

Cyngor Cyllido Addysg
Uwch Cymru
Higher Education Funding
Council for Wales

hefcw

Annual Report

2012-13



 Noddir gan
Lywodraeth Cymru
Sponsored by
Welsh Government

Conventions and abbreviations

Financial Year (1 April – 31 March) 2012-13

Academic Year (1 August – 31 July) 2012/13

HE – higher education

FE – further education

HEIs – higher education institutions

FECs – further education colleges

FTE – full time equivalent

For alternative formats of this report email info@hefcw.ac.uk or download from www.hefcw.ac.uk.

Full progress and outcomes against our 2012-13 Operational Plan can be found at www.hefcw.ac.uk→**Publications**→**Corporate Documents**→**Operational Plan**

Full biographies of current members of HEFCW's Council can be found at www.hefcw.ac.uk→**Council and Committees**→**Council members**

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About HEFCW

The Higher Education Funding Council for Wales (HEFCW) is a Welsh Government sponsored body.

HEFCW is responsible for administering funds for higher education provided by the Welsh Government. This funding includes:

- The tuition fee grant for Welsh domiciled full-time undergraduates.
- Teaching, research and other funding to Welsh universities.
- HE courses at further education colleges.

Through this funding, HEFCW supports the HE system in Wales in delivering Welsh Government priorities. HEFCW also accredits providers of initial teacher training for school teachers.

HEFCW was established by the Further and Higher Education Act 1992. Responsibilities for initial teacher training (ITT), including the accreditation of ITT providers, are covered under the Education (School Teachers' Qualifications) (Wales) Regulations 2004 and the Education Act 2005.

Our vision

**Sustainable, accessible,
internationally excellent
higher education in Wales.**

We will work with institutions to develop and sustain accessible, internationally excellent higher education in Wales, for the benefit of individuals, society and the economy, in Wales and more widely.

Our Mission

We aim to:

- Secure an excellent quality higher education student experience and internationally excellent quality research.
- Promote the contribution of higher education, in Wales, the UK and internationally.
- Enable higher education providers to deliver Welsh Government and UK priorities for higher education.
- Inform and shape Government policy to be relevant and appropriate for delivery by higher education providers.

In order to

- Enhance social justice.
- Support a buoyant economy.

Our strategic framework

Key Strategic Themes

Widening Access

Secure inclusion, progression and success in higher education.

Student Experience

Secure excellent quality higher education and student experience enhanced by the student voice.

Skills, Employability and Enterprise

Secure graduates who are equipped for life and work, and universities that contribute to an upskilled workforce.

Innovation and Engagement

Secure the application and exploitation of knowledge to deliver social justice and support a buoyant economy.

Research

Secure internationally excellent quality research to underpin the knowledge economy and support civil society.

Enabling Themes

Reconfiguration and Collaboration

Secure a reconfigured higher education system with strong providers that, through collaborative partnership working, particularly regionally, offer more accessible higher education opportunities and a stronger HE offering across Wales.

Governance

Secure continual improvement in the quality of governance and long term sustainability of the higher education system.

Organisational Effectiveness

Be a well run and cost effective organisation which will work productively in partnership with the Welsh Government and higher education providers, individually and collectively.

Chairman's statement



This is the first year the new fees and funding system for higher education (HE) in Wales has been operational. Against the background of changes to HE funding in the rest of the UK, the new system allows

universities and eligible colleges to charge up to £9,000 per full-time undergraduate and PGCE course. These changes have not only led us to radically re-think how higher education is funded, but also led to changes in how students pay for – and some would say, view – a degree.

We are waiting for the outcomes of the Welsh Government's consultation which looked at the technical details of its legislative proposals for revising the regulatory system for higher education in Wales. This is potentially the most significant change in our powers of enforcement and assurance since the 1992 Further and Higher Education Act.

The start of the summer 2013 brought some changes in government, with Leighton Andrews stepping down as Minister for Education and Skills. He left us with plenty of food for thought,

having released the new policy statement for higher education in June, which sets out the Welsh Government's vision for HE up to 2020. Employability, economic growth, flexibility, excellence, reputation, sustainability, access, progression and new technologies are all important as we look towards the student and university of the future. We will take forward our new corporate strategy in the context of this longer-term vision. We look forward to continuing an effective working relationship with the new Education Minister, Huw Lewis, following a productive four years working with his predecessor.

"This is potentially the most significant change in HEFCW's powers of enforcement and assurance..."

We have been delighted, in 2013, to see two more significant mergers in Wales; this strengthens the HE sector through having more resilient universities, which is important in the current economic climate. The University of Wales, Newport and the University of Glamorgan combined to become the University of South Wales, and the University of Wales Trinity Saint David and Swansea Metropolitan University

formally merged after operating for some time as one institution. We look forward to both universities making a powerful contribution to the communities and economy of south and west Wales, and beyond.

During the year, we said goodbye to Council members Mari Lloyd-Williams and Nina Park. I would like to thank them for their service and insight while they were members, and wish them continuing success in their careers. We welcomed three new Council members: Mark Smith, Stephen Tomlinson and Ewart Wooldridge. The reporting year also saw Robin Williams reappointed to the Council for further three years.

David Blaney took over as our chief executive in autumn 2012, and it has been a pleasure working with him as he has addressed the many challenges we face. I am pleased to extend the Council's congratulations to his predecessor, Phil Gummatt who became a CBE in the Queen's birthday honours. I am delighted that he was recognised for his services to higher education in Wales. Finally, my thanks, once again, to the HEFCW executive, who have seamlessly continued to implement policies and support both Government and the higher education sector during a time of considerable organisational changes.

Roger Thomas

Chief Executive's statement



This is my first report as Chief Executive and I would like to start by paying tribute to the major contribution made by my predecessor, Phil Gummett, both to HEFCW and to Welsh higher

education more generally. I share Roger's delight that Phil's work has been properly recognised in the birthday honours.

Equipping students for life as a graduate has continued to be a major aspect of our work, focusing variously on student engagement, high-level skills, employability skills, and graduate employment. We have been committed to making sure that universities enrich students' experience, academic and otherwise; that students know what is offered by an institution; and that students have ample opportunities to give feedback on how the university is run.

While much attention in universities is on the build-up to the Research Excellence Framework, there has been considerable focus on how to take forward the Welsh Government's *Science for Wales* strategy. Strengths, progress and ambitions in Welsh research were featured in the prestigious journal *Science*, while the Welsh Government announced the first research stars who will work in Welsh institutions through the

Sêr Cymru programme. Universities have also been celebrating how they have turned their research into successful commercial ventures, and their collaborations with businesses, through a campaign which saw them exhibit in the Senedd and launch the website thinkwales.org.uk.

"...we are confident that we are both robust and flexible..."

We have changed how we fund higher education, given that more money will flow to institutions via student fees rather than from us as a block grant. As a result, priorities have been changing over the reporting year and funding streams have been consolidated, to ensure that institutions are not burdened with a disproportionate number of small, unmanageable sums of money. We have also been tasked with keeping a close eye on the cost of the Welsh Government's fee grant policy – where students from Wales have their tuition fees above around £3,600 paid for them – to the public purse, and we have put new arrangements in place to help control this.

Progress against our challenging corporate strategy targets – which features on pages 8–11 in this report – has been mixed. Institutions are, on the whole, rising to the challenge of improving performance in a range of areas. However, in 2011/12, progress against some

targets that we were previously confident of hitting has weakened. Of course, we can't know yet whether this is a glitch, or if this indicates further issues down the line. I'm pleased to report that we anticipate that targets relating to Communities First, module completion, spin-out and institutional risk will be hit. More challenging are those relating to the National Student Survey, overseas students, employability and research income, though there is still much to be positive about in these areas; that the higher education sector has shown a stable performance in these areas in a continually changing context is commendable. Y Coleg Cymraeg Cenedlaethol has created a credible structure for students to take some of their course through the medium of Welsh in universities in Wales. The impact of the Coleg has not yet been reflected in the performance of the HE sector against the targets, but we are confident that extending the supply of Welsh medium modules will improve take-up.

Finally, I would like to thank my colleagues for their unending patience as we made some significant changes to the organisation over the past year. Having gone through a period of upheaval, we are confident that we are both robust and flexible enough as a body to encourage and champion a higher education system for Wales that can hold its own on the world stage.

David Blaney

Progress against Corporate Strategy measures

Strategic measure	Baseline	Progress	Progress	Progress
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.	2008/09	2009/10	2010/11	2011/12
	15.6%	16.2%	16.5%	16.9%
2 A 2.7% rise in the module completion rate for undergraduate enrolments in Welsh higher education institutions from 87.6% in 2008/09 to 90% in 2012/13.	2008/09	2009/10	2010/11	2011/12
	87.6%	90.1%	92.5%	93.7%
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. <i>*Score' means percentage of students who agreed with: 'Overall, I am satisfied with the quality of my course.'</i>	2007 to 2009 3-year rolling average	2009 to 2011 3-year rolling average	2010 to 2012 3-year rolling average	2011 to 2013 3-year rolling average
	Welsh HE institutions 83.3%	Welsh HE institutions 82.7%	Welsh HE institutions 83.0%	Welsh HE institutions 83.7%
	UK HE institutions 81.7%	UK HE institutions 82.3%	UK HE institutions 83.3%	UK HE institutions 84.3%

Strategic measure	Baseline	Progress	Progress	Progress
<p>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 4,586 in 2008/09 to 5,509 in 2012/13.*</p> <p><i>*Baseline and target have been amended to reflect 2008/09 data correction.</i></p>	2008/09	2009/10	2010/11	2011/12
	4,586	4,612	4,690	4,328
<p>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).</p>	2007/08 to 2008/09 % growth	2008/09 to 2009/10 % growth	2009/10 to 2010/11 % growth	2010/11 to 2011/12 % growth
	Welsh HE institutions 15.1%	Welsh HE institutions 26.7%	Welsh HE institutions 16.4%	Welsh HE institutions -1.5%
	UK HE institutions (excl. London and SE England) 10.4%	UK HE institutions (excl. London and SE England) 11.9%	UK HE institutions (excl. London and SE England) 8.5%	UK HE institutions (excl. London and SE England) 2.6%
<p>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.</p>	2008/09 % employed / studying after 6 months	2009/10 % employed / studying after 6 months	2010/11 % employed / studying after 6 months	2011/12 % employed / studying after 6 months
	Welsh HE institutions 91.2%	Welsh HE institutions 91.9%	Welsh HE institutions 91.0%	Welsh HE institutions 91.6%
	UK HE institutions 89.9%	UK HE institutions 90.4%	UK HE institutions 90.3%	UK HE institutions 90.8%

Strategic measure	Baseline	Progress	Progress	Progress
7 The absolute participation rate within Welsh higher education providers of students in the five Universities Heads of the Valleys Institute unitary authorities will rise by 8% to the current national average by 2012/13 (from 2.5% to 2.7%).	2007/08	2008/09	2009/10	2010/11
	2.5%	2.5%	2.5%	2.5%
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.	2008/09	2009/10	2010/11	2011/12
	54,714	50,243	50,020	49,136
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.	2008/09	2009/10	2010/11	2011/12
	252	301	376	445
10 The annual percentage growth in income from Research Councils will be equal to, or greater than, the comparable figure for UK higher education institutions (excluding the 'golden triangle' of Oxford, Cambridge and London). [In 2008/09, Welsh HE income from the Research Councils accounted for 4.8% of the UK total excluding 'golden triangle' universities.]	2007/08 to 2008/09	2008/09 to 2009/10	2009/10 to 2010/11	2010/11 to 2011/12
	% growth in income for Welsh HE institutions 17.4%	% growth in income for Welsh HE institutions 3.0%	% growth in income for Welsh HE institutions 1.2%	% growth in income for Welsh HE institutions -3.6%
	% growth in income for UK HE institutions 13.9%	% growth in income for UK HE institutions 3.1%	% growth in income for UK HE institutions -2.7%	% growth in income for UK HE institutions -4.0%

Strategic measure	Baseline	Progress	Progress	Progress
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).	2008/09	2009/10	2010/11	2011/12
	In excess of UK median 36% (4 out of 11 institutions)	In excess of UK median 45% (5 out of 11 institutions)	In excess of UK median 40% (4 out of 10 institutions)	In excess of UK median 40% (4 out of 10 institutions)
	In lower quartile 36% (4 out of 11 institutions)	In lower quartile 36% (4 out of 11 institutions)	In lower quartile 30% (3 out of 10 institutions)	In lower quartile 30% (3 out of 10 institutions)
12 No higher education institution to be classified as 'high risk' under HEFCW institutional risk review processes.	2008/09 No of HE institutions classified as 'high risk'	2009/10 No of HE institutions classified as 'high risk'	2010/11 No of HE institutions classified as 'high risk'	2011/12 No of HE institutions classified as 'high risk'
	0	0	0	0

Funding higher education

We receive a grant from the Welsh Government on a financial year (FY) basis (1 April to 31 March), most of which we then allocate on an academic year (AY) basis (1 August to 31 July).

- We normally announce our annual grant to higher education (HE) institutions in March each year.
- In AY 2012/13 we made further changes to HEFCW funding arrangements, following consultation with the higher education sector.
- We set out guidance on the **maximum fee grant arrangements that would be put in place** from 2013/14.
- We consulted on high level proposals for **changes to the fee planning process** from 2014/15.
- We announced **£6 million end of year capital funding** to be used on capital projects to develop or maintain non-residential estate or other infrastructure.
- We modified our **arrangements for awarding strategy funding** for areas such as innovation and engagement and learning and teaching.
- We adjusted our arrangements for **awarding 'premium' funding**, whereby HE institutions would be awarded additional funding based on factors such as the recruitment of students to Welsh medium modules, or those from Communities First areas.

Formula funding allocations for the 2012/13 academic year

We announced allocations of more than £367.5 million for higher education in 2012/13 and an additional £4.1 million in financial year 2012-13 to support continuing Reaching Higher financial year commitments. From this, £223.6million in (mainstream) formula grant was given to the higher education sector for teaching, innovation and engagement activities, research and postgraduate research training. This comprised:

- £80.8 million for the Public Investment Fund (PIF).
- £55.7 million for teaching.
- £71.1 million for research.
- £5.2 million for postgraduate research training.
- £10.5 million for innovation and engagement activities.

In addition, as this was the first year of the new tuition fees regime, we set aside £100 million for fee grant payments to Welsh and other UK institutions.



Higher Education Funding Council for Wales grant

Baseline

Recurrent	2011/12	2012/13
Grant for teaching – full-time and part-time	(£)	(£)
Main formula grant 2011/12	238,901,511	
Per capita 2011/12	5,324,100	
Widening access premium 2011/12	9,990,922	
Welsh medium premium 2011/12	1,489,706	
Disability premium 2011/12	994,400	
Part-time premium	1,771,285	6,342,847
ERASMUS	1,221,701	0
Part-time fee waiver	529,420	503,488
Total teaching 2011/12	260,223,045	See below
Grant for part-time/postgraduate taught teaching		
Main formula grant		38,565,956
Per capita		4,263,400
Access and retention premium		5,458,285
Welsh medium premium		280,603
Disability premium		291,300
Total part-time / postgraduate taught teaching 2012/13		55,705,879

Grant for PIF (Public Investment Fund)		
Per capita		4,043,000
Access and retention premium		9,492,595
Welsh medium premium		1,152,809
Disability premium		1,113,600
Expensive subjects premium		59,262,615
Priority subjects premium		5,773,215
Total grant for PIF 2012/13		80,837,834
Tuition fee grant		
Payments to Welsh institutions		65,037,314
Payments to other UK institutions		34,656,718
Total tuition fee grant 2012/13		99,694,032
Grant for research		
RAE quality based grant	71,077,344	71,077,344
PGR (postgraduate research)	5,170,336	5,170,336
Research initiatives	352,123	296,330
	76,599,803	76,544,010
Strategy and initiatives		
Total strategy and initiatives	39,368,766	35,197,965
Innovation and engagement		
GO Wales	1,668,367	4,404,824
GO Wales (WEFO income)	-1,500,000	-2,900,000
Innovation and engagement	8,328,477	8,191,150
Total	8,496,844	9,695,974
Recurrent Total	384,688,458	357,712,208

Data about students

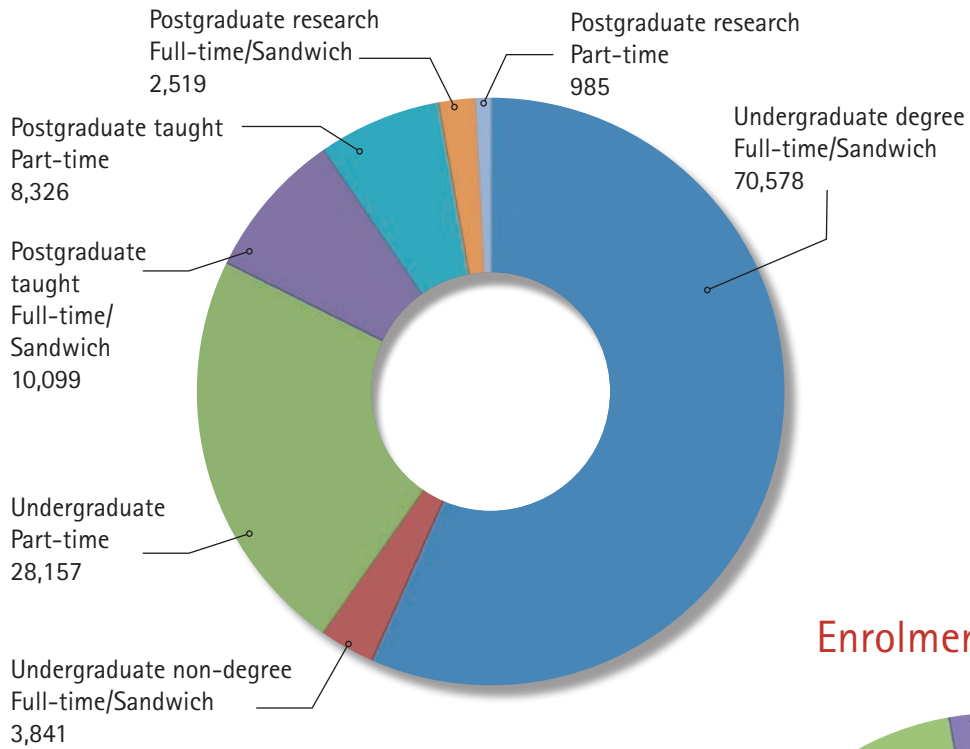
Enrolments by Institution, Level and Mode 2011/12

Institution	Undergraduate degree		Undergraduate non-degree		Undergraduate		Postgraduate Taught		Postgraduate Research		Total
	Full-time	Sandwich year out	Full-time	Sandwich year out	Part-time (excl. FO)	Part-time (FO)	Full-time	Part-time	Full-time	Part-time	
University of Glamorgan	10,697	56	1,280	0	3,302	1,219	1,874	1,350	88	130	19,994
Aberystwyth University	7,514	63	96	11	1,815	33	627	638	284	75	11,155
Bangor University	6,912	18	83	0	514	15	1,346	731	467	122	10,207
Cardiff University	15,389	319	156	0	3,677	0	2,371	2,209	833	211	25,164
University of Wales Trinity Saint David	2,738	0	150	0	1,568	298	722	457	20	52	6,003
Swansea University	9,863	22	209	0	1,548	0	981	372	594	146	13,734
Cardiff Metropolitan University	6,727	44	548	6	626	81	833	652	158	130	9,804
University of Wales, Newport	2,965	0	353	0	1,390	1,382	320	678	0	0	7,087
Glyndŵr University	3,916	0	255	0	3,035	422	764	438	49	62	8,940
Swansea Metropolitan University	2,925	4	396	0	875	0	263	439	26	58	4,986
The Open University in Wales	0	0	0	0	5,829	0	0	356	0	0	6,185
Bridgend College	0	0	20	0	0	0	0	0	0	0	20
Coleg Sir Gâr	230	0	1	0	68	0	0	0	0	0	299
Grŵp Llandrillo Menai	178	0	263	0	363	0	0	0	0	0	804
Neath Port Talbot College	0	0	17	0	37	0	0	0	0	0	54
Gower College Swansea	0	0	0	0	62	0	0	8	0	0	70
Total	70,052	526	3,824	17	24,707	3,450	10,099	8,326	2,519	985	124,503

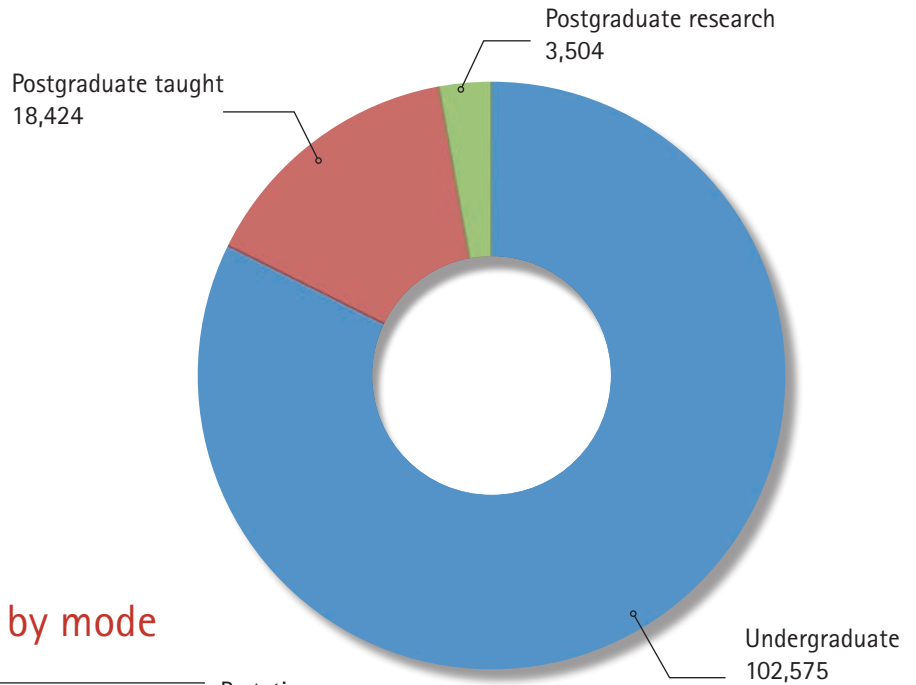
Source: End of Year Monitoring of Higher Education Enrolments (EYM) for Further Education Colleges and HESA/EYM recreation for Higher Education Institutions.

Notes: 1. Sandwich year out students counted as 1. 2. Includes fundable, non-fundable, Island and overseas enrolments. 3. Franchised out includes part-time undergraduate only. 4. Part-time undergraduate includes degree and non-degree enrolments. 5. Figures may not sum to totals due to rounding. 6. Names of institutions are as in 11/12 data collection year.

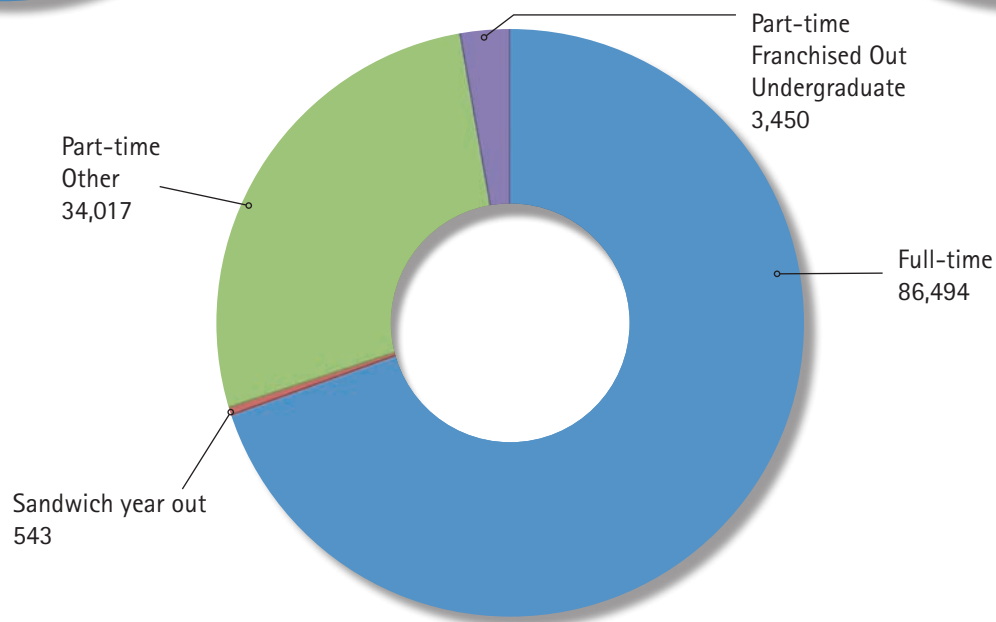
Enrolments by level and mode



Enrolments by level



Enrolments by mode



Widening access

Objective: Secure inclusion, progression and success in higher education

Social justice is a key Welsh Government priority. Widening access to higher level learning and skills for people of all ages has an important contribution to make to this aim.

Priorities

- To work with partners to improve equality of opportunity.
- To encourage universities to focus on Communities First areas and innovative, work-based and flexible learning.
- To make inclusive learning, retention and progression opportunities a priority.
- To support collaboration, including the *Reaching Wider* programme.

In 2012-13

- We approved the Fee Plans of 14 universities and colleges for the 2013/14 academic year.
- Our Corporate Strategy widening access measures relating to Communities First students and module completion were on schedule to be met.

- The Welsh Government confirmed funding to HEFCW to support and mainstream phase 2 of the Universities Heads of the Valleys Institute (UHOVI) within the new University of South Wales.
- We worked with the Welsh Government to ensure our widening access and *Reaching Wider* Programme was aligned with the new Communities First Strategy, the Welsh Government programme which contributes to its 'tackling poverty' agenda.
- The latest UK-wide figures – Performance Indicators 2011-12 – on the make-up of the higher education sector showed that universities and colleges in Wales continued to perform well in recruiting students from under-represented groups.
- We provided funding for the new education arm of the Welsh Institute of Social and Economic Research and Data Methods (WISERD) to support a widening access to higher education evidence base and impact project for Wales.

- We broadly delivered the key widening access tasks set for us in 2012-13 by the Welsh Government, though we were unable to monitor the levels of bursaries provided to Welsh domiciled students relative to others in the UK as the relevant data were not available. We developed a draft part-time action plan, which we started to implement, pending the outcomes of broader Welsh Government part-time fees and support policy arrangements.

In the sections on each of our key strategic themes, we refer to progress in delivering key tasks set for us by the Welsh Government. Full details of these activities can be found in our Operational Plan for 2012-13 at: www.hefcw.ac.uk → Publications → Corporate Documents → Operational Plan.

The student experience

Objective: Secure excellent quality higher education and student experience, enhanced by the student voice

We place a high priority on the quality of higher education and of teaching, learning and the student experience.

Priorities

- To require that students have access to appropriate information about their institution and course.
- To ensure that students can feed their views into how their university is run.
- To ensure that the quality and standards in institutions meet expectations, and improve continuously.
- To encourage learning through technology, and innovation in curriculum design.
- To support the work of Y Coleg Cymraeg Cenedlaethol.
- To fund initial teacher training for school teachers.
- To work to attract international students, and promote staff and student exchanges.
- To encourage the continued development of Education for Sustainable Development and Global Citizenship (ESDGC).

In 2012-13

- We partnered with the Higher Education Funding Council for England (HEFCE) to launch bilingual **Key Information Sets** for students, which provide course information for prospective students, and include indicators such as National Student Survey outcomes and employability statistics.
- We collated case studies on how the **student voice** contributes to governance in universities.
- We surveyed institutions to determine the current scope of **Welsh Studies** around Wales. We received responses from all HE institutions, which highlighted the already high number of modules with a Welsh Studies component.
- Wales became the first UK country where every university had a **student charter** developed with its students.
- We developed the **Higher and Further Education International Action Plan for Wales**, together with Higher Education Wales, Welsh Government departments, Colegau Cymru, and other stakeholders.
- With two cohorts of students now in receipt of **Y Coleg Cymraeg Cenedlaethol's academic scholarships**, we continued to enable and provide incentives for students to study through the medium of Welsh.
- We revised our **Unsatisfactory Quality Procedures** for assessing the quality of education provided in higher education institutions and directly-funded further education colleges for which we provide financial support.
- We continued to support the development of **Education for Sustainable Development and Global Citizenship (ESDGC)** through our ongoing support and funding of the Higher Education Academy. The University of Wales Trinity Saint David was selected as one of only seven UK universities to participate within the Green Academy ESDGC programme.
- We **delivered the key student experience tasks** set for us in 2012-13 by the Welsh Government. We continued to build upon the successful promotion of STEM (Science, Technology, Engineering and Maths) – working to align our actions with the Welsh Government's Science Strategy for Wales – and of Modern Foreign Languages. We worked with Jisc, the experts on digital technologies for education and research, and Higher Education Wales to look at how universities could develop more online resources.

Skills, employability and enterprise

Objective: Secure graduates who are equipped for life and work, and universities that contribute to an upskilled workforce.

Universities in Wales produce more than 30,000 graduates a year.

We are committed to ensuring that our graduates are competitive in the world of work.

Priorities

- To focus on priority subjects such as Science, Technology, Engineering and Maths; Modern Foreign Languages; and Welsh Studies.
- To implement the Agreement on Skills and Employability with Higher Education Wales, NUS Wales and CBI Wales, focusing on re-skilling, up-skilling, entrepreneurial skills, employer-approved and flexible courses, and work experience and placements.
- To ensure the availability of high-quality careers advice and improve employability.
- To increase higher-level and entrepreneurial skills in the workforce.
- To bring graduates, students and businesses together through our GO Wales graduate employability programme.
- To support institutions to deliver newly qualified teachers of the highest quality.

In 2012-13

- We launched, with Higher Education Wales, NUS Wales and CBI Wales, the first ever **partnership agreement between higher education and the Welsh business community**, aimed at ensuring graduates who study in Wales are the most innovative and employable workers in the UK.
- Following this, we announced £1 million of one-off funding to support the development of institutional **Skills and Employability Action Plans (SEAPs)**.
- We delivered the **key skills, employability and enterprise tasks** set for us in 2012-13 by the Welsh Government. We progressed, with Sector Skills Councils and other partners, a new model for apprenticeships which would be piloted by universities. We also progressed arrangements for careers advice for students, and both GO Wales and Jobs Growth Wales were on track to be delivered to target.

Innovation and engagement

Objective: Secure the application and exploitation of knowledge to deliver social justice and a buoyant economy.

The higher education sector contributes £3.6 billion annually to the Welsh economy, and attracts inward investment. Higher education plays a key role in supporting both economic and social well-being in Wales.

Priorities

- To strengthen partnerships between higher education and businesses as well as with the public and third sectors in delivering innovation and engagement activity.
- To ensure that knowledge exchange between higher education, employers and the wider society, both in Wales and further afield, is as effective as possible.
- To focus on enterprise and entrepreneurship; raising the international profile of Wales; and exploring effective and appropriate models of intellectual property (IP)/commercialisation.
- To help universities enhance their cultural and civic roles by developing regional links with employers, further education colleges, local government and other public sector providers.

In 2012-13

- The outcomes of the HE Business and Community Interaction Survey showed that Wales continued to perform above its 5% UK weighting in a range of activity areas, while indicating some areas where performance could improve.
- We delivered the key innovation and engagement tasks set for us in 2012-13 by the Welsh Government. Along with Higher Education Wales and partners, we produced an International Action Plan, to build international links, attract external income and increase the number of international students.

Research

Objective: Secure research of internationally excellent quality to deliver a buoyant economy and support social justice.

We are committed to securing sustainable excellent research in higher education which stands comparison internationally.

Priorities

- To direct funding towards sustainable, excellent research, guided by the outcomes of the 2014 Research Excellence Framework.
- To strengthen the quality and quantity of the research base in Wales.
- To build on arts, humanities and social science strengths, and support postgraduate research.
- To work with the Welsh Government to implement *Science for Wales*.

In 2012-13

- We joined Universities UK, our fellow HE funding bodies, Research Councils UK, the Wellcome Trust and a number of UK government departments in signing the **concordat on research integrity**.
- Along with other UK funding bodies and RCUK, we confirmed our support for Vitae, a programme to work with universities and research institutes to provide specific support for research staff during their career.

- The Research Excellence Framework team announced the outcomes of the REF survey of submission intentions.
- We co-sponsored the Leadership Foundation for Higher Education's **Academic Research Leaders Programme**.
- We **delivered the key research tasks** set for us in 2012-13 by the Welsh Government. We progressed *Science Strategy for Wales* actions with the Welsh Government, and co-funded further research leadership programmes.

SUPPORTING THEMES

Reconfiguration and collaboration

Objective: Secure a reconfigured higher education system with strong providers that, through collaborative partnership working, particularly regionally, offers more accessible higher education opportunities and a stronger HE offering across Wales.

We believe that Welsh higher education can improve its competitiveness, sustainability, regional coherence and range of provision through fewer, stronger higher education institutions.

Priorities

- To increase collaborative partnership working, in Wales and beyond.
- To foster a strong international reputation for the HE sector.
- To meet local needs, and eradicating unnecessary competition.
- Fewer, stronger higher education institutions.

In 2012-13

- We contributed to the funding package that would allow the University of Glamorgan and the University of Wales, Newport to merge and become the **University of South Wales**.
- We contributed funding for the **merger** of the University of Wales Trinity Saint David and Swansea Metropolitan University; and the associated development of a Dual-Sector University in South West Wales.
- We **delivered the key reconfiguration and collaboration tasks** set for us in 2012-13 by the Welsh Government. We continued to implement the regional dimension for HE, improving provision for geographically-constrained learners and local employers, and monitoring the operation of the regional strategies.

Governance

Objective: Secure continual improvement in the quality of governance and long term sustainability of the higher education system.

Universities' governing bodies set their direction and ensure executive teams are accountable for their performance. They are also well-placed to comment on their institution's position within Wales, for Wales, and internationally.

Priorities

- To develop our process of engaging strategically with universities.
- To strengthen leadership and governance within the higher education sector, including through identifying good practice and developmental needs, sharing good practice, and effective student representation.
- To promote the role of universities as corporate citizens.

In 2012-13

- Our Council visited Cardiff Metropolitan University, Cardiff University and the University of Glamorgan as part of our three-year rolling programme of institutional visits.
- We collated case studies on how the **student voice contributed to governance** in universities, and shared points of good practice with the higher education sector.
- Our **Institutional Risk Review (IRR)** process allows us to monitor governance, management and strategic direction in the HE sector in Wales, and includes a consideration of universities' short, medium and long-term sustainability. Our assessment in May 2012 concluded that no institutions were at 'High' exposure to risk; seven institutions had 'Moderate' exposure to risk; and three institutions had 'Low' exposure to risk.
- We delivered the **key governance tasks** set for us in 2012-13 by the Welsh Government, which included advice to the Minister outlining our current practices and proposed developments with respect to overseeing institutional governance.

Organisational effectiveness

Objective: Be a well-run and cost effective organisation which will work productively in partnership with the Welsh Government and higher education providers, individually and collectively.

We aim to provide an environment in which our staff can realise their full potential so that HEFCW can, in turn, deliver its policy objectives and provide an effective service.

As an intermediary body between the Welsh Government and the higher education sector, we act within an environment over which we exercise influence rather than control.

Priorities

- To deliver Welsh Government priorities in a way which reflects higher education missions and values.
- To support the higher education sector through an efficient, focused, robust and transparent funding method.
- To ensure that the fee planning process drives future policies.
- To ease the administrative burden on institutions.
- To be an employer of choice, making full use of and deploying effectively the resources and talents available through our staff.

Responsibilities

- Our statutory responsibilities include freedom of information and data protection.
- Our corporate and fraud risk registers identify risks associated with delivering our corporate objectives and the environment within which we operate, and include measures for managing those risks.
- Our Welsh Language Scheme outlines our commitment to treating the Welsh and English languages on the basis of equality in providing services to the public in Wales.
- Our Strategic Equality Plan states our responsibilities towards individuals with protected characteristics. We involved staff and other stakeholders in developing our Plan, which covers HEFCW as an employer and policies relating to the HE sector.
- We have an externally verified environmental management system, and work with staff to implement improvements in environmental performance.
- We procure our goods and services as collaboratively as possible. We have signed up to using the Welsh National Procurement Service for purchasing goods and services that are both common and repetitive in nature. We use technology to support our procurement processes. We meet Welsh Government targets on sustainable procurement and efficiencies and report the benefits accrued from our procurement.
- Welsh Government performance reviews and monitoring, Investors in People, external stakeholder surveys and internal staff surveys all assess the degree to which we meet our objectives.
- We keep our staffing and support structure under review, and also our financial and other systems, to ensure that they continue to be appropriate to safeguard public funds and deliver value for money.

Organisational effectiveness (cont)

In 2012-13

- We said farewell to our **Chief Executive** of 8 years, Professor Philip Gummett, and welcomed Dr David Blaney, previously a Director at HEFCW, into the role.
- We saw the phased departure of ten members of staff through the implementation of our **voluntary exit scheme**.
- We carried out an extensive **re-organisation of HEFCW**, taking account of the departure of staff and changing external policy priorities.
- We shared the findings of our second **survey of stakeholders and partners**. 74% of respondents from institutions reported having a favourable overall impression of HEFCW, which was unchanged from the previous survey.
- We maintained our **Investors in People Status**, recognising our abilities to plan and review the performance of our staff, as well as our performance as an organisation.
- We consulted on our **Corporate Strategy**, which would become operational from April 2013.
- We managed, as the organisation reduced in size and responsibilities changed, the considerable **impact of the new fees and funding regime** for higher education from 2012/13, which included adjusting our funding model.
- We responded to the Welsh Government's consultation on the **FE and HE Wales Bill**.
- We reported against our **Welsh Language Scheme and Strategic Equality Plan**.
- We collected and analysed information on **staff and job applicants** with protected characteristics. As a small organisation, we were unable to publish our 2012-13 data without identifying individuals.
- We achieved the **Bronze Small Business Corporate Health Standard Award**.
- We reported a **6% efficiency** against procurement expenditure we were able to influence in 2011/12.
- The average number of full-time equivalent posts in HEFCW in 2012-13 was 48. This included staff working on a full time, part-time, job-share, or fixed term basis, staff on long and short-term secondments and students working on placements.
- We **delivered the key organisational tasks** set for us in 2012-13 by the Welsh Government. We devised a new method for controlling the level of fee grants paid by the Welsh Government, and developed a new corporate strategy.

Organisational effectiveness (cont)

HEFCW's accountability

- A Management Statement and Financial Memorandum defines the relationship between HEFCW and the Welsh Government.
 - The chief executive is accountable to the Welsh Government and to the National Assembly for Wales for use of the public funds made available to HEFCW.
 - The Welsh Government's Minister for Education and Skills holds quarterly meetings with the chairman and chief executive, and Welsh Government officials conduct quarterly performance review meetings with the chief executive and HEFCW staff.
 - The independent office of the Auditor General for Wales (Wales Audit Office) audits our records and accounts.
-

Access to information

Publication Scheme

HEFCW's Publication Scheme (drawn up under Section 19 of the Freedom of Information Act 2000 and available at www.hefcw.ac.uk or in hard copy on request to info@hefcw.ac.uk) sets out: what information we publish, or intend to publish; how this information will be published; and whether or not the information is available free of charge.

Code of Practice and register of interests

All Council members and staff are required to abide by a Code of Practice and to register financial, political and other interests relevant to HEFCW business. The register of Council and committee member interests is available on request from the Council Secretary at info@hefcw.ac.uk and at www.hefcw.ac.uk.

Complaints

We operate a Complaints Against HEFCW Procedure and HEFCW can be investigated by the Public Services Ombudsman for Wales. We received no requests during the year to consider a complaint under our Complaints Procedure.

HEFCW's Council and committees

The HEFCW Council comprises a minimum of 8 and a maximum of 12 members appointed by the Minister for Education and Skills.

An observer from the Welsh Government attends the meetings. The chief executives of the Higher Education Funding Council for England (HEFCE) and the Scottish Funding Council (SFC), and the President of the National Union of Students in Wales, also have observer status on the Council.

The Council met seven times in 2012-13. During 2012-13 there were 11 members of the Council, including the chairman and the chief executive.

Council committees and working groups in 2012-13

The Council is supported by Audit and Risk, Human Resources, Remuneration and Appointments Committees, and by three strategic advisory committees covering areas of higher education policy which are important to HEFCW's remit.

Audit and Risk Committee

Chair: David Mason

Human Resources Committee

Chair: Nina Park;

Ewart Wooldridge from January 2013

Remuneration Committee

Chair: Roger Thomas

Appointments Committee

Chair: Roger Thomas

Advisory committees

Research, Innovation and Engagement Committee

Chair: Professor Robin Williams

Student Experience, Teaching and Quality Committee

Chair: Professor Leni Oglesby

Strategic Development Committee

Chair: Dame Sandra Burslem

HEFCW's Council and committees (cont)

Members of Council during 2012-13

Full biographies of current members of HEFCW's Council can be found at www.hefcw.ac.uk → **Council and Committees** → **Council members**.

Chairman

Roger Thomas OBE

First term: 5 May 2008 to 4 May 2011

Second term: 5 May 2011 to 4 May 2014

Roger Thomas was Chair of Governors and Pro-Chancellor of University of Glamorgan, and Chairman of Chairs of Higher Education Wales. Outside higher education, Roger is a director and vice chairman of Business in Focus Ltd (enterprise agency), a director of Cardiff and Vale Enterprise International Ltd and a judge of the Provincial Court of Church in Wales. He was formerly senior partner at Eversheds solicitors, Cardiff.

Other members

Professor Philip Gummatt CBE

From May 2004 to October 2012

Phil Gummatt was chief executive of the Higher Education Council for Wales until October 2012. He joined HEFCW from Manchester University, where he was pro vice-chancellor, former head of the Department of Government, and Professor of Government and Technology Policy. Phil was a founder member and non-executive director of

PREST (Policy Research in Engineering, Science and Technology) at Manchester.

Dr David Blaney

From October 2012

David Blaney moved to the Higher Education Funding Council for Wales in 2005 as Head of Funding and Reconfiguration; was promoted in 2007 to the role of Director of Strategic Development; and became Chief Executive in October 2012. Over a 12 year period to 2005, David was at the University of Wales, Newport where he held a number of roles, including Head of Academic Development, Director of Quality and Assistant Principal (Academic), in addition to playing a substantial role in the federal University of Wales.

David Allen OBE

First term: 1 December 2008 to 30 November 2011

Second term: 1 December 2011 to 30 November 2014

David Allen is a Principal Consultant (part-time) with Perrett Laver, a global executive search firm. Prior to this, he was Registrar and Deputy Chief Executive of the University of Exeter between

2009 and 2013, having been Registrar and Secretary since 2003. He previously held similar positions at the universities of Birmingham and Nottingham. He was a member of the Leadership, Governance and Management Committee of HEFCE, served on the Board of the Leadership Foundation for Higher Education, and chaired its Audit Committee.

Dame Sandra Burslem

First term: 1 December 2008 to 30 November 2011

Second term: 1 December 2011 to 30 November 2014

Sandra Burslem was Vice-Chancellor of Manchester Metropolitan University from 1997-2005. She was then appointed a Civil Service Commissioner from 2005-2010. She had membership of the OFQUAL Northern Ireland Committee and Audit and Risk Committee, and was Deputy Chair of OFQUAL's Council 2010-2013. Sandra is Chair of the School Governors at Chetham's School of Music, and a board member and Chair of Audit at the Royal Northern College of Music.

HEFCW's Council and committees (cont)

Bethan Guilfoyle CBE

First term: 1 April 2010 to 31 March 2013

Second term: 1 April 2013 to 31 March 2016

From 1996 to 2011, Bethan Guilfoyle was headteacher of Treorchy Comprehensive School. She is a member of the Ministerial Advisory Group for the Welsh Government's Department for Education and Skills, and Chair of the Corporate Governance Committee of the Welsh Government's Department For Health, Social Services and Children. Bethan is currently working for the Welsh Government as sole Education Commissioner for Blaenau Gwent.

Professor Mari Lloyd-Williams

First term: 1 January 2007 to 31 December 2009

Second term: 1 January 2010 to 31 December 2012

Mari Lloyd-Williams has held a personal chair at the University of Liverpool Faculty of Medicine since 2003, where she is a consultant in palliative medicine and director of one of the largest community medical education curricula in the UK. She was lately honorary senior lecturer and medical lead of the LOROS Hospice, Leicester. She is currently Chair of the Psychosocial Grant Committee of Tenovus.

David Mason

First term: 1 April 2010 to 31 March 2013

Second term: 1 April 2013 to 31 March 2016

Following his retirement in 2004 after six years as Principal/Chief Executive of Coleg Gwent, David Mason has undertaken a number of part-time consultancy projects in further education, including two interim Principal posts. David has been a member of the Board of Governors of the University of Glamorgan and Chair of the Board of Directors of Merthyr Tydfil College Limited. He has also been a member of the Board of CollegesWales, and was Wales's Education Liaison Officer for the Institute of Directors.

Professor (Katherine) Leni Oglesby OBE

First term: 1 December 2008 to 30 November 2011

Second term: 1 December 2011 to 30 November 2014

Leni Oglesby previously held academic and senior management posts at Leicester, Sheffield, Lancaster, Surrey, Manchester Metropolitan and Teesside Universities, and was seconded to the Policy Division in HEFCE. She has wide experience of international, European, national and regional agencies and has been a member of HEFCE and QAA panels. She is a fellow of the Royal Society of Arts.

Nina Park

1 April 2010 to 31 March 2013

Nina Park has been a vice-president for Control Techniques since 2007 with global responsibility for human resources. Control Techniques has its headquarters in Newtown, Powys, and is part of Emerson, a US\$25 billion multi-national company with 134,000 employees. Nina began her career in recruitment before moving into human resources, and held a variety of senior positions before joining Emerson in 2005.

Professor Mark Smith

1 January 2013 to 31 December 2015

Mark Smith is the Vice-Chancellor of Lancaster University. He was an application scientist and a research scientist before taking up posts at the University of Kent. Following that, he became a professor of physics at Warwick University. He has over 20 years of research experience. He has extensive management experience and is currently a board member on the UK Research Reserve, the Higher Education Careers Service Unit, Graduate Prospects and the Higher Education Statistical Agency (HESA).

HEFCW's Council and committees (cont)

Professor Stephen Tomlinson CBE

1 January 2013 to 31 December 2015

Stephen Tomlinson was formerly the Vice-Chancellor of the University of Wales College of Medicine and is currently Emeritus Professor of Medicine at Cardiff University. He has been a Consultant Physician with the Cardiff and Vale Trust (now University Health Board) since 2001 and is currently Chairman of ASH Wales, Vale 4 Africa and the Wales for Africa Health Links Network.

Professor Robin Williams CBE

First term: 1 August 2009 to 31 July 2012

Second term: 1 August 2012 to 31 July 2015

Robin Williams was Vice-Chancellor of Swansea University from 1994 until 2003. He is a Fellow of the Royal Society. In 2008/09 he chaired the Planning Board established to produce an independent report on a model for what became Y Coleg Cymraeg Cenedlaethol. In 2012, he was brought in to oversee the implementation of the Welsh Government's Sêr Cymru programme, a £50 million programme of investment in the Welsh research base.

Ewart Wooldridge CBE

1 January 2013 to 31 December 2015

Ewart Wooldridge was the founding Chief Executive of the Leadership Foundation for Higher Education from 2003 to his retirement in 2012. He has been very active with the Welsh HE sector and in July 2012 was awarded an Honorary Fellowship by Cardiff University. He is continuing with project and consultancy assignments in higher education, and recently joined the Council of the Institute of Education, University of London.

Summary financial statements

For the year ended 31 March 2013

Summary financial statements

The following financial statements are a summary of the accounts for the Higher Education Funding Council for Wales (HEFCW) for the year ended 31 March 2013. The statements are an overview and do not contain sufficient information to allow for a full understanding of the results and state of affairs of HEFCW. For further information, the full annual accounts and the auditor's report on those accounts should be consulted. A copy of the audited accounts, which contain the detailed information required by law and under best practice guidelines, can be obtained, free of charge, from the Clerk to the Council, HEFCW, Linden Court, The Orchards, Ilex Close, Llanishen, Cardiff CF14 5DZ.

Statutory background

The Higher Education Funding Council for Wales (HEFCW) was established under the Further and Higher Education Act 1992. On 7 May 1999, the National Assembly for Wales was created and took over the majority of the functions of the Welsh Office from 1 July 1999, which led to HEFCW becoming a sponsored body of the former National Assembly for Wales, as constituted by the Government of Wales Act 1998. As a result of the Government of Wales Act 2006, HEFCW became an Assembly Government Sponsored Body and following the election of a new

government in May 2011, became known as a Welsh Government Sponsored Body (WGSB).

HEFCW is responsible for the administration of funds made available by the Welsh Government, and others, in support of the provision of education and the undertaking of research by higher education institutions in Wales and the provision of prescribed courses of higher education in further education institutions in Wales, and the performance of such supplementary functions as are required of it by the Further and Higher Education Act 1992. Our responsibilities for initial teacher training are covered under the Education (School Teachers' Qualifications) (Wales) Regulations 2004 and the Education Act 2005.

Results for the year

The net operating costs for the year were £369.9 million (2011-12 net operating costs £386.7 million). The cumulative taxpayers' equity general fund at 31 March 2013 after crediting grant in aid funding of £373.7 million, was £11.8 million (31 March 2012 - £8.0 million).

Council membership

The following persons served as Council members during the reporting year:

Chair

Mr Roger Thomas OBE (*reappointed 5 May 2011*)
Former Chair of Governors and Pro-Chancellor of the University of Glamorgan

Members

- **Dr David Blaney** (*appointed 27 October 2012*)
Chief Executive, Higher Education Funding Council for Wales
- **Professor Philip Gummatt CBE** (*retired 26 October 2012*)
Chief Executive, Higher Education Funding Council for Wales
- **Mr David Allen OBE** (*reappointed 1 December 2011*)
Principal Consultant, Perrett Laver, Former Registrar and Deputy Chief Executive of the University of Exeter
- **Dame Alexandra Burslem** (*reappointed 1 December 2011*)
Former Vice-Chancellor of Manchester Metropolitan University
- **Professor Mari Lloyd-Williams** (*term of office ended 31 December 2012*)
Senior Clinical Academic, University of Liverpool

Summary financial statements (cont)

- **Professor Katherine Oglesby OBE**
(reappointed 1 December 2011)
Former Senior Deputy Vice-Chancellor of the University of Teesside
- **Professor Robin Williams CBE**
(reappointed 1 August 2012)
Former Vice-Chancellor, Swansea University
- **Mrs Bethan Guilfoyle CBE** (appointed 1 April 2010, reappointed 1 April 2013)
Former Head Teacher of Treorchy Comprehensive School
- **Mr David Mason** (appointed 1 April 2010, reappointed 1 April 2013)
Former Principal/Chief Executive of Coleg Gwent
- **Ms Nina Park**
(term of office ended 31 March 2013)
Vice President, Human Resources for Control Techniques
- **Professor Mark Smith**
(appointed 1 January 2013)
Vice-Chancellor, Lancaster University
- **Professor Stephen Tomlinson CBE**
(appointed 1 January 2013)
Former Vice Chancellor, University of Wales College of Medicine
- **Mr Ewart Wooldridge CBE**
(appointed 1 January 2013)
Former Chief Executive of the Leadership Foundation for Higher Education

The following Council Members served on HEFCW's committees and panels during the year:

Committees	Members
Student experience, teaching and quality	Professor Katherine Oglesby (<i>Chair</i>), Mrs Bethan Guilfoyle.
Research, innovation and engagement	Professor Robin Williams (<i>Chair</i>), Ms Nina Park (<i>to 25 January 2013</i>), Professor Mark Smith (<i>from 25 January 2013</i>), Professor Stephen Tomlinson (<i>from 25 January 2013</i>).
Audit and risk	Mr David Mason (<i>Chair</i>), Mr David Allen (<i>to 25 January 2013</i>), Mr Ewart Wooldridge (<i>from 25 January 2013</i>).
Strategic development (<i>formerly Reconfiguration and collaboration</i>)	Dame Alexandra Burslem (<i>Chair</i>), Mr David Mason (<i>to 25 January 2013</i>), Mr David Allen (<i>from 25 January 2013</i>), Professor Robin Williams, Professor Philip Gummett (<i>to 26 October 2012</i>), Dr David Blaney (<i>from 27 October 2012</i>).
Human resources	Mr Ewart Wooldridge (<i>Chair</i>) (<i>from 25 January 2013</i>), Ms Nina Park (<i>Chair and member to 25 January 2013</i>), Dame Alexandra Burslem.
Remuneration	Mr Roger Thomas (<i>Chair</i>), Dame Alexandra Burslem, Ms Nina Park (<i>to 25 January 2013</i>), Mr Ewart Wooldridge (<i>from 25 January 2013</i>).
Appointments	Mr Roger Thomas (<i>Chair</i>), Mr David Mason, Dame Alexandra Burslem, Professor Katherine Oglesby, Professor Robin Williams, Ms Nina Park (<i>to 25 January 2013</i>), Mr Ewart Wooldridge (<i>from 25 January 2013</i>), Professor Philip Gummett (<i>to 26 October 2012</i>), Dr David Blaney (<i>from 27 October 2012</i>).

Auditors

The report of the Auditor General for Wales on the full annual accounts of HEFCW for the year ended 31 March 2013 was unqualified.

Report of the Auditor General for Wales to the National Assembly for Wales on the Summary Financial Statements

I have examined the summary financial statements contained in the Annual Report of the Higher Education Funding Council for Wales' statutory financial statements set out on pages 34 to 38.

Respective responsibilities of the Council, Accounting Officer and auditor

The Accounting Officer is responsible for preparing the Annual Report. My responsibility is to report my opinion on the consistency of the summary financial statements with the statutory financial statements and the remuneration report. I also read the other information contained in the Annual Report and consider the implications for my report if I become aware of any misstatements or material inconsistencies with the summary financial statements.

Basis of opinion

I conducted my work in accordance with Bulletin 2008/3 'The auditor's statement on the summary financial statements' issued by the Auditing Practices Board for use in the United Kingdom.

Opinion

In my opinion the summary financial statements are consistent with the statutory financial statements and the remuneration report of the Higher Education Funding Council for Wales for the year ended 31 March 2013 on which I have issued an unqualified opinion. I placed a substantive report alongside my audit certificate referring to the risks (highlighted in the Council's Governance Statement) in relation to the new student finance arrangements that were implemented by the Welsh Government in September 2012. This report can be found within the statutory financial statements.

Huw Vaughan Thomas
Auditor General for Wales
Wales Audit Office
24 Cathedral Road, Cardiff
6 September 2013

Summary statement of comprehensive net expenditure

for the year ended 31 March 2013

	2013		2012	
	£'000	£'000	£'000	£'000
Expenditure				
<i>Funding of higher education:</i>				
Recurrent expenditure	370,647		379,855	
Other purposes	18,324		21,819	
	388,971		401,674	
<i>Council expenditure:</i>				
Staff costs	2,293		2,728	
Depreciation	50		58	
Other expenditures	600		607	
	2,943		3,393	
Total expenditure		(391,914)		(405,067)
Income				
Income from activities		22,048		18,406
Net operating costs		(369,866)		(386,661)
Interest receivable		3		3
Appropriations		(1)		(2)
Net operating costs after interest transferred to taxpayers' equity		(369,864)		(386,660)

Summary statement of financial position

as at 31 March 2013

	As at 31 March 2013	As at 31 March 2012
	£'000	£'000
<i>Non-current assets</i>		
Property, plant and equipment	115	135
Intangible assets	-	-
Total non-current assets	115	135
<i>Current assets</i>		
Trade and other receivables	12,668	1,477
Cash and cash equivalents	6,502	7,550
Total current assets	19,170	9,027
Total assets	19,285	9,162
<i>Current liabilities</i>		
Trade and other payables	(7,437)	(1,106)
Provisions for liabilities and charges within one year	(1)	(1)
Total non-current assets plus net current assets	11,847	8,055
<i>Non-current liabilities</i>		
Provision for liabilities and charges after one year	(22)	(19)
Assets less liabilities	11,825	8,036
<i>Taxpayers' equity</i>		
General reserve	11,825	8,036
	11,825	8,036

Summary statement of cash flows

for the year ended 31 March 2013

	2013	2012
	£'000	£'000
Net cash outflows from operating activities	(374,673)	(387,106)
Net cash flows from returns on investments and servicing of finance	2	1
Net cash outflow from investing activities	(30)	(9)
Net cash flows from financing activities	373,653	389,149
Net (decrease)/increase in cash	(1,048)	2,035

Statement of changes in taxpayers' equity

for the year ended 31 March 2013

	General reserve
	£'000
Balance at 1 April 2012	8,036
<i>Changes in reserves 2012-13</i>	
Net operating costs	(369,864)
Total recognised income and expense for 2012-13	(369,864)
Funding from Welsh Government	373,653
Balance at 31 March 2013	11,825

Notes

1. Basis of preparation

The summary financial statements have been prepared under the historical cost convention, with reference to the Companies Act 1985, having regard to the Companies (Summary Financial Statement) Regulations 1995 (SI 1995/2092) as far as is relevant, the 2012-13 Government Financial Reporting Manual (FReM) and complies with a direction issued by Welsh Ministers, with the consent of the Treasury, in exercise of the powers conferred by paragraph 16(2), schedule 1 to the Further and Higher Education Act 1992.



Dr David Blaney
Chief Executive and Accounting Officer
21 August 2013