

HEFCW – Role and Responsibilities

Talk to Governors

Bangor University & University of Glamorgan

11 & 12 November 2010

Professor Philip Gummett

Chief Executive

Higher Education Funding Council for Wales

Responsibilities of the Council

Further and Higher Education Act 1992:

- to administer funds in support of the provision of education, the undertaking of research and associated activities in higher education institutions in Wales.
- to administer funds to support the provision of prescribed courses of higher education in FE institutions in Wales
- to consult relevant bodies with respect to the terms and conditions to be imposed in relation to grants, loans and other payments
- to provide the (Secretary of State) National Assembly with such information and advice as he may require or which the Council thinks fit
- to secure provision for assessing the quality of education provided in institutions for whose activities Council provides financial support
- In addition the Council may:
 - with other Council(s) exercise jointly any function where it appears that to do so would be more efficient or effective

Education Act 1994

- to accredit providers of initial training for school teachers (TDA in England)
- to commission research to improve the standards of teachers and teacher training

Members of the Council

Chairman:

Mr Roger Thomas (*former Chair of Governors, University of Glamorgan*)

Chief Executive:

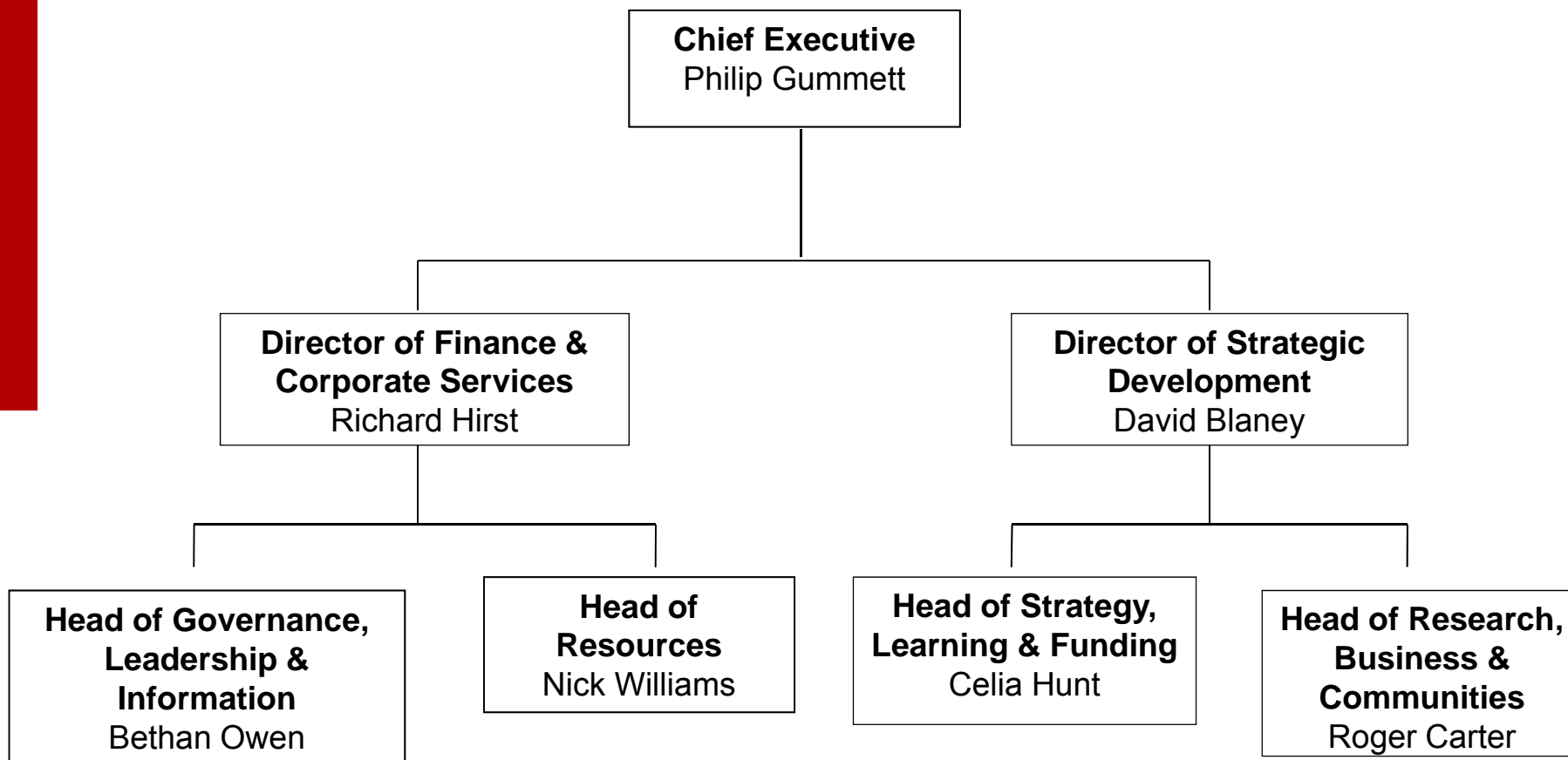
Professor Philip Gummatt

Members:

- Mr David Allen (*Registrar and Deputy Chief Executive, University of Exeter*)
- Mr James Bennett (*Former Principal, South Tyneside College*)
- Dame Sandra Burslem (*Former Vice-Chancellor, Manchester Metropolitan University*)
- Ms Bethan Guilfoyle (*Headteacher of Treorchy Comprehensive School*)
- Professor Mari Lloyd-Williams (*Professor & Director of Academic Palliative & Supportive Care Studies Group, University of Liverpool*)
- Mr David Mason (*Former Principal/Chief Executive, Coleg Gwent*)
- Professor Leni Oglesby (*Former Senior Deputy Vice-Chancellor, University of Teeside*)
- Ms Nina Park (*Vice President for Control Techniques*)
- Professor Sir Brian Smith (*Former Vice Chancellor of Cardiff University*)
- Professor Robin Williams (*Former Vice-Chancellor, Swansea University*)

WAG assessor + HEFCE, SFC and NUS observers also attend HEFCW Council meetings

HEFCW Management Board



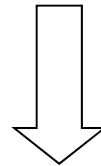
- 53.6 FTE staff
- Annual running costs £3.17m



For Our Future:
HEFCW Corporate Strategy 2010-11 to 2012-13

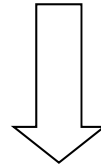
Vision:

Sustainable, internationally excellent higher
education



To deliver:

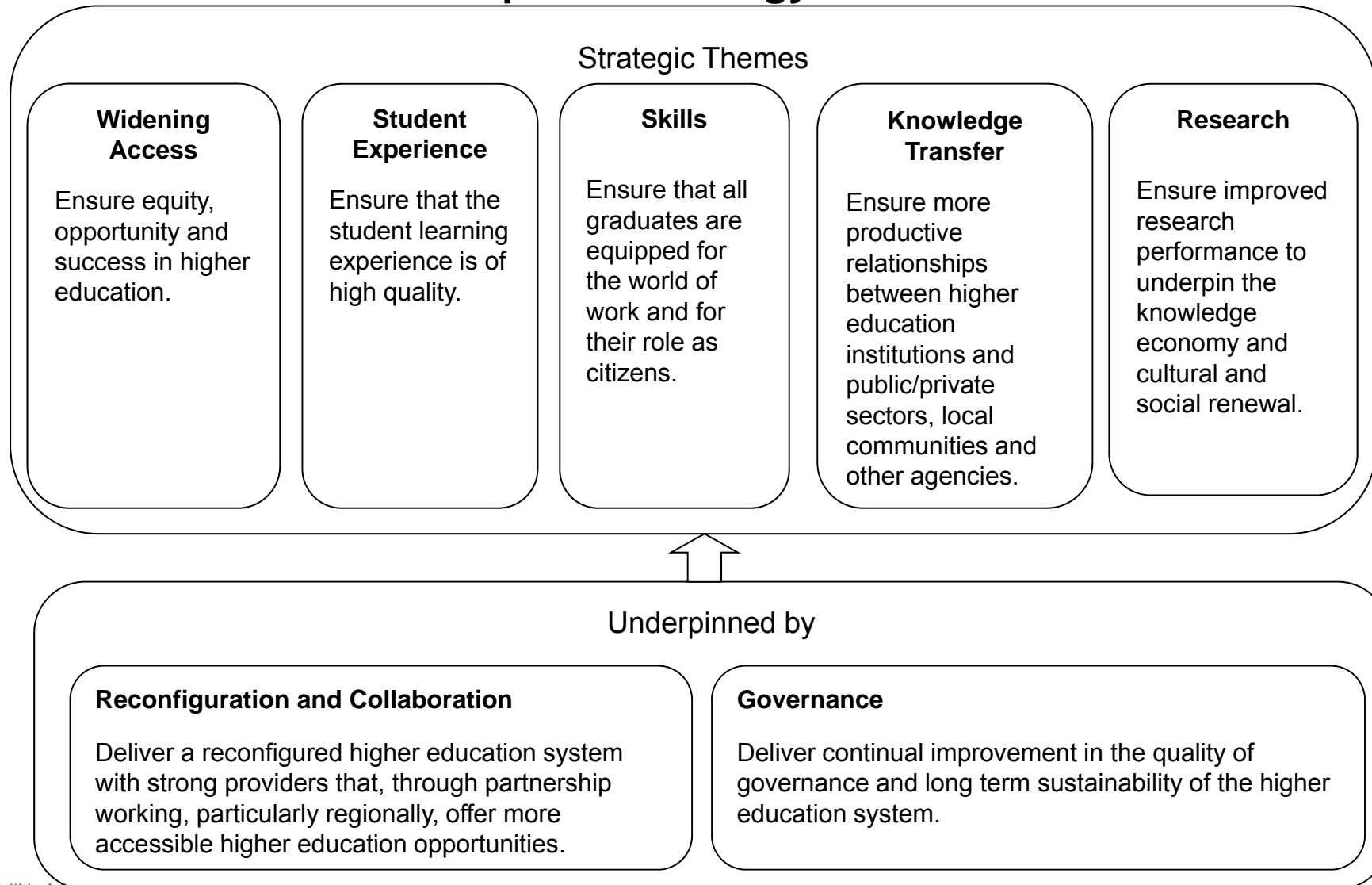
Social justice and a buoyant
economy



Cont.

For Our Future:

HEFCW Corporate Strategy 2010-11 to 2012-13





For Our Future : **HEFCW Corporate Strategy 2010-11 to 2012-13**

12 high level target measures for 2012/13

1. A 10% rise in the proportion of all Welsh domiciled students studying higher education courses at higher education institutions and further education institutions in Wales who are domiciled in the Welsh Communities First Areas from 15.6% in 2008/09 to 17.2% in 2012/13.
2. A 2.7% increase in the module completion rate for undergraduate enrolments in Welsh higher education from 87.6% in 2008/09 to 90% in 2012/13.
3. The three year rolling average score for Wales in the National Student Survey 'overall satisfaction' question will be equal to, or greater than, the comparative score for the UK.
4. The number of Welsh domiciled students at Welsh higher education institutions and further education institutions undertaking some element of their course through the medium of Welsh will rise from 4,667 in 2008/09 to 5600 in 2012/13.
5. The percentage growth in the number of overseas students attending higher education courses in Welsh higher education institutions will be equal to, or greater than, the comparable figure for UK higher education institutions (excluding London and the South East).
6. The proportion of leavers obtaining first degrees from full-time courses who were employed, studying or both six months after leaving will be equal to, or greater than, the UK proportion by 2012/13.



For Our Future : **HEFCW Corporate Strategy 2010-11 to 2012-13**

12 high level target measures for 2012/13 (cont.)

7. The absolute participation rate within Welsh higher education providers of students from the five Universities of the Heads of the Valleys Institute unitary authorities will rise by 8% to the current national average by 2012/13 (2.5% to 2.7%).
8. The total number of part-time students studying higher education courses in higher education institutions and further education institutions in Wales will rise from 54,714 in 2008/09 to 59,000 in 2012/13.
9. The number of spin-off companies still active which have survived at least three years will increase by 10% from 252 in 2008/09 to 277 in 2012/13.
10. The annual percentage growth in income from Research Councils, from its 2008/09 base of 4.8% of the UK total, will be equal to, or greater than, the comparable figure for UK higher education institutions (excluding the 'golden triangle' of Oxford, Cambridge and London).
11. At least 75% of the Welsh higher education institutions will have an annual income in excess of the UK median (36% in 2008/09), with no institution to be in the lower quartile by 2012/13 (4 in 2008/09).
12. No higher education institution to be classified as 'high risk' in accordance with HEFCW institutional risk review processes.
(We will be developing a range of additional measures to complement these.)

Funding

Up to and including AY 2010/11, funding provided via a combination of formula and programme funds. In 2010/11, **£402.7m** Recurrent + **£15.6m** Capital + in FY 2010-11 **£28.9m** above baseline WAG HE Strategy Funding (including for *One Wales* commitments)

Recurrent funding:

- **Funds for teaching – mainly ‘formula driven’, but also ‘initiatives’** **£293.2m (72.8%)**
- **Funds for Research - based mainly on the outcomes of the Research Assessment Exercise (RAE) and initiatives** **£74.4m (18.5%)**
- **Strategy and initiatives funding - including support for institutional strategies, and for UK-wide activities (eg QAA; JISC)** **£21.2m (5.3%)**
- **Third mission funding (direct outreach from HEIs to the economy and society)** **£8.2m (2.0%)**
- **Postgraduate Research Training** **£5.6m (1.4%)**

Funding (cont.)

However, Remit Letter 2010-11 requires radically more strategic use of funding in future, to ensure expenditure supports *FoF* goals.

- A new Strategic Implementation Fund (SIF) from 2010-11.
- Future recurrent funding allocated via SIF - at least 20% in 2010-11, moving progressively to 80%.
- Creation of single capital pool from 2011-12 to support implementation of *FoF*
- Introduction of a regional approach to planning and delivery of HE

Recent key Circulars (www.hefcw.ac.uk/publications/circulars/circulars_all.aspx):

Initial proposals for changing the funding system for higher education in Wales (W10/37HE)

Guidance on management of FTUG student numbers from 2011/12 (W10/33HE)

Regional strategies for the planning and delivery of higher education: funding and support (W10/28HE)

Funding (cont.)

Consequences of above changes

- HEFCW will require clarity from HEIs about deliverables
- Therefore, key challenge to institutions and governing bodies: demonstrating that your institution is responding to, and delivering on, the *For Our Future* agenda

Policy Environment

WAG – For Our Future

- SOCIAL JUSTICE: Widening Access; Student Experience
- BUOYANT ECONOMY: Skills; Knowledge Transfer; Research
- THE MEANS: Reconfiguration and Collaboration; high quality Governance

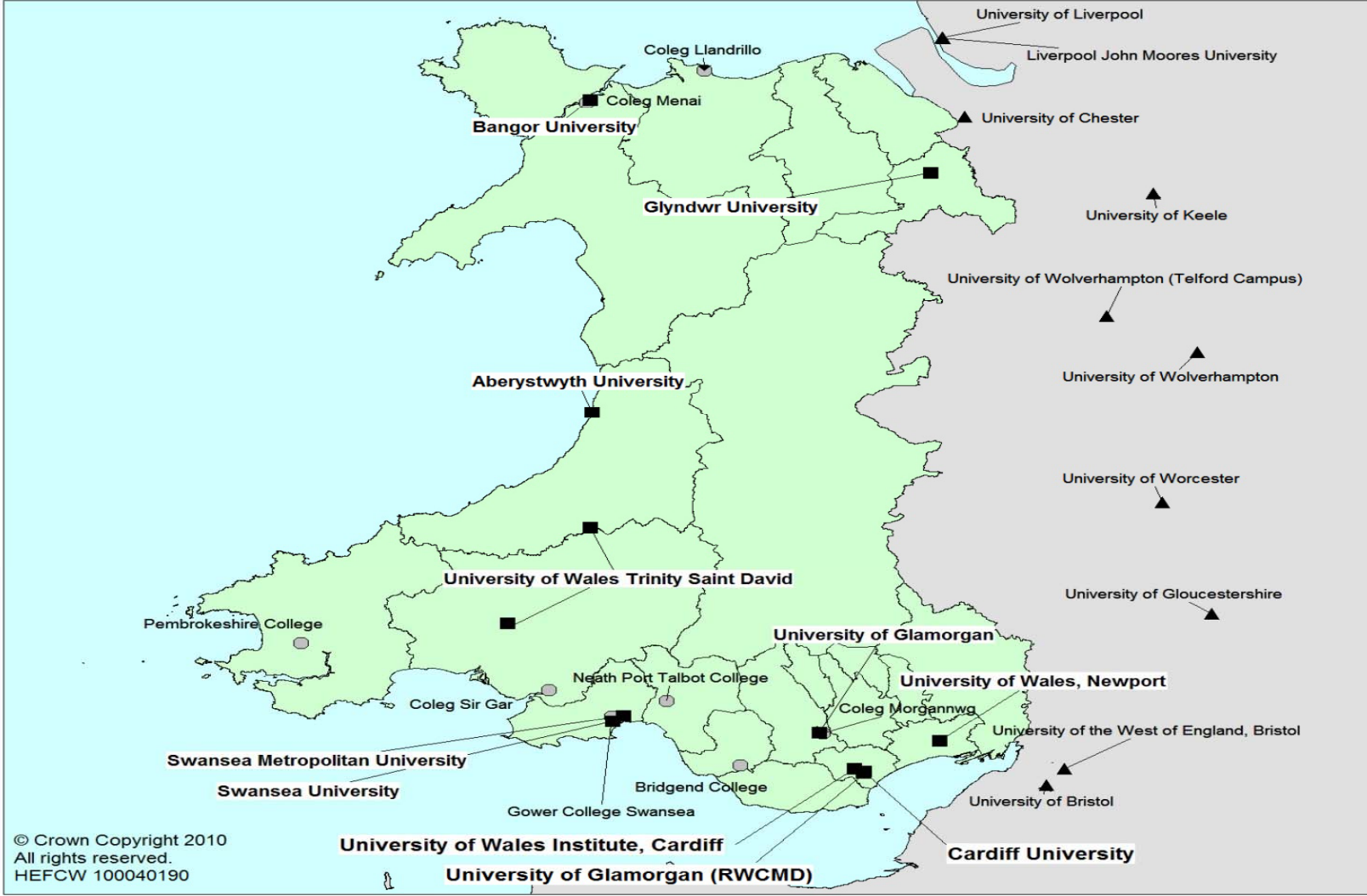
Browne review & Government response (England) [need to await WAG response]

- Tuition fees capped at £6k and £9k; graduates pay back once earning above £21k.
- Support for living costs via annual loan of £3,750 + maintenance grants increased to £3,250 (for students from households with incomes < £25,000).
- *Recommended: A new Higher Education Council from merging HEFCE, QAA, OFFA and OIA (but QAA and OIA have UK-wide remits).*
- WAG response: Not yet known – but Wales able to make its own judgement about Browne, and UK government's response.

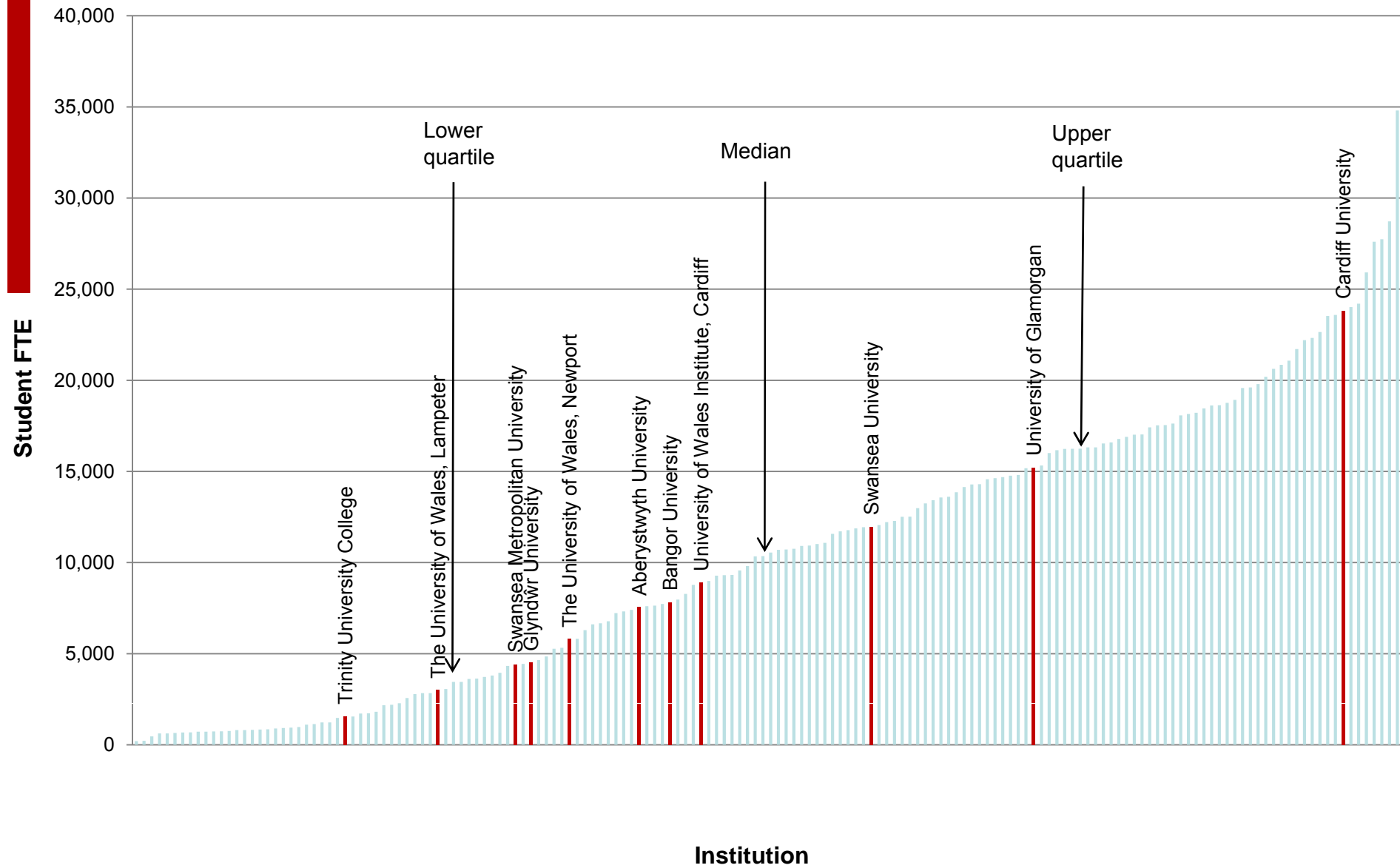
Comprehensive Spending Review

- England: reduction in HE budget of 40%, though DBIS to “continue to fund teaching for science, technology, engineering and mathematics (STEM) subjects”.
- Wales settlement: overall a 7.5% cut to recurrent budget, and 41% cut to capital budget, over period to 2014-15.
- CSR implications for Welsh HE? – Not yet known. NAW will consider draft budget on 17 November, and must finalise budget in February.

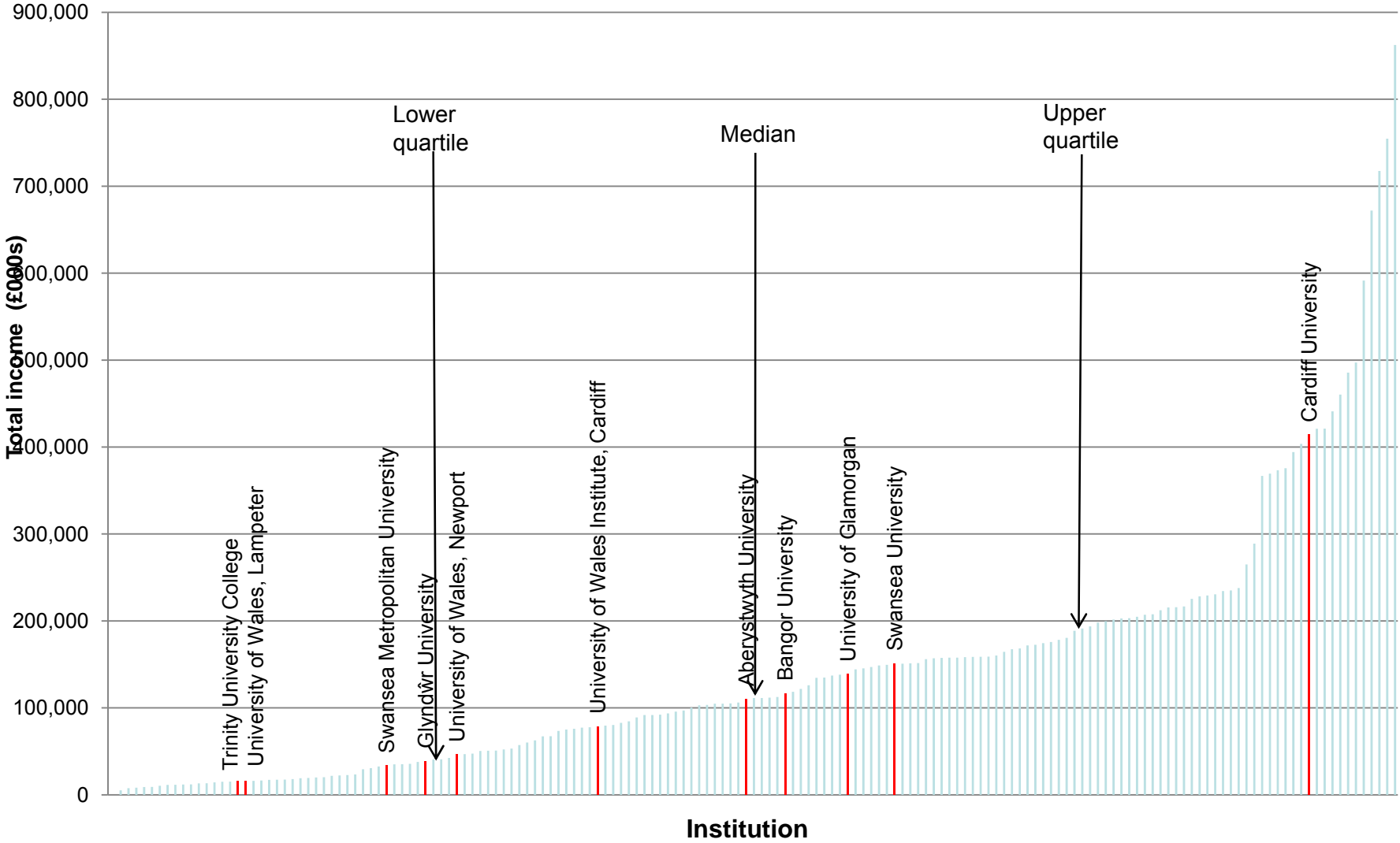
Welsh higher and further education institutions funded by HEFCW (and England/Wales border institutions)



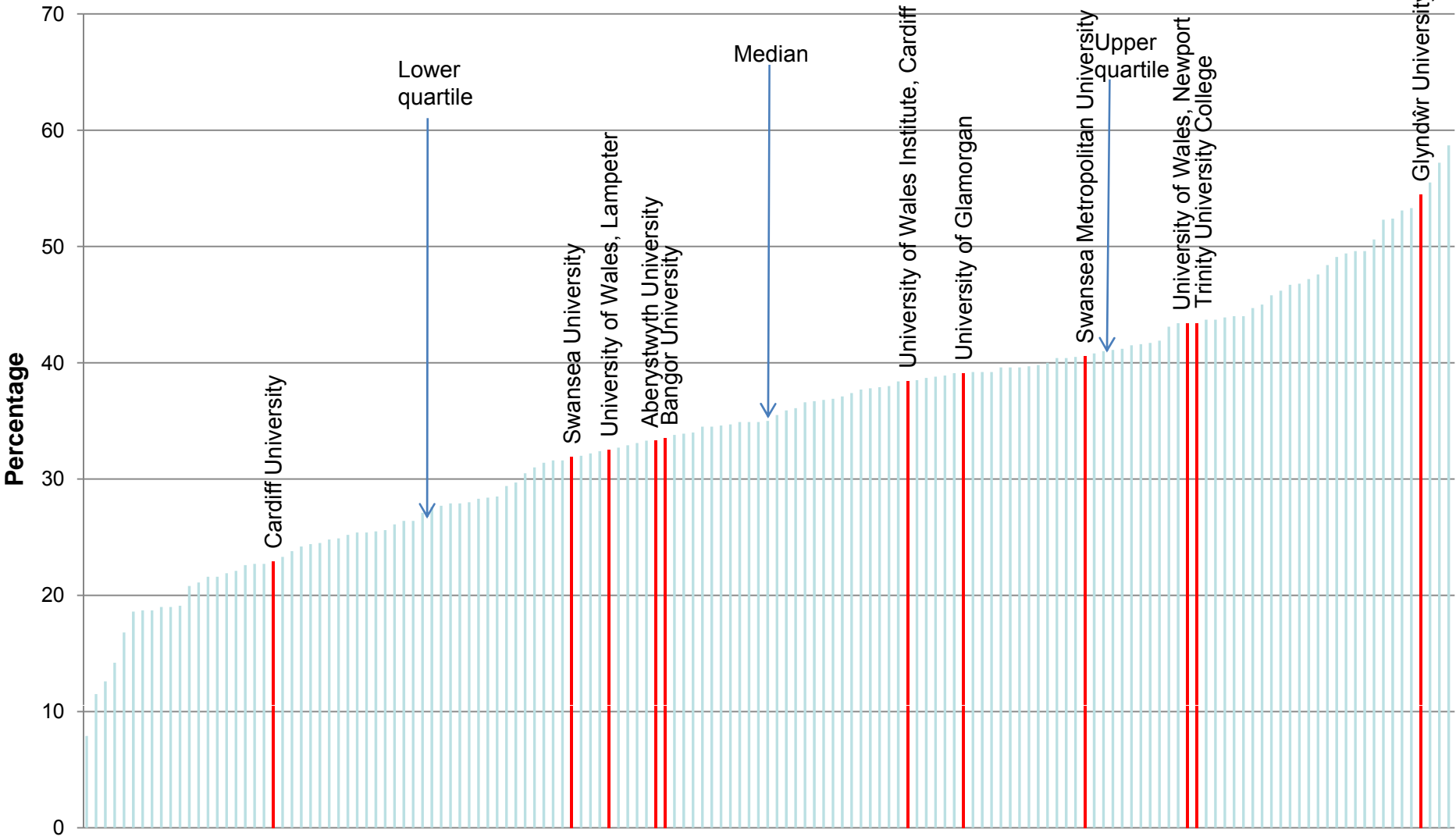
Full-time equivalent (FTE) students at UK HEIs 2008/09



Total income: 2008/09

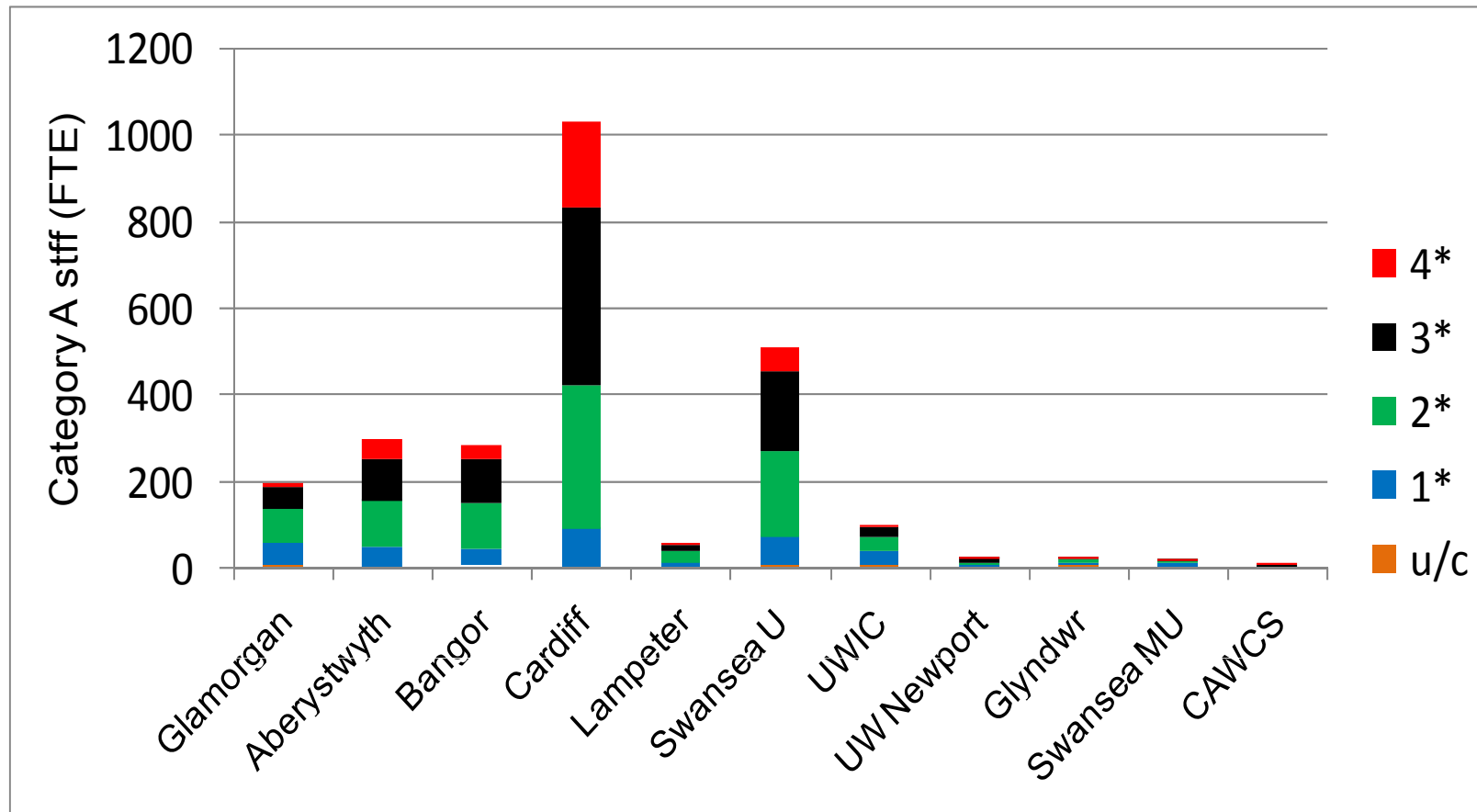


% Full-time young first degree entrants from NS-SEC 4,5,6,7 2008/09

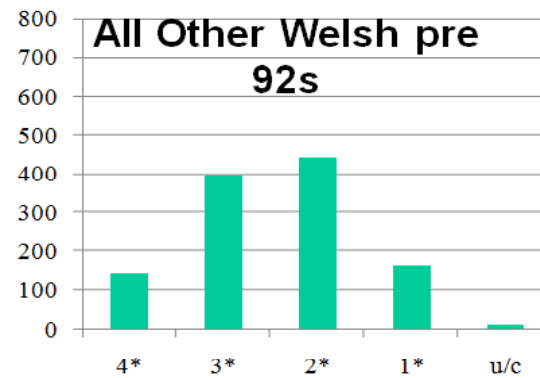
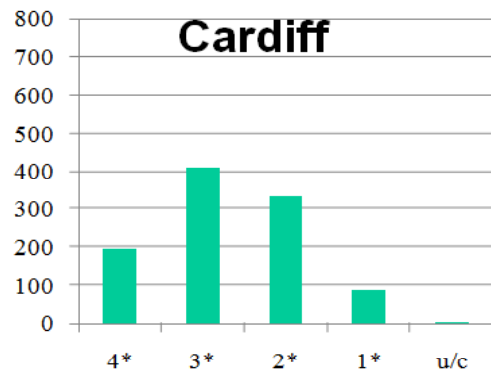
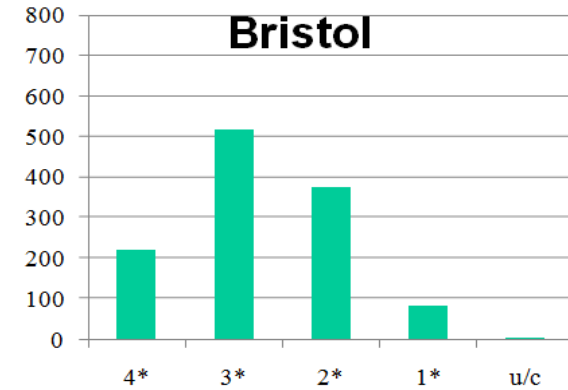
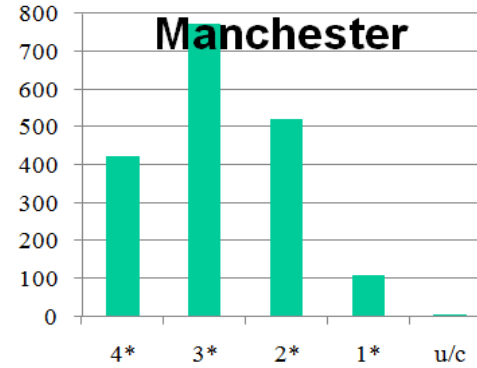
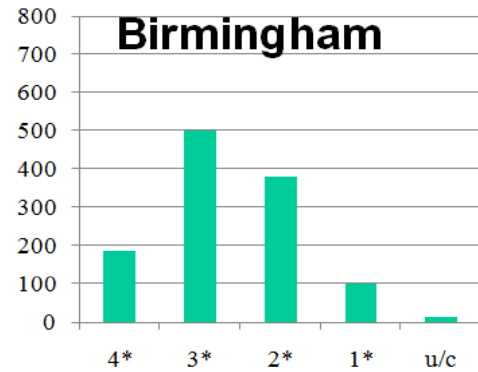


Record of Performance – Research

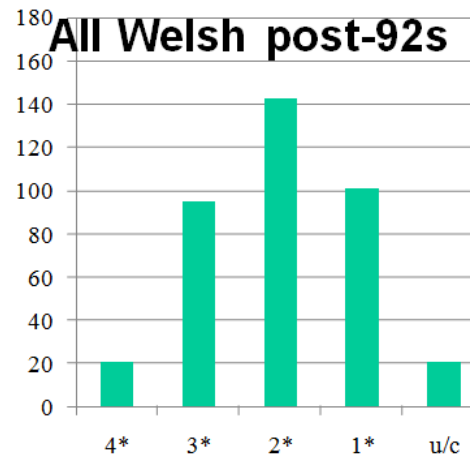
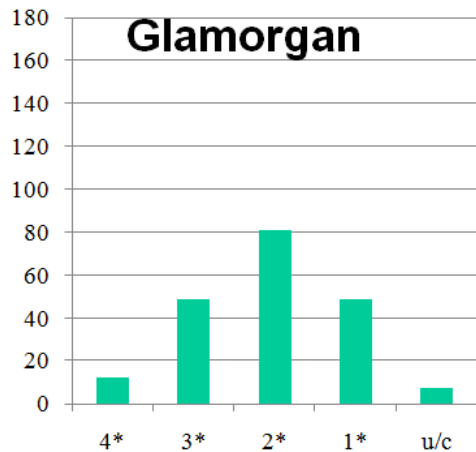
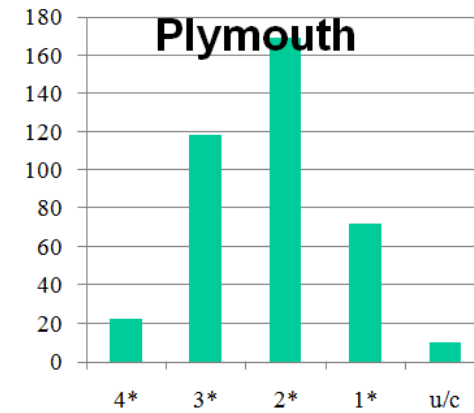
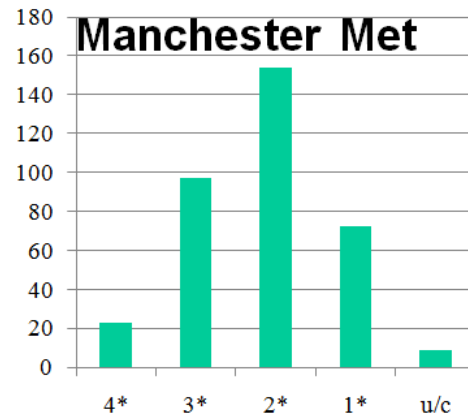
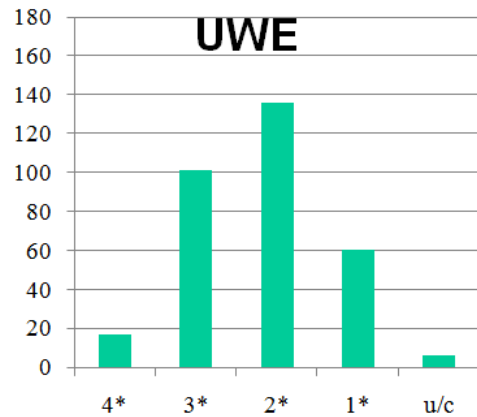
2008 Research Assessment Exercise (RAE)



FTE of Category A staff for selected pre-92 HEIs in 2008 RAE




FTE of Category A staff for selected post-92 HEIs in 2008 RAE



Challenges

- Challenges of scale – especially post-Browne; market positioning; mission distinctiveness
- CSR compounds the above
- Thus, a real challenge for governors to:
 - Ensure their institution is demonstrating a commitment to *FoF* priorities
 - Maintain realism about the competitive position and sustainability of their institution
 - Monitor closely, and react swiftly to, the volatile nature of the risk environment

In this context we acknowledge, and are grateful for, the huge dedication and commitment provided by governors.



For more details: www.hefcw.ac.uk

See also:

Information Toolkit for Governors on HEFCW website (go to: Working with HE providers > Leadership, Governance and Management > Information for governors)

HE Governance website (www.lfhe.ac.uk/governance/)

- overview of governance in UK HE
- links to various governance guidance documents, including those produced by the Committee of University Chairs (CUC)
- basic facts and figures on UK HE
- links to key organisations

Leadership Foundation for Higher Education (LFHE) (www.lfhe.ac.uk)

Support and advice - and details of training programmes, events and research – on leadership, governance and management for HE.

Other useful sources of information:

- UUK publications (www.universitiesuk.ac.uk)
- Performance Indicators in Higher Education - comparative data produced annually, published on HESA website (www.hesa.ac.uk)
- HEIDI web database for interrogating HESA data (most Welsh HEIs are subscribing) (www.heidi.hesa.ac.uk)