*

Our fieldwork with case-study HEIs and other stakeholders provided some additional insight into the range of interventions suggested, their integration with broader widening access and third mission activities and the question of additionality.

In particular, a number of issues emerged with greater clarity from the case-studies.

The first of these was the very different context in which the funding was being applied, with the proportion of part-time students varying from 5% to 100% (in the case of the Open University in Wales), and the financial incidence of the funding relative to turnover also varying considerably (from less than 1% to 14%); with a very wide range in different arrangements for charging part-time fees; and with different HEIs having very different prior experience of offering financial support to part-time students (some already having quite extensive fee remission arrangements before the introduction of the Additional Funding, for example). This inevitably shaped the way in which, for example, financial support mechanisms have been developed.

Secondly, the flexibility which was allowed to HEIs by the Guidance has clearly allowed HEIs to fund a very wide range of activities, including in some instances pre-existing projects which were in search of a funding solution (such as the Institute for Digital Learning in University of Wales Newport). Despite the very differing contexts, the variety of proposed solutions would appear only partly to reflect the different circumstances faced by HEIs and their students, with an important element also being the current internal priorities of the HEI in question.

*“We have our strategies in place, obviously, and we are always on the look out for new funding that will allow use to realise these strategies or build on them – much of strategy/planning at the institutional levels includes a sort of aspirational element – we’d like to do 2X but we can only afford X. When things like Graham funding come along then it allows us to reach 2X”.*

Thus, for example, particularly in the more research intensive HEIs there has been a stronger emphasis on supporting part-time postgraduate provision – although this was not a significant focus of the Graham Review.

Thirdly, funding has also clearly been used to increase budgets for pre-existing activity, such as marketing to particular communities or groups or extending the range or capacity of outreach and taster activities:

*“We simply built on existing activities. The funding allowed us to do more. So it’s a case of extending rather than developing new. The widening access elements have been about firstly extending the university’s community outreach and adult summer school activity”.*

By contrast, however, in all but one of the case-studies, funding has been used in part to support new staff (either new posts, additional hours, or – in one case – providing funding to “buy” academic staff time from departments to deliver new outreach courses) to take forward such activity. While in most cases, some contribution to overheads has been charged along with the actual salary costs, there appear to be very large variations in the way these additional costs are calculated (varying from around 25% to around 80% of salary costs).

Fourthly, and more controversially perhaps, in the case of some of the activities in some of the HEIs, there is relatively little evidence of additionality (reflecting the ambiguity here between the extent to which the Additional Funding really was intended to lead to new activity rather than provide financial compensation).

In at least one case, elements of the activity which were “badged” as being provided by the Additional Funding were simply a continuation of activities which had habitually been delivered by the HEIs Lifelong Learning Department. In this case, the Additional Funding did not result in any passporting of the resources through to the “front line”, and a fee waiver scheme introduced with the Additional Funding effectively only continued a previous scheme operated by the HEI with funding from the widening access premia which were subsequently redirected elsewhere.

More generally, this reflects an issue with fee remission schemes, which - though there are undoubtedly strong arguments for them in terms of offering opportunities to individuals - do not necessarily lead to any additional resources or activity on the part of the HEI. Indeed, some stakeholders outside the HEIs recognised that such schemes could in practice simply act as a financial compensation to HEIs for the low fees which could realistically be charged to part-time students, arguing that in practice such schemes were unlikely to increase student numbers or significantly alter the profile of students attracted.

Fifthly, there has been a blurring between some of the activities and the original focus on part-time provision. To some extent, this is inevitable: as one interviewee put it:

*“There is a blurring at the edges, it’s not that easy to say full-timers you stand on this carpet which has been bought for you only, while the part-timers stand over there. Or, full-timers, you see the support officer from 9-5 and part-timers you see them from 5-6. It’s wasted energy in some respects trying to do this.”*

In other cases, benefits for full-time students might be considered more of a spin-off rather than a dilution of the aim (for example, digitising course material which might

be particularly useful for part-time or distance learners but also accessed by full-time students as an aide).

However, in some cases – for example, using funding to develop employer panels, put in place enterprise champions for schools or faculties, establish sector champions within a HEI or sponsor an enterprise club - it would seem that the link with part-time students was tangential or opportunistic rather than integral.

It is perhaps no co-incidence that the examples here relate to the employer engagement or third mission strand, for it is this strand where actions developed by case-study HEIs felt more improvised or *ad hoc* with, as noted above, a strong focus on research or developmental activities. This was recognised by one HEI which talked of “*pushing the boundaries*” in terms of identifying appropriate activities.

Interviewees from several of the HEIs noted that previous experience of employer engagement was quite limited and that Wales presented major challenges, particularly in terms of the private sector, because of the prevalence of SMEs. In this context, the fieldwork also underlined the point that for several of the HEIs, employer engagement activities were quite focused on the public sector workforce. Where private sector employers were engaged it was not clear how far HEIs were ensuring an appropriate financial contribution from the employer (despite the Guidance stressing the importance of this), with one of the HEIs acknowledging that its increased employer penetration was because “*we were giving it them for free*”.

Finally, one “dog that did not bark” is the lack of any relationship between the activities planned by HEIs and the collaboration agenda. None of our case-study HEIs could point to any activities funded specifically by the Additional Funding which had involved other HEIs.

This was also true (with the partial exception of the Open University in Wales) for relationships with Reaching Wider Partnerships. However, as a number of interviewees pointed out, the Funding was nevertheless of great significance because without sustaining part-time support and opportunities within HEIs, it would be difficult for Reaching Wider Partnerships to offer a range of pathways to Higher Education for non-traditional students:

*“You would end up with a bitty approach, that is, some aspirational / motivational / promotional stuff then no funding for academic time to come in and deliver short courses”.*

### **3.3 Performance Compared to Plan**

Our desk review of Plans and the Annual Monitoring Statements (AMS) (which were available only for 2007/8) revealed good levels of translation between Implementation Plans and AMS, with HEIs routinely providing progress reports on all activities described in the former. This suggests that changes to planned activity were few – the Open University in Wales being one of the few to vire funding between activities (but retaining the overall widening access / third mission funding allocation).

Over 190 targets were identified in the submitted AMS for 2007/08. Around three quarters of these targets were said to be achieved.

**Table 3.1: Achievement of Targets: 2007/08 AMS**

University	Number of Targets set	Percentage Achieved <sup>32</sup>
<b>Aberystwyth University</b>	4	75%
<b>Bangor University</b>	10	70%
<b>Cardiff University</b>	14	29%
<b>Glyndŵr University</b>	18	72%
<b>University of Glamorgan</b>	29	90%
<b>UW Lampeter</b>	8	88%
<b>UW Newport</b>	15	20%
<b>Open University in Wales</b>	31	68%
<b>Swansea University</b>	20	90%
<b>Swansea Metropolitan University</b>	13	92%
<b>Trinity University College</b>	9	89%
<b>UW Institute Cardiff</b>	22	95%
<b>TOTAL</b>	<b>193</b>	<b>74%</b>

The AMS reveal a number of consistent reasons given for the failure to achieve specific targets (though in some cases these are not really explanations, simply statements of what has happened), including:

- Lower than expected take-up of fee waivers, bursaries etc.;
- Later than expected start, due to institutional factors;
- Problems with recruitment (where new posts were involved);
- Activity revised and/or deferred to the following year;
- Activity delayed because of dependency on a key activity which itself has been delayed;
- Targets set were estimates that turned out to be too optimistic;
- Delays in agreeing Implementation Plans.

Table 3.1 also shows that, on the whole, the “new” Universities do seem to have performed relatively strongly against their target measures. Similarly, HEIs receiving relatively lower levels of funding do appear to generally have achieved more of their targets.

By contrast, there does not appear to be an observable link between the number of planned activities (defined by the number of targets) and rate of success: Glyndŵr University and UWIC have a greater than average number of targets while UW Lampeter and Trinity University College have below average targets - but they all claimed to have achieved around the same level of success.

Missed targets tended to relate more to the widening access strand (though this may simply be a function of the larger volumes of funding channelled through this strand), but from the AMS as such, there appears to be little consistency in the types of activities that proved to be successful across HEIs.

<sup>32</sup> Care should be taken in interpreting individual HEI performance based on “*targets achieved*” statistics, however, since targets are based on *ex ante* estimates (which may be more or less challenging than targets set by others), do not capture the degree to which there is under or over performance and do not factor in the effect of delays in awarded funding. Nevertheless, Table 3.1 provides details of the percentage of targets achieved by each HEI.

To some extent, the achievement of targets is clearly related to the extent to which budgets were underspent. In the worst cases, two institutions were unable to use 80% and 60% respectively of their allocation for 2007/08 within the year. These figures are substantial even allowing for the late start to the Funding in the 2007/08 academic year, and suggest at best a relatively poor capacity to operationalise the Plans submitted.

Overall, AMS data reveals an underspend for 2007/08 of around £2.350,000 or just over one third of the total available. The majority of these underspends were rolled forward into 2008/09 following discussion and agreement with HEFCW.

Fieldwork with our case-study HEIs was able to explore the extent to which Plans were successfully translated into action, and it was able also to consider the experience of the second year of the funding, 2008/9, for which AMS have yet to be prepared.

In general terms, those HEIs which had had significant underspend in 2007/8 attributed these in part to the very short-lead in time for the Funding and the delays in developing and getting approval for Implementation Plans (which, in one case, for example, had meant that a Fee Waiver scheme could only be marketed to students enrolling on courses in the summer term, the least popular of the academic terms) and in part to slippage, particularly in terms of appointing new staff. In one case, however, interviewees argued that internal management processes were not well placed to react quickly to this sort of development or to take risks in terms of making longer-term investments on the basis of short-term (three year) funding from HEFCW:

*“The main problem would have been the timing of the decision making. The delays - without knowing whether the money will be still there in 3 years. I don’t think it is necessarily about starting the process earlier, I think it is more about the unpredictability. If we knew that the funding was going to be in place for 10 years then that would make a big difference. You could plan more sensibly. Short term funding does tend to produce short term responses, when, I think what we are seeking is a long term impact that changes the nature of part-time learning in Wales you need a broader more stable funding process.”*

For the most part, HEIs believed that spend and target achievements would be much closer to profile for the year which had just ended (2008/09) though in at least two cases some roll forward into 2009-2010 was anticipated – largely the “knock-on” effects of underspends on staffing in the year 1.

In general terms, the interviews with case-study HEIs appeared to confirm that the impression given by the AMS was broadly accurate, while highlighting the fact that the targets were often strongly focused on process rather than outcomes – or even outputs.

Other stakeholders were generally unclear on the progress made by HEIs, though HEFCW staff tended to believe that those HEIs with the most strategic approach were those which had performed best.

### 3.4 Outcomes and Impact

We stressed at the outset of this study that it would be difficult to reach any judgement at this stage on the impact of the Funding<sup>33</sup> and almost all those interviewed pointed to the considerable difficulty in identifying specific outcomes and impact at this stage.

In part, this was simply a factor of timing: at the time of the fieldwork, the Funding had been operational for a little under two years and data on achievements had only been collated for year 1 (2007/08). Many of the activities being undertaken are of necessity developmental – for example, developing new part-time courses, undertaking enhanced work in Communities First wards to encourage adult learners to consider taking up part-time opportunities – and would take time to bear fruit, even if successful.

*“We have had staff in place for two years but it’s only now we’re starting to see a change. If you are targeting Communities First areas you don’t expect to see the payback from this investment for some two to three years”.*

In part, however, this was not only a matter of timing. Interviewees quite fairly pointed out that problems in attributing any changes to the specific activities also related to the small scale of the funding and the interaction with other factors which were relatively of far greater significance. These factors included developments in the wider economy, which have led in a surge in applications from young people for full-time places in HEIs and reduced the willingness of businesses to invest in higher skills development. Several interviewees stressed that

*“the backdrop is of an overall fall in part-time students in Wales in recent times anyway”*

and argued that falling or static enrolments for part-time courses could not necessarily be seen as a failure of the intervention, particularly at this stage in a global recession.

*“The other problem would be other factors – numbers of part-time students in Wales has been falling recently anyway and we’ll never know how much more they would have fallen without the additional funding for advertising and recruiting part-timers”.*

In this context, the impact reports completed by each HEI in 2008 in relation to first year activities (reviewed as part of the desk review) also stress that it is simply too early to evaluate the impact of the additional funding on part-time learner numbers and engagement with employers. The reports are very concise, never longer than one side of A4 and most often not much longer than half a page (partly reflecting HEFCW’s concern not to overburden HEIs in terms of reporting requirements). While a number of HEIs state that the availability of additional funding has been a positive factor, most seem to have used the reports to provide broad outlines of their approaches, and/or explain why a particular failure had occurred. Where figures are provided they tend not to add much to the data already available in the AMS.

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<sup>33</sup> *“Even allowing for the opportunity of being able to explore these in discussions with key HEI staff, we do have reservations as to the extent to which this will really enable firm conclusions to be drawn as to the impact of the interventions, as we will have little opportunity to test the attribution of outputs to the specific actions or to triangulate the views of HEI managers with other key players”.* Old Bell 3 proposal.

Although stronger Implementation Plans tended to include details of a clear continuum between inputs, outputs/activity and target outcomes, even in these cases drawing clear attribution between activity and outcomes is probably beyond the scope of HEFCW monitoring. Without survey information, HEIs are unlikely to determine the extent to which, for example, fee waivers influenced the choice of learners to enrol on a part-time course.

Having said this, interviewees were able to point to a number of positive outputs and outcomes both directly and indirectly from the funding. These included:

- In the case of the Open University in Wales, part-time enrolments have risen sharply in the current year (2008/09), in a pattern which is not repeated to the same extent elsewhere in the UK. Enrolments in Wales - where in previous years targets had not been reached - were 12.5% above target whereas in England and Scotland, which had more consistently achieved their targets, the comparable figures were 9% and 5%. Though attribution was not possible, interviewees were confident that the significant reinforcement of staff through the recruitment of a Widening Access Team had played a role in this;
- Similarly, within the Open University in Wales, employer-sponsored enrolments were up by 10% compared to the previous year, despite the economic situation, again attributed in part of the work of the Graham-funded Employer Engagement Development Officer;
- UWIC has created a part-time learning centre on campus and has developed a range of new accredited courses tailored to part-time study, which it has promoted through intensified working providing information and taster courses across Cardiff communities. There has been a strong degree of interest in taking up the opportunities offered;
- Though not itself funded by the Additional Funding, UWIC is now, partly as a result, working with Cardiff and Glamorgan Universities, as well as the City Council and the Voluntary Sector, to develop an Adult Learning Partnership in Cardiff;
- Development activity in Bangor as a result of the Funding has led to the development of a part-time MSc in Environmental Science which was seen to respond to employer demand in North West Wales as well as the emergence of a proposal for a Software Academy to support major employers in the region;
- In UW Newport, the Institute for Digital Learning has developed a series of on-line courses, including a series of materials specifically targeted at trades unions, though it is still too early to judge the potential uptake, while development work has led to the creation of ten additional part-time degree courses which are about to “go live”;
- In Trinity University College, Carmarthen, the additional funding has enabled the HEI to step up its employer engagement, while bursaries for fee remission are perceived as having played a particularly important role in enabling low paid workers in childcare and youth work to access new Foundation Degree provision within the College;
- Interviewees at the Open University in Wales stressed that the funding has supported its broader ambition of *“embedding the OU much more in Wales”*, enabling it to develop a number of courses specifically relating to the culture and society of Wales, and also to *“sell the OU in Wales back”* to the University centrally by setting examples of good practice in Widening Access (only two of the largest regions in England have dedicated Widening Access officers, whereas Wales – the smallest region/nation - has two as a result of Graham Funding);

- In Bangor University and Trinity University College Carmarthen, the Additional Funding has been used to support progress in terms of the development of Welsh medium provision (by bursaries for students following Welsh medium courses and by making part-time courses available bilingually), thus (while arguably representing an element of “mission creep”) contributing towards the target set by the Welsh Assembly Government for 7% of Welsh domiciled HE students to undertake some element of their course through the medium of Welsh by 2010/11;
- In the Open University in Wales, UW Newport and UWIC the Additional Funding had enabled the HEIs to develop strategies for prioritising employment sectors and for stepping up collaboration with employers by developing dedicated staffing (though it is interesting that each had done this in a vacuum, rather than in collaboration with other HEIs).

## 4.0 PROCESSES CONNECTED WITH THE FUNDING

In this section, we draw on both our desk review and our fieldwork with stakeholders to consider the processes by which the Funding has been managed, looking in turn at the allocation of funding (Section 4.1), HEFCW's guidance (Section 4.2), the development and approval of Plans (Section 4.3) and monitoring arrangements (Section 4.4).

### 4.1 *The Allocation of Funding*

In Section 3.1 above, we reported on the views of stakeholders with regard to the overall rationale for the funding and the scale of the funding available.

As we noted above, most interviewees simply saw the quantum of funding available as a “*given*”. This was also the case with regard to the decision to split the funding into the two strands relating respectively to widening access and employer engagement and to give greater weight in the allocation of funding to the former. This implies, perhaps, that, while not opposed to the approach adopted, there was little real understanding of the underlying rationale, as interviewees could not articulate it.

As we have seen in Section 2, the emphasis on widening access and employer engagement fits well with Welsh Assembly Government policies and strategies over the last 10 years. The linkages between these two agendas and part-time opportunities are also relatively obvious, though it is important not to assume that either is identical: employer engagement is not just about training for employees, it is also about the commercialisation of research and the provision of suitably qualified entrants into the labour market. Similarly, an important aspect of widening access (certainly as undertaken by the Reaching Wider Partnerships) is about raising aspirations and capacity of people in disadvantaged communities and backgrounds to undertake the same (often full-time) HE courses as their peers from more prosperous backgrounds.

However, the rationale for the split of the funding between the two streams is not particularly clear. There is a general acceptance that engagement with employers has proved difficult – the Graham Review itself noted little interest from employers in the changes taking place in HE. It could be argued, therefore, that employer engagement activities formed the more challenging of the two elements, therefore prudently should receive less funding – or, to put it another way, that there was a perception that it would be easier to disburse funds in support of the widening access. The alternative view, of course, might be that the Welsh Assembly Government attached a greater policy priority to widening access and believed the need to be greater in respect of these activities. Certainly, whereas some of the shortfall in terms of capacity to pay fees equivalent to full-time students might be met by employers' contributions in the case of employer-related learning, potential students from poorer communities are those most likely to be disenfranchised by upwards pressure on part-time fees. But the rationale for the division of funding is not articulated particularly clearly in either the Welsh Assembly Government or HEFCW documentation.

As we have seen within funding elements, apportionment between HEIs on the basis of an agreed formula is broadly in line with wider Third Mission and Widening Access Funding (though the formulae used are not the same as those used to distribute other funding relating to these two agendas) and was agreed with HEW. It has also been relatively consistent year on year. Both these facts suggest an approach that would have been easily understood by HEIs – a factor, again, consistent with HEFCW policy of minimising the additional burden on HEIs. Nevertheless, it is again

unclear from the literature what alternative allocation arrangements were considered, for example, the extent to which the approach incorporated identified latent demand for part-time provision with each HEI.

Having said this, the majority of our interviewees believed that the method for allocation between HEIs was broadly fair. There were two exceptions: one HEI argued that (as with Third Mission funding) there should be a guaranteed minimum for each HEI:

*“It’s currently based on part time credit volume – if you start from a zero base you don’t get the funding to develop this base. I think a fairer approach would be for each HEI to have an equal minimum grant and the rest of the grant based on part time credit volume. If you don’t have any part time activity at the moment the funding you get will be zero within the current model”*

The second dissenting voice was from outside the sector. This individual believed there was a strong case for adopting a more competitive approach, rather than maintaining *“the old model”* of indicative allocations calculated by formula and given more or less as of right.

#### **4.2 HEFCW Guidance**

In reviewing the processes around the Guidance issued by HEFCW (in Circular W07/35HE), it should be noted that HEFCW has fully recognised the need to strike a balance between ensuring policy focus while recognising local institutional priorities.

Parameters set in relation to additional funding were deemed *“broad”* and it was *“a matter for institutions in the first instance to determine the specific priorities towards which these additional funds should be directed”*. Moreover, it was for *“institutions to determine how these objectives can best be achieved including the extent to which funding is targeted at individuals - through bursaries, waiving fees or via other mechanisms - or at the support of institutional provision”*.

In practice, HEFCW avoided being too prescriptive by providing clear examples of what could (or indeed should) be funded, but offering enough areas such that all HEIs would be able to link such examples with their existing activity. For example, the Circular stated that widening access initiatives were to focus on:

- Students from economically disadvantaged backgrounds;
- Bursaries;
- Awareness raising particularly in relation to the promotion of flexible learning (to reduce drop students should be encouraged to move part-time to full-time or full-time to part-time);
- Funding learning support outside regular working hours;
- Providing more blended learning opportunities like e-learning;
- Increasing Welsh medium part time provision;
- Developing shared provision or modules across a region;
- Disseminating good practice in collaboration;
- Increasing hardship funds for part-time students.

It is noticeable that these suggestions do draw heavily on the recommendations of the Graham Review and link closely to the wider Assembly priorities described in *Reaching Higher* and other strategies. The Guidance contains clear recognition of the need to link funding to the institutional context: for example, recognising that a number of current widening access initiatives at institutional level were supported by EU funding and that this funding was due to end shortly. Where new EU funding arrangements and projects were yet to be agreed, HEFCW suggested that the

additional funding stream could form a valuable bridge for any hiatus in funding between phases. Moreover such action should form the “*first call*” on the additional widening access funding<sup>34</sup>.

Strong fit with policy can be viewed in this respect of employer related/Third Mission activity too: HEIs were again encouraged to build on existing activity and support existing collaborations, although with the caveat that care should be taken in avoiding duplication of activity funded by other Assembly programmes. HEFCW further recommended that, where necessary, proposed activity should “*take careful account of the views of the relevant Sector Skills Councils*” and that funded activities should be delivered on the principle that employers would normally be expected to contribute to meeting the cost of training their employees<sup>35</sup>. Suggested employer related activity included:

- Work based learning opportunities and e-learning;
- Engaging employers in vocational skills provision;
- Working with employers to identify their needs and design and improve delivery;
- Developing innovative ways to of responding to employer needs.

In each instance the Circular made clear that funding could be targeted on specific initiatives or aimed directly at providing financial support for students.

As already noted, Implementation Plans for both 2007/08 and 2008/09 were reviewed as part of the Desk Review. The Plans were fairly concise – the blank proforma covering just 3 pages (although typically, electronically completed proformas ranged from five to ten pages). In terms of content HEIs were requested to provide information on:

- “*Area of activity and intended outcomes e.g. bursaries, hardship fund, collaboration etc*”
- “*Measurable targets e.g. staff costs, student numbers, conference etc.*”
- “*Expenditure breakdown*”

It is difficult to interpret the extent to which the Guidance could be considered clear: such analysis is inevitably tainted by criticisms of “being wise after the event”. However, it might be argued that the language used could have been clearer in some areas: for example, it is not totally clear what is meant by “*providing more blended learning opportunities like e-learning*” in relation to suggested widening access type activities<sup>36</sup>. Noticeably, HEFCW officers later encountered difficulty in understanding some proposed activities primarily because of the use of jargon language within the proposals. Similarly, for employer-related activities perhaps the Guidance could have stressed the need to avoid duplication of other Assembly sponsored services *including services provided by other organisations*.

Moreover, if the time and resource consumed by HEIs in developing appropriate plans is related to the clarity of the Guidance, then the results must be considered mixed, as it took a number of the HEIs several iterations before reaching an acceptable Plan (see 4.3 below).

However, it is clear that in developing their plans the HEIs were able to work closely with HEFCW, to shape and refine planned activities, in line with HEFCW objectives for the additional funding and though, inevitably, achieving a compromise between institution context (institutional plans, position etc) and HEFCW’s wider objectives proved difficult in some cases, few of our interviewees had any complaints about the

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<sup>34</sup> 11, p2

<sup>35</sup> 11, para 11

<sup>36</sup> 11, p2

Guidance provided. One – from an HEI which had few problems in producing an acceptable Plan – commented:

*“The Guidance was fine, good, yes”*

Perhaps more surprisingly, this was echoed by one of the Institutions that struggled to develop an acceptable plan:

*“As I said earlier I think the process is fine, in that it’s what I would do if I was in HEFCW’s position.... There were no major issues with the Guidance.... myself and a number of those involved in the Graham review were approached in respect of the Guidance. By and large we were happy with the end product”.*

The one dissenter was an interviewee who had not been in post at the time of the submission of the 2007/8 Plans who felt that the Guidance was insufficiently prescriptive to prevent financial engineering by HEIs who were not committed to taking forward the Widening Access agenda. He felt the Guidance was “woolly” and believed that it would have been good to be much clearer about what the policy intention was and, in particular, about what was not permissible. He also felt there was insufficient attention to impact in both the Guidance and the monitoring requirements.

### **4.3 The Development and Approval of Plans**

While interviewees had little negative to say about the Guidance issued by HEFCW there was stronger criticism of the timescales for the initial submission of 2007/08 Plans, with adverse comments from all of the HEIs interviewed.

*“For the initial submission, I think the timing was an issue. The guidance came out in June and July. Our year starts in September. The timing needs to be better than that. Summer time is not a good time to get things organised anyway, because people are away on holidays, stuff like that. Academic schools need to get staff and plan their workload allocations. If they [HEFCW] were to do this again, it is not very good making announcements in the summer period. .... You know, the situation was, we’d set our plans then along comes this additional pot of funding. So back to the planning board”*

This issue was recognised by HEFCW staff themselves who pointed out that, unfortunately, the direction from the Welsh Assembly Government to implement the scheme had only been given in early July.

The fact that the request for Plans was a “late entrant” to the planning cycle may account for the somewhat improvised feel of some of the proposed activities submitted by some of the HEIs. However, this in turn may have had a longer-term significance, given the tendency in 2008/9 to simply “roll forward” activities included in the 2007/08 Plans.

Moreover, the problems of a late launch were compounded by delays in reaching an agreed version of the Plans. Clearly a number of HEIs did “hit the ground running”, whilst for others, submission of acceptable initial Plans was a longer process, often leading to later than anticipated submissions and delayed funding. For some institutions the problems associated with a submitting an acceptable Plan seem to have been acute.

As part of our desk review, we were given access to exchanges between HEFCW and HEIs with regard to earlier drafts of the Plans as well as the Final Plans. Overall,

the widening access element does seem to have undergone more refinement than proposed third mission activities.

The analysis revealed that it seems to have been a lack of detail presented in the Plans - rather than strategic alignment – which was the major cause for requesting a re-submission. In particular, resubmitted Plans tended to include output and impact targets that were less vague than in the original submissions. Similarly, second submissions tended to include more baseline information, provide more details in relation to spending plans, and generally drew clearer links between activity and target measures.

For the most part, the process of iteration resulted in greater clarity about targets and goals rather than a wholesale change in activities. However, in some cases further clarity was sought on certain proposed activities. One institution was required to provide more details (including costings) on proposed engagements with Sector Skills Councils and local employers, for example.

The end result of the refinement process was that a number of HEIs received funding considerably later than planned (with the final plans signed off only in February 2008 – half way through the academic year) and this undoubtedly was in part the cause of underspend and under-achievements in year 1 of the funding.

Having said this, it is also clear that the delays were generally not a result of slow response times on the part of HEFCW.

Thus, in one case, a response from HEFCW asking for clarifications on an initial draft sent on 9 October 2007 did not result in a second draft until four weeks later, 7 November 2007. A further response from HEFCW followed on 12 November, but (despite several reminders), a final draft was only sent by the HEI on 21 December. In other words, in this “ping-pong” between first and final drafts over three months, the “ball was in the court” of the University for all but two weeks.

Of course, HEIs are complex institutions and these delays might be attributed to the need for HEI staff to re-engage with the various senior managers, academic and administrative staff involved in putting together the initial proposal. In another case, the initial plan seemed to be delayed due to rejection of proposed activity by the HEI’s own senior staff. For other HEIs, exogenous factors such as departmental mergers and changes might clearly have also contributed to delayed response. However, the literature does not reveal the extent to which some HEIs may have “sat” on requests for re-submission.

Overall, in light of the observed delays in funding there does seem an argument to set stricter timescales on the refinement/amendment process. HEFCW might also consider other options including, for example, funding those activities deemed appropriate within the plan while other activities undergo refinement. More strictly, HEFCW might wish to consider re-allocating funding where satisfactory Plans are not received in due time.

The setting and recording of target information seems to have been the weakest area of performance for most HEIs. The difficulties do seem to reflect wider concerns over the use (or lack of use) of clear and comparable targets in the Widening Access programme more generally<sup>37</sup>. The Arad review of Widening Access activities more generally stated that: *“the tracking and monitoring of widening access activities that has taken place to date has been input as opposed to output or outcome focussed.*

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<sup>37</sup> Target setting does appear to have been more clear in the case of Third Mission activities

*This has limited the degree to which the overall impact generated by such activities can be measured*<sup>38</sup>.

This view was echoed by some stakeholders who felt that target setting was a perennial weakness on the part of HEIs. It was argued that in the third mission area, targets were often set at deliberately low levels, and there was a tendency to talk very generally about “*investigating this or developing that*” while in respect of widening access, it was suggested that there were two extremes – either talking in general terms about the aims and ambitions without detailing the means or, alternatively being very specific about activities (“*we will hold four outreach sessions*”) without explaining (or always reflecting) on what these were expected to achieve.

Through the process of refining the Implementation Plans it is clear that HEFCW made significant strides in encouraging HEIs to develop appropriate performance targets for both strands of the additional funding. In particular, this process ensured that agreed targets were much more comparable between HEIs than was the case with the first draft submissions. It remains unclear though whether HEIs would have benefited from tighter guidance on the specific target measures that should be used, again within the context of flexibility and determination at the institutional level.

However, it is important to stress that, in contrast to the year 1 plans, in year 2 (2008/09) the process appears to have been very smooth, reflecting both the ability of HEFCW to issue guidance much earlier in the planning cycle and (probably) the tendency of HEIs and HEFCW to accept that in practice much of the activity was simply “rolled forward” between the two years.

#### **4.4 Monitoring Processes**

As already noted, we were able to review completed Annual Monitoring Statements (AMS) for 2007/08 as part of the desk review. The AMS format - which is also used for other specific funding regimes for HEIs - allows HEIs to record progress against specific and measurable targets defined in the implementation plans. With the AMS, HEIs were invited to further comment on progress against targets where there was underachievement or where funding remained unspent.

Generally the AMS appear to have been conscientiously completed (with few discrepancies between the reports and what was reported during case-study visits, for example) and to provide a reasonable amount of information. Concerns might be raised, however, about the extent to which the AMS allow HEFCW to capture the full extent of output and impacts. For example, the AMS form states that “*There is no requirement to comment further where target has been achieved*”<sup>39</sup>. While understandable from the point of view of minimising the reporting burden, the approach does hinder, for example, identification of better performing activities across different HEIs<sup>40</sup>.

Again, interviewees in HEIs were generally positive about the format of the AMS – though in part the approbation was based on the fact that it was seen as “*light touch*”:

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<sup>38</sup> Arad Consulting, Evaluation of the Widening Access Activities and Reaching Wider Initiatives in Welsh higher education institutions, Final Report January 2007, page 3

<sup>39</sup> HECW Additional Funding: Annual Monitoring Statement

<sup>40</sup> It could also be argued that if HEIs are able to monitor that certain target have been met (e.g. part-time learners enrolled on an e-learning course) then the additional effort in capturing actual numbers (beyond the target level) would be minimal.

*"I think the reporting process – where by we complete a monitoring statement on target indicators etc - is better than a more micromanaged approach which is something HEFCW might have chosen".*

Several interviewees did, however, point out that the material submitted to HEFCW was only a distillation of what might in theory be made available:

*"To give an example, we've held a regeneration conference which has been completely written up, partly for our own records and the information required by us as an institution in terms of progress towards our own institutional goals, and also partly because out of the discourse at that conference we've sought to develop modules and programmes of learning in the community – so the conference was a starting point for that. At the other end of the scale, the summer school has led to a six page report. Only a summary paragraph of that report and the conference would be translated then to the AMS. So, yes, there maybe elements of our activity that HEFCW might be unaware off, or have limited awareness of the full extent of our activities associated with the Graham funding".*

Most of HEI interviewees were particularly pleased that the timescale of the AMS had been moved to November so that it fitted with other funding regimes:

*"HEFCW have improved the timing of reporting for Graham funds – we now have a November deadline for all our reporting to HEFCW on all our grants. This is a good time for collating data to report back".*

*"There are various pots of funding like this that HEFCW allows us to go for e.g. enterprise, learning and teaching. And they've brought all their reporting periods together at single point in time – November – and that does make sense because we actually have completed the academic year; we do have our financial accounts prepared and we have completed our own review processes about what happened in that year. They'll probably change it now!!!"*

By contrast, however, some interviewees felt that integration with timescales for other HEFCW funding was still not optimal (with submission of Graham Plans not aligned for example with the deadline for Widening Access Plans) and that the one-year cycle for the Additional Funding was at odds with usual HEFCW practice.

More seriously, perhaps, several interviewees contrasted the different monitoring requirements for different funding related to widening access, with one arguing that the *"light touch"* approach of the Graham Funding contrasted with the over-elaborate accounting requirements for the Reaching Wider Funding and what was said to be self-imposed detailed reporting on widening access monies, while another argued that the detailed regulation of Reaching Wider funding contrasted strongly with the use of widening access premia, the use of which was said to be completely uncontrolled by HEFCW.

## 5.0 FUTURE ARRANGEMENTS

Having considered the findings of our research on the use made of the funding and the processes connected with it, we now report briefly on views in respect of future arrangements.

In line with the strong support for the rationale of providing extra funding to HEIs to compensate for the financial disadvantages of recruiting part-time students, all of those interviewed believed that the case still stood for additional funding of the sort provided since 2007/08 to be made available by the Welsh Assembly Government and HEFCW in future.

Several interviewees pointed out that the countervailing pressures (encouraging HEIs to increase full-time enrolments at the cost of part-time provision) were likely to increase in the short term given:

- the sharp increase in applications from young people for full-time places (described by one informed stakeholder as “*having gone crazy*” for the current UCAS round);
- the abolition of the Assembly Fee Grant, which – though it would not in headline terms alter the funding differential received at enrolment between full-time and part-time students – would heighten the contrast between the perceived financial contribution being made by full-time and part-time students, leading to upward pressure on part-time fees;
- the potential developments in terms of reviewing the fee limit in England which had been recently signalled by the Government; and
- the strong emphasis on the part of many senior managers within the HE sector on focusing on research excellence rather than on social inclusion.

While interviewees were not generally able to comment on the volume of funding, it was suggested that at least a small element of the funding “freed up” by the abolition of the Assembly Fee Grant (estimated at £31 million per year) might usefully be used to increase the funding for part-time students.

Perhaps surprisingly in view of the fact that hypothecation of funding to specific purposes is relatively uncommon in the context of HEIs, we found a broad consensus that hypothecation was also something that needed to be carried forward into a future funding period. The basis for this argument was that central administrations in HEIs could not be relied upon to prioritise the use of additional resources provided specifically to support part-time provision, given broader financial pressures and the difficulties of meeting other goals.

This was put very strongly by one (senior) interviewee who argued that the central administration in his HEI did not see a connection between “*Widening Participation and part-time students*”, seeing the widening access agenda as being all about work with schools to get full time students with atypical backgrounds to apply and that:

*“frankly if money comes to the University through its core funding, we aren’t going to see any of it”*

These broad sentiments were echoed by others:

*“No need for draconian measures, and there’s a negotiation process that could of course take place with HEFCW but, I wouldn’t like to see funding being made and left purely in the hands of HEIs to determine what is to be done with it. That would be recipe for some institutions to take their eye of the ball.”*

*“It’s too early to mainstream the Graham Funding. I still think there needs to be a focus on part time study so that a shift can take place..... – the minds of HEIs needs to be focused to look at part time study – the only way this is going to happen is if funding is ring-fenced for at least four to six years. If the funding was mainstreamed you would lose this focus”.*

*“it would just disappear into Finance Directors’ back pockets”*

The support for hypothecation was also voiced by other stakeholders, including one who argued strongly that HEIs should increasingly be required to demonstrate a “*something for something approach*” in respect of Welsh Assembly Government funding.

Interviewees in two of the HEIs did suggest that an alternative to providing a separate block of funding might be to move towards a system of part-time premia which would bridge the gap between the income which could realistically be generated from part-time fees and that which resulted from full-time enrolments, but one of these noted that the Graham Review had floated this but it had been dismissed by the Welsh Assembly Government at that time and that some Vice-Chancellors would argue this approach was incompatible with credit-based funding.

Another interviewee argued that hypothecation needed to be extended – to cover the widening access premia, which in their view was used by their HEI as a general income stream. Another stakeholder suggested that there was also a need for greater alignment between the currently uncoordinated different widening access funding “*pots*”.

One HEI interviewee argued that the Guidance needed to put a greater emphasis on collaboration with FE in its future funding guidelines:

*“FE has always focused on pt employer based learning – yet there is nothing obvious in Graham that pushes us into this direction”*

Interestingly, the sole dissenter from within an HEI on the issue of hypothecation was an interviewee within one of the HEIs which has a strong record on widening access and third mission activities, who argued that mainstreaming the funding was desirable, at least as far as their Institution was concerned.

*“Mainstreaming the funding would mainstream the activity, ensuring that those activities are delivered. I really don’t think there is any case for continuing it as a special fund. Unless others aren’t delivering, then maybe HEFCW has to think about a differential approach – in our case mainstream it and let us get on with it. In other cases maybe there needs to be closer workings, more review, kept as a special fund. But we’ve ticked all the boxes”.*

A much more strongly held view was that there was a need for longer time-frames in any successor regime. It was felt that a minimum of a three year horizon – with Plans formulated on this basis even if (re) approved annually – was necessary, though several interviewees argued that this sort of “*slow burn*” policy needed even longer.

*“We would like to see a commitment to longer term funding, say a 10 year commitment, which would fit better with the long term goals of the Graham review – which is about having a system in place that supports the changing of people’s attitudes to learning”.*

Equally, several interviewees argued for greater flexibility between the two strands of funding, allowing individual HEIs to determine the appropriate split, possibly within broad parameters. Several argued that in fact the division was arbitrary – and in our case-studies we found examples where a post had been funded jointly by the two streams and another where one activity had been moved between the two streams between 2007/08 and 2008/09, without apparently any change at all in the nature of the activity.

*“Perhaps they could require HEIs to take action on both strands but leave it to each HEI to make proposals for the split according to their own individual Mission”.*

*“We would have preferred to have the total pot of money and split it across the two strands according to our priorities. I think we would have preferred that”.*

Generally, interviewees felt that, with the exception of timescale and the rigidity of the separation between the two streams, the current processes struck the right balance between prescription and flexibility, though, as already noted, interviewees in one HEI did argue for greater clarity about what was not allowed, and for stronger policing against the tendency to “*financial engineering*” within institutions:

By contrast, another stakeholder counselled against too much conditionality and in favour of ensuring flexibility:

*“Some of the HEIs think that if there’s so many strings attached, it’s more trouble than its worth.....On its own they couldn’t have done much with the Graham money but if you bung it in the pot, you can do something meaningful with it”.*

## 6.0 CONCLUSIONS AND RECOMMENDATIONS

The Additional Funding provided as a result of the Graham Review is, in many ways, an unusual funding stream in the context of overall HE funding in Wales.

Firstly, it is hypothecated, in itself atypical in a system which in many ways has been to date very respectful of the autonomy of HEIs. There is arguably an underlying paradox in this, in that the origins of the funding were a result of the recognition in the Graham Review that, without additional funding, the changes to the fee regime for full-time students combined with the difficulty of achieving similar increases in fee levels for part-time students, might lead to part-time provision being severely compromised and that a compensatory financial mechanism was needed to ensure that this was prevented. Logically, this might have led simply to a funding stream which “topped up” the fee income from part-time students, rather than one which was intended to fund additional activities to develop and support part-time provision.

Secondly, the parameters for the scale and use of the funding, though administered by HEFCW were set by the Welsh Assembly Government. It would appear that there has been relatively little clarity for those outside as to the considerations which informed the choice of the two strands, the allocation of overall funds between them and the requirement for annual rather than multi-annual planning and reporting arrangements.

Thirdly, while the relationship of part-time provision to widening access and to employer engagement activities is apparent, it is also indirect. HEI – employer relationships are about more than the provision of part-time learning opportunities and widening access can be concerned with raising the aspirations of those in disadvantaged communities to take up the same (including full-time) opportunities as others from more privileged backgrounds. Conversely, part-time provision is not necessarily wholly related to these two agendas: it is certainly possible to conceive of examples (a retired teacher with an existing degree wishing to study a postgraduate course at a leisurely pace) where the provision might be desirable but is not central to either agenda.

These issues in part are reflected in some of the less positive findings reported in Section 3 and 4 of this report:

- the fact that in a minority cases, there is little evidence of additionality;
- the strong emphasis on fee waiver and bursary regimes which in reality do not add to the resources available to deliver part-time provision, though they may drive up take-up;
- the tendency for there to be some blurring of activities, where interventions which clearly fit with the third mission agenda, in particular, have been funded even though there are not specifically targeted at part-time provision;
- the lack of clear integration in terms of planning with broader Widening Access and Third Mission Strategies (both of which operate on a longer timeframe); and
- the generally rather limited attention to targets, particularly those related to outcomes.

Having said this, it is clear that, at the level of general principle, there is a strong argument for providing additional resources to stimulate the provision of part-time learning, which does have a key contribution to make to both the widening access and employer engagement, and indeed, to broader third mission, agendas. It is also clear that, after a difficult start, which was imposed on HEFCW as a result of the short notice given by the Welsh Assembly Government, the implementation and monitoring arrangements have worked generally smoothly. Most importantly, while

evidence of outcomes and impact is hard to isolate – partly as a result of the timing of this evaluation, but partly due to the strong influence of externalities on the provision of, and interest in, part-time opportunities – there is clearly evidence of some genuinely positive outcomes either already achieved or likely to be achieved as a result of the funding.

Moreover, it does seem clear from our fieldwork (and indeed from the latest data on enrolments) that part-time provision is likely to come under increasing pressure at least in the short/medium term, as more young people seek full-time places as a way of escaping the impact of the recession and as the changes to student finance as a result of the Merfyn Jones Review in tandem with the economic downturn potentially further increase the gap between the capacity to derive income from full-time and part-time enrolments. It is also clear (perhaps surprisingly) that most interviewees favour hypothecation in order to ensure that, in straitened times, funding is clearly used to support the part-time agenda, while the current arrangements are broadly acceptable both to HEFCW and to HEIs.

Against this background, we make the following recommendations.

**Recommendation 1:** As recommended in the Merfyn Jones *Review of Higher Education*, the Welsh Assembly Government and HEFCW need to ensure that there continues - for a minimum of three years, but preferably longer - to be a dedicated stream of additional funding to support the provision of part-time provision in Welsh HEIs. This should be set at least at the level of the current funding but discussions should consider the appropriateness of increasing the resources available, taking into account the likely impact (if any) of the abolition of the Assembly Fee Grant and the resources freed up as a result of this.

**Recommendation 2:** HEFCW should consider internally and discuss with the Welsh Assembly Government whether there might be more appropriate ways of distributing the additional funding, for example, through a part-time students premium (though linked to clear mechanisms for accounting for the use of the funds). At a minimum HEFCW should ensure a clearer articulation of the policy intention behind the focus on widening access and employer engagement activities, as opposed to the general promotion of part-time learning.

Assuming that a model similar to the present one is retained:

**Recommendation 3:** HEFCW (in discussion with the Welsh Assembly Government) should consider introducing an element of flexibility between the two strands (for example +/- 25% of the allocation to each) allowing HEIs to split activities which reflect their priorities and needs and should consider further whether a formula which provides a minimum amount to each HEI (as with Third Mission Funding) might be helpful to support those working from a low base.

**Recommendation 4:** HEFCW should broadly maintain the current structure for planning the use of the funding, but should move to a three (or preferably five) year planning cycle, which is predicated on the basis that HEIs will roll forward activities from one year to the next, with an annual opportunity for modification of the extant plan. HEFCW should also consider the ways in which timescales for the plans can be aligned with those for broader Widening Access and Third Mission activity.

**Recommendation 5:** HEFCW should provide adequate lead times for the next round to enable good integration with corporate planning (with arrangements in place by January 2010) but, given the evidence that delays in 2007/8 were more related to slow responses from HEIs, it should also insist on high levels of compliance in terms

of timescales. Redistributing funding away from non-compliant HEIs (in respect of 2010/11) should be considered as a last resort where adequate Plans are not in place by November 2010.

**Recommendation 6:** HEFCW should maintain the current system of AMS and retain the integrated timescales for submitting the AMS for the Additional Funding with other AMS. It should consider replacing the current requirement for an impact report with an opportunity for a narrative commentary on the report, in particular setting out information on areas where targets had been exceeded or feedback from other relevant sources such as student surveys etc.

**Recommendation 7:** In moving to a new cycle of funding, HEFCW should seek to strengthen the Guidance (and the scrutiny of Plans) to ensure that there is a demonstrable relationship between activities and the particular benefit to part-time students, particularly in the context of the employer engagement strand. HEFCW should also make greater efforts to ensure that employer engagement activities have factored in an appropriate level of employer financial contribution. HEFCW should also confirm (with the Welsh Assembly Government) whether it is appropriate for the funding to be used to support postgraduate courses and reflect this explicitly in the Guidance.

**Recommendation 8:** HEFCW should work with HEIs to improve the setting of appropriate performance indicators and targets, and should as far as possible try to ensure that common methodologies are used for reporting on similar activities (for example, fee waiver schemes; or workbased learning programmes).

**Recommendation 9:** HEFCW should consider ways in which the Additional Funding could be used more creatively to encourage joint working between HEIs and between HEIs and other partners (notably FEIs). A first step might be to hold a workshop/conference to explore good practice in using the 2007/8 – 2009/10 funding.

**Recommendation 10:** HEFCW should give consideration to how impact evaluation can better be built in to future funding, while retaining the emphasis on “light touch” administration and while recognising that direct attribution will always be problematic. This might include building in an external long-term evaluation to track progress across HEIs or considering whether tracking questions e.g. in HESA data could be used to monitor changing trends in terms of the uptake of support provided specifically for part-time students.

**Recommendation 11:** Though strictly outside the remit for this evaluation, as part of the effort to integrate the additional funding with other funding streams, HEFCW should consider whether and how greater accountability for the use of the Widening Access premia should be introduced.