

National Assembly for Wales
Finance Committee

Inquiry into Higher Education Funding
Evidence from the University of South Wales

With regards to the National Assembly for Wales, Finance Committee Call for evidence on Higher Education Funding in Wales the University of South Wales would like to endorse the response sent through from Higher Education Wales.

We would also like to take the opportunity to highlight the following:

- **What has been the financial effect of the new tuition fee policy, introduced in the 2012/13 academic year, which allows Higher Education Institutions to charge students up to £9,000 per annum for HE courses? What future financial effect is this policy likely to have?**
 - We would urge caution on focusing solely on full-time undergraduate higher education funding only. Full-time undergraduate funding policy has a direct impact on other areas including international, part-time and postgraduate provision, research, innovation and related activities.
 - It is too early to fully comprehend the 2012/13 fee reforms. The overall financial impact for universities in Wales is not fully clear at this stage since financial and enrolment data for 2012/13 and beyond is not yet available.
 - When considering the financial effect of the new tuition fee policy the following area must also be considered:
 - broader policy changes such as HEFCW's strategic reallocation of student numbers exercise in 2012 which resulted in some HEIs having to commit to an average fee of £7,500.
 - the reductions across the sector in budgets for teaching, widening access and innovation & engagement, whilst research funding remained static. With the expectation of further reductions in 2014/15.
 - the impact on students and those who have been put off applying to HE due to the increased fees
 - the investment of 30% that is required to meet the fee plan requirements
 - the potential for students to have increased expectations due to the consideration that the higher fee is 'additional income' and being unaware of the cuts in other budgets and of the removal of direct grant.
- **Does the new tuition fee policy create a greater or lesser level of financial uncertainty for Higher Education Institutions? Please explain your answer.**
 - There is a greater level of uncertainty and not just around finance. Under the new fee regime we have had three rounds of fee plans approved and the rules and guidance year-on-year have changed. This does not give Universities an effective planning cycle or opportunities to evaluate the impact of the changes that have just occurred before they have to make decisions that will affect future recruitment. There are major changes in and funding arrangements across the UK as well as in Wales. Also changes in student number controls, patterns of recruitment and visa restrictions have made this a very uncertain time for higher education.

- **Does the current funding regime provide effective financial support to students from the lowest income households and is this the most cost effective way of financially supporting this cohort of students?**
 - It is too early to fully understand the impact on students from the lowest income households.
 - We would again stress that this needs to be considered alongside broader policy changes such as the removal of widening access strategy funding and potential reduction/removal of widening access premium funding in 2014/15). Consider also needs to be give to the proposed changes to Part time funding arrangements as these will also impact on widening access cohorts.

- **What are the financial implications of more expensive subjects (e.g. medicine and engineering) being funded under the new tuition fee regime given that some courses may cost in excess of the maximum £9,000 per annum for Higher Education Institutions to deliver?**
 - The implication would seem to be that some areas will be unsustainable if not supported by other funding. This could result in institutions adjusting their portfolio and not offering certain subjects.