

INQUIRY INTO HIGHER EDUCATION FUNDING IN WALES

Written Evidence presented by Glyndŵr University

INTRODUCTION

1. Glyndŵr University is pleased to submit evidence to the Inquiry of the Finance Committee of National Assembly into Higher Education Funding in Wales.
2. It feels it has a distinctive voice in this area given its decision in 2011 to set tuition fees at what it regarded as a socially and politically responsible level of an average of £6,643, rising to £6,999 for 2013/14 and £7,423 in 2014/15, rather than the £9,000 charged by almost every other university in Wales. The result of this decision was that the level of fees charged by Glyndŵr University was among the lowest in the UK. This was a conscious decision by the University in response to the social and economic needs of its current and potential students. It was taken after full and extensive consultation with the Students' Guild and following prolonged consultations with HEFCW.
3. Although the University was criticised by some for setting such a low fee level the decision was in keeping with the publicly expressed expectations of the Welsh and UK Governments.
4. The University has a strong commitment to widening participation and is widely regarded as one of the UK's leading widening participation universities, regularly appearing at or towards the top of widening participation league tables.
5. The University also has a strong research base in targeted areas. This is industrially driven and closely linked to the economic needs of the region.

RESEARCH

6. Glyndŵr University is unique in Wales, in that it receives no money from HEFCW to support its research activities. Previously it had received a small amount but that was withdrawn by the Funding Council in 2011/12.
7. It also receives very little from the Research Councils. £1.8 million in the period 2008-12. As a result the University has had to turn to private investors to fund its research activities. A large proportion of this income is from overseas. This includes both the private sector (for example the Japanese food company San Ei Gen) and the public sector (for example the European Southern Observatory)
8. The funding sources for Glyndŵr University research reflects the strong applied nature of the research work undertaken at the University. It is

developed to meet the specific needs of businesses and as such increases the competitiveness of local businesses thereby making an important contribution to the economic development of the region.

9. Collaboration plays an important part in the University's research strategy. It has research links with a number of universities, including Oxford University and UCL. The University also has strong links with overseas universities and for example it works closely with Bauman State Technical University on a number of research projects, including work on composite materials undertaken with Airbus.
10. The quality of research at Glyndŵr University is exceptionally high with some of the work being undertaken at its St Asaph having been described as the most advanced scientific research in optics in the world.
11. The research base has been built up by the University using its own and private sponsors' money. One exception to that was the research centre developed and operated jointly with Airbus which received a grant from the Welsh Government.
12. The University's success in attracting private investment in its research facilities is the result of the quality of its staff. The University has attracted high profile names in its niche research areas – for example Professor Richard Day who joined the University in 2010 is widely recognised as one of the leading experts in composite materials.
13. In addition to attracting high profile names to the University, it has also had considerable success nurturing new generations of researchers, focused on meeting the needs of industrial partners. One example of this is in the area of hydrocolloids and water soluble polymers. This expertise was established in the University over 30 years ago and throughout that time it has brought through its own staff to provide leadership in this area. This is supported by contracts with a considerable number of multinational organisations including Coca-Cola, Pepsi Cola, the makers of Kerry Gold and a host of other food manufacturers.
14. The relationship between Welsh universities and the Research Councils has received considerable attention over the past few years. It is argued that Welsh universities are not receiving the appropriate proportion of Research Council funding. The counter argument is that the Research Councils have their own priorities and criteria for funding and that these do not necessarily align with the strengths of the Welsh sector and the needs of Wales. In particular it is suggested that Welsh universities lack the specific science base the Research Councils are looking for.
15. In that respect parallels can be drawn between the relationship between Welsh Universities and the Research Councils and that of Glyndŵr University and HEFCW. In both cases the funders have established particular criteria which they use to determine funding decisions. Glyndŵr University has developed its own strengths to meet the needs of the communities of North East Wales, which may differ from those of other

parts of Wales. This places the University in the difficult position of serving North East Wales in accordance with Government policy or responding to funders' criteria.

TUITION FEES

16. For the sector as a whole there are four areas where the impact of the introduction of tuition fees can be seen: impact on the students, the universities and society and the constitutional impact of the changes. Each of these is looked at in turn below.

Impact on students

17. In the period immediately after its creation Glyndŵr University was one of the fastest growing universities in the UK, growing by 66% in the period 2008 – 2011. This growth was then stopped and reversed by the Funding Council as it cut the number of students it was permitted to recruit back to 2008 levels. This enforced reduction was followed by the imposition of the new funding regime, with a subsequent drop in the number of people applying to university.
18. The decision to use a formulaic rather than strategic approach, based on the 2008 student numbers imposed an arbitrary distinction between universities. Those that saw their growth before that year were able to retain their size while those which saw their growth later were penalised.
19. It is too early to state with certainty what will be the impact of the introduction of tuition fees on the number of students attending university, especially from socially disadvantaged groups. UCAS reports that overall student applications have already recovered from the dip in 2011/12. However, staff speaking to potential applicants in some deprived areas of Wrexham suggest that many people from these target groups are still being deterred from applying to university. The University awaits the publication of the 2012/3 HESA data with interest.
20. If students do intend to apply for a place there are still a number of changes to their behaviour that could be influenced by the introduction of tuition fees. In particular students may be less prepared to study away from home in order to keep the costs to a minimum. Students may feel the need to work while they are studying. They may even decide to study in another way such as by following a part-time course. This will have major implications on the way programmes are delivered and the most appropriate support students will receive.
21. Current funding arrangements for widening participation students are aimed at providing an incentive to universities to recruit from target populations, specifically geographically based areas. Not only does this neglect other target areas but it also fails to make any allowance for the considerable additional costs associated with a widening participation student population. The new funding arrangements will not make any difference to the income received.

22. The introduction of the Expensive Subject Premium was intended to provide universities with assistance in subjects where the cost of provision is significantly higher than most other subjects. It takes no account, however, of the fact that many of the universities which will be benefitting from the Expensive Subject Premium will also be benefitting from charging the standard £9,000 fee for lower cost subjects. There is currently no provision to support universities in high cost student recruitment (from widening participation areas) or high cost student support.
23. Whatever their immediate behavioural changes they are almost certain to finish university with a considerable debt. That may in itself lead to changes in their expectations both of the programme of study they are following and of the University itself.
24. The new financial arrangements have also been accompanied by a rise in the expectations of students. From their point of view the Universities are now receiving three times the income they previously received and not unreasonably they expect to see the effects of that increased income. The harsh reality is that there is no additional funding save for funding the students who come from England as this is no longer capped. At the same time students are becoming more aware of the consequences of failure. This in turn has led to an increase in the number of cases where students disagree with the academic judgement of their teaching staff. In many cases the students pursue a formal appeals procedure. As a consequence, universities are having to divert more resources to respond to these changes.

Impact on the universities

25. Many universities which charge the maximum permissible fees have found the changes financially neutral or even beneficial. The money they lost from the funding council has been just covered by the maximum fees. Glyndŵr University of course chose a reduced fee rate and as a consequence has seen its income related to student fees fall as a percentage of its overall income.
26. Other factors to be considered in determining the effect of the new financial arrangements are their impact on non-continuation rates and on non-payment of student debt. It is likely that it will take five years for the full extent of the impact of the new funding arrangement on the non-continuation of students to become apparent.
27. The cumulative effect of these changes is to introduce a much greater degree of uncertainty than was previously the case. The greatest uncertainty surrounds the long-term sustainability of the Welsh Government's current tuition fees policy. This has been the subject of considerable scrutiny over the past few years and the Government has committed itself to continuing with the policy only up to the next election. This introduces considerable uncertainty into the planning process for universities (and the Funding Council) especially as the date of next election approaches.

28. The finances of Glyndŵr University are further complicated by the fact the high proportion of part-time students, whose funding of course falls outside the new arrangements. 45% of its students are studying on a part-time basis, yet only about 15% of its income is associated with part-time provision. Part-time education plays a central role in economic development and is vital in allowing the university to fulfil its role within the community.
29. The Funding Council assumed that all universities would generate enough from their new higher full-time fees to subsidise their part-time programmes. It was recognised that such an arrangement disadvantaged the Open University which had very few full-time students. It was therefore give transitional funding to support its part-time work. Glyndŵr University is a major provider of part-time education yet it was not given any transitional funding. The University questions whether this is justified.

Impact on society

30. Most attention has been put on the principle of funding Welsh students who have chosen to study at English universities. Yet another consequence of the current policy is that Welsh students are being actively encouraged to study in England rather than in Wales.
31. The number of Welsh domiciled students each university in Wales is allowed to recruit is restricted. The Funding Council has forecast the numbers based on traditional recruitment patterns and the level of student fees. Once a university has reached that figure it is not allowed to recruit any more from Wales. There is no restriction however on the number of Welsh domiciled students allowed to progress to university. The result is that Glyndŵr University for example would only be allowed to recruit so many Welsh domiciled students yet Chester University could recruit as many as they wanted, all paid for by the Welsh Government.
32. Although the overall number of students English universities are allowed to recruit is capped there is no restriction on the proportion that can come from Wales. Controls on student numbers in English universities are domicile blind unlike the controls in Wales. This domicile blindness extends to support scheme such as the National Scholarship Programme, which is available to students from widening participation areas regardless of their domicile. Welsh domiciled students, therefore, have a large part of their fees paid by the Welsh government regardless of where they study but are then also entitle to the NSP if they study at an English university. This is particularly attractive to students in border areas who can continue to live at home while studying at an English university near the border.
33. At the same time the use of a cap on the number of Welsh domiciled students Welsh universities are able to recruit mean that Welsh universities who have traditionally recruited strongly from England will benefit from the new funding regime while universities which traditionally catered for Welsh domiciled students will lose out.

34. The consequence is that Welsh universities are being encouraged to recruit students from England while English universities are finding it easier to recruit students from Wales.
35. One consequence of this is the increased importance of EU and international student recruitment. Currently 40% of Glyndŵr University students are Welsh domiciled with about 43% coming from the EU and overseas. The remaining 17% are from the rest of the UK. 14% of the University's students are non-UK EU residents.
36. International students have always been important for Glyndŵr University. In 2012-13 the University had the fourth highest proportion of EU and international students in the UK after Imperial, St Andrew's and the London School of Economics. Changes in immigration rules and the way they are being interpreted and implemented means that there has been a significant drop in international students coming to the UK and Glyndŵr University has suffered as a result.

Constitutional Impact

37. One consequence of this at Glyndŵr University and elsewhere has been an increase dependency on international students. However, the number of international students allowed into the UK is strictly controlled by the UK government and their allocation between the universities is in the hands of a department of the Home Office. As this has coincided with the reduction in money and control over Welsh universities by HEFCW, the ultimate result has been the transfer of power over Welsh higher education away from the Welsh Government towards the UK Government, thereby in effect reversing the process of devolution.

CONCLUSION

38. Glyndŵr University was created in a period of unprecedented economic upheaval, followed shortly after by a radical transformation in the system for funding higher education and major changes to the domestic and international student markets. The University's role was clearly set out to be an instrument of economic and social development and over the past five years it has made significant progress towards these aims.
39. It has established itself as a major social and economic figure in North East Wales and in 2013 it had a record number of new students, up nearly 40% on the figure for 2012.
40. However, it feels it the system of funding higher education in Wales has acted to its disadvantage while protecting some of the traditional providers. It believes the current system is inconsistent with the policies and aspirations of both the Welsh Government and the National Assembly and believes changes to the system are needed if universities such as Glyndŵr are to achieve their considerable potential for the benefit of the communities they serve.